



ANNUAL GENERAL MEETING PRESENTATION

25th November 2014

Disclaimer / Competent Persons Statement

Competent Persons Statements

Information in this presentation that relates to the Mt Mulcahy Mineral Resource estimations has been compiled by Rob Spiers, who is an employee of geological consultants H&S Consultants Pty Ltd and a member of The Australasian Institute of Geoscientists. Mr Spiers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Spiers consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to Exploration Results is based on information compiled and/or reviewed by Jason Boladeras who is a Director of Pegasus Metals and is a Member of the Australian Institute of Geoscientists. Mr Boladeras has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Boladeras consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

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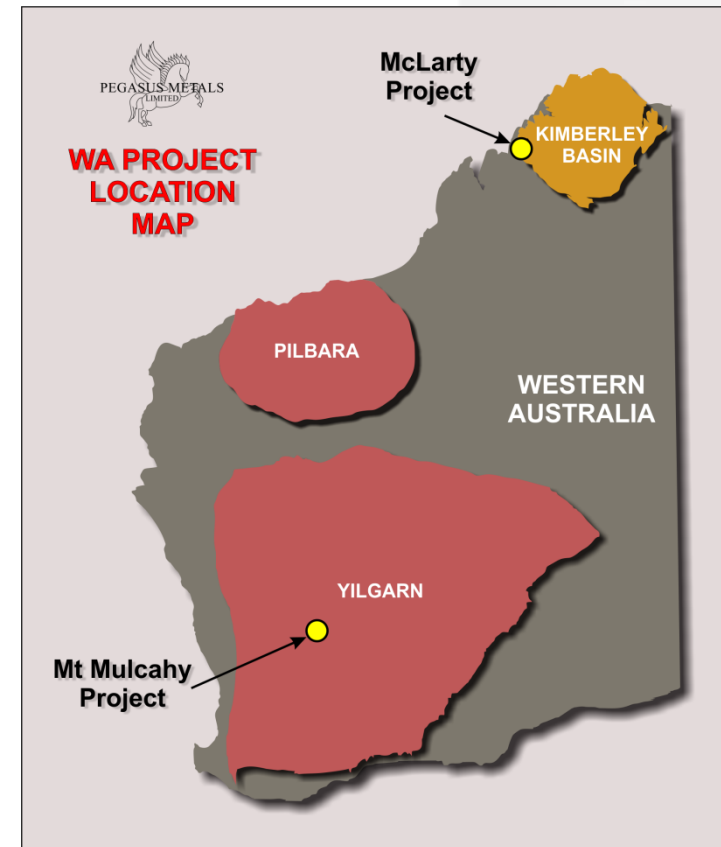
Corporate Summary

ASX Code	PUN	
Issued Capital	Shares (Ordinary)	123.1 million
	Options (unlisted, 35c, exp31/12/15)	8 million
Share Price	Current	0.7 cents
	52 Week High	5.0 cents
	52 Week Low	0.7 cents
Market Capitalisation	Undiluted	\$862K

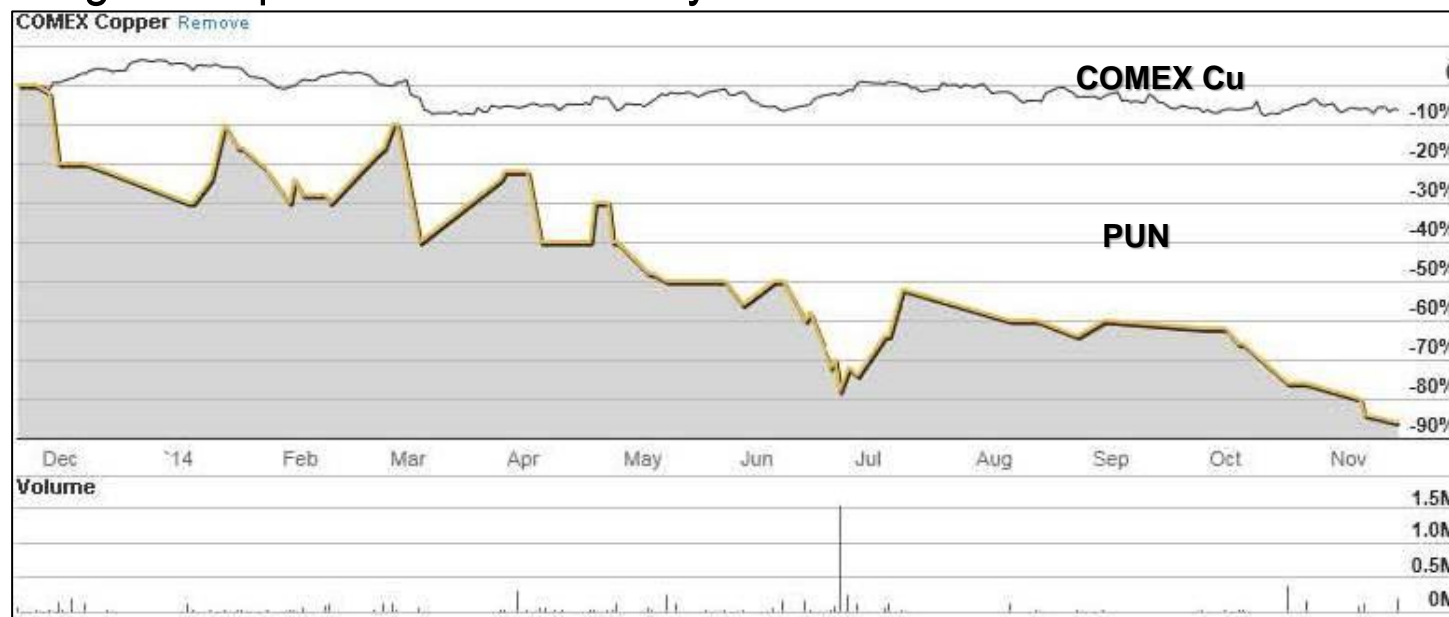
Board	Graham Anderson (Non-Exec Chairman & Co Secretary)	
	Michael Fotios (Non-Exec Director)	
	Jason Boladeras (Non-Exec Director): 27/08/2014	
Key Technical Support	Delta Resource Management	
Directors Shareholding		5.2%
Substantial Shareholders	Investmet Ltd	13.8%
	Kimminco Pty Ltd	8.6%
	Wyllie Group Pty Ltd	5.4%

NB: prices correct as of Monday 24/11/2014

- Copper Explorer with a vision of building a copper mining and exploration powerhouse (Australia)
- Mt Mulcahy Project (Murchison Region, WA)
 - ✓ *Copper – zinc – silver resource*
 - ✓ *Significant exploration upside*
- McLarty Range Project (Kimberley Region, WA)
 - *Copper*
 - *Great model but difficult conditions*
- On the hunt: growth through acquisition, merger, exploration success



- Tough market conditions for copper and capital raising: perhaps due to China slowing (consumes nearly 40% of world Cu demand) and a general unhealthy global economy.
- Falling share price but on relatively low volumes



- Nov '13 to Nov '14: Copper range US\$6,392-\$7,461/t or \$2.92-\$3.37/lb. Currently US\$6,688 (\$3.03/lb): down 5% for the year.
- Negative investor sentiment: ↓ Cu, Pb, Sn, Au, Ag, Fe, coal. (↑Zn, Ni, Al)

Copper Market: Local

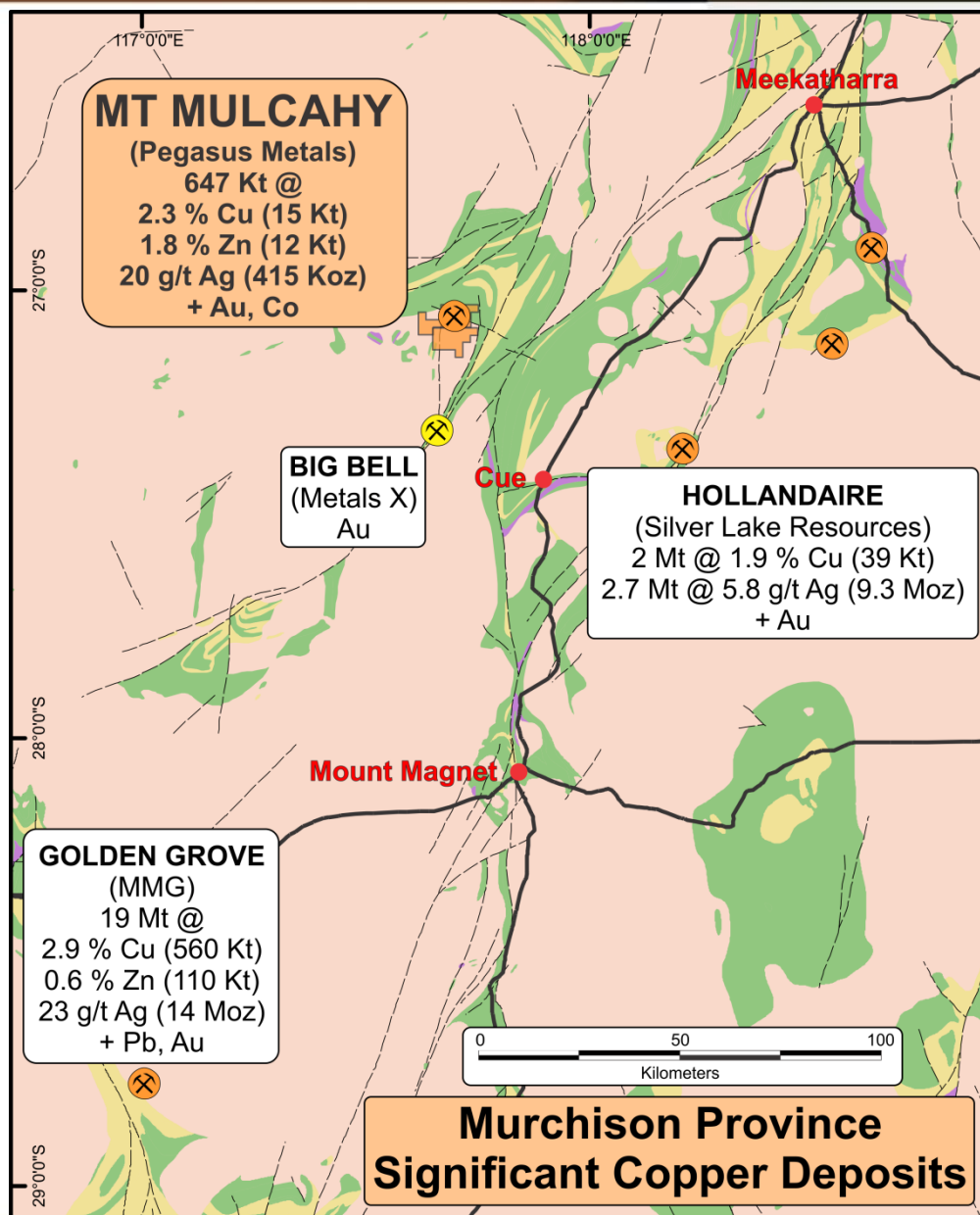
- Difficult for both small and large copper focused companies



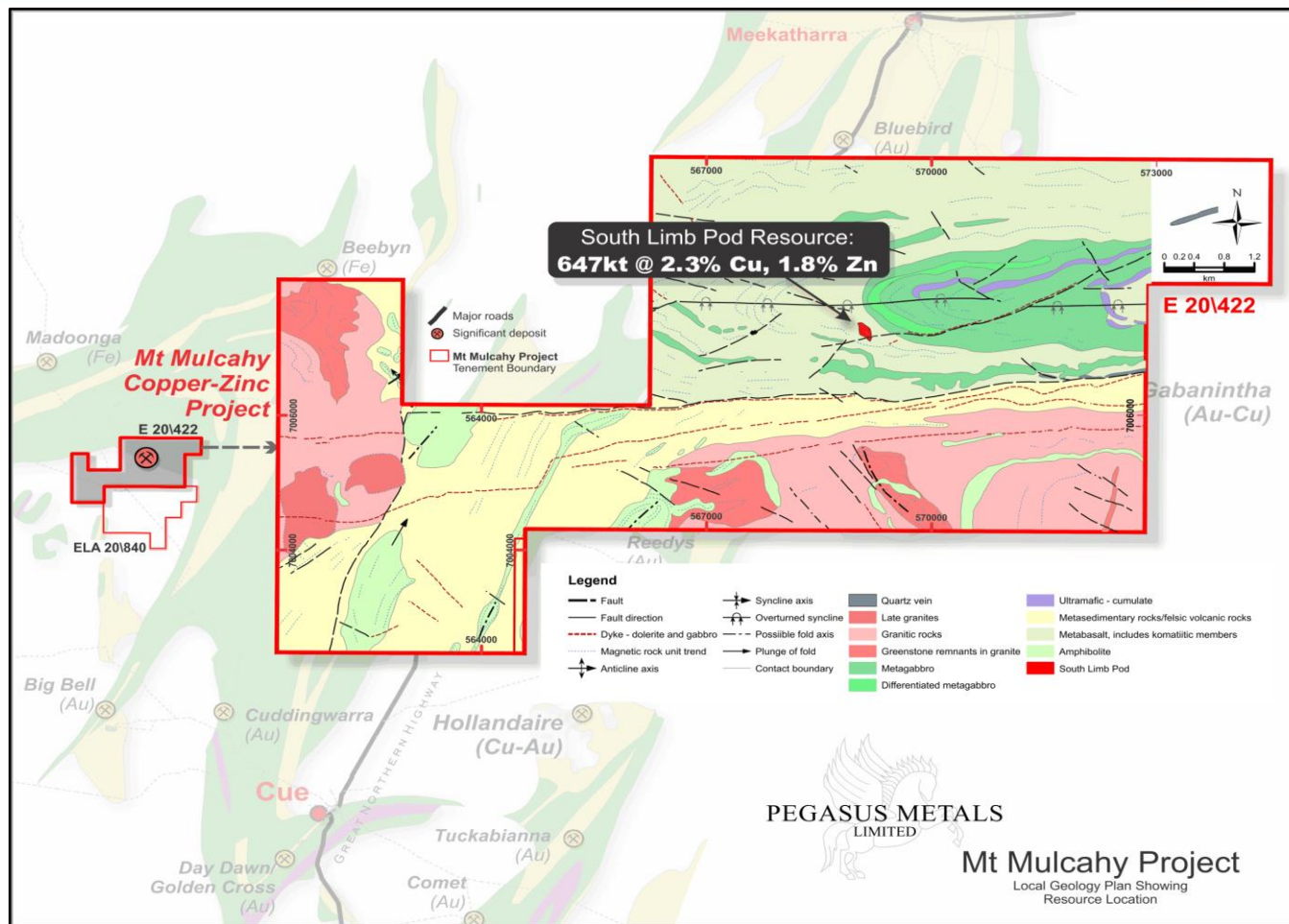
- **Maiden copper – zinc – silver resource at South Limb Pod prospect, Mt Mulcahy project**
 - **647,000t @ 2.3% Cu (15.2Kt), 1.8% Zn (26.3Kt), 20g/t Ag (415Koz) + Co, Au**
- Exploration expenditure FY14 ~\$340K (mostly drill-related from FY13)
- EBITA FY14 approx -\$786K
- Financial support in tough cap-raising environment:
 - ✓ *Directors have not received payment for services in FY14 (~\$127K) or FY15 to date*
 - ✓ *Support from related entities to Michael Fotios (drill, tech, admin): \$1.19M owed up to the end of FY14*
 - ✓ *Loan Agreement with Michael Fotios recently increased from \$500K to \$1M*
- Tenement rationalisation to reduce costs: East Kimberley project relinquished
- Presented at 2013 Resources Rising Stars conference
- Jason Boladeras joined the Board as Non-Exec Director, and Graham Anderson as Chairman in addition to existing position as Non-Exec Director & Company Secretary

Mt Mulcahy – A Golden Grove Look-alike

- Located 45km NW of Cue in WA's Murchison Province
- 100% owned by Pegasus
- Archaean Cu -rich VMS-style mineralisation
- Historic exploration conducted in the 1970s & 80s
- Similar geological setting to the world-class Golden Grove VMS deposits and Silver Lake's Hollandaire copper resource
- Pegasus completed Diamond / RC drilling program in FY13

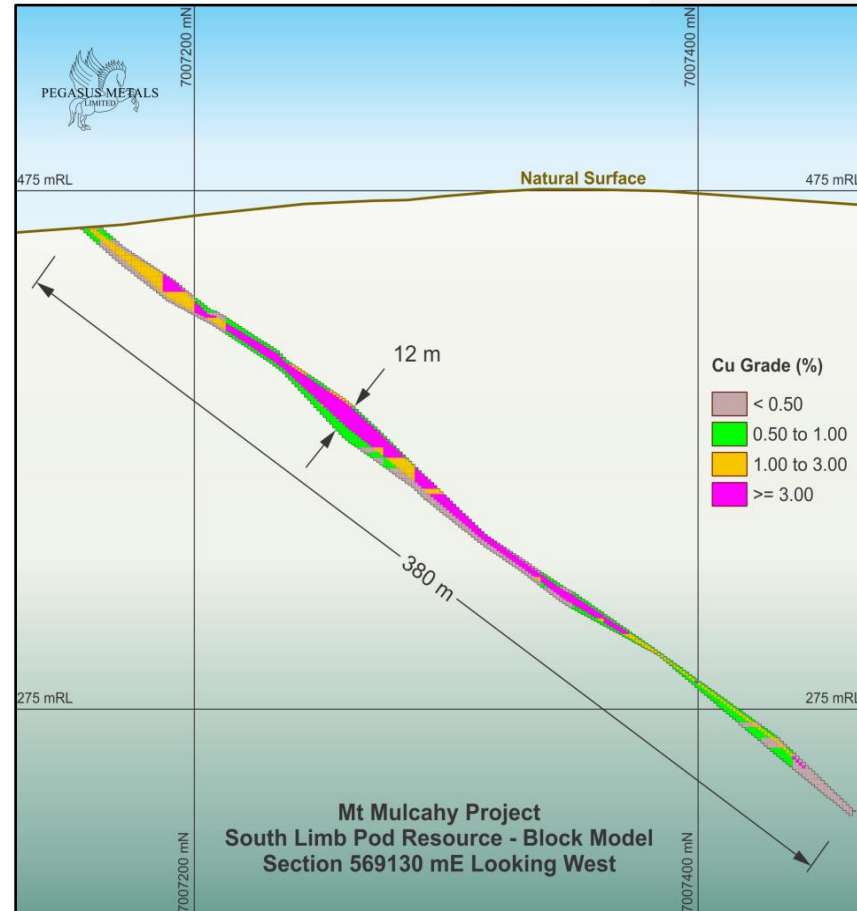
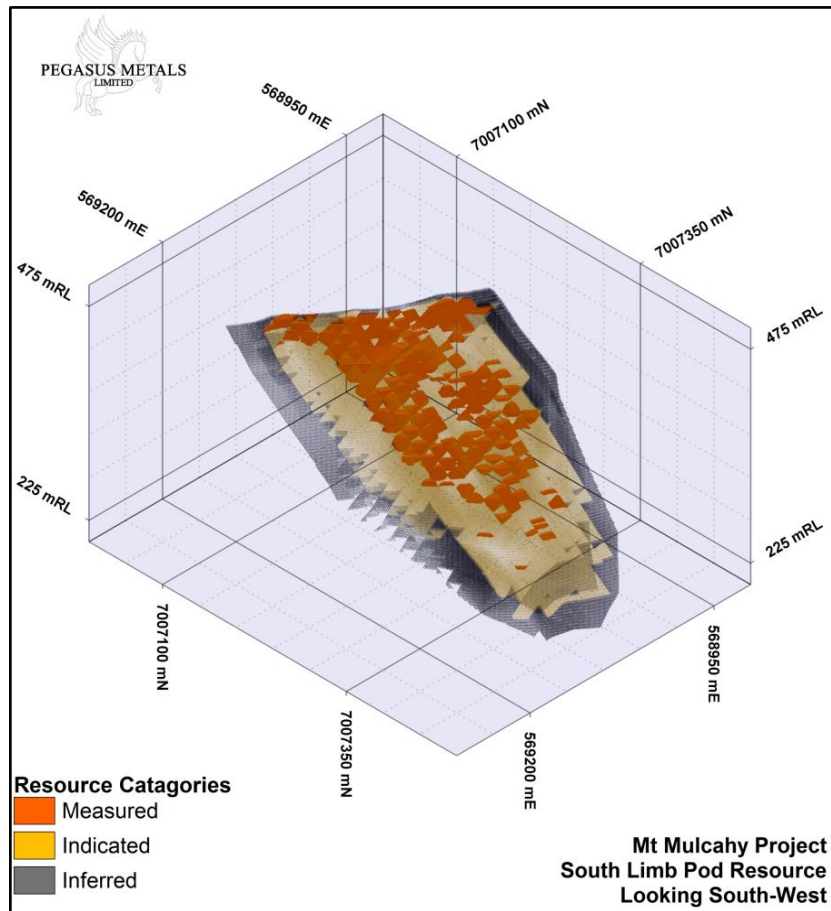


Mt Mulcahy – Maiden Resource at SLP



- **September 2014: Maiden JORC copper – zinc – silver Resource at South Limb Pod ('SLP') prospect. Pegasus's first since listing in 2007**
 - **647,000t @ 2.3% Cu (15.2Kt), 1.8% Zn (26.3Kt), 20g/t Ag (415Koz) + Au, Co**

Mt Mulcahy – Maiden Resource at SLP



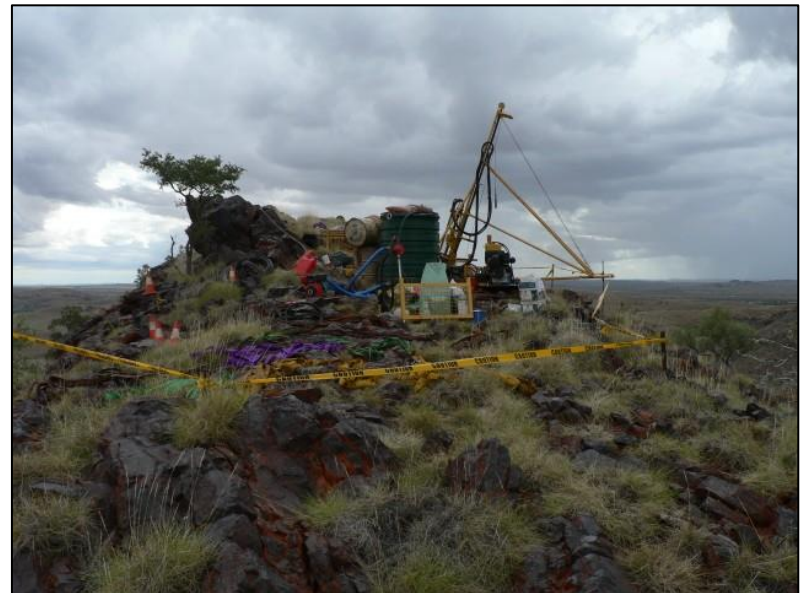
- Massive sulphide horizon between shale and basalt/gabbro
- True thickness ~1-10m. 300m strike, 380m down-dip from near surface
- Rock types, structure and controls on mineralisation are relatively simple

Mt Mulcahy – Significant Exploration Upside

- Potential for extensions to mineralisation along strike / at depth
- Highly prospective horizon hosting SLP continues intermittently for over 10km of strike around the syncline
- Numerous targets generated from airborne EM survey by a previous explorer (including SLP) remain untested
- Exploration planning underway for initial DHEM at SLP, then ground EM to aid drill targeting



- 250km NE of Broome, West Kimberley
- Cu-Au, plus Zn & Ag; sediment hosted
- Diamond drilling in previous reporting periods confirmed prospectivity
- Significant intersections at Bowerbird prospect including 7m at 1% copper
- Numerous other targets within 'Main Syncline' area remain untested
- Difficult to access: requires barge and helicopter support. Environmentally sensitive area.
- High-res photo / topo data obtained
- High-res aero mag survey unlikely



- Mt Mulcahy shines brightly and provides hope with Pegasus's first resource since listing. Excellent grade but need more tonnes
- Numerous geophysical targets in the Mt Mulcahy area need follow up (EM, mapping, geochemistry, drilling)
- Finances needed to carry out the programs
- McLarty: Decide JV structure and way forward
- Aggressively pursue opportunities for growth through merger, acquisition and converting exploration success to resources

Thank you Shareholders for your support



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Appendix – SLP Resource Table

South Limb Pod Mineral Resource, Mt Mulcahy Project - September 2014											
Resource Category	Tonnes	Grade					Contained Metal				
		Cu (%)	Zn (%)	Co (%)	Ag (g/t)	Au (g/t)	Cu (Pounds)	Zn (Pounds)	Co (Pounds)	Ag (Ounces)	Au (Ounces)
Measured	192,590	3.01	2.28	0.11	25.31	0.26	12,774,000	9,689,000	484,000	157,000	2,000
Indicated	372,150	2.2	1.7	0.1	18.7	0.2	17,972,000	14,346,000	723,000	223,000	2,000
Inferred	82,492	1.5	1.3	0.1	13.1	0.2	2,760,000	2,276,000	129,000	35,000	-
TOTAL RESOURCES	647,232	2.35	1.84	0.09	19.94	0.22	33,506,000	26,311,000	1,335,000	415,000	5,000

Note

- Rounding may result in apparent summation differences between tonnes, grade and contained metal content;
- Significant figures do not imply an added level of precision.

Table 1. South Limb Pod Mineral Resource Estimate, based on a 0.5% copper cut-off grade.

- The Mineral Resource estimate has been completed in accordance with the JORC guideline and code for the reporting of Mineral Resource Estimates 2012.
- Please refer to the ASX announcement released on 25th September entitled “Maiden Copper – Zinc Resource at Mt Mulcahy” for further information.