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25 September 2020

Dear Shareholder

PNX Metals Limited (ABN 67 127 446 271) (PNX or Company) is convening its Annual General Meeting (AGM) to be held at the offices of Grant Thornton, Level 3, 170 Frome Street, Adelaide, South Australia on Wednesday, 28 October 2020 at 10:30 am (CDST).

The Company and the Board are acutely aware of the current circumstances resulting from COVID-19 and the impact it is having, and is likely to continue to have, on physical meetings. Accordingly, the Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place to comply with the State and Federal Government's current restrictions for physical gatherings.

In accordance with subsection 5(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020, the Company will not be dispatching physical copies of the Notice of Meeting (Notice). Instead, a copy of the Notice will be available in the "**Annual General Meeting**" option under the "**Investors**" section of the Company's website at <https://pnxmetals.com.au/annual-general-meeting/>.

As you have not elected to receive notices by email, a copy of your personalised proxy form is enclosed for your convenience. Shareholders are encouraged to complete and lodge their proxies online or otherwise in accordance with the instructions set out in the proxy form and the Notice. Your proxy voting instruction must be received by 10:30 am (CDST) on Monday, 26 October 2020, being not less than 48 hours before the commencement of the AGM. Any proxy voting instructions received after that time will not be valid for the AGM.

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser or other professional adviser. If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry, Computershare Investor Services Pty Limited on, 1300 850 505 (within Australia) or +61 (3) 9415 4000 (overseas).

Circumstances relating to COVID-19 are constantly changing. The Company will update shareholders if changing circumstances will impact the planning or arrangements for the Meeting by way of announcement on ASX and the details will also be made available on the Company's website at [www.pnxmetals.com.au](http://www.pnxmetals.com.au). The Company appreciates the understanding of shareholders during this time.

Yours faithfully

A handwritten signature in black ink, appearing to read 'G. Ascough'.

Graham Ascough  
Chairman  
PNX Metals Limited



**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 28<sup>th</sup> October 2020**
- 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.

### **COVID-19**

If you are attending in person please bring your Proxy form with you to assist registration. Given the restrictions in force and the uncertainty and potential health risks arising from the rapidly evolving Coronavirus (COVID-19) pandemic, PNX Metals strongly encourages and requests Shareholders to lodge a directed proxy in advance of the meeting. PNX Metals reserves the right to change the physical meeting to a virtual meeting, in the case this eventuates PNX Metals will release an announcement on the ASX with updated meeting details.

**Please note** that the Company's 2020 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

### 2020 Financial Statements

To receive and consider the Company's Directors' Report, Financial Statements and Auditor's Report for the year ended 30 June 2020.

## 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 2020."*

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 Paul Dowd as a Director

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

*"That Mr Paul Dowd, 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 Hans-Jörg Schmidt as a Director

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

*"That Mr Hans-Jörg Schmidt, a director retiring in accordance with clause 2.4(2) of the Company's constitution and Listing Rule 14.4, and being eligible for re-election, be re-elected as a director of the Company"*.

### RESOLUTION 4 Subsequent approval under ASX Listing Rule 7.4 of securities issued under ASX Listing Rules 7.1

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the 33,333,334 Shares issued without Shareholder approval under ASX Listing Rule 7.1 on 23 March 2020 to sophisticated and professional investors, as outlined in the Explanatory Notes accompanying this Notice of Meeting, be approved."*

### RESOLUTION 5 Issue of Performance Rights to Mr James Fox

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

*"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 25,000,000 Performance Rights to the Company's Managing Director & CEO James Fox on the terms and conditions specified in the Explanatory Notes accompanying this Notice of Meeting."*

## **SPECIAL BUSINESS**

### **RESOLUTION 6 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 of Meeting."*

### **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 Resolutions 4 by the sophisticated and professional investors who participated in the 23 March 2020 placements, and any associates of those parties.

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;
- 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; or

- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 1. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - 2. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### Resolution 5

The Company will disregard any votes cast in favour of Resolution 5 by Mr James Fox (being the only director eligible to participate in the PNX Metals Limited Employee Performance Rights Plan), or a nominee(s) of Mr James Fox, if the resolution is passed, and associates of any of those persons.

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.
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 1. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - 2. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Members of Key Management Personnel, and any Closely Related Party of such Key Management Personnel, will not be entitled to vote undirected proxies on Resolution 5, other than the Chair, provided he is expressly authorised in the proxy form to vote in accordance with his stated voting intentions. Please note that if the Chair of the meeting is your proxy (or becomes your proxy by default), by completing the attached proxy form, you will expressly authorise the Chair to exercise your proxy on Resolution 5 even though it is connected directly or indirectly with the remuneration of a member of Key Management Personnel for the Company, which includes the Chair.

#### Resolution 6

The Company will disregard any votes cast in favour of Resolution 6 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 6 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](http://www.intermediaryonline.com)

Shareholders can also cast their proxy votes online, including by smartphone, at [www.investorvote.com.au](http://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 26 October 2020**.

### **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 6:30pm Adelaide time on **Monday 26 October 2020**.

### **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: 25 September 2020

## **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 28 October 2020 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 2020 (including the financial statements, directors' report and auditors' report) was included in the 2020 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](http://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 **21 October 2020**, 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 2020 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](http://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 2019 AGM, 99.5% were in favour of the Company's remuneration report for the year ended 30 June 2019.

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 Paul Dowd as a Director**

Mr. Dowd was appointed to the Board in September 2007 and he has over 50 years' experience in the mining industry in Australia and many overseas countries. In April 2012 he retired as Managing Director of PNX, a position he assumed in September 2008. Mr. Dowd's experience includes executive management roles including Vice President of Newmont Mining Corporation's Australian and New Zealand Operations and Managing Director of Newmont Australia Limited, and as a senior public servant – head of the resources and petroleum department in the Kennett Government of Victoria. In 2015, he retired as Chairman of the SA Mineral Resources & Heavy Engineering Skills Centre but remains on the Board. In 2017, Mr. Dowd retired as a non-executive director of Oz Minerals Limited after 8 years of service. He is a non-executive director of Energy Resources of Australia Limited (ERA), a board member of the Sustainable Minerals Institute (University of Queensland) and retired as Chairman, but remains a Councillor of the Mineral Resources Sector Advisory Council of the CSIRO.

Mr. Dowd has a direct interest in 500,000 Shares, an indirect interest in 21,354,638 Shares and 6,250,000 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. Dowd voluntarily retires at the close of the Meeting. Being eligible, Mr. Dowd 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. Dowd as a director of the Company.

The Directors (other than Mr. Dowd) 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 Hans-Jörg Schmidt as a Director**

Clause 2.4(2) of the Company's constitution and Listing Rule 14.4 requires that a director who is appointed to fill a casual vacancy must not hold office without re-election at the next AGM.

Mr Hans-Jörg Schmidt, who was appointed as a director on 11 November 2019, retires in accordance with the Company's Constitution and Listing Rule 14.4 and being eligible, offers himself for re-election as a Director.

Based in Monaco, Mr Schmidt has a Master of Business & Administration from the University of Mannheim (Germany) and has a strong track record of business start-up and investment management. He is an experienced Private Equity Investor, working and investing across a broad range of industries and has held senior positions in investment banking and investment research firms along with director roles for publicly listed Companies in Europe. He has advised boards and management teams on investment decisions, financings and transactions across a broad range of industries.

Mr Schmidt does not currently hold any securities in the Company.

To enable compliance with clause 2.4 of the Company's constitution, Mr Schmidt voluntarily retires at the close of the Meeting. Being eligible, Mr Schmidt has offered himself for re-election in accordance with clause 2.4(2) of the Company's constitution.

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

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

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

#### **RESOLUTION 4 Subsequent approval under ASX Listing Rule 7.4 of securities issued under ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a listed company may only issue or agree to issue up to 15% of the company's ordinary issued capital in any 12-month period, unless shareholder approval is obtained (subject to certain exceptions).

Listing Rule 7.1A enables certain eligible entities to seek shareholder approval to issue equity securities up to 10% of its issued share capital over a 12-month period after the annual general meeting at which a resolution regarding Listing Rule 7.1A is passed by special resolution. At the Company's last AGM on 23 October 2019, the Company obtained approval from Shareholders to issue equity securities under Listing Rule 7.1A.

ASX Listing Rule 7.4 allows a listed company in a general meeting to subsequently approve an issue of securities for the purpose of ASX Listing Rule 7.1, provided the company did not breach ASX Listing Rule 7.1. The effect of such an approval is that the issue of securities is then deemed to have been made with shareholder approval, thus not counting towards the 15% limit or the 10% limit (as applicable). The approved securities are also included in the base number for calculating the Company's 15% limit and 10% limit, thereby increasing the number of equity securities the Company can issue without first having to obtain Shareholder approval under Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue equity securities into the future without having to obtain shareholder approval for issues under Listing Rule 7.1.

Resolution 4 seeks subsequent shareholder approval of the securities issued on 23 March 2020 that have not been approved by Shareholders, as described below, pursuant to ASX Listing Rule 7.4. These securities did not come within an exception in Listing Rule 7.2 and were issued without Shareholder approval under ASX Listing Rule 7.1. Accordingly, these securities use up part of the Company's 15% limit, reducing the Company's capacity to issue further equity securities under Listing Rule 7.1 without shareholder approval for the 12-month period following the issue date.

If Resolution 4 is approved, these securities will be excluded from the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without shareholder approval under Listing Rule 7.1. This means the Company will be entitled under ASX Listing Rule 7.1 to issue up to 15% of its ordinary issued capital, if required, in the next 12 months without shareholder approval.

If Resolution 4 is not approved, these securities will be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without shareholder approval in the 12-month period from the issue date.

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- a) **Number of securities issued** – 33,333,334 Placement Shares were issued on 23 March 2020.
- b) **Issue price of the securities issued** – the Placement Shares were issued at a price of 1.5 cents per Share, being a premium to the closing price of 0.4 cents per share on the date of issue.
- c) **Terms of the issued shares** – the Placement Shares rank equally with all existing Shares on issue.
- d) **Recipients of the issued shares** – The Placement Shares were issued to Sochrastem SA and Mr Robert Leon.
- e) **Use of funds** – The funds raised to be used to advance the development of the Fountain Head gold Project.
- f) **Voting exclusion statement** - A voting exclusion statement is set out in the Notice of Meeting.

The Directors unanimously recommend that shareholders vote in favour of this Ordinary Resolution 4.

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

## **RESOLUTION 5 Issue of Performance Rights to Mr James Fox**

ASX Listing Rule 10.14 provides that a director of a company, or any associates of that director, must not acquire securities under an employee incentive scheme without shareholder approval.

In September 2020, the Board of Directors (with James Fox abstaining) resolved, subject to shareholder approval, to offer Mr Fox 25,000,000 Performance Rights under the Company's Employee Performance Rights Plan (**Plan**). The proposed offer of Performance Rights to Mr Fox is in conjunction with a wider offering of Performance Rights to eligible employees and contractors of the Company under the Plan. The purpose of the overall offering is to provide appropriate incentives for management in line with the Company's key operating and strategic goals, and to assist in retaining key management personnel and attracting equally high calibre candidates to future key management positions.

The proposed Performance Rights have the following performance conditions (**Performance Conditions**) that must be met in order for the Performance Rights to vest:

- **Share Price Performance condition** - 6,250,000 (25%) will vest if the Company's share price increases by at least 100% based on a 12-month VWAP for a financial year under review during the term of the performance rights when compared to the previous financial year.
- **Permitting condition** - 6,250,000 (25%) will vest if the Company receives all required government approvals (approved Environmental Impact Statement and Mining Management Plan) for the construction of an operating mine at Fountain Head.
- **Production condition** - 6,250,000 (25%) will vest upon the receipt of payment for the first sale of product from the commencement of production on the Fountain Head mining lease.
- **Discovery condition** - 6,250,000 (25%) will vest if the Company delineates through exploration, or secures through acquisition, new resources and reserves to extend mine life by at least 2 years (or at least double the Fountain Head resource inventory either at Fountain Head or elsewhere within trucking distance of Fountain Head).

**Safety Performance** - the Performance Rights are all subject to a Safety Performance condition in that each lost time injury ('LTI', as defined by Standards Australia) suffered by an employee or consultant due to a deficiency in PNX Metals Limited's safety management systems during the term of the Performance Rights will result in a 10% reduction in the total number of unvested Performance Rights (for example, 2 LTI's will result in a 20% reduction in total unvested Performance Rights). The maximum reduction in the number of Performance Rights is capped at 30% of the total offered.

If a Performance Condition is met at any time up to - the third anniversary of the allotment of the Performance Rights, as indicated above, the 6,250,000 Performance Rights the subject of that Performance Condition will vest and entitle Mr Fox to 6,250,000 Shares (subject to any reduction due to Safety Performance). If all of the four Performance Conditions are met by the respective relevant dates, Mr Fox will be entitled to a total of 25,000,000 Shares (subject to any reduction due to Safety Performance).

If a Performance Condition is not met by the third anniversary of the allotment of the Performance Rights, the Performance Rights, the subject of that Performance Condition, will lapse.

Resolution 5 seeks approval under Listing Rule 10.14 for the issue of the 25,000,000 Performance Rights under the Plan to Mr Fox.

If Resolution 5 is approved, the Company may proceed with the issue of the 25,000,000 Performance Rights to Mr Fox or his nominee under the Plan. If Resolution 5 is not approved, the Company may not issue the Performance Rights to Mr Fox and the Company will consider alternative methods to incentivise management and assist in retaining key management personnel.

No amounts will be payable by Mr Fox in relation to the Performance Rights, or for any Shares issued on the vesting of any of the Performance Rights.

The following information is provided in accordance with ASX Listing Rule 10.15:

- 1) James Fox is a director of PNX Metals Limited.
- 2) The maximum number of securities that may be acquired by Mr Fox under this resolution is 25,000,000 Performance Rights (that may each vest for a Share, subject to the vesting conditions and safety performance).
- 3) The total current remuneration package for Mr Fox is a salary of \$275,000, plus statutory superannuation currently at 9.5% of salary and the use of a Company provided motor vehicle. Mr Fox has also been granted Performance Rights previously, as outlined in paragraph 5 below.
- 4) No amount is payable for the securities that may be acquired by Mr Fox.
- 5) The Company's Employee Performance Rights Plan was last approved by shareholders at the Company's AGM on 24 October 2019.  
At the Company's AGM held on 24 October 2018, James Fox received the following Performance Rights under the Employee Performance Rights Plan:
  - a. 5,000,000 on 3 December 2018. These Performance Rights remain on issue, and have not yet vested and remain subject to the performance conditions being achieved by 3 December 2020. The relevant performance conditions are outlined in the Appendix 3B lodged with the ASX on 3 December 2018.
  - b. 5,000,000 on 3 December 2018. These Performance Rights remain on issue, and have not yet vested and remain subject to the performance conditions being achieved by 3 December 2021. The relevant performance conditions are outlined in the Appendix 3B lodged with the ASX on 3 December 2018.

At the Company's General Meeting held on 15 February 2017, James Fox was granted 4,000,000 Performance Rights under the Employee Performance Rights Plan of which 800,000 vested with 800,000 shares issued on 4 August 2017 and 2,400,000 lapsed with performance conditions not being met.

No amounts were payable for the grant of these Performance Rights or are payable on conversion of the Performance Rights to Shares.

No other director, or associates of any other director, has received any securities under the Company's Employee Performance Rights Plan since it was last approved by shareholders.

- 6) James Fox, as an executive director, is the only director who may participate in the Company's Employee Performance Rights Plan.
- 7) There is no loan in relation to the securities that may be acquired by Mr Fox.
- 8) The securities will be issued within three months of the date shareholder approval is obtained.
- 9) Under the Plan, the Board may offer to grant Performance Rights to eligible persons, including employees, contractors and executive directors with at least 12 months continuous service with the Company. 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 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:
  - a. provide eligible participants with an ownership interest in the Company; and
  - b. provide additional incentives for eligible persons.

Details of any Performance Rights issued under the Plan will be published in the Company's annual report relating to the period in which they are issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after Resolution 5 is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under that rule.

#### **Chapter 2E of the Corporations Act**

Under Section 208 of the Corporations Act, a 'financial benefit' cannot be provided to related parties (which includes directors) of a Company without shareholder approval unless an exception applies. The issue of Performance Rights to Mr Fox constitutes the giving of a financial benefit. Under Section 211, shareholder approval is not required in order to give a financial benefit if that benefit is reasonable remuneration given to an officer or employee of the company, and to give the remuneration would be reasonable given the circumstances of the company and the related party's circumstances (including the responsibilities involved in the office or employment).

The Directors (excluding Mr Fox), are of the view that the issue of 25,000,000 Performance Rights as described above represents reasonable remuneration, given the circumstances of the Company and in the circumstances of Mr Fox, including his position as MD & CEO, his total remuneration, and the remuneration of his peers within the minerals exploration industry in Australia. In addition, the proposed issue of Performance Rights is considered to provide appropriate incentives for Mr. Fox and aligns his interests with those of the Company's Shareholders. An independent valuation of the Performance Rights has not been obtained, but on the basis of the Company's 5-Day VWAP of 1.11 cents per share calculated at 14 September 2020, the Performance Rights are valued by the Company at \$278,234 (assuming all Performance Rights ultimately vest).

Accordingly, the Directors (other than Mr Fox) are of the view that the exception in Section 211 applies in the circumstances and Shareholder approval is not required for the purposes of Section 208 of the Corporations Act.

#### **ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities (or rights to securities) to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies. Exception 4 of Listing Rule 10.12 provides an exception for an issue of securities under an employee incentive scheme made with the approval of shareholders under Listing Rule 10.14.

#### **ASX Listing rule 7.1**

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Performance Rights if approval is obtained under Listing Rule 10.14. Accordingly, the issue of Performance Rights will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

A voting exclusion statement for Resolution 5 is set out in the Notice of Meeting.

A majority of Directors (other than Mr Fox) recommend that Shareholders vote in favour of Resolution 5.

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

## **SPECIAL BUSINESS**

### **RESOLUTION 6 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 2019 Annual General Meeting (**2019 AGM**) Shareholder approval was obtained regarding the availability of the 10% Placement Facility for the 12-month period ending 23 October 2020. There have been no Equity Securities issued under Listing Rule 7.1A in the 12-month period since the 2019 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 6 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 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 6.

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 2,542,621,476 Shares and, subject to Resolution 4 being passed, will therefore have a capacity to issue:

- (i) 381,393,221 Equity Securities under ASX Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under this Resolution, 254,262,148 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 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

## 2. Risk of economic and voting dilution

If this Resolution 6 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; and
- (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.

The table below shows the potential dilution of existing Shareholders on the basis of the market price of Shares of 1.1 cents as of 16 September 2020 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		
		\$0.0055 50% decrease in Issue Price	\$0.011 Issue Price	\$0.022 100% increase in Issue Price
Current variable "A" <b>2,542,621,476</b> Shares	<b>10% Voting Dilution</b>	254,262,148 Shares	254,262,148 Shares	254,262,148 Shares
	<b>Funds Raised</b>	\$1,398,442	\$2,796,884	\$5,593,767
<b>50% increase</b> in current variable "A" <b>3,813,932,214</b> Shares	<b>10% Voting Dilution</b>	381,393,221 Shares	381,393,221 Shares	381,393,221 Shares
	<b>Funds Raised</b>	\$2,097,663	\$4,195,325	\$8,390,651
<b>100% increase</b> in current variable "A" <b>5,085,242,952</b> Shares	<b>10% Voting Dilution</b>	508,524,295 Shares	508,524,295 Shares	508,524,295 Shares
	<b>Funds Raised</b>	\$2,796,884	\$5,593,767	\$11,187,534

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 \$0.011, being the closing price of the Shares on ASX on 16 September 2020.

### 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 6 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 intends to use any funds raised under the 10% Placement Facility towards an acquisition of new assets (including expenses associated with such acquisition(s)), continued exploration on the Company's current exploration licenses, advancement of the development of its Fountain Head gold 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.

If Resolution 6 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 23 October 2019. **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 28 October 2020 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 28 October 2020 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 6.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

The Chairman intends to vote undirected proxies in favour of Resolution 6.

## 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 28 October 2020 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 6)

Total Equity Securities on Issue 12 months prior to 28 October 2020	<b>2,435,288,142</b>
Total number of Equity Securities Issued in the 12 months prior to 28 October 2020 #	<b>107,333,334</b>
Percentage Issued of the Total Equity Securities on Issue 12 months prior to 28 October 2020	<b>4.4%</b>

# Equity securities issued include 107,333,334 Ordinary Shares.

## **Equity Securities issued in 12 months prior to 28 October 2020:**

Date of issue	23 March 2020	23 March 2020
<b>Number of Equity Securities issued</b>	74,000,000	33,333,334
<b>Class/Type of Equity Security</b>	Shares	Shares
<b>Summary of terms</b>	Fully paid ordinary shares issued at a price of 1.5 cents per share pursuant to the exercise of 74,000,000 unquoted options expiring 30/09/2021 exercisable at 1.5 cents.	Fully paid ordinary shares issued under Listing Rule 7.1 at a price of 1.5 cents per share pursuant to Subscription Agreements with sophisticated investors.
	Note 1	Note 2
<b>Names of persons who received securities or basis on which those persons were determined</b>	DELPHI Unternehmensberatung Aktiengesellschaft	1) Sochrastem SA 2) Mr Robert Leon
<b>Price</b>	\$0.015	\$0.015
<b>Discount to closing market price on issue date</b>	Nil	Nil
<i><b>For cash issues</b></i>		
<b>Total cash consideration received:</b>	\$1,110,000 before costs	\$500,000 before costs
<b>Amount of cash consideration spent:</b>	N/A	N/A
<b>Use of cash consideration:</b>	The funds raised to be used to advance feasibility studies and approvals for a heap leach operation as a low-cost, scalable option for the Fountain Head gold Project.	The funds raised to be used to advance feasibility studies and approvals for a heap leach operation as a low-cost, scalable option for the Fountain Head gold Project.
<b>Intended use for remaining amount of cash (if any):</b>	N/A	N/A
<i><b>For non-cash issues</b></i>	N/A	N/A

### **Notes:**

1. Shares issued as a result of the exercise of 74,000,000 unquoted options expiring 30/09/2021 exercisable at 1.5 cents.
2. Shares issued under Listing Rule 7.1 available capacity



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](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30 AM (Adelaide time) on Monday, 26 October 2020.**

# 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.

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number: 134273**

**SRN/HIN:**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://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.

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

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 The Offices of Grant Thornton, Level 3/170 Frome Street, Adelaide, SA 5000 on Wednesday, 28 October 2020 at 10:30 AM (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 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 5 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 5 by marking the appropriate box in step 2.

## 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.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Paul Dowd as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mr Hans-Jörg Schmidt as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Subsequent approval under ASX Listing Rule 7.4 of securities issued under ASX Listing Rules 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Issue of Performance Rights to Mr James Fox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 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.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically