

ASX Announcement

20 August 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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SUPPLEMENTARY DISCLOSURE FOR THE SCHEME

PNX Metals Limited (ASX: PNX) ("**PNX**" or "the **Company**") refers to the proposed scheme of arrangement between PNX and its members as set out in the scheme booklet dated 17 July 2024 (**Scheme Booklet**), under which it is proposed that all of the fully paid ordinary shares in PNX (**Shares**) are acquired by Patronus Resources Limited (formerly "KIN Mining NL") (**Scheme**).

The Supreme Court of Western Australia has today approved the publication of the attached supplementary scheme booklet (**Supplementary Scheme Booklet**) to PNX Shareholders, supplementing the disclosure in the Scheme Booklet.

The Scheme Booklet, as supplemented by the Supplementary Scheme Booklet, are important documents and require your immediate attention.

You are encouraged to read the Scheme Booklet (including the Independent Expert's Report, notice of meeting and explanatory statement) and associated proxy form (together, the **Scheme Materials**) and the Supplementary Scheme Booklet in full to inform their decision on how to vote at the Scheme Meeting.

If you are in doubt as to the course of action you should take, you should consult your financial, tax, legal or other professional adviser.

If you have any questions regarding the Scheme, please contact the PNX information line on 1300 305 232 (within Australia) or +61 3 9415 4657 (outside Australia) between 8:00am and 4:30pm ACST Monday to Friday (excluding public holidays).

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

Graham Ascough

Executive Chairman

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PNX Metals Limited ACN 127 446 271**Supplementary Scheme Booklet**

1. Important Notices

This supplementary scheme booklet is dated 20 August 2024 (**Supplementary Scheme Booklet**) and is supplementary to, and should be read together with, the scheme booklet dated 17 July 2024 (**Scheme Booklet**) in relation to the proposed scheme of arrangement between PNX Metals Limited ACN 127 446 271 (**PNX**) and PNX Shareholders concerning the proposed acquisition of PNX by Patronus Resources Limited ACN 150 597 541 (formerly known as 'KIN Mining NL') (**KIN**).

Capitalised terms, acronyms and abbreviations used in this Supplementary Scheme Booklet are defined in section 11 of the Scheme Booklet.

On 5 August 2024, KIN announced and cross-released on PNX's ASX platform an investor presentation titled "Strategic Consolidation to Create a Diversified Australian Mineral Resources Company" (**KIN Investor Presentation**).

The purpose of this Supplementary Scheme Booklet is to:

- advise PNX Shareholders that they should not rely on the information in the KIN Investor Presentation in connection with their decision as to how to vote at the Scheme Meeting and should, instead, read the Scheme Booklet (including the Independent Expert's Report, notice of meeting and explanatory statement) and associated proxy form (together, the **Scheme Materials**) to inform their decision on how to vote at the Scheme Meeting; and
- provide PNX Shareholders with additional information that has arisen since lodgement of the Scheme Booklet with ASIC which was not contained in the Scheme Booklet, namely, additional information relating to the intentions of KIN for the Merged Group and additional detail on KIN's rationale for the Scheme.

The fact that the Court has ordered that a meeting be convened pursuant to section 411(1) of the Corporations Act and has approved this Supplementary Scheme Booklet does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how PNX Shareholders should vote (on this matter, PNX Shareholders must reach their own decision); or
- has prepared, or is responsible for, the content of the Supplementary Scheme Booklet.

The disclaimers and important notices contained in the "Important Notices" section on pages 2-7 of the Scheme Booklet apply to this Supplementary Scheme Booklet, as being applicable in respect of this Supplementary Scheme Booklet. This Supplementary Scheme Booklet is accessible online at www.asx.com under the ASX code "PNX" and on PNX's website at www.pnxmetals.com.au/scheme.

The Scheme Booklet is supplemented as set out below.

2. Supplementary Disclosure

Page 10 of the Investor Presentation references "immense growth potential". While the PNX Independent Directors consider that the Merged Group will benefit from a strong balance sheet offering compelling value and an exceptional platform for growth, there are a number risks involved in the Scheme and the Merged Group which may mean that this growth and/ or any objectives or benefits expected from the Scheme may not be realised (in whole or in part).

Page 8 of the Investor Presentation includes the words "Ready to mine". PNX Shareholders should disregard and place no reliance on that statement.

Section 6.4 of the Scheme Booklet outlines KIN's intentions for PNX, including its intention not to make any changes to PNX's business at an operations level pending a review of PNX's operations.

As outlined in the Scheme Implementation Deed disclosed to the ASX on 15 April 2024, PNx and KIN have established an Implementation Committee to consult and plan for, among other things, the smooth transition of the business and affairs of PNx following implementation of the Scheme.

PNx Shareholders are advised that consequent to that planning process, KIN has advised PNx that it has the following exploration and drilling work programs planned for the Merged Group:

	CY24		CY25			
Exploration and drilling	Q3	Q4	Q1	Q2	Q3	Q4
Mertondale RC Resource Definition						
Cardinia East gold targets (AC, RC)						
Cardinia East VMS priority targets						
Pine Creek uranium drilling (incl. Thunderball)						
Pine Creek gold drilling						
Ongoing regional programs across portfolio						
Mertondale Resource update						
Thunderball Resource update						

As with all work programs, PNx Shareholders are reminded that the above planned programs may be subject to modification on an ongoing basis depending on the results obtained from earlier exploration and/or other subsequent events that may arise.

The Independent PNx Directors continue to unanimously recommend that PNx Shareholders **VOTE IN FAVOUR** of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PNx Shareholders.

When considering the recommendation of the Independent Directors, PNx Shareholders are reminded to note the interests that Mr Graham Ascough (Executive Chairman) and Mr James Fox (Technical Director) have in the outcome of the Scheme as detailed in section 3.2 on page 40 of the Scheme Booklet released to the ASX on 18 July 2024.

When considering whether to vote in favour or against the Scheme, PNx Shareholders should be aware that there are a number of reasons why PNx Shareholders may wish to vote against the Scheme, as set out in section 1.2 of the Scheme Booklet, together with the reasons to vote in favour of the Scheme as set out in section 1.1 of the Scheme Booklet.

PNx Shareholders should also consider the various risks associated with the Scheme and the Merged Group, as set out in sections 7.3 and 7.4 of the Scheme Booklet, when considering whether to vote in favour of or against the Scheme.

3. Additional Information

3.1 Proxy votes already submitted

Valid proxy forms for the Scheme Meeting that have been lodged by any PNx Shareholder are valid unless revoked. PNx Shareholders who have already lodged a proxy and do not wish to change their proxy do not need to take any action.

PNx Shareholders who have already submitted a valid proxy and wish to change the way their vote can do so by completing and returning a further proxy form in accordance with its instructions or by voting online by entering the Control Number '183864' at www.investorvote.com.au or by attending and voting at the Scheme Meeting in person.

The Scheme Meeting will be held in person at 12:00pm ACST on 27 August 2024 at Level 3, 170 Frome Street Adelaide, South Australia, 5000. Proxy and online votes must be received by **12:00pm ACST on 25 August 2024**.

You should contact the PNx information line on 1300 305 232 (within Australia) or +61 3 9415 4657 (outside Australia) between 8:00am and 4:30pm ACST Monday to Friday (excluding public holidays) if you prefer to vote via proxy form and need to request a new proxy form. Any subsequent proxy form that you lodge will revoke any earlier proxy form that you have lodged with PNx.

3.2 Independent Expert's Recommendation Remains Unchanged

The Independent Expert, Grant Thornton, has confirmed that their opinion in respect of the Scheme remains unchanged as a result of the KIN Investor Presentation and the supplementary disclosure set out in section 2 above, and that they continue to conclude that the Scheme is fair and reasonable and in the best interests of PNX Shareholders, in the absence of a Superior Proposal.

3.3 Notice of the Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting.

Any PNX Shareholder may appear at the Second Court Hearing, which is expected to be held at 10:00am AWST on 30 August 2024 at the Supreme Court of Western Australia at Level 11, David Malcolm Justice Centre, 28 Barrack Street, Perth, Western Australia, 6000.

PNX Shareholders who wish to oppose the approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on PNX a notice of appearance in the prescribed form, together with any affidavit on which the PNX Shareholder proposes to rely upon.

3.4 ASIC and ASX

A copy of this Supplementary Scheme Booklet has been registered by ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has had the opportunity to comment on this Supplementary Scheme Booklet in accordance with section 411(2) of the Corporations Act. Neither ASIC nor any of its officers take any responsibility for the contents of this Supplementary Scheme Booklet.

A copy of this Supplementary Scheme Booklet has been provided to the ASX. Neither the ASX nor any of its officers take any responsibility for the contents of this Supplementary Scheme Booklet.

3.5 Consents

Each of Grant Thornton and KIN:

- (a) have given their written consent to being named in this Supplementary Scheme Booklet and to the inclusion of the statements that they are said to have made in the form and context in which those statements appear in this Supplementary Scheme Booklet; and
- (b) have not authorised or caused the issue of this Supplementary Scheme Booklet and do not make, or purport to make, any statement in this Supplementary Scheme Booklet or any statement on which a statement in this Supplementary Scheme Booklet is based other than as specified in section 3.5(a) above and, to the maximum extent permitted by law, expressly disclaim all liability in respect of any part of this Supplementary Scheme Booklet other than a reference to its name and the statement included in this Supplementary Scheme Booklet with its consent.

3.6 Other material information

Other than as contained or referred to in the Scheme Booklet or this Supplementary Scheme Booklet, there is no other information material to the making of a decision by a PNX Shareholder whether or not to vote in favour of the Scheme, being information that is known to PNX and which has not previously been disclosed to PNX Shareholders.

3.7 PNX Directors' statement

The issue of this Supplementary Scheme Booklet has been authorised by the PNX Board and this Supplementary Scheme Booklet has been signed by or on behalf of the PNX Directors. The PNX Board has given (and not withdrawn) its consent to the lodgement of this Supplementary Scheme Booklet with ASIC. Signed for and on behalf of PNX Metals Limited:



Graham Ascough
Executive Chairman
PNX Metals Limited