

Pegmont Mines Limited

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14 July 2010

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

Dear Sir,

Preliminary Share Trading Report To 30 June 2010

We wish to advise that the Net Trading result for the **three months** to 30 June 2010 was a loss of **\$1,146,858** and \$1,237,366 for the half year to date after allowing for the decrease in the provision for loss on quoted and non quoted shares by \$1,493,300 from 31 December 2009. This result has caused us to revise our Net Trading Profit estimate from \$2,000,000 to \$NIL for the year.

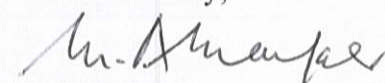
Share Trading Summary

Shares Traded

	June Quarter 2010 <u>\$000</u>	Half Year to June 2010 <u>\$000</u>	Half Year To June 2009 <u>\$000</u>	Year Budget 2010 <u>\$000</u>	Revised Estimate 2010 <u>\$000</u>
Proceeds	5,185	8,435	8,840	15,000	16,000
Cost	7,469	11,165	8,544	13,500	18,000
Profits	167	476	1,211	2,500	1,000
Losses	<u>(2,451)</u>	<u>(3,206)</u>	<u>(915)</u>	<u>(1,000)</u>	<u>(3,000)</u>
Trading Profit/(Loss)	<u>(2,284)</u>	<u>(2,730)</u>	<u>296</u>	<u>1,500</u>	<u>(2,000)</u>
Net Provision- Profit	<u>1,138</u>	<u>1,493</u>	<u>695</u>	<u>500</u>	<u>2,000</u>
Net Trading Profit/(Loss) after provisions	<u>(1,146)</u>	<u>(1,237)</u>	<u>991</u>	<u>2,000</u>	<u>NIL</u>

The stock market since March 2010 has been extremely volatile attributed mainly to the announcement by the Government of a Resource Profits Tax which effectively killed overseas interest in Australia's resource equities. Although the proposed resource tax has been substantially modified to only apply to coal, iron ore and onshore petroleum production, nevertheless, future exploration funding will become extremely difficult. Our losses arise from a deliberate sell down of exploration equities. Future trading strategy will be confined mainly to existing producers.

Yours Faithfully,



M.A. Mayger
Managing Director