

## Strong zinc and gold drill targets identified at Swan

- **Geophysical surveys completed over the Swan prospect at Moline;**
  - **A near-surface zinc-lead target, and a deeper (75-100m) potentially gold sulphide target identified**
  - **Zinc-lead target located 250 metres from intersection of 1m @ 4.66% zinc, 11.37g/t gold, 95.5g/t silver and 0.90% lead (from 45m) in PNX drill hole MORC26**
  - **These two significant, high-priority new targets are planned to be drilled, commencing early December**
- **Additional IP survey nearing completion at Waterhole, Mango survey to follow**
- **Hayes Creek drilling progressing well, program designed to support DFS and potentially extend mine life**

PNX Metals Limited (**ASX: PNX**) is pleased to advise that it has completed an Induced Polarisation (IP) geophysical survey at the Swan prospect with excellent results. Swan is one of three recently identified high-priority zinc targets identified by strong surface geochemical signatures at the Moline Project (MLN1059 and ML24173) located approximately 65km to the east of Hayes Creek in the Pine Creek region of the Northern Territory (NT)<sup>1</sup>. Further IP surveys are nearing completion at Waterhole with Mango to follow.

### Two new zinc and gold targets to be drilled at Swan

Strong responses from airborne EM, magnetic and now IP surveys have aligned and show a magnetic high coinciding with a strong resistivity low and conductor (**Figures 1 and 2**). The 'bulls-eye' magnetic anomaly is also interpreted to be associated with a fold-hinge, a potential trap point for mineralising fluids. Shallow RC drilling to the north of the anomaly was completed in 1986 and intersected massive and semi-massive sulphides approximately 40m downhole but was not assayed for base metals. The anomaly is less than 250 metres to the NW of PNX drill hole MORC26 where **1m @ 4.66% Zn, 11.37g/t Au, 95.5g/t Ag and 0.90% Pb** (from 45m).

RC drilling will commence at Swan in early December subject to approvals and will target the main part of the magnetic anomaly.

Additionally the IP survey identified a large, extremely high chargeable feature approximately 75m below surface to the west of the magnetic target (**Figure 3**). Surface geochemical sampling has defined a strong gold-arsenic anomaly in soils up-dip from the chargeable high, the expected response from gold-sulphide mineralisation. The

<sup>1</sup> Refer ASX announcement 5 October 2017

potential of this target is also promising given the close proximity to existing gold mineralisation at Moline and will also be drilled in December.

There are several other highly conductive zones on the south-eastern edge of the survey, further work will need to be completed to ascertain their significance.

### Managing Director Comment

PNX Managing Director James Fox said *“The results received from the first IP survey at Moline are excellent. Two new targets have been identified in close proximity to existing zinc and gold mineralisation. Drilling of these new targets is to commence in December with additional IP surveys nearing completion and results due shortly. Historic zinc and gold production in the area provides indication of the potential and we look forward to completing the planned work program.”*

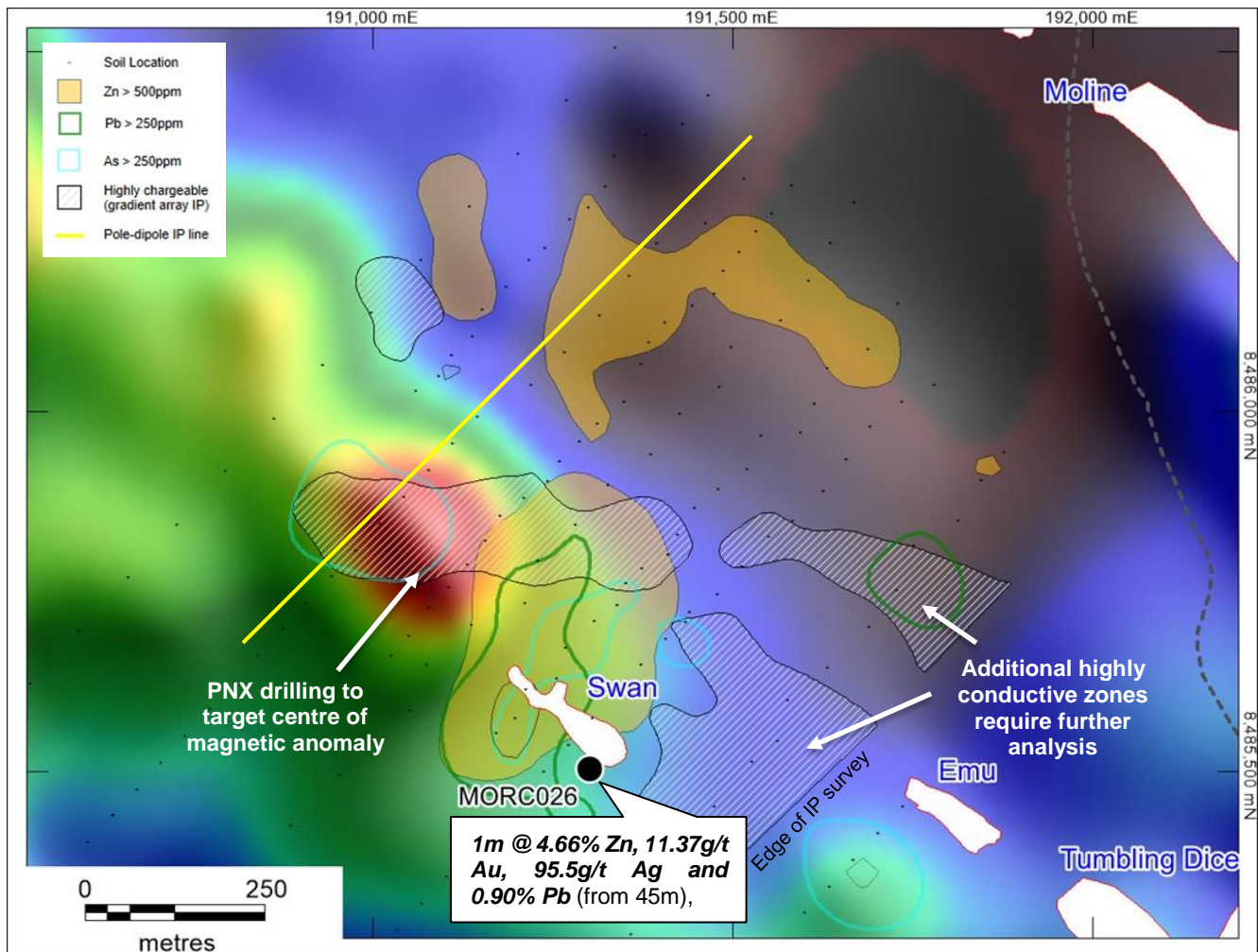


Figure 1: Swan RTP magnetic image with soils anomalism, IP survey with high chargeability zones, & 2016 PNX drilling

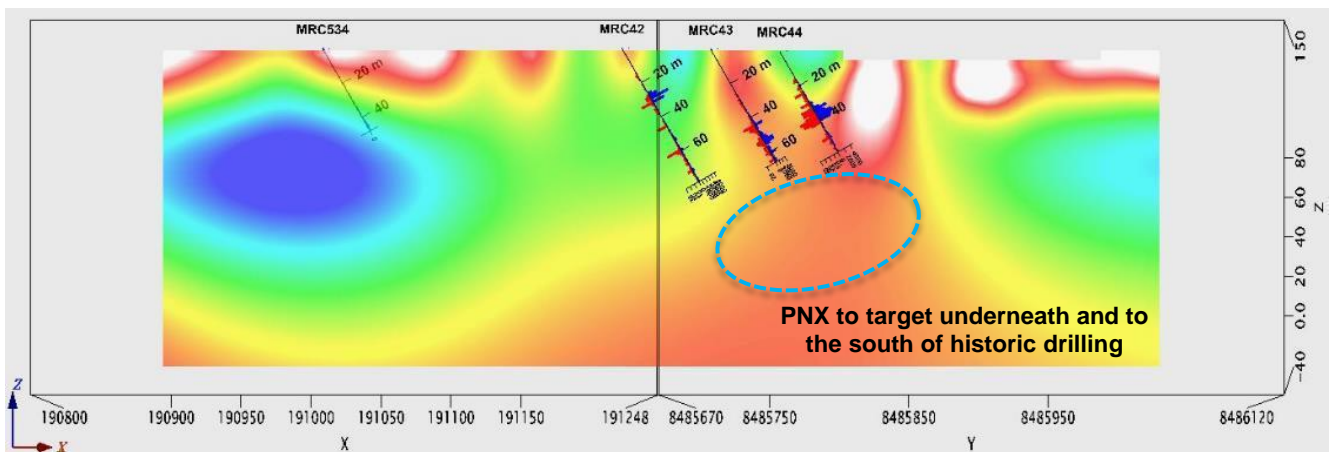


Figure 2: Pole dipole IP results, resistivity model showing historic drilling with sulphides % (red) and magnetic susceptibility (blue)

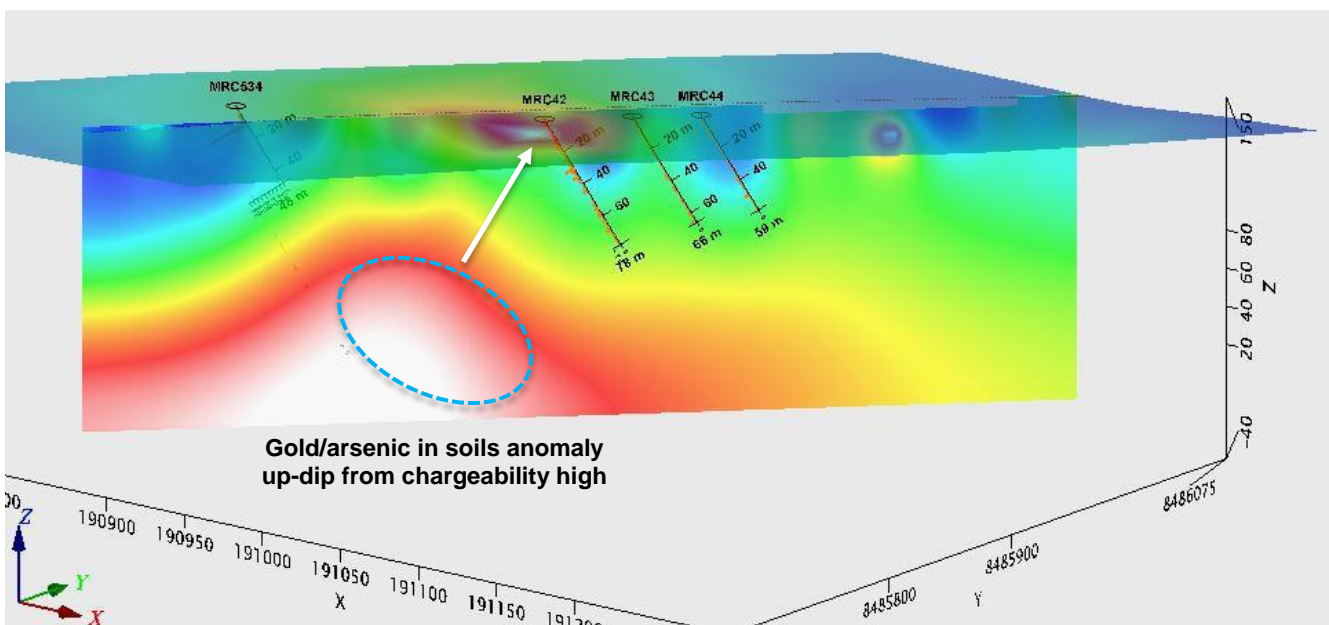


Figure 3: IP survey showing chargeability model, surface gold/arsenic anomalism and proposed drill target

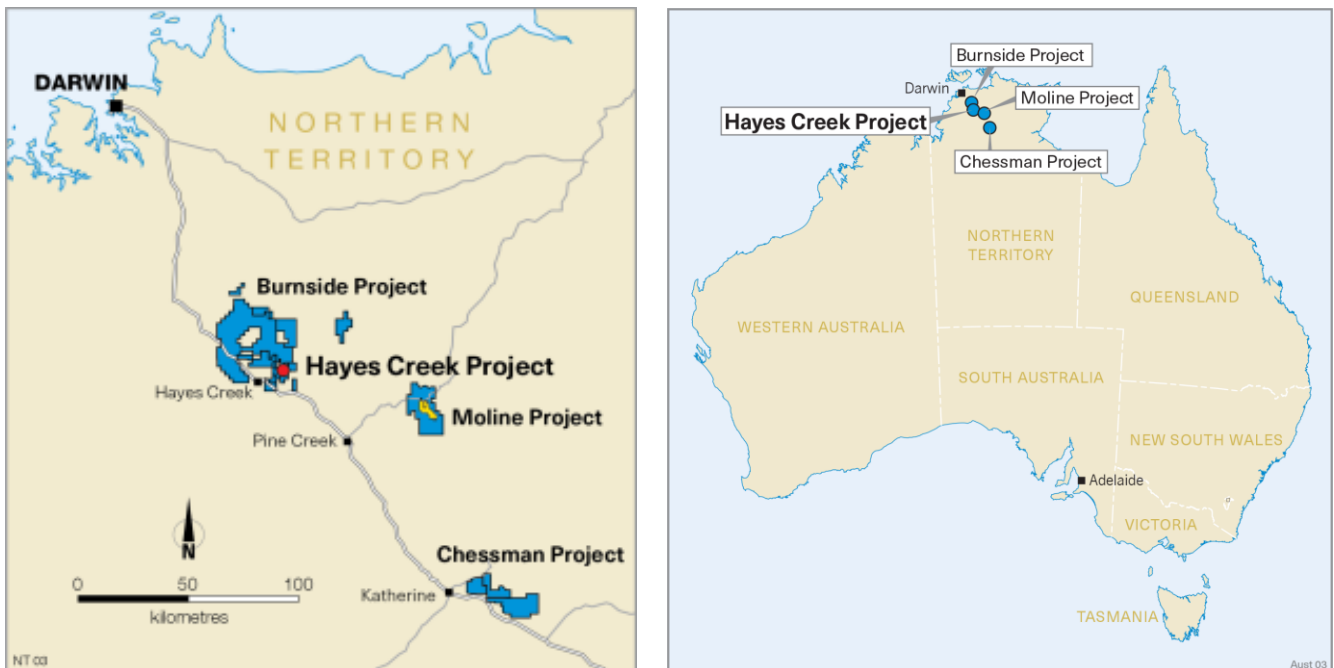
### About PNX’s Projects

Following a recent over-subscribed capital raising PNX is well funded to accelerate its exploration activities in this under-explored and highly prospective region of the NT. The aim of current exploration is to discover and delineate additional high-value base metals and/or gold deposits to provide a pipeline of growth opportunities to complement the proposed development at Hayes Creek or other existing free gold milling infrastructure in the region.

The Moline, Burnside and Chessman project areas form part of PNX’s farm-in agreement with Kirkland Lake Gold Ltd. PNX currently holds a 51% interest (excluding uranium) in these areas, which consists of 19 Exploration Licences and 4 Mineral Leases covering approximately 1,700km<sup>2</sup> in the Pine Creek region of the Northern Territory (Figure 4).

PNX is now in the second stage of the farm-in, wherein it can increase its interest in each of the tenements to 90% (excluding uranium) with expenditure of \$2 million by 15 December 2018, with approximately \$1.3 million of that having been spent to date.

Hayes Creek is currently the subject of a DFS which is progressing well and is expected to be completed in 2018. The PFS<sup>2</sup> forecast annual production of 18,200t zinc, 14,700oz gold, and 1.4Moz silver (39,100t of zinc equivalent) over an initial mine life of 6.5 years. This presents the opportunity for an economically viable, low-cost, high margin zinc and precious metal mine that could create significant value for the Company's shareholders.



For further information please visit the Company's website [www.pnxmetals.com.au](http://www.pnxmetals.com.au) or contact us:

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<sup>2</sup> Refer ASX announcement 12 July 2017