

Moline drilling commenced - potential new ore source for the Hayes Creek Project

- **Drilling commenced at the Moline Project to extend significant gold and base metals mineralisation identified by PNX in 2017**
- **Metallurgical testwork highlights potential for ore to be recovered and upgraded to a high-value concentrate through the proposed Hayes Creek process plant**
- **Eleven reverse circulation (RC) holes and one diamond drill hole to be completed during August with assay results available from early September**

PNX Metals Limited (**ASX: PNX**) ("PNX") is pleased to advise that it has commenced an 11 hole, ~1,300 metre reverse circulation (RC) drill program at its 100% owned Moline Project (MLN1059 and ML24173) ("Moline"), approximately 65km east of its flagship Hayes Creek zinc-gold-silver project ("Hayes Creek") in the Pine Creek region of the Northern Territory.

The drill program will focus on the Moline and Tumbling Dice prospects in order to increase geological confidence and continue to define mineralisation within the boundaries of potential open-pit mining. Samples will also be obtained for further metallurgical flotation testwork, as studies have indicated Moline mineralisation could be recovered and upgraded to a high-value concentrate through the proposed Hayes Creek process plant.

Drilling by PNX at Moline in late 2016 and 2017 returned numerous high-grade gold and base metals intercepts¹ including:

Moline prospect

- **2m @ 4.66 g/t Au, 177g/t Ag, 4.95 Zn and 4.41% Pb** from 92m in MORC003,
- **9m @ 2.57 g/t Au** from 92m in MORC006, and
- **3m @ 2.5 g/t Au** from 71m, **9m @ 1.55 g/t Au** from 96m, and **1m @ 2.7g/t Au, 2.5% Zn, 1.5% Pb and 107g/t Ag** from 81m in MORC028

A 1-3 metre true thickness continuous base metals sulphide zone, spatially associated with gold mineralisation, has been defined over an approximate 350m strike length below the historical Moline pit.

Tumbling Dice prospect

- **10m @ 1.67g/t Au and 0.97% Zn** from 57m in MORC009
- **30m @ 2.29g/t Au and 0.70% Zn** from 78m in MORC010

Thick zones of gold and base metals mineralisation have been defined over an approximate strike of 300 metres and remain open down-dip to the south-east.

¹ See ASX releases 12 September 2017 and 19 December 2016

The historic mining area at Moline has strong synergies with Hayes Creek where PNX completed a Preliminary Feasibility Study that confirms the potential to establish a low-cost, high-margin zinc and precious metals mine (see ASX release 12 July 2017).

Managing Director Comment

PNX Managing Director James Fox said: “This drill program at Moline is aimed at extending high-grade gold and lead-zinc mineralisation and to assess the scale potential as additional ore feed for Hayes Creek. Importantly, metallurgical testwork highlights the potential for Moline mineralisation to be recovered and upgraded to a high-value concentrate through the proposed Hayes Creek process plant. This would have a very significant positive impact on the economics of an already robust project, in particular on the projected mine life where the aim is to extend this beyond ten years”

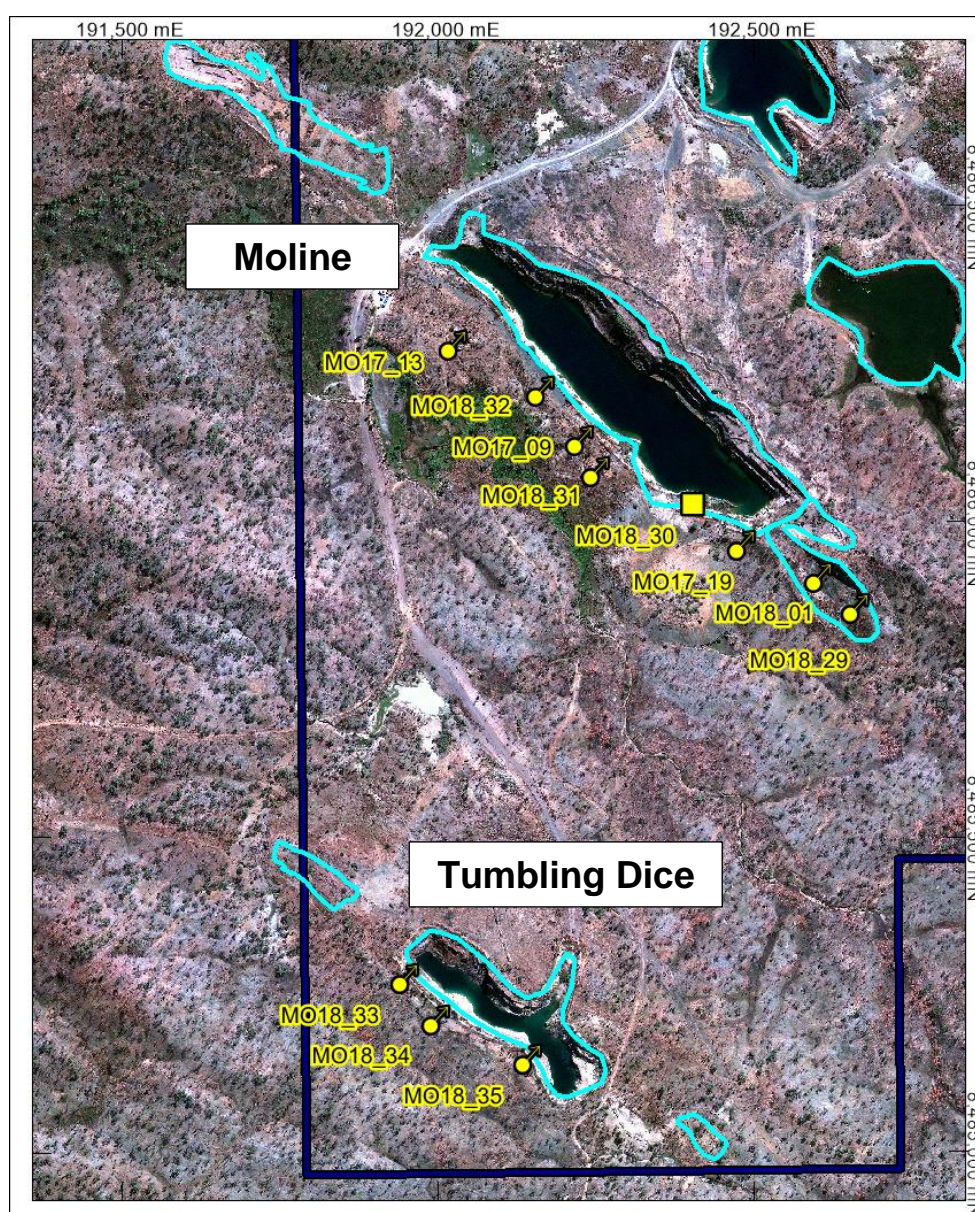


Figure 1: Moline Project drill collar locations

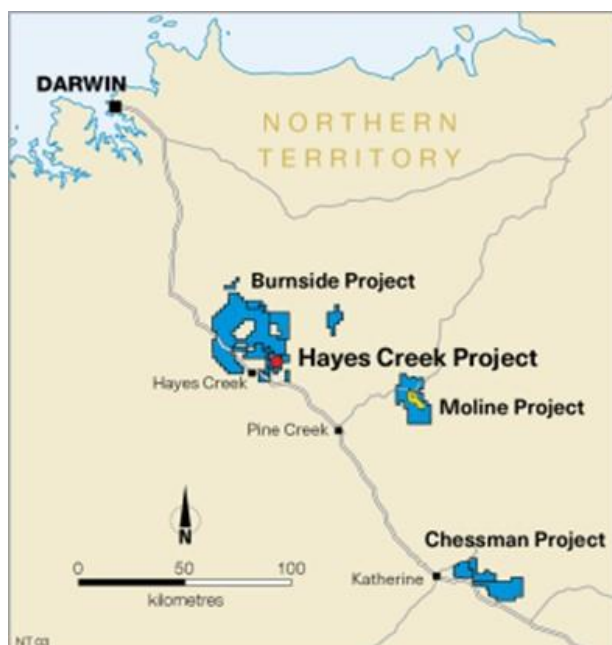


Figure 2: NT Project locations

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

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