

Appendix 3C

Announcement of buy-back (except minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001, 11/01/10

Name of entity	ABN/ARSN
PEGASUS METALS LIMITED	115 535 030

We (the entity) give ASX the following information.

Information about buy-back

1	Type of buy-back	Off-market selective buy-back
2	⁺ Class of shares/units which is the subject of the buy-back (eg, ordinary/preference)	Ordinary shares
3	Voting rights (eg, one for one)	One for one
4	Fully paid/partly paid (and if partly paid, details of how much has been paid and how much is outstanding)	Fully paid
5	Number of shares/units in the ⁺ class on issue	123,074,519
6	Whether shareholder/unitholder approval is required for buy-back	Yes
7	Reason for buy-back	Negotiated as part of a settlement of a dispute with the Company's joint venture partner in the McLarty Range Project

⁺ See chapter 19 for defined terms.

- | | | |
|---|---|--|
| 8 | Any other information material to a shareholder's/unitholder's decision whether to accept the offer (<i>eg, details of any proposed takeover bid</i>) | Shareholders should refer to the Supplementary Notice of Annual General Meeting and Explanatory Statement that will be despatched to shareholders on or around 3 November 2015 for information relating to the selective share buy-back. |
|---|---|--|

On-market buy-back

- | | | |
|----|---|--|
| 9 | Name of broker who will act on the company's behalf | |
| 10 | Deleted 30/9/2001. | |
| 11 | If the company/trust intends to buy back a maximum number of shares - that number

<small>Note: This requires a figure to be included, not a percentage.</small> | |
| 12 | If the company/trust intends to buy back shares/units within a period of time - that period of time; if the company/trust intends that the buy-back be of unlimited duration - that intention | |
| 13 | If the company/trust intends to buy back shares/units if conditions are met - those conditions | |

Employee share scheme buy-back

- | | | |
|----|---|--|
| 14 | Number of shares proposed to be bought back | |
| 15 | Price to be offered for shares | |

Selective buy-back

16	Name of person or description of class of person whose shares are proposed to be bought back	Kimminco Pty Ltd
17	Number of shares proposed to be bought back	6,900,000
18	Price to be offered for shares	Nil cash consideration

Equal access scheme

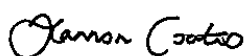
19	Percentage of shares proposed to be bought back	
20	Total number of shares proposed to be bought back if all offers are accepted	
21	Price to be offered for shares	
22	⁺ Record date for participation in offer Cross reference: Appendix 7A, clause 9.	

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.

or, for trusts only:

1. The trust is in compliance with all requirements of the Corporations Act as modified by Class Order 07/422, and of the trust's constitution, relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.



Sign here:
(~~Director~~/Company secretary)

2/11/15

Date:

SHANNON COATES

Print name:

⁺ See chapter 19 for defined terms.