

# 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

1 November 2007

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

Dear Sir,

**Dividend of 1.2 cents per share**

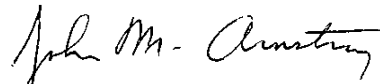
The Board is pleased to announce a dividend of 1.2 cents per share (fully franked) totalling \$610,242 from net profits of \$3,453,314 for the half year to 30 June 2007. The payment represents a 20% increase in the dividend rate on the 2006 year.

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 a dividend for the second year is a vote of confidence in the Company's ongoing growth and future prospects. We look forward to declaring additional dividends in future years.

We have determined that the record (closing) date for the payment of the dividend is the 15 November 2007 with the dividend to be paid on the 4 December 2007.

Yours faithfully,

J.M. Armstrong  
Chairman

Cc Ms Karen Guyer

Email: karen.guyer@computershare.com.au