

# PepinNini lithium limited

ABN 55 101 714 989

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of **PepinNini Lithium Limited** will be held at **Unit 6, Level 1, 68 North Terrace, KENT TOWN, South Australia**, on **Thursday 29 November 2018 at 2.00pm (2:30pm AEDT)**.

### AGENDA

#### ORDINARY BUSINESS

To receive and consider the financial statements and reports of the Company for the year ended 30 June 2018, together with the reports by the Directors and Auditors therein.

#### **Resolution 1 – Adoption of the Remuneration Report for the year ended 30 June 2018**

To consider and if thought fit, pass the following non-binding resolution as an ordinary resolution:

*“That the Remuneration Report as contained in the Directors’ Report of the Company, for the year ended 30 June 2018 be adopted.”*

#### **Voting Exclusion Statement**

In accordance with the Corporations Act, a vote must not be cast on this resolution in any capacity (and will be taken not to have been cast if cast contrary to this restriction) by or on behalf of a member of the key management personnel, details of whose remuneration are included in the Remuneration Report, and any closely related party of such a member. However, such a member or any closely related party of such a member may cast a vote as a proxy if the vote is not cast on behalf of a person described above and either:

- the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the resolution;
- or
- the person is the Chair of the Meeting at which the resolution is voted on and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

*Note: The vote on this resolution is advisory only and does not bind the Directors of the Company.*

#### **Resolution 2 – Re-election of Mr Philip Clifford**

To consider and if thought fit, pass the following resolution as an ordinary resolution:

*“That Mr Philip Clifford, being a Director of the Company, who retires by rotation in accordance with the Company’s Constitution, and being eligible, is re-elected as a Director of the Company.”*

Details of the qualifications and experience of Mr Philip Clifford and the recommendation of the Board in relation to his re-election are set out in the Explanatory Memorandum.

#### **Resolution 3 – Approval of 10% Placement Facility**

To consider and if thought fit, pass the following resolution as a special resolution:

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given to issue Equity Securities (as defined in the ASX Listing Rules) up to an additional 10% of the number of ordinary securities on issue calculated in accordance with the formula in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Memorandum.”*

#### **Voting Exclusion Statement**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in relation to this resolution by a person (and any associate of such a person) who is expected to participate in or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely by reason of being a holder of ordinary securities, if this resolution is passed.

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However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on a valid proxy form;

or

- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolution 4 – Ratification of issue of shares**

To consider and if thought fit, pass the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the issue of 24,586,667 fully paid ordinary shares at \$0.015 per fully paid ordinary share in July 2018 on the terms and conditions described in the Explanatory Memorandum.”*

#### **Voting Exclusion Statement**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this resolution by a person (and any associate of such a person) who participated in the issue.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on a valid proxy form;

or

- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolution 5 – Ratification of issue of shares and options**

To consider and if thought fit, pass the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the issue of 14,437,500 fully paid ordinary shares at \$0.008 per fully paid ordinary share and 7,218,750 options on 20 September 2018 on the terms and conditions described in the Explanatory Memorandum”.*

#### **Voting Exclusion Statement**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this resolution by a person (and any associate of such a person) who participated in the issue.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on a valid proxy form;

or

- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolution 6 – Approval of convertible securities**

*“That for the purposes of ASX Listing Rule 7.1, and for all other purposes, approval is given for the issue of up to \$1,509,174 aggregate principal amount of convertible securities to Bergen Global Opportunity Fund II, LLC and the issue of ordinary shares on conversion of the convertible securities, on the terms and conditions and in the manner set out in the Explanatory Memorandum.”*

#### **Voting Exclusion Statement**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in relation to this resolution by a

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person (and any associate of such a person) who is expected to participate in the issue or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;
- or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### Resolution 7 – Ratification of issue of shares

To consider and if thought fit, pass the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the issue of 16,000,000 fully paid ordinary shares at \$0.006 per fully paid ordinary share on 17 October 2018 on the terms and conditions described in the Explanatory Memorandum.”*

### Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this resolution by a person (and any associate of such a person) who participated in the issue.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on a valid proxy form;
- or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides



By Order of the Board  
Company Secretary - Justin Nelson  
Date - Monday, 22 October 2018

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## EXPLANATORY MEMORANDUM

### 1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of Pepinini Lithium Limited (the "Company") in connection with the business to be conducted at the Annual General Meeting to be held on Thursday 29 November 2018 at 2.30pm (3pm AEDT) at 6/68 North Terrace, KENT TOWN, South Australia.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting.

### 2. FINANCIAL REPORTS

Whilst the Corporations Act requires the financial reports, the Directors' Report and the Auditor's Reports of Pepinini Lithium Limited for the year to be laid before the Annual General Meeting, neither that Act nor the Company's Constitution requires shareholders to vote on, approve or adopt those reports.

Shareholders will, however, have ample opportunity at the Annual General Meeting to raise questions on these reports.

### 3. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT FOR THE YEAR ENDED 30 JUNE 2018

Under section 300A (1) of the Corporations Act, the Directors Report must now include a separately identified Remuneration Report. The Remuneration Report is included with the Annual Financial Report for 30 June 2018 issued on 13 September 2018 and available on the Company's website [www.pepinini.com.au](http://www.pepinini.com.au). Listed entities are further required to submit the Remuneration Report for adoption at the Annual General Meeting. Shareholders will have an opportunity to ask questions and comment on the Remuneration Report at the Meeting.

The vote on this resolution is advisory only and does not bind the Directors of the Company. Nevertheless the Board will take into account the outcome of the vote when considering future remuneration arrangements of the Company.

Shareholders should also note that, if 25% or more of the votes cast are against the Remuneration Report, the first element in the Board spill provisions contained in the Corporations Act (i.e. the two strikes rule) will be triggered. While this will not impact on the current year's Annual General Meeting, it will affect next year's Annual General Meeting.

The Board recommends that shareholders vote in favour of adopting the Remuneration Report.

The Corporations Act prohibits certain persons from voting on this item of business. The voting exclusion statement relating to this item of business is set out on page 1 of this Notice.

**The Chairman intends to vote all available proxies in favour of the resolution.**

### 4. RESOLUTION 2 – RE-ELECTION OF MR PHILIP CLIFFORD

Mr Clifford was appointed a director of the Company in April 2013. He has been with Pepinini since 2004, first as an Exploration Manager 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 Pepinini Lithium 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. Since joining the Board Mr Clifford has significantly contributed to the Company's direction and proved to be an invaluable asset to the Company.

The Board regards Mr Clifford as a non-independent non-executive director. The Board (with Mr Clifford absent) concluded that Mr Clifford should be proposed for re-election and accordingly recommends that shareholders vote in favour of his re-election.

The Chairman intends to vote undirected proxies in favour of the resolution.

### 5. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT FACILITY

#### *Background to Resolution 3*

ASX Listing Rule 7.1A enables eligible entities to issue an additional 10% of the entity's issued ordinary securities through placements over a 12 month period after the Annual General Meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company's market capitalisation as at 7 September 2018 was \$5.9 million (592,046,460 issued shares at \$0.010 closing price per share). Further, the Company is not included in the S&P/ASX 300 Index, and is therefore an eligible entity for the purposes of ASX Listing Rule 7.1A.

The Company is now seeking shareholder approval by way of a Special Resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2. Funds raised under the 10% Placement Facility may be used to supplement the Company's working capital requirements and undertake further transactions to acquire new assets or investments should the Directors determine this to be in the best interests of the Company.

Description of Listing Rule 7.1A

#### *a. Shareholder approval*

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way

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of a special resolution at an Annual General Meeting.

### b. *Equity Securities*

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice, has on issue two classes of Equity Securities being quoted shares and unquoted options.

### c. *Formula for calculating Placement Facility*

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

#### **(A x D) - E**

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- a. plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- b. plus the number of partly paid shares that became fully paid in the 12 months;
- c. plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- d. less the number of fully paid shares cancelled in the 12 months.

Note that **A** has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

### **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 652,841,103 shares and therefore has a capacity to issue:

- 1) 82,453,790 Equity Securities under Listing Rule 7.1; and
- 2) 4,757,527 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in

accordance with the formula prescribed in Listing Rule 7.1A.2.

### **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must not be less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

1. the date on which the price at which the Equity Securities are to be issued is agreed; or
2. if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.

The Company may also issue Equity Securities under the 10% Placement Facility as consideration for the acquisition of a new asset, in which case the Company will release to the market a valuation of those Equity Securities that demonstrates that the issue price of the securities complies with the rule above.

### **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- 1) the date that is 12 months after the Annual General Meeting at which the approval is obtained; or
- 2) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),
- 3) or such longer period if allowed by ASX (**10% Placement Period**).

### **Listing Rule 7.1A**

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's placement capacity under Listing Rule 7.1.

Resolution 3 is a Special Resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### **Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- a) the Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:

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1. the date on which the price at which the Equity Securities are to be issued is agreed; or
2. if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.

b) if Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders may be subject to both economic and voting power dilution.

There is a risk that:

1. the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting;
2. the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date; and
3. the Equity Securities are issued as part of consideration for the acquisition of a new asset, in which case, no funds will be raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.004 50% decrease in issue price	\$0.007 issue price	\$0.014 100% increase in issue price
Current Variable A 652,841,103 Shares	10% voting dilution	65,284,110 Shares	65,284,110 Shares	65,284,110 Shares
	Funds raised	\$228,494	\$456,989	\$913,978
50% increase in current Variable A 979,261,655 Shares	10% voting dilution	97,926,165 Shares	97,926,165 Shares	97,926,165 Shares
	Funds raised	\$342,742	\$685,483	\$1,370,966
100% increase in current Variable A 1,305,682,206 Shares	10% voting dilution	130,568,221 Shares	130,568,221 Shares	130,568,221 Shares
	Funds raised	\$456,989	\$913,978	\$1,827,955

The table also shows:

- 1) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlement issue or script issued under a takeover) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- 2) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

The table has been prepared on the following assumptions:

- I. the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
  - II. no unquoted options are exercised into Shares before the date of the issue of the Equity Securities. Purchase Plan;
  - III. the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
  - IV. the table does not show an example of dilution that may be caused to a particular Shareholder by The table also does not take into account the impact of any Shares or Options issued under a Share
  - V. reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting;
  - VI. the table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1. Dilution experienced by Shareholders may be greater if issues have been made utilising the capacity in Listing Rule 7.1 as well;
  - VII. the issue of Equity Securities under the 10% Placement Facility consists only of Shares;
  - VIII. the issue price is \$0.007 being the closing price of the Shares on ASX on 19 October 2018;
- c) the Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- d) the Company may seek to issue the Equity Securities for the following purposes:
- I. non-cash consideration for the acquisition of new resources, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.
  - II. cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisitions or investments), continued exploration

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and development expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.A upon issue of any Equity Securities.

- e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- I. the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - II. the effect of the issue of the Equity Securities on the control of the Company;
  - III. the financial situation and solvency of the Company; and
  - IV. advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company acquires new assets, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets.

If Resolution 3 is approved by Shareholders, the Company may issue Equity Securities under the 10% Placement Facility during the Placement Period as and when the circumstances of the Company require.

- f) The Company obtained approval under ASX Listing Rule 7.1A at last year's Annual General Meeting held on 9 November 2017. 2,272,727 shares have been issued under ASX Listing Rule 7.1A.

As the Company has previously obtained shareholder approval under Listing Rule 7.1A, and is now seeking shareholder approval to renew its capacity to issue an additional 10% of its issued ordinary securities under Listing Rule 7.1A, it is required to provide details of all issues of Equity Securities in the 12 months preceding the date of the meeting.

The total number of Equity Securities issued preceding the date of the meeting and the percentage they represent of the Company's Equity Securities on issue at the commencement of that 12 month period are presented in the table below:

Total number of Equity Securities issued in the last 12 months	
Number of Equity Securities issued	168,872,414
Percentage of Equity Securities issued	25.87%

As required by the ASX Listing Rules, the details of all issues of securities by the Company during 12 months preceding the date of the meeting are detailed below:

1. In January 2018, 26,000,000 ordinary fully paid shares were issued to private and sophisticated investors at a price of \$0.058 cents (cash consideration) per share. The placement raised \$1,508,000. The issue price represented a 20% discount on the 15 day VWAP preceding the issue. The proceeds from the placement have and will continue to be used for general working capital requirements and for exploration programs on the Company's tenements located in Argentina and Australia;
2. In February 2018, 17,000,000 collateral shares were issued for nil consideration to Acuity Capital pursuant to a Controlled Placement Agreement(CPA) dated 1 February 2018. The agreement provides PNN with up to \$5million of standby equity over a 23 month period. PNN is under no obligation to use the agreement and controls the number of shares to be issued, issue price and timing of issue should the agreement be exercised. The collateral shares would be returned to PNN for nil consideration on termination of the CPA. No funds have been raised pursuant to agreement to date.
3. In April 2018, 200,000 employee options were exercised at a price of 2 cents per share to raise \$4,000. Funds raised have and will continue to be used for general working capital requirements and for exploration program on the Company's tenements located in Argentina.
4. In May 2018, PNN entered a Convertible note investment agreement with Bergen Global Opportunity Fund II, LLC, for up to \$2million for a 24 month period. The initial investment was for \$390,826 for the issue of 426,000 convertible securities. Pursuant to the agreement PNN issued 2,272,727 fee shares and 4,800,000 unlisted options exercisable at 3.77cents to expire 11 May 2021. Investment funds have and will continue to be used for general working capital requirements and for exploration program on the Company's tenements located in Argentina.
5. In July 2018, 24,586,667 ordinary fully paid shares were issued to private and sophisticated investors at a price of \$0.015 cents (cash consideration) per share. The placement raised \$368,800. The issue price represented a 11.8% discount to the closing market

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price of the Company's shares on the date of issue. The proceeds from the placement have and will continue to be used for general working capital requirements and for exploration programs on the Company's tenements located in Argentina and Australia;

6. In July 2018, 16,974,509 ordinary fully paid shares were issued pursuant to a non-renounceable entitlement issue raising \$356,464. The issue price was \$0.021 (cash consideration) per share which represented a - 14.3% discount to the closing market price of the Company's shares on the date of issue. Recipients of the shares were those shareholders who subscribed under the offer, being shareholders of the Company on the record date of 30 May 2018 and the shortfall is available to be sold;

The proceeds from the Non-renounceable entitlement offer have and will continue to be used for general working capital requirements and for exploration programs on the Company's tenements located in Argentina and Australia;

7. In July, August and September a total of 47,601,011 shares were issued on conversion of convertible securities issued to Bergen Global Opportunity Fund II, LLC, at \$0.014, \$0.011, \$0.009 and \$0.006 per share. No funds were raised for these transactions.
8. In September 2018, 14,437,500 shares were issued to private and sophisticated investors at a price of \$0.008 cents (cash consideration) per share. The placement raised \$115,500. The issue price represented a 20% discount on the 15 day VWAP preceding the issue. The proceeds from the placement have and will continue to be used for general working capital requirements and for exploration programs on the Company's tenements located in Argentina and Australia;

- g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

The Board considers that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7. 1A in the next 12 months (without further Shareholder approval), should it be required. At the date of the Notice of Meeting, the Company has no plans to use the 10% Placement Facility should it be approved.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

**The Chairman intends to vote all undirected proxies in favour of the resolution.**

### 6. RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES

In July 2018, in a placement to sophisticated and professional investors, the Company issued 24,586,667 fully paid ordinary shares at an issue price of \$0.015 (1.5 cents) per fully paid ordinary share.

These shares were issued on 17-25 July 2018 on the same terms and conditions as other existing ordinary shares in the Company quoted on the Australian Securities Exchange.

The funds raised by these placements have been and will be used to progress the Company's Argentine Lithium Project.

ASX Listing Rule 7.1 provides that, except in limited circumstances, prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with securities issued by the company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

The issue of the shares detailed in Resolution 4 did exceed the 15% limit referred to above.

ASX Listing Rule 7.4 provides that where a company ratifies an issue of securities, the issue will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1, thereby refreshing the company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 4 proposes the ratification and approval of the allotment and issue of 24,586,667 shares to sophisticated and professional investors for the purpose of satisfying the requirements of ASX Listing Rule 7.4.

ASX Listing Rule 14.9 requires the approval be given by an ordinary resolution at a general meeting of holders of ordinary securities.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

**The Chairman intends to vote all undirected proxies in favour of the resolution**

### 7. RESOLUTION 5 – RATIFICATION OF ISSUE OF SHARES AND OPTIONS

In September 2018, in a placement to sophisticated and professional investors, the Company issued 14,437,500 fully paid ordinary shares at an issue price of \$0.008 (0.8 of a cent) per fully paid ordinary share and 7,218,750 options exercisable at \$0.027 (2.7 cents) expiring 20 September 2020.

The options were issued on 20 September 2018 on the terms and conditions set out in Schedule 1.

These shares were issued on 20 September 2018 on the same terms and conditions as other existing ordinary shares in the Company quoted on the Australian Securities Exchange.

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The funds raised by these placements have been and will be used to progress the Company's Argentine Lithium Project and for general working capital.

ASX Listing Rule 7.1 provides that, except in limited circumstances, prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with securities issued by the company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

The issue of the shares and options detailed in Resolution 5 did not exceed the 15% limit referred to above.

ASX Listing Rule 7.4 provides that where a company ratifies an issue of securities, the issue will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1, thereby refreshing the company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 5 proposes the ratification and approval of the allotment and issue of 14,437,500 shares and 7,218,500 options to sophisticated and professional investors for the purpose of satisfying the requirements of ASX Listing Rule 7.4.

ASX Listing Rule 14.9 requires the approval be given by an ordinary resolution at a general meeting of holders of ordinary securities.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

**The Chairman intends to vote all undirected proxies in favour of the resolution**

### 8. RESOLUTION 6 – APPROVAL OF ISSUE OF CONVERTIBLE SECURITIES

On 14 May 2018, the Company notified ASX of a Convertible Securities Subscription Agreement between the Company and Bergen Global Opportunity Fund II, LLC for the issue of convertible securities up to \$2million. A\$390,826 was invested on 14 May 2018 by way of issuance of 426,000 convertible securities and up to a further A\$1,509,174 may, by mutual consent, be invested pursuant to the agreement by way of issuance of convertible securities.

Resolution 6 seeks Shareholder approval for the issuance of up to A\$1,509,174 of convertible securities and the ordinary shares to be issued on conversion of the convertible securities in accordance with ASX Listing Rule 7.1. ASX Listing Rule 7.3 requires the following information to be included in this Notice in respect of Resolution 6:

<b>Maximum number of securities to be issued</b>	A maximum of 1,509,174 convertible securities will be issued and allotted.
<b>Date by which the entity will issue the securities (which must be no later than three</b>	Convertible securities will be issued no later than three months after the date on which the Shareholder approval is obtained.

<b>months after the date of the meeting)</b>	
<b>Issue price</b>	A\$1 per convertible security.
<b>Name of person to whom securities will be issued</b>	Bergen Global Opportunity Fund II, LLC
<b>The terms of the securities</b>	The face value of each Convertible Security is A\$1.00. The Convertible Securities do not bear interest. The Convertible Securities shall be convertible into new ordinary shares of the Company determined by dividing the outstanding amount by, at the election of the Holder: (a) 90% of the average of five daily VWAPs for the shares during a specified period prior to the conversion date of the Convertible Security; or (b) 140% of the average of the daily VWAPs for the shares during the 20 trading days prior to 11 May 2018. The ordinary shares issued upon conversion of the Convertible Securities will rank pari passu with existing ordinary shares. Unless converted, the Convertible Securities do not carry any voting rights at meetings of shareholders of the Company, rights to receive dividends or rights to participate in any issue of securities undertaken by the Company.
<b>Intended use of funds</b>	The purpose of the issue is to raise capital to fund the test LCE production and further resource and pumping well drilling for the Rincon project.
<b>The issue date or a statement that allotment will occur progressively</b>	Refer above to proposed date of issue.
<b>Voting exclusion statement</b>	A voting exclusion statement relating to Resolution 6 is included in the Notice.

# Pepinini lithium limited

ABN 55 101 714 989

## EXPLANATORY MEMORANDUM

ASX Listing Rule 14.9 requires the approval be given by an ordinary resolution at a general meeting of holders of ordinary securities.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

**The Chairman intends to vote all undirected proxies in favour of the resolution.**

### **9. RESOLUTION 7 – RATIFICATION OF ISSUE OF SHARES**

In October 2018, in a placement to sophisticated and professional investors, the Company issued 16,000,000 fully paid ordinary shares at an issue price of \$0.006 (0.6 of a cent) per fully paid ordinary share.

The shares were issued on 17 October 2018 on the same terms and conditions as other existing ordinary shares in the Company quoted on the Australian Securities Exchange.

The funds raised by the placement have been and will be used to progress the Company's Argentine Lithium Project and for general working capital.

ASX Listing Rule 7.1 provides that, except in limited circumstances, prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with securities issued by the company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

The issue of the shares detailed in Resolution 7 did not exceed the 15% limit referred to above.

ASX Listing Rule 7.4 provides that where a company ratifies an issue of securities, the issue will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1, thereby refreshing the company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 7 proposes the ratification and approval of the allotment and issue of 16,000,000 shares to sophisticated and professional investors for the purpose of satisfying the requirements of ASX Listing Rule 7.4.

ASX Listing Rule 14.9 requires the approval be given by an ordinary resolution at a general meeting of holders of ordinary securities.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7.

**The Chairman intends to vote all undirected proxies in favour of the resolution.**

# Pepinini lithium limited

ABN 55 101 714 989

## EXPLANATORY MEMORANDUM

### VOTING INFORMATION AND NOTES

#### 1. VOTING ENTITLEMENT ON A POLL

On a poll, each shareholder present (in person, by proxy, attorney or representative) has one vote for each fully paid share they hold.

#### 2. PROXIES

A shareholder entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote on the shareholder's behalf. If the shareholder is entitled to cast two or more votes at the Meeting, the shareholder may appoint up to two proxies to attend and vote on the shareholder's behalf.

If a shareholder appoints two proxies, each proxy must be appointed to represent a specified proportion or number of the shareholder's votes. Absent this specification, on a poll, each proxy may exercise half the votes.

A proxy can be either an individual or a body corporate and need not be a shareholder of the Company. If a shareholder appoints a body corporate as proxy, the body corporate will need to appoint an individual as its corporate representative and provide satisfactory evidence of this appointment.

If a shareholder's instruction is to abstain from voting for a particular item of business, the shareholders' votes will not be counted in computing the required majority on a poll.

To appoint a proxy, a proxy form must be signed by the shareholder or the shareholder's attorney duly authorised in writing. If the shareholder is a corporation, the proxy form must be signed in accordance with section 127 of the Corporations Act. To be effective, a proxy form (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company not later than 48 hours prior to the commencement of the Meeting. Proxy form and authorities may be lodged:

- **ONLINE**

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Security holder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

- **BY MAIL**

Pepinini Lithium Limited,  
C/- Link Market Services Limited  
Locked Bag A14,  
Sydney South, NSW 1235  
Australia,

- **BY FAX**

+61 2 9287 0309

- **BY HAND**

Delivering it to Link Market Services Limited\*

1A Homebush Bay Drive, Rhodes NSW 2138

or

Level 12, 680 George Street, Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

Shareholders who forward their proxy forms by fax must make available the original executed form of the proxy for production at the Meeting, if called upon to do so.

#### *Chairman acting as proxy*

Shareholders may appoint the Chairman of the Meeting as their proxy.

Where the Chairman is appointed as a proxy by a shareholder entitled to cast a vote on a particular resolution and the proxy form specifies how the Chairman is to vote on the resolution (that is, a directed proxy), the Chairman must vote in accordance with that direction.

In respect of proxies where no voting direction has been given (undirected proxies), the Chairman intends to vote all available proxies in favour of each resolution. In relation to resolution 1 if the shareholder has appointed the Chairman as their proxy and no voting direction has been given, the shareholder will be expressly authorising the Chairman to exercise the undirected proxy in respect of resolution 1 even though the resolution is connected with the remuneration of members of the KMP of the Company. Please read the directions on the proxy form carefully, especially if you intend to appoint the Chairman of the Meeting as your proxy.

#### 3. ENTITLEMENT TO VOTE AT THE MEETING

For the purpose of the Meeting, shares in the Company will be taken to be held by those persons who are registered holders at 7.00 pm (Adelaide time) on Tuesday, 27 November 2018. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

#### 4. QUORUM

The Constitution of the Company provides that two shareholders present shall be a quorum for a general meeting of the Company.

#### 5. APPOINTING A CORPORATE REPRESENTATIVE

Corporate representatives are requested to bring appropriate evidence of appointments as a representative. Proof of identity will be required for corporate representatives.

#### 6. APPOINTMENT OF AN ATTORNEY

Attorneys are requested to bring a power of attorney pursuant to which they are appointed. Proof of identity will also be required for attorneys.

## **SCHEDULE 1 – RESOLUTION 5 RATIFICATION OF ISSUE OF SHARES AND OPTIONS**

1. Each Option entitles the holder to subscribe for one fully paid ordinary Share.
2. Each Option is exercisable at any time from the date it is granted (20 September 2018) until 20 September 2020 (“Expiry Date”) (inclusive of both dates).
3. Some or all of the Options may be exercised at any one time before the Expiry Date, provided that at least 500 options are exercised at any one time.
4. The Exercise Price of each Option is 2.7c(\$0.027).
5. Shares issued pursuant to the exercise of any Option will rank in all respects on equal terms with the existing fully paid ordinary shares in the Company.
6. The number of Shares each Option entitles the holder to will only be adjusted according to paragraph 8 of these terms.
7. An Option will not entitle the holder to participate in any new issue of Shares, unless the Option has been exercised prior to the relevant record date.
8. If there is a pro rata issue, bonus issue, reconstruction or reorganisation (including consolidation, sub-division, reduction or return) of our capital, the rights of the Option holder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of the restructure or reorganisation. Any changes to the terms of the Options will not result in any benefit being conferred on Option holders which is not conferred on our shareholders.
9. The Company will apply to ASX for permission for quotation to be granted in respect of Shares issued upon exercise of any of the Options, in the manner required by the Listing Rules.
10. The Options will be fully transferable in accordance with the Company's constitution and, for such time as the Company is listed on ASX, with the Listing Rules.
11. Shares issued pursuant to the exercise of an Option will be issued on a date which will not be more than 10 days after the receipt of a properly executed notice of exercise of Option and the Exercise Price in respect of the exercise of the Option.

**LODGE YOUR VOTE**

**+** **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**✉** **BY MAIL**  
PepinNini Lithium Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**☎** **BY FAX**  
+61 2 9287 0309

**✉** **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138

**✉** **ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474

**NAME AND ADDRESS OF SHAREHOLDER**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SRN/HIN

\_\_\_\_\_

**PROXY FORM**

I/We being a member(s) of PepinNini Lithium Limited and entitled to attend and vote hereby appoint:

**APPOINT A PROXY**

**the Chairman of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

\_\_\_\_\_

**STEP 1**

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2:00pm (2:30pm AEDT) on Thursday, 29 November 2018 at Unit 6, Level 1, 68 North Terrace, Kent Town, South Australia** (the **Meeting**) and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

**VOTING DIRECTIONS**

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .**

**STEP 2**

**Resolutions**

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Ratification of issue of shares and options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Philip Clifford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of convertible securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Ratification of issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

**STEP 3**



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm (2:30pm AEDT) on Tuesday, 27 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

#### BY MAIL

PepinNini Lithium Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia

#### BY FAX

+61 2 9287 0309

#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**