



Pegmont Mines Limited For immediate release.

ABN 97 003 331 682 **PR 002 11 January 2018**

A further step in the creation of the new Pegmont

Since its formation 21 years ago the Company's dream has always been to make a major discovery in the Mount Isa region as one of the world's great mineral provinces. We have made several mineral discoveries, and as the exploration develops to a point of interesting others, have optioned them out to reduce feasibility and development risks and in time to provide the finance for the next project.

In line with this, on 5 January we signed an exclusive option agreement on our New Hope project (ML 2487) with the neighbouring leaseholder Chinova Resources Cloncurry Mines Pty Ltd for them to purchase ML2487. The option fee is \$150,000, with the option exercisable by 30 November this year. The total consideration is \$725,000 less the initial \$150,000 payment. Malcolm Mayger Pegmont Mines Managing Director said "the deal makes good sense for both parties as New Hope is a very small project and not a core asset for us, and Chinova holds all the surrounding ground."

"Previously, in 2014 we optioned out our Pegmont lead-zinc project to Canadian company Vendetta Mining, who has since spent substantial sums at Pegmont with very considerable success. Should Vendetta decide to exercise their option in November this year, we would receive \$4,000,000 plus an attractive net smelter royalty."

"As a major step in pursuing our exploration dream and the creation of the new Pegmont we have applied for an area to the west of Mount Isa, which we call the Templeton prospect, on the advice of distinguished geologist Jacob Rebek, recently appointed our Senior Adviser – Geology. He recommended that we look there as it has similar geology to the well-explored Eastern Succession, but is under an alluvial cover and is therefore relatively unexplored. We expect to begin an exploration program this year after obtaining Native Title and Landholder Agreements." Details on the Templeton prospect are set out in our Pegmont Promotional Brochure in November 2017 and posted on our website www.pegmont.com.au

For further comment contact Malcolm Mayger on 612 6583 7747, or by email pegmont@hotmail.com