

PEGASUS METALS LIMITED



28 January 2010

Company Announcements Office
Australian Securities Exchange Limited

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McClarty Range Copper Project - Funding

Pegasus Metals Limited (ASX:PUN) is pleased to advise that ASX has granted a waiver of Listing Rule 14.7 to the extent necessary to allow the Company to allot the securities to the related parties as outlined in resolution 6 approved by shareholders in general meeting on 17 December 2009, by 31 January 2010. The waiver means that the Company has been granted an extension of time of up to two weeks beyond the date when the securities were required to be allotted by listing rule 10.11.

The securities concerned comprise 22,200,000 shares, 22,200,000 options to subscribe for fully paid ordinary shares in the Company at \$0.10 each by 31 March 2011, and 3,200,000 options to subscribe for fully paid ordinary shares in the Company exercisable at \$0.15 within 3 years of issue, to Investmet Limited, an unlisted public company controlled by two of the Company's directors Michael Fotios and Stephen Mann.

Investmet's immediate subscription funds of \$1,100,000 will recapitalise the Company allowing it to continue to pursue its objective to become an advanced exploration and/or producing mining company, by undertaking significant exploration activities on exploration license E04/1441, and by providing strong support as a shareholder and on the Board through its nominated directors Michael Fotios and Stephen Mann.

For more information, please contact:

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