



PNX METALS LIMITED
ACN 127 446 271

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the members of PNX Metals Limited will be held:

- on **Wednesday 23rd October 2019**
- at **10:30am (Adelaide time)**
- at **Level 3, 170 Frome Street, Adelaide SA 5000 (Grant Thornton)**

for the purpose of transacting the business set out in the following agenda.

Please note that the Company's 2019 Annual Report can be viewed at the Company's website at <http://www.pnxmetals.com.au/annual-and-half-yearly-reports/>

This is an important document. Please read it carefully.
If you are unable to attend the Annual General Meeting, please complete the Proxy Form enclosed with this document in accordance with the instructions set out on it.

AGENDA

GENERAL BUSINESS

2019 Financial Statements

To receive and consider the Company's Directors' Report, Financial Statements and Auditor's Report for the year ended 30 June 2019.

ORDINARY BUSINESS

RESOLUTION 1 Adoption of Remuneration Report

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purpose of section 250R(2) of the Corporations Act 2001 (Cth), the Company adopts the Remuneration Report for the financial year ended 30 June 2019."

Note: Pursuant to section 250R(3) of the Corporations Act 2001 (Cth) (**Corporations Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

RESOLUTION 2 Re-election of Mr Graham Ascough as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Graham Ascough, a director retiring by rotation in accordance with clause 2.5 of the Company's constitution and being eligible for re-election, be re-elected as a director of the Company".

RESOLUTION 3 Re-election of Mr David Hillier as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr David Hillier, a director retiring by rotation in accordance with clause 2.5 of the Company's constitution and being eligible for re-election, be re-elected as a director of the Company".

RESOLUTION 4 Approval of Employee Performance Rights Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.2 Exception 9 and for all other purposes, any issue of securities granted under the Company's Employee Performance Rights Plan, included as Appendix B to the Explanatory Notes accompanying this Notice of Meeting (and as amended from time to time), within the three year period ending 23 October 2022 be approved as an exception to ASX Listing Rule 7.1."

SPECIAL BUSINESS

RESOLUTION 5 Approval of 10% Placement Facility

To consider and, if thought fit, pass the following resolution as a special resolution:

"That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve for the Company to have the additional capacity to issue Equity Securities under ASX Listing Rule 7.1A of up to 10% of the issued capital of the Company, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, and on the terms and conditions set out in the Explanatory Notes accompanying this Notice."

Voting Restrictions and Exclusions

Resolution 1

In accordance with the Corporations Act, a vote must not be cast (in any capacity), and the Company will disregard any votes cast on Resolution 1 by or on behalf of any Key Management Personnel, the details of whose remuneration are included in the Remuneration Report, and any Closely Related Party of such Key Management Personnel.

However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- b) it is cast by the Chair as proxy for a person who is entitled to vote, and the appointment does not specify the way in which the Chair is to vote but the appointment expressly authorises the Chair to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel (this authorisation is included in the proxy form enclosed).

Alternatively, if you appoint the Chair as your proxy, you can direct the Chair to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box on the proxy form.

Alternatively, Shareholders can nominate as their proxy for the purpose of Resolution 1, a person who is not a member of the Company's Key Management Personnel or any of their Closely Related Parties. That person would be permitted to vote undirected proxies.

Resolution 2

There are no voting exclusions in relation to Resolution 2.

Resolution 3

There are no voting exclusions in relation to Resolution 3.

Resolution 4

The Company will disregard any votes cast in favour of Resolution 4 by any current employees, executive directors, or contractors of the Company, and associates of any of those parties, as they are eligible to participate in the Employee Performance Rights Plan. However, the Company will not disregard a vote if:

- a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a vote on Resolution 4 must not be cast as a proxy by or on behalf of any of the following persons:

- (i) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (ii) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 4 as a proxy if the vote is not cast on behalf of a person described above and either:

- (i) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (ii) the person is the chair of the meeting and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Resolution 5

The Company will disregard any votes cast in favour of Resolution 5 by a person who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 5 is passed, and any associates of those persons. As at the date of this Notice of Meeting, the Company has no specific intention to issue Equity Securities pursuant to ASX Listing Rule 7.1A and therefore it is not known who (if any) may participate in a potential (if any) issue of Equity Securities under ASX Listing Rule 7.1A.

However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Proxies

In accordance with section 249L of the Corporations Act and clause 16.2(3)(d) of the Company's constitution, members are advised that:

- (a) a member of the Company entitled to attend and vote at the Meeting, is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

To record a valid vote other than by voting in person at the meeting, Shareholders will need to complete and lodge the Proxy Form (and the power of attorney or other authority (if any) under which it is signed, or a certified copy of it) at the share register of the Company, Computershare Investor Services Pty Ltd. Please complete and forward the Proxy Form to Computershare Investor Services:

by post at the following address:

Computershare Investor Services Pty Limited
GPO Box 242
MELBOURNE VIC 3001

OR

by facsimile on **1800 783 447** (within Australia) or **+61 3 9473 2555** (outside Australia);

or for **Intermediary Online subscribers only** (custodians), cast the shareholder's vote online by visiting www.intermediaryonline.com

Shareholders can also cast their proxy votes online, including by smartphone, at www.investorvote.com.au. To use this facility you will need your holder number (SRN or HIN), postcode and the control number shown on your proxy form.

Proxy votes must be received by no later than **10.30 am (Adelaide time) on Monday 21 October 2019**.

Voting Entitlements

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that the Shareholding of each Shareholder for the purposes of ascertaining voting entitlements for the Meeting will be as it appears in the share register of the Company at 7:00pm Adelaide time on **Monday 21 October 2019**.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that Shareholder's representative. A form of certificate of appointment can be obtained from the Company's share registry, Computershare Investor Services Pty Limited, by phoning 1300 305 232 (within Australia) or +61 3 9415 4657. The certificate or letter may be sent to the Company or the Company's share registry, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 in advance of the Meeting or handed in at the Meeting when the appointed representative registers as a corporate representative.

Explanatory Notes

The Explanatory Notes accompanying this Notice of Meeting are incorporated in, comprise part of and should be read in conjunction with this Notice of Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Notes, which contains definitions of capitalised terms used both in this Notice of Meeting and the Explanatory Notes.

By order of the Board



Angelo Gaudio

Company Secretary

Dated: 20 September 2019

EXPLANATORY NOTES

Important Notice

These Explanatory Notes contain an explanation of, and information about, the resolutions to be considered at the Annual General Meeting of Shareholders to be held at Level 3, 170 Frome St, Adelaide SA on **Wednesday 23 October 2019 at 10:30am** (Adelaide time). They are given to Shareholders to help them determine how to vote on the resolutions set out in the Notice of Meeting.

These Explanatory Notes form part of the Notice of Meeting and should be read in conjunction with the Notice of Meeting. Shareholders should read these Explanatory Notes in full before making any decision in relation to the resolutions, because individual sections may not give a comprehensive review of the proposals contemplated in them.

Capitalised terms in these Explanatory Notes are defined in the Glossary at the end of these Explanatory Notes.

If you are in doubt about what to do in relation to the resolutions set out in the Notice of Meeting you should consult your financial or other professional adviser.

GENERAL BUSINESS

Receiving financial statements and reports

The financial report of the Company for the year ended 30 June 2019 (including the financial statements, directors' report and auditors' report) was included in the 2019 annual report of the Company, a copy of which may accompany this Notice but, in any event, is available on the Company's website at www.pnxmetals.com.au.

The Corporations Act requires that Shareholders consider the annual consolidated financial statements and reports of the directors and auditor every year. There is no requirement for Shareholders to approve these reports. Shareholders attending the Meeting will be given a reasonable opportunity:

1. to ask question about, or make comments on, the management of the Company; and
2. to ask the Company's auditor, or the auditor's representative, questions relevant to:
 - a. the conduct of the audit;
 - b. the preparation and content of the auditor's report;
 - c. the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - d. the independence of the auditor in relation to the conduct of the audit.

A Shareholder who is entitled to cast a vote at the Meeting may submit a written question to the auditor if the question is relevant to:

1. the content of the auditor's report to be considered at the annual general meeting; or
2. the conduct of the audit of the annual financial report to be considered at the annual general meeting.

A written question may be submitted by giving the question to the Company no later than **16 October 2019**, being five business days before the day on which the Meeting is to be held, and the Company will then, as soon as practicable after the question has been received, pass the question on to the auditor. At the Meeting, the Company will allow a reasonable opportunity for the auditor, or the auditor's representative, to answer written questions submitted to the auditor.

The Company will make copies of the question list reasonably available to Shareholders attending the Meeting.

No resolution is required in respect of this item of General Business.

ORDINARY BUSINESS

RESOLUTION 1 Adoption of Remuneration Report

The Remuneration Report for the financial year ended 30 June 2019 is set out in the Directors' Report in the Annual Report, which may accompany this Notice but, in any event, is available on the Company's website www.pnxmetals.com.au. Section 300A of the Corporations Act requires the Directors to include a Remuneration Report in their Directors' Report for the financial year. The Remuneration Report outlines the remuneration arrangements in place for Key Management Personnel of the Company, including the Directors.

Section 250R(2) of the Corporations Act requires listed companies to put to vote at the annual general meeting a resolution that the Remuneration Report be adopted. Pursuant to section 250R(3), the vote on this resolution is advisory only and does not bind the Directors or the Company.

If more than 25% of the votes cast on a resolution to adopt the remuneration report are against the adoption of the remuneration report for two consecutive annual general meetings, shareholders will be required to vote at the second of those annual general meetings on a resolution ("Spill Resolution") that another meeting be held within 90 days, at which all of the Company's Directors must stand for re-election.

Of the votes cast at the 2018 AGM, 99.6% were in favour of the Company's remuneration report for the year ended 30 June 2018.

A voting exclusion statement is set out in the Notice of Meeting.

The Chairman intends to vote undirected proxies in favour of Resolution 1.

RESOLUTION 2 Re-election of Mr Graham Ascough as a Director

Mr Ascough was appointed to the Board in December 2012. Mr Ascough is a senior resources executive with more than 30 years of industry experience evaluating mineral projects and resources in Australia and overseas.

Mr Ascough, a geophysicist by training, has had broad industry involvement playing a leading role in setting the strategic direction for companies, completing financing and in implementing successful exploration programmes. Mr Ascough was the Managing Director of Mithril Resources Ltd from October 2006 until June 2012. Prior to joining Mithril in 2006, he was the Australian Manager of Nickel and PGM Exploration at a major Canadian resources house, Falconbridge Limited, which was acquired by Xstrata Plc in 2006. He is a member of the Australian Institute of Mining and Metallurgy and is a Professional Geoscientist of Ontario, Canada.

Mr Ascough has a relevant interest in 11,066,532 Shares and 3,125,000 unquoted options with an exercise price of 1.5 cents each, expiring on 30 September 2021.

To enable compliance with clause 2.5 of the Company's constitution, Mr Ascough voluntarily retires at the close of the Meeting. Being eligible, Mr Ascough has offered himself for re-election in accordance with clause 2.5(5) of the Company's constitution.

Accordingly, Resolution 2 provides for the re-election of Mr Ascough as a director of the Company.

The Directors (other than Mr Ascough) recommend that Shareholders vote in favour of Resolution 2.

The Chairman intends to vote undirected proxies in favour of Resolution 2.

RESOLUTION 3 Re-election of Mr David Hillier as a Director

Mr Hillier was appointed to the Board in September 2010. Mr Hillier is a Chartered Accountant and has more than 40 years' experience in commercial aspects of the resources industry.

Mr Hillier has served as Chairman and as a director of a number of public companies in the mining and exploration field, including Lawson Gold Limited and Buka Gold Limited. He was Chief Financial Officer and an executive director of AIM listed Minerals Securities Limited, based in London. Over a

period of 14 years Mr Hillier held a range of senior executive positions in the Normandy Mining Limited Group of companies and was Chief Financial Officer of Normandy for six of these years.

Mr Hillier has a relevant interest in 10,500,001 Shares and 3,125,000 unquoted options with an exercise price of 1.5 cents each, expiring on 30 September 2021.

To enable compliance with clause 2.5 of the Company's constitution, Mr Hillier voluntarily retires at the close of the Meeting. Being eligible, Mr Hillier has offered himself for re-election in accordance with clause 2.5(5) of the Company's constitution.

Accordingly, Resolution 3 provides for the re-election of Mr Hillier as a director of the Company.

The Directors (other than Mr Hillier) recommend that Shareholders vote in favour of Resolution 3.

The Chairman intends to vote undirected proxies in favour of Resolution 3.

RESOLUTION 4 Approval of Employee Performance Rights Plan

The PNX Metals Limited Employee Performance Rights Plan (**Plan**) was created in 2010 and last approved by shareholders at the 2016 AGM. Under the Plan, the Board may offer to grant Performance Rights to eligible persons in accordance with the terms and conditions of the Plan, as set out in **Appendix B**. Each Performance Right is a right to acquire one Share, subject to satisfaction of the terms and performance conditions set out in the Plan and the employee or contractor's invitation to participate in the Plan. The Performance Rights will be granted for no consideration and no consideration will be payable for Shares issued on the vesting of Performance Rights granted under it.

The Plan is designed to:

- provide eligible participants with an ownership interest in the Company; and
- provide additional incentives for eligible participants.

ASX Listing Rule 7.1 restricts the number of securities a listed entity can issue without Shareholder approval. ASX Listing Rule 7.2 provides a number of exceptions to ASX Listing Rule 7.1, including Exception 9(b) which provides that ASX Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if within three years before the date of issue, holders of ordinary securities have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

The Company is seeking Shareholder approval for future issues of securities granted under the Plan within the next three years, so that such issues will come within Exception 9(b) of ASX Listing Rule 7.2.

It should be noted that all Directors, with the exception of executive director James Fox (Managing Director & CEO) are ineligible to participate in the Plan. Mr Fox will not be issued with any Performance Rights under the Plan without specific Shareholder approval.

Since the Plan was last approved at the 2016 AGM, 20,160,000 Performance Rights have been issued under the Plan, of which 3,090,000 vested for Shares, 12,440,000 remain unvested as at the date of this document and the remaining 4,630,000 have lapsed.

A voting exclusion statement is set out in the Notice of Meeting.

The Directors (other than Mr Fox, who is eligible to participate in the Plan) unanimously recommend that shareholders vote in favour of Resolution 4.

The Chairman intends to vote undirected proxies in favour of Resolution 4.

SPECIAL BUSINESS

RESOLUTION 5 Approval of 10% Placement Facility

Under Listing Rule 7.1A, an Eligible Entity can seek shareholder approval by special resolution at an annual general meeting to issue additional Equity Securities equivalent to 10% of its issued share capital through placements over a 12 month period after the meeting at which approval is obtained, in accordance with the terms set out below (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1 and allows the Company to issue up to 25% of its total issued capital.

An 'Eligible Entity' for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an Eligible Entity. The Company will need to remain compliant with the requirements of ASX Listing Rule 7.1A in order for the Company to utilise the additional capacity under the 10% Placement Facility.

At the Company's 2018 Annual General Meeting (**2018 AGM**) Shareholder approval was obtained regarding the availability of the 10% Placement Facility for the 12-month period ending 24 October 2019. There have been no Equity Securities issued under Listing Rule 7.1A in the 12-month period since the 2018 AGM.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility for a further 12 months. As a special resolution, Resolution 5 requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities that could be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section (b) below).

The Directors of the Company believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 5.

No Director or Related Party will participate in any issue under the 10% Placement Facility unless specific approval is obtained for the purposes of ASX Listing Rule 10.11.

Description of Listing Rule 7.1A

(a) Class of Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of this Notice of Meeting, has one quoted class of Equity Securities on issue, being Shares. As such, as at the date of this Notice of Meeting, the only class of Equity Securities that the Company may issue under ASX listing Rule 7.1A is Shares.

(b) Formula for calculating the 10% Placement Facility

Listing Rule 7.1A.2 provides that Eligible Entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

Where: **A** is the number of shares on issue 12 months before the date of issue or date of agreement to issue:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;

- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rule 7.1 or ASX Listing Rule 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

Note that "A" has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or date of agreement to issue that are *not* issued with the approval of shareholders under ASX Listing Rule 7.1 or ASX Listing Rule 7.4.

(c) ASX Listing Rule 7.1 and ASX Listing Rule 7.1A

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

At the date of this Notice of Meeting, the Company has on issue 2,435,288,142 Shares and therefore has a capacity to issue:

- (i) 365,293,221 Equity Securities under ASX Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under this Resolution, 243,528,814 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities or date of agreement to issue in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section (c) above).

(d) Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

1. Minimum Issue Price

For the purpose of ASX Listing Rule 7.3A.1, the Equity Securities, if issued, will be issued at a price of not less than 75% of the VWAP of the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

The Company may also issue Equity Securities under the 10% Placement Facility for non-cash consideration, in which case, the Company will release to the market a valuation of those Equity Securities that demonstrates that the issue price of the securities complies with the rule above.

2. Risk of economic and voting dilution

If this Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders may be subject to the risk of both economic and voting power dilution from that issue. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting at which approval under rule 7.1A is obtained;
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date for the Equity Securities; and
- (iii) the Equity Securities may be issued as part of consideration for the acquisition of a new asset, in which case, no funds will be raised by the issue of the Equity Securities.

The table below shows the potential dilution of existing Shareholders on the basis of the market price of Shares of 0.8 cents as of 12 September 2019 and the number of ordinary securities on issue as of the date of this Notice used for variable "A".

The table also shows:

- (i) two examples where variable "A" has increased by 50% and 100%. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		\$0.004 50% decrease in Issue Price	\$0.008 Issue Price	\$0.016 100% increase in Issue Price
Current variable "A" 2,435,288,142 Shares	10% Voting Dilution	243,528,814 Shares	243,528,814 Shares	243,528,814 Shares
	Funds Raised	\$974,115	\$1,948,231	\$3,896,461
50% increase in current variable "A" 3,652,932,213 Shares	10% Voting Dilution	365,293,221 Shares	365,293,221 Shares	365,293,221 Shares
	Funds Raised	\$1,461,173	\$2,922,346	\$5,844,692
100% increase in current variable "A" 4,870,576,284 Shares	10% Voting Dilution	487,057,628 Shares	487,057,628 Shares	487,057,628 Shares
	Funds Raised	\$1,948,231	\$3,896,461	\$7,792,922

The table presents theoretical examples only, and has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) None of the Performance Rights or options that the Company currently has on issue are converted or exercised before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue, assuming variable A is equal to the total issued share capital. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1. Dilution experienced by Shareholders may be greater if issues have been made utilising the capacity in Listing Rule 7.1 as well.

- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes ASX Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) A market price of \$0.008, being the closing price of the Shares on ASX on 12 September 2019.

3. **Timing**

The date by which the Equity Securities may be issued under the 10% Placement Facility is as determined under ASX Listing Rule 7.1A.1, being the earlier of:

- (i) the date that is 12 months after the date of the Meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking)

(10% Placement Period).

The approval under Resolution 5 for the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).

4. **Purposes for which Equity Securities may be issued**

The Company may seek to issue the Equity Securities under the 10% Placement Facility for the following purposes:

- (i) non-cash consideration for the acquisition of new assets and investments. In such circumstances, the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets (including expenses associated with such acquisition(s)), continued exploration on the Company's current exploration licenses, continuation of detailed feasibility studies on its Hayes Creek zinc-gold-silver Project, and/or general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities under the 10% Placement Facility.

5. **Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors that include, but are not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing Shareholders and/or new investors who are not Related Parties of the Company or their associates.

Further, if the Company acquires new assets, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets.

If Resolution 5 is approved by Shareholders, the Company may issue Equity Securities under the 10% Placement Facility during the 10% Placement Period, as and when the circumstances of the Company require.

6. Equity Securities issued by the Company

The Company previously obtained Shareholder approval under Listing Rule 7.1A on 24 October 2018. **Appendix A contains detailed information required under Listing Rule 7.3A.6** regarding:

- (i) the total number of Equity Securities issued in the 12-month period prior to the 23 October 2019 date of the Meeting and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12-month period; and
- (ii) details of all issues of Equity Securities by the Company during the 12 months preceding the 23 October 2019 date of the Meeting.

7. Voting Exclusion

A voting exclusion statement is included in the Notice of Meeting. At the date of the Notice, the Company has not approached or invited any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities under ASX Listing Rule 7.1A. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Meeting from voting on Resolution 5.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

The Chairman intends to vote undirected proxies in favour of Resolution 5.

GLOSSARY

"AGM" means an Annual General Meeting of the Company;

"ASIC" means the Australian Securities and Investment Commission;

"ASX" means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange operated by ASX Limited, as the context requires;

"ASX Listing Rules" means the official listing rules of ASX;

"Board" means the board of Directors;

"Closely Related Party" of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealings with the Company; or
- (e) a company the member controls;

"Company" means PNX Metals Limited (ACN 127 446 271);

"Corporations Act" means *Corporations Act 2001* (Cth);

"Director" means a director of the Company;

"Eligible Entity" means an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less;

"Equity Securities" has the meaning given to that term in the ASX Listing Rules;

"Key Management Personnel" means those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any Director (whether executive or otherwise);

"Meeting" means the Annual General Meeting of the Company to be held on Wednesday 23 October 2019 at 10:30am;

"Notice of Meeting" or **"Notice"** means the notice convening the Meeting and which these Explanatory Notes accompany;

"Option" means an option to subscribe for a Share;

"Performance Right" means a performance right granted under the PNX Metals Limited Employee Performance Rights Plan, which converts into one Share if the vesting conditions are met;

"Related Party" has the meaning given to that term in the Corporations Act;

"Share" means a fully paid ordinary share in the capital of the Company;

"Shareholder" means a holder of a Share;

"Shareholding" means a holding of one or more Share(s);

"Trading Day" means a day determined by ASX to be a trading day in accordance with the ASX Listing Rules;

"VWAP" means Volume Weighted Average Price of the Company's ASX-listed Shares trading under the code PNX.

APPENDIX A –Information Required by Listing Rule 7.3A.6 (relating to Resolution 5)

Total Equity Securities on Issue 12 months prior to 23 October 2019	1,522,055,020
Total number of Equity Securities Issued in the 12 months prior to 23 October 2019 #	923,233,122
Percentage Issued of the Total Equity Securities on Issue 12 months prior to 23 October 2019	37.9%

includes 913,233,122 Shares and 10,000,000 performance rights

Equity Securities issued in 12 months prior to 23 October 2019:

Date of issue	3 December 2018	20 May 2019
Number of Equity Securities issued	10,000,000	913,233,122
Class/Type of Equity Security	Performance rights	Shares
Summary of terms	Refer App 3B lodged with ASX on 3 Dec 2018.	Fully paid ordinary shares issued under a fully underwritten Non-renounceable rights issue offered on the basis of three (3) new shares for every five (5) shares held.
	Note 1	
Names of persons who received securities or basis on which those persons was determined	Related party of PNX, Managing Director, Mr James Fox.	Participating shareholders in the rights issue and the Underwriter, DELPHI Unternehmensberatung Aktiengesellschaft
Price	N/A	\$0.006
Discount to closing market price on issue date	Nil	Nil
<i>For cash issues</i>		
Total cash consideration received:	Nil	\$5.48million before costs
Amount of cash consideration spent:	N/A	Refer below
Use of cash consideration:	N/A	<p>The funds raised to be used 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 test-work including process plant engineering and design; (b) an options study for the Fountain Head project; (c) other project holding and management costs including rentals, environmental and statutory reporting;

APPENDIX A –Information Required by Listing Rule 7.3A.6 (relating to Resolution 5)

			(d) exploration activities required to keep the tenements in good standing and meet minimum expenditure commitments; (e) working capital; and (f) costs associated with the Offer.	
Intended use for remaining amount of cash (if any):	N/A		N/A	
<i>For non-cash issues</i>	N/A		N/A	

Notes

1. Performance Rights issued under the PNX Metals Limited Employee Performance Rights Plan, under which securities can be issued for 3 years from 10 November 2016 as approved by shareholders at the 2016 AGM. Any Performance Rights issued to PNX's Managing Director under the Plan require a separate approval from PNX shareholders, and shareholder approval was given at the 2018 AGM held on 24 October 2018.

**APPENDIX B – Notice of Meeting, 23 October 2019
(relating to Resolution 4)**

PNX METALS LIMITED
ACN 127 446 271

**RULES OF THE PNX METALS LIMITED
EMPLOYEE PERFORMANCE RIGHTS PLAN**

TABLE OF CONTENTS

1.	DEFINITIONS AND INTERPRETATION	1
1.1	Definitions	1
1.2	Interpretation.....	2
2.	MANAGEMENT OF THE PLAN	3
3.	ENTITLEMENT TO PARTICIPATION	3
3.1	Eligible Persons.....	3
3.2	Invitations	3
3.3	Number of Performance Rights.....	3
3.4	Invitation.....	3
3.5	Discretion of Board.....	4
4.	APPLICATIONS FOR PERFORMANCE RIGHTS.....	4
5.	GRANT OF PERFORMANCE RIGHTS.....	4
6.	TERMS OF PERFORMANCE RIGHTS	4
6.1	Granted for no consideration	4
6.2	Quotation	4
6.3	Not transferable	5
6.4	No voting rights	5
6.5	No Dividend Rights	5
6.6	No Rights on Winding Up	5
6.7	Reorganisation of Capital	5
6.8	No Other Rights	5
7.	LAPSING OF PERFORMANCE RIGHTS.....	5
7.1	Performance Rights to lapse	5
7.2	Retirement, Permanent Disability, Retrenchment or Death.....	6
8.	VESTING OF PERFORMANCE RIGHTS	6
9.	CONNECTION WITH OTHER PLANS.....	7
10.	AMENDMENT AND TERMINATION OF PLAN.....	7
10.1	Amendment	7
10.2	Termination	8
11.	NOTICES.....	8
12.	RIGHTS OF ELIGIBLE PERSONS	8
13.	GENERAL	8
14.	GOVERNING LAW	9

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Rules, unless the contrary intention appears:

“**Associate**” has the meaning given in section 995.1 of the *Income Tax Assessment Act 1997* (Cth);

“**ASX**” means ASX Limited ACN 008 624 691 and includes any body corporate which may succeed to the powers, functions and duties of ASX Limited or the securities exchange operated by ASX Limited (as the context requires);

“**Board**” means the Directors acting as the board of directors of the Company;

“**Business Day**” means a day on which the ASX is open for trading in securities;

“**Company**” means PNX Metals Limited (ACN 127 446 271);

“**Corporations Act**” means *Corporation Act 2001* (Cth);

“**Director**” means a director of the Company from time to time;

“**Eligible Person**” means at any time a person who is an employee (whether full-time or part-time) of, or a contractor or employee of a contractor to, a Group Company or a Director employed in an executive capacity at that time;

“**Grant Date**” means, in relation to a Performance Right, the date from which the Performance Right is granted in accordance with clause 5;

“**Group**” means collectively the Company and each of the Company’s Subsidiaries;

“**Group Company**” means the Company or any of the Company’s Subsidiaries;

“**Invitation**” has the meaning given to it in clause 3.2;

“**Listing Rules**” means the Listing Rules of ASX and any other rules of ASX which are applicable while an entity is admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX;

“**Official List**” means the official list of entities that ASX has admitted to quotation and not removed;

“**Participant**” means a person who has been granted a Performance Right under the Plan;

“**Performance Condition**” means a condition which must be satisfied or circumstances which must exist before a Performance Right can vest, as specified in the Invitation for the Performance Right concerned;

“**Performance Right**” means a right to acquire one Share in the manner described in this Plan;

“**Permanent Disablement**” means, in relation to an Eligible Person, that the Eligible Person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Eligible Person unlikely ever to engage in any occupation for which he is reasonably qualified by education, training or experience;

“**Plan**” means the PNX Metals Limited Employee Performance Rights Plan established in accordance with these Rules;

“**Redundancy**” means, in relation to an Eligible Person, a determination by the Board that the relevant Group Company’s need to employ a person for the particular kind of work carried out by that Eligible Person has ceased (but, for the avoidance of any doubt, does not include the dismissal of an Eligible Person for personal or disciplinary reasons or where the Eligible Person leaves the employ of any Group Company of his own accord);

“**Retirement**” means, in relation to an Eligible Person, retirement by that Eligible Person from any Group Company at age 60 or over or such earlier age as considered appropriate by the Board;

“**Rules**” means these rules, as amended from time to time;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means a holder of a Share;

“**Subsidiary**” has the meaning given in section 9 of the Corporations Act; and

“**Takeover Bid**” has the meaning given in section 9 of the Corporations Act.

1.2 Interpretation

In these Rules, unless the contrary intention appears:

- (1) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- (2) the singular includes the plural and vice versa;
- (3) a reference to a gender includes all genders;
- (4) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day;
- (5) an expression defined in, or given a meaning for the purposes of, the Corporations Act or the Listing Rules has the same meaning where used in these Rules; and
- (6) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or substitution for, and any subordinate legislation under, that legislation or legislative provision.

2. MANAGEMENT OF THE PLAN

- (1) The Board may appoint for the proper administration and management of the Plan, such persons as it considers desirable and may delegate such authorities as may be necessary or desirable for the administration and management of the Plan.
- (2) Subject to the provisions of these Rules, the Board may administer the Plan and make such regulations and establish such procedures for the administration and management of the Plan as the Board considers appropriate.
- (3) Every decision or determination or exercise of discretion by the Board may be made by the Board in its absolute discretion and every decision of the Board as to the interpretation, effect or application of these Rules is final, conclusive and binding.

3. ENTITLEMENT TO PARTICIPATION

3.1 Eligible Persons

All Eligible Persons with at least 12 months continuous employment with a Group Company or who have been a contractor to a Group Company for at least 12 continuous months or an employee of such a contractor for at least 12 continuous months (or in any case such lesser period as the Board may, in its absolute discretion, determine) are eligible to participate in the Plan.

3.2 Invitations

The Board may from time to time, in its absolute and uncontrolled discretion, issue a written invitation to an Eligible Person inviting him or her to apply for the grant of a certain number of Performance Rights on the terms and conditions set out in the Plan and on such additional terms and Performance Conditions as the Board determines (“**Invitation**”).

3.3 Number of Performance Rights

The number of Performance Rights specified in each Invitation will be determined by the Board in its absolute discretion.

3.4 Invitation

Each Invitation must include:

- (1) the number of Performance Rights which may be granted;
- (2) the date and time by which the application for Performance Rights must be received by the Company;
- (3) the date on which, subject to these Rules, the Performance Rights will vest in accordance with clause 8;
- (4) all Performance Conditions attaching to the Performance Rights;
- (5) a statement that the Performance Rights will be granted in accordance with the terms and conditions set out in the Plan;

- (6) a copy of the Rules;
- (7) an explanation as to how the Eligible Person can obtain the current market price and offer price of Shares; and
- (8) any other terms attaching to the Performance Rights or Shares that the Board, in its absolute discretion, considers appropriate

and must have attached to it an application form so that the Eligible Person can apply for Performance Rights in accordance with clause 4.

3.5 Discretion of Board

The Board may exercise its powers in relation to the participation of any Eligible Person on any number of occasions.

4. APPLICATIONS FOR PERFORMANCE RIGHTS

- (1) Upon receipt of an Invitation, an Eligible Person may, within the period specified in the Invitation, apply for any number of Performance Rights up to the maximum number specified in the Invitation by sending to the person nominated by the Company an application in the form attached to the Invitation (“**Application**”) duly completed and signed.
- (2) Each Application must include an agreement by the Eligible Person to be bound by:
 - (a) these Rules; and
 - (b) the constitution of the Company when their Performance Rights vest and the relevant Shares are issued.

5. GRANT OF PERFORMANCE RIGHTS

- (1) On acceptance of a duly completed and signed Application the Company may grant Performance Rights to the Eligible Person, with effect from such date as the Board determines, on the terms set out in the relevant Invitation.
- (2) The Board retains the absolute discretion not to accept an Application by an Eligible Person if, for any reason, that Application is not acceptable to the Board.

6. TERMS OF PERFORMANCE RIGHTS

6.1 Granted for no consideration

Performance Rights granted under the Plan will be granted for no consideration.

6.2 Quotation

The Company will not apply for official quotation by ASX of any Performance Rights.

6.3 Not transferable

- (1) Subject to clause 6.3(2) Performance Rights granted under the Plan are not transferable and will lapse immediately if transferred.
- (2) Clause 6.3(1) will not apply to the transfer of Performance Rights to a legal personal representative of a Participant following the Participant's death.

6.4 No voting rights

A Performance Right does not confer on the Participant a right to vote on any resolution proposed at a general meeting of Shareholders.

6.5 No Dividend Rights

The holder of a Performance Right is not entitled to any dividends.

6.6 No Rights on Winding Up

A Performance Right does not confer on the Participant any right to participate in the surplus profits or assets of the Company upon winding up of the Company.

6.7 Reorganisation of Capital

If at any time the issued capital of the Company is reorganised, a Performance Right may be treated in accordance with the Listing Rules at the time of reorganisation.

6.8 No Other Rights

A Performance Right gives the holder no rights other than those expressly provided by these Rules and those provided at law where such rights at law cannot be excluded by these Rules.

7. LAPSING OF PERFORMANCE RIGHTS

7.1 Performance Rights to lapse

Unless the Board in its absolute discretion determines otherwise, an unvested Performance Right shall automatically lapse upon the earlier of:

- (1) a determination by the Board that the Participant has acted fraudulently, dishonestly or is in breach of their obligations to a Group Company;
- (2) the Participant ceasing to be an Eligible Person for any reason other than Retirement, Permanent Disability, Redundancy or death;
- (3) a resolution being passed to wind up the Company;
- (4) a Takeover Bid occurring, unless the Board has in its absolute discretion determined that the Performance Conditions attaching to the Performance Rights have been satisfied on a pro rata basis over the period of time from the Grant Date to the date of the Takeover Bid and therefore a proportion (as determined by the Board) of the Performance Rights will vest;

- (5) the Performance Conditions attaching to the Performance Right not being met within the prescribed period; and
- (6) any date set out in the relevant Invitation by which the Performance Right will automatically lapse.

7.2 Retirement, Permanent Disability, Retrenchment or Death

If a Participant ceases to be an Eligible Person by reason of Retirement, Permanent Disability, Retrenchment or death, the Board may determine that some or all of a Participant's Performance Rights will vest even if a Performance Condition has not been satisfied. If no such determination is made by the Board within 3 months after the Participant ceases to be an Eligible Person, all Performance Rights held by that Participant will automatically lapse.

8. VESTING OF PERFORMANCE RIGHTS

- (1) Subject to the Rules, each Performance Right granted to a Participant will vest on the date specified in the relevant Invitation.
- (2) The vesting of a Performance Right under clause 8(1) is conditional on the satisfaction of the Performance Conditions attaching to the Performance Right.
- (3) Notwithstanding clause 8(2) and subject to the Listing Rules:
 - (a) the vesting of a Participant's Performance Rights may be subject to such further conditions as determined by the Board; and
 - (b) the Board may determine that some or all of a Participant's Performance Rights will vest even if a Performance Condition has not been satisfied.
- (4) Each Performance Right entitles the Participant to one Share upon vesting.
- (5) Subject to any restriction requirements set out in the relevant Invitation and Application, the Shares into which Performance Rights convert will rank equally in all respects with existing Shares and the Company will apply to ASX for their quotation within the time prescribed by the Listing Rules.
- (6) Subject to any necessary Shareholder approval being obtained under the Listing Rules:
 - (a) upon vesting of Performance Rights, the Participant becomes entitled to be issued the relevant Shares not later than 21 days after the date of vesting;
 - (b) within 7 days after Performance Rights of a Participant have vested, the Company must advise the Participant in writing:
 - (i) that the Participant's Performance Rights under the Plan have vested;
 - (ii) that the relevant Shares will be issued to the Participant personally unless the Participant, within 7 days of the date of the Company's notice under this clause:

- (A) advises the Board in writing that the Participant wishes the relevant Shares to be issued to an Associate of the Participant, and provides the full name of that Associate; and
- (B) provides the Board with a signed application by the Associate for the relevant Shares, which must include an agreement by the Associate to be bound by these Rules and the constitution of the Company in respect of those Shares;
- (iii) the date by which the relevant Shares will be issued; and
- (iv) details of any restrictions on disposing of or otherwise dealing with the relevant Shares; and
- (c) within 21 days after the date of vesting the Company must issue to the Participant or, subject to clause 8(6)(b), his or her Associate (as the case may be) one Share in respect of each of the Participant's Performance Rights that have vested.
- (7) Where the Listing Rules require Shareholder approval to be obtained before the issue of Shares to a Participant whose Performance Rights have vested, the Company must:
 - (a) so advise the Participant within 7 days after a Performance Right under the Plan has vested; and
 - (b) comply with the Listing Rule requirements in relation to the issue of those Shares.

9. CONNECTION WITH OTHER PLANS

- (1) The Company is not restricted to using this Plan as the only method of providing incentive rewards to Eligible Persons. The Board may approve other incentive schemes.
- (2) Participation in the Plan does not affect, and is not affected by, participation in any other incentive or other plan operated by the Group unless the terms of that other plan provide otherwise.

10. AMENDMENT AND TERMINATION OF PLAN

10.1 Amendment

- (1) Subject to clause 10.1(2) and the Listing Rules, the Board may alter, delete or add to these Rules at any time.
- (2) An amendment to these Rules which in the opinion of the Board materially affects the accrued rights or entitlements of a Participant is not to be made without the written consent of the Participant unless the amendment is made primarily to:
 - (a) correct a manifest error;
 - (b) enable a Group Company to comply with applicable laws; or

- (c) take into consideration possible adverse tax implications in respect of the Plan.
- (3) The Board must give written notice of any amendment to the Rules to each affected Participant as soon as reasonably practicable after the amendment is made.
- (4) The Board may determine that any amendment to the Rules be given retrospective effect.

10.2 Termination

The Board may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate.

11. NOTICES

- (1) Notices may be given by the Company to any Eligible Person either personally or by sending by post to the address as noted in the Company's records or to the address (if any) within the Commonwealth of Australia supplied by the Eligible Person to the Company for the giving of notices.
- (2) Notices of any overseas Eligible Person shall be forwarded and posted by air. Where a notice is sent by post the notice shall be deemed to be served on the day after posting. The signature of any notice may be given by any Director or secretary of the Company.
- (3) A Withdrawal Notice shall not be deemed to be served on the Company until actually received.

12. RIGHTS OF ELIGIBLE PERSONS

Nothing in these Rules:

- (1) confers on any Eligible Person the right to receive any Performance Rights until an Invitation is issued under clause 3.1;
- (2) confers on any Eligible Person the right to continue as an employee of or contractor to the Group;
- (3) forms part of any contract of employment or engagement between any Group Company and any of their respective employees or contractors;
- (4) affects any rights which any Group Company may have to terminate the employment or engagement of any Eligible Person; or
- (5) may be used to increase damages in any action brought against any Group Company in respect of the termination of the employment or engagement of any Eligible Person by any Group Company.

13. GENERAL

- (1) The entitlement of Eligible Persons and Participants under the Plan and these Rules are subject to the Company's constitution, the Listing Rules and the Corporations Act.

- (2) Notwithstanding any provisions of these Rules no Shares may be acquired, allocated, assigned, or dealt with if to do so would contravene the Corporations Act, the Listing Rules or any other applicable laws.

14. GOVERNING LAW

This Plan, and the rights of an Eligible Person under the terms and conditions of this Plan are governed by the laws of the state of South Australia.



PNX Metals Limited
ABN 67 127 446 271



Need assistance?

 **Phone:**
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30am (Adelaide time) on Monday 21 October 2019**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Use your computer or smartphone to appoint your proxy and vote at www.investorvote.com.au or scan your personalised QR code below using your smartphone.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of PNX Metals Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of PNX Metals Limited to be held at **Level 3, 170 Frome Street, Adelaide SA 5000 (Grant Thornton) on Wednesday, 23 October 2019 at 10:30am (Adelaide time)** and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Resolutions 1 and 4** (except where I/we have indicated a different voting intention below) even though **Resolutions 1 and 4** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Resolutions 1 and 4** by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Graham Ascough as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr David Hillier as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Employee Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

5 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------------------	--------------------------	--------------------------	--------------------------

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

PNX

999999A



Computershare +