



17-18 October 2018

An Australian Zinc and
Precious Metals
Development Company

Disclaimer & Important Notes



- This presentation is an overview of the Company prepared with good intention. It is not a prospectus and offers no securities for subscription or sale in any jurisdiction, nor a securities recommendation.
- Not all information necessary for investment decisions is contained herein and investors are encouraged to conduct their own research and analysis of PNX Metals Limited in conjunction with legal, tax, business and financial consultation before making financial investments.
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- The Hayes Creek Project ('Project') production target and the forecast financial information and income-based valuation derived from the production targets reported in this document are based on Mineral Resources which are classified as 98% Indicated and 2% Inferred. There is a low level of geological confidence associated with Inferred Mineral Resources, and there is no certainty that further exploration work will result in their conversion to Indicated Mineral Resources, or that the production targets themselves will be realised. The Company is however satisfied that the use of 2% Inferred Mineral Resources in the production targets is not the determining factor in the overall viability of the Project and that it is reasonable to include this 2% Inferred Mineral Resources component. The Company cautions that there is no certainty that the production targets or the forecast financial information and income-based valuation derived from the production targets will be realised.
- This document contains 'forward-looking statements' that are based on the Company's expectations, estimates and projections as of the date on which the statements were made. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.
- The Company believes there is a reasonable basis for the Project's production targets and the forecast financial information and income-based valuation derived from those production targets provided in this document. In addition, the forward-looking statements are based on the Company's belief that it has reasonable grounds to expect that funding will be secured to advance the Project through to the completion of a DFS and that the capital costs of the Project will be financed. There is no certainty, however, that sufficient funding will be raised by the Company when required.
- Refer to PNX's ASX announcement 12 July 2017 regarding the Hayes Creek Pre-Feasibility Study (PFS) for detail on the material assumptions underlying the PFS, and for further information on the basis for forward-looking statements related to the Hayes Creek Project.
- 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.

PNX Recent Highlights

Project scale increase through gold exploration success



Aggressive near-mine and regional exploration underway, drilling to unlock the significant gold and base metals potential of the Pine Creek Orogen

Strongly supported **\$3.5m capital raise** underpinned by \$2m from new Cornerstone Investor
PNX well funded to continue with intensive zinc and gold exploration drilling in the NT and to progress Hayes Creek feasibility studies

NEW **high-grade gold** in the first holes drilled at the Banner prospect with best result of:

6m @ 39.5 g/t Au from 54m in FHRC085, including

1m @ 215 g/t Au from 54m

Drilling at the Fountain Head historic mining area – coarse nuggety gold

High-grade gold mineralisation intersected over >1.6km strike, results include:

5m @ 3.96 g/t Au from 107m in FHRC076 (Tally Ho lode)

3m @ 11.09 g/t Au from 93m in FHRC062, and

16m @ 1.37 g/t Au from surface in FHRC074 (Fountain Head)

NEW Highly successful drilling at Cookies Corner soils anomaly;

New extensive near-surface **gold mineralisation over a continuous 500m** strike that remains open, including

20m @ 1.93 g/t Au from 12m in CCRC005, and

6m @ 3.72 g/t Au from 71m in CCRC002

Follow-up 2,000m RC drilling at Cookies Corner to start end of Oct

Corporate Overview

Capital Structure

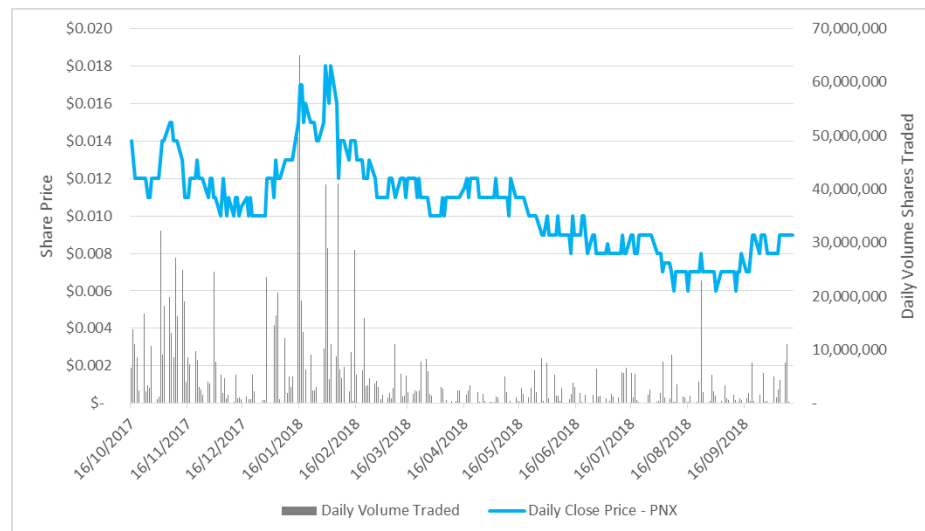
Current Share Price ¹	0.9cps
Shares on Issue	1,522m
Market capitalisation	\$13.7m
Cash and liquid investments ²	\$3.1m
Debt	Nil
Enterprise Value	\$10.6m

1. As at 30 September 2018
2. As at 30 September, including \$0.3 million of shares held in Sunstone Metals (ASX:STM)

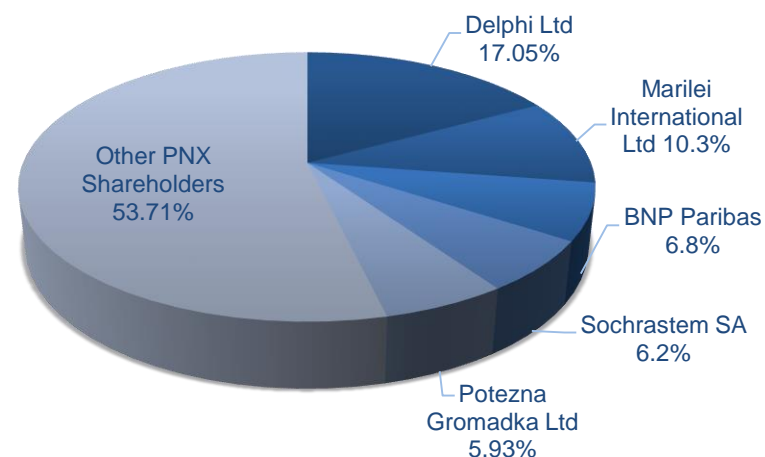
Board of Directors

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

Share Price & Volume



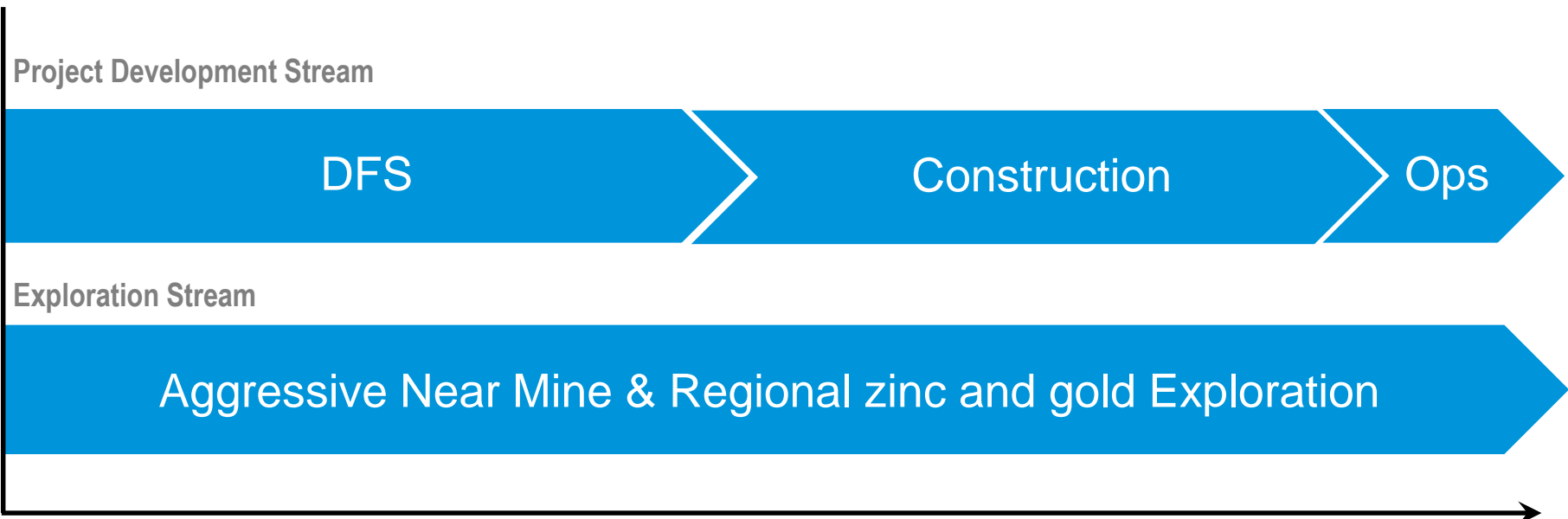
Shareholders



PNX to target high-value, highly profitable deposits complementary to Hayes Creek

The Company is pursuing two work streams in parallel:

1. Aggressive near mine and regional exploration to unlock the significant potential of this VMS and gold district to provide additional feed to Hayes Creek
2. Ongoing project development activities, focussing on continually upgrading the project and its already-strong economics



Dominant, highly prospective land position

Exciting gold & base metals opportunities emerging

Hayes Creek Project

- High-Grade Zn-Au-Ag VMS deposits
- 4.1Mt @ 11.9% ZnEq*
- PFS completed, DFS ongoing

Fountain Head

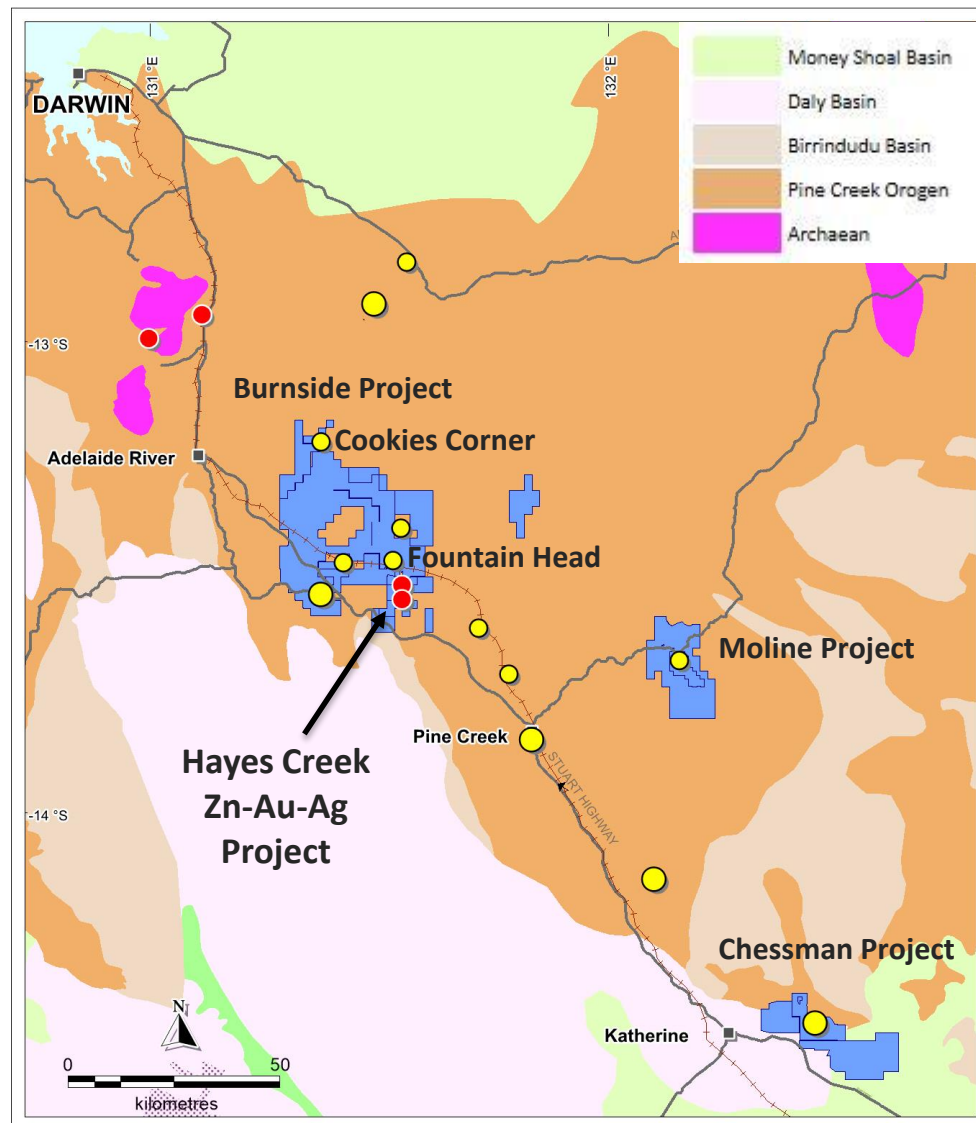
- NEW gold discovery at Banner;
 - **6m @ 39.5 g/t from 54m**
- Significant gold system emerging

Burnside Project

- NEW Cookies Corner >500m strike of gold mineralisation drilled
- Open in all directions – Follow-up drill Oct
- Numerous high-class Au deposits locally
- Very little exploration at depth or under cover

Moline Project - 65km from Hayes Creek

- Historical mining centre, shut only due to plant failure – resource potential
- Amenable to flotation co-feed for Hayes Creek



Simplified Geology and Project location map
Red = Major base metals deposits, Yellow = Major gold deposits

*See Appendix for further details on Hayes Creek Mineral Resources

Hayes Creek: Exciting development project



Strong Economics

Revenues of \$628 million over an initial 6.5 year LOM, **NPV_{10%} \$133 million**¹

Excellent Cash flow

\$41m estimated pre-tax net cash flow per annum (\$266m LOM)

Rapid Payback

Payback of capital in less than **15 months** – exceptionally fast, low risk

Low Capital Hurdle

Upfront capex of **\$58 million** (includes processing facility and mine development)

Strong Production

18.3ktpa Zn, 14.7kozpa Au, and 1.4Mozpa Ag (~**40ktpa ZnEq**)²

Infrastructure Access

Located in **existing infrastructure corridor** with rail, gas, power and other mining operations, only 170km from Darwin

Exploration Potential

Strong near-mine gold and base metal exploration potential, multiple drill targets

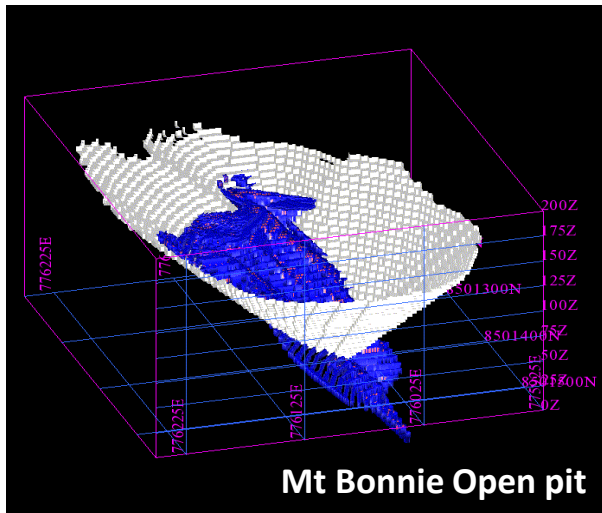
Commodity Outlook

The supply and demand fundamentals for zinc remain strong, as does the price outlook for gold and silver

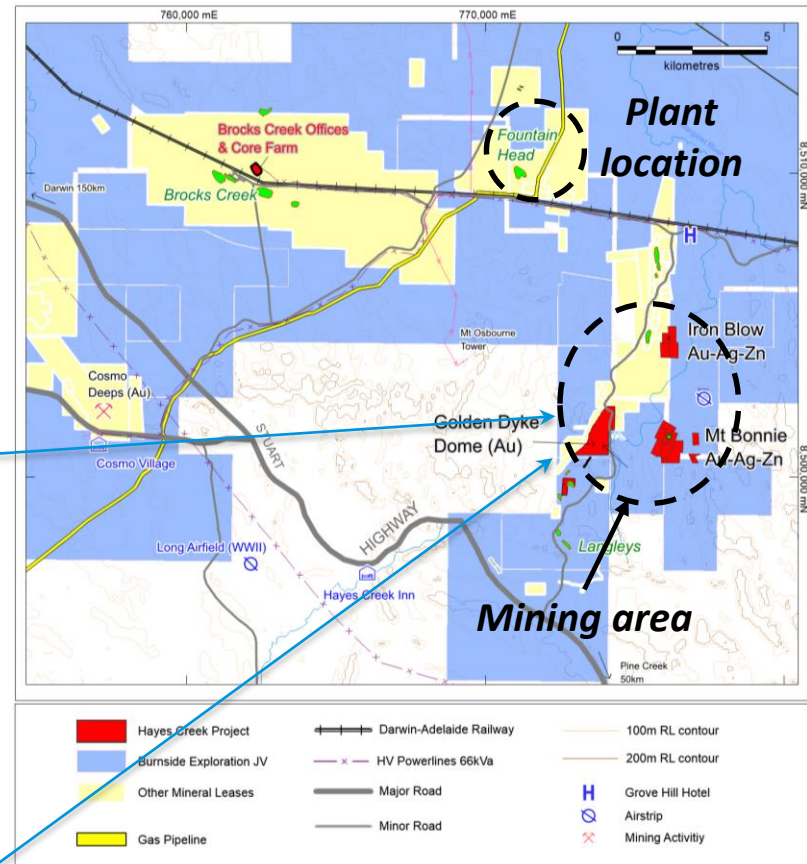
¹ Refer ASX release of 12 July 2017 for full details of PFS. The material assumptions underpinning the production targets and the forecast financial information derived from the production targets continue to apply and have not materially changed. Revenues based on forward consensus commodity prices (US\$) & FX rates: Zn \$2,570, Au \$1,289, Ag \$19.4, Pb \$2,129, Cu \$6,366, US\$0.73c

² ZnEq = See notes relating to Mineral Resources in Appendix for metal equivalents definitions and assumptions

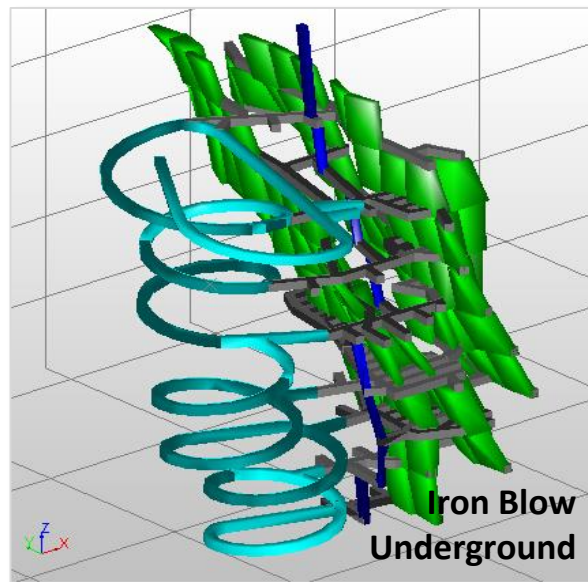
Hayes Creek: Two VMS Deposits



- ✓ Open-pit mining at Mt Bonnie, then underground mining at Iron Blow
- ✓ 3Mt of high-grade (11.9% ZnEq) Mining Inventory of which 98% Indicated



- ✓ Mining areas sit on granted MLs, less than 3km apart
- ✓ MLs for process plant and tailing site at Fountain Head
- ✓ 15-20km along existing haul roads from mine location

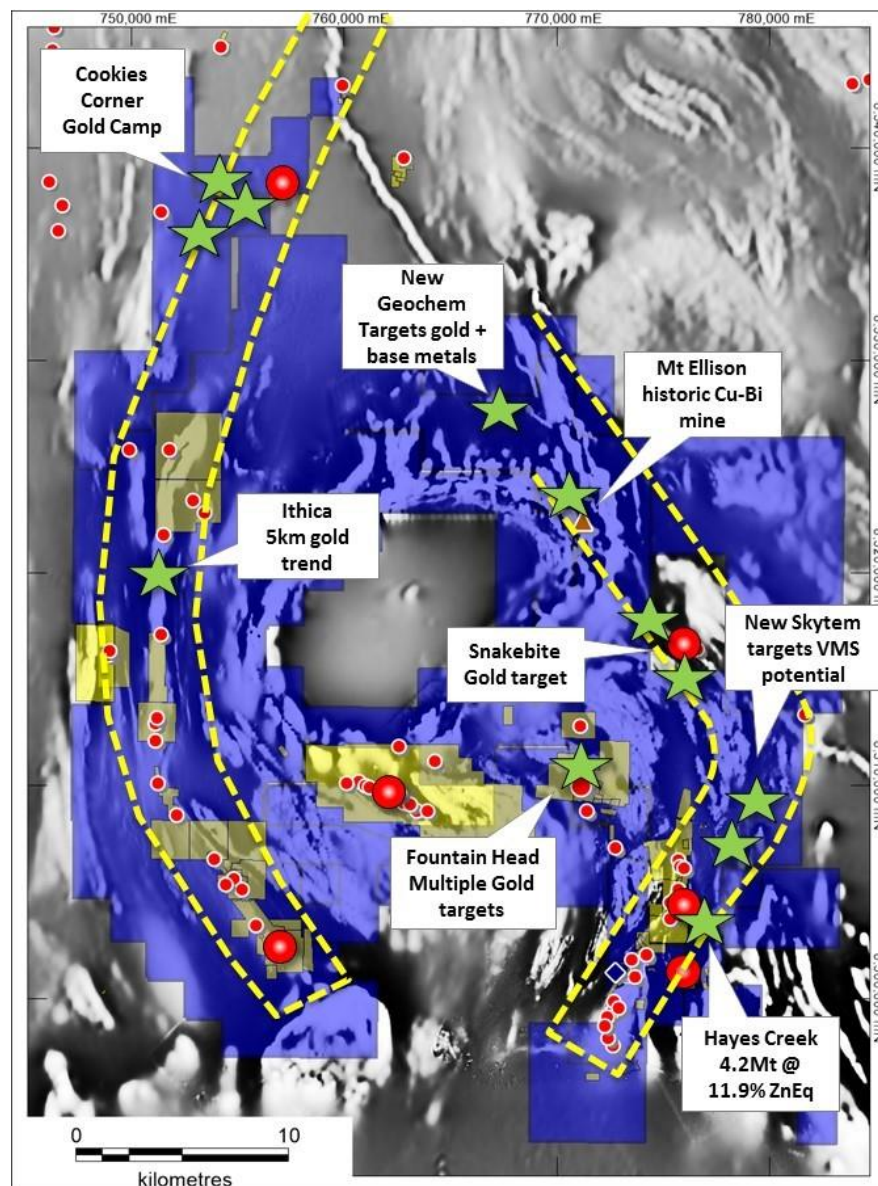


- ✓ Proposed plant location at Fountain Head utilises historic open-pit for TSF, existing water, rail, gas, grid power, camp facilities
- ✓ Good access to markets and services

Burnside Regional exploration

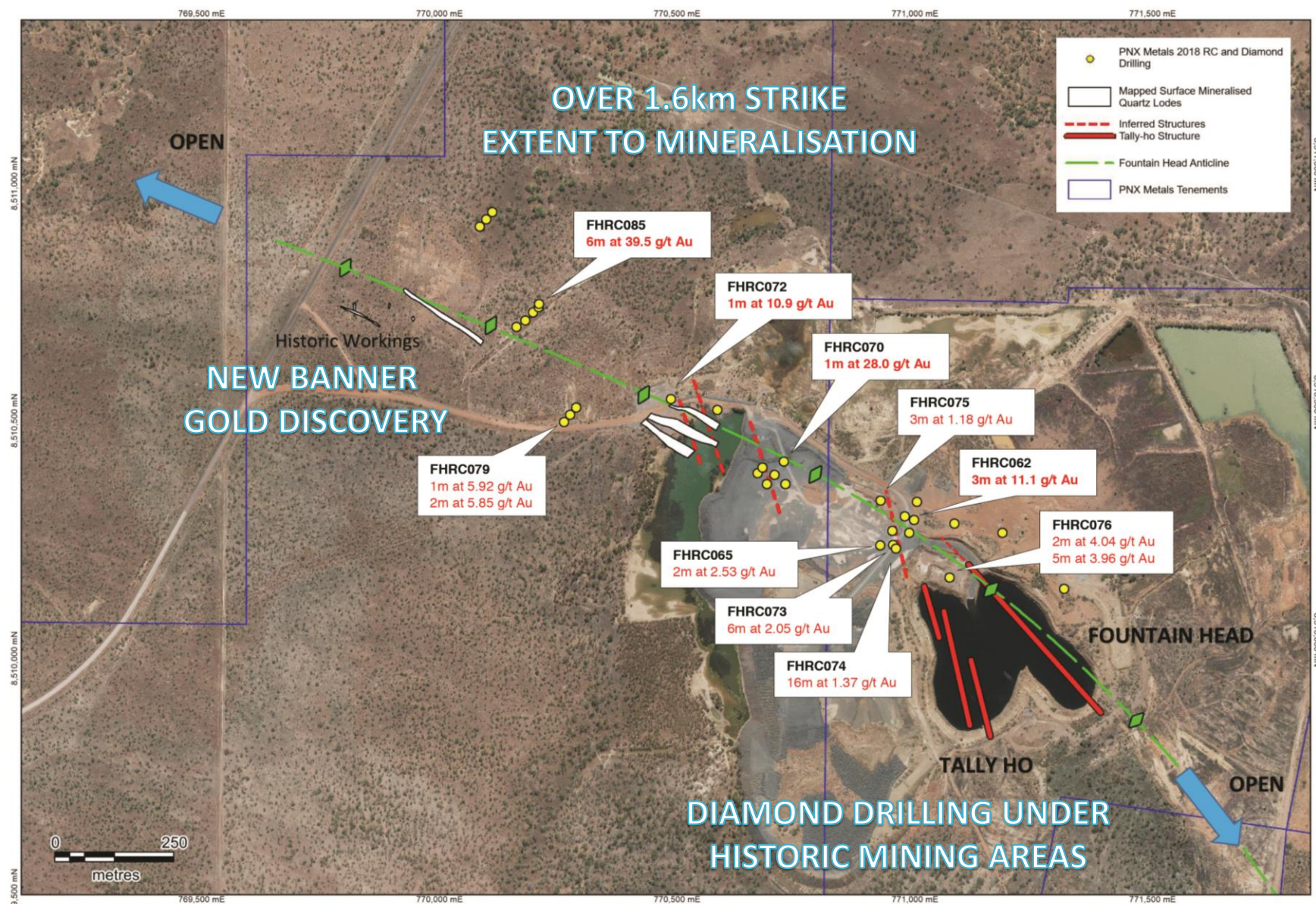
Large tenure - untested gold & base metals potential

- Birthplace of the NT gold rush in the 1870's
- **Potential for:**
 - **Multi-million ounce gold deposits (i.e. Callie style deposit)**
 - **VMS i.e. Hayes Creek (4.1 Mt @ 11.9% ZnEq)**
 - **Woodcutters (4.651 Mt @ 12.28% Zn, 5.6% Pb, 87 g/t Ag produced)**
- Gold and base metals prospectivity over a major ground holding – 1,500km²
- Pipeline of prospects ranging from newly identified geochemical and geophysical anomalies....
- ... to advanced exploration targets which are ready to drill and have economic grades and widths discovered in historical datasets
- Exploration success could extend Hayes Creek Project mine life – big incentive to fast-track discovery



NEW discovery at Fountain Head – Banner prospect

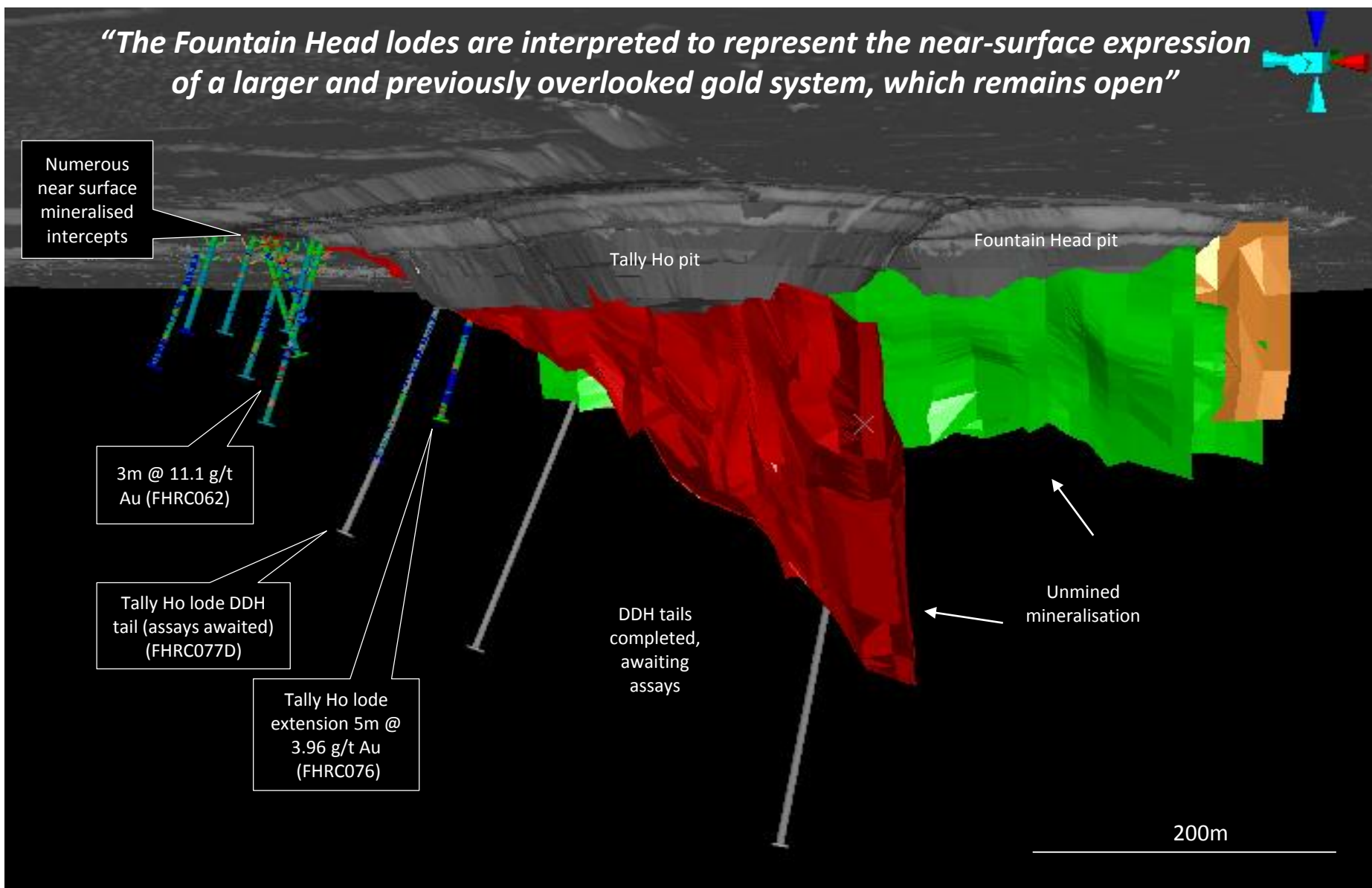
Exceptional Au grades, scale potential



Drilling under Tally Ho & Fountain Head

Large-scale gold system emerging

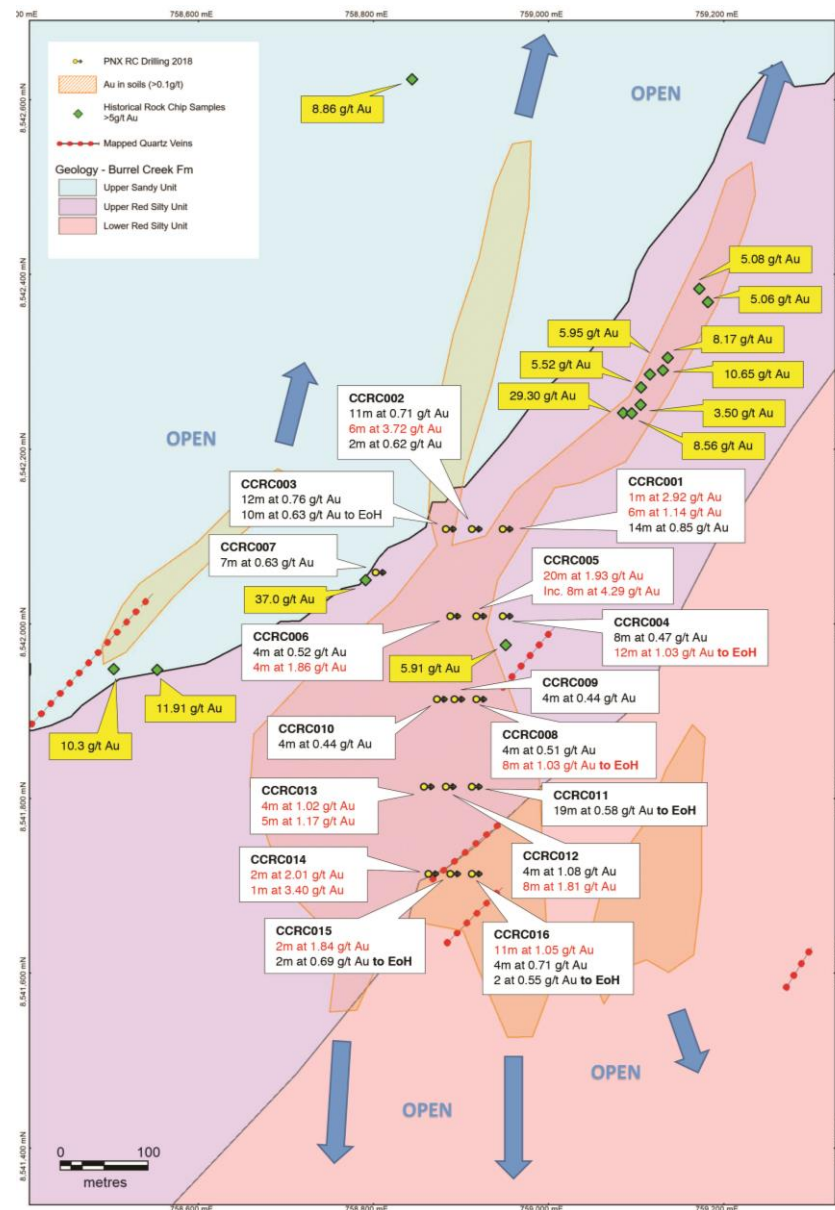
"The Fountain Head lodes are interpreted to represent the near-surface expression of a larger and previously overlooked gold system, which remains open"



Burnside: Cookies Corner gold prospect

Drill tested – Extensive gold mineralisation

- Drill targeted ~1km long 0.1g/t gold in soils anomaly associated with NE trending structures
- Immediate exploration success - gold mineralisation intersected over a continuous 500m strike,
- High-impact, low cost drilling, all 16 holes drilled were successful, including;
 - **20m @ 1.93 g/t Au** from 12m in CCRC005, including
 - **8m @ 4.29 g/t Au** from 12m;
 - **6m @ 3.72 g/t Au** from 71m in CCRC002
- High-grade rock chips extend to the north, demonstrate the potential for strike extensions
- Opportunity for multiple deposits; numerous untested target areas in close proximity
- Same structural corridor as Kirkland Lake's Cosmo Mine (>2Moz Au) & Pine Creek shear zone
- Comparable size and tenor to Goodall Mine (historic mined 330,000oz Au resource) <4km SW
- Follow-up program to commence end Oct, ~2,000m RC drilling plan end



Moline: New feed for Hayes Creek

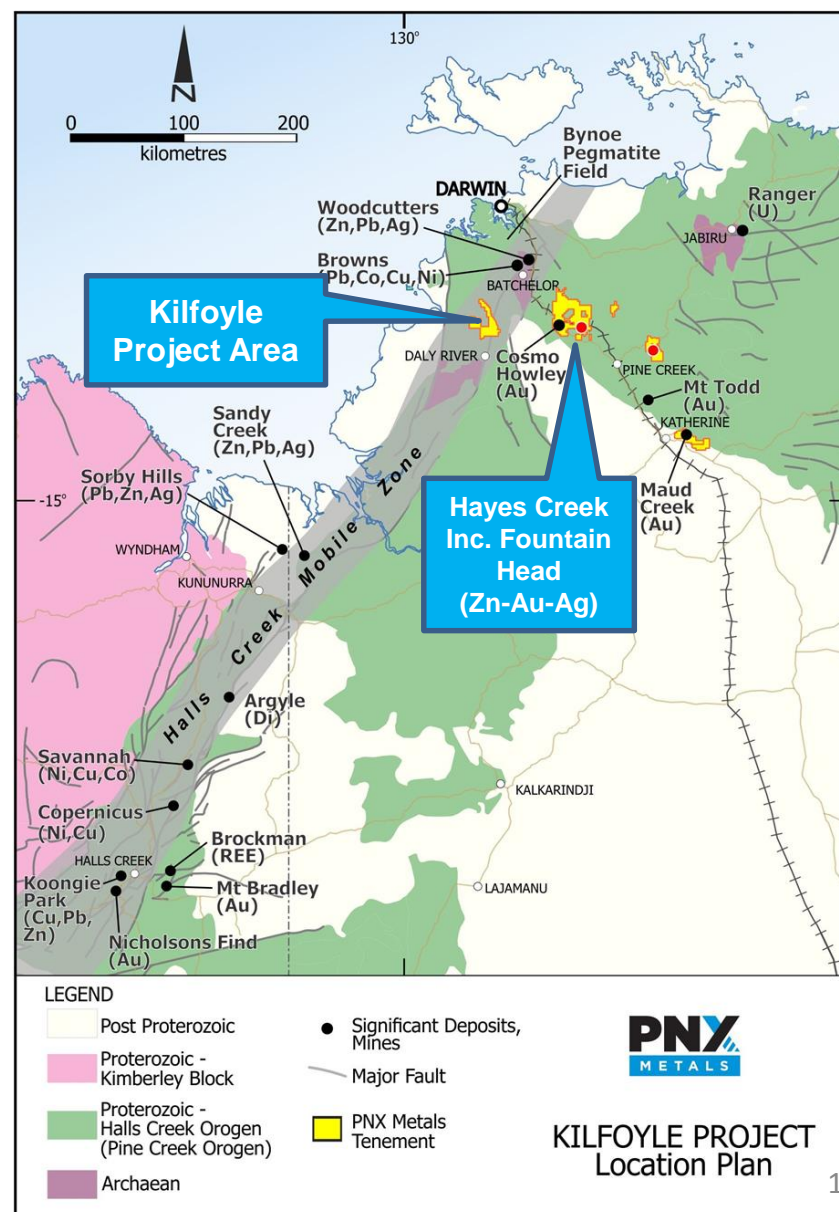
Mineralisation upgradeable to a high-value concentrate



- ~65km from Hayes Creek with significant gold and base metals
- Large mineralised envelope with several km of strike over three parallel trends
- High-grade 'shoots' x-cutting the main mineralised zones in a N/S trend
- Opportunity to delineate additional feed for the Hayes Creek project
- Testwork highlights potential to generate a high-value concentrate through the proposed Hayes Creek process plant
- Additional flotation test-work to commence later in the year
- Mineralisation to now be modelled for incorporation into resource estimates
- Focus will initially be on the near-surface potential open-pit zones
- Drilling has barely scratched the surface.... this is a common theme in the region

New Kilfoyle Exploration project

- PNX on the lookout for value add opportunities, can acquire a 90% interest via earn-in
- Located 80km to the west of the Hayes Creek Project – within trucking distance
- Area highly prospective for a range of commodities:
 - **Zinc-lead-silver** – high-grade VMS deposits situated immediately to the south of the project area
 - **Lithium** – surface sampling along a consistent 4km trend has returned high values of Li₂O (up to 7.25%)
 - **Nickel-copper-cobalt** – elevated Ni-Cu-Co in soils coincident with favourable host rocks for nickel-cobalt sulphide mineralisation
 - **Gold** – surface rock chip sampling returned high gold values (up to 23.1 g/t Au)
- NT Government co-funding for 50% of drill costs (up to \$83K) for Ni-Cu-Co drill by end 2018
- Airborne geophysics complete, analysing data to assist with target drilling



PNX Metals recap

Rapidly increasing gold portfolio through exploration success

- Highly successful exploration season so far, drilling ongoing...
- Two new areas of gold mineralisation, both targeted via soils anomalism
 - **Cookies Corner** - 500m strike extent, potential to double this with drilling late Oct
- **Fountain Head** - initial high-grade gold results from RC drilling, >1.6km strike
 - Diamond Drilling completed under historic mining areas potential for large gold system – awaiting assay results
 - **Banner** - along strike from Fountain Head, exceptional grades near surface, coarse/ nuggety gold, follow up drilling planned for Nov
- Airborne geophysics flown at Kilfoyle to assist with drill targeting; interpretation underway
- Hayes Creek project; ongoing Project Feasibility outcomes, environmental approvals



Appendix

Hayes Creek Mineral Resources

Table 1: Iron Blow Mineral Resources by JORC Classification as at 03 May 2017

JORC Classification	Lode	AuEq Cut-off (g/t)	Tonnage (Mt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)	ZnEq (%)	AuEq (g/t)
Indicated	East Lode	1.0	0.80	7.64	1.83	0.30	275	2.90	20.64	15.53
	West Lode	1.0	1.28	4.14	0.33	0.31	60	1.73	8.84	6.66
Total Indicated			2.08	5.49	0.91	0.30	143	2.19	13.39	10.08
Inferred	East Lode	1.0	0.02	0.48	0.34	0.16	132	6.01	13.65	9.43
	West Lode	1.0	0.02	0.76	0.96	0.13	109	1.02	5.90	4.44
	FW Gold	1.0	0.21	0.25	0.07	0.03	16	2.03	3.48	2.62
	HW Gold	1.0	0.04	0.06	0.09	0.01	6	1.68	2.57	1.94
	Interlude Gold	1.0	0.04	0.21	0.03	0.07	8	1.66	2.79	2.10
	Interlude Base Metal	1.0	0.12	3.52	0.32	0.14	35	0.69	5.87	4.42
Total Inferred			0.45	1.11	0.18	0.07	27	1.71	4.38	3.30
Total Indicated + Inferred Mineral Resource			2.53	4.71	0.78	0.26	122	2.10	11.79	8.87
Total Contained Metal (t)				119,200	19,700	6,650	9.9Moz	170.9koz	298,000t	721.5koz

Table 2: Mt Bonnie Resource Mineral Resources by JORC Classification as at 08 February 2017

JORC Classification	Domain	Cut-off grade	Tonnage (kt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)	ZnEq (%)	AuEq (g/t)
Indicated	Oxide/Transitional	0.5g/t Au	195	0.94	2.43	0.18	171	3.80	11.50	9.44
Indicated	Fresh	1% Zn	1,180	4.46	0.94	0.23	121	1.02	9.60	7.88
Total Indicated			1,375	3.96	1.15	0.23	128	1.41	9.87	8.11
Inferred	Oxide/Transitional	0.5g/t Au	32	0.43	1.33	0.29	74	2.28	6.37	5.23
Inferred	Fresh	1% Zn	118	2.91	0.90	0.15	135	0.54	7.61	6.25
Inferred	Ag Zone	50g/t Ag	21	0.17	0.03	0.04	87	0.04	2.36	1.94
Total Inferred			171	2.11	0.87	0.16	118	0.80	6.73	5.53
Total Indicated + Inferred Mineral Resource			1,545	3.76	1.12	0.22	127	1.34	9.53	7.82
Total Contained Metal (t)				58,000	17,300	3,400	6.3Moz	66.8koz	147,000t	388.5koz

See next page *Notes Relating to Mineral Resources* and ASX releases 09 February and 03 May 2017 for further information

Notes relating to Mineral Resources

Table 3: Total Hayes Creek Mineral Resources (Iron Blow + Mt Bonnie) by JORC Classification as at 03 May 2017

JORC Classification	Tonnage (kt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)	ZnEq (%)	AuEq (g/t)
Total Indicated (84.7%)	3,455	4.88	1.01	0.27	137	1.88	11.99	9.29
Total Inferred (15.3%)	622	1.39	0.37	0.10	52	1.46	5.03	3.91
Total Indicated + Inferred Mineral Resource	4,077	4.35	0.91	0.25	124	1.81	10.93	8.47
Total Contained Metal (t)		177,200	37,000	10,050	16.2Moz	237.7koz	445,000t	1,110koz

Notes relating to Tables 1, 2 & 3

Due to effects of rounding, the total may not represent the sum of all components.

Metallurgical recoveries and metal prices have been applied in calculating zinc equivalent (ZnEq) and gold equivalent (AuEq) grades.

Iron Blow - A mineralisation envelope was interpreted for each of the two main lodes, the East Lode (Zn-Au-Ag-Pb) and West Lode (Zn-Au), and four subsidiary lodes with a 1 g/t AuEq cut-off used to interpret and report these lodes.

Mt Bonnie - Zinc domains are reported above a cut-off grade of 1% Zn, gold domains are reported above a cut-off grade of 0.5 g/t Au and silver domains are reported above a cut-off grade of 50 g/t Ag.

In order to assess the potential value of the total suite of minerals of economic interest, formulae were developed to calculate metal equivalency for the gold and zinc (see below). Metal prices were derived from average consensus forecasts from external sources for the period 2017 through 2021 and are consistent with those used in PNX's recently updated Mt Bonnie Mineral Resource Estimate.

Metallurgical recovery information was sourced from test work completed at the Iron Blow deposit, including historical test work. Mt Bonnie and Iron Blow have similar mineralogical characteristics and are a similar style of deposit. In PNX's opinion all the metals used in the equivalence calculation have a reasonable potential to be recovered and sold.

PNX has chosen to report both the ZnEq and AuEq grades as although individually zinc is the dominant metal by value, the precious metals are the dominant group by value and will be recovered and sold separately to the zinc.

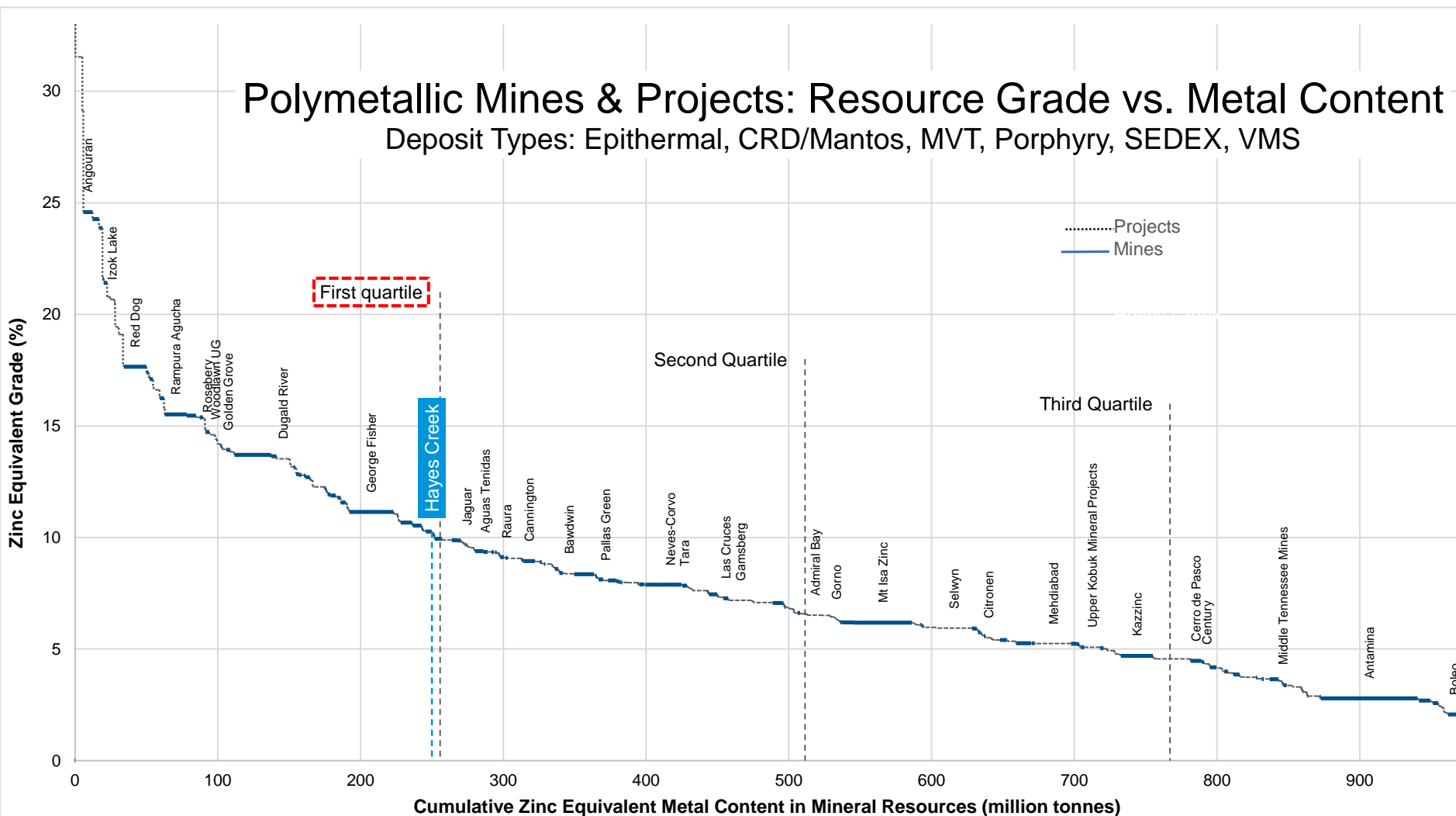
The formulae below were applied to the estimated constituents to derive the metal equivalent values:

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 * Au recovery)

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 * Zn recovery)

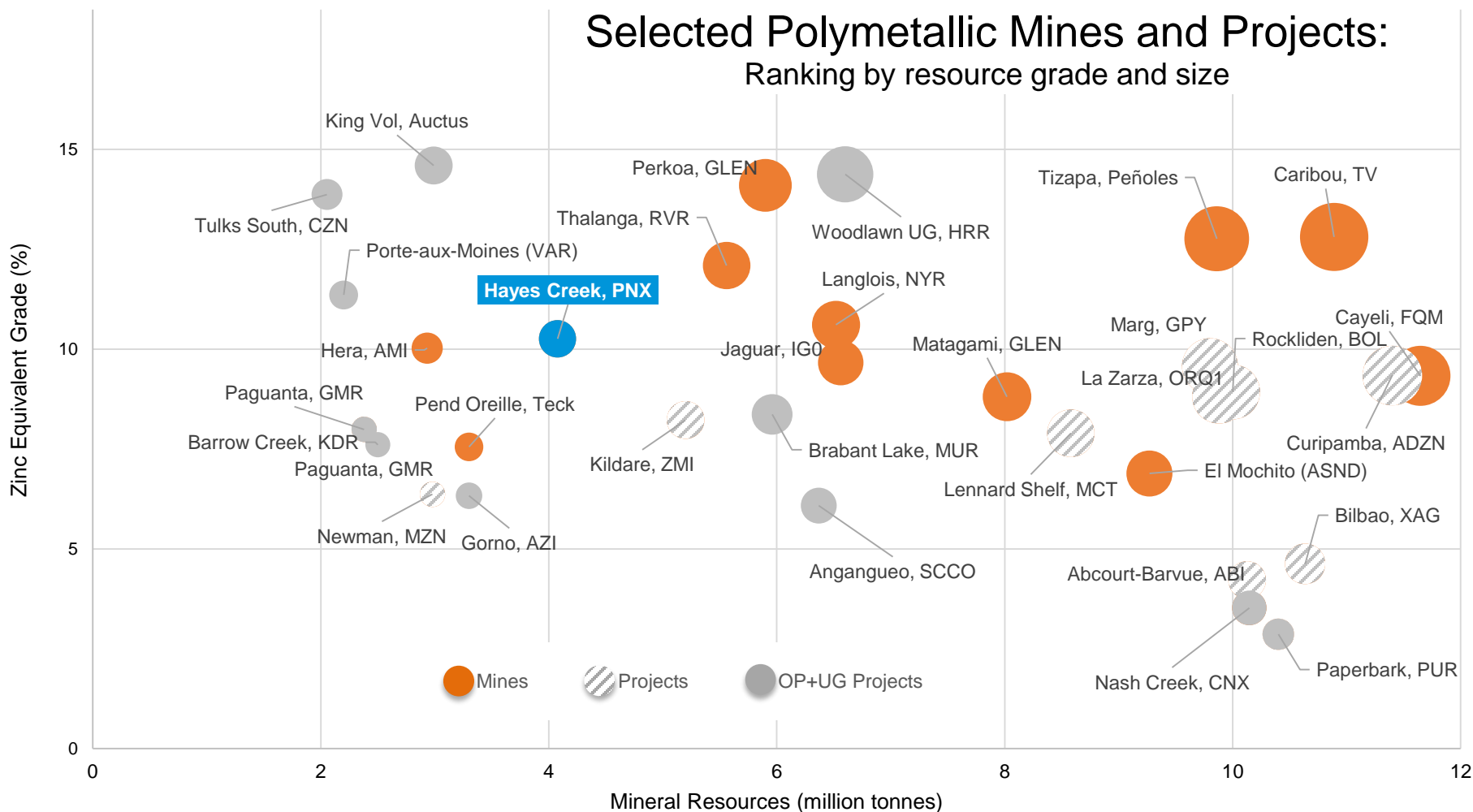
Metals	Unit	Price	Recovery Mt Bonnie	Recovery Iron Blow
Zn	USD / t	2,450	80%	80%
Pb	USD / t	2,100	60%	60%
Cu	USD / t	6,200	60%	60%
Ag	USD / troy ounce	20.50	70%	80%
Au	USD / troy ounce	1,350	55%	60%

Global Project Benchmarking



Source: SNL Mining & Metals, Terra Studio. Zinc equivalent grades and metal contents calculated using the following metal prices: zinc \$3,000/lb, lead \$2,200/t, copper \$6,500/t, gold \$1,300/oz, silver \$16.4/oz. Fourth quartile not displayed.

Global Project Benchmarking



Source: SNL Mining & Metals, Terra Studio. Zinc equivalent grades and metal contents calculated using the following metal prices: zinc \$3,000/lb, lead \$2,200/t, copper \$6,500/t, gold \$1,300/oz, silver \$16.4/oz. Bubble size relates to zinc equivalent metal content in mineral resources

Additional Information: Exploration earn-in

- Transaction with Newmarket (subsidiary of Kirkland Lake Gold Ltd), announced 18 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
- **Earn-in Tenements (up to 90%) – Burnside and Chessman Projects**
 - 19 exploration licences, and 4 mineral leases covering over 1500km²
 - PNX to earn 51% by spending \$2 million over 2 years (excluding Uranium), which can include up to \$0.5 million spent on the Acquired Tenements
 - PNX to earn up to 90% by spending a further \$2 million within a further 2 years (excluding Uranium), which can include up to a further \$0.5 million spent on the Acquired Tenements
 - Newmarket can acquire 90% of any 2012 JORC compliant gold and silver deposit within 6 months of resource being announced by paying 3x expenditure
 - Further \$0.5 million (in cash or shares) payable to Newmarket upon completion of a DFS on any NT base metals project within the Acquired or Earn-in tenements
- **PNX has completed Stage 1 of the earn-in and holds 51% of the tenements, the Company has elected to continue to Stage 2 to earn 90% by Dec 2018**
- **As of the date of this presentation PNX has spent approximately \$1.9 million of the required \$2 million to reach the Stage 2 earn-in**