

Pegasus Resources Inc. (PEGA)

Financing Closed, 75% Ownership of Jupiter to be Secured

Event

Pegasus Resources announced that it had closed its most recent financing raising gross proceeds of just over C\$340,000. With this latest financing now closed, the company will make the final milestone payment (C\$75,000) needed to secure a 75% ownership stake in the Jupiter Project.

Details

- **Jupiter Ownership Now at 75%** – As announced on February 27, 2025, the financing consisting of 5.672M units (C\$0.06 per unit) has closed. Gross proceeds amounted to C\$340,354, of which a C\$75,000 payment will be made, thus securing a 75% interest in the Jupiter Project, as per earn-in agreement.
- **Jupiter Project** – A drilling total of 15,360ft was previously planned for on the property, spread between 30 holes (500ft+ average depth per hole). These average depths are on par with the 90 historic drill holes drilled in the 1970s in the northeast corner of section 15. The start of a maiden drill campaign at Jupiter will increase Pegasus' ownership in the project to 100%.
- **Energy Sands Project** – A drilling total of 3,200ft was previously planned for on the property, spread between 18 holes (178ft average depth per hole). This is significant given that the historic drilling which occurred in the mid-1970s encompassed 19 holes with a single highlight drill hole reaching a maximum depth of "just" 160ft.
- **Meaningful Acreage Located Adjacent to a Uranium Deposit** - Both the Energy Sands Project (1,560 acres) and the Jupiter Project (960 acres) are located 3km from each other and adjacent to Western Uranium & Vanadium's San Rafael deposit. The Pegasus properties in Utah are located well within trucking distance of Energy Fuels' White Mesa mill, located approximately 180km to the southeast or almost 140km due south to Anfield Energy's Shooting Canyon Mill. The upcoming drilling campaign is already fully permitted.

Conclusion

Since initially acquiring the rights to the Jupiter Project just eight months ago, Pegasus Resources has moved quickly to gradually increase its ownership stake via earn-in and is now on the cusp of full ownership provided the start of a maiden drilling campaign. Combined with the nearby Energy Sands Project (100% owned), Pegasus is locking up meaningful acreage adjacent to Western Uranium & Vanadium's San Rafael deposit which currently hosts a global resource of over 5.2M lbs U3O8 and over 7.0M lbs V2O5. With a drilling campaign already planned for and fully permitted, the successful de-risking of Jupiter (and Energy Sands) may prompt an eventual consolidation play from Western Uranium. The full online details can be found [here](#):

Company Profile

Sector	Mining
Sub-Sector	Uranium
Company	Pegasus Resources Inc.
Ticker	PEGA
Current Price (C\$)	C\$0.07
12-Mth Price Objective (C\$)	C\$0.25
Potential Upside	257%
Mkt Cap, Basic (C\$M)	\$1.9
EV (C\$M)	\$1.6
Shares O/S Basic (M)	29.63
1-Mth Return	-31.6%
3-Mth Return	-59.4%
YTD Return	-35.0%

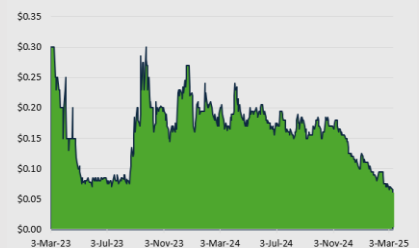
Measured & Indicated	Grade U3O8	Attrib. lbs
Energy Sands	-	-
Jupiter	-	-
Pine Chanel	-	-

Inferred Resources	Grade U3O8	Attrib. lbs
Energy Sands	-	-
Jupiter	-	-
Pine Chanel	-	-

Company Description

Pegasus Resources Inc. is a TSXV listed exploration company active with the development and acquisition of properties in North America. The current flagship asset is the wholly-owned Energy Sands Project, a past producing uranium property in Utah. An earn-in to acquire the nearby Jupiter property will nearly double the total acreage strategically located adjacent to Western Uranium's San Raphael Project.

2-Year Stock chart



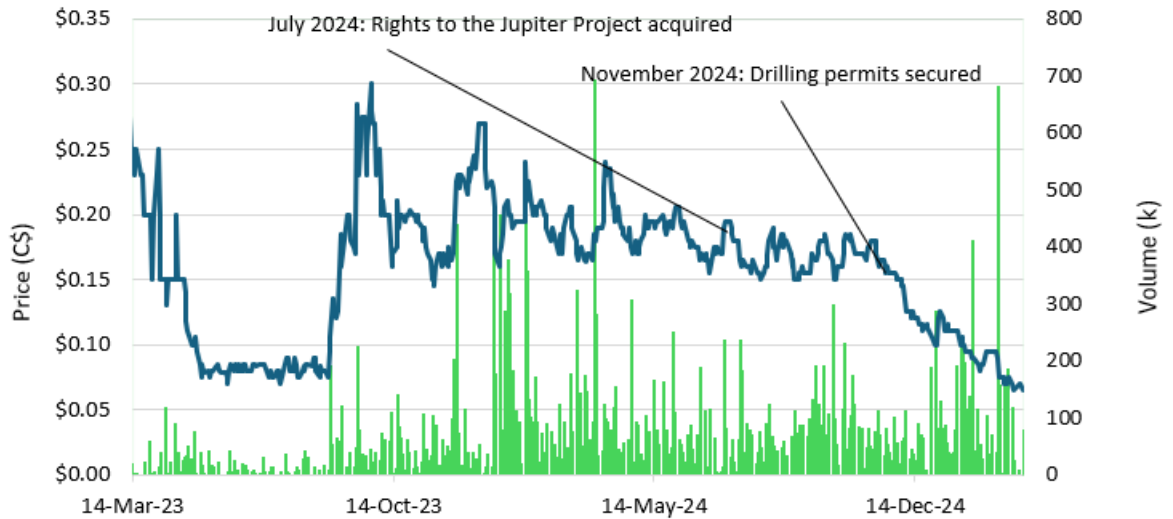
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ACCUMULATING STRATEGIC URANIUM ACREAGE LOCATED ADJACENT TO A DEPOSIT

Since obtaining the rights to the Jupiter Project this past July, Pegasus Resources has worked quickly and diligently to gradually increase its ownership stake in the 960 acre Project. Given the announced financing close (5.672M units at C\$0.06 per unit including a full purchase warrant at C\$0.12), a C\$75,000 payment will be made as per the earn-in agreement, thus increasing Pegasus’ stake to 75% in the Project.

Exhibit 1. Two-Year Share Price Performance



Source: HoldCo Markets

The Pegasus Projects in Utah are located well within trucking distance of Energy Fuels’ White Mesa mill, located approximately 180km to the southeast or almost 140km due south to Anfield Energy’s Shooting Canyon Mill. Both the Energy Sands Project (1,560 acres) and the Jupiter Project (960 acres) are located 3km from each other and adjacent to Western Uranium & Vanadium’s (WUC) San Rafael deposit which currently hosts a global resource of over 5.2M lbs U3O8 and over 7.0M lbs V2O5. One step remains for Pegasus to receive full (100%) ownership in Jupiter – the start of a maiden drilling program.

Exhibit 2. Jupiter Earn-In Milestones

Jupiter Earn-in Terms	Details	Completed ?	Earn-in %
Issue of shares:	Issue 2.20M common shares to the vendor (Issued & valued at C\$352,000)	✓	75%
Cash payments:	Pay the vendor \$25,000 within 30 days of signing the agreement	✓	
	Pay the vendor \$75,000 on or before July 3, 2025 (on-going)	✓	
Start of drilling:	Finalizes the earn-in to 100% ownership	✗	100%

Source: Pegasus Resources Inc., HoldCo Markets

THE PLANNED 2025 DRILLING SPECIFICS:

Jupiter Project – A drilling total of 15,360ft was previously planned for the Jupiter Project. Spread between 30 holes (500ft+ average depth per hole). These average depths are on par with the ~90 historic drill holes drilled in the 1970s in the northeast corner of section 15.

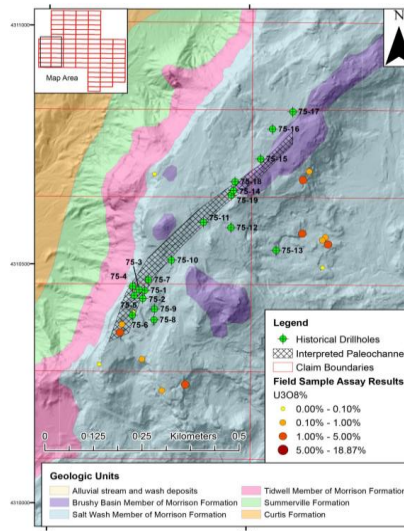
Energy Sands - A total of 3,200ft was previously planned for at Energy Sands. Spread between 18 holes, the 178ft average depth per hole is significant given that the historic drilling which occurred in the mid-1970s encompassed 19 holes with a single highlight drill hole reaching a maximum depth of “just” 160ft. Note that of the historical drill holes, uranium and vanadium mineralization was detected in four drillholes (IDs 75-1 to 75-6). Mineralization occurred at relatively shallow depths, none deeper than 17.5ft.

The planned 2025 drilling program represents the most significant campaign undertaken on site since the mid-1970s.

Recall that in March 2024, Pegasus announced the results from a sampling program conducted on site at the Energy Sands Project. Of 41 samples collected, 13 displayed uranium grades exceeding 1.0% with a notable sample being ESR24-016 returning 18.8% U3O8 and ESR24-007 returning 3.55%

Exhibit 3. 2024 Sampling Program Overlayed to Historic Drill Holes – Energy Sands

Sample	Details	U3O8%	V2O5%
ESRS24-016	Adit/Outcrop	18.87%	0.56%
ESRS24-007	Adit/Outcrop	3.55%	5.34%
ESRS24-003	Adit/Outcrop	1.90%	5.30%
ESRS24-015	Outcrop	1.80%	1.33%
ESRS24-009	Adit/Outcrop	1.78%	6.21%
ESRS24-001	Adit/Outcrop	1.59%	4.46%
ESRS24-037	Outcrop	1.39%	0.73%
ESRS24-030	Outcrop	1.31%	2.21%
ESRS24-002	Outcrop	1.29%	2.86%
ESRS24-013	Adit/Outcrop	1.24%	0.41%
ESRS24-010	Outcrop	1.21%	1.11%
ESRS24-008	Outcrop	1.13%	5.66%
ESRS24-027	Outcrop	2.33%	0.03%



Source: Pegasus Resources Inc.

The remaining 28 samples returned grades ranging between 0.5%-1.0% U3O8 (4 samples) and grades between 0.0%-0.5% U3O8 (24 samples). A RS-125 handheld spectrometer was used to gather the various samples. Note that the samples were collected from mineralized outcrops, tailings, and historical mine workings.

HISTORIC DRILLING

Energy Sands Project - Historic drilling detected sandstone-hosted uranium and vanadium mineralization. Small scale mining was conducted between 1953-1956 by the Minerals Corporation of America in two isolated regions of the Energy Sands property. Total production amounted to 51.8 tons at a notable grade of 0.373% U3O8 and 1.10% V2O5. Uranium mineralization on the project is hosted within the Salt Wash Member of the Jurassic Morrison Formation. Mineralization within the Tidwell Mineral Belt of the San Rafael Uranium District is oriented in a series of roughly northeast trends. Individual mineralized bodies are tabular to lenticular with the



long axis aligned along the trend. This geological feature shapes the potential for resource exploration and development of economical uranium deposits.

Historical drilling conducted in the mid 1970s by Consolidated Monarch Metal Mines Ltd identified several near surface intercepts with high-grade uranium mineralization. The limited, near surface program was highlighted by the following intercepts:

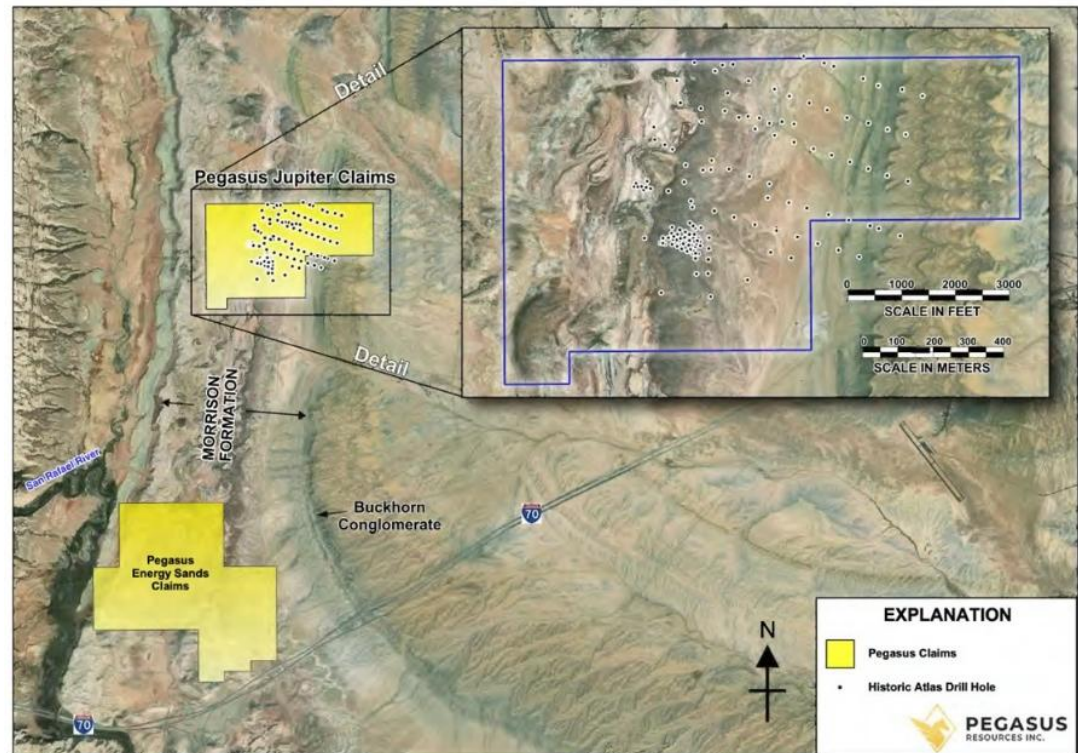
Exhibit 3. Historic Drill Holes – Energy Sands

Hole ID	From (ft)	To (ft)	Length (ft)	CPM	U3O8%	V2O5%
75-1	15.0	17.5	2.5	10,000	3.41%	0.014%
75-2	5.0	12.0	7.0	10,000	0.51%	0.583%
75-3	12.5	15.0	2.5	4,500	2.16%	0.890%
75-3	15.0	17.5	2.5	6,000	1.87%	0.596%
75-6	0.0	2.5	2.5	100	0.39%	0.089%

Source: Summary of Drilling & Claims, Prepared for Consolidated Monarch Metal Mines Ltd, June 1975

The drilling summary included the fact that drill program calculations estimated approximately 1,168 tons of rock in place containing 15,350 lbs of vanadium and 43,230 lbs of uranium in a flat lying deposit at a depth of 9ft to 15ft below surface. These estimated tons were seen as readily available for mining.

Jupiter Project - On July 3rd 2024 Pegasus announced that it had secured exclusive rights to the Jupiter Uranium Project, located just 3.0km north of the Energy Sands Project. The Jupiter Project encompasses 48 unpatented claims totaling 960 acres. The claims occur in the Bureau of Land Management, and access is obtained over a well-maintained service road which joins I-70 near Green River, Utah. Between 1972-1983, the Jupiter Project was held by Atlas Minerals. During this period, nearly 200 drill holes were drilled with the highest concentration (approximately 90 drill holes) occurring in the northeast corner of Section 15. The historical drill logs revealed promising results, with notable uranium intercepts. Atlas Minerals was advancing the project towards full-scale mining before the collapse of the uranium market in the early 1980s.

Exhibit 4. Jupiter & Energy Sands in Close Proximity


Source: Pegasus Resources Inc.

CONCLUSION

In anticipation of an upcoming drilling campaign, we maintain our C\$0.25 per share target which would equate to upside of +257% from the most recent close. We acknowledge the severe market volatility of late and with it, the depressed current valuations. Keep in mind however that as we await results from the upcoming drilling campaign, positive high grade results can certainly surprise further to the upside while consequently, drilling a series of misses can easily lead to undershooting the target.

Combined, Energy Sands and Jupiter encompass 2,520 acres situated adjacent to Western Uranium & Vanadium's San Rafael deposit. Though we see these two properties as highly prospective, we highlight the following key points which when taken together, make the investment case into Pegasus Resources compelling on a risk/reward standpoint:

- Mining at the Energy Sands project in the mid 1950s resulted in small scale production of both uranium and vanadium (51.8 tons at a grade of 0.373% U3O8 and 1.10% V2O5).
- Historic shallowing drilling at Energy Sands is highlighted by a 2.5ft intercept grading 3.41% U3O8 with an additional drill hole encountering 2.5ft grading 2.16% U3O8.
- Jupiter is host to nearly 200 historic drill holes. Drilling was performed when the property was held by Atlas Minerals.
- Both Energy Sands and Jupiter are located adjacent to Western Uranium & Vanadium's San Rafael deposit which currently hosts a global resource of over 5.2M lbs U3O8 and over 7.0M lbs V2O5.
- Successful exploration on Pegasus' Utah properties may eventually lead to an economic resource in an area which has all the needed infrastructure for large scale mining and milling operations.

- Given close proximity to the White Mesa mill (180km), the Shootaring Canyon mill (140km) and the proposed Maverick mill (6km) there is excess milling capacity in the area (from White Mesa alone). Additional feedstock to White Mesa is needed.

Exhibit 6. Project Proximity to Infrastructure



Source: HoldCo Markets, Pegasus Resources

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