

# PEGASUS METALS LIMITED



22 July 2014

Jeremy Newman  
ASX Compliance Pty Ltd  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

Via email [jeremy.newman@asx.com.au](mailto:jeremy.newman@asx.com.au)

Dear Jeremy,

We have received your letter dated 17 July 2014 concerning the late lodgement of the Appendix 3Y Change of Director's Interest Notices for Mr Stephen Mann and Mr Michael George Fotios lodged on 14 and 15 July 2014 respectively. In relation to the questions raised in your letter we advise as follows.

1. *Please explain why the Appendices 3Y were lodged late.*

The Appendices 3Y were lodged in relation to a transfer of shares in Pegasus that resulted from a shareholder approved share buy-back of another entity (Investmet Limited). More specifically, the consideration for the buy-back was an in-specie distribution of assets held by Investmet. These assets included certain shares formerly held by Investmet in Pegasus.

The distribution was complex and resulted in transfers of securities in a number of entities.

There was some confusion as to when the in-specie distribution of Pegasus shares had actually occurred.

It is worth emphasising that these transactions were not trades of shares that were initiated by the relevant directors, but arose from an unusual (and very specific) set of circumstances that flowed as a result of a buy-back transaction being approved.

2. *What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?*

The Company has in place a Policy on Trading in Company Securities and a Policy on ASX Listing Rule Compliance which sets out the obligations of directors with respect to complying with the Listing Rule requirements and continuous disclosure obligations.

Both Mr Mann and Mr Fotios had advised the Company prior to the date of the Investmet Limited shareholder meeting of the impending buy-back and resulting change of interests. However, as referred to above, there was some resultant confusion as to when the transfer of shares as a result of the buy-back had actually been effected.



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3. *If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to ensure compliance with listing rule 3.19B?*

Whilst current procedures are considered sufficient, the Company has reiterated to all parties their obligations to inform it immediately of any changes in their respective notifiable interests. However, as mentioned above, ultimately this was an unusual and specific set of circumstances and is not considered likely to arise in the future.

Please do not hesitate to contact me if I can provide any further information.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'G. Anderson', with a long horizontal flourish extending to the right.

**GRAHAM ANDERSON**  
Director/Company Secretary



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17 July 2014

Graham Anderson  
Company Secretary  
Pegasus Metals Limited

By email: [graham@gdacorporate.com.au](mailto:graham@gdacorporate.com.au)

Dear Graham

**Pegasus Metals Limited (the “Company”)**

We refer to the following:

1. Appendices 3Y lodged with ASX Ltd (“ASX”) on 14 and 15 July 2014 regarding a change of director’s interest notice for Mr Stephen Mann and Mr Michael George Fotios respectively (“Appendices 3Y”).
2. Listing rule 3.19A which requires an entity to tell ASX the following:
  - 3.19A.1 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times:*
    - On the date that the entity is admitted to the official list.
    - On the date that a director is appointed.

*The entity must complete an Appendix 3X and give it to ASX no more than 5 business days after the entity’s admission or a director’s appointment.*
  - 3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete an Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*
  - 3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete an Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.*
3. Listing rule 3.19B which states as follows.

*An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.*

The Appendices 3Y indicate that changes in the notifiable interest of the directors occurred on 13 June 2014. It appears that the Appendices 3Y should have been lodged with ASX in respect of those changes by no later than 20 June 2014. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions.

1. Please explain why the Appendices 3Y were lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail to [jeremy.newman@asx.com.au](mailto:jeremy.newman@asx.com.au). It should not be sent to the ASX Market Announcements Office.

A response is requested as soon as possible and, in any event, not later than **4:00 pm WST on Tuesday, 22 July 2014**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

*[sent electronically without signature]*

Jeremy Newman  
**Adviser, Listings Compliance (Perth)**