

## PNX METALS LIMITED (PNX)

### Funded through to DFS Completion in early-2020

PNX Metals Limited (PNX) ended the JunQ with A\$5.3M in cash following a Rights Issue, and is now funded through to completion of the Hayes Creek DFS early in CY20. Through the Rights Issue, major shareholder Delphi, increased its holding from 18.1% to 40.6%. PNX also plans to fund regulatory approvals, and ongoing exploration and project development works. The DFS will build on the July 2017 PFS and was initially expected in 2H18 but was deferred while PNX assessed further opportunities within its ground holding.

### Golden Opportunities

Over the past 12-months, PNX has undertaken resource extension drilling at the historic Fountain Head – Tally Ho pits, as well as more regional drilling at the Cookie's Corner and Banner prospects. Drilling has extended the Tally Ho lode a further 100m down plunge and has led to an updated resource of **2.6Mt @ 1.7g/t Au for 138koz**. 60% of the resource is indicated and has potential to augment to Hayes Creek Project. PNX sees potential for future growth in the resource and is currently undertaken 2,000m of RC drilling.

### Extracting value from the free gold and tails

PNX is busily assessing ways to monetise its free gold opportunities from Fountain Head-Tally Ho. The current plant design for Hayes Creek does not accommodate free gold but the addition of a CIL/gravity circuit could be included in the DFS. However, the PFS planned for Hayes Creek tailings to be stored in the Fountain Head pit, which means the new gold resource would need to be mined first or the tails stored elsewhere. Alternatively, there is the nearby Union Reef plant where Kirkland Lake processed Cosmo ore, and is planning to treat Lantern underground ore; but it may not be economic to truck the 1.7g/t Au grade material ~80km. So PNX has a dilemma on its hands; how to mine and process the free gold in Fountain Head-Tally Ho while identifying a suitable and cost-effective tailings storage solution?

In addition, PNX has undertaken test work indicating that additional precious metals can be recovered, that would otherwise be lost to tails, at Iron Blow. The test work used a new reagent to specifically target residual gold and silver in the rougher tails, improving recoveries to a scavenger concentrate. The scavenger concentrate stream can then subjected to intense cyanidation, ferric oxidation or pressure oxidation for extraction of gold and silver. PNX has a preference for the cyanidation route as it achieves additional recoveries of precious metals to solution and then to doré of at least 10.7% gold and 17.0% silver, which equates to approximately 13koz Au and 1Moz Ag. While costs will likely increase (both capex and opex), if PNX is to include this additional process, capex could be deferred as it will be treatment of tails. Overall, the supplementary recovered metals could generate an additional ~A\$50M in revenue over the LOM.

### Potential commencement of mining pushed back

PNX continues to progress the Hayes Creek DFS and a Mt Bonnie resource update is forthcoming. Final terms of reference for the EIS has been received and the period for public comment has closed. Given the deferral of the DFS, our timing for commencement of mining at Hayes Creek has been pushed out to early-2022, impacting out valuation, which is now 1.4cps (from 1.8cps). Dilution from the Rights Issue has also impacted NAV. Our 12-month price target is 2.0cps (from 2.2cps). Spot NAV is 2.3cps. Maintain Speculative Buy.

30 Aug 2019

Share Price	\$0.009
Valuation	\$0.014
Price Target (12 month)	\$0.020

#### Brief Business Description:

Base and precious metals explorer & developer

#### Hartleys Brief Investment Conclusion

PNX is focused on the Hayes Creek polymetallic project in the NT. The recent PFS considers mining of the Mt Bonnie o/p and Iron Blow u/g mines. PNX aims to be a zinc producer with silver, gold, copper and lead credits.

#### Chairman & MD

Graham Ascough (Non-Exec Chairman)

James Fox (MD & CEO)

#### Top Shareholders

Delphi Unternehmensberatung Aktiengesell	40.6%
Marilei International Limited	6.4%

#### Company Address

Level 1, 135 Fullarton Road  
Rose Park, SA 5067

Issued Capital	2435.3m
- fully diluted	2902.5m

Market Cap	A\$22m
- fully diluted	A\$26m

Cash (30 Jun 2019a)	A\$5.3m
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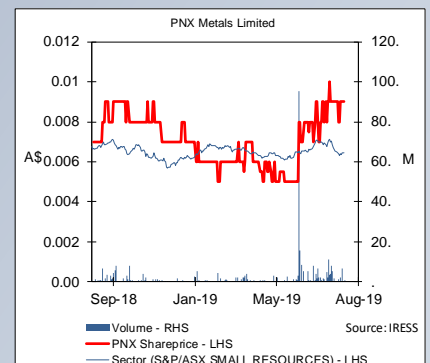
Debt (30 Jun 2019a)	A\$0.0m
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EV - current	A\$16.6m
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EV - fully diluted	A\$20.5m
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Prelim. (A\$m)	FY19e	FY20e	FY21e
Prod (Kt ZnEq)	-	-	-
Op Cash Flw	-1.0	-1.0	-1.0
Norm NPAT	0.7	-0.7	-0.4
CF/Share (cps)	0.1	0.0	0.1
EPS (cps)	0.1	0.0	0.0
P/E	11.8	-18.8	-50.2

	Mt	ZnEq (%)
Resources	4.1	10.9
Reserves	0.0	0.0



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Hartleys has assisted in the completion of capital raisings in the past 12 months for PNX Metals Limited ("PNX"), for which it has earned fees. Hartleys has also provided corporate advice within the past 12 months and continues to provide corporate advice to PNX, for which it has earned fees and continues to earn fees. Hartleys has a beneficial interest in unlisted options in PNX Metals Limited.

# SUMMARY MODEL

PNX Metals Limited PNX								Share Price \$0.009		30 August 2019 Speculative Buy									
<b>Key Market Information</b>										<b>Directors</b>									
Share Price \$0.009										Graham Ascough (Non-Exec Chairman)									
Market Capitalisation - ordinary A\$22m										James Fox (MD & CEO)									
Net Cash (Debt) \$5m										Paul Dowd (Non-Exec Director)									
Market Capitalisation - fully diluted A\$26m										David Hillier (Non-Exec Director)									
EV A\$20.8m										Peter Watson (Non-Exec Director)									
Issued Capital 2435.3m										www.pnxmetals.com.au									
Options 467.2										<b>Top Shareholders</b>									
Issued Capital (fully diluted inc. all options) 2902.5m										Delphi Unternehmensberatung Aktiengesellschaft 989.0 40.6%									
Issued Capital (fully diluted inc. all options and new capital) 5307.2m										Marleil International Limited 156.8 6.4%									
Valuation \$0.014										<b>Reserves &amp; Resources</b>									
12month price target \$0.020										TOTAL RESERVES - - - - - - -									
										TOTAL RESOURCES (polymetallic) 4.1 4.3 0.9 0.25 124 1.8 10.9									
										Mt Bonnie (polymetallic) 1.5 3.8 1.1 0.2 127 1.3 9.5									
										Iron Blow (polymetallic) 2.5 4.7 0.8 0.3 122 2.1 11.8									
										Measured - - - - - - -									
										Indicated 3.5 4.9 1.0 0.28 137 1.9 12.0									
										Inferred 0.6 1.4 0.4 0.10 52 1.5 5.0									
										Fountain Head - Tally Ho (gold) 2.6 - - - - - 1.7 138koz									
<b>P&amp;L</b>										<b>Production Summary</b>									
Unit 30 Jun 18 30 Jun 19 30 Jun 20 30 Jun 21 30 Jun 22 30 Jun 23										Unit 30 Jun 18 30 Jun 19 30 Jun 20 30 Jun 21 30 Jun 22 30 Jun 23									
Net Revenue A\$m 0.0 0.0 0.0 0.0 5.3 61.4										Mill Throughput Mt - - - - - 0.030 0.256									
Total Costs A\$m -1.2 -0.8 -1.0 -1.0 -7.4 -41.0										Mined grade Zn Eq (%) - - - - - 6.8 9.4									
EBITDA A\$m -1.2 -0.8 -1.0 -1.0 -2.0 20.4										Combined Recovery & Payability % - - - - - 69.3% 69.3%									
- margin % - - - - - -38% 33%										Zinc kt - - - - - 0.1 5.6									
Depreciation/Amort A\$m 0.0 -1.2 -1.2 -2.6 -6.0 -8.3										Lead kt - - - - - 0.3 1.8									
EBIT A\$m -1.2 -2.0 -2.2 -3.6 -8.1 12.1										Copper kt - - - - - 0.0 0.3									
Net Interest A\$m 0.0 3.1 1.2 3.1 1.2 3.1										Silver koz - - - - - 61.8 791.5									
Norm. Pre-Tax Profit A\$m -1.3 1.1 -1.0 -0.6 -6.8 15.2										Gold koz - - - - - 1.3 8.3									
Reported Tax Expense A\$m 0.3 0.0 0.0 0.0 0.0 0.0										Zinc Eq Payable kt - - - - - 1.4 16.6									
effective rate % -20.2% 0.0% 0.0% 0.0% 0.0% 0.0%										Zinc Eq Payable mib - - - - - 3.1 36.6									
Normalised NPAT A\$m -0.6 0.7 -0.7 -0.4 -4.8 10.6										Modelled mine life yr - - - - - 7.3 6.3									
Abnormal Items A\$m -0.4 0.3 -0.3 -0.2 -2.1 4.6										Modelled mining inventory Mt - - - - - 4.2 2.1									
Reported Profit A\$m -1.0 1.1 -1.0 -0.6 -6.8 15.2																			
Minority A\$m 0.3 0.0 0.0 0.0 0.0 0.0																			
Profit Attrib A\$m -0.7 1.1 -1.0 -0.6 -6.8 15.2																			
<b>Balance Sheet</b>										<b>Costs</b>									
Unit 30 Jun 18 30 Jun 19 30 Jun 20 30 Jun 21 30 Jun 22 30 Jun 23										Unit 30 Jun 18 30 Jun 19 30 Jun 20 30 Jun 21 30 Jun 22 30 Jun 23									
Cash A\$m 0.9 11.3 10.4 43.9 7.4 15.8										Cost per milled tonne SA/t - - - - - 245.9 160.3									
Other Current Assets A\$m 0.8 0.6 0.6 0.6 0.6 0.6										EBITDA / tonne milled ore SA/t - - - - - -67.8 80.0									
Total Current Assets A\$m 1.6 11.9 11.1 44.5 8.0 16.5										Total cash costs SA/lb Eq - - - - - 2.36 1.12									
Property, Plant & Equip. A\$m 0.0 -1.1 -1.7 28.9 58.2 54.5										- ex royalties SA/lb Eq - - - - - 2.23 1.01									
Exploration A\$m 9.7 10.1 10.5 10.9 11.3 11.7										C1: Operating Cash Cost = (a) SA/lb Eq - - - - - 1.90 0.98									
Investments/other A\$m 0.0 0.0 0.0 0.0 0.0 0.0										SUS/lb Eq - - - - - 1.39 0.72									
Tot Non-Curr. Assets A\$m 9.7 9.0 8.8 39.8 69.5 66.2										(a) + Royalty = (b) SA/lb Eq - - - - - 2.03 1.09									
Total Assets A\$m 11.4 20.9 19.9 84.3 77.5 82.7										C2: (a) + depreciation & amort. = (c) SA/lb Eq - - - - - 3.84 1.20									
										(a) + actual cash for dev. = (d) SA/lb Eq - - - - - 13.34 1.11									
Short Term Borrowings A\$m - - - - - - -										C3: (c) + Royalty SA/lb Eq - - - - - 3.97 1.32									
Other A\$m 0.5 0.1 0.1 0.1 0.1 0.1										(d) + Royalty SA/lb Eq - - - - - 13.46 1.23									
Total Curr. Liabilities A\$m 0.5 0.1 0.1 0.1 0.1 0.1										Total cash costs as per P&L SA/lb Eq - - - - - 2.36 1.12									
Long Term Borrowings A\$m - - - - - 32.5 22.5										All in sustaining cash cost (AISC) SA/lb Eq - - - - - 2.71 1.16									
Other A\$m 2.5 2.5 2.5 2.5 2.5 2.5										SUS/lb Eq - - - - - 1.98 0.86									
Total Non-Curr. Liabil. A\$m 2.5 2.5 2.5 35.0 35.0 25.0																			
Total Liabilities A\$m 2.9 2.6 2.6 35.1 35.1 25.1																			
Net Assets A\$m 8.4 18.3 17.3 49.3 42.4 57.6																			
Net Debt (cash) A\$m -0.9 -11.3 -10.4 -11.4 25.1 6.7																			
<b>Cashflow</b>										<b>Price Assumptions</b>									
Unit 30 Jun 18 30 Jun 19 30 Jun 20 30 Jun 21 30 Jun 22 30 Jun 23										Unit 30 Jun 18 30 Jun 19 30 Jun 20 30 Jun 21 30 Jun 22 Jun 23									
EBITDA A\$m -1.2 -0.8 -1.0 -1.0 -2.0 20.4										AUDUSD A\$/US\$ 0.77 0.71 0.70 0.72 0.73 0.74									
Working Capital A\$m 0.5 -0.2 0.0 0.0 0.0 0.0										Zinc US\$/lb 1.44 1.22 1.20 1.17 1.15 1.17									
Operating Cashflow A\$m -0.7 -1.0 -1.0 -1.0 -2.0 20.4										Lead US\$/lb 1.11 0.90 0.92 0.93 0.95 0.96									
Income Tax Paid A\$m 0.0 0.0 0.0 0.0 0.0 0.0										Copper US\$/lb 3.06 2.82 3.03 3.12 3.25 3.27									
Interest & Other A\$m 0.0 3.1 1.2 3.1 1.2 3.1										Silver US\$/oz 16.57 15.19 16.00 16.43 17.19 17.56									
Operating Activities A\$m -0.7 2.0 0.2 2.1 -0.8 23.5										Gold US\$/oz 1290 1294 1398 1373 1360 1360									
Property, Plant & Equip. A\$m 0.0 0.0 -0.7 -33.2 -35.3 -4.6										<b>Hedging</b>									
Exploration and Devel. A\$m -3.0 -0.4 -0.4 -0.4 -0.4 -0.4										30 Jun 18 30 Jun 19 30 Jun 20 30 Jun 21 30 Jun 22 30 Jun 23									
Other A\$m 0.1 0.0 0.0 0.0 0.0 0.0										Hedges maturing? No No No No No No									
Investment Activities A\$m -2.9 -0.4 -1.1 -33.6 -35.7 -5.0										<b>Sensitivity Analysis</b>									
Borrowings A\$m 0.0 0.0 0.0 32.5 0.0 -10.0										Valuation 0.014 FY23 NPAT 15.2									
Equity or "bc capital" A\$m 2.5 8.8 0.0 32.5 0.0 0.0										Spot Prices 0.02 (56.3%) 21.8 (43.6%)									
Dividends Paid A\$m 0.0 0.0 0.0 0.0 0.0 0.0										Spot USD/AUD 0.67, Zinc \$1.10/lb, Lead \$0.92/lb, Copper \$2.70/lb, Silver \$18.38/oz.									
Financing Activities A\$m 3.1 8.8 0.0 65.0 0.0 -10.0										AUDUSD +/-10% 0.01 / 0.02 (-36.3% / 39.8%) 10.0 / 21.6 (-34.4% / 42.1%)									
Net Cashflow A\$m -0.6 10.4 -0.9 33.4 -36.5 8.5										Zinc +/-10% 0.02 / 0.01 (14.7% / -15.4%) 17.1 / 13.3 (12.4% / -12.4%)									
										Production +/-10% 0.02 / 0.01 (35.8% / -40.1%) 20.9 / 9.5 (37.7% / -37.7%)									
										Operating Costs +/-10% 0.01 / 0.02 (-22.5% / 21.1%) 11.6 / 18.8 (-23.5% / 23.5%)									
<b>Shares</b>										<b>Unpaid Capital</b>									
Unit 30 Jun 18 30 Jun 19 30 Jun 20 30 Jun 21 30 Jun 22 30 Jun 23										Year Expires No. (m) \$m Avg price % ord									
Ordinary Shares - End m 741.1 2071.2 2071.2 4476.0 4476.8 4476.8										30-Jun-18 0.0 0.0 0.0 0.0 0%									
Ordinary Shares - Weighted m 741.1 1406.1 2071.2 3273.6 4476.4 4476.8										30-Jun-19 0.0 0.0 0.0 0.0 0%									
Diluted Shares - Weighted m 741.5 1406.6 2071.7 3274.1 4476.6 4476.8										30-Jun-20 0.0 0.0 0.0 0.0 0%									
										30-Jun-21 20.0 0.3 0.01 1%									
										30-Jun-22 433.1 0.0 0.0 18%									
										TOTAL 453.1 0.3 0.0 19%									
<b>Ratio Analysis</b>										<b>Share Price Valuation (NAV)</b>									
Unit 30 Jun 18 30 Jun 19 30 Jun 20 30 Jun 21 30 Jun 22 30 Jun 23										Risked Est. A\$m Est. A\$/share									
Cashflow Per Share A\$ cps -0.1 0.1 0.0 0.1 0.0 0.1										100% Hayes Creek (pre-tax NAV at disc. rate of 12%) 53.3 0.010									
Cashflow Multiple x 0.0 0.0 0.0 0.0 0.0 0.0										Other Exploration 25.0 0.005									
Earnings Per Share A\$ cps -0.1 0.1 0.0 0.0 -0.2 0.3										Hedging 0.0 0.000									
Price to Earnings Ratio x -9.5 11.8 -18.8 -50.2 -5.9 2.7										Corporate Overheads -5.5 -0.001									
Dividends Per Share AUD - - - - - - -										Net Cash (Debt) 5.3 0.001									
Dividend Yield % 0.0% 0.0% 0.0% 0.0% 0.0% 0.0%										Tax (NPV future liability) -12.0 -0.002									
Net Debt / Net Debt + Equity % -11% -161% -151% -30% 37% 10%										Expected future franking credits 0.0 0.000									
Interest Cover X na 0.6 1.8 1.2 6.6 na										Options & Other Equity 6.8 0.001									
Return on Equity % na 4% na na na 18%										Total 73.3 0.014									
Analyst: Paul Howard										Last Updated: 30/08/2019									
+61 8 9268 2805																			
*bc capital* could be equity or debt. Our valuation is risk-adjusted for how this may be obtained.																			
Sources: IRESS, Company Information, Hartleys Research																			

## BACKGROUND

PNX is an NT focussed gold and base metals explorer/developer with a large package a highly prospective tenure. The 2017 PFS for Hayes Creek sees the Mt Bonnie open pit and Iron Blow underground producing 119kt Zn, 9.3Moz Ag, 95koz Au and 21kt Cu/Pb in recoverable metal concentrates over a 6.5-year operating life of mine. Preproduction capex is expected to be less than A\$60M. The Company is also undertaking a Feasibility Study for the project with completion date set for early-2020.

## MT BONNIE DFS WORK

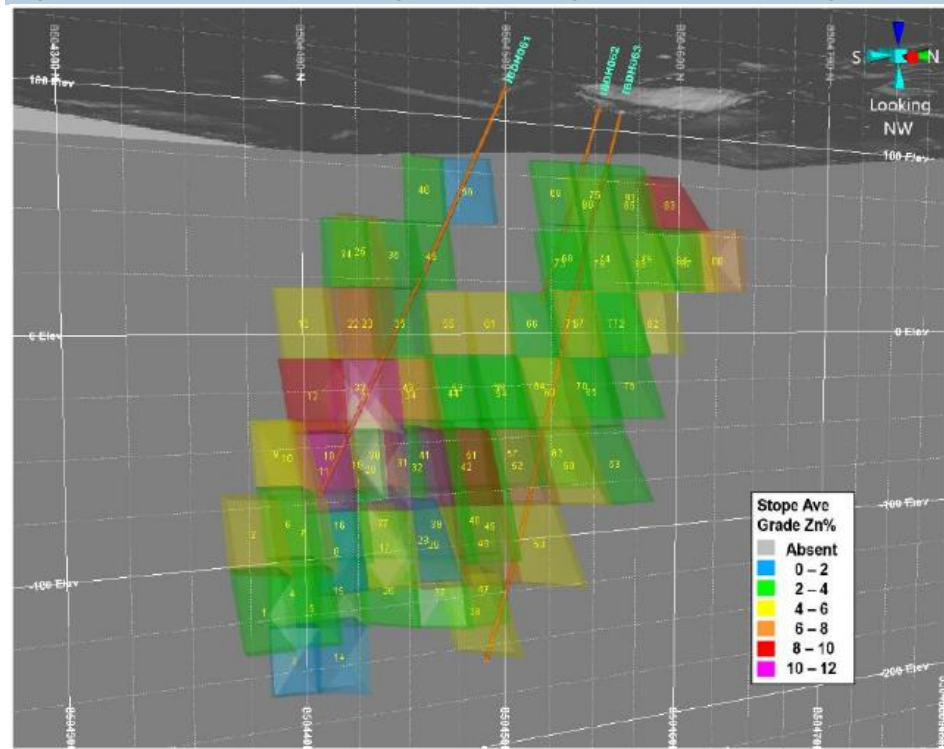
In June, PNX completed a 650m diamond drilling program at Iron Blow. The program was designed to obtain samples for met work for the DFS, offtake samples and geotech data for stope design and scheduling. The down-dip drilling maximised stope intersections and returned high-grade results including:

- 85.2m @ 11.9% Zn, 4.2g/t Au 309g/t Ag, 1.9% Pb & 0.5% Cu from 116m.
- 48.1m @ 5.7% Zn, 2.5g/t Au, 90.4g/t & Ag from 230m

While true widths are more like 5m in the upper levels and 30m at depth, the drilling demonstrates the high-grade nature of Iron Blow. Pleasingly, a new near-surface oxide gold and silver zone has been intersected and requires follow up: 21.4m @ 2g/t Au & 161g/t Ag from 2m.

*Recent drilling at Iron Blow has highlighted the high grades that can be achieved from the future underground*

**Fig. 1: Iron Blow drilling with underground stope design**



Source: PNX Metals Limited

*Regional drilling at Cookies Corner has highlighted addition gold exploration opportunities for PNX*

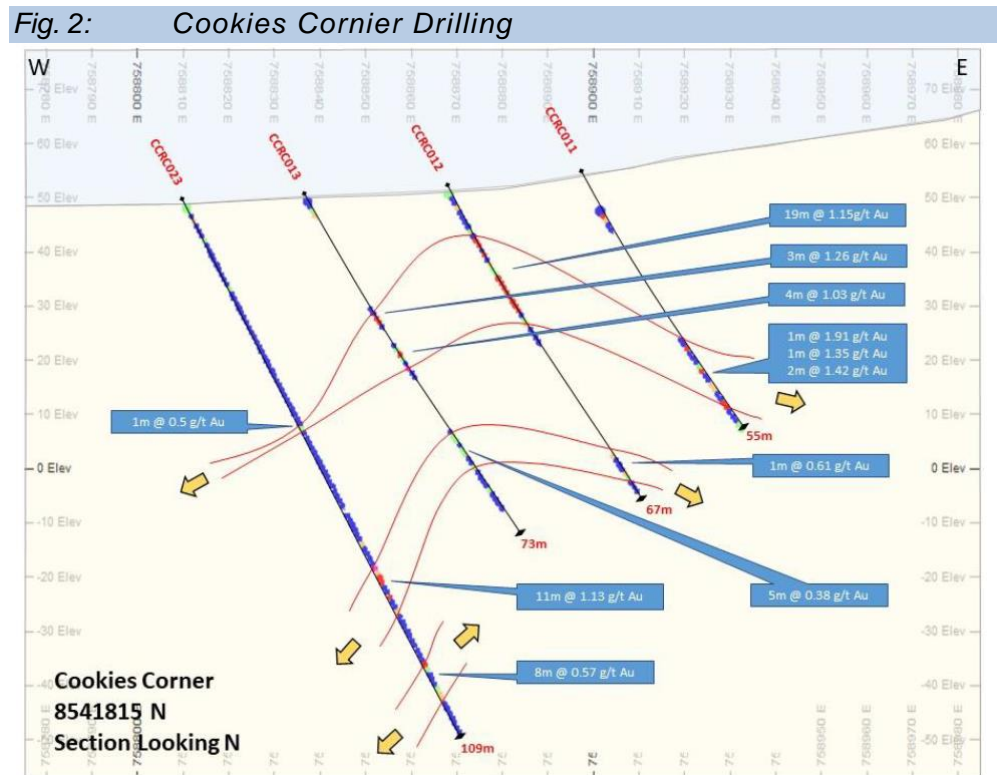
## REGIONAL DRILLING (GOLD)

RC drilling at the Cookies Corner prospect within the Burnside Project (30km northwest of Hayes Creek) was designed to follow up a 1km soil anomaly and 29g/t Au rock chip. The program intersected gold mineralisation over a 500m strike

length: 23m @ 1.9g/t Au from 12m (incl. 8m @ 4.3g/t Au) and 6m @ 3.7g/t Au from 72m. Follow up drilling also returned notable intercepts with further opportunities existing a depth. Cookies Corner is just one of a number of prospective targets, and bears similarities to the historic Goodall Mine, located just 4km southwest where production averaged 41.5kozpa Au from 1988 to 1993.

In addition, PNX has recently commenced a 2,000m RC program at Fountain Head, to test beyond the current 138koz Au resource and potential high-grade traps. Once this phase of drilling is complete, further drilling is planned to target extensions to any new mineralised zones at depth, and to increase the density of drill data along the 1.6km strike to support the potential for additional resources.

*Cookies Corner is just one of a number of prospective targets, and bears similarities to the historic Goodall Mine, located just 4km southwest where production averaged 41.5kozpa Au from 1988 to 1993*



Source: PNX Metals Limited

## VALUATION

Our sum of parts valuation for PNX is based on discounted cashflows and assumes a 7.5-year mine life (including ~1-year pre-strip) at Hayes Creek with production from early FY22 (previously modelled at early FY20) after a ~12-month development build time. We model the Hayes Creek Project in line with the Company's PFS and note that changes, both to the upside and/or downside, may come out of the DFS (excepted early-2020). We consider the PFS as a base case scenario and see potential for additional mill feed through mine extension and regional exploration at the likes of Burnside and Moline. We assume a nominal \$A25M (0.5cps) value for exploration upside potential but note that given the Company's focus on DFS, additional exploration may not occur in the near-term.

*Hartleys sum of parts valuation for PNX is 1.4 cents per share*

**Fig. 3: Hartleys Sum of Parts Valuation for PNX**

Share Price Valuation (NAV)	Risked Est. A\$m	Est. A\$/share
100% Hayes Creek (pre-tax NAV at disc. rate of 12%)	53.3	0.010
Other Exploration	25.0	0.005
Hedging	0.0	0.000
Corporate Overheads	-5.5	-0.001
Net Cash (Debt)	5.3	0.001
Tax (NPV future liability)	-12.0	-0.002
Expected future franking credits	0.0	0.000
Options & Other Equity	6.8	0.001
<b>Total</b>	<b>73.3</b>	<b>0.014</b>

Source: Hartleys' Estimates

## PRICE TARGET

Our price target for PNX is based on our NPV<sub>12</sub> base case for the Hayes Creek at spot and consensus prices. We include scenarios where PNX can optimise and enhance Hayes Creek through monetisation of the value in its precious metal resources. We also include a net cash backing scenario.

**Fig. 4: PNX Price Target Methodology**

Price Target Methodology	Weighting	Spot	12 mth out
NPV12 base case	30%	\$0.014	\$0.016
NPV12 base case at spot commodity and fx prices	30%	\$0.022	\$0.027
Processing of tails to generate precious metal revenue	15%	\$0.015	\$0.017
Monetisation of Fountain Head-Tall Ho gold resource	20%	\$0.016	\$0.020
Net cash backing	5%	\$0.002	\$0.002
<b>Risk weighted composite</b>		<b>\$0.016</b>	
<b>12 Months Price Target</b>		<b>\$0.020</b>	
Shareprice - Last		\$0.009	
<b>12 mth total return (% to 12mth target + dividend)</b>		<b>118%</b>	

Source: Hartleys' Estimates

Hartleys 12-month price target is 2.0 cents per share



## RISKS

Key risks for PNX include completion of further studies (DFS due in 1H20), funding (both for ongoing exploration activities and future development) and commodity sentiment/demand.

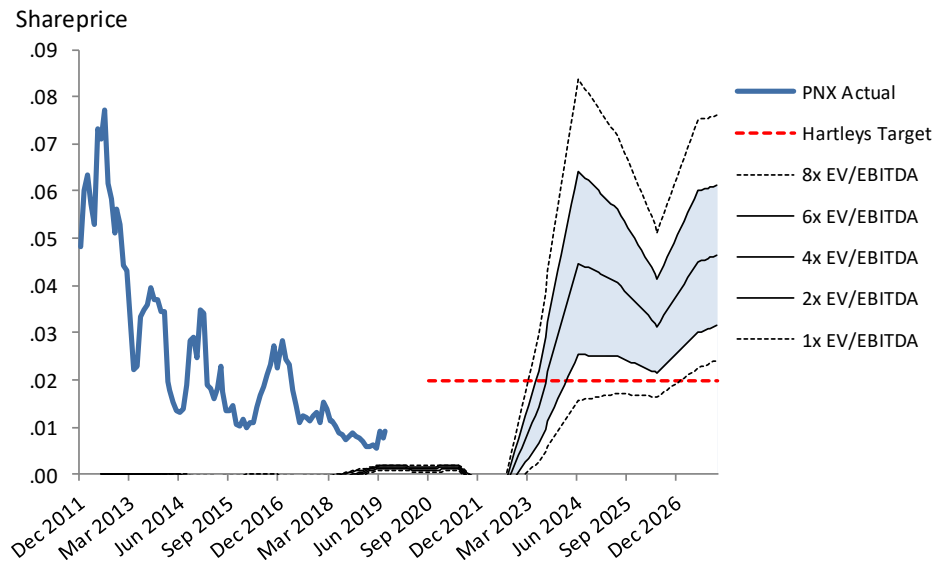
**Fig. 5: Key assumptions and risks for valuation**

Assumption	Risk of not realising assumption	Risk to valuation if assumption is incorrect	Comment
7.5 year mine life at Hayes Creek	Moderate	Meaningful	We model a 7.5 year mine life, which includes a large component of waste striping in year 1, in line with the PFS. If the operations vary largely from our modelling, our valuation will be at risk.
Model parameters	Moderate	Meaningful	We have made a number of large assumptions in our valuation of PNX, changes in these assumptions can change our valuation to both the upside and downside.
Exploration upside potential	Moderate	Meaningful	We assume exploration upside at Hayes Creek and further afield within the Burnside and Moline Projects. Some downside risk to our valuation exists if PNX has no exploration success.
Funding	Low to Medium	High	We model conventional debt & equity funding (50:50), we believe the low capex requirement should see our modelling assumptions achievable.
Orebody Risk	Low to Medium	Meaningful	As with all orebodies there is risk around geology, geotech and metallurgy.
Commodity prices	Moderate	High	PNX is reliant on commodity prices maintaining consensus performance and is very much economic at current spot prices.
<i>Conclusion</i>	<i>We have made significant assumptions but believe these are achievable.</i>		

Source: Hartleys' Research

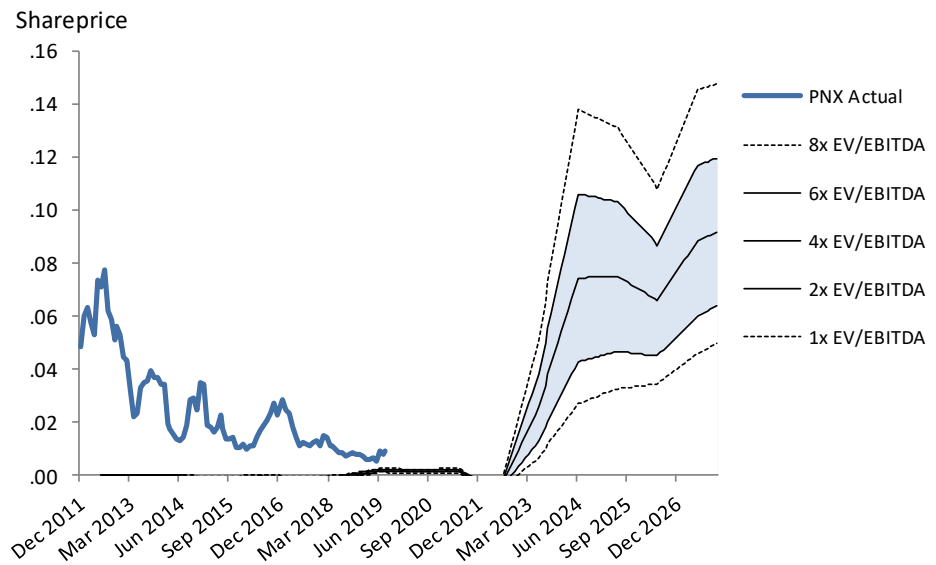
## EV/EBITDA BANDS

**Fig. 6: Using Hartleys base case commodity forecasts**



Source: Hartleys' Estimates, IRESS

**Fig. 7: Using spot commodity prices**



Source: Hartleys' Estimates, IRESS

# HARTLEYS CORPORATE DIRECTORY

## Research

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Stephen Kite	Director	+61 8 9268 3050
Scott Weir	Director	+61 8 9268 2821
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*Note: personal email addresses of company employees are structured in the following manner: firstname.lastname@hartleys.com.au*

## Hartleys Recommendation Categories

Buy	Share price appreciation anticipated.
Accumulate	Share price appreciation anticipated but the risk/reward is not as attractive as a "Buy". Alternatively, for the share price to rise it may be contingent on the outcome of an uncertain or distant event. Analyst will often indicate a price level at which it may become a "Buy".
Neutral	Take no action. Upside & downside risk/reward is evenly balanced.
Reduce / Take profits	It is anticipated to be unlikely that there will be gains over the investment time horizon but there is a possibility of some price weakness over that period.
Sell	Significant price depreciation anticipated.
No Rating	No recommendation.
Speculative Buy	Share price could be volatile. While it is anticipated that, on a risk/reward basis, an investment is attractive, there is at least one identifiable risk that has a meaningful possibility of occurring, which, if it did occur, could lead to significant share price reduction. Consequently, the investment is considered high risk.

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