

PNX to drill high-grade gold targets near the Hayes Creek project, NT

Outstanding potential for primary gold mineralisation below historical pits

PNX Metals Limited (**ASX: PNX**) is pleased to advise that an RC drilling program targeting areas of known high-grade gold mineralisation at its Burnside Project in the Pine Creek region of the Northern Territory is scheduled to commence in July.

The drilling at Langleys (Figure 1), located less than 5km south-west of the Company's flagship Hayes Creek Au-Ag-Zn project, is aimed at defining additional high-grade gold mineralisation to complement the already significant resources established at Hayes Creek.

Langleys sits on the Golden Dyke trend, which hosts numerous shallow open pits that were mined for high-grade oxide resources in the 1980s, including the Golden Dyke mine that produced 110,000 tonnes at 7.66g/t gold¹.

Despite its history and attractive geological characteristics, there has been little testing of the primary gold zones below the historic open-pit. Limited previous drilling at Langleys, the southern-most area mined along the Golden Dyke trend, returned highly promising results which point to the potential for continuing high-grade mineralisation under the historical open-pit (see Figure 2). The results include:

- **KD57: 4m @ 7.37 g/t Au (from 25m)**
- **KD59: 4m @ 7.33 g/t Au (from 37m)**

In addition to the strong potential for primary mineralisation under the Langleys pit, PNX believes an excellent opportunity exists to identify near-surface gold oxide mineralisation along the southern continuation of Langleys which was only mined up to the historic lease boundary. This view is supported by surface geochemistry.

The RC drilling program, which is expected to commence in July once appropriate approvals have been received, will target extensions to known gold mineralisation beneath and along strike from historical workings at Langleys and into the neighbouring Shady Camp area.

In parallel with the Langleys drilling program, PNX will also advance exploration, complimentary to the significant Hayes Creek Au-Ag-Zn project, at the Moline and Chessman projects south of Hayes Creek. Again, PNX's strategy is aimed at delineating high-grade primary gold mineralisation below dormant pits.

PNX Managing Director James Fox said: "Successful delineation of economic gold mineralisation along the Golden Dyke trend would be an outstanding strategic fit for PNX and could provide additional feed to complement the existing Project resource base at Hayes Creek. Delineation of gold oxide mineralisation would also have the potential for toll treatment."

¹ Geology and mineral resources of the Northern Territory, Ahmad and Munson, June 2013

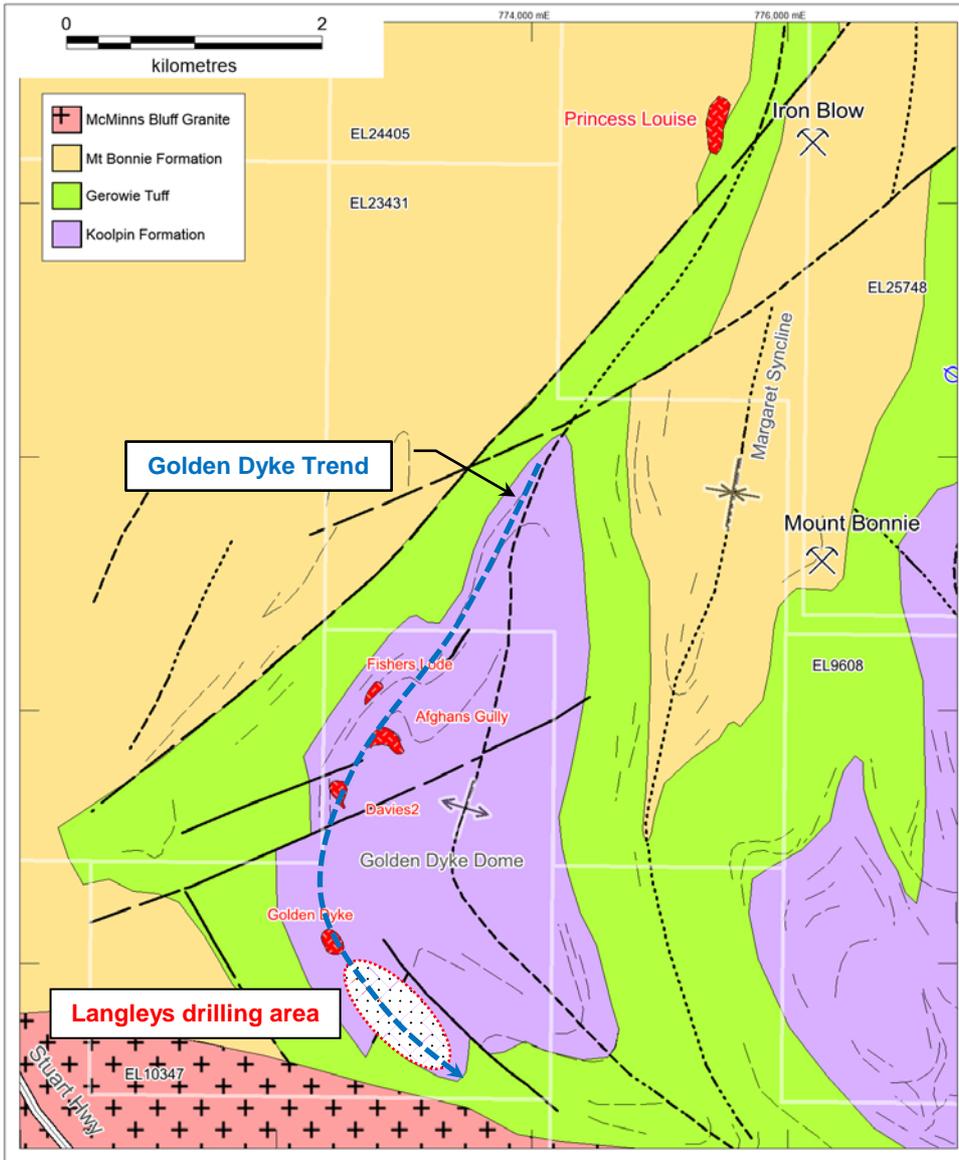


Figure 1: Langleys drilling area & Hayes Creek (Iron Blow & Mt Bonnie)

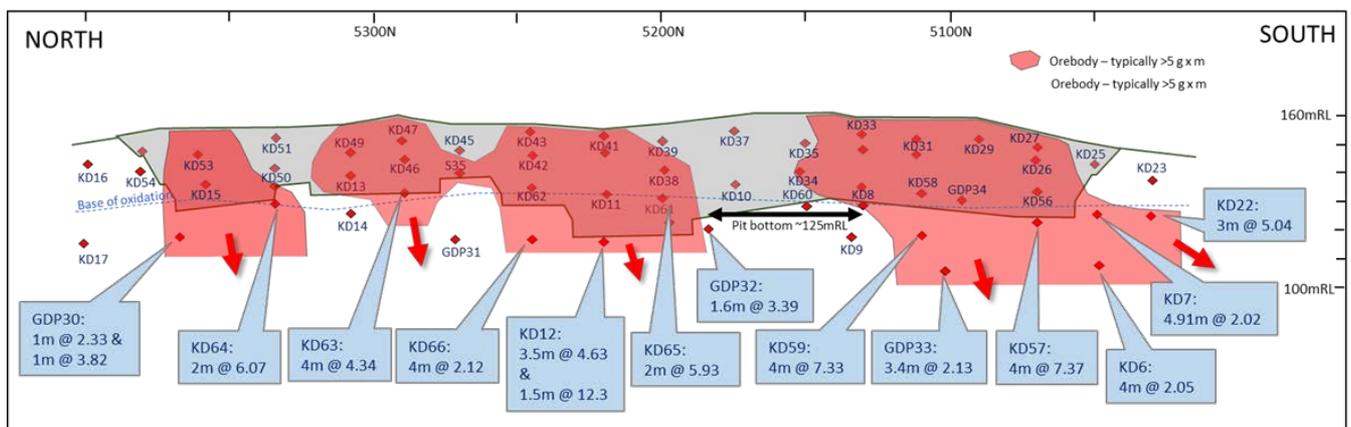


Figure 2: Long-section showing the Langleys open pit and open intersections into primary gold mineralisation

Hayes Creek Pre-Feasibility

The Hayes Creek PFS is due for completion by mid-2017. It will expand on the recently completed Scoping Study, which found that mining and processing ore derived from both open-pit and underground operations at Hayes Creek would generate strong financial returns for PNX.

The Hayes Creek Project is located in a favourable mining jurisdiction in the Pine Creek region of Northern Territory, less than two hours by road from Darwin (Figure 3). The development strategy includes the use of existing infrastructure, designed to boost economics and reduce Project risk.

Total estimated Inferred and Indicated mineral Resources² of 3.9mt @ 4.59% zinc, 2.05g/t gold, 130g/t silver, 1.05% lead and 0.3% copper are contained across two deposits, Iron Blow and Mt Bonnie, which are situated less than 3km apart on granted Mineral Leases.

Burnside, including Langleys, Moline and Chessman are part of PNX's farm-in agreement with Newmarket Gold NT Holdings Pty Ltd, a subsidiary of Newmarket Gold Inc. where PNX is earning up to 90 per cent, in two stages, of 19 Exploration Licenses and four Mineral Leases (see ASX release dated 18 August 2014 for further details of the agreement) covering approximately 1,700sqkm.

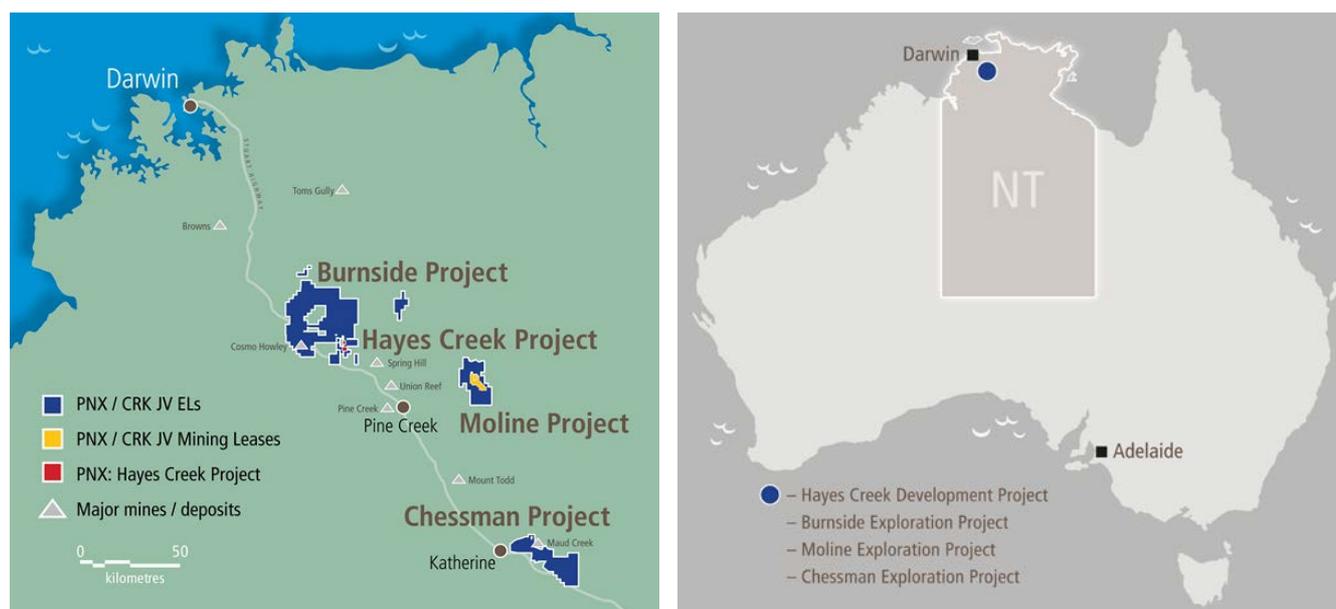


Figure 3: NT Project locations

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Bennett, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). 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 is a full time employee of PNX Metals Ltd and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

James Fox

Managing Director & CEO

Telephone: +61 (0) 8 8364 3188

² See ASX Releases 1 Feb 2016 for Mt Bonnie Resource Estimate, and 3 November 2014 for Iron Blow Resource Estimate

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> For historical drill holes mentioned in this report, no documentation of historical sampling techniques have been found, although programs were carried out by reputable companies and are expected to have been to industry standard Sampled intervals under industry standard are typically 1m for percussion and airtrack holes, and 0.5m for diamond holes
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Historical drilling has been a combination of airtrack (3" diameter), percussion (5.25 diameter) and diamond drilling (HQ) as detailed in Section 2 of this Table All holes were inclined and drilled approximately perpendicular to the strike of mineralisation
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Sample recovery from airtrack and percussion holes at Langleys was not recorded Sample recovery from diamond holes at Langleys was recorded on both Oceania and Geopeko logs, and was very good, but has not been quantitatively assessed
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical 	<ul style="list-style-type: none"> All historical drill holes have complete logs which have been obtained and viewed by PNX Logs are descriptive but include quantitative estimates of quartz%,

Criteria	JORC Code explanation	Commentary
	<p>studies.</p> <ul style="list-style-type: none"> • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<p>sulphide% and core-bedding axis (alpha angles)</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • Historical airtrack holes had cuttings collected in a cyclone over one metre intervals, and were one-quarter split • Sub-sampling of diamond core is unknown, presumed to be half cut core • Field duplicates and blanks results are not available to assess
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • Geopeko holes (GDP series): Au determined by AAS and aqua regia at Anaconda's Kalgoorlie laboratory (0.01ppm detection limit). Accompanying As was determined by hydride generation, all other elements by ICP (including Ag, Cu, Pb, Zn, Mn, Ni, Co, Cr, V, Fe, Ca, Mg, Al, Ti, Ba, Sr, Mo and U). Au results >1ppm were rechecked twice and random checks were also performed. • Oceania holes (KD series and SCD series): One metre splits were submitted to Australian Assay Laboratories in Pine Creek, where the whole sample was pulverized prior to splitting out 50g for fire assay, with concentrations determined by AAS.
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • No additional verification of historical data has been undertaken and no adjustments have been made • No holes have been twinned as yet by PNX
Location of data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Precise surveys of drillhole collar coordinates and elevations of historical holes were made by McKinnie Jamieson & Partners in local grid coordinates, however no record of the local grid datum or conversion has been found. Conversion to MGA52 have been possible to GPS accuracy by georeferencing old plans using lease

Criteria	JORC Code explanation	Commentary
		<p>peg boundaries and verified in the field with discovery of the collar for KD6</p> <ul style="list-style-type: none"> Downhole surveys were generally not performed, with the exception of holes GDP30-35 which were surveyed at approximately 30m intervals using an unknown device The short nature of all holes means that any deviation errors will be small
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> The drill spacing throughout Langleys prior to mining was 20m between sections with typically 2-3 holes at 10m spacing on-section. Drilling targeted the oxide zone and most of the drilled holes are now mined out (refer to Figure 2 in main body of report) The drill spacing at Shady Camp was broad and irregular to test a prospective geological contact between the Zamu Dolerite and ironstone units of the Koolpin Formation. Not all drilled intervals were sampled. Sampling was targeted at the ironstone interval hosting mineralisation, with typically 5-10 samples in barren rock either side of the mineralisation
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> Most drilling was oriented toward 065 MGA grid (061 magnetic) to intersect the mineralisation approximately perpendicular to its trend.
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Historical drilling reported only – no known samples remain
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> PNX have reviewed all known historical reports, but have yet to quantitatively assess the data

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Langleys and Shady Camp prospects are wholly contained within EL10347 granted to Newmarket Gold NT Holdings Pty Ltd and are subject to an earn in agreement (see PNX ASX announcement 14/8/14) whereby PNX can earn up to 90% interest through project based expenditure There is no native title claim over the area EL10347 is currently under renewal application
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Modern exploration at Langleys-Shady Camp prospects began when Geopeko undertook costeaning (4 trenches totalling 100m) and diamond drilling (6 assumed HQ holes totaling 555.5m; <i>GDP30-35</i>) between 1981-1983. In 1984, the Mt Bonnie Gold Unit Trust undertook close spaced costeaning on the main Langleys lode (12 trenches totaling 250m) Between 1986 and 1988 Oceania Exploration and Mining (owned by Zapopan) completed further costeaning (12 trenches totaling 250m), diamond drilling (12 holes totaling 536.2m; <i>KD6-17</i>) and airtrack drilling (26 holes totaling 542.7m; <i>KD22-55</i>) all at Langleys. This work defined an insitu reserve at the time of 64,000t @ 3.7 g/t (Nicholson, 1988) In 1987, Oceania also completed 12 shallow 3" airtrack holes (<i>SCD1-12</i> totaling 277m) at Shady Camp In 1988, a further 11 percussion holes (5.25") were drilled at Langley (<i>KD56-66</i> totaling 497m) Mining at Langleys in 1988 reportedly produced 50,000t @ 3.9 g/t (Ahmad etal 1993) and oxide was trucked to the nearby Mt Bonnie process plant No further field exploration is known since 1988
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Langleys and Shady Camp are stratiform gold prospects in the southern part of the Golden Dyke Dome, hosted within interbedded iron formation and mudstone of the Koolpin Formation that typically dips 65 degrees southwest but folded in places. Metadolerite sills of the Zamu Dolerite intrude the Koolpin sediments with broadly conformable contacts.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> Gold mineralisation occurs in two sulfidic (or gossanous) beds of the iron formation. The upper (main) lode is 4-6m thick and the lower lode, which is separated by 1-3m mudstone, is itself 1-3m thick. Mineralisation is accompanied by 5-20% pyrite and 0.5-5% arsenopyrite. Gold grains average 10-20 microns and are usually included within or on the boundaries of the sulfide grains. Coarse gold also occurs within rare quartz veins.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> Approximate drill hole information based on historical information is provided in table below:

Criteria	JORC Code explanation	Commentary								
		ID	Prospect	DrillType	East_MGA	North_MGA	RL	Dip	Azi_MGA	EOH
		KD06	Langleys	HQ	772790	8497633	184	-60	67	60
		KD07	Langleys	HQ	772803	8497640	185	-60	65	40.05
		KD08	Langleys	HQ	772760	8497710	193	-60	65	43.4
		KD09	Langleys	HQ	772742	8497706	190	-60	65	55
		KD10	Langleys	HQ	772728	8497744	193	-60	65	45.02
		KD11	Langleys	HQ	772680	8497772	191	-60	65	39.2
		KD12	Langleys	HQ	772666	8497766	190	-60	65	51.9
		KD13	Langleys	NQ	772618	8497843	194	-50	65	40.6
		KD14	Langleys	HQ	772608	8497838	193	-60	65	48.5
		KD15	Langleys	HQ	772585	8497884	192	-60	65	38.34
		KD16	Langleys	HQ	772562	8497918	190	-60	65	28.04
		KD17	Langleys	HQ	772548	8497911	189	-75	65	46.31
		KD22	Langleys	3" airtrack	772831	8497631	182	-75	65	25
		KD23	Langleys	3" airtrack	772834	8497632	182	-60	65	20
		KD25	Langleys	3" airtrack	772819	8497647	185	-60	65	20
		KD26	Langleys	3" airtrack	772804	8497663	188	-75	65	25
		KD27	Langleys	3" airtrack	772806	8497664	189	-60	65	20
		KD29	Langleys	3" airtrack	772793	8497680	191	-60	65	25
		KD30	Langleys	3" airtrack	772780	8497696	191	-75	65	10
		KD31	Langleys	3" airtrack	772782	8497698	191	-60	65	20
		KD33	Langleys	3" airtrack	772773	8497715	194	-60	65	25
		KD34	Langleys	3" airtrack	772757	8497731	196	-75	65	25
		KD35	Langleys	3" airtrack	772759	8497731	196	-60	65	20
		KD37	Langleys	3" airtrack	772741	8497751	195	-60	65	20
		KD38	Langleys	3" airtrack	772712	8497764	192	-75	65	24
		KD39	Langleys	3" airtrack	772715	8497766	193	-60	65	20
		KD41	Langleys	3" airtrack	772693	8497778	192	-60	65	20
		KD42	Langleys	3" airtrack	772674	8497797	193	-60	65	25
		KD43	Langleys	3" airtrack	772677	8497799	194	-60	65	20

Criteria	JORC Code explanation	Commentary																																																																																																																																																																																																																																										
		<table border="1"> <tr><td>KD45</td><td>Langleys</td><td>3" airtrack</td><td>772657</td><td>8497817</td><td>195</td><td>-60</td><td>65</td><td>22</td></tr> <tr><td>KD46</td><td>Langleys</td><td>3" airtrack</td><td>772644</td><td>8497833</td><td>195</td><td>-75</td><td>65</td><td>20</td></tr> <tr><td>KD47</td><td>Langleys</td><td>3" airtrack</td><td>772646</td><td>8497835</td><td>196</td><td>-60</td><td>65</td><td>17</td></tr> <tr><td>KD49</td><td>Langleys</td><td>3" airtrack</td><td>772631</td><td>8497848</td><td>194</td><td>-60</td><td>65</td><td>20.5</td></tr> <tr><td>KD50</td><td>Langleys</td><td>3" airtrack</td><td>772611</td><td>8497868</td><td>194</td><td>-75</td><td>65</td><td>23</td></tr> <tr><td>KD51</td><td>Langleys</td><td>3" airtrack</td><td>772615</td><td>8497870</td><td>195</td><td>-60</td><td>65</td><td>20</td></tr> <tr><td>KD53</td><td>Langleys</td><td>3" airtrack</td><td>772597</td><td>8497891</td><td>194</td><td>-60</td><td>65</td><td>17</td></tr> <tr><td>KD54</td><td>Langleys</td><td>3" airtrack</td><td>772578</td><td>8497903</td><td>192</td><td>-75</td><td>65</td><td>22</td></tr> <tr><td>KD55</td><td>Langleys</td><td>3" airtrack</td><td>772580</td><td>8497904</td><td>193</td><td>-60</td><td>65</td><td>15</td></tr> <tr><td>KD56</td><td>Langleys</td><td>5.25" percussion</td><td>772786</td><td>8497655</td><td>187</td><td>-75</td><td>65</td><td>35</td></tr> <tr><td>KD57</td><td>Langleys</td><td>5.25" percussion</td><td>772794</td><td>8497658</td><td>186</td><td>-75</td><td>65</td><td>42</td></tr> <tr><td>KD58</td><td>Langleys</td><td>5.25" percussion</td><td>772777</td><td>8497696</td><td>191</td><td>-75</td><td>65</td><td>33</td></tr> <tr><td>KD59</td><td>Langleys</td><td>5.25" percussion</td><td>772772</td><td>8497693</td><td>192</td><td>-75</td><td>65</td><td>45</td></tr> <tr><td>KD60</td><td>Langleys</td><td>5.25" percussion</td><td>772752</td><td>8497728</td><td>194</td><td>-75</td><td>65</td><td>45</td></tr> <tr><td>KD61</td><td>Langleys</td><td>5.25" percussion</td><td>772706</td><td>8497760</td><td>192</td><td>-75</td><td>65</td><td>45</td></tr> <tr><td>KD62</td><td>Langleys</td><td>5.25" percussion</td><td>772669</td><td>8497795</td><td>193</td><td>-75</td><td>65</td><td>45</td></tr> <tr><td>KD63</td><td>Langleys</td><td>5.25" percussion</td><td>772634</td><td>8497831</td><td>194</td><td>-75</td><td>65</td><td>45</td></tr> <tr><td>KD64</td><td>Langleys</td><td>5.25" percussion</td><td>772604</td><td>8497865</td><td>193</td><td>-75</td><td>65</td><td>48</td></tr> <tr><td>KD65</td><td>Langleys</td><td>5.25" percussion</td><td>772702</td><td>8497758</td><td>191</td><td>-80</td><td>65</td><td>54</td></tr> <tr><td>KD66</td><td>Langleys</td><td>5.25" percussion</td><td>772664</td><td>8497793</td><td>193</td><td>-75</td><td>65</td><td>60</td></tr> <tr><td>GDP30</td><td>Langleys</td><td>HQ</td><td>772578</td><td>8497885</td><td>195</td><td>-75</td><td>47</td><td>48.7</td></tr> <tr><td>GDP31</td><td>Langleys</td><td>HQ</td><td>772651</td><td>8497809</td><td>198</td><td>-80</td><td>47</td><td>68.15</td></tr> <tr><td>GDP32</td><td>Langleys</td><td>HQ</td><td>772728</td><td>8497744</td><td>197</td><td>-80</td><td>47</td><td>70</td></tr> <tr><td>GDP33</td><td>Langleys</td><td>HQ</td><td>772780</td><td>8497674</td><td>193</td><td>-80</td><td>47</td><td>66.1</td></tr> <tr><td>GDP34</td><td>Langleys</td><td>HQ</td><td>772784</td><td>8497675</td><td>193</td><td>-67</td><td>47</td><td>44.05</td></tr> <tr><td>GDP35</td><td>Langleys</td><td>HQ</td><td>772654</td><td>8497813</td><td>199</td><td>-75</td><td>47</td><td>45</td></tr> </table>	KD45	Langleys	3" airtrack	772657	8497817	195	-60	65	22	KD46	Langleys	3" airtrack	772644	8497833	195	-75	65	20	KD47	Langleys	3" airtrack	772646	8497835	196	-60	65	17	KD49	Langleys	3" airtrack	772631	8497848	194	-60	65	20.5	KD50	Langleys	3" airtrack	772611	8497868	194	-75	65	23	KD51	Langleys	3" airtrack	772615	8497870	195	-60	65	20	KD53	Langleys	3" airtrack	772597	8497891	194	-60	65	17	KD54	Langleys	3" airtrack	772578	8497903	192	-75	65	22	KD55	Langleys	3" airtrack	772580	8497904	193	-60	65	15	KD56	Langleys	5.25" percussion	772786	8497655	187	-75	65	35	KD57	Langleys	5.25" percussion	772794	8497658	186	-75	65	42	KD58	Langleys	5.25" percussion	772777	8497696	191	-75	65	33	KD59	Langleys	5.25" percussion	772772	8497693	192	-75	65	45	KD60	Langleys	5.25" percussion	772752	8497728	194	-75	65	45	KD61	Langleys	5.25" percussion	772706	8497760	192	-75	65	45	KD62	Langleys	5.25" percussion	772669	8497795	193	-75	65	45	KD63	Langleys	5.25" percussion	772634	8497831	194	-75	65	45	KD64	Langleys	5.25" percussion	772604	8497865	193	-75	65	48	KD65	Langleys	5.25" percussion	772702	8497758	191	-80	65	54	KD66	Langleys	5.25" percussion	772664	8497793	193	-75	65	60	GDP30	Langleys	HQ	772578	8497885	195	-75	47	48.7	GDP31	Langleys	HQ	772651	8497809	198	-80	47	68.15	GDP32	Langleys	HQ	772728	8497744	197	-80	47	70	GDP33	Langleys	HQ	772780	8497674	193	-80	47	66.1	GDP34	Langleys	HQ	772784	8497675	193	-67	47	44.05	GDP35	Langleys	HQ	772654	8497813	199	-75	47	45
KD45	Langleys	3" airtrack	772657	8497817	195	-60	65	22																																																																																																																																																																																																																																				
KD46	Langleys	3" airtrack	772644	8497833	195	-75	65	20																																																																																																																																																																																																																																				
KD47	Langleys	3" airtrack	772646	8497835	196	-60	65	17																																																																																																																																																																																																																																				
KD49	Langleys	3" airtrack	772631	8497848	194	-60	65	20.5																																																																																																																																																																																																																																				
KD50	Langleys	3" airtrack	772611	8497868	194	-75	65	23																																																																																																																																																																																																																																				
KD51	Langleys	3" airtrack	772615	8497870	195	-60	65	20																																																																																																																																																																																																																																				
KD53	Langleys	3" airtrack	772597	8497891	194	-60	65	17																																																																																																																																																																																																																																				
KD54	Langleys	3" airtrack	772578	8497903	192	-75	65	22																																																																																																																																																																																																																																				
KD55	Langleys	3" airtrack	772580	8497904	193	-60	65	15																																																																																																																																																																																																																																				
KD56	Langleys	5.25" percussion	772786	8497655	187	-75	65	35																																																																																																																																																																																																																																				
KD57	Langleys	5.25" percussion	772794	8497658	186	-75	65	42																																																																																																																																																																																																																																				
KD58	Langleys	5.25" percussion	772777	8497696	191	-75	65	33																																																																																																																																																																																																																																				
KD59	Langleys	5.25" percussion	772772	8497693	192	-75	65	45																																																																																																																																																																																																																																				
KD60	Langleys	5.25" percussion	772752	8497728	194	-75	65	45																																																																																																																																																																																																																																				
KD61	Langleys	5.25" percussion	772706	8497760	192	-75	65	45																																																																																																																																																																																																																																				
KD62	Langleys	5.25" percussion	772669	8497795	193	-75	65	45																																																																																																																																																																																																																																				
KD63	Langleys	5.25" percussion	772634	8497831	194	-75	65	45																																																																																																																																																																																																																																				
KD64	Langleys	5.25" percussion	772604	8497865	193	-75	65	48																																																																																																																																																																																																																																				
KD65	Langleys	5.25" percussion	772702	8497758	191	-80	65	54																																																																																																																																																																																																																																				
KD66	Langleys	5.25" percussion	772664	8497793	193	-75	65	60																																																																																																																																																																																																																																				
GDP30	Langleys	HQ	772578	8497885	195	-75	47	48.7																																																																																																																																																																																																																																				
GDP31	Langleys	HQ	772651	8497809	198	-80	47	68.15																																																																																																																																																																																																																																				
GDP32	Langleys	HQ	772728	8497744	197	-80	47	70																																																																																																																																																																																																																																				
GDP33	Langleys	HQ	772780	8497674	193	-80	47	66.1																																																																																																																																																																																																																																				
GDP34	Langleys	HQ	772784	8497675	193	-67	47	44.05																																																																																																																																																																																																																																				
GDP35	Langleys	HQ	772654	8497813	199	-75	47	45																																																																																																																																																																																																																																				
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Significant intersections reported in the main body of the text and figures are aggregated from downhole interval weighted assay results that occur within the main body of mineralisation and typically bounded by intersections >1 g/t, but may include intervals lower grade mineralisation that would be considered internal dilution if mined No high cuts have been applied 																																																																																																																																																																																																																																										
Relationship between mineralisation	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole 	<ul style="list-style-type: none"> The core to bedding relations ships suggest that the true width of mineralisation is estimated to be approximately 65% of the downhole width 																																																																																																																																																																																																																																										

Criteria	JORC Code explanation	Commentary
<i>widths and intercept lengths</i>	<p><i>angle is known, its nature should be reported.</i></p> <ul style="list-style-type: none"> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none">
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> Refer to Figure 2 in main body of this announcement.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> No material information has been omitted that PNX are aware of
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> All relevant information has been included
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> PNX will undertake drilling below the limit of current drilling at Langleys in order to determine the scale potential of the mineralisation PNX will undertake exploratory drilling at Shady Camp to identify extensions to the known mineralisation