



PNX Metals Limited
ABN 67 127 446 271

Need assistance?



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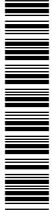


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PNX

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 Thursday, 10 November 2022 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: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 10:30am (Adelaide time) Tuesday, 8 November 2022



ATTENDING THE MEETING IN PERSON

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

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.



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 **Thursday 10th November 2022**
- 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 continuing developments in relation to the COVID-19 situation and public health concerns, PNX Metals will be closely monitoring the evolving COVID-19 situation in Australia. PNX Metals strongly encourages and requests Shareholders to lodge a directed proxy in advance of the meeting.

Please note that the Company's 2022 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

2022 Financial Statements

To receive and consider the Company's Directors' Report, Financial Statements and Auditor's Report for the year ended 30 June 2022.

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 2022."

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 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 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 Dr Frank Bierlein as a Director

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

"That Dr Frank Bierlein, 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 4 Approval of Employee Performance Rights Plan

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

"That, for the purposes of ASX Listing Rule 7.2 Exception 13(b) and for all other purposes, any issue of securities granted under the Company's Employee Performance Rights Plan, included as Appendix A to the Explanatory Notes accompanying this Notice of Meeting (and as amended from time to time), within the three-year period ending 10 November 2025 be approved as an exception to ASX Listing Rule 7.1."

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, and subject to the approval of Resolution 4, Shareholders approve the issue of 30,000,000 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."

RESOLUTION 6 Subsequent approval under ASX Listing Rule 7.4 of an agreement to issue 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 agreement to issue 200,000,000 Shares to Ausgold Trading Pty Ltd (or its nominee) without Shareholder approval under ASX Listing Rule 7.1, as outlined in the Explanatory Notes accompanying this Notice of Meeting, be ratified."

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

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of any person who is eligible to participate in the Employee Performance Rights Plan, being current employees, executive directors (including Mr James Fox), or contractors of the Company, and associates of any of those parties, as they are eligible to participate in the Employee Performance Rights Plan.

However, the Company will not disregard a vote if:

- a) it is cast by the 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; or
- c) the person is a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:
 - 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
 - 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 4, 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 4 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 5

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of Mr James Fox (being the only person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the PNX Metals Limited Employee Performance Rights Plan), or a nominee(s) of Mr James Fox, and associates of any of those persons.

Resolution 5 (continued)

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; or
- c) the person is a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of any person excluded from voting, on the resolution; and
 - 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 Ausgold Trading Pty Ltd (**Ausgold**), or its nominee (if known by the Company), and any associates of Ausgold, or their nominee (if known by the Company).

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:
 - (i) 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
 - (ii) 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 **Tuesday 8 November 2022**.

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 **Tuesday 8 November 2022**.

Corporate Representative

A corporation that is a Shareholder or a proxy may elect to appoint a person to act as its corporate representative at the Meeting, in which case the corporate Shareholder or proxy (as applicable) must provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that Shareholder or proxy (as applicable) corporate representative. The authority must be sent to the Company and/or the Company's Share Registrar (in a manner detailed above) in advance of the Meeting.

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: 7 October 2022

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 **Thursday 10 November 2022 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 2022 (including the financial statements, directors' report and auditors' report) was included in the 2022 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 **3 November 2022**, 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 2022 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 2021 AGM, 99.7% were in favour of the Company's remuneration report for the year ended 30 June 2021.

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 Hans-Jörg Schmidt as a Director

Mr Hans-Jörg Schmidt was appointed as a director on 11 November 2019.

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 2.5 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 2.5(5) of the Company's constitution.

Accordingly, Resolution 2 provides for the re-election of Mr Schmidt as a director of the Company.

The Directors (other than Mr Schmidt) 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 Dr Frank Bierlein as a Director

Dr Frank Bierlein was appointed as a director on 18 June 2021.

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 2.5 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 2.5(5) of the Company's constitution.

Accordingly, Resolution 3 provides for the re-election of Dr Bierlein as a director of the Company.

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

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

RESOLUTION 4 Approval of Employee Performance Rights Plan

The PNX Metals Limited Employee Performance Rights Plan (**Plan**) was created in 2010 and last approved by shareholders at the 2019 AGM. Under the Plan, the Board may offer to grant Performance Rights to eligible persons in accordance with the terms and conditions of the Plan, as set out in **Appendix A**. 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 employee or contractor's 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:

- provide eligible participants with an ownership interest in the Company,
- align eligible participants with the Company's operating performance and shareholder value, and
- attract and retain high calibre employees.

ASX Listing Rule 7.1 restricts the number of securities a listed entity can issue without Shareholder approval. ASX Listing Rule 7.2 provides a number of exceptions to ASX Listing Rule 7.1, including Exception 13(b) which provides that ASX Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if within three years before the date of issue, holders of ordinary securities have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

The Company is seeking Shareholder approval for future issues of securities granted under the Plan within the next three years, so that such issues will come within Exception 13(b) of ASX Listing Rule 7.2.

If Resolution 4 is not passed, any securities issued under the Plan must come within and will be counted towards the Company's 15% capacity under ASX Listing Rule 7.1. It should be noted that all Directors, with the exception of executive director James Fox (Managing Director & CEO) are ineligible to participate in the Plan. Mr Fox will not be issued with any Performance Rights under the Plan without specific Shareholder approval.

Since the Plan was last approved at the 2019 AGM, 53,500,000 Performance Rights have been issued under the Plan, of which nil have vested for Shares, 5,000,000 have lapsed and 48,500,000 of those issued remain unvested as at the date of this document.

The maximum number of Performance Rights proposed to be issued under the Plan following approval of Resolution 4 is up to 250,000,000.

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

The Directors (other than Mr Fox, who is eligible to participate in the Plan) unanimously recommend that shareholders vote in favour of Resolution 4.

The Chairman intends to vote undirected proxies in favour 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. If shareholder approval is received, approval is not required under Listing Rule 7.1.

In September 2022, the Board of Directors (with James Fox abstaining) resolved, subject to shareholder approval, to offer Mr Fox 30,000,000 Performance Rights under the Company's Employee Performance Rights Plan, provided that the Company's Employee Performance Rights Plan, the subject of Resolution 4, has been approved by Shareholders.

All Performance Rights have a minimum vesting period of 12 months and 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** - 7,500,000 (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 12-month VWAP for the previous financial year.
- **Discovery/Acquisition condition** - 7,500,000 (25%) will vest if the Company substantially increases its resources by more than 200,000 oz gold in a Mineral Resource Estimate(s) reported in accordance with the JORC Code 2012¹ with a cut-off grade above 0.7g/t gold, either through discovery, acquisition or increase of existing Mineral Resource Estimates.
- **Financing condition** - 7,500,000 (25%) will vest upon the securing of a project financing package to fund the development of the Fountain Head and/or Hayes Creek Projects.
- **Development Decision condition** - 7,500,000 (25%) will vest if the Company secures all key requirements including financing package, permits and contracts to enable a development decision to proceed with construction of the Fountain Head and/or Hayes Creek Project.

All Performance Rights have a minimum vesting period of 12 months and if a Performance Condition is met at any time after 12 months up to the third anniversary of the allotment of the Performance Rights, as indicated above, the 7,500,000 Performance Rights the subject of that Performance Condition will vest and entitle Mr Fox to 7,500,000 Shares. If all of the four Performance Conditions are met at any time after 12 months up to the third anniversary of the allotment of the Performance Rights, Mr Fox will be entitled to a total of 30,000,000 Shares.

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.

Subject to the approval of Resolution 4, Resolution 5 seeks approval under Listing Rule 10.14 for the issue of the 30,000,000 Performance Rights under the Plan to Mr Fox.

If Resolution 5 is approved, the Company may proceed with the issue of the 30,000,000 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 Performance Rights that may be acquired by Mr Fox under this resolution is 30,000,000 Performance Rights (that may each vest for a Share, subject to the vesting conditions).
- 3) The total current remuneration package for Mr Fox is a salary of \$302,500, plus statutory superannuation currently at 10.5% 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 previously approved by shareholders at the Company's AGM on 23 October 2019 and is also the subject of Resolution 4 above. Since the approval received for the Performance Rights Plan on 23 October 2019, James Fox has received the following Performance Rights under the Plan:

¹ Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

- a. 25,000,000 on 27 January 2021. These Performance Rights remain unvested until the expiry on 27 January 2024 unless any of the performance conditions are met beforehand. 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) An independent valuation of the Performance Rights has not been obtained, but on the basis of the Company's 5-Day VWAP of 0.441 cents per share calculated at 12 September 2022, the Performance Rights are valued by the Company at \$132,442 (assuming all Performance Rights ultimately vest).
- 7) James Fox, as an executive director, is the only director who may participate in the Company's Employee Performance Rights Plan.
- 8) There is no loan in relation to the securities that may be acquired by Mr Fox.
- 9) It is intended that the securities will be issued within three months of the date shareholder approval is obtained and, in any case not later than 3 years after the date shareholder approval is obtained.
- 10) 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,
 - b. link executive rewards to the Company's operating performance and shareholder value, and
 - c. attract and retain high calibre executivesThis is why Performance Rights are being used to remunerate Mr Fox. The vesting conditions have been selected to further align Mr. Fox' interests with those of the Company's Shareholders.

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 30,000,000 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.

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 (as per Exception 14 of Listing Rule 7.2). Accordingly, if Resolution 4 is approved, 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.

The 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.

RESOLUTION 6 Subsequent approval under ASX Listing Rule 7.4 of the agreement to issue securities

As announced on 28 September 2022, the Company has entered into an agreement with Ausgold Trading Pty Ltd (**Ausgold**) to acquire the Mt Porter Project, comprising Northern Territory mining lease ML 23839 (**Agreement**).

Under the Agreement, the Company will purchase the Mt Porter Project in consideration for:

- 1) The issue by the Company of 200 million Shares (Consideration Shares) to Ausgold (or its nominee) (pre completion of the sale and purchase of the Mt Porter Project (**Completion**));
- 2) The payment to Ausgold of \$250,000 in cash at Completion;
- 3) The following conditional post Completion payments to Ausgold (in cash or Shares, at the election of the Company):
 - a. \$1 million, on completion of a Mineral Resource Estimate on the Mt Porter Project within 5 years of the date of Completion, with a minimum of 100,000 ounces of gold at a 1.0g/t cut off, of which at least 50,000 ounces of gold reports to be in the Indicated Category under the JORC Code 2012, to be signed off by an appropriate independent Competent Period as agreed by the parties; and
 - b. \$1 million, on the production of 10,000 ounces of gold (recovered) from the Mt Porter Project within 5 years of the date of Completion, through the Company's proposed Fountain Head Processing Plant, or other processing infrastructure as agreed by the Company and Ausgold.

As part of the transaction, the Company will also take on the following royalty obligations:

- the obligation to pay a 1% net smelter return royalty to existing royalty holders, up to a cap of \$1million; and
- the obligation to pay a 1.25% net smelter return royalty to an existing royalty holder (uncapped)

The Agreement is conditional on:

- 1) the Foreign Investment Review Board advising it has no objection to the acquisition by the Company of the Mt Porter Project (which has been satisfied)
- 2) approval from the Department of Industry, Tourism and Trade (NT) to the transfer of the Mt Porter Project to the Company;
- 3) certain existing royalty holders having delivered to the Company original counterparts of a replacement royalty deed duly executed by each of the royalty holders;
- 4) Ausgold having delivered to the Company a copy of a release deed duly executed by Ausgold and certain royalty holders;
- 5) all documents being delivered to, and consents being obtained from, third parties necessary for the assignment of contractual rights and transfer of the Mt Porter Project to the Company (including from native title parties)
- 6) there being an authorised and valid Mine Management Plan in place that approves and authorises mining operations on the Mt Porter Project on terms satisfactory to the Company.

If, for any reason, the Agreement terminates after the Consideration Shares have been issued but before Completion occurs, the Company will have the option to either buy back the Consideration Shares for \$1.00 in aggregate or to direct Ausgold to sell the Consideration Shares on market and remit all proceeds of sale to the Company.

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, or agreement to issue, securities for the purpose of ASX Listing Rule 7.1, provided that the issue or agreement did not breach ASX Listing Rule 7.1. The effect of such an approval is that the issue of, or agreement to issue, 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 agreement to issue the Consideration Shares under the Agreement to Ausgold (or its nominee).

The agreement to issue the Consideration Shares does not come within an exception in Listing Rule 7.2 and was made without Shareholder approval under ASX Listing Rule 7.1. Accordingly, the Consideration Shares 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, the Consideration Shares 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. 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 6 is not approved, the Consideration Shares 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 agreed to be issued** – 200,000,000 Shares.
- b) **Issue price of the securities issued** – the deemed issue price of the Consideration Shares will be the closing price on the date of issue.
- c) **Terms of the issued shares** – the Consideration Shares rank equally with all existing Shares on issue and are subject to a voluntary escrow until Completion occurs, unless agreed to remove the escrow before that date.
- d) **Recipients of the issued shares** – Consideration Shares will be issued to Ausgold Trading Pty Ltd (**Ausgold**) or its nominee.
- e) **Date of issue** – the issue of the Consideration Shares will occur within 3 months after the date of the Meeting.
- f) **Purpose and use of funds** – no funds will be received by the Company for the issue of the Consideration Shares – the Consideration Shares will be issued to Ausgold as part consideration for the acquisition of the Mt Porter Project.
- g) **Material terms of agreement** – The material terms of the Agreement are set out above.
- h) **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.

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;

"Ausgold" means Ausgold Trading Pty Ltd, the vendor of the Mt Porter Project.

"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);

"Completion" means completion of the purchase of the Mt Porter Project by the Company.

"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 Thursday 11 November 2022 at 10:30am;

"Mt Porter Project" means the project comprising Mineral Lease (ML 23839) in the Northern Territory.

"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 –PNX Metals Limited Employee Performance Rights Plan

**APPENDIX A – Notice of Meeting, 10 November 2022
(relating to Resolution 4)**

PNX METALS LIMITED
ACN 127 446 271

**RULES OF THE PNX METALS LIMITED
EMPLOYEE PERFORMANCE RIGHTS PLAN**

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1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Rules, unless the contrary intention appears:

“**Associate**” has the meaning given in section 995.1 of the *Income Tax Assessment Act 1997* (Cth);

“**ASX**” means ASX Limited ACN 008 624 691 and includes any body corporate which may succeed to the powers, functions and duties of ASX Limited or the securities exchange operated by ASX Limited (as the context requires);

“**Board**” means the Directors acting as the board of directors of the Company;

“**Business Day**” means a day on which the ASX is open for trading in securities;

“**Company**” means PNX Metals Limited (ACN 127 446 271);

“**Corporations Act**” means *Corporation Act 2001* (Cth);

“**Director**” means a director of the Company from time to time;

“**Eligible Person**” means at any time a person who is an employee (whether full-time or part-time) of, or a contractor or employee of a contractor to, a Group Company or a Director employed in an executive capacity at that time;

“**Grant Date**” means, in relation to a Performance Right, the date from which the Performance Right is granted in accordance with clause 5;

“**Group**” means collectively the Company and each of the Company’s Subsidiaries;

“**Group Company**” means the Company or any of the Company’s Subsidiaries;

“**Invitation**” has the meaning given to it in clause 3.2;

“**Listing Rules**” means the Listing Rules of ASX and any other rules of ASX which are applicable while an entity is admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX;

“**Official List**” means the official list of entities that ASX has admitted to quotation and not removed;

“**Participant**” means a person who has been granted a Performance Right under the Plan;

“**Performance Condition**” means a condition which must be satisfied or circumstances which must exist before a Performance Right can vest, as specified in the Invitation for the Performance Right concerned;

“**Performance Right**” means a right to acquire one Share in the manner described in this Plan;

“**Permanent Disablement**” means, in relation to an Eligible Person, that the Eligible Person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Eligible Person unlikely ever to engage in any occupation for which he is reasonably qualified by education, training or experience;

“**Plan**” means the PNX Metals Limited Employee Performance Rights Plan established in accordance with these Rules;

“**Redundancy**” means, in relation to an Eligible Person, a determination by the Board that the relevant Group Company’s need to employ a person for the particular kind of work carried out by that Eligible Person has ceased (but, for the avoidance of any doubt, does not include the dismissal of an Eligible Person for personal or disciplinary reasons or where the Eligible Person leaves the employ of any Group Company of his own accord);

“**Retirement**” means, in relation to an Eligible Person, retirement by that Eligible Person from any Group Company at age 60 or over or such earlier age as considered appropriate by the Board;

“**Rules**” means these rules, as amended from time to time;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means a holder of a Share;

“**Subsidiary**” has the meaning given in section 9 of the Corporations Act; and

“**Takeover Bid**” has the meaning given in section 9 of the Corporations Act.

1.2 Interpretation

In these Rules, unless the contrary intention appears:

- (1) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- (2) the singular includes the plural and vice versa;
- (3) a reference to a gender includes all genders;
- (4) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day;
- (5) an expression defined in, or given a meaning for the purposes of, the Corporations Act or the Listing Rules has the same meaning where used in these Rules; and
- (6) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or substitution for, and any subordinate legislation under, that legislation or legislative provision.

2. MANAGEMENT OF THE PLAN

- (1) The Board may appoint for the proper administration and management of the Plan, such persons as it considers desirable and may delegate such authorities as may be necessary or desirable for the administration and management of the Plan.
- (2) Subject to the provisions of these Rules, the Board may administer the Plan and make such regulations and establish such procedures for the administration and management of the Plan as the Board considers appropriate.
- (3) Every decision or determination or exercise of discretion by the Board may be made by the Board in its absolute discretion and every decision of the Board as to the interpretation, effect or application of these Rules is final, conclusive and binding.

3. ENTITLEMENT TO PARTICIPATION

3.1 Eligible Persons

All Eligible Persons with at least 12 months continuous employment with a Group Company or who have been a contractor to a Group Company for at least 12 continuous months or an employee of such a contractor for at least 12 continuous months (or in any case such lesser period as the Board may, in its absolute discretion, determine) are eligible to participate in the Plan.

3.2 Invitations

The Board may from time to time, in its absolute and uncontrolled discretion, issue a written invitation to an Eligible Person inviting him or her to apply for the grant of a certain number of Performance Rights on the terms and conditions set out in the Plan and on such additional terms and Performance Conditions as the Board determines (“**Invitation**”).

3.3 Number of Performance Rights

The number of Performance Rights specified in each Invitation will be determined by the Board in its absolute discretion.

3.4 Invitation

Each Invitation must include:

- (1) the number of Performance Rights which may be granted;
- (2) the date and time by which the application for Performance Rights must be received by the Company;
- (3) the date on which, subject to these Rules, the Performance Rights will vest in accordance with clause 8;
- (4) all Performance Conditions attaching to the Performance Rights;
- (5) a statement that the Performance Rights will be granted in accordance with the terms and conditions set out in the Plan;

- (6) a copy of the Rules;
- (7) an explanation as to how the Eligible Person can obtain the current market price and offer price of Shares; and
- (8) any other terms attaching to the Performance Rights or Shares that the Board, in its absolute discretion, considers appropriate

and must have attached to it an application form so that the Eligible Person can apply for Performance Rights in accordance with clause 4.

3.5 Discretion of Board

The Board may exercise its powers in relation to the participation of any Eligible Person on any number of occasions.

4. APPLICATIONS FOR PERFORMANCE RIGHTS

- (1) Upon receipt of an Invitation, an Eligible Person may, within the period specified in the Invitation, apply for any number of Performance Rights up to the maximum number specified in the Invitation by sending to the person nominated by the Company an application in the form attached to the Invitation (“**Application**”) duly completed and signed.
- (2) Each Application must include an agreement by the Eligible Person to be bound by:
 - (a) these Rules; and
 - (b) the constitution of the Company when their Performance Rights vest and the relevant Shares are issued.

5. GRANT OF PERFORMANCE RIGHTS

- (1) On acceptance of a duly completed and signed Application the Company may grant Performance Rights to the Eligible Person, with effect from such date as the Board determines, on the terms set out in the relevant Invitation.
- (2) The Board retains the absolute discretion not to accept an Application by an Eligible Person if, for any reason, that Application is not acceptable to the Board.

6. TERMS OF PERFORMANCE RIGHTS

6.1 Granted for no consideration

Performance Rights granted under the Plan will be granted for no consideration.

6.2 Quotation

The Company will not apply for official quotation by ASX of any Performance Rights.

6.3 Not transferable

- (1) Subject to clause 6.3(2) Performance Rights granted under the Plan are not transferable and will lapse immediately if transferred.
- (2) Clause 6.3(1) will not apply to the transfer of Performance Rights to a legal personal representative of a Participant following the Participant's death.

6.4 No voting rights

A Performance Right does not confer on the Participant a right to vote on any resolution proposed at a general meeting of Shareholders.

6.5 No Dividend Rights

The holder of a Performance Right is not entitled to any dividends.

6.6 No Rights on Winding Up

A Performance Right does not confer on the Participant any right to participate in the surplus profits or assets of the Company upon winding up of the Company.

6.7 Reorganisation of Capital

If at any time the issued capital of the Company is reorganised, a Performance Right may be treated in accordance with the Listing Rules at the time of reorganisation.

6.8 No Other Rights

A Performance Right gives the holder no rights other than those expressly provided by these Rules and those provided at law where such rights at law cannot be excluded by these Rules.

7. LAPSING OF PERFORMANCE RIGHTS

7.1 Performance Rights to lapse

Unless the Board in its absolute discretion determines otherwise, an unvested Performance Right shall automatically lapse upon the earlier of:

- (1) a determination by the Board that the Participant has acted fraudulently, dishonestly or is in breach of their obligations to a Group Company;
- (2) the Participant ceasing to be an Eligible Person for any reason other than Retirement, Permanent Disability, Redundancy or death;
- (3) a resolution being passed to wind up the Company;
- (4) a Takeover Bid occurring, unless the Board has in its absolute discretion determined that the Performance Conditions attaching to the Performance Rights have been satisfied on a pro rata basis over the period of time from the Grant Date to the date of the Takeover Bid and therefore a proportion (as determined by the Board) of the Performance Rights will vest;

- (5) the Performance Conditions attaching to the Performance Right not being met within the prescribed period; and
- (6) any date set out in the relevant Invitation by which the Performance Right will automatically lapse.

7.2 Retirement, Permanent Disability, Retrenchment or Death

If a Participant ceases to be an Eligible Person by reason of Retirement, Permanent Disability, Retrenchment or death, the Board may determine that some or all of a Participant's Performance Rights will vest even if a Performance Condition has not been satisfied. If no such determination is made by the Board within 3 months after the Participant ceases to be an Eligible Person, all Performance Rights held by that Participant will automatically lapse.

8. VESTING OF PERFORMANCE RIGHTS

- (1) Subject to the Rules, each Performance Right granted to a Participant will vest on the date specified in the relevant Invitation.
- (2) The vesting of a Performance Right under clause 8(1) is conditional on the satisfaction of the Performance Conditions attaching to the Performance Right.
- (3) Notwithstanding clause 8(2) and subject to the Listing Rules:
 - (a) the vesting of a Participant's Performance Rights may be subject to such further conditions as determined by the Board; and
 - (b) the Board may determine that some or all of a Participant's Performance Rights will vest even if a Performance Condition has not been satisfied.
- (4) Each Performance Right entitles the Participant to one Share upon vesting.
- (5) Subject to any restriction requirements set out in the relevant Invitation and Application, the Shares into which Performance Rights convert will rank equally in all respects with existing Shares and the Company will apply to ASX for their quotation within the time prescribed by the Listing Rules.
- (6) Subject to any necessary Shareholder approval being obtained under the Listing Rules:
 - (a) upon vesting of Performance Rights, the Participant becomes entitled to be issued the relevant Shares not later than 21 days after the date of vesting;
 - (b) within 7 days after Performance Rights of a Participant have vested, the Company must advise the Participant in writing:
 - (i) that the Participant's Performance Rights under the Plan have vested;
 - (ii) that the relevant Shares will be issued to the Participant personally unless the Participant, within 7 days of the date of the Company's notice under this clause:

- (A) advises the Board in writing that the Participant wishes the relevant Shares to be issued to an Associate of the Participant, and provides the full name of that Associate; and
 - (B) provides the Board with a signed application by the Associate for the relevant Shares, which must include an agreement by the Associate to be bound by these Rules and the constitution of the Company in respect of those Shares;
 - (iii) the date by which the relevant Shares will be issued; and
 - (iv) details of any restrictions on disposing of or otherwise dealing with the relevant Shares; and
- (c) within 21 days after the date of vesting the Company must issue to the Participant or, subject to clause 8(6)(b), his or her Associate (as the case may be) one Share in respect of each of the Participant's Performance Rights that have vested.
- (7) Where the Listing Rules require Shareholder approval to be obtained before the issue of Shares to a Participant whose Performance Rights have vested, the Company must:
- (a) so advise the Participant within 7 days after a Performance Right under the Plan has vested; and
 - (b) comply with the Listing Rule requirements in relation to the issue of those Shares.

9. CONNECTION WITH OTHER PLANS

- (1) The Company is not restricted to using this Plan as the only method of providing incentive rewards to Eligible Persons. The Board may approve other incentive schemes.
- (2) Participation in the Plan does not affect, and is not affected by, participation in any other incentive or other plan operated by the Group unless the terms of that other plan provide otherwise.

10. AMENDMENT AND TERMINATION OF PLAN

10.1 Amendment

- (1) Subject to clause 10.1(2) and the Listing Rules, the Board may alter, delete or add to these Rules at any time.
- (2) An amendment to these Rules which in the opinion of the Board materially affects the accrued rights or entitlements of a Participant is not to be made without the written consent of the Participant unless the amendment is made primarily to:
 - (a) correct a manifest error;
 - (b) enable a Group Company to comply with applicable laws; or

- (c) take into consideration possible adverse tax implications in respect of the Plan.
- (3) The Board must give written notice of any amendment to the Rules to each affected Participant as soon as reasonably practicable after the amendment is made.
- (4) The Board may determine that any amendment to the Rules be given retrospective effect.

10.2 Termination

The Board may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate.

11. NOTICES

- (1) Notices may be given by the Company to any Eligible Person either personally or by sending by post to the address as noted in the Company's records or to the address (if any) within the Commonwealth of Australia supplied by the Eligible Person to the Company for the giving of notices.
- (2) Notices of any overseas Eligible Person shall be forwarded and posted by air. Where a notice is sent by post the notice shall be deemed to be served on the day after posting. The signature of any notice may be given by any Director or secretary of the Company.
- (3) A Withdrawal Notice shall not be deemed to be served on the Company until actually received.

12. RIGHTS OF ELIGIBLE PERSONS

Nothing in these Rules:

- (1) confers on any Eligible Person the right to receive any Performance Rights until an Invitation is issued under clause 3.1;
- (2) confers on any Eligible Person the right to continue as an employee of or contractor to the Group;
- (3) forms part of any contract of employment or engagement between any Group Company and any of their respective employees or contractors;
- (4) affects any rights which any Group Company may have to terminate the employment or engagement of any Eligible Person; or
- (5) may be used to increase damages in any action brought against any Group Company in respect of the termination of the employment or engagement of any Eligible Person by any Group Company.

13. GENERAL

- (1) The entitlement of Eligible Persons and Participants under the Plan and these Rules are subject to the Company's constitution, the Listing Rules and the Corporations Act.

- (2) Notwithstanding any provisions of these Rules no Shares may be acquired, allocated, assigned, or dealt with if to do so would contravene the Corporations Act, the Listing Rules or any other applicable laws.


14. GOVERNING LAW


This Plan, and the rights of an Eligible Person under the terms and conditions of this Plan are governed by the laws of the state of South Australia.



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



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30am (Adelaide time) Tuesday 8 November 2022**

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/au and select "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: 181572

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.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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 Thursday, 10 November 2022 at 10:30am (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 Items 1, 4 and 5 (except where I/we have indicated a different voting intention in step 2) even though Items 1, 4 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 Items 1, 4 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
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Hans-Jörg Schmidt as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Dr Frank Bierlein as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Employee Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Performance Rights to Mr James Fox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Subsequent approval under ASX Listing Rule 7.4 of an agreement to issue 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