

FORM: Half yearly/preliminary final report

Name of issuer

Pegmont Mines Limited

ACN or ARBN

97 003 331 682

Half yearly
(tick)

☐

Preliminary
final (tick)

☒

Half year/financial year ended
(‘Current period’)

31 December 2016

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

Extracts from this statement is an addendum to the market (see note 17)					\$A,000
Sales (or equivalent) operating revenue (item 1.1)	up/down	75.6%	to	78	
Operating profit (loss) before abnormal items and tax (item 1.4)	up /down	44.2%	to	124	
Abnormal items before tax (item 1.5)		gain (loss) of	to	NIL	
Operating profit (loss) after tax but before outside equity interests (item 1.8)	up /down	44.2%	to	124	
Extraordinary items after tax attributable to members (item 1.13)		gain (loss) of	to	NIL	
Operating profit (loss) and extraordinary items after tax attributable to members (item 1.16)	up /down	44.2%	to	124	
Exploration and evaluation expenditure incurred (item 5.2)	up/down	68.9%	to	77	
Exploration and evaluation expenditure written off (item 5.3)	up/down	68.9%	to	77	
Dividends Franking rate applicable		100%			
Current period	NIL¢		¢	¢	
Previous corresponding period	NIL¢	¢	¢	¢	
Record date for determining entitlements to the dividend, (in the case of a trust distribution) (see item 15.2)		N/A			
Short details of any bonus or cash issue or other items(s) of importance not previously released to the market:					
NIL					

Consolidated profit and loss account

(The figures are not equity accounted)

	Current period \$A Year to 31/12/2016	Previous corresponding period \$A 31/12/2015
1.1 Sales (or equivalent operating) revenue	77,984	44,412
1.2 Other revenue	152,653	54,084
1.3 Total revenue	230,637	98,496
1.4 Operating profit (loss) before abnormal items and tax	(123,955)	(222,274)
1.5 Abnormal items before tax (detail in item 2.1)	-	-
1.6 Operating profit (loss) before tax (items 1.4 + 1.5)	(123,955)	(222,274)
1.7 Less tax	-	-
1.8 Operating profit (loss) after tax but before outside equity interests	(123,955)	(222,274)
1.9 Less outside equity interests	-	-
1.10 Operating profit (loss) after tax attributable to members	(123,955)	(222,274)
1.11 Extraordinary items after tax (detail in item 2.3)	-	-
1.12 Less outside equity interests	-	-
1.13 Extraordinary items after tax attributable to members	-	-
1.14 Total operating profit (loss) and extraordinary items after tax (items 1.8 1.11)	(123,955)	(222,274)
1.15 Operating profit (loss) and extraordinary items after tax attributable to outside equity interests (items 1.9 .112)	-	-
1.16 Operating profit (loss and extraordinary items after tax attributable to members (items 1.10 +1.13)	(123,955)	(222,274)
1.17 Retained profits (accumulated losses) at beginning of financial period	(5,412,225)	(5,155,459)
1.18 Acquisition of minority interest	-	(34,492)
1.19 Total available for appropriation (carried forward)	(5,536,180)	(5,412,225)
1.20 Total available for appropriation (brought forward)	(5,536,180)	(5,412,225)

Consolidated profit and loss account continued

1.21	Dividends provided for or paid	-	-
1.22	Aggregate or amounts transferred to reserves	-	-
1.23	Retained profits (accumulated losses) at tend of financial period	(5,536,180)	(5,412,224)

Abnormal and extraordinary items

		Consolidated - current period		
		Before tax \$A'000	Related tax \$A'000	After tax \$A'000
	• Abnormal items	NIL	-	-
2.2	Total abnormal items	NIL	-	-
2.3	Extraordinary items	NIL	-	-
2.4	Total extraordinary items	NIL	-	-

Comparison of half year profits

(Preliminary final statement only)

		Current year-\$A	Previous year-\$A
3.1	Consolidated operating profit (loss) after tax attributable to members reported for the 1st half year (item 1.10 in the half yearly statement)	(10,955)	(157,422)
3.2	Consolidated operating profit (loss) after tax attributable to members for the 2nd half year	(113,000)	(64,582)

Consolidated
(See note 5)

balance

sheet

Current assets		At end of current period \$A 31/12/2016	As shown in last annual report \$A 31/12/2015	As in last half yearly statement \$A 30/06/16
4.1	Cash	217,864	266,449	270,477
4.2	Receivable	59,045	49,231	60,900
4.3	Investments	23,900	15,800	24,800
4.4	Inventories	-	-	-
4.5	Other (provide details if material)	-	-	-
4.6	Total current assets	300,809	331,480	356,177
Non-current assets				
4.7	Receivables			
4.8	Investments			
4.9	Inventories			
4.10	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	3,245,823	3,245,425	3,245,425
4.11	Development properties (mining entities)			
4.12	Other property, plant and equipment (net)	70,000	100,000	85,000
4.13	Intangibles (net)			
4.14	Other (provide details if material)			
4.15	Total non-current assets	3,315,823	3,345,425	3,330,425
4.16	Total assets	3,616,632	3,676,904	3,686,602
Current liabilities				
4.17	Accounts payable	160,512	102,829	123,481
4.18	Borrowings	-	-	-
4.19	Provisions	-	-	-
4.20	Other (provide details if material)	-	-	-
4.21	Total current liabilities	160,512	102,829	123,481
Non-current liabilities				
4.22	Accounts payable			
4.23	Borrowings	300,000	300,000	300,000
4.24	Provisions			
4.25	Other (provide details if material)			
4.26	Total non-current liabilities	300,000	300,000	300,000
4.27	Total liabilities	460,512	402,829	423,481
4.28	Net assets	3,156,120	3,274,076	3,263,121

Consolidated balance sheet continued

Equity				
4.29	Capital	4,486,107	4,480,107	4,480,107
4.30	Reserves	4,206,193	4,206,193	4,206,193
4.31	Retained profits (accumulated losses)	(5,536,180)	(5,412,224)	(5,423,179)
4.32	Equity attributable to members of the parent entity	3,156,120	3,274,076	3,263,121
4.33	Outside equity interests in controlled entities	-	-	-
4.34	Total equity	3,156,120	3,274,076	3,263,121
4.35	Preference capital and related premium included as part of 4.31	NIL	NIL	NIL

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

	Current period \$A 31 December 2016	Previous corresponding period \$A 31/12/2015
5.1 Opening balance	3,245,425	3,245,425
5.2 Expenditure incurred during current period	76,971	45,820
5.3 Expenditure written off during current period	76,971	45,820
5.4 Acquisitions, disposals, revaluation increments, etc.	-	-
5.5 Expenditure transferred to Development Properties	398	-
5.6 Closing balance as shown in the consolidated balance sheet (item 4.9)	3,245,823	3,245,425

Development

(To be completed only by issuers with mining interests if amounts are material)

properties

	Current period \$A 31/12/2016	Previous corresponding period \$A 31/12/2015
6.1 Opening balance	NIL	NIL
6.2 Expenditure incurred during current period		
6.3 Expenditure transferred from exploration and evaluation		
6.4 Expenditure written off during current period		
6.5 Acquisitions, disposals, revaluation increments, etc.		
6.6 Expenditure transferred to mine properties		
6.7 Closing balance as shown in the consolidated balance sheet (item 4.10)	NIL	NIL

Consolidated statement of cash flows

(See note 6)

		Current period \$A at 31/12/2016	Previous corresponding period \$A31/12/2015
	Cash flows related to operating activities		
7.1	Gross revenue from sharetrading	77,984	44,412
7.2	Payments in the course of operations	(284,016)	(319,334)
7.3	Dividends received	-	25
7.4	Interest and other items of similar nature received	2,653	8,480
7.5	Interest and other costs of finance paid	-	-
7.6	Income taxes paid	-	-
7.7	Other- Option proceeds	150,000	-
7.8	Net operating cash flows	(53,379)	(266,417)
	Cash flows related to investing activities		
7.9	Payments for purchases of property, plant and equipment	-	-
7.10	Refund of prior exploration expenditure	-	45,579
7.11	Payment for purchases of equity investments	-	-
7.12	Proceeds from sale of equity investments	(2,104)	53,638
7.13	Loans to other entities	-	-
7.14	Loans repaid by other entities	-	-
7.15	Other (Exploration)	(46,971)	(45,820)
7.16	Net investing cash flows	(49,075)	(53,397)
	Cash flows related to financing activities		
7.17	Proceeds from issues of securities (shares, options, etc.)	6,000	15,000
7.18	Proceeds from borrowings-increase in creditors	57,683	45,458
7.19	Repayment of borrowings-increase in debtors	(9,814)	8,150
7.20	Dividends paid	-	-
7.21	Other (provide details if material)	-	-
7.22	Net financing cash flows	53,869	68,608
	Net increase (decrease) in cash held	(48,585)	(144,412)
7.23	Cash at beginning of period (see Reconciliations of cash)	266,449	410,861
7.24	Exchange rate adjustments to item 7.23	-	-
7.25	Cash at end of period (see Reconciliation of cash)	217,864	266,449

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

NIL

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current period \$A at 31/12/2016	Previous corresponding period \$A 31/12/2015
8.1	Cash on hand and at bank	60,988	112,977
8.2	Deposits at call	156,876	153,472
8.3	Bank overdraft	-	-
8.4	Other (provide details)	-	-
8.5	Total cash at end of period (item 7.25)	217,864	266,449

Ratios

		Current period	Previous corresponding period
	Profit before abnormals and tax/sales		
9.1	Consolidated operating profit (loss) before abnormal items and tax (items 1.4) as a percentage of sales revenue (items 1.1)	(62.91)%	(19.98)%
	Profit after tax/equity interests		
9.2	Consolidated operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.34)	(3.9%)	(6.7%)

Earnings per security (EPS)

10.1	Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a)	Basic EPS	(0.2c)	(0.3c)
(b)	Diluted EPS (if materially different from (a))		

NTA backing
(see note 7)

	Current period 31/12/2016	Previous corresponding period 31/12/2015
11.1 Net tangible asset backing per ordinary security	4.4c	4.6c

Details of specific receipts/outlays, revenues/expenses

	Current period A\$ at 31/12/2016	Previous corresponding period \$A31/12/2015
12.1 Interest revenue included in determining items 1.4	2,653	8,480
12.2 Interest revenue included in item 12.1 but not yet received (if material)	-	-
12.3 Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	-	-
12.4 Interest costs excluded from item 12.3 and capitalised in asset values (if material)	-	-
12.5 Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.6 Depreciation (excluding amortisation of intangibles)	30,000	-
12.7 Amortisation of intangibles	-	-

Control gained over entities having material effect
(See note 8)

13.1 Name of <i>issuer</i> (or <i>group</i>)	NIL
13.2 Consolidated operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i>) since the date in the current period on which control was acquired	\$ NIL
13.3 Date from which such profit has been calculated	-
13.4 Operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i>) for the whole of the previous corresponding period	\$ NIL

Loss of control of entities having material effect

(See note 8)

14.1	Name of entity (or group)	NIL
14.2	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or group) for the current period to the date of loss of control	\$ NIL
14.3	Date from which the profit (loss) in item 14.2 has been calculated	-
14.4	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or group) while controlled during the whole of the previous corresponding period	\$ NIL
14.5	Contribution to consolidated operating profit (loss) and extraordinary items from sale of interest leading to loss of control	\$ NIL

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 1005 and indicates which amount should agree with items included elsewhere in this statement.

Segments	Investments	Exploration	Admin	Total
Operating Revenue	77,984	150,000	2,653	230,637
Sales to customers outside the economic entity	-	-	-	-
Inter-segment sales	-	-	-	-
Unallocated revenue	-	-	-	-
Total revenue (consolidated total equal to item 1.3)	77,984	150,000	2,653	230,637
Segment result (including abnormal items where relevant)	19,697	73,029	(216,681)	(123,955)
Unallocated expenses/Tax				
Consolidated operating profit after tax (before equity accounting) (equal to item 1.8)				(123,955)
Segment assets)				
Unallocated assets)				
Total assets (equal to item 4.16)	23,900	3,245,823	346,909	3,616,632

Dividends

15.1	Date the dividend is payable	N/A
15.2	Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)	N/A
18.3	Amount per security	N/A

	Franking rate applicable		30%		
	<i>(Preliminary final statement only)</i>			-¢	
15.4	Final dividend:	Current year	N/A¢	N/A	N/A
15.5		Previous year	N/A¢	N/A	N/A
	<i>(Half yearly and preliminary final statements)</i>				
15.6	Interim dividend:	Current year	NIL¢	N/A	N/A
				-¢	N/A
15.7		Previous year	NIL¢	N/A	N/A

Total annual dividend (distribution) per security

(Preliminary final statement only)

	Current year	Previous year
15.8 Ordinary securities	NIL¢	NIL¢
15.9 Preference securities	NIL¢	NIL¢

Total dividend (distribution)

	Current period \$A 31/12/2016	Previous corresponding period - \$A31/12/2015
15.10 Ordinary securities	\$NIL	\$NiL
15.11 Preference securities	\$NIL	\$NIL
15.12 Total	\$NIL	\$NIL

The dividend or distribution plans shown below are in operation.

NIL

The last date(s) for receipt of election notices to the dividend or distribution plans N/A

Any other disclosures in relation to dividends (distributions)

N/A

Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Investments in associated entities		Current period A\$	Previous corresponding period A\$
16.1	Statutory carrying value of investments in associated entities (SCV)	NIL	NIL
16.2	Share of associated entities' retained profits and reserves not included in SCV:	NIL	NIL
	Retained profits		
	Reserves		
16.3	Equity carrying value of investments	NIL	NIL

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period		Contributing to operating profits (loss) and extraordinary items after tax	
17.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period	Previous corresponding period
		NIL	NIL	<i>Equity accounted</i>	
17.2	Other material interests	NIL	NIL	<i>Not equity accounted (ie part of item 1.14)</i>	

Issued and listed securities

Description includes rate of interest and any redemption or conversion rights together with prices and rates.

Category of securities		Number issued	Number listed	Par value (cents)	Paid-up value (cents)
18.1	Preference securities (description)	NIL	NIL		
18.2	Issued during current period	NIL	NIL		
18.3	Ordinary securities	71,391,556	71,391,556		
18.4	Issued during current period	100,000	100,000		
18.5	Convertible debt securities (description and conversion factor)	NIL	NIL		
18.6	issued during current period	NIL	NIL		
18.7	Options (description and conversion factor)			Exercise price	Expiry date
		-	-	-	-
18.8	Issued during current period	NIL	NIL	-	-
18.9	Exercised during current period	NIL	NIL	-	-
18.10	Expired during current period	NIL	NIL	-	-
18.11	Debentures (totals only)	NIL	NIL		
18.12	Unsecured Notes (totals only)	NIL	NIL		

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. [Delete if in applicable.]

Material factors affecting the revenues and expenses of the issuer for the current period

The Company's financial position deteriorated because of the reduction of \$100,000 in the Vendetta Mining Option payment received on 28 February 2016. The lack of working capital restricted the Company's exploration and investing activities.

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

The company received \$350,000 option fee from Vendetta Mining Corporation on 22 February 2017 which will ensure the Company has sufficient cash to meet its obligations during 2017 without raising additional equity funds.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

Due to the payment of tax the company has franking credits available for payment of a dividend. Dividends will be paid when the board of Directors decide.

Changes in accounting policies since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 15(c) of AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final statement in accordance with AASB 101: Accounting Policies-Disclosure.)

NIL

Annual meeting

(Preliminary final statement only)

The annual meeting will be held as follows:

Place

Walker Wayland Services Level 11
60 Castlereagh Street, Sydney, NSW 2000

Date

25 May 2017

Time

12 noon

Approximate date the annual report will be available

14 April 2017

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

NIL

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/~~does not~~* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
- | | |
|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> The financial statements have been audited. | <input type="checkbox"/> The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| <input checked="" type="checkbox"/> The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> The financial statements have <i>not</i> yet been audited or reviewed. |
5. If the accounts have been or are being audited or subject to review and the audit report is *not* attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)
6. The issuer has/~~does not have~~* (*delete one*) a formally constituted audit committee.

Sign here:


(Director/Company secretary)

Date:

3/3/2017

Print name:CHRIS D LESLIE.....

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down.
2. **True and fair view** If this statement does not give a true and fair view of a matter (for