

## ASX Announcement

20 January 2022

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



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# Rights Issue to raise up to \$4.6M to advance Fountain Head Gold Project

- **Non-renounceable Entitlement Offer to eligible shareholders to raise up to \$4.6 million before costs and expenses**
- **Existing substantial shareholders, including DELPHI, have confirmed their intention to take-up entitlements**
- **Capital Raising to support ongoing development activities at PNX's 100% owned Fountain Head Gold Project, and continue with near-mine and regional exploration**

PNX Metals Limited (**ASX: PNX**) ("**PNX**", "the **Company**") is pleased to announce that it is offering eligible shareholders the opportunity to acquire New Shares at \$0.005 (0.5 cents) per share through a one (1) for four (4) non-renounceable pro-rata rights issue to raise up to \$4.6 million (before costs and expenses) ("Entitlement" or "Offer"). Full details of the Offer are set out in the Offer Memorandum and Appendix 3B lodged with ASX today. The Offer Memorandum will be sent to Eligible Shareholders on 31 January 2022.

Existing substantial shareholders, including DELPHI Unternehmensberatung Aktiengesellschaft ("DELPHI"), have confirmed their intention to take-up their entitlements.

The significant ongoing support shown by existing key shareholders is a strong endorsement of the Company's strategy to sequentially develop its 100% owned Fountain Head gold and Hayes Creek zinc-gold-silver Projects ("Projects").

Proceeds of the Offer will be used to continue with exploration and development activities at PNX's Northern Territory Projects, located in the Pine Creek region, 170 km from Darwin (refer ASX release 20 December 2021 for a recent Project update, and below for Use of Funds)

Near-mine exploration at Glencoe has already recommenced with three diamond drill-holes, and planning is underway for a larger Reverse Circulation program which will start after the NT wet season when ground conditions improve. The aim is to build on the successful 2021 drilling campaign where near-surface high-grade gold mineralisation was drilled over a 1.4 km strike extent (refer ASX release 14 January 2022), and will also include an update to the Mineral Resource. Regional exploration will 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 NT exploration portfolio.

### Managing Director's Comments

*PNX Managing Director James Fox said: "The support received so far by the Company for the 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.*

*With Government and Environmental approvals well advanced, this funding will see the Company through an exciting period of activity. An updated mineral Resource at Glencoe is due later this Quarter, and diamond drilling at has already re-commenced. A larger reverse circulation drill program will start as soon as possible to build on*

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*the excellent results announced so far, and aims to extend the near-surface high-grade gold footprint at Glencoe beyond the 1.4 km already drilled.*

*We look forward to delivering on the potential for the Fountain Head and Hayes Creek Projects to create significant value for the Company's shareholders."*

### **Details of the Offer**

The non-renounceable pro-rata Rights Issue for eligible shareholders will be undertaken on the basis of one (1) New Share for four (4) existing shares held, at an issue price of 0.5c (\$0.005) to raise approximately \$4.6 million (before costs and expenses).

The issue price of 0.5 cents under the Offer represents an approximate 18.73% discount to the volume weighted average market price of PNX shares for the five trading days prior to 18 January 2022, and a discount of approximately 23.08% to the Company's last closing price of \$0.0065 on 17 January 2022.

The maximum number of New Shares to be issued under the Rights Issue is 913,048,378 (based on the undiluted share capital of PNX Metals as at the close of trade on 17 January 2022, without taking into account the impact of rounding).

The Rights Issue is non-renounceable, meaning 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 all shareholders on the register of members as at 6:30pm Adelaide time on 25 January 2022 ("Eligible Shareholders"). The register of members currently has shareholders in Australia, New Zealand, Germany, Singapore, United Kingdom, Hong Kong, Malaysia and Switzerland and these shareholders will be entitled to participate if they are a registered holder on the Record Date being 25 January 2022.

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 any shortfall shares.

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 31 January 2022.

### **Use of Funds**

Proceeds of the Offer will be utilised, but not be limited to the following:

- finalise the Government and Environmental approvals application process, including installation of water monitoring boreholes;
- finalise plant and infrastructure engineering, assess suitable second-hand filtration equipment;
- continue in-fill and near-mine exploration drilling at Glencoe and undertake regional exploration;
- working capital and costs associated with the Offer; and
- finalise the Glencoe acquisition.

## 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.	20 January 2022
<b>Ex-date</b>	The date on which Shares commence trading without the entitlement to participate in the Offer.	24 January 2022
<b>Record Date</b>	The date for determining entitlements of Shareholders to participate in the Offer (6:30pm Adelaide time).	25 January 2022
<b>Offer Memorandum</b>	Despatch of Offer Memorandum and Acceptance Forms, and Offer opens for acceptance.	31 January 2022
<b>Rights Issue Closing Date</b>	The last day for receipt of Acceptance Forms (5:00pm Adelaide time).	9 February 2022
<b>Deferred Settlement Trading Commences</b>	New Shares commence quotation on ASX on deferred settlement basis.	10 February 2022
<b>Shortfall Notification</b>	PNX to notify ASX of Rights Issue shortfall.	14 February 2022
<b>Allotment of New Shares</b>	Allotment of New Shares. Deferred settlement trading ends.	16 February 2022
<b>Normal Trading</b>	Expected commencement of normal trading in New Shares on ASX.	17 February 2022

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

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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