

Quarterly Activities Report

31 January 2024

This announcement has been authorised to be lodged with the ASX by the Board of Directors of PNX Metals Limited.



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ASX: PNX

Issued Capital as at 31/12/23:
5,380,624,719 Shares

Board & Management:

Executive Chairman: Graham Ascough
Technical Director: James Fox
Non Exec Director: Hansjoerg Plaggemars
Non-Exec Director: Hansjörg Schmidt
Non-Exec Director: Rowan Johnston
Company Secretary: Katelyn Adams

Top Shareholders as at 31/12/23:

Delphi Unternehmensberatung	43.87%
Deutsche Balaton	6.32%
Sochrastem SA	5.54%
Marilei International Limited	4.11%

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

Northern Territory Exploration & Project Development

Uranium

- Uranium rights returned to PNX over NT tenure upon expiry of 10-year third-party agreement - Includes the Thunderball uranium deposit and numerous nearby uranium prospects adjacent to PNX's Hayes Creek zinc-gold-silver and Fountain Head gold projects
- Key datasets, including the drillhole database, re-established to facilitate evaluation and upgrading of historic Thunderball Uranium Mineral Resource Estimate to JORC 2012 compliance in 2024
- Several priority uranium targets identified, including potential extensions to the near-surface Thunderball deposit

Gold and Base Metals

- Exploration within kilometre-scale gold corridors on the Northern Leases continues to support the potential for economically significant gold mineralisation as evidenced by the positive results returned from initial RC, aircore, and trenching completed at the recently discovered C6 and Bartons prospects
- Drone magnetic survey completed across Northern Leases tenure to provide geological foundation for future exploration

Corporate

- \$1.22million cash on hand at 30 December 2023
- Subsequent to the Quarter end, \$100k was received from Sovereign Metallurgical relating to the sale of the Moline Project with the balance of \$0.65 million plus replacement of the Environmental Bond expected to be received during the March Quarter
- Graham Ascough appointed Executive Chairman, as James Fox transitioned from the role of Managing Director and CEO to a part-time role to pursue other business opportunities. Mr Fox is to remain on the board as Technical Director
- Katelyn Adams appointed as Company Secretary with effect from 1 November 2023 replacing Mr Angelo Gaudio who retired as Company Secretary and Chief Financial Officer, effective from the close of business on 31 October 2023

DECEMBER QUARTERLY ACTIVITIES REPORT

PNX Metals Limited (ASX: PNX) (“**PNX**” “**the Company**”) is pleased to present its quarterly activities report for the period ended 31 December 2023. Work during the quarter focussed on gold exploration on the Northern Leases of the Burnside project and ongoing permitting and approval activities for the Fountain Head and Hayes Creek Projects.

In November, the Uranium rights (Rights) over a large portion of PNX’s tenure at Pine Creek were returned to the Company after the expiry of a November 2011 farm-in agreement with private company Oz Uranium Pty Ltd (subsidiary of Rockland Resources Pty Ltd).

Originally owned by Thundelarra Exploration Ltd, and subsequently transferred to Oz Uranium as part of a prior commercial agreement, the Hayes Creek Uranium tenure received significant exploration focus between 2008 and 2011 including detailed geophysics, detailed mapping, surface sampling and drilling which resulted in the estimation of a mineral resource at the Thunderball uranium deposit (Thunderball). As the resource is not JORC 2012 compliant it is not quoted here and is being re-assessed by the Company.

Safety and Environment

There were no reportable safety or environmental incidents during the quarter.

Exploration

Uranium

PNX has re-established several key datasets since the return of the Uranium Rights over its tenure in the Pine Creek Region of the NT, which include the near-surface Thunderball Uranium deposit and several priority uranium prospects (Figure 1).

Previous drilling at Thunderball from 2008 to 2010 delineated two discrete sub-parallel dipping uranium lodes (Figure 2) and informed the estimation of a pre-JORC 2012 mineral resource estimate (refer THX ASX release 7 February 2011).

Work is now underway using the drillhole database, which includes 232 drill holes (39 Diamond holes and 193 RC holes) for 31,363m, to update the Thunderball Mineral Resource Estimate (“MRE”) to JORC-2012 compliance, and to prioritise new targets to grow the resource base through extensional drilling and new discoveries.

Thunderball remains open down-dip and there has been limited exploration to test for repetitions beneath the lower lode. The deposit contains very high-grade intercepts, including:

- **15.0 m @ 1.5% U₃O₈ from 139.0 m in TPCRC019,**
 - including 1.0m @ 20.3% U₃O₈ (THX ASX release 25 September 2009);
- **11.0 m @ 3.4% U₃O₈ from 144.0 m in TPCDD026,**
 - including 4.6m @ 8.0% U₃O₈ (THX ASX release 4 November 2009);
- **15.0 m @ 8,633 ppm U₃O₈ from 135.0 m in TPCRD093,**
 - including 9.0m @ 1.4% U₃O₈,
 - including 1.0m @ 11.3% U₃O₈ (THX ASX release 30 September 2010).

In the estimation of the previous mineral resource at Thunderball, a top-cut of 4,000 ppm (0.4%) U₃O₈ was applied to the higher-grade intercepts due to insufficient drillhole density to determine continuity of the higher-grade zones. PNX will determine drilling requirements to better delineate these higher-grade zones ahead of the 2024 field season.

It is expected that the initial evaluation will be completed early in 2024 with recommendations for the next phase of work to follow.

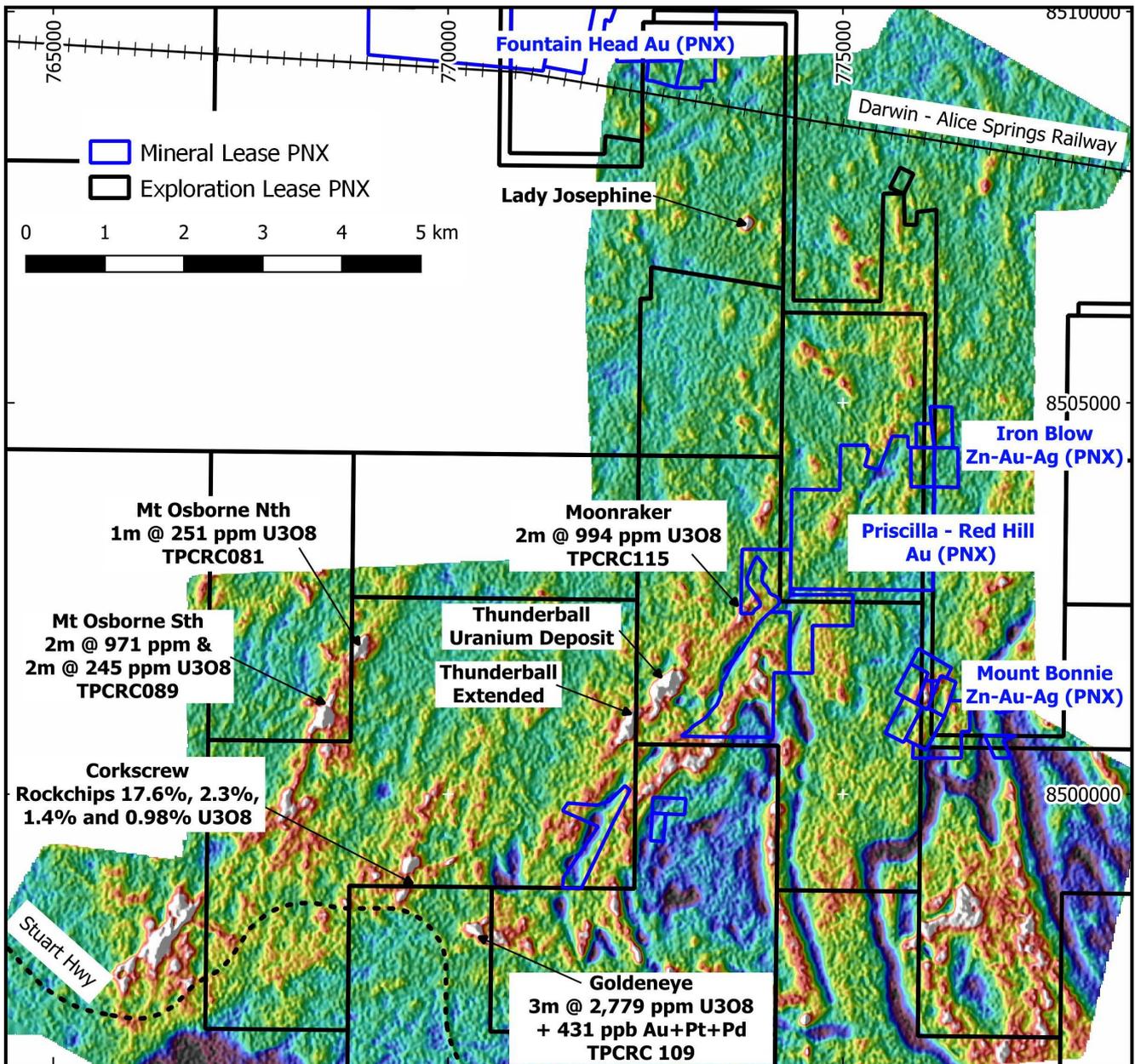


Figure 1: Location of Thunderball uranium deposit and uranium prospects identified by Thundelarra between 2008 and 2011 in relation to PNX's existing Fountain Head gold and Hayes Creek zinc-gold-silver projects. Background is uranium intensity map (heat map with hot colours indicating stronger uranium signal) collected from airborne survey by Thundelarra in 2009.

Based on a relatively detailed understanding of the structural and stratigraphic controls on mineralisation, the previous MRE report highlighted the potential for significant uranium mineralisation down-plunge of the current resource and at depth, parallel and beneath the current mineralisation.

Drilling below and down-plunge of the Thunderball deposit to test for repeats of mineralisation will be a high priority for future programs that will focus on resource growth (Figure 2).

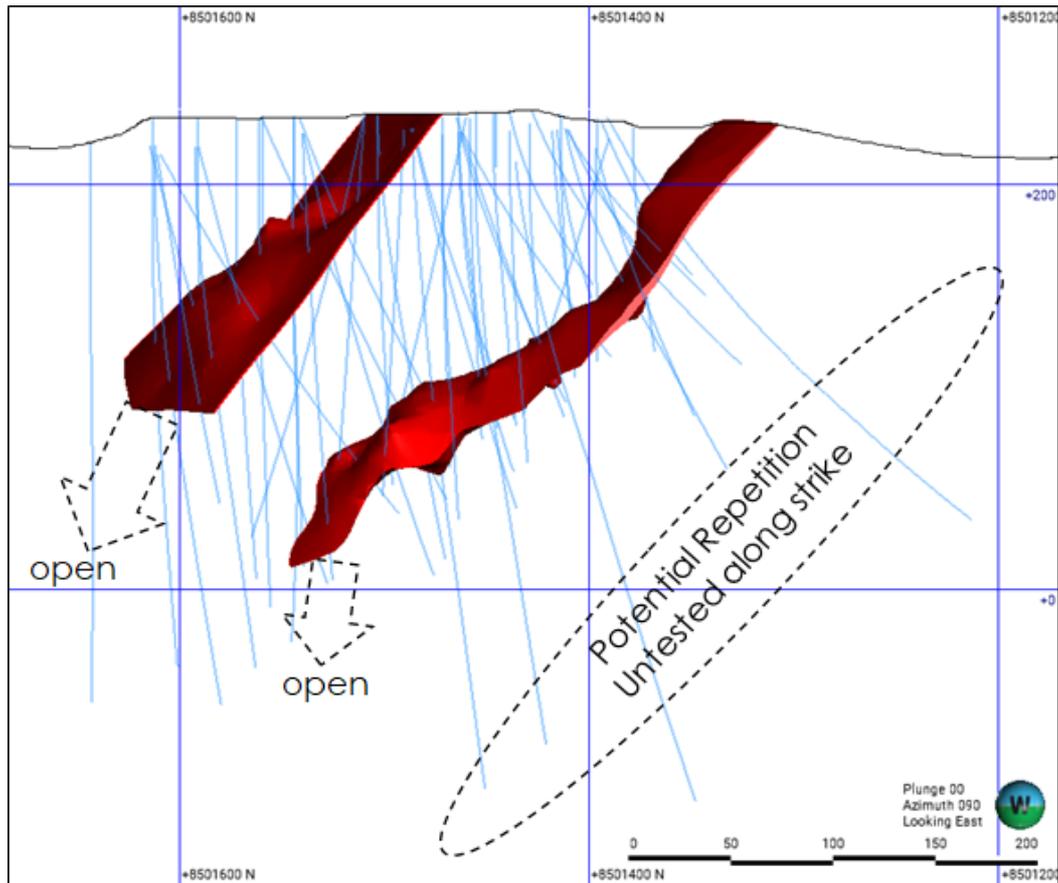


Figure 2: Thunderball Uranium Deposit - 3D view of Upper and Lower Ore bodies with drillhole traces (blue)

PNX is also evaluating the exploration results from other uranium prospects that have seen little or no exploration since they were first identified between 2008-2011 (Figure 1), primarily due to the drop in uranium prices after the impact of the Fukushima accident in early 2011. This work includes evaluating extensive surface sample datasets and numerous geophysical surveys completed by previous explorers and PNX, in the area.

The three priority prospects are (THX ASX release 10 November 2010 and 25 May 2009):

Golden Eye – radiometric peak ~4.0 km southwest of Thunderball where uranium is associated with gold, platinum and palladium. Ten holes were drilled at Golden Eye with best result of:

- 3.0 m @ 2,779 ppm U₃O₈ + 431 ppb Au+Pt+Pd from 44.0 m in TPCRC109
 - including 1.0 m @ 7,481 ppm U₃O₈ + 1,106 ppb Au+Pt+Pd from 44.0 m

Moonraker – radiometric peak ~1,200 m northeast along geological strike from Thunderball. Five holes drilled with best result of:

- 2.0 m @ 944 ppm U₃O₈ from 41.0 m in TPCRC115
 - Including 1.0 m @ 1,510 ppm U₃O₈ from 41 m.

Thunderball Extended – radiometric peak ~600 m southwest along geological strike from Thunderball. Fourteen holes drilled with best results of:

- 10.0 m @ 556 ppm U₃O₈ from 24.0 m
 - including 2 m @ 1,204 ppm U₃O₈ from 27.0 m in TPCDD001,
- 9.0 m @ 518 ppm U₃O₈ from 27.0 m
 - including 1.2 m @ 1,848 ppm U₃O₈ from 30.0 m in TPCDD002.
 - Including 1.2 m @ 1,848 ppm U₃O₈ from 30.0 m in TPCDD002 .

Work programs for the above prospects will be developed prior to the 2024 field season.

Northern Leases

The 2023 exploration program on the Northern Leases was successful in identifying two new gold corridors including the discovery of the C6 high-grade gold gossan at surface, and a significant mineralised footprint (>10 g/t gold) in outcrop traced over ~3 km N-S extent (Figure 3).

The initial RC drilling and aircore drilling at C6 and Bartons has not yet identified the source of high-grade gold values observed at surface, however several areas of elevated gold were intersected that require further assessment.

Summary C6 Drilling Results

Results reported below include assays from RC drilling at the C6 Prospect, reconnaissance aircore drilling along the C6 and Bartons gold corridors and trenching at the Bartons Prospect completed in the December Quarter (ASX Announcement 25th January, 2024 – Northern Leases Gold Exploration, Burnside, NT).

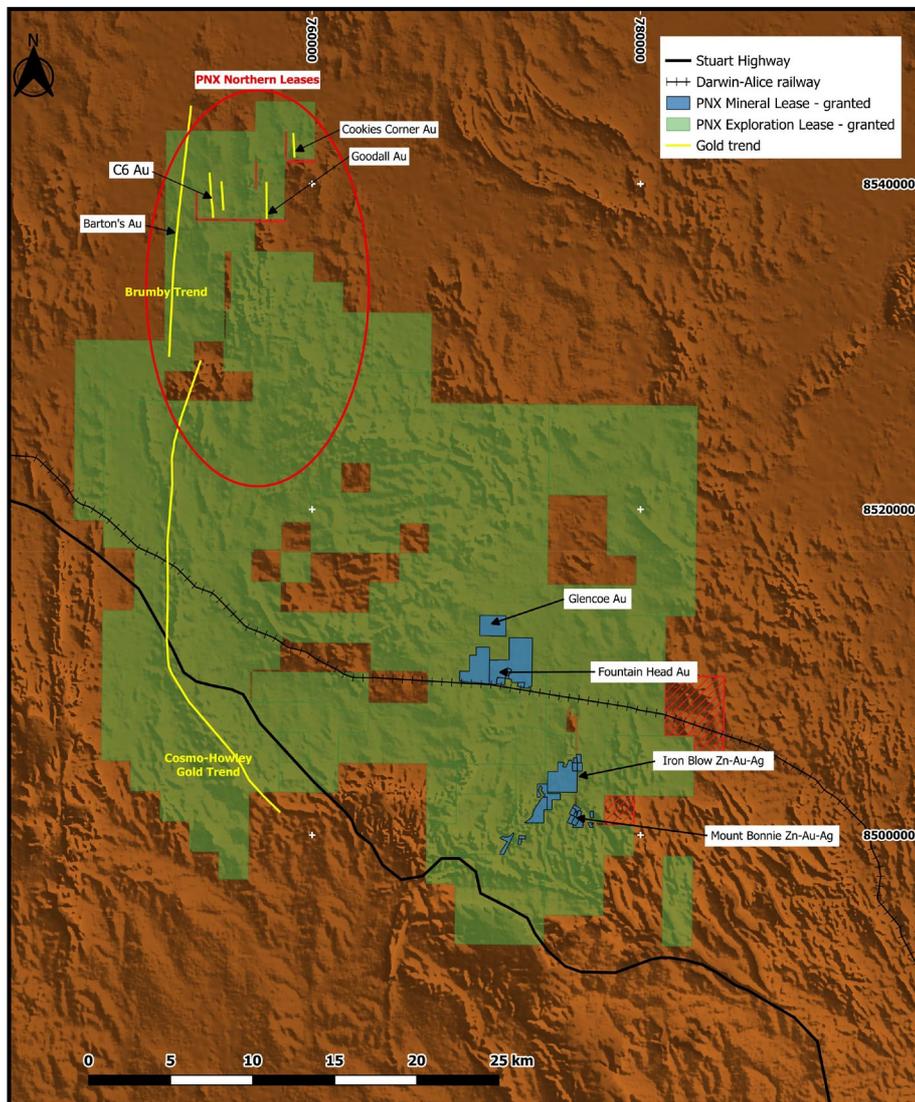


Figure 3: Location of the Northern Leases and main prospects within PNX's Burnside exploration project.

C6 Prospect – RC Drilling

The C6 gold-rich surface gossan, where multiple rock-chip samples exceeding 100 g/t gold were returned (refer ASX releases 31 May 2023, 20 July 2023, and 29 August 2023), is interpreted to be the weathered remnants of massive sulphide veins.

A limited program of 7 RC drill holes for 990 m was completed to test the bedrock beneath the main C6 gossan. Importantly, drilling to date has only tested a small portion (~250 m) of the extensive C6 corridor and further work is warranted. Significant RC drill intercepts include (refer ASX release 25 January 2024):

- 2 m @ 1.02 g/t Au from 26.0 m and 2 m @ 1.05 g/t Au from 33.0 m in C6RC002, and
- 1 m @ 1.51 g/t Au from 34.0 m in C6RC006.

Gold is associated with sulphide-bearing intervals, though the high-grades observed at surface and in the trenches were not replicated. Assessment of the results is ongoing to further understand the relationship between the high gold grades observed at surface and the relatively narrow intervals of lower grade gold mineralisation observed in drilling.

C6 Prospect – Aircore Drilling

Widespread surface samples exceeding 10 g/t gold indicate that the gold mineralisation at C6 extends over a 3 km strike, with numerous areas requiring further assessment and testing (refer ASX release 18 October 2023).

Reconnaissance aircore drilling tested part of this corridor with 97 drillholes covering an approximate 1,050 m-long, 390 m-wide zone.

The majority of holes intersected quartz veins containing of pyrite, arsenopyrite and chlorite. Anomalous gold results from aircore drilling include (refer ASX Release 25 January 2024):

- 1 m @ 0.51 g/t Au from 8.0 m in C6AC014,
- 1 m @ 0.57 g/t Au from 1.0 m in C6AC025,
- 8 m @ 0.49 g/t Au from 8.0 m in C6AC068,
- 2 m @ 1.62 g/t Au from 22.0 m in C6AC070,
- 2 m @ 1.86 g/t Au from 16.0 m in C6AC086, and
- 2 m @ 0.96 g/t Au from surface and 4 m @ 1.60 g/t Au from 22.0 m in C6AC088.

Bartons Prospect – Trenching and Aircore Drilling

At Bartons, two costeans (surface trenches) were excavated where high-grade gold was returned from surface samples collected by PNX and historic drilling. The geology in the trenches is complex with numerous faults dissecting the area and quartz veins having variable geometries, including vertical and flat. Results in the costeans (reported horizontally West-East) included (see ASX release 25 January 2024):

- 5.5 m at 4.89 g/t Au from 69.0 m, including;
 - 1 m at 19.0 g/t Au from 70.0 m, and
- 1 m at 27.4 g/t Au from 93.0 m in Costean 2.

Along the immediate Bartons gold corridor, 37 aircore drillholes covering an approximate 900 m-long, 200 m-wide area (nominal 200 m line-spacing; 40 m collar-spacing) were complete with no material gold grades intersected.

A drone magnetic survey was flown over the majority of PNX's Northern Leases during the quarter. Preliminary data indicates that the survey has delineated important geological features, such as folds and faults, and will provide a very useful base map for future exploration. Full interpretation is still ongoing.

Project Development – Fountain Head

Government and Environmental Approvals

Following the grant of the environmental approval for the Company's 100%-owned Fountain head Gold Project in late February 2023, the Company completed and submitted its Mining Management Plan (MMP) to the Department of Industry, Tourism & Trade (DITT) for assessment and approval in May 2023.

The Company previously received feedback from DITT on the Fountain Head Gold Project MMP and provided responses and additional information. The updated MMP was re-submitted in mid-December 2023 with no further response as-yet from DITT. Approval of the MMP is the last step in the approvals process for the Fountain Head Gold Project.

The Mt Porter MMP has been finalised as is expected to be submitted early February 2024.

Planned Activities March 2024 Quarter

- Ongoing review and assessment of Uranium prospects including a “gap” analysis of the historic Thunderball Mineral Resource Estimate
- Planning of exploration programs for the 2024 field season
- Ongoing review of existing tenure for gold, silver and zinc, plus other commodities of recent interest
- Submit the Mt Porter MMP
- Continue with Fountain Head and Hayes Creek Plant integrated metallurgical test-work
- Complete sale of Moline to Sovereign Metallurgical
- Finalise acquisition of Mt Porter gold project

Corporate

Cash on hand at 30 December 2023 was \$1.22 million.

Subsequent to the Quarter end \$100k was received from Sovereign Metallurgical relating to the sale of the Moline Project with the balance of \$0.65 million plus replacement of the Environmental Bond expected to be received during the March Quarter

Graham Ascough appointed Executive Chairman, as James Fox (former Managing Director and CEO) made the decision to transition to a part-time role to pursue other business opportunities. Mr Fox is to remain on the board as technical Director to ensure an orderly transition and to provide ongoing leadership and strategic support to the PNX team.

Katelyn Adams appointed as Company Secretary with effect from 1 November 2023 replacing Mr Angelo Gaudio who retired as Company Secretary and Chief Financial Officer, effective from the close of business on 31 October 2023.

The Quarterly Cashflow Report (Appendix 5B) for the period ending 30 December 2023 provides an overview of the Company’s financial activities. Exploration and evaluation expenditure for the reporting period was \$407k. Corporate and other expenditure amounted to \$638k. Payments to related parties and their associates during the quarter and shown in section 6 of the Appendix 5B to this quarterly activities report were \$156k. These payments are related to salaries, superannuation and fees paid to directors during the quarter.

The Company’s AGM was held on 9 November 2023, at Level 3, 170 Frome Street, Adelaide SA 5000 (Grant Thornton). All resolutions were approved by shareholders.

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

Graham Ascough

Executive Chairman

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TENEMENTS
Northern Territory

Tenement	Name	Holder	Area Hectare
ML30512	Mt Bonnie	PNX Metals Ltd 100%	6.4
ML30589	Mt Bonnie		31.6
MLN1033	Mt Bonnie		4.8
MLN1039	Mt Bonnie		1.2
MLN214	Iron Blow		6.3
MLN341	Iron Blow		14.9
MLN342	Mt Bonnie		13.7
MLN343	Iron Blow		14.9
MLN346	Mt Bonnie		16.0
MLN349	Iron Blow		15.0
MLN405	Mt Bonnie		12.0
MLN459	Mt Bonnie		15.0
MLN811	Mt Bonnie		8.1
MLN816	Mt Bonnie		8.1
Total Hayes Creek			168.0 ha
MLN794	Fishers-1	PNX Metals Ltd 100%	8.1
MLN795	Fishers-2		8.1
ML30936	Good Shepherd		106.0
Total Golden Dyke			122.2 ha
ML31124	Fountain Head	PNX Metals Ltd 100%	33.5
MLN1020	Fountain Head		12.0
MLN4	Fountain Head		529.9
MLN1034	Fountain Head		304.2
Total Fountain Head			879.6 ha
ML29679	Glencoe	PNX Metals Ltd 100%	199.0
Total Glencoe			199.0 ha
ML23839 ##	Mt Porter ##	Ausgold Trading Pty Ltd 100%	364.7
Total Mt Porter			364.7 ha
ML24173 +	Moline +	PNX Metals Ltd 100%	3126.0
MLN1059 +	Moline +		418.7
MLN41 +	Mt Evelyn +		8.9
Total Moline			3,553.6 ha
Total Mineral Leases			4,922.4 ha
EL28616 +	Moline +	PNX Metals Ltd 100%	262.5 km ²
EL31099	Bridge Creek		60.2 km ²
EL31893	Ringwood Station		23.4 km ²
EL32489	J25 Anomaly		20.0 km ²
EL33217	Stray Creek		46.0 km ²
EL33479	Burnside Granite		33.4 km ²
Total Exploration Licences			445.5 km²

* On 28 February 2022, PNX Metals Limited agreed to divest the Moline project (tenements ML24173, MLN1059, MLN41 & EL28616) in the Northern Territory to Sovereign Metallurgical Pty Ltd. (Refer ASX 1 March 2022 & 14 April 2023). Completion extended to occur by 20 November 2023.

On 27 September 2022, PNX agreed to acquire ML23839 (Mt Porter) from Ausgold Trading Pty Ltd. (Refer ASX 28 September 2022). Completion has been extended to occur by 16 November 2023.

Northern Territory – Farm-in Tenements

Tenement	Name	Holder	(Area sq km)
Burnside Project *			
EL10012	Mt Ringwood	PNX Metals Ltd 90%, NTMO 10%	14.9
EL10347	Golden Dyke		10.0
EL23431	Thunderball		13.4
EL23536	Brocks Creek		70.4
EL23540	Jenkins		16.7
EL23541	Cosmo North		3.3
EL24018	Hayes Creek		23.4
EL24051	Margaret River		86.9
EL24058	Yam Creek		3.3
EL24351	McCallum Creek		13.4
EL24405	Yam Creek		4.1
EL24409	Brocks Creek South		22.1
EL24715	Mt Masson		56.8
EL25295	Margaret Diggings		10.0
EL25748	Burnside		584.5
EL9608	Mt Bonnie		10.0
EL33502	Golden Grove Gap		3.0
EL33503	Burnside Gap	4.37	
Chessman Project *			
Tenement	Name		
EL25054	Maud	PNX Metals Ltd 90%, NTMO 10%	64.0
EL28902	Maud		104.5
ML30293	Chessman		1.1
Rocklands Project #			
EL10120 #	Rocklands 1	PNX Metals Ltd – earned-in 100%	6.68
EL25120 #	Rocklands 2		10.02
EL27363 #	Rocklands 4		6.68
EL25379 #	Rocklands 7		6.68
EL23509 #	Rocklands 8		20.00
ML29933 ^	Rocklands 3	PNX Metals Ltd – earned-in 80%, David Trow 20%	3.54
ML29937 ^	Rocklands 5		0.85
Total Exploration Licences			1,174.62

* PNX Metals Ltd has earned a 90% interest under a farm-in agreement with NT Mining Operations Pty Ltd (Agnico Eagle Australia) (NTMO)

PNX Metals Ltd has earned a 100% interest in the Hardrock Rights under a farm-in agreement with Rockland Resources Pty Ltd (Rockland) and Oz Uranium Pty Ltd Holdings Pty Ltd (Oz).

^ PNX Metals Ltd has earned a 80% interest in the Hardrock Rights under a farm-in agreement with Rockland Resources Pty Ltd (Rockland) and Oz Uranium Pty Ltd Holdings Pty Ltd (Oz). A 20% interest is held by David Trow.

Northern Territory - Licence Applications

Tenement	Name		
EL33476	Salt Trough Creek	PNX Metals Ltd – 100%	10 Blocks; 32.38 km ²
EL33477	Harriet Creek		146 Blocks; 487.03 km ²
EL33478	Copperfield Creek		35 Blocks; 116.64 km ²
EL33480	Horners Creek		5 Blocks; 16.70 km ²
EL33536	Mt Ringwood Gap	PNX Metals Ltd 90%, NTMO 10%	5-part Blocks = 1.81 km ²
Total Exploration Licence Applications			654.40 km ²

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PNX METALS LTD

ABN

67 127 446 271

Quarter ended ("current quarter")

31 DECEMBER 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(183)	(336)
(e) administration and corporate costs	(468)	(611)
1.3 Dividends received (see note 3)		
1.4 Interest received	18	43
1.5 Interest and other costs of finance paid	(5)	(5)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(638)	(909)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation	(407)	(1,018)
(e) investments		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements	250	500
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		(36)
2.6	Net cash from / (used in) investing activities	(157)	(554)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(16)	(38)
3.10	Net cash from / (used in) financing activities	(16)	(38)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,035	2,725
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(638)	(909)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(157)	(554)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(16)	(38)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,224	1,224

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	1,224	2,035
5.2	Call deposits		
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)	1,224	2,035

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	156
6.2	Aggregate amount of payments to related parties and their associates included in item 2	11

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(638)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(407)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,045)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,224
8.5 Unused finance facilities available at quarter end (item 7.5)	
8.6 Total available funding (item 8.4 + item 8.5)	1,224
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.2
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: The company anticipates a positive cash inflow of approximately \$750k comprising the balance of the sale proceeds receivable from the Moline Project. Expenditure is forecast to continue to drop significantly over the next quarter with field activities on standby due to the onset of the NT wet season. In addition, previously announced management changes within the Company have significantly reduced its corporate costs.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: As a junior explorer, the Company is at all times considering opportunities for funding its business, including the sale or joint venture of certain projects and capital raisings. The Company has a track record of successfully raising funds to fund its operations and expects to be able to fund the planned activities outlined in this Quarterly Report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the company is confident it can continue its operations. As outlined in 8.8.1, the Company forecasts a positive cashflow from the sale of Moline, reduced expenditure during the wet seasons and an overall reduction in corporate overheads.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 31 January 2024

Authorised by: The Board of Directors of PNX Metals Limited
.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.