



ASX: PNX  
Proactive Investor Presentations  
20-21 February 2017

Zinc-Gold-Silver  
Project Development  
& Exploration

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- 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 consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



Developing the Hayes Creek zinc-gold-silver project, and exploring for gold and base metals in the Northern Territory

# PNX Metals – a compelling investment?



- ✓ Exposure to Zinc-Gold-Silver, three of the best performing metals over the last year
- ✓ JORC 2012 resources: 182,000t zinc, 271,000oz gold, 17.1Moz silver\*
- ✓ Project located within existing infrastructure corridor on granted Mineral Leases
- ✓ Scoping Study complete Mar'16 - strong financial returns, fast payback, modest capital
- ✓ Pre Feasibility Study fully funded for completion mid-2017
- ✓ Gold/base metals exploration focus from May'17 – high-grades, multiple targets, large exploration tenure
- ✓ PNX undervalued in relation to its peers – short term share price catalysts (6mo) include drill assays, updated resources, PFS completion & new exploration drilling
- ✓ Experienced board & management team

**Visible and achievable path to  
commercialisation with no known impediments**

\*Across the Iron Blow (resource upgrade due Mar'17) and Mt Bonnie (resource upgraded Feb'17) VMS deposits

# Corporate Overview



## Capital Structure

Current Share Price <sup>1</sup>	2.4cps
Shares on Issue	736.1m
Market Capitalisation	\$17.7m
Cash <sup>(31 Dec 2016)</sup>	\$3.2m
Listed Investment <sup>2</sup>	\$0.3m
Loan/Convertible Notes <sup>3</sup>	\$1.8m
Enterprise Value	\$16.0m

## Board & Management

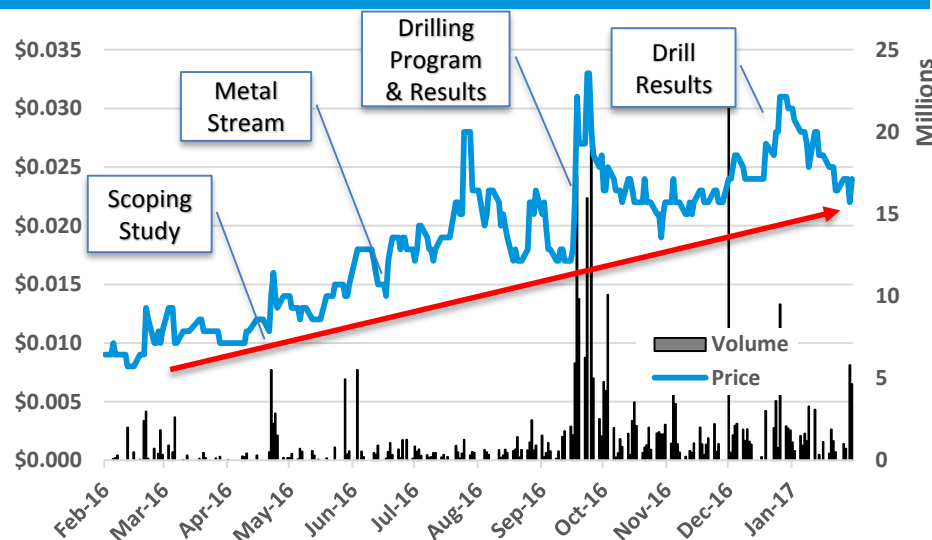
<b>Graham Ascough</b>	<b>Non Executive Chairman</b>
<b>James Fox</b>	<b>Managing Director &amp; CEO</b>
Paul Dowd	Non Executive Director
David Hillier	Non Executive Director
Peter Watson	Non Executive Director
Tim Moran	Co Sec & CFO
Andy Bennett	Exploration Manager
David Readett	Project Manager

1. As at 17 February 2017.

2. 12.9m shares in Avalon Minerals (ASX:AVI)

3. Unsecured loan of \$1.2m for AVI share purchase, to be settled from the sale of AVI shares with PNX shares to be issued to make up any shortfall. 3.5 years remaining on loan term. \$0.6m of convertible notes on issue which are convertible to PNX equity at \$0.05 per share at the election of PNX by May'19.

## Share Price & Volume

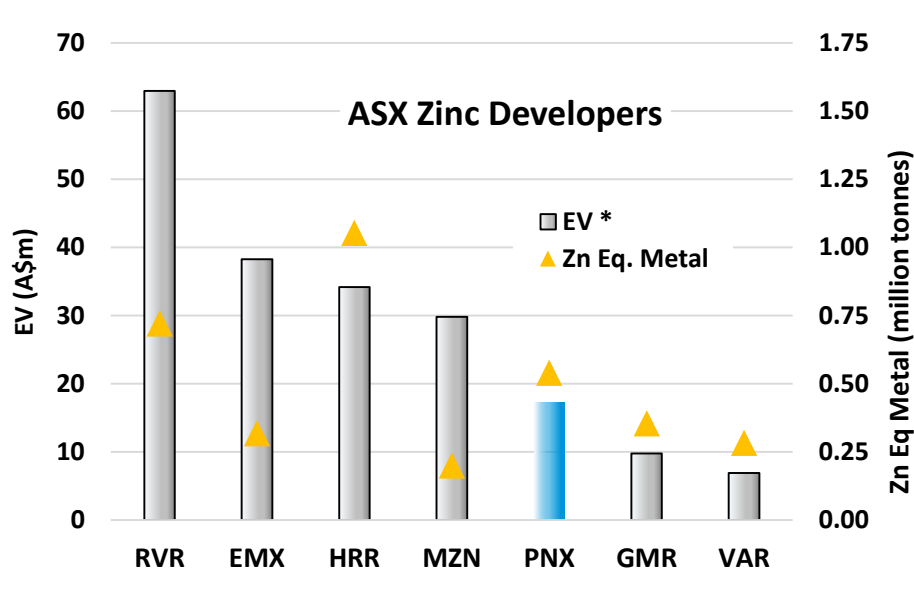


## Top Shareholders

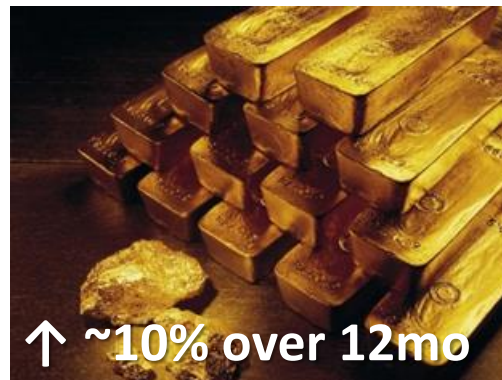
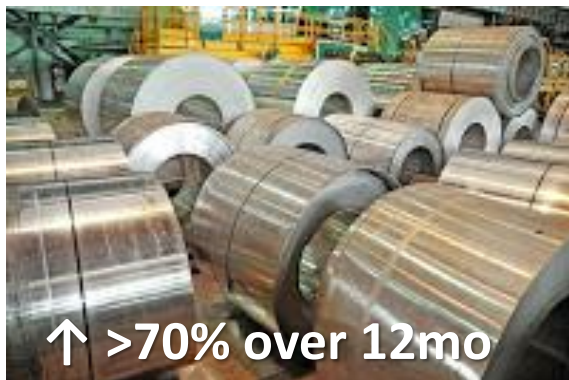
JP Morgan Nominees	8.7%
Potezna Gromadka	8.0%
Marilei International Ltd	7.6%
Sochrastem SA	6.8%
Directors & Management	3.4%
Top 20 holding	61.7%

# Improving prices = positive impact

## PNX strongly leveraged to improving metals prices



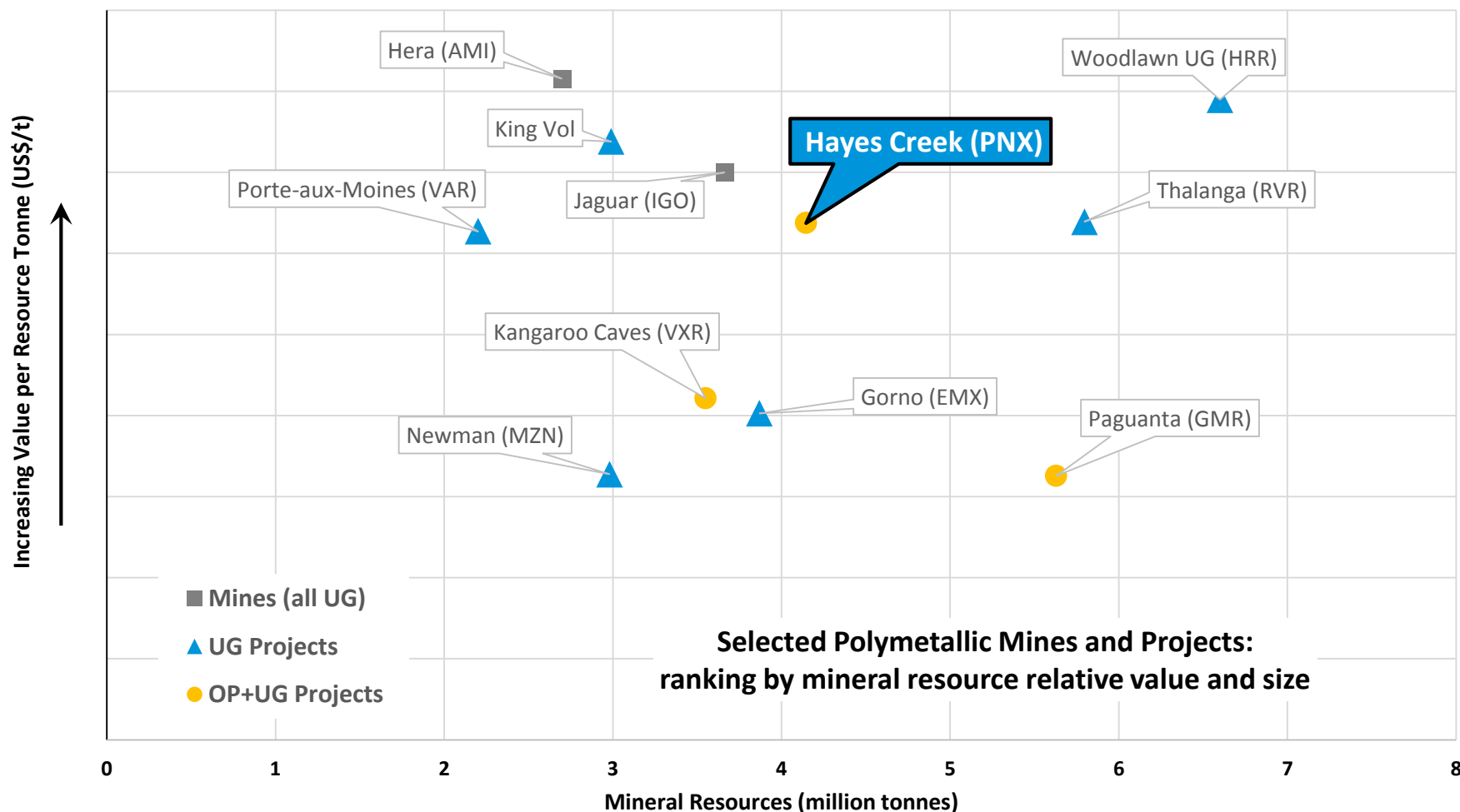
- LME zinc stocks falling, 9.5yr high zinc price >A\$3,850t
- Hayes Creek superior to many on grade-equivalence, capital intensity, & proximity to infrastructure
- Attractive inherent mix of commodities protects against individual price fluctuations
- Strongly leverage to rising commodity prices
- Short term share-price catalysts include resource upgrade & PFS advancement



Source: SNL Mining & Metals, Terra Studio. Zinc equivalent grades and metal contents calculated using the following metal prices: 6 gold \$1,350/oz, silver \$20.5/oz, zinc \$1.11/lb, lead \$0.95/lb and copper \$2.81/lb

# ASX Project Benchmarking

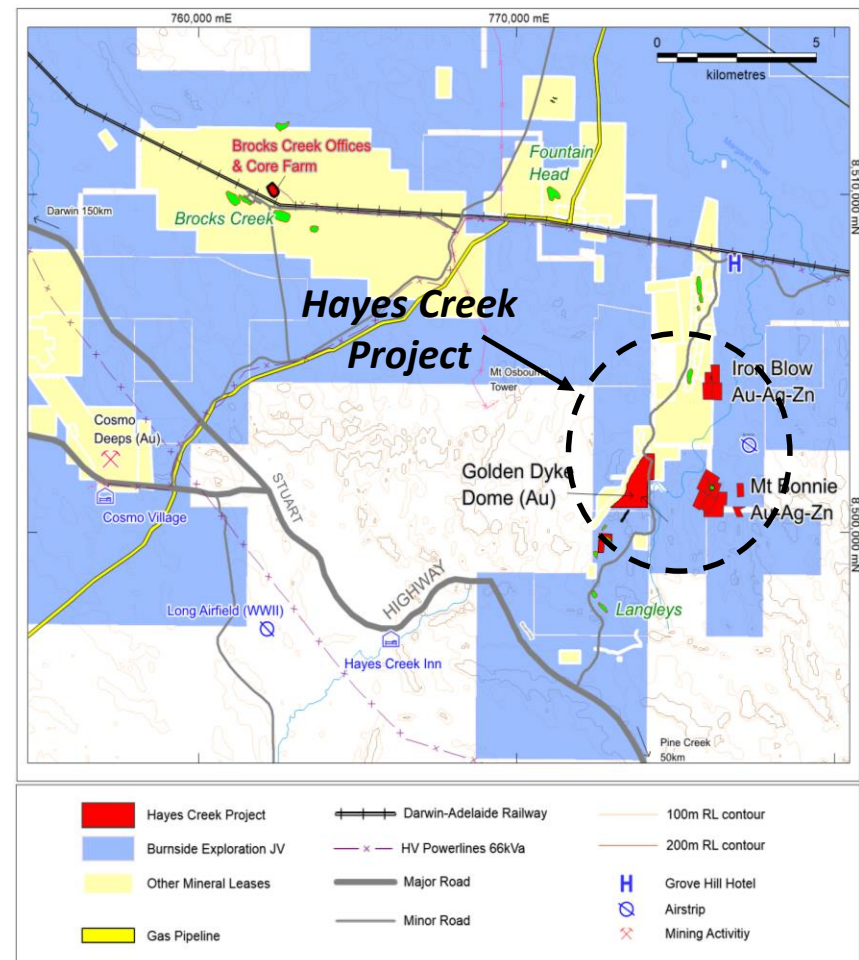
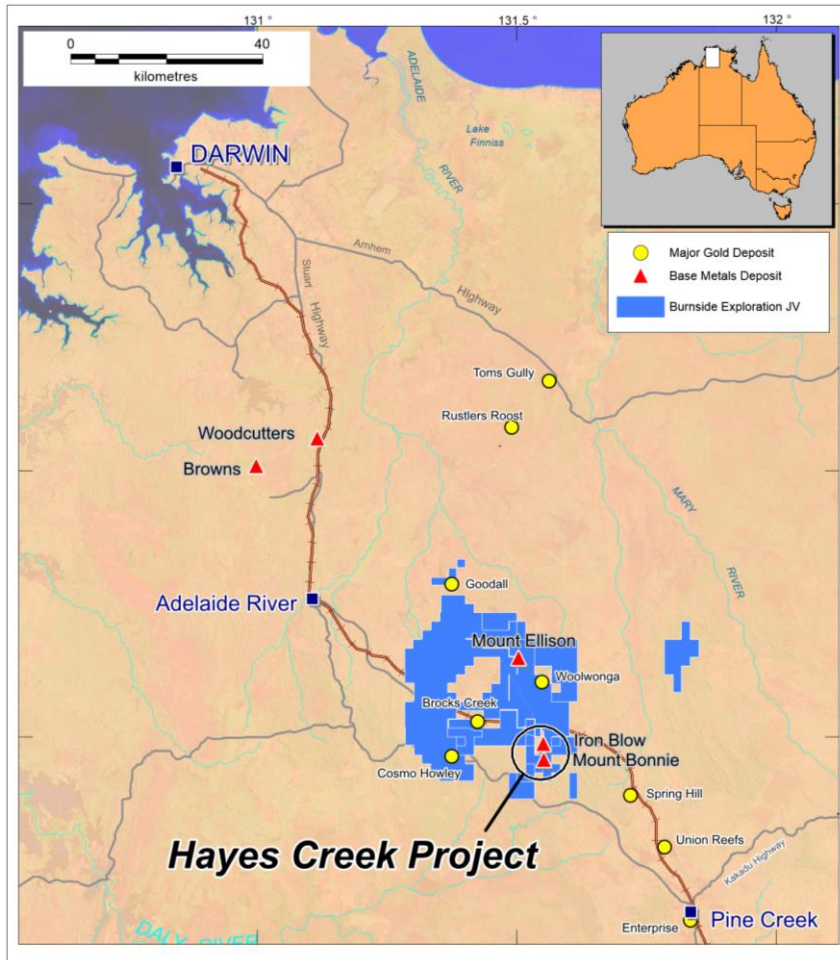
Well positioned – Iron Blow resource upgrade due shortly



Source: SNL Mining & Metals, Terra Studio. Zinc equivalent grades and metal contents calculated using the following metal prices: 7 gold \$1,350/oz, silver \$20.5/oz, zinc \$1.11/lb, lead \$0.95/lb and copper \$2.81/lb

# Where is the Hayes Creek project?

Ideally located, within an existing infrastructure corridor





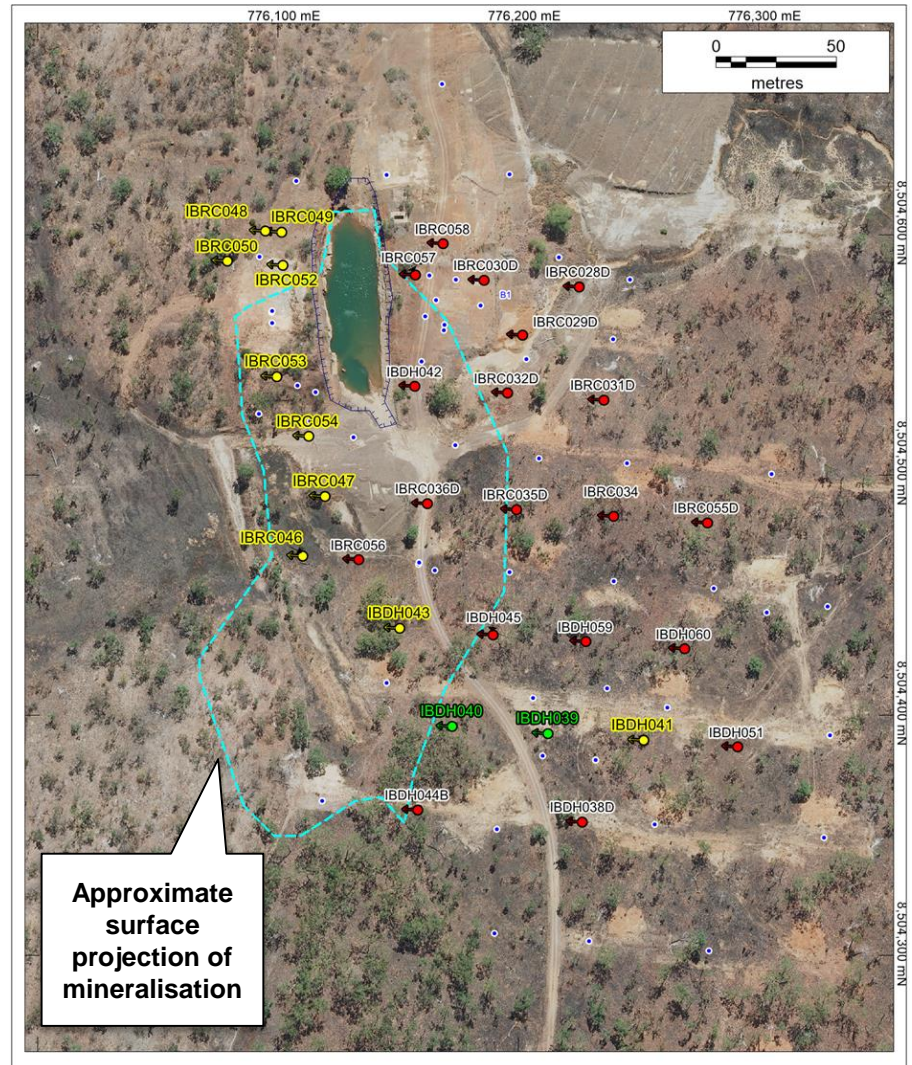
**PNX**  
METALS

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# Hayes Creek: Iron Blow

## Resource infill & extensional drill program complete

- ✓ 30 holes drilled 2016/2017
- ✓ 2 parallel massive sulphide lodes:
- ✓ 16m @ **18.4% ZnEq** (10.70% Zn, 4.80g/t Au, 256g/t Ag, 2.42% Pb, 0.37% Cu) from 138m, including;
  - ✓ 11m @ **25.9% ZnEq** (15.78% Zn, 6.32g/t Au, 343g/t Ag, 3.42% Pb, 0.55% Cu) from 139m, and;
- ✓ 41m @ **6.6% ZnEq** (3.43% Zn, 2.04g/t Au, 86g/t Ag, 0.54% Pb, 0.32% Cu) from 184m including;
  - ✓ 7.7m @ **18.3% ZnEq** (11.16% Zn, 3.57g/t Au, 300g/t Ag, 2.08% Pb, 0.37% Cu) from 203m
- ✓ Resource upgrade due Mar'17



# Hayes Creek Mineral Resources (Feb'17)

## High metals grades, near-surface sulphide deposits

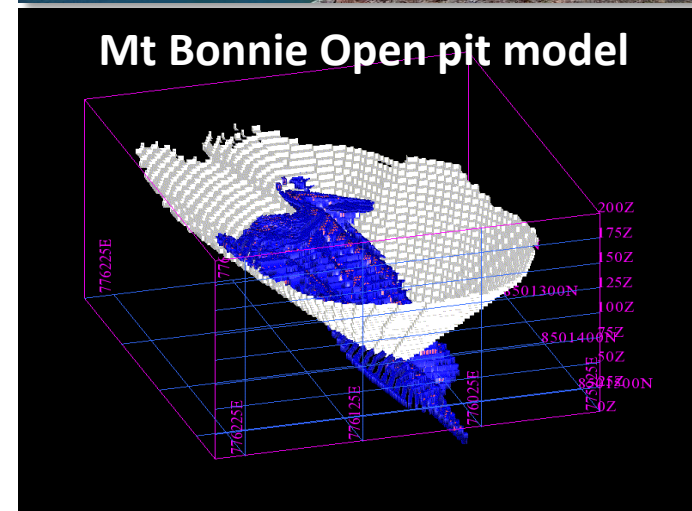
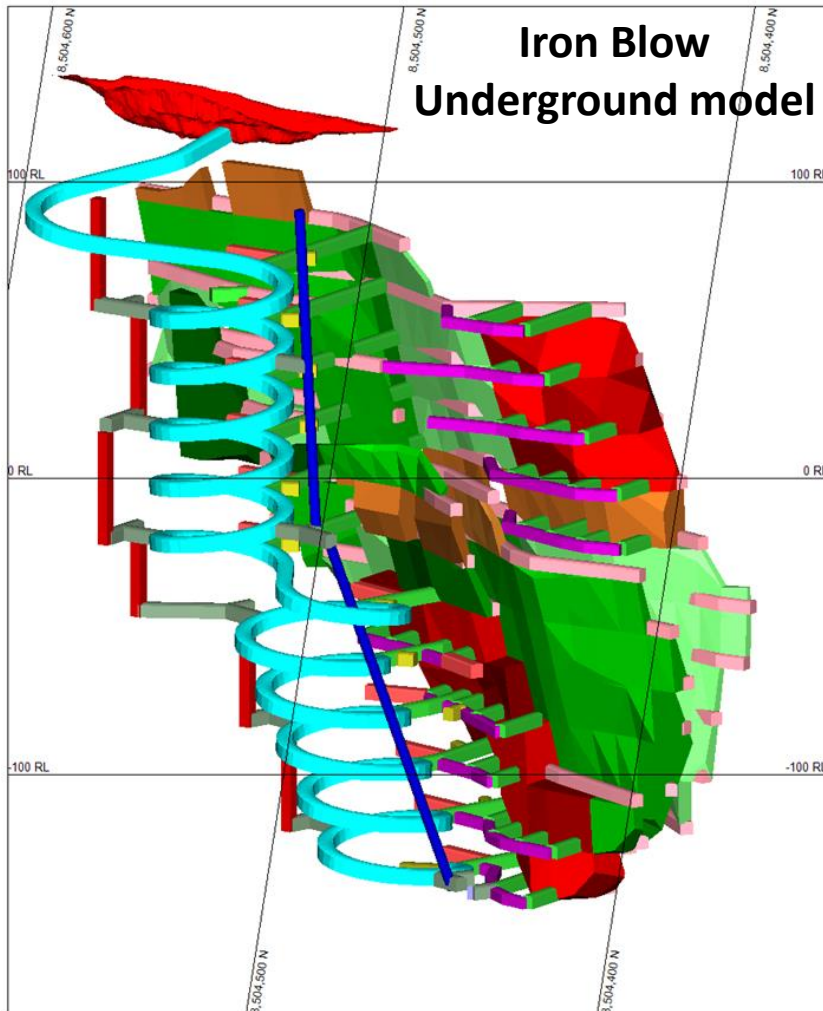


Contained Metal	Tonnes	Zn (t)	Au (oz)	Ag (oz)	Pb (t)	Cu (t)	ZnEq* (t)
Iron Blow	2,600,000	124,200	204,482	10,815,677	23,600	8,200	310,329
Mt Bonnie	1,545,619	58,068	66,776	6,322,779	17,294	3,402	102,803
<b>Total</b>	<b>4,145,619</b>	<b>182,268</b>	<b>271,258</b>	<b>17,138,456</b>	<b>40,894</b>	<b>11,602</b>	<b>457,472</b>

- Iron Blow & Mt Bonnie VMS deposits, granted MLs, 3km apart
- Sizeable high-grade mineral resources (JORC 2012) across 2 VMS deposits
- Near-surface sulphide mineralisation contains significant zinc, gold and silver grades
- ~7,500m infill & extensional drill program completed early '17
- Aim was to increase resource size and confidence to at least Indicated category for both deposits
- Additional mineralisation identified outside boundaries of existing resource at Iron Blow – resource upgrade due Mar'17

# Hayes Creek: Iron Blow & Mt Bonnie

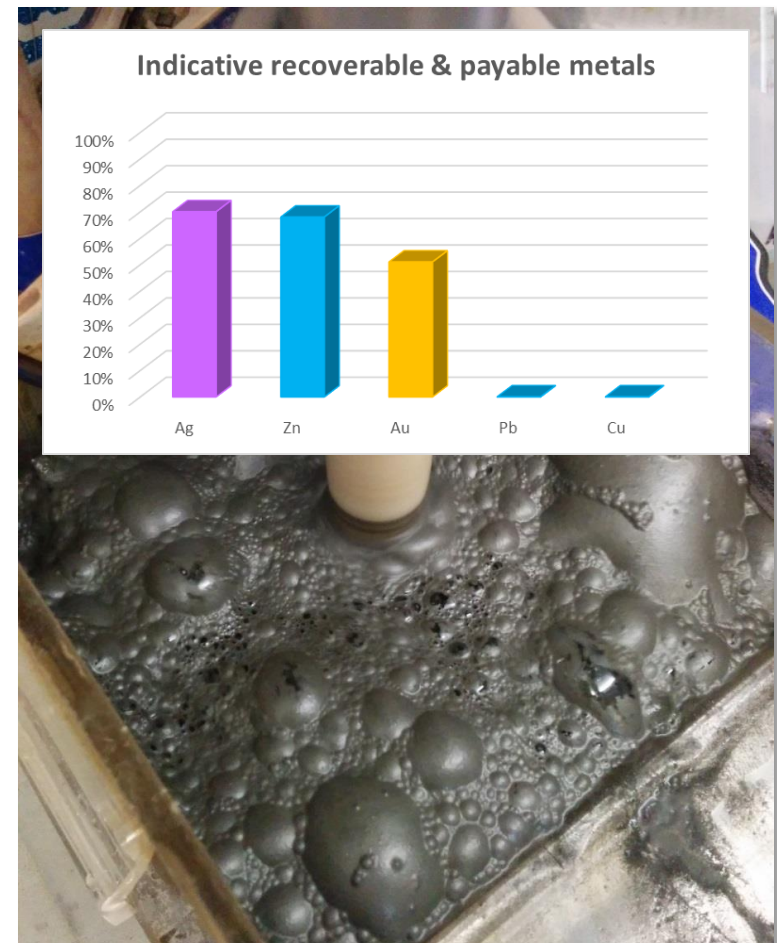
2 x near-surface deposits, granted Mineral Leases



# Hayes Creek PFS: Fully funded & due mid-2017

## Zinc Concentrate + Precious Metals Concentrate

- ✓ Aim: Improve project economics through resource expansion, optimisation of mining and processing parameters
- ✓ Met test work: options analysis, de-risk process & maximise revenue streams
- ✓ Conservative recoveries used for payable metals, e.g. nil assumed for Pb/Cu
- ✓ Process: Crushing, milling and flotation (incl. regrind)
- ✓ Products: Clean zinc concentrate + silver/gold rich concentrate
- ✓ Ongoing approvals and stakeholder engagement toward decision to mine
- ✓ Increase Capital and Operating Cost estimate confidence, ultimately to DFS level

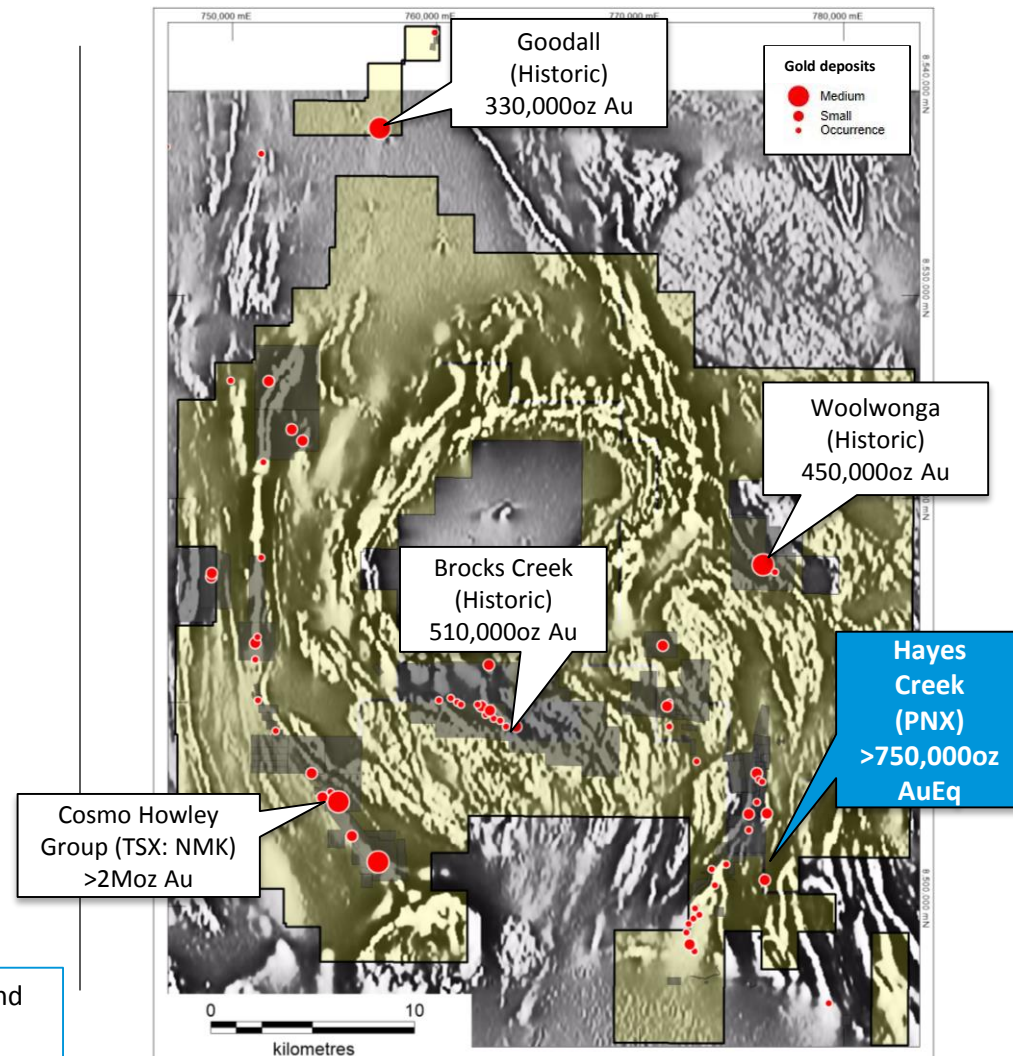


# Burnside Regional exploration

## Untested gold & base metals potential

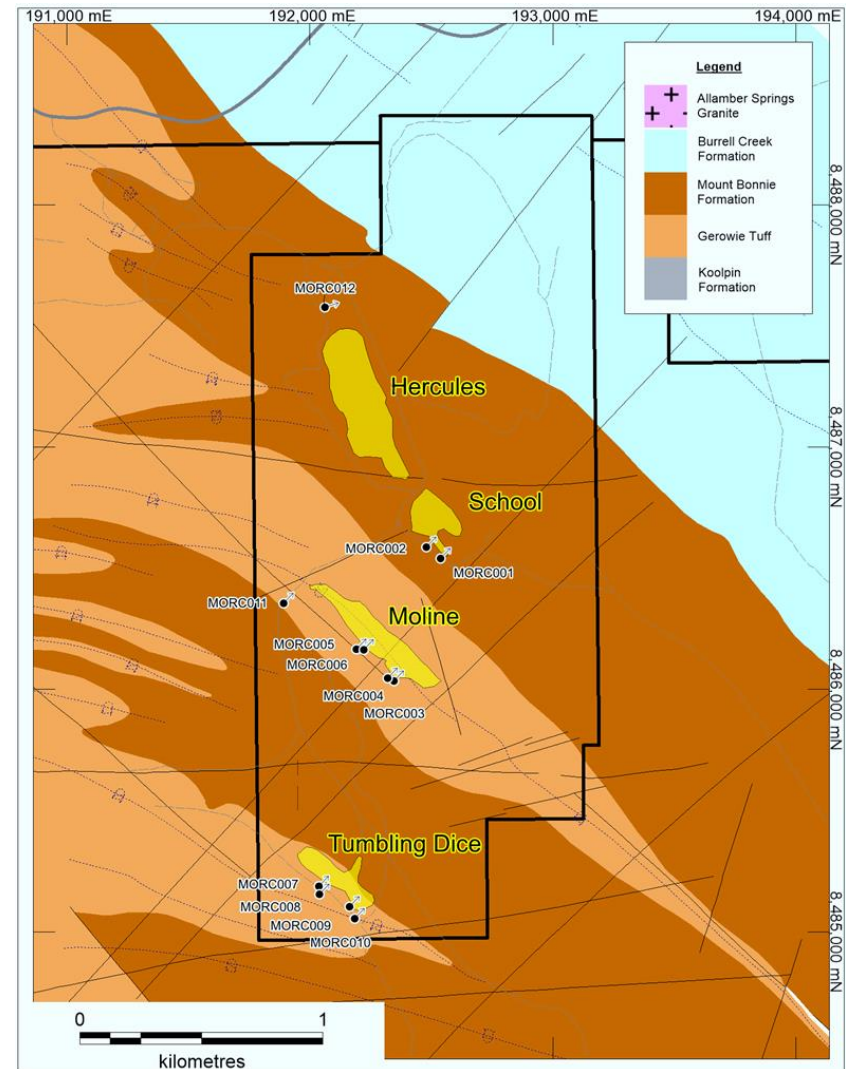
- ✓ **Widespread mineralisation**
- ✓ Prospective geological region
- ✓ Historical exploration limited to outcrop areas
- ✓ Little modern exploration below ~30m
- ✓ Large amount of exploration data (EM, soils, drilling) with numerous quality targets
- ✓ Strong potential for discovery of additional economic mineralisation
- ✓ Drilling exploration targets 2017

Magnetic (1vd) Image showing PNX Burnside tenure (yellow), and gold deposits, (H=historical), leases excluded (grey)



# Moline Regional exploration: New gold and zinc metals sulphides drilled late 2016

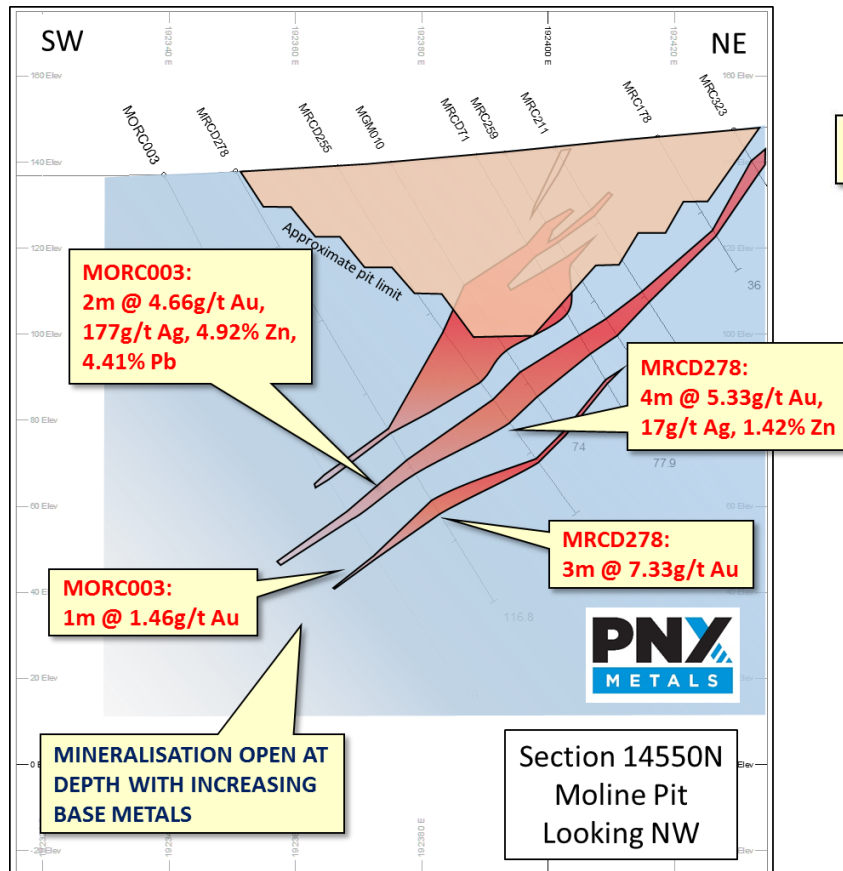
- Historic pits at Moline, Hercules & School open at depth ~65km east of Hayes Creek
- Gold/base metals mineralisation in sulphide lodes
- 12 holes drilled for 1,497m to test the three mineralised trends, results include:
- School
  - MORC002: 7m @ 11.9 (115m) incl, 3m @ 23.8 Au
- Moline
  - MORC003: 2m @ 2.66 Au/ 177 Ag (89m) and 4.9% Zn
  - MORC006: 10m @ 1.49 Au (67m) & 9m @ 2.57 Au (92m)
- Tumbling Dice
  - MORC009: 10m @ 1.67 Au, 0.97% Zn (57m)
  - MORC010: 30m @ 2.29 Au, 0.70% Zn (78m)



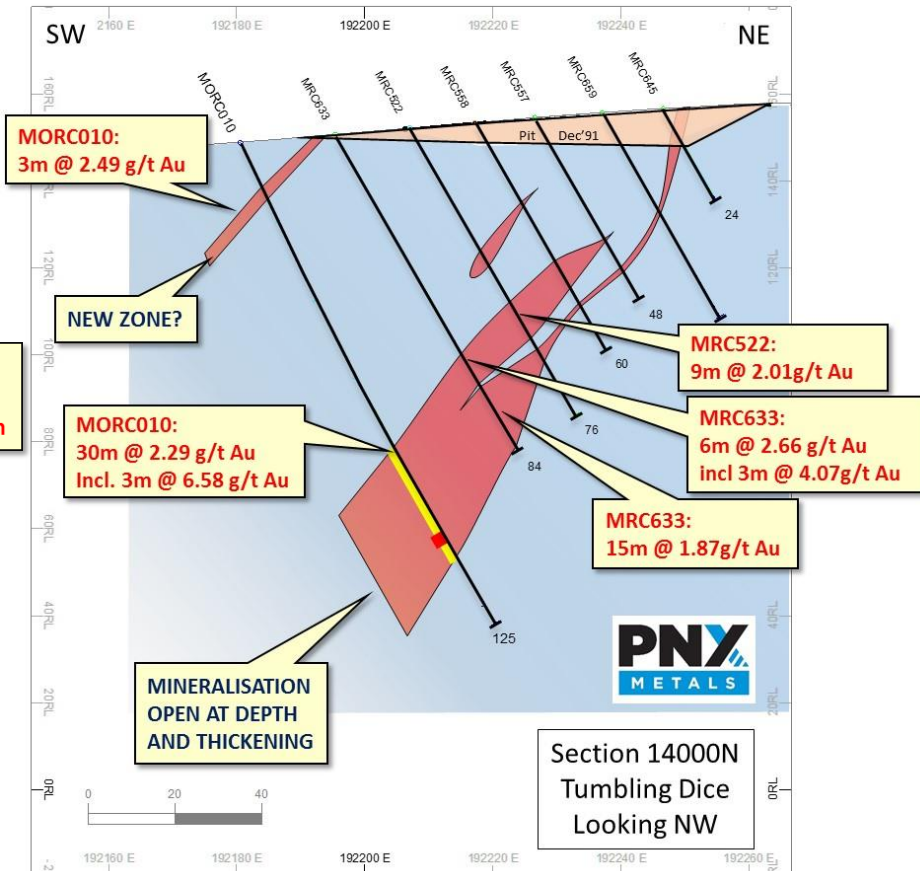
# Moline Regional exploration

## Untested gold & base metals potential

**Moline**



**Tumbling Dice**



- ✓ Follow-up drilling planned after NT wet season mid-17
- ✓ Potential for additional zinc/gold/silver mineralisation to complement the Hays Creek project

# Hayes Creek

## Work program & project milestones

Activities	2016	2017	2018	2019
<b>MINE DEVELOPMENT PLANNING</b>				
PFS (inc. drilling and technical studies)				
Environmental & Government Approvals				
Definitive Feasibility Study (DFS)				
Decision to Mine				
Construction – TBC				
Commissioning – TBC				
Operations – TBC				
<b>GOLD STRATEGY</b>				
Newmarket Exploration Earn in to 51%				
Newmarket Exploration Earn in to 90%				

- ✓ \$1.6 million PFS funding provided by forward sale of 224,000oz of silver (Jun 2016)
- ✓ \$2.6 million placement to institutional & sophisticated investors (Dec 2016)
- ✓ \$85K drilling co-funding by NT CORE for two greenfield programs

# Recap - why PNX Metals?



**Exposure to  
Zinc + gold + silver  
3 of the best performing  
metals in 2016**

**Near-surface resources:  
271,000oz gold  
17.1M oz silver  
182,000t zinc**

**Scoping Study  
Strong financial returns  
Fast payback  
Modest capital**

**Excellent infrastructure  
granted MLs**

**Hayes Creek PFS  
Due June'17  
Fully Funded**

**Upcoming news flow  
Iron Blow assays  
Resource Upgrade  
PFS completion**

**Experienced Board and  
Management team**

**Low valuation relative  
to zinc and gold peers**

**New zinc/gold  
exploration targets  
successfully drilled at  
Moline**

# Appendix

- Mineral Resources Tables
- Mineral Resources Notes
- Process Flow Diagram
- Exploration Earn-in Information
- Metal Stream key terms and conditions
- Project Benchmarking
- Board & Management Team

# Hayes Creek Mineral Resources



Deposit	Domain	Cut-off	Category	K tonnes	Zn	Au	Ag	Pb	Cu
					%	g/t	g/t	%	%
Iron Blow	> -90m RL	0.7g/t AuEq	Inferred	2,200	4.9	2.4	140	1.0	0.3
	< -90m RL	3.0g/t AuEq	Inferred	400	4.1	2.7	71	0.4	0.4
Mt Bonnie	Oxide/Transitional	0.5g/t Au	Indicated	195	0.94	3.80	171	2.43	0.18
	Fresh	1% Zn	Indicated	1,180	4.46	1.02	121	0.94	0.23
	Oxide/Transitional	0.5g/t Au	Inferred	32	0.43	2.28	74	1.33	0.29
	Fresh	1% Zn	Inferred	118	2.91	0.54	135	0.90	0.15
	Ag Zone	50g/t Ag	Inferred	21	0.17	0.04	87	0.03	0.04
Total	Indicated & Inferred			4,146	4.40	2.04	128	0.99	0.28

Contained Metal	Tonnes	Zn (t)	Au (oz)	Ag (oz)	Pb (t)	Cu (t)
Iron Blow	2,600,000	124,200	204,482	10,815,677	23,600	8,200
Mt Bonnie	1,545,619	58,068	66,776	6,322,779	17,294	3,402
Total	4,145,619	182,268	271,258	17,138,456	40,894	11,602

Price Assumptions						Recovery Assumptions				
Deposit	Zn	Au	Au	Pb	Cu	Zn	Au	Ag	Pb	Cu
	US\$/t	US\$/oz	US\$/oz	US\$/t	US\$/t	%	%	%	%	%
Iron Blow	2350	1300	20	2250	7000	70	90	90	70	70
Mt Bonnie	2450	1350	20.5	2100	6200	80	55	70	60	60

# Notes relating to Mineral Resources



- Due to effects of rounding, totals may not represent the sum of all components.
- Mt Bonnie - zinc domains are reported above a cut-off grade of 1% zinc, gold domains are reported above a cut-off grade of 0.5 g/t gold and silver domains are reported above a cut-off grade of 50 g/t silver.
- Iron Blow - a variable gold-equivalent cut-off grade was used corresponding to an RL at which mineralisation could be extracted with open cut versus underground methods.
- In order to assess the potential value of the total suite of minerals of economic interest in the mineral inventory, formulae were developed to calculate metal equivalency for the gold and zinc (see below). Metal price assumptions were updated during the Mt Bonnie estimation to reflect average consensus forecasts for the period 2017 through 2021, (consensus forward price forecasts compiled from a group of domestic and international mining analysts and financial institutions).
- Metallurgical recovery information for Iron Blow was assigned prior to any diagnostic test work by PNX and was based on what was considered reasonable in similar operations. Metallurgical recovery information for Mt Bonnie was sourced from test work completed on diamond drill core from the Mt Bonnie deposit. Mt Bonnie and Iron Blow have similar mineralogical characteristics and are a similar style of deposit.
- The formulae below was applied to the estimated constituents to derive the metal equivalent values:
- Gold Equivalent (field = "AUEQ") (g/t) =  $(\text{Au grade (g/t)} * (\text{Au price per ounce}/31.10348) * \text{Au recovery}) + (\text{Ag grade (g/t)} * (\text{Ag price per ounce}/31.10348) * \text{Ag recovery}) + (\text{Cu grade (\%)} * (\text{Cu price per tonne}/100) * \text{Cu recovery}) + (\text{Pb grade (\%)} * (\text{Pb price per tonne}/100) * \text{Pb recovery}) + (\text{Zn grade (\%)} * (\text{Zn price per tonne}/100) * \text{Zn recovery}) / (\text{Au price per ounce}/31.10348 * \text{Au recovery})$
- Zinc Equivalent (field = "ZNEQ") (%) =  $(\text{Au grade (g/t)} * (\text{Au price per ounce}/31.10348) * \text{Au recovery}) + (\text{Ag grade (g/t)} * (\text{Ag price per ounce}/31.10348) * \text{Ag recovery}) + (\text{Cu grade (\%)} * (\text{Cu price per tonne}/100) * \text{Cu recovery}) + (\text{Pb grade (\%)} * (\text{Pb price per tonne}/100) * \text{Pb recovery}) + (\text{Zn grade (\%)} * (\text{Zn price per tonne}/100) * \text{Zn recovery}) / (\text{Zn price per tonne}/100 * \text{Zn recovery})$
- Spot pricing for ZnEq or AuEq grade quotations is as per the Resource Estimations. Market closing ASX prices and estimated cash balances/EV adopted for peers is subject to error and adjustment, and no warranty is provided as to the accuracy of such numbers, forecasts, estimates or comparisons shown. Mine planning quoting largely inferred resources is high risk, and recent ASIC guidelines regarding scoping study releases are to be considered by any investors considering investment.



# Additional Information: Exploration earn-in



- Transaction with Newmarket Gold (NMK), announced August 2014
- **Acquired Tenements (100%) – Hayes Creek Project**
  - 14 Mineral Leases (containing Iron Blow and Mt Bonnie deposits) for a 2% royalty over gold and silver in concentrate
  - NMK can clawback 30% within 6 months of PFS by paying 3x expenditure
- **Earn-in Tenements (up to 90%) – Burnside, Moline and Chessman Projects**
  - 19 exploration licences, and 4 mineral leases covering 1,700km<sup>2</sup>
  - PNX to earn 51% by spending \$2M over 2 years (excluding Uranium), which can include up to \$0.5M spent on the Acquired Tenements
  - PNX to earn up to 90% by spending a further \$2M within a further 2 years (excluding Uranium), which can include up to a further \$0.5M spent on the Acquired Tenements
  - NMK can acquire 90% of any 2012 JORC compliant gold and silver deposit within 6 months of resource being announced by paying 3x expenditure
  - Further \$0.5m (in cash or shares) payable to NMK upon completion of a DFS on any NT base metals project within the Acquired or Earn-in tenements
- **PNX has completed Stage 1 of the earn-in and holds 51% of the tenements, the Company has elected to continue to Stage 2 to earn 90%**

# Additional Information: Metal Stream



- \$1.6 million in total, under separate but identically structured Silver Streaming and Royalty Agreements (Agreement) signed with two investors (Investor).
- Each Agreement results in the forward sale of 112,000 troy ounces (oz) of silver for \$0.8 million to be delivered at a rate of 14,000 oz per quarter (56,000 oz per year) for 2 years once commissioning and ramp up of the Hayes Creek Project is complete, expected to be in 2019.
- Each Investor may exercise an option (Option), within 3 months of completion of the PFS, to increase the amount of silver by 56,000 oz to be delivered over a further one year period for payment, made at the time of exercising the option, of \$0.4 million.
- At the end of the two year (or, if the Option is exercised by an Investor, three year) silver delivery period, each Investor will be entitled to a 0.24% (or 0.36%, if the Option has been exercised) Net Smelter Return (NSR) royalty. The NSR royalty applies in respect of gold and silver produced from the Hayes Creek Project, and will be paid for a 5 year period from the end of the silver delivery period.
- PNX can buy back the NSR royalty from an Investor prior to production commencing for \$0.27 million (or \$0.4 million, if the Option is exercised).
- If production at the Hayes Creek Project has not commenced within 5 years and PNX or an Investor elects to terminate the Agreement, the forward payment made by that Investor (\$0.8 million, or \$1.2 million, if the Option has been exercised) converts to PNX shares based on a 30 day VWAP. The NSR royalty will also apply in these circumstances in relation to each tenement comprising the Hayes Creek Project for 5 years from when production commences on that mining tenement.
- If shareholder approval and/or Foreign Investment Review Board approval is required but not received in relation to the conversion to shares then the applicable forward payment is to be repaid in cash.
- If production at the Hayes Creek Project is suspended for 12 consecutive months during the silver delivery period and PNX or an Investor terminates the Agreement then the amount that converts to PNX shares, or is to be repaid in cash, is an amount equal to that portion of the forward payment representing the undelivered silver. The NSR royalty will also apply in this circumstance in respect of each mining tenement comprising the Hayes Creek Project for 5 years from when production recommences on that mining tenement.

# Experienced Team



Board / Management	Biography
<b>Graham Ascough</b> Non Executive Chairman	Senior resource executive and geophysicist with more than 25 years of industry experience. Strong technical background and current Non-executive Chairman of four ASX listed companies.
<b>James Fox</b> Managing Director & CEO	20 years experience in a variety of technical roles in the mining industry. Previously responsible for development and operation of Nickel Laterite Heap Leach at Murrin Murrin Operations, and Process Manager at Nifty Copper Operations.
<b>Paul Dowd</b> Non Executive Director	50 years in mining industry. Former MD of PNX Metals Ltd and of Newmont Australia and former director of Macurthur Coal and AuRico Gold Australian entities. Current NED of Oz Minerals Ltd, and ERA Limited. Chairman of the CSIRO Minerals Resources Sector Advisory Council, and an Advisory Board Member of the South Australian Minerals and Petroleum Expert Group (SAMPEG) and the University of Queensland – Sustainable Minerals Institute.
<b>David Hillier</b> Non Executive Director	A Chartered Accountant with more than 40 years experience in commercial aspects of the mining industry. Former CFO and Executive Director of Mineral Securities Ltd and CEO of Buka Gold Ltd. Current Executive Chairman of a private exploration group.
<b>Peter Watson</b> Non Executive Director	45 Years in corporate law. Founder of Watsons Lawyers (now Piper Alderman), former partner of Norton Rose and former Group Legal Counsel and Group Executive of Normandy Mining Ltd. Founder of PNX Metals.
<b>Tim Moran</b> Co Sec & CFO	Former CFO and Company Secretary of Canadian listed oil and gas company, former Senior Audit Manager at KPMG Adelaide.
<b>Andy Bennett</b> Exploration Manager	More than 20 years experience in the exploration & mining industry with roles in a wide variety of geological settings at both junior and large companies. Former BHP Billiton Chief Geologist during the Olympic Dam open pit expansion studies, and former Exploration Superintendent at WMC Resources.
<b>David Readett</b> Project Manager	30 years in mining industry. Chartered Professional Metallurgical Engineer (FAusIMM CPMet) involved in test work, process flowsheet development, design, construction, commissioning, optimisation, operation and management of numerous metallurgical projects specialising in base metals and gold. Involved with a number of Australian based projects and operations with extensive overseas experience in the Americas, Europe, Africa, and South-East Asia.