

## Notice under Listing Rule 3.10.5A

### Securities issued under Listing Rule 7.1A

The following information is provided in accordance with ASX Listing Rule 7.1A.4(b) and Listing Rule 3.10.5A with reference to the Appendix 3B lodged by the Company on 2 August 2018 regarding the issue of 263,750,000 ordinary shares from a share placement announced to the ASX on 25 July 2018.

*(a) Details of the dilution to existing holders of ordinary securities caused by the issue:*

The Company issued 108,273,742 ordinary shares under Listing Rule 7.1A, resulting in the following dilution to existing holders of ordinary securities:

- Number of fully paid ordinary shares on issue prior to the issue of securities: **1,088,930,020**
- Add: Number of shares issued as part of this issue under LR7.1: **155,476,258**
- Total number of fully paid ordinary shares on issue prior to 7.1A securities issue: **1,244,406,279**
- Ordinary shares issued under Listing Rule 7.1A: **108,273,742**
- Percentage of voting dilution to existing holders of ordinary security holders: **8.0%**

*(b) Where the equity securities are issued for cash consideration, a statement of the reasons why the eligible entity issued the equity securities as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing ordinary security holders would have been eligible to participate:*

Shares were issued at 0.8 cents per share to sophisticated and professional investors to raise a total \$2.11 million before costs. The placement is the first tranche of a two-part capital raising transaction, with the second tranche, to raise a further \$1.36 million, subject to shareholder approval at a General Meeting to be held on 12 September 2018. A Rights Issue was not conducted due to the time and cost of arranging one, and the Company was unable to do a Share Purchase Plan under the disclosure relief provided by ASIC Class Order 09/425 having conducted one within the last 12 months (October 2017). PNX will consider an offer to existing security holders in its next capital raising if interest is sufficient and time and costs permit.

Funds raised will be used to undertake a zinc and gold-silver exploration program at the Company's Burnside, Moline and Fountain Head exploration projects in the Northern Territory, including reverse circulation and diamond drilling of the highest priority targets and mapping rock chip and soils sampling. Funds will also be used for continued feasibility work on the Hayes Creek Project in the NT, as well as for working capital purposes.

*(c) Details of any underwriting arrangements including any fees payable to the underwriter:*

No underwriting arrangements were entered into.

*(d) Any fees or costs incurred in connection with the issue:*

Fees of \$30,000 were incurred in connection with the issue.

By order of the Board:



Tim Moran  
Company Secretary  
PNX Metals Limited