



Pegasus Metals Limited

6 November 2018

Mr Daniel Nicholson
Advisor, Listings Compliance (Perth)
ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

Via email: tradinghaltsp Perth@asx.com.au

Dear Daniel

APPENDIX 3Y – CHANGE OF DIRECTOR'S INTEREST NOTICE – RESPONSE TO ASX LETTER

In response to your letter dated 5 November 2018, Pegasus Metals Limited (**Pegasus** or the **Company**) offers the following response.

1. *Please explain why the Appendix 3Y was lodged late?*

The Company acknowledges the Appendix 3Y was lodged late due to an administrative oversight.

2. *What arrangements does the Entity have in place under listing rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?*

The Company and its Directors are aware of their obligations under Listing Rule 3.19A. The Company has a formal policy in place which requires all directors to notify the Company Secretary of all transactions involving the buying or selling of the Company's securities either prior or immediately following completion of the transaction.

3. *If the current arrangements are inadequate or not being enforced, what additional steps does the Entity intend to take to ensure compliance with listing rule 3.19B?*

Whilst the Company considers the current arrangements are adequate for ensuring timely notification, the failure to do so on this occasion was an oversight and the Company will review its procedures to ensure it doesn't happen again.

Yours Sincerely

Brendon Morton
Company Secretary
Pegasus Metals Limited



5 November 2018

Mr Brendon Morton
Company Secretary
Pegasus Metals Limited

By email: brendon.morton@deltaman.com.au

Dear Mr Morton

Pegasus Metals Limited (the “Entity”): Appendix 3Y – Change of Director’s Interest Notice

We refer to the following;

1. The Appendix 3Y lodged by the Entity with ASX on 1 November 2018 for Mr Michael Fotios (the “Director Notice”);
2. Listing rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.

- On the date that the entity is admitted to the official list.
- On the date that a director is appointed.

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity’s admission or a director’s appointment.

3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs

3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the

information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

The Appendix 3Y indicate that a change in Director's notifiable interest occurred on 18 October 2018. It appears that the Director's Notice should have been lodged with ASX by 25 October 2018. Consequently, the Entity may be in breach of listing rules 3.19A and/or 3.19B. It also appears the directors concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed entities for its reporting requirements.

ASX reminds the Entity of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Entity make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: *Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*, under listing rule 18.7 we ask that you answer each of the following questions.

1. Please explain why the Appendix was lodged late.
2. What arrangements does the Entity have in place under listing rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Entity intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at tradinghaltspert@asx.com.au. It should not be sent to the ASX Market Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. A.E.S.T.) on 7 November 2018.

Under listing rule 18.7A, a copy of this letter and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked.

If you have any queries or concerns about any of the above, please contact me immediately.

[Sent electronically without signature]

Daniel Nicholson

Adviser, Listings Compliance (Perth)