



ABOUT

PepinNini Lithium Limited is a diversified ASX listed Exploration Company focused on exploring and developing a lithium brine resource and production project in Salta Province Argentina within the Lithium Triangle of South America. The Company also holds strategically located exploration tenements in the Musgrave Province of South Australia. The company also holds a copper-gold exploration project in Salta Province, Argentina

DIRECTORS

Rebecca Holland-Kennedy

Managing Director

Philip Clifford

Non-Executive Director

Andre Wessels

Non-Executive Director

Dom Francese

Company Secretary

CONTACT

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FURTHER INFORMATION

Ms Rebecca Holland-Kennedy

Managing Director

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March Quarter Activities and Cash Flow Reports

- **Acquisition of Gold Mine Project** – binding term sheet signed for the acquisition of the Gilded Rose Gold Mine Project in Queensland with Ausmex Mining Group Limited(ASX:AMG) The project contains a JORC2004 gold resource⁽¹⁾ and a gold processing plant. Due diligence currently underway to confirm acquisition.
- **NiCul Minerals Musgrave Project** – suspension of project due to Anangu Pitjantjatjara Yankunytjatjara management of COVID-19.
- **Argentina Lithium Brine Project** – suspension of exploration due to lack of investor interest and COVID-19 travel and activity restrictions.
- **Termination** of the proposed acquisition (announced ASX:24th December 2019) of gold exploration projects in South Australia from Patron Resources Ltd.
- **Corporate** – resignation of Director Sarah Clifton-Brown on 5 March and appointment of Non-Executive Director Andre Wessels on 9 March. Completion of private placement to sophisticated investor to raise \$50,000.

AUSTRALIA



Australian Projects

Project Acquisition – Gilded Rose Gold Mine Project

PepinNini Lithium Ltd (PNN, the Company) have signed a binding term sheet for the acquisition of the Gilded Rose Gold Mine Project in Cloncurry Queensland from Ausmex Mining Group Ltd (ASX:AMG) 20 April 2020. The acquisition is for 100% of the project which includes 4 gold mining leases, one exploration licence and a gold (CIP – Carbon in Pulp) processing plant with a design capacity for the processing of 60,000 tonnes per annum. (currently not in operation)

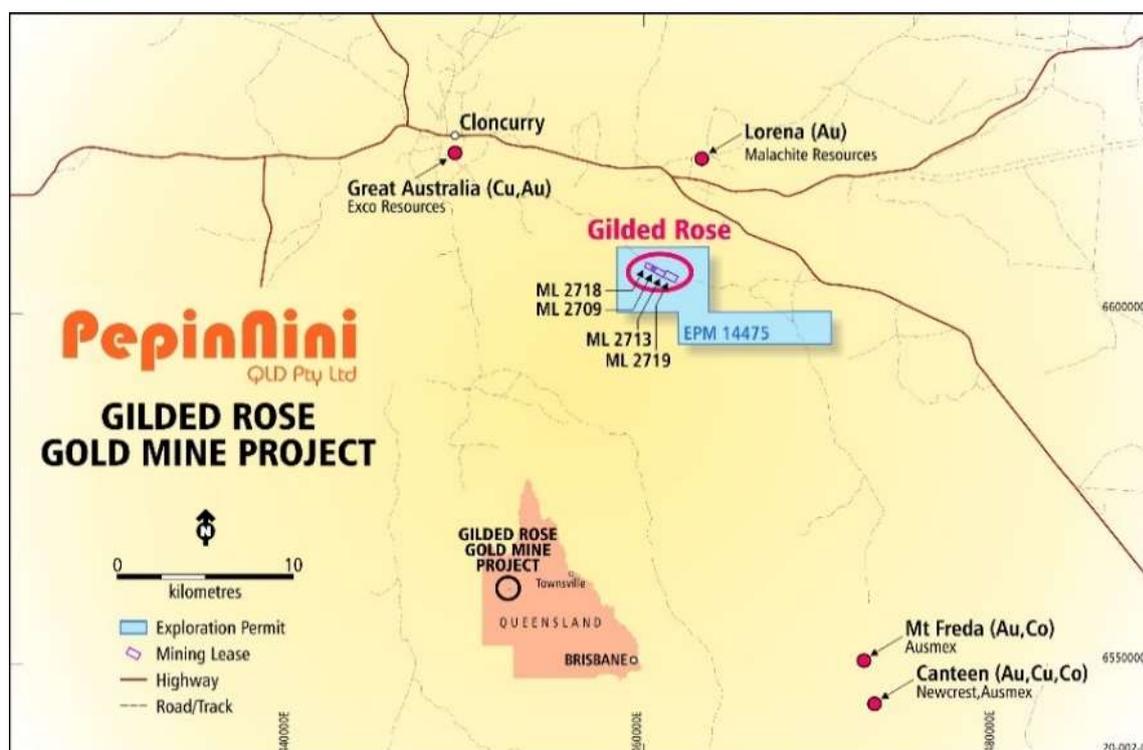
The Transaction

The Acquisition is subject to due diligence and the purchase consideration includes:

- An initial non-refundable fee of \$20,000 and, immediately upon completion of due diligence to the satisfaction of PNN, a further payment of \$80,000.
- \$1,400,000 cash payable on transaction completion, currently targeted for 30 June 2020.
- \$1,000,000 scrip payment in listed shares (ASX:PNN) following completion, at an agreed issue price of \$0.002 per share.
- \$500,000 cash payment, payable 18 months following completion, currently targeted for 31 December 2021.
- \$1,000,000 milestone cash payment due upon 10,000 oz gold production.

Completion of the Acquisition is subject to a number of conditions including:

- completion of due diligence to the satisfaction of PNN before 21 May 2020 subject to any delay caused by COVID-19,
- shareholder approval for the share component of the consideration,
- completion of a capital raising of \$2 million (also subject to shareholder approval),
- the negotiation and execution of formal transaction documents.



The Project

The project includes 4 gold mining leases, one exploration licence and a gold (CIP – Carbon in Pulp) processing plant. The site was historically mined intermittently since 1870, with numerous old pits and shafts.

Previous owners, Queensland Mining Corporation Ltd, reported (ASX:QMN 22 March 2011) a gold resource from a Mineral Resource Estimate⁽¹⁾ prepared in accordance with JORC 2004 Standards that the Company intends to upgrade to JORC 2012.

Indicated and Inferred Resources above 0.5g/t Au Cut-off			
Confidence	Tonnes	Au g/t	Au oz
Indicated	22,700	5.11	3,750
Inferred	120,800	4.0	15,650
Total	143,500	4.2	19,400

Table 1 – Indicated and Inferred Resources Gilded Rose Project

Subsequent drilling by current owners AMG in 2017 (ASX: AMG 20 and 29 November 2017) reported high grade gold intersections extending the gold mineralisation. Gold intersects of up to 22g/t Au below the current Gilded Rose Open Cut and a new high-grade gold zone of 4m @ 11.35g/t Au including 3m @ 14.56g/t Au from a depth of 41m to the west of the current Gilded Rose open cut (boreholes GR17RC16 and GR17RC23 refer Figure 1 below) have been reported.

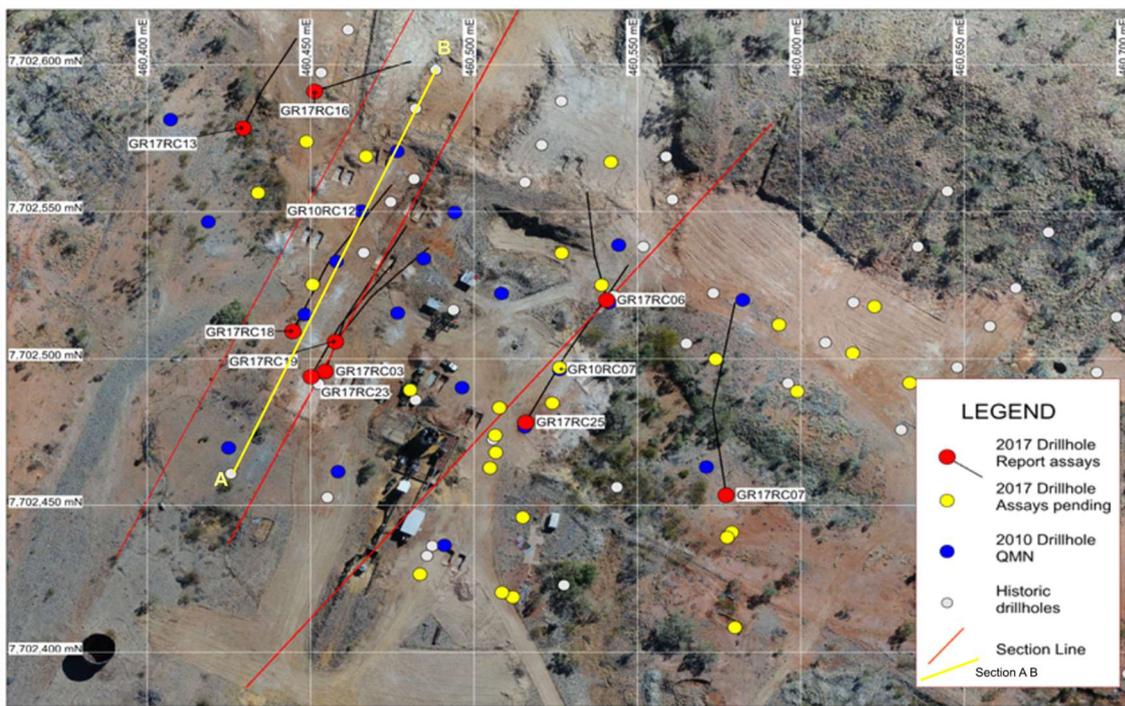


Figure 1 - Gilded Rose drill hole location plan GR17RC23 and GR17RC16 drilled to the west of the current open cut

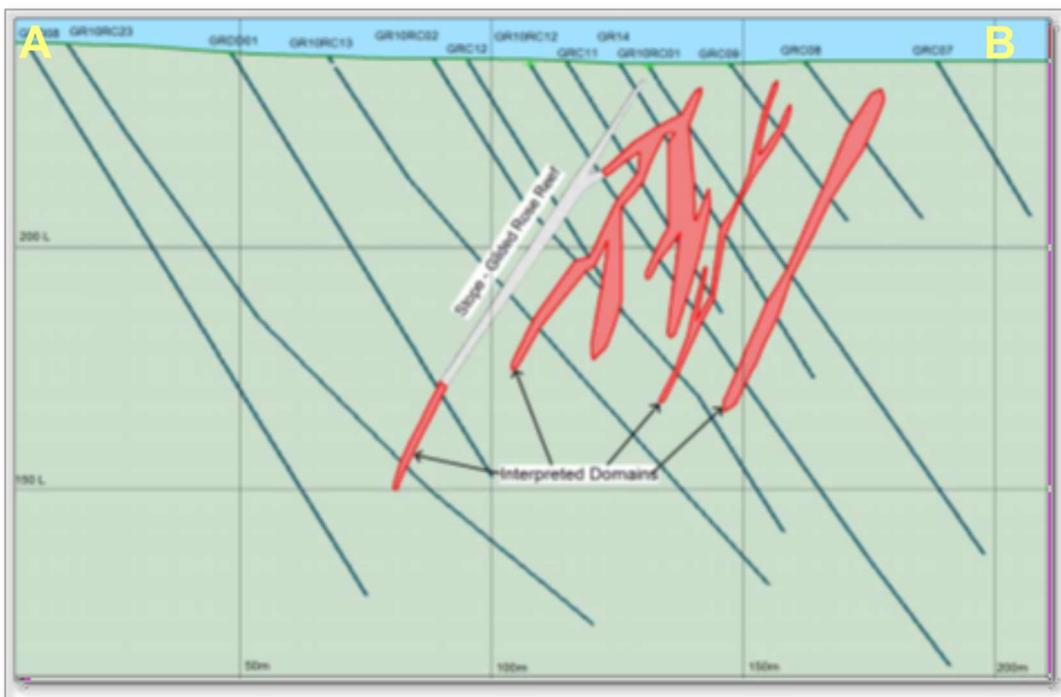


Figure 2 - Cross section A B (looking North-West) through Gilded Rose showing (+0.5g/t cut-off) resource block estimates

Activities for June quarter and beyond

The Company will carry out due diligence on the project, including the mining equipment, resource, historical data and mining, tenement standing and environmental factors. A formal transaction

document will be negotiated and agreed, with transaction completion conditional on conclusion of due diligence to the satisfaction of PNN and a capital raising of \$2 million. A shareholder meeting will then be called to approve the issue of shares in excess of the Company's placement capacity.

Subject to successful completion of the Gilded Rose Mining Project Acquisition by PNN, the Company then plans to:

- raise further capital to enable the commencement of gold production at Gilded Rose
- upgrade the gold resource to JORC 2012 in the area that would be suitable for open pit mining
- review drilling by previous owners and possibly carry out further drilling to enlarge and extend current gold resources
- re-condition the gold processing plant and equipment
- undertake mine planning for an initial open pit followed by a potential underground operation for deeper resources
- obtain approval to commence mining at Gilded Rose in 2021

Musgrave Province Projects

PNN's 100% Musgrave Project includes 8 exploration licence applications and 2 granted exploration licences in the name of NiCuI Minerals Ltd (NCL) a wholly owned subsidiary of the company. The tenure covers 14,003 km² of the Musgrave Province within the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands of north west South Australia in the (See Figure 3). NCL are targeting Nickel- Copper- Cobalt minerals. A number of targets have been generated from an airborne electromagnetic (EM) survey flown in a collaboration with CSIRO and Geoscience Australia in 2016.

During the quarter the traditional owners APY closed access to the Lands to help manage the COVID-19 crisis (24 March 2020 <http://www.anangu.com.au/index.php/media-releases/295-apy-t>). No field work was carried out during the quarter on NCL tenements.

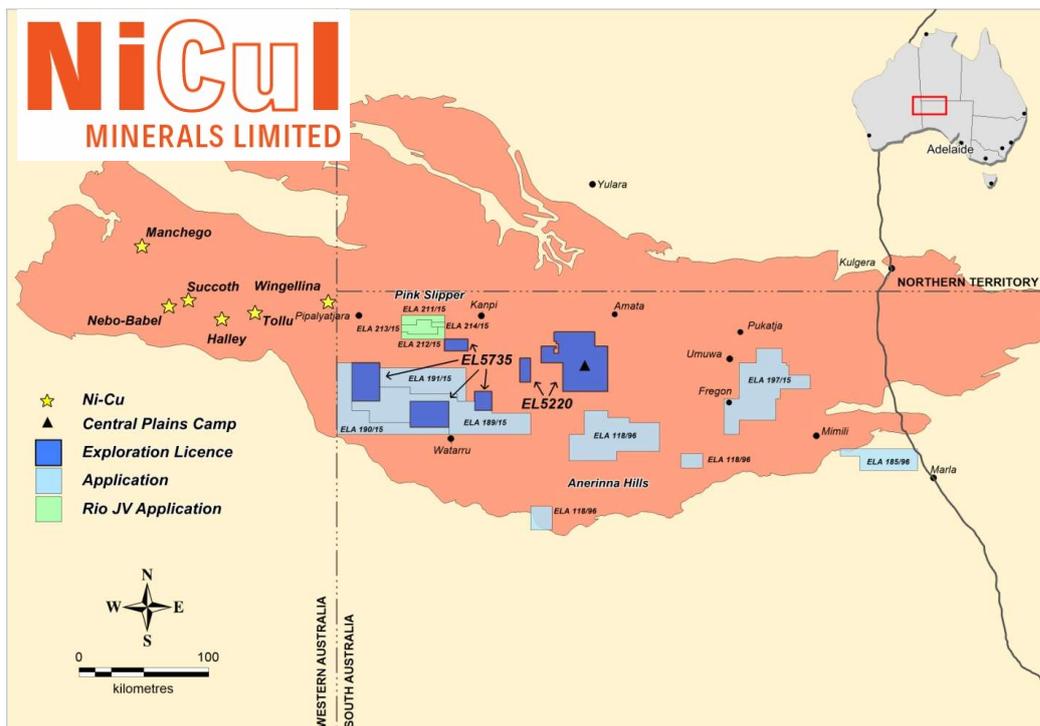


Figure 3: Musgrave Project locations, South Australia

Farm-in to Rio Tinto (South Australia)

NCL is earning an interest in 4 exploration licence applications (ELAs) of 615 km² from Rio Tinto Exploration Pty Ltd (Rio) in the Musgrave Province (Figure 3 above). The exploration licence applications cover the highly prospective geophysical target; the Pink Slipper target (Figure 3).

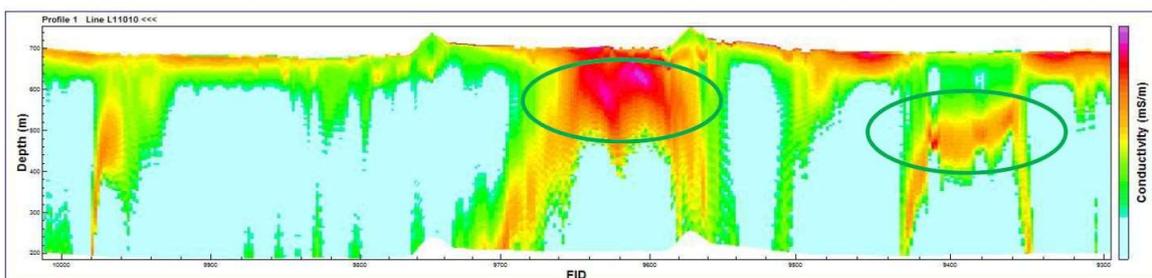


Figure 4 – Pink Slipper Geophysical Target ELA 2015/214 (courtesy CSIRO Spectrem EM Survey Mar 2019⁽²⁾)

NiCul Minerals Ltd is operator on behalf of the project participants. Following representation made the previous quarter to the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands Executive Board, progress has been made on seeking the appropriate traditional owners for the land of the ELA. The exploration deed which has been approved in principle is subject to negotiation of various financial and exploration logistical matters and a successful community consultation with the appropriate traditional owners. The first ELA under the agreement is ELA 2015/00214 which covers 37km² and includes the Pink Slipper geophysical target (Figure 4). Following the successful granting of the ELA, NCL plans to drill test the Pink Slipper feature.

During the quarter the traditional owners APY closed access to the Lands to help manage the COVID-19 crisis (24 March 2020 <http://www.anangu.com.au/index.php/media-releases/295-apy-t>). Any further community consultation to progress the exploration deed is restricted till the COVID-19 situation is resolved. The Company will seek to resume the community meetings once the control measures are lifted.

ARGENTINA

Salta Province Projects

PepinNini Lithium Ltd's (PNN or the Company) wholly owned Argentine subsidiary PepinNini SA (PNN SA) holds nine mining licences (*mina*) totalling 20,840 hectares in the western part of Salta Province, NW Argentina. The properties are considered prospective for lithium brine aquifers associated with dried *salares* (salt lakes).

No work on the project was carried out during the quarter and the Company will continue to hold and maintain the lithium project until post COVID-19 investor interest improves.

Salar	Mina	Area (hectares)*	Work to date and planned
Salar de Pular	Sulfa 1	657	Drilling completed –resource re-stated
Salar de Pular	Moncho	2,128	Drilling completed –resource re-stated
Salinas Grandes	Luxemburgo	2,495	Planned geophysics (VES) – on hold
Salar de Arizaro	Ariza Sur 1	3,004	Planned geophysics (VES) – on hold
Salar del Rincon	Villanovena 1	1,586	Drilling completed – initial resource stated, brine simulation studies completed – blended brine testing to be undertaken – on hold
Salar Pocitos	Tabapocitos 02	2,970	Drilling completed
Salar Pocitos	Pocitos II	3,000	Drilling completed
Salar de Arizaro	La Maderita	3,000	Planned geophysics (VES) – on hold
Salar de Incahuasi	Sisifo	2,000	Geophysics (TEM) completed, surface trenching sampling completed for blended brine testing,
Total		20,840	
* 100hectares = 1sqkm			

Table 2: PepinNini SA Lithium Project Mining Leases (Mina)

The projects all occur within the recognised "Lithium Triangle" which covers parts of Argentina, Chile and Bolivia.

During last quarter brine samples from the Incahuasi Project (Figure 7) were prepared for laboratory bench testing following the computer simulations of brine blending reported ASX:16 July 19 and ASX: 4 October 2019 (Table 3). The blended brine simulates an enriched brine evaporate with a concentration of 3.05% (30,500 parts per million (ppm)) lithium and very low magnesium contaminate at 1.6:1 Mg : Li.

The laboratory bench testing will involve brine blended from the Company's Incahuasi and Rincon Projects as per Figure 8.

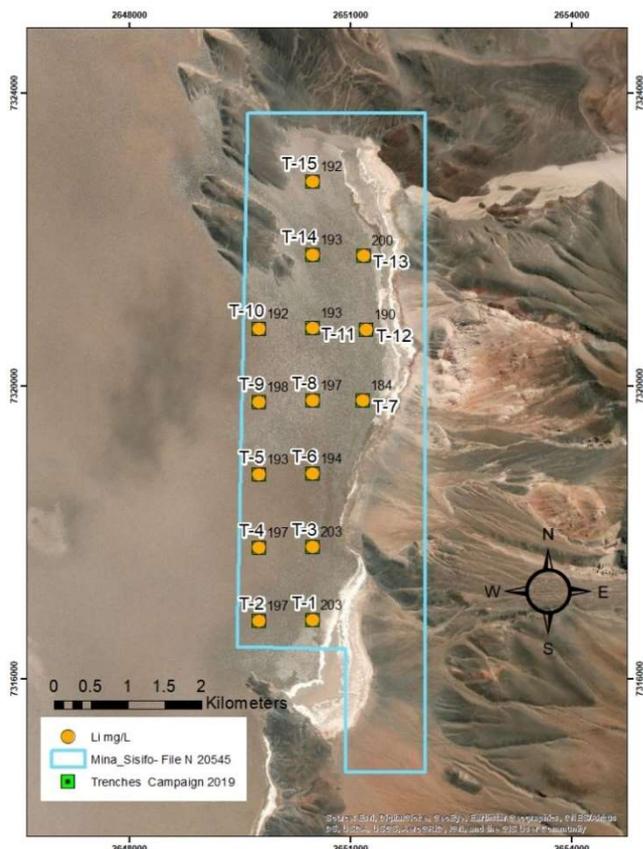


Figure 7 – Brine Trenching locations and results Incahuasi Salar

	H ₂ O Water %	Li Lithium %	Na Sodium %	K Potassium %	Ca Calcium %	Mg Magnesium %	Cl Chloride %	SO ₄ Sulphate %	BO ₂ Borate %
Final Brine	59.61	3.05	0.12	0.11	0.47	5.04	31.42	0.005	0.00003

Table 3 - Final Brine Composition – Rincon Incahuasi Blend

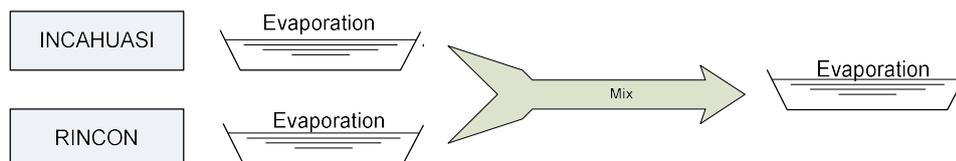


Figure 8 Concentrated Brine Mix Pathway

When activities resume post COVID-19 and investor interest returns samples from monitoring boreholes from Rincon Salar will be taken to incorporate with those already taken from Incahuasi

Salar and the actual laboratory testing of the blended brine product would then follow for a period of 3 months.



Photo 1 – Wind Tunnel and Evaporation Testing

The testing will involve a laboratory scale wind tunnel to create accelerated evaporation conditions to enrich brine samples. It is critical to calculate the optimum pre-concentration point for blend composition which will optimise the lithium concentration for blending the brines and reduce the transport cost of brine to the evaporation ponds. The testing is to approximate actual evaporation and concentration of lithium brine to produce lithium carbonate and the aim is to provide actual data on a blended product following computer simulations of a blended brine product. Figure 9 presents the prospective process flow diagram for a production of lithium carbonate from brines, where brines are concentrated by evaporation in solar ponds and then they are fed to a lithium carbonate plant.

The proposed process of brine concentration in solar evaporation ponds is divided into three areas: Incahuasi Ponds, Rincon Ponds and Mix Brine Ponds.

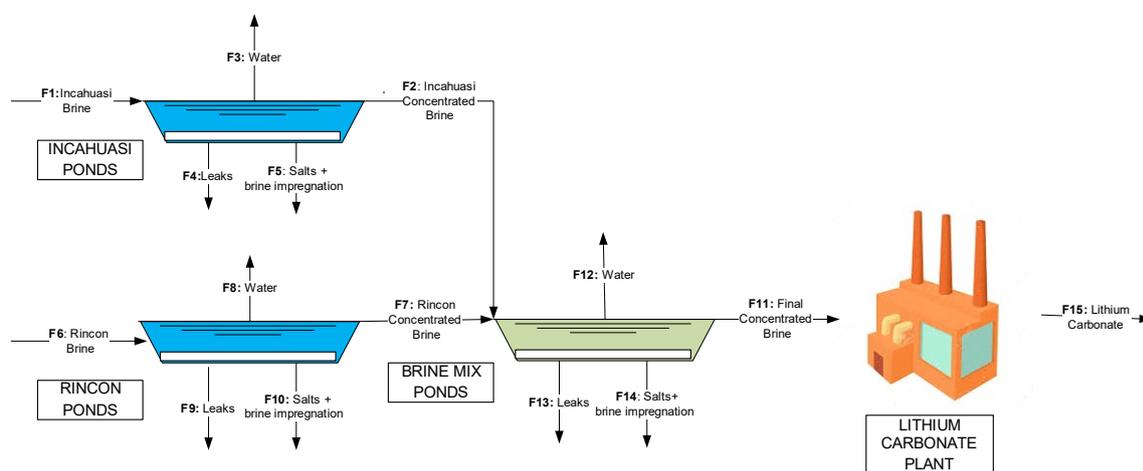


Figure 9 Flow diagram for the proposed process

Argentina Copper-Gold Project

PepinNini SA also hold 4 mining leases over 6,840 ha which are prospective for Copper and Gold, the Santa Ines Project. No field exploration activities were carried out during the quarter on these projects.

TENEMENT SCHEDULES

Australia

Tenement	Tenement Name	Area Km ²	JV	PepinNini Interest	Grant Date
South Australia					
EL 5735	Mt Harcus	1,607		100%	25/10/10
EL 6148	Mt Caroline	1,918		100%	25/2/13
ELA 118/96	Anerinna Hills	2,415		100%	application
ELA 185/96	Willugudinna	823		100%	application
ELA 367/09	Mt Caroline West	46		100%	application
ELA 368/09	Hanging Knoll	34		100%	application
ELA 189/15	Katalina	2,360		100%	application
ELA 190/15	Mt Agnes	1,342		100%	application
ELA 191/15	Krewinkel Hill	1,256		100%	application
ELA 197/15	Ironwood Bore	2,202		100%	application
ELA 211/15	Tjintalka	184	JV02	earning 51%	application
ELA 212/15	Kapura	160	JV02	earning 51%	application
ELA 213/15	Jalukana	234	JV02	earning 51%	application
ELA 214/15	Tjalukana	37	JV02	earning 51%	application
Totals		14,618			

Argentina

	Tenement	Type	Project	Application	Granted	Applied Area Ha	Title Holder
	Cu-Au	Mina	Santa Ines	27-Sep-10	20-Sep-11	18	PNN SA 100%
	Cu-Au	Mina	Santa Ines	18-Jul-13	28-Aug-14	3,000	PNN SA 100%
	Cu-Au	Mina	Santa Ines	11-Oct-14	30-Nov-15	2,609	PNN SA 100%
	Cu-Au	Mina	Santa Ines	11-Oct-14	9-Sep-15	511	PNN SA 100%
						6,138	
	Li Brine	Mina	Salar de Pular	2-Jun-16	22-Feb-17	657	PNN SA 100%
	Li Brine	Mina	Salinas Grandes	2-Jun-16	22-Jun-16	2,495	PNN SA 100%
	Li Brine	Mina	Salar de Arizaro	2-Jun-16	22-Jun-16	3,004	PNN SA 100%
	Li Brine	Mina	Salina del Rincon	2-Jun-16	22-Jun-16	1,586	PNN SA 100%
	Li Brine	Mina	Salar Pocitos	2-Jun-16	22-Jun-16	2,970	PNN SA 100%
	Li Brine	Mina	Salar Pocitos	17-Aug-16	19-Sept-16	3,000	PNN SA 100%
	Li Brine	Mina	Salar de Arizaro	4-Aug-17	17-Oct-14	3,000	PNN SA 100%
	Li Brine	Mina	Incahuasi Salar	22-Feb-18	13-Jun-18	2,000	PNN SA 100%
	Li Brine	Mina	Salar de Pular	5-Dec-17	8-Feb-18	2,128	PNN SA 100%
						20,840	
	Total 13					26,978	

References:

⁽¹⁾Gilded Rose Project, Cloncurry, QLD, Resource Estimation Report for Queensland Mining Corporation Ltd, 18 March 2011, *The data preparation, interpretation and wireframing of the mineralised domains and the resource estimates were performed by James McILwraith, AusIMM, of JM Geological Consulting Pty Ltd (JMGC), who qualifies as a Competent Person under the meaning of the 2004 JORC Code.*

Cautionary Statement in relation to this resource estimate

- *the estimates of Mineral Resources or Ore Reserves are not reported in accordance with the JORC Code 2012;*
- *a Competent Person has not done sufficient work to classify the estimates of Mineral Resources or Ore Reserves in accordance with the JORC Code 2012;*
- *it is possible that following evaluation and/or further exploration work the currently reported estimates may materially change and hence will need to be reported afresh under and in accordance with the JORC Code 2012;*
- *that nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the former owner's estimates; but*
- *the Company has not independently validated the former owner's estimates and therefore is not to be regarded as reporting, adopting or endorsing those estimates*

⁽²⁾ June 2018 reference to AEM survey Musgrave Province in which PepinNini participated (ASX:30 January 2017)

https://www.researchgate.net/publication/328138882_Peeling_back_the_cover_on_an_ancient_landscape-AEM_in_the_Musgrave_Province_South_Australia

Competent Person Statement

The section on the Salta Lithium project has been prepared with information compiled by Marcela Casini, MAusIMM. Marcela Casini is the Exploration Manager-Argentina of PepinNini Lithium Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Marcela Casini consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this report that relates to Exploration Results and Mineral Resources for the Australian Musgrave Projects is based on information compiled by Phil Clifford BSc MAusIMM. Phil Clifford is a Non-Executive Director of PepinNini Lithium Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Phil Clifford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information contained in this announcement relating to exploration results from the Gilded Rose Project owned by Ausmex Mining Group Ltd are based on information compiled by Mr. Matthew Morgan, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Morgan is the Managing Director of Ausmex Mining Group Limited and Geologist whom has sufficient relevant experience in relation to the mineralization styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral resources and Ore reserves (JORC Code 2012). Mr. Morgan consents to the use of this information in this announcement in the form and context in which it appears.

This announcement was authorised for issue by the Directors of PepinNini Lithium Ltd

For further information please contact:

Rebecca Holland-Kennedy
Managing Director, PepinNini Lithium Limited
Phone: (08) 8218 5000

Note: Additional information on PNN is available at www.pepinnini.com.au

**Appendix 5B - Mining exploration entity and oil and gas exploration entity
quarterly report**

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

PepinNini Lithium Limited

ABN

55 101 714 989

Quarter ended ("current quarter")

March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(97)	(489)
(b) development		
(c) production		
(d) staff costs	(37)	(160)
(e) administration and corporate costs	(91)	(398)
1.3 Dividends received (see note 3)		
1.4 Interest received	0	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(225)	(1,046)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments (tenement acquisition deposit)	(0)	(20)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		13
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(0)	(7)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	50	350
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings	50	50
3.6 Repayment of borrowings	-	(122)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	100	278

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	268	918
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(225)	(1,046)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(0)	(7)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	100	278

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	143	143

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	143	267
5.2	Call deposits	-	-
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	143	267

6. Payments to directors of the entity and their associates

Current quarter \$A'000

6.1 Aggregate amount of payments to these parties included in item 1.2

57

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

1. Chairman, Managing, and Non-Executive Directors' Remuneration \$52,314.14

2. Chairman, Managing, and Non-Executive Directors' Superannuation \$4,969.86

7. Payments to related entities of the entity and their associates

Current quarter \$A'000

7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	75
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	50
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	125

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	nil			-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	nil		-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: Date: 29 April 2020.

(Director/~~Company secretary~~)

Print name: Rebecca Holland-Kennedy.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.