

Pegmont Mines Limited

ABN 97 033 331 682

Corporate Office

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

18 August 2014

Dear Sir,

Share Placements at 6 cents per share

The Board has resolved to make the following placements of Ordinary fully paid shares at 6 cents each:

- To Malcolm A Mayger Pty Limited on the exercise of options over 2,500,000 ordinary fully paid shares to raise \$150,000 for working capital purposes
- 1,200,000 to two shareholders who are professional investors to raise \$72,000 for working capital purposes
- 100,000 shares to a former Director in appreciation for his past services and dedication to the Company's activities
- 425,000 shares to exploration field contractors in appreciation for their dedication during the past twelve months
- 100,000 shares in consideration of the acquisition of 20% Minority Interest in Kimberley Ventures Limited (KVL), thus increasing the Company's equity interest in KVL from 60% to 80%. A similar offer has been made on the outstanding 20% balance

The effect of these placements will increase the Issued Capital of Pegmont Mines Limited from 66,716,556 to 71,041,556 ordinary fully paid shares; of which Malcolm A Mayger will have a Direct holding of 500,000 shares and an Indirect holding of 38,543,333 shares for a aggregate interest of 54.96% of the expanded Issued Capital of the Company.

Yours faithfully



Malcolm A Mayger
Managing Director