PEGMONT

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The Manager
The National Stock Exchange of Australia
Level 3,
1 Bligh Street
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29th January 2026

Dear Sir,

Quarterly Activity Report
31st December 2025

1. Summary

Investment Activities during the quarter were limited with no share transactions undertaken. The adjustment to market value at 31st December 2025 of the two remaining shareholdings in the investment portfolio resulted in a decrease in the provision for loss of $325. Together with interest income for the quarter of $4,566 a net profit from investment activities amounted to $4,891.

Cash at bank was $548,018 a reduction of $47,070 due primarily to the operating deficit for the quarter of $52,155

Corporate costs (including Administration costs) for the quarter were $57,046 and for the 12 months ended December 2025 $242,042 against a budgeted $264,000 for the year.

Royalty Tenements operated by Austral Resources Australia Ltd (ARI) exceeded an accumulative total of 80,100t of copper sold at end of December 2025 quarter.

Metal prices were again generally higher with the LME Index closing at 4,700 on 31st December 2025 compared to 4,416 on 30th September 2025. Gold was up at $US4,333/oz (September $US3,833/oz) and in Australian dollars $A6,560/oz (September $A5,833/oz).

2. Cash and Investing Activities

Cash and Term deposits total $548,018 (including portfolio cash credit of $3,975). The cash also includes cash held in the current trading account of $113,342.

Portfolio cost was $136,037 which had a market value of $57,345 at 31st December 2025. The unrealized loss of $78,667 being fully provided for at 31st December 2025.

The Management accounts for the Quarter record a Loss of $52,155 and for the Financial Year ended 31st December 2025 a loss of $271,941 after providing for an unrealized Loss on Investments of $78,667.

3. Royalty Interests

Royalty interests at Mt Kelly (including the Anthill Mine) and other Reefway tenements were maintained by ARI. Estimated cumulative sales of copper cathode from the tenements now exceeds 80,100t.at 31st December 2025.

It is noted ARI announced to the ASX on 5th November 2025 a successful completion of their $A40 million placement and has been reinstated to trading on the ASX from this date.

Vendetta Mining Corporation has not posted any further information at the date of this report since its last posting in April 2025 and as reported in the June 2025 Quarterly Report.

4. Commodity Background

Oil prices continued to decline since December 2024 they have declined by 18.81% with an increased supply to the market particularly from the US and Canada. A continuing contributing factor has also been the uncertainty in the market following the imposition and increase in US tariffs and the negative impact on economic activity.

Iron ore has steadily increased, (apart from a small dip in June) since December 2024 and there has been an increase in the LME index of 20.35% since December 2024 indicating the metal market still remains relatively strong in an uncertain market, (the exception being the demand for Zinc).

The demand for gold as a safe haven in this market of global economic uncertainty and geopolitical instability has seen a substantial increase of 65.38% in price since December 2024. This increase has also been affected by emerging Central Banks, particularly in China, India and Turkey increasing their gold reserves to diversify away from the $US and investor demand for gold backed ETF’s (Exchange Traded Funds)

The copper price is up again and at the end of December 2025 was $US12,504 remaining well up at 43.51% on December 2024 levels of $US/t 8,713. The increase in copper price has been primarily brought about by a combination of factors from supply shortages and operational disruptions at major supply mines in Chile, Indonesia and DRC, surging demand from renewable energy infrastructure (Sola/Wind) and data (A!) centers, low inventory levels and China’s demand from its high-tech manufacturing and power grid. Forecasts from JP Morgan, Goldman Sachs, Bank of America for copper in 2026 range from $US 11,000/t up to $US 12,000/t

In face of this global economic uncertainty the All Ords index has continued to increase, driven again by the substantial increase in the Gold Index. The All Ords Index up by 66.38% and the Gold Index on ASX 200 up 123.39% since December 2024. The $A has again strengthened slightly against a weaking in the US dollar.

Summary of Selected Commodity Price Movements – to 31st December 2025

		2025 31 Dec	2025 30 Sep	2025 30 June	2025 31 March	2024 31 Dec	% Gain on (Loss) 31.12.24
Oil-WTI	$US/bb	57.64	62.49	64.98	71.5	71.0	(18.81)
Iron Ore (62% FE Lump)	$US/t	107.13	105.29	94.47	102.5	99.4	7.78
LME Index		4,700	4,416	4,239	4,197	3,905	20.35
Lithium Carbonate	$US/t	16,510	9,114	7,533	8,759	7,569	118.12
Zinc	$US/t	3,121	2,917	2,784	2,829	3,016	3.48
Copper	$US/t	12,504	10,300	9,879	11,100	8,713	43.51
Gold	$US/oz	4,333	3,833	3,303	3,089	2,620	65.38
	$A/oz	6,560	5,833	5,032	4,919	4,100	60.00
$A/$US		0.67	.66	0.65	0.62	0.64	4.68
All Ords index		9,018	9,177	8,733	8,053	5,420	66.38
Gold Index (ASX 200)		18,825	16,080	11,557	10,981	8,427	123.39

5. Income and Expenditure (unaudited)

Income Received ($)	Dec 2025 Quarter	Year to Dec 2025	Guidance Year December 2025
Interest/Dividends/Other	4,566	18,770	20,000
Realised profit/(loss) from Sale of Shares	Nil	8262	(10,000)
	4,566	**27,032**	**10,000**
Provision to Market Gain/(Loss)	325	(56,931)	Nil
Net Income/(Loss) from investing Activities	4,891	(29,899)	10,000
Net Income/(Loss)	**4,891**	**(29,899)**	**10,000**
Expenditures			
Exploration			
Expenses	Nil	Nil	Nil
	Nil	**Nil**	**Nil**
Corporate			
Administration	18,463	115,748	131,000
Audit Fees	6,000	15,322	17,000
Directors Fees	27,990	101,786	106,000
NSX / Listing Expenses	4,593	9,186	10,000
	57,046	242,042	264,000
Net Operating Surplus/(Deficit)	**(52,155)**	**(271,941)**	**(254,000)**
Working Capital-Change	5085	38,189	10,000
Net Cash Surplus/(Deficit)	(47,070)	(233,752)	(244,000)
Add: Opening Cash Balance	595,088	781,770	781,770
New Issue – Gross Proceeds	Nil	Nil	Nil
Closing Cash Balances	**548,018**	**548,018**	**537,770**

6. Guidance for 2026

The company's cash position is $548,018 plus a share portfolio having a market value of $57,345 at 31st December 2025, sufficient to last until end of 2027 based on expenditure rate of $250,000 per year.

ARI's December quarter sales of Copper Cathode report reveals an increase in sales to 2,668t.which is up from 2,323t in the September quarter and 1,806t in the June Quarter. Providing this level of quarterly sales can be maintained by ARI then Pegmont's entitlement to a royalty income stream could be achieved by the end of December 2027.

Yours faithfully,

John Montgomerie
Non Executive Director