

PEGASUS METALS LIMITED



16 March 2018

DISCLOSURE UNDER ASX LISTING RULE 7.1A.4(B) AND 3.10.5A

Pegasus Metals Limited (ASX: PUN or “the Company”) confirms that further to the Appendix 3B released today, the Company has issued 6,666,668 fully paid ordinary shares at \$0.03 per share (Placement Shares). The Company issued 5,242,839 Placement Shares under its placement capacity under Listing Rule 7.1, and 1,423,829 Placement Shares under its placement capacity under Listing Rule 7.1A.

The Company provides the following information as required under ASX Listing Rule 3.10.5A in respect of the shares issued under the Company’s 10% Placement Capacity under Listing Rule 7.1A:

- a) The dilutive effect of the Placement under LR 7.1A on existing shareholders is as follows:
 - Number of shares on issue prior to the issue of Shares under LR 7.1A was 133,600,696
 - Dilution as a result of issue under LR 7.1A of 1,423,829 Shares is 1.06%
- b) The 1,423,829 shares issued under Listing Rule 7.1A were issued to sophisticated and professional investors as it was considered to be the most efficient mechanism for raising funds at the time.
- c) No underwriting agreements were entered into with respect to the Placement.
- d) No fees or costs were incurred in connection with the Placement.