

Pegmont Mines Limited

ABN 97 003 331 682

Corporate Office
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NSW 2444

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7 December 2015

The Manager
The National Stock Exchange of Australia
384 Hunter Street
NEWCASTLE NSW 2300

Dear Sir,

Amended Pegmont Option Agreement

Pegmont Mines Limited (the Company) wishes to advise that it has concluded Amendments to the Call Option to Purchase Tenements (Option Agreement) dated 6 August 2014 between the Company and Vendetta Mining Corp (Vendetta). The amendments are to facilitate the further exploration (including drilling) work and advancement of the Pegmont lead-zinc project (the Project) by Vendetta.

The Amendments may be summarised:

1. Reduction of \$750,000 to \$5,250,000 in preproduction payments by Vendetta to the Company with a revised time schedule as follows:

Date	Cash Payments	Exploration Commitments	
	Amount (AU\$)	Period Ending	Amount (AU\$)
Paid	250,000	Paid	350,000
28 February 2016	150,000	Completed	800,000
28 February 2017	350,000	10 August 2016	1,000,000
28 February 2018	500,000	10 August 2017	1,200,000
6 November 2018	1,000,000	10 August 2018	
Upon exercise of the Call Option Pre-paid royalty	3,000,000		Mines Department Commitment
	AU\$5,250,000		

Note: Vendetta may withdraw from the Option Agreement at any time prior to 28 February 2016; and thereafter by meeting the previous year exploration commitments. Also, Vendetta may exercise the Option Agreement at any time on or prior to 6 November 2018.

2. A minimum aggregate of 17,000 metres of drilling must be completed by Vendetta prior to 10 August 2018; with requirements for completing 2,000 metres before 31 December 2014 (complete) and a minimum program of 3,000 metres to commence by 30 April 2016 and to complete by 1 July 2016.
3. The purpose of this drilling is for Vendetta to update the N1 43-101 Mineral Resource estimate of 8.163Mt of Indicated and Inferred Resource (AMC Consultants February 2014) to a total of 10Mt of inferred, Indicated and measured mineral resource for all material types by 31 December 2016 at a 3% lead+zinc cut-off grade for Oxide and Transition Mineralisation and at a 5% lead+zinc cut-off grade for Sulphide ores.
4. The Option period has been reduced to four years to 6 November 2018.
5. To compensate for the cash reduction of \$750,000 to Pegmont, the Royalty rate has increased from 1.25% to 1.5% of Net Smelter Return (NSR).

For further information, please view Vendetta's website which can be found at www.vendettaminingcorp.com

Yours faithfully,



Malcolm A Mayger
Managing Director