

THE PLAZA
PEGMONT MINES N.L.
ACN 003 331 682

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1 December 2000

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

Dear Sir,

Prospectus Issue Results

We are very pleased to report the issue of 17,875,750 fully paid ordinary shares at 10 cents each pursuant to the Prospectus dated 29 September 2000 including subsequent allotments of shortfall shares as follows:-

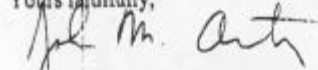
Share applications pursuant to the Prospectus, allotted 10 November 2000	13,855,250
Placement of shortfall shares allotted on 21 November 2000	1,270,500
Placement of fully paid ordinary shares to Billiton Exploration Australia Limited on 1 December 2000	<u>2,750,000</u>
Total shares issued	<u>17,875,750</u>
 Total shares on issue at 1 December 2000	 47,706,511

It should be noted that the Board reserved the right to place any shortfall shares (2,293,489) within three months of the close of the Issue (3 November 2000).

The total allotment of 17,875,750 shares included the issue of 10,354,000 shares to capitalise shareholder loans. Thus, new money received totalled \$752,175. These shares are expected to be quoted on 5 December 2000.

The results of the issue are regarded as providing a very successful outcome for the Company with 88.63% of the Prospectus Issue being taken up. Strong support was received from existing Shareholders which shows continued confidence and support for the Company's activities in the Mount Isa region.

Yours faithfully,



JOHN M. ARMSTRONG
Chairman