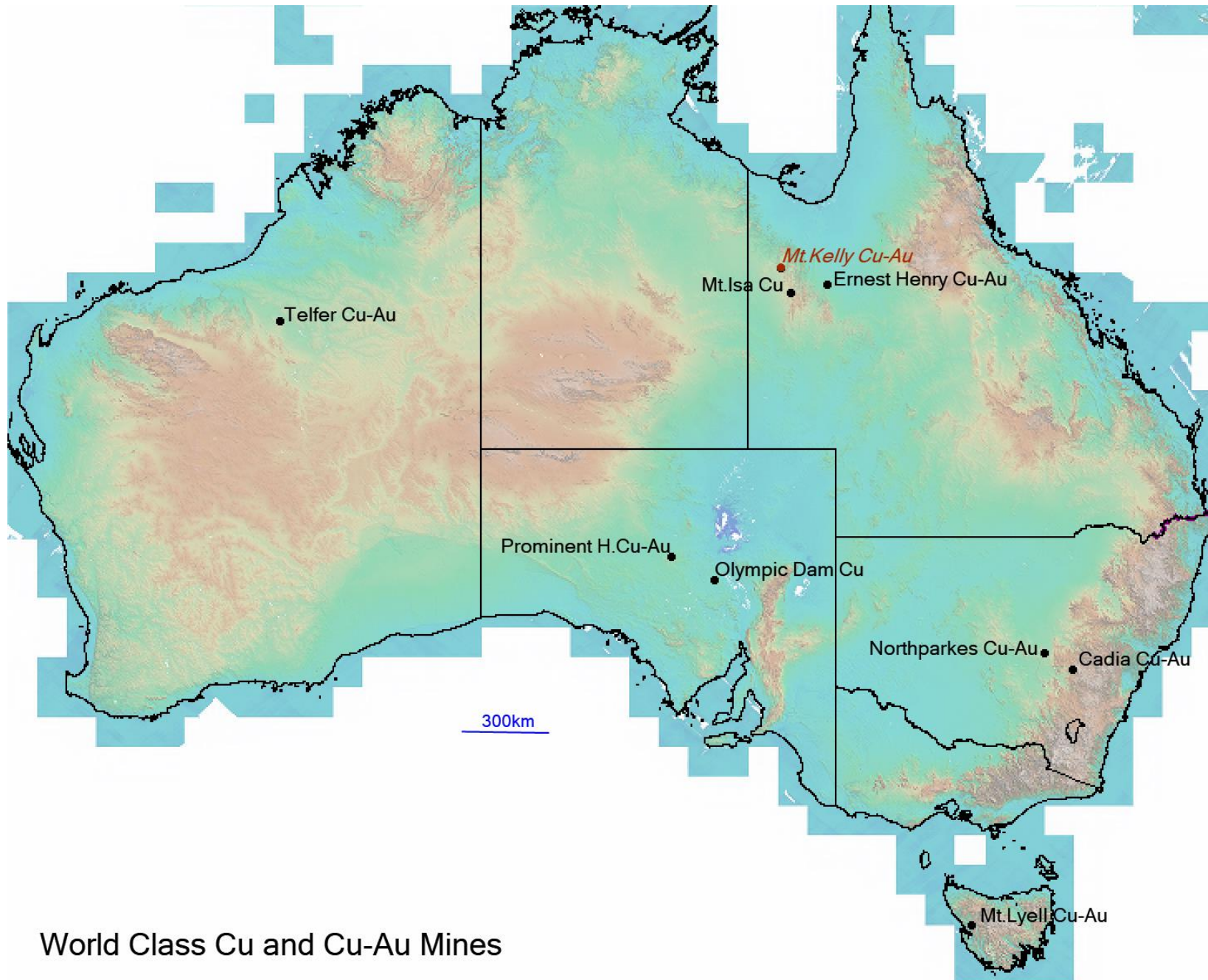


Pegmont Mines Ltd. Exploration Programme - May 2019

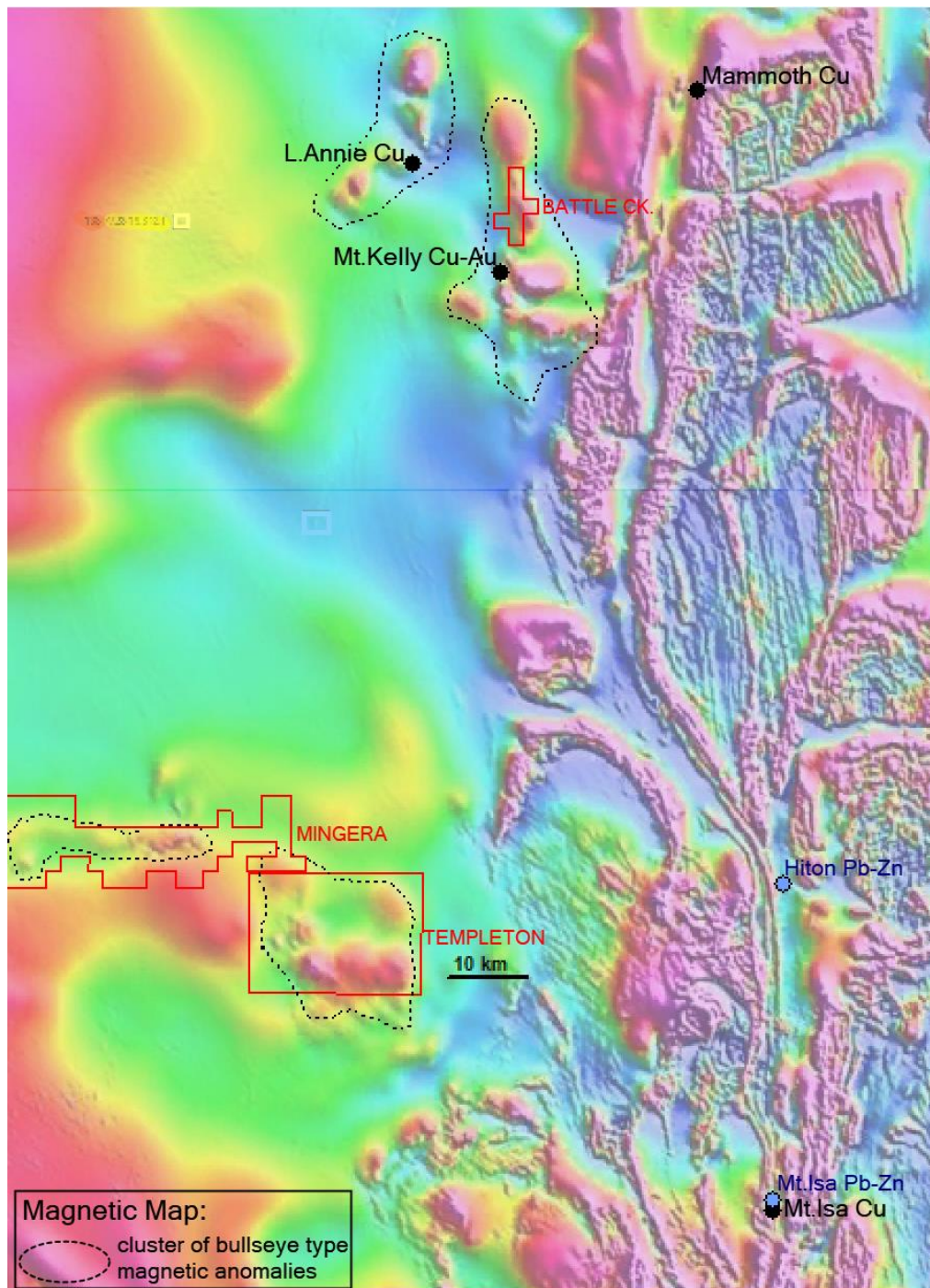
- Information provided on following 5 pages describes an exploration programme that is in **area and target selection** stage.
- Work completed to date was study of data & information obtained in public domain, notably detailed high quality data & information provided by Queensland and Commonwealth Governments that can be downloaded from their websites.
- With exception of Canada, in no other country, such wealth of detailed high quality data and information can be obtained from government on free of charge basis.
- Therefore, in **Australia**, a small exploration company can compete with major companies in area and target selection stage and secure priority mineral rights by lodging applications for **Exploration Permits** to cover areas with high priority targets for exploration.
- The targets selected by Pegmont geologists and geophysicists are believed to have potential for World Class discoveries, however, **drilling is required** to find out what are the actual contents of copper and associated metals at depth.
- The **World Class copper** shown on next slide were **discovered by drilling shallow or deep holes** to test targets with only minor ('geochemically anomalous') concentrations of copper obtained in samples of rocks or soil at surface, or none.
- The **first three holes** to test the first three targets in **TEMPLETON EPM 26647** are planned to be drilled in **June**.
- In some exploration programmes, a very good intersection of copper mineralisation was obtained in the **first hole**, but in most of the exploration programmes, **many drill holes** have been drilled before a set of economically significant intersections of copper mineralisation has been obtained.

A PRESENTATION by JACOB REBEK, MAusIMM, Senior Advisor – Geology to Pegmont Mines Ltd. – 30 May 2019

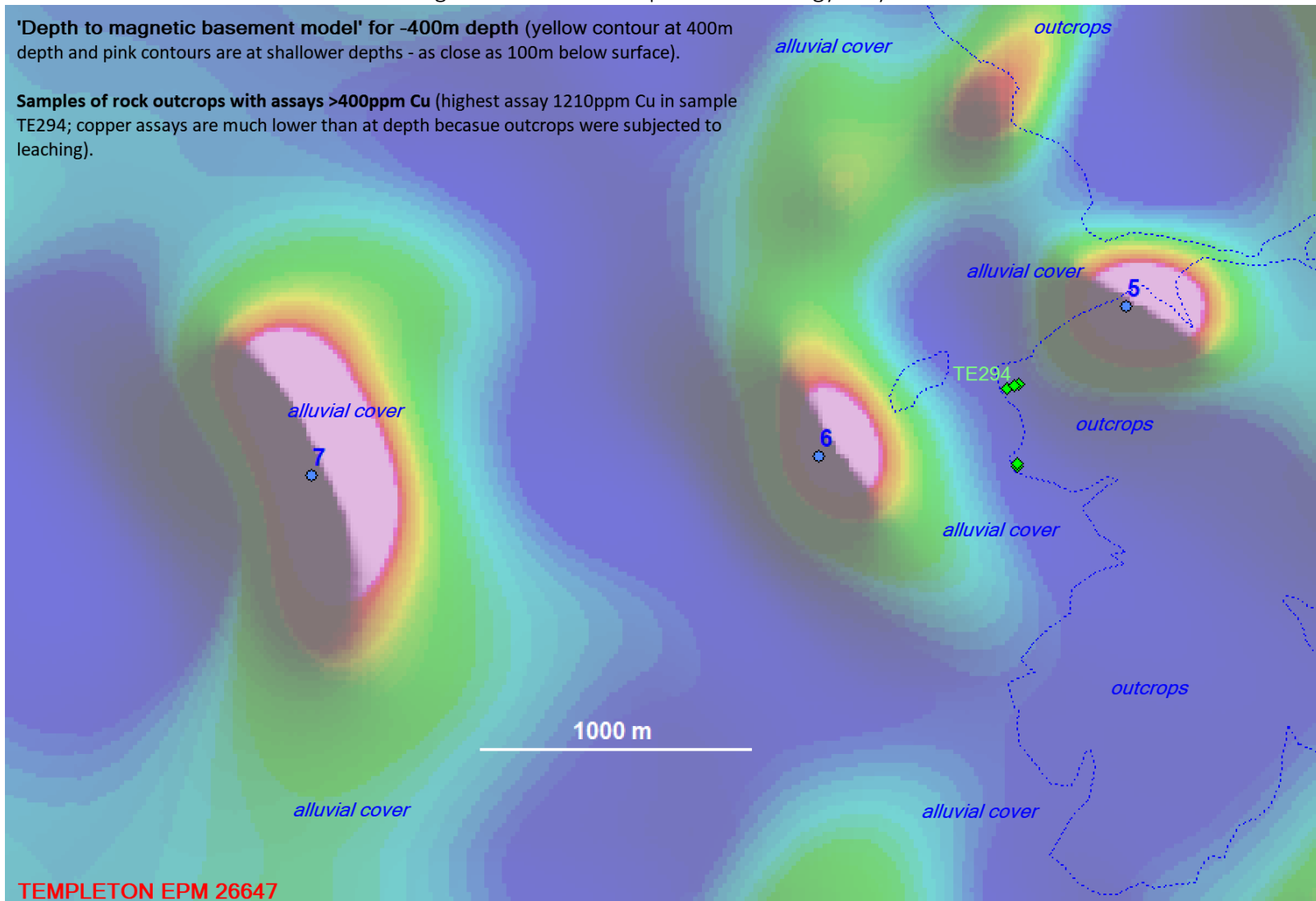


World Class Cu and Cu-Au Mines

- World Class Cu and Cu-Au deposits are related to magmatic intrusive bodies which are magnetic so that there is a bullseye type magnetic anomaly.
- Most of the companies are exploring for copper in South Australian and West Australians copper provinces.
- Mt. Isa – Cloncurry copper province is main copper producer in Australia.
- Mt. Isa is the largest high-grade copper deposit in the World; in 1990, tonnage mined plus remaining reserves were 255mt @ 3.3% Cu; since then major additional tonnages have been proved up, including >100 mt @ >3% Cu by deeper drilling in Enterprise sector.
- NW part of Mt. Isa – Cloncurry copper province remains under-explored.
- In 2018, Pegmont Mines Ltd. started exploration for copper in Templeton and Mingera EPMs.
- In 2019, Battle Ck. EPM application has been made NE of Mt. Kelly mine and additional areas will be secured by EPM applications or agreements with holders of EPMs.



- **TEMPLETON EPM 26647** and **MINGERA EPM 27113** have been applied for in 2017 and 2018 respectively to cover large areas of free ground with bullseye type magnetic anomalies.
- In **TEMPLETON EPM 2647**, our samples of outcrops in immediate vicinity of several bullseye type magnetic anomalies gave assay results in 400-1200ppm Cu which confirm validity of our concept that copper mineralisation is associated with bullseye type magnetic anomalies.
- **BATTLE CK. EPM 27255** has been applied for in March 2019 to cover a small area of free ground with bullseye type magnetic anomalies located a few kilometres NEN of Mt. Kelly mine area.
- There are some other bullseye type magnetic anomalies in the clusters around Mt. Kelly and Lady Annie mines for which we may be able to secure exploration rights.
- In Lady Annie mine area, a deep drill hole located in the centre of a bullseye magnetic anomaly made a significant intersection of copper mineralisation and this confirms validity of our concept of drill testing bullseye type magnetic anomalies in that area.
- Copper discoveries have been made by drill testing of bullseye type magnetic anomalies in eastern part of Mt. Isa – Cloncurry copper province (Ernest Henry, Eloise, Osborne), in South Australia (Olympic Dam, Carapateena) and in other copper provinces.
- However, in areas NWN and WNW of Mt. Isa no drilling of bullseye type magnetic anomalies has been done as yet.
- We are the first company undertaking exploration in areas NWN and WNW of Mt. Isa to focus exploration on magnetic anomalies.

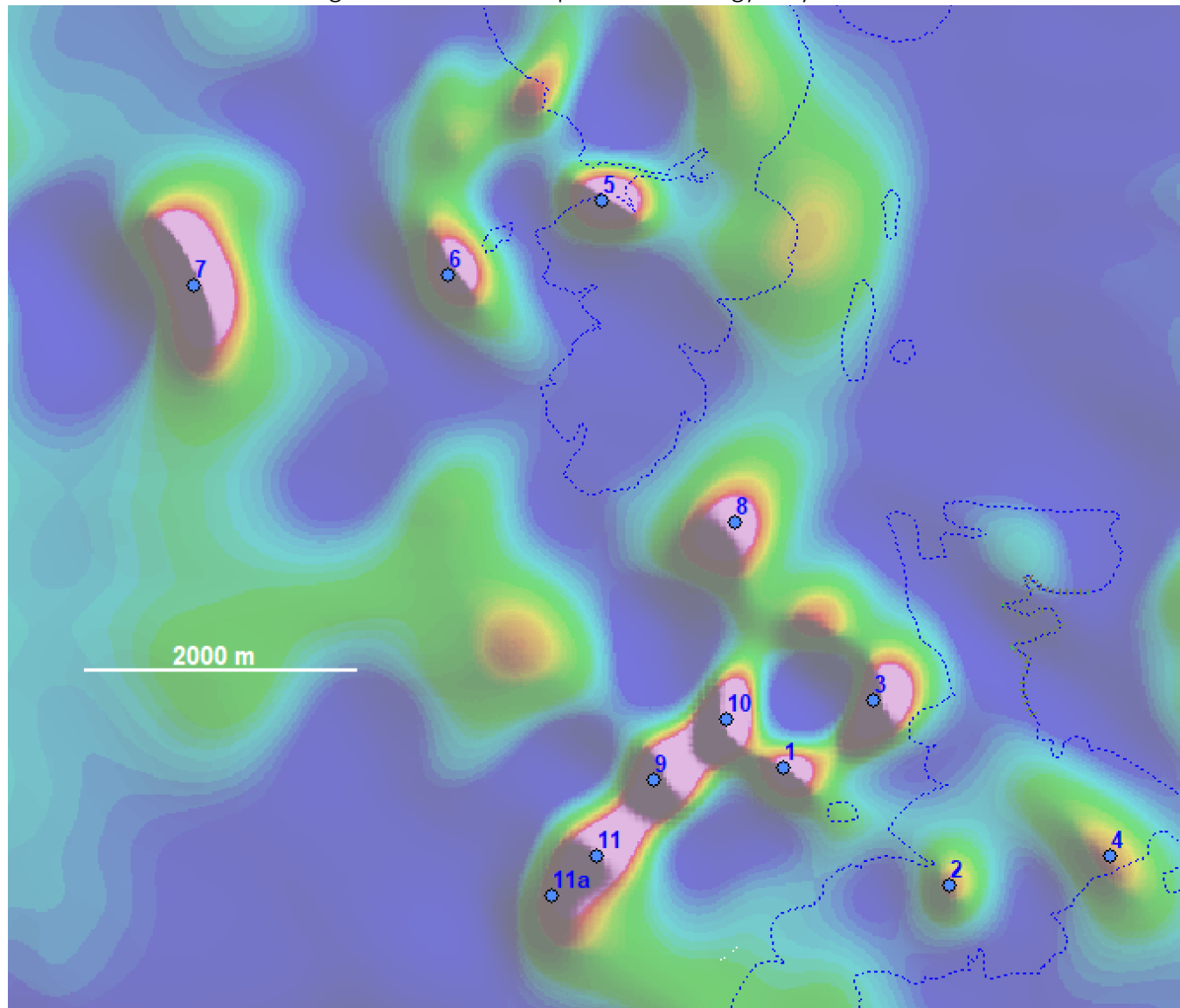


- Samples of outcrops between bullseye type magnetic anomalies 5 & 6 gave assay results in 400-1210ppm Cu which confirm validity of our concept that copper mineralisation can be discovered in areas with bullseye type magnetic anomalies.
- Drill testing of magnetic anomalies 7, 6 & 5 is planned in June 2019
- Anomaly 7 has dimensions of 1200x600m and vertical extent exceeds 1000m, so that it is a World Class target



TE294: Sample of limonitic 'crust' that gave assay of 1210ppm Cu (= 0.12% Cu)

Sample location TE294 is shown on map of **TEMPLETON EPM26647** on previous slide



TEMPLETON EPM 26647: Map showing 'depth to magnetic basement' model for -400m depth (yellow contour is at 400m depth and pink contours are at shallower depths – as close as 100m below surface)

Magnetic targets 7, 6 & 5 are planned to be drill tested in June 2019 and targets 3, 1 & 10 may be drill tested later in 2019.