

Pegmont Mines Limited

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25 February 2021

The Manager
The National Stock Exchange of Australia
Level 3
1 Bligh Street
SYDNEY NSW 2000

NSX Announcement

PEGMONT AND SOUTH32 SIGN OPTION AND ROYALTY DEAL FOR TEMPLETON AND MINGERA EPMS

Pegmont Mines Limited (**Pegmont**) and a wholly owned subsidiary of South32 Limited (**South32**) have executed an option and royalty agreement in respect of the Templeton (EPM 26647) and Mingera (EPM 27113) exploration licences in North West Queensland. The Templeton exploration licence currently covers approximately 112 km². The Mingera exploration licence covers approximately 27 km².

The option period is four years, although South32 may withdraw at any time or extend the option period for an additional two years by paying an extension fee of A\$500,000.

During the option period, South32 shall be responsible for the exploration and maintenance of the tenements.

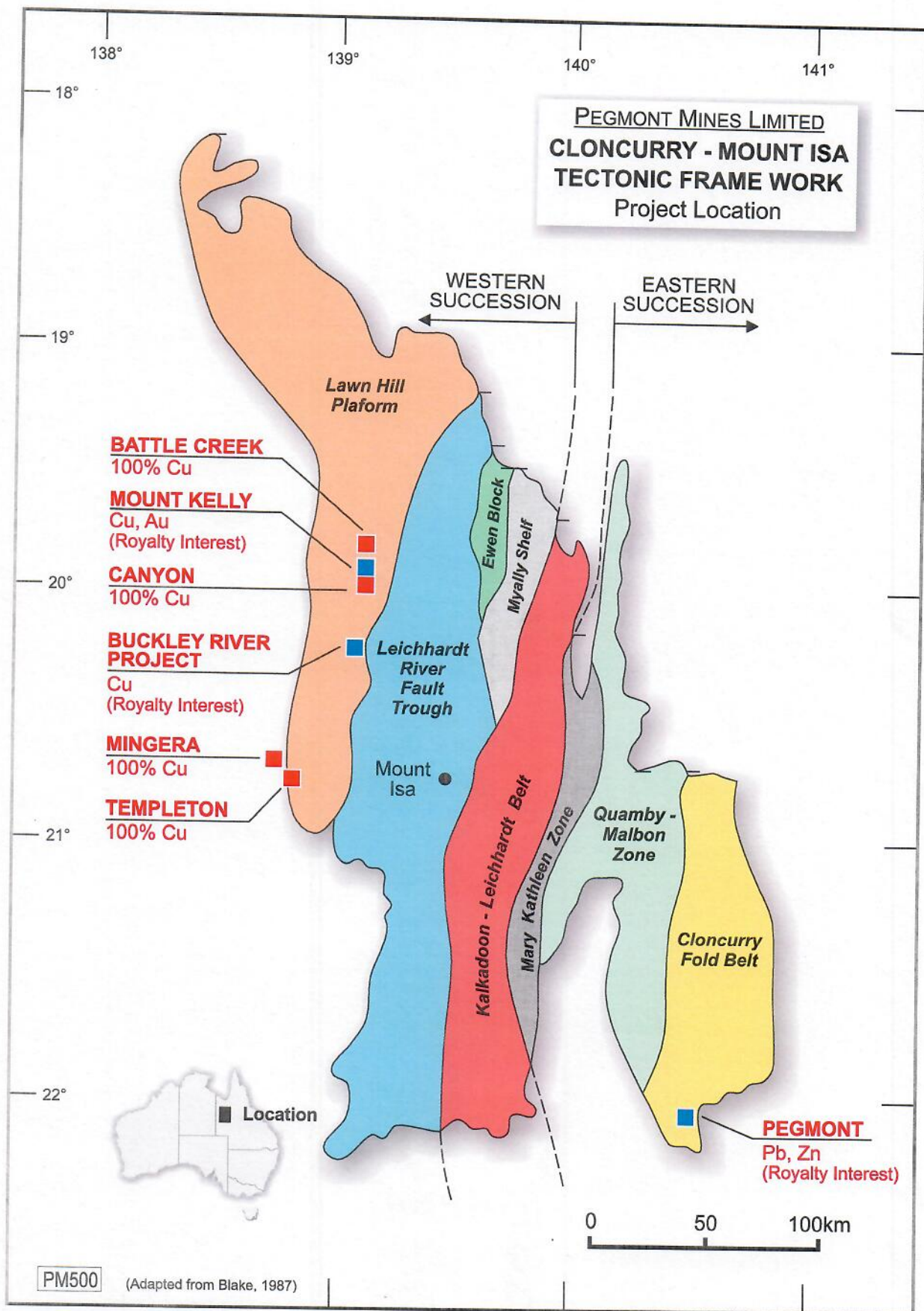
South32 may exercise the option to acquire the Templeton and Mingera exploration licences by:

- paying an option price of A\$1,000,000; and
- granting Pegmont a 1% Net Smelter Royalty interest payable on all mineral or metallic product (including copper and gold) extracted or recovered from the area currently covered by the Templeton or Mingera exploration licences.

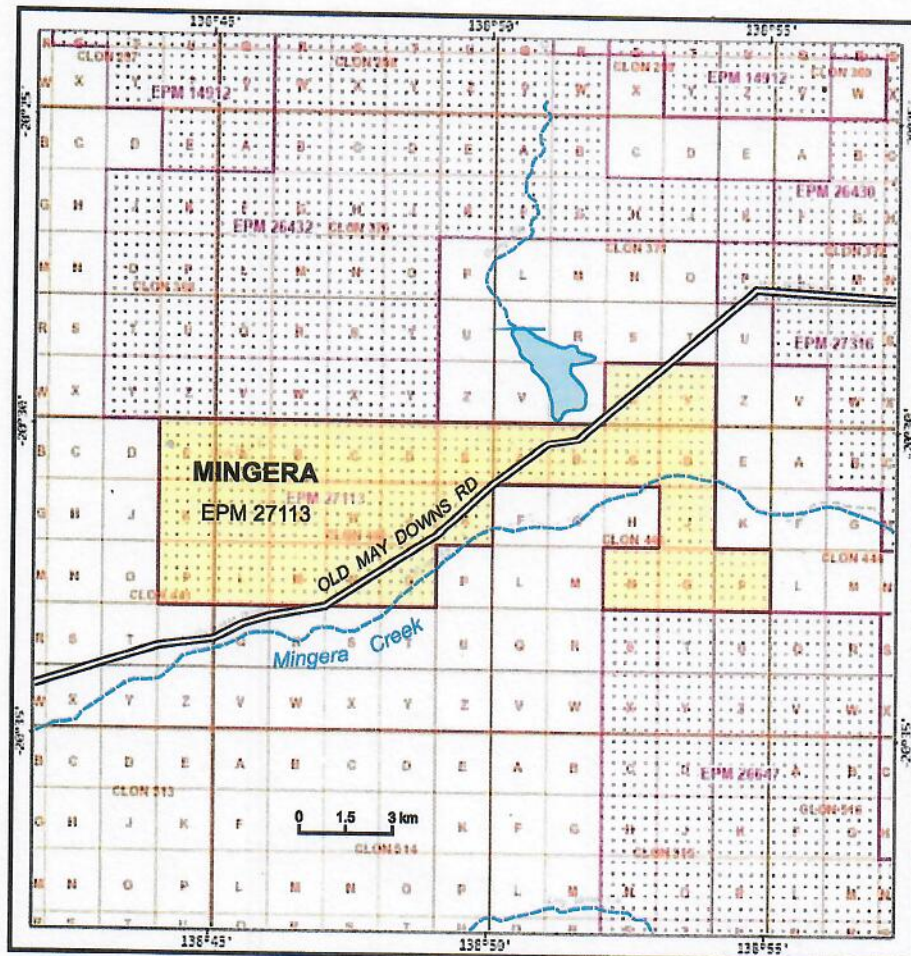
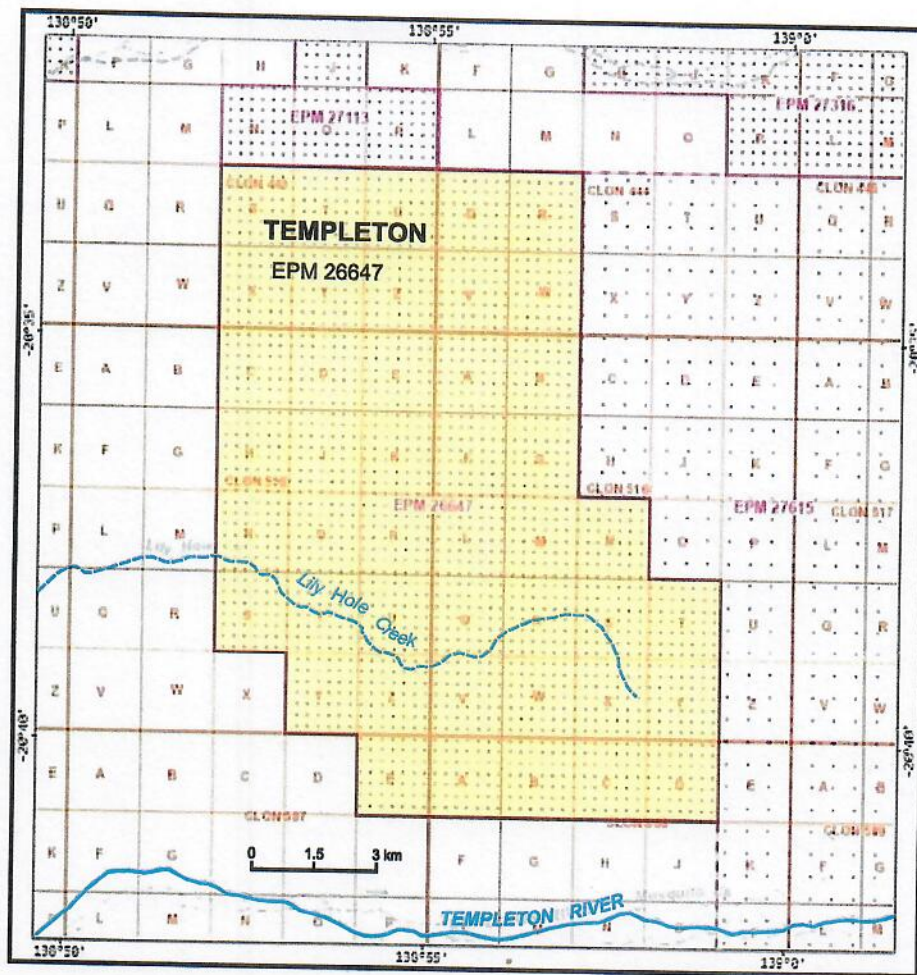
Upon valid exercise of the option, Pegmont will transfer full beneficial and legal ownership of the tenements to South32.



Malcolm A Mayger
Managing Director



The Lawn Hill Platform suite of rocks overlay the older Proterozoic McNamara Group at generally increasing depth to the west.



- Block identification map
- Block
- Sub-Block
- EPM application
- EPM granted
- EPM special application
- EPM special granted

Pegmont Mines Limited
Templeton - Mingera Copper
Project Option Areas
 February 2021