

Pegmont Mines Limited

ABN 97 033 331 682

Corporate Office

65 Hume Street
Crows Nest NSW 2065

Postal Address

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

26 September 2011

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

Dear Sir,

New Hope Gold-Cobalt Drill Results

High grade assay results continue to be intersected at the New Hope gold-cobalt deposit from the latest program of 20 RC holes totalling 2,084 metres.

The best intercepts were:-

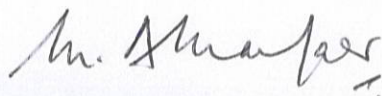
NHP 036	11 metres	@	18.0g/t Au from 34 metres
	including 1 metre	@	128g/t Au from 40 metres
	including 4 metres	@	13,360ppm Co from 35 metres
NHP 046	3 metres	@	38.8g/t from 99 metres
	including 3 metres	@	3,420ppm Co from 99 metres

A schedule of all results is attached. Previous high grade intercepts were:

NHP 002	12 metres	@	23.1g/t Au from 57 metres
	including 4 metres	@	51.3g/t Au from 63 metres
NHP 007	7 metres	@	20.8g/t Au from 62 metres
	including 3 metres	@	45.1g/t Au from 63 metres
NHP 013	15 metres	@	103g/t Au from 45 metres
NHP 021	12 metres	@	17.6g/t Au from 30 metres
NHP 032	9 metres	@	33.3g/t Au from 64 metres

A follow up core drilling program of shallow holes to test mineralisation between 30 - 60 metres will be undertaken when an appropriate rig becomes available. This work commences our mine feasibility studies.

Yours faithfully,



Malcolm A. Mayger
Managing Director

PEGMONT MINES LIMITED

NEW HOPE DRILLING PROGRAM JULY-AUGUST 2011

During July – August 2011, 20 RC holes totalling 2084m were drilled at New hope. The objective was a better definition of the grade, dimensions and attitude of this small but high grade gold (-cobalt) prospect. Precision drilling was difficult due to an unexpected degree of deviation in declination and azimuth during drilling. This program follows the previous drilling of 33 holes totalling 2520 metres.

Samples were collected at one metre intervals within the mineralised zone, and at four metre intervals outside it. Duplicate samples and analytical standards were included at about one of each in every thirty regular samples. They were forwarded to ALS Townsville for assay using the following procedures:

ME-ICP61: Four acid digest, 33 element assay by ICP-AES

ME-OG62: Ore grade elements by ICP-AES

Cu-OG62: Ore grade Cu

Au-AA25: Au 30gm fire assay, AAS finish

Screen fire assays requested for any sample over 20 ppm Au.

New Hope is a Au-Co-(Cu-W-REE) deposit localised in a shear zone (the Mt Cobalt Shear) within a northerly-trending dolerite unit. At the historic Mt Cobalt mine a kilometre to the south, the shear forms the eastern contact of the dolerite with metasediments. Apart from minor copper (and gold?), this contact appears so far to be unmineralised at New Hope.

At the surface, the shear is represented by a zone of quartz/carbonate veining, with jasper over the highest grade mineralisation. This mineralisation takes the form of an ore shoot plunging steeply to the southeast. Horizontal dimensions are of the order of 50m N-S by 20m E-W, with drill intersections down to about 100m so far.

At about 100m vertically in drill hole NHP018, gold assays ranging from 0.04 to 81.7 g/t per metre may indicate the grades present in the primary ore zone. Within 20m of the surface, grades are generally less than 1 g/t due to leaching. There appears to be a zone of supergene enrichment between about 20m and 70m, including the exceptional assay of 1150 g/t over one metre in NHP013. This supergene zone may provide a small but high grade open pit target.

The ongoing program aims to core drill the high grade zone on 10m centres, which may be statistically adequate to define a resource despite the variability in grade from one metre to the next. Following this core drilling program, it is proposed to estimate a JORC compliant resource and to commence mine feasibility studies. Metallurgical pilot plant test work has already commenced, to evaluate the feasibility of recovering cobalt values.

COMPETENT PERSON STATEMENT

The information in this Document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by David Hewitt M.Sc., who is a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration , and to the activity which he is undertaking, to qualify as a **Competent Person** as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). He consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

25 September 2011

New Hope Gold-Cobalt Deposit (ML 2487)

Drill Hole Locations and Selected Analytical Results (intervals based on contiguous gold values)

	Au				Co				Collar location		Collar		Depth	
Hole No	From	To	Int	Grade ppm	From	To	Int	Grade ppm	North	East	Inclination	Azimuth	Metres	Comments
NHP 034	0	4	4	1.47					7597070	447728	-60	270	72	Shallow Au-Cu mineralisation
NHP 035									7597069	447733	-90		84	No significant mineralisation
NHP 036	34	45	11	18.0	35	39	4	13360	7597143	447729	-60	270	78	Including 1m @ 128g/t Au from 40m
NHP 037									7597163	447740	-90		126	No significant mineralisation
NHP 038	144	146	2	11.8					7597129	447829	-60	270	162	
NHP 039	159	160	1	0.25	159	160	1	1650	7597128	447832	-75	270	180	
NHP 040	135	137	2	21.4	135	137	2	1545	7597102	447828	-65	270	174	
NHP 041	40	46	6	7.48	41	45	4	3120	7597140	447732	-65	270	69	
NHP 042	46	47	1	0.78					7597087	447732	-70	270	90	
NHP 043									7597088	447737	-90		144	No significant mineralisation
NHP 044	49	57	8	7.27	46	53	7	3560	7597139	447732	-70	270	108	Au associated with Co
	59	60	1	4.45										Au associated with Py/Po
	64	65	1	10.05										Au associated with Py/Po
NHP 045	106	107	1	0.78	101	103	2	2450	7597136	447736	-90		120	
	111	112	1	0.62	106	107	1	2370						
					111	112	1	6870						
NHP 046	99	102	3	38.8	99	102	3	3420	7597126	449734	-90		108	
NHP 047	54	64	10	6.41	54	61	7	2830	7597126	447734	-75	270	72	Au associated with Py
	67	68	1	1.07										
NHP 048	72	74	2	0.85					7597090	447739	-80	255	90	
NHP 049	8	12	4	5.39	44	45	1	4130	7597081	447729	-60	270	66	
	35	36	1	0.54										
NHP 050	68	69	1	1.18					7597080	447732	-80	270	84	1m @ 4.59% Cu 81-82 assoc Py/Po
	73	75	2	0.59	72	75	3	4320						
	81	82	1	3.13										
NHP 051	36	37	1	1.21	37	46	9	1740	7597152	447723	-70	290	60	
	40	41	1	0.86										
	50	51	1	14.3										
NHP 052	79	80	1	12.5	57	64	7	1890	7597148	447733	-80	315	84	Au associated with Py vein?
					72	74	2	1580						
NHP 053	96	102	6	8.16	95	96	1	1550	7507107	447774	-85	270	114	Au associated with Py/Po

Figure 2
PEGMONT MINES LIMITED
ML2487 NEW HOPE
LOCATION OF RC/PERCUSSION
DRILL HOLES

SCALE 1:2500
 0 50 100 150 m

