

Pepinini Minerals Limited

Report for the Quarter Ending 31 March, 2014

28 April 2014



Highlights during the quarter

- ◆ **Argentina Project** – South America, high priority Porphyry Cu-Au and Epithermal Cu-Au targets defined following phase-1 of systematic exploration activities.
 - 'El Obsequio' (The Gift) Epithermal Cu-Au target
 - Multiple secondary copper workings (Santa Ines Mine)
 - Coincident anomalous poly-metallic values with maxima of 3.256% Copper, 0.8 g/t gold, 12.5 g/t silver, 91.1ppm molybdenum in rock chip samples
 - 'La Recompensa' (The Reward) porphyry Cu-Au target
 - Intersection of major lineament zones, the NW trending Archibarca mega-lineament (host to La Escondida) and major NE structure
 - 1.4km x 0.8km concealed magnetic target identified for further geophysical investigation
 - Mineralogy indicative of porphyry copper environment
- ◆ **Strategic Review** – The company undertook an extensive review of all aspects of exploration projects and operations to ensure the focus is on shareholder value and efficient use of assets.
- ◆ At the end of the quarter the Company held \$0.46 million in cash. Subsequent to the end of the quarter receipt of revenue from drilling activities added a further \$120k to available funds.



Project Locations

ARGENTINA

Salta Projects

PepinNini has one granted exploration lease (cateo), five granted mining leases (mina) and six applications for mining leases (mina) covering approximately 335 kms² in the Argentine province of Salta. The Salta Projects comprise two separate areas designated as Santa Ines and Chivinar and the Santa Ines Project comprises one granted mining lease, one granted exploration tenement and one mining lease application covering approximately 82 km². The Chivinar Project comprises four granted mining leases and five mining lease applications and covers 253 kms².

During the March quarter, significant advancements were made on the Company's Santa Ines Project with the results of phase-1 ground magnetics, rock chip sampling and geological mapping highlighting two exciting porphyry-epithermal prospects, 'La Recompensa' and 'El Obsequio'.

Both prospects are located near the intersection of major NE structures and the NW trending Archibarca mega-lineament (Figure 1), which hosts the giant Escondida Copper-Gold Project 80km to the northwest in Chile. These crustal structures are widely recognised as being fundamental in the control and distribution of porphyry-epithermal deposits.

El Obsequio epithermal Cu-Au Prospect (Figure 2) contains multiple historic artisanal copper workings where grab samples have returned up to 21.1% copper, 0.9 g/t gold, and 34.9 g/t silver (ASX release 15 June 2012). Ground magnetics has highlighted multiple concealed magnetic anomalies (up to 400x200m) within the area, possibly sourced by mineralised magnetite veins similar to those observed in outcrop (Figure 3). Sampling across the prospect in December 2013 highlighted coincident anomalous poly-metallic values with maxima of 3.26% Copper, 0.8 g/t gold, 12.5 g/t silver in rock chips (ASX release 28 February 2014).

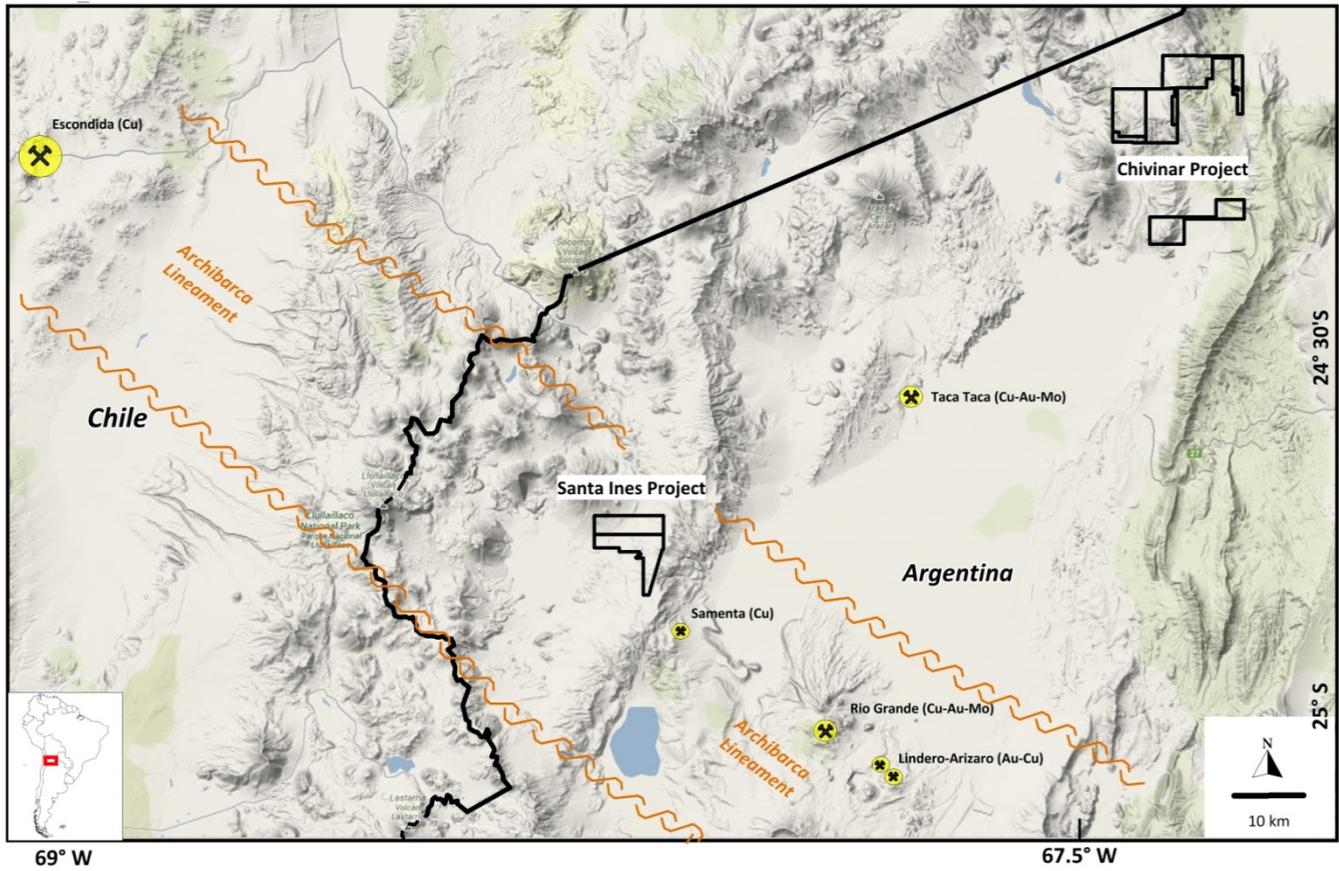


Figure 1 Santa Ines Project – Archibarca Structural Corridor

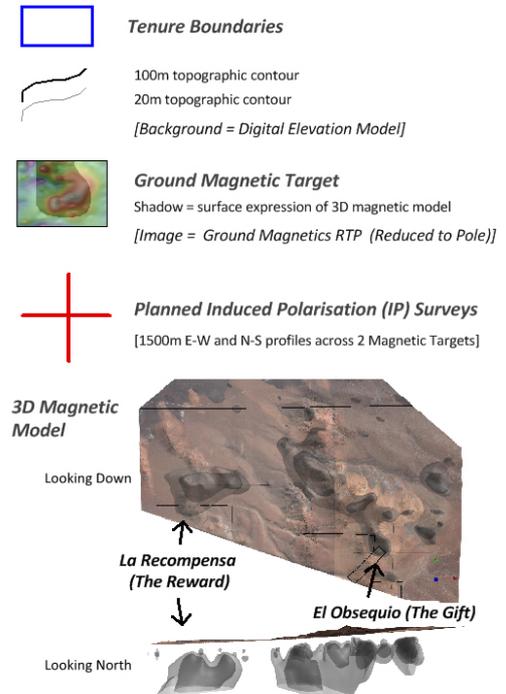
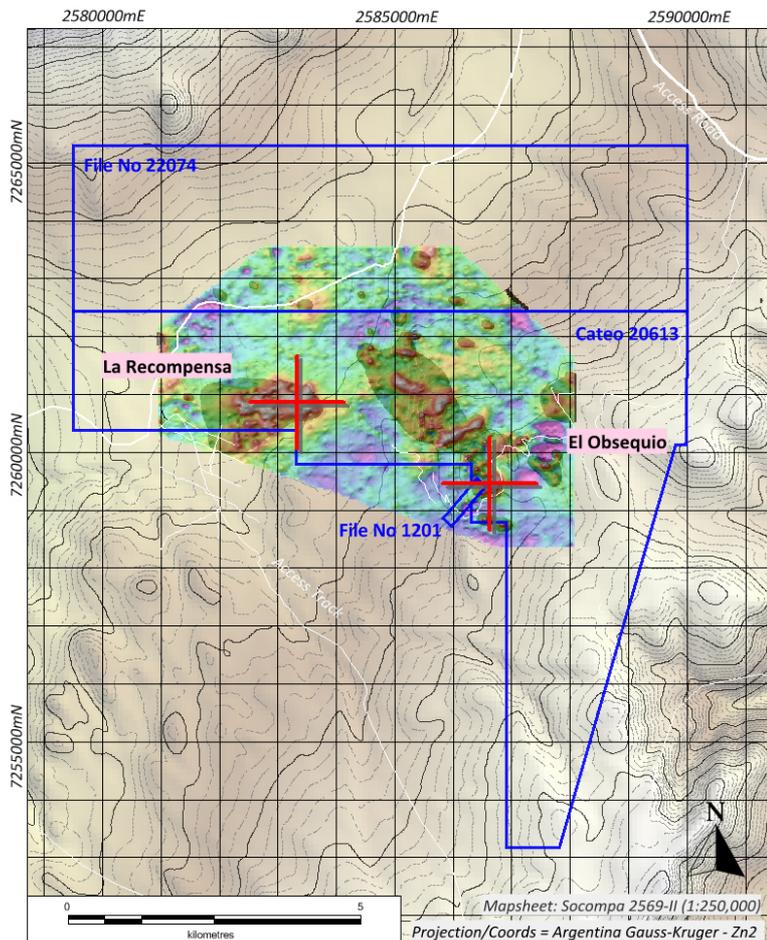


Figure 2 - Proposed Geophysical Survey April 14

La Recompensa Porphyry Cu-Au Prospect was identified during December 2013 as a large (800m x 1400m) ground magnetic anomaly whereby 3D inversion modeling has indicated a discrete magnetic source which deepens to the west. This is significant given the association of gold-copper mineralisation with magnetite at the nearby Lindero and Rio Grande deposits. The identification of “D” veinlets with pyritic cores and semi-coincident propylitic alteration assemblages (epidote-chlorite) provides further analogies to the porphyry copper environment.



Figure 3 Hematite matrix breccias with trace copper mineralisation from within major shear zone located near the ‘El Obsequio’ epithermal Cu-Au prospect.

Phase II exploration activities(ASX announcement 14 April 2014) will include

- additional rock chip sampling
- geological mapping over the La Recompensa prospect,
- east-west and south-north Induced Polarisation (IP) surveys over shallower portions of the modeled magnetic anomalies

to target mineralised sources worthy of drill testing.

SOUTH AUSTRALIA

Musgrave Province Projects

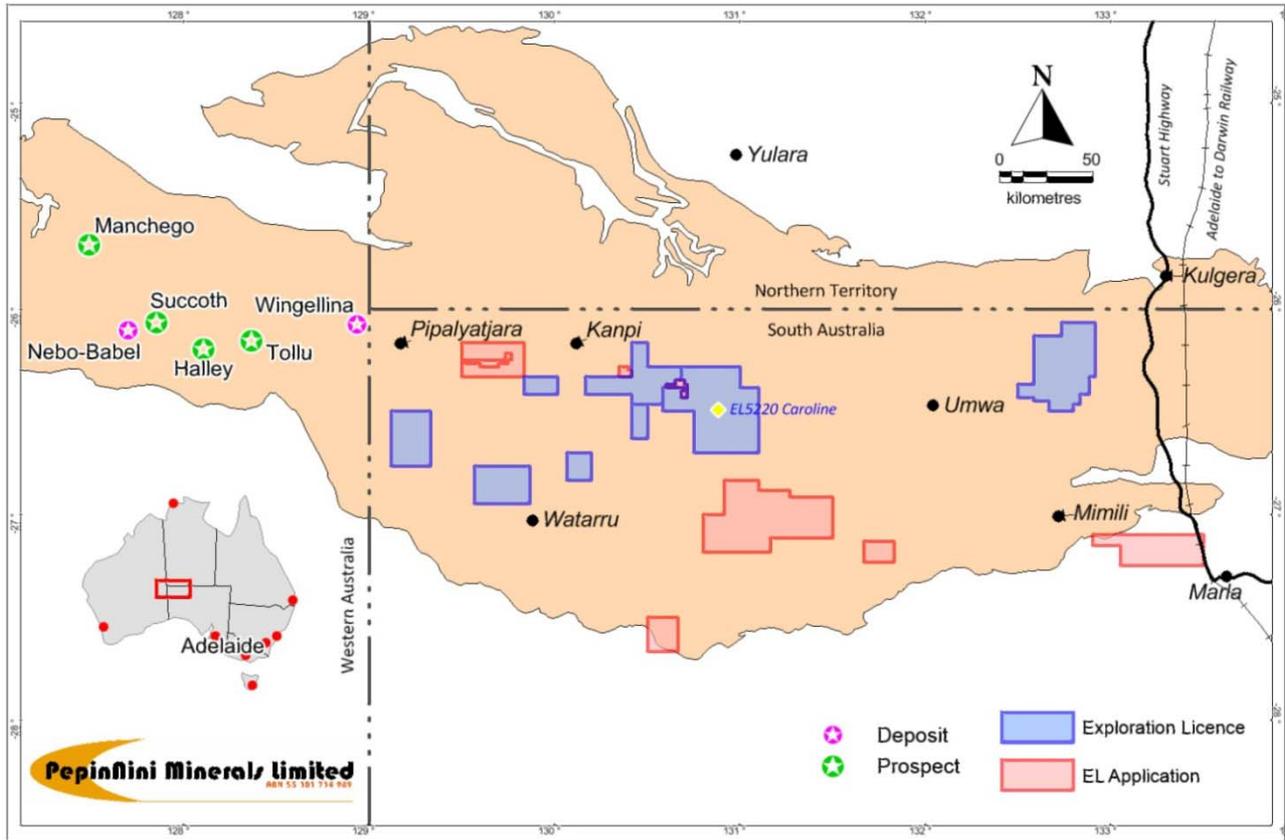
The Company's wholly owned subsidiary NiCul Minerals Ltd holds 3 granted exploration licences and four licence applications in the APY Lands of far north west of South Australia. Another granted exploration licence and two applications are earning 51% in agreement with Rio Tinto Exploration.

No exploration activities were reported during the March quarter for the Company's Musgrave Project. Work program clearances scheduled for EL5220 Caroline were delayed due to poor weather conditions. The work program clearances are scheduled for late May.

The company received preliminary interpretations from CSIRO for a geochemical study aimed at assessing the Ni-Cu and PGE mineral prospectivity of the Caroline Intrusion. The results of the study are currently under review and will contribute to PepinNini's targeting criteria for magmatic Ni-Cu mineralisation within unexplored portions of the Caroline Project.

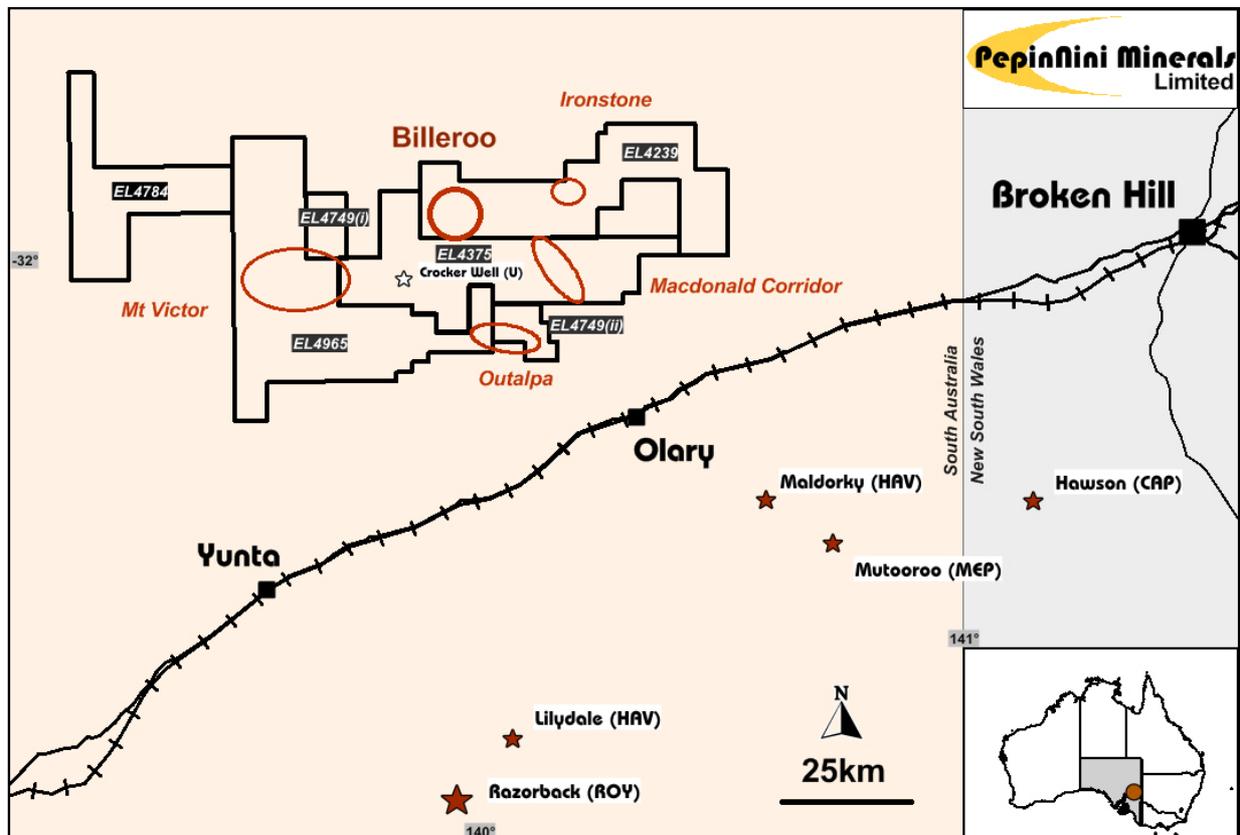
No further exploration activities were undertaken within the Rio Tinto JV Woodroffe Project area (EL5185) during the quarter.

Figure 4 - Tenement Location Plan – Musgrave Projects



Curnamona Province Projects

Figure 5 Curnamona Projects – Tenement Location Plan



Exploration within the Curnamona Province Projects' area, which includes the Crocker Well Uranium Deposit, is being managed by Sinosteel PepinNini Curnamona Management Pty Ltd (SPCM) on behalf of the Joint Venture partners Sinosteel Corporation (60%) and PepinNini Minerals (40%). The Joint Venture has prioritized the investigation of the iron ore potential of the five tenements covering approximately 3,605 kms² held by the Joint Venture. No exploration activities were undertaken during the quarter.

WESTERN AUSTRALIA

Robinson Range Iron Ore Project

The Robinson Range Project comprises seven tenements that cover approximately 700km². PepinNini has a 50% interest in the iron ore contained within three tenements and a 40% interest in the iron ore contained within the other four tenements and manages exploration on behalf of the Joint Venture partners. PNN Area C is located within exploration tenement E51/1033 held by PepinNini Robinson Range Pty Limited (40%), Resource and Investment NL (ASX:RNI) (40%) and Fe Limited (ASX:FEL) (20%).

The joint venture has delineated an Inferred Mineral Resource for PNN Area C as follows; (*PNN ASX Release 6th June, 2012*);

Table 1 Inferred Mineral Resource Estimate for PNN Area C (June, 2012)

Million Tonnes	Cut Off %Fe	Density SG	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	TiO ₂ %	LOI %
17.7	45	3.6	49.7	13.3	8.5	0.06	0.04	0.29	5.4
4.3	52	3.8	55.2	8.5	6.5	0.06	0.05	0.21	4.7

No iron ore field activities were undertaken on the project during the quarter.

NORTH QUEENSLAND

PepinNini Minerals continues to hold five tenements in North Queensland following the sale of six tenements completed in June 2013. Three of the remaining licences are considered prospective for uranium and cover 415km². No field activities were undertaken during the quarter.

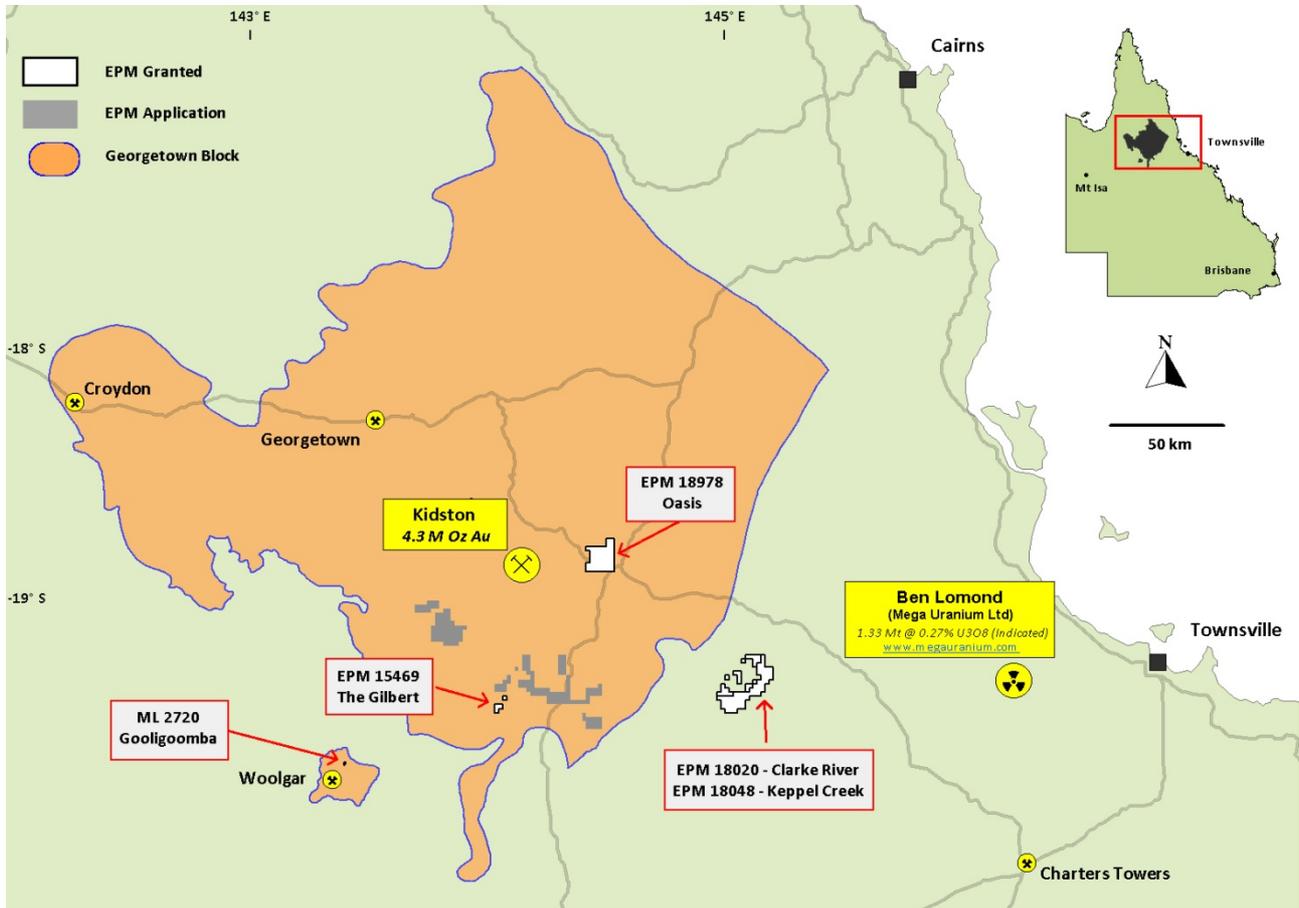


Figure 6 - Queensland Tenement Regional Location Plan

TENEMENT SCHEDULE

Australia

Tenement	Tenement Name	Area Km ²	PepinNini Interest	Grant Date
South Australia				
EL 4375	Bimbowrie	843	40%	12.11.09
EL 4587	Mt Harcus	1,607	100%	25.10.10
EL 4749	Outalpa	201	40%	10.06.11
EL 4780	Pine Ridge	1,382	100%	13.10.11
EL 4784	Scott Hill	521	40%	13.10.11
EL 5185	Woodroffe	764	Earning 51%	24.09.12
EL 5220	Mt Caroline	1,918	100%	25.02.13
EL 4239	Kalabity	822	40%	12.03.09
EL 4965	Mt Victor	1,218	40%	30.07.12
ELA 278/82	Jalukana	77	Earning 51%	application
ELA 491/94	Aparatjara	537	Earning 51%	application
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
EL 5268	Yadlamalka	47	100%	13.06.13
Queensland				
ML 2720	Gooligoomba	83ha	100%	01.10.84
EPM 15469	The Gilbert	13	100%	07.03.07
EPM 18020	Clarke River	187	100%	04.02.13
EPM 18048	Keppel Creek	41	100%	31.03.11
EPM 18979	Oasis	147	100%	17.08.12
Western Australia				
E52/1964	-	33	50%	01.11.07
E52/1910	-	204	50%	10.08.06
E52/1723	-	60	50%	01.12.04
E52/1672	-	106	40%	22.09.05
E52/1670	-	27	40%	23.11.04
E52/1613	-	91	40%	29.03.06
E51/1033	-	161	40%	22.09.05
TOTAL (28)		14,317		

Argentina

Tenement	Type	Province	Application	Granted	Applied Area Ha	Title Holder
Santa Ines II	Mina	Salta	05-Jul-13	27-Jun-13	3,892	PNN SA 100%
Santa Ines X	Mina	Salta	08-Nov-13	not yet	379	PNN SA 100%
Santa Ines VII	Mina	Salta	15-Apr-13	28-Nov-13	3,500	PNN SA 100%
Santa Ines XI(tbc)	Mina	Salta	12-Mar-14	Not yet	525.6	PNN SA 100%
Santa Ines IV	Mina	Salta	25-Jun-12	09-Oct-13	3,598	PNN SA 100%
Santa Ines III	Mina	Salta	15-Mar-12	11-Jul-13	1,055	PNN SA 100%
Santa Ines V	Mina	Salta	25-Jun-12	Not yet	2,643	PNN SA 100%
Santa Ines VI	Mina	Salta	26-Jun-12	Not yet	3,500	PNN SA 100%
Santa Ines IX	Mina	Salta	30-Jul-13	Not yet	3,417	PNN SA 100%
Santa Ines	Cateo	Salta	13-Oct-10	17-Aug-12	3,133	PNN SA 100%
Mina Santa Ines	Mina	Salta	27-Sep-10	20-Sep-11	18	PNN SA 100%
Santa Ines VIII	Mina	Salta	18-Jul-13	Not yet	3,000	PNN SA 100%
28,661						

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Phil Clifford BSc MAusIMM. Phil Clifford is the Technical Director of PepinNini Minerals 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 2004 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. This information was prepared and first disclosed under JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

For further information please contact:

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

Note: Additional information on PepinNini Minerals Limited can be found on the website:
www.pepinnini.com.au

Mining exploration entity quarterly report

Rule 5.3

Appendix 5B

Mining 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

Name of entity

PepinNini Minerals Limited

ABN

55 101 714 989

Quarter ended ("current quarter")

Mar 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	8	156
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(603)	(1,720)
1.3 Dividends received		(442)
1.4 Interest and other items of a similar nature received	6	16
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid/refund	567	567
1.7 Other (provide details if material) PACE refund	-	110
Net Operating Cash Flows	(195)	(1,313)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	-	-
	-	-
	-	84
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	0	84
1.13 Total operating and investing cash flows (carried forward)	(195)	(1,229)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(195)	(1,229)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	546
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	-	200
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	0	746
	Net increase (decrease) in cash held	-195	(483)
1.20	Cash at beginning of quarter/year to date	653	941
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	458	458

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	121,353
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

1. Chairman, Managing Director, Administration Director and non-executive directors' Remuneration\$110,608
2. Chairman, Managing Director, Administration Director and non-executive directors' Superannuation	\$10,745

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	200	200
3.2 Credit standby arrangements		

+ See chapter 19 for defined terms.

Mining exploration entity quarterly report

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	400
4.2	Development	
4.3	Production	
4.4	Administration	200
Total		600

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.			
	Current quarter \$A'000	Previous quarter \$A'000	
5.1	Cash on hand and at bank	158	253
5.2	Deposits at call	300	400
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		458	653

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	EPM 18048	Expired and under renewal	100%	100%
6.2	Interests in mining tenements acquired or increased	E52/1670 E52/1723	Renewal granted Renewal granted	40% 50%	40% 50%

+ See chapter 19 for defined terms.

Appendix 5B Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	120,437,041	120,437,041	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	N/A	N/A
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	27,058,105	27,058,105	<i>Exercise price</i>	<i>Expiry date</i>
	2,500,000	0(employee)	5c	30 Jun 15
	2,500,000	0(employee)	4c	1 Jun 16
	1,600,000	0(employee)	6c	1 Jun 16
	2,500,000	0(employee)	12.5c	1 Jun 16
	2,500,000	0(employee)	5c	31 Dec 15
	2,500,000	0(employee)	6c	30 Jun 16
	2,500,000	0(employee)	7c	31 Dec 16
7.8 Issued during quarter	2,500,000	0(employee)	5c	31 Dec 15
	2,500,000	0(employee)	6c	30 Jun 16
	2,500,000	0(employee)	7c	31 Dec 16
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Mining exploration entity quarterly report

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:


Date: ...Monday 28th April 2014

Print name: Justin Nelson

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.

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