

Pegmont Mines Limited

ABN 97 003 331 682

Corporate Office
13 Oden Street
Port Macquarie
NSW 2444
Telephone: 6583 7747

14 May 2018

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

Dear Sir/Madam,

Grant of EPM 26647 (Templeton)

We have been advised by the Queensland Department of Natural Resources, Mines and Energy that pursuant to Section 136 of the Mineral Resources Act 1989, EPM 26647 has been granted to Pegmont Mines Limited.

Grant Date	10 May 2018
Commencement Date	10 May 2018
Term	5 years
Area	96 sub-blocks

Approved Work Program

Year 1	\$160,000 including 1,000 metres drilling
Year 2	\$170,000 including 1,000 metres drilling
Year 3	\$230,000 including 1,400 metres drilling
Year 4	\$250,000 including 1,400 metres drilling
Year 5	\$275,000 including 1,400 metres drilling

Preliminary assessment of previous geophysical data, including 3D modelling has indicated that E1 and E2 magnetic anomalies are comprised of a number of separate anomalies at varying depths with some peaks as high as – 200 metres (below surface), perhaps representing late stage magnetic intrusions.

Stage 1 exploration of rock chip sampling of specific small areas will be undertaken to confirm or otherwise as to whether hydrothermal alteration and mineralisation with quartz veins and quartz matrix of breccias has “worked its way up” from the parent magmatic magnetic intrusive into the overlaying Proterozoic strata. This work program will be advised to the landholder shortly.

Yours sincerely,



Malcolm A Mayger
Managing Director