

ASX Announcement

30 January 2023

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



Level 1, 135 Fullarton Road
Rose Park, SA 5067
Australia

Telephone +61 (0) 8 8364 3188
Facsimile +61 (0) 8 8364 4288

info@pnxmetals.com.au
www.pnxmetals.com.au

Rights Issue to raise up to \$4.4 million to advance integrated NT zinc-gold-silver development

- **Non-renounceable Rights Issue to raise up to \$4.4 million (before costs and expenses)**
- **\$2.1 million of firm commitments to participate in the Offer, including from existing substantial shareholder DELPHI**
- **Capital Raising to support ongoing development activities at PNX's 100% owned Fountain Head and Hayes Creek integrated gold-silver-zinc Projects, and continue near-mine and regional gold/ base metals exploration**

PNX Metals Limited (**ASX: PNX**) ("**PNX**", "the **Company**") is pleased to announce it is offering eligible shareholders the opportunity to acquire New Shares at \$0.003 (0.3 cents) per share through a one (1) New Share for every three (3) existing shares non-renounceable pro-rata rights issue to raise up to \$4.4 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 7 February 2023.

Existing shareholders, including DELPHI Unternehmensberatung Aktiengesellschaft ("DELPHI"), have provided a firm commitment to participate in the Offer of \$2,100,000.

This significant ongoing support is a strong endorsement of the Company's aim 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 near mine and regional exploration, and development activities at PNX's Northern Territory Projects, located in the Pine Creek region, 170 km from Darwin (refer below for Use of Funds, and the Company's Investor Presentation for further detailed information).

Managing Director's Comments

PNX Managing Director James Fox said: "We would like to thank existing shareholders for their continued support of the Company and its ongoing exploration and development activities at the Fountain Head gold and Hayes Creek zinc-gold-silver Projects."

We look forward to continuing to increase the resource base through near-mine and regional exploration, and updating development studies with the results of integrated project synergies, test-work and flowsheet optimisation. The pending approval of the Fountain head EIS will be a significant milestone and clears the way forward to submit operational Mine Management Plans and commence early site activities.

Assessment of potential consolidation opportunities will continue where there is strong support for Project financing, improved margins and scale potential.

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

The Fountain Head Environmental Impact Statement approval is pending, and receipt of this milestone approval will allow the Company to submit (sequentially) operational Mine Management Plans (MMP) for the newly acquired Mt Porter, and Glencoe and Fountain Head gold projects. Technical studies for the Hayes Creek Environmental Impact Statement are ongoing and will be substantially advanced over the next 12-months.

The Company will also continue to identify and assess opportunities consistent with PNX's strategy to consolidate nearby projects which host existing gold, silver or base metals mineral resources and have significant exploration upside to support its proposed NT development.

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 three (3) existing shares held on the Record Date, at an issue price of \$0.003 (0.3 cents) per share to raise approximately \$4.4 million (before costs and expenses).

The issue price of \$0.003 under the Offer represents an approximate 30.1% discount to the volume weighted average market price of PNX shares for the five trading days prior to 26 January 2023, and a discount of approximately 25% to the Company's last closing price of \$0.004 on 25 January 2023.

The maximum number of New Shares to be issued under the Rights Issue is 1,481,352,602 (based on the undiluted share capital of PNX Metals as at the close of trade on 25 January 2023, 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 7:00 pm (AEDT) on 2 February 2023 ("Eligible Shareholders"). The register of members currently has shareholders in Australia, New Zealand, Germany, Singapore, United Kingdom, Hong Kong and Switzerland and these shareholders will be entitled to participate if they are a registered holder on the Record Date being 2 February 2023.

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 7 February 2023.

Use of Funds

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

- Mine Management Plans for the newly acquired Mt Porter & at Glencoe/ Fountain Head gold deposits
- Hayes Creek Environmental Impact statement technical studies & Project Management
- Integrated Plant test-work, engineering & design, & updated feasibility
- Tenement holding & management costs, near-mine/ regional exploration
- Finalising the Mt Porter acquisition
- Corporate costs, working capital & costs associated with the Offer

Indicative Timetable

The anticipated timetable for the Rights Issue is as follows:

MILESTONE	ACTIVITY	DATE
Announce Rights Issue	Offer Memorandum, ASX Appendix 3B and Cleansing Notice lodged with ASX.	30 January 2023
Ex-date	The date on which Shares commence trading without the entitlement to participate in the Offer.	1 February 2023
Record Date	The date for determining entitlements of Shareholders to participate in the Offer (19:00 AEDT).	2 February 2023
Offer Memorandum	Despatch of Offer Memorandum and Acceptance Forms, and Offer opens for acceptance.	7 February 2023
Last Day to Extend	Last day to extend the Closing Date (before 12:00 AEDT)	15 February 2023
Rights Issue Closing Date	The last day for receipt of Acceptance Forms (17:00 AEDT).	20 February 2023
Deferred Settlement Trading Commences	New Shares commence quotation on ASX on deferred settlement basis.	21 February 2023
Shortfall Notification	PNX to notify ASX of Rights Issue shortfall.	23 February 2023
Allotment of New Shares	Allotment of New Shares. Deferred settlement trading ends.	27 February 2023
Normal Trading	Expected commencement of normal trading in New Shares on ASX.	28 February 2023

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 or with queries concerning the Rights Issue please contact the Company directly.

General Queries

James Fox

Managing Director, PNX Metals Limited

james.fox@pnxmetals.com.au

+61 (0) 8 8364 3188

Rights Issue Queries

Angelo Gaudio

Company Secretary, PNX Metals Limited

angelo.gaudio@pnxmetals.com.au

+61 (0) 8 8364 3188