

Pegmont Mines Limited

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12 May 2016

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

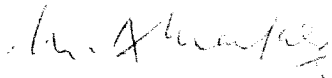
Dear Sir/Madam,

Corporate Update

We wish to update several matters that appear in the Company's Annual Report to Shareholders:

- Vendetta Mining Corp closed \$2.5 million Private Placement on 5 May 2016. The proceeds of the Private Placement will be used to advance the development of the Pegmont Lead-Zinc Project (over which it has an option to acquire 100% interest by 6 November 2018 – vide page 4 of the Annual Report). A copy of their announcement to the Toronto Stock Exchange: Venture is attached.
- Vendetta has paid \$150,000 to Pegmont Mines Limited (the Company) due on 28 February 2016. Consequently, the Company's Financial Condition has improved with sufficient working capital to cover expenditures to 28 February 2017; the next option payment anniversary date.
- The Company has lodged renewal applications with the Queensland Department of Natural Resources and Mines (DNRM) for EPMs 14491 and 15106. Also, the Company has lodged a Conditional Surrender application to merge these two EPMs into a new tenement.
- Vendetta is now proceeding to call for drill tenders to commence a program of Metallurgical and Resource drilling as soon as practicable and to incorporate the results with those from 6,500 metres of drilling completed since their previous NI 43-101 Mineral Resource Estimate of February 2014. This Resource update should be completed in Q4 2016.

Yours faithfully,



Malcolm A Mayger
Managing Director
Pegmont Mines Limited



FOR IMMEDIATE RELEASE

May 5th, 2016
(VTT2016 – NR #3)

Vendetta Mining Closes \$2.5 Million Private Placement and Strategic 9.9% Equity Investment by Solitario Exploration & Royalty

Vancouver, BC – May 5th, 2016 – Vendetta Mining Corp. (VTT-TSX: V) (“Vendetta” or the “Company”) is pleased to announce that it has closed an oversubscribed private placement announced on March 3, 2016 (and revised April 18th, 2016). The Company issued a total of 50,000,000 units at a price of \$0.05 per unit for gross proceeds of \$2,500,000, each unit comprising one share and one share purchase warrant exercisable at \$0.10 for a period of two years.

The financing was increased to facilitate a strategic investment by Solitario Exploration & Royalty Corp. (“Solitario”). Solitario is traded on the NYSE under the symbol "XPL" and on the Toronto Stock Exchange under the symbol "SLR". As a result of its placement, Solitario will now hold 9.97% of the issued and outstanding shares and 11.21% on a fully diluted basis of Vendetta. Assuming exercise of all of the warrants by Solitario, and no other warrants or options are exercised, it would own 18.13% of the common shares of Vendetta. The Company’s largest shareholder, Resource Capital Fund VI L.P. (“RCF”), will continue to maintain a significant holding in Vendetta with 26.72% of the issued and outstanding shares (39.80% on a fully diluted basis).

Vendetta’s President, Michael Williams stated, “having Solitario as a strategic partner in Vendetta re-confirms our belief that the Pegmont Lead-Zinc Project is on the right trajectory and provides us with a key Partner as we advance our corporate objectives. Solitario also shares our view on the immediate future of the zinc and lead markets and corresponding opportunities.”

The proceeds of the private placement will be used to advance the development of the Pegmont Lead-Zinc sulphide project. The 2016 program will include metallurgical and resource development drilling at the newly discovered near surface Burke Hinge Zone and within Zone 5 (areas of increasing zinc grade), metallurgical test work, property payments and for general working capital. Drilling will commence Q2, 2016.

Vendetta also intends to update the NI43-101 Mineral Resource Estimate in Q4 2016. The Company will incorporate the proposed 2016 drilling and metallurgical work as well as the results from 6,500 m of drilling completed in the Burke Hinge Zone and Zone 5 since the February 2014 initial NI43-101 Mineral Resource Estimate on Zones 1 to 4.

Total commissions of \$49,440 were paid associated with the proceeds of this private placement.

About Solitario

Solitario is an exploration and royalty company. Solitario has a joint venture with Minera Milpo (a Peruvian zinc miner) on its high-grade Bongará zinc project in Peru. Solitario’s Management and Directors hold approximately 7.6% (excluding options) of the Solitario’s 39.0 million shares



outstanding. Solitario's cash balance at the beginning of the end of the first quarter of 2016 was approximately US\$17 million. Additional information about Solitario is available online at www.solitarioxr.com

About Vendetta Mining Corp.

Vendetta Mining Corp. is a Canadian junior exploration company engaged in acquiring, exploring, and developing mineral properties with an emphasis on lead and zinc. It is currently focused on advanced stage exploration projects in Australia, the first of which is the recently optioned Pegmont Lead Zinc project. Additional information on the Company can be found at www.vendettaminingcorp.com

Qualified Person

Peter Voulgaris, MAusIMM, MAIG, a Director of Vendetta, is a non-independent qualified person as defined by NI 43-101. Mr. Voulgaris has reviewed the technical content of this press release, and consents to the information provided in the form and context in which it appears.

ON BEHALF OF THE BOARD OF DIRECTORS

“Michael Williams”

Michael Williams
President & CEO

Forward Looking Information

This news release includes forward-looking statements that are subject to risks and uncertainties. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that could cause the actual results of the Company to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements.

Disclaimer

All statements within, other than statements of historical fact, are to be considered forward looking. Although Vendetta Mining Corp. believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include: the completion of the full exploration program for which the use of proceeds is geared toward, the accuracy of exploration results, the accuracy of Mineral Resource Estimates, the anticipated results of future exploration, the forgoing ability to finance further exploration, and general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. We do not assume any obligation to update any forward-looking statements.



The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release and as such, accepts no responsibility for the adequacy or accuracy of this release.