

Pegmont Mines Limited

ABN 97 033 331 682

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9 November 2018

The Manager
National Stock Exchange of Australia
Level 3
1 Bligh Street
SYDNEY NSW 2300

Dear Sir,

Revised Income Summary to 31 December 2018

Further to the Company's September 2018 Quarterly Activities Report, there has occurred a significant increase in unforecasted cash receipts of \$1,050,000 received from Vendetta Mining Corp on Monday 5 November 2018 in accordance with The Deed of Variation to The Call Option between Pegmont Mines Limited (the Company) and Vendetta.

Revised Income Summary (cash basis) to 31 December 2018

INCOME RECEIVED	REVISED ESTIMATE DECEMBER FORECAST 2018 \$	ACTUAL TO SEPTEMBER 2018 \$
Interest/Dividends/Other	13,500	10,307
Realised profit/(loss) on sale of shares (cost basis)	–	1,800
	13,500	12,107
Add: Increased provisions to market value	–	(6,650)
Net Income/(Loss) from investing activities	13,500	5,457
Add: Chinova Prepayment	150,000	150,000
Add: Vendetta Option Proceeds	1,545,000	500,000
Payment of extension fee	–	9,091
Net Income	1,708,500	664,548
Less Expenditures (cash basis)		
Exploration		
Pegmont tenement expenses	4,000	3,631
General Investigations	56,000	38,806
New Hope expenses	20,000	17,703
Templeton	180,000	96,143
	260,000	156,283
Corporate		
Administration	180,000	110,228
Audit Fees	18,000	8,000
Directors' Fees	130,000	97,500
Working Capital	(12,000)	41,330
	316,000	257,058
Net Cash Surplus/(Deficit)	1,132,500	251,207
Add: Opening Cash Balances	383,098	383,098
Closing Cash Balances	1,515,598	634,305

Comment

The additional receipt of \$1,050,000, (less GST \$5,000) has made a significant impact on The Company's cash resources by increasing estimated cash holdings to around \$1.5 million at year end. Thus, we have felt confident to apply for another highly prospective area north-west of Templeton to provide a greater chance of confirming an extension on the Mount Isa copper (plus gold) province to the west, under the Lawn Hill Platform.

Yours faithfully

A handwritten signature in cursive script, appearing to read "M. A. Mayger".

Malcolm A Mayger
Managing Director