

Chairman's Address – 2019 Annual General Meeting

Good morning everyone, it is my pleasure to welcome you to the 2019 Annual General Meeting for PNX Metals Limited (PNX).

This continues to be a very busy period for PNX.

The Definitive Feasibility Study (DFS) currently underway on our Hayes Creek zinc-gold-silver Project is on schedule and expected to provide increased confidence in all aspects of the Project. We are also investigating opportunities to improve overall Project economics and to meet the Company's objective to be a successful explorer and a sustainable and profitable gold and base metals producer.

Significant levels of work continue on the Environmental Impact Statement (EIS) for Hayes Creek with a current focus on site evaluation, waste rock management, flora and fauna surveys, and stakeholder consultation. The results of this work will be used to prepare the Project's EIS for submission by mid-2020 and will be a key milestone in the development approvals process.

On the exploration side, we are awaiting assays from recently completed drilling at the Fountain Head gold deposit that was designed to test open areas adjacent to the current resource envelope and for potential higher-grade 'trap sites' within the resource estimate.

The Fountain Head site is an integral part of the Hayes Creek Project as it is the preferred location for the processing plant and tailings facility. The area is also host to a number of high-grade gold prospects and recently the Company completed its first JORC compliant mineral resource which contains an estimated 138,000 oz of gold (see ASX announcement dated 11 July 2019).

The relative values of mining some or all of these mineral resources versus using the historic open pits for tails from the Hayes Creek Project, and staged development of mining and processing via gold heap leaching prior to processing resources from the Hayes Creek Project is currently under evaluation. James Fox, our Managing Director will provide further detail on this opportunity and other activities in his presentation at the end of today's meeting.

The Board and management remain confident that continued exploration work will be successful in growing the resource base on our NT projects and that the completion of the DFS at the Hayes Creek Project in 2020 will provide confidence in this development opportunity, with the potential to deliver strong returns for PNX shareholders.

In closing, I would like to take this opportunity to express my thanks to my fellow directors, management and staff for their dedication and work during the past 12 months. We are committed to progressing the Company and growing our flagship Hayes Creek Project towards development for the benefit of all stakeholders.

I also take this opportunity to thank all shareholders for your continued support of PNX and I look forward to providing further updates as our activities move forward in 2020.

Graham Ascough

Chairman

PNX Metals Limited