

**PEGMONT MINES NL**  
**ACN : 003 331 682**

Corporate Office  
65 Hume Street  
Crows Nest  
NSW 2065

Telephone : 8437 3591  
Facsimile : 8437 3599

9 August 2004

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

Dear Sir,

**Mount Isa Mines Limited**  
**Withdraws from Mt Kelly**  
**Option and Joint Venture Agreement**

Xstrata Copper Exploration Pty Ltd advised on 6 August 2004 that Mount Isa Mines Limited gave formal notice pursuant to the Mt Kelly Option & Joint Venture Agreement that they wish to withdraw from the agreement.

Yours Faithfully

M A. Mayger  
Managing Director