



# **PEGASUS METALS LIMITED**

---

**ACN 115 535 030**

## **Supplementary Notice of Annual General Meeting, Proxy Form and Explanatory Statement**

**Date of Meeting**  
27 November 2015

**Time of Meeting**  
10:00am (AWST)

**Place of Meeting**  
9 Mumford Place, Balcatta, WA 6021

*This Supplementary Notice of Annual General Meeting and Explanatory Statement should be read in its entirety and read in conjunction with the Notice of Annual General Meeting and Explanatory Statement dated 27 October 2015*

*If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.*

---

## Supplementary Notice of Annual General Meeting and Explanatory Statement

Notice was given on 27 October 2015 that the Annual General Meeting of the members of Pegasus Metals Limited ("Company") will be held at Mumford Place, Balcatta, WA 6021 on 27 November 2015 commencing at 10:00am (AWST).

This supplementary Notice of Annual General Meeting and Explanatory Statements is supplemental to the Notice of Annual General Meeting dated 20 October 2015 and should be read in conjunction with that Notice of Annual General Meeting and Explanatory Statement.

Notice is hereby given that the following additional Resolution 7 will be put to members at the Annual General Meeting of the Company.

### 1. Resolution 7 – Approval of Selective Share Buy-Back

To consider, and if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*"That, for the purposes of Section 257D(1)(a) of the Corporations Act and for all other purposes, approval is given for the Company to selectively buy-back and cancel 6,900,000 Shares currently held by Kimminco Pty Ltd, on the terms and conditions set out in the Explanatory Statement."*

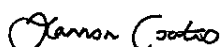
#### **Voting Exclusion**

The Company will disregard any votes cast on Resolution 7 by Kimminco Pty Ltd and any of its Associates.

However, the Company need not disregard a vote if it is cast:

- (a) by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or
- (b) by the person chairing the Meeting as proxy for the person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **BY ORDER OF THE BOARD**



**SHANNON COATES**

Company Secretary

Dated 2 November 2015

### **IMPORTANT INFORMATION ABOUT PROXY VOTING**

A replacement proxy form accompanies this Supplementary Notice of Meeting. If you use this proxy form, it will replace and supersede any earlier proxy form that has already been provided to the Company. If you wish to direct your proxy how to vote, you should include a direction in relation to each resolution that you would like to direct your proxy on (including the resolutions that you directed your proxy how to vote on in any proxy form previously delivered to the Company). If you have already delivered a valid proxy form to the Company and do not deliver a replacement proxy form to the Company, your earlier proxy form will remain valid (but it will not include any direction to your proxy as to how to vote on Resolution 7).

Proxies must be received by PEGASUS METALS LIMITED no later than 10:00am AWST on Wednesday 25 November 2015.

## **SUPPLEMENTARY EXPLANATORY STATEMENT**

The Company wishes to add the following to the Explanatory Statement attached to its Notice of Annual General Meeting dated 27 October 2015, pertaining to the additional Resolution 7 that is the subject of this Supplementary Notice of Annual General Meeting.

### **Resolution 7 – Approval of Selective Share Buy-Back**

#### **Background**

On 28 May 2015, the Company announced that it had resolved a dispute with its joint venture partner on the McLarty Range project, Kimminco. Under the settlement, Kimminco agreed to, among other things, transfer to third parties 3,750,000 shares it held in the Company, and to the buy-back of 6,900,000 remaining shares it holds in the Company (**Buy-Back**).

The Buy-Back is being undertaken for nil cash consideration as part of the settlement of the dispute and is conditional upon shareholder approval. Accordingly, the Company is seeking shareholder approval at the 2015 Annual General Meeting for the Buy-Back.

#### **Selective Share Buy-Backs**

The Buy-Back is being undertaken by way of a selective share buy-back pursuant to section 257D of the Corporations Act.

Section 257A of the Corporations Act provides that a company may buy back its own shares if:

- the buy-back does not materially prejudice the company's ability to pay its creditors; and
- the company follows the procedures laid down in Division 2 of Part 2J.1 of the Corporations Act.

Pursuant to section 257D(1) of the Corporations Act, a share buy-back must be approved by either:

- a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by any person whose shares are to be bought back or by their associates; or
- a resolution agreed to, at a general meeting by all ordinary shareholders.

Pursuant to section 257D(2) of the Corporations Act, the Company must include with this Supplementary Notice a statement setting out all information known to the Company that is material to the decision on how to vote on the buy-back resolution. However, the Company does not have to disclose information if it would be unreasonable to require the Company to do so because the Company has previously disclosed the information to Shareholders.

Section 257H(3) provides that immediately after the registration of the transfer to a company of shares bought back, the shares are cancelled.

Under section 257D(1)(a) of the Corporations Act, Kimminco and its Associates are not entitled to cast votes on Resolution 7. Any such votes will be disregarded.

If the Buy-Back does not proceed, the shares in the Company held by Kimminco will not be bought back and cancelled, and Kimminco will remain a Shareholder of the Company.

ASIC Regulatory Guide 110 sets out what ASIC expects a company to provide when disclosing such information to shareholders with a notice of meeting. This information is set out below.

#### **Details of the Buy-Back**

Pursuant to and in accordance with section 257D(2) of the Corporations Act and ASIC Regulatory Guide 110, the following information is provided in relation to the Buy-Back:

- (a) As at the date of this Notice, the Company has 123,074,519 Shares on issue.
- (b) The number of Shares subject to the Buy-Back is 6,900,000 or 5.61% of all Shares.

- (c) The Buy-Back will be undertaken for nil cash consideration as part of the settlement of the McLarty Range dispute.
- (d) The reason for the Company undertaking the Buy-Back is that the Buy-Back was negotiated as part of a settlement agreement entered into with Kimminco for the extinguishment of a dispute in relation to the McLarty Range project.
- (e) The Buy-Back will not have an impact on the financial position of the Company as it is being undertaken for nil cash consideration.
- (f) The Shares bought back from Kimminco will be cancelled pursuant to section 257H of the Corporations Act. This will reduce the total Shares on issue from 123,074,519 to 116,174,519 (disregarding the issue of any Shares contemplated by the Notice and Explanatory Statement).
- (g) The Buy-Back Shares represent approximately 5.61% of the Company's issued Share capital (based on the number of Shares on issue as at the date of the Notice and Explanatory Statement and excluding the issue of any securities contemplated in this Notice). The following table sets out the current issued share capital of the Company and the issued share capital of the Company in the event the Buy-Back is implemented:

	<b>Shares</b>
Shares on issue at the date of this Notice of Meeting	123,074,519
Shares to be bought back from Kimminco	-6,900,000
<b>Total number of shares post completion of Buy-Back</b>	<b>116,174,519</b>

If the Buy-Back is implemented, the Company's largest shareholder Investmet and its Associates will have a relevant interest in approximately 14.64% of the Company's issued Shares (as outlined in the table below).

<b>Shareholder</b>	<b>Pre Buy-Back Shares (%)</b>	<b>Post Buy-Back Shares (%)</b>
Kimminco	6,900,000 (5.61%)	-
Investmet and its Associates	17,009,402 (13.82%)	17,009,402 (14.64%)
Other Shareholders	99,165,117 (80.57%)	99,165,117 (85.36%)
<b>Total</b>	<b>123,074,519 (100%)</b>	<b>116,174,519 (100%)</b>

Director Mr Michael Fotios has a relevant interest in the Shares held by Investmet by virtue of section 608(3)(a) of the Corporations Act as he has voting power in excess of 20% of Investmet, and section 608(3)(b) as he controls Investmet.

- (h) The Directors consider that the main advantages for the Company and its Shareholders in approving the Buy-Back are the following:
- (i) the Buy-Back was negotiated as part of an overall agreement to settle the Company's dispute with its joint venture partner on the McLarty Range project. Settlement of the dispute will allow the Company to focus on its other activities including development of the Mt Mulcahy Project;
  - (ii) it provides the Company an opportunity to buy back 5.61% of the Company for nil consideration; and
  - (iii) there will be a lesser number of Shares on issue, and accordingly each continuing Shareholder's percentage ownership in the Company will increase.

The Directors do not consider there to be any material disadvantages to the Company in undertaking the Buy-Back.

**Other material information**

There is no other information known to the Company that is material to the decision as to how to vote on Resolution 7. No Director or Associate of a Director is participating in the Buy-Back.

Any Shareholder who has any doubt about the information provided in the Notice and the Explanatory Statement, or the action that they should take, should consult their financial, taxation or other professional adviser.

**Board recommendation**

Each of the Directors is independent from, and not an associate of, Kimminco and believes that the Buy-Back as proposed by Resolution 7 will not prejudice the Company's ability to pay its creditors.

Each of the Directors recommends that Shareholders vote in favour of Resolution 7.

## **SCHEDULE 1 - DEFINITIONS**

In this Supplementary Notice of Annual General Meeting and Explanatory Memorandum, terms defined in the Notice of Annual General Meeting dated 20 October 2015 have the same meaning.

Additionally, the below capitalised terms have the following meaning:

Buy-Back	has the meaning given in the Explanatory Statement for Resolution 7.
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Investmet	Investmet Limited ACN 125 585 935
Kimminco	Kimminco Pty Ltd ACN 008 794 385
Shares	shares in the Company

«EFT\_REFERENCE\_NUMBER»



# PEGASUS METALS LIMITED

ACN: 115 535 030

«Company\_code»«Sequence\_number»«Address\_unknown»

«Holder\_name»  
 «Address\_line\_1»  
 «Address\_line\_2»  
 «Address\_line\_3»  
 «Address\_line\_4»  
 «Address\_line\_5»

## REGISTERED OFFICE:

24 MUMFORD PLACE  
 BALCATTA WA 6021  
 PO BOX 389



## SHARE REGISTRY:

Security Transfer Registrars Pty Ltd  
**All Correspondence to:**  
 PO BOX 535, APPLECROSS WA 6953  
 AUSTRALIA  
 770 Canning Highway, APPLECROSS WA 6153  
 AUSTRALIA  
 T: +61 8 9315 2333 F: +61 8 9315 2233  
 E: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)  
 W: [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

Code:

PUN

Holder Number:

«HOLDER\_NUMB

## PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

### SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote, hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10:00am AWST on Friday 27 November 2015 at 9 Mumford Place, Balcatta WA 6021 and at any adjournment of that meeting.

#### Chairman authorized to exercise proxies on remuneration related resolutions:

Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting become our proxy by default) and am/are entitled to vote on the relevant Resolution, I/we expressly authorize the Chairman of the Meeting to exercise my/our proxy in relation to Resolutions 1 and 6 (and any motion for amendment of, or any procedural motion relating to those resolutions) even though such resolution (and any such motion) may be connected directly or indirectly with the remuneration of a member of the key management personnel for the Company, and even though the Chairman is a member of the key management personnel.

If the Chairman of the Meeting is (or becomes) your proxy, you can direct the Chairman how to exercise your proxy on Resolutions 1 and 6 by marking the appropriate box below.

**Chairman to vote undirected proxies in favour:** I/we acknowledge that the Chairman of the Meeting intends to vote undirected proxies in favour of each of the proposed Resolutions 1, 2, 3, 4, 5, 7 and against the Contingent Resolution 6 (to the extent permitted by law).

### SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of the resolutions 1-5 and 7, and AGAINST contingent resolution 6 (to the extent permitted by law).

#### RESOLUTION

1. Adoption of Remuneration Report

For

Against

Abstain

☐
☐
☐

2. Re-election of Mr Michael Fotios

☐
☐
☐

3. Re-election of Mr Alan Still

☐
☐
☐

4. Re-election of Mr Michael Jardine

☐
☐
☐

5. Approval of 10% Placement Facility

☐
☐
☐

6. Contingent Resolution - Board Spill Meeting Resolution

☐
☐
☐

7. Selective Share Buy-Back

☐
☐
☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3




Sole Director &amp; Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by PEGASUS METALS LIMITED no later than 10:00am AWST on Wednesday 25 November 2015.

017-8086-0961/3/AUSTRALIA

+ PUNPX1271115

1

1

PUN

PUNPX1271115





My/Our contact details in case of enquiries are:

Name:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number:

( 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

 )

#### 1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

#### 2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

#### 3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

#### 4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

#### 5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign. Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

#### 6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by PEGASUS METALS LIMITED no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

#### PEGASUS METALS LIMITED

Postal Address      24 Mumford Place  
Balcatta WA 6021 AUSTRALIA

Street Address      24 Mumford Place  
Balcatta WA 6021 AUSTRALIA

Facsimile            +61 8 6241 1811

#### PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

