

# Pegmont Mines Limited

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2 July 2007

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

Dear Sir,

## Preliminary Share Investment Report To 30 June 2007

We wish to advise that realised pre-tax share profits for the three months to 30 June 2007 total \$2,847,952 and \$5,499,064 for the half year to date. This result has increased our profit estimate to \$7,000,000 for the year.

## Investment Activity Summary

Shares Traded	June Quarter 2007 <u>\$000</u>	Half Year to June 2007 <u>\$000</u>	Half Year to June 2006 <u>\$000</u>	Initial Budget 2007 <u>\$000</u>	Revised Estimate 2007 <u>\$000</u>
Proceeds	9,810	17,969	11,230	20,000	26,000
Cost	6,962	12,470	6,387	16,000	19,000
Profits	2,850	5,772	4,960	4,000	7,400
Losses	<u>(2)</u>	<u>(273)</u>	<u>(117)</u>	<u>-</u>	<u>(400)</u>
<b>Net Realised Profit</b>	<b><u>2,848</u></b>	<b><u>5,499</u></b>	<b><u>4,843</u></b>	<b><u>4,000</u></b>	<b><u>7,000</u></b>
<b>Profit Margin %</b>	<b><u>29.0</u></b>	<b><u>30.6</u></b>	<b><u>43.1</u></b>	<b><u>20.0</u></b>	<b><u>26.9</u></b>

Since stock market interest remained high in speculative resource companies, the profit for the half year was higher than expected. Net unrealised gains at 30 June 2007 were \$2,380,123(4.7c/sh) above cost of \$8,011,450(15.8c/sh). However, we expect that it may be difficult to make the same level of share trading profits in the second half, estimated at \$1,501,000, because of recent volatility in financial markets. A more detailed report will be included in the quarterly report due later in the month.

Yours Faithfully,



M.A. Mayger  
Managing Director