

**ASX**

AUSTRALIAN SECURITIES EXCHANGE

MARKET RELEASE

14 March 2012

Pegasus Metals Limited**TRADING HALT**

The securities of Pegasus Metals Limited (the "Company") will be placed in Trading Halt Session State at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in Trading Halt Session State until the earlier of the commencement of normal trading on Tuesday 20 March 2012 or when the announcement is released to the market.

Security Code: PUN

Jill Hewitt

Senior Adviser, Listings (Perth)



PEGASUS METALS LIMITED

16 March 2012

Ms Jill Hewitt
Australian Securities Exchange Limited
Level 8 Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Jill,

TRADING HALT REQUEST

Further to our telephone conversation I request that the securities of Pegasus Metals Limited be placed in trading halt as follows:

1. The trading halt has been requested pending an announcement by the Company on a potential equity raising;
2. The trading halt should be until the release of an announcement by the Company, expected to be by no later than market open Tuesday 20 March 2012;
3. The Company is not aware of any reason why the trading halt should not be granted.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'G. Anderson'.

Graham Anderson
Director and Company Secretary