

Pegmont Mines Limited

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1 March 2023

The Manager
The National Stock Exchange of Australia
Level 3
1 Bligh Street
SYDNEY NSW 2000

Dear Sir,

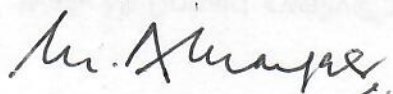
Suspension of Exploration Activities

After some 28 years since 1995 the Board has resolved to suspend exploration activities until the Company's financial resources have been rebuilt to a level that can support a portfolio of tenements containing prospects with economic mineral grades.

Previous exploration activities were built around known deposits at Pegmont (south of Cloncurry) and at Mount Kelly (north of Mount Isa). Both of these projects had previously defined mineralisation prior to acquisition and were subsequently enhanced by the Company to advanced status by drilling, to enable them to be optioned out.

However, the last three years have not produced encouraging drill intersections despite careful studies. The latest results from the **Canyon Prospect (EPM 27345)** adjacent to Mount Kelly including drilling and a follow up Mobile Metal Ion (MMI) soil survey did not produce compelling results, although somewhat anomalous. A further MMI soil survey costing \$50,000 to \$100,000, plus drilling of further RC holes for an additional \$200,000 could not be justified given the risk of failure. Thus, with reluctance the Board resolved to surrender the tenement.

Yours faithfully



Malcolm A Mayger
Managing Director