

Pegmont Mines Limited

ABN 97 003 331 682

Corporate Office65 Hume Street
Crows Nest NSW 2065**Postal Address**PO Box 849
Crows Nest NSW 1585
Telephone: (02) 8437 3591
Facsimile: (02) 8437 3599

15 October 2008

Mr Scott Evans
General Manager,
National Stock Exchange of Australia
384 Hunter Street
Newcastle, NSW 2300

Dear Sir,

Price Query

We refer to your letter dated 13 October 2008 in which you queried the price change in the Company's securities on 13 August 2008 and respond as follows:

1. We are not aware of any price information concerning the company which has not been announced to the National Stock Exchange of Australia. We are currently preparing the company's Quarterly Report for the three months to 30 September 2008 which we expect will be lodged with you on Friday 17 October 2008. The liquid net assets of the company at market value are stated in the report at 11.9c/share. For a considerable time prior to the sale on the 13 August 2008 there was a seller in the market at 15 cents and a buyer at 8 cents. This wide price gap between the buyer and seller quotes has been a consistent feature of the lack of market liquidity for the company's shares. With the current financial crises, we suspect investors' have sold down stocks to realise cash.
2. We confirm the company is in compliance with the listing rules and, in particular, listing rule 6.4.

Yours faithfully,

Malcolm A. Mayger
Managing Director