NSX release

23 December 2019

PEGMONT

Pegmont Mines Limited

Drilling of Bi-Au anomalous limonitic jaspers at Magnetic Anomaly 13 shows these are surface concentrations only overlying strongly altered and leached mafic intrusive

Summary:

- *In EPM 26647, Templeton, Pegmont drilled four angled RC holes (PTR004, PTR007, PTR008, PTR009) totaling 528m to test a surface zone of gold-bismuth anomalism (highs of up to 1865ppm Bi and 0.727ppm Au) within limonitic jaspers for mineralisation at depth.*
- *All surface rock samples occur within the modelled extent of part of Magnetic Anomaly 13, one of over 30 magnetic features defined as targets for Cu-Au mineralisation*
- ***No significant results for Cu, Au or Bi were recorded in the drilling which appears to have intersected oxidized and fresh hydrothermally altered "doleritic" intrusive only.***
- *Magnetite destruction and leaching of Cu, Au, Bi and other elements by hydrothermal fluids is apparent such that the "dolerite" is strongly depleted in metal content.*
- *The drilling showed strong hydrothermal alteration with early magnetite overprinted by "red rock" alteration of haematite-Kspar-sericite-biotite, as well as chlorite and veins of quartz, biotite and chlorite.*
- *Bi and Au have concentrated in the surficial environment associated with Fe enrichment.*
- *If concentration of hydrothermally leached metals occurred in metasediments overlying the intrusive, then these are no longer present (eroded off).*
- ***The present drilling has shown that not all surface geochemical anomalies indicate a mineralised source at depth.***
- *Dispersal or concentration of metal from the hydrothermal fluids may occur depending on the trap (structural or host rock).*
- *The results of this drilling have not diminished the strong prospectivity for Cu-Au mineralisation, but have helped us understand the processes involved so as to better target.*
- *Drilling has adequately tested the magnetic anomaly.*
- *Ground geophysics involving IP and MT methods should be used in conjunction with surface geochemistry to define zones of conductive sulphides that warrant drill testing.*

About Pegmont Mines

Pegmont Mines Limited (ASX: PMI) has base metal and royalty interests in the Mt Isa Inlier. The Company is an active copper-gold explorer in the Templeton and Mingera tenures and has two small tenure applications near Mount Kelly (**Figure 1**). Reference can be made to both the Annual Report and the latest Quarterly Report for financial details.

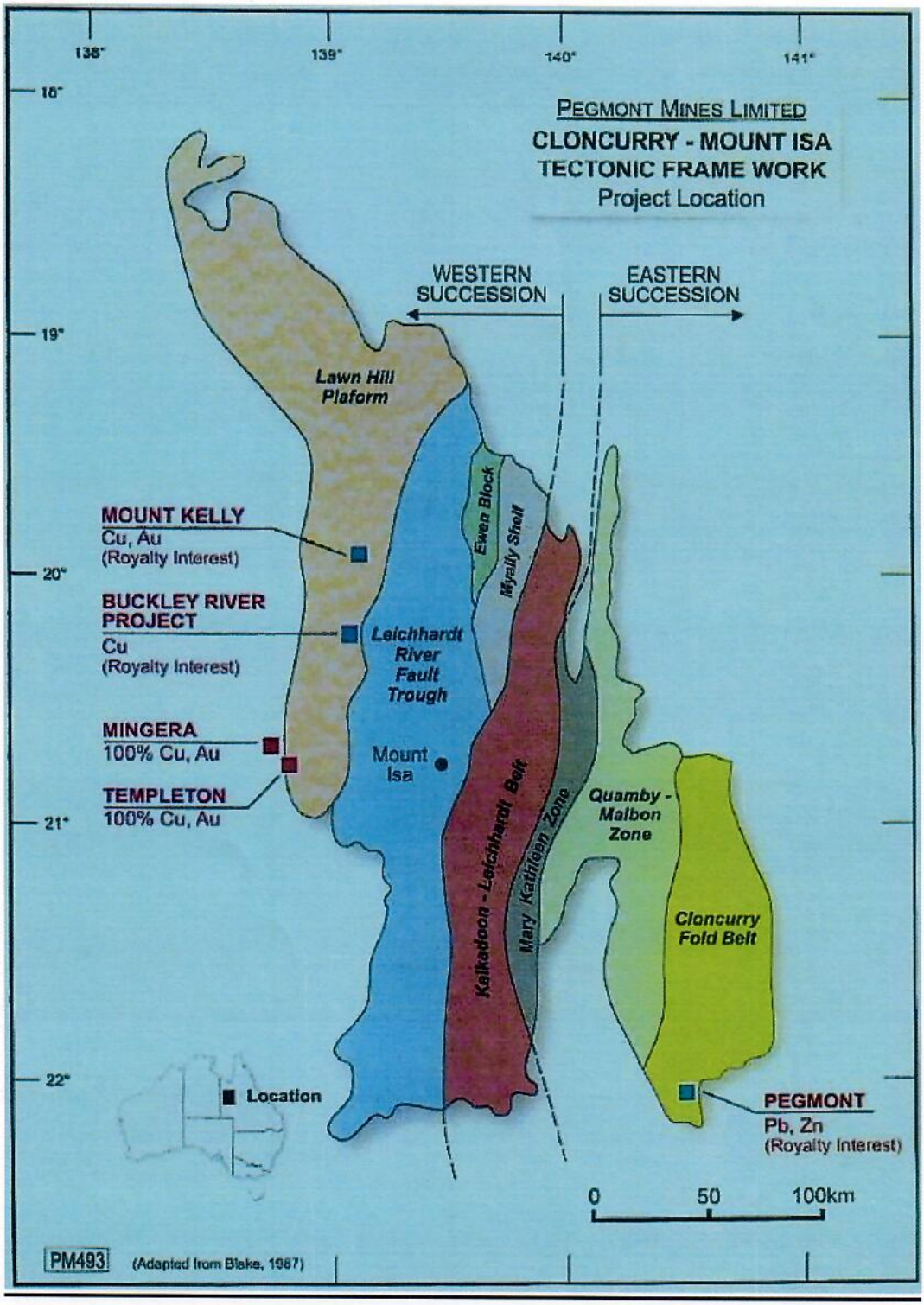

Figure 1. Location of Templeton EPM 26647 and other interests of Pegmont Mines Ltd.

Introduction

The Templeton tenure, EPM 26647, is located in Proterozoic quartzites, schists, sandstones and siltstones (Saint Smith and Bularnu Formations) of the Lawn Hill Platform about 60km west of Mt Isa (**Figure 1).** It was selected because of bullseye magnetic targets with possible copper-gold potential on the edge of a large gravity low and east of and bordering the regionally significant Mongoona Fault. Over 30 discrete magnetic targets of exploration interest have been defined in the tenure.

Pegmont previously drilled three RC holes (PTR001-PTR003) to test three Magnetic Anomalies (5, 6, 7) for Cu-Au mineralisation where anomalous limonitic jasper samples occur adjacent to several of these and can record surface enrichment of various metals including Cu, Au and Bi. A relationship of mineralisation to mafic to intermediate intrusives was established (proof of concept), though metal values were subdued (best 4m of 0.079% Cu in metasediments in PTR001) (NSXA release 14 August 2019).

In November 2019, a selective drill test of strongly anomalous Bi-Au in limonitic jasper samples within Magnetic Anomaly 13 was undertaken with four RC drill holes.

Drill Results Assays and Logs

Results of a second drilling program at Templeton were received. Four angled drill holes, PTR004, PTR007, PTR008 and PTROO9 were drilled for 528m (**Figures 2-5**). Hole collar information is given in **Table 1**, while summary logs are given in **Table 2**.

The holes were sited to provide a test of **Magnetic Anomaly 13** for copper, bismuth and gold mineralisation where surface limonitic jasper outcrops recorded up to 1865ppm Bi and 0.727ppm Au within the magnetic high (**Figure 3**). This anomaly is a small shallow magnetic body as modelled (**Figures 4**) and satellite imagery and intersected intrusive in each hole suggest that the rock sampling and drill holes are within a circular feature approximately 100m in diameter that may define sub-crop of part of a sub-vertical arm of the modelled magnetic intrusive (**Figure 5**).

Hole PTR004 tested the Main Outcrop group of three rock anomalies (0.727pm Au, 1865ppm Bi, 0.518ppm Au, 713ppm Bi and 0.33ppm Au, 649ppm Bi) (**Figure 5**). It intersected limonitic jasper at surface, then ferruginous clays with rare limonite fragments. As this was suggested to be a possible exotic anomaly not related to bedrock, then holes PTR009 and PTR008 were drilled on higher parts of the area with outcrops (**Figure 6**). Hole PTR009 intersected harder hydrothermally altered bedrock that includes haematite altered, brecciated and veined zones, though no sulphides were observed in fresh rock past 100m (base of oxidation) (**Figures 9, 10**). Hole PTR008 intersected hard limonitic rocks that looked geologically interesting and similar to those in PTR009 **(Figure 7**). In both cases chlorite altered to schistose "doleritic" intrusive with local quartz veining was intermixed with strongly "red rock" (haematite-Kspar-sericite-biotite) altered intrusive. The fourth hole, PTR007, located in low ground east of the elevated area intersected strong clay zones to 79m, then harder bedrock with strong hydrothermal haematite alteration to 110m (**Figure 8**) where green chlorite alteration is more distinct. Mixed chlorite-rich and "red rock"

altered zones similar to those in holes PTR008 and PTR009 continue to the end of the hole (**Figure 10**).

Analyses of the drill samples show very low values for Cu, especially in the primary zone (often <1ppm) with a high of only 202ppm in the oxidised zone (**Figure 11**). This strong depletion in the primary zone is shown by many elements and with a slight enrichment in the oxidised zone. Bi shows some association with high Fe in the weathered zone, but is very low in the primary zone. This explains a concentration of Bi in association with limonitic jasper outcrops which show quartz veining. Au has a high of 0.03ppm in the fresh intrusive (PTR007, 115-116), but is mostly 0.005ppm to below detection. Zn varies to 538ppm in the oxidized zone in PTR004, but is usually 30-50ppm in the fresh intrusive. Pb has a high of 28ppm in the oxidised zone and is usually in the range 3-9ppm in the fresh intrusive. K contents are low in the oxidised zone to about 35-45m (0.2-0.5%), then increase to 1-2% before moving to 5-6% towards the base of oxidation and into fresh rock.

Magnetic susceptibilities were measured on all drill samples, but were unusually low in most samples (**Figure 12**). This is thought to reflect magnetite destruction and is evident in both the weathered and primary zones. For example, hole PTR004 has values to 1.34 x 10^{-3} SI near surface, but a maximum of 0.226 down hole from here in the weathered zone. Hole PTR007 has very low values in the weathered zone which increase to 1x10^{-3} SI near the base of oxidation and maintain this low tenor to the end of the hole with a high of 2.02 x10^{-3} SI, 137-138m. A similar picture is evident for holes PTR008 and PTR009. This contrasts with significantly higher magnetic susceptibilities of 15-17 x 10^{-3} SI recorded previously from hole PTR002 in altered intrusive.

Conclusions and Recommendations

The potential for significant mineralization within the tenure has not been diminished by the present results, despite their low tenor. Drilling in all four holes has intersected a deeply weathered "mafic" intrusive (probably from surface) that shows strong clay, limonite and haematite in the weathered zone (to approximately 100m), but also hydrothermal haematite. The primary zone is a mixture of haematite-Kspar-sericite-biotite and chlorite altered intrusive, with local quartz, Kspar, chlorite, epidote and biotite veining. No sulphides were identified and S values are extremely low. The strong hydrothermal alteration appears to have partly destroyed early magnetite alteration and leached and mobilized Cu, Bi, Au and other elements. These may have concentrated above and adjacent to the intrusive, but any metasediments have been eroded off the intrusive in the area of the drilling, so the drilling is but a test of surface concentration of metals related to weathering and strong hydrothermal leaching from the primary zone. The drilling is considered a fair test of the magnetic anomaly.

There are other sections of Magnetic Anomaly 13 that may include metasediments (overlying the intrusive) to the north northeast that may be mineralised, as well as the immediate contact zone adjacent to the area drilled. Very limited surface rock sampling to date has not defined areas of immediate interest.

The challenge is to define magnetic features with anomalous Cu, Au, Co and other economic elements in metasediment zones above buried magnetic intrusives of which there are at least 30.

This does not rule out the intrusives themselves which may also be strongly mineralised at depth depending on their composition and the alteration and mineralisation process.

Pegmont has undertaken further limonitic jasper sampling well south of the present drilling where encouraging surface extents adjacent to several magnetic targets was defined. These results will be reported and their context recorded when assay data are received.

Target definition for drill testing should include not just a geochemical test at surface, but ground geophysics that may include induced polarization techniques (IP) and magnetic telluric (MT) deep seeing techniques to highlight sulphides. This is particularly important as faults and fault intersections bounding and within the buried intrusives may have helped focus mineralizing fluids derived from the strong hydrothermal alteration.

Some diamond coring within the primary zone is recommended in future drilling to help clarify rock types, alteration timing relationships, veining, etc. Further petrography is being conducted on selected drill chips from the four holes recently drilled to help clarify the nature of the "dolerite" intrusive given that petrography of intrusives from the first drill phase reported in August suggested that monzodiorite to quartz monzonite compositions may be present.

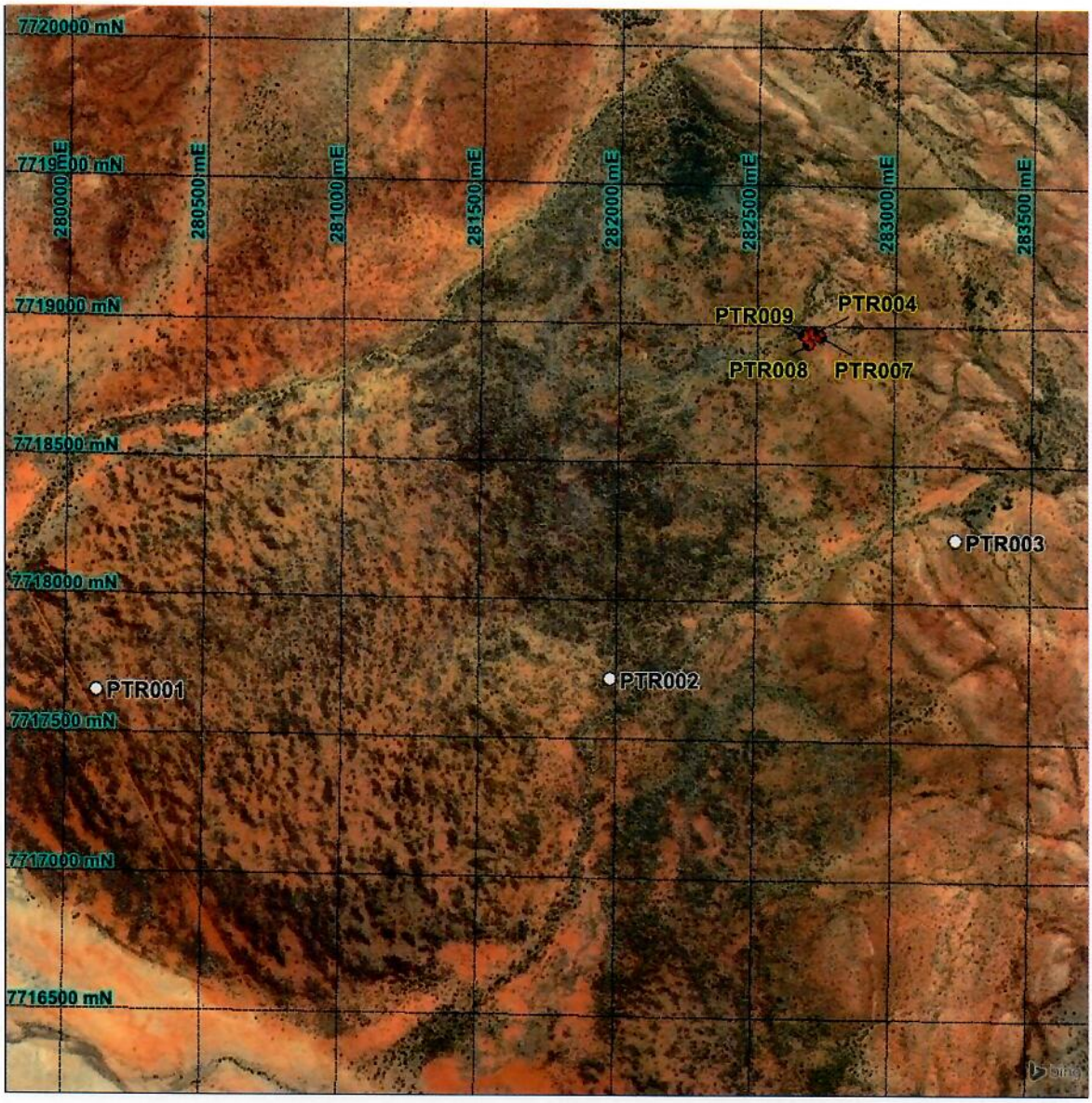

Figure 2. Satellite image with location of the new drill holes (red dots) and previous drill holes (white dots).

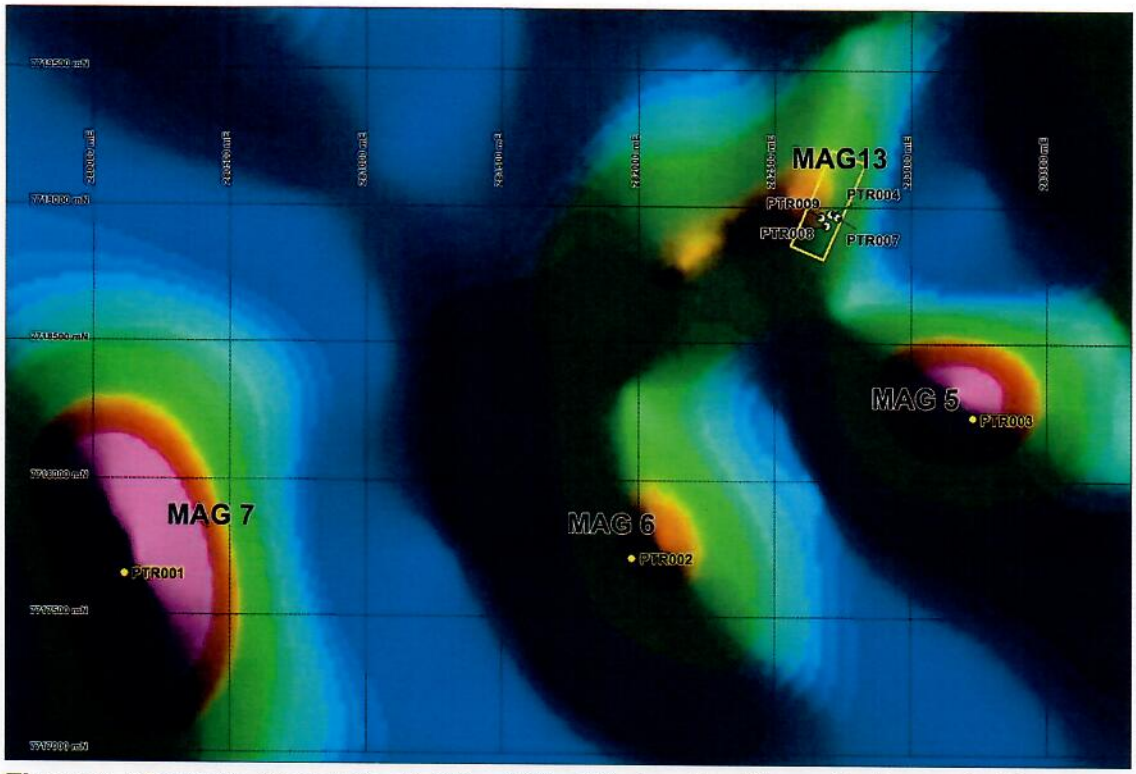

Figure 3. Magnetic Model Depth Slice 500mBS showing Magnetic Anomaly 13 target and drill holes in the context of other magnetic targets and previous drill holes.

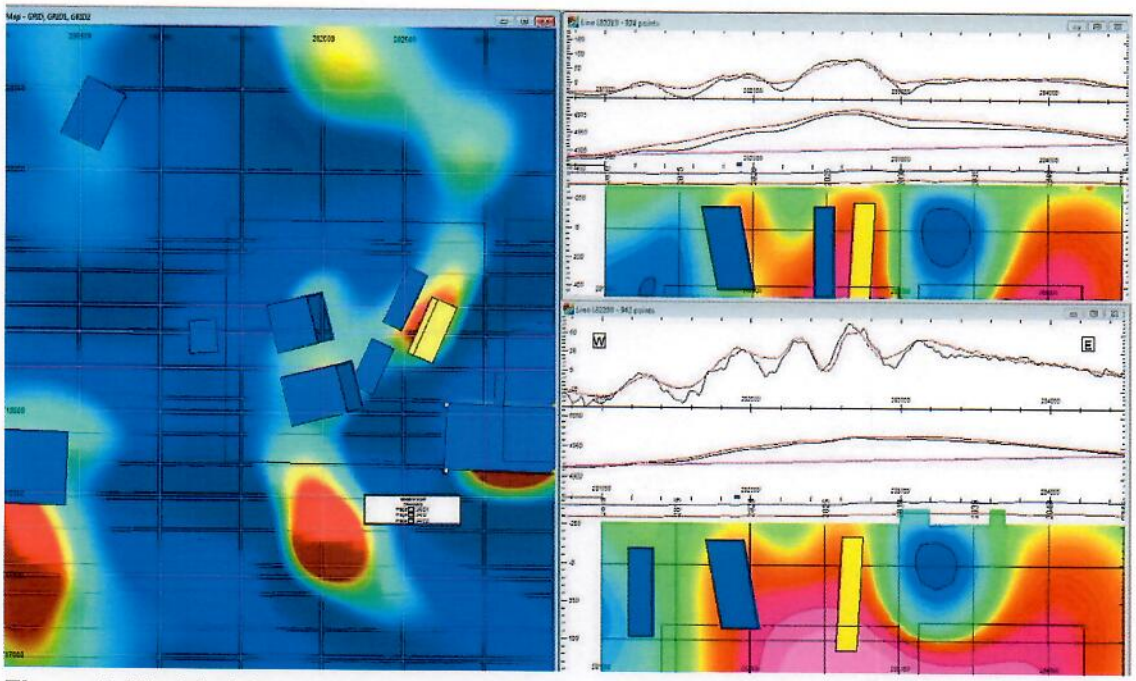

Figure 4. Model vision magnetic modelling of the Anomaly 13 body (yellow).

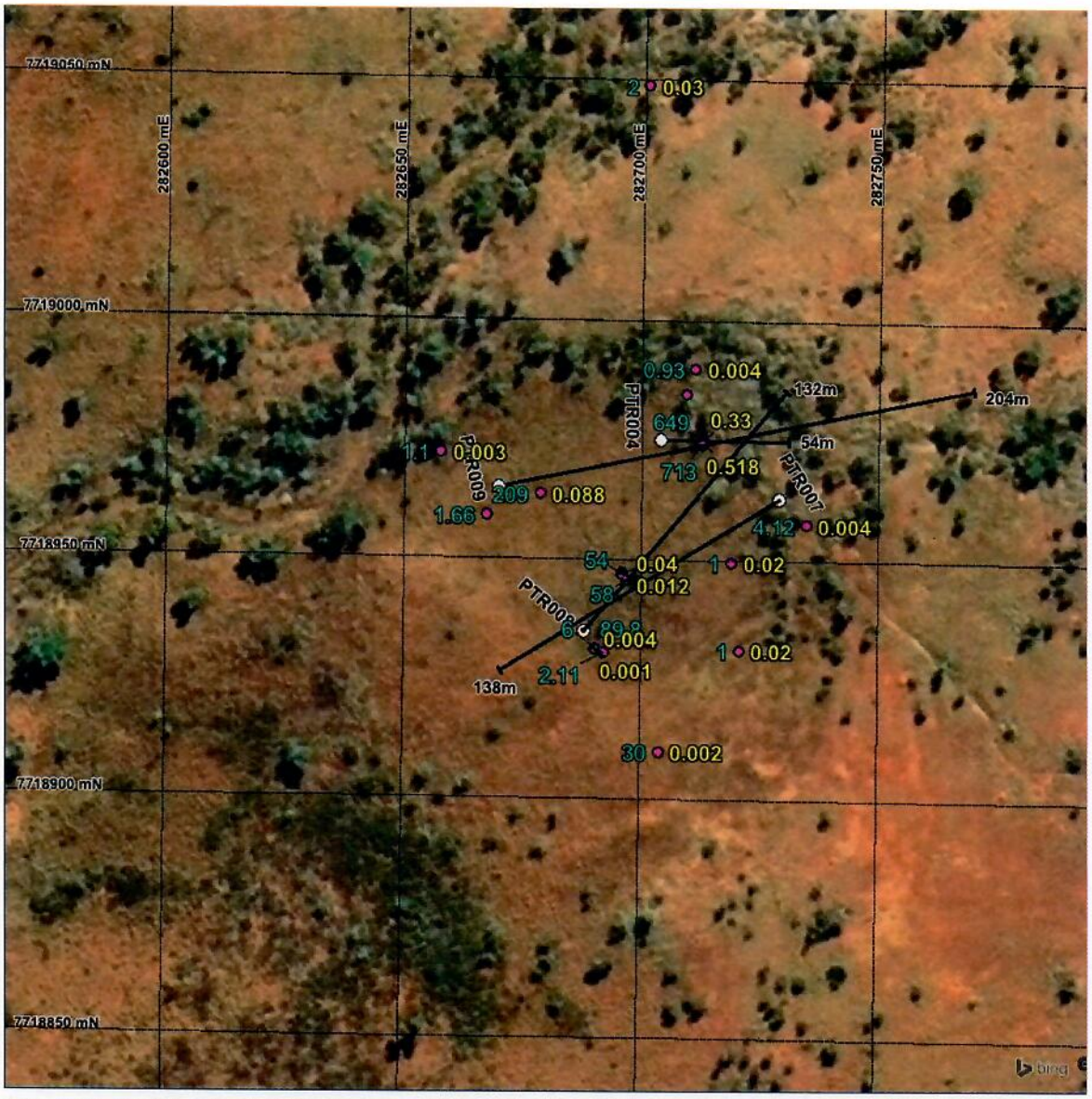

Figure 5. Detailed satellite image with drill hole collars and projections within oval feature approximately 100m in diameter that may indicate the sub-crop extent of the intrusive plug. Limonitic jasper samples (purple dots) and associated Au (yellow) and Bi (blue) in ppm.

Table 1. Drill Hole Collars.

Target	Hole No	GDA_East	GDA_North	Zone	Az true	Dec	TD (m)
13	PTR004	282704	7718975	54	90	-60	54
13	PTR007	282729	7718963	54	238	-60	138
13	PTR008	282688	7718935	54	40	-60	132
13	PTR009	282670	7718965	54	78	-60	204

Table 2. Summary Drill Logs for Templeton Drilling.

Drill Hole	From	To	Summary Description
PTR004	0	1	**"Limonitic jasper".**
PTR004	1	54	Poorly cohesive ferruginous clay with rare limonitic chips.
PTR007	0	1	**Surface rubble, ironstone and clay.**
PTR007	1	8	Poorly consolidated clay with ironstone chips.
PTR007	8	55	Poorly consolidated clay, rare ironstone chips with intrusive texture below 39m.
PTR007	55	75	Strongly weathered intrusive, clayey, limonitic.
PTR007	75	89	Moderately weathered intrusive, limonite stained.
PTR007	89	129	Moderately weathered intrusive, haematite alteration, minor chlorite alteration.
PTR007	129	138	Weakly weathered intrusive, minor haematite alteration.
PTR008	0	2	**Ironstone.**
PTR008	2	18	Poorly consolidated buff and white clay, some ferruginous chips.
PTR008	18	20	Clay, some ironstone-quartz breccia.
PTR008	20	40	Clay with few ferruginous chips.
PTR008	40	79	Clay; chips with intrusive texture.
PTR008	79	118	Weathered intrusive.
PTR008	118	132	Slightly weathered intrusive with patchy chlorite alteration.
PTR009	0	2	**"Limonitic jasper".**
PTR009	2	26	Poorly consolidated clay with limonitic jasper chips (strongly weathered intrusive?)
PTR009	26	54	Clay, few chips (strongly weathered intrusive).
PTR009	54	73	Moderately weathered intrusive, patchy haematite alteration below 62m.
PTR009	73	156	Slightly weathered intrusive with haematite alteration.
PTR009	156	204	Fresh grey intrusive with patchy chlorite alteration. Major red feldspar-quartz veining 156-170, 185-190.

Figure 6. Drill rig on hole PTR008 testing limonitic jasper with 54ppm Bi, 0.01ppm Au.

Figure 7. PTR008, 89-90 haematite-Kspar-sericite altered and part limonite weathered intrusive.

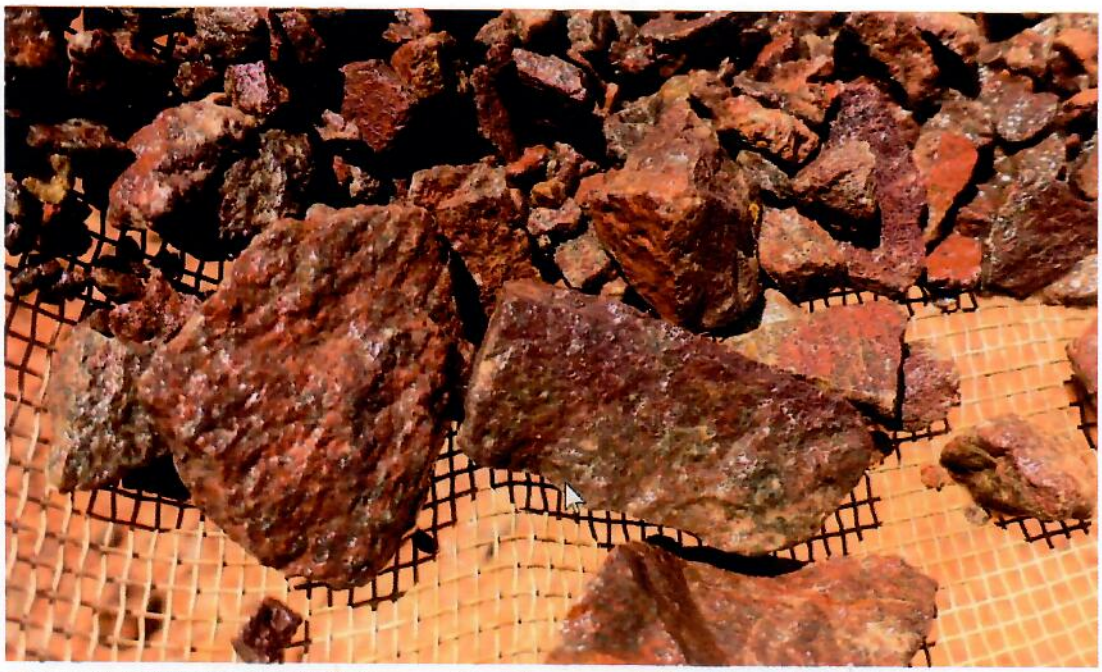

Figure 8. PTR007, 125-126. Haematite- Kspar-sericite altered intrusive.

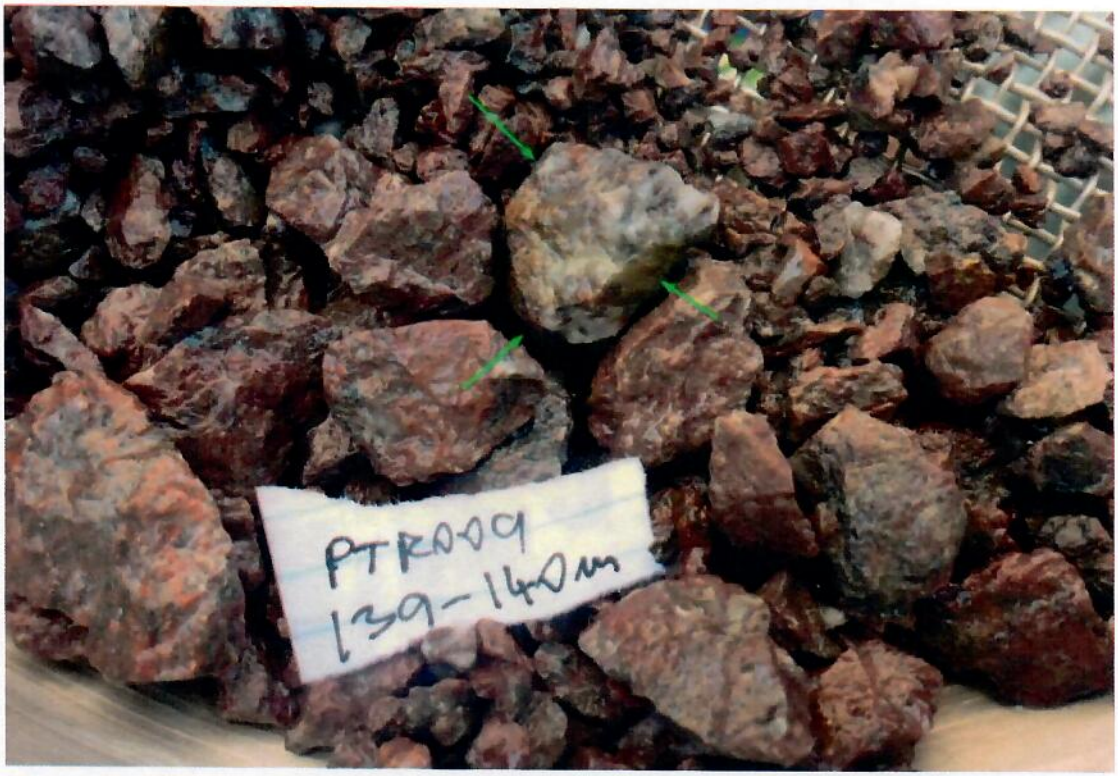

Figure 9. PTR009, 139-140, haematite-Kspar altered and quartz veined (green arrows) intrusive.

Figure 10. PTR009, 179-180. Green chlorite-(haematite-Kspar) altered "mafic" intrusive.

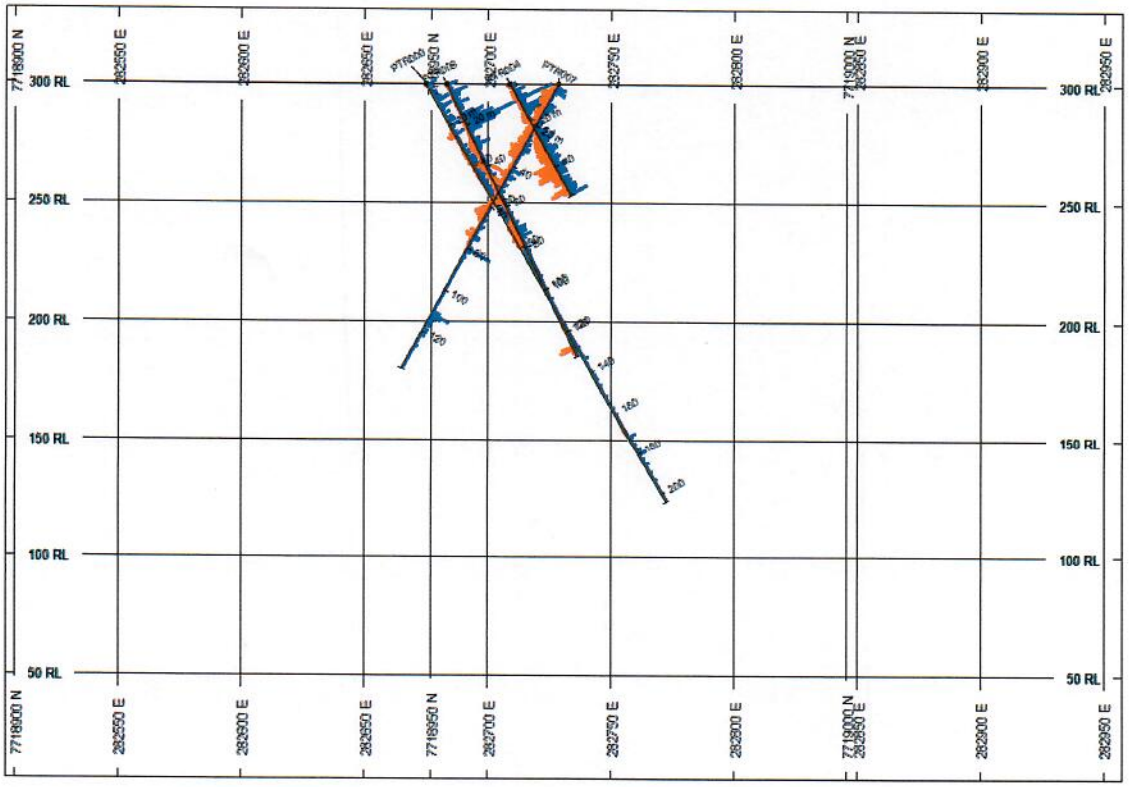

Figure 11. SW-NE drill section with histograms of Bi ppm in blue and Cu ppm in orange. No Au assays were above 0.03ppm and most are <0.002ppm to 0.003ppm.

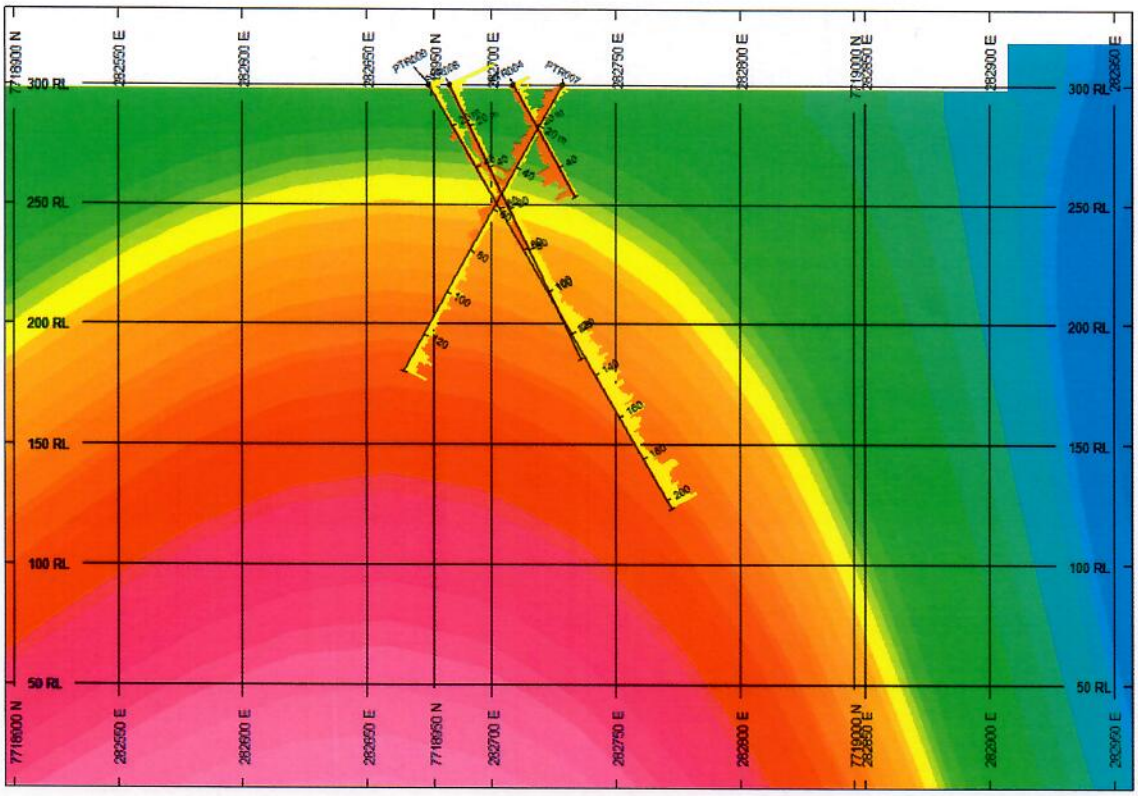

Figure 12. SW-NE magnetic model cross section on Anomaly#13 with drill holes, histogram of magnetic susceptibilities in yellow and Cu ppm histogram in orange. Drilling has tested the magnetic target.

Competent Person Statement

The information in this report as it relates to exploration results, geology and exploration targets was compiled by Dr Peter Gregory, who is a Member of the AusIMM and a consultant to the Company. Dr Gregory does not have any shares or options in the Company. He has not been on site for the drilling of Magnetic Anomaly 13, but has reviewed all primary data and its context, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Gregory consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

For further information contact:

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23/12/2019

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

- This table is to accompany an NSX release by Pegmont Mines Ltd to update the market on the drilling results to test one magnetic target (Target 13) on EPM 26647 Templeton west of Mt Isa.

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Summary results of rock chip sampling geochemistry as a background to the drilling of RC holes only are given. These rock chips were random grab samples of limonitic crust and as such do not compare with continuous chip samples or costean samples. • In the RC drill program, samples were passed through a cyclone and split using an attached splitter to produce a 2kg sample in calico bags from a total sample of about 20kg every metre collected in large green plastic bags. Selected 2kg samples (based on logging) were sent to the laboratory for assay. • The cyclone was cleaned out every rod to limit contamination. • Water was usually controlled with no flows onto surface recorded.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Reverse circulation drilling was undertaken
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Recoveries were assessed from the volume of sample collected from the cyclone in each 1m. Discussions with the driller also highlighted when there was any sample return problem related to cavities or water flow. Water was encountered at about 120m downhole, but had no significant impact on sample recovery with most samples dry. • Prominent clays in the weathered zone of PTR004 were drilled dry and sample recovery was good.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• This is a greenfields exploration drilling program and logging is of chips and sufficient to ascertain the rock types, any mineralization and alteration. • It is not the basis for resource work which would require core drilling to better define the parameters to be recorded in any follow-up RC work. As such the logging of the RC chips is qualitative. • 528 m of chips were logged in four holes where no visible sulphide mineralisation was recorded.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The RC samples were automatically split through a splitter attached to the cyclone and were dry samples • This is the best technique to produce a representative sample from a large volume of material. • At this stage of preliminary first pass target testing, no duplicate samples have been taken. If laboratory results are significant, then selected duplicate samples may be resplit from the original large 20kg sample as a check. • Samples are representative of the medium sampled based on the fine grain size of the rocks.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• A four-acid digest was used for the rock chips to allow total digestion of each sample for the rock chips and will also be used for the drill samples. Analysis was by ICP (OES and MS) and for gold by fire assay with 50gm charge and AAS finish. This methodology is appropriate for this stage of the reconnaissance exploration. • Magnetic susceptibility measurements were measured on the 20kg samples. • At this stage of the greenfields program, the Company will rely on laboratory standards for checking of accuracy of results and contamination. Any change to that would rely on significant results being obtained that would then require the Company to insert its own standards and blanks in any assay batch before submission to the laboratory.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.*	• This is not relevant at this preliminary stage of the program, but if significant intersections are drilled in the future, then data verification will need to be undertaken by an independent person. • All data is recorded digitally.

Criteria	JORC Code explanation	Commentary
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Should discrepancies be noted in assay data, then reanalysis of pulps would be requested.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• At this preliminary greenfields stage, a hand held GPS with accuracy of ±3m is deemed sufficient. • The grid system has been defined above as UTM GDA94 Zone 54. • Preliminary topographic control from GPS is sufficient for the preliminary stage, but if significant results are obtained requiring detailed grid drilling, then DEM data would be obtained.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data spacing when testing defined regional magnetic and geochemical targets is adequate until a significant discovery demands a grid spacing for detailed drilling and resource calculations • No sample compositing has been applied to rock chip samples. All 1m samples from Holes PTR004, PTR007, PTR008 and PTR009 were analysed.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Initial sampling is to define geochemical interest whether ironstone samples are along defined trends or not. The selection is based on outcrop, strong limonite development and often the presence of quartz veining. • Holes angled at 60° were drilled to test beneath geochemically anomalous ironstones. No specific orientation of these was considered as are surface concentrations.
Sample security	• *The measures taken to ensure sample security.*	• Samples are taken directly from the field to the laboratory in Mt Isa with any other sample storage at a locked premise.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Such reviews will be undertaken by a person conversant with the techniques and issues. If issues are found, then these will be addressed to ensure that the highest quality results are in place.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests,*	• EPM 26647 Templeton of Pegmont Mines Ltd (100% owned) comprising 96 sub-blocks and located 60km west of Mt Isa. Also EPM 27113 of Pegmont Mines Ltd (100% owned) comprising 100 sub-

Criteria	JORC Code explanation	Commentary
land tenure status	*historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	blocks adjoins. • No known impediment to operating in the area as have already been working on the ground.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historical exploration by other parties including CEC, MIM and BHP Minerals has been reviewed.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• A deposit style of copper-gold related to mafic to intermediate intrusives within the Lawn Hill Platform sediments of the Western Succession, Mt Isa. Strong "red rock" alteration has been identified and mineralisation may be expected in the intrusives and overlying metsediments..
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• A table with Target Number, Drill Hole Number, GDA94 Zone 54 co-ordinates obtained by hand held Garmin GPG (accuracy±3m), elevation in metres of the collar by hand held GPS and hole length and dip and azimuth recorded. Once significant assay data are obtained, then down-hole length and intersection thickness will be recorded
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No requirement at this stage.
Relationship between mineralisation widths and	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• If assay results contain geochemistry of interest, this will initially be reported by down-hole length. Should future drilling encounter mineralisation where geometry is known, then true width would be

Criteria	JORC Code explanation	Commentary
intercept lengths	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	reported, otherwise all reporting would be by drill hole intercept.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Not required for this greenfields drilling pending results, but a plan and several sections with histogram plots of Cu, Bi and magnetic susceptibilities are included.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• As no significant geochemical results, summary ranges of values for selected elements are commented on.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Report shows magnetic modelling relating to the target and figures several magnetic images including magnetic depth slice. Photos of limonitic jasper outcrop drilled and photos of washed drill chips for several drill intervals are included.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further extensive rock sampling of limonitic jaspers where these are developed is critical to defining and refining areas of interest given the deep weathering and subsequent leaching of elements. This will include not just the magnetic targets in EPM 26647, but also the first on-ground work sampling over similar magnetic targets in adjacent EPM 27113 also held by Pegmont Mines. Other work will include structural interpretation to determine potential mineralization controls, checking areas of reversely magnetised intrusions, review of updated rock chemistry for zonation and vectoring, potassium and uranium radiometric studies and field follow-up, field checking of defined EM anomalies from reprocessing of historical surveys. Ground geophysics involving magnetics, detailed gravity stations and selected IP and MT lines may be employed to help target over permissive intrusives. Further petrology will help define the spectrum of compositions of intrusives drilled to date.

GeoDiscovery Group
Minerals exploration, discovery and management

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Competent Person's Consent Form

Pursuant to the requirements of NSXA Listing Rules 5.6, 5.22 and 5.24 and Clause 9 of the JORC Code 2012 Edition (Written Consent Statement)

Report name

Drilling of Bi-Au anomalous limonitic jaspers at Magnetic Anomaly 13 shows these are surface concentrations only overlying strongly altered and leached mafic intrusive

Insert name or heading of Report to be publicly released) ('Report')

Pegmont Mines Limited

(Insert name of company releasing the Report)

EPM 26647

(Insert name of the deposit to which the Report refers)

If there is insufficient space, complete the following sheet and sign it in the same manner as this original sheet.

23.12.2019

(Date of Report)

Statement

I,

Peter Warwick Gregory

(Insert full name(s))

confirm that I am the Competent Person for the Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code, 2012 Edition, having five years experience that is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member or Fellow of *The Australasian Institute of Mining and Metallurgy* or the *Australian Institute of Geoscientists* or a 'Recognised Professional Organisation' (RPO) included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.

I am a full time employee of

(Insert company name)

Or

I am a consultant working for

GeoDiscovery Group Pty Ltd

(Insert company name)

and have been engaged by

Pegmont Mines Ltd

(Insert company name)

to prepare the documentation for

Exploration within EPM 26647

(Insert deposit name)

on which the Report is based, for the period ended

20.12.2019

(Insert date of Resource/Reserve statement)

I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Targets, Exploration Results.

Consent

I consent to the release of the Report and this Consent Statement by the directors of:

Pegmont Mines Limited

(Insert reporting company name)

Peter Gregory

Signature of Competent Person:

23.12.2019

Date:

AUSIMM

Professional Membership:
(insert organisation name)

102835

Membership Number:

Marie T. Gregory

Signature of Witness:

Marie Gregory, Mt Gravatt East Qld 4122

Print Witness Name and Residence:
(eg town/suburb)