

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

PNX Metals Limited

ABN

67 127 446 271

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Ordinary shares (Shares) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Total of 913,233,122 Shares issued under the underwritten non-renounceable rights issue announced by the Company on 18 April 2019. The Shares issued as follows: <ul style="list-style-type: none">• 371,111,697 Shares issued on 20 May 2019 to eligible shareholders who applied for shares (including oversubscriptions) under the Rights Issue.• 3,048,000 Shares issued on 20 May 2019 to the Nominee in relation to ineligible shareholders under the Rights Issue.• 539,073,425 Shares issued on 20 May 2019 to the Underwriter (DELPHI) in relation to the shortfall under the Rights Issue. |

+ See chapter 19 for defined terms.

3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Fully paid ordinary shares
4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes
5	Issue price or consideration	\$0.006

+ See chapter 19 for defined terms.

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>Non-renounceable rights issue offered on the basis of three (3) new shares for every five (5) shares held to raise up to \$5.48million before costs. The funds raised will be applied as follows:</p> <ul style="list-style-type: none"> (a) completion of all studies and works to support the definitive feasibility study for the Hayes Creek Project, including; <ul style="list-style-type: none"> (i) all works related to applying for, and receiving environmental and government approvals; (ii) project management, drilling and assays, technical studies relating to geology, resources and mining;; (iii) metallurgical testwork including process plant engineering and design; (a) an options study for the Fountain Head project; (b) project holding and management costs including rentals, environmental and statutory reporting; (c) exploration activities required to keep the tenements in good standing and meet minimum expenditure commitments; (d) working capital; and (e) costs associated with the Offer.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
6b	The date the security holder resolution under rule 7.1A was passed	24/10/2018
6c	Number of +securities issued without security holder approval under rule 7.1	Nil

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil				
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil				
6f	Number of +securities issued under an exception in rule 7.2	913,233,122				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<p style="text-align: center;">Refer Annexure 1</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-right: 20px;">Rule 7.1:</td> <td style="text-align: right;">365,293,221</td> </tr> <tr> <td>Rule 7.1A:</td> <td style="text-align: right;">243,528,814</td> </tr> </table>	Rule 7.1:	365,293,221	Rule 7.1A:	243,528,814
Rule 7.1:	365,293,221					
Rule 7.1A:	243,528,814					
7	<p>+Issue dates</p> <p><small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p>	20 May 2019.				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2,435,288,142</td> <td style="text-align: center;">Ordinary shares</td> </tr> </tbody> </table>	Number	+Class	2,435,288,142	Ordinary shares
Number	+Class					
2,435,288,142	Ordinary shares					

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Performance Rights
		Options @ \$0.05 Expiry 31 May 2019 – unquoted
		Options @ \$0.0147 Expiry 30 October 2020 – unquoted.
		Options @ \$0.0150 Expiry 30 September 2021 – unquoted
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	Three (3) shares for every five (5) shares held on the record date.
14	+Class of +securities to which the offer relates	Ordinary shares
15	+Record date to determine entitlements	6:30pm (ACST), 26 April 2019
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	Rounded up to the nearest share
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	United Kingdom, Switzerland and Hong Kong
19	Closing date for receipt of acceptances or renunciations	5:00pm (ACST), 10 May 2019

+ See chapter 19 for defined terms.

20	Names of any underwriters	DELPHI Unternehmensberatung Aktiengesellschaft (DELPHI) Hartleys Limited (Hartleys)
21	Amount of any underwriting fee or commission	<p>DELPHI will receive a fee of a cash amount equal to 3% of the amount of Shares actually subscribed by the DELPHI under the Offer (including in respect of its entitlement).</p> <p>Hartleys is entitled to receive a fee of:</p> <ul style="list-style-type: none"> (a) \$80k management fee; plus (b) 4% of the amount underwritten by Hartleys (to be determined after the sub-underwriting invitation period) (c) 4% of the funds raised by the Rights Issue from Shareholders, excluding any amounts contributed by DELPHI, and shareholders that have provided commitments to the Company to take up shares under the Rights Issue prior to the announcement date (Commitments). <p>Hartleys will be responsible for any fees payable to sub-underwriters.</p> <p>Saltbush Nominee Pty Ltd (nominee for excluded foreign shareholders) will be entitled to receive a fixed sale facility fee from the Company of \$30,000 plus a 1% brokerage fee on execution of the sale of the excluded shareholder Shares.</p> <p>Existing Shareholders that have provided commitments will be entitled to a fee of 2% of their respective Commitments.</p>
22	Names of any brokers to the issue	As above
23	Fee or commission payable to the broker to the issue	As above
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A

+ See chapter 19 for defined terms.

25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	1 May 2019
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	17 April 2019
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities (tick one)
- (a) ⁺Securities described in Part 1
- (b) All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A				
39	+Class of +securities for which quotation is sought	N/A				
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A				
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A				
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 2px;">Number</th> <th style="width: 50%; padding: 2px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px; text-align: center;">N/A</td> <td style="padding: 2px; text-align: center;">N/A</td> </tr> </tbody> </table>	Number	+Class	N/A	N/A
Number	+Class					
N/A	N/A					

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 20 May 2019
(~~Director~~/Company secretary)

Print name: Angelo Gaudio

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,088,930,020
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>263,750,000 ordinary shares issued at 1.5 cents per share to sophisticated investors on 2 August 2018 as approved by shareholders at EGM held on 12Sep18.</p> <p>169,375,000 ordinary shares issued at 0.8 cents per share to sophisticated investors and Company Directors on 2 October 2018 as approved by shareholders at EGM held on 12Sep18.</p> <p>371,111,697 Shares issued on 20 May 2019 to eligible shareholders who applied for shares (including oversubscriptions) under the Rights Issue.</p> <p>3,048,000 Shares issued on 20 May 2019 to the Nominee in relation to ineligible shareholders under the Rights Issue.</p> <p>539,073,425 Shares issued on 20 May 2019 to the Underwriter in relation to the shortfall under the Rights Issue.</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	2,435,288,142

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	365,293,221
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	365,293,221
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	Nil
Total [“A” x 0.15] – “C”	365,293,221

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	2,435,288,142
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	243,528,814
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	243,528,814
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	Nil
Total ["A" x 0.10] – "E"	243,528,814

+ See chapter 19 for defined terms.