

Australian Gold & Base Metals Explorer & Developer

Annual General Meeting 9 November 2023

Northern Australia based projects

Long-term scalable production and exploration upside

AU Gold Ag Silver 30 **Zn** Zinc

Pb

CU Copper

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#### **Competent Person's Statement**

The information in this report that relates to exploration data is based on information compiled by Dr Michael Green, who is a full-time employee of PNX Metals Ltd. Dr Green is a Member of the Australian Institute of Geoscientists (AIG No: 4360) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Dr Green consents to the inclusion of this information in the form and context in which it occurs.

#### **New Information Statement**

PNX confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements noted below and referenced in this presentation and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. PNX confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements (see Appendix at the end of this presentation for further referenced information).



# **Corporate Overview**

### Advanced NT focused Gold and Base Metals Development

PNX Metrics	Current
Share Price <sup>1</sup>	\$0.003
Shares on Issue	5,381M
Performance Rights <sup>2</sup>	126.8M
Market Capitalisation	\$16.1M
Enterprise Value	\$14.0M
Cash <sup>3</sup>	\$2.04M

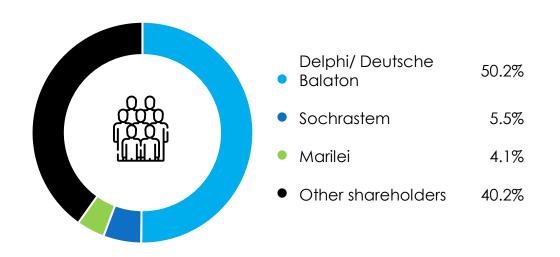
#### YTD Share Price Performance



- 1. Close of trading 07 November 2023.
- 2. Performance Rights conditions vary, but are aligned with PNX's Project development
- 3. Last reported cash balance 5B, as at 30 September 2023

Directors & Manageme	Years experience	
Graham Ascough	Chairman	30+
James Fox	MD & CEO	25+
Hansjoerg Plaggemars	Non-Executive Director	25+
Hans-jörg Schmidt	Non-Executive Director	20+
Rowan Johnston	Non-Executive Director	30+
Katelyn Adams	Company Secretary	25+

#### **Shareholder Structure**





# **Company Outline**

### Resource Growth, Permitting and Exploration Success





Advanced gold, silver & base metals projects on 100%-owned MLs



Integrated zinc-gold-silver development test-work ongoing



PFS Robust initial forecast production est. 70-80 k oz AuEq per year over >7 yrs\*



Large, highly prospective exploration tenure – pipeline of targets & district scale discovery potential



Experienced, Board & Management Team and supportive shareholders



Significant metal endowment provides platform for growth

<sup>\* (</sup>AuEq) Gold Equivalent - incorporates other payable metals such as silver and zinc in addition to the contained gold and converts into a gold equivalent value, refer PNX PF\$ 17 June 2021 for further details



# Company 2023 Highlights and Plans going forward

Aim: Increase the Company share-price and valuation

### 2023 Highlights

#### Resource Growth

- Acquisition of Mt Porter Mineral Resource
- Updated MRE 2.1 Mt @ 1.2 g/t Au for 79,000 oz Au (Measured and Indicated)<sup>1</sup>

#### Permitting

- Approval of the Fountain Head Environmental Impact Statement
- Submission of the Fountain Head Mine Management Plan (MMP)
- Finalisation of the Mt Porter MMP pending submission

#### Exploration Success

- Drilled mineralised extensions at Glencoe gold deposit
- C6 and the Northern Leases widespread surface samples >10 g/t Au, over >2.8 km strike - RC drill assays pending
- Return of Uranium Rights over PNX tenure

#### **2024 Plans**

Discover and delineate gold and/or base metals deposits of sufficient scale to materially improve overall Project economics, through higher grades, >1.5-2.0 g/t AuEq, or size, or a combination

 Identify opportunities for strategic acquisitions or collaborations to achieve the above aims

#### Resources

Continued resource growth and increase in geological confidence

#### Permitting

- Receipt of Fountain Head MMP approval
- Submission and receipt of Mt Porter MMP approval
- Advance environmental studies for hydro and groundwater at Glencoe and Hayes Creek

#### Continued Exploration Success

 Across PNX 1,500 km<sup>2</sup> Pine Creek tenure for Gold-Silver-Base Metals and Uranium

<sup>1.</sup> Refer ASX Announcement 30 August 2022 further details including JORC tables



# **PNXs Strategic Growth Channels**

### Integration of zinc-gold-silver projects

#### Future Growth from Existing Exploration Assets

#### **Strong Development Pipeline**

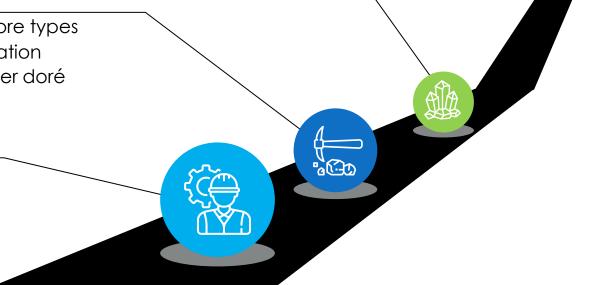
- Over 1,500km<sup>2</sup> of mineral and exploration licences
- Pipeline of targets to feed into proposed infrastructure
- District scale gold and base metals discovery potential
- Continue to acquire value add assets at the right price

#### Plant feed from multiple sources

- Plant design capable of treating multiple ore types
- Process flexibility to improve resource utilisation
- Zinc-gold-silver to concentrates & gold-silver doré
- Capital and operating cost synergies

#### Centralised Plant & Infrastructure at Fountain Head ML

- Initial PFS completed June'21
- Fountain Head Environmental approvals granted
- Integrated Plant design testwork underway
- Target average annual production of ~70-80koz AuEq¹



1. (AuEq) Gold Equivalent – incorporates other payable metals such as silver and zinc in addition to the contained gold and converts into a gold equivalent value, refer PNX PFS 17 June 2021 for further details



# **NT Projects Overview**

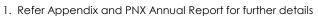
Total Mineral Resources: 520,900 oz Au, 16.2Moz Ag, 177kt Zn, 37kt Pb and 10kt Cu<sup>1</sup>

Integrated zinc-gold-silver Project comprising five 100% owned Mineral Resources on granted MLs

- High-grade Zn-Au-Ag VMS deposits with supporting gold resources
- PFS confirms robust, high-margin integrated development<sup>2</sup>
- Forecast life-of-mine production 250,500 oz Au, 11.4M oz Ag, 116.300 t Zn (excludes newly acquired Mt Porter gold deposit) over >7yrs
- Improved economy of scale and processing flexibility through project integration
- Environmental Impact Statement (EIS) approval received for Fountain Head Mine Management Plan submitted May'23 – RFI received Oct'23

#### **Regional Exploration Upside:**

- Extensive 1,500km² land package with untested gold & base metals potential
- Pipeline of priority targets with scale potential identified
- Exploration at high-grade C6 prospect rock-chip assays peak value of 186.6 g/t Au in C6N23AB078 from surface gossan, RC drilling complete with assays pending
- Regional uranium rights returned to PNX after 10 years with 3<sup>rd</sup> party



<sup>2.</sup> Refer ASX Announcement 17 June 2021 for further details







### **NT Exploration Overview**

# Extensive landholding with untested gold and base metals potential

Pine Creek Orogen - substantial historic gold endowment in excess of 3 million oz

Large portion of PNX landholding untested in the primary zone

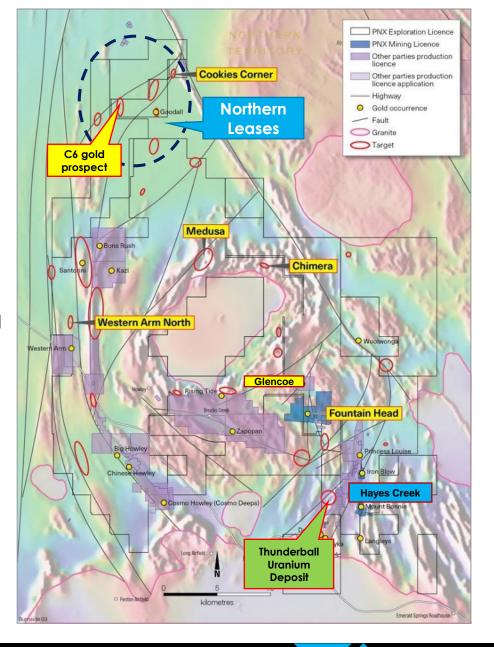
Multiple high-priority exploration targets with 'scale potential'

Targets defined by large geochemical signature + favourable structural settings

Uranium Rights returned to PNX including the Thunderball Uranium deposit and other prospects<sup>1</sup>

Exploration focus has been on the Northern Leases, including new C6 prospect:

- High-grade rock chips up to 186.6 g/t from surface gossan, gold in sporadic surface outcrop over 2.7km extent
- Drone-magnetic survey completed interpretation underway
- RC drilling completed at C6 with assays pending







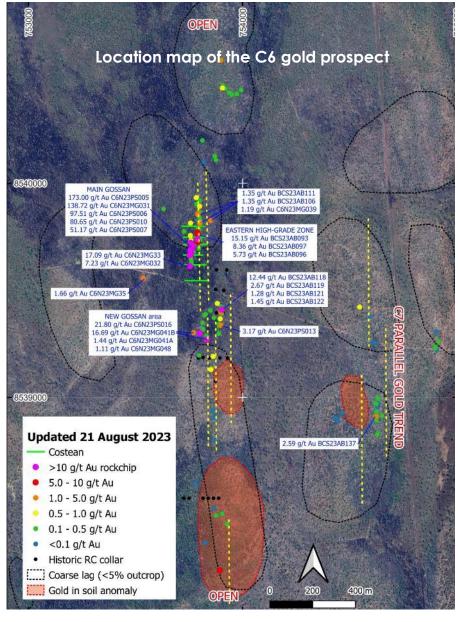
### **Northern Leases Exploration**

### High-grade rock chips at surface – large mineralised footprint

- Rock chip surface samples from PNX's new, C6 gold prospect, returned very high-grade gold assays, including:
  - o **123.1 g/t Au** in C6N23AB076,
  - 143.4 g/t Au in C6N23AB077,
  - o **141.1 g/t Au and a peak value of 186.6 g/t Au** in C6N23AB078,
  - 160.5 g/t Au in C6N23AB083, and
  - o 119.1 g/t Au in C6N23AB084



Trenching at C6



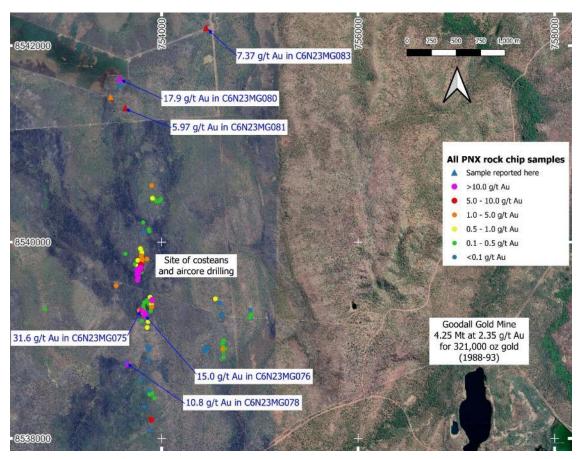
1. Refer ASX Announcement 31 May 2023 for further details including JORC tables



# C6 gold prospect & surrounds

#### Gossan at surface

- Costeans at C6 gold support surface field observations and expose high-grade surface gold zone
  - Significant costean results to date include;
  - 21.5 g/t Au over 1.5 m in Costean 3 upper south section,
  - 30.7 g/t Au over 1.0 m in Costean 3 upper north section,
  - 28.5 g/t Au over 0.5 m in Costean 4 upper and lower south section,
  - 11.8 g/t over 2.5 m in Costean 4 lower north side, and
  - 7.88 g/t Au over 2.5 m in Costean 4 upper north side
- High-grade gold mineralisation hosted within sub-vertical 2.5 m wide zone of broken quartz vein, gossan and siltstone, sulphide stringers
- More high-grade gold reported in surface rock-chips 1.8 km north of the C6 gossan including up to 17.8 g/t Au, and 1.0 km south of the C6 gossan including up to 31.4 g/t Au
- Widespread surface samples >10 g/t Au extend over >2.8 km strike with numerous areas requiring further assessment and testing
- Deeper RC drilling targeting sulphides in the fresh rock assays pending
- · Airborne Drone Mag Survey to assist with unlocking the potential



Location map of the C6 gold prospect in relation to the historic Goodall gold mine

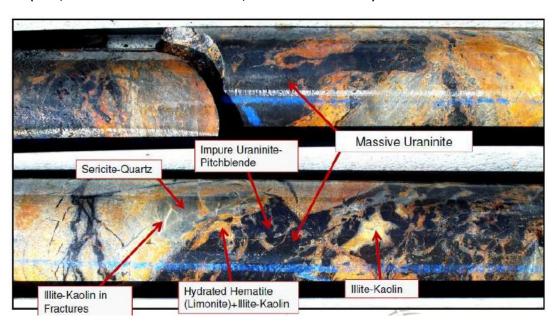
1. Refer ASX Announcement 29 August 2023 for further details including JORC tables

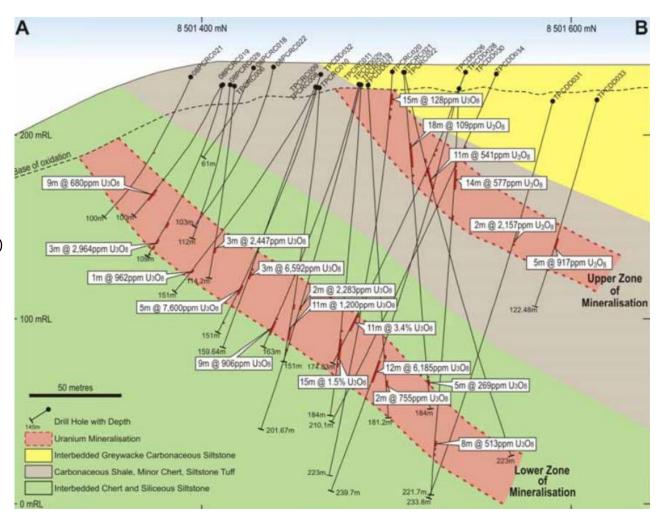


### **Pine Creek Uranium**

### Includes the Thunderball Uranium deposit

- Uranium Rights over ELs and MLs returned to PNX
- Held for 10 years by private 3<sup>rd</sup> party, agreement expired
- Thunderball Uranium deposit discovered by Thundelarra Exploration
- Project has remained essentially dormant
- Time to re-assess now under PNX ownership
- Spot price of U3O8 increased over 227.6% since March 2020 (US\$21.51 03/2020 to US\$73.00 10/2023)





### 11 m @ 3.4% U<sub>3</sub>O<sub>8</sub> (TPCDD026)

Intensely mineralised core (refer THX ASX release 4 November 2009 and https://announcements.asx.com.au/asxpdf/20100510/pdf/31q85ms5lffyz5.pd)



# Project Engineering, Design and Approvals

Industry-wide challenges relating to costs and schedules



Landscape has changed with cost inflation impacting operating & capital costs – particularly power and labour



Cost synergies relating to Project integration identified by Engineering partner Como Engineers



Improve resource utilisation, recoveries, and payment terms through test-work & flowsheet design



Project Government and Environmental approvals programs advancing, Fountain Head EIS approval granted, MMP approval pending, Mt Porter MMP submission by end CY 2023



Updated financial model to incorporate Project integration synergies & new Mt Porter gold deposit



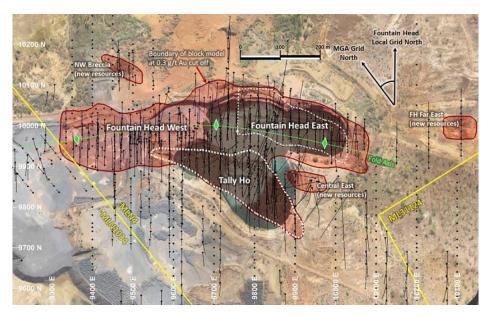
Increased exploration focus with the aim of improving scale and grade



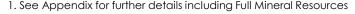
## **Integrated Production Path**

#### Plant & Infrastructure to be located at Fountain Head

- Updated Fountain Head (FH) MRE 2.94 Mt @ 1.7 g/t Au for 156,000 oz Au (Indicated and Inferred)<sup>1</sup>
- Proposed integrated Plant capable of treating:
  - Free milling/oxide gold/silver ore from Glencoe/Mt Porter/FH
  - Zinc-gold-silver sulphides from Hayes Creek
- Green energy component, up to 41% renewable power from solar and battery energy storage system
- Located in existing infrastructure corridor with rail, gas, power and other mining operations, 170km from Darwin
- No close process infrastructure in the region
- Agnico Eagle Mill under care & maintenance ~63km by road from FH
- Opportunities to expand Project footprint and incorporate third-party mill feed opportunities, i.e., Mt Porter
- Extensional zones of open gold mineralisation adjacent to Plant site, over
   >1.6km strike along the FH anticline
- Fountain Head EIS approved MMP approval pending









### Plant and Infrastructure

#### Mitigation of capital & operating cost pressures

- Leveraging expertise of engineering partner Como Engineers to:
  - update flowsheet for parallel sulphide flotation/CIL
  - improve recoveries & payables through test-work and design - ongoing
  - CIL component capital remains in-line with the PFS estimate due to simplification of flowsheet and mobile crushing option
- Integrated Plant to produce zinc-gold-silver concentrates & a separate gold-silver doré
  - Test work to model value drivers of updated flowsheet
  - Stand-alone hybrid power station reduces overall carbon footprint and unit operating costs
- Existing Infrastructure utilised, includes waste storage, water dams, roads etc

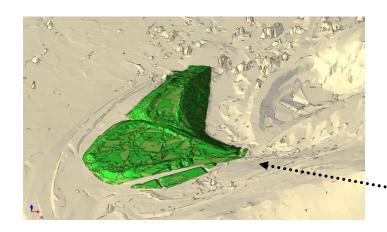


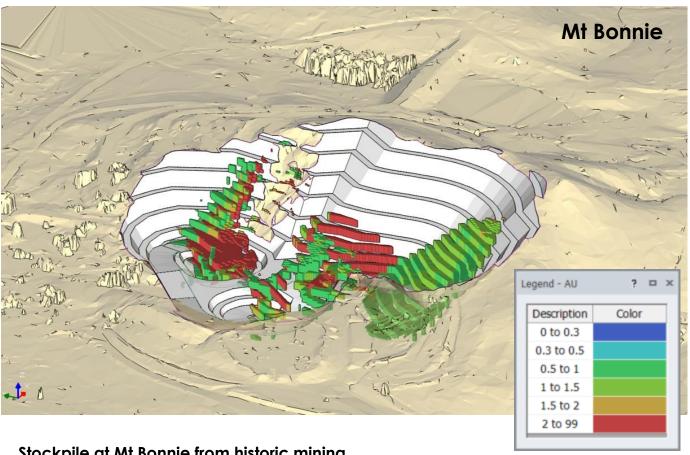


### Mt Bonnie Oxides – 100% Owned MLs

### High-value gold/silver ore

- <15 km from proposed Plant location at FH</p>
- 250Kt<sup>1</sup> of near-surface oxide material available for processing
- Oxide component contains 1.2Moz Ag & 25,300 oz Au
- Mining optimisation completed and included in updated studies





Stockpile at Mt Bonnie from historic mining incorporated as first fill/commissioning material

<sup>1.</sup> See Appendix for further details including Mineral Resources



## Mt Bonnie & Iron Blow Sulphides

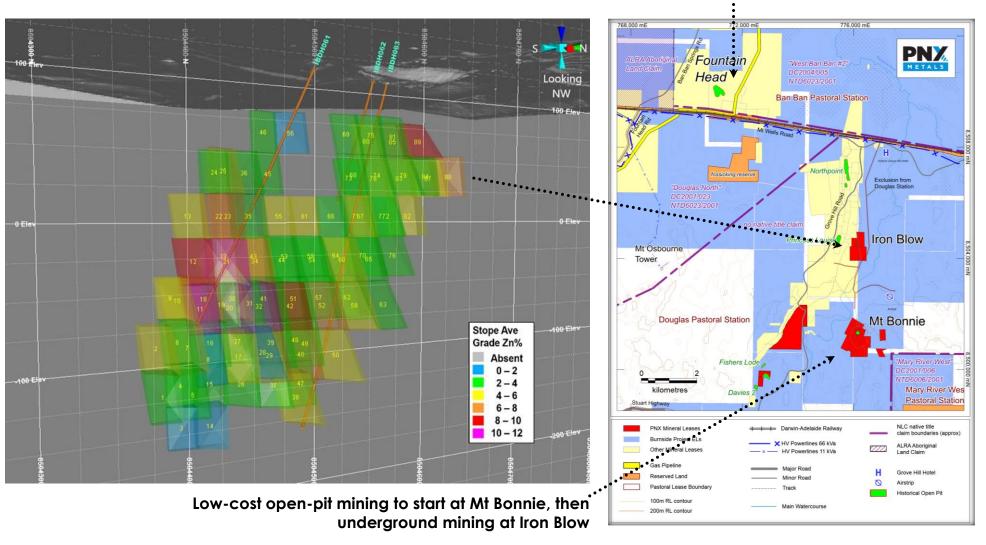
### **Two Zinc-Gold-Silver Rich VMS Deposits**

 4.1 Mt of highgrade Mineral Resources of which 84%

Indicated1

- Mining areas sit on granted MLs, less than 3 km apart
- 15-20 km along existing haul roads from mine location to proposed Plant at Fountain Head

Proposed plant location at Fountain Head utilises historic openpit for TSF, existing water, rail, gas, grid power, camp facilities

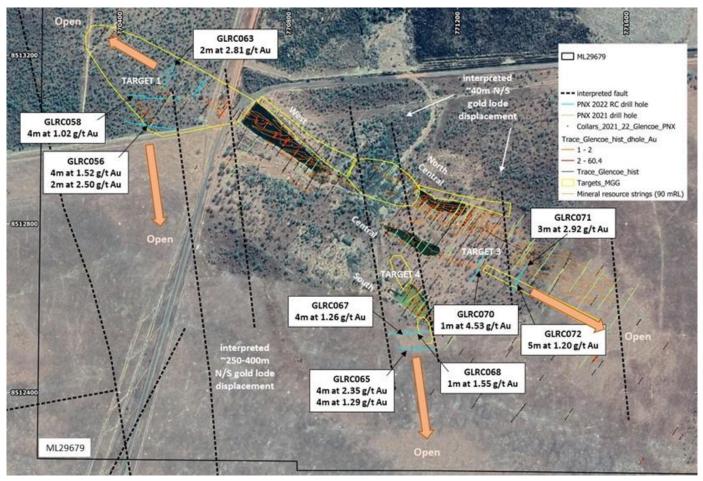


1. See Appendix for further details



# Glencoe gold deposit – 100% Owned MLs

### 3km north of Fountain Head – Open in all directions with a near-surface 1.5km strike extent



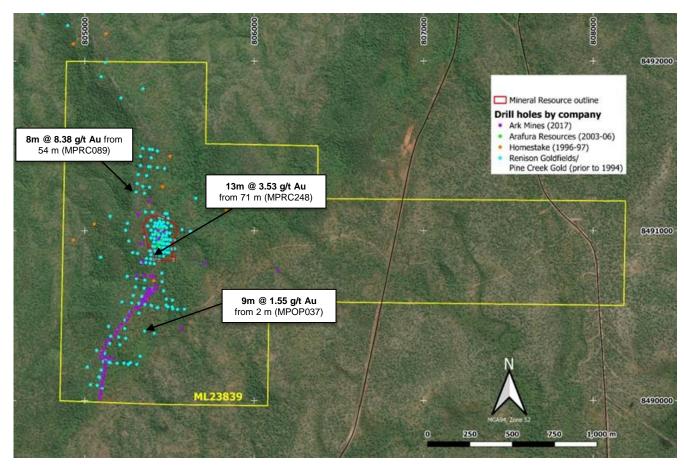
- Glencoe November 2022 RC drilling, with interpreted faults shown as dashed lines
- 1. Refer ASX Announcement 30 August 2022 further details including JORC tables
- 2. Refer ASX Announcement 17 March 2022
- 3. Refer ASX Announcement 16 December 2022

- Updated MRE 2.1 Mt @ 1.2 g/t Au for 79,000 oz Au (Measured and Indicated)<sup>1</sup>
- Remains open with strong exploration potential and numerous open intercepts
- Numerous high-grade near-surface rock chips containing gold<sup>2</sup>
  - 33.1 g/t Au in GLFS035c
  - 15.5 g/t Au in GLFS043
  - 35.8 g/t Au in GLFS046a
  - 15.9 g/t Au in GLFS046c
- Near-mine RC drill program in 2022 identified extensions to defined lodes
- Mined out void to provide Project tailings and water management flexibility



# Mt Porter gold deposit – Untested exploration upside

### Gold deposit <50 km by existing road SE of Fountain Head



Location map of the Mt Porter ML showing MRE outline and historic drilling

1. Refer ASX Announcement 28 September 2022 for further details including JORC tables

- Acquisition consistent with PNX's strategy to:
  - consolidate nearby mineral resources to support the proposed Project development,
  - and have significant exploration upside
- Updated MRE 681,000 t @ 2.2 g/t Au for 48,200
   oz Au (Indicated & Inferred)<sup>1</sup>
- Strong exploration over 1.2 km strike
- Numerous high-grade intercepts identified outside the current resource boundary
  - 13 m @ 3.53 g/t Au from 71 m (MPRC248) –
     20m west of current resource
  - 8 m @ 8.38 g/t Au from 54 m (MPRC089) Mt Porter North
  - 9 m @ 1.55 g/t Au from 2 m (MPOP037) Mt Porter South
- Numerous open areas and potential to extend mineral resources
- Update to mining MMP submission by end CY2023





# Thank you

### For more information:

www.pnxmetals.com.au

info@pnxmetals.com.au



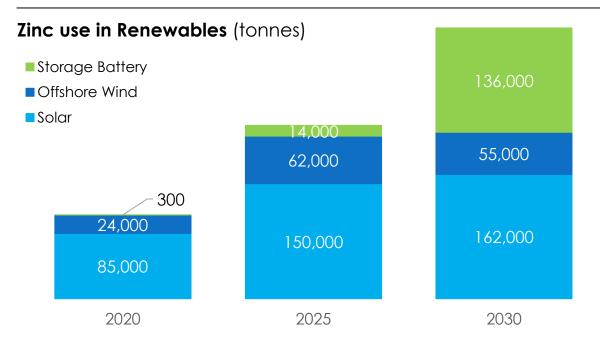
# Appendix

# Zinc's role in a low-carbon Economy

Project provides a quality zinc development opportunity to underpin future Company growth in the renewable energy sector

#### **Growing Demand for Zinc**

Accelerated investment and adoption of renewable energy is leading to growing zinc demand





- Zinc-ion batteries are safer than lithium-ion batteries as they use a water-based chemistry, avoiding fires
- Galvanized steel requires zinc and is the preferred material used by electric vehicle manufacturers



- Zinc coatings protect solar panel fixtures and prevent rust
- A 100MWh solar power park requires 240 tonnes of zinc



- Offshore wind turbines require a zinc coating to handle extreme environmental conditions
- A 10MWh offshore turbine requires 4 tonnes of zinc

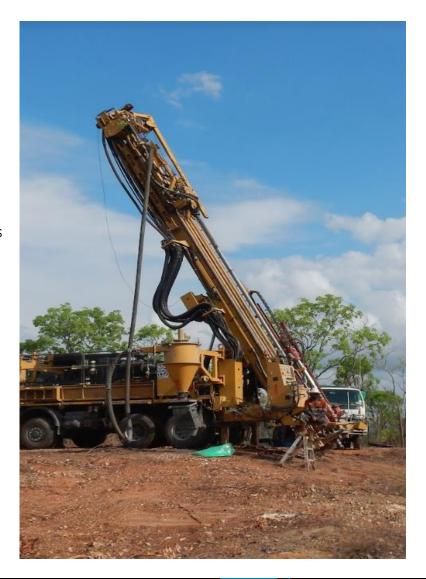
Zinc's superior ability to protect metals against corrosion and its growing role in energy storage and production makes it an essential material for the future

Source: https://www.visualcapitalist.com/sp/understanding-zincs-role-in-a-low-carbon-economy/



### References - PNX ASX Releases

- 'Hayes Creek confirmed to be a leading Zinc and Precious Metals Project in Australia' (12 July 2017)
- 'Extensive gold mineralisation at Cookies Corner, NT' (9 Oct 2018), and 'Gold Mineralisation Extended at Cookies Corner, NT (28 Jan 2019)
- 'Increase and improved confidence in Mineral Resource at Fountain Head Gold Project' (16 June 2020)
- 'New gold targets prioritised for immediate follow-up' (9 Oct 2020)
- 'Fountain Head Gold Project Development Update' (20 Dec 2021)
- 'Positive PFS supports long-term gold, silver, zinc Project' (17 Jun 2021)
- 'Environmental Impact Statement lodged for FH Gold Project' (1 Jun 2021)
- 'Near-surface high-grade gold zones extended to over 1.4 km at Glencoe and remains open in all directions (14 Jan 2022)
- 'Additional high-grade rock chips from surface at Glencoe' (17 Mar 2022)
- 'PNX increases NT gold exploration footprint' (28 Jun 2022)
- 'Significant upgrade in Glencoe gold mineral resource categorisation' (30 Aug 2022)
- 'PNX acquires the Mt Porter gold deposit' (28 Sept 2022)
- PNX 2022 Annual Report 7 October 2022
- 'New gold target zone identified between Fountain Head & Glencoe' (17 Nov 2022)
- 'Drilling Extends Gold Mineralisation at Glencoe' (16 Dec 2022)
- 'Multiple high-grade gold targets identified in PNX's northern exploration leases' (13 Feb 23)
- 'Fountain Head Gold Project Receives NT Environmental Approval' (17 Feb 23)
- 'Multiple surface samples exceed 100 g/t gold at PNX's northern exploration leases' (31 May 23)
- 'New high-grade gossan at C6 gold prospect' (17 July 23)





# Fountain Head and Glencoe gold deposits<sup>1</sup>

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements referenced in this release continue to apply and have not materially changed.

**Table 1:** Fountain Head and Tally Ho Mineral Resources by JORC Classification as at 16 June 2020, reported utilising a cut-off grade of >0.7 g/t Au which is consistent with the assumed open cut mining method. See ASX Release 16 June 2020 for JORC tables

JORC Classification	Tonnage (Mt)	Au (g/t)	Ounces (Koz)
Tally Ho			
Indicated	0.94	2.0	59
Inferred	_	-	-
Total	0.94	2.0	59
Fountain Head			
Indicated	0.89	1.4	41
Inferred	1.11	1.6	56
Total	2.00	1.5	96
Total Fountain Head + Tally Ho			
Indicated	1.83	1.7	100
Inferred	1.11	1.6	56
Total	2.94	1.7	156

**Table 2:** Glencoe Mineral Resources by oxidation zone and JORC Classification as at 29 August 2022 estimated using a cut-off grade of 0.7 g/t Au which is consistent with the assumed open-cut mining method. See ASX Release 30 August 2022 for JORC tables

JORC	Meas	Measured		Indicated		Inferred		Total		
Classificati on	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Au Ounces	
Oxide	14,000	1.18	86,000	1.04	40,000	1.23	140,000	1.11	5,000	
Transitional	144,000	1.25	449,000	1.28	107,000	1.18	700,000	1.26	28,300	
Fresh	269,000	1.36	649,000	1.04	324,000	1.17	1,242,000	1.14	45,700	
Total	427,000	1.32	1,184,000	1.13	471,000	1.18	2,082,000	1.18	79,000	



# Mr Porter gold deposit<sup>1</sup>

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements referenced in this release continue to apply and have not materially changed.

**Table 3:** Mt Porter Mineral Resources by JORC Classification as at 28 June 2022 estimated utilising a cut-off grade of >1.0 g/t Au which is consistent with the assumed open-cut mining method. See ASX Release 28 September 2020 for JORC tables and full report.

JORC	Indic	ated	Infe	rred	Total			
Classification			Tonnes (†)	Au (g/t)	Tonnes (†)	Au (g/t)	Au (oz)	
Oxide / Transitional	70,000	1.9	7,300	2.4	77,200	2.0	4,900	
Fresh	478,000	2.3	125,000	1.8	603,000	2.2	43,200	
Total	548,000	2.3	133,000	1.9	681,000	2.2	48,200	



# Iron Blow and Mt Bonnie VMS Deposits<sup>1</sup> (1/2)

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements referenced in this release continue to apply and have not materially changed.

**Table 4**: Iron Blow Mineral Resources by JORC Classification as at 03 May 2017

JORC Classification	Lode	AuEq Cut-off (g/t)	Tonnage (Mt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)	ZnEq (%)	AuEq (g/t)
Indicated	East Lode	1.0	0.80	7.64	1.83	0.30	275	2.90	20.64	15.53
maicalea	West Lode	1.0	1.28	4.14	0.33	0.31	60	1.73	8.84	6.66
Total Indicated			2.08	5.49	0.91	0.30	143	2.19	13.39	10.08
	East Lode	1.0	0.02	0.48	0.34	0.16	132	6.01	13.65	9.43
	West Lode	1.0	0.02	0.76	0.96	0.13	109	1.02	5.90	4.44
	FW Gold	1.0	0.21	0.25	0.07	0.03	16	2.03	3.48	2.62
Inferred	HW Gold	1.0	0.04	0.06	0.09	0.01	6	1.68	2.57	1.94
	Interlode Gold	1.0	0.04	0.21	0.03	0.07	8	1.66	2.79	2.10
	Interlode Base Metal	1.0	0.12	3.52	0.32	0.14	35	0.69	5.87	4.42
Total Inferred			0.45	1.11	0.18	0.07	27	1.71	4.38	3.30
Total Indicated +	Inferred Mineral Resource		2.53	4.71	0.78	0.26	122	2.10	11.79	8.87
Total Contained	Metal (t)			119,200	19,700	6,650	9.9Moz	170.9koz	298,000t	721.5koz

**Table 5**: Mt Bonnie Resource Mineral Resources by JORC Classification as at 08 February 2017

JORC Classification	Domain	Cut-off grade	Tonnage (kt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)	ZnEq (%)	AuEq (g/t)
Indicated	Oxide/Transitional	0.5g/t Au	195	0.94	2.43	0.18	1 <i>7</i> 1	3.80	11.50	9.44
Indicated	Fresh	1% Zn	1,180	4.46	0.94	0.23	121	1.02	9.60	7.88
Total Indicated			1,375	3.96	1.15	0.23	128	1.41	9.87	8.11
Inferred	Oxide/Transitional	0.5g/t Au	32	0.43	1.33	0.29	74	2.28	6.37	5.23
Inferred	Fresh	1% Zn	118	2.91	0.90	0.15	135	0.54	7.61	6.25
Inferred	Ag Zone	50g/† Ag	21	0.17	0.03	0.04	87	0.04	2.36	1.94
Total Inferred			171	2.11	0.87	0.16	118	0.80	6.73	5.53
Total Indicated + Inferred Mineral Resource 1,545			3.76	1.12	0.22	127	1.34	9.53	7.82	
Total Contained	Metal (t)			58,000	17,300	3,400	6.3Moz	66.8koz	147,000t	388.5koz

See next page Notes Relating to Mineral Resources and ASX releases 09 February and 03 May 2017 for further information



# Iron Blow and Mt Bonnie VMS Deposits<sup>1</sup> (2/2)

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements referenced in this release continue to apply and have not materially changed.

Table 6: Total
Hayes Creek
Mineral Resources
(Iron Blow + Mt
Bonnie) by JORC
Classification as at
03 May 2017

JORC Classification	Tonnage (kt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)	ZnEq (%)	AuEq (g/t)
Total Indicated (84.7%)	3,455	4.88	1.01	0.27	137	1.88	11.99	9.29
Total Inferred (15.3%)	622	1.39	0.37	0.10	52	1.46	5.03	3.91
Total Indicated + Inferred Mineral Resource	4,077	4.35	0.91	0.25	124	1.81	10.93	8.47
Total Contained Metal (t)		177,200	37,000	10,050	16.2Moz	237.7koz	445,000t	1,110koz

#### Notes relating to Tables 4, 5 & 6

Due to effects of rounding, the total may not represent the sum of all components.

Metallurgical recoveries and metal prices have been applied in calculating zinc equivalent (ZnEq) and gold equivalent (AuEq) grades.

Iron Blow - A mineralisation envelope was interpreted for each of the two main lodes, the East Lode (Zn-Au-Ag-Pb) and West Lode (Zn-Au), and four subsidiary lodes with a 1 g/t AuEq cut-off used to interpret and report these lodes. Mt Bonnie - Zinc domains are reported above a cut-off grade of 1% Zn, gold domains are reported above a cut-off grade of 50 g/t Ag.

In order to assess the potential value of the total suite of minerals of economic interest, formulae were developed to calculate metal equivalency for the gold and zinc (see below). Metal prices were derived from average consensus forecasts from external sources for the period 2017 through 2021 and are consistent with those used in PNX's recently updated Mt Bonnie Mineral Resource Estimate.

Metallurgical recovery information was sourced from test work completed at the Iron Blow deposit, including historical test work. Mt Bonnie and Iron Blow have similar mineralogical characteristics and are a similar style of deposit. In PNX's opinion all the metals used in the equivalence calculation have a reasonable potential to be recovered and sold.

PNX has chosen to report both the ZnEq and AuEq grades as although individually zinc is the dominant metal by value, the precious metals are the dominant group by value and will be recovered and sold separately to the zinc. The formulae below were applied to the estimated constituents to derive the metal equivalent values:

Gold Equivalent (field = "AuEq") (g/t) = (Au grade (g/t) \* (Au price per ounce/31.10348) \* Au recovery) + (Ag grade (g/t) \* (Ag price per ounce/31.10348) \* Ag recovery) + (Cu grade (%) \* (Cu price per tonne/100) \* Cu recovery) + (Pb grade (%) \* (Pb price per tonne/100) \* Pb recovery) + (Zn grade (%) \* (Zn grade (%) \*

Zinc Equivalent (field = "ZnEq") (%) = (Au grade (g/t) \* (Au price per ounce/31.10348) \* Au recovery) + (Ag grade (g/t) \* (Ag price per ounce/31.10348) \* Ag recovery) + (Cu grade (%) \* (Cu price per tonne/100) \* Cu recovery) + (Pb grade (%) \* (Pb price per tonne/100) \* Pb recovery) + (Zn grade (%) \* (Zn price per tonne/100) \* Zn recovery) + (Zn grade (%) \* (Zn price per tonne/100) \* Zn recovery)

Metals	Unit	Price	Recovery Mt Bonnie	Recovery Iron Blow
Zn	USD / t	2,450	80%	80%
Pb	USD / t	2,100	60%	60%
Cu	USD / t	6,200	60%	60%
Ag	USD / troy ounce	20.50	70%	80%
Αυ	USD / troy ounce	1,350	55%	60%

