

# PepinNini Minerals Limited

## Report for the Quarter Ending 31 December, 2013

30 January 2014



### *Highlights during the quarter*

- ◆ **Chairman Appointed** – Murray Bailey was appointed Chairman of PepinNini Minerals Ltd. Mr. Bailey brings with him extensive mining industry experience from both Australia and overseas and his appointment is very significant to the company.
- ◆ **Musgrave Project**, South Australia: Geochemical results grading up to 0.25% Copper from analyses of drill core through massive to strongly disseminated magmatic sulphides collected during the previous quarter from the Marrawah Project SkyTEM<sup>508</sup> target.
- ◆ **Argentina Project** – South America, exploration commenced at the Santa Ines Project in Salta Province, north west Argentina.
- ◆ On 22 October the Company closed the shortfall period of the pro-rata Non-renounceable entitlement issue of options. The issue raised \$323,171 before costs representing 42% of the offer made. 5,259,048 Options were exercised during the quarter to raise \$262,952.
- ◆ At the end of the quarter the Company held \$0.65 million in cash. Subsequent to the end of the quarter receipt of the company's 30 Jun 2013 annual R&D tax offset refund has added \$0.6m to cash reserves.



## Project Locations

### SOUTH AUSTRALIA

#### Musgrave Province Projects

Exploration activities to further examine the magmatic nickel – copper sulphide targets within the Cooperinna Block of EL4587 (100% Pepinini) and Woodroffe EL5185 (Rio Tinto JV, Pepinini earning 51%) were reported during the quarter.

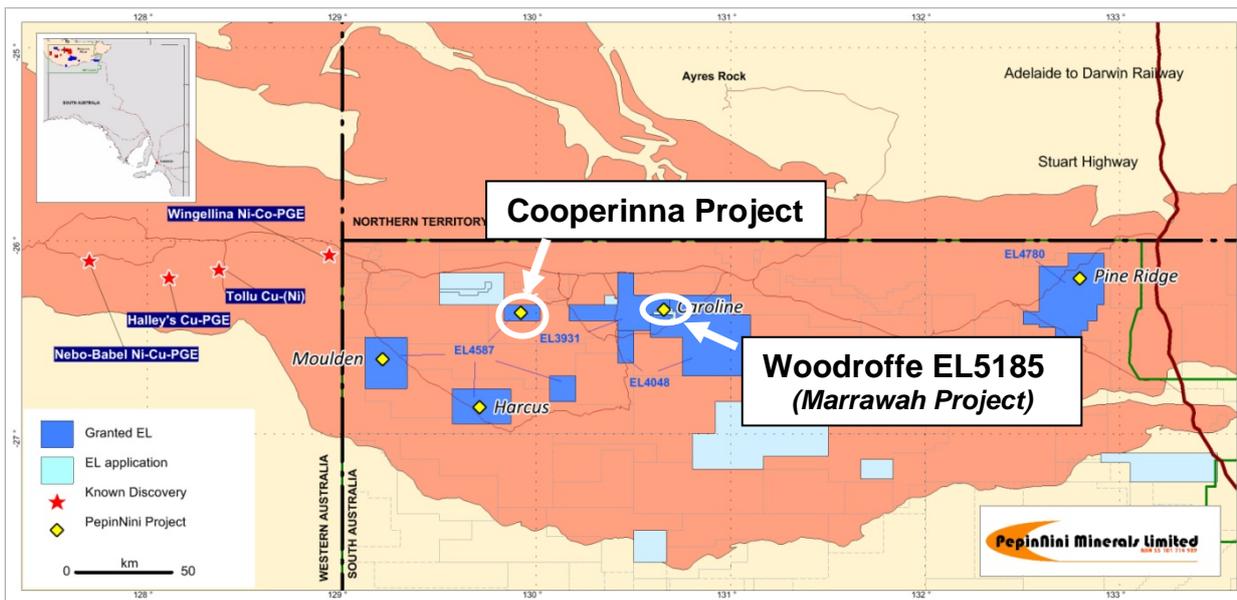


Figure 1 - Tenement Location Plan – Musgrave Projects

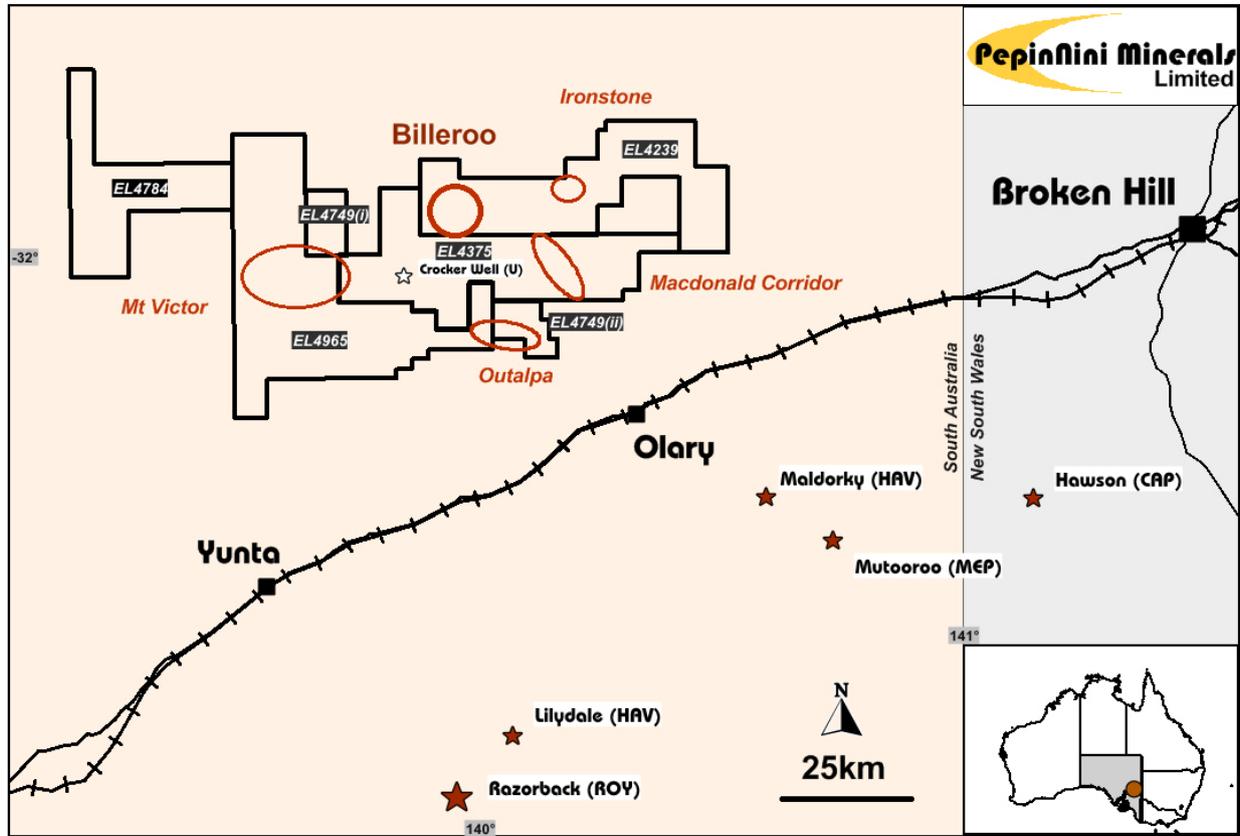
Investigations at the Marrawah Project (EL5185) were completed with diamond core drilling which conclusively tested the Marrawah target which is located within the layered mafic Giles Complex “Caroline” Intrusion in the eastern part of EL5185 “Woodroffe”. The drilling resolved the source of the electromagnetic anomaly to be strongly disseminated to massive sulphide accumulations over a down-hole intersection of 18.8m. The sulphide assemblage consisted of abundant coarse pyrrhotite (iron sulphide) with lesser pyrite (iron sulphide) and chalcopyrite (copper sulphide) hosted within pyroxenite and gabbronorite. Analytical results from the sulphidic intervals returned maximum results of 2,500ppm Copper, 745ppm Nickel, 660ppm cobalt, 13ppb gold, 3.5ppb Platinum and 6ppb palladium. The summary of these results was included in the Report for the Quarter Ending 30<sup>th</sup> September, 2013 (ASX-29 October 2013).

The encouraging sulphide accumulations at the Marrawah Project confirmed the dependability of SkyTEM<sup>508</sup> AEM (airborne electromagnetic surveying) as a valuable targeting tool in the search for magmatic nickel – copper sulphide deposits within the Musgrave Province.

No further exploration activities were undertaken within the Cooperinna Project area (EL4587) during the quarter.

## Curnamona Province Projects

Figure 2 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 kms<sup>2</sup> held by the Joint Venture. No exploration activities were undertaken during the quarter. Metallurgical testing results were reported 18 October 2013 and in the September 2013 quarter Operations Report released 29 October 2013 from samples taken during drilling in February 2013 within tenement EL4239 Kalabity.

## WESTERN AUSTRALIA

### Robinson Range Iron Ore Project

The Robinson Range Project comprises seven tenements that cover approximately 700km<sup>2</sup>. 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 6<sup>th</sup> June, 2012*);

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

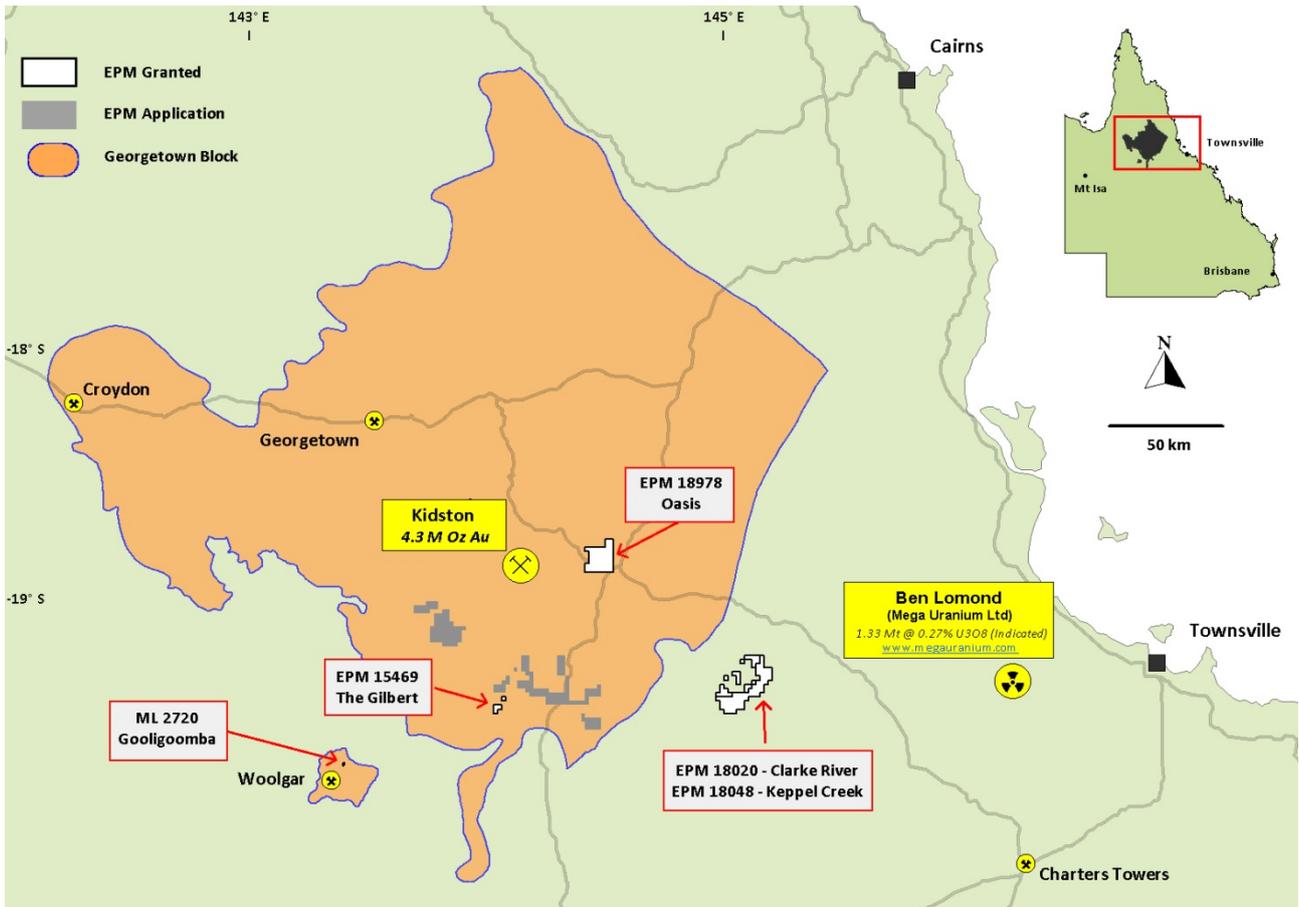
Million Tonnes	Cut Off %Fe	Density SG	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	S %	TiO <sub>2</sub> %	LOI %
17.7	45	3.6	49.7	13.3	8.5	0.06	0.04	0.29	5.4
4.3	52	3.8	55.2	8.5	6.5	0.06	0.05	0.21	4.7

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 415km<sup>2</sup>. The Company is considering options regarding these tenements following the Queensland Government announcement on 22<sup>nd</sup> October 2012 lifting its uranium mining ban.

No field activities were undertaken during the quarter.



**Figure 3 - Queensland Tenement Regional Location Plan – 31 December 2013**

## ARGENTINA

### Salta Projects

PepinNini has three granted exploration leases (cateo), two granted mining leases and five applications for mining leases covering approximately 335 kms<sup>2</sup> 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 two granted mining leases, five mining lease applications and one granted exploration tenement covering approximately 82 km<sup>2</sup>. The Chivinar Project comprises 2 granted exploration leases and covers 253 kms<sup>2</sup>.

During the quarter exploration activities commenced on the Santa Ines Project and include geological mapping, geochemical sampling and a ground magnetic survey. The program is designed to allow PepinNini to better understand the geology and mineral potential of the tenements and follow up on significant assay results for grab samples collected in April 2012 from an historic mine working which indicated the potential for high grade copper and gold mineralization within the Santa Ines Project Area.

Exploration activities are undertaken by international consulting group CSA Global Pty Ltd, who have considerable experience in South America and an operational base in Chile. The program is expected to be completed early 2014.

The Project lies within a crustal scale NW trending mega-lineament, which in Andean geology are widely recognised as being major long-lived structural corridors that are fundamental in the control of the distribution of porphyry-epithermal deposits which is the case with the giant Escondida Copper Gold project located 80kms to the NW in Chile.



*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:**

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Phone: (08) 8218 5000

**Note:** Additional information on PepinNini Minerals Limited can be found on the website:

[www.pepinnini.com.au](http://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")

Dec 2013

## Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	139	148
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(645)	(1,117)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	4	10
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid/refund	-	-
1.7 Other (provide details if material) PACE refund	110	110
<b>Net Operating Cash Flows</b>	<b>(436)</b>	<b>(1,118)</b>
<b>Cash flows related to investing activities</b>		
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	-	-
	-	-
	50	84
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>50</b>	<b>84</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(386)</b>	<b>(1,034)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	<b>(386)</b>	(1,034)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	<b>263</b>	546
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	<b>200</b>	200
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	<b>463</b>	746
	<b>Net increase (decrease) in cash held</b>	<b>77</b>	(288)
1.20	Cash at beginning of quarter/year to date	<b>576</b>	941
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>653</b>	653

**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	<b>105,103</b>
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.	Managing Director, Administration Director and non-executive directors' Remuneration.....	\$95,734
2.	Managing Director, Administration Director and non-executive directors' Superannuation.....	\$9,369

**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
<b>Total</b>		<b>600</b>

## 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	253	176
5.2	Deposits at call	400	400
5.3	Bank overdraft		
5.4	Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>		<b>653</b>	<b>576</b>

## 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	E52/1670 E52/1723 E52/1964	Expired and under renewal Expired and under renewal Partial surrender 7 sub-blocks	40% 50% 50%	40% 50% 50%
6.2	Interests in mining tenements acquired or increased	-	-	-	-

+ 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 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	<b>120,437,041</b>	<b>120,437,041</b>	<b>N/A</b>	<b>N/A</b>
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	5,259,048	5,259,048	<b>N/A</b>	<b>N/A</b>
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	<b>27,058,105</b> <b>2,500,000</b> <b>2,500,000</b> <b>1,600,000</b>	<b>27,058,105</b> <b>0(employee)</b> <b>0(employee)</b> <b>0(employee)</b>	<i>Exercise price</i> <b>5c</b> <b>4c</b> <b>6c</b> <b>12.5c</b>	<i>Expiry date</i> <b>30 Jun 15</b> <b>1 Jun 16</b> <b>1 Jun 16</b> <b>1 Jun 16</b>
7.8 Issued during quarter	<b>92,317</b>	<b>92,317</b>	<b>5c</b>	<b>30 Jun 15</b>
7.9 Exercised during quarter	<b>5,259,048</b>	<b>5,259,048</b>	<b>5c</b>	<b>30 Jun 15</b>
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Mining exploration entity quarterly report

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### 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:

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Date: ...Thursday 30<sup>th</sup> January 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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+ See chapter 19 for defined terms.