

Pegmont Mines NL

ACN 003 331 682

Corporate Office

65 Hume Street

Crows Nest

NSW 2065

Telephone: 8437 3591

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FAX TO : STOCK EXCHANGE OF NEWCASTLE LIMITED
ATTENTION : SCOTT EVANS
FAX NUMBER : (02) 49291556
FROM : MALCOLM MAYER
SUBJECT : PRELIMINARY SHARE INVESTMENT REPORT
DATE : 3 JULY 2006.

DEAR SCOTT,

PLEASE FIND ATTACHED OUR PRELIMINARY SHARE INVESTMENT REPORT
TO 30 JUNE 2006.

KIND REGARDS,

Malcolm

Pegmont Mines NL

ACN 003 331 682

65 Hume Street
Crows Nest NSW 2065
Telephone: 8437 3591
Facsimile: 8437 3599

3 July 2006

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

Dear Sir,

Preliminary Share Investment Report To 30 June 2006

We wish to advise that realised pre-tax share profits for the three months to 30 June 2006 were \$3,772,655 compared to a loss of \$80,782 for the June quarter 2005 and a budget of \$1,500,000 for the year 2006.

Investment Activity Summary

| Shares Traded | March Quarter 2006 <u>\$000</u> | June Quarter 2006 <u>\$000</u> | Half Year to June 2006 <u>\$000</u> | Year Revised Estimate 2006 <u>\$000</u> |
|---------------------------|--|---|--|--|
| Proceeds | 2,905 | 8,325 | 11,230 | 17,500 |
| Cost | 1,835 | 4,552 | 6,387 | 11,300 |
| Profits | 1,078 | 3,882 | 4,960 | 6,200 |
| Losses | (8) | (109) | (117) | (200) |
| Net Profit /(Loss) | <u>1,070</u> | <u>3,773</u> | <u>4,843</u> | <u>6,000</u> |

Stock market interest remains high in resource companies and explorers with an intensity that resembles that of a speculative mania. Therefore, we are cautious with high cash levels. Notwithstanding, we have revised our trading profit estimate for the year from \$ 1,500,000 to \$ 6,000,000. Net unrealised gains at 30 June 2006 were \$784,824. Our expenditure budget for administration expense and exploration for the year remains at \$1 million; Thus, estimated pretax profits for the year to 31 December could total \$5 million. A more detailed report will be included in the quarterly report.

Yours Faithfully,



M.A. Mayger
Managing Director