



ASX: PNX
121 Mining Investment
Conference, Hong Kong
19-20 October 2016

Gold, Silver and Zinc
Project Development
& Exploration

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- The information in this report that relates to Mineral Resources and Exploration Results is based on information compiled by Mr Andrew Bennett a Competent Person who is a Member of the Australian Institute of Mining And Metallurgy. 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 consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



Developing the Hayes Creek gold-silver-zinc project, and exploring for gold and base metals in the Northern Territory

PNX Metals – a compelling investment

Hayes Creek Gold-Silver-Zinc project



- ✓ Mt Bonnie – recent drill results* continue to enhance Hayes Creek project value, awaiting assays from remaining 23 holes:
 - ✓ **10m @ 1.40g/t Au, 397g/t Ag, 11.13% Zn, 4.08% Pb, 0.60% Cu**
(12.6g/t AuEq/19.6% ZnEq) from 46m in MBRC044
- ✓ Iron Blow – resource diamond drilling underway, results from late Oct'16
- ✓ Scoping Study completed Mar'16, PFS fully funded for completion mid-2017
- ✓ Current Resources: 257,000oz gold, 16.3Moz silver, 178,000t zinc (750,000oz AuEq)^
- ✓ Aim is to develop an operation with >7 year mine life, producing annually 14koz gold, 1.3Moz silver, and 16kt zinc
- ✓ Exploration focus for 2H'16 – Barossa VMS target drilling commenced, results due Nov'16
- ✓ Short term share price catalysts include drilling near-surface gold and base metals exploration targets & PFS advancement

**Visible and achievable path to
commercialisation with no known impediments**

Corporate Overview



Capital Structure

Current Share Price ¹	2.5cps
Shares on Issue	588.7m
Market Capitalisation	\$14.7m
Cash ¹	\$2.5m
Listed Investment ²	\$0.3m
Loan/Convertible Notes ³	\$1.8m
Enterprise Value	\$13.7m

Board & Management

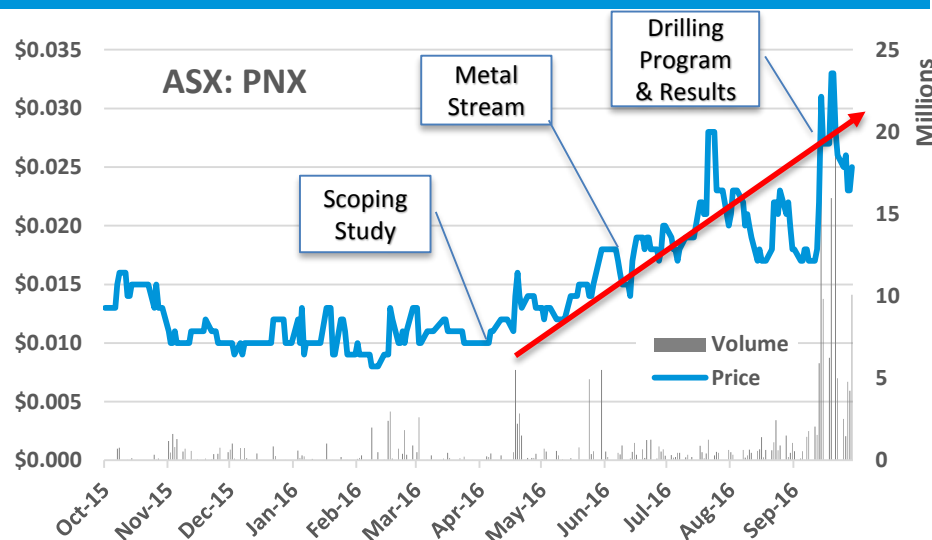
Graham Ascough	Non Executive Chairman
James Fox	Managing Director & CEO
Paul Dowd	Non Executive Director
David Hillier	Non Executive Director
Peter Watson	Non Executive Director
Tim Moran	Co Sec & CFO
Andy Bennett	Exploration Manager
David Readett	Project Manager

1. As at 14 October 2016.

2. 12.9m shares in Avalon Minerals (ASX:AVI)

3. Unsecured loan of \$1.2m for AVI share purchase. Loan matures Nov'19, to be settled from the sale of AVI shares with PNX shares to be issued to make up any shortfall. \$0.6m of convertible notes on issue which are convertible to PNX equity at \$0.05 per share at the election of PNX by May'19.

Share Price & Volume

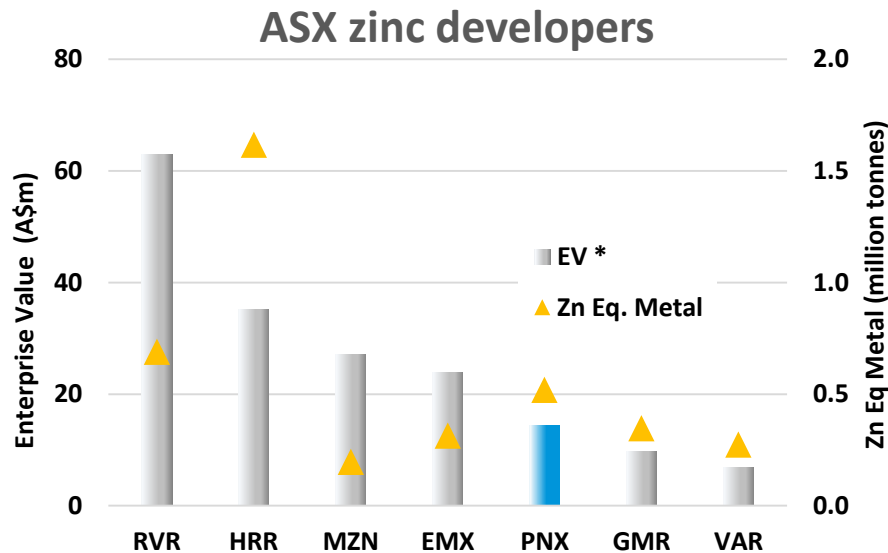


Top Shareholders

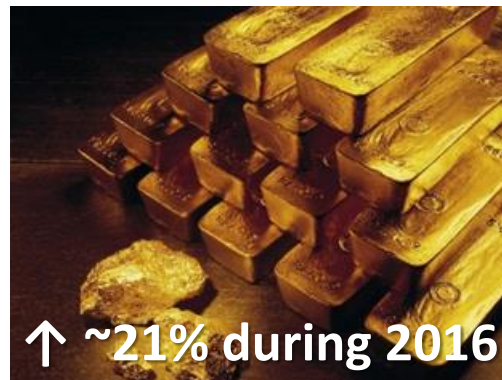
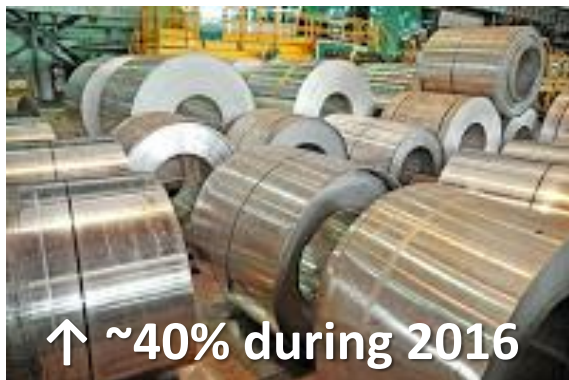
HSBC Custody Nominees	9.9%
Marilei International Ltd	9.2%
Sochrastem SA	8.5%
Asia Image Ltd	7.4%
Directors & Management	4.0%
Top 20 holding	70.8%

Improving prices = positive impact

PNX strongly leveraged to improving metals prices

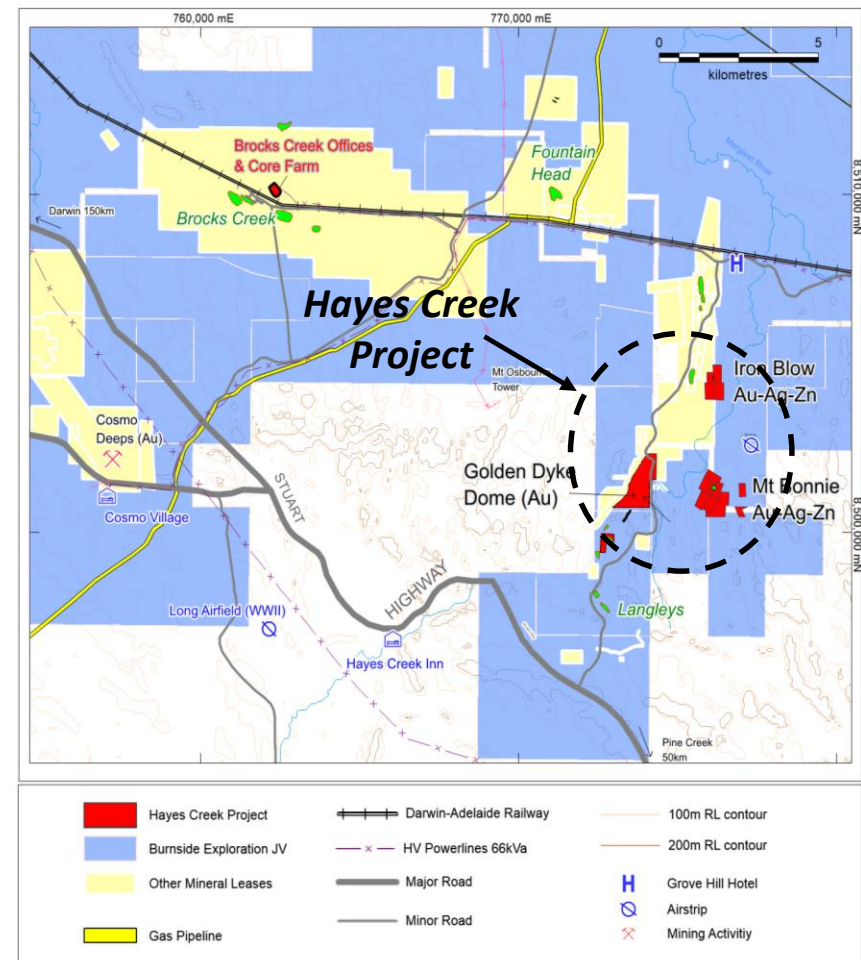
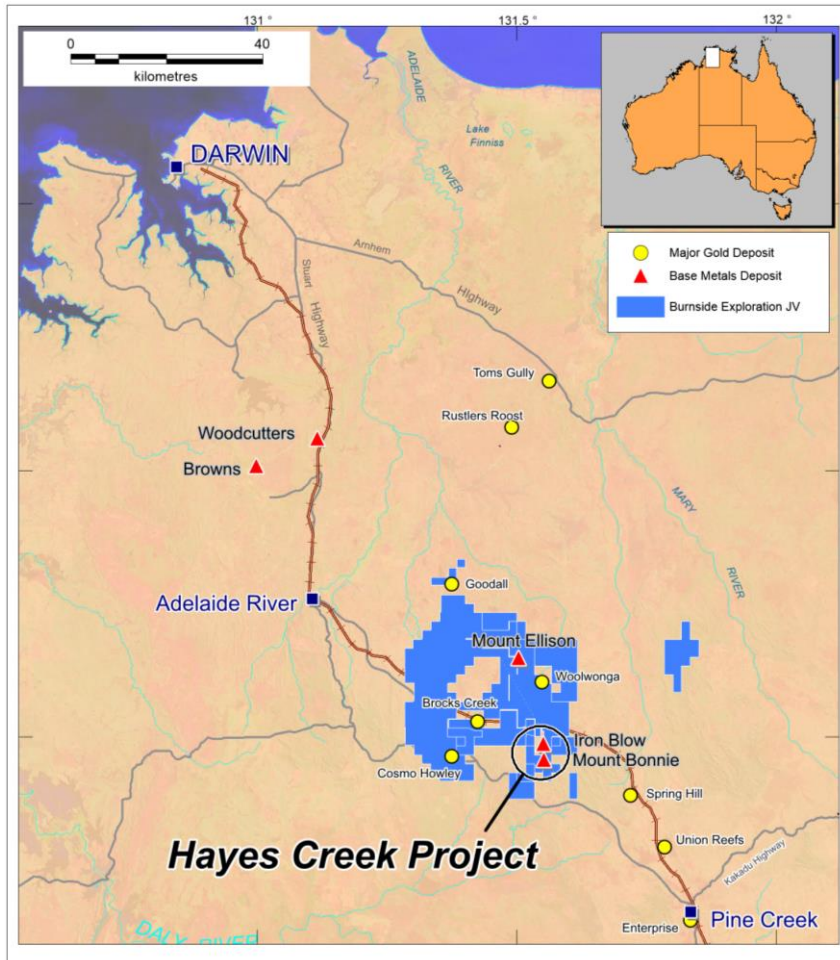


- LME zinc stocks falling, lowest levels since 2008, zinc price ~A\$3,000t
- Hayes Creek superior to many on grade-equivalence, capital intensity, & proximity to infrastructure
- Attractive inherent mix of commodities protects against individual price fluctuations
- Short term share-price catalysts include resource & exploration drilling & PFS advancement



Where is the Hayes Creek project?

Ideally located, within an existing infrastructure corridor



Hayes Creek Mineral Resources

High metals grades, near-surface sulphide deposits

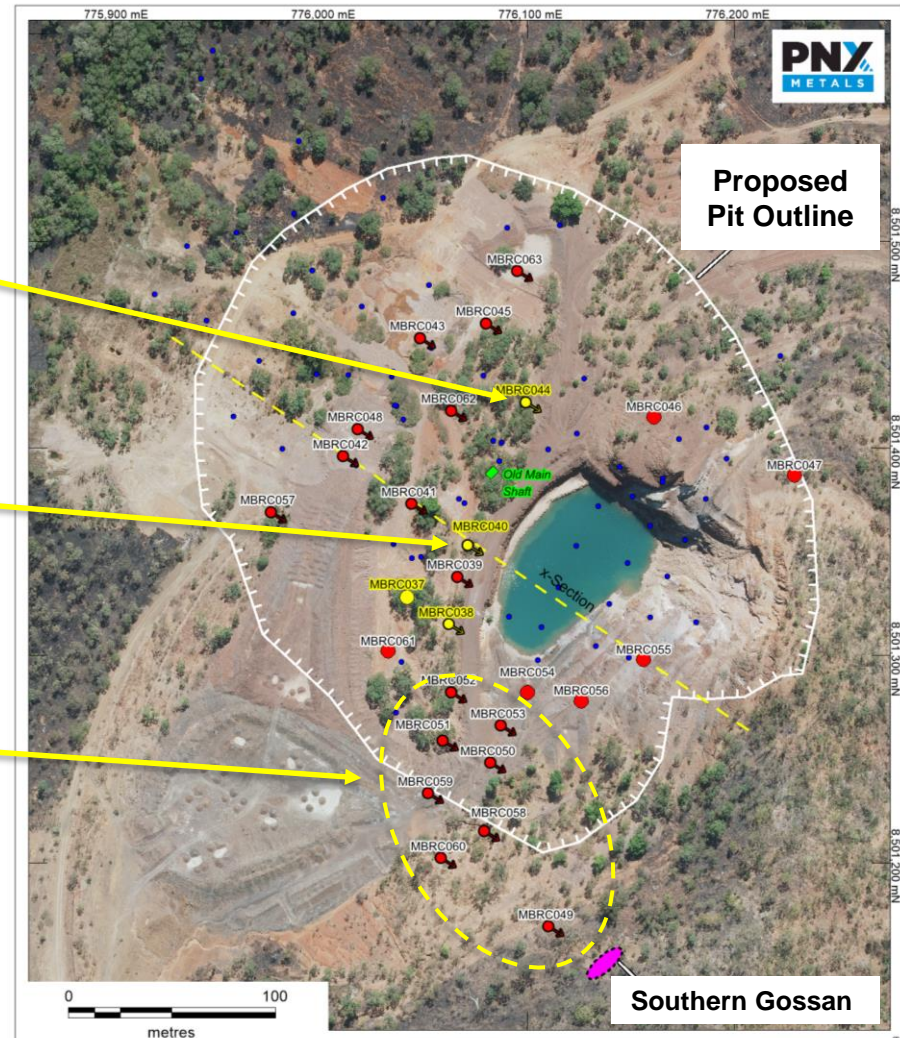
Deposit	Domain	Cut-off	Category	K tonnes	Zn	Pb	Cu	Ag	Au	ZnEq*	AuEq*
					%	%	%	g/t	g/t	%	g/t
Iron Blow	> -90m RL	0.7 g/t AuEq	Inferred	2,200	4.9	1.0	0.3	140	2.4	11.8	6.7
	< -90m RL	3.0 g/t AuEq	Inferred	400	4.1	0.4	0.4	71	2.7	10.0	5.6
Mt Bonnie	>1% Zn		Indicated	456	5.63	1.26	0.32	151	1.15	9.14	5.46
	>1% Zn		Inferred	644	4.38	1.52	0.25	131	1.47	8.16	4.87
	>0.5g/t Au		Inferred	78	0.16	1.87	0.26	121	1.88	5.36	3.20
	>50g/t Ag		Inferred	107	0.26	0.06	0.04	70	0.04	1.60	0.96
TOTAL		Indicated & Inferred		3,885	4.59	1.05	0.30	130	2.05	10.29	5.91

- Drilling currently - aim to increase resource size and confidence to at least Indicated category, optimise mining models for PFS
- High-grade resource base across two deposits – Iron Blow & Mt Bonnie
- Located less than 3km apart on granted MLs
- Near-surface sulphide mineralisation containing significant gold and silver grades (**5.91g/t AuEq average resource grade**)
- Additional gold rich zones identified outside boundaries of existing resource at Iron Blow

Hayes Creek: Mt Bonnie

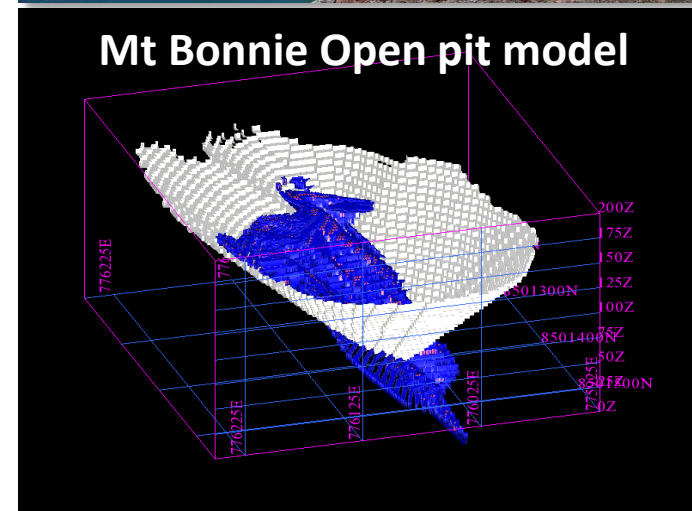
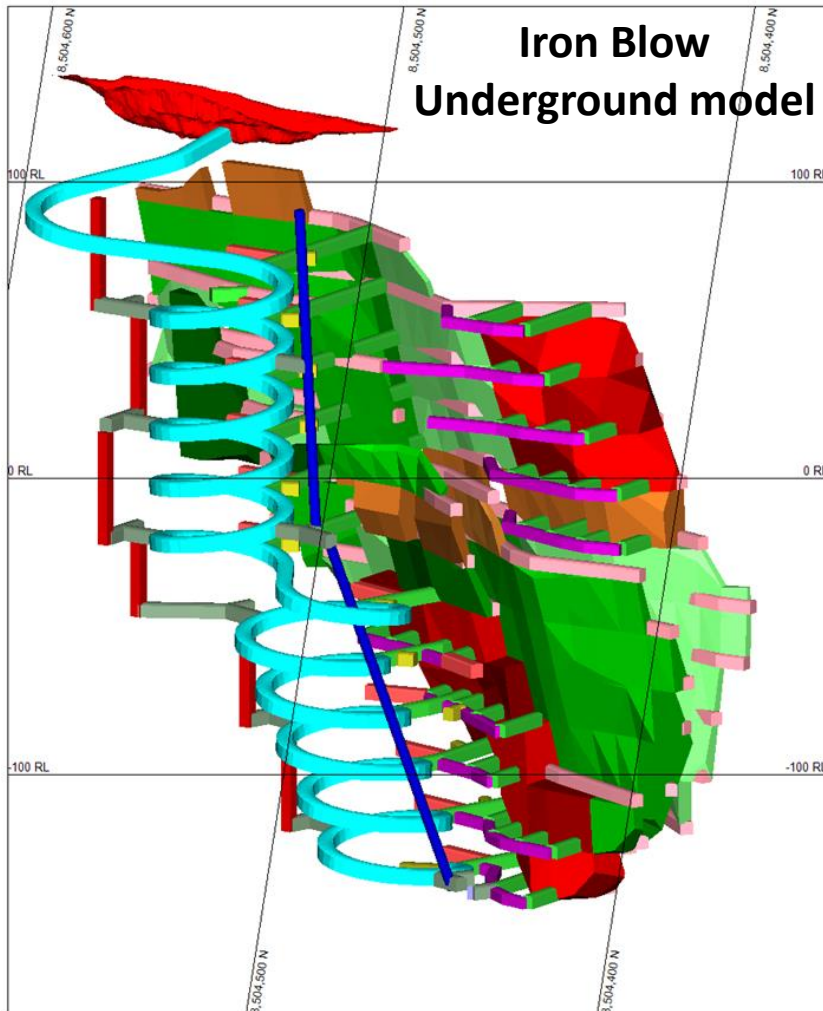
Resource infill & extensional drill program complete

- ✓ 27 holes drilled into mineralisation, assays received for 4 holes so far*
- ✓ MBRC044 - 10m @ 1.40g/t Au, 397g/t Ag, 11.13% Zn, 4.08% Pb, 0.60% Cu (12.6g/t AuEq/19.6% ZnEq) from 46m
- ✓ MBRC040 - 6m @ 4.80g/t Au, 236g/t Ag, 12.56% Zn, 1.91% Pb, 0.69% Cu (12.7g/t AuEq/19.8% ZnEq) from 40m
- ✓ Near-surface increase in gold and silver grades encouraging
- ✓ Potential to increase the portion of near-surface resource towards the Southern Gossan
- ✓ Remaining assays due shortly



Hayes Creek: Iron Blow & Mt Bonnie

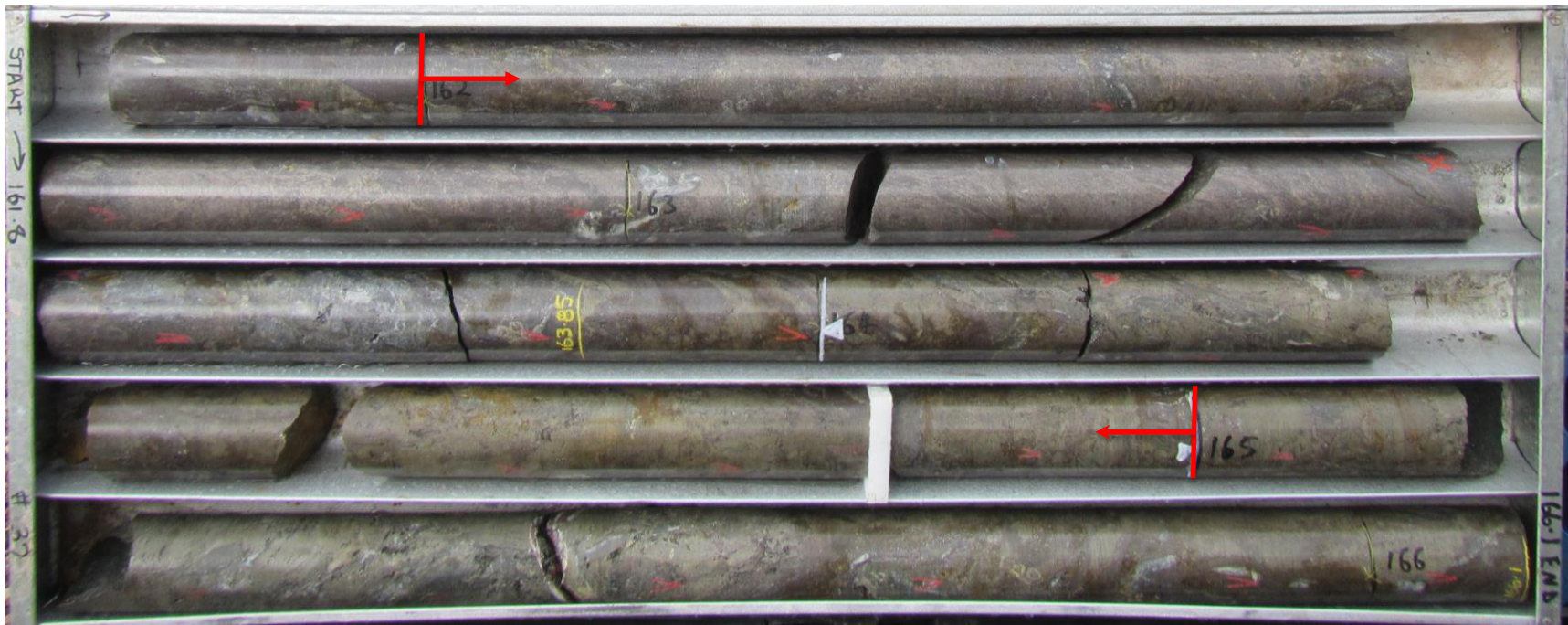
2 x near-surface deposits, granted Mineral Leases



Hayes Creek

Geology & mineralisation

- Simple strataform massive sulphide mineralisation
- Carbonate alteration halo hosting gold
- Excellent continuity and consistency of mineralisation within massive sulphide zones

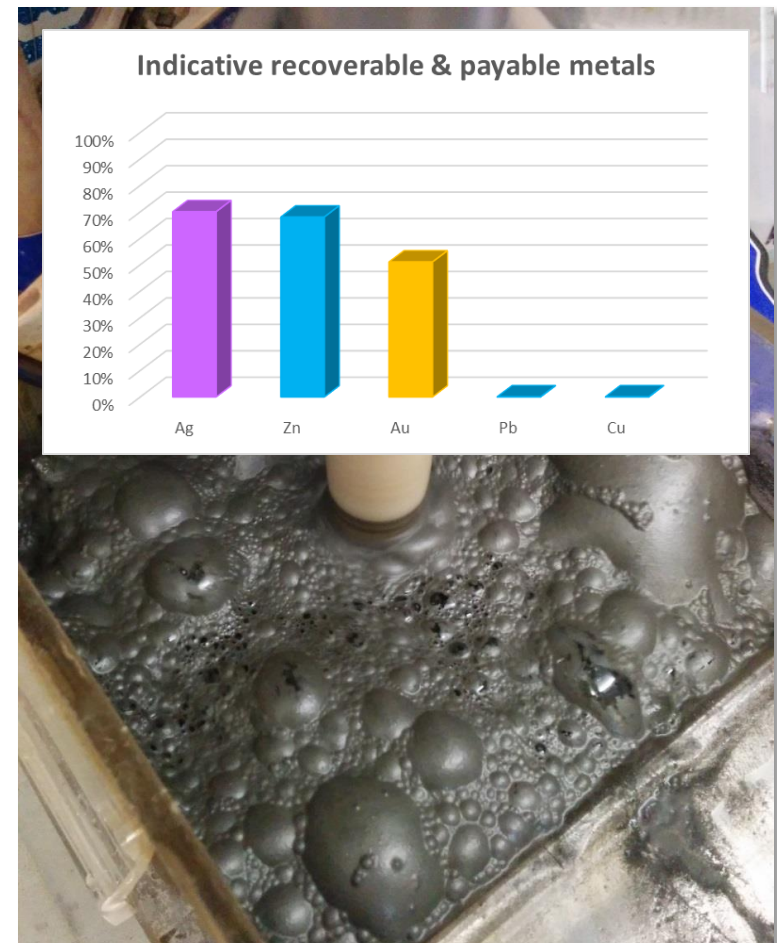


IBDH023 high grade massive sulphide core, the interval between 162m-165m as marked assayed:
19.4% Zinc, 2.7g/t Gold, 630g/t Silver, 0.85% Copper, and 3.2% Lead

Hayes Creek PFS: Completion due mid-2017

Zinc Concentrate + Precious Metals Concentrate

- ✓ Aim to improve project economics through resource expansion & optimisation of mining and processing
- ✓ Test work to de-risk and optimise process & maximise revenue streams
- ✓ Process: Crushing, milling and flotation (incl. regrind)
- ✓ Products: Clean zinc concentrate + silver/gold rich concentrate
- ✓ Additional upside:
 - ✓ no value yet attributed to copper or lead
 - ✓ conservative recoveries used for payable metals - PFS to optimise



Hayes Creek Project Development

PFS fully funded for completion by mid-2017

- ✓ Resource drilling at Iron Blow & Mt Bonnie
 - ✓ 2 x rigs, >7,500m of diamond & RC
 - ✓ Upgrade minerals inventory to 'Indicated' resource category
 - ✓ Test for extensions to mineralisation beyond existing resource boundaries
 - ✓ Increase understanding of deposits to aid with mine development
- ✓ Ongoing approvals and stakeholder engagement toward decision to mine
- ✓ Optimisation - mining, process plant, infrastructure, tails, route to market
- ✓ Increase Capital and Operating Cost estimate confidence, ultimately to DFS level

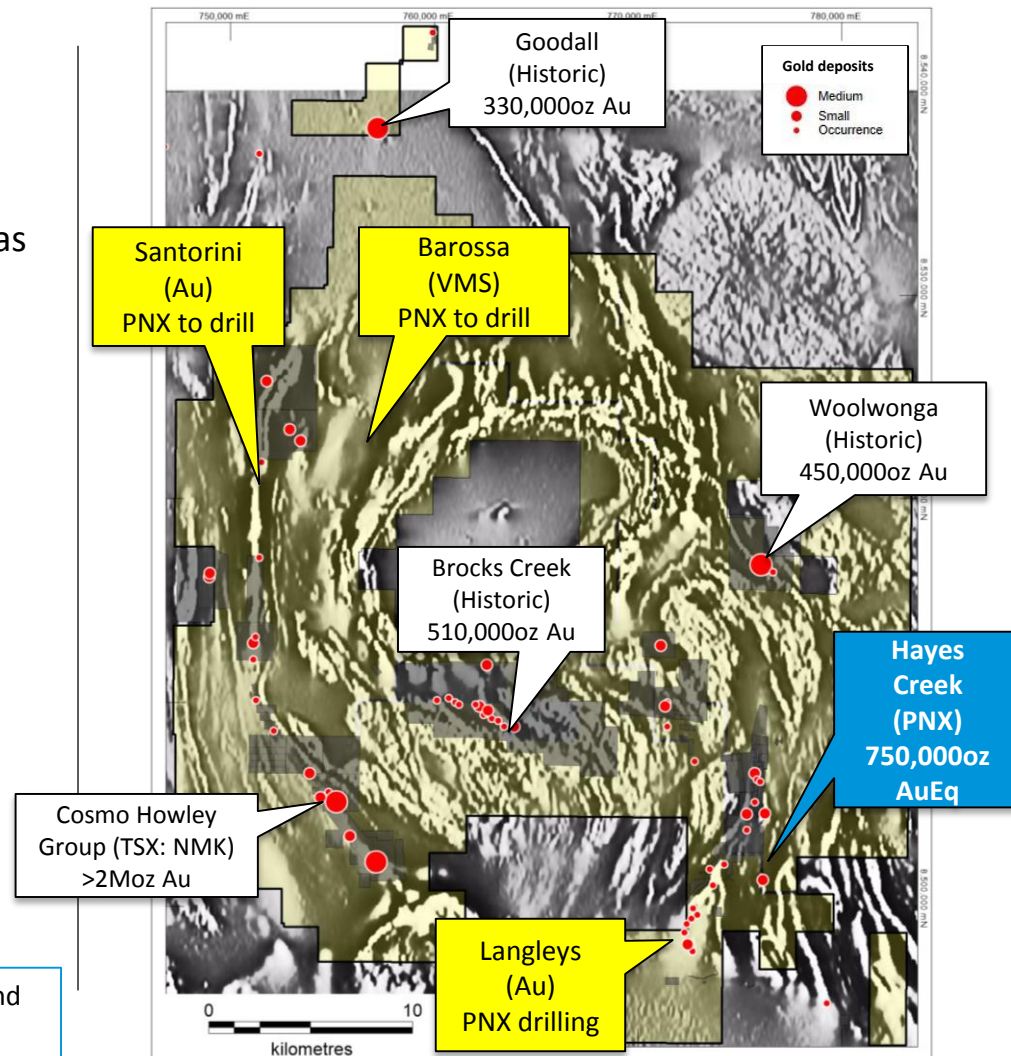


Burnside Regional exploration

Untested gold & base metals potential

- **Widespread gold occurrences**
- Prospective geological region
- Historical exploration limited to outcrop areas
- Little modern exploration below ~30m
- Large amount of exploration data (EM, soils, drilling) with numerous quality targets
- Strong potential for discovery of additional economic mineralisation
- Drilling exploration targets this year:
 - Barossa (VMS)
 - Tractor Corner (SEDEX)
 - Moline (Gold)

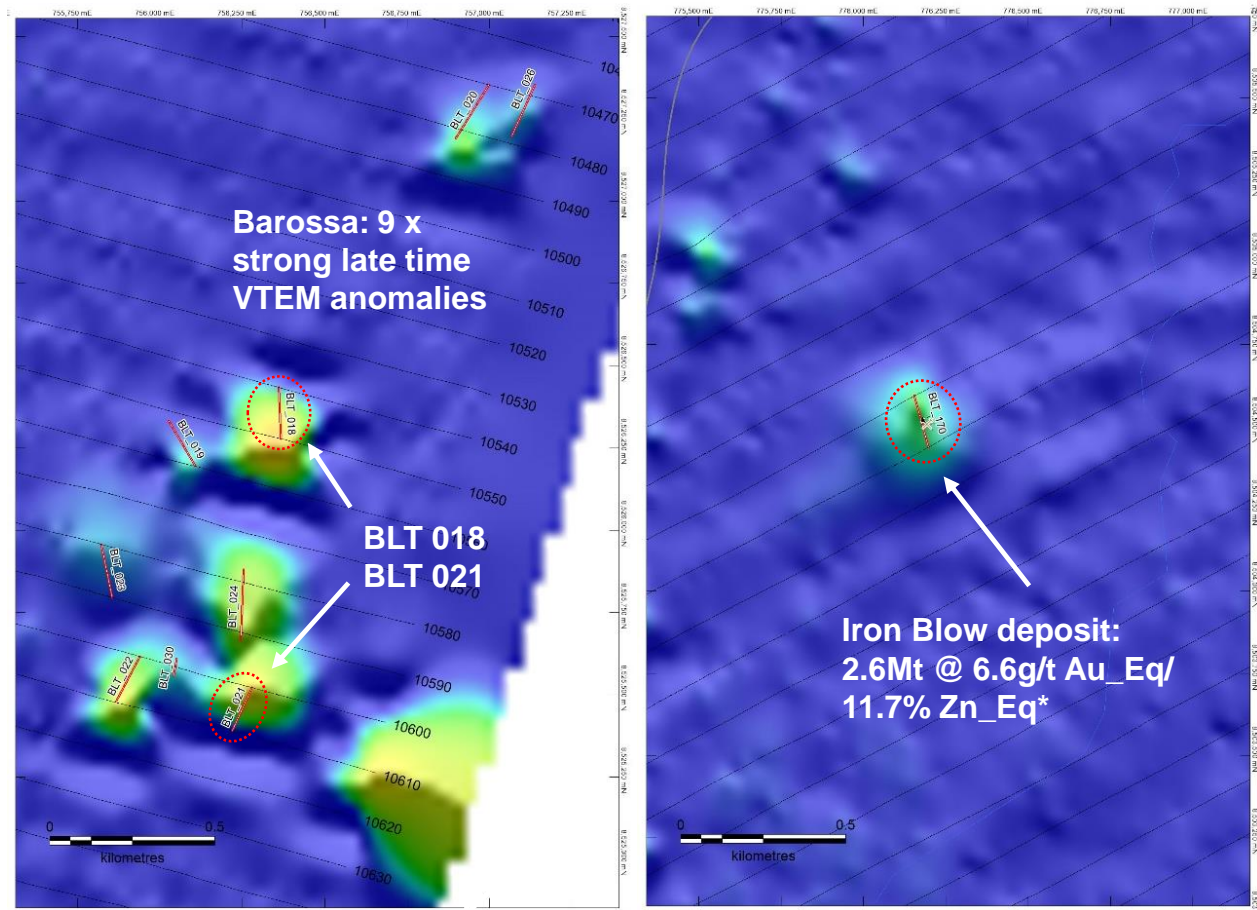
Magnetic (1vd) Image showing PNX Burnside tenure (yellow), and gold deposits, (H=historical), leases excluded (grey)



Burnside: Barossa VMS

NT Government co-funded, drilling now!

- **2 diamond holes commenced mid-Oct'16**
- 9 strong late-time VTEM anomalies – potential VMS camp – area untested
- High-value greenfield target
- Strength and geometry consistent with high concentrations of massive sulphides
- Similarities to Iron Blow VMS deposit
- **Recipient of NT drilling collaborations co-funding program**

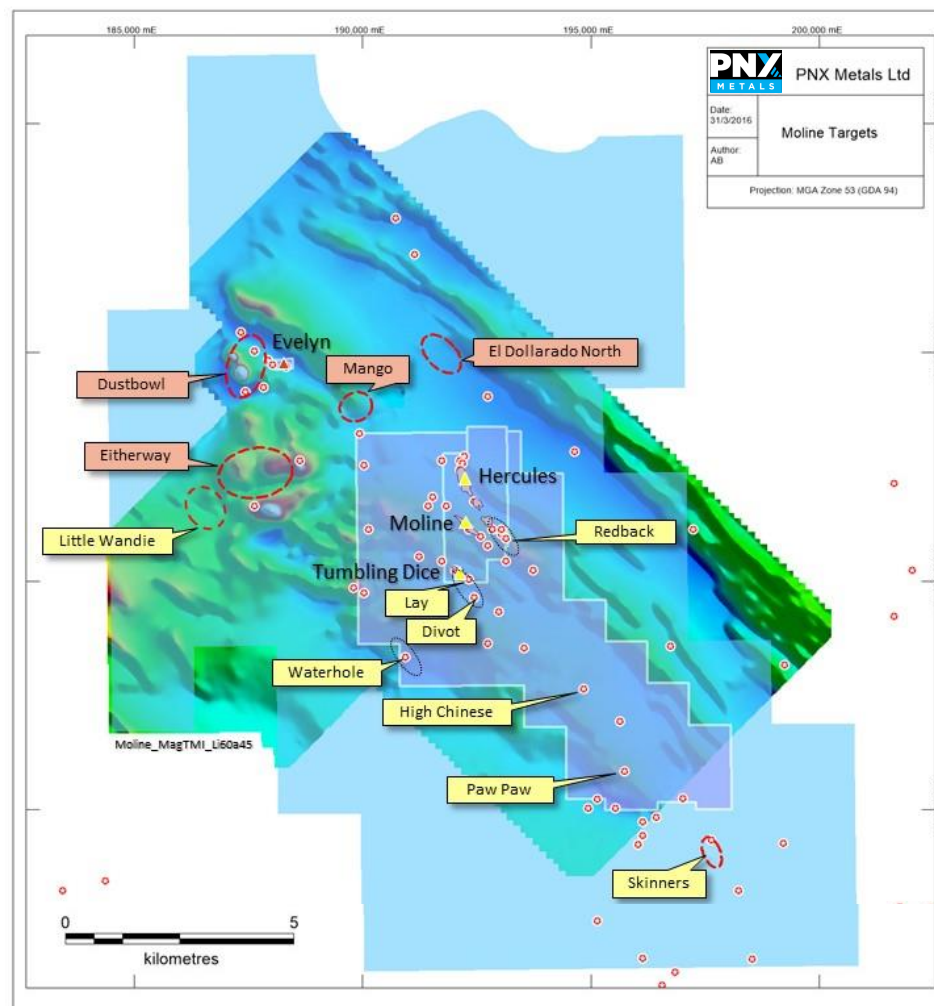


Barossa VTEM targets and Iron Blow deposit on VTEM time channel 42 (same scale)

Moline: Gold targets

Drilling November

- ~25km east of Burnside
- Mining ceased in 1992 due to catastrophic plant failure (fire)
- Historic pits at Moline, Hercules & School open at depth
- Steeply plunging high-grade gold shoots the primary targets
- Historical open assays at Hercules include*:
 - **MEX003** **16m@ 12.45g/t Au**
 - **MRCD117** **8m@ 9.67g/t Au**
 - **MEX001** **7.7m@ 6.22g/t Au**
- Previous exploration primarily targeted gold deposits in the oxide zone
- Plan to drill test during November 2016



Hayes Creek

Work program & project milestones

Activities	2016	2017	2018	2019
MINE DEVELOPMENT PLANNING				
PFS (inc. drilling and technical studies)				
Environmental & Government Approvals				
Definitive Feasibility Study (DFS)				
Decision to Mine				
Construction – TBC				
Commissioning – TBC				
Operations – TBC				
GOLD STRATEGY				
Newmarket Exploration Earn in to 51%				
Newmarket Exploration Earn in to 90%				

- ✓ \$1.6 million PFS funding provided by forward sale of 224,000oz of silver (Jun 2016)
- ✓ \$1.5 million placement to institutional & sophisticated investors (Aug 2016)
- ✓ \$85K drilling co-funding by NT CORE for two greenfield programs

Recap - why PNX Metals?



**Exposure to
gold + silver + zinc
3 of the best performing
metals in 2016**

**Near-surface resources:
257,000oz gold
16.3M oz silver
178,000t zinc**

**Scoping Study Mar16
Strong financial returns
Fast payback
Modest capital
PFS due mid-17**

**Hayes Creek Project:
historic mining area
excellent infrastructure
granted MLs**

**Supportive and stable
shareholder base**

**Regional exploration
focus for 2H 2016**

**Experienced Board and
Management team**

**Low valuation relative
to zinc and gold peers**

**Visible and achievable
path to
commercialisation with
no known impediments**

Appendix

- Mineral Resources Tables
- Mineral Resources Notes
- Process Flow Diagram
- Exploration Earn-in Information
- Metal Stream key terms and conditions
- Project Benchmarking
- Board & Management Team

Hayes Creek Mineral Resources



Contained Metal	Zn (t)	Au (oz)	Ag (oz)	Pb (t)	Cu (t)	ZnEq (t)	AuEq (oz)
Iron Blow	124,200	204,482	10,815,677	23,600	8,200	304,504	550,450
Mt Bonnie	54,283	52,149	5,470,469	17,057	3,315	102,803	197,382
Total	178,483	256,631	16,286,146	40,657	11,515	407,307	747,832

Deposit	Domain	Cut-off	Category	K tonnes	Zn	Pb	Cu	Ag	Au	ZnEq*	AuEq*
					%	%	%	g/t	g/t	%	g/t
Iron Blow	> -90m RL	0.7 g/t AuEq	Inferred	2,200	4.9	1.0	0.3	140	2.4	11.8	6.7
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	>50g/t Ag		Inferred	107	0.26	0.06	0.04	70	0.04	1.60	0.96
TOTAL		Indicated & Inferred		3,885	4.59	1.05	0.30	130	2.05	10.29	5.91

Price Assumptions						Recovery Assumptions				
Deposit	Zn	Pb	Cu	Ag	Au	Zn	Pb	Cu	Ag	Au
	\$USD/t	\$USD/t	\$USD/t	\$USD/ troy oz	\$USD/ troy oz	%	%	%	%	%
Iron Blow	2350	2250	7000	20	1300	70	70	70	90	90
Mt Bonnie	2400	2000	6200	18	1250	80	60	60	75	55

See next page *Notes Relating to Mineral Resources* and ASX release 31 March 2016 for further information

Notes relating to Mineral Resources



- Due to effects of rounding, totals may not represent the sum of all components.
- Mt Bonnie - zinc domains are reported above a cut-off grade of 1% zinc, gold domains are reported above a cut-off grade of 0.5 g/t gold and silver domains are reported above a cut-off grade of 50 g/t silver.
- Iron Blow - a variable gold-equivalent cut-off grade was used corresponding to an RL at which mineralisation could be extracted with open cut versus underground methods.
- In order to assess the potential value of the total suite of minerals of economic interest in the mineral inventory, formulae were developed to calculate metal equivalency for the gold and zinc (see below). Metal price assumptions were updated during the Mt Bonnie estimation to reflect average consensus forecasts for the period 2017 through 2021, (consensus forward price forecasts compiled from a group of domestic and international mining analysts and financial institutions).
- Metallurgical recovery information for Iron Blow was assigned prior to any diagnostic test work by PNX and was based on what was considered reasonable in similar operations. Metallurgical recovery information for Mt Bonnie was sourced from test work completed on diamond drill core from the Iron Blow deposit, and historical test work on the Mt Bonnie deposit. Mt Bonnie and Iron Blow have similar mineralogical characteristics and are a similar style of deposit, hence the assumption that metallurgical characteristics are similar between the two deposits is considered reasonable by the Competent Persons.
- The formulae below was applied to the estimated constituents to derive the metal equivalent values:
- Gold Equivalent (field = "AuEq") (g/t) = (Au grade (g/t) * (Au price per ounce/31.10348) * Au recovery) + (Ag grade (g/t) * (Ag price per ounce/31.10348) * Ag recovery) + (Cu grade (%) * (Cu price per tonne/100) * Cu recovery) + (Pb grade (%) * (Pb price per tonne/100) * Pb recovery) + (Zn grade (%) * (Zn price per tonne/100) * Zn recovery) / (Au price per ounce/31.10348)
- Zinc Equivalent (field = "ZnEq") (%) = (Au grade (g/t) * (Au price per ounce/31.10348) * Au recovery) + (Ag grade (g/t) * (Ag price per ounce/31.10348) * Ag recovery) + (Cu grade (%) * (Cu price per tonne/100) * Cu recovery) + (Pb grade (%) * (Pb price per tonne/100) * Pb recovery) + (Zn grade (%) * (Zn price per tonne/100) * Zn recovery) / (Zn price per tonne/100)
- Spot pricing for ZnEq or AuEq grade quotations is as per the Resource Estimations. Payability factors are taken into account where a AuEq resource is quoted, not for ZnEq. Market closing ASX prices and estimated cash balances/EV adopted for peers is subject to error and adjustment, and no warranty is provided as to the accuracy of such numbers, forecasts, estimates or comparisons shown. Mine planning quoting largely inferred resources is high risk, and recent ASIC guidelines regarding scoping study releases are to be considered by any investors considering investment.



Additional Information: Exploration earn-in



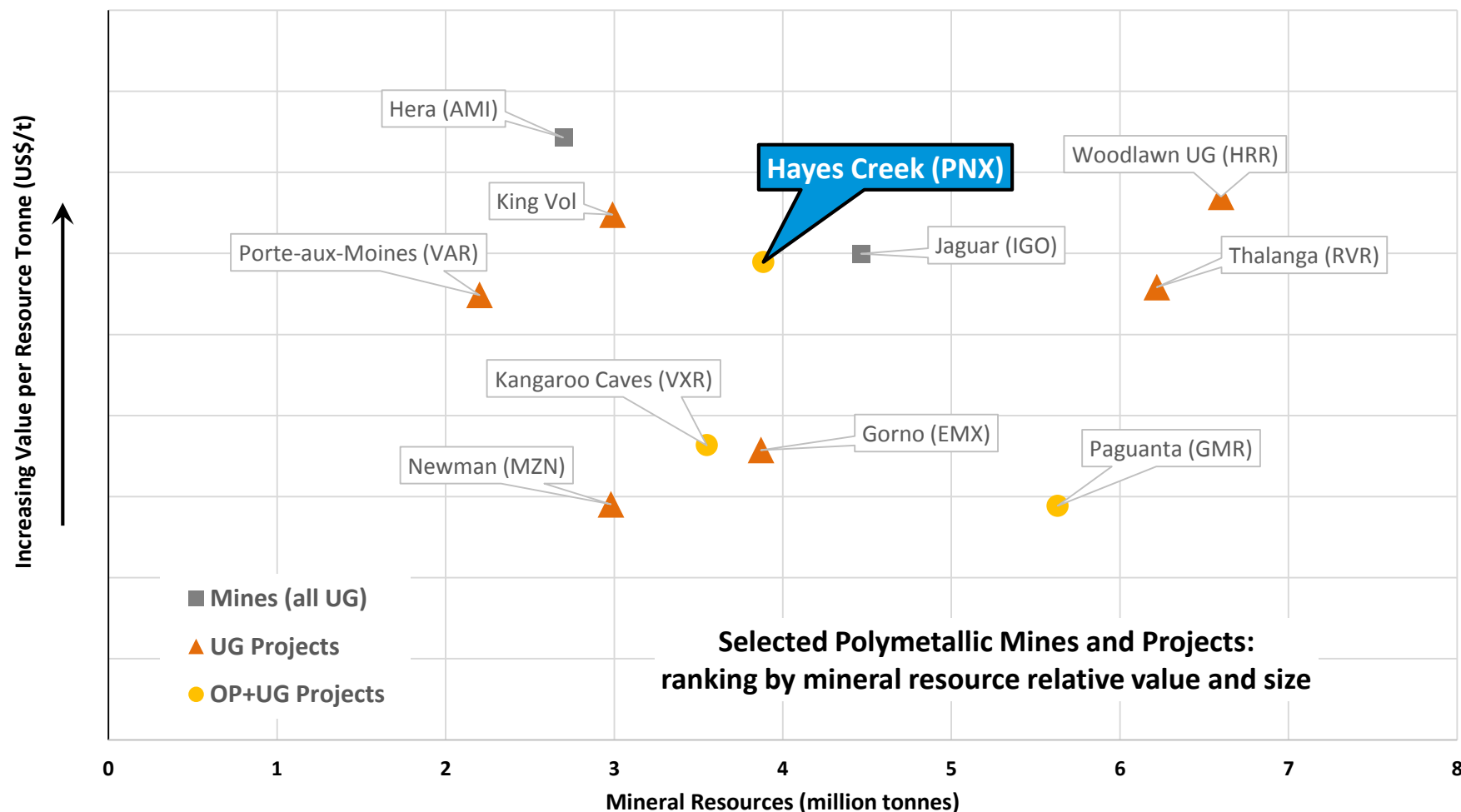
- Transaction with Newmarket Gold (NMK), announced August 2014
- **Acquired Tenements (100%) – Hayes Creek Project**
 - 14 Mineral Leases (containing Iron Blow and Mt Bonnie deposits) for a 2% royalty over gold and silver in concentrate
 - NMK can clawback 30% within 6 months of PFS by paying 3x expenditure
- **Earn-in Tenements (up to 90%) – Burnside, Moline and Chessman Projects**
 - 19 exploration licences, and 4 mineral leases covering 1,700km²
 - PNX to earn 51% by spending \$2M over 2 years (excluding Uranium), which can include up to \$0.5M spent on the Acquired Tenements
 - PNX to earn up to 90% by spending a further \$2M within a further 2 years (excluding Uranium), which can include up to a further \$0.5M spent on the Acquired Tenements
 - NMK can acquire 90% of any 2012 JORC compliant gold and silver deposit within 6 months of resource being announced by paying 3x expenditure
 - Further \$0.5m (in cash or shares) payable to NMK upon completion of a DFS on any NT base metals project within the Acquired or Earn-in tenements
- **PNX has spent ~\$1.6M and is required to spend a further ~\$0.4M to complete stage 1 of the Earn-in with Newmarket Gold by 15 Dec 2016**

Additional Information: Metal Stream



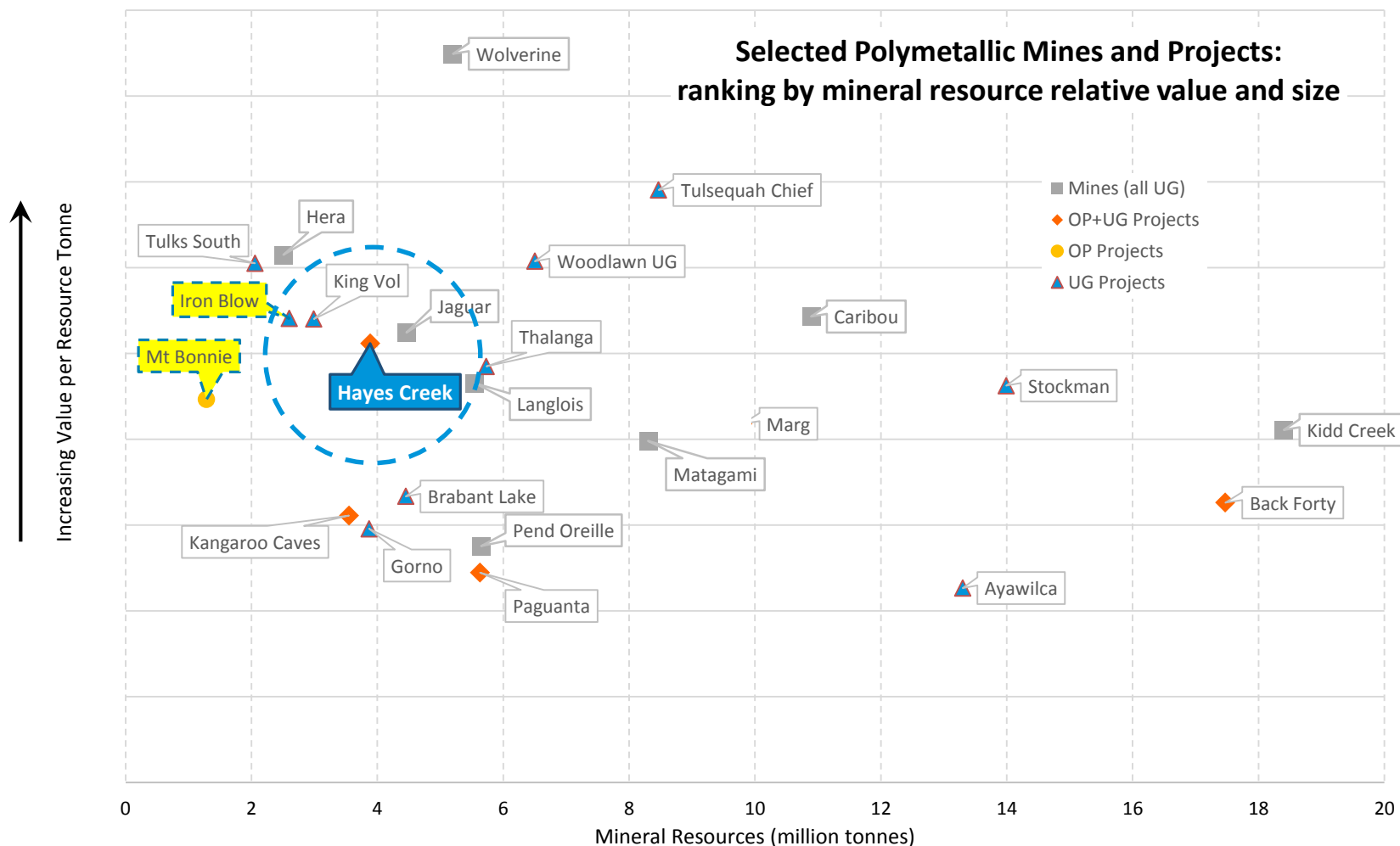
- \$1.6 million in total, under separate but identically structured Silver Streaming and Royalty Agreements (Agreement) signed with two investors (Investor).
- Each Agreement results in the forward sale of 112,000 troy ounces (oz) of silver for \$0.8 million to be delivered at a rate of 14,000 oz per quarter (56,000 oz per year) for 2 years once commissioning and ramp up of the Hayes Creek Project is complete, expected to be in 2019.
- Each Investor may exercise an option (Option), within 3 months of completion of the PFS, to increase the amount of silver by 56,000 oz to be delivered over a further one year period for payment, made at the time of exercising the option, of \$0.4 million.
- At the end of the two year (or, if the Option is exercised by an Investor, three year) silver delivery period, each Investor will be entitled to a 0.24% (or 0.36%, if the Option has been exercised) Net Smelter Return (NSR) royalty. The NSR royalty applies in respect of gold and silver produced from the Hayes Creek Project, and will be paid for a 5 year period from the end of the silver delivery period.
- PNX can buy back the NSR royalty from an Investor prior to production commencing for \$0.27 million (or \$0.4 million, if the Option is exercised).
- If production at the Hayes Creek Project has not commenced within 5 years and PNX or an Investor elects to terminate the Agreement, the forward payment made by that Investor (\$0.8 million, or \$1.2 million, if the Option has been exercised) converts to PNX shares based on a 30 day VWAP. The NSR royalty will also apply in these circumstances in relation to each tenement comprising the Hayes Creek Project for 5 years from when production commences on that mining tenement.
- If shareholder approval and/or Foreign Investment Review Board approval is required but not received in relation to the conversion to shares then the applicable forward payment is to be repaid in cash.
- If production at the Hayes Creek Project is suspended for 12 consecutive months during the silver delivery period and PNX or an Investor terminates the Agreement then the amount that converts to PNX shares, or is to be repaid in cash, is an amount equal to that portion of the forward payment representing the undelivered silver. The NSR royalty will also apply in this circumstance in respect of each mining tenement comprising the Hayes Creek Project for 5 years from when production recommences on that mining tenement.

ASX Project Benchmarking



Source: SNL Mining & Metals, Terra Studio. Zinc equivalent grades and metal contents calculated using the following USD metal prices: gold \$1,300/oz, silver \$18/oz, zinc \$1.00/lb, lead \$0.80/lb and copper \$2.10/lb

Hayes Creek: In good company



Source: SNL Mining & Metals, Terra Studio. EV = Enterprise Value as at 24 June 2016. Zinc equivalent grades and metal contents 26 calculated using the following USD metal prices: copper \$2.10/lb, gold \$1,250/oz, lead \$0.80/lb, silver \$15/oz and zinc \$0.85/lb

Experienced Team



Board / Management	Biography
Graham Ascough Non Executive Chairman	Senior resource executive and geophysicist with more than 25 years of industry experience. Strong technical background and current Non-executive Chairman of four ASX listed companies.
James Fox Managing Director & CEO	20 years experience in a variety of technical roles in the mining industry. Previously responsible for development and operation of Nickel Laterite Heap Leach at Murrin Murrin Operations, and Process Manager at Nifty Copper Operations.
Paul Dowd Non Executive Director	50 years in mining industry. Former MD of PNX Metals Ltd and of Newmont Australia and former director of Macurthur Coal and AuRico Gold Australian entities. Current NED of Oz Minerals Ltd, and ERA Limited. Chairman of the CSIRO Minerals Resources Sector Advisory Council, and an Advisory Board Member of the South Australian Minerals and Petroleum Expert Group (SAMPEG) and the University of Queensland – Sustainable Minerals Institute.
David Hillier Non Executive Director	A Chartered Accountant with more than 40 years experience in commercial aspects of the mining industry. Former CFO and Executive Director of Mineral Securities Ltd and CEO of Buka Gold Ltd. Current Executive Chairman of a private exploration group.
Peter Watson Non Executive Director	45 Years in corporate law. Founder of Watsons Lawyers (now Piper Alderman), former partner of Norton Rose and former Group Legal Counsel and Group Executive of Normandy Mining Ltd. Founder of PNX Metals.
Tim Moran Co Sec & CFO	Former CFO and Company Secretary of Canadian listed oil and gas company, former Senior Audit Manager at KPMG Adelaide.
Andy Bennett Exploration Manager	More than 20 years experience in the exploration & mining industry with roles in a wide variety of geological settings at both junior and large companies. Former BHP Billiton Chief Geologist during the Olympic Dam open pit expansion studies, and former Exploration Superintendent at WMC Resources.
David Readett Project Manager	30 years in mining industry. Chartered Professional Metallurgical Engineer (FAusIMM CPMet) involved in test work, process flowsheet development, design, construction, commissioning, optimisation, operation and management of numerous metallurgical projects specialising in base metals and gold. Involved with a number of Australian based projects and operations with extensive overseas experience in the Americas, Europe, Africa, and South-East Asia.