



## Meeting of Shareholders Notice of Extraordinary General

The Board of PepinNini Minerals Limited (PepinNini, the Company) wishes to announce an Extraordinary General Meeting of Shareholders on Thursday 1<sup>st</sup> April 2021 at 2:30pm (3pm AEDT) at Level 1, Unit 6, 68 North Terrace, Kent Town, South Australia.

The Notice of Meeting is included in this announcement and is also available for download from [www.pepinnini.com.au](http://www.pepinnini.com.au). Shareholders are advised to read the complete notice to understand the resolution proposed, the reasons for the proposed resolution and your Directors' voting recommendations.

Personalised proxy forms and a letter indicating where the Notice of Meeting can be viewed or downloaded will be mailed to shareholders today and for those shareholders that have registered an email address, the form will be emailed.

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

### **For further information please contact:**

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**Note:** Additional information on PNN is available at [www.pepinnini.com.au](http://www.pepinnini.com.au)

### ABOUT

PepinNini Minerals Limited is a diversified ASX listed Australian Exploration Company focused on exploring, discovering and developing a significant mineral resource. PepinNini has exploration tenements prospective for nickel-copper-cobalt-PGE in the Musgrave Province of South Australia and hold a lithium brine resource in Salta Province, Argentina. The company also holds a copper-gold exploration project in Salta Province, Argentina

### DIRECTORS

**Rebecca Holland-Kennedy**  
Managing Director  
**Luis Kennedy**  
Non-Executive Director  
**Robert (Wei) Sun**  
Non-Executive Director  
**Pamela Sayers**  
Company Secretary

### CONTACT

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### FURTHER INFORMATION

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## Key terms of the Share Purchase Deed

The Share Purchase Deed provides for the Company to acquire all of the issued shares in Hillside in exchange for the issue of 6,250,000 fully paid ordinary shares in the capital of the Company and 1,200,000 unquoted options to acquire 1,200,000 fully paid ordinary shares in the capital of the Company on the terms set out in the Annexure, including an exercise price of \$0.35 per option and an expiry date of 31 December 2021 (**Consideration Securities**). Each of the Vendors holds one third of the issued shares in Hillside and the Share Purchase Deed provides for one third of the Consideration Securities to be issued to each of the Vendors.

The acquisition is to be completed in two stages as follows:

### Stage 1

Stage 1 of the acquisition provides for the Company to acquire from the Vendors all of the shares in Hillside and for the Company to issue to the Vendors 1,750,000 fully paid ordinary shares in the capital of the Company (**Completion Shares**). Completion of this stage will occur on the business day after the date of the Meeting, subject to PNN being satisfied with the results of its final due diligence investigations, there being no material adverse change in Hillside and the Company being satisfied that it has obtained all approvals, consents and waivers that it considers are necessary or desirable to give full effect to the Share Purchase Deed, which includes shareholders passing the Resolution.

The issue of the Completion Shares is not subject to the Tenements being granted.

### Stage 2

If and when the Tenements are granted, which the Company expects to occur in mid-2021 if the Applications are successful, PNN will issue to the Vendors 4,500,000 fully paid ordinary shares (**Subsequent Shares**) and 1,200,000 unquoted options on the terms set out in the Annexure, including an exercise price of \$0.35 per option and an expiry date of 31 December 2023 (**Options**).

The Options will be subject to a six month escrow commencing on the date of issue, during which period the Vendors will be prohibited from disposing of any of the Options, or any shares issued on a exercise of the Options (other than in accordance with a takeover bid, a scheme of arrangement or with the consent of the Company).

Concurrently with the issue of the Subsequent Shares and the Options, the Company will enter into a joint venture agreement with a company to be incorporated by the Vendors (NewCo) in respect of the exploration of the Tenements, the terms of which have been agreed. The joint venture agreement provides for the Company to have an 80% interest in the joint venture and NewCo to have a 20% interest. NewCo's interest will be free carried until any decision to mine the Tenements. Following a decision to mine being made by the management committee, NewCo may elect whether it wishes to participate in the mining operations. If NewCo elects to participate, both parties will be required to contribute to the joint venture expenditure in accordance with their respective participating share, from time to time, or their interest will be diluted. If NewCo does not elect to participate, the Company may elect to either acquire NewCo's interest at fair market value or convert NewCo's interest to a 1% net smelter royalty. The Company is the manager and, for so long as it holds an interest of greater than 50%, is entitled to continue as manager, subject to the occurrence of specified insolvency events. If a joint venturer's interest reduces to 10% or less, that interest converts to a 1% net smelter return royalty. The joint venture agreement contains various other provisions that are common for joint venture agreements of this nature.

The Share Purchase Deed also:

- contains warranties from the Vendors in respect of Hillside, the Applications, the Tenements and information that has been provided through the acquisition process;
- includes a guarantee by two key stakeholders of the Vendors regarding the Vendors' warranties in respect of Hillside, the Applications and the Tenements, as well as the Vendors' performance of their obligations under the Share Purchase Deed; and
- caps the liability of each Vendor under the deed at the higher of \$200,000 and the value of the PNN shares issued to them (calculated based on a 5-day VWAP at the time of each issue).

## Capital structure of the Company before and after the issue of the Consideration Securities

The Company's capital structure before and after completion of the issue of the Consideration Securities (assuming no other securities are issued between the date of this Notice and the issue of the last of the Consideration Securities) will be as follows:

Type of security	Before issue of Consideration Securities			After issue of Consideration Securities		
	Vendors	Others	Total	Vendors	Others	Total
Ordinary shares	2,695,518 (6.48%)	38,905,411 (93.52%)	41,600,929	8,945,518 (18.69%)	38,905,411 (81.31%)	47,850,929
Unquoted options	385,446 (2.92%)	12,802,656 (97.08%)	13,188,102	1,585,446 (11.02%)	12,802,656 (88.98%)	14,388,102
Total securities	3,080,964 (5.62%)	51,708,067 (94.38%)	54,789,031	10,530,964 (16.92%)	51,708,067 (83.08%)	62,239,031

### Why shareholder approval is required for the purposes of ASX Listing Rule 7.1

Resolution 1 seeks shareholder approval pursuant to Listing Rule 7.1 for the issue of the Consideration Securities in accordance with the Share Purchase Deed.

Listing Rule 7.1 provides that a company must not without shareholder approval (or unless an exception applies), issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

As the issue of the Consideration Securities would cause the Company to exceed this 15% threshold in one or more 12 month periods, the Company is seeking shareholder approval for issue of the Consideration Securities for the purposes of ASX Listing Rule 7.1. If the Resolution is passed, the issue of the Consideration Securities will not count towards the 15% threshold in any 12 month period.

The Company provides other specific information required by ASX Listing Rule 7.3 as follows:

#### (a) The persons to whom Consideration Securities will be issued

The Consideration Securities will be issued to the Vendors, comprising Seattle Capital Pty Ltd as trustee for the Seattle Trust, Aerobotics Pty Ltd and BR1 Holdings Pty Ltd, with each of the Vendors to receive one third of the Consideration Securities to be issued to each of the Vendors.

#### (b) The number and class of Consideration Securities

If this Resolution is passed, the Company will issue up to 6,250,000 fully paid ordinary shares and 1,200,000 unquoted options.

#### (c) Terms of the Consideration Securities

The Completion Shares and the Subsequent Shares will be fully paid ordinary shares and rank equally with the existing fully paid ordinary shares on issue. The terms of the Options are set out in the Annexure.

#### (d) Timing of the issue of the Consideration Securities and ASX waiver

The Completion Shares will be issued on completion of Stage 1, which is due to occur on the business day after this Meeting (being 6 April 2021), subject to the conditions outlined above.

The Subsequent Shares and the Options are to be issued on the second business day after the Tenements are granted. As set out above, the Company expects this to occur in mid-2021, but notes that any decision regarding the success of the Applications, including the timing of that decision, is to be determined by the South Australian Department for Energy and Mining. The Company has had preliminary discussions with the South Australian Department for Energy and Mining regarding the Applications, but does not at this stage have any further information regarding the timing of the decision regarding the Applications.



To account for any delay in the processing of the Applications which may occur, the Company has obtained a waiver from ASX of ASX Listing Rule 7.3.4 regarding of the issue of the Subsequent Shares and the Options, so as to allow this Notice to not state that all of the Consideration Securities will be issued within three months after the date of the Meeting. In granting the waiver, ASX imposed the following conditions:

- the Subsequent Shares and the Options are issued within two business days after the granting of the Tenements (**Milestone**), and in any event no later than 12 months from the date of the Meeting;
- the Milestone is not varied;
- for any annual reporting period during which any of the Subsequent Shares and the Options have been issued or any of them remain to be issued, the Company's annual report sets out the number of Subsequent Shares and the Options issued in that annual reporting period, the number of Subsequent Shares and the Options that remain to be issued and the basis on which the Subsequent Shares and the Options may be issued;
- in any half year or quarterly report for a period during which any of the Subsequent Shares and the Options have been issued or remain to be issued, the Company must include a summary statement of the number of Subsequent Shares and the Options issued during the reporting period, the number of Subsequent Shares and the Options that remain to be issued and the basis on which the Subsequent Shares and the Options may be issued; and
- this Notice contains the full terms and conditions of the Subsequent Shares and the Options, as well as the conditions of the waiver.

**(e) Consideration for the issue of the Consideration Securities**

The consideration the Company will receive for the issue of the Consideration Securities is all of the shares in the capital of Hillside.

**(f) Purpose of the issue of the Consideration Securities**

The purpose of the issue of the Consideration Securities is to acquire from the Vendors all of the shares in the capital of Hillside. No funds will be raised through the issue of the Consideration Securities.

**Directors' Recommendation**

The directors of the Company unanimously recommend that shareholders vote in favour of the Resolution.

## Annexure – Terms of Options

1. Each Option entitles the holder (**Holder**) to subscribe for one (1) fully paid ordinary share in the capital of the Company (**Share**) upon payment to the Company of \$0.35 (subject to paragraph 3 of these terms) on or before 5:00pm (Adelaide time) on 31 December 2023 and will lapse immediately thereafter.
2. A Holder of an Option will (in their capacity as holder of the option) not be entitled to participate in new issues of capital that may be offered to holders of Shares during the currency of the Option, unless the holder exercises the Option before the applicable record date for the new issue.
3. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options shall be reorganised by the Company in the manner provided for by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.
4. If there is a bonus share issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of bonus shares which the holder would have received if the Option had been exercised before the record date for the bonus issue.
5. The Options shall be exercisable by the delivery to the Company of a notice in writing stating that the Holder wishes to exercise all or a specified number of the Options held by them and payment to the Company for the exercise price for the number of Options to be exercised. The Options may only be exercised in increments of 100,000. The exercise of only some Options shall not affect the rights of the Holder in respect of the balance of the Options held by it.
6. The legal or a beneficial interest in an Option may not be sold, transferred or otherwise disposed of without the prior written consent of the board of the Company. This restriction on selling, transferring or disposing of an Option is in addition to, and not in substitution for, any other restrictions on selling, transferring or disposing of the Option that the Holder may have agreed to or may agree to.
7. The Buyer must, subject to the Holder complying with these terms, within ten (10) business days of receipt of payment of exercise moneys for Options:
  - (a) issue such number of Shares to the Holder as are required to be issued in accordance with these terms; and
  - (b) deliver to the Holder (or, if applicable, the Holder's nominee), a CHESS holding statement or issuer-sponsored holding statement for the Shares issued (of, if the Company is no longer admitted to the official list of the ASX, a share certificate in respect of the Shares issued).
8. The Shares issued upon the exercise of Options will, upon their issue, rank equally with, and have the same voting rights, dividend rights and other entitlements as other Shares.
9. The Options may be amended by the Company to the extent necessary to comply with the ASX Listing Rules or any direction of the ASX by the Company providing notice in writing to the Holder of the amendment.