



# PEGASUS METALS LIMITED

ASX/MEDIA RELEASE

30 April 2010

## QUARTERLY REPORT TO 31 MARCH 2010

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- **A Heritage Impact Assessment clearance survey for the McLarty Copper Project scheduled for early May**
- **High resolution satellite imagery obtained over McLarty**
- **Geological interpretation, using satellite data, completed over McLarty**
- **Pegasus has advised its JV partner in the two McClintock licences that it has earned 50%**

### INTRODUCTION

With the introduction of the McLarty Range Copper Project into Pegasus the company is now focused on gold – base metal mineralisation in the Kimberley region of Western Australia.

The Heritage Impact Assessment survey at McLarty is due for completion in early May. Field activities are expected to commence on receipt of the survey report and permit. Pegasus is excited by the prospect of being the first to drill what may be a very significant region of copper mineralisation

### McLARTY RANGE COPPER PROJECT

#### Geology and Mineralisation:

Located some 250 km northeast of Broome, within the West Kimberley region, the McLarty Range Copper Project covers a portion of the folded Proterozoic-aged Kimberley Basin. The 1.8 billion year old Kimberley Basin rocks are described in the available literature as having accumulated in a semi-enclosed, shallow-marine basin. Of particular interest to Pegasus is a prospective copper-bearing, meta-sedimentary horizon that has been identified and sampled by previous explorers. While selected rock chip samples have returned high copper grades (up to 18% copper) the area has remained untested by drilling.

Pegasus purchased high resolution “Quickbird” satellite imagery across the McLarty area. With a resolution of 60 centimetres the imagery allows features such as small trees and rock outcrop areas to be easily discerned. A geological interpretation, based on the satellite imagery, has been completed

across the project area. Within the exploration licence the meta-sedimentary horizon controlling the known occurrences of copper mineralisation has a strike length of approximately 35 kilometres. The stratigraphic position of this horizon appears to be within a unit at the base of the up to 480 metre thick “Elgee Siltstone” formation. The basal unit has been described by earlier explorers and recent researchers as being a 20 – 140 metre thick member consisting of well bedded (metamorphosed) siltstone, shale and dolomite with abundant stromatolites (layered structures formed by cyanobacteria/blue-green algae; sometimes described as “algal mats”). The significance of the algal structures is that they have been described elsewhere in association with this style of copper mineralisation e.g. within the Zambian Copper Belt in central Africa, from Yunnan Province in China, NWT in Canada, Montana in USA, and elsewhere.

#### Planning:

A Heritage Impact Assessment clearance survey has been scheduled to take place over a 2 day period in early May. Aircraft to facilitate access have been hired for this purpose. A permit clearing the way for field-based activities is expected on completion of the assessment.

Programs of Work (“POW”) have been lodged with the Department of Mines and Petroleum. The two POWs outline drilling proposals for areas within each of the two separated halves of exploration licence E04/1441. The use of a helicopter-portable diamond drill rig, avoiding the need for any major site preparation or the establishment of access tracks, is contemplated in the POWs.

Pegasus is excited by the prospect of being the first to drill what may be a very significant region of copper mineralisation.

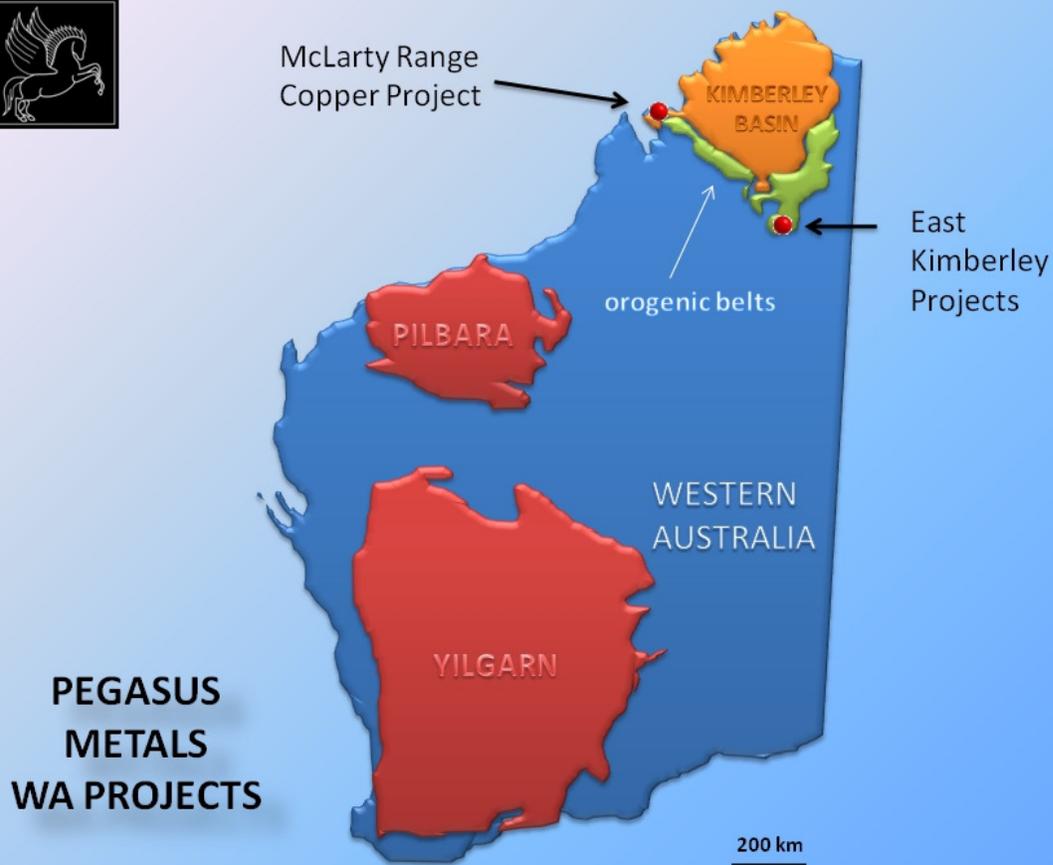
#### **STURT PALAEOCHANNEL & McCLINTOCK RANGE AREAS, EAST KIMBERLEY**

Pegasus advised the joint venture partner in the McClintock JV (licences E80/3250 and E80/3374) that it had fulfilled the requirement of expending \$250,000 to earn a 50% interest in the JV.

Field activities will be commencing in the next Quarter to coincide with the start of the Kimberley dry season.

#### **NEW OPPORTUNITIES**

Pegasus is in the process of evaluating several Kimberley base metal – gold opportunities.



*The information in this report which relates to Exploration Results is based on information compiled by George Katchan, who 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". George Katchan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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**Pegasus Metals Limited is a metals explorer, based in Western Australia.**

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