PepinNini Lithium Limited

ABN 55 101 714 989

FINANCIAL REPORT *FOR THE HALF YEAR ENDED 31 DECEMBER 2019*

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Directors' report

The Directors of PepinNini Lithium Limited (PNN, the Company) submit herewith the financial report of the Company and its subsidiaries (the Group) for the half-year ended 31 December 2019. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

The following persons were Directors of the Company during the whole of the half-year and up to the date of this report

Ms Rebecca Holland-Kennedy

Mr Phil Clifford

Ms Sarah Clifton-Brown

Mr James Allchurch – Non-Executive Director- appointed 1 July 2019 and resigned 11 November 2019.

Review of operations

During the reporting period, the Company progressed possible processing methods for the lithium brine project in Argentina and progressed agreement for an exploration deed with the traditional owners the Anangu Pitjantjatjara Yankunytjatjara in South Australia for Exploration Licence ELA 2015/214 Tjalukana for the testing of the Pink Slipper Geophysical anomaly. The Company successfully defended a Corporation's Act 249d action to remove two directors and appoint a new director with no experience of PNN or mineral exploration brought by a small group of shareholders based out of Australia. The Company raised $300,000 through a Share Purchase Plan (SPP) and signed a term sheet for the acquisition subject to due diligence and capital raising for eight copper, gold and base metals prospective projects in the Gawler Craton of central South Australia.

In Argentina PNN SA(wholly owned subsidiary of PNN) holds 9 mina(mining leases) of which are prospective for lithium brine and four for copper gold. Two of the lithium leases contain JORC2012 lithium carbonate resources. In Australia PNN holds two granted exploration tenement (ELs) and 8 exploration licence applications (ELAs) covering 14,003km^2 located in the Musgrave Province of South Australia. In addition, PNN through a Farm-in Joint Venture Agreement with Rio Tinto Exploration Pty Ltd has the right to earn up to 51% interest in four (4) Exploration Licence Applications in the Musgrave Province.

1. Argentina - Salta Project

PepinNini Lithium Ltd's (PNN or the Company) wholly owned Argentine subsidiary PepinNini SA (PNN SA) holds nine mining licences (mina) totalling 20,840 hectares in the western part of Salta Province, NW Argentina(Figure 1). The properties are considered prospective for lithium brine aquifers associated with dried salares (salt lakes). During 2019 PNN SA carried out testing and brine sampling from the Incahuasi Project. Brine was sampling from surface trenches on the Incahuasi Salar Project and analysed for chemical makeup and lithium content. Computer simulation studies of blended brines from Rincon and Incahuasi Projects were undertaken. The results indicated an enriched brine evaporate could be expected from the blended product which would be higher in grade than the individual components due to the complementary and unique chemistry of the two projects. The next step is brine sampled from Incahuasi and Rincon Projects to be blended under laboratory conditions to simulate the actual conditions on the salar. This would test whether the traditional evaporation and concentration processing of lithium brine could be processed to lithium carbonate equivalent(LCE) as simulations demonstrated.

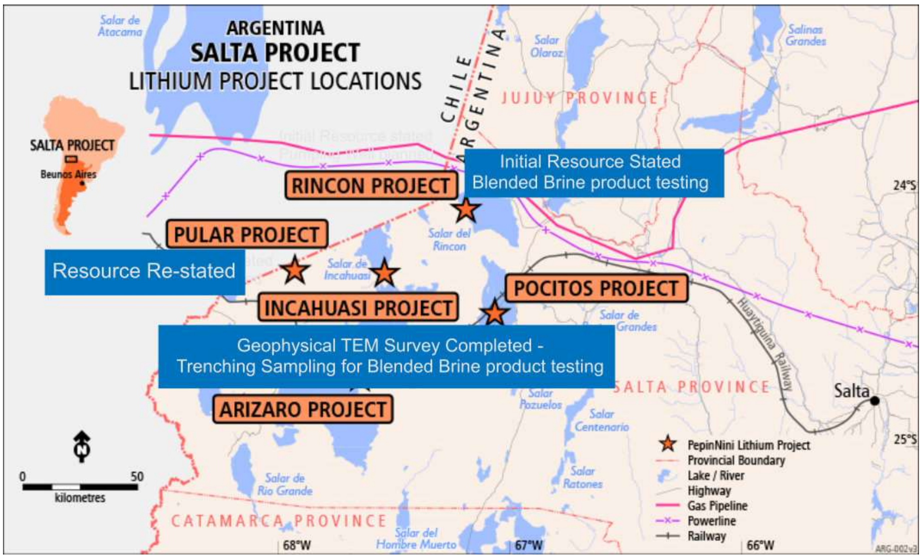

Figure 1 – Lithium Brine Projects Salta Province Argentina

PNN SA also retains its existing copper-gold project in the Salta, the Santa Ines project. The Santa Ines project of four minas covering 6,840 ha is situated approximately 80km to the southeast along the same lineament as BHP's giant Escondida Copper(Cu)-Gold(Au) porphyry in Chile and containing 5 billion tonnes at 1% Cu and 0.25 g/t Au this deposit formed contemporaneously with the Santa Ines Formation event during the Late Eocene-Oligocene.

2. Musgrave Province Nickel-Copper-Cobalt Project

During the period PNN maintained its exploration program targeting nickel-copper-cobalt sulphide, platinum group elements, and base metal mineralisation within the Musgrave Province of central Australia.

The Company has refined its focus to concentrate on the Central Musgrave Project (SA) which incorporates two granted exploration licences (EL5220, EL5735) and eight exploration licence applications (ELA118/96, ELA185/96, ELA367-368/09, ELA189-191/15 and ELA197/15) covering 14,003 km² which are held 100% by PNN wholly owned subsidiary NiCul Minerals Limited (NCL). During the period exploration activities focused on continuation of negotiations with the APY Executive Board to progress tenement granting of ELA197/15– Ironwood Bore.

3. Rio Tinto Joint Venture Musgrave Province, SA

PepinNini subsidiary NCL is earning an interest in 4 exploration licence applications (ELAs) of 615 km^2 from Rio Tinto Exploration Pty Ltd (Rio) in the Musgrave Province (Figure 2 below). Exploration is targeting magmatic nickel-copper-cobalt-PGE sulphide mineralisation. NCL is the operator for the project partners and during the period PepinNini presented to the Anangu Pitjantjatjara Yankunytjatjara (APY) Executive Board who subsequently passed a resolution agreeing in principle to the granting of an Exploration Deed for Exploration Licence Application (ELA) 2015/214. The execution of an Exploration Deed is required to enable the ELA, which contains the Pink Slipper Ni-Cu sulphide geophysical target,(Figure 3), to be granted by the South Australian government. Community consultation meetings with the traditional owners, which are essential for granting of the Exploration Deed, are planned for March- April 2020.

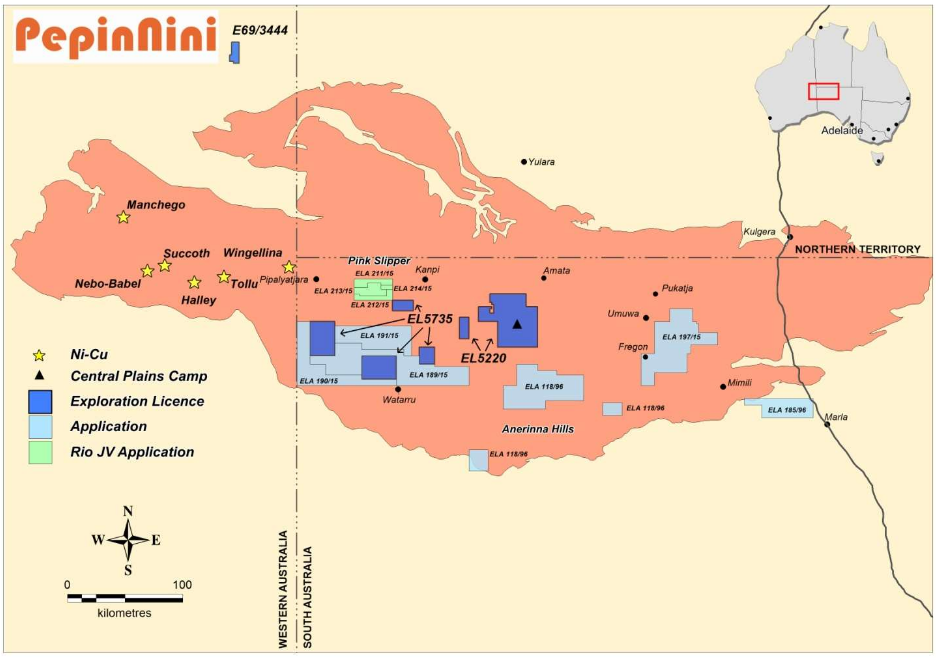

Figure 2: Musgrave Project locations, South Australia

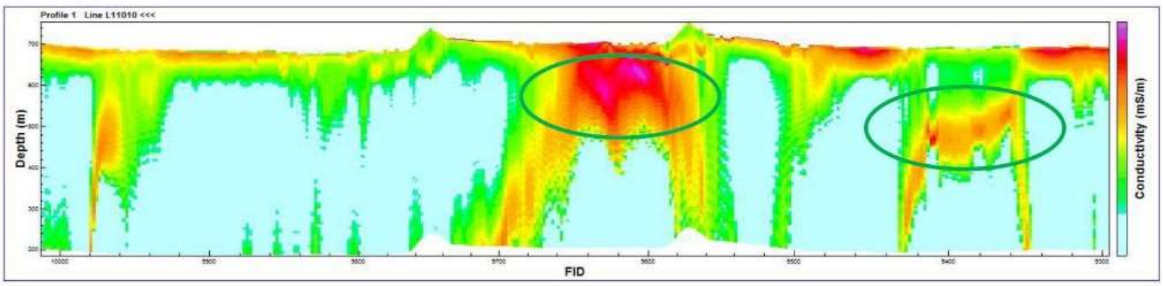

Figure 3 – Pink Slipper Geophysical Target on ELA 2015/214(courtesy CSIRO Spectrem EM Survey Mar 2019 ref: PepinNini ASX announcement 31 July 2019)

4. Project Generation

During the reporting period the Company signed a binding term sheet (subject to due diligence) with Patron Resources Ltd (Patron) for the acquisition of a 100% interest in eight gold projects located in the Gawler Craton, South Australia(Figure 4 below) a known gold producing district. The consideration for the acquisition is to be shares in PNN. A condition precedent for the acquisition to proceed is a successful fund raising to provide exploration funding for the projects. Shareholder approval would be sought should the acquisition proceed.

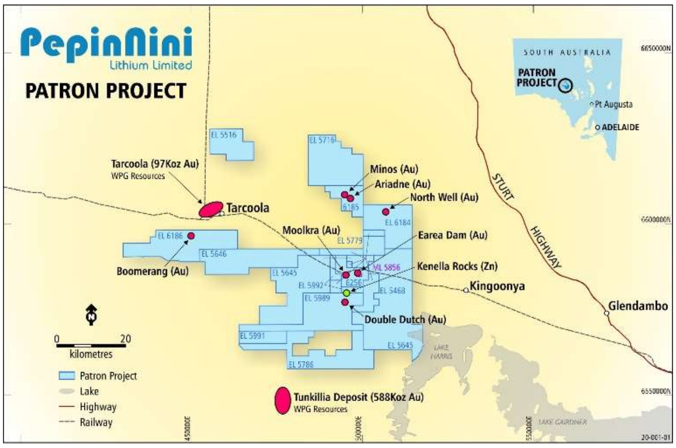

Figure 4 – Patron Project, South Australia

5. Corporate

During the period, the Company successfully retained all Board members against a Corporations Act 249D notice from a small group of shareholders not based in Australia. A non-executive director James Allchurch joined PepinNini in July and resigned in November in order to reduce costs the board subsequently restructured to retain two non-executive directors and one executive director. The Company raised $300,000 from a Share Purchase Plan.

6. Company Focus

The commodity target for PNN has been battery minerals firstly lithium in Argentina and then nickel-copper-cobalt in Australia. The Company is diversifying into Gold exploration with the possible Patron acquisition.

The Company focus for the next six months will be the joint venture with Rio Tinto for the Pink Slipper geophysical target in South Australia as well as the possible Patron acquisition and subject to funding laboratory testing of brine blending from the Rincon and Incahuasi projects in Argentina

The section on Salta Lithium project has been reviewed by Marcela Casini, MAusIMM. Marcela Casini is the Exploration Manager-Argentina of PepinNini Lithium Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Marcela Casini consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this report that relates to Exploration Results and Mineral Resources for the Australian projects is based on information compiled by Phil Clifford BSc MAusIMM. Phil Clifford is a Non-Executive Director of PepinNini Lithium Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Phil Clifford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 5 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors

Rebecca Holland-Kennedy
Managing Director

5 March 2020

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DECLARATION OF INDEPENDENCE
BY ANDREW TICKLE
TO THE DIRECTORS OF PEPINNINI LITHIUM LIMITED

As lead auditor for the review of PepinNini Lithium Limited for the half-year ended 31 December 2019, 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 Lithium Limited and the entities it controlled during the period.

Andrew Tickle
Director

BDO Audit (SA) Pty Ltd

Adelaide, 5 March 2020

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of PepinNini Lithium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, 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 then ended, notes comprising a statement of 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 half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2019 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 *Corporations Regulations 2001*.

Emphasis of matter – Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year 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 is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 2019 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*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO

BDO Audit (SA) Pty Ltd

Andrew Tickle
Director

Adelaide, 5 March 2020

Directors' declaration

In accordance with a resolution of the directors of PepinNini Lithium Limited and its Controlled Entities, I state that:

1. In the opinion of the directors:
   a. the financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
      i. giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
      ii. complying with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001;
   b. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
   c. signed in accordance with a resolution of Directors pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Rebecca Holland-Kennedy
Managing Director
5 March 2020

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2019

		Consolidated Half-year ended 31 Dec 2019 $	Consolidated Half-year ended 31 Dec 2018 $
Revenue		14,401	152
Currency Gain		-	-
Total		**14,401**	**152**
Expenses			
Depreciation expense		710	1,289
Salary and employment costs		181,682	168,924
Operating expenses		93,677	106,917
Operating Lease rental expense		6,448	7,773
Share registry		46,587	43,837
Airfares		19,941	7,304
Insurance		13,107	16,704
Bank Charges and State Taxes		5,753	12,830
Professional fees		90,343	17,542
Impairment of exploration asset		0	462,822
Legal fees		7,663	1,075
Currency Loss		89,759	48,420
Total expenses		**555,670**	**895,437**
Loss before tax		(541,269)	(895,285)
Income tax benefit		-	-
Loss for the period		(541,269)	(895,285)
Loss for the period		**(541,269)**	**(895,285)**
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Total comprehensive income for the half-year		**(541,269)**	**(895,285)**
Earnings per share for loss attributable to members of PepinNini Lithium Limited			
Basic (cents per share)		(0.04)	(0.14)
Diluted (cents per share)	3	(0.04)	(0.14)

Notes to the consolidated financial statements are included on pages 13 to 14.

Consolidated statement of financial position as at 31 December 2019

		Consolidated	
		31 December 2019	30 June 2019
		$	$
Current assets			
Cash and cash equivalents		270,125	915,655
Trade and other receivables		233,503	327,616
Other assets		33,893	4,043
Total current assets		**537,521**	**1,247,314**
Non-current assets			
Exploration expenditure	5	17,897,573	17,620,973
Exploration bonds	5	0	3,990
Property, plant and equipment		27,559	4,034
Total non-current assets		**17,925,132**	**17,628,997**
Total assets		**18,462,653**	**18,876,311**
Current liabilities			
Trade and other payables		93,281	123,029
Annual and Long Service Leave		173,922	165,764
Borrowing Related Party			122,000
Total current liabilities		**267,203**	**410,793**
Non-current liabilities			
Convertible Notes		-	-
Provisions		0	8,283
Total non-current liabilities		**0**	**8,283**
Total liabilities		**267,203**	**419,076**
Net assets		**18,195,450**	**18,457,235**
Equity			
Issued capital	3	31,332,296	31,105,226
Reserves		759,551	707,116
Retained earnings		(13,896,397)	(13.355,107)
Total equity attributable to equity holders of the parent		**18,195,450**	**18,457,235**

Notes to the consolidated financial statements are included on pages 13 to 14.

Consolidated statement of changes in equity for the half-year ended 31 December 2019

	Issued and paid up capital	Prepaid share reserve	Reserves (Equity settled employee benefits reserve)	Share Based Payments Reserve	Retained earnings	Total
			Attributable to members of PepinNini Lithium Limited			
	$	$	$	$	$	$
Consolidated						
Balance at 1 July 2019	31,105,226	-	707,116	-	(13,355,128)	**18,457,214**
Loss for the period	-	-	-	-	(541,269)	**(541,269)**
Other comprehensive Income	-	-	-	-	-	**-**
Total comprehensive income for the half year ended 31 December 2019	-		-	-	(541,269)	**(541,269)**
Issue of shares, net of transactions costs and tax (note 3)	227,070	-	-	52,435	-	**279,505**
Employee share options	-	-	-	-	-	**-**
Balance at 31 December 2019	**31,332,296**	**-**	**707,116**	**52,435**	**(13,896,397)**	**18,195,450**

Consolidated statement of changes in equity for the half-year ended 31 December 2018

	Issued and paid up capital	Prepaid share reserve	Reserves (Equity settled employee benefits reserve)	Share Based Payments Reserve	Retained earnings	Total
			Attributable to members of PepinNini Lithium Limited			
	$		$	$	$	$
Consolidated						
Balance at 1 July 2018	28,174,241	303,239	594,444	-	(11,981,211)	**17,090,713**
Loss for the period	-	-	-	-	(895,285)	**(895,285)**
Other comprehensive Income	-	-	-	-	-	**-**
Total comprehensive income for the half year ended 31 December 2018	-		-	-	(895,285)	**(895,285)**
Issue of shares, net of transactions costs and tax (note 3)	1,615,303	(303,239)	-	-	-	**1,312,064**
Employee share options	-	-	-	-	-	**-**
Balance at 31 December 2018	**29,789,544**	**-**	**594,444**	**-**	**(12,876,496)**	**17,507,492**

Notes to the consolidated financial statements are included on pages 13 to 14

Consolidated cash flow statement
for the half-year ended 31 December 2019

	Consolidated	Consolidated
	Half-year ended	
	31 Dec 2019 $	31 Dec 2018 $
Cash flows from operating activities		
Payments to suppliers and employees	(524,048)	(857,003)
Receipts in the course of business	12,402	-
Net cash used in operating activities	**(511,646)**	**(857,003)**
Cash flows from investing activities		
Payment for exploration activities	(316,441)	(421,980)
Research and Development concession received	-	-
Proceeds from disposal of/payment for property, plant and equipment	23,181	-
Interest received	1,873	152
Net cash provided/(used) in investing activities	**(291,387)**	**(421,828)**
Cash flows from financing activities		
Proceeds from issue of shares	279,503	921,238
Proceeds from loan to Director	(122,000)	122,000
Net cash provided by financing activities	**157,503**	**1,043,238**
Net decrease/ increase in cash and cash equivalents	(645.530)	(235,593)
Cash and cash equivalents at the beginning of the period	915,655	352,079
Net foreign exchange differences on foreign cash balances	-	-
Cash and cash equivalents at the end of the period	**270,125**	**116,486**

Notes to the consolidated financial statements are included on pages 13 to 14.

Notes to the consolidated financial statements

1.Significant accounting policies

Statement of compliance

The half-year financial report 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 report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and any public announcements by PepinNini during the interim reporting period in accordance with continuous disclosure requirements of the *ASX listing rules*.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for when required by accounting standards. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies adopted are consistent with those of the previous financial year end and corresponding interim reporting period, except for the policies stated below.

The Group has considered new accounting standards applicable for the current period; none of the changes have had an impact on the financial report.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and amortisation depreciation in the profit and loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. This includes the realisation of capitalised exploration expenditure of $17,898,583 (30 June 2019: $17, 620,973).

The Group has incurred a loss after tax for the period of $541,269 (2018: $895,285) and operations were funded by a net cash outflow of $645,530, (2018: $235,593).

The consolidated entity’s ability to continue as a going concern is contingent on raising additional capital and/or the successful exploration and subsequent exploitation of its areas of interest through sale or development. The matters set out above indicate the existence of a material uncertainty that may cast significant doubt about the entity’s ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements do not include any adjustments that may be necessary if the consolidated entity is unable to continue as a going concern.

2. Segment information

The Group applies AASB 8 Operating Segments which 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.

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

3. Issuances, repurchases and repayments of equity securities

During the half-year reporting period, PepinNini Lithium Limited issued 195,586,312 new shares (2018: 187,433,020).

PepinNini Lithium Limited issued no shares on the exercise of share options issued under its executive share option plan (2018 – 1,000,000- executive share option plan).

PepinNini Lithium Limited did not purchase or cancel any ordinary shares during the period (2018 – no ordinary shares purchased or cancelled).

Potential ordinary shares are not treated as dilutive as to do so would reduce the loss per share for the Half Year ended 31 December 2019 and 2018. The number of options that were not included in the calculation was 346,787,453. (2018 - The number of options that were not included in the calculation was 11,200,000).

4. Investments in subsidiaries

Name of subsidiary	Country of incorporation	Ownership interest	
		December 2019	June 2019
		%	%
PepinNini Resources Curnamona Pty Ltd	Australia	100%	100%
NiCul Minerals Limited	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%

5. Exploration Expenditure

During the half year ended 31 December 2019 exploration expenditure of $277,610 was capitalised ($247,872 in the six months ended June 2019). There was no Impairment (2018: 462,822) recognized in profit or loss.

6. Transactions with Key Management Personnel

During the half year a Directors Loan of $122,000 was repaid by the company to Rebecca Holland-Kennedy, resulting in a Loan balance of nil at half year end.

7. Contingent Liabilities

There have been no changes in contingent liabilities or contingent assets since the end of the previous annual reporting period, 30 June 2019.

8. Subsequent Events

Subsequent to 31 December 2019 Negotiations are underway with Patron Resources Ltd for the acquisition of eight Gold projects in South Australia, the consideration under negotiation is shares in the Company which will require shareholder approval. $50,000 was raised by a private placement of shares in the Company to a sophisticated investor on 21 February.

No other matters or circumstances have arisen since 31 December 2019 that have significantly affected, or may substantially affect:

(a) the Group’s operations in future years, or

(b) the results of the operations in future financial years, or

(c) the Group’s state of affairs in future financial years.