

Pegmont Mines NL

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17 December 2003

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

Dear Sir,

Placement of 1,250,000 shares at 8 cents each

We wish to advise that the Board of Directors has placed 1,250,000 Ordinary fully paid shares in Pegmont Mines NL at eight (8) cents each to raise \$100,000 for working capital purposes.

These shares were allotted on 16 December 2003 to JP Morgan Nominees Australia Limited.

The funds will be used for payment of some outstanding accounts, including next years rentals on our mining leases.

We wish continue to seek additional funds in order to recruit an exploration manager to take charge of an intended increase in field activities next year following successfully drilling at Mount Kelly. Also, we anticipate undertaking work on the Buckley River project which is in course of being assigned to Reefway. At the Anthill prospect (Buckley River) there is a preliminary resource of 1.6 million tonnes of oxide and supergene material averaging 1.9% Cu (MIM Exploration Pty Ltd, 2003). This prospect will be a focus point in order to enhance total oxide/supergene resources for the establishment of regional SX-EW operation.

Yours sincerely

Malcolm A Mayger