

Pegmont Mines Limited

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9 November 2018

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

Dear Sir,

ML 2487 New Hope Gold – Cobalt Property

We wish to advise that Pegmont Mines Limited has received official notice from Chinova Resources Cloncurry Mines Pty Ltd (CRCM) that they are exercising their option to acquire ML 2487 held by the Company on 5 November 2018.

To that effect, CRCM have lodged their application with FIRB to obtain approval to complete the transaction. They have requested the Company to seek conditional approval from the Minister responsible for the Queensland Department of Natural Resources and Energy (DNMRE) advising that the Minister (or the Minister's delegate) is likely to give approval to register the transfer of ML 2487 to Chinova (Indicative Approval). It is expected that this process is expected to take less than 90 days.

Upon completion of these and other conditions, Chinova will pay the balance of the Purchase Price, being A\$575,000 (i.e. \$725,000, less deposit paid of \$150,000) upon execution of title and other appropriate documents.

Yours faithfully



Malcolm A Mayger
Managing Director