

# Pegmont Mines NL

ACN 003 331 682

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29<sup>th</sup> September 2004

**The Manager**

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

Dear Sir,

**Completion of Sale of Reefway Pty Ltd  
to Avon Resources Limited**

Further to our advice on 23 August 2004, whereby the Company's members had unanimously approved the proposed sale of the Company's shareholding in Reefway Pty Ltd to Avon Resources Limited, we are pleased to confirm, that on 28 September 2004, the Company sold its holding in Reefway upon the following terms:

- The receipt of \$2,347,938 and refund of \$150,781.08 advanced to Reefway and
- The allotment of 51,153,333 Avon shares to the Company at a deemed price of 1.5 cents per share and
- A deferred final installment of \$767,300 plus interest payable on or before 30 June 2005 and
- A deferred royalty on payable metal produced from the Reefway tenements upon the achievement of certain threshold metal tonnages.

Thus, the Company is now in receipt of substantial funds, which could provide the means for growth by investment in future mining related opportunities. Exploration activities will continue for copper and other base metals in the Mount Isa region.

Yours Faithfully



**Malcolm A. Mayger**  
Managing Director