

Quarterly Activities Report

31 July 2023

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 30/06/23:
5,380,624,719 Shares

Board & Management:

Non Exec Chairman: Graham Ascough
Non Exec Director: Hansjoerg Plaggemars
Non-Exec Director: Hansjörg Schmidt
Non-Exec Director: Rowan Johnston
MD/CEO: James Fox
CFO/Co Secretary: Angelo Gaudio

Top Shareholders as at 30/06/23:

Delphi Unternehmensberatung 50.19%
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

- Rock chip surface samples from the C6 gold prospect return multiple very high-grade gold assays exceeding 100 g/t Au, including:
 - 173.0 g/t Au in C6N23PS005,
 - 138.7 g/t Au in C6N23MG031,
 - 123.0 g/t Au in C6N23AB076,
 - 143.4 g/t Au in C6N23AB077,
 - 141.1 g/t Au in C6N23AB078,
 - 160.5 g/t Au in C6N23AB083, and
 - 119.1 g/t Au in C6N23AB084
- Multiple high-priority gold targets (including C6) within kilometre-scale gold corridors identified across PNX's northern exploration leases
- Near-surface aircore drilling completed at Glencoe south
- Fountain Head Gold Project Mine Management Plan submitted to the NT Government for approval

Corporate

- \$2.7 million cash on hand at 30 June 2023

JUNE QUARTERLY ACTIVITIES REPORT

PNX Metals Limited (ASX: PNX) ("**PNX**" "**the Company**") is pleased to present its quarterly activities report for the period ended 30 June 2023.

Project Development – Fountain Head

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

Government and Environmental Approvals

Following the grant of the environmental approval at 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.

A successful review of the MMP by DITT could result in a Mining Authorisation being provided in the third quarter of 2023. Approval of the MMP is the last step in the approvals process for the Fountain Head Gold Project.

The Mt Porter MMP is being finalised and due for submission next quarter.

Exploration

Northern Leases

Fieldwork at the C6 gold prospect returned very high-grade gold assay results from surface rock chip samples collected from quartz-gossan that sporadically outcrops along the northern extension of the C6 anomaly (Figures 1 and 2).

The C6 prospect is part of PNX's Burnside Northern Leases with the new high-grade zone located on the 100% owned EL31893. Burnside is located in the Pine Creek region of the NT, approximately 100 km south of Darwin and 25 km north of Fountain Head gold, and Hayes Creek zinc-gold-silver projects.

PNX's Northern Leases host multiple kilometre-scale gold targets with the potential for economically significant gold mineralisation along the same structural corridor as the Cosmo Howley gold mine (owned by Agnico Eagle) and numerous other gold deposits (refer ASX release 13 February 2023)

In July, subsequent to the quarter end, the Company received approval under its exploration Mining Management Plan for eight trenches (costeans) of up to 100 m in length (Figure 3) and approximately 300 aircore drill holes. The trenching will be used to better evaluate the extent and geometry of gold mineralisation and to assist with targeting the subsequent drill-testing, which is expected to start in early August 2023.

Exploration will continue at the Bartons gold prospect, which is ~2.5 km further west, where there are also excellent historic results confirmed by recent PNX surface samples.

- **Summary of Results from C6** (Refer ASX released 31 May, 13 June, and 20 July 2023)
- High-grade gossan zone extended to 55 m at surface (limited by outcrop) with multiple samples returning >50 g/t Au, and infilled with results up to 189.5 g/t Au, including new sub-crops
- Sub-parallel high-grade gold zone over a 45 m surface extent defined by >5 g/t Au samples (maximum 15.15 g/t Au) 50 m to the east of the original gossan zone
- Rock chip samples collected 50 m south of the gossan zone return 17.09 g/t Au and 7.23 g/t Au from an area with limited outcrop
- Northernmost sample collected from outcrop 860 m north of gossan zone returned 1.49 g/t Au
- Rock chip samples from a new gossan 370 m south returned 16.96 g/t Au and another sample 40 m apart to the west returned 21.80 g/t Au
- 12.46 g/t Au returned from eastern outcrop south of road along with other >1 g/t Au samples
- Widespread surface anomalism over considerable strike of approximately 2.4 km, all surface rock chip samples collected returned elevated/anomalous gold
- All samples taken of outcrop and coarse float reported anomalous gold

Significantly, no drilling has been undertaken in the immediate vicinity of these new high-grade surface samples, and the prospect remains open in all directions.

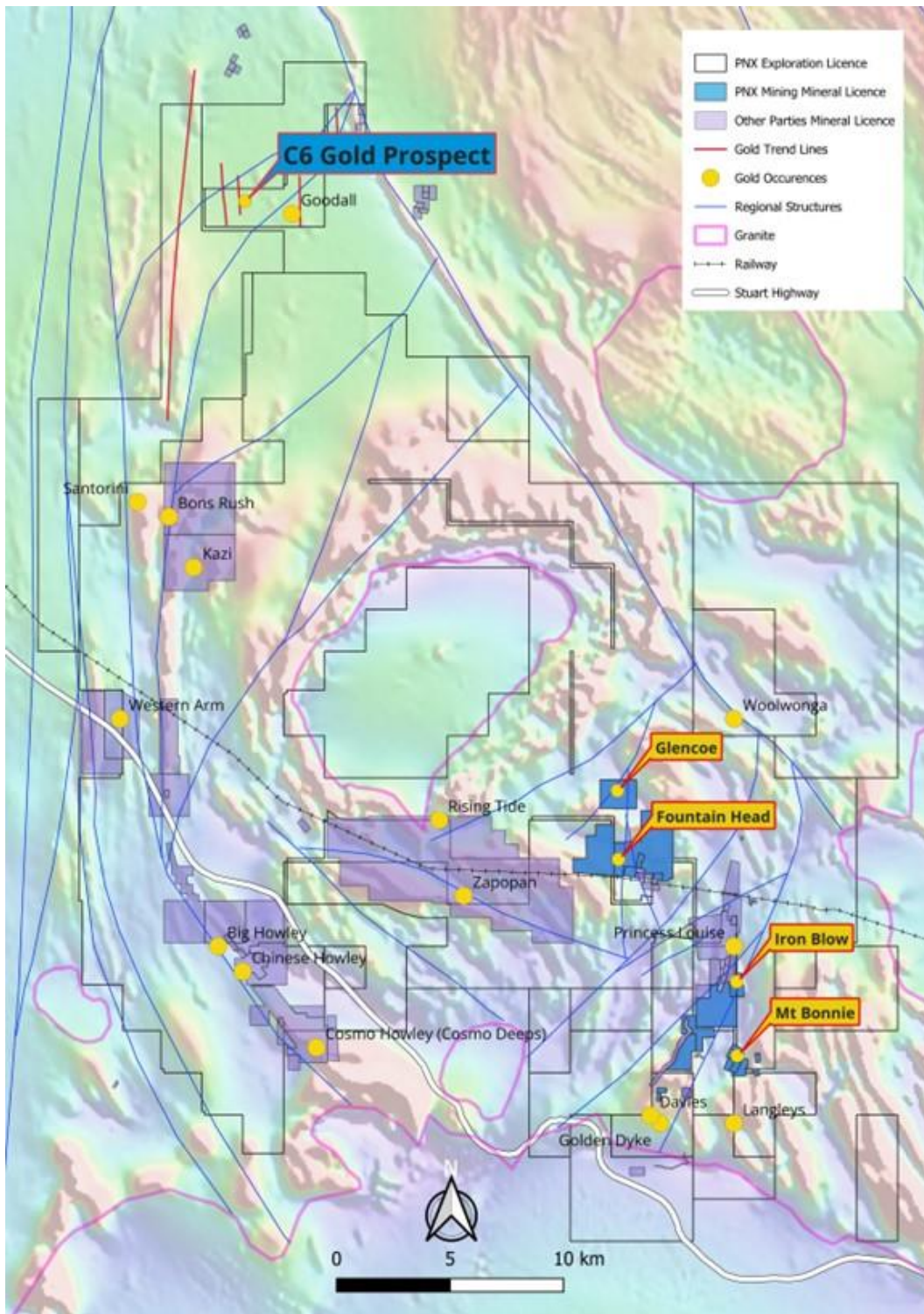


Figure 1: Location of the northern leases within PNX's Burnside exploration project in relation to PNX's existing projects

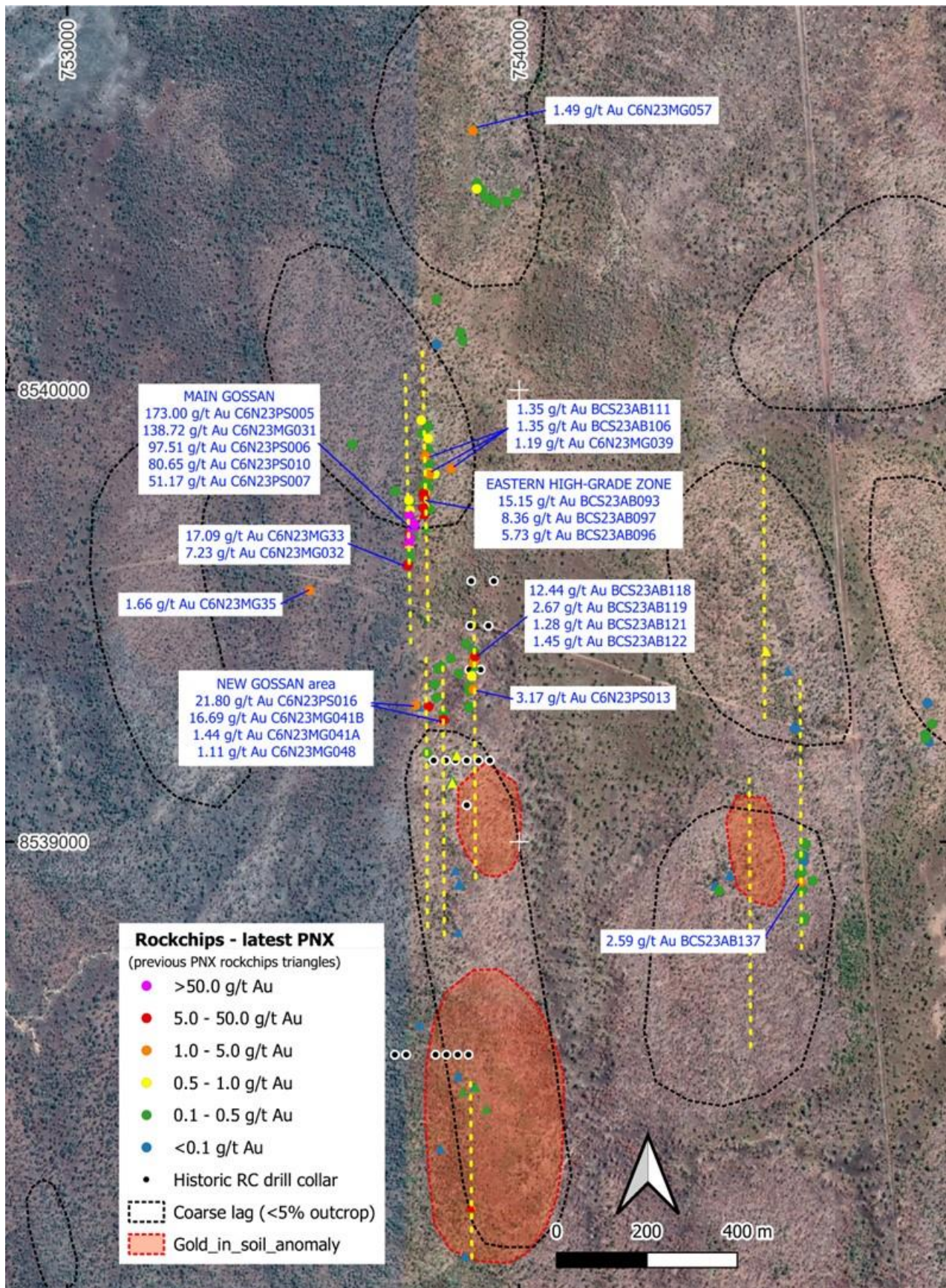


Figure 2: Selected results from most recently reported PNX rock chips (circles and text; refer ASX release 20 July 2023), over PNX previous rock chips (triangles; refer ASX release 31 May 2023), historic drilling and limited soils. Yellow dashed lines represent interpreted gold trends.



Figure 3: Trenching at the C6 gold Prospect commenced 21 July 2023, results pending

Glencoe South Aircore Drilling

During the quarter, PNX completed 64 angled aircore drill holes covering a 1 km x 500 m area immediately to the south of its Glencoe gold deposit. The aim of this drilling was to test gold targets identified through a NT Government co-funded drone-based magnetic survey (refer ASX release 17 November 2022).

A total of 1,409 m was drilled with hole depths varying between 10 and 32 m. The drill holes penetrated bedrock through soil-colluvium-alluvium cover varying between 2 and 9 m deep with an average of approximately 5 m. All drill holes intersected weathered bedrock with 31 drill holes intersecting quartz veins. Initial composite assay samples did not show any material gold grades and further sampling and interpretation is ongoing.

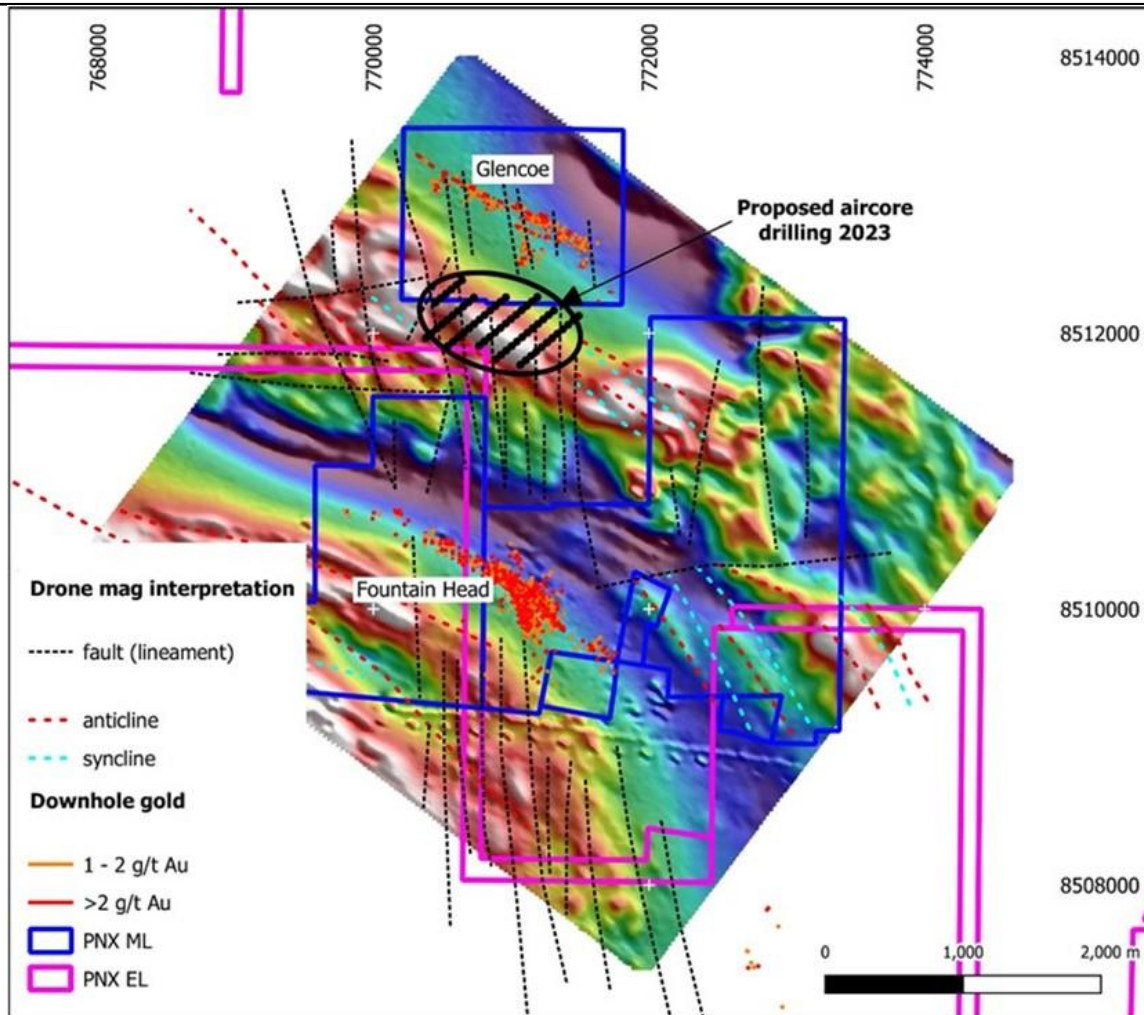


Figure 4: Aircore Drilling at Glencoe South

Hayes Creek Metallurgical Studies

Further metallurgical test work from Fountain Head and Hayes Creek parallel development synergies study commenced. This is specifically targeting improved gold recoveries via utilisation of the integrated plant design and is expected to take 10-12 weeks to complete.

Planned Activities September 2023 Quarter

- Trenching and aircore drilling at the C6 and Bartons gold Prospects to assist with RC drill targeting
- Ongoing soil surveys and mapping at C6 and surrounding northern leases area
- Mapping and sampling of targets identified in drone magnetics at Mount Bonnie-Iron Blow
- Ongoing review of existing tenure for gold, silver and zinc, plus other commodities of recent interest
- Finalise and submit Mt Porter MMP
- Continue Fountain Head and Hayes Creek Plant integration studies including optimising flowsheet and metallurgical test work

Corporate

The date for the satisfaction of the condition's precedent for the completion of the acquisition of the Mt Porter gold deposit was extended to 30 September 2023 due to ongoing delay in the assignment of a Native Title Deed, which has now been received (refer ASX release 28 September 2022).

During the quarter, the first Moline tranche of \$250,000 was settled and subsequent to the quarter end, the second Moline tranche of \$250,000 was received. There are two remaining Moline tranche payments totalling \$1 million

and replacement of the environmental bond (approximately \$300,000) which are due by the end of September 2023 (refer ASX releases 1 March 2022, and 14 April 2023).

Cash on hand at 30 June 2023 was \$2.7 million.

The Quarterly Cashflow Report (Appendix 5B) for the period ending 30 Jun 2023 provides an overview of the Company's financial activities. Exploration and evaluation expenditure for the reporting period was \$510k. Net corporate and other expenditure amounted to \$259k. The total amount paid to non-executive Directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was \$60k and includes Directors' fees and superannuation.

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

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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 ##		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 km²
EL31099	Bridge Creek		60.2 km²
EL31893	Ringwood Station		23.4 km²
EL32489	J25 Anomaly		20.0 km²
EL33217	Stray Creek		46.0 km²
Total Exploration Licences			412.1 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, with completion to occur by 28 August 2023. (Refer ASX 1 March 2022 & 14 April 2023).

On 27 September 2022, PNX agreed to acquire ML23839 (Mt Porter) from Ausgold Trading Pty Ltd. (Refer ASX 28 September 2022). Completion to occur by 30 September 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
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			1,167.25

* 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

Exploration Licence Applications			
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
EL33479	Burnside Granite		10 Blocks; 33.41 km ²
EL33480	Horners Creek		5 Blocks; 16.70 km ²
EL33502	Golden Grove Gap	PNX Metals Ltd 90%, NTMO 10%	11-part Blocks = 3.00 km ²
EL33503	Burnside Gap		19-part Blocks = 4.37 km ²
EL33536	Mt Ringwood Gap		5-part Blocks = 1.81 km ²
Total Exploration Licence Applications			695.18 km ²