

Quarterly Activities Report

March 2018



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ASX: PNX

Issued Capital as at 30/04/18:
1,088,930,020

Board & Management:

Non Exec Chairman: Graham Ascough
Non Exec Director: Paul J Dowd
Non Exec Director: Peter J Watson
Non Exec Director: David Hillier
MD/CEO: James Fox
CFO/Co Secretary: Tim Moran

Top Shareholders as at 30/04/18:

Marilei International Limited 14.4%
BNP Paribas Nominees Pty Ltd 6.6%
Sochrastem SA 5.8%
Potezna Gromadka Limited 5.4%

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:

Hayes Creek Definitive Feasibility Study (DFS)

- Execution of agreement to acquire the Fountain Head mineral leases, the preferred site of the proposed processing plant for the Hayes Creek Project
- Assay results received from 75 hole, 4,063 metre RC and diamond drilling program at Mt Bonnie and Iron Blow – *identification of high-grade, near-surface mineralisation and resource extension potential*
- Initiation of research coverage by Hartleys

NT Regional Exploration

- Prioritisation of numerous drill targets prospective for gold and base metals (*ASX release & Presentation 30 April 2018*)
- Submission of Exploration Mine Management plans (MMPs) for drilling approvals

Corporate:

- \$1.6 million cash on hand at 31 March 2018
- \$1.2 million loan settled via the issue of 80 million shares, PNX now debt-free

Planned Activities June 2018 Quarter:

Hayes Creek DFS

- Receipt, interpretation and modelling of assay results from recent drill program
- Completion of acquisition of Fountain Head mineral leases
- Lodgement of environmental Notice of Intent and progression of Environmental Impact Statement (EIS) related studies
- Finalisation of variability metallurgical testwork on Iron Blow and Mt Bonnie ore
- Commencement of DFS engineering and design by GR Engineering

Regional Exploration – Moline, Burnside & Chessman projects

- Commence 2018 regional exploration field program including drill testing of high-priority gold and base metals targets

NT Project Development - Hayes Creek Zinc and Precious Metals Project

The Hayes Creek Project ('Project' or 'Hayes Creek') is comprised of the Iron Blow and Mt Bonnie zinc-gold-silver deposits, located less than 3km apart on wholly owned Mineral Leases within the Pine Creek region of the Northern Territory ('NT'), 170km south of Darwin (Figure 1).

During the quarter, PNX executed an agreement with Newmarket Gold NT Holdings Pty Ltd ('Newmarket'), a subsidiary of Kirkland Lake Gold Ltd ('KL Gold', TSX:KL, ASX:KLA), to acquire 4 mineral leases at Fountain Head, thereby securing the preferred site for the Project's proposed processing plant and tailings facility.¹ The transaction is expected to be completed in mid-2018 with conditions precedent likely to be satisfied shortly.

A Definitive Feasibility Study ('DFS') is currently underway on the Project, following the successful completion of a Pre-Feasibility Study ('PFS') in July 2017² which confirmed Hayes Creek to be a promising future low-cost, high margin zinc and precious metal mine that could create significant value for the Company's shareholders. The DFS is expected to provide increased confidence in all aspects of the Project as well as investigate opportunities to improve overall Project economics thereby increasing the prospect of favourable development finance terms and structure. It is expected to be completed by the end of 2018.

The PFS forecasts the Project to generate an NPV₁₀ of \$133 million, based on net smelter revenue from the sale of zinc and precious metals concentrates of \$628 million (based on consensus views as to future metals prices and exchange rates) over a 6.5 year mine life through annual production of 18,200t zinc, 14,700oz gold, and 1.4Moz silver (39,100t of zinc equivalent). With a low \$58 million initial capital expenditure requirement, the Project is forecast to have a 73% IRR, and very short pay-back period of 15 months.

The Project is located in a favourable mining jurisdiction where the development scenario considers and utilises existing infrastructure that includes rail, road, high voltage power lines and water, further enhancing Project fundamentals and lowering development risks.

The Project is envisaged to be ready for development in 2020 and directly employ approximately 130 people.

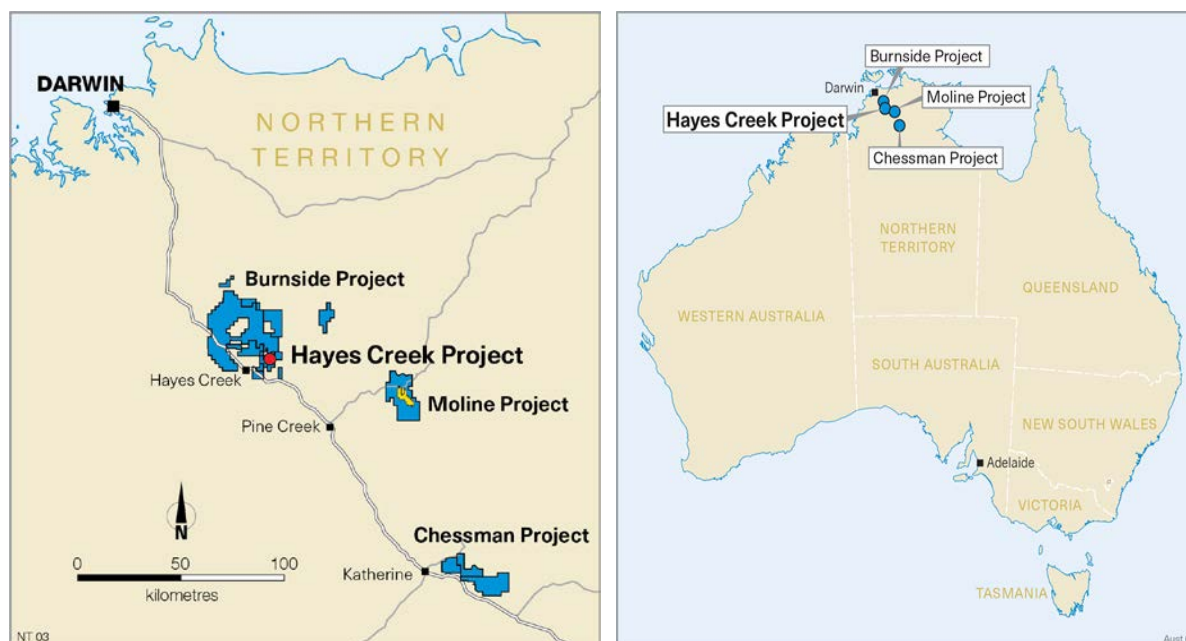


Figure 1: NT Project locations

¹ Refer ASX announcement 31 January 2018 for further detail

² Refer ASX announcement 12 July 2017 for full details. The material assumptions underpinning the production targets, and the forecast financial information derived from the production targets, continue to apply and have not materially changed.

Activity during the Quarter

The acquisition from Newmarket of the Fountain Head MLs represents a key milestone in the development of the Hayes Creek Project as it secures the proposed location for the Project's process plant. The area was identified through the PFS as being the preferred plant site for a number of reasons, including:

- close proximity to the mining areas at Iron Blow and Mt Bonnie (approximately 12km);
- excellent existing infrastructure including high-voltage power, rail, gas, water and roads; and
- it is an existing disturbed site with historic open pits proposed for use as tailings storage.

The transaction will result in no cash outlay for PNX and cements the significant Project capital and operating cost savings this site provides as identified in the PFS.

During the quarter, and as announced on 15 February 2018, PNX received all assay results from a 75 hole, 4,063 metre drill program completed in the previous quarter at the Mt Bonnie and Iron Blow deposits. In addition to resource extension drilling at Mt Bonnie, the program was designed to provide geotechnical, resource, hydrological, and metallurgical information for incorporation into the DFS. The key outcome of the program was the **identification of high-grade, near-surface mineralisation and resource extension potential**.

Drilling at Mt Bonnie (Figures 2 and 3) intersected zinc, gold and silver mineralisation in 15 drill holes outside of the existing Mineral Resource envelope, extending the known mineralisation by approximately 35 metres. Extensions to the massive sulphide zinc-rich mineralisation occur below the current pit design and both up and down-dip to the existing resource and include:

- **4m @ 6.14% Zn, 1.14g/t Au, 176g/t Ag, 1.29% Pb, 0.11% Cu** from 73m in MBRC080, including:
 - **2m @ 10.28% Zn, 1.92g/t Au, 304g/t Ag, 2.11% Pb, 0.17% Cu** from 74m (below the pit design)
- **1m @ 7.68% Zn, 1.48g/t Au, 305g/t Ag, 1.88% Pb, 0.31% Cu** from 76m in MBDH069 (below the pit design)
- **7m @ 2.24g/t Au and 81g/t Ag** from 88m in MBRC089 (gold-silver zone below the pit design)
- **5m @ 3.28% Zn and 1.37g/t Au** from 35m in MBRC107 (up-dip from pit design)

An extension to the pit design further south and at depth would provide an increase in the feed to the proposed process plant, and reduce the open-pit strip ratio by identifying mineralisation in what was previously assumed to be waste rock. An updated mineral resource estimate for Mt Bonnie will be completed for inclusion in the DFS mine plan, and could result in an increased overall mine life of the Hayes Creek Project.

Drilling included 19 grade control holes which successfully confirmed near surface gold-silver rich mineralisation to support early production schedules. In addition:

- Hydrogeological test bores successfully installed and hydraulic testing and water quality testing completed satisfactorily;
- Waste rock characterisation samples collected to be geochemically analysed;
- Structural and geotechnical data collected to build on the information already available for the pit wall stability analysis; and
- Additional metallurgical samples generated for ongoing locked cycle and variability analysis aimed at continuing to improve metal recoveries, concentrate grades and rejection of deleterious elements.

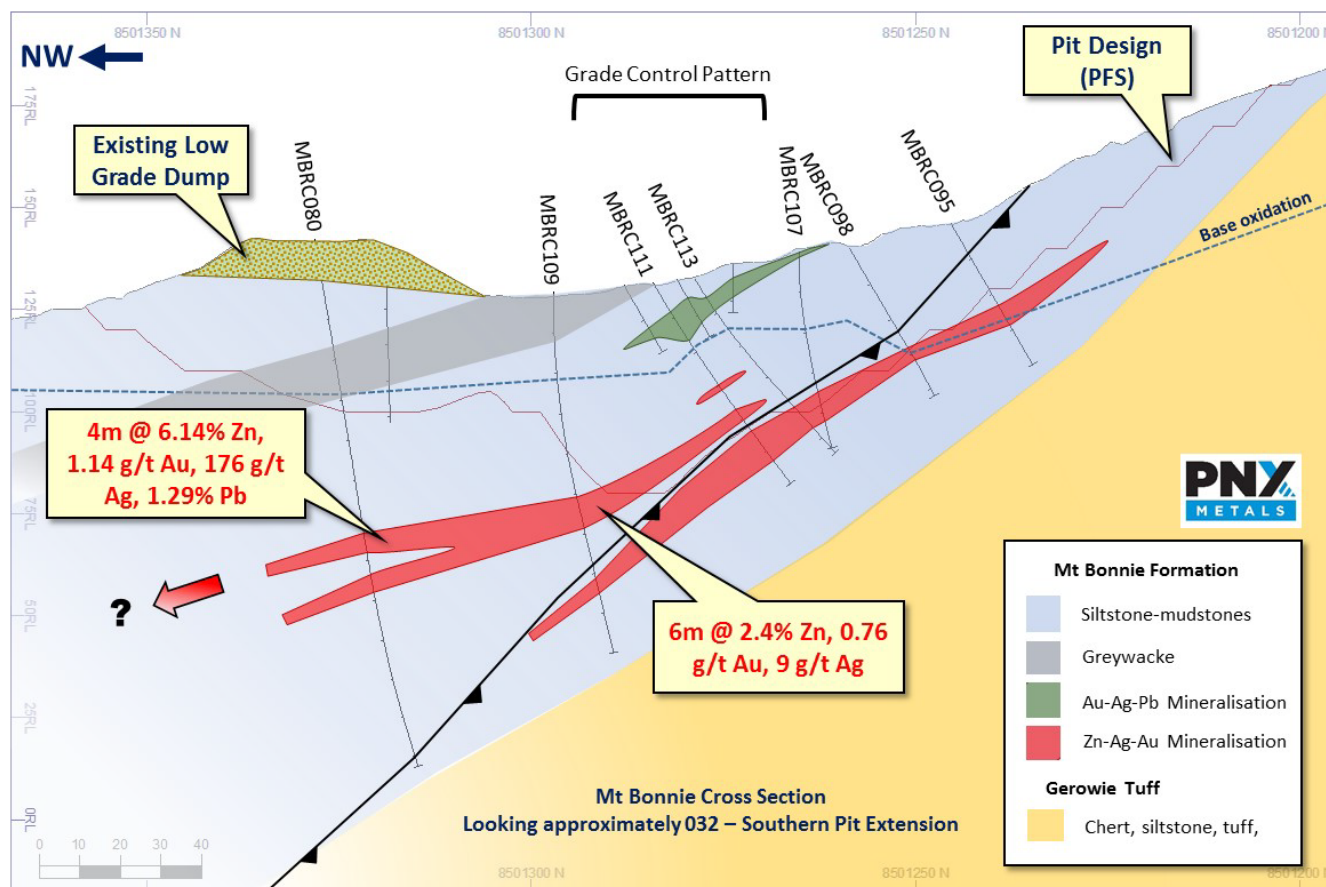


Figure 2: Mt Bonnie X-section showing new mineralisation in MBCR080

Geochemical and Hydrological Studies

- Collect data on hydraulic properties of rock units.
- Conduct hydraulic tests to estimate the potential groundwater yields.
- Collect groundwater samples to assess baseline water quality.

- Establish a network of groundwater bores that can be used for future water level monitoring, water quality sampling and aquifer testing.

The results of the baseline groundwater investigation will be used in future studies to assist in the design of the project to ensure that any harmful impacts are minimised.

A selection of additional samples for geochemical classification to better define the distribution of geochemical rock types was collected in late 2017, as was the commencement of column leach tests which are expected to run until at least the end of calendar 2018 or until such time as acid generation from the columns is identified. The geochemical samples have been delivered to EGi in Sydney for assessment.

The long term leach column tests will assess the leach characteristics of waste rock dumps and stockpiles, materials in the Mt Bonnie open pit and underground at Iron Blow with the data being used to model water quality from various areas of the project both during operations and following closure.

Metallurgy and Process Design

Following on from the Mt Bonnie metallurgical improvements reported previously, several changes were made to the operating parameters for Iron Blow based on learnings from the Mt Bonnie test work. These were as follows:

- Additional conditioning and CuSO₄ activator to overcome lack of reagents in the re-cleaner
- Minor changes to the circuit configuration relating to re-cleaning recycles which were causing short circuiting and circuit instability

Subsequent testing of Iron Blow ore samples revealed positive improvements in circuit performance, in particular with the zinc concentrate:

- Grades on target in both the zinc concentrate (48.3% zinc), and the precious metals concentrate (2,149g/t silver).
- Recoveries on par with those achieved during the Mt Bonnie locked cycle testwork. The application of these changes is expected to increase the performance at Mt Bonnie when applied.
- An improvement in terms of zinc concentrate yield and recovery (from 62.4% to 80.2%) was achieved over the PFS testwork results. When comparing Iron Blow to Mt Bonnie a performance improvement was also obtained in terms of zinc recovery to the zinc concentrate (80.2% vs 64.7%, IB vs MB)
- The amount of zinc remaining in the zinc cleaner tail was substantially decreased (3.25% vs ~25% in the previous locked cycle).
- A reduction in penalty elements in both the zinc & precious metals concentrate in comparison to PFS results.

The results & analysis are summarised below.

Iron Blow

Metals recoveries	Zn	Pb	Cu	Ag	Au
	%	%	%	%	%
PFS					
To zinc concentrate	62.4	Not payable		10.0	8.8
To precious metals concentrate	12.6	56.4	52.3	61.7	38.7
Mill Feed recovered to Concentrates	75.0	56.4	52.3	71.7	47.5

Mar 18 Locked Cycle results

To zinc concentrate	80.2	Not payable		18.7	15.7
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To precious metals concentrate	5.4	54.4	41.0	62.7	32.6
Mill Feed recovered to Concentrates	85.7	54.4	41.0	81.4	48.3

Variances					
To zinc concentrate	17.8	Not payable		8.7	6.9
To precious metals concentrate	-7.2	-2.1	-11.3	1.0	-6.1
Mill Feed recovered to Concentrates	10.7	-2.1	-11.3	9.7	0.8

Locked Cycle March 18	Zn	Pb	Cu	Ag	Au
Concentrate Grades	%	%	%	g/t	g/t
Zinc concentrate	48.3	2.1	1.1	271	3.0
Precious metals concentrate	7.8	13.0	3.7	2149	14.5

Table 1: Iron Blow locked cycle metallurgical results

Variability testing is underway. This information will be used to generate and populate a geometallurgical mining model to better understand how the various ore types will affect the mine plan and optimise future potential revenues.

Engineering

GR Engineering Services (GRES), the Study Manager for the DFS, is responsible for the process design and engineering aspects of the Project, including all of the facilities, equipment and capital works required for the construction, commissioning and ramp-up of the process plant and associated infrastructure at the Project. Key activities will include:

- Assessing the technical aspects of the Project, with a focus on optimising process design and achieving efficiencies in capital and operating costs within the scope of the Project;
- Evaluating strategic options and considerations available to the Project to define a robust business case which balances the risk profile and the development costs; and
- Developing a Project Execution Plan which will include identification of and planning for Early Works and pre-commitment activities.

NT Regional Exploration: Burnside, Moline & Chessman Projects

Under a farm-in agreement with Newmarket, PNX holds a 51% interest (excluding uranium) in 4 mineral leases and 19 exploration licences over ~1,700km² in the Pine Creek region of the NT, proximate to the proposed mine infrastructure at Hayes Creek (Figure 1). PNX has three key exploration projects in this under-explored and highly prospective region: Moline, Burnside, and Chessman. Under the farm-in agreement PNX can increase its interest in the three Projects to 90% with expenditure of \$2 million by 15 December 2018. Approximately \$1.7 million had been spent toward that target as at 31 March 2018.

As noted previously, during the quarter PNX executed an agreement with Newmarket to acquire the Fountain Head mineral leases. As part of the agreement, PNX will also acquire full ownership of the Moline Project. In return, PNX has agreed to transfer its 51% interest in several areas (3 new ELs that will be created) within the Burnside project to Newmarket.

PNX has an extensive near-mine and regional exploration program planned, to commence in May 2018, aimed at identifying additional economic mineralisation with the potential to increase mine life at the Hayes Creek project beyond 10 years (ASX release 30 April 2018).

South Australia Exploration

Yorke Peninsula & Adelaide Geosyncline Projects

No on-ground exploration activities were undertaken during the quarter by PNX on the Company's Yorke Peninsula or Adelaide Geosyncline exploration tenements. Subsequent to quarter end, Ausmex Mining Group Limited advised the Company that it would be exercising its option to commence a farm-in over PNX's 8 exploration licences in the Burra area. Ausmex can earn up to a 90% interest in these tenements over 2 stages (60% and 90%) by spending a minimum of \$300,000 in each stage on diamond drilling or other agreed exploratory work. The first stage must be completed by 30 March 2019.

All South Australian tenements remain in good standing.

Financial & Corporate

Cash on hand at 31 March 2018 was \$1.6 million. During the quarter and as expected, the Company received a refund of \$0.4 million under the R&D Tax Incentive Program relating to the 2017 tax year.

At 31 March 2018 and as at the date of this report, the Company has on issue 1,088,930,020 fully paid ordinary shares, 65,450,000 unquoted options (5.0 cent exercise price expiring 31 May 2019), 20,000,000 unquoted options (1.47 cent exercise price expiring 30 October 2020) and 8,320,000 performance rights.

During the quarter, 80 million shares were issued to Marilei International Limited to settle a \$1.2 million loan, following receipt of approval from the Foreign Investment Review Board. PNX is now debt-free.

James Fox

Managing Director & CEO

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TENEMENTS

Northern Territory

Tenement	Name	Holder	Area Hectare
ML30512	Mt Bonnie	PNX Metals Ltd 100%	6.4
ML30589	Mt Bonnie	PNX Metals Ltd 100%	31.6
MLN1033	Mt Bonnie	PNX Metals Ltd 100%	4.8
MLN1039	Mt Bonnie	PNX Metals Ltd 100%	1.2
MLN214	Iron Blow	PNX Metals Ltd 100%	6.3
MLN341	Iron Blow	PNX Metals Ltd 100%	14.9
MLN342	Mt Bonnie	PNX Metals Ltd 100%	13.7
MLN343	Iron Blow	PNX Metals Ltd 100%	14.9
MLN346	Mt Bonnie	PNX Metals Ltd 100%	16.0
MLN349	Iron Blow	PNX Metals Ltd 100%	15.0
MLN405	Mt Bonnie	PNX Metals Ltd 100%	12.0
MLN459	Mt Bonnie	PNX Metals Ltd 100%	15.0
MLN811	Mt Bonnie	PNX Metals Ltd 100%	8.1
MLN816	Mt Bonnie	PNX Metals Ltd 100%	8.1
Total Hayes Creek			168.0
MLN794	Fishers-1	PNX Metals Ltd 100%	8.1
MLN795	Fishers-2	PNX Metals Ltd 100%	8.1
ML30936	Good Shepherd	PNX Metals Ltd 100%	106
Total Mineral Leases			290.2
EL31099	Bridge Creek	PNX Metals Ltd 100%	60.2km ²

Northern Territory - Farm-in Tenements*

Tenement	Name	Holder	(Area sq km)
Burnside Project			
EL10012	Mt Ringwood	PNX Metals Limited 51%, Newmarket 49%	14.9
EL10347	Golden Dyke	PNX Metals Limited 51%, Newmarket 49%	10.0
EL23431	Thunderball	PNX Metals Limited 51%, Newmarket 49%	13.4
EL23536	Brocks Creek	PNX Metals Limited 51%, Newmarket 49%	70.4
EL23540	Jenkins	PNX Metals Limited 51%, Newmarket 49%	16.7
EL23541	Cosmo North	PNX Metals Limited 51%, Newmarket 49%	3.3
EL24018	Hayes Creek	PNX Metals Limited 51%, Newmarket 49%	23.4
EL24051	Margaret River	PNX Metals Limited 51%, Newmarket 49%	86.9
EL24058	Yam Creek	PNX Metals Limited 51%, Newmarket 49%	3.3
EL24351	McCallum Creek	PNX Metals Limited 51%, Newmarket 49%	30.1
EL24405	Yam Creek	PNX Metals Limited 51%, Newmarket 49%	4.1

EL24409	Brocks Creek South	PNX Metals Limited 51%, Newmarket 49%	22.1
EL24715	Mt Masson	PNX Metals Limited 51%, Newmarket 49%	56.8
EL25295	Margaret Diggings	PNX Metals Limited 51%, Newmarket 49%	10.0
EL25748	Burnside	PNX Metals Limited 51%, Newmarket 49%	643.1
EL9608	Mt Bonnie	PNX Metals Limited 51%, Newmarket 49%	10.0
Chessman Project			
Tenement	Name		
EL25054	Maud	PNX Metals Limited 51%, Newmarket 49%	64.0
EL28902	Maud	PNX Metals Limited 51%, Newmarket 49%	104.5
ML30293	Chessman	PNX Metals Limited 51%, Newmarket 49%	1.1
Moline Project**			
Tenement	Name		
EL28616	Moline	PNX Metals Limited 51%, Newmarket 49%	262.5
ML24173	Moline	PNX Metals Limited 51%, Newmarket 49%	31.3
MLN1059	Moline	PNX Metals Limited 51%, Newmarket 49%	4.2
MLN41	Mt Evelyn	PNX Metals Limited 51%, Newmarket 49%	0.1
			1486.2

*PNX has elected to proceed with the farm-in (under an agreement with Newmarket) toward earning a 90% interest in all tenements.

**upon completion of the Fountain Head transaction, PNX will own the Moline tenements 100%.

South Australia

Exploration Licences	Name	Holder	(Area sq. km)
Adelaide Geosyncline			
EL5382	Burra Central	PNX Metals Ltd 100%	84
EL5874	Burra West	PNX Metals Ltd 100%	69
EL4970	Burra North	PNX Metals Ltd 100%	300
EL5411	Mongolata	PNX Metals Ltd 100%	60
EL4809	Princess Royal	PNX Metals Ltd 100%	314
EL5473	Bagot Well	PNX Metals Ltd 100%	71
EL5910	Spalding	PNX Metals Ltd 100%	157
EL5557	Washpool	PNX Metals Ltd 100%	135
			1,190
Yorke Peninsula			
ELA281/12	Minlaton	Wellington Exploration Pty Ltd 100%	547
EL5491	Koolywurtie	PNX Metals Ltd 100%	255
EL5196	Coonarie	PNX Metals Ltd 100%	254
			1,056

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

PNX METALS LIMITED

ABN

67 127 446 271

Quarter ended ("current quarter")

31 MAR 2018

Consolidated statement of cash flows		Current quarter	Year to date
		\$A'000	(9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(503)	(2,571)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs*	(64)	(259)
	(e) administration and corporate costs	(206)	(644)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	14	26
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	403	403
1.8	Other	-	-
1.9	Net cash from / (used in) operating activities	(356)	(3,045)

*excluding costs included in exploration expenditure

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(3)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	-	(3)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	2,463
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(140)
3.5	Loan repayment to PNX	50	50
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – silver stream fwd sale receipts	-	800
3.10	Net cash from / (used in) financing activities	50	3,173

*received in early October upon completion of an SPP

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,862	1,431
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(356)	(3,045)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	50	3,173
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,556	1,556

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	556	362
5.2	Call deposits	1,000	1,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,556	1,862

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter
\$A'000

63

-

Directors' fees of \$49k related to the December 2017 quarter and \$14k of legal costs paid to a firm associated with a director (Peter Watson).

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	_*
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

*None other than those payments described in Item 6 above.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities*	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

*\$1.2 million unsecured loan from a Company shareholder Marilei International Limited was converted into 80 million fully-paid ordinary shares (1.5 cents per share) during the quarter following receipt of approval from the Foreign Investment Review Board for the transaction.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	500
9.2 Development	-
9.3 Production	-
9.4 Staff costs (net of outflows included in item 9.1 exploration)	75
9.5 Administration and corporate costs	140
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	715

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL28902 NT	Reduction in size of this EL, current tenement size is now 104.5km ² . No change in ownership interest	51%	51%
10.2	Interests in mining tenements and petroleum tenements acquired or increased*	-	-		

*During the quarter, the Company executed an agreement with a subsidiary of KL Gold Ltd for the acquisition of 4 mineral leases in Fountain Head area of the Northern Territory and a further 49% interest (currently owned 51% by PNX) in 4 tenements in the Moline area of the NT. In return, PNX will transfer its 51% interest in three exploration areas within the Burnside project area. Completion of this transaction is expected by the end of the September 2018 quarter.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
Company secretary

Date: 30 April 2018

Print name: Tim Moran

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.