

Clarification: Dablo RC Drilling Update

Further to its announcement on 12 June 2018 regarding the completion of a 3,000m Reverse Circulation (RC) drilling programme at the Dablo Pd-Pt-Au-Ni-Cu (palladium-platinum-gold-nickel-copper) Prospect in Burkina Faso (**Announcement**), Pegasus Metals Limited (ASX:PUN) (**Pegasus** or the **Company**) provides a replacement Table 2: Summary of geology logging, sulfide observations and pXRF reading, which provides additional information on the visual sulphide estimates and preliminary XRF results in the Announcement.

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Table 2: Summary of geology logging, sulfide observations and pXRF reading.

NB- PGE, Au and Ni mineralisation is typically associated with elevated Cu values at the project.

Hole_ID	Simplified geology (interval from-to m)	Sulfides observed 1				Elevated Cu from pXRF 2			Max Depth m
		from m	to m	type	Quantity	from m	to m	Range ppm	
DBRC2018-01	volcanics/seds 0-112 ultramafic 112-200	81 102	100 112	Dissem. Py and f.g. undiff. Dissem. f.g. undiff.	tr-5% tr-2%				200
DBRC2018-02	volcanics/gneiss 0-74 ultramafic 74-200	67 91 183	71 97 200	Dissem. Py Dissem. f.g. undiff. Dissem. f.g. undiff.	1%-3% tr tr -1%	52 91 141 187	76 97 151 189	105-524 137-161 100-233 144-985	200
DBRC2018-03	volcanics/gabbro 0-115 ultramafic 115-200	114	200	Dissem. f.g. undiff. and local patchy Po	tr-2%	144 163	153 197	160-405 110-1171	200
DBRC2018-04	volcanics/seds 0-200	80 161	161 200	Dissem. and veiniform Py Dissem. and veiniform Py	1-2% 2-5%	162	179	113-254	200
DBRC2018-05	ultramafic 0-200	61	200	Dissem. f.g. undiff.	tr-0.5%	95 113 144	98 120 147	100-382 118-538 106-338	200
DBRC2018-06	RC twin on DBDD001	32	61*	Dissem. Cu-bearing goethite*	2%	2	67	157-6164	75
DBRC2018-07	ultramafic 0-24 orthogneiss 24-200	13 125 138 182	15 128 174 200	Dissem. Cu-bearing goethite* Dissem. Py Dissem. Py Dissem. Py	1% 3% 3%-5% 1%-4%	13	15	578-731	200
DBRC2018-08	amphibolite 0-122 ultramafic 122-200	75 122	109 200	Dissem. Py Dissem. Py	1%-2% tr-1%	181	200	122-503	200
DBRC2018-09	ultramafic 0-200	65	87	Dissem. f.g. undiff.	tr -4%	39 66	42 87	155-813 112-2440	200
DBRC2018-10	ultramafic 0-36 orthogneiss 36-54 ultramafic 54-200	161	168	Dissem. f.g. undiff.	tr-0.5%	14 72 161	26 83 168	172-1094 226-911 109-721	200
DBRC2018-11	granite/qtz diorite 0-54 ultramafic 54-200	77 107	100 118	Dissem. Py and f.g. undiff. Dissem. f.g. undiff.	tr-0.5% tr				200
DBRC2018-12	volcanics/gneiss 0-74	59	200	Dissem. Py	1%-5%				200
DBRC2018-13	ultramafic 0-114	47	51	Dissem. f.g. undiff.	tr	1	78	105-2141	

		75	78	Dissem. f.g. undiff.	tr	86	94	182-1321	114
DBRC2018-14	ultramafic 0-114					0	34	100-956	
		79	127	Dissem. Py and Po	tr-1%	78	88	124-1106	200
DBRC2018-15	ultramafic 0-114	87	107	Dissem. Py and f.g. undiff.	tr-2%	64	66	361-529	
		157	169	Dissem. Po	tr	157	160	121-514	
		192	201	Dissem. Po	tr	192	201	105-131	
		207	231	Dissem. Py, Cpy	1%-2%	222	231	110-1219	
						234	240	116-262	250
DBRC2018-16	ultramafic 0-243	61	72	Dissem. f.g. undiff.	tr	0	76	102-1344	
		100	102	Dissem. Po	tr	92	102	112-188	
		105	134	Dissem. And veiniform Po and f.g. undiff.	tr-1%	105	112	102-176	
						121	129	105-252	
		161	183	Dissem. f.g. undiff.	tr	162	177	108-258	
		219	225	Dissem. f.g. undiff.	tr	220	223	113-308	243
DBRC2018-16W	ultramafic 0-70					0	20	100-229	
						26	41	113-328	
		49	70	Dissem. f.g. undiff. and hematite*	tr	66	69	119-239	70

KEY: * relict after sulphide in oxide profile, Py=Pyrite, Po=Pyrrhotite, Cpy=Chalcopyrite, tr =trace, Dissem.= Disseminations, undiff.=undifferentiated

Notes:

1. Estimates of contained sulphide percentages by experienced, competent geoscientists are considered to be reliable and reproducible semi-quantitative estimates of the abundance of minerals present in a sample. Visual estimates of sulphide mineral abundance should, however, never be considered a proxy or substitute for laboratory analyses where metal concentrations or grades are the factor of principal economic interest. The Company will update the market when laboratory analytical results become available.
2. Measurement of drill chips using a semi-qualitative field portable XRF analyser during the first campaign of drilling (refer to ASX release dated 10th January 2018) revealed that anomalous Cu values may indicate the presence of chalcopyrite which is a sulphide mineral known to be closely associated with the PGM. Values above 100ppm Cu from XRF measurements of drill chips are considered anomalous with values above 1000ppm considered highly anomalous. Portable XRF is a powerful instrument which permits rapid testing of working hypotheses made in the field and which enables rapid decisions to be made on-site in real time during drilling programmes. XRF measurements should never be considered a proxy or substitute for laboratory analyses where metal concentrations or grades are the factor of principal economic interest. The Company will update the market when laboratory analytical results become available.

Competent Persons Statement

The information contained in this announcement that relates to geology and exploration results is based, and fairly reflects, information compiled by Mr Grant Osborne, who is a Member of the Australian Institute of Geoscientists. Mr Osborne is a consultant to Pegasus Metals Ltd. Mr Osborne 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Osborne consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.