

Pegmont Mines Limited

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6 July 2011

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

Dear Sir,

Preliminary Share Trading Report To 30 June 2011

We wish to advise that the Net Trading result for the **three months** to 30 June 2011 was a loss of **\$522,670** and a loss of \$847,485 for the half year, after allowing for an increase in the provision for loss on quoted and non quoted shares of \$612,584 from 31 December 2010.

Share Trading Summary

Shares Traded	June Quarter	Half Year to June	Half Year To June	Year Budget	Revised Estimate
	2011	2011	2010	2011	2011
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Proceeds	1,178	3,640	8,435	20,000	10,000
Cost	1,291	3,875	11,165	18,000	10,000
Profits	29	90	476	2,500	1,000
Losses	<u>(142)</u>	<u>(325)</u>	<u>(3,206)</u>	<u>(500)</u>	<u>(1,000)</u>
Realised (Loss)	<u>(113)</u>	<u>(235)</u>	<u>(2,730)</u>	<u>2,000</u>	<u>NIL</u>
Net Provision Profit/(Loss)	<u>(410)</u>	<u>(613)</u>	<u>1,493</u>	-	-
Net Trading Profit/(Loss)	<u>(523)</u>	<u>(848)</u>	<u>(1,237)</u>	<u>2,000</u>	<u>NIL</u>

Although trading activities during the June quarter were sharply curtailed and realised losses limited; a sharp decline in the market from 12 April to 28 June exposed the trading portfolio to increased loss provisions. The market decline was due to the prospect of increased taxes on mining and carbon, declining non-mining economic activity due to the high exchange rate and global uncertainties arising from Greek fiscal problems and refinancing of its debt obligations. Whilst the short-term Greek funding problems have been resolved, their underlying budget deficit problem remains difficult.

Since these conditions have not changed, we remain very cautious and have revised down our estimates accordingly.

Yours Faithfully,



M.A. Mayger
Managing Director