Pegmont Mines Limited

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28 June 2011

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

Dear Sir,

Up-Coming RC Drill Program
June and July 2011

We wish to advise that a 29 to 34 hole RC drilling program commenced on 28 June 2011, to test seven (7) different targets. This is the first of two drill programs to be undertaken between June and November 2011 by the Company.

The current program is mainly directed at the **New Hope** gold-cobalt deposit within ML 2487 located about 1.5km along strike from the old Mount Cobalt Mine (owned by Ivanhoe Australia Limited). Previous drilling by the Company at New Hope has intersected high grade gold-cobalt values including:-

NHP 010	4 metres	from 59m @ 22.7g/t Au, 10,422ppm (1.04%) Co
NHP 013	15 metres	from 45m @ 103g/t Au, 989ppm Co
NHP 021	12 metres	from 30m @ 17.6g/t Au, 2,953ppm Co
NHP 032	9 metres	from 64m @ 33.3g/t Au, 3,587ppm Co

For a complete review of previous New Hope drill results from 33 holes, please refer to the attached summary.

A program of 17 to 20 RC holes totalling 1,700-2,000m of infill and extensional drilling to 200m down dip/plunge is designed to support a maiden JORC resource estimate at New Hope in due course.

The other six prospects to be drilled include three from the Pegmont Pb/Zn system and three new targets generated from regional rock chip sampling and mapping during the past two years. For brief details please refer to the attached drill schedule and maps.

Yours faithfully,

Malcolm A. Mayger
Managing Director

Pegmont Mines Limited

RC Drill Program June – July

Prospect	Number of Holes	Total Metres	Target Comment
Pegmont Anomaly "A"	1-3	120-360	Pb-Zn magnetic anomaly "A" (500 x 300m target area)
MMA	2	360	Mo-Cu quartz-ironstone outcrop 150-200m strike
EMU	3	300	Cu-Au gossan outcrop
New Hope	17-20	1,700-2,000	Au-Co values over 50m strike, drill out to JORC Resource
Eagle's Nest	2	240	Cu-Au gossan outcrop
Pegmont South	3	300	Cu anomaly within Pb-Zn values and Au gossan
Anomaly "B" (Pegmont East)	1	150	Test magnetic anomaly, (400 x 250m target area)
Total	**29-34**	**3,170-3,610**	

Chemical Symbol:

Pb	Lead
Zn	Zinc
Mo	Molybdenum
Cu	Copper
Au	Gold
Co	Cobalt

Term:

JORC	Joint Ore Resources Committee
RC	Reverse Circulation Drillhole

New Hope Gold-Cobalt Deposit (ML 2487)

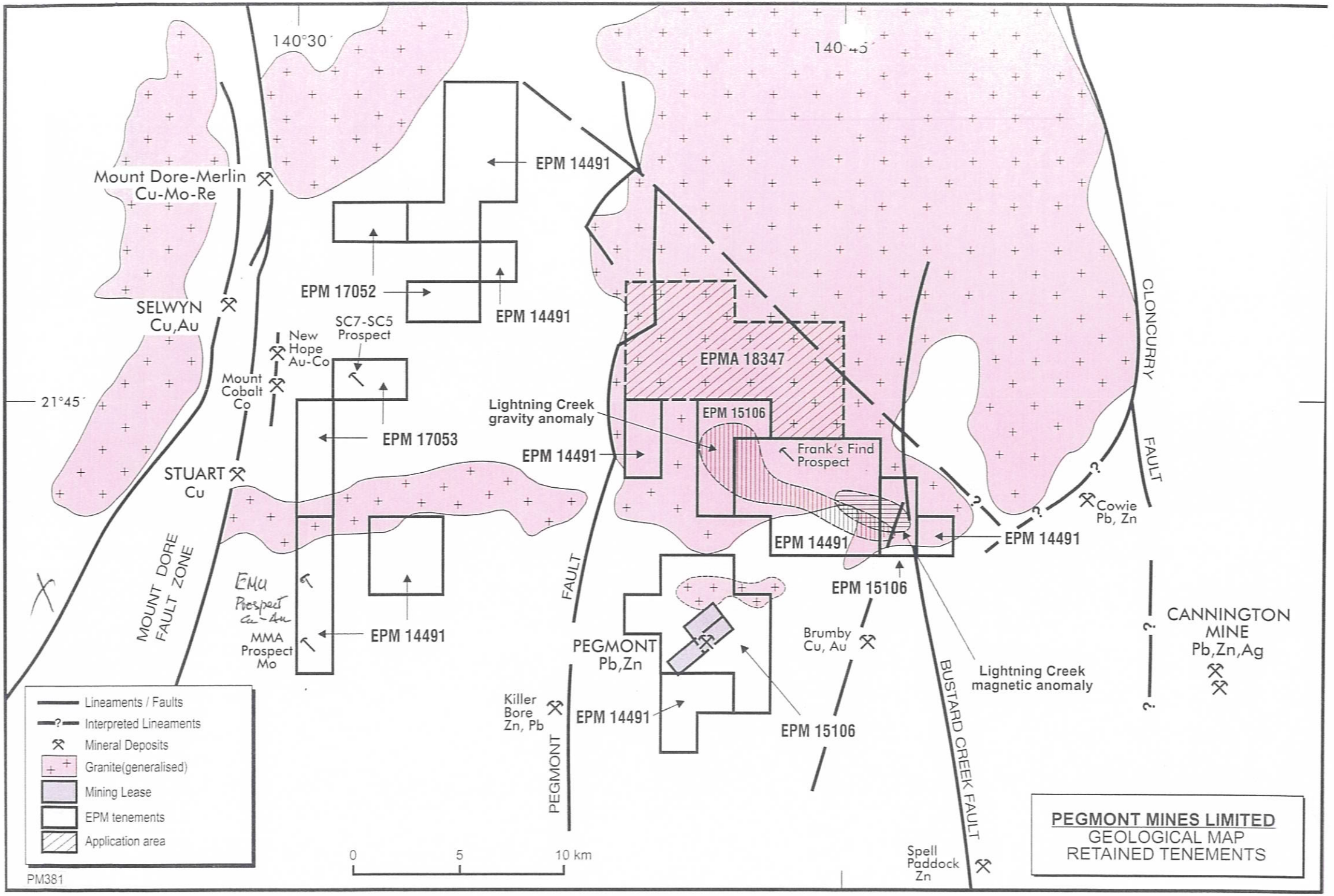
Drill Hole Locations and selected analytical results (intervals based on contiguous gold values)

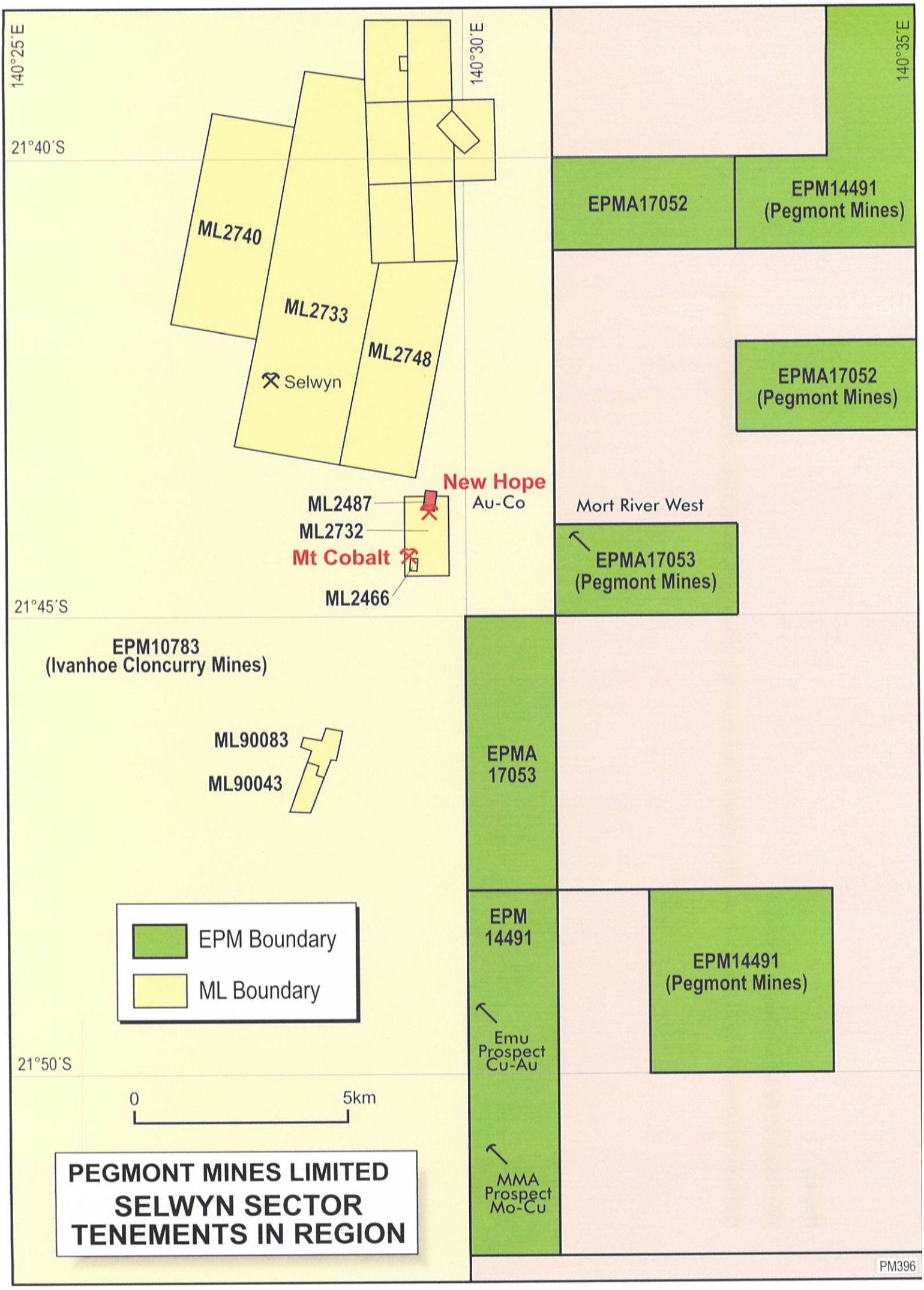
Hole No	From (m)	To (m)	Interval (m)	Au (ppm)	Co (ppm)	Cu (ppm)	North (local)	East (local)	Dip	Azimuth (magnetic)	Depth (m)
NHP001	34	38	4	5.14	79	1,450	1050	1082	60	270	66
	52	53	1	4.90	80	1,285					
NHP002	57	69	12	23.1	205	3,698	1050	1092	75	270	132
including	63	67	4	51.3	280	4,350					
NHP003	52	57	5	1.63	1,690	89	1100	1087	60	270	66
NHP004							1150	1084	60	270	78
NHP005							1350	1120	60	270	108
NHP006	77	87	10	9.20	689	578	1050	1093	90		91
including	80	82	2	32.9	1,448	922					
NHP007	62	69	7	20.8	1,809	478	1051	1091	70	312	78
including	63	66	3	45.1	2,588	635					
NHP008	63	65	2	1.66	454	585	1049	1091	70	233	90
NHP009	58	59	1	7.01	11,700 (1.17%)	49	1002	1093	75	270	91
NHP010	53	54	1	1.50	8,030	7	1083	1089	75	270	91
	58	66	8	11.8	5,321	128					
including	59	63	4	22.7	10,422 (1.04%)	109					
NHP011	60	65	5	1.08	654	233	1100	1089	75	270	87
NHP012							1355	1015	60	90	60
NHP013	35	42	7	6.3	4,558	440	1076	1086	60	270	60
and	45	60	15	103	989	952					
NHP014	8	12	4	5.5	52	83	1100	1096	60	270	96

New Hope Gold-Cobalt Deposit (ML 2487)

Drill Hole Locations and selected analytical results (intervals based on contiguous gold values)

Hole No	From (m)	To (m)	Interval (m)	Au (ppm)	Co (ppm)	Cu (ppm)	North (local)	East (local)	Dip	Azimuth (magnetic)	Depth (m)
NHP015	93	96	3	25.6	3,828	903	1076	1098	87	173	102
NHP016	95	107	12	4.93	2,804	538	1084	1097	90	-	120.9
NHP017	88	89	1	0.15	9,430	145	1035	1095	90	-	108
and	101	104	3	2.39	79	116				-	
NHP018	116	121	5	24.4	1,243	240	1051	1134	90	-	138.6
NHP019	14	19	5	0.23	1,078	3,284	1087.5	1059	60	270	48
NHP020	24	40	16	0.96	2,927	263	1087.5	1065.5	70	270	48
NHP021	30	42	12	17.59	2,953	159	1087.5	1066	80	270	60
NHP022	13	27	14	0.8	258	476	1100	1054	60	270	36
NHP023	25	33	8	1.28	204	249	1100	1063	60	270	48
NHP024	26	44	18	1.41	911	132	1099	1068	65	270	54
NHP025	15	21	6	0.36	377	1,601	1075	1061	60	270	45
NHP026	24	44	20	6.5	120	661	1075	1062	80	270	66
NHP027	15	20	4	0.24	92	1,355	1062.5	1061	60	270	48
NHP028	14	22	8	0.7	242	3,359	1050	1065	60	270	48
NHP029	42	47	5	17.4	2,249	2,346	1050	1090	60	270	. 72
NHP030	31	59	28	0.05	143	508	1035	1089	60	270	72
NHP031	40	45	5	0.98	1,470	79	1062.5	1088	60	270	72
NHP032	64	73	9	33.3	3,587	800	1074	1087	80	270	80
NHP033	25	30	5	1.14	2,342	297	1062.5	1062	80	270	60


140°30'
140°45'
21°45'
Mount Dore-Merlin
Cu-Mo-Re
SELWYN
Cu,Au
STUART
Cu
Mount
Cobalt
Co
New
Hope
Au-Co
SC7-SC5
Prospect
EPM 14491
EPM 17052
EPM 14491
EPM 17053
EPM 14491
EPM 14491
MOUNT DORE
FAULT ZONE
EMU
Prospect
Cu-Au
MMA
Prospect
Mo
EPMA 18347
Lightning Creek
gravity anomaly
EPM 15106
Frank's Find
Prospect
CLONCURRY
FAULT
Cowie
Pb, Zn
EPM 14491
EPM 14491
FAULT
EPM 15106
PEGMONT
Pb,Zn
Brumby
Cu, Au
Lightning Creek
magnetic anomaly
CANNINGTON
MINE
Pb,Zn,Ag
Killer
Bore
Zn, Pb
EPM 14491
EPM 15106
PEGMONT
BUSTARD CREEK FAULT
Spell
Paddock
Zn
Lineaments / Faults
Interpreted Lineaments
Mineral Deposits
Granite(generalised)
Mining Lease
EPM tenements
Application area
0
5
10 km
PEGMONT MINES LIMITED
GEOLOGICAL MAP
RETAINED TENEMENTS
PM381


140°25´E
140°30´E
140°35´E
21°40´S
21°45´S
21°50´S
ML2740
ML2733
ML2748
Selwyn
ML2487
ML2732
Mt Cobalt
ML2466
New Hope
Au-Co
EPMA17052
EPM14491
(Pegmont Mines)
EPMA17052
(Pegmont Mines)
Mort River West
EPMA17053
(Pegmont Mines)
EPM10783
(Ivanhoe Cloncurry Mines)
ML90083
ML90043
EPMA
17053
EPM
14491
EPM14491
(Pegmont Mines)
Emu
Prospect
Cu-Au
MMA
Prospect
Mo-Cu
EPM Boundary
ML Boundary
0
5km
PEGMONT MINES LIMITED
SELWYN SECTOR
TENEMENTS IN REGION
PM396

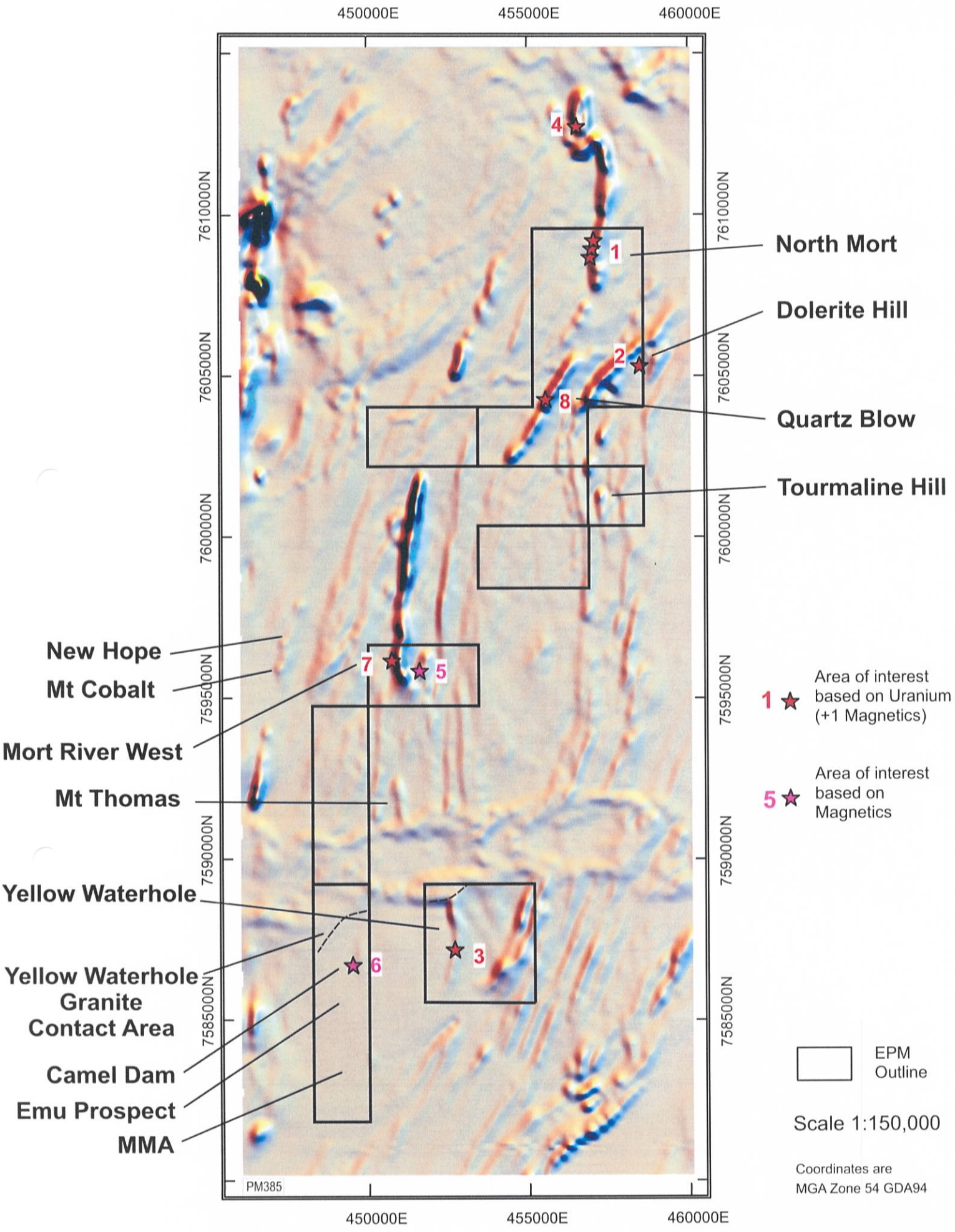
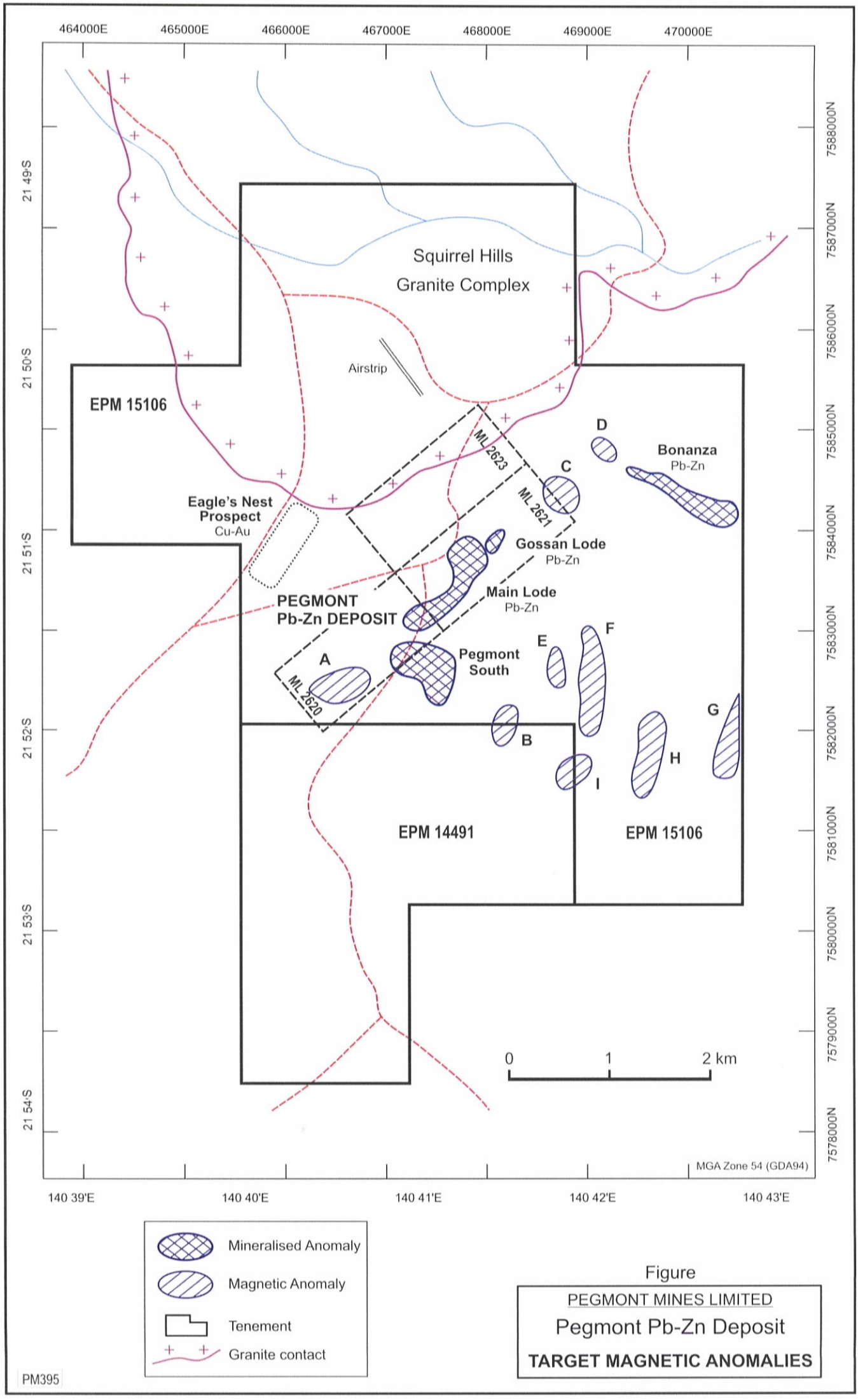


Figure 2 Shadow enhanced RTP Magnetics with possible areas for investigation


464000E
465000E
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469000E
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7588000N
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7585000N
7584000N
7583000N
7582000N
7581000N
7580000N
7579000N
7578000N
21 49'S
21 50'S
21 51'S
21 52'S
21 53'S
21 54'S
140 39'E
140 40'E
140 41'E
140 42'E
140 43'E
Squirrel Hills
Granite Complex
Airstrip
EPM 15106
ML 2623
ML 2621
ML 2620
Eagle's Nest
Prospect
Cu-Au
PEGMONT
Pb-Zn DEPOSIT
Gossan Lode
Pb-Zn
Main Lode
Pb-Zn
Pegmont
South
Bonanza
Pb-Zn
A
B
C
D
E
F
G
H
I
EPM 14491
EPM 15106
0
1
2 km
MGA Zone 54 (GDA94)
Mineralised Anomaly
Magnetic Anomaly
Tenement
Granite contact
PM395
Figure
PEGMONT MINES LIMITED
Pegmont Pb-Zn Deposit
TARGET MAGNETIC ANOMALIES