

PNX Metals Ltd

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PNX Metals about to drill gold and base metal targets near Hayes Creek development project

PNX Metals Ltd (ASX:PNX) is about to begin an extensive near-mine and regional exploration program for gold and base metals in the Pine Creek Orogen of the Northern Territory.

The first part of the program will be drilling at the Fountain Head prospect, which PNX recently signed an agreement to acquire from a subsidiary of Kirkland Lake Gold Ltd (TSE:KL).

Analysis of historical data has identified the potential for significant gold mineralisation to complement and enhance the company's Hayes Creek project.

READ: PNX Metals zinc-rich results likely to extend Hayes Creek resource

The Fountain Head lodes are interpreted to represent the near-surface expression of a much larger and previously overlooked gold system.

Historical results include 26 metres at 17 g/t gold from 139 metres and 7 metres at 9.3 g/t from 144 metres.

The proposed Hayes Creek processing facilities are intended to be located on the Fountain Head minerals leases but the exploration is not expected to interfere with this use.

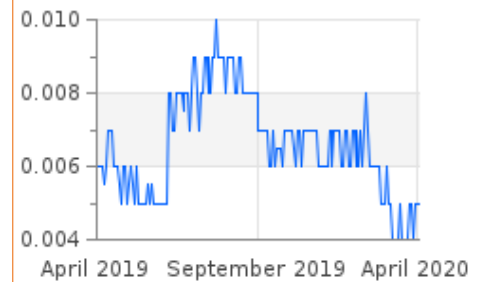
Seeking to increase mine life

PNX aims to identify additional economic mineralisation with the potential to increase mine life at the Hayes Creek Project to beyond 10 years.

Price: 0.006

Market Cap: \$14.61 m

1 Year Share Price Graph



Share Information

Code: PNX

Listing: ASX

52 week High Low
0.014 0.004

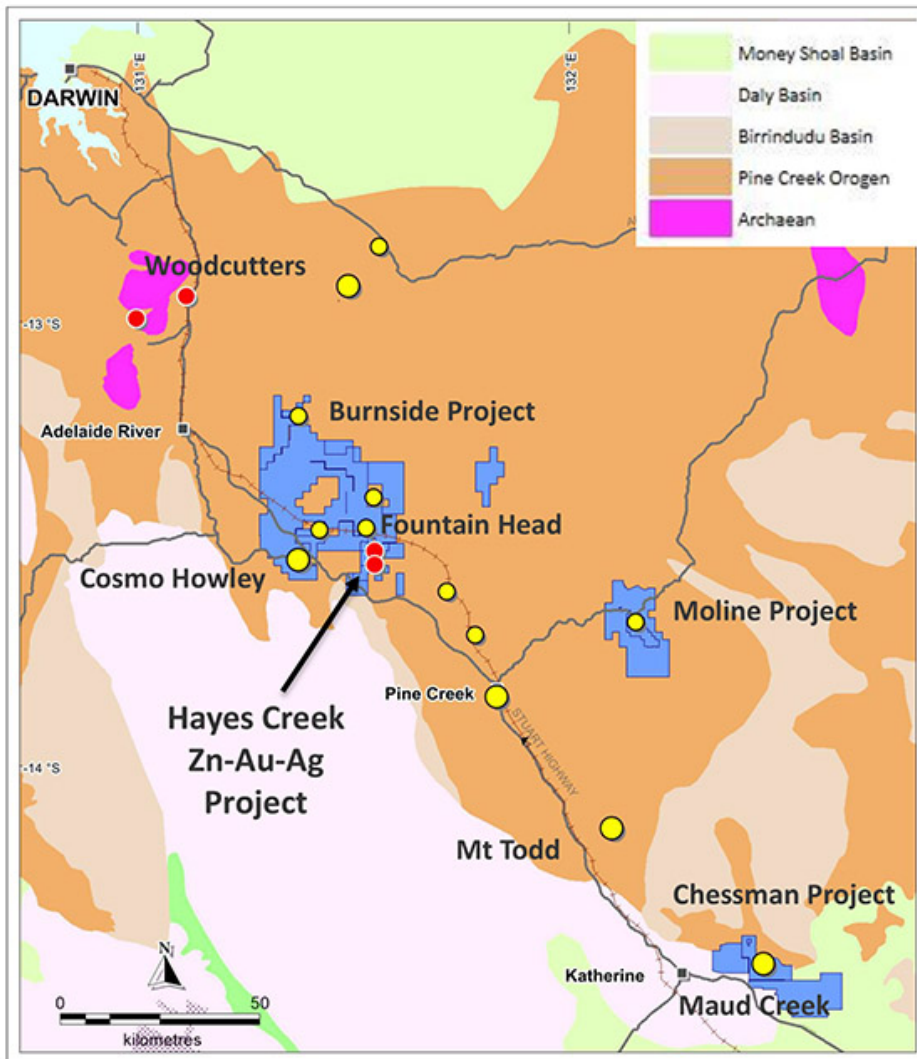
Sector: General mining & base metals

Website: www.pnxmetals.com.au

Company Synopsis:

PNX Metals Ltd (ASX:PNX) is a minerals exploration company, with a primary focus on copper and gold.

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Other high-priority targets to be further explored during the 2018 field season include Burnside and Moline.

Exploration Mine Management Plans have been submitted and are awaiting Department of Primary Industry and Resources approval, which is anticipated shortly.

Ithaca prospect next focus

The Ithaca prospect in the Burnside project area is likely to be the next focus point.

It is a large tonnage high-grade gold prospect in the western portion of the project area.

Ithaca lies along the same structural corridor as Kirkland Lake Gold's 2 million ounce Cosmo Howley Gold Mine, which is 20 kilometres away.

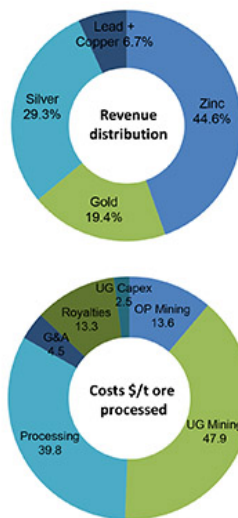
There have been numerous near-surface, historical high-grade gold intersections identified at Ithaca over a near-continuous 5-kilometre strike

extent with no follow up work since the mid-1990s.

These include 12 metres at 11.4 g/t gold from 6 metres and 5 metres at 15.02 g/t from 39 metres.

Hayes Creek: PFS Summary

Estimated Project Returns (\$A)	PFS Results
Total Net Smelter Revenue (all metals)	\$628 million
➢ Zinc net Revenue	\$271 million
➢ Silver net Revenue	\$187 million
➢ Gold net Revenue	\$117 million
➢ Lead + Copper net Revenue	\$53 million
LOM Operating Cash flow (pre-tax)	\$266 million
Annual Average Operating Cash flow (pre-tax)	\$41 million
LOM Operating Cash flow (pre-tax)	\$90 per tonne
Pre-production Capital Cost	\$58 million
Project NPV _{10%} (pre-tax)	\$133 million
Internal Rate of Return (IRR)	73%
Payback Period	<15 months



*Refer ASX 12 July 2017 for full details of PFS. Figures 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

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READ: PNX Metals now debt free, Hayes Creek DFS due in 2018

At the flagship Hayes Creek zinc and precious metals development project, PNX is advancing a definitive feasibility study towards completion, with an environmental assessment underway.

The project hosts a high-grade mining inventory of 3 million tonnes at 11.9% zinc equivalent.

PNX has a zinc, gold and silver annual production estimate of about 40,000 zinc equivalent tonnes.

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