

Pegmont Mines NL

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Corporate Office

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

Dear Sir,

Financial Update to 30 November 2004 Profit on Sale of Shares - \$314,217

Further to our Quarterly Report to 30 September 2004, we wish to advise of a change in our Share Holding in CopperCo Limited (formerly Avon Resources Ltd.); and the reinvestment of the proceeds of sale.

As foreshadowed in our previous report, the Company is prepared to consider diverse investment opportunities in the resource industry that may open up new areas of corporate growth.

Consequently, we have sold 40 million shares in CopperCo Limited (leaving a balance of 11,153,333 shares) for net proceeds of \$863,918. These funds have been redeployed into a spread of six other resource companies in order to participate in the current mining boom.

Pre-Tax realised profits from sale of shares to 30 November 2004 were \$314,217.

We currently have a trading portfolio with a cost of \$986,256 having substantial unrealised gains; together with a broker credit balance of \$177,961. It is our intention to partially sell down this portfolio before the year-end, in order that we may reassess our overall financial position and to map out a new corporate strategy for year 2005. In addition, the Company has \$1,800,000 on deposit and \$767,300 deferred payment by CopperCo.

Yours Faithfully,

M.A. Mayger
Managing Director