

# Pegmont Mines Limited

ACN 003 331 682

**Corporate Office**65 Hume Street  
Crows Nest NSW 2065**Postal Address**PO Box 849  
Crows Nest NSW 1585  
Telephone: (02) 8437 3591  
Facsimile: (02) 8437 3599

23 November 2006

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

Dear Sir,

**Maiden Dividend of 1 cent per share**

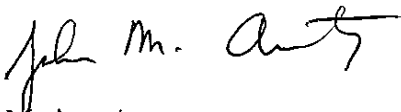
The Board is pleased to announce a special dividend of 1 cent per share (fully franked) totalling \$506,868 from realised net profits of \$3,248,697 for the half year to 30 June 2006.

Although the company has continued to trade profitably from investing, the ephemeral nature of this activity does not suggest that a regular payment of future dividends should be expected. Besides, it is the ambition of the Board to continue to grow the Company to a size whereby it may be able to take on project development risk without excessive reliance on debt funding. A cautious approach to sharetrading will be maintained whereby a reasonable percentage of liquid assets will continue to be held as cash on deposit.

The payment of this dividend is a vote of confidence in the Company's future by the Board and marks the 10<sup>th</sup> anniversary of the formation of the company. We look forward to declaring other dividends in the future.

We have determined that the record (closing) date for the payment of the dividend is the 4 December 2006 with the dividend to be paid on the 15 December 2006.

Yours faithfully,

J.M. Armstrong  
ChairmanCc Ms Karen Guyer  
Email: karen.guyer@computershare.com.au