

Pegmont Mines Limited

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3 December 2010

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

Dear Sir,

EPM 15106- Relinquishment Blocks

Due to Conditions of Grant by the Queensland Department of Employment, Economic Development and Innovation, the Company was obliged to relinquish 50% of sub-block area held under EPM 15106.

A map of the relinquished areas is attached and it will be noticed that they are peripheral to our main project areas; being the Pegmont lead-zinc deposit and the Lightning Creek Anomaly.

Yours faithfully,



M.A Mayger
Chairman

