

NT Exploration Fieldwork – New Gold and Base Metals Targets

- **Fieldwork commenced for 2017 season on priority gold and base metal targets**
- **Drilling at Moline aims to extend gold and base metals mineralisation - early July**
- **Drill testing new Cookies Corner gold target - late July**
- **Geophysical survey at Hayes Creek project and new Margaret VMS prospect aims to identify new untested mineralisation - late July**

PNX Metals Limited (**ASX: PNX**) is pleased to advise that it has commenced exploration field work at the Burnside and Moline exploration project areas in the Pine Creek region of the Northern Territory. See attached '**Exploration Strategy and Program**' presentation for additional information.

The Company's aim is to delineate high-value, highly profitable gold and/or base metals deposits which can be treated through the process plant proposed for the Hayes Creek project (PFS due for completion shortly), or through existing free-gold milling infrastructure owned by Kirkland Lake Gold Ltd.

Drill Targets

Twenty one Reverse Circulation (RC) holes are planned to commence early July at the Moline project (School, Moline, Tumbling Dice and Redback prospects) where PNX is aiming to extend gold and base metals sulphide mineralisation delineated in 2016 (see ASX releases 5 and 19 December 2016).

At the **School** prospect PNX drilling intersected significant gold mineralisation only 50m below the historical pit:

- **MORC001: 9m @ 2.66 g/t Au (from 68m) in the western lode**
- **MORC002: 7m @ 11.89 g/t Au (from 115m) in the eastern lode, including 3m @ 23.79 g/t Au (from 116m)**

At the **Moline** and **Tumbling Dice** prospects, PNX intersected zinc-gold-silver-lead rich sulphides which remain open down-dip and along strike, including:

- **Moline, MORC003: 2m @ 4.66g/t Au, 177g/t Ag, 4.92% Zn, and 4.41% Pb from 89m**
- **Tumbling Dice, MORC010: 30m @ 2.29g/t Au and 0.70% Zn from 78m down hole, including;**
 - **3m @ 6.58g/t from 100m**

PNX also plans to drill 15 RC holes (late July, subject to approvals) at **Cookies Corner** where previous drilling, soils anomaly, and historic rock chip assays highlight the potential for a large, near-surface gold mineralised system to exist.

The **Cookies Corner** gold prospect is a **large ~1km in length gold in soils anomaly** 40km north-west of Hayes Creek and forms part of the Burnside project.

Limited RC and RAB drill testing by WMC was completed in 1988-1989 and Northern Gold NL in 1998-2000 where numerous open near-surface intersections¹, including:

- **3m @ 19.7g/t Au from 3m** in CKRB035, and
- **6m @ 3.12g/t Au from 42m** in CC03,

are supported by historical high-grade rock chip assays up to 29.3g/t Au.

Cookies Corner is located in a highly prospective structural zone where two of the most mineralised structures in the Pine Creek region converge - the Howley Anticline and Pine Creek Shear Zone. The gold in soils anomaly is of comparable size and tenor and located less than 4km from the historic Goodall Mine where approximately 262,000oz Au was produced².

Geophysics

At **Margaret**, located less than 1km from Iron Blow and 3km from Mt Bonnie VMS deposits, a large, 1km in length lead-zinc-gold in soils anomaly has been defined through PNX fieldwork. It lies in the same stratigraphic formation as Mt Bonnie and is buttressed against a large ENE fault, interpreted to be one of the controls over VMS mineralisation in the region. The soils anomaly is potentially the geochemical expression of deeper mineralisation, and continues to highlight the potential of the region to host clusters of VMS deposits.

SkyTEM Australia will fly an airborne geophysical survey over the Hayes Creek project area including the new Margaret VMS prospect to assist with identifying extensions to existing mineralisation at the Mt Bonnie and Iron Blow Zn-Au-Ag-Pb deposits, and new targets with VMS potential. The survey will be flown in July.

PNX Managing Director James Fox said: "Drilling at the Moline project where we are aiming to extend the excellent gold and base metals sulphide mineralisation intersected in late 2016, and drilling at the new, large Cookies Corner gold anomaly has the potential, if successful, to create substantial value for PNX shareholders. A SkyTEM airborne geophysical survey over the Hayes Creek project area and at the new undrilled Margaret VMS prospect is aimed at identifying new targets and extensions to existing mineralisation at the Mt Bonnie and Iron Blow Zn-Au-Ag-Pb deposits."

Regional Exploration

The Burnside, Moline and Chessman projects form part of PNX's farm-in agreement with Newmarket Gold NT Holdings Pty Ltd (Newmarket), a subsidiary of TSX-listed Kirkland Lake Gold Ltd (TSX:KL). PNX currently holds a 51% interest (excluding uranium) in these project areas, which consists of 19 Exploration Licences and 4 Mineral Leases covering approximately 1,700km² in the Pine Creek region of the Northern Territory (Figure 1).

PNX has proceeded to the second stage of the farm-in whereby it can increase its interest in each of the tenements to 90% (excluding uranium) with expenditure of \$2 million by 15 December 2018, with ~\$1 million of that having been already spent. Under the agreement with Newmarket, \$0.5 million of expenditure on the Company's Hayes Creek project will contribute to the required \$2 million.

¹ Ward MA, Rohrlach BD, 1989. Annual Report Mt Ringwood, CR1989-0327

² Quick DR, 1994. Exploration & geology of the Goodall gold mine

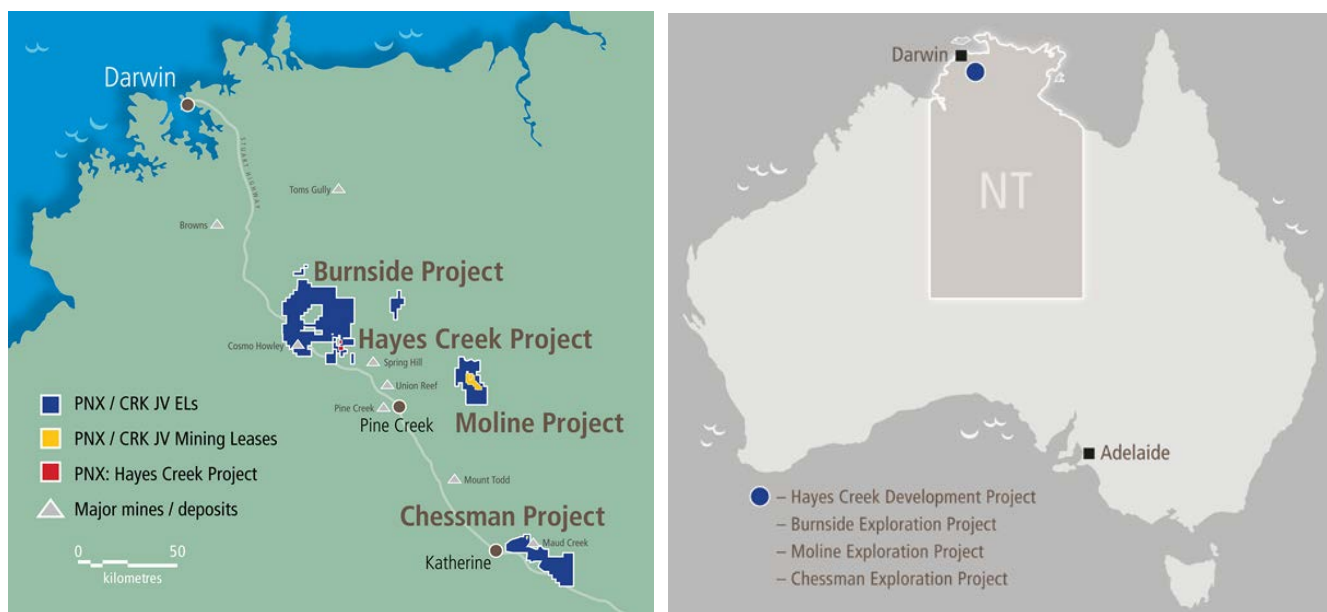


Figure 1: NT Project locations

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Bennett, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Bennett has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Bennett is a full time employee of PNX Metals Ltd and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

James Fox

Managing Director & CEO

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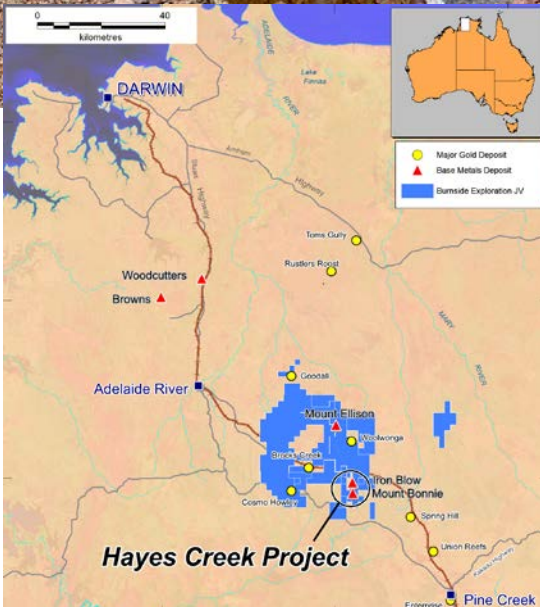
ASX: PNX
Exploration Strategy and
Program
June 2017

Zinc-Gold-Silver
Project Development
& Exploration

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- This presentation is an overview of the Company prepared with good intention. It is not a prospectus and offers no securities for subscription or sale in any jurisdiction, nor a securities recommendation.
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- This presentation contains forward-looking statements. These forward-looking statements reflect management's current beliefs based on information currently available to management and are based on what management believes to be reasonable assumptions. However, future events are subject to risks and uncertainties, and a number of factors could cause actual results, performance and achievements to differ materially from the expectations expressed or implied in the forward looking statements contained in this presentation. These factors include movements in commodity prices and exchange rates, and the continued availability of capital and financing.
- The information in this report that relates to Mineral Resources and Exploration Results is based on information compiled by Mr Andrew Bennett a Competent Person who is a Member of the Australian Institute of Mining And Metallurgy. Mr Bennett has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Bennett consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



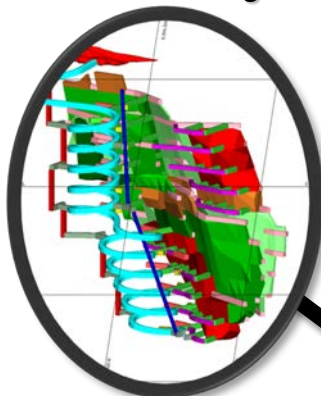
Developing the Hayes Creek zinc-gold-silver project, and exploring for gold and base metals in the Northern Territory

www.pnxmetals.com.au

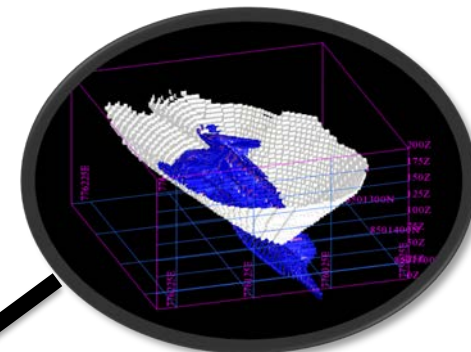
Northern Territory Growth & Development



Iron Blow Underground



Mt Bonnie Open Pit



Hayes Creek
Processing
Facility



Greenfields Exploration



Brownfields Exploration



- **Develop:**
Iron Blow + Mt
Bonnie VMS =
Hayes Creek Project
- **Build:**
Hayes Creek
Processing Facility
- **Explore:**
in known
mineralised
environments
- **Discover:**
new mineralisation

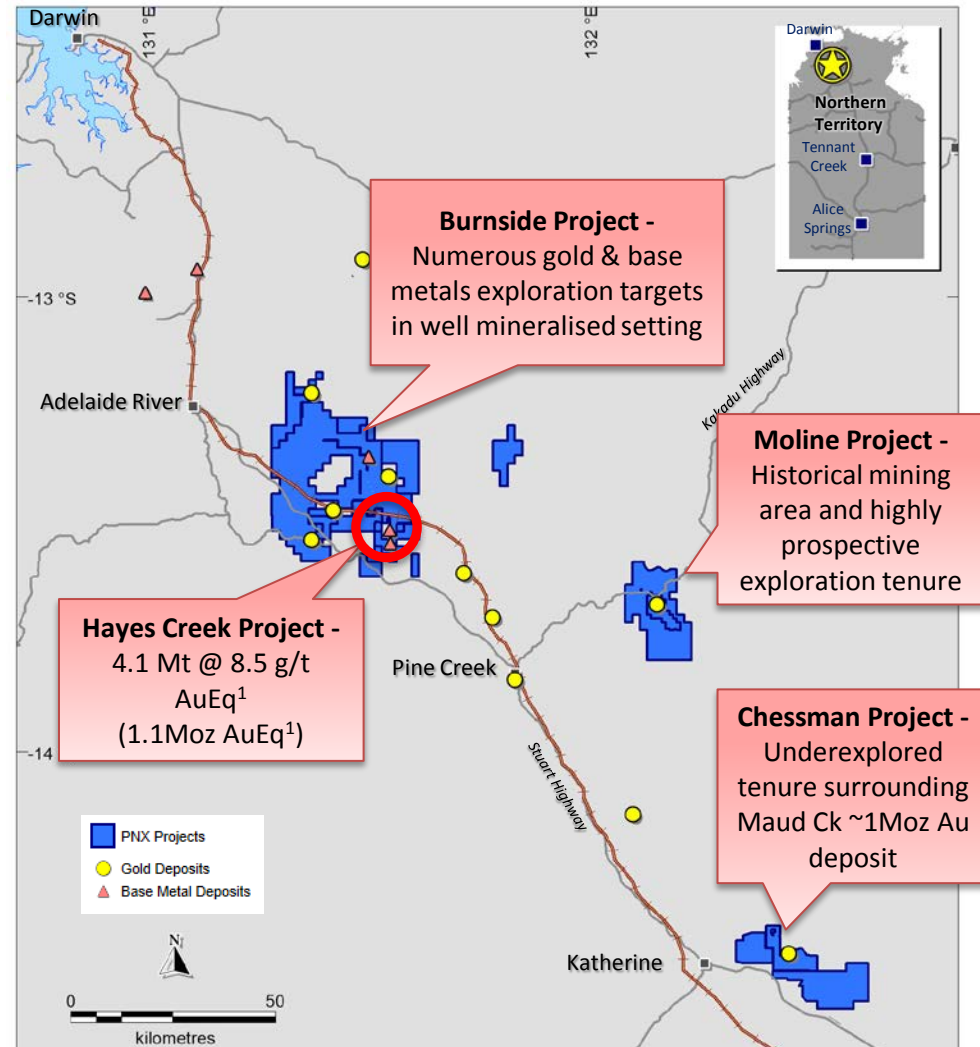
Exploration Location: 165km from Darwin

Unlocking mineral wealth in the Pine Creek Orogen



- Well known mining region
- Numerous brownfield opportunities
- Historically: shallow oxide mining & shallow drilling - little deeper exploration
- Historic gold discoveries (1980's-1990's) uneconomic at the time due to low gold prices <US\$400 oz
- With gold at ~US\$1,200/oz: *potential exists for resources in existing datasets*
- PNX identified new targets using modern geophysics + geochemistry + structural targeting
- 51% PNX and earning to 90%

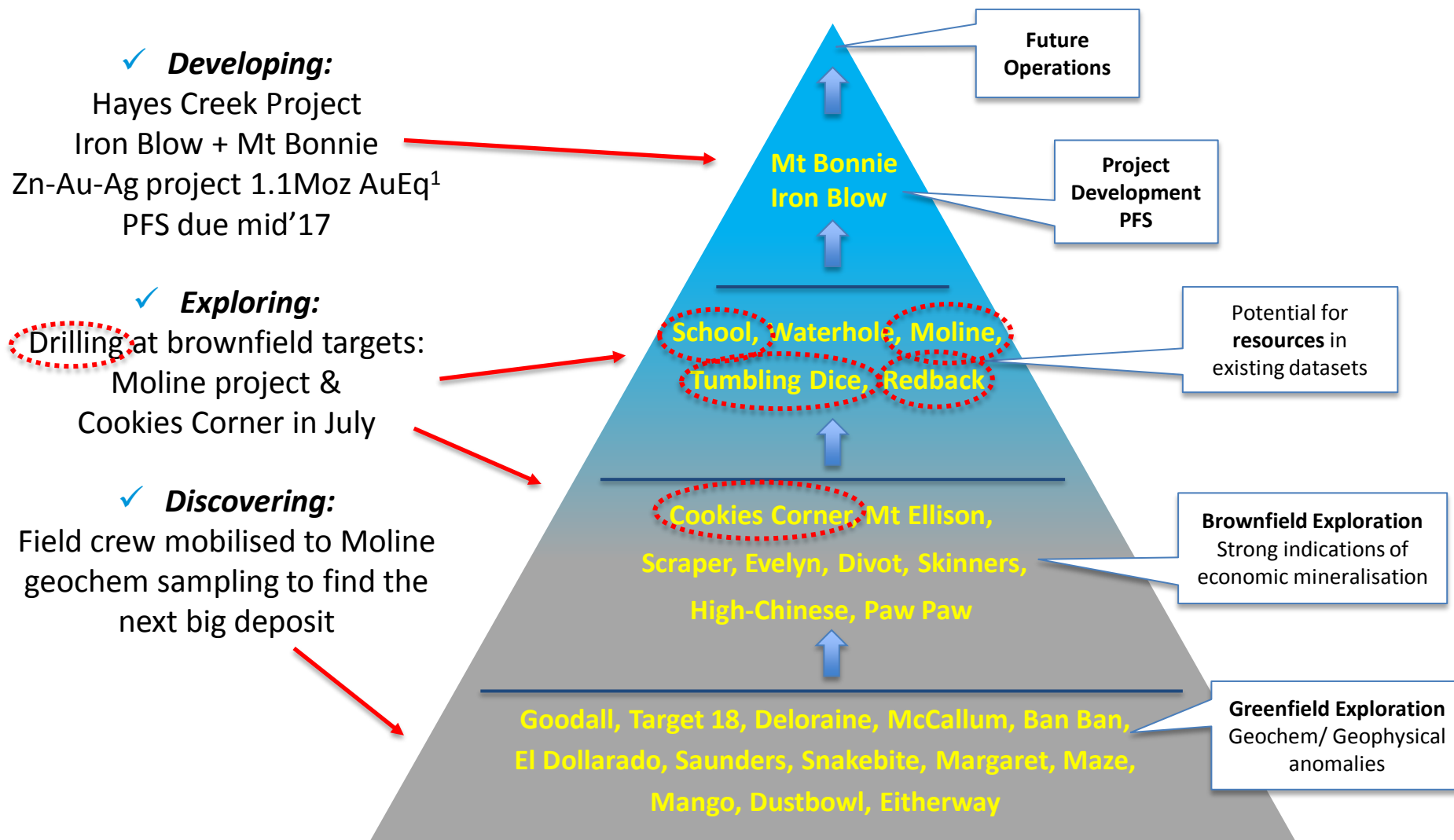
Target: high-value, highly profitable deposits, complimentary to the Hayes Creek project – i.e. gold/base metals amenable to flotation



¹AuEq = All metals expressed as an equivalent gold grade (see notes relating to Mineral Resources for full definition and assumptions)

Exploration -> Development

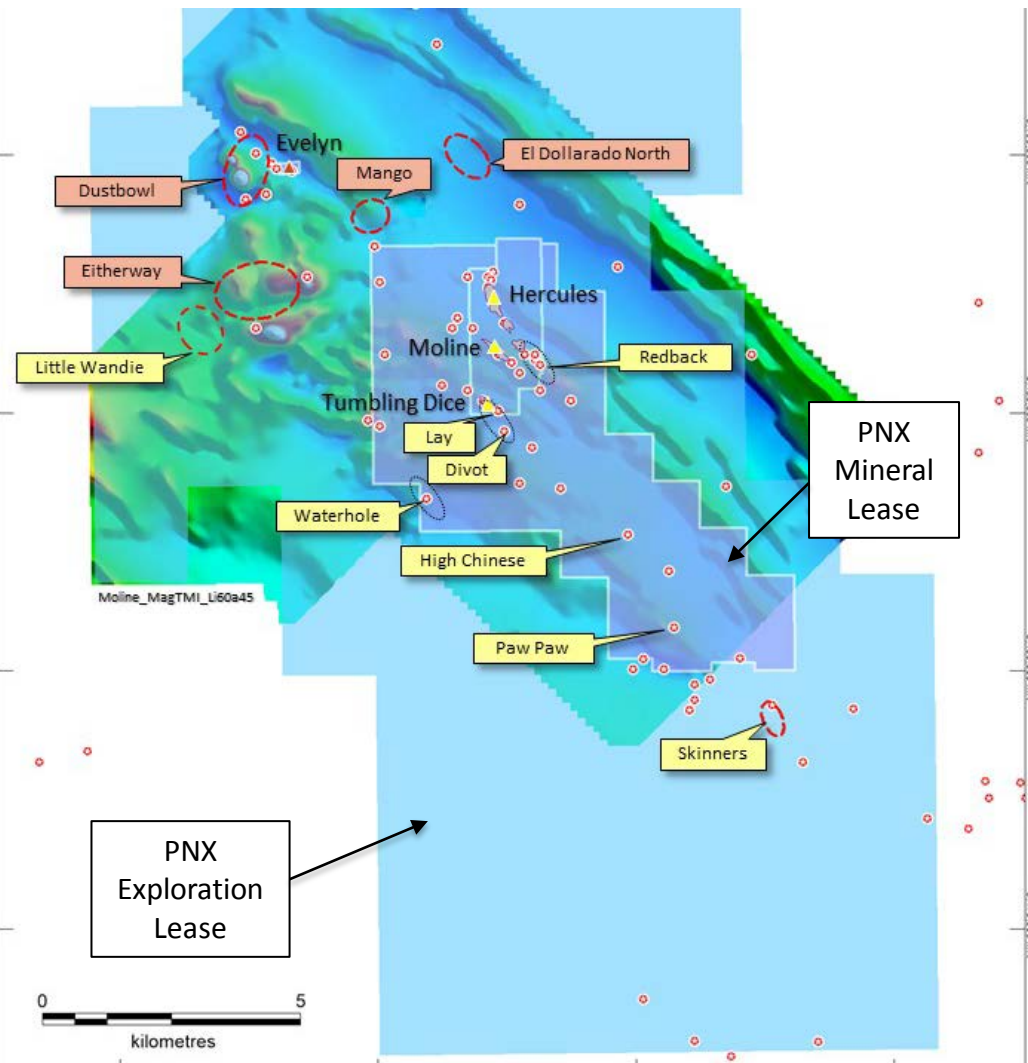
Attractive mix of assets being advanced: Gold + Base Metals



¹AuEq = All metals expressed as an equivalent gold grade (see notes relating to Mineral Resources for full definition and assumptions)

Moline Regional Exploration 2017: Drilling July'17

- Historic gold mining: centred on 3 lodes at Moline, Hercules & Tumbling Dice
- Plus Evelyn historic Zn-Pb-Ag mine ~5km to the NW
- 65km SE of Hayes Creek Project
- ~200,000oz Au produced historically*
- *Important history* – mining ceased in early 1990's due to a breakdown in processing facility NOT depletion of ore
- Very little work since early mining cessation, potential to extend existing mineralisation
- Deposits open at depth and showing strong Zn association = good synergy with Hayes Creek project
- *Drilling priority targets July'17*
- *Ongoing soil geochem, geophysics*

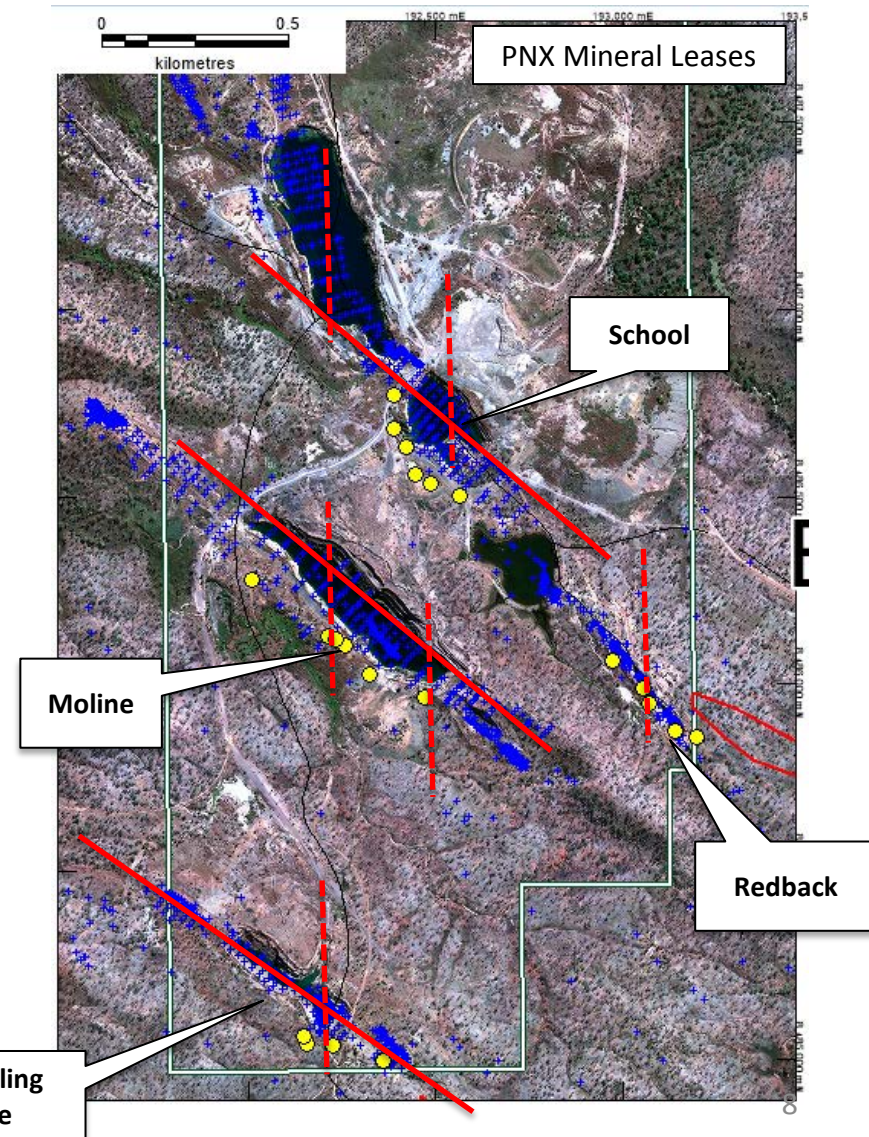


*Gold production - (Miller 1990): 37,000oz by various, between 1880's and 1954-1957, plus (Ferenczi & Sweet 2005): 168,900oz Cyprus & Arimco 1989-1992

Moline Drilling planned July '17: Extend high-grade intercepts



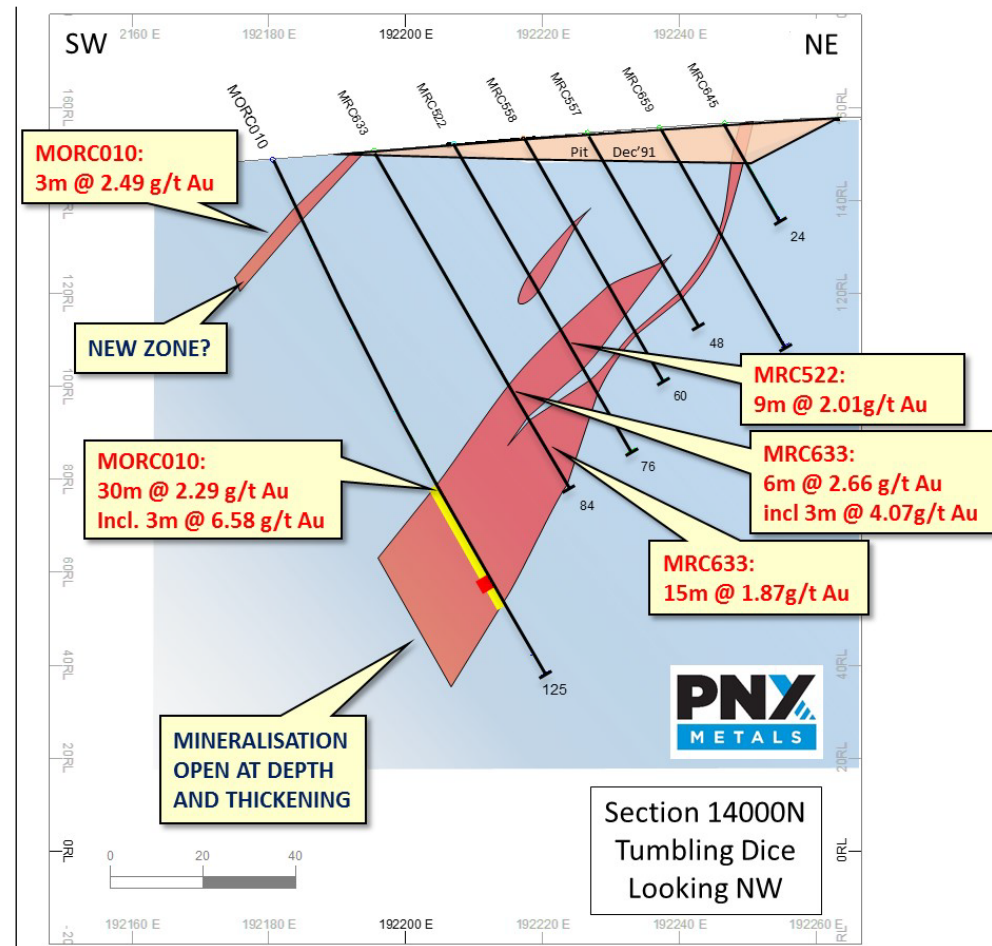
- In 2016 PNX drilled new gold + base metals mineralisation in sulphide lodes
- School - 6 holes planned
 - MORC002: **7m @ 11.9g/t Au from 115m**
 - **Incl. 3m @ 23.8g/t Au**
- Moline - 6 holes planned
 - MORC003: 2m @ 2.66g/t Au, 177g/t Ag, 4.9% Zn & 4.41% Pb from 89m
 - MORC006: 10m @ 1.49g/t Au (67m) & 9m @ 2.57g/t Au from 92m
- Tumbling Dice - 4 holes planned
 - MORC009: 10m @ 1.67g/t Au, 0.97% Zn from 57m
 - MORC010: 30m @ 2.29g/t Au, 0.70% Zn from 78m
- Redback - 5 holes planned **NEW TARGET**



Moline Drilling: Untested gold & base metals potential

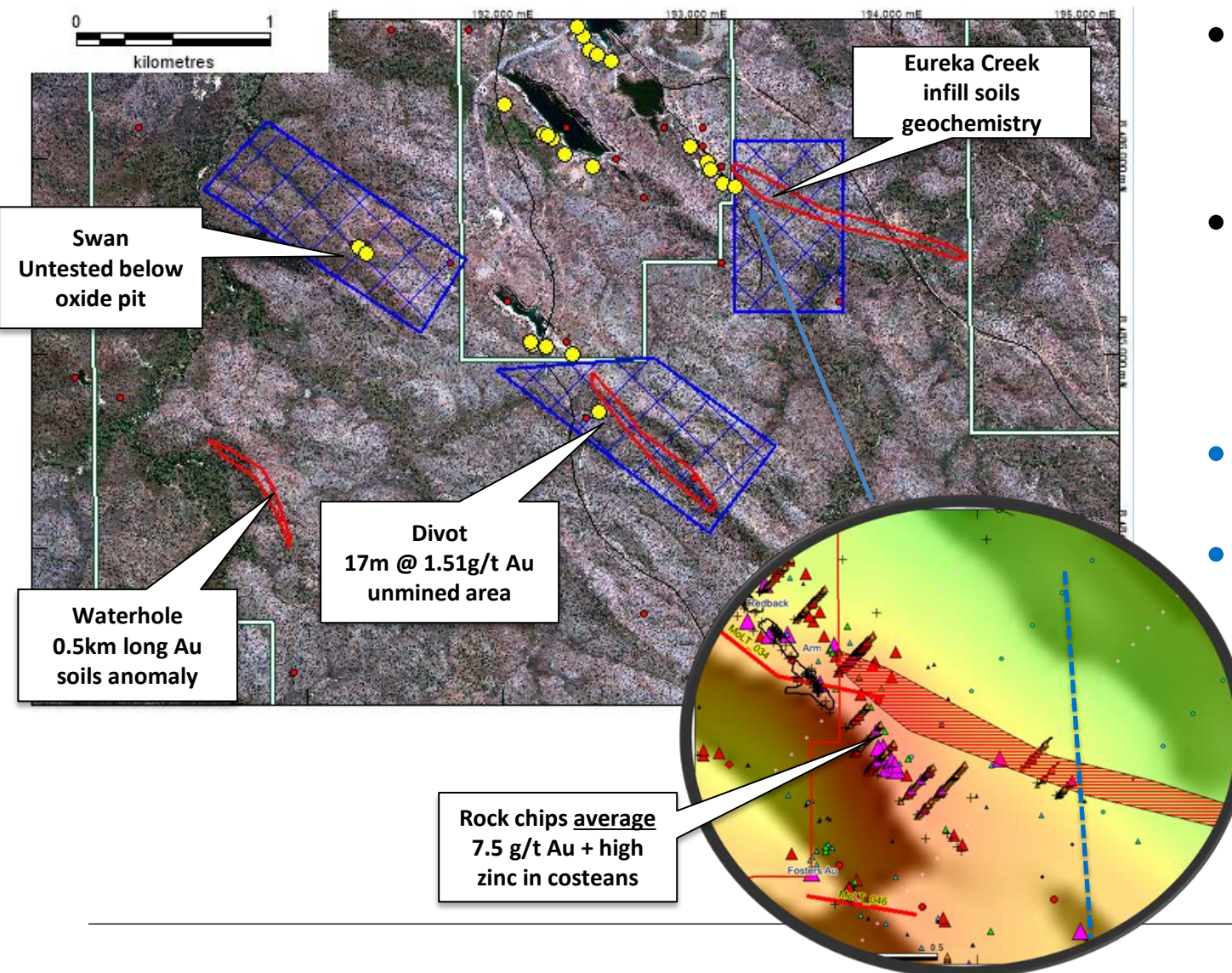
- Drilling planned underneath best open gold intersections, mineralisation thickening + open
- Shallow mineralisation extends from near-surface to ~100m depth, so far..
- New near surface parallel zone of gold mineralisation identified to the west
- Extend mineralisation down dip and test continuity for resource purposes
- Potential to delineate similar gold mineralisation to that historically mined (~200,000oz gold*)
- Opportunity to treat through the proposed Hayes Creek plant

Tumbling Dice



Moline Exploration:

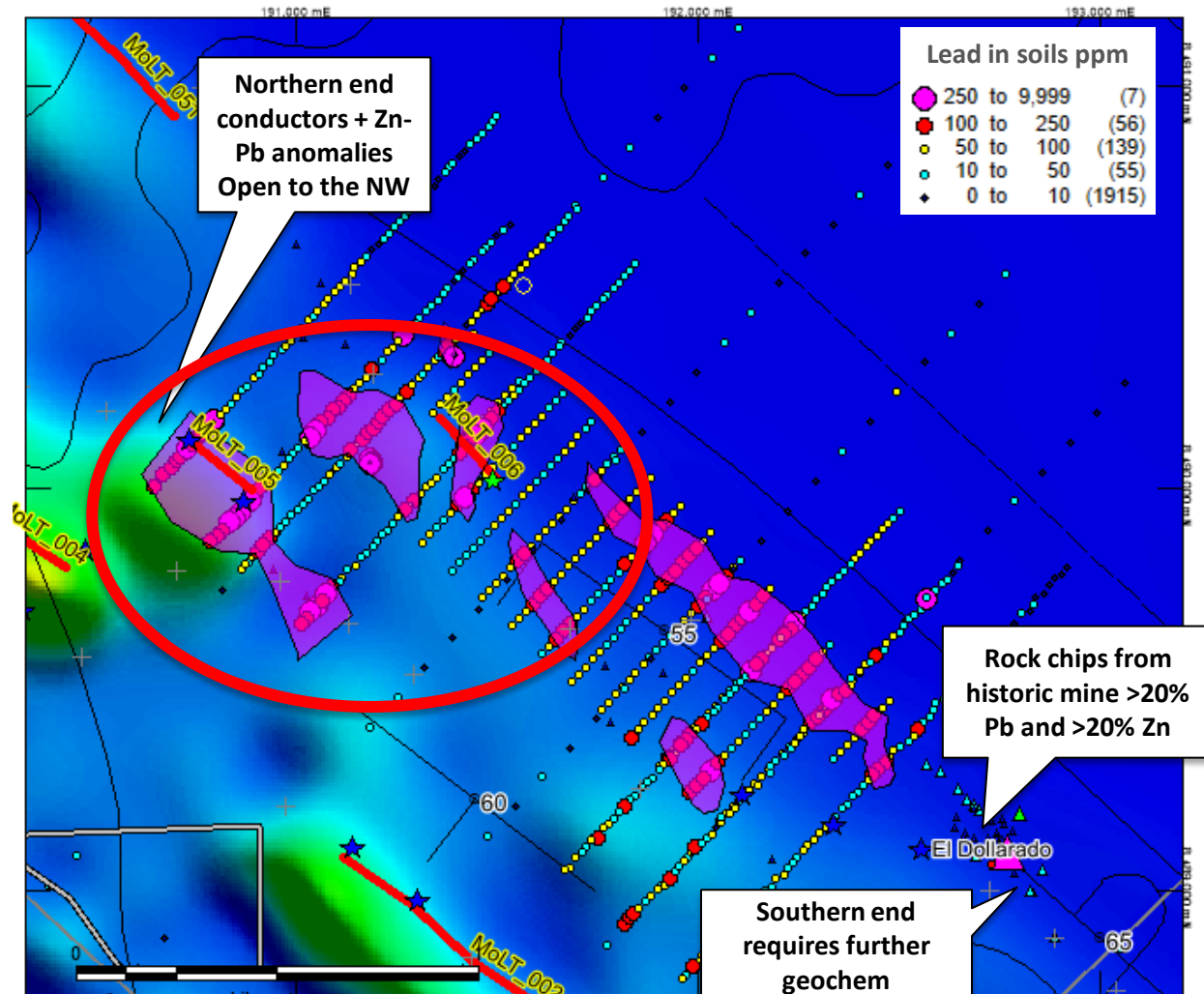
Test for extensions = potential for new discoveries



- Objective: to extend line of lode from Tumbling Dice & School deposits
- Targeting intersection of N-S structural zones using VTEM and previous signs of mineralisation
- *Extend geochemical coverage*
- *Geophysics to refine drill targets*
- *Significant discovery potential*

Greenfield base metals target - large Zn-Pb anomaly

- Strong 1.8km NW zone of Zn-Pb in soils, open to the NW
- Associated with same N-S trend as Hercules (historic production >100koz Au)
- VMS target in Mt Bonnie Fm (known host to VMS deposits @ Iron Blow)
- Evidence of Zn-Pb sulphide mineralisation in rock chips
- *Extend geochem survey*
- *Identify drill targets with geophysics*
- *3 holes subject to geophysics*

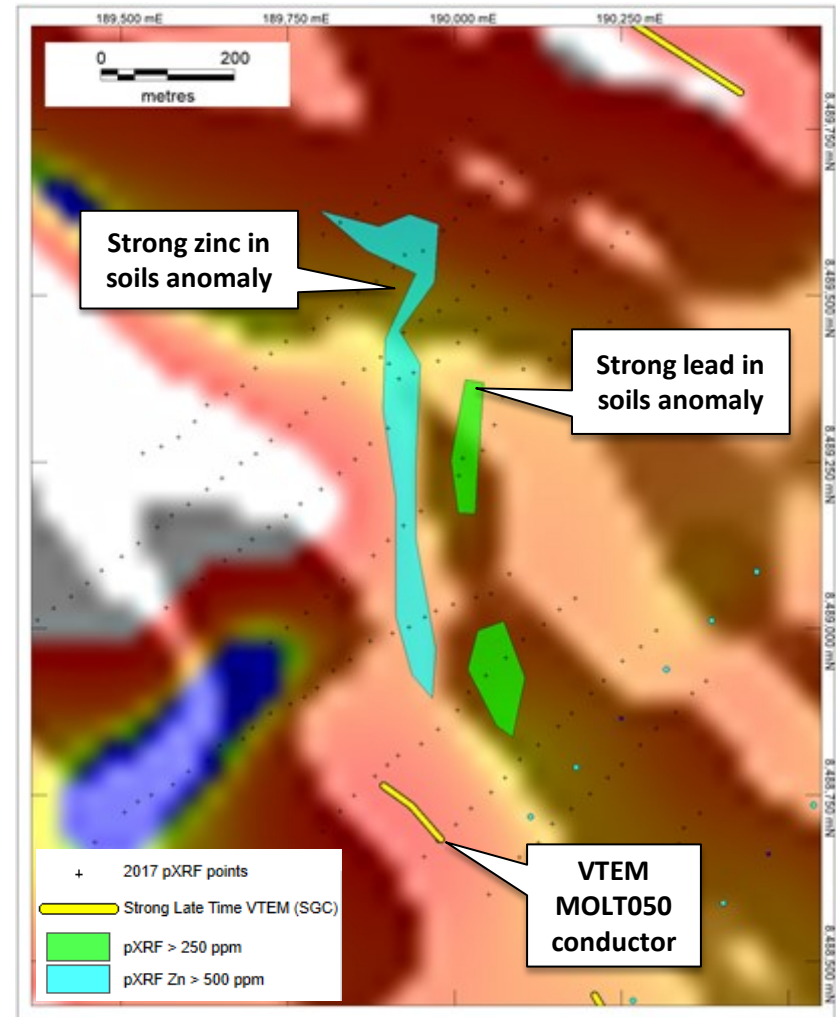


Magnetic Image

Moline: Mango

Greenfield base metals - new Zn-Pb anomaly

- New geochem anomaly discovered by PNX during 2016 fieldwork
- Very strong 0.5km parallel N-S zones of Zn-Pb in soils North of VTEM conductor
- ~3km NW from Moline pit & just off the Kakadu Hwy = good access
- Crossing NW stratigraphy associated with hematite alteration
- Could be same 1st order structure as Moline pit
- *Review MOLT050 conductor*
- *Ground geophysics to identify drill targets*



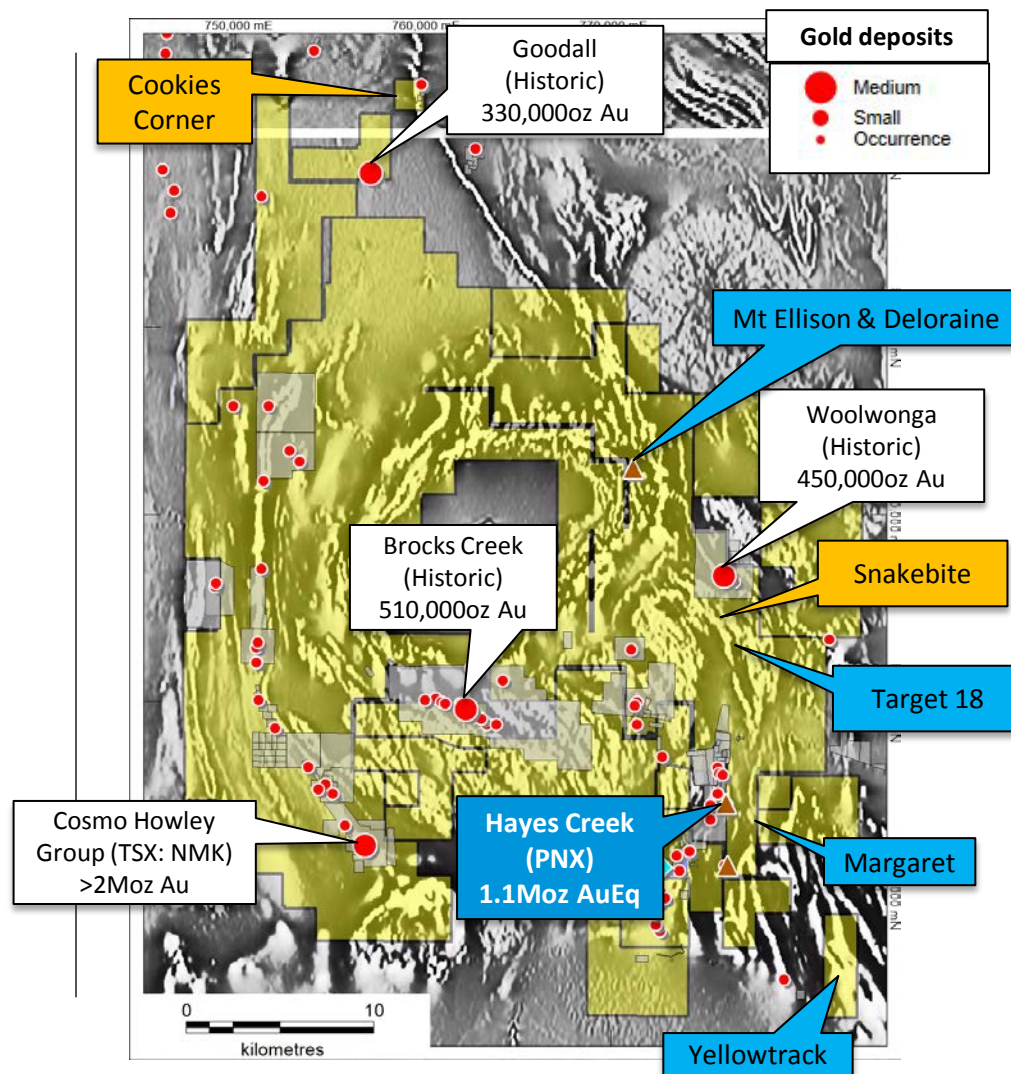
Burnside Regional exploration

Large tenure - untested gold & base metals potential

- ✓ **Widespread mineralisation**
- ✓ Known gold resources of 9Moz, and >3Moz produced*
- ✓ Historical exploration limited to mine & outcrop areas
- ✓ Little exploration below ~30m into primary sulphides
- ✓ Numerous mineralised intersections not followed up
- ✓ New EM data, soil geochemistry, drilling has revealed numerous new targets

= Strong potential for discovery of additional economic mineralisation

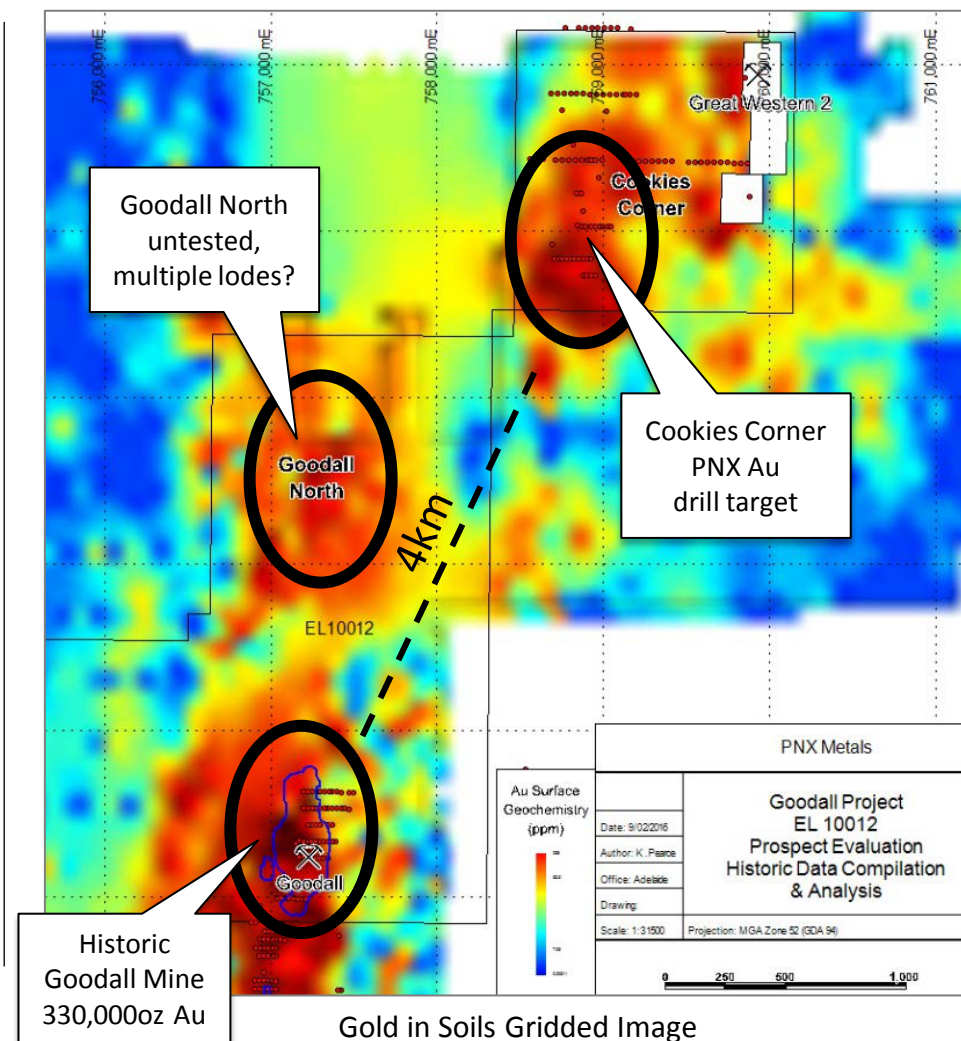
Drilling high-priority exploration targets 2017



Burnside: Cookies Corner Au

Near surface anomaly with scale potential - drill July'17

- **Large ~1km long gold in soils anomaly at Cookies Corner**
- Same structural corridor as Cosmo Mine (>2Moz Au) & Pine Creek shear zone
- Comparable size and tenor to Goodall Mine (historic mined 330,000oz Au resource*) <4km south
- Limited historic drilling by WMC/NGNL including:
 - **3m @ 19.7g/t Au from 3m**
- Economic gold intersections remain untested (see next page)
- Gold in NE trending parallel structures – potential for multiple lodes: Goodall North

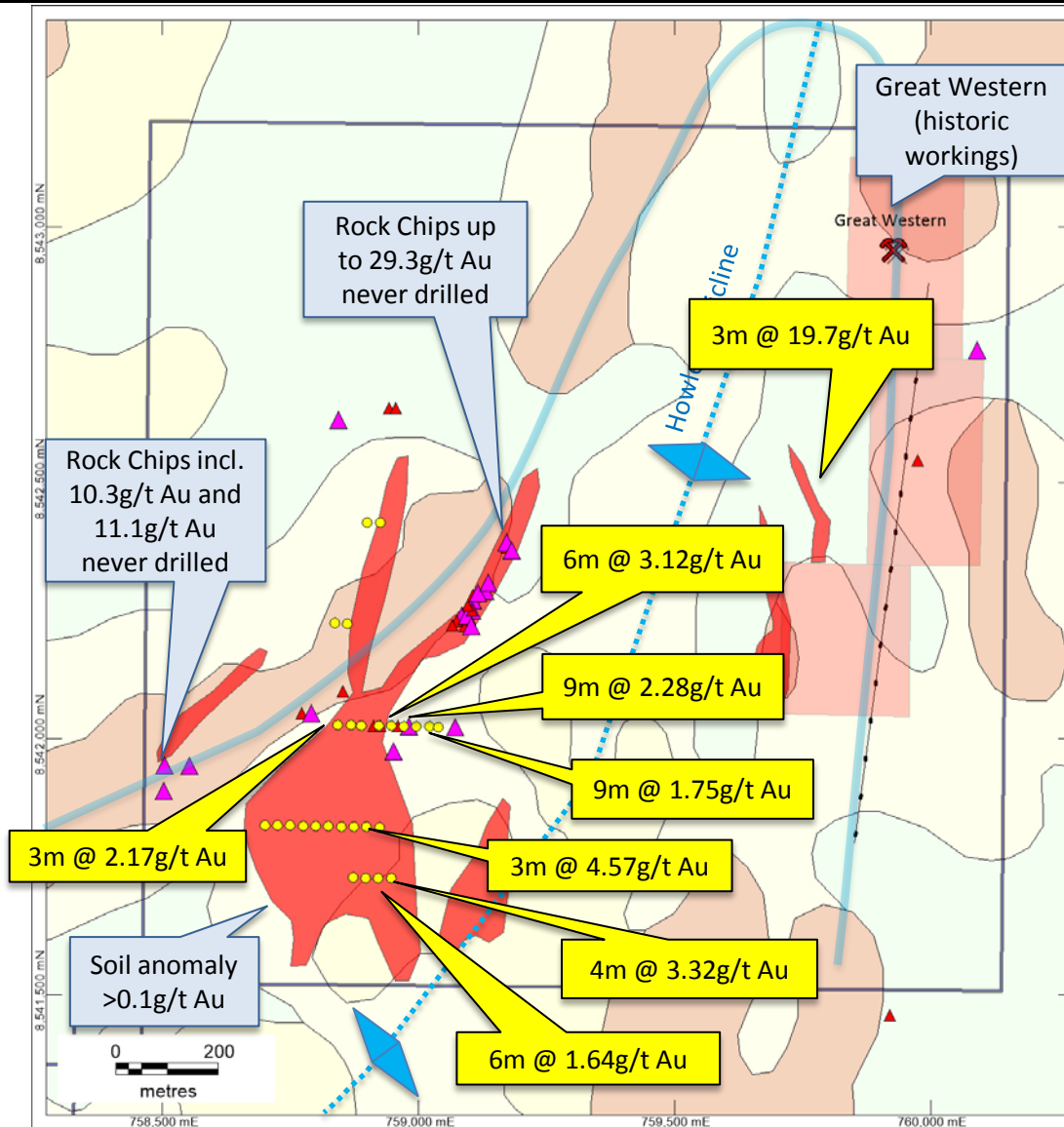


*Quick DR, 1994. Exploration & geology of the Goodall gold mine

Burnside: Cookies Corner Au

Priority drill ready target - drill test July'17

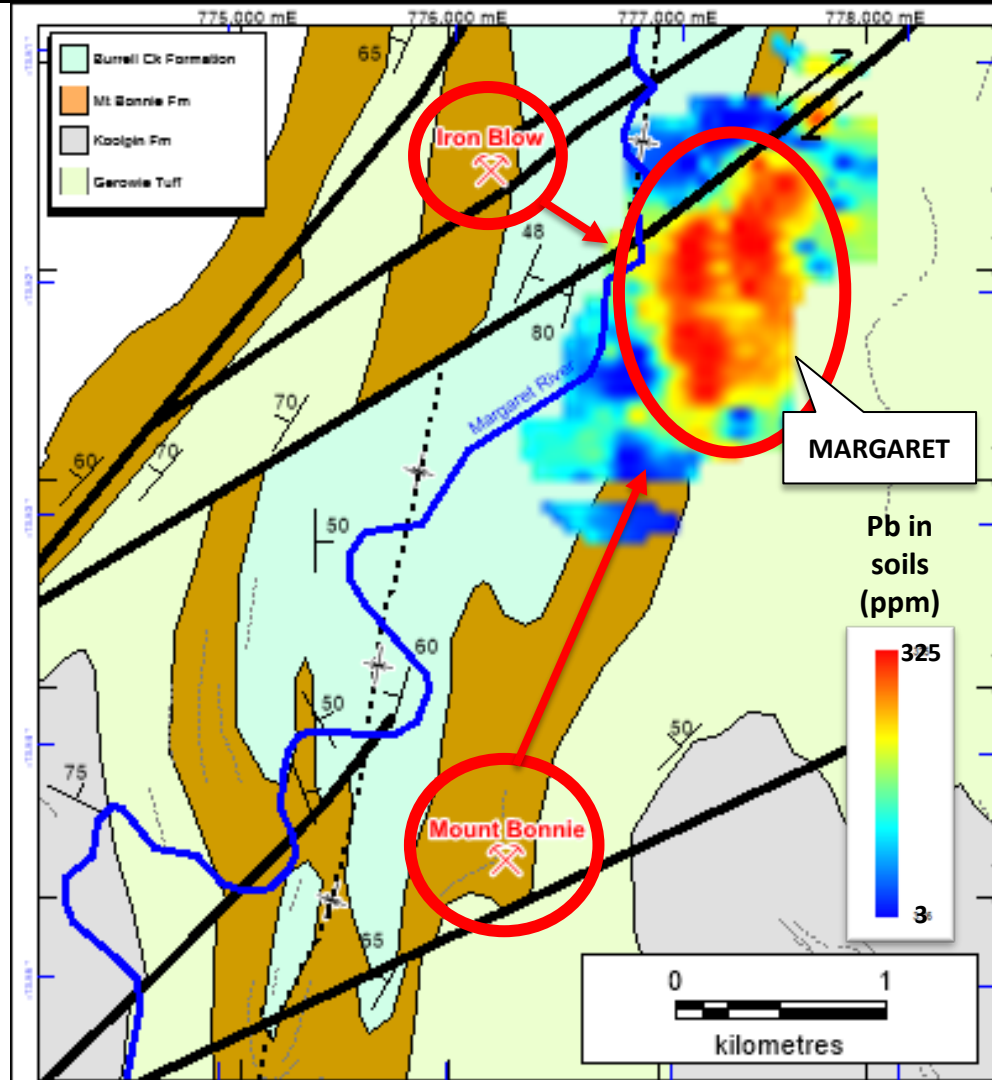
- Historic RC & RAB drilling includes:
 - CC03 6m @ 3.12g/t Au from 42m
 - CC04 9m @ 2.28g/t Au from 39m
 - CKRB035 3m @ 19.7g/t Au from 3m
 - BYDC417 3m @ 4.57g/t Au from 41m
 - BYDC554 4m @ 3.32g/t Au from 46m
- Rock chips returned up to **29.3 g/t Au** & 15 out of 20 samples returned >1 g/t Au in the central area
- Potential for a near-surface large mineralised system
- Potential for high-grade zones in core of anticline (saddle reefs) + extensional N-S zone in fold limb
- Open in all directions
- *MMP submitted, awaiting approval*
- *Planned 15 RC holes July'17*



Burnside: Margaret Pb-Zn-Au anomaly

Part of a cluster of VMS deposits?

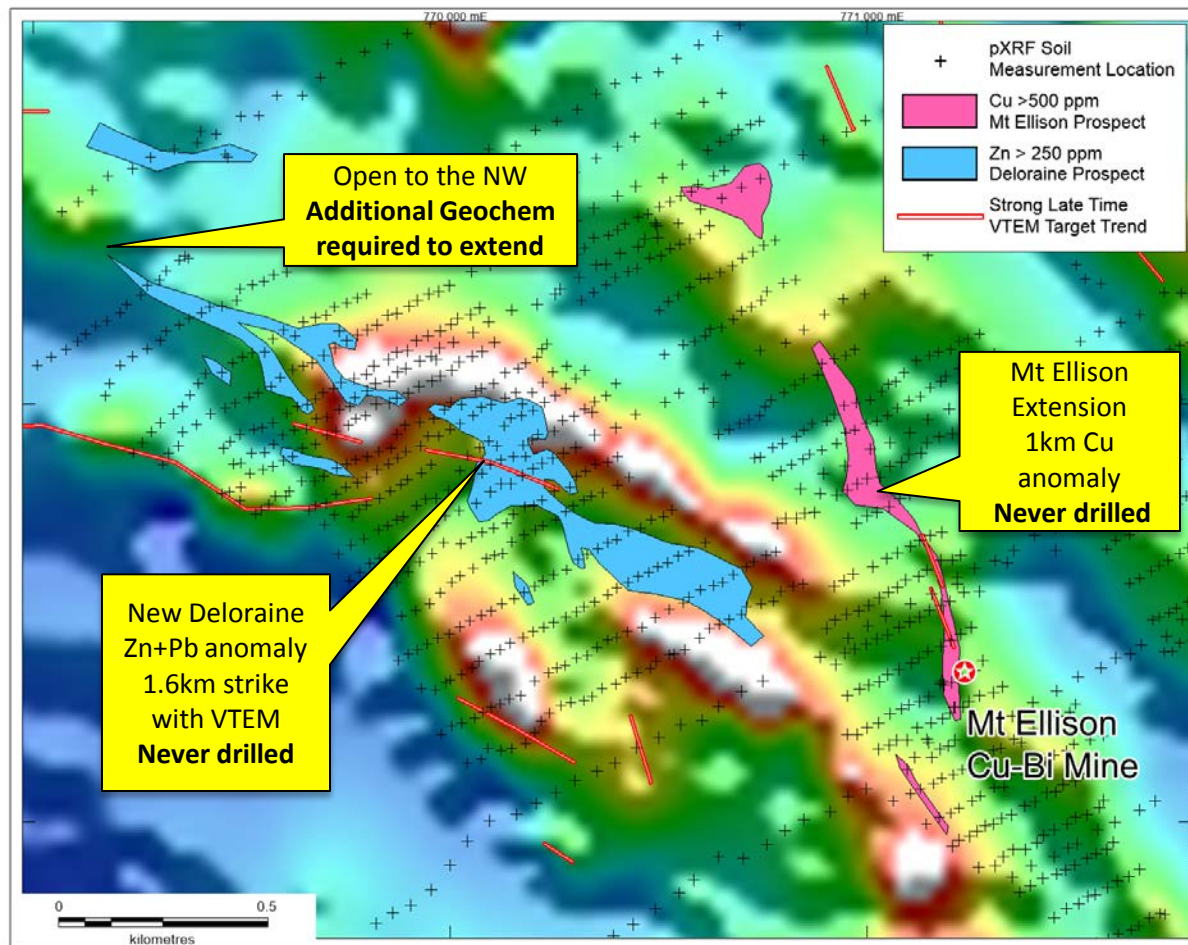
- **Large 1km long Pb-Zn-Au in soils anomaly in two N-S zones – 10 times longer than Mt Bonnie VMS, **never drilled****
- Within the Hayes Creek Project area – target additional mill feed, low incremental development cost
- Exactly the right stratigraphy for VMS, same formation as Mt Bonnie (3km to the S) and buttressed against ENE fault
- Potentially part of a VMS cluster of deposits
- Good geochem from lab soils survey but no VTEM signature – possible deeper target
- *Requires geophysical support to assist with drill targeting – July'17*
- *High priority given the proximity to Hayes Creek project*



Burnside: Mt Ellison Area Cu & Zn-Pb

Priority Geophysics Target

- Strong 1km long **Cu** anomaly along strike from historic **Mt Ellison Copper mine**
- New PNX discovery of 1.6km **Zn-Pb** anomaly associated with fold hinge in Koolpin Fm at **Deloraine**, **open to the NW**
- ~20km north of Hayes Creek Project
- *Geophysics to identify drill targets*
- *500m initial RC drilling pending geophysics*

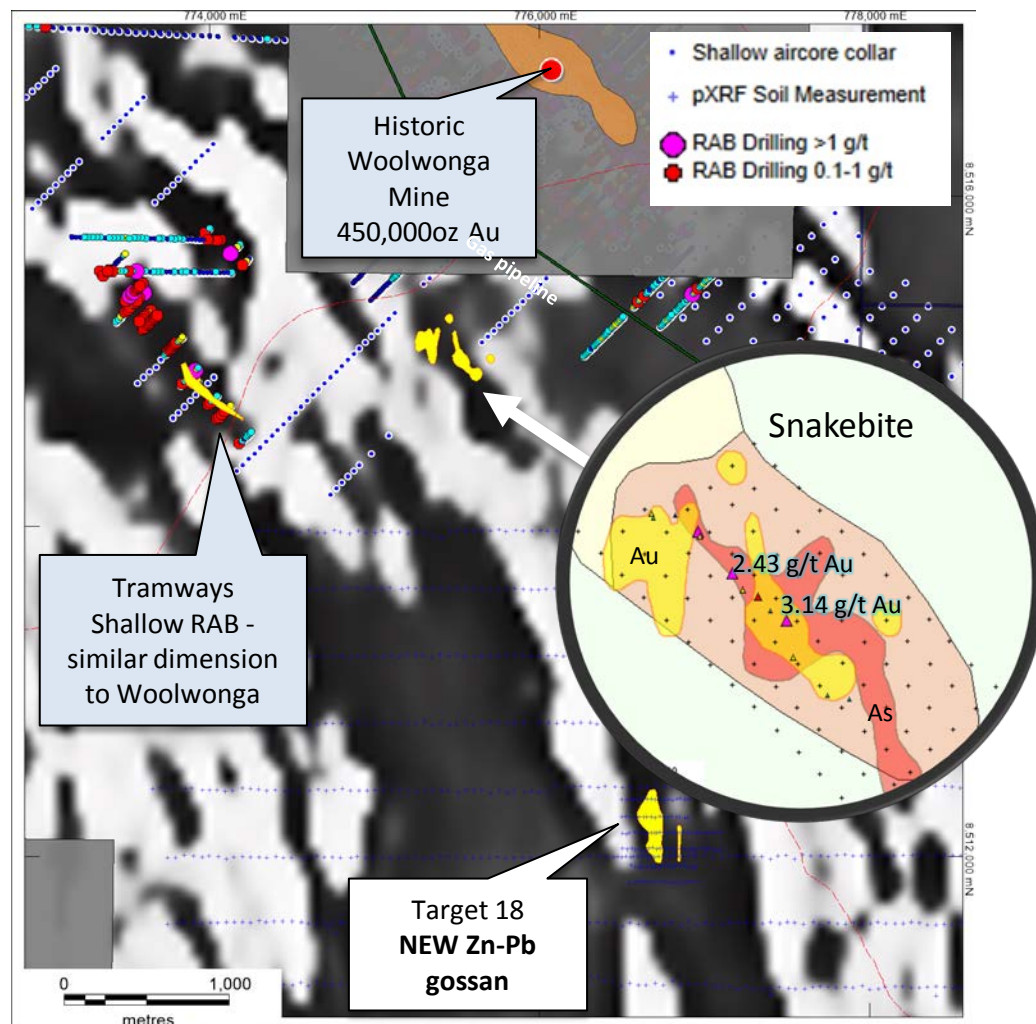


VTEM image dBdt Z38

Burnside: Snakebite Area Au + Zn-Pb

Priority Geophysics Target

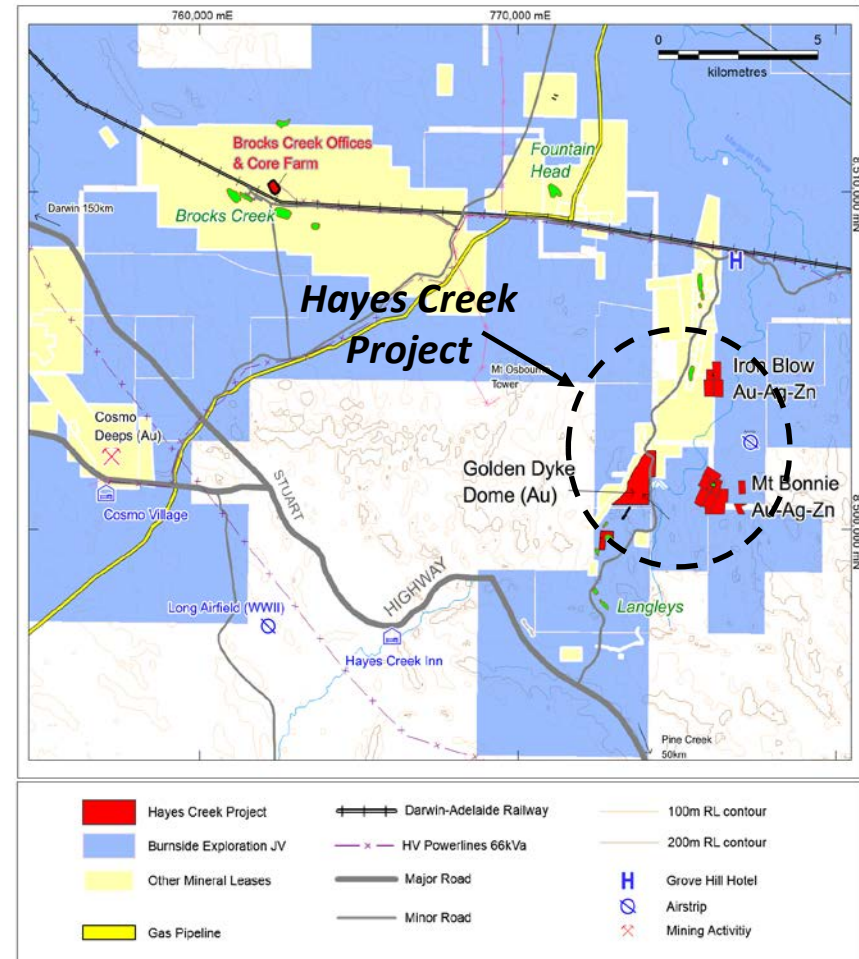
- Only ~15km North of PNX Hayes Creek project
- Snakebite: **0.5km long gold in soils anomaly**
- Rock chips up to 3.14 g/t Au
- Confined to outcrop – open under cover
- Potential for Woolwonga style discovery
- T18: **NEW PNX discovery of surface gossan with Zn-Pb association near base Mt Bonnie Formation**
- *Geophysics to assist with drill targeting*
- *4 holes planned subject to successful geophysics*



Hayes Creek PFS on schedule mid'17

Ideally located, within an existing infrastructure corridor

- ✓ PFS: Increase geological confidence in Resource base, optimisation of mining and processing parameters
- ✓ Met test work: process now de-risked, concentrates confirmed as marketable and saleable
- ✓ Recoveries updated based on recent test-work used for payable metals
- ✓ Process: Crushing, milling and flotation (incl. regrind)
- ✓ Products: Clean zinc concentrate + silver/gold rich concentrate
- ✓ Ongoing approvals and stakeholder engagement toward decision to mine
- ✓ Increased confidence in Capital and Operating Cost estimate, ultimately to DFS level



Recap - PNX Metals



**Exposure to
Zinc + gold + silver**

**Near-surface resources
~85% Indicated:
240,000oz gold
16.2M oz silver
177,000t zinc**

**Potential:
Strong financial returns
Fast payback
Modest capital**

**Excellent infrastructure
granted MLs
<165km from Darwin**

**Hayes Creek PFS
Due mid'17
Fully Funded**

**Upcoming news flow
Exploration drilling
PFS completion**

**Experienced Board and
Management team**

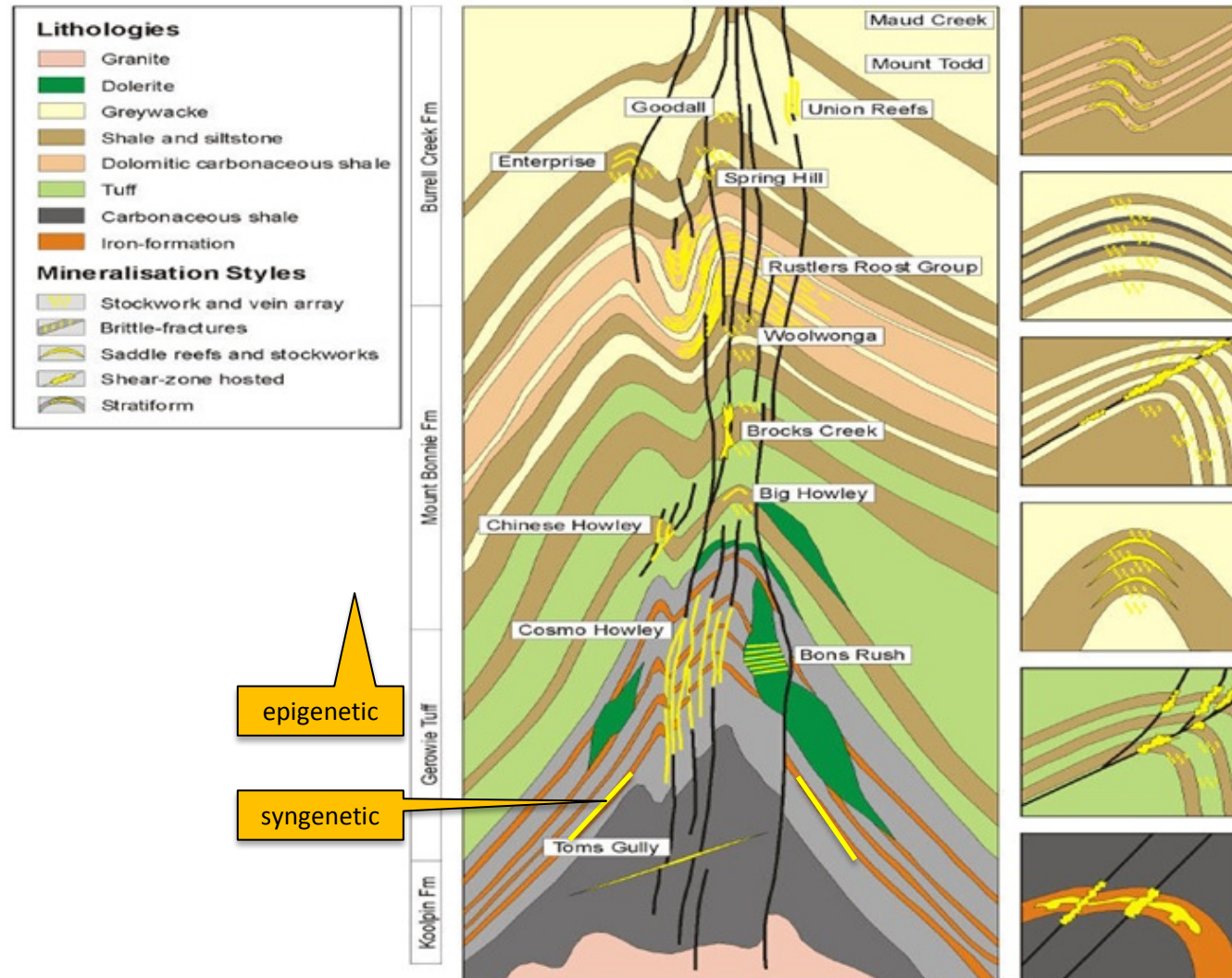
**Low valuation relative
to zinc and gold peers**

**Follow up new zinc/gold
exploration targets
successfully drilled at
Moline**

Appendix

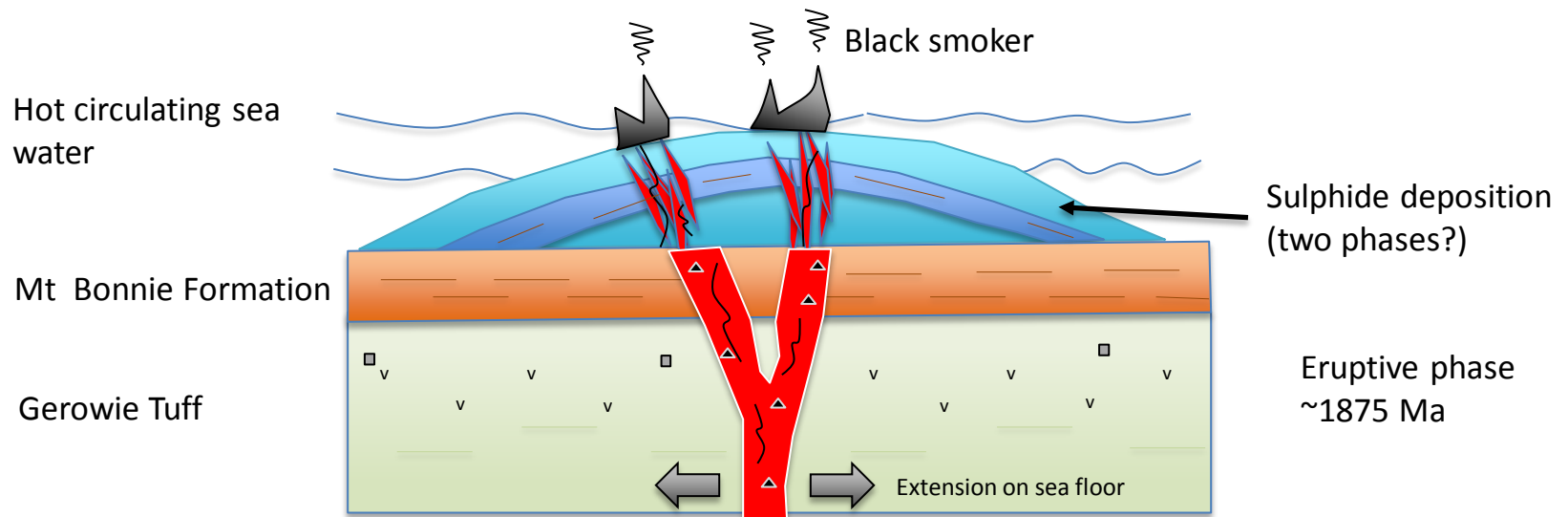
Exploration Models: Gold

- Stratiform gold associated with black shales and iron formations (e.g. Cosmo/Golden Dyke)
- Hydrothermal activity can facilitate upward mobilisation of mineralised fluids
- Local lithology and structures highly favourable for remobilised gold emplacement and exploration



Exploration Model: Base Metals

- Syngenetic association - base of Mt Bonnie Formation is favourable time horizon for VMS style – i.e. fumaroles circulating metal rich hydrothermal fluids at the sediment-water interface (PNX Iron Blow & Mt Bonnie deposits)
- Dolomite horizons in Whites Formation are also prospective for skarns or as reactive hosts for hydrothermal vein systems [E.g. Woodcutters which produced 4.65Mt @ 12.3% Zn, 6.7% Pb, 87 g/t Ag]
- E-W structures may be important in trapping ore fluids
- PNX exploration tenure hosts numerous untested favourable sites E.g. Margaret, El Dollarado



Hayes Creek Mineral Resources



Table 1: 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 |
| | 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 |
| Inferred | 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 |
| | 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 2: 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 | 171 | 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/t 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 |

Notes relating to Mineral Resources

Table 3: 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 1, 2 & 3

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 0.5 g/t Au and silver 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 price per tonne/100) * Zn recovery) / (Au price per ounce/31.10348 * Au recovery)

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 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% |
| Au | USD / troy ounce | 1,350 | 55% | 60% |

Additional Information: Exploration earn-in



- Transaction with Newmarket Gold (Newmarket), announced August 2014
- **Acquired Tenements (100%) – Hayes Creek Project**
 - 14 Mineral Leases (containing Iron Blow and Mt Bonnie deposits) for a 2% royalty over gold and silver in concentrate
 - Newmarket can clawback 30% within 6 months of PFS by paying 3x expenditure
- **Earn-in Tenements (up to 90%) – Burnside, Moline and Chessman Projects**
 - 19 exploration licences, and 4 mineral leases covering 1,700km²
 - PNX to earn 51% by spending \$2 million over 2 years (excluding Uranium), which can include up to \$0.5 million spent on the Acquired Tenements
 - PNX to earn up to 90% by spending a further \$2 million within a further 2 years (excluding Uranium), which can include up to a further \$0.5 million spent on the Acquired Tenements
 - Newmarket can acquire 90% of any 2012 JORC compliant gold and silver deposit within 6 months of resource being announced by paying 3x expenditure
 - Further \$0.5 million (in cash or shares) payable to Newmarket upon completion of a DFS on any NT base metals project within the Acquired or Earn-in tenements
- **PNX has completed Stage 1 of the earn-in and holds 51% of the tenements, the Company has elected to continue to Stage 2 to earn 90% by Dec 2018**
- **As of the date of this presentation PNX has spent approximately \$0.95 million of the required \$2 million to reach the Stage 2 earn-in**