

ASX Announcement

13 February 2018



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

PNX debt free and well-positioned to progress Hayes Creek Project

- **\$1.8m Debt for Equity swap completed at a premium to PNX share price**
- **\$0.4 million R&D tax refund received**

PNX Metals Limited (**ASX: PNX**) is pleased to advise that it has completed the debt for equity swap which was first signalled in September 2017, and is now debt-free.

Following receipt of approval by Australia's Foreign Investment Review Board ("**FIRB**"), 80 million ordinary shares have been issued to settle a \$1,200,000 loan ("**Loan**"), completing the debt for equity swap.

The agreement with the relevant counterparties to convert their debt holdings (\$0.6 million of convertible notes and the \$1.2 million Loan) to PNX shares was originally announced to the ASX on 7 September 2017 and approved by PNX shareholders at the Company's AGM on 25 October 2017. The convertible notes were settled in late November 2017.

The agreement to convert debt into PNX shares at an average price of 1.73 cents per share represents a premium of 48% to PNX's 5 day VWAP at the time of the announcement of the transaction and a 33% premium to PNX's closing share price of 1.3 cents on 12 February 2018.

With the Loan now repaid, PNX is debt-free and well positioned to continue the development of its Hayes Creek zinc-gold-silver project in the Pine Creek region of the Northern Territory.

Separately, PNX has now received its tax refund of \$0.4 million in relation to the 2017 tax year under the Research & Development Tax Incentive Program.

Managing Director Comment

PNX Managing Director James Fox said;

"We are pleased to have finalised the Debt for Equity swap, and at a premium to PNX's share price. The Company now has a strong, debt-free balance sheet, and consequently a robust platform for growth of the business. A number of important milestones have recently been achieved, including the acquisition of the Fountain Head site for plant and tailings and 100% of the Moline Exploration project. We are working hard on the DFS, due for completion later in 2018, and advancing approvals to mine."

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