

# Pegmont Mines Limited

ABN 97 003 331 682

## 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

19 October 2011

## NSX Announcement

### Pegmont Mines Limited's 1 for 4 Non-renounceable Rights Issue

#### Notice under Section 708AA(2)(f) of the Corporations Act 2001

Pegmont Mines Limited (**Pegmont**) is to undertake a non-renounceable rights issue of approximately 12,952,949 ordinary shares to its shareholders on the basis of an entitlement to subscribe for one ordinary share for every four shares held as at the record date of 27 October 2011 with each such share being issued at an issue price of \$0.10 to raise a total of approximately \$1.3 million.

Pegmont states, in compliance with the requirements of section 708AA(7) of the Corporations Act 2001 as modified by ASIC Class Order [Co 08/35] (**Act**), that it will offer the shares for issue without disclosure to investors under Part 6D.2 of the Act and that this notice is given to the National Stock Exchange of Australia Limited (**NSX**) under paragraph 708AA(2)(f) of the Act.

Pegmont advises:

the share will be offered under a rights issue or related issue;

the shares are in a class of securities, being fully paid ordinary shares, that are quoted securities at the time at which the offer is made;

as at the date of this notice, Pegmont has complied with:

the provisions of Chapter 2M of the Act as they apply to Pegmont; and  
section 674 of the Act.

As at the date of this notice there is no excluded information being information:

that has been excluded from a continuous disclosure notice in accordance with the Listing Rules of NSX; and

that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:

the assets and liabilities, financial position and performance, profits and losses  
and prospects of Pegmont; or

the rights and liabilities attaching to the shares or generally to the ordinary shares in the capital of Pegmont.

Mr Malcolm Mayger, the Managing Director of Pegmont is the largest shareholder of the Company and currently controls 57.90% of all Shares. Mr Mayger has indicated that he may not take up his full Entitlement under the offer. Pegmont considers the potential effect the issue will have on control of Pegmont to be as follows:

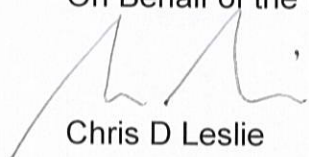
if Mr Malcolm Mayger, takes up as he has indicated a minimum of four million rights and 100% of the remaining rights are taken up (whether by shareholders taking up their rights, or by the issue of shortfall shares to existing shareholders and new investors), then Mr Mayger will control approximately 52.50% of Pegmont; and

if Mr Malcolm Mayger, takes up as he has indicated a minimum of four million rights and 0% of the remaining rights are taken up (whether by shareholders taking up their rights, or by the issue of shortfall shares to existing shareholders and new investors), then Mr Mayger will control approximately 60.90% of Pegmont; and

if Mr Malcolm Mayger, takes up as he has indicated a minimum of four million rights and 50% of the remaining rights are taken up (whether by shareholders taking up their rights, or by the issue of shortfall shares to existing shareholders and new investors), then Mr Mayger will control approximately 58.08% of Pegmont.

Terms and expression given a meaning in the Act and not given a meaning in this notice, having the same meaning when used in this notice as given to them in the Act.

On Behalf of the Board of Directors



Chris D Leslie

Company Secretary