



AGM 2019

An Australian Zinc and
Precious Metals
Development Company

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Competent Person's Statement

- The Hayes Creek Project ("Project") production target and the forecast financial information and income-based valuation derived from the production targets reported in this document are based on Mineral Resources which are classified as 98% Indicated and 2% Inferred. There is a low level of geological confidence associated with Inferred Mineral Resources, and there is no certainty that further exploration work will result in their conversion to Indicated Mineral Resources, or that the production targets themselves will be realised. The Company is however satisfied that the use of 2% Inferred Mineral Resources in the production targets is not the determining factor in the overall viability of the Project and that it is reasonable to include this 2% Inferred Mineral Resources component. The Company cautions that there is no certainty that the production targets or the forecast financial information and income-based valuation derived from the production targets will be realised.
- This document contains 'forward-looking statements' that are based on the Company's expectations, estimates and projections as of the date on which the statements were made. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.
- The Company believes there is a reasonable basis for the Project's production targets and the forecast financial information and income-based valuation derived from those production targets provided in this document. In addition, the forward-looking statements are based on the Company's belief that it has reasonable grounds to expect that funding will be secured to advance the Project through to the completion of a DFS and that the capital costs of the Project will be financed. There is no certainty, however, that sufficient funding will be raised by the Company when required.
- Refer to PNX's ASX announcement 12 July 2017 regarding the Hayes Creek Pre-Feasibility Study (PFS) for detail on the material assumptions underlying the PFS, and for further information on the basis for forward-looking statements related to the Hayes Creek Project.
- The information in this report that relates to Mineral Resources and Exploration Results is based on information compiled by Mr Andrew Bennett a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. 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 consultant to the Company and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.
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PNX Metals Limited (ASX:PNX)

Australian zinc-gold-silver Development Company



- The Company holds a large highly prospective tenement package in the Northern Territory, Australia, 170km from the port of Darwin
- Definitive Feasibility Study (DFS) underway on the Hayes Creek zinc-gold-silver Project
- The Project hosts considerable Mineral Resources (JORC 2012)* including:
 - ✓ **238,000 oz gold, 16.2Moz silver and 177kt zinc** - Mt Bonnie and Iron Blow VMS deposits, and
 - ✓ **138,000 oz gold** - Fountain Head gold deposit
- Recent drilling at Iron Blow highlights grade:
 - ✓ **85.22m at 11.87 % zinc, 4.19 g/t gold, 309 g/t silver, 1.94 % lead, 0.49 % copper** from 115.9 m in IBDH061 (eastern lode)
- Existing mining infrastructure corridor with rail, roads, high-voltage grid power, gas pipeline and water, further enhancing Project fundamentals and lowering development risks
- Fully funded DFS planned to be completed with Environmental approvals to be submitted mid 2020
- Potential for staged gold production via heap leaching



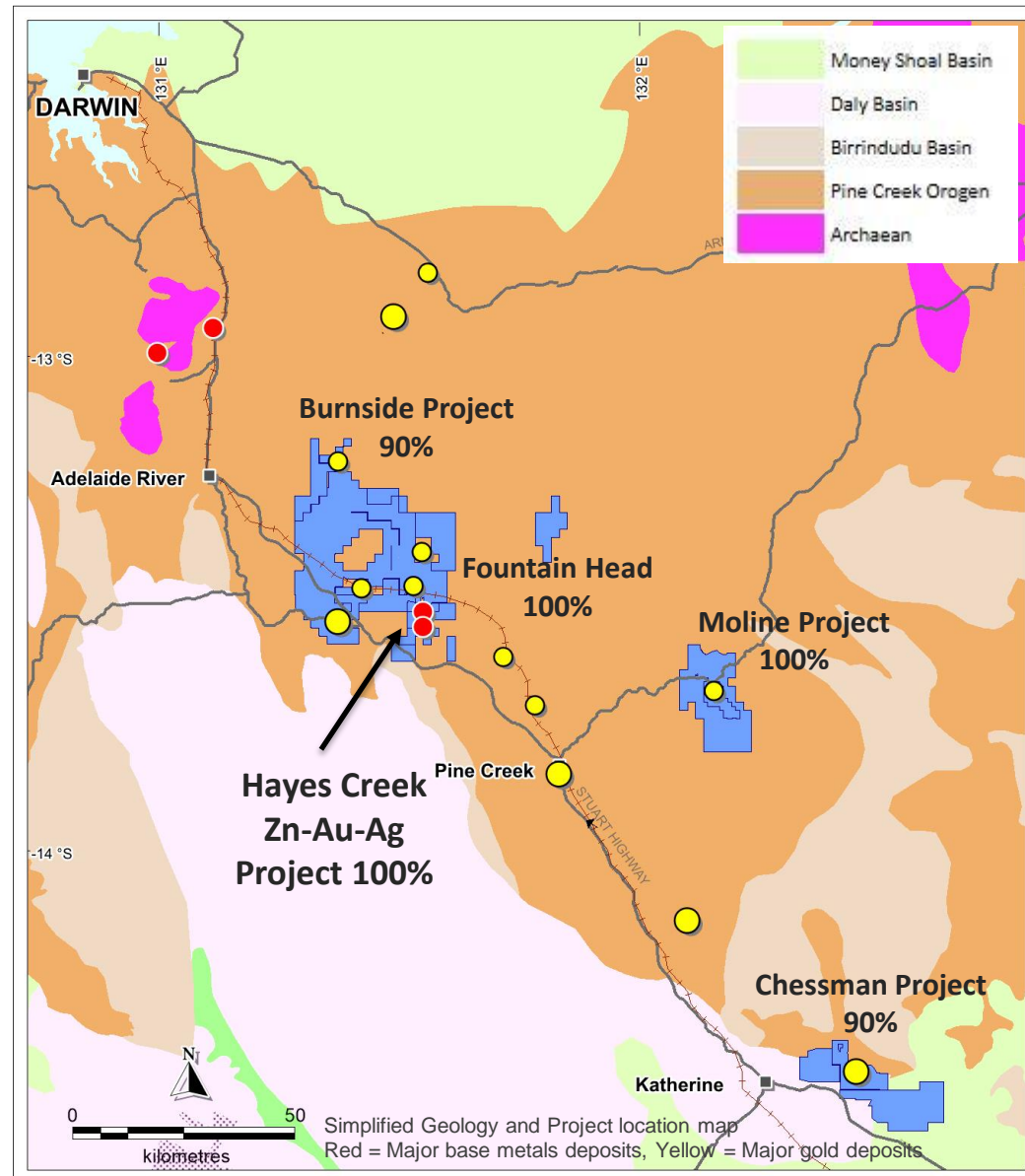
*See Appendix for further details on Mineral Resources



Regional Overview of Projects

Exciting gold & base metals opportunities emerging across the region

- Northern Australia based project with easy access to deep water ports and Asian markets
- Birthplace of the NT gold rush in the 1870's
- Numerous gold and base metals targets over a dominant ground holding – 1,550km²
- Attractive mix of commodities; gold, silver, zinc, copper & lead
- Pipeline of green and brownfields targets
- Virtually no modern day exploration – limited drilling at depth
- Exploration success could extend Hayes Creek Project mine life – big incentive to fast-track further discoveries
- Aim is to develop a regional processing hub capable of monetising a pipeline of gold and base metals assets
- Kirkland Lake Gold (ASX: KLA) (US\$9.4B market cap) mining operations at Cosmo and Union Reefs



Gold a safe haven in times of Trump

No better time to be in an Australia gold development project

Gold Price US\$ 20 year graph



1 gram gold = ~US\$50

- Gold price at \$AUD all time highs => A\$2,200 oz
- Potential for further gold + silver price gains into 2020
- Great time to be an Australian gold producer or developer
- PNX rapid development strategy to take advantage of positive price environment
- Mining at Fountain Head ceased in 2008 when the gold price was half what it is now

Gold Price A\$ 20 year graph



Fountain Head
Resource

**Gold price
continues
to rise...**



Company Strategy

Two Parallel Strategies Aimed at Unlocking Value for Shareholders



PNX is targeting high-value, highly profitable deposits complementary to Hayes Creek

Development – Hayes Creek zinc-gold-silver



Project development activities, focusing on continually upgrading the project and its economics

Exploration – Fountain Head, Burnside and Moline

A long, horizontal green chevron-shaped bar pointing to the right, containing the text "Aggressive Near Mine & Regional Exploration".

Aggressive Near Mine & Regional Exploration

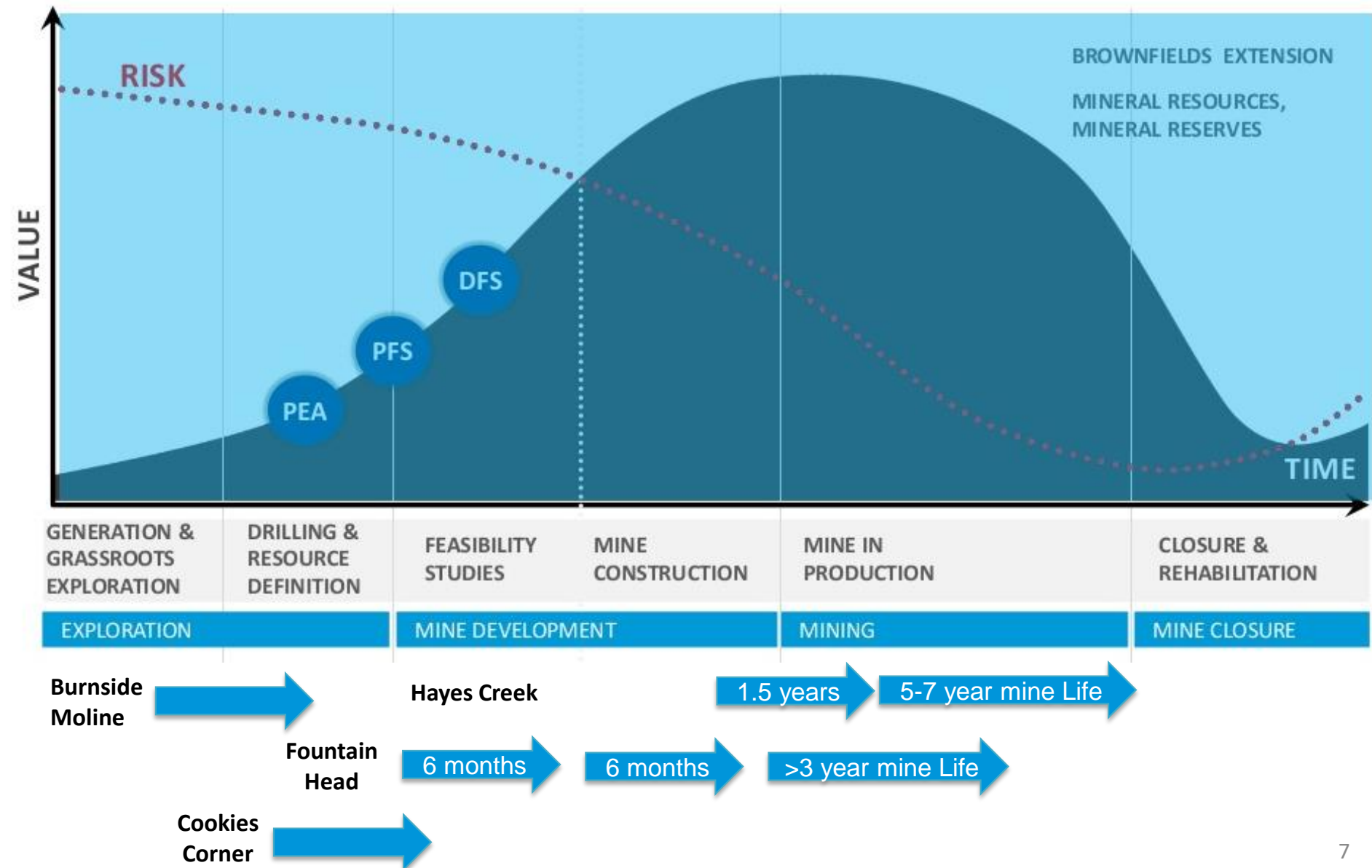
A horizontal process flow diagram for the Fountain Head exploration. It consists of three blue chevron-shaped boxes pointing to the right. The first box is light blue and contains the text "Fountain Head Assessment". The second box is a medium blue and contains the text "Rapid Development". The third box is a darker blue and contains the text "Ops".

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graph LR; A[Fountain Head Assessment] --> B[Rapid Development]; B --> C[Ops]
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Aggressive near mine and regional exploration to unlock the significant potential of this VMS and gold district to provide additional feed to Hayes Creek via staged development of gold assets

Exploration to Mining pathway

Project portfolio contains opportunities across the risk/value cycle



Corporate Overview

A Junior Resources Company with Supportive Major Shareholders



Capital Structure

	Current
Shares ¹	2,435m
Options	433m
Share price (27/08/19)	\$0.006/sh
Market Capitalisation	\$14.6m
Cash (A\$m) ²	\$4.6m
Debt (A\$m)	Nil
Enterprise Value (A\$m)	\$11.2m

1. As at 30 Sept 2019

2. Includes 12.9m shares in STM valued at \$320k

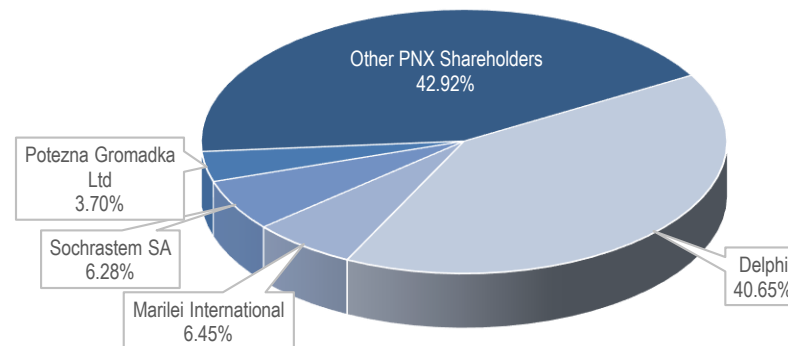
Board & Management

Graham Ascough	Non Executive Chairman
James Fox	Managing Director & CEO
Paul Dowd	Non Executive Director
David Hillier	Non Executive Director
Peter Watson	Non Executive Director
Angelo Gaudio	CFO/Company Secretary

Share Price



Substantial Shareholder Breakdown



Hayes Creek project overview

High-value Project - DFS and approvals process underway

Strong Economics

Revenues of \$628 million over an initial 6.5 year LoM, **NPV_{10%} \$133 million** ¹

Excellent Cash flow

\$41m estimated pre-tax net cash flow per annum (\$266m LoM)

Rapid Payback

Payback of capital in less than **15 months** – fast payback, low risk

Low Capital Hurdle

Upfront capex of **\$58 million** (includes processing facility and open-pit mine development)

Strong Production

18.3ktpa Zn, 14.7kozpa Au, and 1.4Mozpa Ag (~**40ktpa ZnEq**) ²

Infrastructure Access

Located in **existing infrastructure corridor** with rail, gas, power, telecommunications and other mining operations, 170km from Darwin

Exploration Potential

Strong near-mine gold and base metal exploration potential, multiple high-value drill targets

Commodity Outlook

The supply and demand fundamentals for zinc remain strong, as does the price outlook for gold and silver – negative news around trade already priced in to a number of base metals

¹ Refer ASX release of 12 July 2017 for full details of PFS. 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. Revenues based on forward consensus commodity prices (US\$) & FX rates: Zn \$2,570, Au \$1,289, Ag \$19.4, Pb \$2,129, Cu \$6,366, US\$0.73c

² ZnEq = See notes relating to Mineral Resources in Appendix for metal equivalents definitions and assumptions

Hayes Creek Approvals Process

Longest lead-time items relate to Project approvals – well advanced

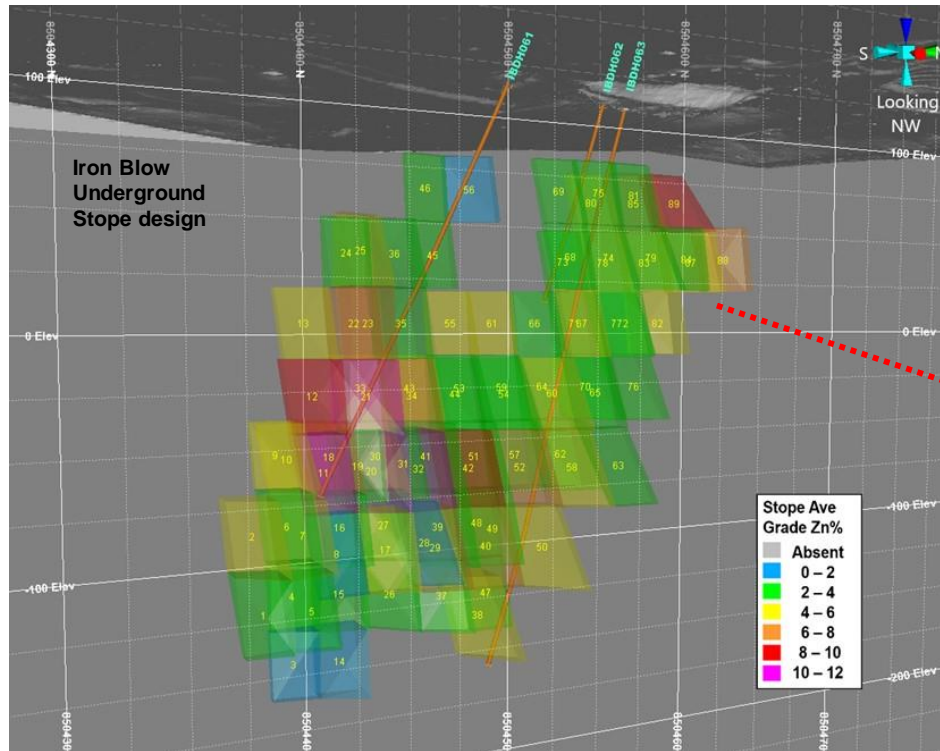
- Project located on granted Mineral Leases, Native Title extinguished ✓
- Notice of Intent - complete ✓
- Environmental Protection Biodiversity Conservation Act 1999 (EPBC Act) Project referral - Feb 2019 ✓
- Positive decision that the Project is not a controlled action under the EPBC Act - Jun 2019 ✓
- Statement of reasons from NT EPA that the Project requires assessment at the level of an Environmental Impact Statement (EIS) - Dec 2018 ✓
- Public review and comment on draft Terms of Reference (ToR) 2 Jul 2019 ✓
- Project ToR issued - 2 Aug 2019 ✓
- EIS technical studies and data capture ongoing
- EIS submission planned - May 2020
- Operations Mine Management plan submission 2nd half 2020
- Production targeted from 2021



Water bore sampling for hydrological analysis

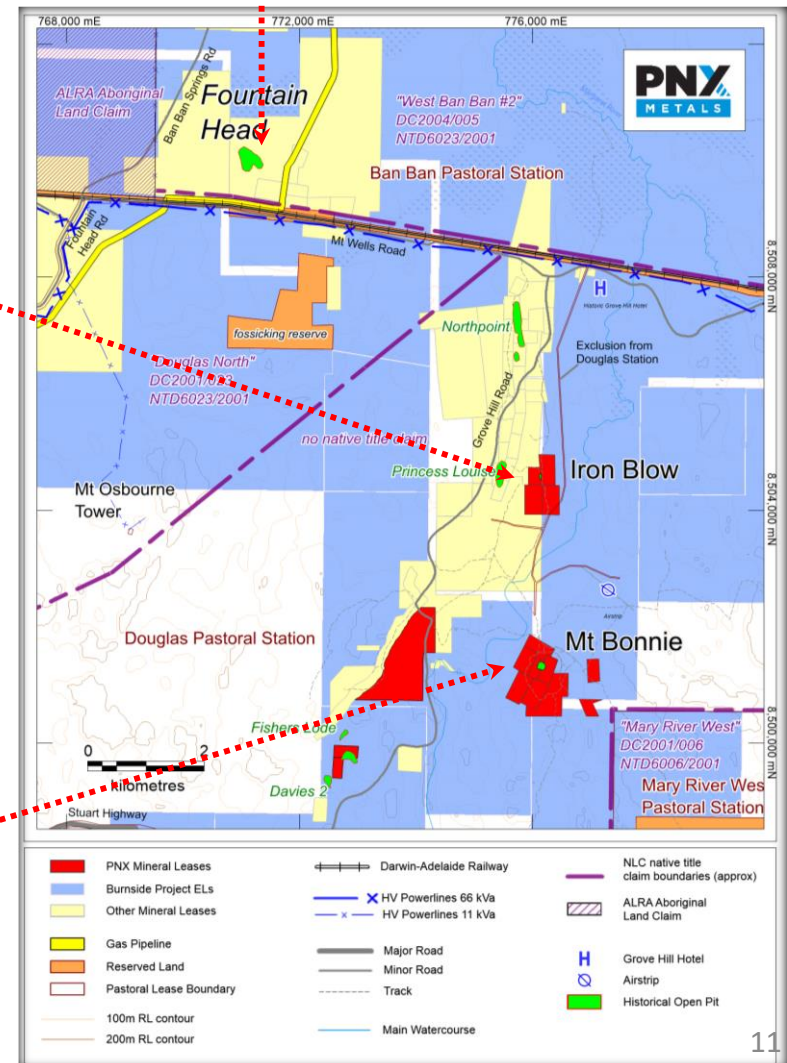
Hayes Creek DFS Underway

Two zinc-gold-silver rich VMS Deposits



- ✓ Mining areas on granted MLs, less than 3km apart
- ✓ Plant and tailing site at Fountain Head <15km from mine along existing haul roads
- ✓ Low-cost open-pit mining to start at Mt Bonnie, then underground mining at Iron Blow
- ✓ Good access to markets and services

Proposed plant location utilises historic open-pit for tailings, with existing water, gas pipeline, HV power, haul roads and telecommunications



Hayes Creek Resources

High-value Project - DFS and approvals process underway

Deposit	JORC Classification	Tonnage (kt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)	AuEq (g/t)
Iron Blow & Mt Bonnie VMS deposits	Indicated	3,455	4.88	1.01	0.27	137	1.88	6.65
	Inferred	622	1.39	0.37	0.1	52	1.46	3.19
	Total Mineral Resource	4,077	4.35	0.91	0.25	124	1.81	6.12
Fountain head Gold	Indicated	1,432	-	-	-	-	1.79	-
	Inferred	1,145	-	-	-	-	1.50	-
	Total Mineral Resource	2,577	-	-	-	-	1.67	-
Total Contained Metal			177,350t	37,101t	10,193t	16.2Moz	375koz	940koz

- Historic mines where only the 'oxide cap' has been mined leaving behind the remainder of the 'iceberg' below
- Rapidly growing resource base now incorporating Fountain Head gold deposit – aim to grow further
- Near surface mineralisation at Iron Blow/Mt Bonnie with high \$ value equivalent grades – 6.12g/t AuEq average
- Resources exceed critical mass to justify development

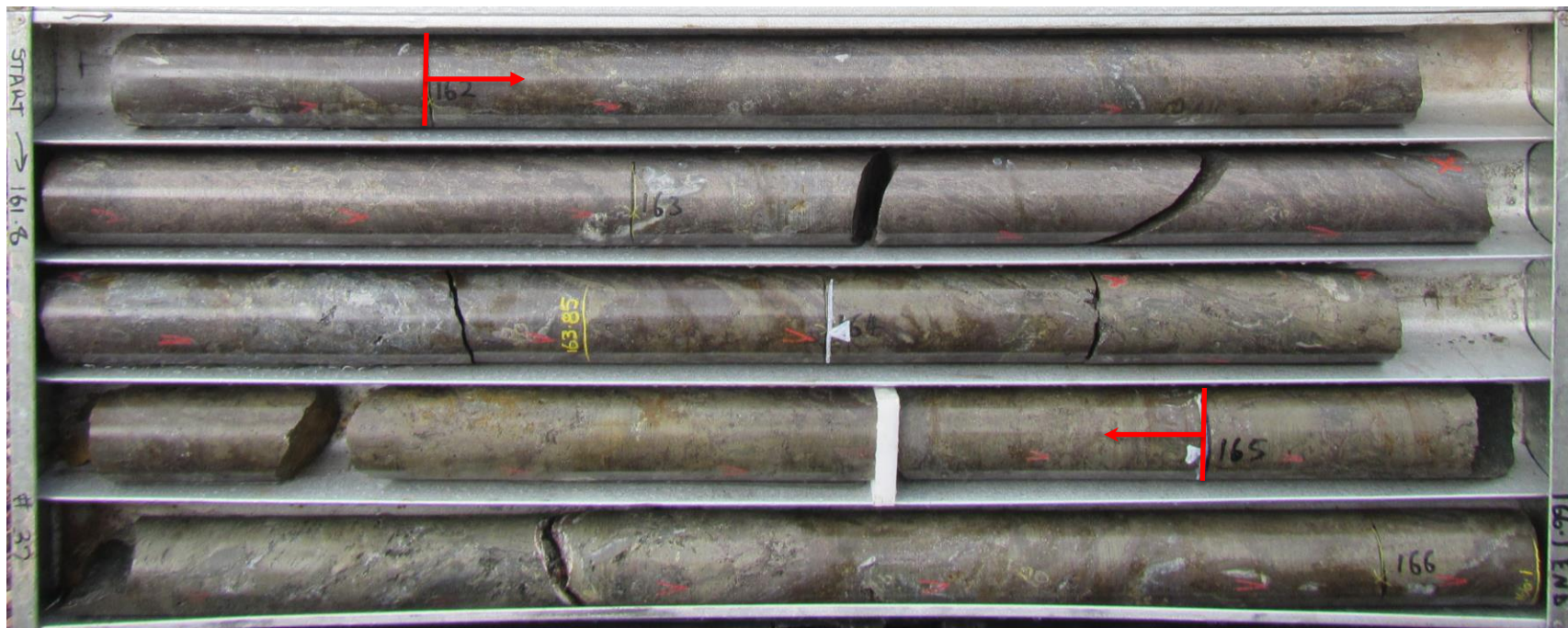


Mt Bonnie historic open-pit

Hayes Creek DFS Underway

Geology and Mineralisation

19.4% Zinc, 2.7g/t Gold, 630g/t Silver, 0.85% Copper, and 3.2% Lead*



IBDH023 high grade massive sulphide core, the interval between 162m-165m as marked assayed

- Simple strataform massive sulphide mineralisation
- Carbonate alteration halo hosting gold
- Excellent continuity and consistency of mineralisation within massive sulphide zones

Fountain Head Gold Project

New Mineral Resource Estimate completed following successful recent drilling



- PNX acquired the historic gold mine in 2018 to use the void for HC sub-aqueous tailings storage; this is a cornerstone of the approvals process and capital cost profile of the Project
- Drilling later in 2018 was to sterilise the area for tailings, and/or to identify new gold mineralisation*
- Numerous high-grade gold intersections; modelling of the near-surface mineralisation centred on the historic open-pit:
 - New Mineral Resource estimate; **2.58Mt at 1.7g/t Au for 138,000 oz Au** (JORC 2012)
- Extensional zones of open gold mineralisation over a 1.6km strike along the Fountain Head anticline suggesting the potential for significant additional resources
- Drilling has recommenced (assays due Oct'19) to test:
 - areas of open mineralisation beyond the resource envelope,
 - for high-grade mineralisation trap sites at the junctions of vertical feeder structures and anticline hinge zones

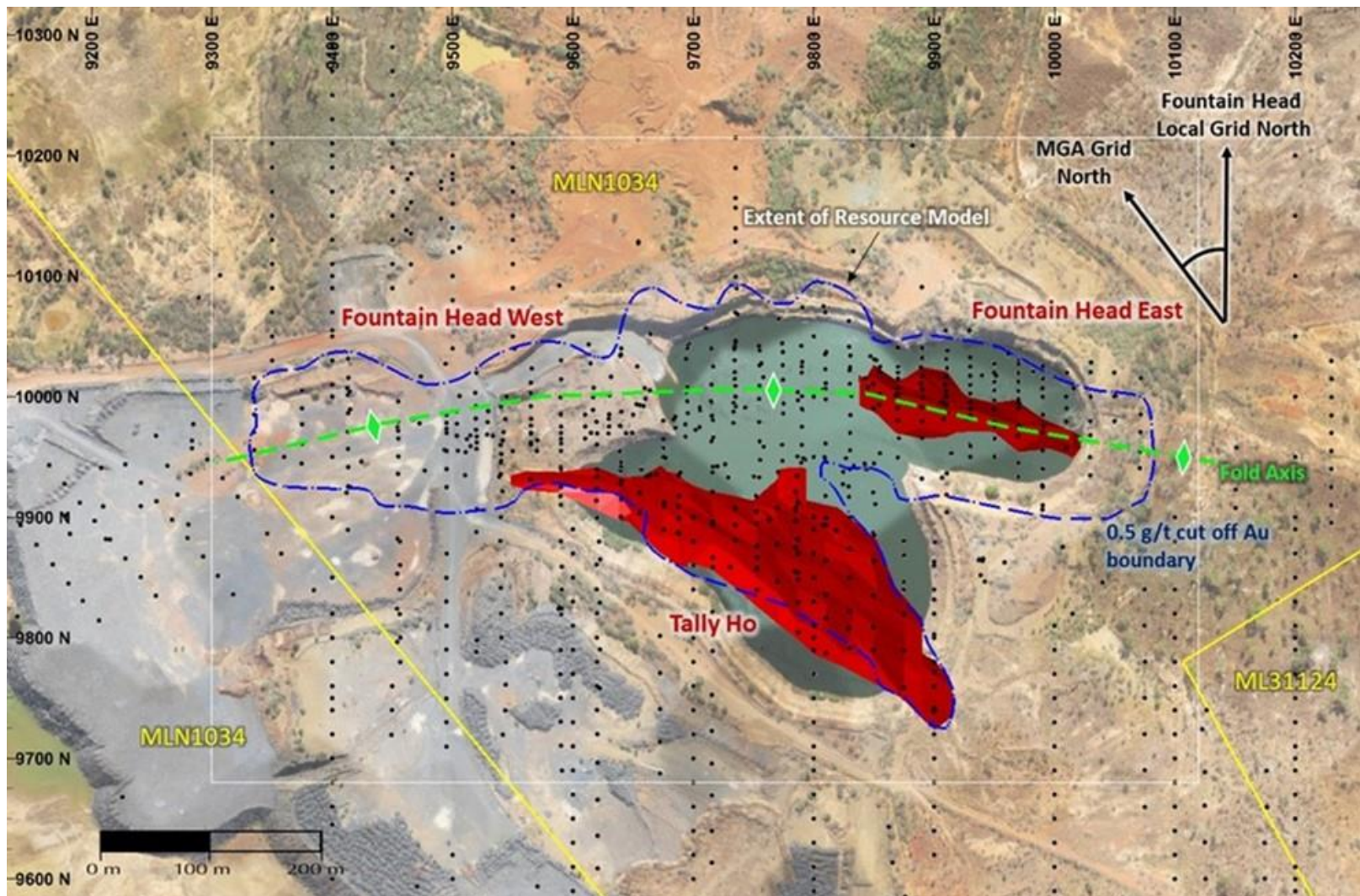
*See ASX releases 20 December 2018, 19 September 2018, 22/23 August 2018, 1 August 2018, 23 July 2018 and 14 June 2018



Fountain Head Gold Resource

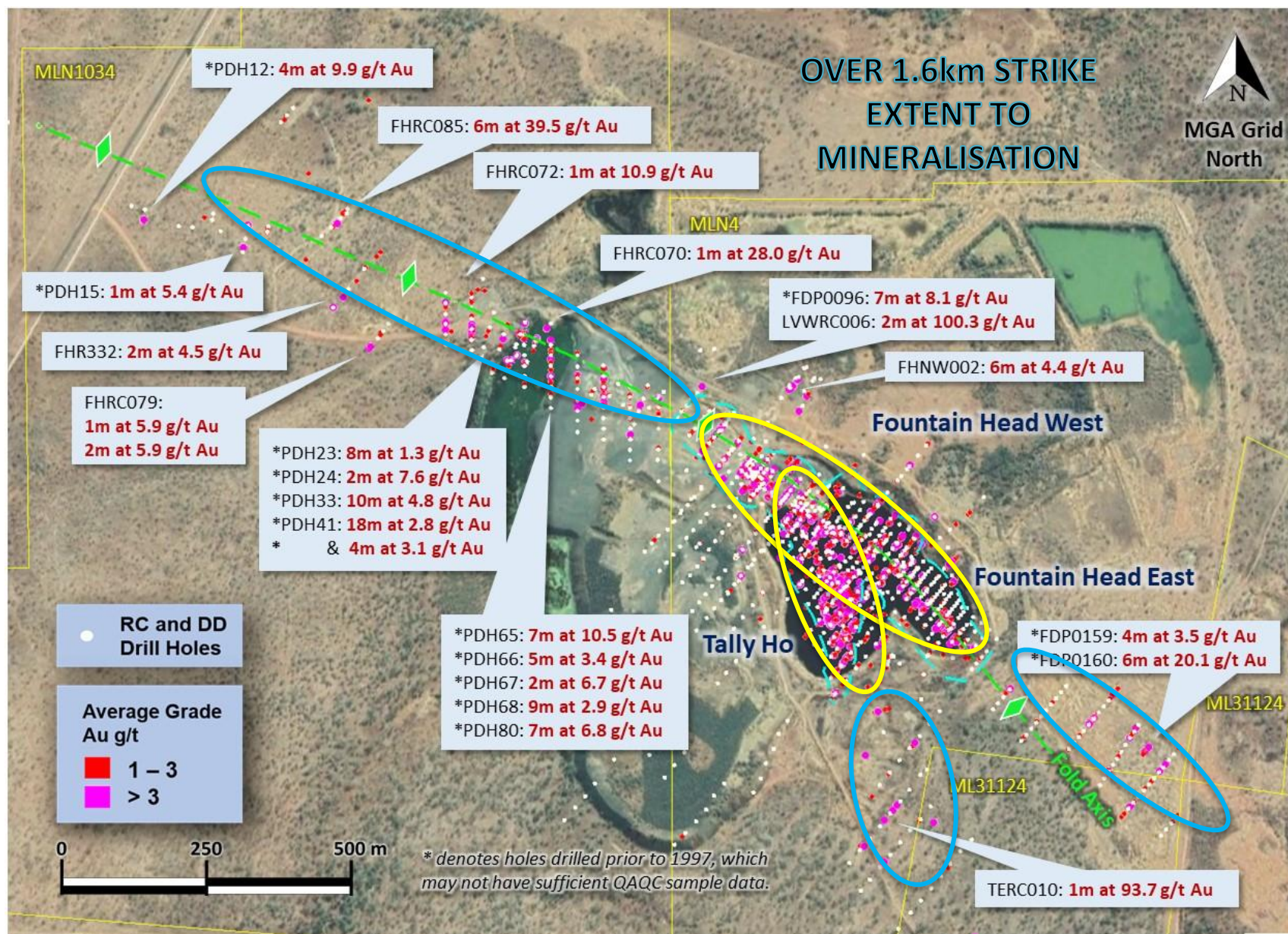
Large-scale gold system emerging

“The Fountain Head lodes are interpreted to represent the near-surface expression of a larger and previously overlooked gold system, which remains open (GBS Gold 2009)”



Fountain Head Gold Exploration

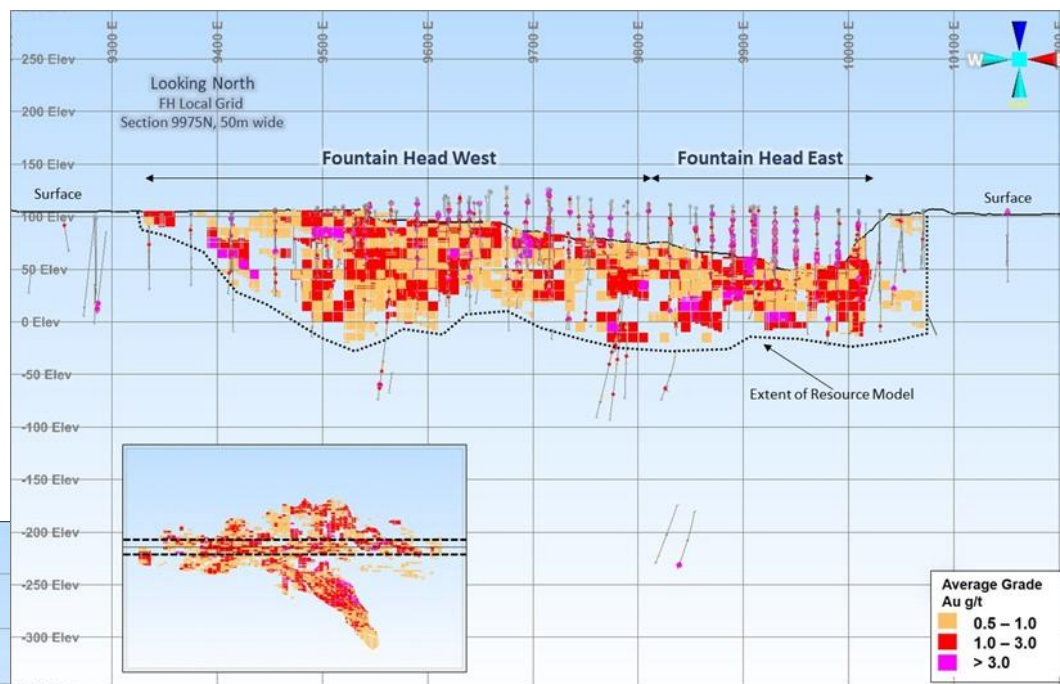
New mineral resource with growth potential



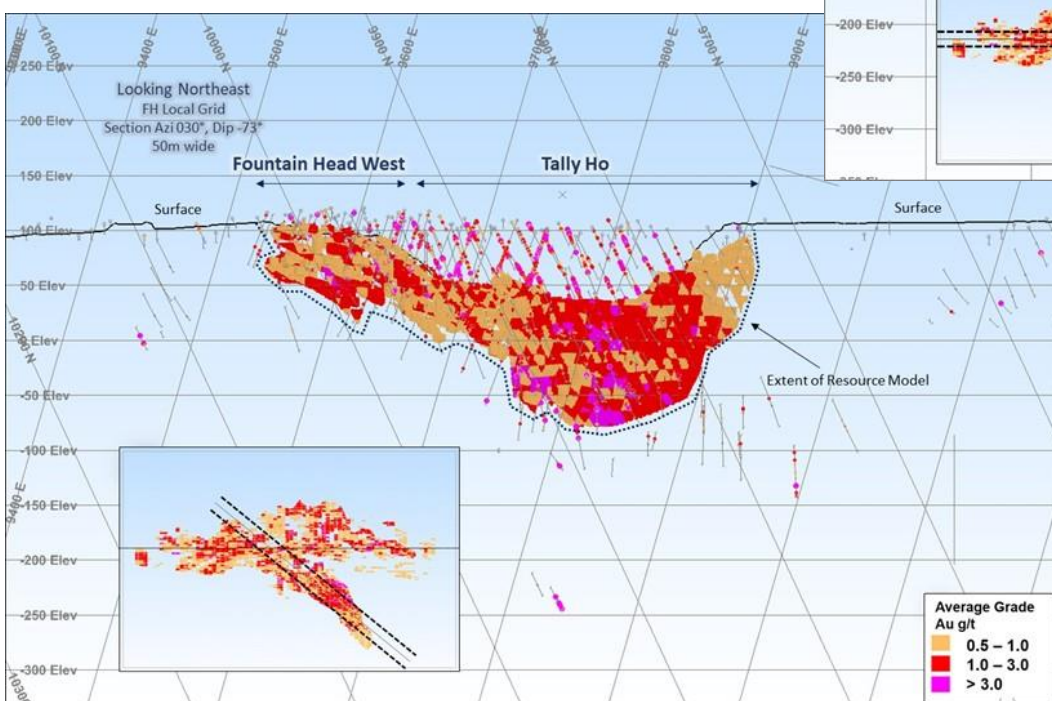
Fountain Head Gold Project

Open in all directions with limited drilling at depth

- ✓ Limited drilling below 50-60m outside of historic mining area
- ✓ Numerous extensional zones to target resource growth along strike and down-dip
- ✓ Granted Mineral Lease with good year round access to site



Fountain Head long section and inset plan
>1.0 g/t Au drill intersects also shown
below the extent of the resource



Tally Ho long section and inset plan.
>1.0 g/t Au drill intersects
also shown below the extent of
the Resource

Fountain Head Gold Project

Aim to rapidly monetise the gold resources in a high gold price environment

- Opportunity to stage development via low cost + low risk mining and gold heap leaching prior to HC sulphide flotation
- Avoids sterilising valuable gold assets prior to using the enlarged void for future tailings storage
- Flexible development strategy with the potential to self fund HC sulphide expansion
- Develop a regional processing hub to monetise a pipeline of gold and base metals assets
- Heap Leaching would reduce
 - ✓ upfront capital development requirements
 - ✓ the development timeline (including approvals) to production
 - ✓ operating costs to enable lower grade gold resources to be assessed & developed
 - ✓ technical and operating risks
 - ✓ shareholder dilution by staging development
- Heap Leaching assessment
 - ✓ Mining optimisation completed with bottle roll and column test work underway (results due Oct'19)
 - ✓ Feasibility to be completed by early 2020
- Eluvial gold bearing material at FH may provide further scope for development



Fountain Head Gold Processing

Opportunity for near-term gold production from oxide & eluvial material

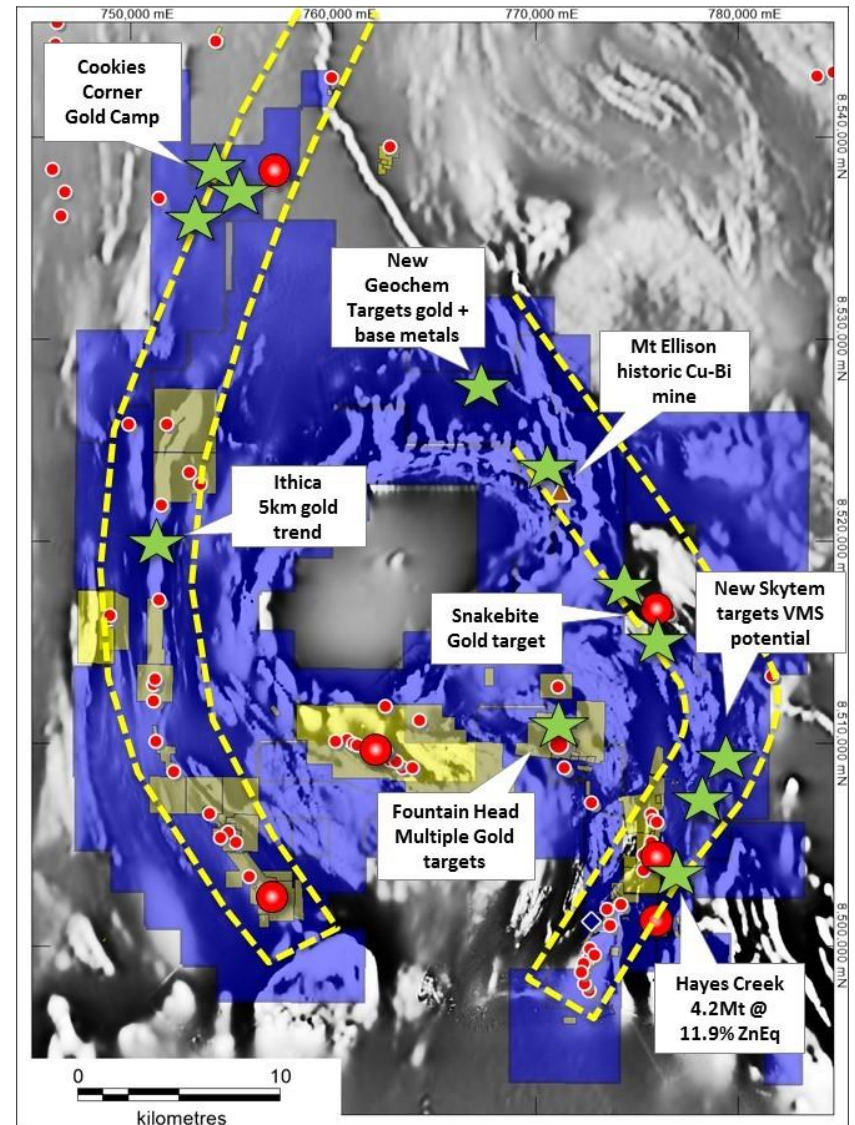


- Heap Leaching is where ore is stacked in a “heap” and irrigated with leach solution to recover the target metal
- Successfully used globally to treat oxide and free-milling gold ore types
- Utilised at large scale & low grade gold deposits located in North America – numerous highly profitable examples in Arizona + Nevada
- Suitable for rapid development; PNX strategy is considering using:
 - second hand equipment
 - current approvals process (EIS and MMP)
 - existing FH resources to support ~3 year conventional gold heap leach operation
 - stranded resources and stockpiles to target >5 year ~35,000oz per year Au production
- Low cost of entry; target CAPEX ~US\$20M and OPEX <US\$800/oz Au
- Construction could commence 2020 with production from late 2020
- A gold heap leach circuit could operate in parallel to the HC flotation plant providing an additional revenue stream to significantly increase the production profile of the Company
- Watch this space!

Burnside Exploration project

Large tenure with untested gold & base metals potential

- PNX (90%) and Kirkland Lake gold (10%) JV
- Highly prospective and dominant tenure surrounding Hayes Creek
- Well known mining region - known gold resources of 9Moz and >3Moz produced
- **90% of the gold deposits and gold resources occur within 2.5km of the granitoid contacts (heat source)**
- Historical exploration limited to near-mine and outcrop
- No base metals focus since the 1970s, little exploration into primary sulphides
- Numerous open intercepts – mainly gold
- Geophysics, soil geochemistry & historic data have revealed multiple large gold targets
- HeliTEM survey - targeted prospective Mt Bonnie formation under shallow cover; base metals targets
- Aim to extend Hayes Creek LoM and/or throughput rate

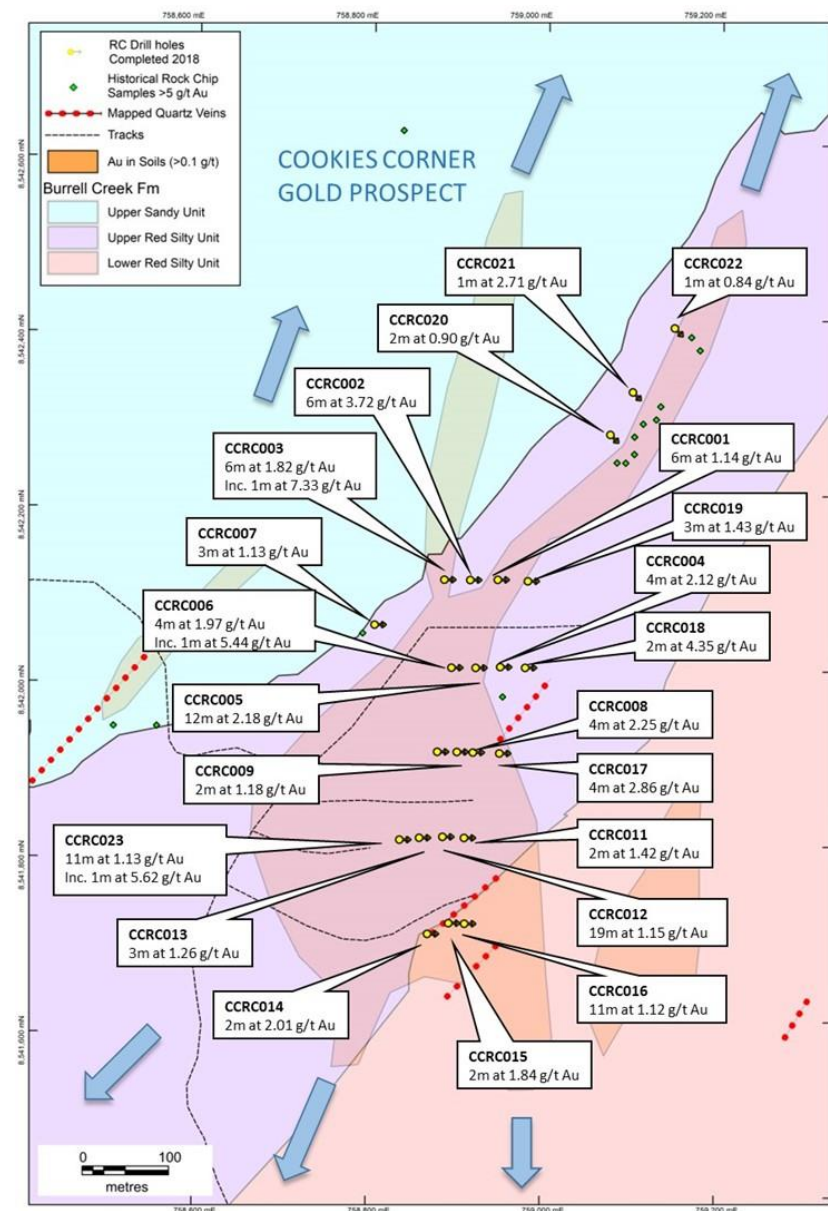


Blue = PNX exploration leases, Yellow MLs owned by others, Red = Mineral Deposits, Green Stars = PNX target areas

NW Burnside: Exploration Success

Cookies Corner Gold Prospect - immediate exploration success

- Drill targeted ~1km long 0.1g/t gold in soils anomaly associated with NE trending structures*
- Immediate exploration success – extensive gold mineralisation over a continuous 0.8km strike
- Near-surface mineralisation open in all directions
- High-impact, low cost drilling, all 24 holes drilled were successful, see diagram for results
- High-grade rock chips extend to the north, demonstrate the potential for strike extensions
- Opportunity for multiple deposits; numerous untested target areas in close proximity
- Same structural corridor as Kirkland Lake's Cosmo Mine (>2Moz Au) & Pine Creek shear zone
- Comparable size and tenor to Goodall Mine (historic mined 330koz Au resource) <4km SW
- Demonstrates significant untapped potential within large exploration tenure

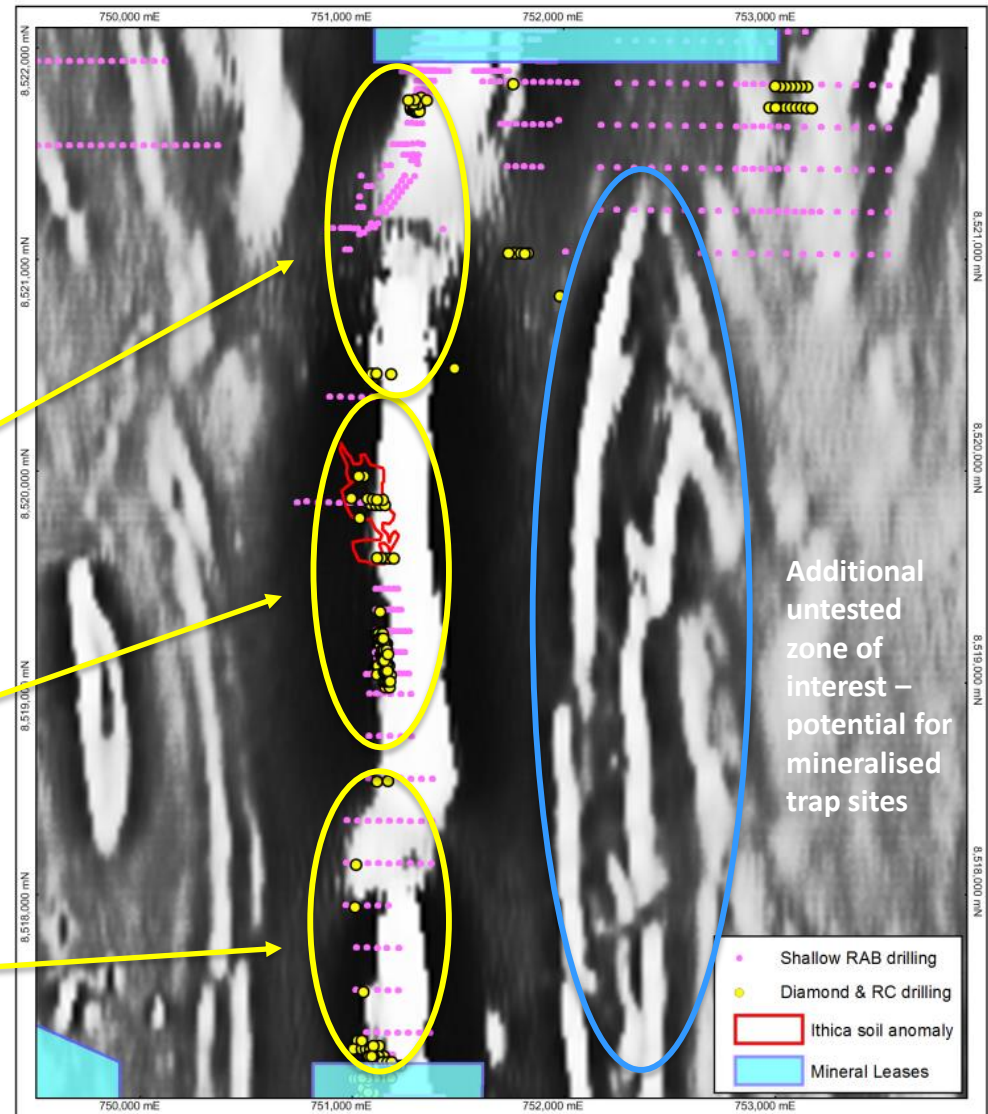


*See ASX releases 29 January 2019, 14 November 2018, 9 October 2018

Western Burnside: Ithica

5km near surface extent with gold mineralization <20km from Hayes Creek

- Along the same fertile structural corridor as Cookies Corner and Cosmo Mine (>2Moz Au)
- Limited drilling, untested at depth with good-near surface historic results, including at the:
- North Zone
 - 12m @ 11.4 g/t Au (MPQC26 from 6m)
 - 8m @ 6.0 g/t Au (MPPR631 from 8m)
 - 9m @ 5.2 g/t Au (MPPR632 from 9m)
- Central Zone
 - 5m @ 15.02 g/t Au (MPQC36 from 39m)
 - 4m @ 9.49 g/t Au (MPQC88 from 70m)
 - 1m @ 31.5 g/t Au (MPQD128 from 67.5m)
- Southern Zone
 - 1m @ 59.0 g/t Au (MPQC65 from 32m)
 - 4m @ 7.50 g/t Au (MPQC31 from 43m)
 - 3m @ 9.23 g/t Au (MPQC66 from 78m)
- Potential to augment PNX rapid development Heap Leach strategy



Background image (RTP 2vd magnetics)

In Summary

Discover – Define - Develop



- ✓ PFS confirms the potential for Hayes Creek to become a low-cost, high-margin Australian zinc and precious metals mine
- ✓ Hayes Creek superior to many other projects on a grade equivalence, capital intensity and proximity to infrastructure
- ✓ Potential to strengthen Project economics and future cash flows by taking advantage of positive gold price environment
- ✓ Gold heap leach to introduce flexibility and a staged approach to development – Target 2020 production
- ✓ Highly experienced mine development team in place
- ✓ Attractive inherent mix of commodities to provide natural hedge against individual price movements
- ✓ Significant exploration potential across large (1,550km²) tenure
 - ✓ Multiple high order exploration targets in close proximity to proposed Plant site
 - ✓ PNX to aggressively explore in parallel with ongoing DFS work
- ✓ PNX represents good investment at current pricing



A photograph of a sunset or sunrise scene. The sky is a mix of deep blue at the top and bright orange and yellow near the horizon. Large, fluffy clouds are illuminated from below, creating a dramatic effect. In the foreground, the silhouettes of several trees are visible against the bright sky. The text 'Thank you' is overlaid in a large, black, sans-serif font in the center-right of the image.

Thank you

Appendix

Specific & Operational Risks

Material risks that could adversely impact the business are summarised below

General	Any investment in the Company should be considered speculative because of the nature of the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which Shares will trade
General Economic Climate	Factors such as inflation, currency fluctuation, interest rates, government policy and supply and demand have an impact on costs, commodity prices and stock market prices. The Company's future costs, projected project economics and the market price for its Shares may be affected by these factors, in particular by fluctuations in the prices for base and precious metals and currency rates, which are beyond the Company's control.
Operational and Project Development Risks	<p>The business of mining and mineral exploration, development and production by its nature involves significant risks. Future profitability and current asset values can be affected by host of factors. The business depends on, amongst other things, successful exploration and delineation of mineral reserves, security of tenure, the availability of adequate funding, satisfactory performance of mining operations, weather conditions, availability and cost of consumables, plant and equipment and skilled labour when required, good industrial relations and competent management. Until the Company is able to realise value from its projects, it will incur ongoing operating losses.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its projects. It is noted that the Company's key project, the Hayes Creek zinc-gold-silver Project, is currently in the pre-feasibility stage but there is no assurance that the project will ultimately go ahead or be a commercial success. Some of the risks related to the development of the Hayes Creek Project include reduced metal recoveries and metallurgical difficulties, and increased capital costs. Other project development risks related to resource estimates, environmental matters, land access, and capital requirement are discussed in the sections below.</p>
Mineral Resource Estimates	Mineral Resource Estimates are expressions of judgement based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare Mineral Resource Statements, such estimates may nevertheless prove to be inaccurate. Furthermore, MRE's may change over time as new information becomes available and as the various price/cost inputs change. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, MRE's may need to be altered in a way that could adversely affect the Company's operations.
Requirements for Capital	<p>The Company's capital requirements depend on numerous factors including the outcome of and progress made under feasibility studies at the Hayes Creek Project, and the success of its regional exploration programs as well as opportunities for acquisitions or other corporate transactions.</p> <p>The Company anticipates that significant further capital will be required in order to develop the Hayes Creek Project. Any future equity capital raisings could result in dilution to existing shareholders.</p>
Key Management	The Directors are primarily responsible for overseeing the operations and the strategic management of the Company. The day-to-day operations of the Company are the responsibility of the Managing Director, assisted by the Exploration Manager, Hayes Creek Project Manager, and CFO/Company Secretary. There can be no assurance that there will be no detrimental impact on the Company if one or more of the Directors and/or one or more members of senior management depart the Company.
Environmental Risks	<p>The operations and proposed activities of the Company are subject to Australian Federal, South Australian and Northern Territory laws and regulations concerning the environment. All exploration projects and mining operations have an impact on the environment, particularly advanced exploration and mine development.</p> <p>The Company endeavours to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, as with all exploration and mining activities, the Company's operations are expected to have an impact on the environment. There are also risks inherent in the Company's activities including accidental leakages, spills, or other unforeseen circumstances that could subject the Company to extensive liability.</p> <p>Further, the Company will require approval from the relevant authorities before undertaking activities that are likely to impact on the environment. If the Company fails to obtain such approvals it will be prevented from undertaking those activities. This is currently the case regarding the development of the Hayes Creek Project. PNX is currently involved in the process of preparing applications for and seeking the approvals that will be required for that Project. There is a risk that what may otherwise prove to be a financially viable project may not be developed or could be delayed because of the refusal of, or delay in obtaining, a necessary approval. The Company cannot predict what future legislation and regulations may govern mining, and which may impose significant environmental obligations on the Company.</p>

Specific & Operational Risks

Material risks that could adversely impact the business are summarised below

Land Access	<p>There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both native title claimants and land owners/occupiers may be required before the Company can access land for exploration or mining activities. Inability to access, or delays experienced in accessing, the land may impact on the Company's activities.</p> <p>It is noted that PNX holds tenure over granted Mineral Leases and has a landowner/occupier access agreement in place regarding access to the land on which the Hayes Creek Project is situated. Agreements will need to be arranged to ensure continued access to the relevant mining tenements and transportation corridors. Access to transportation corridors required for the development and operation of a mine at Hayes Creek may necessitate reaching agreement with the Northern Lands Council and/or native title claimants as well as land owners/occupiers.</p>
Government Policy	<p>Changes in government, monetary policy, taxation and laws (including those regulating the resources industry) can have a significant influence on the outlook for mineral exploration or development projects, companies and the return to investors. A change to State, Commonwealth, or Northern Territory government policies and legislation could have a material adverse effect on the Company or its projects.</p>
Joint Venture and Contractual Risk	<p>The Company is party to contractual arrangements with third parties. In particular, it is party to a joint venture agreement with Newmarket Gold NT Holdings Pty Ltd ('Newmarket'), a wholly owned subsidiary of Kirkland Lake Limited relating to 1,550 m2 of Northern Territory exploration tenure containing the Burnside, and Chessman exploration projects over which the Company holds a 90% interest. The Hayes Creek, Fountain Head and Moline projects are 100% owned by PNX.</p> <p>There are risks associated with the financial failure, or default of, or dispute with, any participant in a joint venture or contractual arrangement to which the Company is or may become party. If this occurs it could have a material adverse impact on the Company, its assets and/or its financial position.</p> <p>If a counterparty defaults in the performance of its obligations or wishes to enforce its rights, it may be necessary for the Company to seek or defend legal remedies including through a court action. Legal action can be costly and there can be no guarantee that a legal remedy would ultimately be granted to the Company on the appropriate terms (if at all).</p>

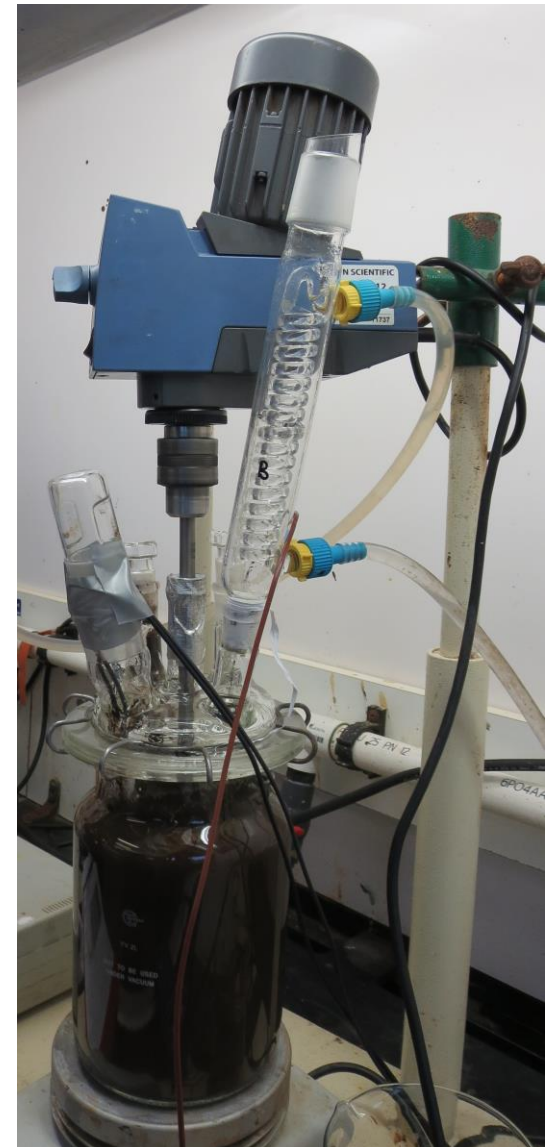
Zinc concentrate + gold/silver concentrate

- [illegible]

Test work identifies New Process Stream

Potential for increase in Project gold and silver recoveries

- Update to flotation and leaching test work on Iron Blow rougher tails
- New trialled reagent targets residual gold and silver that would otherwise remain unrecoverable
- First pass improved recoveries to a scavenger concentrate by 26.6% gold and 19.9% silver
- Three well known hydrometallurgical processes then applied to identify preferred option:
 - intense cyanidation,
 - ferric oxidation, and
 - pressure oxidation
- Intense cyanidation achieves additional recoveries of precious metals of at least 10.7% gold and 17.0% silver to doré
- Equates to ~13koz Au and 1Moz silver over LoM with the potential to create a new revenue stream for the Project
- This test work will be advanced as part of the DFS and assessed as 'bolt on' unit process



Moline – Historic Mining Centre

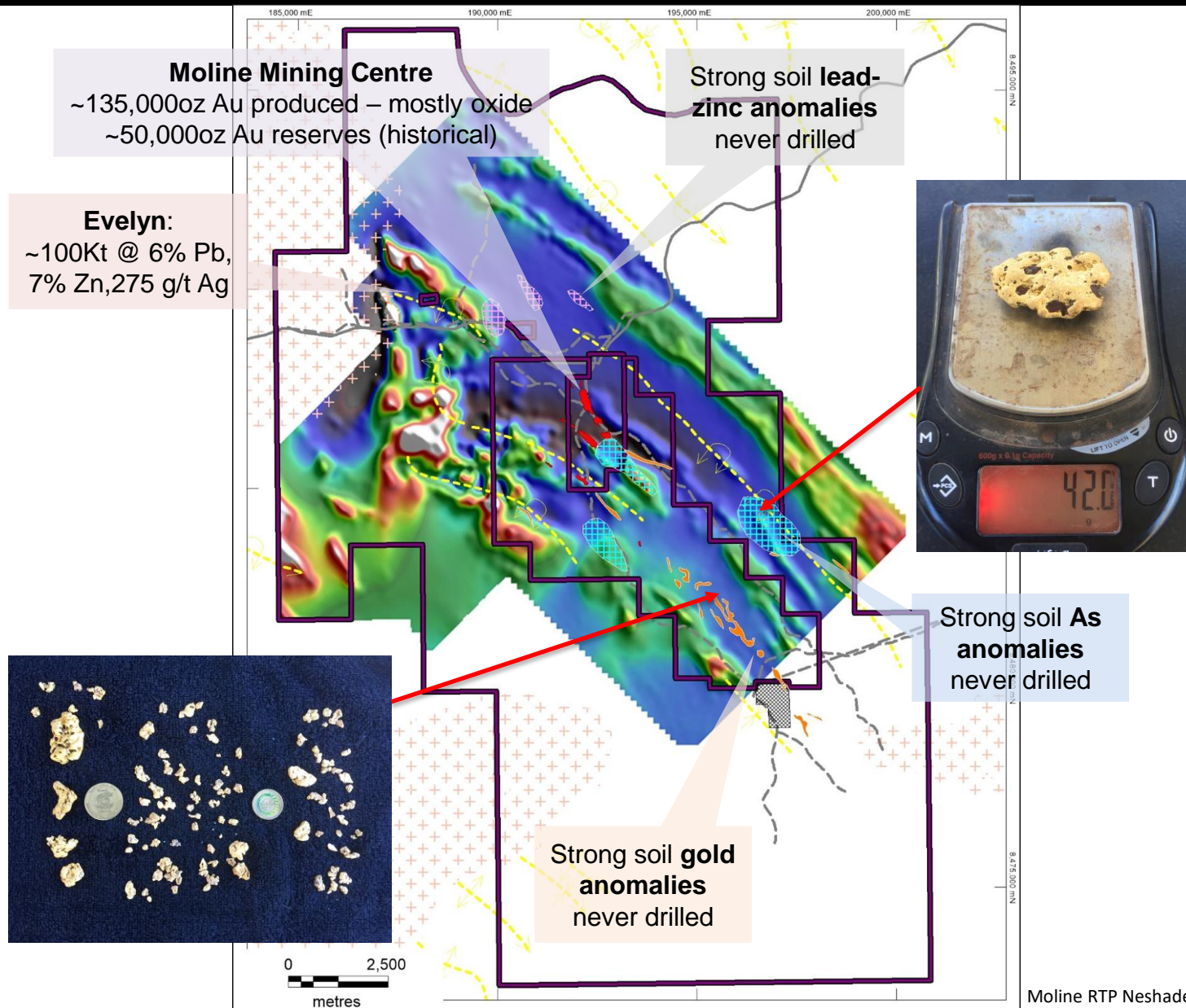
Potential for new resources



- 100% owned granted MLs, only 65km from Hayes Creek
- Numerous gold and base metal occurrences
- Large mineralised envelope with >10km of strike over three parallel trends
- High-grade 'shoots' x-cutting the main mineralised zones in a N/S trend
- Potential for additional Hayes Creek feed
- Testwork highlights potential to generate a high-value concentrate through the proposed Hayes Creek process plant
 - Au-Zn-Pb well liberated at coarse grind
 - Additional flotation test-work to commence
- Mineralisation to be modelled for incorporation into resource estimates
- Potential for resources within existing drill data
- Focus will initially be on the near-surface zones
- Drilling has barely scratched the surface....

Moline – Surrounding Greenfield Exploration

Untested gold and base metals targets



Hayes Creek Mineral Resources

Iron Blow and Mt Bonnie VMS deposits

Table 1: Iron Blow Mineral Resources by JORC Classification as at 03 May 2017

JORC Classification	Lode	AuEq Cut-off (g/t)	Tonnage (Mt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)	ZnEq (%)	AuEq (g/t)
Indicated	East Lode	1.0	0.80	7.64	1.83	0.30	275	2.90	20.64	15.53
	West Lode	1.0	1.28	4.14	0.33	0.31	60	1.73	8.84	6.66
	Total Indicated		2.08	5.49	0.91	0.30	143	2.19	13.39	10.08
Inferred	East Lode	1.0	0.02	0.48	0.34	0.16	132	6.01	13.65	9.43
	West Lode	1.0	0.02	0.76	0.96	0.13	109	1.02	5.90	4.44
	FW Gold	1.0	0.21	0.25	0.07	0.03	16	2.03	3.48	2.62
	HW Gold	1.0	0.04	0.06	0.09	0.01	6	1.68	2.57	1.94
	Interlode Gold	1.0	0.04	0.21	0.03	0.07	8	1.66	2.79	2.10
	Interlode Base Metal	1.0	0.12	3.52	0.32	0.14	35	0.69	5.87	4.42
	Total Inferred		0.45	1.11	0.18	0.07	27	1.71	4.38	3.30
	Total Indicated + Inferred Mineral Resource		2.53	4.71	0.78	0.26	122	2.10	11.79	8.87
Total Contained Metal (t)				119,200	19,700	6,650	9.9Moz	170.9koz	298,000t	721.5koz

Table 2: Mt Bonnie Resource Mineral Resources by JORC Classification as at 08 February 2017

JORC Classification	Domain	Cut-off grade	Tonnage (kt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)	ZnEq (%)	AuEq (g/t)
Indicated	Oxide/Transitional	0.5g/t Au	195	0.94	2.43	0.18	171	3.80	11.50	9.44
Indicated	Fresh	1% Zn	1,180	4.46	0.94	0.23	121	1.02	9.60	7.88
	Total Indicated		1,375	3.96	1.15	0.23	128	1.41	9.87	8.11
Inferred	Oxide/Transitional	0.5g/t Au	32	0.43	1.33	0.29	74	2.28	6.37	5.23
Inferred	Fresh	1% Zn	118	2.91	0.90	0.15	135	0.54	7.61	6.25
Inferred	Ag Zone	50g/t Ag	21	0.17	0.03	0.04	87	0.04	2.36	1.94
	Total Inferred		171	2.11	0.87	0.16	118	0.80	6.73	5.53
	Total Indicated + Inferred Mineral Resource		1,545	3.76	1.12	0.22	127	1.34	9.53	7.82
Total Contained Metal (t)				58,000	17,300	3,400	6.3Moz	66.8koz	147,000t	388.5koz

Notes Relating to Mineral Resources

Iron Blow and Mt Bonnie VMS deposits

Table 3: Total Hayes Creek Mineral Resources (Iron Blow + Mt Bonnie) by JORC Classification as at 03 May 2017

JORC Classification	Tonnage (kt)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)	ZnEq (%)	AuEq (g/t)
Total Indicated (84.7%)	3,455	4.88	1.01	0.27	137	1.88	11.99	9.29
Total Inferred (15.3%)	622	1.39	0.37	0.10	52	1.46	5.03	3.91
Total Indicated + Inferred Mineral Resource	4,077	4.35	0.91	0.25	124	1.81	10.93	8.47
Total Contained Metal (t)		177,200	37,000	10,050	16.2Moz	237.7koz	445,000t	1,110koz

Notes relating to Tables 1, 2 & 3

Due to effects of rounding, the total may not represent the sum of all components.

Metallurgical recoveries and metal prices have been applied in calculating zinc equivalent (ZnEq) and gold equivalent (AuEq) grades.

Iron Blow - A mineralisation envelope was interpreted for each of the two main lodes, the East Lode (Zn-Au-Ag-Pb) and West Lode (Zn-Au), and four subsidiary lodes with a 1 g/t AuEq cut-off used to interpret and report these lodes.

Mt Bonnie - Zinc domains are reported above a cut-off grade of 1% Zn, gold domains are reported above a cut-off grade of 0.5 g/t Au and silver domains are reported above a cut-off grade of 50 g/t Ag.

In order to assess the potential value of the total suite of minerals of economic interest, formulae were developed to calculate metal equivalency for the gold and zinc (see below). Metal prices were derived from average consensus forecasts from external sources for the period 2017 through 2021 and are consistent with those used in PNX's recently updated Mt Bonnie Mineral Resource Estimate.

Metallurgical recovery information was sourced from test work completed at the Iron Blow deposit, including historical test work. Mt Bonnie and Iron Blow have similar mineralogical characteristics and are a similar style of deposit. In PNX's opinion all the metals used in the equivalence calculation have a reasonable potential to be recovered and sold.

PNX has chosen to report both the ZnEq and AuEq grades as although individually zinc is the dominant metal by value, the precious metals are the dominant group by value and will be recovered and sold separately to the zinc.

The formulae below were applied to the estimated constituents to derive the metal equivalent values:

Gold Equivalent (field = "AuEq") (g/t) = (Au grade (g/t) * (Au price per ounce/31.10348) * Au recovery) + (Ag grade (g/t) * (Ag price per ounce/31.10348) * Ag recovery) + (Cu grade (%) * (Cu price per tonne/100) * Cu recovery) + (Pb grade (%) * (Pb price per tonne/100) * Pb recovery) + (Zn grade (%) * (Zn price per tonne/100) * Zn recovery) / (Au price per ounce/31.10348 * Au recovery)

Zinc Equivalent (field = "ZnEq") (%) = (Au grade (g/t) * (Au price per ounce/31.10348) * Au recovery) + (Ag grade (g/t) * (Ag price per ounce/31.10348) * Ag recovery) + (Cu grade (%) * (Cu price per tonne/100) * Cu recovery) + (Pb grade (%) * (Pb price per tonne/100) * Pb recovery) + (Zn grade (%) * (Zn price per tonne/100) * Zn recovery) / (Zn price per tonne/100 * Zn recovery)

Metals	Unit	Price	Recovery Mt Bonnie	Recovery Iron Blow
Zn	USD / t	2,450	80%	80%
Pb	USD / t	2,100	60%	60%
Cu	USD / t	6,200	60%	60%
Ag	USD / troy ounce	20.50	70%	80%
Au	USD / troy ounce	1,350	55%	60%

Notes Relating to Mineral Resources

Fountain Head gold deposit

Table 4: Fountain Head and Tally Ho Mineral Resources by JORC Classification as at 11 July 2019 estimated utilising a cut-off grade of >0.7 g/t Au which is consistent with the assumed open cut mining method

JORC Classification	Tonnage (Mt)	Au (g/t)	Ounces (Koz)
Tally Ho			
Indicated	0.94	2.0	59
Inferred	—	—	—
Total	0.94	2.0	59
Fountain Head			
Indicated	0.50	1.5	23
Inferred	1.15	1.5	55
Total	1.64	1.5	79
Total Fountain Head + Tally Ho*			
Indicated	1.43	1.8	83
Inferred	1.15	1.5	55
Total	2.58	1.7	138

See ASX release 11 July for further information relating to the Fountain Head Mineral Resource including JORC tables