

Pegmont Mines Limited

ABN 97 033 331 682

ENTITLEMENT OFFER BOOKLET

Non-renounceable pro-rata entitlement offer of 1 New ordinary share for every 10 ordinary shares held at the record date at an offer price of \$0.04 per New Share to raise approximately \$300,000 (before expenses of the offer). Unless extended the offer closes at 5.00pm (AEDT) on 23 April 2024.

This document is important and requires your immediate attention. It should be read in its entirety. If you are in doubt as to the course you should follow, you should consult your stockbroker or other professional adviser.

Please read the instructions on the accompanying Entitlement and Acceptance form if you wish to subscribe for the New Shares.

IMPORTANT INFORMATION

Not a disclosure document

This offer document is dated 1 March 2024. This offer document is not a prospectus or product disclosure statement (**disclosure document**) and has not been lodged with ASIC. It does not contain all the information that an investor would find in a disclosure document or on which an investor would expect to make an informed decision as to whether or not accept the offer.

This offer is being made without a disclosure document in accordance with section 708AA of the Corporations Act (as modified by ASIC).

Persons wishing to subscribe for New Shares should carefully read this Offer Booklet and consult their professional advisers for the purposes of evaluating whether or not to participate in the Entitlement Offer.

No persons are authorised to give information or make representation in connection with the Offer which is not contained in this Offer Booklet. Any information or representation not so contained may not be relied upon as having being authorised by Pegmont in connection with the Offer.

Applications for New Share by Eligible Shareholders can only be made on an Entitlement and Acceptance Form, sent to Eligible Shareholders with this Offer Booklet.

Overseas shareholders

Neither this Offer Booklet nor the Entitlement and Acceptance Form constitute an offer of, or an invitation on behalf of Pegmont to subscribe to or purchase New Shares in any jurisdiction or to any person to whom it is unlawful to make such an offer or invitation.

This document may not be released or distributed in the United States. The document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act (Overseas Companies) Exception Notice 2022(New Zealand).

This Offer Booklet has not been registered, filed with or approved with a New Zealand regulatory authority under the *Securities Act 1978*. This document is not an investment statement or prospectus under New Zealand law, and is not required to, and may not, contain all the information an investment statement or prospectus under New Zealand law is required to contain.

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1. CHAIRMAN'S LETTER

Dear fellow Shareholder,

I am writing to you to encourage your support of an Entitlement Offer announced by Pegmont on 1st March 2024 by taking up your Entitlement to one new share for every ten (10) Shares held on 22 March 2024 at 4 cents per share.

Proceeds from this New Issue will be used for general corporate working capital purposes including \$100,000 for investing and \$200,000 to meet future expenses.

Since Pegmont has stopped direct exploration, general costs have declined to around \$250,000pa, whereas total income for 2023 was \$37,000. Our aim is to achieve a net cost of \$200,000 in 2024. Should we achieve this aim, our waiting time for royalty income could be extended five (5) years to 2028 and the certainty factor of a viable future increases accordingly.

Mr M A Mayger, your major shareholder and fellow Director is fully supporting this New Non-Renounceable Share issue by underwriting the share issue after the allocation of any shortfall shares to other Shareholders.

Your Board recommends this New Share issue by Pegmont as a low-cost opportunity to continue participating in one of the world's most highly mineralised base metal provinces.

Yours Sincerely



Hadyn G. Oriti

Chairman

2. COMPANY ACTIVITIES AND MAPS

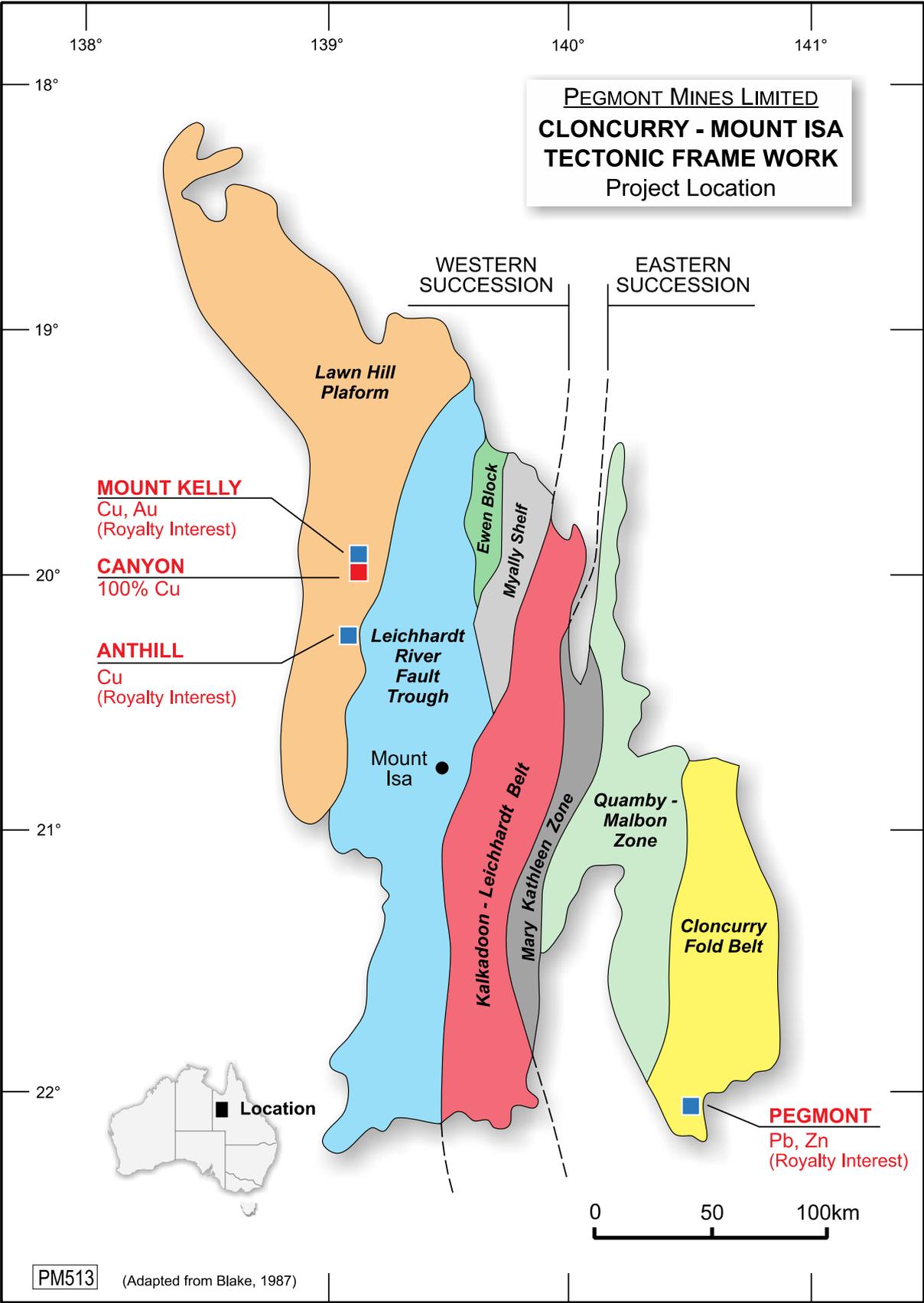
Pegmont has successfully established Royalty Assets in the Mt Isa region, Queensland, at the Pegmont and Mt Kelly project areas.

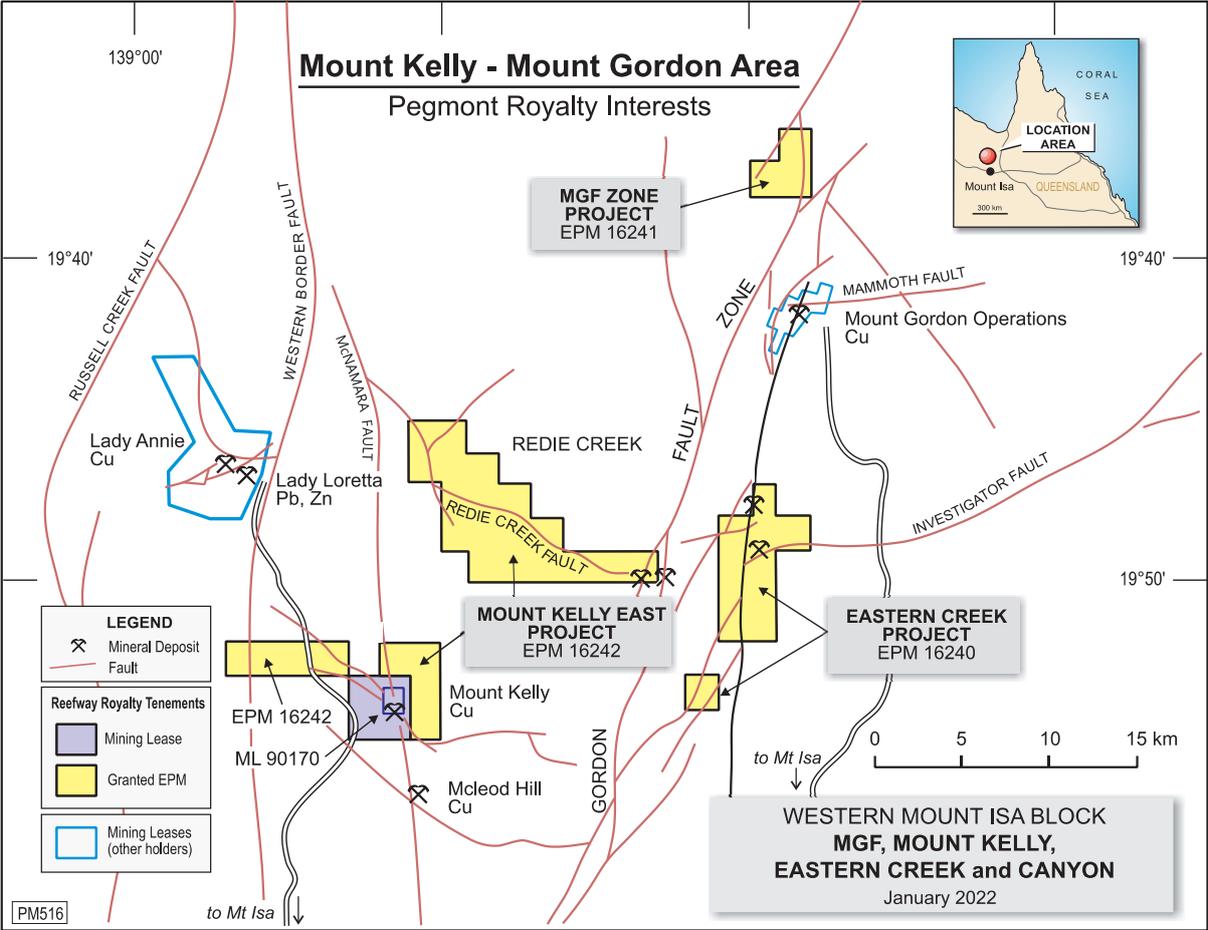
The Reefway Royalty tenements at Mount Kelly are producing copper. 63,500 tonnes has been produced to date.

Royalties will be received when cumulative copper sales reach a threshold of 100,000 tonnes sourced from the royalty tenements, illustrated in the following maps P516 and P517.

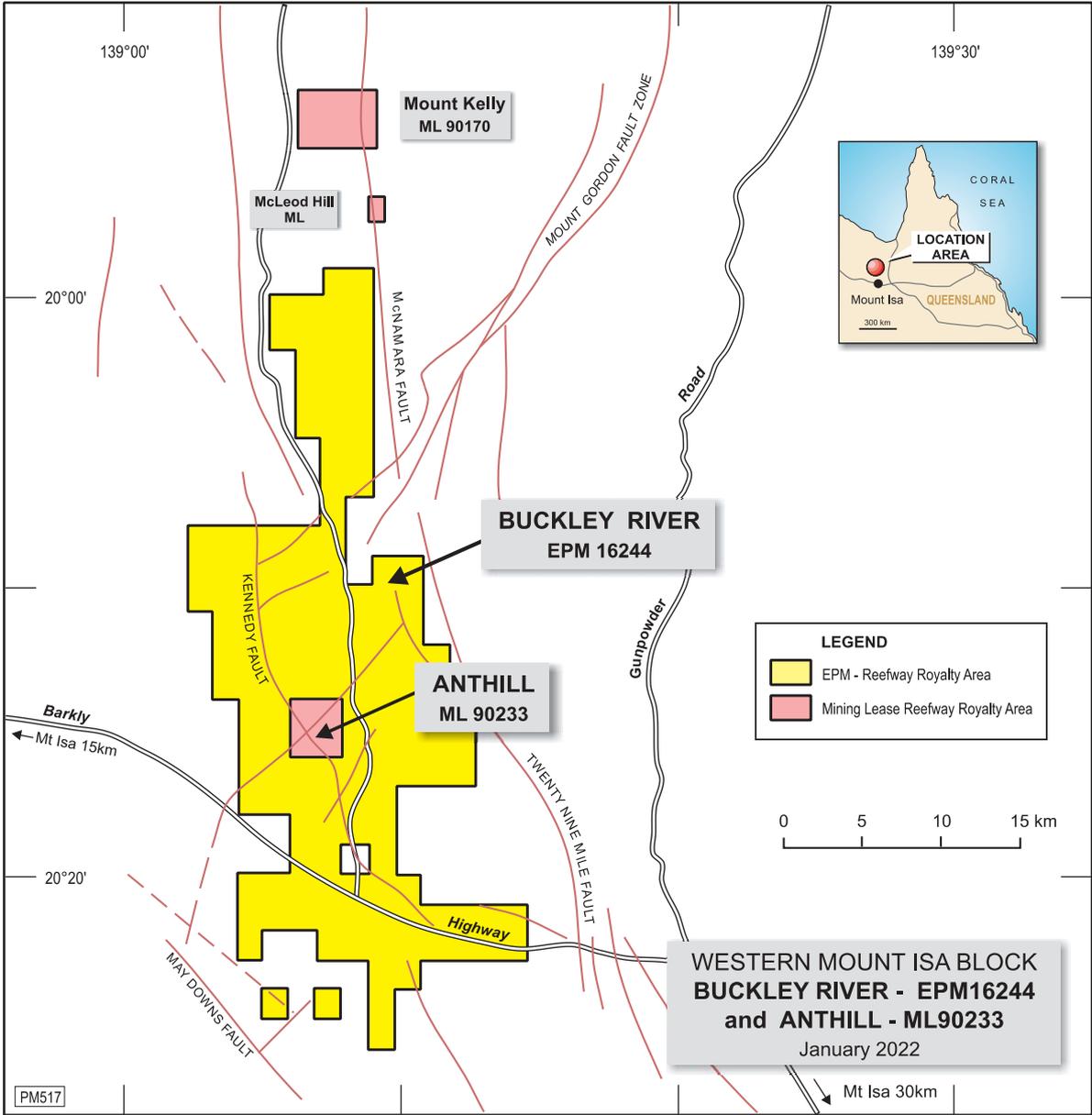
Austral has indicated plans to further drill the Mount Kelly mining leases to restart ore production for heap leaching. Achievement of this aim would expedite the reaching of the royalty threshold and continue production beyond.

The Pegmont project tenements are owned by Vendetta Mining Corp, who continue to conduct feasibility studies and enlarge Pegmont mineralisation.





EPMs 16240, 16241, 16242 are held by Austral Resources Lady Annie Pty Ltd and are subject to the Reefway Royalty Agreement



ML 90233 and EPM 16244 are held by Austral Resources Operations Pty Ltd (Reefway Royalty Tenement)

3. OUTLOOK FOR 2024

During 2023, cash interest rates peaked at 4.35% putting a squeeze on mortgages to reduce their consumer demand. The effect of which has had a delayed effect until early 2024 when unemployment started to creep up. Consequently, due to lower demand and fall in overseas inflation domestic inflation is headed down towards the Reserve Bank of Australia's (RBA) inflation target of 2-3% per annum.

Market volatility continued in 2023, but ended on a high note in December upon the expectation of early rate cuts in 2024. However, when the RBA could cut the cash rate is a guessing game on the sustainability of an inflation decline.

The All Ords Index rose 9.1% but metal prices have generally declined (LME Index down 6.3%, oil down 11.2%, zinc down 10.9% but iron ore up 16.2% and gold up 13.5%.

Geopolitical uncertainty about the outcome of wars in the Ukraine and Israel/Palestine are a potential downside to stock markets as they are uncertain in outcome and inherently inflationary. Thus, the stock markets will continue to be volatile.

Guidance Income/Expenditure – 2024

	Actual 2023 \$	Guidance 2024 \$
Share trading profit/(loss)	10,142	–
Interest and Dividends	26,475	20,000
Total Income	36,617	20,000
Exploration	30,562	–
Administration	289,868	264,000
Total Expense	320,428	(204,000)
Net Loss	(283,811)	(204,000)
Working Capital	813,071	569,017
Cash Balances	292,017	269,017
Term Deposit	455,943	300,000

Financial Condition

The Company's Consolidated Net Assets at 31 December 2023 were \$1,013,096, including \$455,943 term deposits less than one year maturity and \$200,000 capitalisation of royalty tenements.

Working Capital

Working Capital was \$813,071 (a decline of \$193,843) or 1.5 cents per share. Thus, the Company has sufficient Working Capital to fund the next three years expenditures.

Note – The above income and expense estimates are indicative quantification of intentions and may not be realised.

Non-Current Assets

	2022 \$	2023 \$
Reefway Royalty Agreement	200	200
Pegmont Royalty Agreement	–	–
	200	200

Both royalty valuations have been subject to 10% DCF analysis and are considered conservative, particularly as the Reefway tenement at Anthill is in production and the current owner has an active exploration program to confirm additional mineralisation near mine. Because there is a shortfall of 36,500 tonnes of copper yet to be sold, the value of the Reefway Royalty Agreement has been held constant at \$200,000.

However, since Vendetta has not announced plans to commence production at Pegmont, the Board considers that a NIL value for this project is appropriate. Given the size of drill defined resources of some 14Mt of moderate Pb/Zn grade, we continue to be optimistic about the project's long-term development potential.

Guidance

Estimates of Total Income, Total Expenditures resulting in Working Capital and Cash Balances have been prepared on current information. However, unforeseen events ensuing during 2024 may have a significant effect on the figures provided and will be discussed in the Company's quarterly reports.

4. KEY DATES

EVENT	DATE
Announcement of Entitlement Offer	4 March 2024
Notify Shareholders	5 March 2024
Existing shares quoted on an ex-entitlement basis	21 March 2024
Record Date for Entitlement Offer (5:00pm AEDT)	22 March 2024
Entitlement Offer opens and dispatch of Offer Booklet and Entitlement and Acceptance Form	27 March 2024
Entitlement Offer closes (5:00pm AEDT)	23 April 2024
Allotment of New Shares under the Entitlement Offer	30 April 2024
Commence trading on NSX	7 May 2024

This timetable is indicative only and subject to change. Pegmont reserves the right to vary the dates and times of the Entitlement Issue, subject to the Corporations Act, NSX Listing Rules and other applicable laws. In particular, Pegmont reserves the right to extend the Closing Date of the Entitlement Offer, accept late applications under the Entitlement Offer or withdraw the Entitlement Offer without prior notice.

The commencement of quotation of new applications is subject to confirmation from NSX.

5. DETAILS OF THE ENTITLEMENT OFFER

5.1 Overview

Pegmont is undertaking a non-renounceable pro-rata Entitlement Offer of 1 New Ordinary Share for every ten (10) shares held at the Record Date at an offer price of \$0.04 per New Share to raise approximately \$300,000 (before expenses of the offer).

5.2 Eligibility

The right of the Eligible Shareholders to participate in the Entitlement Offer will be determined by the Record Date. The number of new shares to which you are entitled is shown on the Entitlement and Acceptance form accompanying this Offer Booklet. If you do not take up your entitlement by the closing date, the offer to you will lapse.

Eligible Shareholders may take any of the following actions:

5.2.1 take up all your Entitlement to New Shares and also apply for additional New Shares in excess of your Entitlement.

5.2.2 take up some of your Entitlement and allow the balance of your Entitlement to lapse; or

5.2.3 do nothing and allow your entire Entitlement to lapse.

A completed and lodged Entitlement and Acceptance form, together with payment for the number of New Shares accepted, cannot be withdrawn and constitutes a binding application for, and acceptance of, the number of New Shares specified in the entitlement and Acceptance form on the terms set out in the Offer Booklet.

Further actions in respect of the actions required by eligible shareholders are outlined in section 6.

5.3 Key Dates

The Entitlement Offer will be open for receipt of acceptance on 27 March 2024 and closes on 23 April 2024.

Pegmont reserves the right to vary the dates and times of the Entitlement Offer subject to the Corporations Act, NSX Listing Rules and other applicable laws.

You should lodge your Entitlement and Acceptance Form as soon as possible.

5.4 Non-renounceable

The Entitlement Offer is non-renounceable. Where an eligible shareholder does not take up their Entitlements under a non-renounceable entitlement offer, their shareholding will be diluted with no compensating cash payment. New shares not subscribed for by eligible shareholders will form part of the Shortfall. Eligible shareholders are encouraged to apply for any shortfall shares.

5.5 Shortfall in Subscription

Directors reserve the right to issue any shortfall at the issue price in subscription for new shares (**Shortfall**) at their discretion within 3 months after the closing date. Offers for shortfall are made as a separate offer under the Offer Booklet. Should Directors decide to issue any Shortfall, the Shortfall offer will remain open after the Closing date.

5.6 Underwriting

Malcolm A. Mayger has agreed to fully underwrite the Entitlement Offer to maximum of \$300,000.

5.7 Quotation of New Shares

Pegmont has applied for official quotation of the New Shares on NSXA.

5.8 Excluded Shareholders

This Entitlement Offer has only been extended to shareholders with registered addresses in Australia and New Zealand. All other shareholders (**non-resident shareholders**) will not be offered Entitlements under this offer. Pegmont has determined in accordance with the Corporations Act and the NSX Listing Rules, that it would be unreasonable to make an offer to non-resident shareholders having regard to:

- 5.8.1 the number of shareholders in the places where the Offer would be made;
- 5.8.2 the number and value of the Entitlements that would be offered; and
- 5.8.3 the cost of complying with the legal requirements in those places.

Entitlement and Acceptance Forms will not be sent to non-resident shareholders. This Offer Booklet or a summary of the details of the Offer may be sent to non-resident for information purposes only.

Neither this Offer Booklet or the Entitlement and Acceptance Form constitute an offer of, or an invitation by or on behalf of Pegmont to subscribe for or purchase any of the New Shares in any jurisdiction or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Offer Booklet and Entitlement and Acceptance Form, and the offering of New Shares, in certain jurisdictions may be restricted by law. Persons obtaining these documents should inform themselves about and comply with those restrictions.

5.9 Purpose of Entitlement Offer

The net proceeds of the Entitlement offer will be used for working capital purposes including applications for additional shares accepted at the discretion of the Directors of up to a maximum of 270,344 to ensure the raising of \$300k.

5.10 Effect of Entitlement Offer on capital structure

The effect of the Entitlement Offer on the Capital Structure of Pegmont is set out in the following table:

	Pre-Entitlement Offer	Post-Entitlement Offer
Ordinary Shares	72,316,556	79,816,556

NOTE: The number of ordinary shares on issue post Offer is based on the maximum number of New Shares that may be issued under the Offer.

5.11 Effect of Entitlement Offer on control

Under the Entitlement Offer, Eligible Shareholders who take up their full Entitlement will not have their holdings diluted.

The potential effect the Entitlement Offer will have on control of Pegmont, and the consequences of that effect, will depend on the number of factors, including investor demand and existing holdings of Shares. However given the structure of the entitlement Offer as a pro-rata issue and the current level of holdings of substantial holders (based on substantial holding notices that have been given to Pegmont on or prior the date of the Offer Booklet), the Entitlement Offer and underwriting agreement described at 4.6 above are not expected to have any material effect or consequence on the control of Pegmont.

Mr Malcolm A. Mayger is a substantial shareholder, after including his interest in Malcol A. Mayger Pty Limited and Pegasus Enterprises and associated companies with 39,043,333 shares or 53.99% of the Company's issued capital prior to the Record Date. Should no acceptances be received and all the shortfall of shares be allotted to Mr M Mayger interests, then his direct and indirect share holdings would increase by 7,500,000 shares to 46,543,333 out of a total of 79,816,556 or 58.313%, which is unlikely.

5.12 Statement of Financial Position

Set out on the next page is a Pro Forma Consolidated Statement of Financial Position of Pegmont taking into account the Entitlement Offer assuming all Entitlements are accepted. The Pro Forma Consolidated Statement of Financial Position is based on consolidated financial statements for the full year ended 31 December 2023. The Pro Forma Consolidated Statement of Financial Position illustrates the effect of the Entitlement Offer as if the Entitlement offer has occurred on 31 December 2023 but does not include the costs of the Entitlement Offer or expenditure since incurred.

5.13 Enquiries

You should contact Malcolm Mayger 61 2 65837747 between 9.00am and 5.00pm (AEDT) Monday to Friday if you have any questions regarding how to complete the Entitlement and Acceptance Form or to take up your Entitlement, or you have lost your Entitlement and Acceptance Form and require a replacement form. Otherwise, you should consult your professional advisor if you require advice regarding participation in the Entitlement offer.

6. PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31/12/2023 (audited accounts) \$	As at 31/12/2023 (unaudited pro-forma) \$
ASSETS			
Current Assets			
Cash and term deposits	Refer to Note 1	747,960	1,047,960
Receivables		10,509	10,509
Investments	Refer to Note 2	110,001	110,001
TOTAL CURRENT ASSETS		868,470	1,168,470
Non-Current Assets			
Royalty Assets	Refer to Note 3	200,000	200,000
TOTAL NON-CURRENT ASSETS		200,000	200,000
TOTAL ASSETS		1,068,470	1,368,470
LIABILITIES			
Current Liabilities			
Accounts Payable		55,374	55,374
TOTAL CURRENT LIABILITIES		55,374	55,374
TOTAL LIABILITIES		55,374	55,374
NET ASSETS		1,013,096	1,313,096
EQUITY			
Issued Capital		4,541,607	4,841,607
Reserves		2,200,000	2,200,000
Accumulated Losses		(5,728,511)	(5,728,511)
TOTAL EQUITY		1,013,096	1,313,096

Refer Note 1: Cash on hand at the date of this document \$734,157.

Refer Note 2: Market value of quoted investments at the date of this document \$64,001.

Refer Note 3: At Directors' Valuation based on Resource Estimates.

7. HOW TO PARTICIPATE IN THE ENTITLEMENT OFFER

7.1 Options available to eligible shareholders

The number of New Share to which you are entitled is shown in the accompanying Entitlement and Acceptance Form. You may:

7.1.1 take up all your Entitlements to New Shares and also apply for additional New shares in excess of your Entitlement.

Applications for new shares in excess of your Entitlements may be scaled- back at Pegmont's discretion. Any scale-back will be conducted on a pro-rata basis;

7.1.2 take up part of your Entitlement and allow the balance of your Entitlement to lapse. The part of your Entitlement allowed to lapse will form part of the Shortfall;

7.1.3 not take any of your Entitlements and allow it to lapse. If you decide not to take up your Entitlement under the Entitlement Offer, your shareholding will be diluted with no compensating cash payment. Shares not subscribed for will form part of the Shortfall.

7.2 Payment Methods

Payment methods are listed on the Entitlement and Acceptance Form and include:

- BPAY- Entitlement and Acceptance Form **not** required.
- Cheque-Entitlement and Acceptance Form is required.
- Bank Draft- Entitlement and Acceptance Form is required.
- Money Order- Entitlement and Acceptance Form is required.

If you are paying for your New Shares by cheque, bank draft or money order, send your completed Entitlement and Acceptance Form together with your cheque, bank draft or money order for the total amount payable to reach Pegmont's share registry by 5.00pm(AEDT) on the closing date at the following address:

*Pegmont Mines Limited
c/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001, Australia
Phone: 1300 850 505 61 39 4150 4000*

Completed Entitlement and Acceptance Forms and application monies may not be accepted if sent to another address.

Your cheque, bank draft or money order must be paid in Australian currency. Your payment must be for the full amount required to pay for the New Shares applied for. Payments in cash will not be accepted.

Cheques, bank draft or money orders must be made payable to "Pegmont Mines Limited" and crossed "not negotiable".

You must ensure your relevant account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque, your application will be rejected.

Pegmont will not re-present any dishonoured cheque.

7.3 Application Amount

Entitlement and Acceptance Forms must be accompanied by payment of \$0.04 per share. A receipt will not be issued.

Amounts received in excess of \$0.04 multiplied by your Entitlement may be treated as an application to apply for as many additional New Shares as your excess amount will pay for in full.

7.4 Entitlement and Acceptance Form is binding

You will not have any right to withdraw your application for New Shares or to be repaid any amount once your application has been accepted. Even if an application has not been completed or submitted correctly it may be treated as a valid application of New Shares. Pegmont's decision whether to treat an application as valid and how to construe, amend, complete or submit the application is final.

7.5 Warranties

By completing and returning the personalised Entitlement and Application Form with the application amount you:

- 7.5.1 acknowledge that you have read and understood the Offer Booklet and your Entitlement and Acceptance Form and agree to the terms of the Offer Booklet;
- 7.5.2 acknowledge that the Offer Booklet is not investment advice and does not constitute a recommendation that you to subscribe for New Shares under the Entitlement Offer;
- 7.5.3 declare you have full legal capacity to subscribe for New Shares under the Entitlement Offer;
- 7.5.4 declare you are not a person located in the United States and you are not a U.S. Person (as defined in Regulation S under U.S. Securities Act of 1933, as amended (the Securities Act) or acting for the account or benefit of a U.S. person;
- 7.5.5 acknowledge the New Shares have not been and will not be registered under the Securities Act;
- 7.5.6 acknowledge the New Shares may not be offered, sold, pledged, transferred, or otherwise disposed of, directly or indirectly, into or within the United States or to, or for the account or benefit of a U.S. Person (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act or any other applicable securities laws.

8. RISKS

As with all investments, investors should be aware the market price of securities may fall as well as rise. The potential returns of Pegmont will be exposed to risks specific to Pegmont and to general investment risks. While it is impossible to identify all risks, the attention of investors are drawn to the following particular risks. Shareholders should carefully consider all risks including the following, as well as other information contained in this Offer Booklet.

8.1 General Market Conditions relating to share investing

The price of the shares on NSXA may rise or fall due to numerous factors including;

- 8.1.1 general economic conditions including interest rates and inflation rates;
- 8.1.2 changes in commodity prices including the price of gold;
- 8.1.3 variations in the local and global markets for Listed shares in general, or for mining stocks in particular;
- 8.1.4 changes in government policy, legislation or regulation;
- 8.1.5 competition in the industry in which Pegmont operates;
- 8.1.6 general operational and business risks; and
- 8.1.7 lack of market liquidity and reliable market pricing of the shares, given the low volume and frequency of trading.

In particular, the share prices of many companies have been in recent times subject to wide fluctuations, which in many circumstances arise by reason of matters outside the control of Pegmont, including global hostilities and tension and the general state of the economy. Such market fluctuations may materially adversely affect the market price of shares. A suitable level of caution is required when deciding when to purchase shares.

8.2 Commodity Prices

The demand for and price of commodities is influenced by a variety of factors including the level of forward selling by producers, cost of production, general economic conditions, the level of inflation, interest rates and exchange rates.

8.3 Exploration and Development

Currently, Pegmont is not directly involved in exploration activity which could reduce such risks. However, there is always a “fail” risk resulting from past activities.

Any future operations of Pegmont, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- 8.3.1 geological conditions;
- 8.3.2 limitations of activities due to seasonal weather patterns;
- 8.3.3 the availability of drilling rigs and other machinery necessary for Pegmont to undertake its activities;
- 8.3.4 the availability or adequate working capital to support unanticipated drilling activities; and
- 8.3.5 Native Title restrictions may limit access to mineralisation; and
- 7.3.6 prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals (including clearance of work programs pursuant to existing, and any future access agreements entered into with registered Aboriginal Land Council and native title claimants).

Exploration by its nature contains elements of considerable risk. Ultimate success depends on the discovery of economically recoverable resources, obtaining the necessary titles subject to Native Title requirements and governmental regulatory approvals and then obtaining and servicing of funding for mining operations if and when a decision to mine is made. There can be no assurance Pegmont’s tenements may continue in operation or will result in further discovery of significant resources. Even if significant resources are discovered, there can be no guarantee they will be able to be economically exploited.

8.4 Share Investing

Share Investing is a risky activity which can be offset by market liquidity (if listed), reporting requirements, professionalism of directors and have a sound and growing business. Listing (IPO) requirements generally sort out the wheat from chaff, but subsequent events and Board decisions based on incorrect assumptions can negatively impact performance. Unfortunately, one of our investments meeting the aforementioned requirements and regarded as having a bright future made a major mistake in relocating operations, resulting in considerable losses arising from resulting dislocation. This has resulted in a market sell-off at discount prices, requiring a heavy loss provision announcement subsequent to year end.

8.5 Loss of Key Personnel

Pegmont's success depends on the competencies of the Directors and senior management. The loss of one or more of the Directors or senior management could have a materially adverse effect on Pegmont's business, financial position and results of operations. The resulting impact from such an event would depend on the quality of any replacement and subsequent decisions made.

8.6 Title

All mining tenements which Pegmont may have or acquire either by application, sale and purchase or farm-in are regulated by applicable state mining legislation. There is no guarantee that applications will be granted as applied for. Various conditions may also be imposed as a condition of grant. In addition, the relevant minister may need to consent to any transfer of a tenement to and from Pegmont.

8.7 Environment

Pegmont intends to conduct any activities undertaken in an environmentally responsible manner and in accordance with all applicable laws.

8.8 Resource Estimates

Resources estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when made may change significantly when new information (new mineralisation or change in formations) becomes available. In which case resource estimates may have to be adjusted and any mining plans altered.

8.9 Agreements with third parties

Pegmont is and will be subject to various contracts and agreements with third parties. There is a risk of financial failure or default by a counterparty to those agreements. Any breach or failure may lead to penalties or termination of the relevant contracts. In addition, Pegmont's interest in the relevant subject matter may be subject to legal contention.

8.10 Legal Risks

The introduction of new legislation or amendments to existing legislation, developments in common law, or the interpretation of legal requirements in any of the jurisdictions which govern Pegmont's operation or contractual obligations, could impact adversely on the assets, operations and, ultimately the financial performance of Pegmont. In addition, there is a risk legal action may be taken against Pegmont in relation to past operations.

8.11 Uninsured loss and liability

There is a risk Pegmont may not be insured against all losses or liabilities that could arise from past operations. If Pegmont incurs losses or liabilities which are not covered by its insurance policies, the value of Pegmont's assets may be at risk.

9. ADDITIONAL INFORMATION

9.1 NSXA Quotation

Application will be made for the New Shares offered under the Entitlement offer to be granted official quotation by the NSXA. The fact that NSXA may grant official quotation to the New Shares is not to be taken in any way as an indication as to the merits of Pegmont or the New Shares offered for subscription.

9.2 No cooling off rights

Cooling off rights are not available. You cannot withdraw applications for new shares once it has been submitted/allotted.

9.3 Rounding of Entitlements

Where fractions result from a calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

9.4 Ranking of New Shares

9.4.1 New Shares will rank equally in all respects with existing shares on issue.

9.4.2 Pegmont is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing shares or entitlements.

9.4.3 Eligible Shareholders holding shares on behalf of persons who are residents outside Australia and New Zealand are responsible for ensuring taking out their Entitlement in any application for any additional New Shares does not breach the laws or regulations in the relevant overseas jurisdiction. The making of the application will constitute a representation and warranty that there has been no breach of such laws or regulations. Shareholders who are nominees should obtain independent advice as to how they should proceed.

9.5 Taxation

9.5.1 Pegmont does not consider it appropriate to give Eligible Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Booklet. Pegmont its advisers and its officers do not accept any responsibility for any such taxation to eligible Shareholders.

9.5.2 Eligible shareholders should consult their professional tax advisors in connection with subscribing for New Shares under this Offer Booklet.

9.6 Privacy

Pegmont collects information from each applicant 's personalised entitlement and Acceptance form for the purpose of processing the application and, if the application is successful to administer the applicant's shareholding. By submitting an Entitlement and Acceptance Form, you will be providing personal information to Pegmont either directly or via the share registry. Pegmont will collect, hold and use that information to assess your application. Pegmont may disclose your personal information for purposes related to your shareholding in Pegmont, including to the share registry agents, contractors and third party service providers, and to NSX and regulatory bodies. You can obtain access to your personal information Pegmont holds about you by contacting Pegmont through its share registry.

9.7 Not investment advice or financial product advice

9.7.1 The Offer Booklet does not contain all the information which a prospective investor may require to make an informed investment decision. The information in the Offer Booklet does not constitute personal investment or financial product advice and does not take into account your investment objectives, financial situation or particular needs.

9.7.2 This is an important document. Before deciding to apply for the New Shares you should consider whether they are a suitable investment for you. Persons wishing to subscribe for New Shares should carefully read this Offer Booklet and consult their professional advisors for the purposes of evaluating whether or not to participate in the Entitlement Offer.

9.8 Governing Law

This Entitlement Offer and Booklet Offer are governed by the law applicable in New South Wales. Each applicant submits in the exclusive jurisdiction of the courts of New South Wales.

9.9 Information availability

Information about Pegmont is publicly available and be obtained from ASIC and NSXA (including its website www.nsga.com.au code PMI and previous announcements made.

9.10 Past Performance

Investors should note Pegmont's past performance, including past share price, cannot be relied upon as an indicator of Pegmont's future performance including Pegmont's future financial position or share price.

9.11 Future Performance

This Offer Booklet contains forward looking statements with respect to Pegmont's Financial condition, operations and business. These forward looking statements involve risks, uncertainties and other factors which are subject to change. They involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

9.12 Disclaimer Regarding Representation

Any information or representation that not in this Offer Booklet may not be relied on has having been authorised by Pegmont or its related bodies corporate in connection with the Entitlement offer.

10. GLOSSARY

The following definitions apply in this Offer Booklet:

Acceptance Form means the acceptance form accompanying this Offer Booklet;

ASIC means the Australian Securities and Investments Commission;

Au is the chemical symbol for gold;

Board means the Board of Directors of Pegmont;

Closing Date means the closing date of the Offer Entitlement Offer which is 23 April 2023;

Corporations Act means *Corporations Act 2001* (cth);

Cu is the chemical symbol for copper;

Directors means the Directors of Pegmont;

Eligible Shareholders means on the Record Date, Shareholders recorded on the share register of members of Pegmont as holders of shares, that have registered addresses in Australia or New Zealand.

Entitlement means the right of an Eligible Shareholder to apply for a number of New Shares under the Entitlement Offer;

New Shares means New Shares offered pursuant to this Offer Booklet;

NSR means net smelter return;

NSX means The National Stock Exchange of Australia;

NSX Listing Rules means the Listing Rules of The National Stock Exchange of Australia;

Offer means the offer of new Shares made on the basis of this Offer Booklet;

Offer Booklet means this Offer Booklet dated 1 March 2024;

Pb is the chemical symbol for lead;

Pegmont means Pegmont Mines Limited (ACN 003 331 682);

Record Date means the record date to determine the shareholders entitled to participate in the Entitlement Offer, being 5.00pm (AEDT) 22 March 2024;

Shareholder means a holder of Shares;

Shares mean fully paid ordinary shares in Pegmont Mines Limited;

Shortfall has the meaning given to that term in section 4.5;

Zn is the chemical symbol for Zinc;

11. CORPORATE DIRECTORY

Registered Office

C/- Walker Wayland Services P/L

Level 8, 55 Hunter Street

SYDNEY NSW 2000

Telephone: (02) 9951 5400

Facsimile: (02) 9951 5454

Corporate Office

13 Oden Street,

PORT MACQUARIE NSW 2444

Phone: (02) 65837747

Email: pegmont@hotmail.com

Website: www.pegmont.com.au

Directors

Hadyn G Oriti Non-Executive Chairman

Malcolm A Mayger Managing Director

John W Montgomerie Non-Executive Director

Richard S Woods Alternate Director

Company Secretary

Christopher D Leslie

Share Registry

c/- Computershare Investor Services Pty Limited

Telephone: 1300 855 080 Facsimile: (03) 9473 2500

Website: www.computershare.com

Listed on the National Stock Exchange of Australia

Website: www.nsga.com.au Code: PMI

12. NSX ANNOUNCEMENT

Pegmont Mines Limited

ABN 97 003 331 682

Corporate Office
13 Oden Street
Port Macquarie NSW 2444
Postal Address
13 Oden Street
Port Macquarie NSW 2444
Telephone: 0265837747

NSX Announcement

1 March 2024

Non-Renounceable Entitlement Issue

Highlights

- 1:10 Non-Renounceable Entitlements Issue of 7,500,000 ordinary shares to raise \$300,000 gross at 4 cents each.
- Number of ordinary shares 7,500,000
- All shareholders may acquire New Shares at 4 cents per share and may apply for additional shares over and above their entitlement
- Funds raised will be applied to working capital purposes.

The Directors of Pegmont Mines limited (Pegmont) are pleased to announce a one for ten (1:10) non-renounceable pro-rata entitlement issue to existing eligible shareholders to raise \$300,000 (before expenses of the issue) at 4 cents per share.

Funds raised will be used for general corporate working capital purposes, including patient investing.

Capitalised items not otherwise defined in this announcement have the meaning given to them in the Offer Booklet for the Entitlement Offer.

Entitlement Offer

The Entitlement offer provides an opportunity for eligible shareholders to subscribe for New Shares at 4 cents each. The Entitlement Offer is fully underwritten by Malcolm A Mayger, a Director and substantial shareholder of Pegmont to a maximum of \$300,000.

The Directors reserve the right to place any shortfall under the offer to those shareholders who apply for additional Shares and the balance at their discretion within two months of after the closing date.

Eligible Shareholders may:

- take up their Entitlement Shares in full or part
- do nothing, in which case their right will lapse; or
- take up their Entitlement Shares in full and apply for additional New Shares from the shortfall (if any), which shall be allotted at the discretion of the Independent Directors.

Further details of the Entitlement Offer will be contained in the Offer Document which will be sent to Eligible Shareholders and lodged with the NSX.

Timetable

The proposed timetable of the Entitlement Offer is noted below:

These dates are indicative only and subject to change.

EVENT	DATE
Announcement of Entitlement Offer	1 March 2024
Notify Shareholders	4 March 2024
Record Date for Entitlement Offer (5.00pm AEDT)	22 March 2024
Entitlement Offer opens and despatch of Offer Document and Entitlement and Acceptance Form	27 March 2024
Entitlement Offer closes (5.00pm AEDT)	23 April 2024
Allotment of New Shares under the Entitlement Offer	30 April 2024
Commence trading on NSX	7 May2024

Subject to the listing rules of the NSX, the Directors of Pegmont reserve the right to extend the Closing date of the Entitlement Offer at their discretion. Should this occur, an extension will have a consequential effect on the anticipated date of allotment and despatch of new share notification.

On Behalf of the Board:

Malcolm A. Mayger
Managing Director

Further details can be obtained on the company website www.pegmont.com.au or by contacting Mr Malcolm A. Mayger Tel: 612 6583 7747. Email: pegmont@hotmail.

13. PREVIOUS NSX REPORTS, 2023/24

12 January 2024	Quarterly Activity Report to 31 December 2023
27 October 2023	Quarterly Activity Report to 30 September 2023
5 September 2023	Half Yearly Financial Report at 30 June 2023
27 July 2023	Quarterly Activity Report to 30 June 2023
30 May 2023	Results of Annual General Meeting 25 May 2023
26 May 2023	Chairman's Address at the 2023 AGM
1 May 2023	Quarterly Activity Report to 31 March 2023
21 April 2023	Notice 2023 Annual General Meeting
31 March 2023	Annual Report at 31 December 2022
2 March 2023	Suspension of Exploration activities
27 January 2023	Quarterly Activity Report to 31 December 2022
