



PEGASUS METALS LIMITED

ASX/MEDIA RELEASE

30 April 2009

QUARTERLY REPORT TO 31 MARCH 2009

- **Kimberley field program commencing 6th May**
- **WA exploration licences trimmed down to 32% of the land area held in mid-2008**
- **Pegasus continues to evaluate new business opportunities**

INTRODUCTION

The East Kimberley field program will commence 6th May. Areas with encouraging gold and copper assay results, reported in the December 2008 Quarterly Report, will be targeted for follow-up.

As stated in the previous Quarterly Report, exploration and administration-related expenditures are being reduced to a minimum. Most of the remaining exploration licences have undergone partial surrender of areas considered to be less prospective. The total area covered by Pegasus' WA licences has been reduced from a maximum of 3,012 square km in mid-2008 to 967 square km.

URANIUM, GOLD and BASE METAL PROJECTS

Sturt Palaeochannel and McClintock Range areas: located in the Kimberley of WA.

Geological field work will commence on the 6th May.

As reported in the December 2008 Quarterly Report, strongly anomalous gold assays were returned by both -80 mesh and heavy mineral concentrate samples in several licence areas. From samples collected in late 2008, a total of 37 -80 mesh samples returned gold grades in excess of 0.1 g/t gold (11 with more than 0.5 g/t gold) with a maximum value of 2.2 g/t gold. Heavy mineral concentrates returned a maximum value of 14.5 micrograms of contained gold.

The above anomalies will be targeted for detailed analysis in an effort to delineate the source areas of the gold mineralisation.

Hooley, Hooley North and Hooley Camp area: located in the Ashburton region.

The Hooley project area consists of 3 contiguous licence areas. The Hooley Camp licence is still pending but is expected to be granted during the June Quarter. Field activity is expected to start this Quarter.

Yandicoogina: located in the Pilbara, north of Nullagine.

No activity during the Quarter.

NEW OPPORTUNITIES

Pegasus has continued in its evaluation of new business 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.

Pegasus Metals Limited is a uranium, gold and base metals explorer, based in Western Australia.

For further information:

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Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

PEGASUS METALS LIMITED

ABN

40 115 535 030

Quarter ended ("current quarter")

31 March 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for	(123)	(729)
(a) exploration and evaluation		
(b) development	-	-
(c) production	-	-
(d) administration	(60)	(219)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	53	141
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST paid to be recouped)	9	14
Net operating cash flows	(121)	(793)
Cash flows related to investing activities		
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	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(121)	(793)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(121)	(793)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(121)	(793)
1.20	Cash at beginning of quarter/year to date	1,495	2,167
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,374	1,374

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	55
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

+ See chapter 19 for defined terms.

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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
Total	150

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	274	95
5.2 Deposits at call	1,100	1,400
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,374	1,495

Changes in interests in mining tenements

	Tenement reference	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	E80/3612	39% reduction in area	100%	100%
	E80/3613	57% reduction in area	100%	100%
	E80/3614	54% reduction in area	100%	100%
	E80/3883	73% reduction in area	100%	100%
6.2 Interests in mining tenements acquired or increased	Nil			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

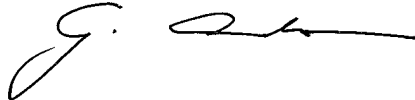
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	36,002,501	36,002,501		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	35,747,501	35,747,501	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 31 March 2010
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Relinquished during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ 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 2009
(~~Director~~/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.

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