

## ASX Announcement

30 November 2020

This announcement has been authorised to be lodged with the ASX by the Board of Directors of PNX Metals Limited.



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# Placement and Rights Issue to raise up to \$6.67M to advance Fountain Head Gold Project and PNX's Exploration Strategy

- **Firm commitments received for a Placement to raise \$2.27 million including from existing substantial shareholder DELPHI**
- **Non-renounceable Entitlement Offer to eligible shareholders at the same price as the placement to raise up to \$4.4 million**
- **Capital Raising to support feasibility and development activities at PNX's 100% owned Fountain Head Gold Project, and significant near-mine and regional exploration**

PNX Metals Limited (ASX: PNX) ("PNX", "the Company") is pleased to announce that it has received firm commitments for a placement to eligible professional and sophisticated investors, including existing substantial shareholder DELPHI Unternehmensberatung Aktiengesellschaft ("DELPHI"), of 378,333,333 fully paid ordinary shares in the Company at an issue price of 0.6c per share (New Shares) to raise approximately \$2.27 million before costs.

The Company is offering eligible shareholders the opportunity to acquire New Shares at the same price as the placement (\$0.6c per share) through a one (1) for four (4) non-renounceable pro-rata rights issue to raise up to \$4.4 million (before costs and expenses) ("Entitlement" or "Offer"), see below for further details of the Offer.

Significant support shown by existing key shareholders and new investors is a strong endorsement of the Fountain Head Gold Project ("Fountain Head" or "Project") and the Company's exploration and development strategy, and will facilitate de-risking of the next stage of Project development.

The proceeds of the Offer will be used to accelerate activities at the 100% owned Fountain Head gold and Hayes Creek zinc-gold-silver Projects including feasibility work and Government and Environmental approvals submission.

Near-mine and regional gold exploration will also re-commence to test new exploration targets with the potential to host additional gold resources, identified during a recent geological review of the Company's significant exploration portfolio also located approximately 170km south of Darwin in the Pine Creek region of the Northern Territory.

### Managing Director's Comments

*PNX Managing Director James Fox said: "This support for the Company through a Placement and Rights Issue is a strong endorsement of the quality of PNX's Northern Territory exploration and development assets that include the 100% owned Fountain Head gold and Hayes Creek zinc-gold-silver Projects. We would like to thank existing shareholders for their continued support of the Company's exploration and development strategy."*

*This funding will see the Company through a significant period of Project development and gold exploration activity over the next 12 months, whilst allowing for flexibility to assess and potentially acquire any 'bolt-on' assets identified in the region.*

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*Exploration will be rapidly advanced, and will include drill testing newly identified target areas that lie within a three-kilometre radius of Fountain Head that have the potential to add materially to the existing gold resource base. We look forward to delivering on the potential for the Projects to create significant value for the Company's shareholders."*

### **Details of the Offer**

The non-renounceable pro-rata Rights Issue will be undertaken on the basis of one (1) New Share for four (4) existing shares held, at an issue price of 6c (\$0.006) to raise approximately \$4.4 million (before costs and expenses).

The issue price of 0.6c under the Offer represents an approximate 30.69% discount to the volume weighted average market price of PNX shares for the five trading days prior to 26 November 2020, and a discount of approximately 25% to the Company's last closing price of \$0.008 on 25 November 2020.

Following the issue of the 378,333,333 shares relating to the Placement to eligible professional and sophisticated investors, the maximum number of New Shares to be issued under the Rights Issue is 730,238,702 (based on the undiluted share capital of PNX Metals as at the close of trade on 25 November 2020, without taking into account the impact of rounding).

The Rights issue is expected to raise up to \$4.4 million (before costs and expenses).

The Rights Issue is non-renounceable. This means that a shareholder's right to subscribe for New Shares under the Rights Issue is not transferable

### **Other Matters**

New Shares being offered under the Rights Issue will be offered to registered holders of shares with registered addresses in Australia, New Zealand, Germany, Singapore, Hong Kong, the United Kingdom and Malaysia as at 6:30pm Adelaide time on 3 December 2020 ("Eligible Shareholders"). These shareholders will be entitled to participate if they are a registered holder on the Record Date.

Shareholders will be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act in relation to an application for their Entitlements.

Existing shareholders can apply for additional New Shares above their allocated Entitlements in accordance with the Offer, provided that no shareholder will be able to increase its shareholding above 20% as a result of taking up shortfall.

Holders of existing options for PNX shares have been given notice of their right to exercise their options in order to be eligible to participate in the Rights Issue in respect of the shares underlying their options.

The Rights Issue will be conducted without a prospectus in accordance with section 708AA of the Corporations Act 2001 (Cth) (Act).

The application for quotation of New Shares will be lodged with the ASX on completion of the Rights Issue.

Full details of the Rights Issue are set out in the Offer Memorandum and Appendix 3B lodged with ASX today. The Offer Memorandum will be sent to Eligible Shareholders on 8 December 2020.

## Indicative Timetable

The anticipated timetable for the Rights Issue is as follows:

| MILESTONE                                    | ACTIVITY  | DATE             |
|--|---|------------------|
| <b>Announce Rights Issue</b>                 | Offer Memorandum, ASX Appendix 3B and Cleansing Notice lodged with ASX.                                   | 30 November 2020 |
| <b>Notice to Shareholders</b>                | Notice of Offer sent to Shareholders containing information required by Appendix 3B.                      | 1 December 2020  |
| <b>Ex date</b>                               | The date on which Shares commence trading without the entitlement to participate in the Offer.            | 2 December 2020  |
| <b>Record Date</b>                           | The date for determining entitlements of Shareholders to participate in the Offer (6:30pm Adelaide time). | 3 December 2020  |
| <b>Offer Memorandum</b>                      | Despatch of Offer Memorandum and Acceptance Forms, and Offer opens for acceptance.                        | 8 December 2020  |
| <b>Rights Issue Closing Date</b>             | The last day for receipt of Acceptance Forms (5:00pm Adelaide time).                                      | 17 December 2020 |
| <b>Deferred Settlement Trading Commences</b> | New Shares commence quotation on ASX on deferred settlement basis.  | 18 December 2020 |
| <b>Shortfall Notification</b>                | PNX to notify ASX of Rights Issue shortfall.  | 22 December 2020 |
| <b>Allotment of New Shares</b>               | Allotment of New Shares.<br>Deferred settlement trading ends.   | 24 December 2020 |
| <b>Normal Trading</b>                        | Expected commencement of normal trading in New Shares on ASX.   | 29 December 2020 |
| <b>Holding Statements</b>                    | Despatch of holding statements to Shareholders who accepted the Offer.                                    | 4 January 2021   |

*PNX Metals reserves the right to amend this timetable subject to the Listing Rules.*

## Use of Funds

The proceeds of the Offer will be used for the following:

- to undertake significant activity at the 100% owned Fountain Head Gold Project and at the Hayes Creek zinc-gold-silver projects including feasibility and Government and Environmental approvals submission;
- near mine and regional exploration;
- project assessments and potential acquisitions of 'bolt-on' assets;
- general corporate costs and costs associate with the Offer.

For further information please visit the Company's website [www.pnxmetals.com.au](http://www.pnxmetals.com.au), or with queries concerning the Rights Issue please contact the Company directly.

### General Queries

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### Rights Issue Queries

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