

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	PEGASUS METALS LIMITED
ABN	40 115 535 030

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	GRAHAM DOUGLAS ANDERSON
Date of last notice	31 March 2010

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct and Indirect
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	Graham Douglas Anderson <Kudu Trust A/c> (a trust of which the shareholder is a trustee and beneficiary) Graham Anderson Pty Ltd <Alness Super Fund> (a trust of which the Director is a trustee and a beneficiary) Graham Douglas Anderson <Graham Anderson Pty Ltd Employee Investment Trust> (a trust of which the Director is a trustee and a beneficiary) Larissa Jane Hunt (spouse)
Date of change	31 December 2010
No. of securities held prior to change	2,380,000 Fully Paid Ordinary Shares
Class	Fully Paid Ordinary Shares
Number acquired	Nil

+ See chapter 19 for defined terms.

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Number disposed	700,000
Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	\$196,000
No. of securities held after change	1,680,000 Fully Paid Ordinary Shares
Nature of change <small>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</small>	Off Market Transfer

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	Nil
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
Date of change	N/A
No. and class of securities to which interest related prior to change <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	N/A
Interest acquired	N/A
Interest disposed	N/A
Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	N/A
Interest after change	N/A

+ See chapter 19 for defined terms.