

## Drilling completed successfully at the Hayes Creek Project – Iron Blow

- **5,500 metre diamond and RC drill program successfully completed**
- **Visible zones of massive and semi-massive sulphide mineralisation intersected as predicted by existing geological model**
- **Remaining assay data due from end January 2017 with a resource upgrade expected in March 2017**

PNX Metals Limited (**ASX: PNX**) is pleased to advise that it has successfully completed its planned infill and extensional drill program at the Iron Blow VMS deposit (Figure 1). The program was designed to upgrade confidence in the 2014 Mineral Resource estimate (see ASX release 3 Nov 2014).

5,563 metres were drilled in total, of which 2,091 metres were reverse-circulation (RC) including pre-collars, and 3,472 metres were diamond core. Iron Blow (along with Mt Bonnie) comprises the Hayes Creek gold-silver-zinc project in the Pine Creek region of the Northern Territory.

Results from all remaining holes, including those targeting the near-surface extensional mineralisation on the western lode, will be released when received, likely from the end of January 2017.

Assays from the first holes IBDH039 and IBDH040 (see ASX release 28 November 2016) were from the infill portion of the program drilled on the same section towards the southern end of the deposit. Significant massive sulphide mineralisation was reported, including:

**16.20m @ 10.70% Zn, 4.80g/t Au, 256g/t Ag, 2.42% Pb, 0.37% Cu (18.4% ZnEq/11.8g/t AuEq<sup>1</sup>) from 138m**

*PNX Managing Director James Fox said: "We are pleased to have completed this significant drill program safely, on budget, and with only minor delays due to the wet season. The success of this drilling will allow the Iron Blow Mineral Resource to be updated in the coming months, which, along with the upgraded resource to be completed shortly at Mt Bonnie, will allow for completion of the Hayes Creek PFS by mid-2017."*

The Hayes Creek Project is located in a favourable mining jurisdiction in the Pine Creek region of Northern Territory, less than two hours by road from Darwin (Figure 2). The PFS will expand on the Scoping Study completed in March 2016, which found that mining and processing ore derived from the proposed open-pit and underground operations at Hayes Creek would generate strong financial returns for the Company. The development strategy includes the use of existing infrastructure, designed to boost economics and reduce Project risk.

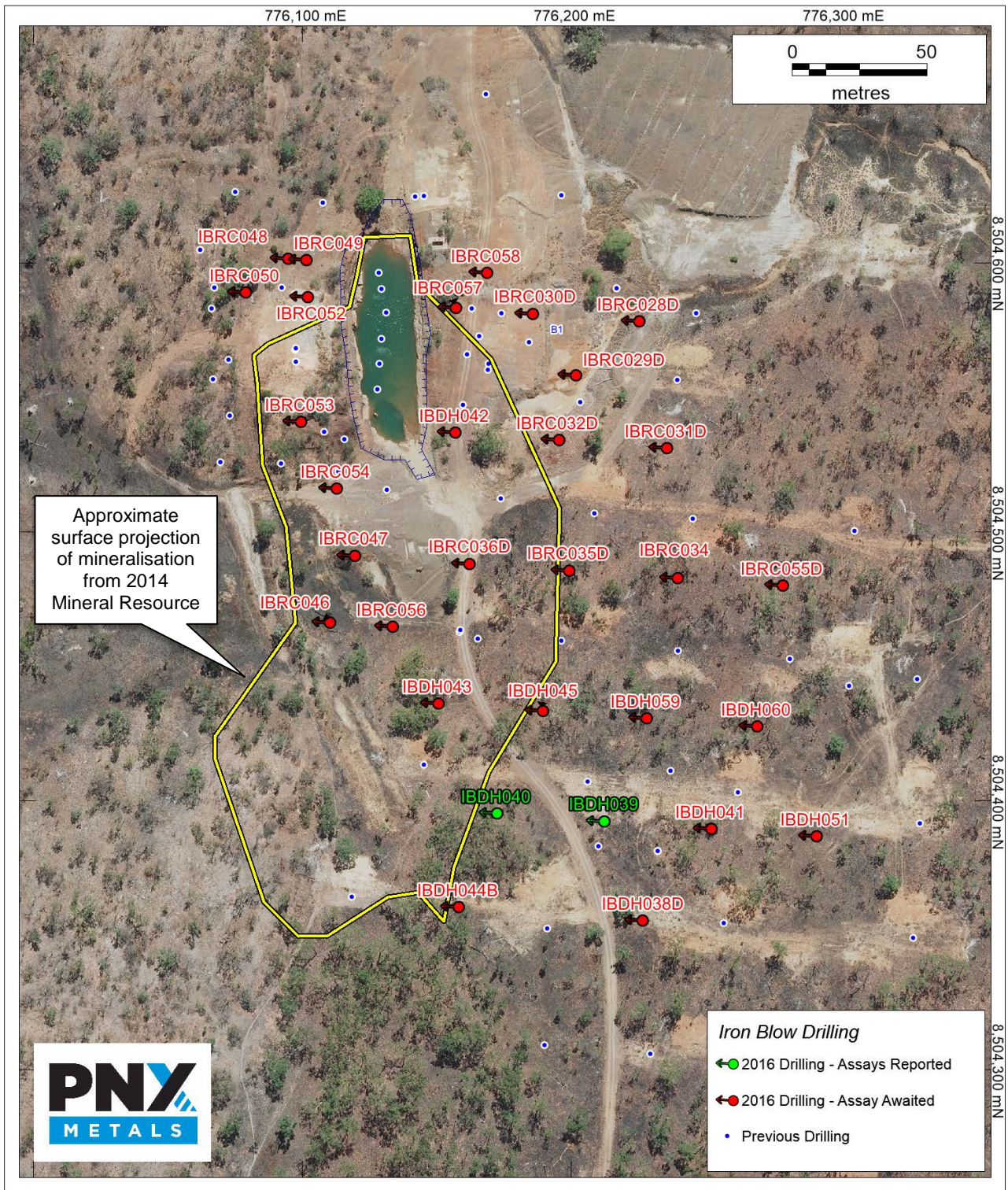
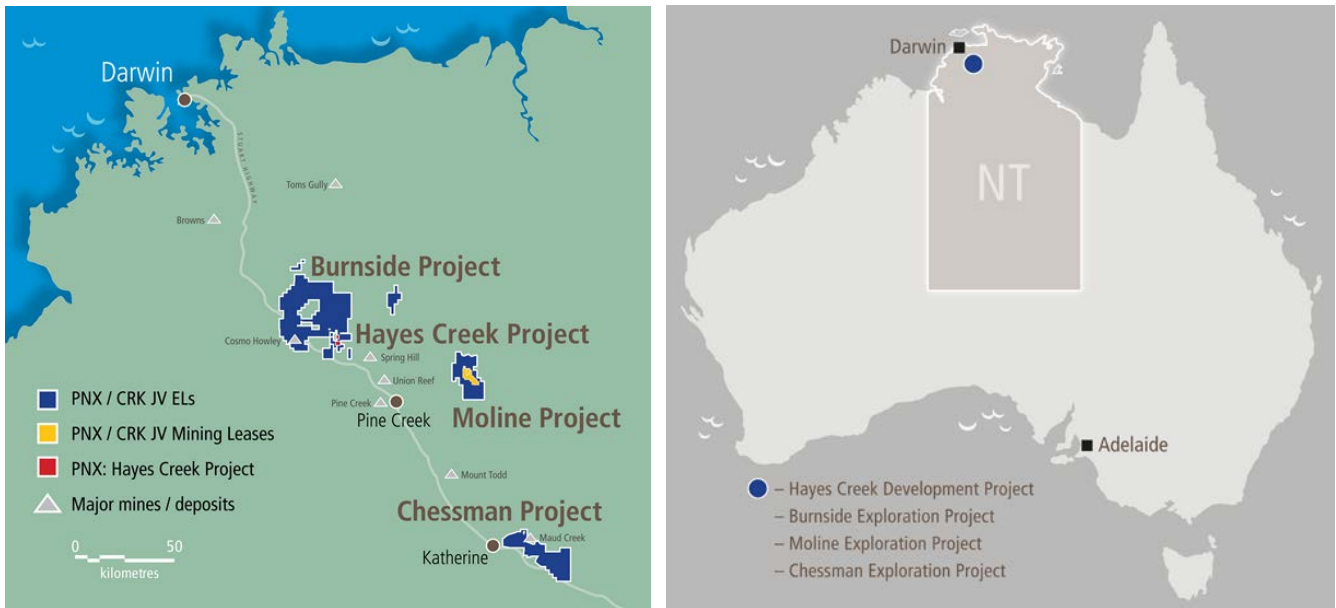


Figure 1: Iron Blow drill program plan view



**Figure 2: NT Project locations**

**Competent Person’s Statement**

The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Bennett, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Bennett has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity being undertaken 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 Bennett is a full time employee of PNX Metals Ltd and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

**James Fox**

Managing Director & CEO

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