

Pegmont Mines Limited

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Corporate Office

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20 January 2010

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

Dear Sir,

Investment Activities to 31 December 2010

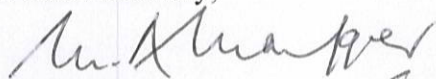
The Company earned an unaudited Net Share Trading **profit of \$624,954** during the three months to 31 December 2010 and \$243,756 for the year. This result was calculated after taking into account changes in provisions for diminution in value of quoted and non-quoted shares.

Investment Activity Summary

Shares Traded	December Quarter 2010 <u>\$000</u>	Year Actual 2010 <u>\$000</u>	Previous Estimate 2010 <u>\$000</u>
Proceeds	2,750	18,660	21,500
Cost	2,230	20,994	24,000
Profits	567	1,700	1,500
Losses	<u>(47)</u>	<u>(4,034)</u>	<u>(4,000)</u>
Trading Profit/ (Loss)	520	(2,334)	(2,500)
Net Provision- Profit/ (Loss)	<u>105</u>	<u>2,578</u>	<u>2,500</u>
Net Trading Profit After Provisions	<u>625</u>	<u>244</u>	<u>NIL</u>

The All Ordinaries Index firmed 4.5% during the quarter to close at 4846.9 at 31 December 2010 on the back of the improving US economy, higher corporate profits and firm commodity prices for gold, coal and iron ore.

Yours Faithfully,



M.A. Mayger
Managing Director