

Pegmont Mines NL

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9 October 2006

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

Dear Sir,

Preliminary Share Investment Report To 30 September 2006

We wish to advise that realised pre-tax share profits for the three months to 30 September total \$1,167,541 and \$ 5,976,577 for the year to date.

Investment Activity Summary

Shares Traded	March Quarter 2006 <u>\$000</u>	June Quarter 2006 <u>\$000</u>	September Quarter 2006 <u>\$000</u>	Year to September 2006 <u>\$000</u>	Year Revised Estimate 2006 <u>\$000</u>
Proceeds	2,905	8,345	4,074	15,324	17,500
Cost	1,835	4,605	2,907	9,347	11,500
Profits	1,078	3,848	1,214	6,140	6,500
Losses	<u>(8)</u>	<u>(109)</u>	<u>(47)</u>	<u>(164)</u>	<u>(500)</u>
Net Realised Profit /(Loss)	<u>1,070</u>	<u>3,739</u>	<u>1,167</u>	<u>5,976</u>	<u>6,000</u>

Stock market interest remains high in speculative resource companies despite recent falls in oil and metal prices. Therefore, we remain cautious with high cash levels and an unchanged trading profit estimate for the year at \$ 6,000,000. Net unrealised gains at 30 September 2006 were \$564,729. 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 2006 could total \$5 million. A more detailed report will be included in the quarterly report.

Yours Faithfully,



M.A. Mayger
 Managing Director