

Pepinini

Minerals Limited



a diversified Australian mineral exploration company



Annual Report **2015**



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Chairman's letter to shareholders

Dear Shareholder,

In this, my first letter to shareholders as Chairman of PepinNini Minerals Ltd, I am very pleased to report an active year of exploration by the company and significant progress in realising the potential of our asset portfolio.

PepinNini is better placed than at any other time in our recent history to fulfil our mission – We Explore.

A key move undertaken last year was the sale of non-core assets, resulting in the release of \$2.34 million in capital that will support exploration of our highly prospective Musgrave Project in South Australia. In developing this exploration asset, we have secured both access to previously unexplored areas within the project, and the support of the CSIRO in the form of a co-funded R&D program involving the testing of new exploration techniques.

PepinNini's interests in the Musgrave Province have extended into Western Australia following the completion of a purchase option over the Manchego Project from Phosphate Australia Ltd (ASX:POZ) in September 2014. This project covers an 800km² area in total, with Spinifex Range to be the main focus of exploration. The region is considered highly prospective for nickel-copper sulphide mineralisation. Under our two-year option agreement PepinNini will spend \$250,000 per year to assess the potential of the area. If we decide we want to proceed after then, we have the right to acquire 80% of the project outright for a further \$500,000, under an 80-20 joint venture with Phosphate Australia.

The Company has already carried out ground and aerial geophysical surveys in Spinifex Range and followed this up with vacuum-drilling and soil-regolith geochemical sampling. Diamond drilling is being considered as the next stage of our exploration.

In the eastern Musgrave region, in South Australia, PepinNini has made strong progress in our key Central Plains Project, where we have commenced vacuum-

drilling and soil-regolith geochemical sampling. This activity follows re-interpretation of our previous geological model for this project in light of the results of R&D work conducted jointly with the CSIRO and comes ahead of a planned aeromagnetic survey, also to be conducted in collaboration with CSIRO.

Our Musgrave assets – which incorporate our joint venture with Rio Tinto in SA and our new agreement with Phosphate Australia in WA - will continue to be a central focus for PepinNini over the medium term. Both regions are highly prospective for nickel-copper and platinum group elements (PGE) and the Company is in the rare position of having the first exploration run at significant areas within each. We are encouraged by the fact Spinifex Range is in parts only 14 km north of the Nebo-Babel copper-nickel project being developed by ASX-listed Cassini Resources.

Elsewhere in our portfolio, the Company carried out two stages of systematic exploration activity in Argentina at our Santa Ines project during the year. This work delineated two targets, 'La Recompensa' and 'El Obsequio' – prospective for porphyry Cu-Au and epithermal Cu-Au respectively. In Argentina we are transitioning from evaluation of field data to active project generation, in areas we have reason to believe have strong potential for copper and gold.

PepinNini's proprietary drilling and field services division has continued to generate revenue for the company during the year to offset expenditure on the exploration program. In an additional boost to our exploration program, PepinNini was once again awarded funding from the SA Government under its Plan for Accelerated Exploration (PACE) for drilling activity on the Musgrave Project.

The entitlements issue commenced in FY14 was successfully completed in August 2014. This issue and an oversubscribed private placement in May 2015 raised \$1.25M.

PepinNini's vital community engagement work in regions in which we explore was recognised when we were named



a finalist in the SA Premier's Awards for Community Contribution during the year. This was based on our sponsorship of representatives from business interests in the Anangu Pitjantjatjara Yankunytjatjara lands to attend the inaugural Aboriginal Business Industry Chamber of South Australia (ABICSA) summit event in Adelaide in June.

On a personal note, I was honoured to be named a finalist in the SA Women in Resources Awards for Gender Diversity, in recognition of the gender balance achieved among PepinNini's workforce and Board. This is an achievement of which I am immensely proud; it aligns wholly with PepinNini's vision of acting as a respectful, family-oriented and resourceful explorer that values community, the land and partnerships.

On behalf of the Directors of PepinNini, I would like to thank management and all PepinNini staff for their support, dedication and assistance during the year. I also extend our thanks to all our shareholders for their continued support and loyalty during the past year. We look forward to a rewarding year of exploration ahead.

A handwritten signature in black ink that reads "Rebecca Holland-Kennedy".

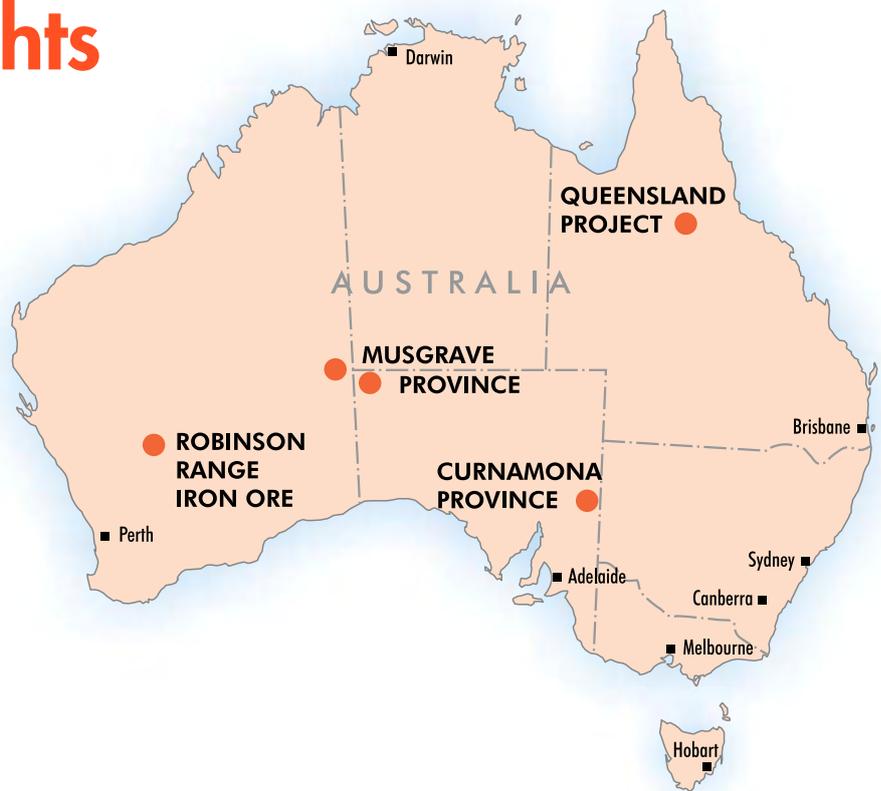
Rebecca Holland-Kennedy
Chairman
PepinNini Minerals Limited





2015 highlights

- Completed sale of assets in South Australia and Queensland, realising revenue of \$2.34 million
- Successfully completed two fund raisings for a total of \$1.25 million
- Completed a purchase option agreement over two tenements in the West Musgrave region of WA with Phosphate Australia Ltd (ASX:POZ) – Manchego Prospect – Spinifex Range Project
- Completed a high-resolution airborne magnetic-radiometric survey (7,500 line kilometres) – Spinifex Range
- Completed magnetic analysis to identify priority Nebo-Babel style targets and untested Platinum Group Element (PGE) and Copper (Cu) target horizons – Spinifex Range
- Completed 19 line kilometres of high powered moving loop electromagnetic (MLEP) surveying across interpreted Nickel-Copper (Ni-Cu) targets – Spinifex Range
- Commenced vacuum drilling of regolith in Ni-Cu and PGE targets zones – Spinifex Range
- Established co-funded collaboration agreement with CSIRO, later expanded to include Geoscience Australia and SA Dept of State Development, for regional scale aerial electro-magnetic survey – Central Musgrave Caroline Project
- Relocated field camp to Central Plains Prospect on the Caroline Project – Central Musgrave





- Established Ni-Cu, Cobalt (Co) and PGE trends indicating fertile basement rocks in geochemical sampling following vacuum drilling of regolith – Caroline Project
- Named finalist in the SA Premier's Awards for Community Participation, and sponsored representatives from the Anangu Pitjantjatjara Yankunytjatjara lands to attend the inaugural Aboriginal Business Industry Chamber of South Australia (ABICSA) summit event in Adelaide
- Named finalist in the SA Women in Resources Award for Gender Diversity, based on PepinNini's success in ensuring an even gender balance among employees and the Board.





Review of operations

Introduction

In April, PepinNini Minerals Limited celebrated its tenth anniversary as a public company since listing on the Australian Stock Exchange (ASX) in 2005. Today, PepinNini is an active mineral explorer with a diversified portfolio spanning projects prospective for nickel, copper, platinum group metals, base metals, iron ore, gold and uranium, in both Australia and Argentina.

As at 30 June 2015, PepinNini held an interest in 21 exploration tenements in Australia covering approximately 10,063km². The projects are located in the Musgrave Province of north west South Australia and central eastern border of Western Australia, the Georgetown Block and Drummond Basin of North Queensland inland from Townsville, and the Robinson Range area of Western Australia's mid-west region. Rounding out our portfolio, the Company also holds interest in nine granted mina (mining leases) and four applications for conversion of cateo (exploration leases) to mina covering approximately 294km² in the province of Salta in the north west of Argentina close to the border with Chile.

The Company strongly believes that the Musgrave Province and the tenements that it holds retain the best potential for the discovery of Australia's next major nickel-copper sulphide, platinum group element (PGE), or base metal deposit.

To this end, exploration by PepinNini has been expanded to the western Musgrave Province in Western Australia through the establishment of the Spinifex Range Project purchase option with Phosphate Australia Limited, announced in September 2014.

During FY15, the Company's main areas of exploration activity were in the Musgrave Province, at the Central Musgrave Project and the Spinifex Range Project

PepinNini's remaining North Queensland tenements are considered to have potential for the discovery of gold, base metal and uranium mineralisation.

In Argentina, the Company is targeting opportunities to discover copper-gold porphyries, precious and base-metal epithermal systems and breccia-complexes associated with the Andean volcanic belt.

The collapse of iron ore prices and the forward projections of the iron ore commodity market based on increased mine supply by the major global producers have compelled PepinNini to re-assess the value of the Robinson Range Iron Ore Project within its project portfolio. Over the past two years our iron-ore joint-venture partners have sought to divest the project without success. The increased difficulty and costs associated with retaining the tenements have prompted the Company to conclude that the ongoing liabilities of holding the tenement outweigh the value of the project to the Company. Subsequent to the close of the financial year, PepinNini announced the withdrawal from its interests in the Robinson Range and Jackson iron ore joint ventures, while retaining a Gross Iron Ore Royalty over these tenements.

PepinNini has also sought to divest itself of liabilities associated with other non-core projects. A very small exploration permit in North Queensland (The Gilbert EPM 15469) was relinquished during the year and, in June 2015, NiCul Minerals Ltd surrendered tenement EL4780 Pine Ridge in the eastern Musgrave Province, following a review of the work undertaken across the tenement that concluded the nickel copper sulphide prospectivity of the tenement was limited. Information from the exploration of this tenement over seven years has been retained and is now part of the data store supporting the Central Musgrave Project.

During FY15, the Company also concluded the sale of the Curnamona Uranium and Other Minerals Joint Venture in South Australia and the Gooligoomba Mining lease (ML2720) in North Queensland, generating some \$2.34 million in funds to support exploration operations in the remaining core projects.



Musgrave Province

Overview

The Musgrave Province is a large block of Proterozoic-age crustal rock centred in the far north-west of South Australia and extending into the Northern Territory and Western Australia. This province remains the preeminent unexplored geological region of Australia and hosts a variety of prospective geological environments for mineral exploration. Similarly aged rocks elsewhere in Australia are known to host significant mineral systems containing a number of large mineral deposits, among them:

- Olympic Dam (Cu, Au, U)
- Broken Hill (Pb, Zn, Ag)
- Mt Isa (Cu, Pb, Zn, Ag)
- Hilton (Pb, Zn, Ag)
- Cannington (Pb, Zn, Ag)
- Century (Zn, Pb, Ag)
- McArthur River/HYC (Pb, Zn, Ag)
- Telfer (Au)
- Alligator River Field (U, Au, PGE)
- Argyle (diamonds)
- Hamersley Basin (Fe)
- Nova-Bollinger (Ni-Cu)
- Nebo Babel (Ni-Cu-PGE)

Each of these Proterozoic mineral provinces has generally been intensively explored; the Musgrave Province has not and nor had the Frazer Range prior to the discovery of the Nova-Bollinger Ni-Cu deposit in 2013.

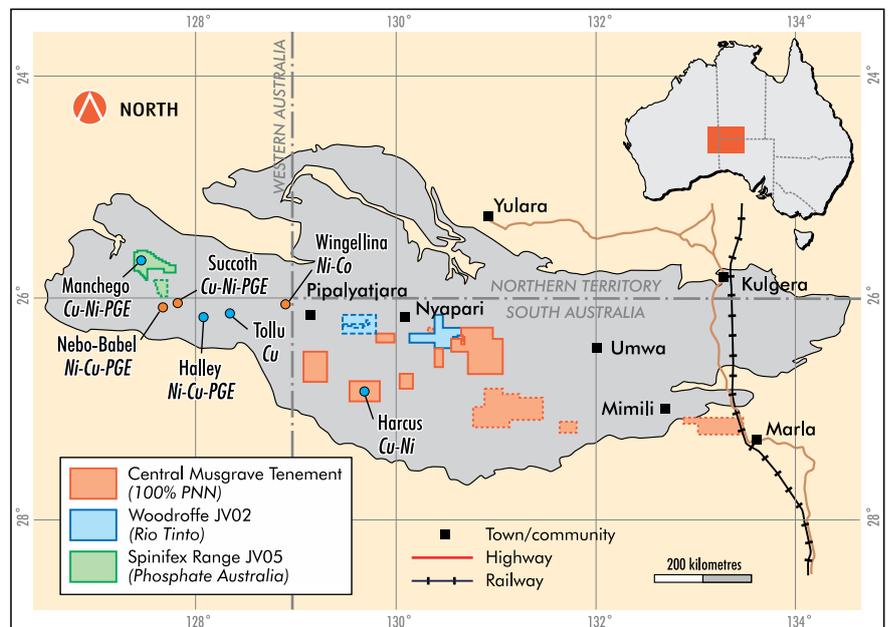


Figure 1: Musgrave Province - Project Location Plan

PepinNini is primarily exploring the Musgrave Province for large magmatic Ni-Cu sulphide deposits similar to those at Voisey's Bay (Canada) and Nebo-Babel (Western Australia), and the platinum group element (PGE) sulphide deposits (Platreef, Merensky and UG-2 Reefs) of the Bushveld Complex in South Africa. PepinNini has deployed a multi-commodity exploration strategy that recognises the potential of the Birkgate Complex metasediments that form much of the crustal block to be equally prospective for Broken Hill-style base metal (Pb-Zn-Ag) deposits and Mt Isa/Century style (SEDEX) base metal deposits.

The paucity of mineral exploration across the region due to a complex history of indigenous land rights protection and associated access restrictions presents a unique opportunity for the discovery of large "elephant" deposits or new mineral districts within the Province.

PepinNini has progressively tested sectors of its landholdings over the past 10 years and, despite the restricted pace of land access approvals processing, has maintained a near-continuous flow of exploration activities in that time. The Company's steady approach has enabled the Company to explore prioritised target regions in a cost-effective manner using its in-house skills and equipment, and avoid the high costs associated with "campaign" style activities.

The multi-disciplinary technical approach adopted has enabled PepinNini's exploration team to maximise opportunities for discovery by incorporating airborne and ground-based geophysics, surface and sub-surface geochemistry sampling, geological interpretation and mapping, and targeted basement drilling. The diamond-drill testing of nickel-copper sulphide targets at Harcus, Moulden, Cooperinna, Woodroffe, Marrawah and Caroline has revealed disseminated and semi-massive sulphide accumulations containing up to 0.7% Cu and 0.3% Ni within mafic rocks, reinforcing the technical validity of the approach used.

The three project designations that currently make up the exploration activity within the Musgrave Province are:

- Musgrave Project (100%);
- Spinifex Range Project (option to earn 80%);
- Woodroffe Joint Venture Project (earning 51%).



Musgrave Project

The Musgrave Project consists of two granted exploration licences, EL4587 and EL5220, and four exploration licence applications, ELA118/96, ELA185/96, ELA367/09 and ELA368/09, which cover 8,225km². The licences are all held by PepinNini subsidiary NiCuL Minerals Ltd (NCL) (100%) and located in the Anangu Pitjantjatjara Yankunytjatjara (APY) lands of South Australia.

PepinNini's exploration across the Musgrave Project seeks to discover nickel-copper sulphide deposits contained within the layered mafic-ultramafic Giles Complex rocks. The Giles Complex is considered to be highly prospective for Ni-Cu sulphide and PGE mineralisation and also hosts the Nebo-Babel deposit in Western Australia. The base-metal potential of felsic and mafic gneisses of the Birkgate Complex is also being investigated.

The potential of PepinNini's tenement holding is enhanced by interpretation of the distribution of long-lived crustal structures and positioning of major magmatic intrusive centres, which are

considered important area-selection criteria for the occurrence of major Ni-Cu deposits. These settings are where potentially fertile mafic magmas, sourced by a deep-seated mafic plume, ascend the crust through abundant trans-lithospheric structures.

Reprocessing and modelling of magnetic and gravity information contributed to the identification of several prospects within an encouraging structural setting of the basement architecture. The interpreted spatial distribution of prospective 'Giles' age mafic rocks at Caroline EL5220 and Anerinna Hills ELA118/96 is inferred by the two separate and prominent south-east and east-southeast-trending gravity ridges (Figure 2). The intersections of these ridges with east-trending primary crustal fault structures, such as the Wintinginna Fault Zone (FZ), and secondary north-east-trending shear zones define priority exploration targets. The magnetic responses at these structural settings may represent mafic feeder dyke systems analogous to the geological setting of the Nebo-Babel deposits in the western Musgrave Province.

Exploration during the year focused primarily on the southeast portion of EL5220, where potentially favourable structural and geological environments for the hosting of nickel and copper sulphide deposits have been identified from modelling of gravity and airborne magnetic data. While this previously unexplored area has been of interest to the Company for many years, attempts to unlock the area for exploration work in 2008 and 2009 were unsuccessful due to inconclusive heritage clearance survey results by the traditional owners the APY. In 2014, successful heritage clearance surveying resulted in the Company being granted access to the Central Plains Prospect area.

A research and development (R&D) collaboration with the Minerals Down Under (MDU) division of CSIRO, Geoscience Australia (GA) and the South Australian Department of State Development (DSD) was established in 2014 to undertake geophysical data collection and interpretation of the Caroline EL5220 and Annerinna Hills ELA118/96 target areas.

In trialling innovative geophysical techniques for the mapping of mineral system environments under cover, the R&D studies seek to mitigate risks associated with airborne electromagnetic surveying of areas with no previous exploration history, and that are characterised by complex regolith cover with widespread conductive palaeo-channel systems that potentially limit the effectiveness of conventional survey techniques. The studies also utilise expertise within the CSIRO in examining remnant or historical magnetism across the region.

A third innovation integrates the petrophysical properties, geology and geochemistry arising from mafic and ultramafic-drill core samples taken from the Caroline Intrusive Complex and provided by PepinNini. This work will test a methodology for generating and applying a specialised filter to regional airborne magnetic data for the identification and prioritisation of targets where no other exploration work has occurred.

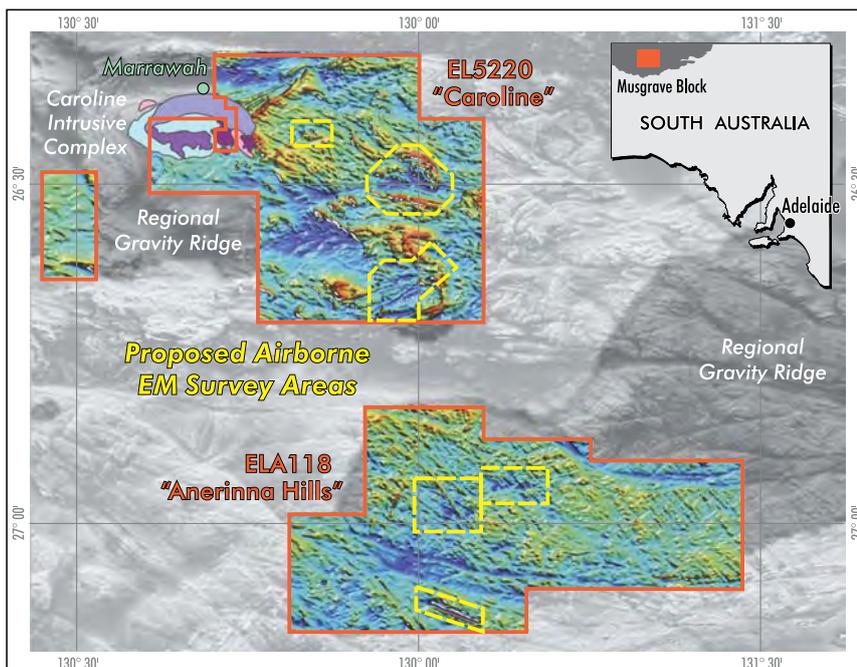


Figure 2: Proposed location of airborne electro-magnetic surveys (Caroline and Anerinna Hills).





The project builds upon previous R&D testing of the High Moment SkyTEM508 system, partially funded by the SA government and undertaken between 2012 and 2014. This testing led to the discovery of mixed massive to disseminated sulphides within the Marrawah Prospect (Caroline Intrusion) and the Byron Prospect (Cooperinna Block). It confirmed that encouraging sulphide accumulations can be reliably identified from an airborne electromagnetic (AEM) surveying system, marking AEM as a valuable exploration targeting tool in the search for magmatic nickel – copper sulphide deposits.

The studies within PepinNini’s tenure will exploit regional airborne electromagnetic (AEM) data acquired to identify and select de-risked target areas, by highlighting AEM responses that suggest both limitations presented by conductive cover sediments, and zones where detailed infill AEM surveying is likely to be effective in the targeting of nickel-copper mineralisation. This filtering – the heart of the innovation being tested – is made possible by the ability to identify conductivity responses sourced by concealed massive sulphide accumulations associated with mafic intrusive “feeder-dykes” within the bedrock.

In February 2015, the Company received land-access approval to establish a field camp and commence exploration activities within the southeast part of Caroline EL5220. Despite delays in the AEM surveying, the Company commenced collaborative field activities that will contribute to refining and interpreting the AEM survey work when it is complete.

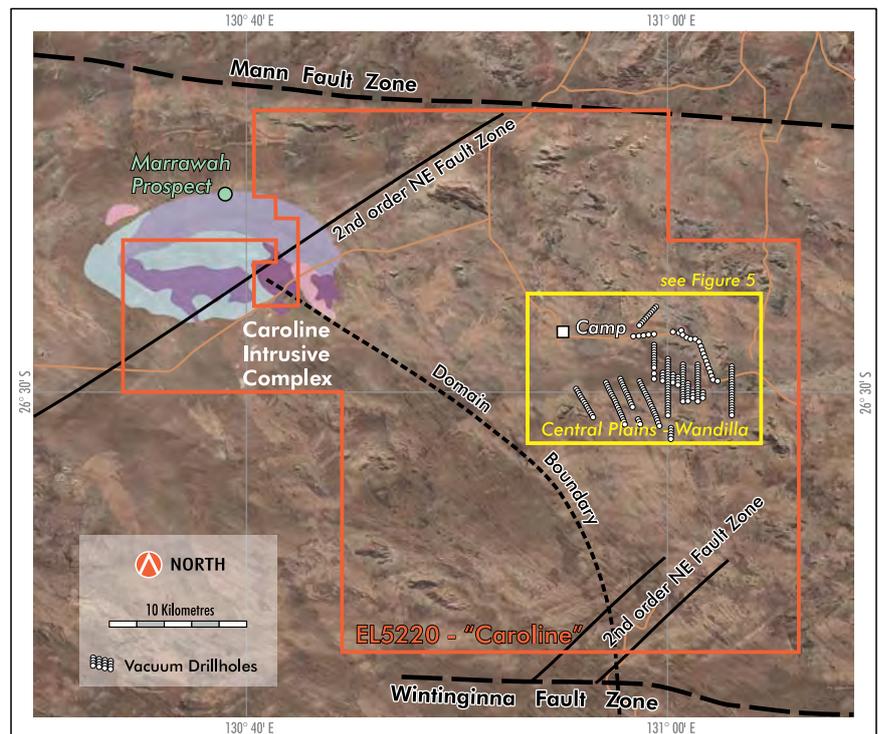


Figure 3: Location of Central Plains-Wandilla Prospect vacuum soil sampling drilling.

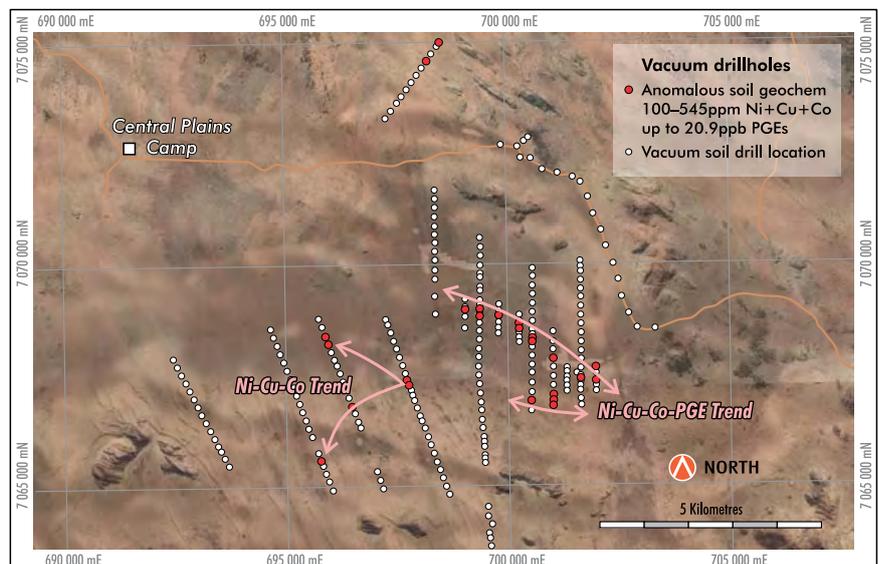


Figure 4: Central Plains-Wandilla Prospect - vacuum soil geochemical trends.

Preliminary investigations were focused across the Central Plains-Wandilla Prospect which covers an 8km curvilinear magnetic feature near the intersection of an east-west trending fault and prominent northwest magnetic fabric. The magnetic features display some similarities with the elliptical layers of the Caroline intrusion.

Between March and June 2015, vacuum-soil drilling was undertaken to investigate the thickness and composition of the cover material, examine geochemical distributions within the soil regolith and identify weathered-rock lithologies to support interpretation of the bedrock mapping.

The activities involved completion of shallow holes along widely spaced traverse lines positioned across the Wandilla target using the Company-owned vacuum drill rig (Figure 3). Two hundred and fifty three shallow reconnaissance and infill holes were completed for a total of 3,004m.

The analytical results of regolith samples collected have revealed low-level subsurface nickel copper cobalt (+/- PGE) geochemical trends which are interpreted to represent potentially fertile mafic bedrock (Figure 4). Maximum results from the samples included 265ppm nickel, 461ppm copper, 196ppm cobalt, 5ppb gold, 6.3ppb platinum, and 15ppb palladium (Table 1).

The results reinforce the potential of the Central Plains Prospect target environment and support the case for further detailed airborne electromagnetic surveying in the search for massive nickel-copper sulphide accumulations.

As noted, the planned AEM survey program will test a methodology for identifying high-priority AEM conductivity targets under cover, to be refined and prioritised with field investigation, sampling and ground EM surveying. Ground EM will provide constraint to the size and geometry of conductivity plate models to facilitate accurate drill testing.

Table 1 - Summary of anomalous vacuum soil sample results (Holes VCS0001-0252)

Hole	East	North	From - To	Anomalism	Ni (ppm)	Cu (ppm)	Co (ppm)	Ni-Cu-Co (ppm*)	Au (ppb)	Pt (ppb)	Pd (ppb)	PGE (ppb*)
VCS0037	699336	7068855	10.2-12m	Ni-Cu-Co-PGE	217	89	196	502	5	6.1	4	15.1
			12-13.8m	Ni-Cu-Co	118	9	28	155	<	<	<	<
VCS0079	697709	7067306	0-1.2m	Ni-Cu-Co-PGE	60	93	35	188	1	4.5	4	9.5
VCS0080	697676	7067399	2.1-3m	Ni-Cu-Co	51	71	43	165	1	<	<	1
VCS0091	695858	7068387	24.6-26.4m	Ni-Cu-Co	135	56	17	208	1	<	<	1
VCS0092	695925	7068199	16.5-18.3m	Ni-Cu-Co-PGE	58	73	109	240	1	0.6	1	2.6
VCS0100	696446	7066795	17.4-19.2m	Ni-Cu-Co	34	151	93	278	1	<	<	1
VCS0130	698215	7074566	3-4.8m	Ni-Cu-Co	26	136	57	219	1	<	<	1
VCS0133	698501	7074969	8.4-10.2m	Ni-Cu-Co	8	121	8	137	<	<	<	<
VCS0148	701616	7067395	2.1-3m	Ni-Cu-Co-PGE	47	216	35	298	1	2.1	16	19.1
VCS0161	700511	7068278	6.6-8.4m	Ni-Cu-Co-PGE	265	71	43	379	1	7.1	8	16.1
VCS0200	695735	7065555	14.7-15.6m	Ni-Cu-Co-PGE	75	172	44	291	1	4.2	9	14.2
VCS0201	695770	7065455	21-22.8m	Ni-Cu-Co-PGE	21	69	6	96	3	2.7	10	15.7
VCS0205	701947	7067601	3.9-4.8m	Ni-Cu-Co	86	36	39	161	1	<	1	2
VCS0207	701943	7067306	1.2-2.1m	Ni-Cu-Co-PGE	119	238	54	411	2	3.9	15	20.9
VCS0221	700965	7066829	4.8-6.6m	Ni-Cu-Co-PGE	74	157	39	270	2	6.3	11	19.3
VCS0222	700969	7066780	8.4-10.2m	Ni-Cu-Co-PGE	50	461	34	545	1	1.6	3	5.6
VCS0223	700965	7066880	6.6-8.4m	Ni-Cu-Co	54	31	20	105	<	0.9	2	2.9
VCS0224	700970	7067026	6.6-7.5m	Ni-Cu-Co-PGE	107	30	43	180	<	2.8	4	6.8
VCS0228	700975	7067824	6.6-7.5m	Ni-Cu-Co	24	45	37	106	<	<	<	<
VCS0233	700510	7068227	6.6-8.4m	Ni-Cu-Co	40	76	50	166	<	<	<	<
VCS0237	700229	7068504	6.6-8.4m	Ni-Cu-Co	54	44	42	140	<	<	<	<
VCS0238	700223	7068601	7.5-8.4m	Ni-Cu-Co	32	30	53	115	<	<	<	<
VCS0243	699778	7068794	7.5-8.4m	Ni-Cu-Co	30	34	40	104	1	<	1	2
VCS0248	699332	7068907	6.6-7.5m	PGE	<1	12	6	18	5	3.2	3	11.2
VCS0249	699336	7068809	8.4-9.3m	Ni-Cu-Co	26	64	88	178	3	0.5	1	4.5
VCS0252	699011	7068975	10.2-11.1m	Ni-Cu-Co	44	64	136	244	<	1	1	2

(East/North coordinates - MGA zone 52, ppm = parts per million, ppb = parts per billion, * = combined results, < = below detection)





Spinifex Range Project

The Spinifex Range Project encompasses two granted tenements - E69/2864 and E69/3191 - covering approximately 782km² of the west Musgrave Province in Western Australia, over which the Company has secured an option to purchase agreement. The agreement with Phosphate Australia Ltd (ASX:POZ), which commenced in September 2014, grants PepinNini's subsidiary NiCul Minerals Limited the rights to explore the tenements for a period of two years and the option to purchase 80% of the tenements subsequently for \$500,000 and establish a joint venture with the vendor.

Spinifex Range holds strong potential for copper, nickel, platinum group metals, titanium and vanadium mineralisation associated with the voluminous mafic intrusive bodies in the western Musgrave Province. PepinNini's tenements are

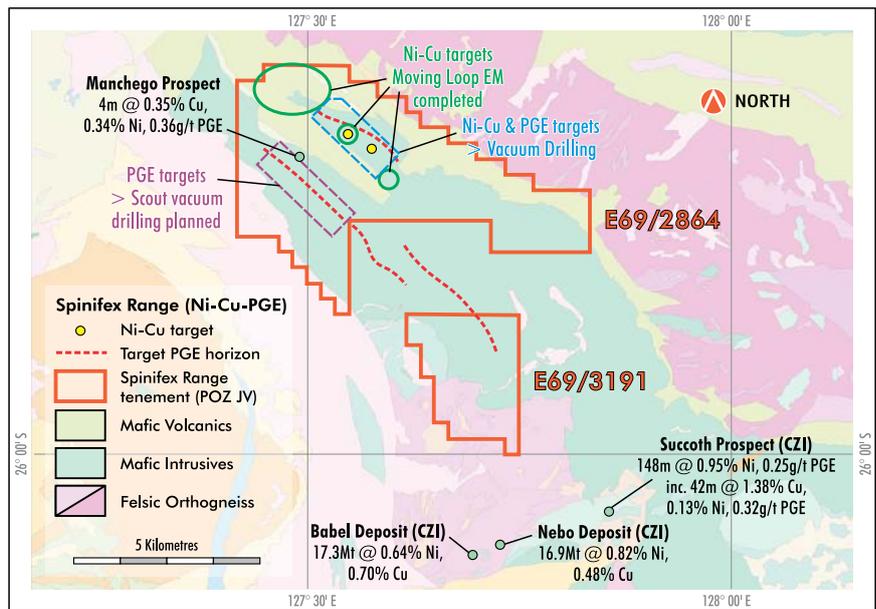


Figure 5: Spinifex Range Project Location Plan on regional geology.

strategically located within a trend of geological formations that have an established endowment of Ni-Cu-PGE mineralisation, the most significant of these being the Nebo-Babel nickel-copper

deposit (31Mt @ 0.7% Ni and 0.6% Cu - as announced by CZI in February 2015) located 14km to the south of tenement E69/3191 (Figure 5). The project area contains known nickel-copper sulphide and titanium-vanadium-platinum group element (Ti-V-PGE) mineralisation associated with the Jameson Intrusion. Copper mineralisation also occurs within E69/2864 at the Manhego Prospect, where previous drilling intercepted fertile mafic rocks yielding 4m @ 0.53% Cu, 0.34% Ni and 0.34g/t PGE.

A review of the previous exploration work highlighted several geological and structural environments within the tenement area that were poorly tested and were considered highly prospective opportunities for further investigation. The northern half of E69/2864 contains a number of these geophysical features which are prospective for both nickel-copper sulphide and PGE mineralisation.



In December 2014, the Company decided to test the use of a highly detailed airborne magnetic and radiometric survey to check whether this method would improve magnetic mapping across these areas, and provide clarity over the structure and geology with a view to assisting target selection and refining proposed ground exploration activities.

The airborne survey involved the collection of approximately 7,500 line kilometres of data, with the improved detail and clarity resulting in the identification of six initial prospect areas worthy of priority follow-up investigation: Northwest, Central, South Central, Lirrara Rd West, Manchego and Manchego SW Recon.

The targets at Northwest, Central (Canaan East) and South Central represented nickel-copper sulphide targets related to a variety of interpreted mafic "feeder-dyke" systems and associated with magnetic responses that potentially represent magnetic iron sulphide (pyrrhotite) within favourable accumulation settings. Ground EM surveying was undertaken at the Northwest, Canaan East and South Central prospect areas in June 2015 in a search for conductivity responses sourced by massive sulphide accumulations within the bedrock. This involved some 19 line kms of moving loop electro-magnetic (MLEM) surveying using a high powered (200A) SmartEM24 system along 14 traverse lines (Figure 6).

While the data acquisition process was successful and quality of recorded data high, no conductive responses indicative of massive sulphide accumulations were identified.

Planning and preparations for reconnaissance mapping and vacuum soil drilling to test the surface geochemical distributions across nickel-sulphide and PGE targets at the Central, Lirrara Rd West, Manchego and Manchego SW Recon prospect areas are complete. After statutory land-access approvals were obtained, field activities commenced on 2 July 2015.

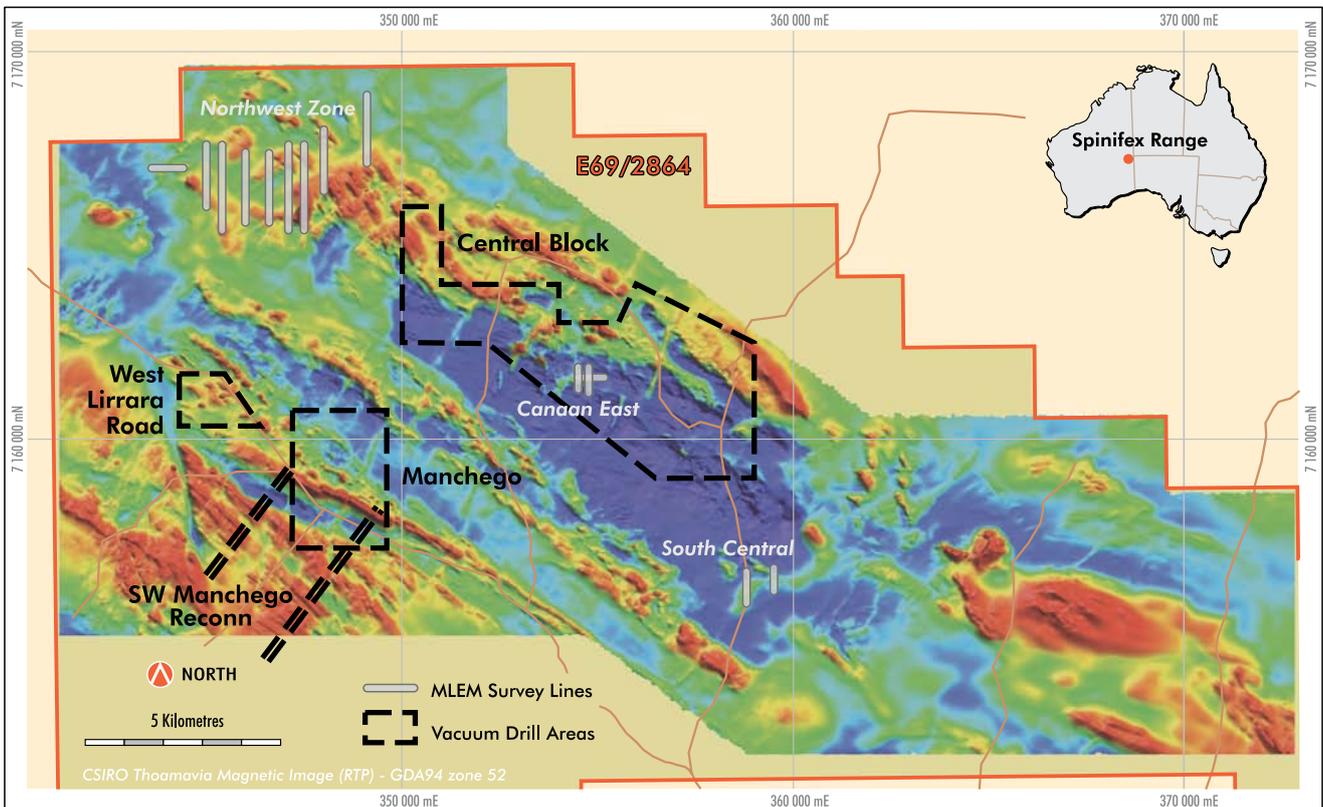


Figure 6: Spinifex Range Project - Moving Loop Electromagnetic survey locations, Vacuum soil sampling target area displayed on detailed airborne magnetic survey reduced to pole (RTP) image.





Woodroffe Joint Venture

The Woodroffe Joint Venture Project consists of a single granted exploration licence EL5185 and two exploration licence applications ELA278/82 and ELA491/94, which collectively cover 1,379km² within the APY lands of South Australia. PepinNini's earning a 51% interest in the project under a farm-in and joint venture agreement with Rio Tinto Exploration Pty Limited.

The granted licence (EL5185) covers the northern and western portions of the Caroline Intrusive complex and the eastern margins of the Hanging Knoll mafic intrusion. The Company has extensively explored the Caroline Intrusion with airborne geophysics, ground geophysics,

surface geochemical sampling, vacuum regolith drilling and diamond core drilling (Figure 7). At the Marrawah Prospect, on the northern margin of the Caroline Intrusion, massive sulphide accumulations containing abundant pyrrhotite (iron sulphide) with accessory pyrite (iron sulphide) and chalcopyrite (copper sulphide) were discovered during FY14, in association with intrusive mafic lithologies including pyroxenite and gabbro. The discovery of the sulphide accumulations at Marrawah reinforce the reliability of innovative high-moment airborne electromagnetic surveying techniques as a valuable exploration targeting tool in this region.

PepinNini also recognises that the two exploration licence applications within the joint venture project are located within what are considered to be favourable geological locations prospective for nickel-copper-sulphide mineralisation. The Company is seeking to advance the access status of the application areas but while some Traditional Owners have conveyed their desire to permit exploration, the governance process and operational workings of the APY organisation in the past 12 months have prevented meaningful progress on access.

Pink Slipper remains a high priority for the Company.

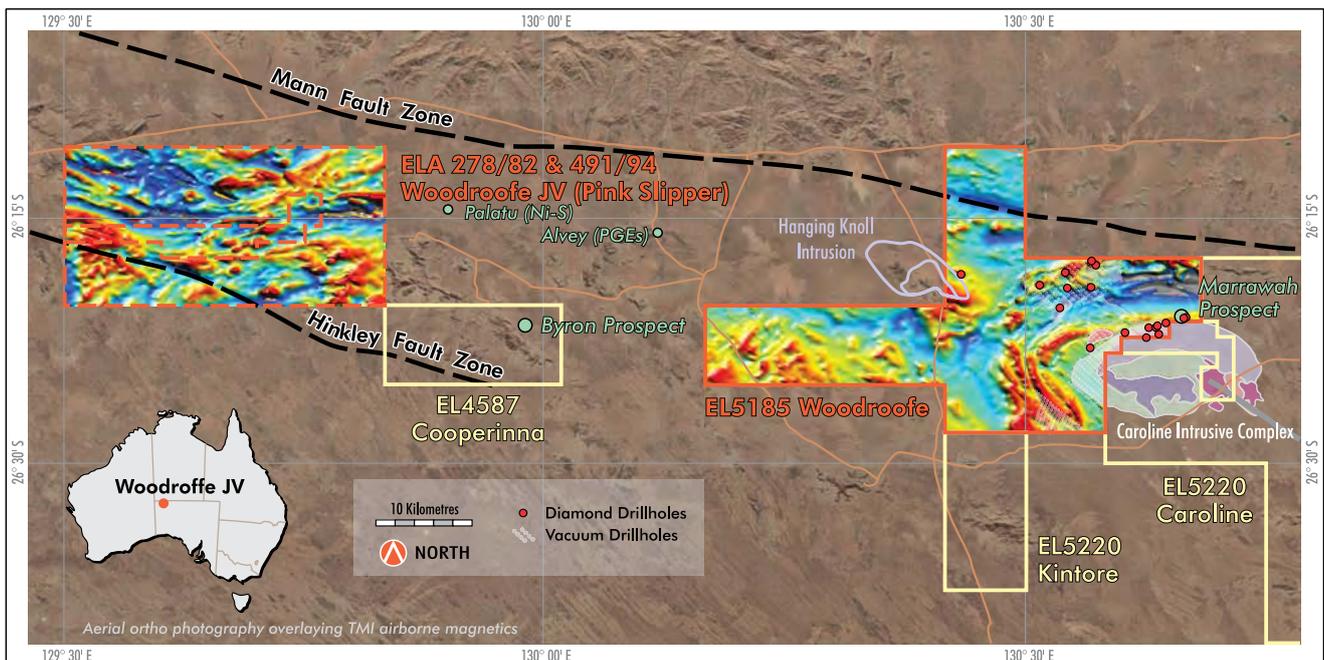


Figure 7: Woodroffe Joint Venture Project Tenement.



Robinson Range Iron Ore Joint Venture Project

Throughout the year PepinNini Minerals has maintained a 50% interest in the iron ore rights to three exploration tenements and a 40% interest to the iron ore rights of another four tenements located within the Midwest Region of Western Australia. Collectively the tenements cover approximately 700km² and contain an estimated 40km strike length of the target Robinson Range Formation. Exploration for iron ore within the tenements has been managed by PepinNini Minerals on behalf of the Joint Venture Partners (PepinNini Robinson Range Pty Ltd, Grosvenor Gold Pty Ltd (RNI NL) and Jackson Ltd (Fe Ltd)).

The target of investigations focussed on supergene enriched haematite-goethite mineralisation developed within banded iron and granular iron formation units within the Robinson Range Formation sedimentary sequence. Activities of the Joint Venture between 2011 and 2012 aimed to identify and test the potential sources of Direct Shipping Ore (DSO) within the tenement portfolio.

Following extensive mapping, surface sampling and drilling activities, a small iron ore resource was identified at PNN Area C. In June 2012 PepinNini announced an Inferred Mineral Resource Estimate of 17.7 million tonnes grading 49.7% Fe (cut-off @ 45% Fe). The resource was prepared and disclosed in accordance with JORC Code 2004. It has not been updated to comply with JORC Code 2012 on the basis that no additional work has been undertaken since and the information on which the resource was based has not materially changed.

In 2012, it was widely publicised that the proposed port and rail infrastructure developments at Oakajee and across the Midwest Region had been abandoned as the prospect of commercial development of remote bulk commodity projects reduced significantly.

Increased mine supply from the major iron ore producers coupled with reduced demand from the primary consumer (China) have contributed to the steady 60% decline in iron ore prices since January 2014.

Future commodity projections do not suggest a reversal of this trend in the near term. The Joint Venture Partners recognised these trends and consider that an expansion and potential development of the exploration project is unlikely to return value in the medium term. In late 2013 they commenced pursuit of a sale of the project which to date has been unsuccessful.

Since the end of the financial year PepinNini has announced the termination of the iron ore joint ventures and the transfer of its interest and holdings in the project tenure to the Joint Venture Partners. PepinNini retains a residual 0.8% to 1% gross iron ore royalty on the project.

North Queensland Project

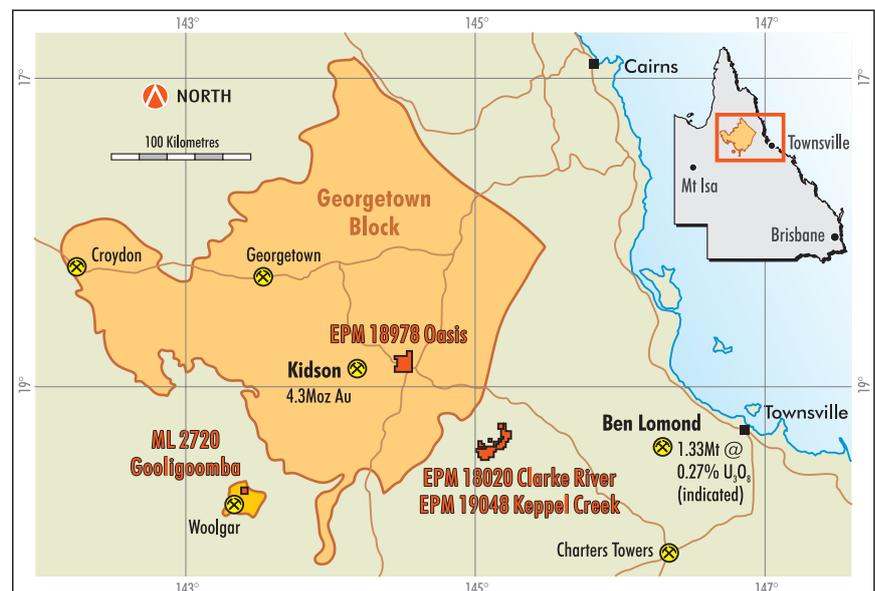
The North Queensland project currently includes three exploration permits (EPMs) covering 375km² that are considered prospective for uranium and gold (Figure 8).

The Oasis licence located within the Georgetown Block contains known uranium mineralisation at the Oasis Deposit where previous explorers identified a steeply dipping zone of uraninite mineralisation up to 15m thick, with an average grade of 1kg per tonne U₃O₈ (0.1%). The mineralised zone was determined to extend 300m along strike and 175m down dip.

The Keppel Creek and Clarke River exploration permits are located adjacent to the Georgetown Block within the Drummond Basin. These tenements are considered to have potential for uranium and gold mineralisation. The Company is currently assessing whether to advance exploration of the uranium potential across the licences in light of the change of government in Queensland in February 2015, with the new Labor Government less supportive of uranium exploration and mining than its predecessor.

A small 830 hectare mining licence (Gooligoomba ML2720) in the Woolgar Goldfields near Richmond, was divested during the year for consideration of \$40,000.

Figure 8: Queensland tenement regional location plan





Argentina - Santa Ines Project, Salta Province

PepinNini holds nine granted mining leases (mina) and four applications for mining leases (mina) covering approximately 294km² in the Argentine province of Salta. The Salta Projects cover two separate areas designated as Santa Ines and Chivinar; the Santa Ines Project comprises two granted mining leases and two mining lease applications covering approximately 68km², and the Chivinar Project seven granted mining leases and two mining lease applications covering 226km² (see location Figure 9). The holdings are considered to have potential for porphyry copper and epithermal copper gold molybdenum styles of mineralisation.

The Santa Ines Project is located within a crustal scale northwest trending mega-lineament, which in Andean geology is recognised as a major long-lived structural corridor controlling distribution of porphyry epithermal deposits. The Archibarca Lineament extends from Cerro Galan (Argentina's largest ignimbrite caldera complex) in the south east through to the Pacific coast in Chile. Known mineralisation along this lineament to the immediate southeast of Santa Innes includes the Lindero Gold Porphyry Project (2.2 million ounces Au) and advanced copper gold exploration projects such as Rio Grande, Arizaro and Samenta.

Approximately 80kms to the northwest of Santa Ines within the same lineament is the giant Escondida copper-gold porphyry (~5 billion tonnes at 1% Cu and 0.25g/t Au), which formed contemporaneously with the Santa Ines formation during the late Eocene-Oligocene Period (23-56 million years ago).

PepinNini commenced exploration activities across the Santa Ines project area in December 2013, engaging geological consultants CSA Global to undertake geological mapping, surface sampling and extensive ground magnetic surveying. A second phase of follow-up work was undertaken during May 2014 and included further geological mapping, hyper-spectral sample analysis, soil sampling, and induced polarisation (IP).

The results and recommendations from this program were received from CSA Global in July 2014. The second phase involved geophysical surveying and geochemical

sampling to investigate the potential for porphyry copper-gold mineralisation within the two priority prospect areas - La Recompensa and El Obsequio - identified from the initial ground magnetic surveying and reconnaissance geological mapping. Eleven line kilometres of induced polarisation surveying were completed across the two prospects but the weak responses were not sufficient to warrant bedrock drill testing at this stage.

Exploration results from the field programs conducted during the latter part of the previous reporting year were reviewed during the year to identify and prioritise remaining opportunities within each of the project areas. No field work was carried out during the year.

PepinNini continues to review its exploration opportunities within the tenement holdings and is actively seeking priority new project areas within Argentina.



Figure 9: Location of Santa Ines and Chivinar Projects, Salta Province Argentina.



Curnamona Province Project

At the beginning of the financial year PepinNini Minerals Limited was in the process of concluding the sale of its 40% holding interest in the uranium and mineral resources joint venture between PepinNini Resources Curnamona Pty Ltd, a wholly owned subsidiary of PepinNini Minerals Ltd, and Sinosteel Uranium SA Pty Ltd. The divestment of its interests in the Crocker Well uranium deposit and five granted exploration licences covering approximately 3,605km² of the Curnamona Province of South Australia to the joint venture partner was completed on 22 September 2014 for the consideration of \$2.3 million.

The Joint Venture Alliance established in 2007 was adversely affected in 2009 by the collapse of the uranium price and weak American dollar. In December 2009 the Joint Venture partners made the decision to delay the completion of a Bankable Feasibility Study for the development of Crocker Well, but continued exploration operations for iron ore and base metals (ASX announcement 11 December 2009).

PepinNini considered the potential development of iron ore prospects within the tenure was low and that divestment of the project would support development of higher-priority opportunities available to the Company elsewhere.

Tenement schedule

Australian Tenements

Tenement	Tenement Name	Area km ²	PepinNini Interest	Grant Date
South Australia				
EL 4587	Mt Marcus	1,607	100%	25/10/10
EL 5220	Mt Caroline	1,918	100%	25/2/13
EL 5185	Woodroffe	765	Earning 51%	24/9/12
ELA 278/82	Jalakana	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
Queensland				
EPM 18020	Clarke River	187	100%	4/2/13
EPM 18048	Keppel Creek	41	100%	31/3/11
EPM 18979	Oasis	147	100%	17/8/12
Western Australia				
E51/1033		161	40%	22/9/05
E52/1613		91	40%	29/3/06
E52/1670		27	40%	23/11/04
E52/1672		106	40%	22/9/05
E52/1723		61	50%	1/12/04
E52/1910		200	50%	10/8/06
E52/1964		34	50%	1/11/07
E69/2864		619	Earning 80%	7/3/12
E69/3191		167	Earning 80%	13/10/14
Total - 21		10,063		

Argentina Tenements

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	Mina	Salta	12-Mar-14	Not yet	525.6	PNN SA 100%
Santa Ines IV	Mina	Salta	25-Jun-12	10-Sep-13	3,598	PNN SA 100%
Santa Ines III	Mina	Salta	15-Mar-12	7-Nov-13	1,055	PNN SA 100%
Santa Ines V	Mina	Salta	25-Jun-12	10-Sep-14	2,643	PNN SA 100%
Santa Ines VI	Mina	Salta	26-Jun-12	21-Nov-13	3,500	PNN SA 100%
Santa Ines IX	Mina	Salta	30-Jul-13	20-Aug-14	3,417	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	28-Aug-14	3,000	PNN SA 100%
Santa Ines XII	Mina	Salta	11-Oct-14	Not yet	511	PNN SA 100%
Santa Ines XIII	Mina	Salta	11-Oct-14	Not yet	3,311	PNN SA 100%
Total 13					29,350	



Financial and corporate strategy

At PepinNini our Mission is to carry out the business of exploration with a careful selection of mineral sites that have potential for a big find.

With this always in mind our guiding principles are:

- to have the courage to explore differently;
- explore with a high degree of integrity;
- to respect family, the land and the culture of the first Australians;
- explore with inclusiveness/equality/fairness;
- to care for all who come into contact with PepinNini;
- have strong community values; and
- the determination to make the big find and do that with smart people.

Our Vision for the Company is –

To provide our community with the opportunity to support a respectful, family-orientated and resourceful explorer that values community, the land and partnerships.

And we do this because ‘We Explore’ responsibly and make exploration fun, fair and fulfilling for our workers, investors and partners.

The chart below shows the projects within the Company’s control and the corporate entities that administer them as at 30 June 2015.

The corporate strategy to achieve our mission has been to, where possible, realise value within the holdings of the Company and to fund effective exploration activities within key priority project areas to maximise the potential of a commercially viable mineral discovery. By using proprietary drilling expertise and our own drilling and exploration equipment PepinNini can generate and conclusively test valid exploration targets with the additional advantage of a capacity to raise revenue through contract of these services to other explorers.

Strategic equity raisings of capital have been and will be undertaken to ensure adequate funding for worthy ongoing activities and divestment of non-core assets to minimise depletion of cash reserves will continue.

Tenement acquisitions either by payment, farm-in to joint venture or application may be considered and should there be the windfall sale of an asset, dividend payments to shareholders would be considered by the Directors.

A financially efficient and regulation compliant company and project administration is fundamental to the corporate strategy.

The annual financial report for the year ended 30 June 2015 is included within the annual report.

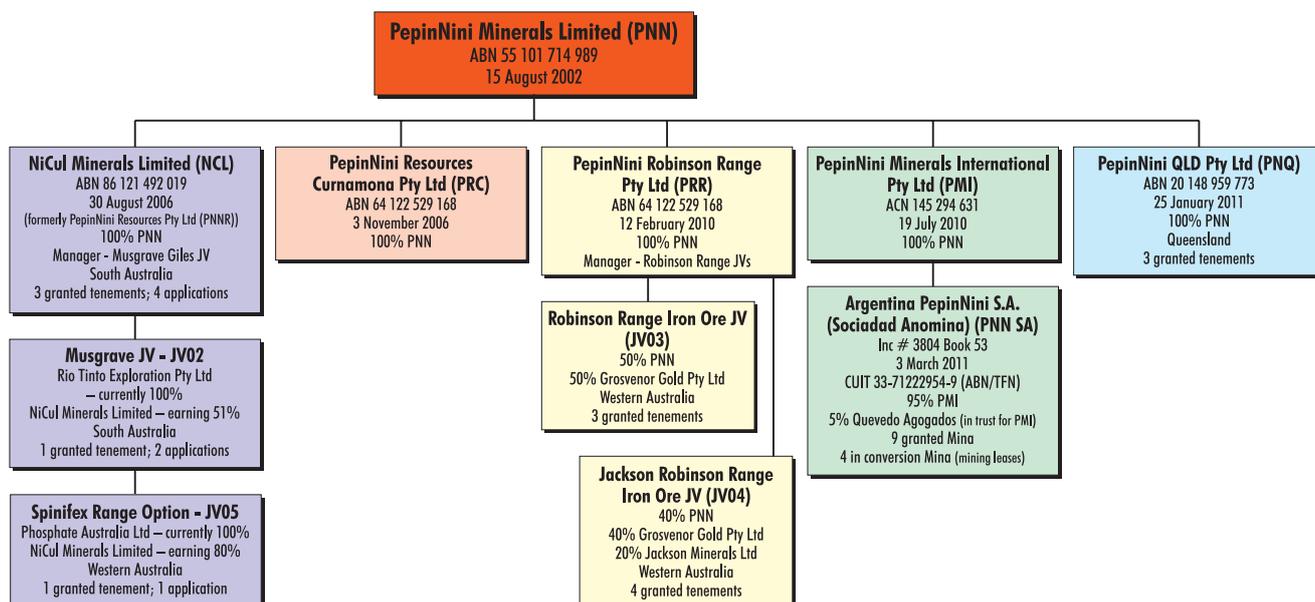
At 30 June 2015, the Company had cash of \$1.3 million, working capital of \$1.7 million, and no debt.

A capital raising entitlements issue of shares completed in August 2014 and a private placement in May 2015 combined raised \$1.25 million and shares on issue through the year increased by 36%. PNNO options expire 30 June 2015 and during the exercise period of the options since July 2013 contributed \$0.3 million to PepinNini’s cash reserves.

During the financial year to 30 June 2015, PepinNini sold tenement assets in Queensland and South Australia to realise value of \$2.34 million and contribute to the working capital of PepinNini. Expenditure of \$1.58 million on exploration activities throughout the year was capitalised.

PepinNini Directors consider all core projects have the potential and positive prospectivity for the discovery of a significant mineral deposit and that project generation is central to ensuring a flow of exploration targets and assets for PepinNini.

PepinNini has proved in the past that we can release the value in our assets and will continue to ensure that our shareholders receive the maximum possible returns.



Annual Financial Report

for the year ended 30 June 2015

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Corporate governance statement

PepinNini Minerals Limited (the Company) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Company and its controlled entities together are referred to as the Group in this statement.

The relationship between the Board and senior management is critical to the Group's long-term success. The directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

A description of the Company's main corporate governance practices is set out below. All of these practices, unless otherwise stated, were in place for the entire year.

PRINCIPLE 1

Lay solid foundations for management and oversight

Recommendation 1.1

The Board operates in accordance with the broad principles set out in its charter, available at the Company's website. The charter includes details on the Board's composition, responsibilities, performance review and evaluation procedures, ethical standards, and required communications with shareholders.

Responsibility for the Group's corporate governance rests with the Board. The Board's guiding principle in meeting this responsibility is to act honestly, conscientiously and fairly, in accordance with the law, in the interests of the Company's shareholders (with a view to building sustainable value for them) and those of employees and other stakeholders.

The Board's broad function is to:

- a) chart strategy and set financial budgets for the Company;
- b) monitor the implementation and execution of strategy and performance against financial budgets; and
- c) appoint and oversee the performance of executive management and generally to take and fulfil an effective leadership role in relation to the Company.

Power and authority in certain areas is specifically reserved to the Board, consistent with its function as outlined above. These areas include:

- d) composition of the Board itself including the appointment and removal of directors;
- e) oversight of the Group, including its control and accountability system;
- f) appointment and removal of senior management and the company secretary;
- g) reviewing and overseeing systems of risk management and internal compliance and control, codes of ethics and conduct, and legal and statutory compliance;
- h) monitoring senior management's performance and implementation of strategy;
- i) approving and monitoring financial and other reporting; and
- j) monitoring the operation of committees.

The Board held 12 board meetings during the year. The number of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2015, and the number of meetings attended by each director is disclosed in the Directors' Report on page 30.

Responsibilities delegated by the Board to Management:

- Preparing budgets for review and approval by the Board;
- developing appropriate policies and procedures for the management and control of the business;
- the implementation of corporate direction and company policies;
- providing the Board with accurate and timely information to enable the Board to perform its responsibilities; and
- the day to day management of the Company's activities.

Recommendation 1.2

There are processes in place to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director.

Security holders will be provided with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a director in the Notice of Meeting.



Recommendation 1.3

The Company has written agreements with each director and senior executive setting out the terms of their appointment.

With the prior approval of the Chairman, which may not be unreasonably withheld or delayed, each director has the right to seek independent legal and other professional advice concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as directors. Any costs incurred are borne by the Company.

Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

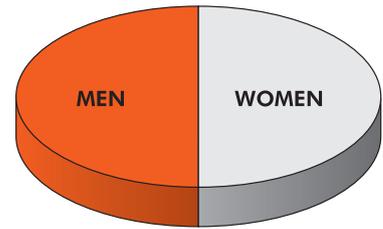
Recommendation 1.5

The Company values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has developed a diversity policy which is available on the Company's website. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. The policy does not contain measurable objectives, however the Company assesses performance quarterly and reports every six months.

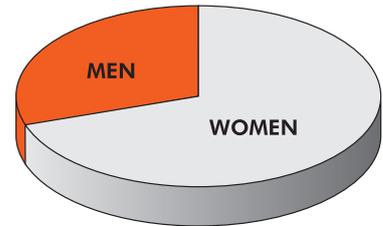
PepinNini participated in 2014 in a benchmarking study carried out by Melbourne Business School and University of SA in relation to gender diversity. The study found that in 2008 PepinNini Gender diversity overall within the Company was 50:50 male to female and in comparable companies the ratio was 68:32 male to female and at board level PepinNini was 75:25 male to female and comparable companies were 92:8 male to female. In 2012 PNN gender diversity remained unchanged whereas peers had improved to overall 64:36 and at board level 89:11 male to female.

In 2015 in accordance with ASX Corporate Governance Principles, the Board has achieved the following objectives in relation to gender diversity.

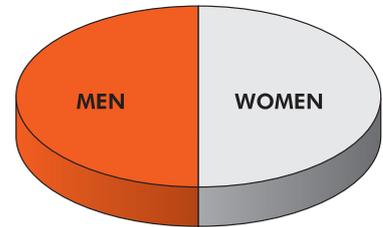
Number of women employees in the whole organisation



Number of Women in senior executive positions



Number of Women on the Board



Senior executives are individuals at the highest level of the Company's management who have the day-to-day responsibilities of managing the Company.

Recommendations 1.6 and 1.7

The corporate governance charter adopted by the Board requires individual performance review and evaluation to be conducted formally on an annual basis. In addition, an external review of the performance of directors and key executives is planned for intervals not exceeding three years to ensure independent professional scrutiny and benchmarking against developing best market practice. The Board acknowledges that performance can always be enhanced and will continue to seek and consider ways of further enhancing performance both individually and collectively. The Company's practice complies with the guidelines in this area.

All PepinNini executive directors have an annual performance review linked to Company performance encompassing financial viability, operational activities for both WH&S and statutory regulatory compliance and corporate statutory compliance. Performance reviews of all directors and management were undertaken in the reporting year based on individual performance indicators which were evaluated by both the employee and a reporting senior officer. The indicators related internally to the organisation and externally such as share price performance. Shareholders are invited to evaluate the Company's performance at the annual meeting of shareholders to approve the remuneration and financial report of the Company. These reports were approved within the reporting year which indicates committee and board approval of the Company's performance.



PRINCIPLE 2

Structure the Board to add value

Recommendation 2.1

The Board has not formed a separate Nomination Committee. The full Board consists of four directors and has formed the view that it is more efficient for the Board as a whole to deal with matters that would otherwise be dealt with by a Nomination Committee. Strategies such as reviewing the skill base and experience of existing directors and identification of attributes required in new directors are in place and, if necessary, appropriate independent consultants will be engaged to identify possible new candidates for the Board.

The Group's size is not sufficient to warrant the establishment of separate committees for the nomination of directors, and risk management. As an alternative the Group has formed a corporate governance committee to assist with the building of its own internal practices concerning good corporate governance. As part of their regular Corporate Governance Committee meetings, the directors discuss and action matters concerning:

- risk management;
- issues relevant to policies and practices for all directors and senior management; and
- any recommendations concerning the appointment of new directors and senior management.

Items of business that the committee will address at its meetings are:

- board and committee structure to facilitate a proper review function by the Board;
- corporate risk assessment and compliance with internal controls;
- review and evaluation of market practices and trends on remuneration matters;
- the performance of senior management;
- development of suitable criteria such as skills, qualifications and experience for board candidates;
- identification and consideration of possible candidates; and
- review of the performance of each director and of senior management each year in accordance with the procedures developed and adopted by the Board.

Whilst items of risk management will be discussed on a quarterly basis, items concerning remuneration and nominations will be discussed annually.

Recommendation 2.2

The Board seeks to ensure that:

- at any point in time, its membership represents an appropriate balance between directors with experience and knowledge of the Group and directors with an external or fresh perspective; and
- the size of the Board is conducive to effective discussion and efficient decision-making.

The Company has a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership, which is available on the Company's website.

Recommendation 2.3

Details of the members of the Board, their experience, expertise, qualifications, term of office and independent status are set out in the Directors' Report under the heading "Information on directors".

It is the Company's practice to allow its executive directors to accept appointments outside the Company with prior written approval of the Board. No appointments of this nature were accepted during the year ended 30 June 2015. The commitments of non-executive directors are considered by the Board prior to the directors' appointment to the Board of the Group and are reviewed each year as part of the annual performance assessment.

Prior to appointment or being submitted for re-election, each non-executive director is required to specifically acknowledge that they have and will continue to have the time available to discharge their responsibilities to the Company.

It is company policy that the directors declare their interests in dealings with the Company which create a conflict of interest, and take no part in decisions relating to them or the preceding discussions. In addition, those directors do not receive any papers from the Group pertaining to those dealings. There were no such conflicts of interest during the reporting period.

The Company regards its non-executive director Robert Wei Sun as independent for the purposes of the ASX Governance Principles. This is regularly assessed by the Board to ensure the status of independence reflects current operations.

Recommendation 2.4

The Board currently performs its roles and function, consistent with the above statement of its overall corporate governance responsibility. Since the appointment of Ms Clifton-Brown on 11 December 2014, the Board has comprised one independent non-executive director and three non-independent executive directors.

Currently, one of the four directors satisfies the criteria for independence. The Company considers that the expense involved in the recruitment and employment of additional independent directors is not justified given the present size and complexity of



its operations. Together, the current directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the business of the Company and have demonstrated that they make quality and independent judgments in the best interests of the Company on all relevant issues. Procedures are in place whereby directors having a conflict of interest in relation to a particular item of business must exclude themselves from the meeting before commencement of discussion of the topic.

It is intended that, subject to the performance of the Company, new candidates for the Board will be considered.

Recommendation 2.5

The Board considers the position of Ms Holland-Kennedy as Chairman and Managing Director to be appropriate as she is one of the founders of the Company, is a substantial shareholder, has been instrumental in the development of the Company, has a comprehensive knowledge of its operations and has successfully built value for shareholders since the Company listed on the ASX. Ms Holland-Kennedy's industry experience and her involvement with the Company since its inception are well recognised and viewed positively by shareholders. Clear protocols are in place to deal with conflicts of interest. Robert Wei Sun acts as an independent Chairman when the Board is discussing items in which a conflict of interest may arise.

The Board does however recognise that as the Company expands its operations, the ability of the Chairman to provide an independent view of management may require the appointment of an independent Chairperson in the future.

Recommendation 2.6

The Company has a sound programme for inducting new directors.

The Board periodically reviews whether there are any gaps in the skills or knowledge of directors and considers professional development opportunities to fill these gaps.

PRINCIPLE 3

Act ethically and responsibly

Recommendation 3.1

The Company has developed and adopted a detailed code of conduct to guide directors and employees in the performance of their duties. The Company has also developed and adopted a formal code to regulate dealings in securities by directors and senior management and their associates. This is designed to ensure fair and transparent trading in accordance with both the law and best practice.

The directors are satisfied that the Group has complied with its policies on ethical standards, including trading in securities.

A copy of the Code is available on the Company's website.

PRINCIPLE 4

Safeguard integrity in corporate reporting

Recommendation 4.1

The Audit Committee meets and reports to the Board as required, but in any case at least twice each year. Its members are currently two executive directors and one non-executive director. The committee has authority to seek any pertinent information it requires from any employee or external party. The Company's external auditor is invited to attend each meeting of the committee.

The charter of the audit committee is disclosed on the Company's website. The responsibilities of the audit committee include:

- oversee the existence and maintenance of internal controls and accounting systems, including the implementation of mandatory and non-mandatory accounting policies and reporting requirements;
- oversee the financial reporting process, including reviewing and reporting to the Board on the accuracy of all financial reports lodged with ASX which include the quarterly, half-yearly and annual financial reports;
- recommendations to the Board regarding the nomination, removal and remuneration of the external auditors;
- review the existing external audit arrangements, including ensuring that any non-audit services provided do not impair auditor independence; and
- assessing the adequacy of external reporting for the needs of shareholders.

In fulfilling its responsibilities, the audit committee:

- receives regular reports from management and the external auditors;
- meets with the external auditors at least twice a year, or more frequently if necessary;
- reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved;
- meets separately with the external auditors at least twice a year without the presence of management;
- provides the external auditors with a clear line of direct communication at any time to either the Chairman of the audit committee or the Chairman of the Board.

The audit committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

Details of the members of the Board, their experience, expertise, qualifications, term of office and independent status are set out in the Directors' Report under the heading "Information on Directors".

A record of the attendance of committee members is included in the Annual Report.



The Audit Committee is not in compliance with the Guidelines as only one member is a non-executive director. To safeguard the integrity of financial reporting, the Chairman of the Audit Committee is a non-executive director who is independent, and regular sessions are held with the external auditors in the absence of management to discuss any issues or concerns the auditor or independent director may have. Separate audit committee meetings are held to finalise annual and half yearly financial reports before recommending approval by the Board.

Recommendation 4.2

There is a process for ensuring that at the end of each quarter, the Managing Director and Finance Director have made the following certifications to the Board:

- The financial records for the Company for the reporting period have been properly maintained.
- The financial statements and associated notes comply in all material respects with the Australian Accounting Standards.
- The financial statements and associated notes give a true and fair view, in all material respects, of the financial position and performance of the Company.
- The statements made above regarding the integrity of the financial statements have been formed on the basis of a sound system of risk management and internal compliance and control which, in all material respects, implements the policies adopted by the board of directors.
- The risk management and internal compliance and control systems of the Company, to the extent they relate to financial reporting, are operating efficiently and effectively in all material respects.

Recommendation 4.3

The external auditor attends the Annual General Meeting of shareholders of the Company and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

The Company and audit committee policy is to appoint an external auditor who clearly demonstrates quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. Ernst & Young was appointed as the external auditor in 2009 and continue in office for the year ended 30 June 2015.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in note 20 to the financial statements. It is the policy of the external auditor to provide an annual declaration of independence to the audit committee.

PRINCIPLE 5

Make timely and balanced disclosure

Recommendation 5.1

The Group's policies are outlined in the Company Policy and Procedure Document available from the Company's website. These policies ensure continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Procedures have been established for reviewing whether any price sensitive information has been inadvertently disclosed and if so, this information is also immediately released to the market.

PRINCIPLE 6

Respect the rights of security holders

Recommendation 6.1

The Company's website provides up to date information about the Company and its governance procedures.

All information disclosed to the ASX is posted on the Company's website as soon as possible after it is disclosed to the ASX. When analysts are briefed on aspects of the Group's operations, the material used in the presentation is released to the ASX and posted on the Company's website.

All shareholders who have requested will receive a copy of the Company's annual report. In addition, the Company provides opportunities for shareholders to download from the website, annual and quarterly reports.

Recommendation 6.2

The Board strives to communicate with shareholders both regularly and clearly – both by electronic means and using more traditional communication methods.

Recommendation 6.3

Shareholders are encouraged to attend and participate at general meetings. The Group's auditor will always attend the Annual General Meeting of shareholders of the Company and is available to answer shareholders' questions.

Recommendation 6.4

The Company's share registry gives security holders the option to receive communications from, and send communications to, the Company and the registry electronically. The email address provided to security holders is monitored daily.



PRINCIPLE 7

Recognise and manage risk

Recommendations 7.1 and 7.2

The Board has not formed a separate committee to oversee risk. The full Board consists of four directors and has formed the view that it is more efficient for the Board as a whole to deal with matters that would otherwise be dealt with by a risk committee. Items of risk management, including corporate risk assessment and compliance with internal controls, are discussed on a quarterly basis.

The Group's size is not sufficient to warrant the establishment of separate committees for the nomination of directors, and risk management. As an alternative the Group has formed a corporate governance committee (currently consisting of three directors and the company secretary) to assist with the building of its own internal practices concerning good corporate governance. As part of their Corporate Governance Committee meetings, the directors discuss and action matters concerning:

- risk management;
- issues relevant to policies and practices for all directors and senior management; and
- any recommendations concerning the appointment of new directors and senior management.

Items of business that the committee will address at its meetings are:

- board and committee structure to facilitate a proper review function by the Board;
- corporate risk assessment and compliance with internal controls;
- review and evaluation of market practices and trends on remuneration matters;
- the performance of senior management;
- development of suitable criteria such as skills, qualifications and experience for Board candidates;
- identification and consideration of possible candidates; and
- review of the performance of each director and of senior management each year in accordance with the procedures developed and adopted by the Board.

Whilst items of risk management will be discussed on a quarterly basis, items concerning remuneration and nominations will be discussed annually.

A review of the Company's risk management framework has taken place during the reporting period.

Recommendation 7.3

As a junior exploration company, PepinNini does not have an internal audit function. The audit committee, working with management, has responsibility for evaluating and continually improving the effectiveness of the Company's risk management and internal control processes.

The Board, through the audit committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. These policies are available on the Company's website. In summary, the Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed effectively and efficiently managed and monitored to enable achievement of the Group's business objectives.

Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn lines of accountability and delegation of authority. Adherence to the Code of Conduct is required at all times and the Board actively promotes a culture of quality and integrity.

Detailed control procedures cover management accounting, financial reporting, project appraisal, environment, health and safety, IT security, compliance and other risk management issues. The internal audit reporting group carries out regular systematic monitoring of control activities and report to both relevant operations and administrative management and the audit committee. The company risk management policy and the operation of the risk management and compliance system is managed by the Company risk management group consisting of senior management and senior executives chaired by the Managing Director. The Board receives updates at monthly directors' meetings on material risks that may impede meeting operational and business objectives. The risk management group is then responsible for implementing appropriate controls to effectively manage those risks which are in turn monitored by the Board.

The environment, health and safety management systems (EHSMS)

The Company recognises the importance of environmental and work health and safety (WH&S) issues and is committed to the highest levels of performance. To help meet this objective the EHSMS was established to facilitate the systematic identification of environmental and WH&S issues and to ensure they are managed in a structured manner. The system allows the Company to:

- monitor its compliance with all relevant legislation;
- continually assess and improve the impact of its operations on the environment;
- encourage employees to actively participate in the management of environmental and WH&S issues;
- use energy and other resources efficiently; and
- encourage the adoption of similar standards by the Group's principal suppliers and contractors.



Information on compliance with significant environmental regulations is set out in the Directors' Report.

Recommendation 7.4

Economic Risk Factors

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption in Australia, the rate of growth of Australia's gross domestic product, interest rates and the rate of inflation.

Environmental and Social Sustainability Risk Factors

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

The Company and its controlled entities have implemented strategies of constant surveillance and monitoring actions with scheduling systems and communication safeguards at both board and management level to endeavour to manage these risks.

In relation to Tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to Tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Further to this, it is possible that an Indigenous Land Use Agreement (ILUA) may be registered against one or more of the Tenements in which the Company has an interest. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company.

The Directors will closely monitor the potential effect of native title claims involving Tenements in which the Company has or may have an interest.

PRINCIPLE 8

Remunerate fairly and responsibly

Recommendation 8.1

A Remuneration Committee with a formal charter has been established. The Remuneration Committee is not in compliance with the Guidelines in that it has less than three members and the majority of members are not independent. To safeguard the integrity of remuneration setting the Chair of the Remuneration Committee is independent.

The Remuneration Committee meets and reports to the Board annually. Its members are currently one executive director and one non-executive director. Details of the directors' attendance at the remuneration committee meetings is set out in the Directors' Report on page 30.

The Remuneration Committee advises the Board on remuneration and incentive policies and practices generally and makes specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors and employees.

Recommendation 8.2

Each employee signs a formal employment contract at the time of their appointment covering a range of matters including their duties, responsibilities and any entitlements on termination. The contract refers to a specific job description. The job description and employee performance are reviewed on an annual basis by executive management and where necessary the job description is revised in consultation with the relevant employee.

Further information on directors' and executives' remuneration including principles used to determine remuneration is set out in the Directors' Report under the heading "Remuneration report".

Recommendation 8.3

Directors, senior executive officers and employees are not permitted to trade in derivatives of our securities.



Directors' Report

The directors of PepinNini Minerals Limited ("PepinNini" or the "Company") submit herewith the annual financial report of the consolidated group consisting of PepinNini Minerals Limited and the entities it controlled (the Group) at the end of, or during, the year ended 30 June 2015. In order to comply with the provisions of the Corporations Act 2001, the directors' report is as follows:

Directors

The following persons were Directors of PepinNini Minerals Limited during the whole of the financial year and up to the date of this report:

- Rebecca Holland-Kennedy
- Robert (Wei) Sun
- Phil Clifford

Sarah Clifton-Brown was appointed as Finance Director, Executive Director on 11 December 2014.

Murray Bailey resigned as Chairman, non-executive Director on 28 October 2014.

Principal activities

During the year the principal continuing activities of the Group consisted of exploration for:

- Nickel
- Copper
- Gold
- Lead
- Iron Ore
- Zinc
- Uranium
- Other mineral commodities.

Dividends

No dividends have been paid for the year ended 30 June 2015 or 30 June 2014.

No further dividends have been declared up to the date of this report.

Review of operations

The Group currently has an interest in 21 exploration tenements covering approximately 10,063km² in the South Australia and Western Australia portions of the Musgrave Province, the Georgetown Inlier and Drummond Basin regions of North Queensland and the Robinson Range area of Midwest, Western Australia. The Company also holds nine granted minas (mining lease) and four applications for conversion of cateo (exploration licence) into mina covering a total of approximately 293km² in the Argentine province of Salta.

Exploration has progressed in all current project areas during the financial period.

1. Musgrave Province Nickel/Copper Project

PepinNini is currently undertaking exploration programs targeting nickel-copper sulphide, platinum group elements, and base metal mineralisation in the Musgrave Province, in both South Australia (SA) and Western Australia (WA). PepinNini has three designated current projects in the Musgrave Province:

- Central Musgrave Project (SA)
- Woodroffe Joint Venture Project (SA)
- Spinifex Range Project (WA)

The Central Musgrave project incorporates two granted exploration licences (EL5220, EL4587) and four exploration licence applications (ELA118/96, ELA185/96, ELA367/09, ELA368/09) covering 6,843km² which are held 100% by PepinNini subsidiary NiCul Minerals Limited. The Woodroffe Joint Venture Project includes one granted exploration licence EL5185 and two exploration licence applications (ELA278/82, ELA491/94) covering 1,379km² where NiCul Minerals is earning a 51% interest in the project under a Farm-in and Joint Venture Agreement with Rio Tinto Ltd subsidiary Rio Tinto Exploration Pty Limited. The current extension to the original agreement is due to expire at the end of December 2015 and PepinNini will not have met the farm-in commitment, as the two exploration licence applications have not been granted. PepinNini is currently in discussion to agree a further extension. The Spinifex Range Project comprises two granted exploration licences (E69/2864, E69/3191) covering 782 km² which are held 100% by Phosphate Australia Limited but where NiCul Minerals has an option agreement to explore and potentially purchase 80% of the project within a two year period for a consideration of \$500,000. If the option to purchase the project is exercised then the Company will form an 80%:20% Joint Venture with Phosphate Australia Limited.



In June 2015, NiCul Minerals Ltd surrendered tenement EL4780 Pine Ridge located in the eastern Musgrave Province, following a review of the work undertaken across the tenement which concluded that the nickel copper sulphide prospectivity of the tenement had been adequately tested and discounted. Information from the exploration of this tenement over 7 years has been retained by the Company and contributes to the Central Musgrave Project data.

During the year, exploration activities have been focused on the Mt Caroline licence EL5220 of the Central Musgrave Project in South Australia and E69/2864 of the Spinifex Range Project in Western Australia.

Central Musgrave Project (SA)

PepinNini continued the Research and Development (R&D) collaboration with the Commonwealth Scientific and Industrial Research Organisation (CSIRO) to trial in the Musgrave Province innovative and previously untried geophysical techniques for mapping of mineral system environments under cover of surface rocks and soil (regolith). The R&D studies' aim is using innovation to mitigate risks associated with airborne electromagnetic surveying of areas with no previous exploration history and that are characterised by complex regolith cover with widespread conductive palaeo-channel systems that potentially mask the effectiveness of conventional techniques to examine the bedrock geology. The studies also utilise expertise within the CSIRO to examine remanent or historical magnetism across the region. In a third innovation the integration of petrophysical properties, geology and geochemistry from mafic and ultramafic drill core samples from the Caroline Intrusive Complex provided by PepinNini have been undertaken to test methodology to generate and apply a specialised filter to regional airborne magnetic data for the identification and prioritisation of targets where no other exploration work has occurred.

PepinNini secured land access to the south eastern portion of Caroline EL5220 during the year where previously heritage clearance survey attempts in 2008 and 2009 had been inconclusive. On receipt of the consent from Anangu Pitjantjatjara Yankunytjatjara (APY) the Company relocated its field camp and initiated a program of regional vacuum regolith drilling across the Central Plains Prospect. The activities were undertaken to collate soil profile and thickness information and soil geochemistry across the nickel copper sulphide target areas where testing of the R&D electromagnetic surveying interpretations will be required. Two hundred and fifty three vacuum holes for a total 3,004m were completed to examine the regolith development across the target prospect area. Analytical results from the soil/weathered bedrock interface have revealed two low-level nickel-copper-cobalt (+/- PGE) trends that are interpreted to represent potentially fertile underlying mafic bedrock.

Spinifex Range Project (WA)

In September 2014, PepinNini commenced exploration of the Spinifex Range Project under a two year Option to Purchase Agreement with Phosphate Australia Limited (ASX:POZ). A thorough data review of previous exploration work identified several conceptual target areas, not previously identified within the E69/2864 licence where regional magnetic features are considered promising geological environments for nickel copper sulphide mineralisation. To test the hypothesis a detailed fixed wing airborne magnetic survey covering the northern half tenement was flown in December 2014 to generate 7,500 line kilometres of data to improve the interpretation and refinement of potential target areas. Six area blocks were identified for initial follow-up of both nickel-copper sulphide and PGE targets.

On receipt of heritage access consent from Ngaanyatjarra Council and required statutory government approvals, the Company undertook a high powered moving loop electromagnetic survey across the priority nickel-copper sulphide targets at Northwest Zone, Canaan East and Central Block. In total approximately 19 line kilometres of surveying on 14 traverse lines were completed. The acquisition process and recorded data quality was successful but no conductive responses indicative of massive sulphide accumulations were identified with this methodology.

A program of vacuum soil drill sampling using the company-owned equipment commenced in July 2015 across the remaining nickel-copper sulphide and platinum group element targets that have been identified. The geochemical sampling will assist the refinement of bedrock targets and stratigraphic settings worthy of more intensive bedrock drilling. Results of this work are awaited.

2. Curnamona Province Uranium, Base Metals and Iron Ore Projects

In July 2014, PepinNini announced the sale of the Company's 40% interest in the Curnamona Province Project (SA), which included the Crocker Well Uranium Deposit, to the project Joint Venture partner. The project incorporated five granted exploration licences and a mining lease application totalling approximately 3,778km² which had been investigated for uranium, iron and base metals with limited success. The weak projected outlook for the uranium and iron ore sectors and lack of meaningful progress within the joint venture reinforced the Directors' decision to divest the asset. The transaction process was completed and \$2,300,000 in consideration received on 22 September 2014.



3. North Queensland Project

During the financial year, PepinNini continued to divest non-core assets and consolidate core projects, which resulted in the sale of Mining Lease Gooligoomba ML2720 for \$40,000 and the surrender of exploration licence EPM15469 The Gilbert, of which 6km² had been adequately tested and consequently downgraded for potential. PepinNini continues to hold three exploration permits in North Queensland which cover 375km² and are prospective for uranium and gold. The Oasis Project contains shear hosted uraninite mineralisation over a strike extent of 300m with an average grade of 0.1% U₃O₈ as delineated by Esso Exploration and Production Australia Inc (1977-1979) and Glengarry (2005-2006). Subsequent work was undertaken on this prospect by Mega Uranium (2007-2010).

The directors feel the QLD government's attitude to uranium exploration and mining is inconsistent and would be tested should commodity prices for Uranium improve as predicated by industry analysts. Consequently, PepinNini continued to maintain the project tenements and evaluate the existing data during the year.

4. Robinson Range Iron Ore Project

The Robinson Range Project comprises seven tenements that cover approximately 680km². 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 iron ore exploration on behalf of the joint venture partners.

The joint venture has previously identified a small JORC Code 2004 compliant Mineral Resource for PNN Area C of 17.7 million tonnes grading 49.7% Fe in the Inferred Category which includes 4.3 million tonnes grading 55.2% Fe in the Inferred Category as was announced on 6 June 2012. The resource has not been updated to JORC Code (2012) compliance on the basis that no additional work has been undertaken and the information on which the resource was estimated has not materially changed since it was reported.

During the year the PepinNini Robinson Range Pty Ltd continued to maintain the project tenements on behalf of the joint venture partners. The PepinNini Directors feel that the project has been downgraded to non-core due to the short, medium and long-term outlook for the iron ore sector and that divestment of the project should be sought.

5. Argentina - Salta Project

PepinNini has nine granted minas (mining leases) and four applications for a cateo (exploration licence) to mina conversion covering approximately 292km² in the Argentine province of Salta. The Salta Project comprises two separate areas located on the eastern slopes of the Andean mountains designated as Santa Ines and Chivinar.

Salta Province is recognised as one of the most mining-friendly regions in Argentina with an authority where mining rights are well regulated. The geology is prospective for copper-gold porphyries, precious and base-metal epithermal systems and breccia-complexes associated with the Andean volcanic belt. Several significant copper-gold porphyry and epithermal silver deposits located in area are currently being developed by other companies.

The Santa Innes Property is situated approximately 80km to the southeast along the same lineament as BHP's giant Escondida Copper (Cu) - Gold (Au) porphyry (containing 5 billion tonnes at 1% Cu and 0.25g/t Au) which formed contemporaneously with the Santa Innes Formation event during the Late Eocene-Oligocene.

Results from exploration work carried out at the Santa Innes Project at the end of the 2013-14 year, which had included geological mapping and sampling, geochemical soil sampling and induced polarisation (IP) geophysical surveying, were received and evaluated. The program, which had incorporated two phases of exploration, identified and investigated two target prospect areas, El Obsequio (the Gift) and La Recompensa (the Reward). Coincident copper and gold anomalism within soil samples in the vicinity of the El Obsequio prospect returned maximum values of 228ppm Cu and 13.7ppb Au.

The analyses confirmed and constrained localised mineralisation proximal to artisanal working from which PepinNini has previously reported maximum concentrations of 3.25% Cu, 0.8g/t Au, 91.1ppm, molybdenum (Mo) 12.5g/t silver (Ag) in rock samples. No encouraging geochemical distributions from soil sampling across the La Recompensa prospect were detected although a single sample did contain 39.1ppb Au. Evaluation of IP survey data across both prospect areas concluded that the weak chargeability features noted at the El Obsequio prospect did not warrant drill testing at this stage.

The Company continues to hold and maintain the tenements and pursue active project generation in association with data review for Argentina.

Further information relating to the Company's projects and future directions have been made publicly available on the Company's web site at www.pepinini.com.au.



Changes in state of affairs

There was no significant change in the state of affairs of the Group during the financial year, other than that referred to above.

Matters subsequent to the end of the financial year

PepinNini Minerals Limited announced on 14 September 2015 the termination of the Robinson Range and Jackson Iron Ore Joint Ventures related to the Robinson Range Iron Ore Project covering seven exploration licences in the Midwest Region of Western Australia. The various agreements with Grosvenor Gold Pty Limited, Jackson Minerals Limited, and Alchemy Resources extinguish joint ventures and transfer the joint tenement holdings to the relevant parties. One of the tenement holdings E52/1964 was relinquished prior to the execution of the termination agreements. Gross Iron Ore Royalty Agreements have been secured for the remaining six tenements in the event of potential iron ore production related to these licences in the future with improvement in commodity prices.

The regional airborne electromagnetic surveying program proposed under the CSIRO-Geoscience Australia-SA Department of State Development (DSD) R&D collaboration across the Central Musgrave Project has been further delayed due to interdepartmental issues beyond the control of PepinNini.

There has been no other matter or circumstance that has arisen since 30 June 2015 that has significantly affected, or may significantly affect:

- a) the Group's operations in future financial years, or
- b) the results of those operations in future financial years, or
- c) the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Group intends to continue actively exploring its tenements for mineral potential. Field exploration, drilling and geophysical programs are in the approval and planning process for the Musgrave Province projects and the Argentinean project. The programs are designed to investigate targets with potential for the discovery of a major new mineral deposit. The Company continues to evaluate new areas for potential projects.

Further information on the likely developments in the operations of the Group and the expected results of operations have not been included in this annual report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulations

The mining tenements granted to the Group pursuant to Mining Acts are granted subject to various conditions which include standard environmental requirements. The Group adheres to these conditions and the directors are not aware of any contraventions of these requirements.





Directors of the Company, from left, Robert (Wei) Sun, Sarah Clifton-Brown, Phil Clifford, Rebecca Holland-Kennedy, accompanied by Company Secretary, Justin Nelson.

Information on directors

The particulars of the directors of the Company during or since the end of the financial year are:

Rebecca Holland-Kennedy

– Executive Director
– Managing Director

Qualifications:

BSc(Geology), MAusIMM, BArts(Humanities), GAICD

Experience:

Rebecca Holland-Kennedy was a founding director of PepinNini Minerals Limited and has been a board member since 2002. She also held the position of Company Secretary from 2002 to 6 May 2013. She has more than 30 years' experience in exploration company administration and data management. She has held positions with Robertson Research, Macquarie University, NSW Department of Mines and Energy as well as acting as exploration and data management consultant to AGL, Amax, BHP, AGIP, Shell, CRA, Caltex and Meekatharra Mineral Limited. She is a Director of NiCul Minerals Ltd, PepinNini Robinson Range Pty Ltd, PepinNini QLD Pty Ltd, PepinNini Minerals International Pty Ltd and PepinNini Resources Curnamona Pty Ltd.

Robert (Wei) Sun

– Non-Executive Director

Qualifications:

M.Econ(Commerce), M.Econ(IEM)

Experience:

Robert (Wei) Sun was appointed a director of the Company on 1 December 2011. He is a resource investment analyst with over 15 years' experience in international trade and the resource industries of China, Canada and Australia. He has held positions as a business manager, resource and project analyst with major Chinese and Australian companies. Robert has exceptional communication skills being able to communicate on a corporate and technical level in Chinese and English. He has maintained a close association with major Chinese companies involved in Mineral Resources and has established contacts within the Asian investment sector. He is a Director of NiCul Minerals Ltd, PepinNini Robinson Range Pty Ltd, PepinNini QLD Pty Ltd, PepinNini Minerals International Pty Ltd, PepinNini Resources Curnamona Pty Ltd, and Ferrowest Ltd.

Phil Clifford

– Executive Director
– Technical Director

Qualifications:

BSc(Geology), MAusIMM

Experience:

Phil Clifford was appointed a director of the Company on 9 April 2013. Phil Clifford has been Exploration Manager for PepinNini Minerals Limited since 2004 in charge of the South Australian Musgrave and Curnamona Projects and the Company's West Australian iron ore joint venture project at Robinson Range. Before joining PepinNini Minerals Limited he was a project geologist and team leader with CRA Exploration and Rio Tinto Exploration for 15 years in projects exploring for magmatic nickel sulphide, PGE's, gold, diamonds, base metals, uranium and coal. He is a Director of NiCul Minerals Ltd.

Sarah Clifton-Brown

– Executive Director
– Finance Director

Qualifications:

BArts(Hon) Accountancy, FCCA, GAICD

Experience:

Ms Clifton-Brown was appointed a director of the Company on 11 December 2014. She is a Fellow of the Association of Chartered Certified Accountants, a graduate member of the Australian Institute of Company Directors and has worked with the Company since May 2013. With over 12 years' experience in Australia and the United Kingdom, she brings to PepinNini Minerals Limited considerable knowledge and expertise in financial reporting, compliance and company management.

Murray Bailey

– Chairman

Qualifications:

BEng(Civil), MAICD

Experience:

Murray Bailey resigned as a director and Chairman of the Company on 28 October 2014.



Directorships of other listed companies

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship	Stock Exchange
Phil Clifford	-	-	-
Rebecca Holland-Kennedy	-	-	-
Robert (Wei) Sun	Ferrowest Ltd	Oct 2012 to present	ASX
	IMX Resources	Mar 2012 to Dec 2014	ASX
Sarah Clifton-Brown (commenced 11 Dec 2014)	-	-	-
Murray Bailey (resigned 28 Oct 2014)	-	-	-

Directors' shareholdings

The following table sets out each director's relevant interest in shares, and rights or options in shares of the Group as at the date of this report.

PepinNini Minerals Limited		
Directors	Fully paid ordinary shares (number)	Share options (number)*
Rebecca Holland-Kennedy	55,356,488	18,923,549
Phil Clifford	401,000	6,700,000
Robert (Wei) Sun	187,818	75,128
Sarah Clifton-Brown	67,000	620,000

* these figures include the options that expired on 30 June 2015

Share options granted to directors and senior management

During the financial year share options were granted to Sarah Clifton-Brown as executive incentive options as part of her remuneration package. Details are presented in the table below.

Issuing entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
PepinNini Minerals Limited	200,000	Ordinary	3cps	9 November 2017
PepinNini Minerals Limited	200,000	Ordinary	6cps	9 November 2018
PepinNini Minerals Limited	200,000	Ordinary	10cps	9 November 2019

Shares under option or issued on exercise of options

Details of unissued shares or interests under option as at the date of this report are:

Issuing entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
PepinNini Minerals Limited	2,500,000	Ordinary	4cps	1 June 2016
PepinNini Minerals Limited	2,500,000	Ordinary	6cps	1 June 2016
PepinNini Minerals Limited	1,600,000	Ordinary	12.5cps	1 June 2016
PepinNini Minerals Limited	200,000	Ordinary	3cps	9 November 2017
PepinNini Minerals Limited	200,000	Ordinary	6cps	9 November 2018
PepinNini Minerals Limited	200,000	Ordinary	10cps	9 November 2019

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme.

There were no shares or interests issued during or since the end of the financial year as a result of exercise of an option.

Remuneration of directors and senior management

Information about the remuneration of directors and senior management is set out in the remuneration report of this directors' report, on pages 30 to 37.

Company secretary

Justin Nelson was appointed Company Secretary 6 May 2013.

Qualifications and experience of Justin Nelson are detailed below.

Mr Nelson was formerly ASX's State Manager, SA and Manager, Listings (Adelaide). He holds a Bachelor of Laws degree and is a Principal with DMAW Lawyers.



Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

Directors	Board of directors			Corporate Governance Committee			Audit Committee			Remuneration Committee		
	Held	Board Member	Attended	Held	Committee member	Attended	Held	Committee member	Attended	Held	Committee member	Attended
Rebecca Holland-Kennedy *	12	12	12	1	1	1	3	2	2	1	1	1
Phil Clifford	12	12	12	1	-	-	3	-	-	1	-	-
Robert (Wei) Sun **	12	12	12	1	1	1	3	3	3	1	1	1
Sarah Clifton-Brown	12	6	6	1	1	1	3	3	3	1	1	1
Murray Bailey	12	4	2	1	-	-	3	1	1	1	-	-

* Rebecca Holland-Kennedy stepped down from the Audit Committee in February 2015.

** Robert (Wei) Sun is the independent chair of the Corporate Governance, Audit and Remuneration Committees.

Summary of financial position

	2015	2014
Total Current Assets	\$1,681,120	\$1,065,610
Total Non-Current Assets	\$14,021,242	\$19,854,408
Total Current Liabilities	\$384,086	\$519,339
Total Non-Current Liabilities	\$129	\$206,671
Net Assets	\$15,318,148	\$20,194,008
Equity	\$15,318,148	\$20,194,008

The reduction in Non-Current assets is a result of impairment of assets greater than the exploration spend capitalised during the year.

The loss of \$5,644,765 was mostly due to the impairment of exploration assets of \$5,016,953.

Revenue received of \$225,000 in the year was due to exploration, administration and drilling services offered to other exploration companies.

Remuneration report - audited

This remuneration report sets out remuneration information for PepinNini Minerals Limited's directors and other key management personnel of the group.

Role of Remuneration Committee

The Remuneration Committee is a committee of the Board. It is primarily responsible for making recommendations to the Board on:

- non-executive director fees;
- executive remuneration (directors and other executives); and
- the overarching executive remuneration framework and incentive plan.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company. In doing this, the Remuneration Committee seeks advice as required from independent remuneration consultants.

The corporate governance statement on page 17 to 23 provides further information on the role of this committee.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Executive remuneration policy and framework
- Use of remuneration consultants
- Voting and comments made at the Company's 2014 Annual General Meeting
- Performance of PepinNini Minerals Limited
- Details of remuneration
- Service agreements
- Share based compensation

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.



(A) Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices;

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- Capital management

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives.

The Board has established a remuneration committee which provides advice on remuneration and incentive policies and specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors. The Corporate Governance Statement provides further information on the role of this committee.

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board and non-executive directors are remunerated for their services as directors by a fixed sum and not a commission on a percentage of profits or operating revenue. It may not be increased except at a general meeting in which particulars of the proposed increase have been provided in the notice convening the meeting to Shareholders. No share options were awarded to non-executive directors during 2015 (2014: 7,500,000). Directors are also entitled to reasonable travel, accommodation and other expenses incurred in attending Company or Board meetings, or meetings of any Committee engaged in the Group's business.

Directors' fees

The Company's constitution states that Directors are to be paid out of Company funds as remuneration for their services. At the Annual General Meeting of the Company in 2004, it was resolved to fix the annual aggregate amount of fees payable to its Directors for director's duties at \$125,000.

Directors' retirement benefits

Any Director may be paid a retirement benefit as determined by the Board, consistent with the Corporations Act and the Listing Rules.

Directors' voting obligations

A Director is disallowed from voting on any contract or arrangement in which he or she has directly or indirectly any material interest, if it will be contrary to the Corporations Act. If such a Director does vote, his or her vote will not be counted, nor will his or her attendance be counted in the quorum present at the meeting. Either or both of these prohibitions may be relaxed or suspended to any extent by ordinary resolution passed at a General Meeting if permitted by the Corporations Act.

(B) Executive remuneration policy and framework

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the Company to attract and retain key talent
- Aligned to the Company's strategic and business objectives and the creation of shareholder value
- Transparent, and
- Acceptable to shareholders.

The executive remuneration framework has three components:

- Base pay and benefits, including superannuation,
- Short-term performance incentives, and
- Long-term incentives through participation in the PepinNini Employee Option Plan.

Executive remuneration mix

In accordance with the Company's objective to ensure that executive remuneration is aligned to Company performance, a percentage (5%) of the employees base pay is available as bonus based on achieving both personal and Company key performance indicators. These indicators are decided upon at the beginning of the financial year and assessed at the end of the financial year. The Company indicator is a share price target and the executive indicators relate to leadership, teamwork, competency and proficiency.

Base pay and benefits

Executives receive their base pay and benefits structured as a total employment cost (TEC) package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed pay increases included in any executives' contracts.

Executives do not receive any benefits.



Superannuation

Employees receive Superannuation Guarantee payments based on the statutory percentage of base salary. No other retirement benefits are provided directly by the group unless approved by shareholders.

Short-term incentives

Executives have the opportunity to earn an annual short term incentive (STI) if predefined targets are achieved. The executive team have an STI opportunity of 5% of TEC. The Company target is share price for the Company and is reviewed annually. The executive targets relate to leadership, teamwork, competency and proficiency.

The remuneration committee is responsible for assessing whether KPIs are met. The committee has the discretion to adjust short-term incentives downwards in light of unexpected or unintended circumstances.

Long-term incentives

Long-term incentives are provided to certain employees via the PepinNini Minerals Limited Employee Share Option Plan which was approved by shareholders at the 2011 Annual General Meeting.

The PepinNini Minerals Limited Employee Share Option Plan is designed to provide long-term incentives for executives to deliver long-term shareholder returns. Under the plan, participants are granted options which only vest if the employees are still employed by the Company at the end of the vesting period. Participation

in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The vesting conditions are determined by the Board as a long term employment performance incentive specific to the employee and executive. Once vested, the options are exercisable at points over a period of years determined by the Board. Options are granted under the plan for no consideration.

Share trading policy

The trading of shares issued to participants under any of the Company's employee equity plans is subject to, and conditional upon, compliance with the Company's employee share trading policy. The policy was issued to the ASX and all shareholders on 29 December 2010.

(C) Use of remuneration consultants

No remuneration consultants have been used to review existing remuneration policies.

(D) Voting and comments made at the Company's 2014 Annual General Meeting

PepinNini Minerals Limited received 99% of "yes" votes on its remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the Annual General Meeting of shareholders of the Company or throughout the year on its remuneration practices.

(E) Performance of PepinNini Minerals Limited

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the five years to June 2015:

	30 June 2015 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2012 \$'000	30 June 2011 \$'000
Revenue	225	805	861	1,042	872
Net (loss) / profit before tax	(6,044)	(3,634)	(1,357)	(1,764)	(2,591)
Net (loss) / profit after tax	(6,045)	(3,641)	(1,181)	(1,346)	(2,006)
Attributable to members of PepinNini Minerals Limited	(6,045)	(3,641)	(1,181)	(1,346)	(2,006)

	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
Share price at start of year	\$0.012	\$0.02	\$0.04	\$0.11	\$0.14
Share price at end of year	\$0.017	\$0.02	\$0.02	\$0.04	\$0.11
Interim dividend	-	-	-	-	-
Final dividend	-	-	-	-	-
Basic (loss) / earnings per share	(3.5) cps	(2.9) cps	(1.0) cps	(1.5) cps	(2.4) cps
Diluted (loss) / earnings per share	(3.5) cps	(2.9) cps	(1.0) cps	(1.5) cps	(2.4) cps
Short term incentive (% of maximum)	0.00%	0.00%	0.00%	0.00%	1.06%

The Performance Incentive Program for the 2014/15 year is based on the achievement of Corporate Objectives as well as Individual Objectives. The Corporate objectives include QHSE (quality, health, safety and environmental) targets. The performance measures do not take into account the performance of the Company over more than the current year. The payment of the short term incentive is at the discretion of the Board. The short-term incentive (Cash Bonus) as a percentage of the maximum available and the earnings per share for the current year and the previous four years are set out in the table above.



(F) Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors, the key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) and specified executives of PepinNini Minerals Limited and the PepinNini Minerals Limited Group are set out in the following tables. The key management personnel of the Group are the directors of PepinNini Minerals Limited (see page 28 above).

Key management personnel of the Group

2015	Short-term employee benefits				Post employment benefit	Long-term benefits	Termination benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Non-monetary benefits \$	Other \$	Super-annuation \$	Long service leave \$	Termination benefits \$	Options \$	Total \$
Directors									
Rebecca Holland-Kennedy	172,373	-	-	-	17,127	-	-	-	189,500
Robert (Wei) Sun	35,295	-	-	-	3,705	-	-	-	39,000
Phil Clifford (part time from 1 April 2014)	103,134	-	-	-	9,798	-	-	-	112,932
Sarah Clifton-Brown	74,291	-	-	-	7,058	-	-	2,225	83,574
Murray Bailey (resigned 28 October 2014) *	15,598	-	-	-	1,482	-	-	(37,692)	20,612
Total Key Management Personnel Compensation (Group)	400,691	-	-	-	39,170	-	-	(35,467)	404,394

* Negative share-based payments due to reversal of options expense on resignation

2014	Short-term employee benefits				Post employment benefit	Long-term benefits	Termination benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Non-monetary benefits \$	Other \$	Super-annuation \$	Long service leave \$	Termination benefits \$	Options \$	Total \$
Directors									
Rebecca Holland-Kennedy	151,250	-	-	-	18,500	-	-	-	169,750
Robert (Wei) Sun	35,393	-	-	-	3,607	-	-	-	39,000
Phil Clifford (part time from 1 April 2014)	140,137	-	-	-	12,963	-	-	7,636	160,736
Murray Bailey (commenced 1 January 2014)	26,030	-	-	-	2,408	-	-	37,692	66,130
Total Key Management Personnel Compensation (Group)	352,810	-	-	-	37,478	-	-	45,328	435,616

The percentage of remuneration to key management personnel that consists of options:

Name	2015	2014
Phil Clifford	0%	4.8%
Sarah Clifton-Brown	2.7%	0%
Murray Bailey	(221%)	57.0%



(F) Details of remuneration (continued)

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration		At risk – STI		At risk – LTI	
	2015	2014	2015	2014	2015	2014
Executive directors of PepinNini Minerals Limited						
Rebecca Holland-Kennedy	100%	100%	–	–	–	–
Robert (Wei) Sun	100%	100%	–	–	–	–
Phil Clifford (commenced 9 April 2013)	100%	100%	–	–	–	–
Sarah Clifton-Brown (commenced 11 December 2014)	100%	–	–	–	–	–
Murray Bailey (resigned 28 October 2014)	100%	100%	–	–	–	–
Sarah Clifton-Brown (Financial Controller to 10 Dec 2014)	–	100%	N/A	N/A	N/A	N/A

No director or member of senior management appointed during the period received any payments during the year other than those detailed above.

(G) Service agreements

Rebecca Holland-Kennedy (Executive Director - Managing Director) has a contract for service, details of which are outlined as follows:

- She is required to work five days a week;
- Her current salary inclusive of superannuation is \$200,000 per year;
- Her contract commenced on 9 April 2013;
- Termination may be made by either party on providing six months' notice;
- Termination benefits payable upon termination to Mrs Holland-Kennedy are six months' pay.

Rebecca Holland-Kennedy has elected to reduce contracted salary from 1 Dec 2014 to \$182,000 per annum inclusive of Superannuation.

Phil Clifford (Executive Director – Technical & Exploration Manager) has a contract for service, details of which are outlined as follows:

- He is required to work five days a week;
- His current salary inclusive of superannuation is \$180,000 per year;
- His contract commenced on 9 April 2013;
- Termination may be made by either party on providing one months' notice;
- Termination benefits payable upon termination to Mr Clifford are three months' pay.

Mr Clifford commenced part-time employment from 1 April 2014 for personal reasons. His salary is pro-rata from his employment contract for four days per week.

Sarah Clifton-Brown (Executive Director – Finance Director) has a contract for service, details of which are outlined as follows:

- She is required to work three days a week;
- Her current salary inclusive of superannuation is \$72,000 per year;
- Her contract commenced on 11 December 2014;
- Termination may be made by either party on providing three months' notice;
- Termination benefits payable upon termination to Mrs Clifton-Brown are three months' pay.

(H) Share based compensation

Options

An employee share option scheme has been established whereby PepinNini Minerals Limited may, at the discretion of management, grant options over the ordinary shares of PepinNini Minerals Limited to directors and executives as part of a remuneration package offered for employment. The options so issued are for nil consideration and have variable exercise prices and maturity dates, i.e. last date to exercise the options.



The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

No.	Grant date	Date vested and exercisable	Expiry date	Exercise price	Value per option at grant date	Number of Options
(1)	8 April 2013	1 June 2013	1 June 2016	\$0.04	\$0.0104	2,500,000
(2)	8 April 2013	1 November 2013	1 June 2016	\$0.06	\$0.0047	2,500,000
(3)	8 April 2013	1 June 2014	1 June 2016	\$0.125	\$0.0005	1,600,000
(4)	1 January 2014	1 January 2014	31 December 2015	\$0.05	\$0.0000	2,500,000
(5)	1 January 2014	1 July 2014	30 June 2016	\$0.06	\$0.0085	2,500,000
(6)	1 January 2014	1 January 2015	31 December 2016	\$0.07	\$0.0132	2,500,000
(7)	10 November 2014	10 November 2014	09 November 2017	\$0.03	\$0.0068	200,000
(8)	10 November 2014	10 November 2015	09 November 2018	\$0.06	\$0.0054	200,000
(9)	10 November 2014	10 November 2016	09 November 2019	\$0.10	\$0.0050	200,000
(10)	10 November 2014	10 November 2014	09 November 2017	\$0.03	\$0.0068	200,000
(11)	10 November 2014	10 November 2015	09 November 2018	\$0.06	\$0.0054	200,000
(12)	10 November 2014	10 November 2016	09 November 2019	\$0.10	\$0.0050	200,000
(13)	10 November 2014	10 November 2014	09 November 2017	\$0.03	\$0.0068	100,000
(14)	10 November 2014	10 November 2015	09 November 2018	\$0.06	\$0.0054	100,000
(15)	10 November 2014	10 November 2016	09 November 2019	\$0.10	\$0.0050	100,000

Options granted under the plan carry no dividend or voting rights.

Each option is convertible into one ordinary share on exercise. Options may be exercised at any time from the date of vesting to the date of their expiry.

Details of options over ordinary shares in the Group provided as remuneration to each director of PepinNini Minerals Limited and each of the key management personnel of the Group are set out below. Further information on the options is set out in note 26 to the financial statements.

(1), (1-3) and (7-15) Options in this series are entitled to beneficial interest at vesting date only if the recipients continue to be employed by the Company at that date. (4-6) Employee ceased employment 28 October 2014.

Holders of the options granted are as follows, (1-3) – Phil Clifford and (4-6) – Murray Bailey (7-9) – Sarah Clifton-Brown (10-12) Todd Williams (13-15) Angus Tod.

Options (7-15) were granted during the year and have been determined as having the following values:

- (7) \$0.0068 per option, a total value of \$1,354
- (8) \$0.0054 per option, a total value of \$1,099
- (9) \$0.0050 per option, a total value of \$501
- (10) \$0.0068 per option, a total value of \$1,354
- (11) \$0.0054 per option, a total value of \$1,099
- (12) \$0.0050 per option, a total value of \$501
- (13) \$0.0068 per option, a total value of \$677
- (14) \$0.0054 per option, a total value of \$544
- (15) \$0.0050 per option, a total value of \$251



2015							
Name	Balance at start of the year (number)	Granted as compensation (number)	Exercised (number)	Other changes (number)	Balance at end of the year (number)	Vested and exercisable (number)	Unvested (number)
Directors of PepinNini Minerals Limited							
Options							
Rebecca Holland-Kennedy	-	-	-	-	-	-	-
Robert (Wei) Sun	-	-	-	-	-	-	-
Phil Clifford	6,600,000	-	-	-	6,600,000	6,600,000	-
Murray Bailey	7,500,000	-	-	(7,500,000)	-	-	-
Sarah Clifton-Brown	-	600,000	-	-	600,000	200,000	400,000
Other key management personnel of the Group							
-	-	-	-	-	-	-	-

2014							
Name	Balance at start of the year (number)	Granted as compensation (number)	Exercised (number)	Other changes (number)	Balance at end of the year (number)	Vested and exercisable (number)	Unvested (number)
Directors of PepinNini Minerals Limited							
Options							
Rebecca Holland-Kennedy	-	-	-	-	-	-	-
Robert (Wei) Sun	-	-	-	-	-	-	-
Phil Clifford	6,600,000	-	-	-	6,600,000	6,600,000	-
Murray Bailey	-	7,500,000	-	-	7,500,000	2,500,000	5,000,000
Other key management personnel of the Group							
-	-	-	-	-	-	-	-

900,000 options were granted to key management personnel and employees of PepinNini Minerals Limited in the year ended 30 June 2015 (nil - 2014).

600,000 options were granted to directors of PepinNini Minerals Limited during the year ended 30 June 2015 (7,500,000 2014).

There were 7,200,000 unissued ordinary shares held by directors of PepinNini Minerals Limited and other key management personnel of the group under option at the date of this report.

No option holder has any right under the options to participate in any other share issue of the Group.

No ordinary shares in the Company were issued as a result of the exercise of remuneration options by directors of PepinNini Minerals Limited and other key management personnel of the Group for either the 30 June 2015 or 30 June 2014 financial year.



(I) Shareholdings

The number of shares in the Company held during the financial year by each director of PepinNini Minerals Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2015				
Name	Balance at the start of the year (number)	Received during the year on the exercise of options (number)	Other changes during the year (number)	Balance at the end of the year (number)
Directors of PepinNini Minerals Limited				
Ordinary shares				
Rebecca Holland Kennedy	55,356,488	–	–	55,356,488
Robert (Wei) Sun	187,818	–	–	187,818
Phil Clifford	401,000	–	–	401,000
Sarah Clifton-Brown (commenced 11 December 2014)	40,000	–	27,000	67,000
Murray Bailey (resigned 28 October 2014)	1,000,000	–	–	1,000,000
Other key management personnel of the Group				
Ordinary shares				
–	–	–	–	–

Close family members of the Key management personnel also hold 3,777,779 shares at balance date in their own names

2014				
Name	Balance at the start of the year (number)	Received during the year on the exercise of options (number)	Other changes during the year (number)	Balance at the end of the year (number)
Directors of PepinNini Minerals Limited				
Ordinary shares				
Rebecca Holland Kennedy	36,273,892	–	19,082,596	55,356,488
Robert (Wei) Sun	112,690	–	75,128	187,818
Phil Clifford	401,000	–	–	401,000
Murray Bailey (resigned 28 October 2014)	–	–	1,000,000	1,000,000
Other key management personnel of the Group				
Ordinary shares				
–	–	–	–	–

(J) Other transactions

PepinNini Minerals Limited repaid a loan of \$200,000 to a director (Rebecca Holland-Kennedy) during the financial year. (2014 Loan Balance \$200,000)



Indemnification of officers and auditors

PepinNini Minerals Limited has entered into standard deeds of indemnity and access with each of the directors. By these deeds, the Company has undertaken, consistent with the Corporations Act 2001, to indemnify each director in certain circumstances and to maintain directors' and officers' insurance cover in favour of the director for seven years after the director has ceased to be a director. The Company has paid a premium for the period 13 October 2014 to 13 October 2015 to insure the directors and officers of the Company. In accordance with the terms and conditions of the insurance policy, the amount of the premium paid has not been disclosed on the basis of confidentiality, which is permitted under section 300(9) of the Corporations Act 2001.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Proceedings on behalf of the Company

There are no proceedings on behalf of the Company at the date of this report.

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit services

Details of amounts paid or payable to the auditor Ernst & Young for non-audit services provided during the year by the auditor are outlined in note 20 to the financial statements.

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 20 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit Committee, for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor

Ernst & Young continued in office in accordance with section 327 of the Corporations Act 2001.

Auditor's independence declaration

The auditor's independence declaration is included on page 39 of the annual report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors



Rebecca Holland-Kennedy
Managing Director

Adelaide, 18 September 2015



Auditor's independence declaration

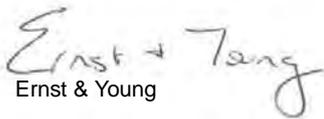


Ernst & Young
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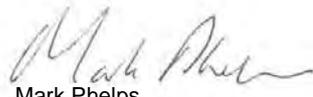
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Auditor's Independence Declaration to the Directors of PepinNini Minerals Ltd

In relation to our audit of the financial report of PepinNini Minerals Limited for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Mark Phelps
Partner
18 September 2015

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Financial report

Consolidated statement of comprehensive income for the financial year ended 30 June 2015

	Note	Consolidated	
		2015 \$	2014 \$
Revenue from Continuing Operations	5	225,165	805,219
Other Income	5	2,822	71,317
Expenses			
Depreciation expense	6	(25,479)	(15,662)
Salary & employment costs	6	(387,547)	(448,042)
Operating expenses		(573,871)	(522,370)
Professional fees		(116,074)	(77,675)
Administration expenses		(1,416)	146
Legal fees		(150,284)	(81,462)
Impairment of exploration asset		(5,016,953)	(3,365,772)
Total expenses		(6,271,624)	(4,510,837)
Loss before tax		(6,043,637)	(3,634,301)
Income tax benefit/(expense)	7	(1,128)	(6,810)
Loss for the year		(6,044,765)	(3,641,111)
Other comprehensive income		-	-
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Total comprehensive Loss for the year		(6,044,765)	(3,641,111)
Attributable to:			
Members of PepinNini Mineral Limited		(6,044,765)	(3,641,111)
		(6,044,765)	(3,641,111)

Earnings per share for loss attributable to the ordinary equity holders of the company:

Basic loss (cents per share)	25	(3.5)	(2.9)
Diluted loss (cents per share)	25	(3.5)	(2.9)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.



Consolidated statement of financial position

as at 30 June 2015

	Note	Consolidated	
		2015 \$	2014 \$
Current assets			
Cash and cash equivalents	8	1,248,382	674,372
Trade and other receivables	9	400,655	336,929
Other assets		32,084	54,309
Total current assets		1,681,121	1,065,610
Non-current assets			
Exploration expenditure	10	13,494,607	19,626,854
Exploration bonds	10	12,995	35,750
Property, plant and equipment	11	113,640	191,804
Deferred tax Assets	15	-	-
Total non-current assets		13,621,243	19,854,408
Total assets		15,302,363	20,920,018
Current liabilities			
Trade and other payables	13	150,053	298,741
Provisions	14	234,033	220,598
Total current liabilities		384,086	519,339
Non-current liabilities			
Provisions	14	129	6,671
Borrowings, related party	19	-	200,000
Total non-current liabilities		129	206,671
Total liabilities		384,215	726,010
Net assets		14,918,148	20,194,008
Equity			
Issued capital	16	21,708,465	20,907,431
Reserves	17	405,968	438,097
Retained earnings	17	(7,196,285)	(1,151,520)
Total Equity attributable to equity holders of the Company		14,918,148	20,194,008

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.



Consolidated statement of changes in equity

for the financial year ended 30 June 2015

Consolidated	Fully paid ordinary shares	Fully paid options	Equity settled employee benefits reserve	Retained earnings	Total attributable to equity holders of the Company
	\$	\$	\$	\$	\$
Balance at 1 July 2013	19,931,989	-	392,768	2,489,591	22,814,348
Loss for the year	-	-	-	(3,641,111)	(3,641,111)
Other comprehensive income	-	-	-	-	-
Total comprehensive (loss)/income	-	-	-	(3,641,111)	(3,641,111)
Issue of shares, net of transactions costs and tax (note 16)	426,707	-	-	-	426,707
Issue of Options	-	548,735	-	-	548,735
Employee share options	-	-	45,329	-	45,329
Balance at 30 June 2014	20,358,696	548,735	438,097	(1,151,520)	20,194,008
Balance at 1 July 2014	20,358,696	548,735	438,097	(1,151,520)	20,194,008
Loss for the year	-	-	-	(6,044,765)	(6,044,765)
Other comprehensive income	-	-	-	-	-
Total comprehensive (loss)/income	-	-	-	(6,044,765)	(6,044,765)
Issue of shares, net of transaction costs and tax (note 16)	796,146	-	-	-	796,146
Issue of Options	-	4,888	-	-	4,888
Employee share options	-	-	(32,129)	-	(32,129)
Balance at 30 June 2015	21,154,842	553,623	405,968	(7,196,285)	14,918,148

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes



Consolidated statement of cash flows

for the financial year ended 30 June 2015

	Note	Consolidated	
		2015 \$	2014 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,451,057)	(1,201,991)
Receipts in the course of business (inclusive of GST)		263,606	1,090,629
Interest and other costs of finance paid		-	-
Income taxes refunded (paid)		(75,000)	75,000
Net cash (used in) operating activities	24	(1,262,451)	(36,362)
Cash flows from investing activities			
Interest received		36,017	19,770
Payment for exploration activities		(1,154,767)	(1,540,702)
Payments for property, plant and equipment		-	-
Proceeds from disposal of property, plant and equipment		2,355,306	117,541
Proceeds from sale of assets held for sale		-	-
Net cash (used in) investing activities		1,236,556	(1,403,391)
Cash flows from financing activities			
Proceeds from issues of equity securities		799,905	968,632
Payment of directors loan		(200,000)	200,000
Net cash provided by financing activities		599,905	1,168,632
Net decrease in cash and cash equivalents		574,010	(271,121)
Cash and cash equivalents at the beginning of the financial year		674,372	945,493
Cash and cash equivalents at the end of the financial year	8	1,248,382	674,372

The above statement of cash flows should be read in conjunction with the accompanying notes.



Notes to the financial statements 30 June 2015

Note 1. General information

This financial report covers the consolidated financial statements for the consolidated entity consisting of PepinNini Minerals Limited (the "Company" or "Parent") and its controlled entities (the "Group" or the "consolidated entity").

The Company's registered office and its principal place of business are as follows:

Registered office:

96 Babbage Road
ROSEVILLE CHASE NSW 2069
Tel: +61 (0)2 9417 6212
Fax: +61 (0)2 9417 3043
Email: admin@pepinnini.com.au
Website: www.pepinnini.com.au

Exploration office WA:

56 Kathleen Street
TRIGG WA 6029
Tel: +61 (0)8 9246 4829
Fax: +61 (0)8 9246 4829

Exploration office SA:

22A Charlotte Street
SMITHFIELD SA 5114
Tel: +61 (0)8 8254 2044
Fax: +61 (0)8 8254 2033

Principal office:

Level 6, 108 King William Street
ADELAIDE SA 5000
Tel: +61 (0)8 8218 5000
Fax: +61 (0)8 8218 5717
Email: admin@pepinnini.com.au

PepinNini Minerals Limited was incorporated in Australia and is domiciled in Australia.

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities in the directors' report, which is not part of this financial report.

The financial report was authorised for issue by the directors on 16 September 2015. The Group has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available at our Shareholders' Centre on our website: www.pepinnini.com.au

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. PepinNini Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

New and amended standards adopted by the Group

Changes in accounting standards that impact the Group:

Reference	Title	Application date of standard*	Application date for Group*
AASB 1031	<p><i>Materiality</i></p> <p>The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality.</p> <p>AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.</p> <p>AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014*.</p>	1 January 2014	1 July 2014



Accounting standards issued but not yet effective impacting the Group:

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	AASB 2014-3 amends AASB 11 <i>Joint Arrangements</i> to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: <ul style="list-style-type: none"> (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 <i>Business Combinations</i>, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. This Standard also makes an editorial correction to AASB 11	1 January 2016	1 July 2016
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	AASB 116 <i>Property Plant and Equipment</i> and AASB 138 <i>Intangible Assets</i> both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. <p>The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.</p> <p>The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.</p>	1 January 2016	1 July 2016
AASB 15	Revenue from Contracts with Customers	AASB 15 <i>Revenue from Contracts with Customers</i> replaces the existing revenue recognition standards AASB 111 <i>Construction Contracts</i> , AASB 118 <i>Revenue</i> and related Interpretations (Interpretation 13 <i>Customer Loyalty Programmes</i> , Interpretation 15 <i>Agreements for the Construction of Real Estate</i> , Interpretation 18 <i>Transfers of Assets from Customers</i> , Interpretation 131 <i>Revenue-Barter Transactions Involving Advertising Services</i> and Interpretation 1042 <i>Subscriber Acquisition Costs in the Telecommunications Industry</i>). AASB 15 incorporates the requirements of IFRS 15 <i>Revenue from Contracts with Customers</i> issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB). <p>AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <ul style="list-style-type: none"> (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation <p>The International Accounting Standards Board (IASB) in September 2015 issued an amendment to defer the effective date of IFRS 15 (the international equivalent of AASB 15) from 1 January 2017 to 1 January 2018. At this time, it is expected that the AASB will make a corresponding amendment to AASB 15, which will mean that the application date of this standard for the Group will move from 1 July 2017 to 1 July 2018.</p> <p>AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.</p>	1 January 2017	1 July 2017
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 <i>Presentation of Financial Statements</i> arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 July 2016
AASB 2015-4	Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent	The amendment aligns the relief available in AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> in respect of the financial reporting requirements for Australian groups with a foreign parent.	1 July 2015	1 July 2015
AASB 2015-6	Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	This Standard makes amendments to AASB 124 <i>Related Party Disclosures</i> to extend the scope of that Standard to include not-for-profit public sector entities.	1 July 2016	1 July 2016



Historical cost convention

These financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where estimates and judgements are significant to the financial statements are disclosed in note 3.

Reclassification

When the presentation or classification of items in the financial report is amended, comparative amounts are reclassified to ensure comparability.

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is PepinNini Minerals Limited's functional currency.

Adoption of new and revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below. The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company and the results of all subsidiaries as at 30 June 2015 and the results for all subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee if and only if the group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the group has less than a majority of the voting rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions and balances between Group companies are eliminated in full. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income and consolidated statement of financial position respectively.

(ii) Joint arrangement

The proportionate interests in the assets, liabilities and expenses of a joint arrangement activity have been incorporated in the financial statements under the appropriate headings. Details of the joint arrangements are set out in note 23. Interests in joint operations in which the Group is a venturer and has joint control are included in the financial statements by recognising the Group's share of jointly controlled assets (classified according to their nature), the share of liabilities incurred (including those incurred jointly with the other venturers) and the Group's share of expenses incurred by or in respect of each joint arrangement. Further details of the joint operations are set out in note 23.

(iii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates (net of any accumulated impairment loss) includes goodwill identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.



Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale or the provision of services have been resolved.

Service income

Sales of drilling services are recognised in the accounting period in which the services are rendered.

Interest income

Interest income is recognised using the effective interest method.

Dividend income

Dividends are recognised as revenue when the right to receive the payment is established.

(b) Government grants

Government grants are assistance by the government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the Group other than the requirement to operate in certain regions or industry sectors.

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Grants for exploration drilling activity within an exploration tenement which has not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves, has been recognised as deferred income and is offset against costs capitalised and will be recognised in profit and loss over the expected useful life of the exploration tenement asset concerned.

(c) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes the provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount of tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset when the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



Tax consolidation legislation

PepinNini Minerals Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

The head entity, PepinNini Minerals Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, PepinNini Minerals Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Details about the tax funding agreement are disclosed in note 7(e).

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(d) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(e) Cash and cash equivalents

For the purpose of presentation on the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

(f) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(g) Exploration, evaluation and development expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights of tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and commercial exploitation of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits an assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing



Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs whether they are directly related to operational activities in a particular area of interest.

A regular review is undertaken of each area of interest to determine whether any impairment indicators exist and therefore the appropriateness of continuing to carry forward costs in relation to that area of interest. Accumulated costs in relation to an abandoned area are written off in full against profit / (loss) in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

(h) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

Depreciation on assets is calculated using the diminishing value method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Plant & equipment – 4 to 3 years or 25% to 33%
- Field vehicles – 3 years or 33%

Depreciation for assets used in exploration activities are capitalised rather than being expensed. Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(d)). Additionally, if an asset's written down value reduces below \$500, it is written off through the statement of comprehensive income.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(j) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

If the effect is material, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at reporting date. The discount rate used to determine the present value reflects the current market assessments of the time value of money and the risks specific to the liability.

(i) Site restoration

Provision for site restoration is recognised when the land is disturbed. The provision is the best estimate of the present value of the expenditure required to settle the restoration obligation at balance date. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits.

Restoration costs are allocated to expense over the life of the related assets and are periodically adjusted to reflect changes in the estimated present value resulting from the passage of time and revisions to the estimate of either the timing or amount of the reclamation and abandonment costs. The site restoration obligation is based on when the spending for an existing environmental disturbance and activity will occur. The Company reviews, on an annual basis, unless otherwise deemed necessary, the site restoration obligation at each site. Future reclamation costs for inactive mines are accrued based on management's best estimate at the end of each period of the costs expected to be incurred at a site. Such cost estimates include, where applicable, ongoing care, maintenance and monitoring costs. Changes in estimates at inactive mines are reflected in earnings in the period an estimate is revised.



(k) Employee benefits

(i) Wages and salaries, annual leave, long service and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised when it is probable that settlement will be required and they are capable of being measured reliably. Amounts recognised are in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(ii) Defined contribution plans

Contributions to defined contribution superannuation plans in respect of administrative employees are expensed as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available. Where an employee is involved in exploration activities, the contributions form part of the exploration and development expenditure capitalised for the period during which they occurred.

(l) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(m) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding

during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(n) Share-based payments

Share-based compensation is provided to selected employees, non-executive directors and is used to fund certain business transactions with third parties. The fair value of share-based compensation granted is recognised as an expense or asset as appropriate, with a corresponding increase in equity. The fair value is measured at grant date and is recognised over the period during which the employees or third party become unconditionally entitled to the stock compensation.

The fair value at grant date is determined using market prices for shares and using a Black-Scholes option pricing model for options. The option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable.

The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in profit and loss with a corresponding adjustment to equity.

(o) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included within other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.



(p) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is PepinNini Minerals Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each profit and loss item are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income.

(q) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(r) Parent entity information

The financial information for the parent entity, PepinNini Minerals Limited, disclosed in note 28 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of PepinNini Minerals Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Tax consolidation legislation

PepinNini Minerals Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, PepinNini Minerals Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, PepinNini Minerals Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.



The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate PepinNini Minerals Limited for any current tax payable assumed and are compensated by PepinNini Minerals Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to PepinNini Minerals Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(s) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. The Group's and parent entity's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 / IFRS 9 Financial Instruments (effective from 1 January 2018).

IFRS 9 replaces IAS 39 and includes a logical model for classification and instruments measurement, a single forward looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting.

The new standard requires entities to account for expected credit losses from when the financial instruments are first recognised and to recognise full lifetime losses on a timelier basis.

AASB 9 includes requirements for a simplified approach for classification and measurement of financial assets compared with the requirements of AASB 139.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated as at fair value through profit or loss and the group does not have any such liabilities.

The group will not be impacted by the rules around hedge accounting as the group does not have any hedging arrangements.

The group has not yet decided when to adopt AASB 9 / IFRS 9. In order to apply the new hedging rules, the group would have to adopt AASB 9 and the consequential amendments to AASB 7 and AASB 139 in their entirety.

AASB 2014-10 Sale or contribution of assets between an investor and its associate or joint venture (effective 1 January 2016)

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting depends on whether the contributed assets constitute a business or an asset.

The Group will apply the amendments from 1 July 2016.

There are no other standards that are not yet effective that are expected to have a material impact on the entity in the current or future reporting periods and unforeseeable future transactions.



Note 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future, the results of which, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Reserves and resources

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. A regular review is undertaken of each area of interest to determine whether any impairment indicators exist and therefore the appropriateness of continuing to carry forward costs in relation to that area of interest.

(ii) Impairment

Assets held are subject to impairment in line with the accounting policy detailed in note 2(d). Determination of impairment requires significant judgement and estimation. In exercising this judgement the group evaluates, among other factors, the duration and extent to which fair value is less than carrying value.

Note 4. Financial risk management

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis of interest rate, foreign exchange and other price risks.

Risk management is carried out by the board of directors who provide principles for overall risk management.

The Group holds the following financial instruments:

	Consolidated	
	2015	2014
	\$	\$
Financial assets		
Cash and cash equivalents	1,248,382	674,372
Trade and other receivables	400,655	336,929
	1,649,037	1,011,301
Financial liabilities		
Trade and other payables	(150,053)	(298,741)
Borrowings, related party		(200,000)
	(150,053)	(498,741)



Note 4. Financial risk management (continued)

(a) Market risk

(i) Commodity Price risk

Financial assets and liabilities held by the group are not subject to commodity price exposure for either the 30 June 2015 and 30 June 2014 financial years.

(ii) Cash flow and fair value interest rate risk

As at 30 June 2015 and 30 June 2014, all of the Group's borrowings were non-interest bearing. The following table details the Group's and the Company's exposure to interest rate risk on each class of financial instrument as at 30 June 2015:

Consolidated	30 June 2015		30 June 2014	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	\$	%	\$
Cash	1.01	19,944	1.61	115,000
At call deposits	1.26	94,364	1.86	134,116
Term deposits	2.77	1,134,075	3.37	425,256
Trade and other receivables	N/A	400,655	N/A	336,929
Total financial assets		1,649,038		1,011,301
Trade and other payables	N/A	(150,053)	N/A	(298,741)
Total financial liabilities		(150,053)		(298,741)

An analysis by maturities is provided in (c) below.

Sensitivity analysis – interest rates.

The Group analyses its interest rate exposure on a dynamic basis only for all financial assets and liabilities.

Group sensitivity

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk.

Consolidated 30 June 2015	Interest rate risk				
	+ 1.0%		- 1.0%		
	Carrying amount	Post Tax Profit	Other Equity	Post Tax Profit	Other Equity
	\$	\$	\$	\$	\$
Financial assets					
Cash	19,944	140	-	(140)	-
At call deposits	94,364	661	-	(661)	-
Term deposits	1,134,075	-	-	-	-
Trade and other receivables	400,655	-	-	-	-
Financial liabilities					
Trade and other payables	(150,053)	-	-	-	-
Total increase/ (decrease)	-	801	-	(801)	-



Consolidated 30 June 2014	Interest rate risk				
	+ 1.0%		- 1.0%		
	Carrying amount	Post Tax Profit	Other Equity	Post Tax Profit	Other Equity
	\$	\$	\$	\$	\$
Financial assets					
Cash	115,000	805	-	(805)	-
At call deposits	134,116	939	-	(939)	-
Term deposits	425,256	-	-	-	-
Trade and other receivables	336,929	-	-	-	-
Financial liabilities					
Trade payables and other payables	(298,741)	-	-	-	-
Total increase/ (decrease)	-	1,744	-	(1,744)	-

(iii) Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from the United States Dollar and Argentine Peso.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

As at 30 June 2015 and 2014, the Group had immaterial exposure to foreign currency. As a result financial assets and financial liabilities outstanding as at balance date are not sensitive to changes in exchange rates.

(a) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure on trade receivables. For banks and financial institutions, only parties rated by the three rating agencies with a minimum rating of 'A' are accepted. Individual risk limits for customers are set based on internal or external ratings in accordance with limits set by the Board. The compliance with credit limits by customers is regularly monitored by management.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised in the table below:

	Consolidated	
	2015	2014
	\$	\$
Cash and cash equivalents		
Minimum rating of "A"	1,248,382	674,372
	1,248,382	674,372
Trade receivables		
Counterparties without external credit rating	400,655	336,894
Total trade receivables	400,655	336,894



Note 4. Financial risk management (continued)

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturities of financial assets

The tables below analyse the Group's financial assets into relevant maturity groupings based on the remaining period at the reporting date to the maturity date. The amounts disclosed in the table are undiscounted cash flows.

Group At 30 June 2015	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying Amount (asset)
	\$	\$	\$	\$	\$	\$	\$
Trade and other receivables	655	400,000	-	-	-	400,655	400,655
Total	655	400,000	-	-	-	400,655	400,655

Group At 30 June 2014	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying Amount (asset)
	\$	\$	\$	\$	\$	\$	\$
Trade and other receivables	11,929	325,000	-	-	-	336,929	336,929
Total	11,929	325,000	-	-	-	336,929	336,929

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities, into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group At 30 June 2015	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying Amount (liability)
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	(150,053)	-	-	-	-	(150,053)	(150,053)
Total	(150,053)	-	-	-	-	(150,053)	(150,053)

Group At 30 June 2014	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying Amount (liability)
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	(298,741)	-	-	-	-	(298,741)	(298,741)
Total	(298,741)	-	-	-	-	(298,741)	(298,741)

(c) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement and for disclosure purposes.

The carrying value of trade receivables, less the impairment provision, and trade payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The directors consider that the carrying amount of financial assets and liabilities recorded at amortised cost in the financial statements approximates their fair values.



Note 5. Revenue and other income

The Group's revenue for the year is as follows:

	Consolidated	
	2015	2014
	\$	\$
Interest revenue:		
Bank deposits	37,155	18,617
	37,155	18,617
Other revenue:		
Drilling services revenue	84,175	254,552
Other revenue	103,835	532,050
	188,010	786,602
	225,165	805,219
Other income:		
Gain on sale of assets	2,822	71,317
	2,822	71,317

Note 6. Expenses

	Consolidated	
	2015	2014
	\$	\$
Loss before income tax includes the following specific expenses:		
Depreciation (a)		
Exploration field equipment	-	1,380
Drilling equipment	-	-
Office computer equipment	14,416	10,365
Field vehicles	6,077	1,424
Office equipment	4,986	2,493
Total depreciation expensed	25,479	15,662
Depreciation capitalised (a)	59,442	59,442
Total depreciation	84,921	75,104
Salary & Employment costs		
Salaries & wages	387,761	372,495
Employee options expense	(32,129)	45,329
Defined contribution superannuation expense	31,915	30,218
	387,547	448,042
Operating lease		
Rental expense relating to operating lease	83,657	109,378

(a) During the year, depreciation expense was capitalised as part of exploration expenditure.



Note 7. Income tax expense

	Consolidated	
	2015	2014
	\$	\$

(a) Income tax expense / (benefit)

Current tax (benefit) / expense	-	-
Deferred tax (benefit) / expense	1,128	6,810
Adjustment of tax of prior periods	-	-
	1,128	6,810

Income tax expense / (benefit) is attributable to:

Loss from continuing operations	-	-
Aggregate income tax expense / (benefit)	-	-

Deferred income tax expense included in income tax expense comprises:

Decrease (increase) in deferred tax assets (note 15)	1,128	6,810
(Decrease) increase in deferred tax liabilities (note 15)	-	-
	1,128	6,810

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Loss from continuing operations before income tax expense	(6,043,637)	(3,634,301)
Tax at the Australian tax rate of 30% (2014 – 30%)	(1,813,091)	(1,090,290)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Employee stock compensation	(9,639)	13,598
Adjustment of prior period tax	-	-
Adjustment to prior period R&D	-	(97,500)
R&D Non-deductible expenditure	266,667	216,667
Other	-	-
Deferred tax assets not recognised as not probable	1,557,191	964,335
Income tax (benefit) / expense	1,128	6,810

(c) Amounts recognised directly in equity

Net deferred tax – credited directly to equity (note 16)	1,128	6,810
	1,128	6,810

	Consolidated	
	2015	2014
	\$	\$

(d) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	10,363,726	7,094,101
Unused capital losses for which no deferred tax asset has been recognised	5,840,532	5,840,532
Potential tax benefit @ 30%	4,861,278	3,880,390

(e) Tax consolidation legislation

PepinNini Minerals Limited and its wholly owned Australian controlled entities implemented the tax consolidation legislation from 1 September 2006. The accounting policy in relation to this legislation is set out in note 2(c).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, PepinNini Minerals Limited.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate PepinNini Minerals Limited for any current tax payable assumed and are compensated by PepinNini Minerals Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to PepinNini Minerals Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivables or payables.



Note 8. Cash and cash equivalents

	Consolidated	
	2015	2014
	\$	\$
Cash and cash equivalents	1,243,400	668,194
Cash on hand	4,982	6,178
	1,248,382	674,372

The Group's exposure to interest rate risk is disclosed in note 4.

Note 9. Trade and other receivables

	Consolidated	
	2015	2014
	\$	\$
Current		
Trade receivables	655	11,929
Research & Development tax refund	400,000	325,000
Allowance for doubtful debts	-	-
	400,655	336,929
Non-current		
Goods and services tax recoverable	-	-
Trade and other receivables	400,655	336,929

(a) Impaired trade receivables

There are no other receivables impaired at 30 June 2015 (2014: nil).

	2015	2014
	\$	\$
At 1 July	-	-
Charged for the year	-	-
Receivables written off during the year	-	-
At 30 June	-	-

(b) Past due but not impaired

As at 30 June 2015, no trade receivables were past due but not impaired (2014: nil). The other classes of receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

(c) Foreign exchange and interest rate risk

Information about the Group's and the parent entity's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in note 4.

(d) Fair value and credit risk

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 4 for more information on the risk management policy of the Group and the credit quality of the entity's trade receivables.

Note 10. Exploration expenditure and exploration bonds

	Consolidated	
	2015	2014
	\$	\$
Exploration expenditure		
Non-current:		
Balance at the beginning of the year	19,626,854	21,442,398
Exploration expenditure capitalised	1,184,706	1,550,228
Disposed tenements	(2,300,000)	-
Impairment of exploration assets (i)	(5,016,953)	(3,365,772)
Balance at the end of the year	13,494,607	19,626,854
Environmental bonds		
Non-current:		
Balance at the beginning of the year	35,750	35,750
Amounts capitalised	-	-
Bonds released during year	(22,755)	-
Balance at the end of the year	12,995	35,750

(i) Impairment of exploration assets

The impairment loss is a consequence of the downgrading of the capitalised expenditures carried by PepinNini Robinson Range Pty Ltd (PRR) for the WA Iron Ore Joint ventures from potentially recoverable to unrecoverable due to the significant drop in the price of iron ore. Agreements are in process with the joint venture partners for the transfer of PRR interest in the tenements to the joint venture partner in return for a 1% Gross Iron Ore Royalty. The project has been fully impaired at 30 June 2015 to reflect this situation. An Impairment expense has also been recognised for the Sale of QLD Mining Lease ML 2720 Gooligoomba and the relinquishment of QLD tenement EPM 469 The Gilbert.



Note 11. Property, plant and equipment

	Consolidated					
	Drilling Equipment	Field Vehicles	Field Equipment	Computer Equipment	Office Equipment	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2014						
Opening net book amount	120,972	62,951	34,866	36,111	8,317	263,217
Additions	27,856	-	-	-	-	27,856
Disposals	-	(22,192)	(1,469)	(476)	-	(24,137)
Depreciation charge	(40,410)	(12,166)	(9,698)	(10,365)	(2,493)	(75,132)
Closing net book amount	108,418	28,593	23,699	25,270	5,824	191,804
At 30 June 2014						
Cost	854,850	286,094	228,313	121,608	45,234	1,536,099
Accumulated depreciation	(746,432)	(257,501)	(204,614)	(96,338)	(39,410)	(1,344,295)
Net book amount	108,418	28,593	23,699	25,270	5,824	191,804
Year ended 30 June 2015						
Opening net book amount	108,418	28,593	23,699	25,270	5,824	191,804
Additions	-	-	2,035	5,580	-	7,615
Disposals	-	-	(191)	(1,168)	-	(1,359)
Depreciation charge	(38,204)	(15,145)	(11,670)	(14,416)	(4,985)	(84,420)
Closing net book amount	70,214	13,448	13,873	15,266	839	113,640
At 30 June 2015						
Cost	854,851	245,455	224,127	122,726	43,534	1,490,693
Accumulated depreciation	(784,637)	(232,007)	(210,254)	(107,460)	(42,695)	(1,377,053)
Net book amount	70,214	13,448	13,873	15,266	839	113,640

Note 12. Investments in subsidiaries

Name of subsidiary	Country of incorporation	Ownership interest	
		2015	2014
		%	%
NiCul Minerals Pty Ltd ^	Australia	100	100
PepinNini Resources Curnamona Pty Ltd*	Australia	100	100
PepinNini Robinson Range Pty Ltd*	Australia	100	100
PepinNini Minerals International Pty Ltd*	Australia	100	100
PepinNini QLD Pty Ltd*	Australia	100	100
PepinNini Sociedad Anonima	Argentine Republic	100	100

The proportion of ownership interest is equal to the proportion of voting power held.

* These companies are members of the tax-consolidated group. PepinNini Minerals Limited is the head entity within the tax consolidated group.

^ Name change 26 July 2011 from PepinNini Resources Pty Ltd

PepinNini Minerals Limited also has the following interests in joint ventures (refer to note 23):

- PepinNini Robinson Range Iron Ore Joint Venture agreement, an agreement created to conduct joint operations with Grosvenor Gold Pty Limited and Jackson Minerals. On commencement date PepinNini Robinson Range had a 50% interest in JV03 (3 tenements) and 40% interest in JV04 (4 tenements).



Note 13. Trade and other payables

	Consolidated	
	2015	2014
	\$	\$
Trade payables (i)	125,633	152,743
Sundry creditors and accruals	24,420	145,998
	150,053	298,741

(i) Trade payables are non-interest bearing and are usually settled on 30 day terms.

(a) Risk exposure

Information about the Group's and the parent entity's exposure to foreign exchange risk is provided in note 4.

Note 14. Provisions

	Consolidated	
	2015	2014
	\$	\$
Current - Employee benefits	234,033	220,598
Non-Current - Employee benefits	129	6,671
	234,162	227,269

The current provision for employee benefits relates to annual leave and long service leave entitlements accrued. These amounts are expected to be settled within 12 months of balance date.

The non-current provision for employee benefits relates to long service leave entitlements accrued.

Note 15. Non current liabilities – deferred tax liabilities / (assets)

	Consolidated	
	2015	2014
	\$	\$

The net deferred tax liability comprises temporary differences attributable to:

Deferred tax assets:

Fundraising costs	(21,669)	(46,618)
Provisions and accruals	(70,249)	(68,181)
Unused tax losses	(7,221,476)	(7,965,624)
Impairment of investment		
Deferred tax assets not recognised	3,109,118	2,128,230
Deferred tax assets:	(4,204,276)	(5,952,192)

Deferred tax liabilities

Property, plant and equipment	35,894	64,136
Exploration expenditure, Resource exploration / potential, Mining information	4,168,382	5,888,056
	4,204,276	5,952,192

Total net deferred tax liabilities - -

Movements – Consolidated	Total
At 1 July 2013	
Charged/(credited) to the statement of comprehensive income	-
Charged directly to equity	-
At 30 June 2014	-
Charged/(credited) to the statement of comprehensive income	-
Charged directly to equity	-
At 30 June 2015	-



Note 16. Issued and paid up capital

(a) Share capital:

	Consolidated	
	2015	2014
	\$	\$
195,080,723 (2014:143,731,600)		
fully paid ordinary shares	21,708,465	20,907,431
	21,708,465	20,907,431

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

(b) Movements in share capital:

	2015		2014	
	Number	\$	Number	\$
Fully paid ordinary shares				
Balance at beginning of financial year	143,731,600	20,907,431	115,177,993	19,931,989
Issue of shares#	51,315,789	802,500	23,294,567	442,598
Share issue costs	-	(6,354)	-	(22,701)
Tax effect on issue costs	-	1,128	-	6,810
Issue of options	-	-	-	324,628
Options issue costs	-	-	-	(38,845)
Options exercised	33,334	3,760	5,259,040	262,952
Subtotal				
Transfer of amounts from equity-settled employee benefits expiring	-	-	-	-
Balance at end of financial year	195,080,723	21,708,465	143,731,600	20,907,431

In August 2014 26.3 million PepinNini Minerals Limited ordinary shares were issued as part of a shortfall of a non-renounceable entitlements issue of shares offered to all shareholders at a price of 1.9 cents per share to raise \$500,000 in capital. In May 2015 25.0 million ordinary shares were issued as part of a private placement offered at a price of 1.21 cents to raise \$302,500.

In June 2015, 33,334 PepinNini Minerals Limited options were exercised at a price of 5 cents per option to raise \$3,760 in capital.

(c) Share options granted under the executive share option plan

During the 2015 and 2014 year, there were no options exercised that were issued under the executive share option plan. As a result of this there was no transfer from the equity-settled employee benefits reserve to issued capital. During the year, PepinNini Minerals Limited issued 900,000 share options (2014: 7,500,000) over ordinary shares under its executive share option plan. For further details on share options issued under the executive share option plan, refer to note 19.

(d) Capital risk management

The Group's and the parent entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the prior year, the Group monitor capital to ensure the company has appropriate cash and cash equivalents available to meet projected operational, investing and financing cash flow needs.



Note 17. Reserves and retained earnings

(a) Reserves

	Consolidated	
	2015	2014
	\$	\$
Equity-settled employee benefits (i)	438,097	392,768
Equity-settled employee benefits expensed during the year	(32,129)	45,329
	405,968	438,097

(i) The equity-settled employee benefits reserve is used to recognise the fair value at grant date of share options granted to executives and senior employees. The fair value is then expensed over the vesting period of the share options. Amounts are transferred out of the reserve and into issued capital when the options are exercised.

(b) Retained earnings

Movements in retained earnings were as follows:

	Consolidated	
	2015	2014
	\$	\$
Balance at beginning of financial year	(1,151,520)	2,489,591
Net (loss) / profit attributable to members of the Company	(6,044,765)	(3,641,111)
Dividends provided for or paid (note 18)	-	-
Balance at end of financial year	(7,196,285)	(1,151,520)

Note 18. Dividends

	Company	
	2015	2014
	\$	\$
No dividends have been paid for the year ended 30 June 2015 or 30 June 2014	-	-
	-	-

There has been no dividend recommended by the directors since year end.

Franked dividends

	Company	
	2015	2014
	\$	\$
Franking credits available for subsequent financial years based on a tax rate of 30% (2014: 30%)	4,709,476	4,709,476
	4,709,476	4,709,476

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

Note 19. Key management personnel compensation

(a) Directors

The following persons were directors of PepinNini Minerals Limited during the financial year:

- Rebecca Holland-Kennedy – Managing Director
- Robert (Wei) Sun – Director
- Phil Clifford – Director
- Murray Bailey (resigned 28 October 2014)
- Sarah Clifton-Brown (commenced 11 December 2014)

(b) Other key management personnel

There are no employees directing and controlling the activities of the Group, directly or indirectly, during the financial year that would be considered key management personnel.



Note 19. Financial risk management (continued)

(c) Key management personnel compensation

	Consolidated	
	2015	2014
	\$	\$
Short term employee benefits	400,691	352,809
Post employment benefits	39,170	37,478
Other Long term benefits	-	-
Termination benefits	-	-
Share based payments	2,225	45,329
	442,086	435,616

Detailed remuneration disclosures are provided in the remuneration report on pages 30 to 34.

(d) Other transactions with key management personnel

The following table details the balances with related parties as at 30 June 2015 and 30 June 2014:

	Amounts	Amounts
	owed by	owed to
	related	related
	parties	parties
	2015	2014
	\$	\$

Key management personnel of the Group:

Directors' interests (Rebecca Holland-Kennedy)	30 June 2015	-	-
	30 June 2014	-	200,000

There have been no sales and purchases between related parties during the year ended 30 June 2015 and 2014.

Note 20. Remuneration of auditors

	Consolidated	
	2015	2014
	\$	\$
Auditor of the parent entity		
Ernst & Young audit and review of the financial reports	42,000	55,500
Ernst & Young other assurance services	-	-
	42,000	55,500

Note 21. Commitments for expenditure

	Consolidated	
	2015	2014
	\$	\$
Capital expenditure commitments		
Granted exploration tenement statutory expenditure commitments, payable:		
Not longer than 1 year	1,385,083	1,696,275
Longer than 1 year and not longer than 5 years	343,333	799,167
Longer than 5 years	-	-
	1,728,416	2,495,442
Operating lease commitments:		
Not longer than 1 year	56,560	160,000
Longer than 1 year and not longer than 5 years	71,080	-
Longer than 5 years	-	-
	127,640	160,000

Note 22. Related party transactions

(a) Subsidiaries

Interests in subsidiaries are set out in note 12.

(b) Key management personnel

Disclosures relating to key management personnel are set out in note 19.

(c) Transactions with related parties

As at 30 June 2015, George Holland Pty Ltd, a company of which Rebecca Holland-Kennedy is a director held 5,321,890 shares.

(d) Terms and conditions

Transactions relating to dividends and subscriptions for new ordinary shares were on the same terms and conditions that applied to other shareholders.

The terms and conditions of the tax funding agreement are set out in note 7(e). All other transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of loans between the parties.

Outstanding balances are unsecured and are repayable in cash.



Note 23. Interests in joint arrangements

The Group is a joint operator in the following joint operations:

Name of venture	Resident	Principal activity	Output interest	
			2015 %	2014 %
Robinson Range Iron Ore Joint Venture (JV03)*	Australia	Management and operation of development of iron ore in three tenements in the Robinson Range region (WA)	50%	50%
Jackson Iron Ore Joint Venture (JV04)*	Australia	Management and operation of development of iron ore in four tenements in the Robinson Range region (WA)	40%	40%

During the year the Group was subject to cash calls of \$24,750 (2014: \$(1,381)) in accordance with the joint operation agreements.

Note 24. Reconciliation of loss after income tax to net cash outflow from operating activities and non-cash activities

	Consolidated	
	2015 \$	2014 \$
Loss for the year before tax	(6,043,637)	(3,634,301)
Non-cash items		
Depreciation expensed	25,479	15,662
Gain on disposal of PPE	1,168	(71,317)
Impairment of exploration assets	5,016,953	3,365,772
Employee options expense	(32,129)	45,329
Movement in deferred tax asset	-	-
Items not classified as operating		
Interest income	(37,155)	(18,619)
Changes in net assets and liabilities		
(Increase) / decrease in assets:		
Trade and other receivables	(63,722)	189,745
Increase / (decrease) in liabilities:		
Trade and other payables	(128,780)	33,220
Deferred tax liability	-	(6,619)
Provisions	(628)	44,766
Net cash outflow from operating activities	(1,262,451)	(36,362)

Note 25. Earnings per share

	Consolidated	
	2015	2014
	Cents	Cents
(a) Basic earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the company	(3.5)	(2.9)
Loss from discontinued operation	-	-
Total basic earnings per share attributable to the ordinary equity holders of the company	(3.5)	(2.9)
(b) Diluted earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the company	(3.5)	(2.9)
Loss from discontinued operation	-	-
Total diluted earnings per share attributable to the ordinary equity holders of the company	(3.5)	(2.9)

(c) Reconciliations of earnings used in calculating earnings per share

	Consolidated	
	2015	2014
Basic earnings per share		
Loss attributable to the ordinary equity holders of the company used in calculating basic earnings per share		
from continuing operations	(6,044,765)	(3,641,111)
	(6,044,765)	(3,641,111)
Diluted earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the company used in calculating basic earnings per share	(6,044,765)	(3,641,111)
adjustments made to earnings	-	-
Loss attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	(6,044,765)	(3,641,111)

(d) Weighted average number of shares used as the denominator

	Consolidated	
	2015	2014
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	170,285,043	124,287,381
Adjustments for calculation of diluted earnings per share:		
Options	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	170,285,043	124,287,381

(1) Potential ordinary shares are not treated as dilutive as to do so would reduce the loss per share for the 2015 and 2014 financial year. The weighted average number of options that were not included in the calculation was 31,427,449.



Note 26. Share-based payments

PepinNini Minerals Limited has an employee share option scheme. At the discretion of management options are granted over the ordinary shares of PepinNini Minerals Limited to directors and executives as part of a remuneration package offered for employment. The options so issued are for nil consideration and have variable exercise prices and maturity dates, i.e. last date to exercise the options.

Each employee share option converts into one ordinary share of PepinNini Minerals Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share-based payment arrangements were in existence during the current and comparative reporting periods:

Grant date	Expiry date	Exercise price Cents	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited/Expired during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
Consolidated and company – 2015								
8 Apr 13	1 Jun 16	4.0	2,500,000	-	-	-	2,500,000	2,500,000
8 Apr 13	1 Jun 16	6.0	2,500,000	-	-	-	2,500,000	2,500,000
8 Apr 13	1 Jun 16	12.5	1,600,000	-	-	-	1,600,000	1,600,000
1 Jan 14	1 Jan 16	5.0	2,500,000	-	-	2,500,000	-	-
1 Jan 14	1 Jul 16	6.0	2,500,000	-	-	2,500,000	-	-
1 Jan 14	1 Jan 17	7.0	2,500,000	-	-	2,500,000	-	-
10 Nov 14	9 Nov 17	3.0	-	500,000	-	-	500,000	500,000
10 Nov 14	9 Nov 18	6.0	-	500,000	-	-	500,000	-
10 Nov 14	9 Nov 19	10.0	-	500,000	-	-	500,000	-
Weighted average exercise price of vested options at end of the year 6.5c								

Consolidated and company – 2014								
8 Apr 13	1 Jun 16	4.0	2,500,000	-	-	-	2,500,000	2,500,000
8 Apr 13	1 Jun 16	6.0	2,500,000	-	-	-	2,500,000	2,500,000
8 Apr 13	1 Jun 16	12.5	1,600,000	-	-	-	1,600,000	1,600,000
1 Jan 14	1 Jan 16	5.0	-	2,500,000	-	-	2,500,000	2,500,000
1 Jan 14	1 Jul 16	6.0	-	2,500,000	-	-	2,500,000	-
1 Jan 14	1 Jan 17	7.0	-	2,500,000	-	-	2,500,000	-
Weighted average exercise price of vested options at end of the year 6.3c								

No options were exercised during the year ended 30 June 2015.

The weighted average remaining contractual life of share options outstanding at the end of the period was 2 years (2014: 2 years).

Fair value of options granted

1,500,000 options were granted in the 2015 financial year (2014: 7,500,000).

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, and the risk free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

In this calculation the risk free interest rate used was 2.66% (2014: 2.74%), the underlying share price at the time of option grant was \$0.02 (2014: \$0.02) and the volatility used was 75% (2014: 257.28%).



Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Consolidated	
	2015	2014
	\$	\$
Options issued under employee share option plan	(32,129)	45,329

All of the above expenses are in respect of equity-settled transactions.

Note 27. Business and geographical segments

The Group has applied AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The chief operating decision-makers have been identified as the board of directors consisting of executive and non-executive directors.

The operating segments are identified by management based on the nature of the commodity to be sold. Discrete financial information about operating businesses is reported to the executive management (executive directors) on at least a monthly basis. The Group operates in one segment, being mineral exploration and development.

	Consolidated	
	2015	2014
	\$	\$
Non-Current operating assets		
Australia	12,296,236	18,680,019
Argentina	1,325,006	1,174,389
Total	13,621,242	19,854,408

Note 28. Parent entity information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	Parent	
	2015	2014
	\$	\$
Balance sheet		
Current assets	3,081,620	3,124,144
Total assets	18,333,221	20,214,596
Current liabilities	(299,388)	(360,447)
Total liabilities	(299,388)	(360,447)
Shareholders' equity		
Issued capital	21,707,337	20,900,621
Reserves	405,968	438,097
Retained earnings	(4,072,791)	(1,687,104)
Total equity	18,040,514	19,651,614
Profit or loss for the year	(5,751,438)	(3,487,629)
Total comprehensive income	(5,751,438)	(3,487,629)

(b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2015 or 30 June 2014.

(c) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2015, the parent entity had nil contractual commitments for the acquisition of property, plant or equipment (30 June 2014: nil).

Note 29. Subsequent Events

PepinNini Minerals Limited announced the transfer of interest in the WA iron ore joint venture tenements in return for a 1% Gross Iron Ore Royalty on 14 September 2015. PepinNini Robertson Range Pty Ltd will no longer be a participant in the iron ore joint ventures.

There has been no other matter or circumstance that has arisen since 30 June 2015 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years, or
- the results of those operations in future financial years, or
- the Group's state of affairs in future financial years.



Directors' declaration

In accordance with a resolution of the Directors of PepinNini Minerals Limited, I state that:

1. In the opinion of the Directors:
 - a. The financial statements and notes of PepinNini Minerals Limited for the financial year ended 30 June 2015 are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii. Complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
 - b. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.
 - c. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2015.

On behalf of the Board



Rebecca Holland-Kennedy
Managing Director

Adelaide, 18 September 2015



Independent auditor's report to members



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Independent auditor's report to the members of PepinNini Minerals Limited

Report on the financial report

We have audited the accompanying financial report of PepinNini Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.





Opinion

In our opinion:

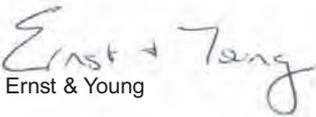
- a. the financial report of PepinNini Minerals Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 12 to 19 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of PepinNini Minerals Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



Mark Phelps
Partner
Adelaide
18 September 2015

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Additional securities exchange information

The shareholder information set out below was applicable as at 31 August 2015.

As at 31 August 2015 there were 195,091,948 fully paid ordinary shares PNN held by 1,557 individual shareholders.

All issued ordinary shares carry one vote per share.

A. Distribution of equity securities

	Number of holders	Number of shares
1 – 1,000	216	122,306
1,001 – 5,000	498	1,471,693
5,001 – 10,000	234	1,936,518
10,001 – 100,000	472	17,666,105
100,001 and over	137	173,895,326
	1,557	195,091,948
Holding less than a marketable parcel	1,269	10,589,692

B. Substantial shareholders

Ordinary shareholders	Fully paid ordinary shares	
	Percentage	Number
Kalinda Outlook Pty Ltd	25.65%	50,034,598
Dellta Pty Ltd	13.49%	26,315,789
Total	39.14%	76,350,387

C. Twenty largest holders of quoted equity securities

Ordinary shareholders	Fully paid ordinary shares	
	Number	Percentage
Kalinda Outlook Pty Ltd	50,034,598	25.65%
Dellta Pty Ltd	26,315,789	13.49%
Protos Pty Ltd	7,418,182	3.80%
Gardiner Super Pension Fund Pty Ltd	6,818,181	3.49%
Eshan Pty Ltd	5,545,455	2.84%
George Holland Pty Limited	5,321,890	2.73%
Kalatana Pty Ltd	3,727,273	1.91%
Sinosteel Australia Pty Ltd	3,300,000	1.69%
ACN 164 552 676 Pty Ltd	3,210,318	1.65%
Mr Robert Rehl	2,826,031	1.45%
PSZ Nominees Pty Ltd	2,823,881	1.45%
Mr Spero John Tsapaliaris & Mrs Sophie Tsapaliaris	2,818,182	1.44%
Mr Luis Fernando Norman Kennedy	2,777,779	1.42%
JP Morgan Nominees Australia Limited	2,466,575	1.26%
Mr Zachary Kalamboyas & Mrs Sophia Kalamboyas	2,271,000	1.16%
HSBC Custody Nominees (Australia) Limited	2,240,150	1.15%
Minsk Pty Ltd	1,621,010	0.83%
Mr Ronald Edward Robertson	1,514,400	0.78%
Mr Martin John Boyd	1,505,379	0.77%
Eshan Pty Ltd	1,500,000	0.77%
Total	136,056,073	69.74%

D. Top holders of unquoted securities

Option holders	Employee unquoted options	
	Number	Percentage
Phil Clifford	6,600,000	81.48%
Sarah Clifton-Brown	600,000	7.41%
Todd Williams	600,000	7.41%
Angus Tod	300,000	3.70%
Total	8,100,000	100.00%







Pepinnini

Minerals Limited

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