

**Pegmont Mines Limited ABN 97 003 331 682**

**2023 Annual General Meeting**

Chairman's Address

25 May 2023

Dear fellow shareholders,

Welcome to the 2023 Annual General Meeting.

The Company is undertaking a transition in preparation for the future.

There have been changes in the boardroom. I welcome John Montgomerie as a non-executive director who brings more than 30 years of chartered accounting experience and extensive commercial experience to this role.

We thank Peter Read for his years of service to the company and wish him well.

The strategy adopted by the board is to:

- a) limit expenditure and preserve cash resources as best we can pending anticipated royalty flows, and
- b) undertake a patient investment strategy.

The implementation of this strategy has meant:

- a) the ceasing of exploration activities, and
- b) the surrender of the EPM 27345 (Canyon tenement).

We put aside \$200,000 for patient investing and have been pleased with the results thus far.

The cessation of exploration was not a particularly difficult decision. Sampling had not resulted in locating any economic copper grades. Further expenditure could not be justified in the absence of any assurance of some prospect of return.

While your company has ceased exploration for the time being, Austral Resources has signalled:

- a) continuous exploration and resource definition drilling to replace depleted reserves within Anthill and Lady Colleen
- b) mining commencement and steady state production of 11Kt p.a. from Lady Colleen commencing calendar year 2024
- c) oxide production from Flying Horse commencing calendar year 2024.

Austral's production progress in developing the Anthill deposit and the intended exploration of the Reefway Royalty tenements at Mount Kelly and Lady Colleen effectively replaces the exploration by your company at no cost to us.

We remain confident that the threshold for the commencement of royalties from the Reefway Royalty tenements will be achieved by 2027.

I would like to thank Malcolm Mayger, who in his role as managing director continues to provide the board and this company with great service and insight.

Thank you to our shareholders. They have necessarily exercised patience. It is this board's intention to see that patience rewarded.

A handwritten signature in black ink, appearing to read 'Hadyn Oriti', with a stylized, cursive script.

Hadyn Oriti  
Chairman  
Pegmont Mines Limited