

# Pegmont Mines Limited

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3<sup>rd</sup> September 2014

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

Dear Sir,

## Pegmont Lead-Zinc Drill Results

We are pleased to advise the drill results from a recently completed program of 9 vertical RC holes totalling 2 328 metres at Pegmont South Lode and 4 RC holes totalling 649 metres testing regional magnetic anomalies.

### Pegmont South Lode

The following drill intersections of greater than 1% combined lead (Pb) and zinc (Zn) from the Pegmont South Lode are reported as follows:-

Hole No	EOH	Local Grid Coordinates		Intercept		Pb%	Zn%	Total Pb + Zn%
		East	North	From	Width			
PMR 282	354	5599	4099	NSM	-	-	-	-
PMR 283	326	5499	4104	200-201	1	0.58	1.83	2.41
				276-285	9	6.35	6.88	13.23
				302-306	4	2.60	3.93	6.53
PMR 284	384	5405	4097	NSM				-
PMR 288	252	5399	3998	176-177	1	0.40	2.37	2.77
				179-183	4	1.91	6.85	8.83
				187-188	1	0.56	0.55	1.11
				194-195	1	5.12	4.94	10.06
				199-203	4	1.61	5.55	7.16
PMR 289	252	5397	4202	132-135	3	0.39	1.78	2.17
				137-138	1	0.13	0.95	1.08
PMR 290	211	5394	4302	153-162	9	5.50	3.10	8.60
PMR 292	229	5349	4153	126-130	4	3.67	2.81	6.48
PMR 293	97	5251	4153	48-49	1	2.68	0.45	3.13
PMR 294	223	5245	4039	128-133	5	2.79	5.76	8.55
				135-144	9	3.47	2.92	6.39
				154-163	9	5.21	4.28	9.49

Note: NSM means "no significant mineralisation"

EOH means "end of hole"

A drill hole location map, based on local grid is attached.



## **Comment**

### **Pegmont South Lode**

All holes were drilled vertically on a 50 by 50 metre local grid (see attached map), which extends 500 metres east (5100E – 5600E) and 500 metres north (3900N – 4400N). The nine (9) hole program was largely successful in confirming and extending lead-zinc mineralisation to grid 5400E and also linking up with the previously drilled high grade PMRD 141 (7m @ 12.69% Pb+Zn) at 5600E. A further 11 holes (3,500 metres) would be required to complete the drillout of the grid on a 100 by 100 metre basis.

Holes PMR 292 and 294 successfully confirmed the applicability of using down-holes EM (DHEM) to test for off hole conductors to target BIF lead-zinc mineralisation. PMR 282, 288 and 289 were cased with 2 inch PVC pipe for follow up DHEM survey. In this regard PMR 282 results will be of significant importance in locating mineralisation beyond a postulated fault nearby.

### **Regional Exploration**

The drill test of four RC holes (PMR 285, 286, 287 and 291) into three regional magnetic anomalies, ie Anomaly A in EPM 15106 and Anomalies P and N in EPM 14491 (see attached map of Structural Interpretation Airborne Magnetics) totalling 649 metres did not intersect significant mineralisation. The magnetic anomalies were largely explained by magnetic amphibolite units.

### **Conclusion**

The recent RC drill program on the Pegmont South Lode has extended high grade lead-zinc mineralisation towards PMRD 141 at 5600E. Follow up grid drilling is now required to confirm its extent and grade. The use of either fixed or moving loop ground EM surveys may establish further grid extensions in north, south and east directions. The Pegmont lead-zinc deposit remains open ended with a possible increase in grade to depth.

### **Qualified and Competent Persons Statement**

The exploration results were reviewed and approved by Mr David Hewitt, MAusIMM, Pegmont Project Geologist, who is a consultant to Pegmont Mines Limited.

Mr Hewitt by virtue of his education, experience and professional association, are considered Qualified Persons (QP) for estimates and results included in this report. The Qualified Person has verified the relevant data disclosed herein.

Mr Hewitt, is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience to report exploration results relevant to this style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a "Competent Person" as defined in the JORC code. Mr Hewitt has acted in the capacity of Project Geologist since the Pegmont deposit was acquired in 1996. Mr Hewitt holds shares in Pegmont Mines Limited.

Mr Hewitt consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

Yours faithfully



Malcolm A Mayger  
Managing Director



Figure 1

PEGMONT MINES LIMITED

Southern Lode

RC drill program  
July 2014

7 583 000 mN

467 500 mE

468 000 mE

ML 2620

EPM 15106

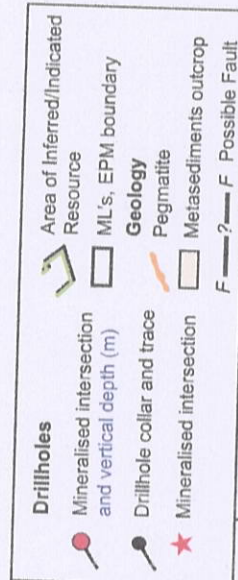
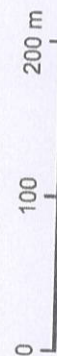
7 582 500 mN  
MGA Zone 54  
(GDA84)

# DRILLING RESULTS

Hole No.	Interval (down hole)	(m)	Pb+Zn %
*PMRD141	259 - 266	7	12.69
	267 - 268	1	3.58
	314 - 315	1	13.87
	357 - 359	2	4.39
*PMRD142	358 - 361	3	13.75
PMR282			
PMR283	200 - 201	1	2.41
	276 - 285	9	13.23
	302 - 306	4	6.53
PMR284			
PMR288	176 - 177	1	2.77
	179 - 183	4	8.83
	187 - 188	1	1.11
	194 - 195	1	10.06
	199 - 203	4	7.16
PMR289	132 - 135	3	2.17
	137 - 138	1	1.08
PMR290	153 - 162	9	8.60
PMR292	126 - 130	4	6.48
PMR293	48 - 49	1	3.13
PMR294	128 - 133	5	8.55
	135 - 144	9	6.39
	154 - 163	9	9.49

## Note:

- \*PMRD 141 & 142 were drilled in prior years.
- PMR 285, 286, 287, 291 were drilled into other prospects.
- PMR 282-284, 288-290 and 292-294 were vertical RC holes completed July 2014.



PM468



