

Pegmont Mines NL

ACN 003 331 682

Corporate Office

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4 October 2005

The Manager
Stock Exchange of Newcastle Limited
384 Hunter Street
Newcastle, NSW 2300

Dear Sir,

Share Activities- Quarter to 30 September 2005

Due to the extremely buoyant conditions for resource issues listed on the ASX, the company wishes to advise of a preliminary unaudited pretax sharetrading profit of \$515,000 for the September Quarter, making a total profit of \$1,338,000 for the nine months. The result exceeds our budget of \$1,000,000 for the year.

Furthermore the market value of our listed portfolio was \$1,091,116 in excess of our cost of \$3,510,285 as at 30 September 2005.

Since the sharemarket is extremely volatile and subject to periodic setbacks; we do not wish to intimate that the unrealised "profit" will infact be realised. However, we do anticipate that additional profits will be realised before the year end.

It should be noted that additional exploration and administration expenditures have been incurred and will be deducted before a pretax profit result can be derived for the year to 31 December 2005.

Yours Faithfully,

M.A. Mayger
Managing Director