

Quarterly Activities Report

28 April 2023

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



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ASX: PNX

Issued Capital as at 31/03/23:
5,380,624,719 Shares

Board & Management:

Non Exec Chairman: Graham Ascough
Non Exec Director: Hansjoerg Plaggemars
Non-Exec Director: Hansjörg Schmidt
Non-Exec Director: Rowan Johnston
MD/CEO: James Fox
CFO/Co Secretary: Angelo Gaudio

Top Shareholders as at 31/03/23:

Delphi Unternehmensberatung 50.19%
Sochrastem SA 5.54%
Marilei International Limited 4.11%

Share Registry:

Computershare
Investor Services Pty Ltd
Level 5 115 Grenfell Street
Adelaide South Australia 5000
Phone:
1300 305 232 (within Australia)
+61 3 9415 4657 (outside Australia)

Quarterly Highlights

Northern Territory Exploration & Project Development

- Fountain Head Gold Project Received NT Environmental Approval
- Multiple high-priority gold targets within kilometre-scale gold corridors identified across PNX's northern exploration leases
- Moline Project sale finalised for \$1.8 million cash, realising immediate value for non-core tenements
- Drill planning complete, program to commence in May to test prospective new gold targets immediately south of the Glencoe gold deposit

Corporate

- Non-renounceable Rights Issue (NRRI) resulted in ~\$2.8 million (before costs) being raised from existing eligible shareholders
- \$3.5 million cash on hand at 31 March 2023

DECEMBER QUARTERLY ACTIVITIES REPORT

PNX Metals Limited (ASX: PNX) ("**PNX**" "**the Company**") is pleased to present its quarterly activities report for the period ended 31 March 2023.

Project Development – Fountain Head

There were no reportable safety or environmental incidents during the quarter and all statutory reporting is up to date.

Government and Environmental Approvals

During the period, the Northern Territory Minister for Environment, Climate Change and Water Security granted environmental approval for the Company's 100% owned Fountain Head Gold Project.

The grant of the environmental approval, completes the Environmental Impact Statement (EIS) process for Fountain Head and allows the Company to submit a Mining Management Plan (MMP) to the Department of Industry, Tourism & Trade (DITT) for assessment. This submission is expected to occur early May 2023.

A successful review of the MMP by DITT could result in a Mining Authorisation being provided in the third quarter of 2023. Approval of the MMP is the last step in the approvals process for the Fountain Head Gold Project.

MMPs for the Mt Porter and Glencoe gold deposits are being finalised and will be submitted sequentially, with additional groundwater modelling required for Glencoe which will occur over the next 6 months.

Exploration

Northern Leases

In February, the Company announced that multiple targets, with the potential to host economically significant gold mineralisation, had been identified within prospective kilometre-scale gold corridors across PNX's northern exploration leases (Figure 1), (refer ASX release 13 February 2023).

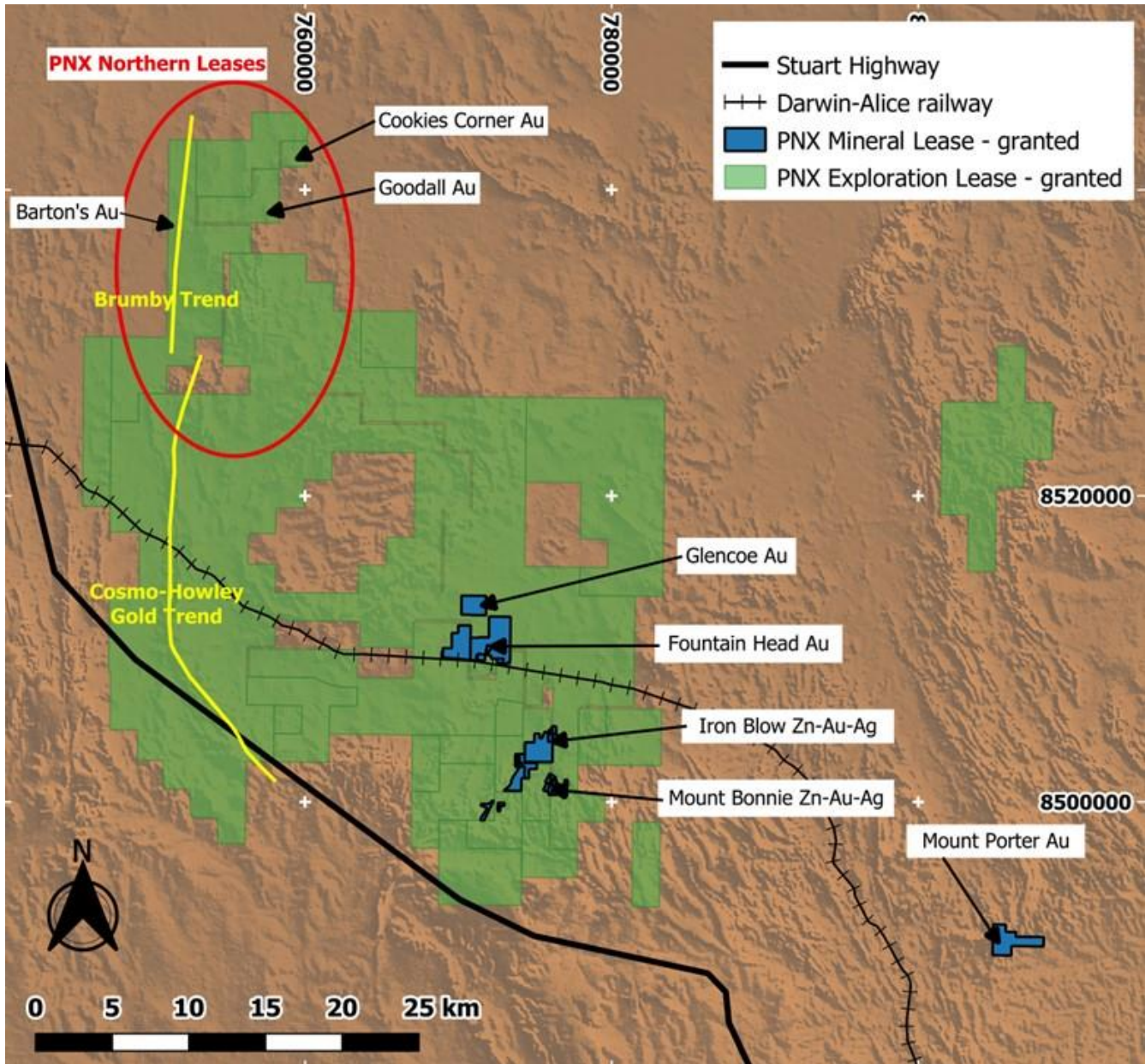


Figure 1: Location of the northern leases within PNX's Burnside exploration project in relation to PNX's existing projects

During reconnaissance of these areas in late 2022, PNX collected a total of 114 rock chip samples from outcrop returning numerous high-grade gold values. The results highlight two north-south corridors (Brumby and C6, Figures 2 and 3) with very strong surface and historic drilling gold results and these areas have been prioritised for follow-up drilling.

High-grade gold was returned from numerous rock-chip samples and historic RC drilling in these corridors including at:

Brumby

- 11.65 g/t Au in rock chip sample BCS22AB068,
- 11.22 g/t Au in rock chip sample BCS22AB089,
- 7.41 g/t Au in rock chip sample BCS22AB092, and

- 8 m @ 6.16 g/t gold from surface in RC drillhole RTB2,
 - including 2 m @ 18.90 g/t Au from 4 m

C6

- 6.10 g/t Au in rock chip sample BCS22AB185,
- 25.00 g/t Au in rock chip sample BCS22AB217,
- 24.33 g/t Au in rock chip sample BCS22AB219, and
- 3 m @ 5.6 g/t Au from 10m in RC drillhole BYDC551
 - including 1 m @ 12.6 g/t Au from 10 m

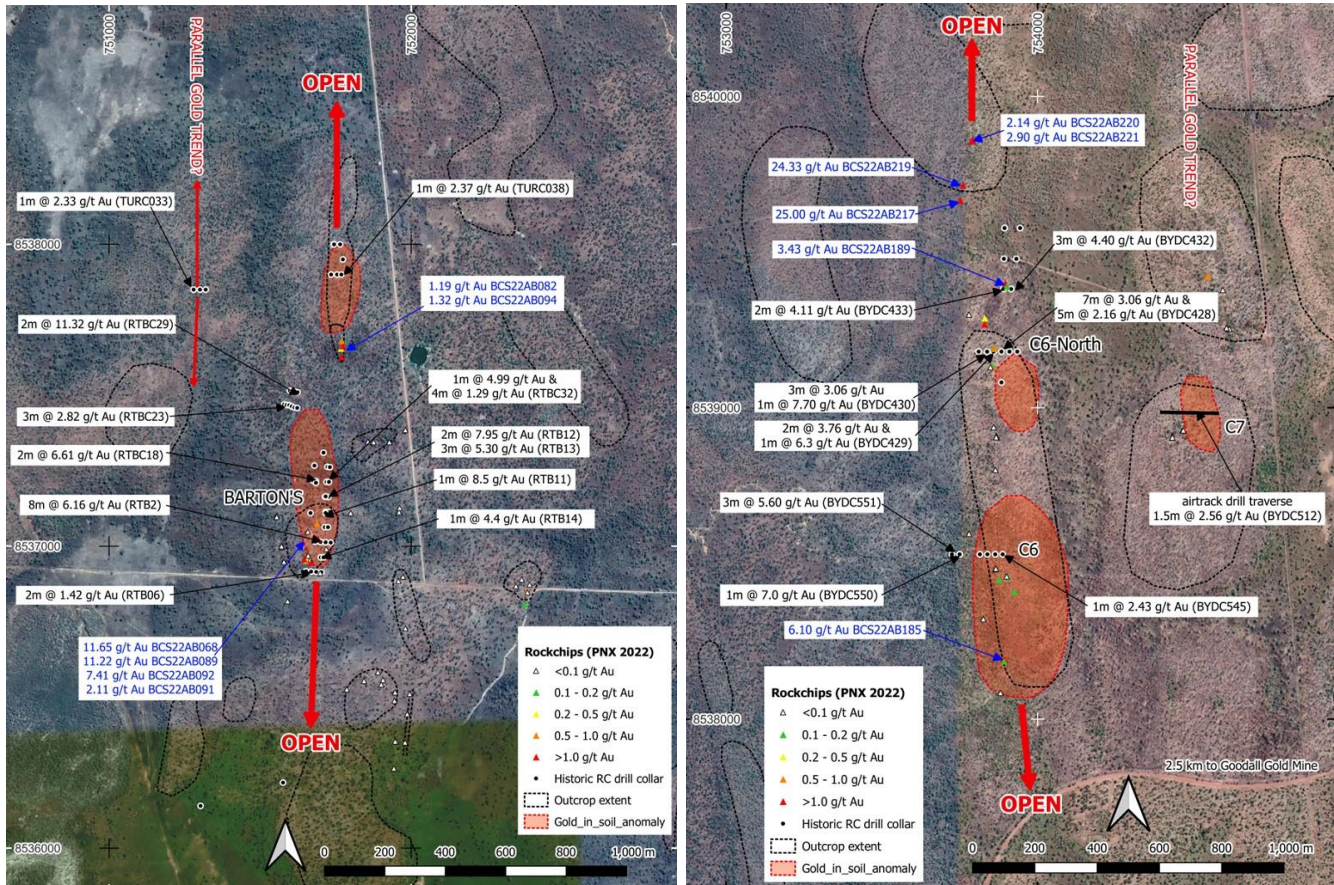


Figure 2: (L) Selected results from PNX rock chips (blue text) and historic drilling (black text) at Barton's on the Brumby trend

Figure 3: (R) Selected results from PNX rock chips (blue text) and historic drilling (black text) along C6 Corridor

Aircore drilling across these prospective gold corridors, 3D modelling of historic drill results and integration with field data is planned for the 2023 field season.

Glencoe South Drone-Mag Survey

Planning completed for testing prospective new gold targets identified through a NT Government co-funded detailed drone-based magnetic survey (refer ASX release 17 November 2022).

This work program will comprise shallow drilling (approximately 60 holes over a 1 km x 500 m area) and geochemistry to test the newly delineated magnetic stratigraphy and lineament corridor (Figure 4).

The existing Glencoe exploration MMP has been amended with approvals expected during May and drilling to start immediately thereafter.

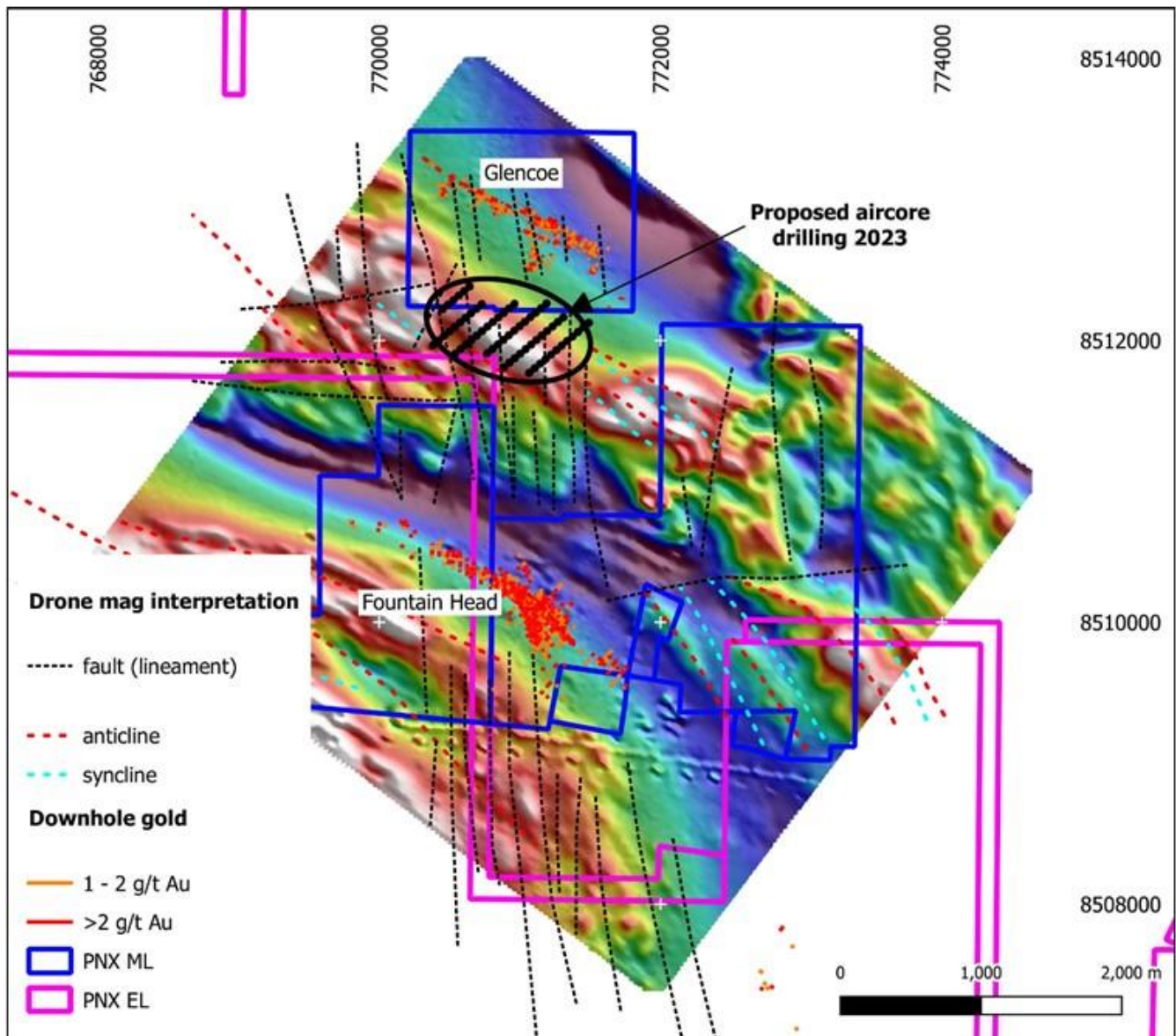


Figure 4: Proposed Aircore Drilling at Glencoe South

Moline Project Sale Finalised

Subsequent to period-end, Sovereign Metallurgical Pty Ltd (“Sovereign”), elected to finalise the purchase of Moline by paying PNX the balance of the agreed consideration of \$1.5 million (refer ASX release 1 March 2022 for details of the existing Agreement), plus refund the existing tenement bond of approximately \$300,000 on title transfer.

Moline, (comprising ML24173, MLN1059, MLN41, and EL28616) is located approximately 65 km east of the Company’s Fountain Head and Hayes Creek development and is considered non-core to the Projects.

The \$1.5 million consideration will be paid in four instalments from April 2023, and will occur monthly with completion and the final payment due on or before 28 August 2023.

PNX will retain a Net Smelter Returns Royalty of 1% over gold and silver and 2% over any other metals produced from Moline, and a first right of refusal to toll treat any gold and silver mineralisation from Moline at reasonable commercial rates through the proposed Fountain Head process plant.

The sale has realised immediate value for non-core tenements and allows PNX to focus on the development of its 100% owned Fountain Head gold, and Hayes Creek gold, silver, zinc projects.

Planned Activities June 2023 Quarter

- Commencement of aircore drilling at Glencoe South
- Ongoing surface mapping between Glencoe and Fountain Head to identify and sample other quartz veins
- Recommence field work at Northern Leases to extend surface anomalies identified in 2022, submit MMP for drilling program
- Mapping and sampling of targets identified in drone magnetics at Mount Bonnie-Iron Blow
- Commence field work at Sikonos and Western Arm (Burnside west) to better constrain geological controls on gold mineralisation
- Finalise drill program for northern leases and submit MMP
- Ongoing review of existing tenure for gold, silver and zinc, plus other commodities of recent interest
- Progress Government and Environmental approvals
- Continue Fountain Head and Hayes Creek Plant integration studies

Corporate

During the quarter, the Company announced results of the Non-renounceable Rights Issue (NRRI) announced on 30 January 2023. The total amount raised (before costs) was \$2,809,701 from acceptances of 936,566,912 new shares at an issue price of \$0.003 per share, representing an approximate 63.2% take-up (including oversubscriptions).

Funds raised will be used to support ongoing development activities at the Fountain Head and Hayes Creek integrated gold-silver-zinc Projects.

The date for the conditions precedent for acquisition of the Mt Porter gold deposit was extended to 30 June 2023 due to a delay in the assignment of a Native Title Deed, being one of the Conditions Precedent for Completion.

Subsequent to period end, the Company announced the appointment of Mr Rowan Johnston as an independent non-Executive Director, following the resignations of Dr Frank Bierlein and Mr Richard Wilson as non-Executive Directors.

These changes follow an ongoing review of PNX's board structure to ensure that board composition and skills are aligned with the strategic direction of the Company.

Cash on hand at 31 March 2023 was \$3.5 million.

The Quarterly Cashflow Report (Appendix 5B) for the period ending 31 March 2023 provides an overview of the Company's financial activities. Exploration and evaluation expenditure for the reporting period was \$335k. Net corporate and other expenditure amounted to \$335k. The total amount paid to non-executive Directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was \$59k and includes Directors' fees and superannuation.

For further information please visit the Company's website www.pnxmetals.com.au or contact:

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TENEMENTS Northern Territory

Tenement	Name	Holder	Area Hectare
ML30512	Mt Bonnie	PNX Metals Ltd 100%	6.4
ML30589	Mt Bonnie		31.6
MLN1033	Mt Bonnie		4.8
MLN1039	Mt Bonnie		1.2
MLN214	Iron Blow		6.3
MLN341	Iron Blow		14.9
MLN342	Mt Bonnie		13.7
MLN343	Iron Blow		14.9
MLN346	Mt Bonnie		16.0
MLN349	Iron Blow		15.0
MLN405	Mt Bonnie		12.0
MLN459	Mt Bonnie		15.0
MLN811	Mt Bonnie		8.1
MLN816	Mt Bonnie		8.1
Total Hayes Creek			168.0 ha
MLN794	Fishers-1	PNX Metals Ltd 100%	8.1
MLN795	Fishers-2		8.1
ML30936	Good Shepherd		106.0
Total Golden Dyke			122.2 ha
ML31124	Fountain Head	PNX Metals Ltd 100%	33.5
MLN1020	Fountain Head		12.0
MLN4	Fountain Head		529.9
MLN1034	Fountain Head		304.2
Total Fountain Head			879.6 ha
ML29679	Glencoe	PNX Metals Ltd 100%	199.0
Total Glencoe			199.0 ha
ML23839 ##	Mt Porter ##		364.7
Total Mt Porter			364.7 ha
ML24173 +	Moline +	PNX Metals Ltd 100%	3126.0
MLN1059 +	Moline +		418.7
MLN41 +	Mt Evelyn +		8.9
Total Moline			3,553.6 ha
Total Mineral Leases			4,922.4 ha
EL28616 +	Moline +	PNX Metals Ltd 100%	262.5 km²
EL31099	Bridge Creek		60.2 km²
EL31893	Ringwood Station		23.4 km²
EL32489	J25 Anomaly		20.0 km²
EL33217	Stray Creek		46.0 km²
Total Exploration Licences			412.3 km²

* On 28 February 2022, PNX Metals Limited agreed to divest the Moline project (tenements ML24173, MLN1059, MLN41 & EL28616) in the Northern Territory to Sovereign Metallurgical Pty Ltd, with completion to occur by 28 August 2023. (Refer ASX 1 March 2022 & 14 April 2023).

On 27 September 2022, PNX agreed to acquire ML23839 (Mt Porter) from Ausgold Trading Pty Ltd. (Refer ASX 28 September 2022).

Northern Territory – Farm-in Tenements

Tenement	Name	Holder	(Area sq km)
Burnside Project *			
EL10012	Mt Ringwood	PNX Metals Ltd 90%, Newmarket 10%	14.9
EL10347	Golden Dyke		10.0
EL23431	Thunderball		13.4
EL23536	Brocks Creek		70.4
EL23540	Jenkins		16.7
EL23541	Cosmo North		3.3
EL24018	Hayes Creek		23.4
EL24051	Margaret River		86.9
EL24058	Yam Creek		3.3
EL24351	McCallum Creek		13.4
EL24405	Yam Creek		4.1
EL24409	Brocks Creek South		22.1
EL24715	Mt Masson		56.8
EL25295	Margaret Diggings		10.0
EL25748	Burnside		584.5
EL9608	Mt Bonnie		10.0
Chessman Project *			
Tenement	Name		
EL25054	Maud	PNX Metals Ltd 90%, Newmarket 10%	64.0
EL28902	Maud		104.5
ML30293	Chessman		1.1
Rocklands Project #			
EL10120 #	Rocklands 1	PNX Metals Ltd – earned-in 100%	6.68
EL25120 #	Rocklands 2		10.02
EL27363 #	Rocklands 4		6.68
EL25379 #	Rocklands 7		6.68
EL23509 #	Rocklands 8		20.00
ML29933 ^	Rocklands 3	PNX Metals Ltd – earned-in 80%, Trojan Enterprises Pty Ltd and David Trow 20%	3.54
ML29937 ^	Rocklands 5		0.85
Total Exploration Licences			1,167.25

* PNX Metals Ltd has earned a 90% interest under a farm-in agreement with Newmarket Gold NT Holdings Pty Ltd (**Newmarket**)

PNX Metals Ltd has earned a 100% interest in the Hardrock Rights under a farm-in agreement with Rockland Resources Pty Ltd (**Rockland**) and Oz Uranium Pty Ltd Holdings Pty Ltd (**Oz**).

^ PNX Metals Ltd has earned a 80% interest in the Hardrock Rights under a farm-in agreement with Rockland Resources Pty Ltd (**Rockland**) and Oz Uranium Pty Ltd Holdings Pty Ltd (**Oz**). A 20% interest is held by Trojan Enterprises Pty Ltd and David Trow.

Northern Territory - Licence Applications

Exploration Licence Applications			
EL33476	Salt Trough Creek	PNX Metals Ltd – 100%	10 Blocks; 32.38 km ²
EL33477	Harriet Creek		146 Blocks; 487.03 km ²
EL33478	Copperfield Creek		35 Blocks; 116.64 km ²
EL33479	Burnside Granite		10 Blocks; 33.41 km ²
EL33480	Horners Creek		5 Blocks; 16.70 km ²
Total Exploration Licence Applications			206 blocks = 686.16 km ²