



ARGENTINA



ABOUT

PepinNini Lithium Limited is a diversified ASX listed Exploration Company focused on exploring and developing a lithium brine resource and production project in Salta Province Argentina within the Lithium Triangle of South America. The Company also holds strategically located exploration tenements in the Musgrave Province of South Australia. The company also holds a copper-gold exploration project in Salta Province, Argentina

DIRECTORS

Rebecca Holland-Kennedy
Managing Director
Sarah Clifton-Brown
Finance Director
Philip Clifford
Non-Executive Director
Justin Nelson
Company Secretary

CONTACT

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FURTHER INFORMATION

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PepinNini secures up to \$2 million from institutional investor

Highlights

- Investment agreement for up to A\$2 million (A\$390,826 to be funded on execution)
- Attractive funding structure with competitive terms
- Funding to progress Rincon Project - Salta Lithium Project

PepinNini Lithium Ltd (the "Company") is pleased to announce the execution of an investment agreement (the "Agreement") with Bergen Global Opportunity Fund II, LLC (the "Investor"), a New York-based institutional investor managed by Bergen Asset Management, LLC.

Pursuant to the Agreement, the Investor will make an initial upfront investment of A\$390,826 immediately and will invest up to an additional A\$1,609,174 during the term of the Agreement, each by way of interest-free unsecured convertible securities with a 24-month maturity. The key aspects of the investment are set out in the Appendix below. The Controlled Placement Agreement announced 1 February 2018 will not be exercised during the term of the convertible securities agreement.

This investment will be used to fund the drilling of a pumping well able to be converted to a production well on the Rincon Project and to complete resource estimates for the Rincon project. The Company's Managing Director, Rebecca Holland Kennedy, said *This investment enables us to commence our pathway to production of lithium brine. The investment structure is attractive as it has the potential to avoid dilution at the current levels for our shareholders.*



Appendix

Key Aspects of the Funding

1. Access to funding. The investment will be made as follows:
 - a. A\$390,826 invested on execution of the agreement by way of issuance of 426,000 interest-free unsecured convertible securities, each with a face value of A\$1 and a 24-month maturity (each, a “Convertible Security”); and
 - b. by mutual consent, up to an additional A\$1,609,174 may be invested (subject to shareholders’ approval) during the term of the Agreement by way of additional Convertible Securities;

for a total of up to A\$2,000,000.

2. Minimising dilution. The conversion price of the Convertible Securities will be, at the Investor’s discretion, either
 - a. 90% of the average of five daily volume-weighted average prices (“VWAPs”) of the Company’s shares during a specified period immediately prior to the date of issuance of the shares on the conversion, or
 - b. 140% of the average of the daily VWAPs of the Company’s shares for 20 consecutive actual trading days prior to the date of execution of the Agreement.

This allows the Company to potentially issue new shares at prices that are linked to the prices prevailing at the time of the conversion (i.e. potentially at a premium to the current share price) and minimise the dilution for its shareholders.

3. Interest-free investment and focus on capital appreciation. Bergen’s return on investment depends on the Company’s share price appreciation, and consequently, its investment accrues no interest.
4. Other.
 - a. The Investor will receive a commencement fee in connection with its investment in the Company, to be satisfied by way of issuance of 2,272,727 shares. The Company has granted the Investor 4,800,000 unlisted options in connection with its investment in the Company. The options are exercisable at 3.77 cents (being a 40% premium to the average of 20 daily VWAPs of the Company’s shares prior to the execution date of the Agreement) and expire on 11 May 2021.
 - b. The Agreement does not restrict the Company from raising additional funding by means of a rights offering, security purchase plan or placement.
 - c. The Investor is a passive financial investor with no board participation rights.
 - d. The Company is not subject to any financial ratio covenants other than the Company securing it against 3.8 million collateral shares, and each amount outstanding constitutes unsecured obligations.
 - e. Currently, following the issuance of the shares and options referenced above, the Company may not issue to the Investor more than an aggregate of 19,375,303 equity securities under the existing placement capacity of the Company under Listing Rule 7.1 and 46,144,142 equity securities under the existing placement capacity of the Company under Listing Rule 7.1A. Having regard to the Company’s available placement capacity, the Company and the Investor have agreed that the Convertible Securities issued in the first tranche shall not be converted into an aggregate of more than 19,375,303 shares in the absence of shareholder approval. Any subsequent funding under the Agreement is subject to shareholders’ approval.