

PNX raises \$1.5M to complete Hayes Creek PFS and aggressive gold exploration program

Strong support from new investors and existing major shareholders

- **\$1.5 million raised via placements at 1.9 cents a share to institutional and sophisticated investors**
- **Proceeds will be used for:**
 - **Completion of Pre-Feasibility Study (PFS) by mid-2017 on PNX's flagship Hayes Creek gold-silver-zinc project in the Northern Territory**
 - **Regional exploration on high-grade gold and base metal targets in the Pine Creek region**
 - **A 4,000m exploration drilling program to commence shortly with first assays expected mid-September**

PNX Metals Limited (**ASX: PNX**) is pleased to advise that it has raised \$1.5 million via a share placement at 1.9 cents (\$0.019) to institutional and sophisticated investors. PAC Partners acted as lead manager to the Placement.

In addition, a further \$250,000 will be raised from a placement at the same price to an existing substantial investor, subject to shareholder approval at the Company's next General Meeting to be held later in 2016.

The 79.2 million shares for which subscription agreements have been received, which excludes those for which shareholder approval is required, will be issued under the facilities available to the Company under ASX Listing Rules 7.1 and 7.1A, and will occur following completion of the placements on 25 August 2016.

The funds raised will be used to complete a PFS on the Company's flagship Hayes Creek gold-silver-zinc project in the Northern Territory, undertake regional exploration and drill testing of gold and base metals targets in the Pine Creek region, and for working capital and costs associated with the fund raising.

PNX Managing Director James Fox said: "PNX is now fully-funded to complete the PFS on our Hayes Creek gold-silver-zinc project. We will continue to unlock the full value of our regional gold and base metals projects with targeted drilling programs, generating strong news flow over the next six months. At least four highly prospective exploration targets will be tested in the Pine Creek region of the NT, and a comprehensive resource and extensional drilling program at Hayes Creek Mt Bonnie & Iron Blow deposits will be completed by the end of 2016 to allow for metallurgical and mining plan optimisation in the PFS. The regional exploration program will result in PNX earning an initial 51% interest from Newmarket Gold in the exploration tenure surrounding the Hayes Creek project. "

Hayes Creek gold-silver-zinc Project

The Hayes Creek PFS will expand on the recently completed Scoping Study, which found that mining and processing ore derived from both open-pit and underground operations at Hayes Creek would generate strong financial returns for PNX.

PNX believes these returns can be increased further by increasing the mineral resource inventory through the drilling programs about to commence at Langleys and exploration at other brownfields prospects.

Hayes Creek is located in a favourable mining jurisdiction in the Pine Creek region of Northern Territory, less than two hours by road from Darwin (Figure 1). The development strategy includes the use of existing infrastructure, designed to boost economics and reduce Project risk.

Burnside, (including Langleys), Moline and Chessman are part of PNX's farm-in agreement with Newmarket Gold NT Holdings Pty Ltd, a subsidiary of Newmarket Gold Inc. where PNX is earning up to 90 per cent, in two stages, of 19 Exploration Licenses and four Mineral Leases (see ASX release dated 18 August 2014 for further details of the agreement) covering approximately 1,700km².

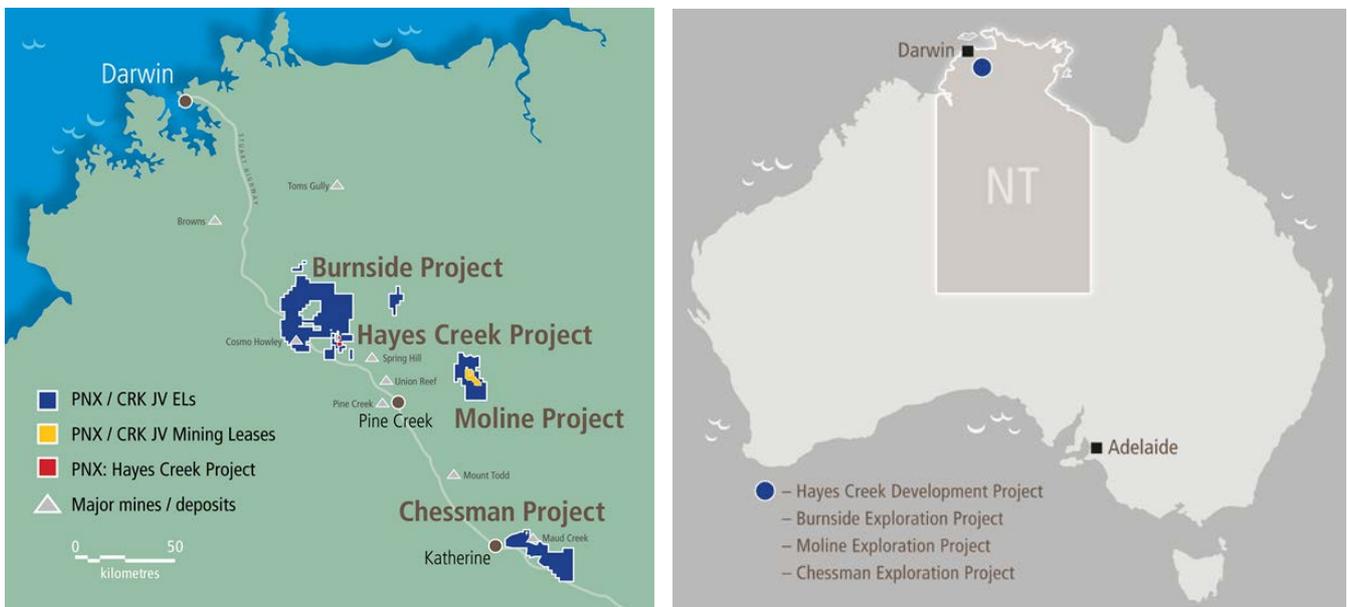


Figure 1: NT Project locations

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