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

ASX Announcement
15 November 2017

Additional Information - 13 November 2017 Announcement

PNX Metals Limited (ASX: PNX) has updated its ASX release of 13 November 2017 ***'Strong Zinc and Gold Drill Targets Identified at Swan'*** to include Table 1 and a Competent Person's statement as required under the JORC Code (2012). These were inadvertently omitted from the original release.

The revised release is attached.

James Fox
Managing Director & CEO
Telephone: +61 (0) 8 8364 3188

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

ASX Announcement
13 November 2017

Strong zinc and gold drill targets identified at Swan

- **Geophysical surveys completed over the Swan prospect at Moline;**
  - **A near-surface zinc-lead target, and a deeper (75-100m) potentially gold sulphide target identified**
  - **Zinc-lead target located 250 metres from intersection of 1m @ 4.66% zinc, 11.37g/t gold, 95.5g/t silver and 0.90% lead (from 45m) in PNX drill hole MORC26**
  - **These two significant, high-priority new targets are planned to be drilled, commencing early December**
- **Additional IP survey nearing completion at Waterhole, Mango survey to follow**
- **Hayes Creek drilling progressing well, program designed to support DFS and potentially extend mine life**

PNX Metals Limited (**ASX: PNX**) is pleased to advise that it has completed an Induced Polarisation (IP) geophysical survey at the Swan prospect with excellent results. Swan is one of three recently identified high-priority zinc targets identified by strong surface geochemical signatures at the Moline Project (MLN1059 and ML24173) located approximately 65km to the east of Hayes Creek in the Pine Creek region of the Northern Territory (NT)[1]. Further IP surveys are nearing completion at Waterhole with Mango to follow.

Two new zinc and gold targets to be drilled at Swan

Strong responses from airborne EM, magnetic and now IP surveys have aligned and show a magnetic high coinciding with a strong resistivity low and conductor (**Figures 1 and 2**). The 'bulls-eye' magnetic anomaly is also interpreted to be associated with a fold-hinge, a potential trap point for mineralising fluids. Shallow RC drilling to the north of the anomaly was completed in 1986 and intersected massive and semi-massive sulphides approximately 40m downhole but was not assayed for base metals. The anomaly is less than 250 metres to the NW of PNX drill hole MORC26 where **1m @ 4.66% Zn, 11.37g/t Au, 95.5g/t Ag and 0.90% Pb** (from 45m)[2].

RC drilling will commence at Swan in early December subject to approvals and will target the main part of the magnetic anomaly.

Additionally the IP survey identified a large, extremely high chargeable feature approximately 75m below surface to the west of the magnetic target (**Figure 3**). Surface geochemical sampling has defined a strong gold-arsenic anomaly in soils up-dip from the chargeable high, the expected response from gold-sulphide mineralisation. The

[1] Refer ASX announcement 5 October 2017
[2] Refer ASX announcement 12 September 2017

potential of this target is also promising given the close proximity to existing gold mineralisation at Moline and will also be drilled in December.

There are several other highly conductive zones on the south-eastern edge of the survey, further work will need to be completed to ascertain their significance.

Managing Director Comment

PNX Managing Director James Fox said *"The results received from the first IP survey at Moline are excellent. Two new targets have been identified in close proximity to existing zinc and gold mineralisation. Drilling of these new targets is to commence in December with additional IP surveys nearing completion and results due shortly. Historic zinc and gold production in the area provides indication of the potential and we look forward to completing the planned work program."*

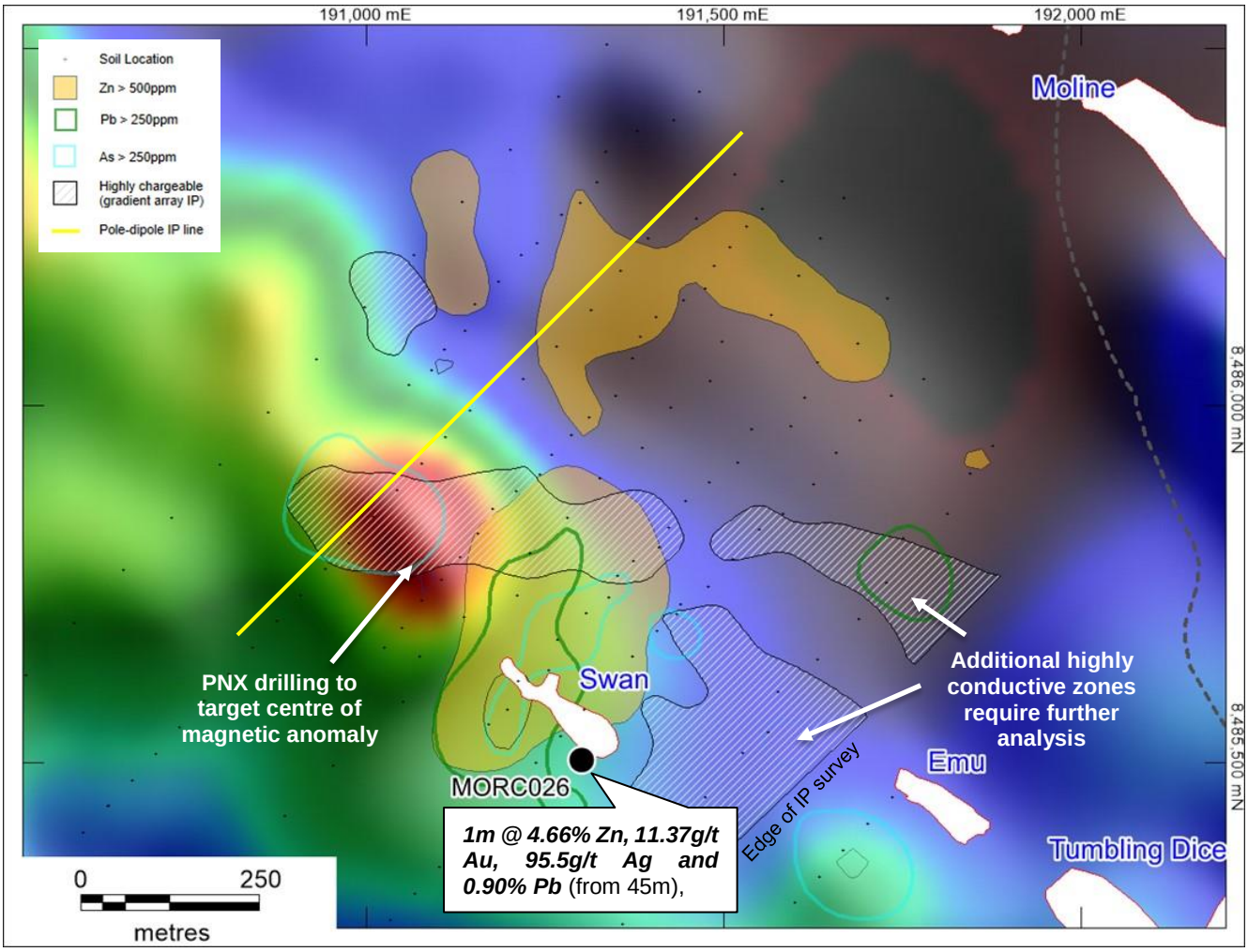

Figure 1: Swan RTP magnetic image with soils anomalism, IP survey with high chargeability zones, & 2016 PNX drilling

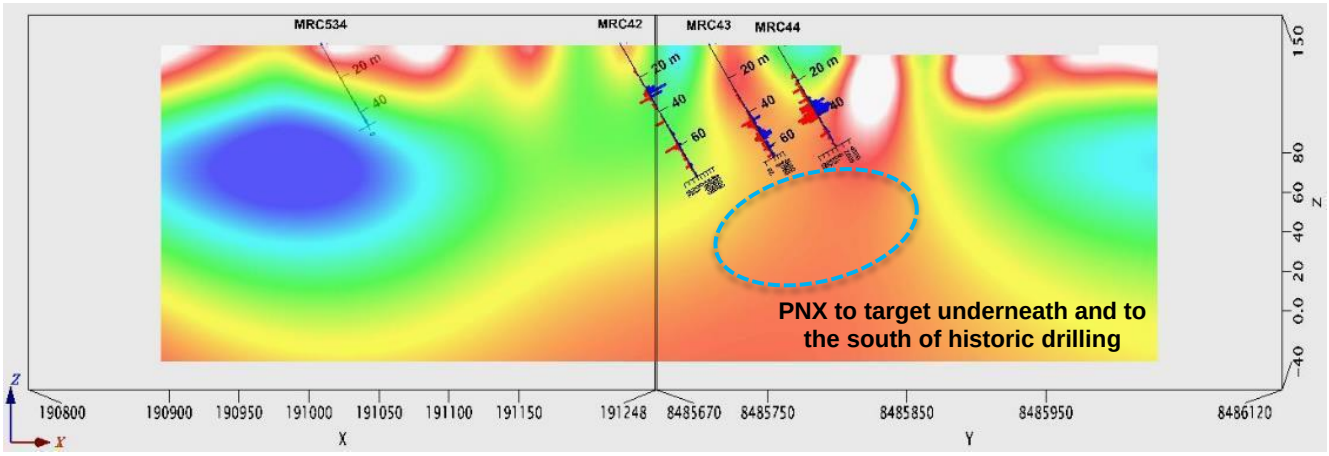

Figure 2: Pole dipole IP results, resistivity model showing historic drilling with sulphides % (red) and magnetic susceptibility (blue)

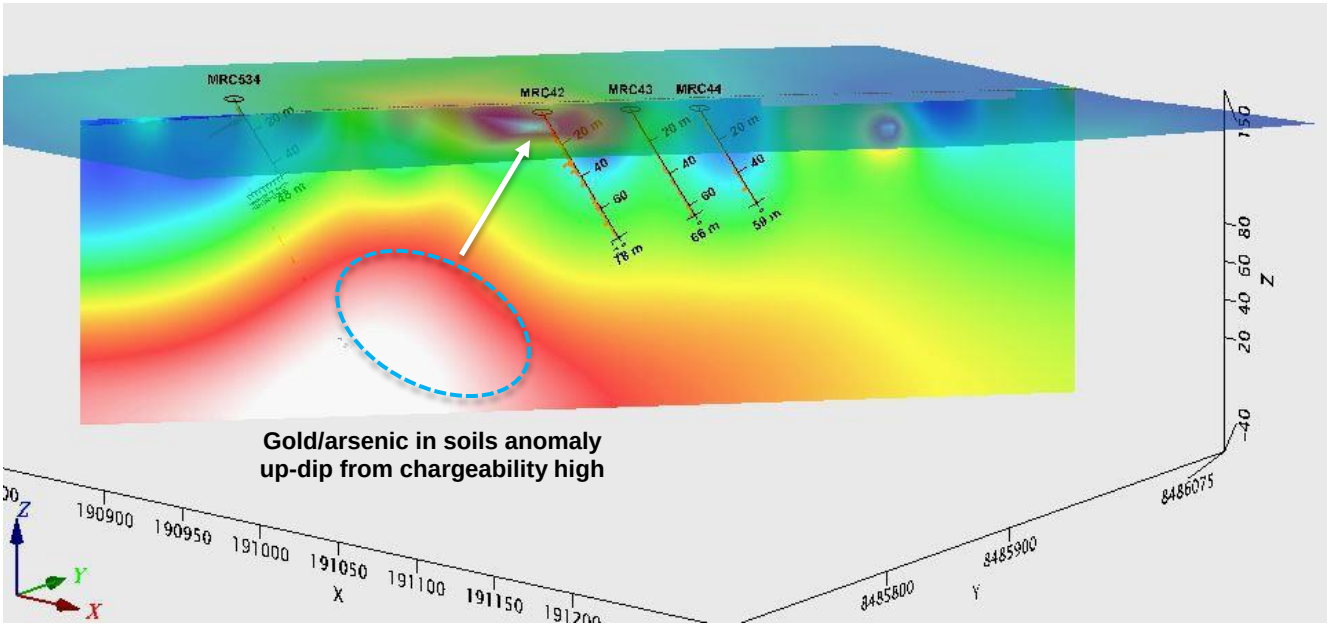

Figure 3: IP survey showing chargeability model, surface gold/arsenic anomalism and proposed drill target

About PNX's Projects

Following a recent over-subscribed capital raising PNX is well funded to accelerate its exploration activities in this under-explored and highly prospective region of the NT. The aim of current exploration is to discover and delineate additional high-value base metals and/or gold deposits to provide a pipeline of growth opportunities to complement the proposed development at Hayes Creek or other existing free gold milling infrastructure in the region.

The Moline, Burnside and Chessman project areas form part of PNX's farm-in agreement with Kirkland Lake Gold Ltd. PNX currently holds a 51% interest (excluding uranium) in these areas, which consists of 19 Exploration Licences and 4 Mineral Leases covering approximately 1,700km^2 in the Pine Creek region of the Northern Territory (**Figure 4**).

PNX is now in the second stage of the farm-in, wherein it can increase its interest in each of the tenements to 90% (excluding uranium) with expenditure of $2 million by 15 December 2018, with approximately $1.3 million of that having been spent to date.

Hayes Creek is currently the subject of a DFS which is progressing well and is expected to be completed in 2018. The PFS[3] forecast annual production of 18,200t zinc, 14,700oz gold, and 1.4Moz silver (39,100t of zinc equivalent) over an initial mine life of 6.5 years. This presents the opportunity for an economically viable, low-cost, high margin zinc and precious metal mine that could create significant value for the Company's shareholders.

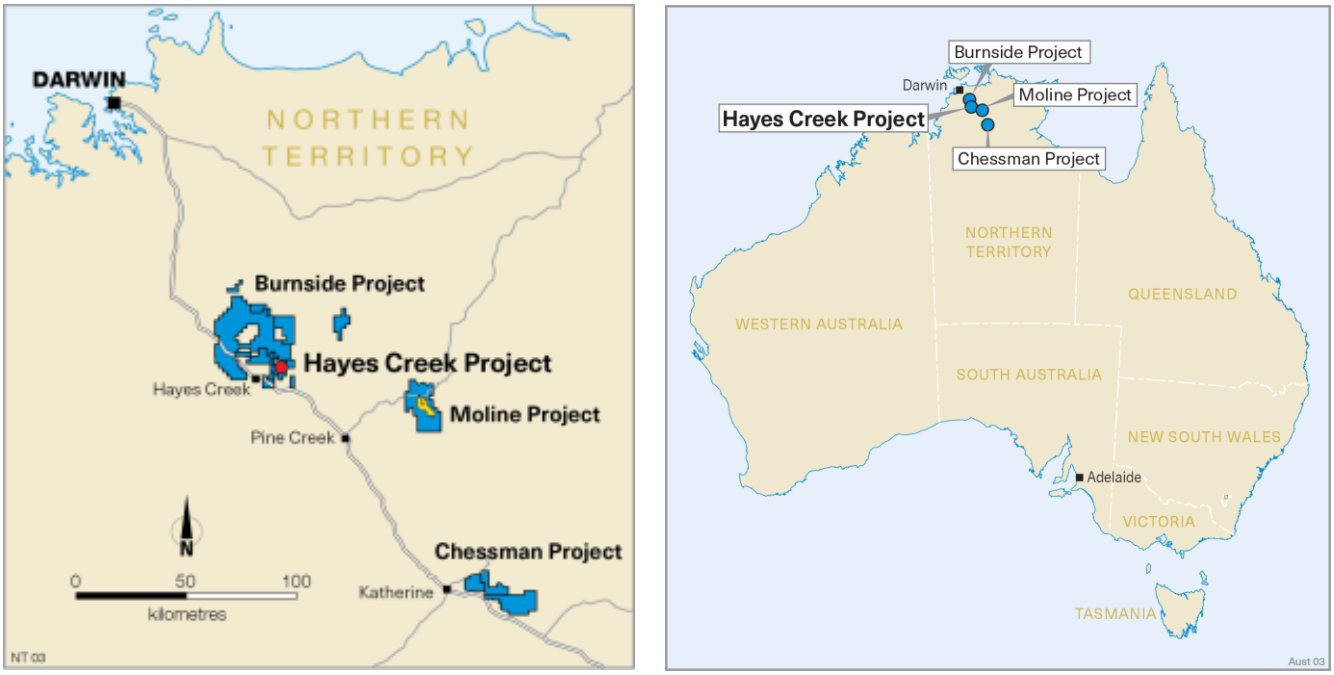

Figure 4: NT Project locations

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.

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

James Fox

Managing Director & CEO

Telephone: +61 (0) 8 8364 3188

[3] Refer ASX announcement 12 July 2017

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Gradient Induced Polarisation (IP) and Pole-Dipole Induced Polarisation (IP) geophysical surveys were carried out by Zonge Engineering and Research Organisation (Adelaide): • Receiver – GDD • Transmitter – GDD • Sensor – porous pots filled with copper sulphate • Base frequency – 0.125Hz • Duty cycle – 50% • Time domain • Chargeability calculated from 450-1100msec • Rx dipole separation 50m.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• No PNX drilling was completed.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No PNX drilling was completed.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• No PNX drilling was completed.

Criteria	JORC Code explanation	Commentary
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No PNX drilling was completed.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• IP Data was delivered from the field and checked daily by Zonge before final QAQC and evaluation by Terra Resources – Geophysical Consultants. • Individual decay at each station checked for repeatability. Problem data (low Vp, spherics, outliers, EM coupling) were removed as necessary. • At least two readings were taken per station to ensure data repeatability. • Station location was recorded using handheld GPS with accuracy of +/- 5m.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No PNX drilling was completed.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.*	• Station locations were recorded using a handheld GPS with an approximate accuracy of +/- 5 metres. • Data points were located using the Geocentric Datum of Australia 1994 (GDA94) and the Map Grid of Australia (MGA) Zone 53

Criteria	JORC Code explanation	Commentary
	• *Quality and adequacy of topographic control.*	projection.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Gradient IP: Line spacing – 100m Station spacing – 50m Line orientation – NE-SW Line length – 1000m Number of lines – 11 • Pole-Dipole IP: Line spacing – single line Station spacing – 50m Line orientation – NE-SW Line length – 500m • No compositing has been applied
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Line orientation was NE-SW, perpendicular to geology and conductive features seen in airborne electromagnetic (EM) data.
Sample security	• *The measures taken to ensure sample security.*	• No physical samples were collected.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Geophysicists at Terra Resources of Perth independently reviewed all IP data acquired. • 2D inversion modelling of Pole-Dipole IP undertaken using the University of British Columbia Geophysical Inversion Facility's (UBC-GIF) direct current and induced polarisation 2D inversion code.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• This report refers to the area within EL28616, ML24173 and MLN1059, which is held jointly by PNX Metals Ltd (51%) and Newmarket Gold NT Holding Pty Ltd (49%). PNX do not have any rights to uranium minerals discovered. There are no other third party agreements, no government royalties, historical sites or environmental issues PNX is aware of at this time. • The tenements are in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Moline area has had much previous exploration for gold and base metals. The Evelyn Mine produced 83,000 tonnes averaging 260 g/t Ag, 5.8% Pb and 6.1% Zn between 1966 and 1970. The field was investigated between 1981 and 1990 by a consortium of Greenbushes, Amoco and Cyprus, with comprehensive regional exploration including programs of geological mapping, rock chip sampling, soil sampling, drainage sampling and aeromagnetics. Open pit mining occurred between 1989 and 1992, and approximately 1.6 million tonnes of ore were treated yielding an average of 2.14 g/t of gold at four main pits (Hercules, Moline, Tumbling Dice and School).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• PNX are primarily searching for VMS-style base metal and gold mineralisation within the Mt Bonnie Formation, or epigenetic vein style mineralisation such as Woodcutters. • Rocks of the South Alligator Group, within the Pine Creek Orogen dominate the stratigraphy.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
		• No new PNX drilling being reported.

Criteria	JORC Code explanation	Commentary
	○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No PNX drilling being reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• No drilling was undertaken.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to main announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All matters of importance have been included.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• PNX are using VTEM derived EM and magnetic datasets collected in 2011 by Crocodile Gold to assist in targeting. These datasets have been assessed and interrogated by consulting geophysicist Terra Resources to assist in planning and interpretation. • PNX are also using pXRF soil geochemical data collected by PNX personnel in 2016-17 to define areas of base metal anomalism

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The targets identified in the IP are considered drill-ready and drill-worthy. Planning and approvals for drilling of these targets is underway.