

# Pegmont Mines Limited

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11 July 2013

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

Dear Sir,

## **Pegmont Lead-Zinc deposit Commencement of Drilling**


We are pleased to announce the commencement of a 2,500 metre RC drill program at the **Pegmont lead-zinc deposit** and a 500 metre reconnaissance RC drill test of two copper-gold prospects at **SC-3** and **SC-8**. The drill rig commenced Monday afternoon, 8 July 2013.

At Pegmont, approximately 15 holes are planned to test for lead-zinc mineralisation expected at between 120 to 150 metres depth. Drill pads have been prepared at 50m grid spacing to allow for infill and extensional drilling in an area of "Mineralised Potential". The proposed holes have been limited to a maximum depth of 200m. All holes will be vertical and drilled within EPM 15106.

This program commences a long term systematic drill program to appraise the extensional sulphide "Mineral Potential" of the Pegmont lead-zinc deposit. Depending upon results, further drilling down dip to grid east and along strike N-S would be contemplated, subject to availability of funding.

The current estimated Indicated and Inferred Resource of the Pegmont lead-zinc deposit is 8.8 Mtonnes at 5% Pb + Zn (J M Geological Consulting Pty Ltd, February 2011). The Mineralised Potential at Pegmont is estimated at between 9 and 15 Mt and between 4% and 5.5% combined Pb + Zn at a 3% Pb + Zn cut-off. The Mineralised Potential is primarily located to grid east of the project area being interpreted as a moderately east dipping BIF to a depth of at least 350m below surface (See attached plan – as outlined in green). This Mineralised Potential has had insufficient exploration to define a Mineral Resource. Infill drilling is needed to further define the mineralisation but it is uncertain that such drilling will convert this to a mineral resource (J M Geological Consulting Pty Ltd, February 2011).

Yours faithfully,



**Malcolm A. Mayger**  
Managing Director



PEGMONT MINES LTD  
Pegmont Lead-Zinc Project

Mineralised Drillholes in Relation  
to Domain Boundaries and  
Magnetic Anomalies

LEGEND

Mineralised drillholes:

With minimum 2m interval  
above 2.0% Pb+Zn

- Mineralised drillhole
- Unmineralised drillhole
- \* 2013 Drill program

Anomalies

- ▨ Mineralised Anomaly
- ▨ Magnetic Anomaly

Domain Outlines

- ▨ Inf/Ind Resource
- ▨ Mineralised Potential

