

Pegmont Mines Limited

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13 December 2010

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

Dear Sir,

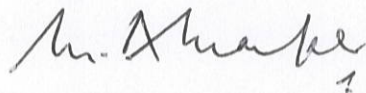
Pegmont South Drill Results

We attach a summary of 46 RC drill holes totalling 2937 metres undertaken at Pegmont South lead-zinc deposit during October- November 2010. All holes were drilled vertically and a number did not intersect significant mineralisation (ie above 1% Pb/Zn over a one metre interval) which have been left blank in the result columns.

These drill data and summary logs will now be incorporated into a resource estimation model being prepared by an independent geologist under the supervision of Hellman & Schofield Pty Ltd in accordance with JORC requirements.

The Pegmont Lead/ Zinc Project Resource estimation report should be completed by the end of January 2011. This report will be an important milestone in progressing the Pegmont lead-zinc deposit towards possible commercial production.

Yours faithfully,



M. A. Mayger
Managing Director

PEGMONT SOUTH DRILL HOLES: MINERALISED INTERSECTIONS SEPTEMBER/OCTOBER 2010

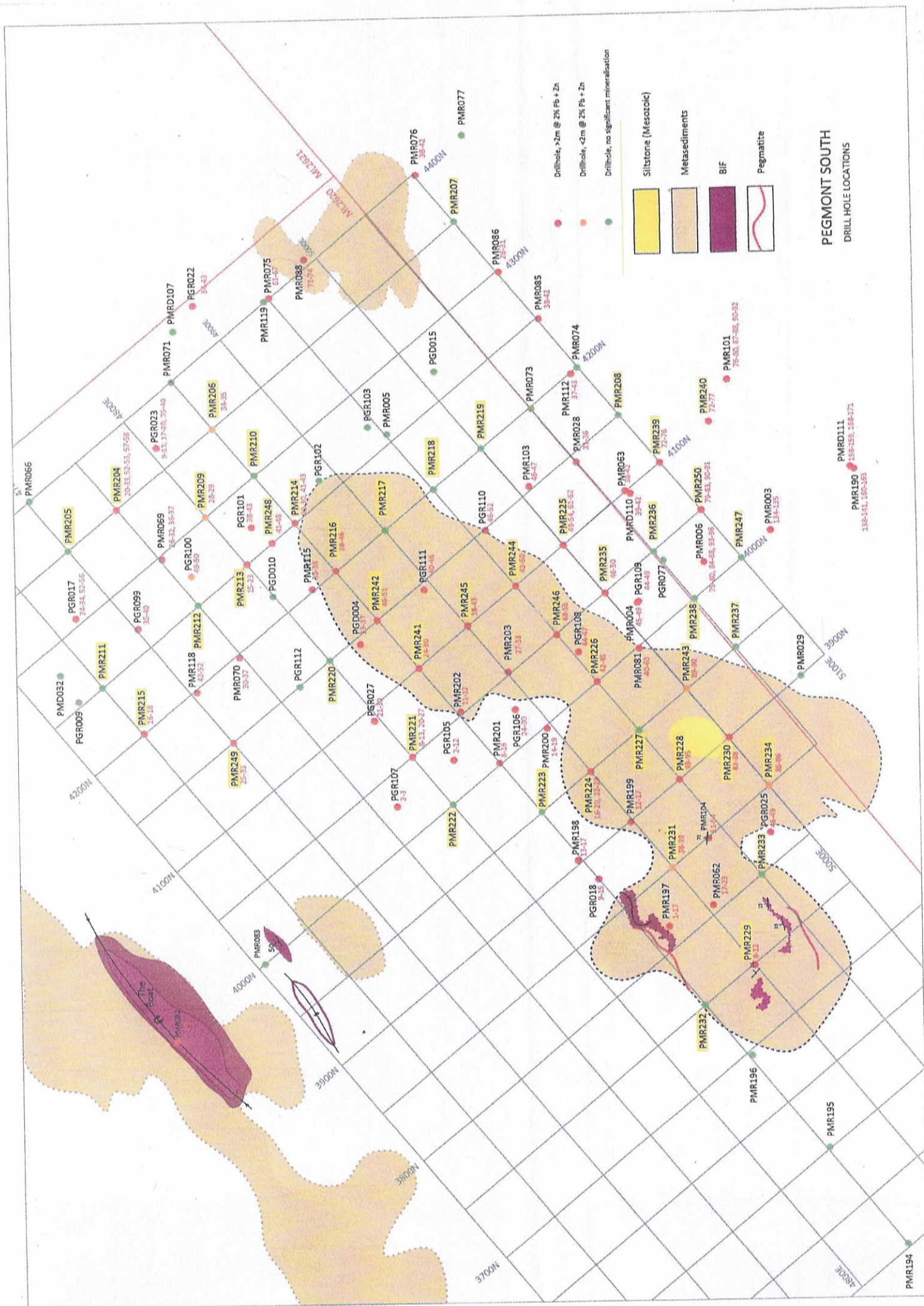
HOLE NO	EAST	NORTH	TD	FROM	TO	INTERVAL	Pb%	Zn%
PMR 204	4750	4350	63	20	33	13	5.03	1.42
				52	53	1	1.73	1.73
				57	58	1	0.40	1.68
PMR 205	4700	4350	53					
PMR 206	4850	4350	51	34	35	1	0.36	1.33
PMR 207	5100	4350	60					
PMR 208	5100	4150	75					
PMR 209	4800	4300	45	28	29	1	0.05	1.32
PMR 210	4850	4300	48					
PMR 211	4650	4250	60					
PMR 212	4750	4250	54					
PMR 213	4800	4250	33	15	23	8	4.76	0.93
PMR 214	4850	4250	45	29	30	1	0.02	1.01
				41	43	2	1.06	1.43
PMR 215	4650	4200	36	16	18	2	1.21	0.67
PMR 216	4850	4200	54	38	46	8	5.40	2.66
PMR 217	4900	4200	72					
PMR 218	4950	4200	48					
PMR 219	5000	4200	60					
PMR 220	4800	4150	45					
PMR 221	4800	4050	36	8	13	5	5.37	1.08
				20	27	7	5.33	1.03
PMR 222	4800	4000	39					
PMR 223	4850	3950	39					
PMR 224	4900	3950	36	16	20	4	1.09	0.84
				22	29	7	2.89	1.27
PMR 225	5000	4100	66	49	54	5	4.56	2.24
				61	62	1	1.53	1.88
PMR 226	4950	4000	60	42	45	3	0.09	1.21
PMR 227	4950	3950	90					
PMR 228	4950	3900	103	93	95	2	0.40	1.73
PMR 229	4900	3750	36	8	12	4	6.57	0.69
PMR 230	5000	3900	96	83	88	5	4.45	3.39
PMR 231	4900	3850	66	38	39	1	0.80	1.30
PMR 232	4850	3750	24					
PMR 233	4950	3800	24					
PMR 234	5000	3850	96	85	86	1	1.76	0.42
PMR 235	5000	4050	60	46	50	4	3.56	2.07
PMR 236	5050	4050	75					
PMR 237	5050	3950	96					
PMR 238	5050	4000	90					
PMR 239	5100	4100	90	72	76	4	5.34	3.99
PMR 240	5150	4100	96	72	77	5	0.62	1.00
PMR 241	4850	4100	36	24	30	6	4.39	1.28
PMR 242	4850	4150	57	46	51	5	4.97	0.95
PMR 243	5000	3950	96	89	90	1	0.59	1.57
PMR 244	4950	4100	60	42	50	8	4.20	2.97

PEGMONT SOUTH DRILL HOLES: MINERALISED INTERSECTIONS SEPTEMBER/OCTOBER 2010

HOLE NO	EAST	NORTH	TD	FROM	TO	INTERVAL	Pb%	Zn%
PMR 245	4900	4100	60	38	43	5	6.11	0.98
PMR 246	4950	4050	66	48	55	7	8.01	4.21
PMR 247	5100	4000	150					
PMR 248	4825	4250	54	41	48	7	4.06	2.55
PMR 249	4700	4150	42	25	33	8	5.24	2.93
PMR 250	5100	4050	96	79	83	4	3.41	3.77
				90	91	1	1.28	2.00

TOTAL 2937 metres

The above table of Pegmont South drill hole mineralised intersections is based on information compiled by Mr D. Hewitt MSc MAusIMM. Mr Hewitt has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results. Mr D. Hewitt consents to the inclusion in the report of this information in the form and context in which they appear.



PEGMONT SOUTH

DRILL HOLE LOCATIONS

