

Pegmont Mines Limited

ABN 97 003 331 682

Corporate Office

65 Hume Street
Crows Nest NSW 2068

Postal Address

PO Box 849
Crows Nest NSW 1585
Telephone: (02) 8437 3591
Facsimile: (02) 8437 3599

10 March 2014

The Manager,
National Stock Exchange of Australia
384 Hunter Street
Newcastle, NSW 2300

Dear Sir,

Preliminary Final Report To 31 December 2013

Pegmont Mines Limited submits its Preliminary Final Report for the year ended 31 December 2013 as follows:

	\$	UP/Down
Operating profit/(loss) before tax:	(742,180)	Down 49.3%
Less: Income tax expense relating to Ordinary activities:	-	
Profit/(loss) from ordinary activities after related income tax :	<u>(742,180)</u>	Down 49.3%

2013	2012
\$	\$

The operating profit/ (loss) before tax was made up as follows:

Profit/ (loss) on the sale of shares	(45,405)	(236,317)
Dividends received	250	-
Other income	26,107	51,698
Administration expense	(334,587)	(424,192)
Exploration	<u>(388,545)</u>	<u>(853,777)</u>
Operating Profit/ (loss) before tax expense	<u>(742,180)</u>	<u>(1,462,588)</u>
Less Income Tax (refund)	-	-
Net profit after taxation	<u>(742,180)</u>	<u>(1,462,588)</u>

A dividend was not paid during the period.

The Company's working capital position decreased by \$733,180 to \$10,320. Subsequent to the 2013 year end the Company has received \$223,355 from the allotment of 3,722,584 shares in accordance with the Non-Renounceable Rights Issue which closed on the 31 January 2014. The board is further pursuing asset sales to raise further working capital.

The principal activity continues to be mineral exploration in the Mount Isa region. Share trading activities have been restricted because of the downward pressures in the resource sector

A major tenement relinquishment program was undertaken during the year to reduce exploration expenditure commitments and to concentrate activities on the Pegmont lead-zinc deposit to enhance its resource base.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'M. A. Mayger', is written over the printed name.

M A Mayger
Managing Director
Encl.