

Form 603**Corporations Act 2001
Section 671B****Notice of initial substantial holder**

To Company Name/Scheme PEGASUS METALS LIMITED
 ACN/ARSN 40 115 535 030

1. Details of substantial holder (1)

Name GRAHAM DOUGLAS ANDERSON

ACN/ARSN (if applicable)

The holder became a substantial holder on 31 DECEMBER 2008

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
ORDINARY	2,380,000	2,380,000	6.61%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
GRAHAM DOUGLAS ANDERSON	Registered Holder	ORD 25,000
GRAHAM DOUGLAS ANDERSON <KUDU TRUST>	Registered Holder	ORD 530,000
GRAHAM ANDERSON PTY LTD <ALNESS SUPER FUND>	Registered Holder	ORD 1,775,000
LARISSA JANE HUNT	Registered Holder	ORD 50,000

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number interest securities
GRAHAM DOUGLAS ANDERSON	GRAHAM DOUGLAS ANDERSON	GRAHAM DOUGLAS ANDERSON	ORD 25,000
GRAHAM DOUGLAS ANDERSON <KUDU TRUST>	GRAHAM DOUGLAS ANDERSON <KUDU TRUST>	GRAHAM DOUGLAS ANDERSON <KUDU TRUST>	ORD 530,000
GRAHAM ANDERSON PTY LTD <ALNESS SUPER FUND>	GRAHAM ANDERSON PTY LTD <ALNESS SUPER FUND>	GRAHAM ANDERSON PTY LTD <ALNESS SUPER FUND>	ORD 1,775,000
LARISSA JANE HUNT	LARISSA JANE HUNT	LARISSA JANE HUNT	ORD 50,000

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number of Securities
GRAHAM ANDERSON PTY LTD <ALNESS SUPER FUND>	23/12/2008	\$47,500	ORD 1,750,000

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (If applicable)	Nature of association
LARISSA JANE HUNT	Spouse
GRAHAM ANDERSON PTY LTD <KUDU TRUST ACCOUNT>	Director of entity and is a beneficiary
GRAHAM ANDERSON PTY LTD <ALNESS SUPER FUND>	Director of entity controls fund and is a beneficiary

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
GRAHAM DOUGLAS ANDERSON	21A GAIRLOCH STREET, APPLECROSS WA 6153

Signature

Print name GRAHAM DOUGLAS ANDERSON

Capacity Director

Sign here



Date 2 JANUARY 2009