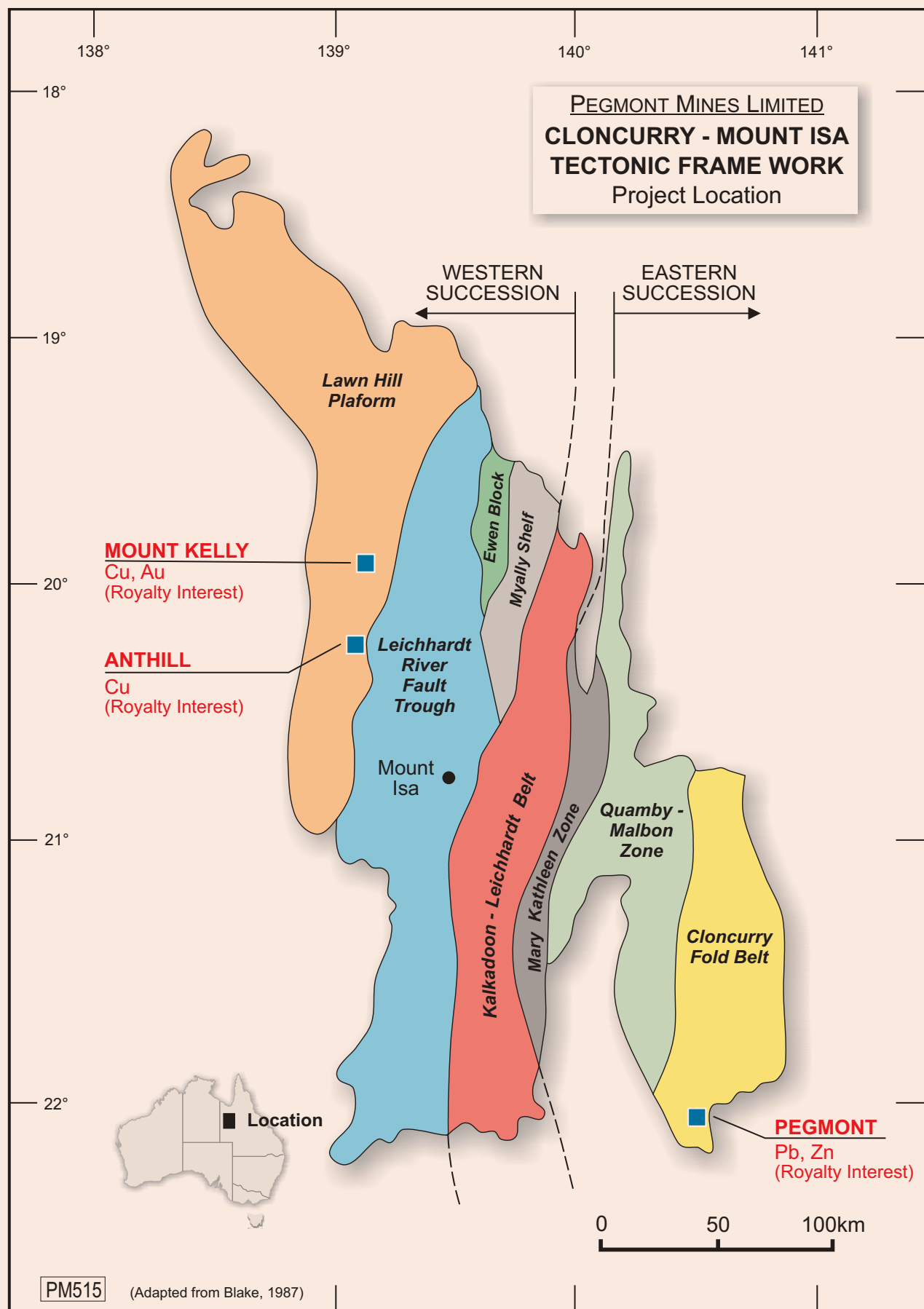




PEGMONT

Annual Report 2024

For the year ended
31 December 2024



CHAIRMAN'S REVIEW

Vale Malcolm Mayger

It is with sadness I report that Malcolm Mayger, the driving force behind the establishment of Pegmont Mines Limited, passed away peacefully on 7 March 2025. Until the end, Malcolm worked ceaselessly for the company. His strong intellect, curiosity and realism served to ensure best outcomes for shareholders. His insights and wisdom as managing director together with his contributions to the company and to me will be missed.

Welcome Wally McDonald and Richard Woods

The Board has appointed Richard Woods and Wally McDonald as directors.

Richard is a chartered accountant who has had a long association with the company as Malcolm Mayger's alternate director and with Malcolm personally. His contribution to the ongoing stability and continuity of the company during this transition period is very welcome.

Wally McDonald will be appointed as a director effective from 11 March 2025. Wally is well known to many shareholders. He is, indirectly, a significant shareholder whose interests with the company are aligned. He has been keenly interested in the company's affairs over many years and has considerable knowledge of the company's dealings with Austral Resources and Vendetta Mining Corp. Given his legal and commercial experience, Wally is warmly welcomed to the role.

Current status

Your Board remains committed to ensure Pegmont Mines Limited is best placed to continue until commencement of royalty flows from the Reefway Royalty tenements.

We have been reducing expenses where possible. Our ongoing costs have been lowered to around \$250,000.00 this year.

The company remains focussed on its core business of mining exploration; albeit through maintaining its indirect interests via royalty interests in the Reefway and Pegmont tenements.

At year end, estimated accumulated sale of copper cathode from the Reefway Royalty tenement, including Mount Kelly and current Anthill mine is about 72,000 tonnes, leaving a balance of 28,000 tonnes to reach the threshold for the commencement of royalty payments from that tenement. The threshold could be reached within three years at an average production of just over 9,000 tonnes per year.

The current owner and producer, Austral Resources Limited, continues to produce copper from the Anthill Mine. We do not know its future production plans, nor what might affect their implementation.

The Pegmont tenements are owned by Vendetta Mining Corp. This tenement is in a holding situation pending improved project economics.

Meanwhile, the cost of maintaining the company's ongoing administration and NSXA listing requirements continue to drain cash, despite careful management.

Last year's capital raising of \$300,000.00 has boosted cash resources until such time as we can reasonably expect the commencement of royalty flows.

The 2024 accounts have been audited expeditiously by our auditors, Northcorp Chartered Accountants.

During the expected three year wait until the royalty threshold is achieved, the Board will consider other corporate possibilities and activities, including making appropriate investment decisions to enhance liquid assets and other opportunities to benefit shareholders, always without undue risk.

The Board remains confident about the future, particularly, as the company operates on a cash basis without carrying any debt.



Hadyn Oriti
Chairman

OUR TEAM

BOARD OF DIRECTORS

Hadyn G Oriti

Chairman

Mr Hadyn was appointed a Non-Executive Director on 27 May 2021 and Chairman on 26 May 2022.

LLB

Mr Hadyn is a practicing lawyer in Port Macquarie, NSW.

Age 62

Richard S Woods

Non-Executive Director

BComm, FCA

Mr Woods is a Chartered Accountant providing corporate advice.

Age 72

Richard resigned as an alternate Director on 14 February 2025 and was appointed a non-executive Director on 19 February 2025.

John W Montgomerie

Non-Executive Director

FCA

Mr Montgomerie is a chartered accountant with more than 30 years of experience in chartered accounting, the raising of finance in various listed and unlisted companies as a director, shareholder and founder.

Age 77

Malcolm A Mayger

Managing Director

BComm, CA, FAICD

Mr Mayger, has over 50 years of experience in exploration and mining investment. He founded the Company in 1987 and then was involved in all tenement acquisitions, including Pegmont, Mount Kelly, Anthill and the Mount Gordon Fault Zone.

Age 85

Malcolm resigned as a Director on 19 February 2025.

The Board has regular meetings to discuss strategy and current issues.

COMPANY SECRETARY

Christopher D Leslie

BComm, FCA

Mr Leslie has 36 years of experience in the mineral and petroleum industries at senior levels.

Age 71

INVESTMENT COMMITTEE

The Investment Committee is comprised of all directors.

CONSULTANTS

The Company contracts highly qualified consultants to undertake specific tasks in geologic review, petrological analysis and geophysical targeting, thus the Company benefits from a wide spectrum of experience.

COMPANY'S ACTIVITIES DURING 2024

Copper

The company has exposure to copper through its Reefway Royalty agreement over the Mount Kelly tenements (Map 2 & 3).

Royalty Agreements

The Reefway Royalty tenements are operated by Austral Resources Limited. Austral sold approximately 6,580 tonnes of copper during 2024.

Austral plans to conduct an active exploration program on our royalty tenements which have considerable potential.

The Pegmont project tenements are owned by Vendetta Mining Corp, a company listed on the Toronto (Canada) exchange. They continue to conduct feasibility studies on the Pegmont lead-zinc mineralisation.

Investment Activity

The Company has implemented an investment strategy of buying income producing assets as a means of reducing net administration costs. Total net income for the year was \$18,525 after a \$2,602 gain in market value.

Capital Raising

The Company raised \$300,000 from an issue of 7,500,000 ordinary shares at 4 cents per share.

Cash and term deposits – \$781,771

These funds include \$480,896 Term Deposits, \$84,025 investment balance and \$216,850 in bank working account.

Expenses were:

Exploration \$12,605 refund
Admin \$253,307

Taxation was NIL as carried forward losses were \$11,447,229 and franking credits balance were \$3.7 million.

Tenements

The Company has ceased active exploration. No tenements are held by the Company. Thus there was no active direct exploration during the year, nor was there any obligation to do so. Indirect exploration occurs through maintaining the royalty interests.

Austral Resources Limited

Austral produces copper cathode 99.99% pure at the Mount Kelly SX-EW plant by leaching oxide ore from the Anthill Mine.

Total accumulated copper sold including recommencement of SX-EW operations at Mount Kelly is approximately 71,880 tonnes.

Outlook – 2025

The Company has reduced its exposure to exploration in order to reduce costs and conserve cash until the commencement of royalty income, possibly by 2028. Other corporate options could be considered.

CORPORATE STRATEGY

CURRENT SITUATION

The Company's activities are constrained by lack of liquidity to either conduct meaningful exploration or a lower risk investment activity.

During 2024, administration costs were \$253,307 and exploration net refund of \$12,605. Reductions are expected in 2025, which may put net costs to a target of \$250,000. Investing income decreased to \$18,525, despite making a market gain of \$2,602.

Our net cash position at year end was \$781,771 plus trading investments of \$134,435 making a total of \$916,206. This liquidity is sufficient to cover three (3) years of administration costs without factoring in possible income.

During 2024, Austral Resources Limited, owner and operator of the Reefway Royalty Tenements produced and sold 6,580 tonnes of cathode copper making a total of approximately 71,880 cumulative tonnes sold to date out of a royalty threshold of 100,000 tonnes.

Given Austral's recent announcements there is potential within the Royalty tenements by further drilling to delineate extra mineral tonnage beyond 100,000 tonnes required.

FUTURE STRATEGY

Although share investing is risky as there are a number of uncontrollable factors, that may cause market loss, our selection is focused on established operations with a strong growth record.

Our aim is to create profitable opportunities which result in positive results to continue reducing net administration costs while we wait for future royalty revenue.

Other opportunities offering compelling opportunities will be considered.

2024 EXPLORATION REVIEW

ROYALTY TENEMENT ACTIVITIES

Reefway Royalty Tenements at Mount Kelly (Pegmont 76.73% of 1% NSR Royalty Interest)

Ownership of the Reefway Royalty Tenements is held by Austral Resources Operations Pty Ltd as indicated in Maps 2 and 3. Royalty becomes payable when accumulated copper metal sales from the Tenements exceeds 100,000 tonnes. Since commencement of production in 2007, total sales now exceed 71,880 tonnes. Using an average quarterly sales of 2,000 tonnes indicates a further three and a half years required, of current output to achieve royalty sales.

Ore is currently being mined at the Anthill mine (Reefway tenement) and hauled 45 kilometres to Mt Kelly for crushing, heap stacking, leaching and SX-EW processing to produce 99.99% pure copper cathode. Shareholders are directed to recent Austral announcements set out later in this report.

Pegmont Lead-Zinc Project Royalty tenements

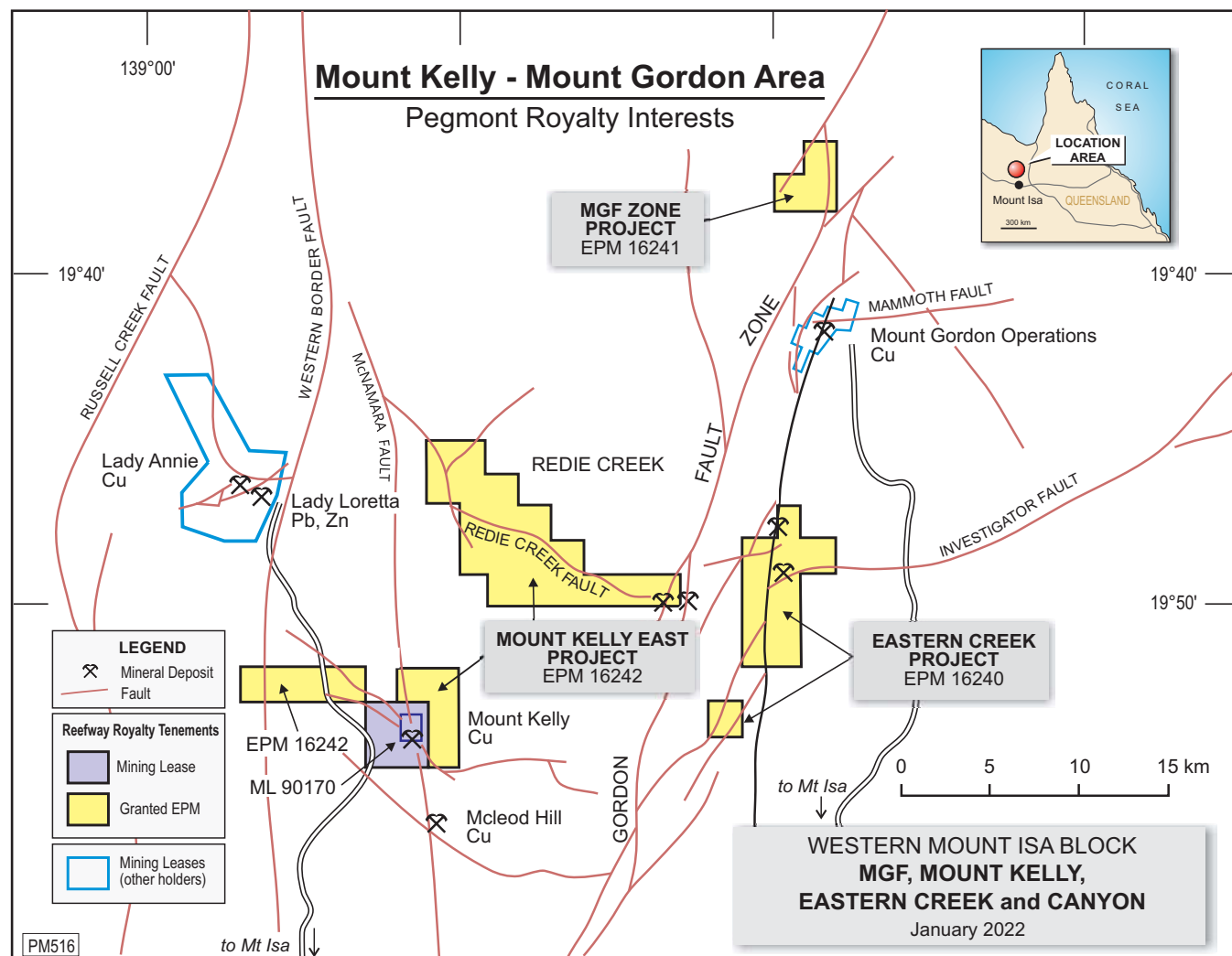
Vendetta Mining Corp is the owner of the Pegmont Project acquired in June 2019, location 25 km south-east of Selwyn in North-West Queensland. These tenements shown in Map 4 are subject to a 1.5% NSR royalty agreement to the Company.

Vendetta has since undertaken further drilling and evaluation studies to increase mineralisation to approximately 13 Mt of moderate Pb/Zn grade. No drilling was undertaken during 2024, as Vendetta is in a holding situation pending improvement in project economics from ongoing studies.

ROYALTY TENEMENTS (CONTINUED)

MAP 2

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

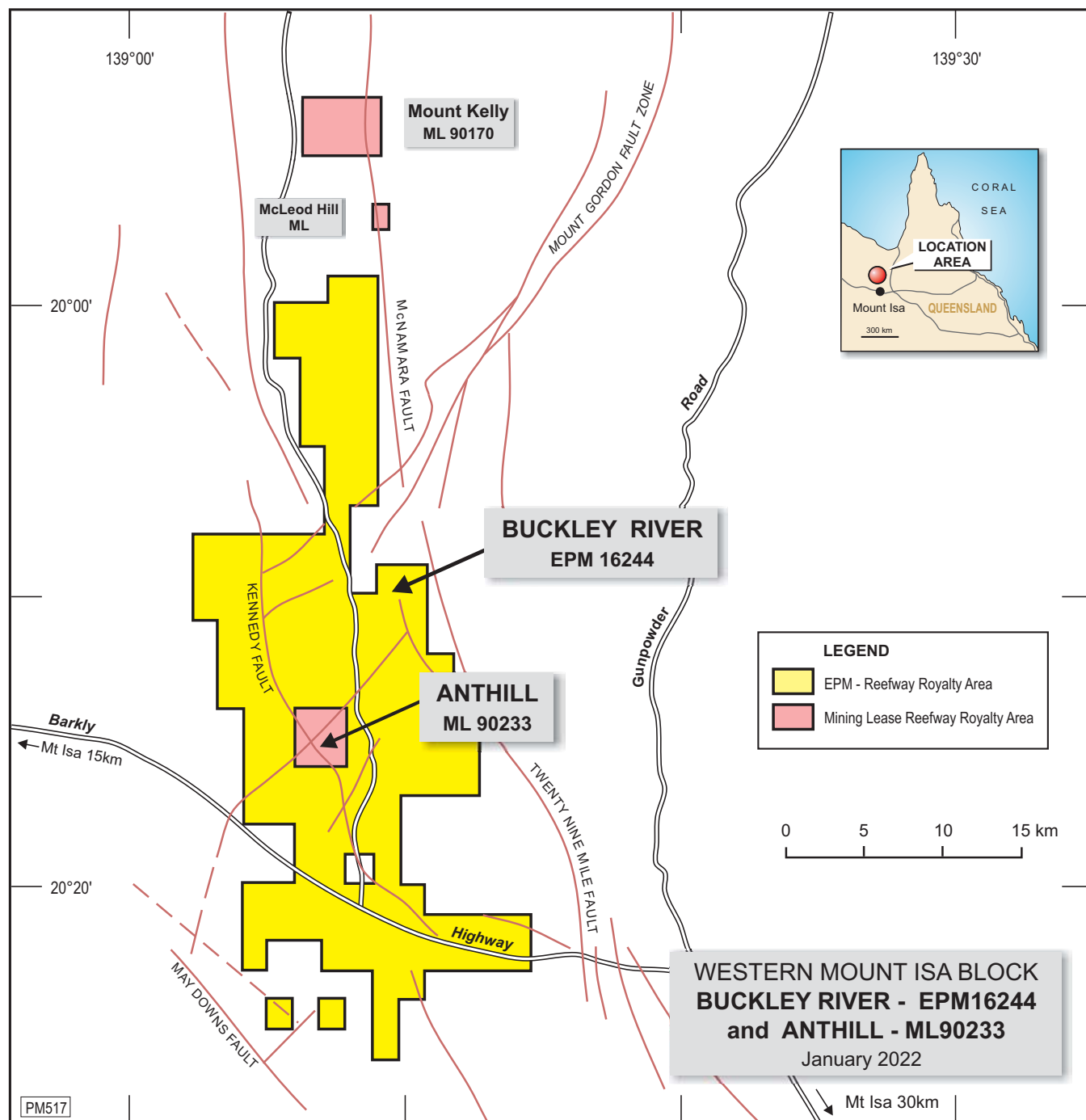


Oxide copper mineralisation exists beyond resource boundaries in Mining Leases at Mount Kelly and McLeod Hill. Exploration potential exists along the Redie Creek Fault and Investigator Fault. The Lady Annie Mine is not a Reefway Royalty tenement, despite contributing ore for treatment.

Buckley River EPM 16244

Buckley River Project area is located 45 kilometres south of the Mount Kelly SX-EW Plant. It's centred on the Anthill ML 90233 which is producing ore feed to the Mount Kelly SX-EW Operations.

Apart from Anthill, there are numerous prospects within EPM 16244 with anomalous copper values promising exploration potential. A sealed road connects Anthill and other Buckley River prospects to the Mount Kelly operations.



MAP 3

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

EXPLORATION REVIEW CONTINUED

RECENT AUSTRAL ANNOUNCEMENTS

The Anthill Copper Project (ML 90233), a Reefway Royalty tenement, is owned by Austral Resources Australia Limited (ARI), listed on the ASX.

Austral has made a series of announcements during 2023 and 2024, including:

| | |
|---------------------------------------|--|
| 31 March 2023 | Despite 1,000 mm of rain, Austral had record sales of 2,818.6 tonnes of copper and maintained steady state production of 1,000 tonnes of LME grade A copper cathode in December 2022. |
| 6 April 2023 | Presentation stated Anthil Resources of 4.4 Mt grading 0.85% Cu (contained 37.5 kt copper) |
| 14 April 2023 | Development of Lady Colleen (deposit within the Mount Kelly Mining Lease) has a transformational potential to raise contained production with Anthill to 25,000 tonnes of copper cathode annually. |
| 23 May 2023 | Joint venture with Glencore enhances exploration potential to extend mine life and discover sulphides that could be commercialised through toll processing at Mt Isa. |
| 5 July 2023 | Independent review of Anthill Resources using A\$12,500 per tonne adds 10,000 tonnes of contained copper. |
| 15 August 2023 | Drilling at McLeod Hill intersected significant copper values located 5 km from Mt Kelly SX-EW plant. |
| September 2023 | Austral voluntarily suspends its shares on the ASX to enable restructuring of its debt finance following difficulties in transporting ore from Anthill to Mount Kelly for crushing and treatment. |
| 31 January 2024 December Quarterly | 2,083 tonnes of copper cathode was produced during the quarter and plated output of 2,490 tonnes. No exploration results were released. Cumulatively the Anthill mine has yielded 2,967,859 tonnes of ore with a 0.85% grade (25,227 tonnes copper contained) to produce approximately 9,000 tonnes of copper sold. Further acid leaching is expected to double this output over time. |
| 1 May 2024 | March 2024 Quarterly Report |
| 30 July 2024 | High-Grade Continuity Confirmed at Lady Colleen |
| 30 August 2024 | Appendix 4D and Half-Yearly Report |
| 4 October 2024 | Positive Scoping Study Reveals Significant Copper Production |
| 10 October 2024 | Austral Resources Investor Presentation |
| 24 October 2024 | September 2024 Quarterly Report |
| 28 October 2024 | Mt Kelly Heap Leach Mineral Resource |
| 27 December 2024 | Recapitalisation and Operational Update |
| 24 January 2025 | Successful Completion of Anthills West Pit |
| 29 January 2025 | December 2024 Quarterly Report |

Interested investors should access Austral's website for further details.

The Board is optimistic that Austral will be able to grow minable resources based on exploration potential and be able to produce copper cathode in excess of 10,000 tonnes/p.a, which could trigger the 100,000 tonnes royalty hurdle by 2027.

PEGMONT LEAD-ZINC PROJECT

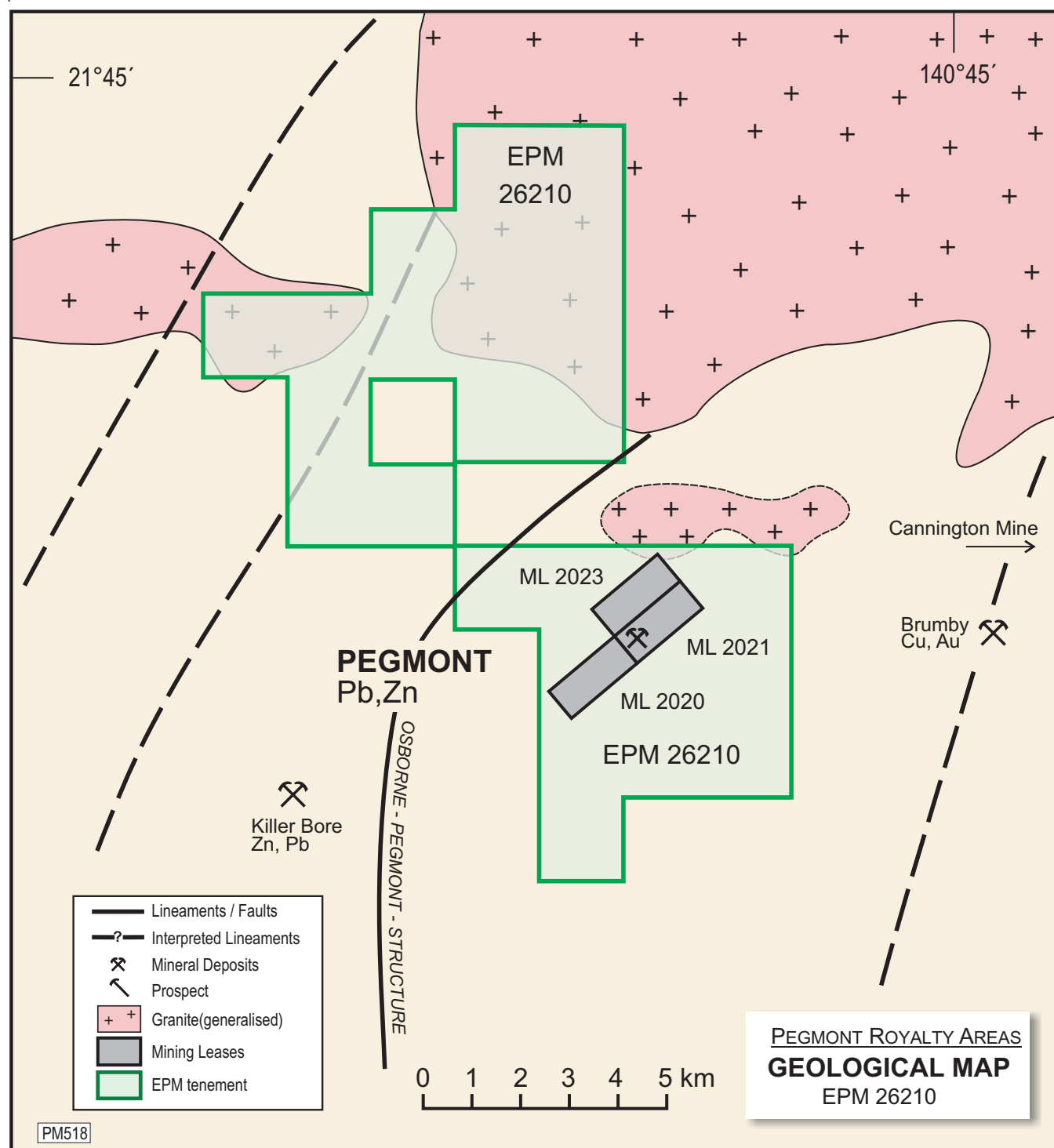
Vendetta Mining Corp is the owner of the Pegmont Project acquired in June 2019, 130km south of Cloncurry in North-West Queensland, subject to a 1.5% NSR royalty agreement to the Company.

Vendetta has since undertaken further drilling and evaluation studies on the Pegmont lead-zinc deposit and has substantially increased resources. Drilling has achieved significant intersections outside previously reported resources.

To fund their 2022 work program, Vendetta announced on 9 December 2021 a funding agreement with Singapore J&Y Investments Pte Ltd to raise \$4.7 million to enhance the current mineral Resource Estimate as summarised below.

| | |
|-----------|--------------------------------------|
| Indicated | 5,758kt @ 6.5% Pb, 2.6% Zn, 11g/t Ag |
| Inferred | 8,277kt @ 5.1% Pb, 2.8% Zn, 8g/t Ag |

Further economic studies are intended as Vendetta works to optimise the economics of the project. No update has been provided on economic studies.



MAP 4

OUTLOOK FOR 2025

GUIDANCE INCOME/EXPENDITURE – 2025

| | Actual 2024 \$ | Guidance 2025 \$ |
|-----------------------------|----------------------|------------------------|
| Share trading profit/(loss) | (8,656) | – |
| Interest and Dividends | 27,181 | 20,000 |
| Total Income | 18,525 | 20,000 |
| Exploration | (12,605) | – |
| Administration | 253,307 | 250,000 |
| Total Expense | 240,702 | 250,000 |
| Net Loss | (222,177) | (230,000) |
| Working Capital | 890,927 | 640,927 |
| Cash Balances | 300,875 | 200,927 |
| Term Deposits | 480,896 | 460,000 |

FINANCIAL CONDITION

The Company's Consolidated Net Assets at 31 December 2024 were \$1,090,919, including \$480,896 term deposits of less than one year maturity and \$200,000 capitalisation of royalty tenements.

WORKING CAPITAL

Working Capital was \$890,927 (an increase of \$77,831). 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 but have provided guidance.

NON-CURRENT ASSETS

| | 2024 \$000 | 2023 \$000 |
|---------------------------|---------------|---------------|
| 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 28,120 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 Expenditure, resulting Working Capital and Cash Balances have been prepared on current information. However, unforeseen events ensuing during 2025 may have a significant effect on these figures provided and will be discussed in the Company's quarterly reports.

TENEMENT ACTIVITY

REEFWAY ROYALTY TENEMENTS

There was no change in Reefway Royalty tenements during the year by Austral Resources Operations Pty Ltd (held 100%).

Mining Leases (ML)

5426, 5435, 5446, 5447, 5448, 5474, 5476, 5478, 90170 all at Mount Kelly and 90233 (Anthill)

Exploration Permits for Minerals (EPM)

16240, 16241, 16242, 16244

It is noted EPM 16241 has been renewed. It covers three (3) sub-blocks north of the Mount Gordon copper mine.

These tenements offer nine different copper project drill targets detailed by Austral Resources Ltd (November 2022).

Pegmont Mines has 0.77% NSR on the above Reefway tenements when cumulative sales of copper cathode exceeds 100,000 tonnes. Sales to date exceeds 71,880 tonnes.

ROYALTY INTERESTS

The Pegmont Project tenements owned by Vendetta contain mineralisation plus other minor metal values within the Mining Leases and extension to the south east within the Exploration Permit 26210. Vendetta stated the following resources in 2019.

Indicated Resource

5.7 Mt 6.5% Pb, 2.6% Zn, 11 g/t Ag

Inferred Resource

8.3 Mt 5.1% Pb, 2.8% Zn, 8 g/t Ag

Drilling since 2019 has extended mineralisation beyond the resource boundaries, but no estimates have been announced as feasibility studies continue.

PEGMONT PROJECT ROYALTY TENEMENTS

There was no change in the Pegmont Project Royalty tenements during the year, held by Vendetta Mining Corp 100%.

Mining Leases (ML)

2620, 2621, 2623 (Pegmont)

Exploration Permit (EP)

26210

SUMMARY OF FINANCIAL RESULTS

| Financial results as at 31 December | | 2024 \$000 | 2023 \$000 | 2022 \$000 | 2021 \$000 | 2020 \$000 |
|--|-------|---------------|---------------|---------------|---------------|---------------|
| Gross Trading Revenue | | 372 | 235 | 211 | 7 | 10 |
| Net Trading Profit/(Loss) | | (9) | 10 | 25 | (18) | 21 |
| Option Receipts/Dividends and Interest | | 27 | 27 | 5 | – | – |
| Exploration Recovery | | – | – | (100) | 100 | – |
| Exploration | | (13) | 30 | (59) | (282) | (269) |
| Administration | | 253 | 290 | (273) | (304) | (282) |
| Net Profit/(Loss) before tax | | (222) | (284) | (402) | (504) | (530) |
| Net Profit/(Loss) after tax | | (222) | (284) | (402) | (504) | (530) |
| Cash | | 781 | 748 | 1,061 | 1,364 | 2,204 |
| Investments | | 134 | 110 | 61 | 40 | 8 |
| Working Capital | | 891 | 813 | 1,096 | 1,399 | 2,003 |
| Total Assets | | 1,121 | 1,068 | 1,331 | 1,722 | 2,434 |
| Total Liabilities | | 30 | 55 | 34 | 23 | 231 |
| Shareholders' Funds | | 1,091 | 1,013 | 1,297 | 1,699 | 2,203 |
| Contributed Equity | | 4,842 | 4,542 | 4,542 | 4,542 | 4,542 |
| Earnings per share (E) | cents | (0.3) | (0.4) | (0.4) | (0.7) | (0.7) |
| Net Tangible Assets per share | cents | 1.4 | 1.4 | 1.8 | 2.3 | 3.0 |
| Working Capital per share | cents | 1.1 | 1.1 | 1.5 | 1.9 | 2.8 |
| Share Price (last sale) | cents | 2.9 | 4.3 | 4.4 | 5.0 | 5.0 |
| Price Earnings ratio P/E | – | -ve | -ve | -ve | -ve | -ve |
| Shares on Issue | 000 | 79,817 | 72,317 | 72,317 | 72,317 | 72,317 |

Comment

Since September 2004 when the Company applied the proceeds from the sale of Reefway Pty Ltd to share investing, this activity generated a total Net Trading Profit of \$12,307,000 (after provisions) over twenty years from Gross Trading Revenue of \$123,265,000 at an average margin of 10.0% on turnover. During this period the Company has expended funds on exploration \$7,963,000, administration \$8,821,000, taxation \$4,629,000 and distributed dividends of \$3,002,000, being 5.00 cents per share or 62% of contributed equity.

CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices that have been revised and updated, and in place since the 1st of July 2005. These corporate governance practices comply with the NSX Corporate Governance Council recommendations unless otherwise stated.

BOARD OF DIRECTORS

Role of the Board

The Board is responsible for ensuring that the Company is managed in a manner which protects and enhances the interests of its shareholders and takes into account the interests of all stakeholders. To fulfil this role, the Board is responsible for setting the strategic directions for the Company, establishing goals for management, monitoring the achievement of these goals and ensuring policies and procedures are applied that facilitate accountability and performance.

Because of the limited size of the Company and its financial affairs and operations, the use of separate committees of the Board of Directors is not considered generally appropriate. All matters that might properly be dealt with by such committees are currently dealt with by the full Board of Directors. Decisions of the Board are, to the extent practicable, unanimous. There were no occasions during the year when decisions were not unanimous.

Composition of the Board

The names and details of the Directors of the Company in office at the date of this Statement are set out in the Directors' Report.

The composition of the Board is determined using the following principles:

- Persons nominated as Non-Executive Directors shall be expected to have skills, experience and expertise of benefit to the Company and to bring an independent view to the Board's deliberations. Persons nominated as Executive Directors must be of sufficient stature and security of employment to express independent views on any matter.
- The Chairperson should ideally be non-executive and independent and be elected by the Board based on his/her suitability for the position. Currently the Chairperson is a Non-Executive Director. The Board believes that this Chairperson is able and does bring quality and independent judgment to all relevant issues falling within the scope of the role of a Chairperson.
- All Non-Executive Directors are expected voluntarily to review their membership of the Board from time-to-time taking into account length of service, age, qualifications and expertise relevant to the Company's then current policy and program, together with the other criteria considered desirable for composition of a balanced Board and the overall interests of the Company.
- Under the Company's Constitution, the minimum number of Directors is three. At each Annual General Meeting, one third of the Directors (excluding the Managing Director) must resign, with Directors resigning by rotation based on the date of their appointment. Directors resigning by rotation may offer themselves for re-election.

- The Directors may appoint a Managing Director for a fixed term not exceeding five (5) years (Article 71(a)) unless otherwise approved by members in General Meeting.
- The remuneration of a Managing Director shall not exceed 15 times average weekly Earnings of Employees (AWE) (Article 6.5 (e)).
- The Chairperson and Deputy Chairperson hold office until otherwise determined by Directors, or until they cease to be Directors, in any case for a period not exceeding five (5) years (Article 9.6(a)) unless otherwise approved by members in General Meeting.

The Company considers that the Board should have at least three Directors (minimum required under the Company's constitution) and strives to have a majority of independent Directors but acknowledges that this may not be possible at all times due to the size of the Company. Currently the Board has three Directors, all are non-executive directors with one as the Chairman.

The number of Directors is maintained at a level which will enable effective spreading of workload and efficient decision making.

The Board has accepted the following definition of an Independent Director:

"An Independent Director is a Director who is not a member of management (a Non-Executive Director) and who:

1. is not a substantial shareholder of the Company or an officer of, or otherwise associated, directly or indirectly with, a substantial shareholder of the Company;
2. has not within the last three years been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
3. is not a principal of a professional adviser to the Company or another group member;
4. is not a significant consultant, supplier or customer of the Company or other group member, or an officer of or otherwise associated, directly or indirectly with, a significant consultant, supplier or customer;
5. has no significant contractual relationship with the Company or another group member other than as a Director of the Company;
6. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
7. is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with, the Director's ability to act in the best interests of the Company."

CORPORATE GOVERNANCE STATEMENT CONTINUED

The Company considers a significant consultant, supplier or customer to be material if the total of their annual invoices amounts to more than 5% of the Company's total expenditure in that category.

The composition of the Board is reviewed on an annual basis to ensure the Board has the appropriate mix of expertise and experience. Where a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board determines the selection criteria for the position based on the skills deemed necessary for the Board to best carry out its responsibilities and then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

Performance of Directors

The performance of all Directors and the Board as a whole is reviewed annually in accordance with the Company's corporate governance guidelines (effective 1 July 2005).

Conflict of Interest

In accordance with the *Corporations Act 2001* and the Company's constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the Board meeting whilst the item is considered. Details of Director's related entity transactions with the Company are set out in the related parties note in the financial statements.

Independent Professional Advice and Access to Company Information

Each Director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairperson, may seek independent professional advice at the Company's expense. A copy of advice received by the Director is made available to all other members of the Board.

Remuneration Report

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Remuneration Policy

The remuneration policy of Pegmont Mines Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long term incentives. The board of Pegmont Mines Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives (if any), was developed by the board. The board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest caliber of executives and reward them for performance that results in long term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed. If options are issued they are valued using the Black Scholes methodology.

The board policy is to remunerate non executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$100,000). Fees for non executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in employee option plans approved by the board.

Performance based remuneration

The Company currently has no performance based remuneration component built into key management personnel remuneration packages.

Company performance, shareholder wealth and key management personnel remuneration

No relationship exists between shareholder wealth, key management personnel remuneration and Company performance.

Use of remuneration consultants

The Company did not employ the services of any remuneration consultants during the financial year ended 31 December 2024.

Voting and comments made at the Company's 2024 Annual General Meeting

The Company received approximately 100% of "yes" votes on its remuneration report for the 2023 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Details of Remuneration

Details of the remuneration of the directors and the key management personnel of the Company are set out in the Directors' Report.

The key management personnel of Pegmont Mines Limited includes the directors.

Board Procedures and Policies

The Board applies the additional following procedures and policies:

The Board promotes ethical and responsible decision making by applying a corporate code of conduct which provides a framework for decisions and actions in relation to ethical conduct in employment. The Board sets guidelines for buying and selling securities in the company.

The Board safeguards the integrity in financial reporting by requiring the Chief Executive Officer and Chief Financial Officer (or equivalent) to make a statement (at the relevant times) that the Company's financial systems are founded on a system of risk management and internal compliance and control which implements the policies adopted by the board and the company's risk management and internal compliance and control systems is operating efficiently and effectively in all material respect.

The Board ensures the company makes timely and balanced disclosure by adopting a continuous disclosure policy.

The Board respects the rights of shareholders by adopting a shareholder communications strategy which aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. The Board requests the external auditor to attend all annual general meetings of the company, to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Board determines the Company's 'risk profile' and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

DIRECTORS' REPORT

The Directors' present their report on the results of the Company for the year ended 31 December, 2024 and the state of affairs at that date.

DIRECTORS

The names of the Directors in office during the year and at the date of this report are:

Mr. Hadyn G Oriti, Non-Executive Chairman

Mr. John W Montgomerie, Non-Executive Director

Mr. Richard S Woods, Non-Executive Director
Appointed 19 February 2025

Mr. Malcom A Mayger, Managing Director
Resigned 19 February 2025

Mr. Richard S Woods,
(Alternate for Mr Malcolm A Mayger)
Resigned 14 February 2025

PRINCIPAL ACTIVITY

The principal activities of the Company in the course of the year were mineral exploration and resource investment. The Company's principal activity of direct mineral exploration temporarily ceased however indirect interest via royalty interests continued. Resource investment remained the same during the year.

OPERATING RESULTS

The consolidated loss after providing for income tax amounted to \$222,177 (2023, \$283,811).

DIVIDENDS

No dividend was paid during the year. (2023 NIL).

REVIEW OF OPERATIONS

Information on the operations of the company during the year and the results of those operations are set out in the section titled "Company Activities during 2024" in this Annual Report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company that occurred during the financial year that have not been covered in the 'Company Activities during 2024'.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in financial years subsequent to the financial year ended 31 December 2024.

OPTIONS OVER UNISSUED CAPITAL

The total number of options issued as at 31 December 2024 was NIL (2023– NIL).

At 31 December 2024 there were no unissued shares under option.

ENVIRONMENTAL ISSUES

No direct exploration was undertaken by the Company during the year and no exploration tenements were held during the year. Accordingly, there are no performance bonds held by the Company at 31 December 2024. Previously, the company was subject to performance bonds for the rehabilitation of a mining tenement. These performance bonds are required by the Mines Department to ensure that rehabilitation occurs as required under environmental regulation. Surface disturbance has been restored. There were no environmental incidents during the year. Occupational Health and Safety requirements were met through the development of an emergency plan, the provision of formal training to Pegmont contractors, toolbox meetings, site inspections and record keeping. There were no reportable incidents during 2024.

REMUNERATION REPORT

MEETING OF DIRECTORS

During the financial year, three meetings of directors were held. The number of meetings attended by each director during the year is as follows:

| | |
|------------------------------|---|
| Mr Hadyn G Oriti | 3 |
| Mr Malcolm A Mayger | 3 |
| Mr. John W Montgomerie | 3 |

In addition to these meetings there were three Board resolutions approved by circulation as well as the non-executive directors being continuously updated on current activities.

DIRECTORS' QUALIFICATIONS AND EXPERIENCE

ORITI, Hadyn G

(Non-Executive Chairman) LLB

Mr. Hadyn Oriti, aged 62 is a practising solicitor in Port Macquarie with experience in commercial investment.

MAYGER, Malcolm A

(Executive Managing Director) BCom, CA, FAICD Resigned 19/02/2025

Mr. Mayger, aged 85 has over 50 years of experience in exploration, mining and investment. Malcolm Mayger founded the company in 1987 and has guided its subsequent development from an exploration concept to a mineral royalty holder and investment interests.

MONTGOMERIE, John W

(Non-Executive Director) FCA

Mr. Montgomerie aged 77 has over 30 years of experience as a partner in a national firm of Chartered Accountants. He has extensive commercial experience and has been involved in various listed and unlisted companies as a director, shareholder and founder.

WOODS, Richard S

(Non-Executive Director) B,Bus,CA

Mr. Woods aged 72 is a Chartered Accountant and a former partner of Walker Wayland NSW Chartered Accountants for 27 years.

DIRECTORS' AND EXECUTIVES' EMOLUMENTS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts or received as the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest other than:

- Consulting fees paid to Malcolm A Mayger Pty Ltd, an entity of which Mr. Malcolm Mayger is a Director and shareholder.
- Hadyn Oriti consulting fees paid to a business held bank account.
- John Montgomerie consulting fees paid to a business held bank account.
- Chris Leslie consulting fees paid to a business held bank account.

The Company's remuneration policy is disclosed in the Corporate Governance Statement preceding this report.

Details of the nature and amount of each payment to each director and each of the officers of the company receiving emoluments are set out in the following tables.

REMUNERATION REPORT CONTINUED

KEY MANAGEMENT PERSONNEL OF PEGMONT MINES LIMITED

| | SHORT-TERM | | POST EMPLOYMENT | | SHARE-BASED PAYMENTS | TOTAL |
|--|---------------------|-----------------------|---------------------------|------------------------------|-------------------------|----------------|
| | Salary & Fees \$ | Non Monetary \$ | Super- annuation \$ | Retirement benefits \$ | \$ | \$ |
| Directors | | | | | | |
| Hadyn Oriti | | | | | | |
| 2024 | 30,000 | – | 3,300 | – | – | 33,300 |
| 2023 | 30,000 | – | 4,013 | – | – | 34,013 |
| Malcolm Mayger | | | | | | |
| 2024 | 50,000 | – | – | – | – | 50,000 |
| 2023 | 50,000 | – | – | – | – | 50,000 |
| John Montgomerie | | | | | | |
| 2024 | 20,000 | – | 2,200 | – | – | 22,200 |
| 2023 | 20,000 | – | 2,675 | – | – | 22,675 |
| Other key management personnel | | | | | | |
| Chris Leslie | | | | | | |
| 2024 | 48,050 | – | – | – | – | 48,050 |
| 2023 | 39,867 | – | – | – | – | 39,867 |
| Total key management personnel compensation | | | | | | |
| 2024 | 148,050 | – | 5,500 | – | – | 153,550 |
| 2023 | 139,867 | – | 6,688 | – | – | 146,555 |

Service agreements

Malcolm Mayger, Managing Director:

Pursuant a Service Agreement, which commenced on 25th of June 1987, the Directors have arranged for Malcolm Mayger to provide his services as Managing Director of Pegmont. That agreement ended on 19 February 2025.

Share-based compensation

Where options are issued to key management personnel as part of their remuneration the options are not issued based on performance criteria, but are issued to key management personnel of Pegmont Mines Limited to increase goal congruence between key management personnel and shareholders. The Company does not have a formal policy in relation to the key management personnel limiting their exposure to risk in relation to the securities, but the Board actively discourages key personnel management from obtaining mortgages in securities held in the Company.

There were no options granted to or vesting with key management personnel during the year, and there were no options forfeited during the year.

There were no ordinary shares issued upon exercise of remuneration options to directors or other key management personnel of Pegmont Mines Limited during the year.

Directors' Interest, in the Share Capital of the Company as at the date of this report

| | | Shares at 31/12/2023 | Acquired/(Disposed) during the year | Shares at 31/12/2024 |
|-----------------|-----------|-------------------------|--|-------------------------|
| H G Oriti | Direct | 238,000 | 23,800 | 261,800 |
| J W Montgomerie | Direct | – | 10,000 | 10,000 |
| R S Woods | Direct | – | – | – |
| | Indirect | 137,000 | – | 137,000 |
| M A Mayger | Direct | 500,000 | 500,000 | 1,000,000 |
| | Indirect* | 38,543,333 | 6,610,962 | 45,154,295 |
| | | 39,418,333 | 7,144,762 | 46,563,095 |

* Includes Pegasus Enterprises Ltd in which M A Mayger is a controlling shareholder.

Signed: at Sydney in accordance with a resolution of Directors.



John W Montgomerie

Dated: 10 March 2025

DIRECTORS' DECLARATION

The directors declare that the attached financial statements and notes:

- a) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- b) give a true and fair view of the Company's and controlled entities' financial position as at 31 December 2024 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the directors' opinion:

- a) the financial statements and notes are in accordance with the Corporations Act; and
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- (c) a consolidated entity disclosure statement has been included as true and correct in accordance with section 295(3A)(a) of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.



John W Montgomerie
Director

Sydney
Dated: 10 March 2025

Financial Statements

For the year ended
31 December 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

| | NOTES | CONSOLIDATED | |
|--|-------|--------------|------------|
| | | 2024 \$ | 2023 \$ |
| Revenue | | | |
| Gain/(loss) from sale of financial assets | | (11,258) | 32,764 |
| Fair value gain/(loss) on financial assets | 3 | 2,602 | (22,622) |
| Interest received or due and receivable from other Corporations | | 27,181 | 26,475 |
| | | 18,525 | 36,617 |
| Expenses | | | |
| Audit fees | | (15,950) | (19,000) |
| Directors' fees | | (105,500) | (106,688) |
| Exploration expenditure refund (written off) | | 12,605 | (30,562) |
| Stock exchange fees | | (19,557) | (10,683) |
| New Issue-underwriting fee | | (5,852) | — |
| Share Registry fees and new issue costs | | (26,633) | (12,205) |
| Secretarial & registered office expenses | | (49,384) | (43,349) |
| Other expenses | | (30,431) | (97,941) |
| | | (240,702) | (320,428) |
| (Loss) before income tax | | (222,177) | (283,811) |
| Income tax expense | 2 | — | — |
| Other Comprehensive Income | | — | — |
| Total Comprehensive Profit/(Loss) | | (222,177) | (283,811) |
| Earnings per share for profit attributable to the ordinary equity holders of the Company | 19 | (0.003) | (0.004) |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

| | NOTES | CONSOLIDATED | |
|---|-------|------------------|------------------|
| | | 2024 \$ | 2023 \$ |
| Current Assets | | | |
| Cash and cash equivalents | 4 | 300,875 | 292,017 |
| Financial Assets (Term Deposits) at amortised cost | 5 | 480,896 | 455,943 |
| Prepayments and receivables | 6 | 5,101 | 10,509 |
| Financial assets at fair value through profit or loss | 7 | 134,435 | 110,001 |
| Total Current Assets | | 921,307 | 868,470 |
| Non-Current Assets | | | |
| Royalty assets | 8 | 200,000 | 200,000 |
| Total Non-Current Assets | | 200,000 | 200,000 |
| Total Assets | | 1,121,307 | 1,068,470 |
| Current Liabilities | | | |
| Trade and other payables | 9 | 30,388 | 55,374 |
| Total Current Liabilities | | 30,388 | 55,374 |
| Total Liabilities | | 30,388 | 55,374 |
| Net Assets | | 1,090,919 | 1,013,096 |
| Equity | | | |
| Contributed equity | 10 | 4,841,607 | 4,541,607 |
| Reserves | 11 | 2,200,000 | 2,200,000 |
| Retained profits (losses) | | (5,950,688) | (5,728,511) |
| Total Equity | | 1,090,919 | 1,013,096 |

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

| | CONSOLIDATED | |
|--|--------------|-------------|
| | 2024 \$ | 2023 \$ |
| Total equity at the beginning of the financial year | 1,013,096 | 1,296,907 |
| Loss for the year | (222,177) | (283,811) |
| Issued Capital | 300,000 | - |
| Total equity at the end of the financial year | 1,090,919 | 1,013,096 |
| Issued Capital | 4,841,607 | 4,541,607 |
| Retained Losses | (5,950,688) | (5,728,511) |
| Reserves | 2,200,000 | 2,200,000 |
| Total equity at the end of the financial year | 1,090,919 | 1,013,096 |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

| | NOTES | CONSOLIDATED | |
|--|-----------|------------------|------------------|
| | | 2024 \$ | 2023 \$ |
| Receipts from customers | | – | – |
| Directors and secretary fees | | (157,370) | (148,835) |
| Payments to suppliers and contractors | | (102,910) | (182,520) |
| Interest received | | 26,995 | 23,585 |
| Cash Flows from operating activities | 17 | (233,285) | (307,770) |
| Cash Flows from Investing Activities | | | |
| Exploration expenditure | | – | 30,562 |
| Proceeds from sale of financial assets | | 371,609 | 235,419 |
| Purchase of share trading stock | | (404,700) | (274,278) |
| (Increase)/Decrease of financial assets (Term Deposits) at amortised cost | | (24,766) | 150,000 |
| Net cash provided from investing activities | | (57,857) | 141,703 |
| Cash Flows from Financing Activities | | | |
| Share Issue | | 300,000 | – |
| Net cash flow from financing activities | | 300,000 | |
| Net (decrease) in cash and cash equivalents | | 8,858 | (166,067) |
| Cash and cash equivalents at the beginning of the financial year | | 292,017 | 458,084 |
| Cash and cash equivalents at the end of the financial year | 16 | 300,875 | 292,017 |

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Pegmont Mines Ltd ("the Company") as an individual entity and the consolidated entity consisting of Pegmont Mines Ltd and its subsidiaries.

a) New or amended Accounting Standards and Interpretations adopted

Set out below are the new and revised standards and amendments thereof (*and interpretations*) effective for the current year that are relevant to the Group.

AASB 2021-2 Amendments to Australian Accounting Standards- Disclosure of Accounting Policies and Definition of Accounting Estimates.

Impact: Requires the disclosure of material accounting policy information and clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates. The application of the amendments did not have a material impact on the Group's consolidated financial statements but has changed the disclosure of accounting policy information in the financial statements.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 January 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

b) Basis of preparation

This general purpose financial report has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations and complies with other requirements of the law.

All amounts are presented in Australian dollars, unless otherwise noted.

Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRSs). Compliance with Australian Accounting Standards ensures that the consolidated financial statements and notes of Pegmont Mines Ltd comply with IFRSs.

Historical cost convention

These financial statements have been prepared under the historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

c) Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Pegmont Mines Ltd ("the Company") as at 31 December 2024 and the results of all controlled entities for the year then ended. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following: (a) power over the investee (b) exposure, or rights, to variable returns from its involvement with the investee and (c) the ability to use its power over the investee to affect the amount of the investor's returns.

The effects of all intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated in full.

Where control of an entity is obtained during a financial year, its results are included in the consolidated profit and loss account from the date on which control commences.

Where control of an entity ceases during a financial year its results are included for that part of the year during which control exists.

d) Income Tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

There is no tax liability due to tax losses carried forward of \$11,447,229.

e) Impairment of assets

Assets are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

f) Exploration expenditure

Expenditure on acquisition of tenements relating to an area of interest is carried forward where rights to tenure of the area of interest are current and:

- i. the area has demonstrated economic grade, mineralisation; or
- ii. exploration and evaluation activities are continuing in an area of interest but have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.
- ii. otherwise, exploration expenditure is written off in the year during which it is incurred.

The Company does not currently hold any tenements

g) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value, less impairment provision, of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

h) Investments and Other Financial Assets

The Group classifies its investments in the following categories: loan and receivables, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition. This designation is re-evaluated at each reporting date.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

NOTES TO THE FINANCIALS STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

h) Mineral Tenements

The Company's activities in the mining industry are subject to regulations and approvals including mining heritage, environmental regulation, the implications of the High Court of Australia decision in what is known generally as the "Mabo" case and any State or Federal legislation regarding native and mining titles. Approvals, although granted in most cases, are discretionary.

The question of native title has yet to be determined and could effect any mining title area whether granted by the State or not.

i) Earnings per share

Basic earnings per share is determined by dividing the operating profit after income tax attributable to members of Pegmont Mines Ltd by the weighted average number of ordinary shares outstanding during the year.

m) Critical accounting estimates & judgements

In preparing this Financial Report the Company has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

i) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Exploration and evaluation expenditure is written off during the year in which it is incurred.

ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Royalty Asset Recovery

The future recoverability of royalty assets is dependent on a number of factors, including the life of the mining lease where production of the minerals is occurring and the continued mining by the operator of the lease

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

At 31 December 2024, the carrying value of royalty assets of the group was \$200,000 (2023 – \$200,000).

| | CONSOLIDATED | |
|--|--------------|------------|
| | 2024 \$ | 2023 \$ |
| 2. INCOME TAX | | |
| Prima facie tax payable on operating loss at 25% | (55,544) | (70,952) |
| Deferred tax assets not brought to account | 55,544 | 70,952 |
| Income Tax Expense | – | – |
| The Company at 30/06/2024 had carried forward tax losses of \$11,447,229 which have not been brought to account. | | |
| 3. OTHER INCOME | | |
| Net fair value gain/(loss) | 2,602 | (22,622) |
| 4. CASH AND CASH EQUIVALENTS (CURRENT) | | |
| Cash at bank and on hand | 216,850 | 176,971 |
| Cash at broker | 84,025 | 115,046 |
| | 300,875 | 292,017 |
| 5. FINANCIAL ASSETS AT AMORTISED COST | | |
| Term Deposits maturing in 2025 | 480,896 | 455,943 |
| 6. TRADE AND OTHER RECIEVABLES (CURRENT) | | |
| Other debtors and prepayments | 5,101 | 10,509 |
| | 5,101 | 10,509 |
| 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CURRENT) | | |
| Quoted Shares | 134,435 | 110,001 |
| Closing balance at 31 December | 134,435 | 110,001 |
| 8. ROYALTY ASSETS (NON-CURRENT) | | |
| Pegmont Lead-Zinc project royalty at fair value | – | – |
| Reefway Pty Ltd royalty at fair value | 200,000 | 200,000 |
| At Fair Value | 200,000 | 200,000 |

The company has two royalty projects located at Pegmont and Mount Kelly (Reefway Royalty) in the Mt Isa region. Royalty amounts are payable after certain production amounts are reached on both projects. The Directors' have maintained the assessed value at 31/12/2024 for the Reefway royalty project at \$200,000 unchanged since 2021.

The Directors used a Discounted Cash Flow model to estimate a Net Present Value (NPV) of \$2.037 million for the Reefway Royalty tenements and \$1.564 million for Pegmont's 76.73%. The NPV used a discount rate of 10%. Royalties payments are expected to commence in 2028 through to 2032 at higher production/sales rates. A probability of 72% has been ascribed to receiving royalty receipts based on estimated cumulative sales of 71,880 tonnes of copper at end of 2024, an increase of 6,580 tonnes of copper. Future copper production could be weather dependent.

In relation to the Pegmont royalty the Directors' have not assigned a value on the royalty since the operator Vendetta Mining Corp have not reached a decision to mine.

The Company's activities in the mining industry are subject to regulation and approval including mining, heritage, environmental regulation, and any State or Federal legislation regarding native and mining titles. Approvals, although granted in the most cases, are discretionary. The question of native title has yet to be determined and could affect any mining title area whether granted by the State or not.

NOTES TO THE FINANCIALS STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

| | CONSOLIDATED | |
|--|--------------|------------|
| | 2024 \$ | 2023 \$ |

9. TRADE AND OTHER PAYABLES (CURRENT LIABILITIES)

| | | |
|------------------------------|--------|--------|
| Trade creditors and accruals | 30,388 | 55,374 |
|------------------------------|--------|--------|

| | Number | 2024 \$ | Number | 2023 \$ |
|--|--------|------------|--------|------------|
|--|--------|------------|--------|------------|

10. ORDINARY SHARES – FULLY PAID

| | | | | |
|--|------------|-----------|------------|-----------|
| | 79,816,556 | 4,841,607 | 72,316,556 | 4,541,607 |
|--|------------|-----------|------------|-----------|

An issue of 7,500,000 ordinary shares being one share for every 10 shares held at 4 cents per share was completed during the year.

Terms and conditions of ordinary shares:

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder's meetings. In the event of winding up of the company, ordinary shareholders rank after all other shareholders and creditors are fully entitled to any proceeds of liquidations.

| | CONSOLIDATED | |
|--|--------------|------------|
| | 2024 \$ | 2023 \$ |

11. RESERVES

| | | |
|---------------------------|-----------|-----------|
| a) Reserves | | |
| Asset Revaluation Reserve | 200,000 | 200,000 |
| Capital Profit Reserve | 2,000,000 | 2,000,000 |
| | 2,200,000 | 2,200,000 |

b) Nature and purpose of reserves

The capital reserve is used to quarantine net realised profits of a capital nature. The asset revaluation reserve is used to accumulate adjustments to the fair value of non-current assets

12. KEY MANAGEMENT PERSONNEL DISCLOSURE

a) Directors

The names of Directors who have held office during the financial year are:

Pegmont Mines Ltd & Subsidiaries

Malcolm A Mayger, Hadyn G Oriti, John W Montgomerie and Richard S Woods (Alternate for Malcolm A Mayger)

Executives during year – Christopher D Leslie

b) Directors and Director-Related Entities' Shareholdings

The interests of Directors and their Director related entities in shares and share options at the end of the financial period are as follows:

| Name | Balance at the start of the financial period | Issued | Purchased/(Sold) | Balance at the end of the financial period |
|-----------------|--|-----------|------------------|--|
| Shares | | | | |
| M A Mayger | 39,043,333 | 7,110,962 | – | 46,154,295 |
| H G Oriti | 238,000 | 23,800 | – | 261,800 |
| J W Montgomerie | – | – | 10,000 | 10,000 |
| R S Woods | 137,000 | – | – | 137,000 |
| Total shares | 39,418,333 | 7,134,762 | 10,000 | 46,563,095 |

c) Key management personnel compensation

The Company has taken advantage of the relief provided by Corporations Regulation 2M.6.04 and has transferred the detailed remuneration disclosures to the Directors' Report. The relevant information can be found at note 14 and in the remuneration report within the Directors' Report.

d) Related party transactions

In addition to the transactions disclosed above there was a payment of \$550 to Donovan Oates Hannaford a related party to Hadyn Oriti for services rendered. In addition there was an underwriting fee \$5,853 paid to Malcolm A Mayger Pty Ltd for supporting the equity issue shortfall.

13. SEGMENTAL INFORMATION

The economic entity operates predominantly in one geographic location. The operations of the economic entity consist of the exploration for gold, lead-zinc and other minerals and equity investments within Australia.

14. REMUNERATION OF DIRECTORS

| Type of transaction | Related party– directors | Terms and conditions | CONSOLIDATED | |
|----------------------------------|--------------------------|----------------------|--------------|---------|
| | | | 2024 \$ | 2023 \$ |
| Directors' fees | MA Mayger | Normal commercial | 50,000 | 50,000 |
| Directors' fees & Superannuation | HG Oriti | Normal commercial | 33,300 | 34,013 |
| Directors' fees & Superannuation | JW Montgomerie | Normal commercial | 22,200 | 22,675 |
| | | | 105,500 | 106,688 |

NOTES TO THE FINANCIALS STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

15. CONTROLLED ENTITIES

| Name | Inc | Class | 2024 | 2023 |
|---------------------------------|-----|-------|------|------|
| Pilbara Ventures Ltd | NSW | Ord | 100% | 100% |
| Queensland Copper Mines Pty Ltd | NSW | Ord | 100% | 100% |
| Kimberley Ventures Ltd | NSW | Ord | 100% | 100% |

The Company intends to apply for deregistration of non-operating entities Pilbara Ventures Ltd and Kimberley Ventures Ltd in 2025.

16. RECONCILIATION OF CASH

Cash as at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:

| | CONSOLIDATED | |
|----------------|--------------|------------|
| | 2024 \$ | 2023 \$ |
| Cash at bank | 216,850 | 176,971 |
| Cash at Broker | 84,025 | 115,046 |
| | 300,875 | 292,017 |

17. RECONCILIATION OF NET CASH OUTFLOW FROM OPERATING ACTIVITIES TO OPERATING LOSS AFTER INCOME TAX

| | CONSOLIDATED | |
|---|--------------|------------|
| | 2024 \$ | 2023 \$ |
| Operating (Loss) | (222,177) | (283,811) |
| Fair value (gain)/loss on financial assets-unrealised | (2,602) | 22,622 |
| Exploration Expenditure | — | (30,562) |
| Accrued Interest | (186) | (2,890) |
| Gain on sale of share trading stock-realised | 11,258 | (32,764) |
| Increase/(decrease) in payables and accruals | (24,986) | 20,764 |
| (Increase)/decrease in Debtors | 319 | 6,782 |
| (Increase)/decrease in Prepayments | 5,089 | (8,021) |
| Net cash provided for operating activities | (233,285) | (307,770) |

The Company has no credit standby or financing facilities in place other than disclosed on the statement of financial position.

18. SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2024 that has or may significantly affect the operations of the Company, the results of the Company, or the state of affairs of the Company in the financial year subsequent to the financial year ended 31 December 2024.

CONSOLIDATED

2024
\$2023
\$**19. EARNINGS PER SHARE (EPS)****a) Basic Earnings per share**

| | | |
|---|---------|---------|
| Earnings attributable to the ordinary equity holders of the Company | (0.003) | (0.004) |
|---|---------|---------|

b) Earnings used in calculating earnings per share

| | | |
|---|------------|------------|
| Earnings attributable to the ordinary equity holders of the Company | (222,177) | (283,811) |
| The weighted average number of ordinary shares on issue used in the calculation of basic earnings per share | 79,816,556 | 72,316,556 |

The diluted earnings per share is not materially different from the basic earnings per share.

20. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks.

Credit risk

The Company does not have any significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

Cash flow and fair value interest rate risk

Although the Company has significant interest bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company monitors interest rates to obtain the best terms and mix of cash flow.

Interest rate risk

The Group's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following tables:

| | Weighted Average Effective Interest Rate | FIXED MATURITY DATE | | | | Total |
|-----------------------------------|---|----------------------|---------------------|--------------|-------------------------|---------|
| | | Variable Interest | Less than 1 year | 1 to 2 years | Non-interest Bearing | |
| | % | \$ | \$ | \$ | \$ | \$ |
| 2024 | | | | | | |
| Financial assets | | | | | | |
| Term deposits | 4.41 | — | 480,896 | — | — | 480,896 |
| Cash | — | — | — | — | 216,850 | 216,850 |
| Interest bearing deposits at call | 2.75 | — | 84,025 | — | — | 84,025 |
| Trade and other receivables | — | — | — | — | 5,101 | 5,101 |
| | | | 564,921 | | 221,951 | 786,872 |
| Financial liabilities | | | | | | |
| Trade and payables | — | — | — | — | 30,388 | 30,388 |

NOTES TO THE FINANCIALS STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

Liquidity risk

Prudent liquidity management involves the maintenance of sufficient cash, marketable securities, committed credit facilities and access to capital markets. It is the policy of the board to ensure that the Group is able to meet its financial obligations and maintain the flexibility to pursue attractive investment opportunities through keeping committed credit lines available where possible, ensuring the Group has sufficient working capital and preserving the 15% share issue limit available to the Company under the NSXA Listing Rules.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------|---------|
| 2024 | | | | |
| Financial Assets | 134,435 | — | — | 134,435 |
| Ordinary shares at fair value through profit or loss | | | | |
| 2023 | | | | |
| Financial Assets | 110,001 | — | — | 110,001 |
| Ordinary shares at fair value through profit or loss | | | | |

Financing arrangements

The Company has no financing facilities available.

| | CONSOLIDATED | |
|--|--------------|------|
| | 2024 | 2023 |
| | \$ | \$ |

21. AUDITOR'S REMUNERATION

Amount received or due and receivable by the auditor for:

a) Audit services

Audit and review of the 2024 financial reports under the *Corporations Act 2001*

Previous auditor 2022 under accrual

b) Non- Audit services

Total remuneration of auditors

| | |
|--------|--------|
| 15,950 | 15,500 |
| — | 3,500 |
| — | — |
| 15,950 | 19,000 |

The auditor of the Company and its subsidiaries is NorthCorp Accountants.

The Company has received notification from the Company's auditor that he satisfies the independence criterion and that there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct in relation to the audit. The Company confirms that no non-audit services have been provided by the auditor.

22. PARENT ENTITY INFORMATION

The accounting policies of the Parent Entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

| Financial Position | 2024 | 2023 |
|---|------------------|------------------|
| Assets | | |
| Current Assets | 921,307 | 868,470 |
| Non-Current Assets | 200,000 | 200,000 |
| Total Assets | 1,121,307 | 1,068,470 |
| Liabilities | | |
| Current Liabilities | 30,388 | 55,374 |
| Total Liabilities | 30,388 | 55,374 |
| Equity | | |
| Issued Capital | 4,841,607 | 4,541,607 |
| Reserves | 2,200,000 | 2,200,000 |
| Retained Earnings | (5,950,688) | (5,728,511) |
| Total Equity | 1,090,919 | 1,013,096 |
| Financial Performance | | |
| Loss for the year | 222,177 | 283,811 |
| Other comprehensive income | — | — |
| Total comprehensive income/(loss) for the year | (222,177) | (283,811) |

23. EXPENDITURE COMMITMENTS

Mineral Tenement Leases

As the Company does not hold any mining tenements there will be Nil amounts in respect of tenement lease rentals and minimum exploration expenditure commitments.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

| Name of entity | Name of entity | Trustee, partner, or participant in JV | % share capital | Country of incorporation | Australian resident or foreign resident | Foreign jurisdiction(s) of foreign residents \$ |
|---------------------------------|----------------|---|--------------------|-----------------------------|--|---|
| Pilbara Ventures Ltd | Body corporate | n/a | 100 | Australia | Australian | n/a |
| Queensland Copper Mines Pty Ltd | Body corporate | n/a | 100 | Australia | Australian | n/a |
| Kimberley Ventures Ltd | Body corporate | n/a | 100 | Australia | Australian | n/a |

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes required information for each entity that was part of the consolidated entity as at the end of the financial year. It includes only those entities consolidated as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements (AASB 10).

Determination of Tax Residency

Section 295(3A) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency: The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 Income tax: central management and control test of residency.

INDEPENDENT AUDIT REPORT



PARTNERS

Paul Fahey B Bus CA

Bart Lawler B Com CA

Patrick Brennan B Com CA

Alison McKinnon B Bus CA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEGMONT MINES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pegmont Mines Limited ("the Company") and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policies, Consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



T 02 6588 4444 | F 02 6583 4527 | E northcorp@northcorp.com.au | www.northcorp.com.au
 Suites 1-3 Bourne House, 10-12 Short Street, Port Macquarie NSW 2444
 3/80 High Street, Wauchope NSW 2446 | PO Box 166, Port Macquarie NSW 2444
 Liability limited by a scheme approved under Professional Standards Legislation

INDEPENDENT AUDIT REPORT CONTINUED



PARTNERS
Paul Fahey B Bus CA
Bart Lawler B Com CA
Patrick Brennan B Com CA
Alison McKinnon B Bus CA

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF PEGMONT MINES LIMITED (continued)

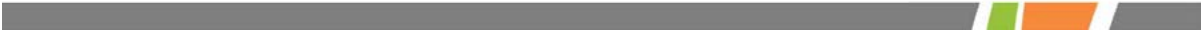
Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 31 December 2024. These matters were addressed in the context of our audit of the financial report, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter – Carrying Value of Royalty Assets. Refer to Note 8 | How our Audit Addressed the Key Audit Matter |
|--|--|
| The Company has two royalty assets: Austral Resources Australia Ltd (Austral) amounting to \$200,000. Vendetta Mining Corp (Vendetta) amounting to \$100,000. The Vendetta royalty asset was impaired in full in 2022. | Our audit procedures included amongst others the following: <ul style="list-style-type: none">• We reviewed management’s assessment for impairment and the publicly available information in relation to the tenements subject to the royalty deed agreements.• We assessed the key assumptions used by management in the discounted cash flow used to support the carrying value of these royalty assets.• We carried out our own assessment of the discounted cashflows and stress tested the assumptions under various conditions.• We assessed the adequacy of the disclosures in relation to the carrying value of the royalty assets. |



T 02 6588 4444 | F 02 6583 4527 | E northcorp@northcorp.com.au | www.northcorp.com.au
Suites 1-3 Bourne House, 10-12 Short Street, Port Macquarie NSW 2444
3/80 High Street, Wauchope NSW 2446 | PO Box 166, Port Macquarie NSW 2444
Liability limited by a scheme approved under Professional Standards Legislation





PARTNERS

Paul Fahey B Bus CA

Bart Lawler B Com CA

Patrick Brennan B Com CA

Alison McKinnon B Bus CA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEGMONT MINES LIMITED (continued)***Information other than the Financial Report and Auditor's Report Thereon***

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx.

T 02 6588 4444 | F 02 6583 4527 | E northcorp@northcorp.com.au | www.northcorp.com.au

Suites 1-3 Bourne House, 10-12 Short Street, Port Macquarie NSW 2444

3/80 High Street, Wauchope NSW 2446 | PO Box 166, Port Macquarie NSW 2444

Liability limited by a scheme approved under Professional Standards Legislation

INDEPENDENT AUDIT REPORT CONTINUED



PARTNERS

Paul Fahey B Bus CA
 Bart Lawler B Com CA
 Patrick Brennan B Com CA
 Alison McKinnon B Bus CA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEGMONT MINES LIMITED (continued)

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2024.

In our opinion the remuneration report of Pegmont Mines Limited for the year ended 31 December 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

NorthCorp Accountants

Bart Lawler
Registered Company Auditor

10 March 2025



T 02 6588 4444 | F 02 6583 4527 | E northcorp@northcorp.com.au | www.northcorp.com.au
 Suites 1-3 Bourne House, 10-12 Short Street, Port Macquarie NSW 2444
 3/80 High Street, Wauchope NSW 2446 | PO Box 166, Port Macquarie NSW 2444
 Liability limited by a scheme approved under Professional Standards Legislation

AUDITOR'S INDEPENDENCE REPORT



PARTNERS

Paul Fahey B Bus CA

Bart Lawler B Com CA

Patrick Brennan B Com CA

Alison McKinnon B Bus CA

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF PEGMONT MINES LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors as lead auditor of the audit of Pegmont Mines Limited for the year ended 31 December 2024.

I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Pegmont Mines Limited and the entities it controlled during the year.

NorthCorp Accountants

Bart Lawler
Registered Company Auditor

10 March 2025



T 02 6588 4444 | F 02 6583 4527 | E northcorp@northcorp.com.au | www.northcorp.com.au
Suites 1-3 Bourne House, 10-12 Short Street, Port Macquarie NSW 2444
3/80 High Street, Wauchope NSW 2446 | PO Box 166, Port Macquarie NSW 2444
Liability limited by a scheme approved under Professional Standards Legislation

SUPPLEMENTARY INFORMATION

1. Issued Capital at 31 December 2024: 79,816,556 Ordinary Shares Fully paid

2. Share Holdings at 21 February 2025

a) Distribution of Shareholders

| Shareholding | Number of holders | Ordinary Shares |
|------------------|-------------------|-----------------|
| 1 – 1000 | 1 | 1,000 |
| 1001 – 5000 | 1 | 5,000 |
| 5001 – 10,000 | 69 | 686,000 |
| 10,001 – 100,000 | 130 | 4,221,741 |
| 100,000 and over | 59 | 74,902,815 |
| | 260 | 79,816,556 |

b) Names of Substantial Shareholders shown in the Company's Register holding 5% or more of the Issued Capital of the Company are:

| Shareholding | Number of Shares | % Issued Capital |
|--|------------------|------------------|
| Malcolm A. Mayger Pty Limited | 24,175,962 | 30.29 |
| Pegasus Enterprises Ltd | 17,108,333 | 21.43 |
| Malcolm A. Mayger Pty Limited and Associates (including Pegasus Enterprises Limited) | 46,154,295 | 57.83 |
| Walter Leonard McDonald and Mrs Margo Jean McDonald (McDonald Family SF Account) | 5,200,611 | 6.51 |

c) Interests associated with Malcolm A Mayger Pty Ltd hold 46,154,295 (57.83%) Ordinary fully paid shares.

DIRECTORS' INTERESTS

| | | Shares |
|-----------------|-----------|------------|
| R S Woods | Direct | – |
| | Indirect | 137,000 |
| H O Oriti | Direct | 261,800 |
| J W Montgomerie | Direct | 10,000 |
| M A Mayger | Direct | 1,000,000 |
| | Indirect* | 45,154,295 |
| Total Shares | | 46,563,095 |

* Includes Pegasus Enterprises Limited.

Top Twenty Shareholders at 21 February 2025

| | Number of Shares | Capital Issued % |
|---|---------------------|---------------------|
| Malcolm A Mayger Pty Ltd | 24,175,962 | 30.29 |
| Pegasus Enterprises Ltd | 17,108,333 | 21.43 |
| Walter Leonard McDonald and Mrs Margo Jean McDonald (McDonald Family SF account) | 5,200,611 | 6.51 |
| Bedel & Sowa Corp Pty Ltd | 3,093,750 | 3.88 |
| Bayerisch Super Pty Ltd (Bayerisch Fam Priv SF A/C) | 2,657,530 | 3.33 |
| Lozora Pty Ltd | 2,200,000 | 2.76 |
| Estate Late David Hewitt | 1,482,750 | 1.86 |
| Longbrow Croft Capital P/L (R C Bishop S/F A/C) | 1,400,000 | 1.75 |
| Citicorp Nominees Pty Ltd | 1,200,000 | 1.50 |
| Scepha Investments Pty Ltd | 1,375,000 | 1.72 |
| David Ramsay Curtis | 886,786 | 1.11 |
| Andrew George Poulos | 822,115 | 1.03 |
| Perpetual Trustee Company Ltd | 800,000 | 1.00 |
| Dolores Holland | 671,000 | 0.84 |
| Netwealth Investments Ltd (Wrap Services A/C) | 550,000 | 0.69 |
| Warlam Pty Ltd (Lincoln A/C) | 520,000 | 0.65 |
| Malcolm A Mayger | 1,000,000 | 1.25 |
| TCWH Pty Ltd (TCWH Super Fund) | 500,000 | 0.63 |
| Rado Jacob Rebek | 500,000 | 0.63 |
| Martin Place Securities (Crown Credit Corporation AC) | 500,000 | 0.63 |
| | 66,643,837 | 83.49 |
| Other Shareholders | 13,172,719 | 16.51 |
| Total Issued Shares | 79,816,556 | 100% |

CORPORATE DIRECTORY

PEGMONT MINES LIMITED

ABN 97 003 331 682

Registered Office

C/- Walker Wayland Services P/L
Level 11, 60 Castlereagh Street
Sydney NSW 2000

Telephone: (02) 9951 5400

Facsimile: (02) 9951 5454

Corporate Office

13 Oden Street
Port Macquarie NSW 2444

Mail: PO BOX 15,
Port Macquarie NSW 2444

Phone: (02) 6583 0400

Email: pegmont@hotmail.com

Website: www.pegmont.com.au

Listed on The National Stock Exchange of Australia

Code: PMI

Directors

| | |
|--------------------|---|
| Hadyn G Oriti | Non-Executive Chairman |
| John W Montgomerie | Non-Executive Director |
| Richard S Woods | Non-Executive Director |
| Malcolm A Mayger | Managing Director (resigned 19 February 2025) |

Company Secretary

Christopher D Leslie

Share Registry

C/- Computershare Investor Services Pty Ltd

Shareholder enquiries:

Telephone: 1300 850 505

Facsimile: (03) 9473 2500

Email: web.queries@computershare.com.au

Auditors

NorthCorp Accountants

Bourne House,
10–12 Short Street
Port Macquarie NSW 2444

NOTES



PEGMONT MINES LIMITED
ABN 97 003 331 682