



## QUARTERLY REPORT FOR QUARTER ENDING 31 March 2015

**ASX Announcement**  
30 April 2015

**Shares on Issue**  
123,074,519

**Current Share Price**  
A\$0.007

**Market  
Capitalisation**  
A\$861,522

**Board of Directors**  
**Mr Michael Fotios**  
*Non-Executive  
Director*

**Mr Graham D  
Anderson**  
*Non-Executive  
Chairman & Company  
Secretary*

**Mr Alan Still**  
*Non-Executive  
Director*

**Contact Details**  
24 Mumford Place  
Balcatta WA 6021  
Ph: 08 6241 1888

**Projects**  
Mt Mulcahy: Cu Zn Ag  
McLarty Range: Cu

---

### HIGHLIGHTS

- Planning of follow up testing of targets adjacent to South Limb Pod, Mt Mulcahy Project, Murchison
- Evaluation of projects in the Murchison region complementary to Mt Mulcahy continued
- Prospective horizon hosting the South Limb Pod Resource with strike length approximately 10km remains largely untested by systematic exploration
- Field work (including RC drilling) schedule to commence in the current quarter

---

### MT MULCAHY COPPER PROJECT, Murchison, WA

The Volcanogenic Massive Sulphide ('VMS') style mineralisation is well defined at Mt Mulcahy, hosted by sediments and bound by mafic rocks. This highly prospective horizon can be traced intermittently over at least 10km of strike around the syncline, offering a distinct target to explore for further copper-zinc-silver-gold mineralisation.

Exploration planning continued and will initially include DHEM surveys to improve understanding of the Cu-Zn rich sulphide zone's signature, followed by ground electromagnetic surveys around the syncline. Numerous targets generated from an airborne electromagnetic survey carried out by a previous explorer (of which SLP was one) are yet to be tested. Field activities including initial RC drilling of targets on the northern limb of the syncline are planned for the June quarter.

In addition, project opportunities in the Murchison region complementary to Mt Mulcahy are being researched and evaluated based on the knowledge gained from drilling the South Limb pod and other targets.



**McLARTY RANGE COPPER PROJECT, West Kimberley, WA**

No field activities were completed during the quarter.

After ongoing correspondence (as previously announced) relating to the ownership status of the McLarty Range project, on 29 January 2015 the legal representatives for the Company's joint venture partner at McLarty Range, Kimminco Pty Ltd, wrote to the Company alleging deficiencies in the amount of farmin expenditure incurred by the Company in order to earn its interest in the McLarty Range project and seeking immediate restoration of project ownership to Kimminco Pty Ltd for no consideration. The Company disputes the allegations and has sought a meeting with the directors of Kimminco Pty Ltd to confirm the expenditures incurred and to seek a resolution of the dispute in order to facilitate an exit for the Company from the McLarty Range project on mutually acceptable terms.

Whilst the company considers the McLarty project prospective that, due to the cost of future exploration and priority being given to the more advanced Mt Mulcahy project, significant future short term expenditure at McLarty by Pegasus is unlikely.

**OPPORTUNITIES**

Pegasus Metals continues to search for growth opportunities that would benefit shareholders, including company mergers and advanced exploration or mining project acquisitions with a particular focus on copper and other base metals.

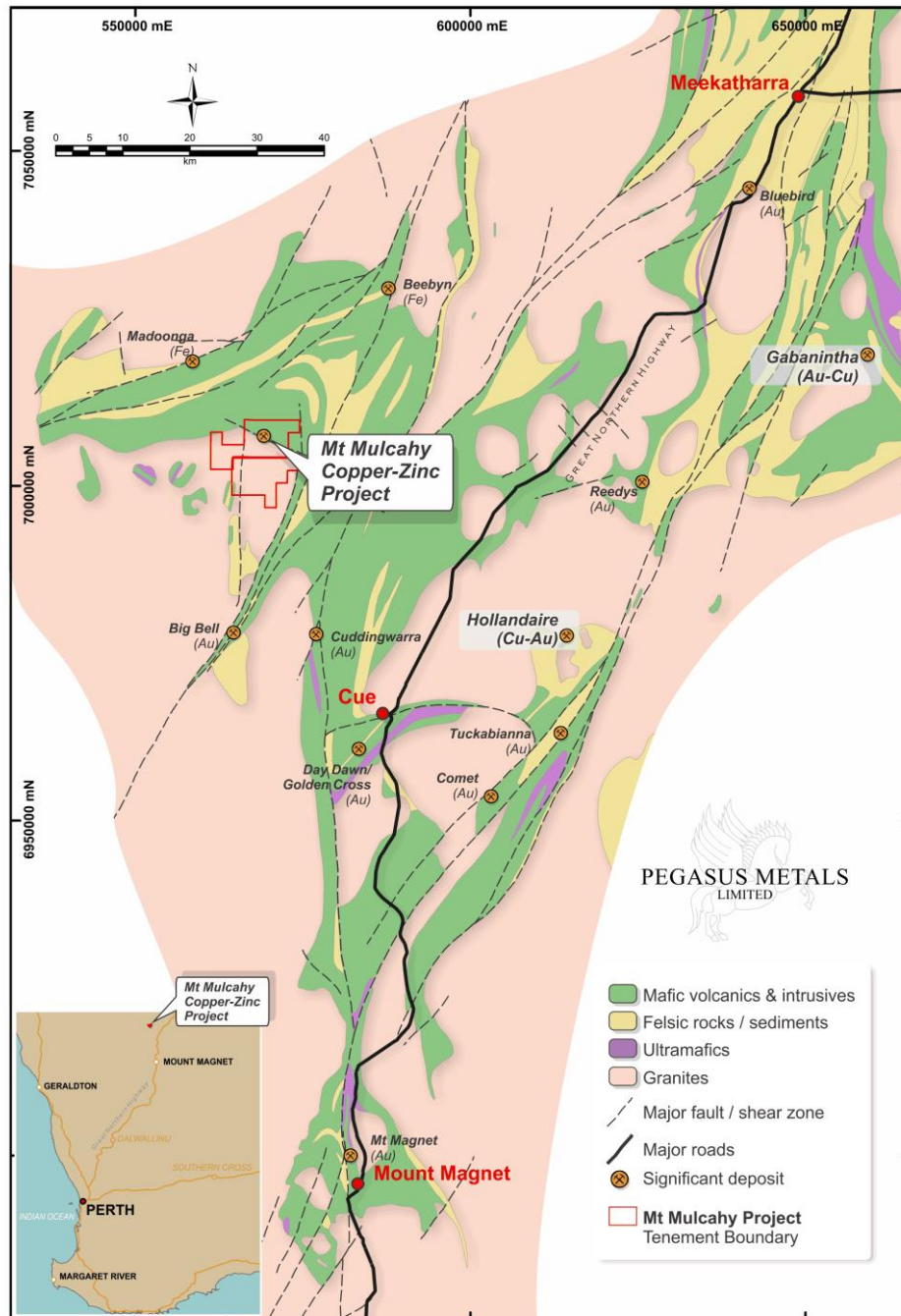


Figure 1. Project Location and Regional Geology.

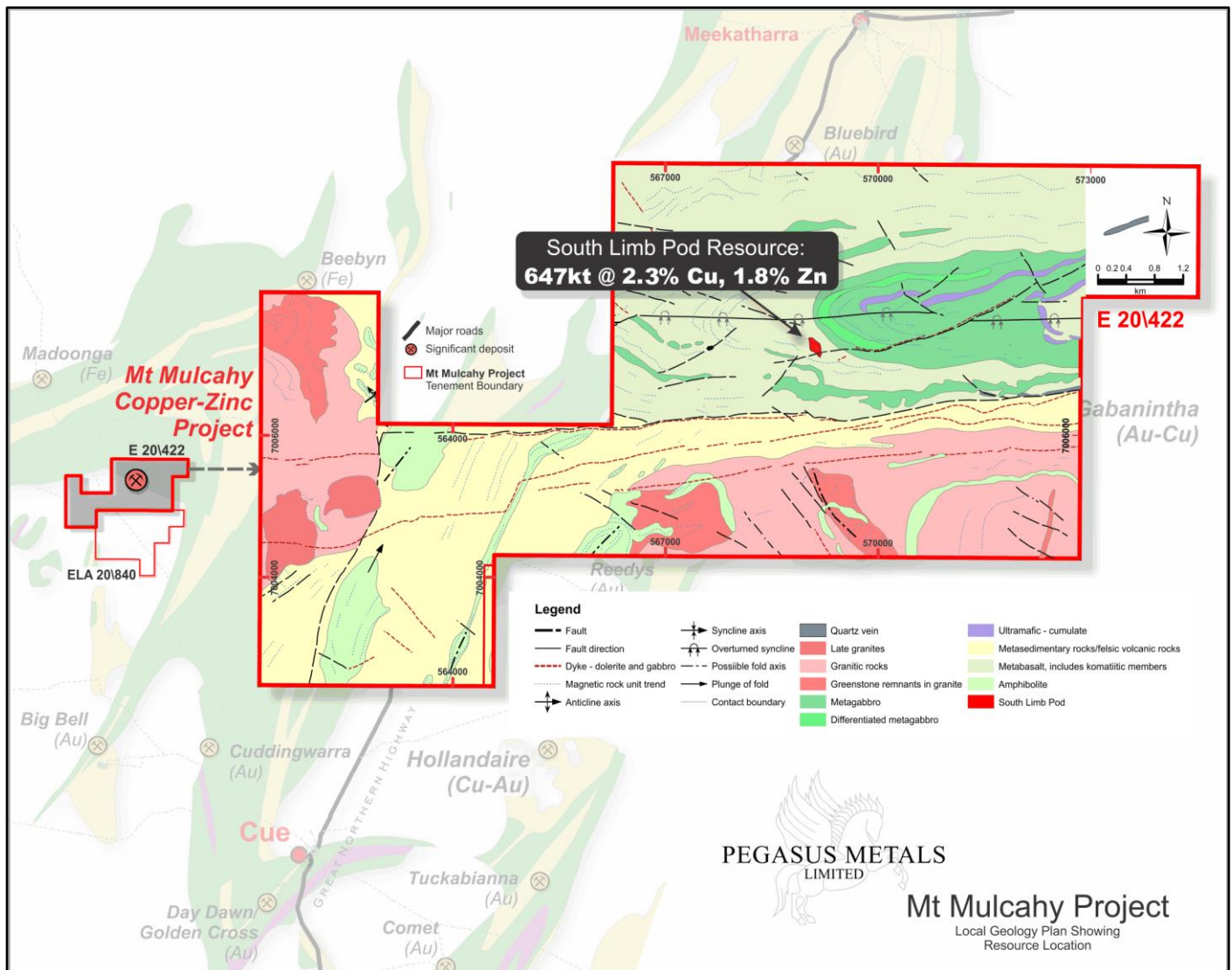


Figure 2. Local Geology and South Limb Pod Resource Location.



For further information contact:

**Michael Fotios**  
Non-Executive Director

**Pegasus Metals Limited**  
ABN 40 115 535 030  
Telephone: 08 6241 1888  
Website: [www.pegasusmetals.com.au](http://www.pegasusmetals.com.au)  
Contact: [reception@deltaman.com.au](mailto:reception@deltaman.com.au)



#### Compliance Statements

<sup>1</sup>Information in this announcement that relates to Exploration Results and estimates of Mineral Resources is extracted from the announcement entitled “Maiden Copper - Zinc Resource at Mt Mulcahy” announced to the ASX on 25<sup>th</sup> September 2014 and is available on the Company website [www.pegasusmetals.com.au](http://www.pegasusmetals.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

#### Forward Looking Statements

Pegasus Metals Ltd has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Pegasus Metals Ltd, its directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it. This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward looking statements that are subject to risk factors associated with exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

# PEGASUS METALS LIMITED

## ***Addendum - Tenement Table ASX Listing Rule 5.3.3***

➤ ***The mining tenements held at the end of each quarter and their location***

TENEMENT No.	LOCATION	STATUS	INTEREST %	HOLDER
EL04/1441	WA	Granted	100	Kimminco Pty Ltd <sup>1</sup>
EL04/2267	WA	Granted	100	Kimminco Pty Ltd <sup>1</sup>
EL20/422	WA	Granted	100	Black Raven Mining Pty Ltd <sup>2</sup>

*Note 1.* - 100% beneficial interest earned in the tenement, subject to Kimminco's retained alluvial and eluvial gold and diamond mineralisation. The Group is currently in discussions with Kimminco Pty Ltd in relation to the status of ownership.

*Note 2.* - The Group holds a 100% interest in the tenement pursuant to an executed Tenement Sale Agreement with Black Raven Mining Pty Ltd dated 14 June 2012. Transfer of the tenement to the Group is pending with the remaining step being submission of duty-stamped Tenement Sale Agreement to the DMP.

➤ ***The mining tenements disposed of during the quarter and their location***

Nil

➤ ***The beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter***

Refer to the table above in respect of E04/1441 and E04/2267

➤ ***The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter***

Not applicable

## Appendix 5B

### *Mining exploration entity quarterly report*

Introduced 1/7/96; Origin: Appendix 8; Amended 1/7/97, 1/7/98 and 30/9/2001.

Name of entity

**PEGASUS METALS LIMITED**

ABN

40 115 535 030

Quarter ended ("current quarter")

31 March 2015

#### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	4	4
1.2	Payments for (a) exploration and evaluation	-	(13)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(3)	(43)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other - GST recouped	3	(8)
<b>Net operating cash flows</b>		<b>4</b>	<b>(60)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	14
1.10	Loans from other entities	-	-
1.11	Loans repaid to other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>14</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(4)</b>	<b>(46)</b>

+ See chapter 19 for defined terms.



1.13	Total operating and investing cash flows (brought forward)	<b>4</b>	<b>(46)</b>
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	2	47
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	-	-
	<b>Net financing cash flows</b>	<b>2</b>	<b>47</b>
	<b>Net increase (decrease) in cash held</b>	<b>6</b>	<b>1</b>
1.20	Cash at beginning of quarter/year to date	<b>7</b>	<b>12</b>
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>13</b>	<b>13</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

**1.25 Explanation necessary for an understanding of the transactions**

All payments to Directors and associates are on normal commercial terms.

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil



### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	1,000	255
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	75
4.2 Development	-
4.3 Production	-
4.4 Administration	25
<b>Total</b>	<b>100</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3	(3)
5.2 Deposits at call	10	10
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>13</b>	<b>7</b>

### Changes in interests in mining tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2 Interests in mining tenements acquired or increased	Nil			

+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current quarter

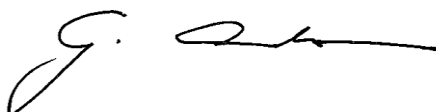
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions				
7.3 <b>+Ordinary securities</b>	123,074,519	123,074,519		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs				
7.5 <b>+Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)	8,000,000		Exercise price \$0.35	Expiry date 31 December 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Lapsed during quarter				
7.11 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				

+ See chapter 19 for defined terms.

### ***Compliance statement***

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 30 April 2015  
(Chairman/Company Secretary)

Print name: GRAHAM ANDERSON

### **Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** - The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

---

+ See chapter 19 for defined terms.