

Pegmont Mines Limited

ABN 97 003 331 682

Corporate Office

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Crows Nest NSW 2065

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13 December 2011

Mr Scott Evans
General Manager,
National Stock Exchange of Australia
384 Hunter Street
Newcastle, NSW 2300

Dear Sir,

Allotment of New Issue shares

We advise that on the 12 December 2011 the Directors' resolved to allot 8,561,926 shares in the Company at 10 cents per share following the close on 5 December 2012 of the Non-Renounceable rights issue of 12,952,949 fully paid shares at an issue price of 10 cents per share. Application for official quotation of the shares on the Stock Exchange has been granted.

The shortfall shares total 4,391,023. The Directors of the Company have reserved the right to allot these shares, within two months after 5 December 2011 to persons determined by the Directors at their discretion, who are Eligible Shareholders or who are otherwise persons to whom disclosure need not be made in relation to the issue under Chapter 6D of the Corporations Act, at the issue price of 10 cents.

Holding statements have been despatched to shareholders by our share registry Computershare Investor Services Pty Ltd who can be contacted for any questions on telephone 1300136975 for within Australia or 61394154219 for outside Australia.

Yours faithfully,



M.A. Mayger
Managing Director



**NATIONAL STOCK
EXCHANGE OF AUSTRALIA
LIMITED**

Newcastle
Level 2, 117 Scott Street,
Newcastle NSW, 2300

Melbourne
Level 3, 45 Exhibition Street
Melbourne, VIC, 3000

www.nsx.com.au

ABN: 11 000 902 063

Application for Quotation of Additional Securities

File Reference:

I:\Operations\Projects\NETS Project\NSX install package USB key\Issuer Documents\NSX Quotation of Additional Securities.doc

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Introduction

To ensure the efficient processing of this form by NSX, please:

1. Adhere to the suggested number of the annexures required by this form.
2. Complete **all** statements and questions in this form. (NSX can provide an electronic version of this form on request).

More Information and Submission of Form:

Further information can be obtained from and all applications should be sent to:

General Manager
National Stock Exchange of Australia Limited
PO BOX 283
Newcastle NSW 2300

Phone: 61 2 4929 6377
Fax: 61 2 4929 1556
<http://www.nsga.com.au>

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
8,561,926
- 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 Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?
The shares rank equally in all aspects from the date of allotment with the existing quoted ordinary shares.

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

- 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
- 13 December 2011
- 8 Number and class of all securities quoted on NSX
(including the securities in clause 2 if applicable)
- | Number | Class |
|------------|----------------------------------|
| 60,373,722 | 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 depend on profits earned.

Part 2 - Bonus issue or pro rata issue

- 11 Is security holder approval required? No
- 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 the nearest whole number
- 18 Names of countries in which the entity has security holders who will not be sent new issue documents
All except Australia and New Zealand
Note: Security holders must be told how their entitlements are to be dealt with.
- 19 Closing date for receipt of acceptances or renunciations 5 December 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 13 December 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

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

Entities that have ticked box 34(b)

38 Number of securities for which quotation is sought

39 Class of securities for which quotation is sought

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

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

Yes

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
60,373,722	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.

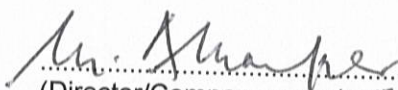
- The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those securities should not be granted quotation.
- An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 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:  Date: 12/12/2011
(Director/Company secretary)

Print name: Malcolm A Mayger