



PNX Metals Limited
ABN 67 127 446 271

Need assistance?



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PNX

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

PNX Metals Limited Annual General Meeting

The PNX Metals Limited Annual General Meeting will be held on Wednesday, 27 October 2021 at 10:30am (Adelaide time). You are encouraged to participate in the meeting using the following options:



MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:

Control Number:

SRN/HIN:

For your proxy appointment to be effective it must be received by 10:30am (Adelaide time) Monday 25 October 2021.



ATTENDING THE MEETING IN PERSON

The meeting will be held at:
Grant Thornton
Level 3, 170 Frome Street
Adelaide SA 5000



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 27th October 2021**
- 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 various strains of the 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 2021 Annual Report can be viewed at the Company's website at <http://www.pnxmetals.com.au/annual-and-half-yearly-reports/>

This document and other meeting documentation will be available to shareholders by visiting www.investorvote.com.au using the personalised access and proxy information dispatched to shareholders today.

This document and other meeting documentation can also be viewed and accessed at the Company's website at <https://pnxmetals.com.au/annual-general-meeting/>.

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

2021 Financial Statements

To receive and consider the Company's Directors' Report, Financial Statements and Auditor's Report for the year ended 30 June 2021.

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 2021."

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 Hansjoerg Plaggemars as a Director

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

"That Mr Hansjoerg Plaggemars, 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 Re-election of Mr Richard Willson as a Director

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

"That Mr Richard Willson, 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 5 Re-election of Mr Frank Bierlein as a Director

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

"That Mr Frank Bierlein, 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 6 Ratification 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 378,333,333 Shares issued without Shareholder approval under ASX Listing Rule 7.1 on 2 December 2020 to sophisticated and professional investors, as outlined in the Explanatory Notes accompanying this Notice of Meeting, be approved."

RESOLUTION 7 Ratification 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 1,000,000 Shares issued without Shareholder approval under ASX Listing Rule 7.1 on 24 December 2020 to a service provider, as outlined in the Explanatory Notes accompanying this Notice of Meeting, be approved."

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 or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; 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

There are no voting exclusions in relation to Resolution 4.

Resolution 5

There are no voting exclusions in relation to Resolution 5.

Resolution 6

The Company will disregard any votes cast in favour of Resolution 6 by the sophisticated and professional investors who participated in the 2 December 2020 placement, and any associates of those parties.

However, the Company need not disregard a vote cast in favour of Resolution 6 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 7

The Company will disregard any votes cast in favour of Resolution 7 by a service provider of the Company, who was issued shares on 24 December 2020, and any associates of that service provider.

However, the Company need not disregard a vote cast in favour of Resolution 7 if:

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

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 25 October 2021**.

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 25 October 2021.**

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: 24 September 2021

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 27 October 2021 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 2021 (including the financial statements, directors' report and auditors' report) was included in the 2021 annual report of the Company, a copy of which may accompany this Notice and 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 **21 October 2021**, 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 2021 is set out in the Directors' Report in the Annual Report, which may accompany this Notice and 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 2020 AGM, 99.9% were in favour of the Company's remuneration report for the year ended 30 June 2020.

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 13,833,166 Shares and 3,125,000 unquoted options with an exercise price of 1.464 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 Hansjoerg Plaggemars 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 Hansjoerg Plaggemars, who was appointed as a director on 28 November 2020, 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 Germany, Mr Plaggemars is an experienced company director with a strong background in corporate finance, corporate strategy, and governance. He has qualifications in Business Administration and has served on the Board of Directors of many listed and unlisted companies in a variety of industries including mining, agriculture, shipping, construction, and investments. Mr. Plaggemars has previously served on the Board of Delphi Unternehmensberatung Aktiengesellschaft, the Company's major shareholder.

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

To enable compliance with clause 2.4 of the Company's constitution, Mr Plaggemars voluntarily retires at the close of the Meeting. Being eligible, Mr Plaggemars 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 Hansjoerg Plaggemars as a director of the Company.

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

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

RESOLUTION 4 Re-election of Mr Richard Willson 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 Richard Willson, who was appointed as a director on 18 June 2021, retires in accordance with the Company's Constitution and Listing Rule 14.4 and being eligible, offers himself for re-election as a Director.

Mr Willson is an experienced, Non-Executive Director, Company Secretary and CFO with more than 20 years' experience with both publicly listed and private companies. Mr Willson holds a Bachelor of Accounting Degree from the University of South Australia, is a Fellow of CPA Australia, and a Fellow of the Australian Institute of Company Directors. He is a Non-Executive Director of Titomic Limited (ASX:TTT), AusTin Mining Limited (ASX:ANW), Thomson Resources Limited (ASX:TMZ), 8IP Emerging Companies Limited (ASX:8EC), Unity Housing Company Ltd and Variety SA; and Company Secretary of a number of ASX listed Companies. Mr Willson is the Chairman of the Audit Committee of Titomic Limited, AusTin Mining Limited, 8IP Emerging Companies Limited, and Unity Housing Company, and is the Chairman of the Remuneration & Nomination Committee of Titomic Limited.

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

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

Accordingly, Resolution 4 provides for the re-election of Mr Richard Willson as a director of the Company.

The Directors (other than Mr Willson) recommend that Shareholders vote in favour of Resolution 4.

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

RESOLUTION 5 Re-election of Dr Frank Bierlein 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.

Dr Frank Bierlein, who was appointed as a director on 18 June 2021, retires in accordance with the Company's Constitution and Listing Rule 14.4 and being eligible, offers himself for re-election as a Director.

Dr Bierlein is a geologist with 30 years of experience as a consultant, researcher, lecturer and industry professional. Dr Bierlein has held exploration and generative geology management positions with QMSD Mining Co Ltd, Qatar Mining, Afmeco Australia and Areva NC, and consulted for, among others, Newmont Gold, Resolute Mining, Goldfields International, Freeport-McMoRan, and the International Atomic Energy Agency. He was a non-executive director of Gold Australia Pty Ltd from 2015 to 2019, and chaired the Advisory Board of a Luxemburg-based private equity fund between 2014 and 2021. Dr Bierlein has worked on six continents spanning multiple commodities, and over the course of his career has published and co-authored more than 130 articles in peer-reviewed scientific journals. Dr Bierlein obtained a PhD (Geology) from the University of Melbourne, is a Fellow of the Australian Institute of Geoscientists (AIG), and a member of both the Society of Economic Geologists (SEG) and the Society of Geology Applied to Mineral Deposits.

Dr Bierlein is not considered an independent director due to the consulting services he provides to substantial holder, Delphi Unternehmensberatung Aktiengesellschaft.

Dr Bierlein does not currently hold any securities in the Company.

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

Accordingly, Resolution 5 provides for the re-election of Dr Frank Bierlein as a director of the Company.

The Directors (other than Dr Bierlein) recommend that Shareholders vote in favour of Resolution 5.

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

RESOLUTION 6 Ratification 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).

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. The approved securities are also included in the base number for calculating the Company's 15% 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 6 seeks subsequent shareholder approval of the securities issued on 2 December 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 6 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 over the 12-month period from the issue date.

If Resolution 6 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** – 378,333,333 Placement Shares were issued on 2 December 2020.
- b) **Issue price of the securities issued** – the Placement Shares were issued at a price of 0.6 cents per Share, being a discount of 14.2% to the closing price of 0.7 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 sophisticated and professional investors identified by the Lead Manager and the Company, including substantial Shareholder Delphi Unternehmensberatung Aktiengesellschaft.
- e) **Use of funds** – The funds raised to be used to advance the development of the Fountain Head gold Project.
- f) **Material terms of agreement** – The Company had an agreement with the 180 Markets Pty Limited (**Lead Manager**) to place up to 145,000,000 Placement Shares and a fee of 6% of the funds that it raised was paid.
- g) **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 6.

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

RESOLUTION 7 Ratification 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).

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. The approved securities are also included in the base number for calculating the Company's 15% 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 7 seeks subsequent shareholder approval of the securities issued on 24 December 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 7 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 over the 12-month period from the issue date.

If Resolution 7 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 over 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** – 1,000,000 Consideration Shares were issued on 24 December 2020.
- b) **Issue price of the securities issued** – the Consideration Shares were issued at 0.6 cents per Share, being a discount of 14.2% to the closing price of 0.7 cents per share on the date of issue.
- c) **Terms of the issued shares** – the Consideration Shares rank equally with all existing Shares on issue.
- d) **Recipients of the issued shares** – The Consideration Shares were issued a Service Provider of the Company, as part payment for consulting services rendered to the Company.
- e) **Use of funds** – No cash was received as the Consideration Shares were issued as part payment for consulting services rendered to the Company.
- f) **Material terms of agreement** – The Company agreed for the part payment of approximately 50% of the services rendered by Mr Geoff Muers, a Service Provider of the Company, through the issue of 1,000,000 shares at a price of 0.6 cents per share with a value of \$6,000.
- g) **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 7.

The Chairman intends to vote available undirected proxies in favour of each of Resolution 7.

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 27 October 2021 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.

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 **10:30 AM (Adelaide time) on Monday, 25 October 2021.**

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 under the help tab, "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at 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: 185613
SRN/HIN:

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.

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 Grant Thornton Level 3, 170 Frome Street, Adelaide, SA 5000 on Wednesday, 27 October 2021 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 Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is 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 Resolution 1 marking the appropriate box in step 2.

Step 2 Item 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.

| GENERAL 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 Hansjoerg Plaggemars as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | Re-election of Mr Richard Willson as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 | Re-election of Mr Frank Bierlein as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 | Ratification under ASX Listing Rule 7.4 of securities issued under ASX Listing Rules 7.1 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 | Ratification under ASX Listing Rule 7.4 of securities issued under ASX Listing Rules 7.1 | <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

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

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