ASX
AUSTRALIAN SECURITIES EXCHANGE

MARKET RELEASE

6 December 2012

Pegasus Metals Limited

TRADING HALT

The securities of Pegasus Metals Limited (the "Company") will be placed in Trading Halt Session State at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in Trading Halt Session State until the earlier of the commencement of normal trading on Monday, 10 December 2012 or when the announcement is released to the market.

Security Code: PUN

Jill Hewitt
Senior Adviser, Listings (Perth)

PEGASUS METALS LIMITED

6 December 2012

Ms Tonia Oliveira
Australian Securities Exchange Limited
Level 8 Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Tonia,

TRADING HALT REQUEST

I request that the securities of Pegasus Metals Limited be placed in trading halt as follows:

1. The trading halt has been requested pending an announcement by the Company clarifying the impact to the Company's McLarty Range Project of the Mining Exemption Area for Exploration & Mining over the Horizontal Falls area in the Kimberley Region of Western Australia announced by the Western Australian Minister of Mines and Energy on 5 December 2012;

2. The trading halt should be until the release of an announcement by the Company, expected to be by no later than market open Monday 10 December 2012;

3. The Company is not aware of any reason why the trading halt should not be granted.

Yours faithfully,

Graham Anderson
Director and Company Secretary