

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to NSX as soon as available. Information and documents given to NSX become NSX's property and may be made public.

Introduced 11 March 2004.

Name of entity

PEGMONT MINES LIMITED

ABN/ACN

97003331682

We (the entity) give NSX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | Class of securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of securities issued or to be issued (if known) or maximum number which may be issued | 12,952,949 |
| 3 | Principal terms of the securities (eg, if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion) | The ordinary shares have the same terms as the existing ordinary shares on issue. |
| 4 | <p>Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>The shares rank equally in all aspects from the date of allotment with the existing quoted ordinary shares.</p> |

- 5 Issue price or consideration
- The ordinary shares were issued at a price of 10 cents per ordinary share.
- 6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)
- The issue was made to shareholders to raise working capital.
- 7 Dates of entering securities into uncertificated holdings or despatch of certificates
- 30 November 2011
- 8 Number and class of all securities quoted on NSX
(including the securities in clause 2 if applicable)
- | Number | Class |
|------------|----------------------------------|
| 64,764,745 | Ordinary fully paid Shares (PMI) |
- 9 Number and class of all securities not quoted on NSX
(including the securities in clause 2 if applicable)
- | Number | Class |
|--------|-------|
| NIL | |
- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)
- Dividends paid on the increased capital will depend on profits earned.

Part 2 - Bonus issue or pro rata issue

- | | | |
|----|---|--------------------------------------|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | Non-renounceable |
| 13 | Ratio in which the securities will be offered | One for Four |
| 14 | Class of securities to which the offer relates | Fully paid |
| 15 | Record date to determine entitlements | 27 October 2011 |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | Only one register |
| 17 | Policy for deciding entitlements in relation to fractions | Rounding to nearest whole number |
| 18 | Names of countries in which the entity has security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.</small> | All except Australia and New Zealand |
| 19 | Closing date for receipt of acceptances or renunciations | 21 November 2011 |
| 20 | Names of any underwriters | No underwriters |
| 21 | Amount of any underwriting fee or commission | N/A |
| 22 | Names of any brokers to the issue | NIL |
| 23 | Fee or commission payable to the broker to the issue | NIL |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | NIL |

- 25 If the issue is contingent on security holders' approval, the date of the meeting N/A
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled 2 November 2011
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders No options
- 28 Date rights trading will begin (if applicable) N/A
- 29 Date rights trading will end (if applicable) N/A
- 30 How do security holders sell their entitlements *in full* through a broker? N/A
- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance? N/A
- 32 How do security holders dispose of their entitlements (except by sale through a broker)? N/A
- 33 Despatch date 30 November 2011

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information
or documents

Upon allotment of New Shares

35 ☒ If the securities are equity securities, the names of the 20 largest holders of the additional securities, and the number and percentage of additional securities held by those holders

36 ☒ If the securities are equity securities, a distribution schedule of the additional securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional securities N/A

Entities that have ticked box 34(b)

38 Number of securities for which quotation is sought

12,952,949

39 Class of securities for which quotation is sought

Fully paid

40 Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?

Yes

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

Upon allotment of all New Shares

42 Number and class of all securities quoted on NSX (including the securities in clause 38)

Number	Class
64,764,745	Ordinary fully paid shares

Quotation agreement

1 Quotation of our additional securities is in NSX's absolute discretion. NSX may quote the securities on any conditions it decides.

2 We warrant the following to NSX.

- The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those securities should not be granted quotation.
- An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the securities to be quoted, it has been provided at the time that we request that the securities be quoted.
- If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.

3 We will indemnify NSX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give NSX the information and documents required by this form. If any information or document not available now, will give it to NSX before quotation of the securities begins. We acknowledge that NSX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: _____
(Director/Company secretary)

Date: 19/10/2011

Print name: CHRIS LESLIE