

HALF YEAR REPORT

Financial Report for the half year ended
31 December 2021



CONTENTS

Directors' Report.....	1
Auditor's independence declaration	8
Consolidated statement of profit or loss and other comprehensive income	9
Consolidated statement of financial position	10
Consolidated statement of changes in equity.....	11
Consolidated statement of cash flows	12
Notes to the Consolidated Financial Statements	13
Directors' declaration	17
Independent auditor's review report	18

Directors' Report

The Directors of PepinNini Minerals Limited (PepinNini, PNN or the Company) present their report together with the consolidated financial report, on the Company and its subsidiaries (the Group) for the half year ended 31 December 2021.

Directors

The following persons were Directors of PepinNini Minerals Limited during the whole of the half year and up to the date of this report, except as otherwise noted:

- James Moses
- David Turvey (appointed 7 July 2021)
- Mena Habib (appointed 9 July 2021)
- Stephen Ross (appointed 9 July 2021)
- Robert (Wei) Sun (resigned on 7 July 2021)
- Rebecca Holland-Kennedy (resigned 25 November 2021)
- Luis Kennedy (resigned 25 November 2021)

Rebecca Holland-Kennedy resigned from her role as managing director on 22 October 2021, and subsequently resigned as a director of the Company on 25 November 2021. Ms Holland co-founded the Company in 2002, and was a long-standing director and managing director. Luis Kennedy resigned as Non-Executive Director on 25 November 2021.

Subsequent to the half year, PepinNini implemented the following further changes to its board, designed to ensure the Company's senior people skills are best positioned to achieve its growth objectives (ASX announcement, 17 January 2022). Non-executive director Stephen Ross assumed the role of non-executive chairman, replacing David Turvey, who remains on the board as a Non-Executive Director.

Non-executive director Mena Habib was appointed an executive director of the Company and has assumed responsibility for the management of PepinNini's day-to-day operations, including its interaction with shareholders and the investment market.

In his role, Mr Habib is playing a lead role in executing and overseeing PepinNini's programs and budgets of its key projects. The Company is continuing its search for a chief executive officer.

Review of Operations

During the reporting period, the Company maintained focus on its Lithium Brine Project in Argentina and progressed work on the Eyre Peninsula Kaolin-Halloysite Project in South Australia. Plans for first-phase drilling at the Eyre Peninsula Project were completed with drilling to commence on confirmation of drill rig availability. PNN and Ganfeng Lithium completed an IP geophysical survey at the Santa Ines Cu-Au Project in Argentina, and, subsequent to the half, plans for a maiden drilling program were released (ASX announcement, 16 February 2022). Negotiations progressed with the traditional owners of the APY Lands for access and commencement of exploration at Musgrave Ni-Cu-Co Project in South Australia.

1. Salta Lithium Brine Project, Argentina

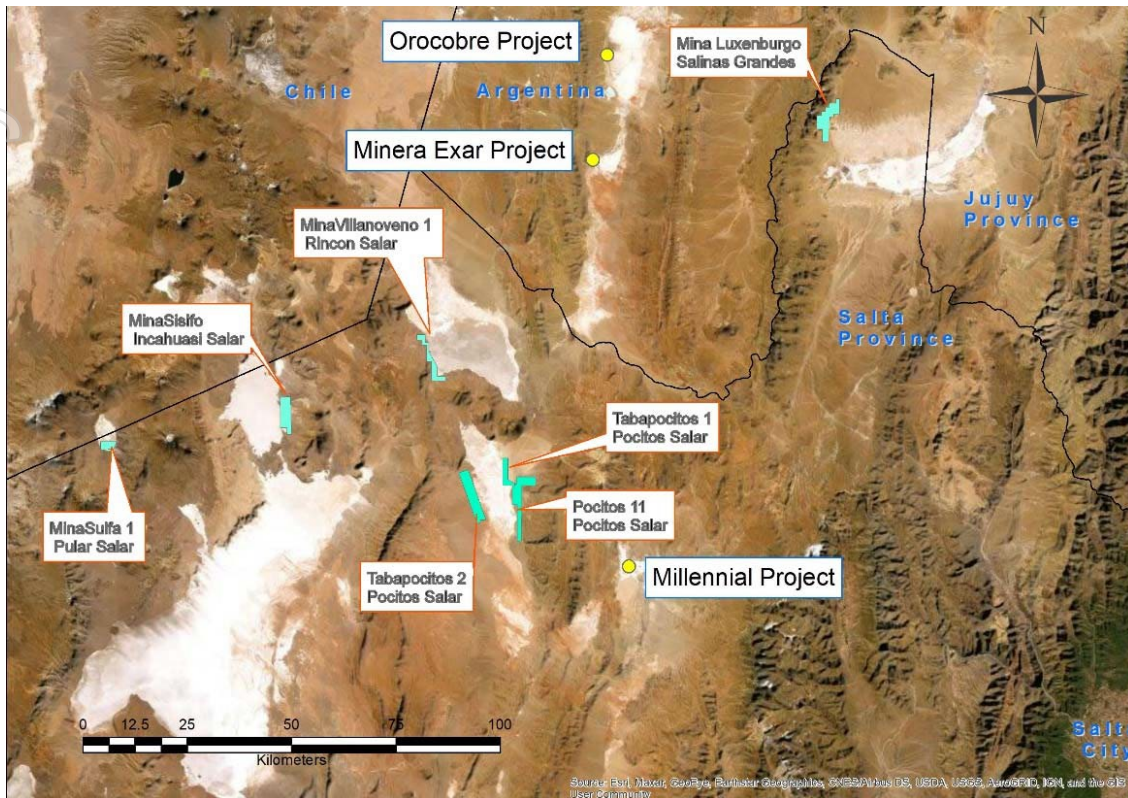
The Salta Project is located in the Salta province in north-west Argentina and is part of the Lithium Triangle, the world's leading lithium brine region. The Project consists of five salares (salt lakes) that sit within seven mining leases, over a total project area of 147.07km² (Figure 1).

Brine Blending Program delivers 5.2% Lithium

The Company's current focus at the Salta Project is an ongoing brine blending program. It is designed to blend the different chemical properties of the lithium brines from the Incahuasi salar and Rincon salar within the Salta Project (Figure 1). Its aim is to deliver a higher lithium concentration with minimal deleterious elements and high lithium recoveries in the concentrated blended brine, compared to the lithium concentrate values of the individual salares. Significant, positive progress was achieved in the half.

The program commenced in May 2021 and has progressively assessed the level of lithium concentration from the blended brines as they evaporate over time, delivering highly positive results. Progress results have been detailed in ASX announcements, 22 September 2021, 25 November 2021 and 20 January 2022.

Figure 1: Location Plan - Salta Lithium Brine Project, NW. Argentina (PNN licenses in blue)



The latest test produced an exceptionally high brine mix concentrate of 5.2% lithium (Li) with low levels of contaminants (Table 1) (ASX announcement, 20 January 2022). This result was highly significant, and compares very favourably with other lithium companies in the region.

Significance of results to date include:

- very high 5.2% lithium concentration achieved from evaporation of blended brine;
- very low loss of lithium to sulphate contaminant residue precipitates i.e., high Li recovery; and
- low contaminants (Ca, Mg, SO₄) in concentrated Li brine.

The brine blending program is PepinNini's core immediate-term work program at the Salta Project. The final results will help determine potential development pathways and monetisation opportunities for the Project.

Table 1: Laboratory Analysis: Concentrated Blended Brine, 17 December 2021

Element & Parameter	Symbol	Unit	Blended Brine 17 December 2021
Lithium	Li	%	5.22
Sodium	Na	%	0.096
Potassium	K	%	0.324
Magnesium	Mg	%	1.52
Calcium	Ca	%	0.198
Sulphate	SO ₄	%	0.023
Chloride	Cl	%	31.29
Boron	B	%	0.463
Density		gram / cc	1.275

Background to Brine Blending Program

The brine blending program commenced in May 2021, and has progressively assessed the level of lithium concentration from the blended brines as they evaporate over time. The brines have been blended at a ratio of approximately 3:1 from the Incahuasi salar and Rincon salar respectively.

The Incahuasi salar in the Salta province is located immediately adjacent to Ganfeng Lithium Co. Ltd.'s project and the Rincon salar is immediately adjacent to Rincon Mining Ltd, which is to be acquired by Rio Tinto Ltd for US\$825 million.

Significance of brine-blending process:

- Blending acts to pre-condition the brine in order to quickly reduce contaminants (Ca, SO₄)
- Reduces use of reagents including sodium sulphate (Na₂SO₄), calcium chloride (CaCl₂) and potassium chloride (KCl)
- Potential to reduce operating costs and evaporation time.

Testing is ongoing to determine the different concentration paths and process reagent inputs for individual Rincon and Incahuasi lithium brines compared to the 3:1 blended lithium brine, and also to compare PepinNini's brine-blending results with production processes of industry peer Li chemical companies.

Next Steps

- Lithium consultants, Ad-Infinitem Spa to complete brine-blending work and final report, Q1CY22
- Technical-economic analysis on the cost / benefits of brine-blending and determine the scope of bulk brine sampling for bench-scale production of lithium carbonate (LIC)
- Drilling and sampling to define JORC lithium brine resource at the Incahuasi salar
- Preliminary Evaluation Assessment (PEA) or Scoping Study to determine viability of pilot-scale and full-scale LIC production
- Assess M&A and other potential corporate opportunities for the Project.

2. Eyre Peninsula Kaolin-Halloysite Project, South Australia

The Eyre Peninsula Kaolin-Halloysite Project consists of three Exploration Licences (EL6677, EL6681 and EL6689) covering a total area of 1,413km². It is strategically located adjacent to Andromeda Metals' (ASX: ADN) Kaolin-Halloysite project areas on the western side of the Eyre Peninsula in South Australia (Figure 2).

The Project represents a core exploration asset for PepinNini, and plans for the Company's maiden drilling program were confirmed during the half (ASX announcement, 13 December 2021).

All Exploration Licences have been granted (ASX announcements, 5 and 6 October, and 9 November 2021), land access agreements are being progressively sought and obtained over the project area and the required EPEPR (Exploration Program for Environment Protection and Rehabilitation) approvals for drilling from the South Australian Department for Energy and Mining has been granted.

First Phase of Drilling

PepinNini's first phase of drilling at the Eyre Peninsula Project is planned to commence immediately upon confirmation of drill rig availability.

The maiden program is planned to consist of up to 130 holes for a total of 7,800 metres of aircore drilling at priority targets across the three Exploration Licences. Drilling is planned to be undertaken to an average depth of 60 metres (with a maximum depth of 100 metres).

Drill targets have been identified from historical exploration including geophysics. Drilling is designed to test depth and areal extent plus mineralogy of known and suspected kaolin occurrences, and other target areas defined by geophysical assessment of suitable underlying basement.

The program is planned to commence at the southern-most Exploration Licence (EL6689), which hosts the highest priority targets, then progress to nearby EL6677 and then to EL6681 approximately 240kms to the north (Figure 3).

There is a significant historical kaolin site west of Kapinnie within EL6689, and this is proposed to be the initial drilling focus (Figure 3). This target was mapped during the half, and an historic discovery of snow-white kaolin, estimated to be in excess of seven metres thick at a depth of 6.1 metres, has also been reported from this site (Dickinson, 1943, SA Mining Review 78).

Figure 2: Eyre Peninsula Kaolin-Halloysite Project location map

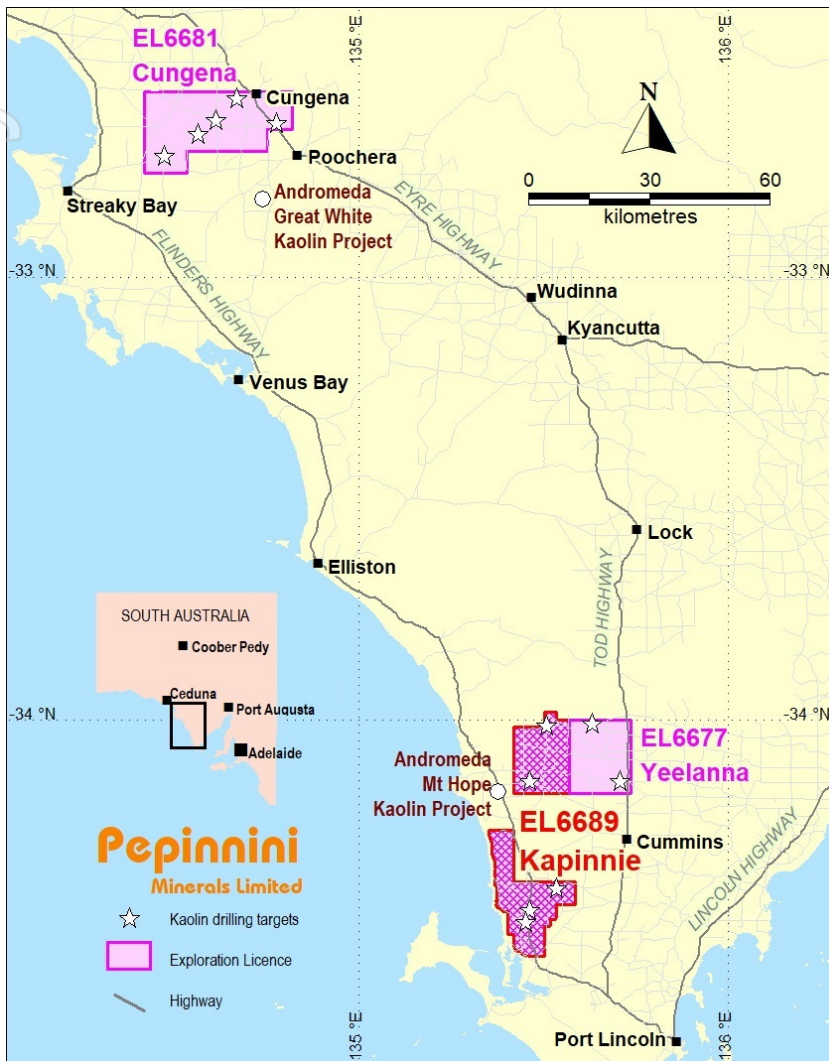


Figure 3: Kapinnie target area within EL6689, a priority target in planned first phase of drilling.



Drilling is expected to take eight weeks to complete. pXRF analytical testing and 'whiteness' measurements will be conducted onsite, to provide a rapid confirmation of kaolin content and subjective quality of drilled material.

Laboratory assay results will be released as they become available, and subject to results, a second phase of drilling is planned to further expand the kaolin footprint and drill test new target areas, along with additional sampling for characterisation (quality) tests.

Experienced kaolin drilling contractor McLeod Drilling has been engaged to conduct this drilling, and Steven Cooper, PepinNini exploration manager, will have oversight of the program.

Background to Eyre Peninsula Kaolin-Halloysite Project

The Eyre Peninsula Project area hosts known historical occurrences of kaolin, and geophysical studies have also highlighted other areas that appear prospective for the presence of sub-surface kaolin.

The Project area has yet to be systematically explored for kaolin, despite being situated adjacent to Andromeda's significant kaolin deposits on the Eyre Peninsula. The combination of under explored tenure and prospectivity represents an excellent exploration opportunity for PepinNini, and the discovery of material new kaolin and halloysite (a tubular polymorph of kaolin) deposits is the core focus of its works programs at the Eyre Peninsula Project.

3. Santa Ines Copper-Gold Project, Argentina

The Santa Ines Project consists of four mining leases covering 61.4km², in north-western Argentina. It is strategically located in the same geological setting as BHP's nearby, world-class Escondida Copper-Gold Mine in Chile, and 40km south-west of First Quantum's Taca Taca Cu-Au-Mo Project.

Ganfeng-PepinNini geophysical survey over Santa Ines Project

PepinNini and Ganfeng Lithium completed an Induced Polarisation (IP) geophysical survey over the Santa Ines Project during the half.

Ganfeng Lithium plan to build a pipeline to carry lithium brine from its Mariana Project south-west of the Santa Ines Project that will pass through the Santa Ines Project. PepinNini and Ganfeng Lithium subsidiary Litio Minera SA executed an agreement for this pipeline (ASX announcement, 24 September 2021).

The agreement provided for PepinNini and Ganfeng Lithium to jointly carry out an IP geophysical survey over the area of the pipeline's proposed route across the Santa Ines Project. This agreement highlighted the working relationships between lithium brine companies in Argentina.

The geophysical survey was designed to help identify the presence of any copper-gold exploration targets over the proposed pipeline route within PepinNini's project area, and to determine if the proposed route of Ganfeng's pipeline may require relocation in the event of any priority exploration targets being defined.

Survey results have indicated that no priority exploration targets were identified over the proposed pipeline route, and Ganfeng was advised that no changes were required to the pipeline route.

Plans for first phase of drilling

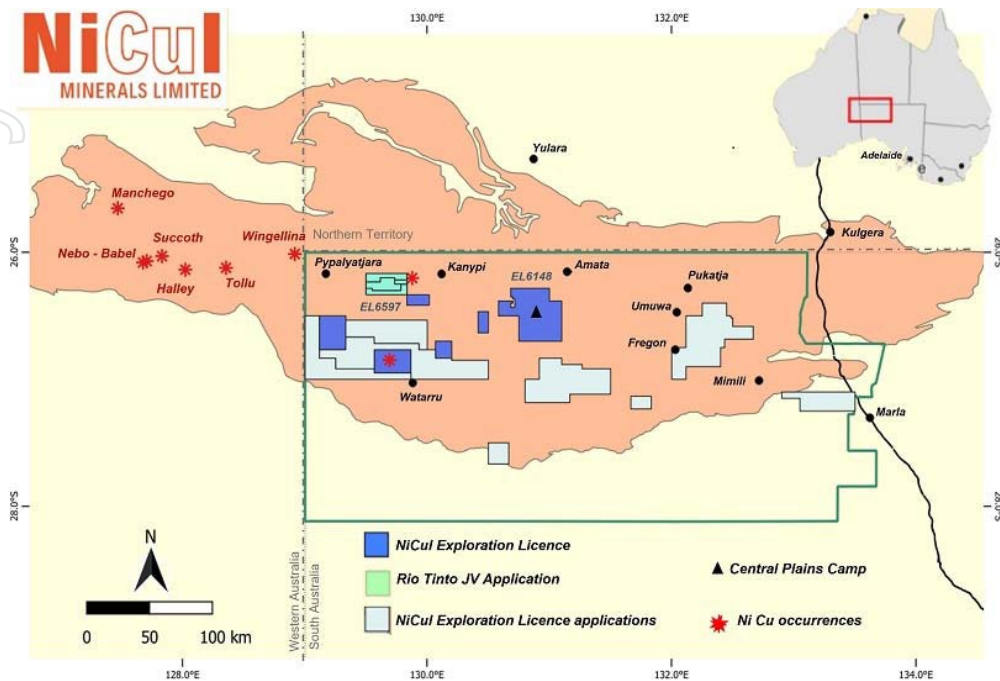
The Company also continued to progress plans for a maiden drilling program at Santa Ines, and these plans were confirmed subsequent to the half (ASX announcement, 16 February 2022). PNN plans to conduct five diamond core holes for a total of 600 metres at priority targets in its first phase of drilling. Drill targets have been generated from previous exploration carried out by the Company, which included ground geophysics and field sampling.

All requisite permits for drilling have been granted, and site access will be carried out, followed by the commencement of drilling. Drilling contractor G&C Andalgala Perforaciones has been engaged to conduct the program.

4. Musgrave Nickel-Copper-Cobalt Project, South Australia

The Musgrave Project comprises two Exploration Licences and eight Exploration Licence Applications (ELAs) held by wholly-owned PepinNini subsidiary, NiCul Minerals Ltd. The Project covers 14,003km² within the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, in the Musgrave Province of north-west South Australia (Figure 4).

Figure 4: Musgrave Nickel-Copper-Cobalt Project, Musgrave province, South Australia



PepinNini is targeting nickel-copper-cobalt mineralisation at the Musgrave Project. A number of targets have been generated from a previous airborne electromagnetic (EM) survey flown in a collaboration with CSIRO and Geoscience Australia in 2016.

Ongoing COVID-19 restrictions have restricted access to the APY Lands, but the Company has continued to negotiate with the APY traditional owners for agreement on an exploration deed for the granting of the Ironwood Bore ELA (ELA 197/15), which contains a number of targets generated from the collaborative 2016 airborne EM.

Pink Slipper Farm-in Joint Venture Project with Rio Tinto Exploration

The priority target at the Musgrave Project is the Pink Slipper geophysical anomaly. It sits within four ELAs over a total area of 615km², which are the subject of a Farm-in Joint Venture Project with Rio Tinto Ltd (Rio Tinto Exploration Pty Ltd). PepinNini has 51% equity in this joint venture (refer to the Tenement Schedules).

PepinNini continues to work with the APY traditional owners to negotiate an Exploration Deed for the Pink Slipper (ELA 2015/214). An Exploration Deed with the traditional owners is a pre-requisite for the granting of ELA 2015/214, and the commencement of on-ground exploration and drilling at the Pink Slipper.

The Company will update the market of material progress on negotiations with the APY People in respect of the Pink Slipper Exploration Deed, and other ground within the Musgrave Project tenure.

5. Corporate

Successful \$3.7m Placement to advance priority projects

In December 2021, the Company successfully completed a Placement to sophisticated, professional and institutional investors which raised approximately \$3.7 million (ASX announcement, 16 December 2021). GBA Capital acted as lead manager to the Placement.

The Placement delivered PepinNini a strong balance sheet from which to aggressively pursue uninterrupted fieldwork across its highly prospective project portfolio.

Funds raised will be predominantly used to advance the Eyre Peninsula Kaolin-Halloysite Project in South Australia and the Salta Lithium-Brine Project in Argentina, as well as for the assessment and exploration of its other portfolio projects and working capital.

The Placement consisted of the issue of up to 9,736,842 ordinary fully paid shares at an issue price of \$0.38 per share, and was completed in one tranche under PepinNini's Listing Rule 7.1 and 7.1A capacity.

The Company had a strong cash position of \$5.446m as at 31 December 2021, and is fully funded for its next phase of exploration.

6. Company Focus

Over the next six months the Company will focus on advancing its works programs at its core assets.

This will include undertaking the maiden drilling programs at the Eyre Peninsula Kaolin-Halloysite Project and Santa Ines Copper-Gold Project. Subject to results, the Company plans to conduct follow-up drilling at both projects, designed to further unlock the value of both assets.

An additional core focus will be on the completion and interpretation of results of the brine blending program at the Salta Lithium Brine Project. The outcomes of this program will help determine the next value accretive steps at the Salta Project. PNN will also continue to seek to work with the traditional owners, the APY People, in respect of the Exploration Deed for the priority Pink Slipper target, and access to other ground within the Musgrave Project area.

Further information relating to the Group's projects and future directions have been made publicly available on the Company's website at www.pepinnini.com.au.

Matters subsequent to the end of the period

Matters subsequent to the end of the financial year are disclosed in Note 10 to the financial statements.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 8 of the half-year financial report and forms part of this Directors' Report.

Resolution of Directors

Signed in accordance with a resolution of Directors pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Stephen Ross
Chairman
10 March 2022

**DECLARATION OF INDEPENDENCE
BY PAUL GOSNOLD
TO THE DIRECTORS OF PEPINNINI MINERALS LIMITED**

As lead auditor for the review of Pepinnini Minerals Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Pepinnini Minerals Limited and the entities it controlled during the period.



Paul Gosnold
Director

BDO Audit Pty Ltd

Adelaide, 10 March 2022

Consolidated statement of profit or loss and other comprehensive income for the half year ended 31 December 2021

	Consolidated	
	31 December 2021 \$	31 December 2020 \$
Revenue from Continuing Operations	23,257	-
Other Income	-	96,675
Expenses		
Depreciation expense	(345)	(520)
Salary & employment costs	(151,363)	(151,974)
Termination benefits	(91,324)	-
Operating expenses	(143,871)	(127,107)
Share registry	(76,559)	(41,181)
Airfares	(240)	(3,234)
Professional fees	(68,091)	(57,555)
Currency gain / (loss)	29,458	(51,920)
Computer expenses	(7,628)	-
Insurance	(27,221)	(21,037)
Bank charges and state taxes	(3,887)	(2,550)
Legal fees	(168,674)	(30,204)
Impairment of exploration asset	-	(39,172)
Total expenses	(709,746)	(526,454)
Loss before tax	(686,489)	(429,779)
Income tax benefit/(expense)	(68,946)	(51,094)
Loss for the half year	(755,435)	(480,873)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>	-	-
<i>Items that will not be reclassified to profit or loss</i>	-	-
Total comprehensive Loss for the half year	(755,435)	(480,873)
Attributable to:		
Members of PepinNini Minerals Limited	(755,435)	(480,873)
	(755,435)	(480,873)
Earnings per share for loss attributable to the ordinary equity holders of the company:		
Basic loss (cents per share)	(1.6)	(2.1)
Diluted loss (cents per share)	(1.6)	(2.1)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position as at 31 December 2021

		Consolidated	
	Note	31 December 2021 \$	30 June 2021 \$
Current assets			
Cash and cash equivalents		5,446,272	2,979,869
Trade and other receivables		155,178	136,171
Prepayments		48,857	3,368
Total current assets		5,650,307	3,119,408
Non-current assets			
Exploration and evaluation expenditure	3	21,542,059	18,577,983
Intangible Assets	4	-	2,293,428
Right of Use asset		21,009	33,615
Property, plant and equipment		54,867	1,997
Total non-current assets		21,617,935	20,907,023
Total assets		27,268,242	24,026,431
Current liabilities			
Trade and other payables		322,131	188,511
Lease Liability		20,780	24,970
Employee benefits		28,778	175,337
Total current liabilities		371,689	388,818
Non-Current liabilities			
Lease Liability		-	8,598
Employee benefits		3,769	-
Total Non-current liabilities		3,769	8,598
Total liabilities		375,458	397,416
Net assets		26,892,784	23,629,015
Equity			
Issued capital	7	41,216,030	35,779,326
Reserves		1,875,270	3,292,770
Retained earnings		(16,198,516)	(15,443,081)
Total Equity attributable to equity holders of the Company		26,892,784	23,629,015

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

Consolidated statement of changes in equity for the half year ended 31 December 2021

Consolidated	Issued Capital Note 7		Reserves			Retained Earnings	Total attributable to equity holders of the Company
	Fully paid ordinary shares	Fully paid options	Prepaid share reserve	Equity settled employee benefits reserve	Share Based Payments Reserve		
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	34,236,011	1,543,315	306,000	594,444	2,392,326	(15,443,081)	23,629,015
Loss for the year	-	-	-	-	-	(755,435)	(755,435)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive (loss)/income	-	-	-	-	-	(755,435)	(755,435)
Issue of shares, net of transaction costs and tax	3,518,234	500,970	-	-	-	-	4,019,204
Share based payments	1,417,500	-	-	-	(1,417,500)	-	-
Balance at 31 December 2021	39,171,745	2,044,285	306,000	594,444	974,826	(16,198,516)	26,892,784
Balance at 1 July 2020	31,000,213	553,263	-	594,444	226,285	(14,339,838)	18,034,367
Loss for the year	-	-	-	-	-	(480,873)	(480,873)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive (loss)/income	-	-	-	-	-	(480,873)	(480,873)
Issue of shares, net of transaction costs and tax	1,961,328	270,119	216,345	-	423,864	-	2,871,656
Share based payments	-	-	-	-	-	-	-
Balance at 31 December 2020	32,961,541	823,382	216,345	594,444	650,149	(14,820,711)	20,425,150

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

Consolidated statement of cash flows for the half year ended 31 December 2021

Cash flows from operating activities

Payments to suppliers and employees
Receipts in the course of business
Covid 19 Government funding

Net cash (used in) operating activities

Cash flows from investing activities

Interest received
Payments for exploration and evaluation activities
Payments for property, plant and equipment
Proceeds from disposal of property, plant and equipment

Net cash provided by / (used in) investing activities

Cash flows from financing activities

Proceeds from issues of equity securities
Costs of issuing shares
Repayment of Director Loans
Repayment of lease liabilities
Payment of interest on lease liabilities

Net cash provided by financing activities

Net increase / (decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the financial year

Net foreign exchange differences on foreign cash balances

Cash and cash equivalents at the end of the financial year

Consolidated	
31 December 2021 \$	30 December 2020 \$
(679,542)	(422,591)
22,216	41,734
-	54,900
(657,326)	(325,957)
1,041	41
(766,102)	(130,751)
(54,787)	(3,268)
-	(320,000)
(819,848)	(453,978)
4,200,971	2,981,858
(250,714)	(185,796)
-	(50,000)
(6,107)	(12,031)
(573)	(1,068)
3,943,577	2,732,963
2,466,403	1,953,028
2,979,869	148,034
5,446,272	2,101,062

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

Notes to the Consolidated Financial Statements for the half year ended 31 December 2021

Basis of Preparation

Note 1 Reporting Entity

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 is 96 Babbage Road Roseville Chase NSW and its principal place of business is Level 1, 6/68 North Terrace KENT TOWN SA 5067.

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

Note 2 Basis of preparation

i Statement of Compliance

The half year financial report for the six months ended 31 December 2021 is a general-purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting (AASB 134). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The half year financial report is intended to provide users with an update on the latest annual financial statements of the Group and as such they do not include full disclosures of the type normally included in the annual report. It is recommended that they be read in conjunction with the 2021 Annual Report and any public announcements made by PepinNini during the half year reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

ii Significant Accounting Policies

The half year financial report has been prepared in accordance with the accounting policies adopted in the 2021 Annual Report and have been consistently applied by the entities in the Group except for those that have arisen as a result of new standards, amendments to standards and interpretations effective from 1 July 2021. The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half year. These have not had a significant or immediate impact on the Group's half year financial report.

There are no standards issued but not yet effective that are expected to have a material impact on the entity in future reporting periods or on foreseeable future transactions.

iii Critical accounting estimates and judgements

The preparation of the half year financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half year financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report as at and for the year ended 30 June 2021.

The Business Performance

Note 3 Exploration and evaluation assets

Balance at beginning of period

Additions
Reclassification of intangible asset
Impairments of exploration and evaluation assets

Balance at end of period

Half year ended 31 December 2021 \$	Year ended 30 June 2021 \$
18,577,983	18,077,365
670,648	539,790
2,293,428	-
-	(39,172)
21,542,059	18,577,983

Note 4 Intangible assets

Intangible asset

Licence Applications

Total

31 December 2021 \$	30 June 2021 \$
-	2,293,428
-	2,293,428

An intangible asset was recognised in the year ended 30 June 2021 for the value of assets acquired as part of the Hillside Eyre Peninsula kaolin project acquisition, because an active right to tenure was not present on the date the financial statements were reported to enable recognition as an exploration and evaluation asset. The associated exploration licences have now been granted and the item has been reclassified from an intangible asset to an exploration and evaluation asset during the half year ended 31 December 2021.

Note 5 Segment information

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.

Non-current operating assets

Australia
Argentina

Total

31 December 2021 \$	30 June 2021 \$
15,073,131	12,437,807
6,468,928	6,140,176
21,542,059	18,577,983

Capital

Note 6 Dividends

No dividends have been paid for the half year ended 31 December 2021 or year ended 30 June 2021.

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

Note 7 Issued Capital

Fully paid ordinary shares and fully paid options

	6 months to 31 December 2021		12 months to 30 June 2021	
	No.	\$	No.	\$
Balance at beginning of the reporting period	44,828,674	35,779,326	1,626,651,402	31,553,476
Issue of shares prior to share consolidation	-	-	205,000,000	205,000
Share consolidation (100 to 1)	-	-	(1,813,334,302)	-
Issue of shares post share consolidation	9,736,843	3,700,000	22,664,578	3,621,556
Issue of shares and options (share based payments)	4,500,000	1,417,500	-	-
Share issue costs (share based payments)	-	-	-	(423,863)
Share issue costs (other)	-	(250,713)	-	(229,703)
Tax effect on issue costs	-	68,947	-	63,168
Options exercised	2,003,877	500,970	3,846,996	989,692
Balance at end of the reporting period	61,069,394	41,216,030	44,828,674	35,779,326

On 24 December 2021 9,736,843 shares were issued as part of a private placement which raised \$3,700,000 before share issue costs. PepinNini entered into an agreement with GBA Capital as the Lead Manager Engagement for the brokerage and underwriting services for this placement. This included the issue of 2 million unquoted options, at an exercise price of \$0.76, expiring on 31 December 2024. As this issue is subject to shareholder approval, the fair value of the options will be recognised once shareholder approval has been granted.

On 18 November 2021 4,500,000 shares were issued and 1,200,000 options were granted (escrowed for 6 months). This was the completion of PNN's acquisition of the Hillside Minerals Pty Ltd as part of PepinNini's Eyre Peninsula Kaolin Project. The fair value of the shares and options were recorded as a share based payment of \$1,742,178 in the share based payments reserve during the year ended 30 June 2021. The fair value of the shares of \$1,417,500 has been reclassified to issued capital during this half year.

During the half year 2,003,877 options were exercised for 25c which raised \$500,970.

A share consolidation of 100:1 was completed during the previous year ended 30 June 2021. All comparative ordinary share and share option numbers for that year are pre 100:1 consolidation, unless otherwise disclosed.

Other Information

Note 8 Related party information

During the half year ended 31 December 2021 Rebecca Holland-Kennedy was paid \$246,162 upon termination consisting of termination benefits, unused leave paid out and associated superannuation.

Note 9 Contingent liabilities and contingent assets

There have been no changes in contingent liabilities and contingent assets since 30 June 2021.

Note 10 Subsequent events

There has not been in the period since 31 December 2021 and up to the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Directors' declaration

In the Directors' opinion:

- The half year financial report and notes set out on pages 9-17 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 31 December 2021 and of its performance for the half year ended on that date; and
 - ii Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.



Stephen Ross
Chairman
10 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PEPINNINI MINERALS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of PepinNini Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized blue ink signature of the BDO firm, consisting of the letters 'BDO' in a cursive, handwritten style.

BDO Audit Pty Ltd

A blue ink handwritten signature of Paul Gosnold, written in a cursive style.

Paul Gosnold
Director

Adelaide, 10 March 2022