

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Pegmont Mines Limited

ACN/ARSN 003 331 682

1. Details of substantial holder (1)

Name Walter Leonard McDonald and Margo Jean McDonald

ACN/ARSN (if applicable)

The holder became a substantial holder on 13/12/2011

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary	3,929,695	3,929,695	6.51%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
See Annexure 1		

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
See Annexure 2			

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
See Annexure 3		Cash	Non-cash	

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

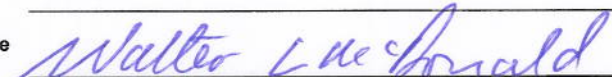
Name and ACN/ARSN (if applicable)	Nature of association
See Annexure 4	

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
See Annexure 5	

Signature

print name	Walter Leonard McDonald	capacity	As trustee for the McDonald Family Superannuation Fund
sign here		date	15/12/2011

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

GUIDE

This guide does not form part of the prescribed form and is included by ASIC to assist you in completing and lodging form 603.

Signature	This form must be signed by either a director or a secretary of the substantial holder.
Lodging period	Nil
Lodging Fee	Nil
Other forms to be completed	Nil
Additional information	<p>(a) If additional space is required to complete a question, the information may be included on a separate piece of paper annexed to the form.</p> <p>(b) This notice must be given to a listed company, or the responsible entity for a listed managed investment scheme. A copy of this notice must also be given to each relevant securities exchange.</p> <p>(c) The person must give a copy of this notice:</p> <ul style="list-style-type: none"> (i) within 2 business days after they become aware of the information; or (ii) by 9.30 am on the next trading day of the relevant securities exchange after they become aware of the information if: <ul style="list-style-type: none"> (A) a takeover bid is made for voting shares in the company or voting interests in the scheme; and (B) the person becomes aware of the information during the bid period.


Annexures

To make any annexure conform to the regulations, you must

- 1 use A4 size paper of white or light pastel colour with a margin of at least 10mm on all sides
- 2 show the corporation name and ACN or ARBN
- 3 number the pages consecutively
- 4 print or type in BLOCK letters in dark blue or black ink so that the document is clearly legible when photocopied
- 5 identify the annexure with a mark such as A, B, C, etc
- 6 endorse the annexure with the words:
This is annexure (mark) of (number) pages referred to in form (form number and title)
- 7 sign and date the annexure.

The annexure must be signed by the same person(s) who signed the form.

This is Annexure 1 of 1 page referred to in Form 603 – Notice of Initial Substantial Holder


Walter Leonard McDonald

3. Details of Relevant Interests

Holder of relevant interest	Nature of relevant interest	Class and number of securities
Walter Leonard McDonald & Margo Jean McDonald	100% direct and indirect beneficial interest as trustees for the McDonald family superannuation fund.	ORD
Margo Jean McDonald	Direct interest	ORD
Walter Leonard McDonald	Direct interest	ORD
Walter Leonard McDonald	Indirect interest as director of Fobitu Pty Ltd. Fobitu Pty Ltd is trustee of the Merita Trust, which is wholly owned by the McDonald Family Superannuation Fund.	ORD
Margo Jean McDonald	Indirect interest as director of Warlam Pty Ltd. Warlam Pty Ltd is trustee of the ALT Trust, which is wholly owned by the Merita Trust. The Merita Trust is wholly owned by the McDonald Family Superannuation Fund.	ORD
Margo Jean McDonald	Indirect interest as director of Warlam Pty Ltd. Warlam Pty Ltd is trustee of the JAC Trust, a discretionary trust of which Walter Leonard McDonald and Margo Jean McDonald are among the beneficiaries.	ORD
Margo Jean McDonald	Indirect interest as director of Warlam Pty Ltd. Warlam Pty Ltd is trustee of the LINCOLN Trust, a discretionary trust of which Walter Leonard McDonald and Margo Jean McDonald are among the beneficiaries.	ORD

Pegmont Mines Ltd
ACN 003331682

This is Annexure 2 of 1 page referred to in Form 603 – Notice of Initial Substantial Holder

Walter Leonard McDonald
Walter Leonard McDonald

4. Details of Relevant Interests

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder	Class and number of securities
Walter Leonard McDonald & Margo Jean McDonald ATF the McDonald Family Superannuation Fund	HSBC Custody Nominees (Australia) Pty Ltd	HSBC Custody Nominees (Australia) Pty Ltd	3,309,695 Ordinary
Margo Jean McDonald	Mrs Margo Jean McDonald	Margo Jean McDonald	20,000 Ordinary
Walter Leonard McDonald	Walter Leonard McDonald	Walter Leonard McDonald	20,000 Ordinary
Walter Leonard McDonald	Fobitu Pty Ltd ACN 003 519 364 ATF Merita Trust	Fobitu Pty Ltd ACN 003 519 364 ATF Merita Trust	20,000 Ordinary
Margo Jean McDonald	Warlam Pty Ltd ACN 080 620 695 ATF ALT Trust	Warlam Pty Ltd ACN 080 620 695 ATF ALT Trust	20,000 Ordinary
Margo Jean McDonald	Warlam Pty Ltd ACN 080 620 695 ATF JAC Trust	Warlam Pty Ltd ACN 080 620 695 ATF JAC Trust	20,000 Ordinary
Margo Jean McDonald	Warlam Pty Ltd ACN 080 620 695 ATF LINCOLN Trust	Warlam Pty Ltd ACN 080 620 695 ATF LINCOLN Trust	520,000 Ordinary

Pegmont Mines Ltd
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This is Annexure 3 of 3 pages referred to in Form 603 – Notice of Initial Substantial Holder

Walter L McDonald
Walter Leonard McDonald

5. Consideration

Holder of relevant interest	Date of acquisition	Consideration		Class and number of securities
		Cash	Non cash	
Walter Leonard McDonald & Margo Jean McDonald ATF the McDonald Family Superannuation Fund	1 December 2011	\$0.10		629,939 Ordinary
Walter Leonard McDonald & Margo Jean McDonald ATF the McDonald Family Superannuation Fund	17 November 2011	\$0.10		10,000 Ordinary
Walter Leonard McDonald & Margo Jean McDonald ATF the McDonald Family Superannuation Fund	16 November 2011	\$0.09		150,000 Ordinary
Walter Leonard McDonald & Margo Jean McDonald ATF the McDonald Family Superannuation Fund	19 September 2011	\$0.10		70,000 Ordinary
Walter Leonard McDonald & Margo Jean McDonald ATF the McDonald Family Superannuation Fund	14 September 2011	\$0.10		1,984,756 Ordinary

Superannuation Fund				
Walter Leonard McDonald & Margo Jean McDonald ATF the McDonald Family Superannuation Fund	14 September 2011	\$0.10		150,000 Ordinary
Walter Leonard McDonald & Margo Jean McDonald ATF the McDonald Family Superannuation Fund	14 September 2011	\$0.10		150,000 Ordinary
Walter Leonard McDonald & Margo Jean McDonald ATF the McDonald Family Superannuation Fund	14 September 2011	\$0.10		165,000 Ordinary
Mrs Margo Jean McDonald	13 December 2011	\$0.10		20,000 Ordinary
Walter Leonard McDonald	13 December 2011	\$0.10		20,000 Ordinary
Fobitu Pty Ltd ACN 003 519 364	13 December 2011	\$0.10		20,000 Ordinary
Warlam Pty Ltd ACN 080 620 695	13 December 2011	\$0.10		20,000 Ordinary
Warlam Pty Ltd ACN 080 620 695	13 December 2011	\$0.10		20,000 Ordinary
Warlam Pty Ltd ACN 080 620 695	13 December 2011	\$0.10		520,000 Ordinary

5.

Pegmont Mines Ltd
ACN 003331682

This is Annexure 4 of 1 page referred to in Form 603 – Notice of Initial Substantial Holder

Walter Leonard McDonald

Walter Leonard McDonald

6. Associates

Name and ACN/ARSN (if applicable)	Nature of association
Margo Jean McDonald	Joint trustee with Walter Leonard McDonald of the McDonald Family Superannuation Fund; director of Warlam Pty Ltd ACN 080 620 695.
Walter Leonard McDonald	Joint trustee with Margo Jean McDonald of the McDonald Family Superannuation Fund; director of Fobitu Pty Ltd ACN 003 519 364.

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This is Annexure 5 of 1 page referred to in Form 603 – Notice of Initial Substantial Holder


Walter Leonard McDonald

6. Addresses

Name	Address
Margo Jean McDonald	39 The Boulevard Lewisham NSW 2049
Walter Leonard McDonald	39 The Boulevard Lewisham NSW 2049