

Additional high-grade gold mineralisation intersected at Fountain Head

- **Results from RC drilling at Fountain Head Project return high-grade gold intersections, including:**
 - **3m at 25.94 g/t Au from 117m in FHRC106,**
 - **4m at 5.39 g/t Au from 82m in FHRC108, and**
 - **3m at 5.25 g/t Au from 110m in FHRC117**
- **Results confirm high-grade continuity at depth and along strike adjacent to the current resource envelope**
- **Potential to grow resources through further exploration along strike**
- **Further drilling planned to commence in December**

PNX Metals Limited (**ASX: PNX**) ("**PNX**", "the **Company**") is pleased to announce assay results from a follow-up reverse circulation (RC) drill program of 1,669m at its 100% owned Fountain Head gold Project. The results are presented in Table 1.

This was the first drilling undertaken at Fountain Head since the Company released a Mineral Resource estimate for the Project of **2.58Mt at 1.7g/t Au for 138,000 oz Au** (Figure 1 and Table 2) (reported in accordance with the JORC Code, 2012, see ASX release 11 July 2019 for full details including JORC tables). Fountain Head, together with the Iron Blow and Mt Bonnie volcanogenic massive sulphide (VMS) deposits, form the Hayes Creek zinc-gold-silver Project ("**the Project**") in the Pine Creek region of the Northern Territory.

The drill program was successful, with numerous mineralised intercepts confirming good high-grade continuity at depth and along strike, directly adjacent to the current resource envelope.

Due to the success of this drill program, the Company is planning further drilling at Fountain Head to test the potential for future growth in the current resources, this is planned to commence in December.

Managing Director Comment

PNX Managing Director James Fox said: "These drill results confirm our view that significant mineralisation exists outside the current resource envelope at Fountain Head, consistent with the recently developed geological model. Numerous targets have now been identified and with further testing there is the potential to grow resources. This exploration work is being undertaken as part of the Company's efforts to determine the viability of a heap leach operation at Fountain Head that may pave the way for the development of the broader Hayes Creek Project."

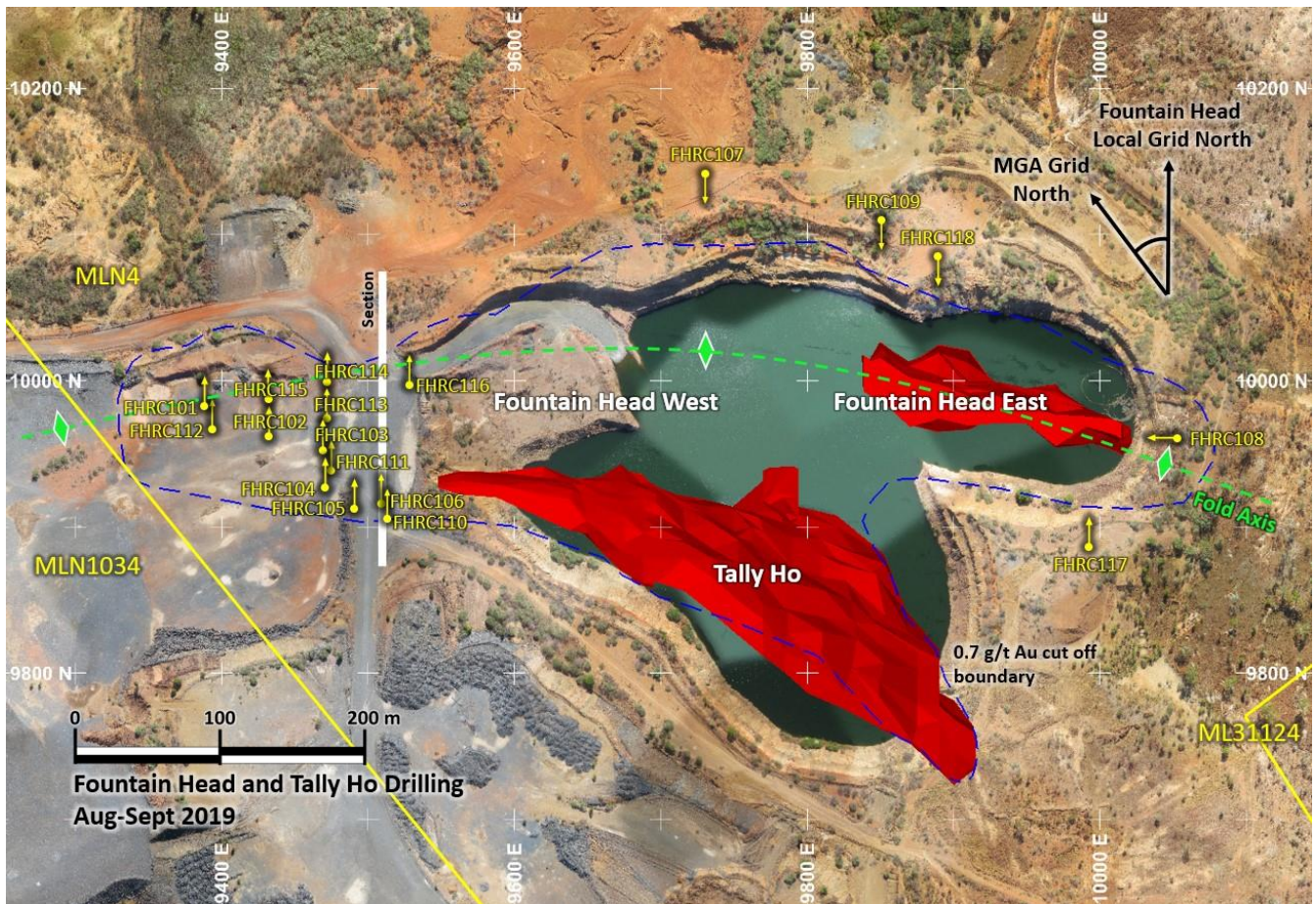


Figure 1: Plan view of the Fountain Head Mineral Resource (lodes in red and outline in blue) showing proximity to historic mining areas, mineral leases and new drill collar locations (yellow). Fountain Head anticline shown in green. Figure 2 section location shown as a white line.

Interpretation of drill results

The newly developed geological model has received further support from this drill program. Significant mineralisation appears to favour the intersection of greywacke bedding and steeply oriented structural breccia units – these mineralised ‘pipes’, plunging to the south-west at -20 to -40 degrees, are a new exploration vector and provide numerous open areas to test with the potential for higher-grade ‘trap sites’.

The deeper high-grade intercepts drilled in FHRC110 and FHRC106, confirm continuity of bedding-controlled mineralisation that is trending towards the north-west and has the potential to connect with near-surface mineralisation that currently sits outside the existing Mineral Resource envelope (Figure 2).

The Company is highly encouraged by these results and further drilling is planned to target extensions to any new mineralised zones at depth and to increase the density of drill data along the 1.6km strike to support the potential for additional Mineral Resources.

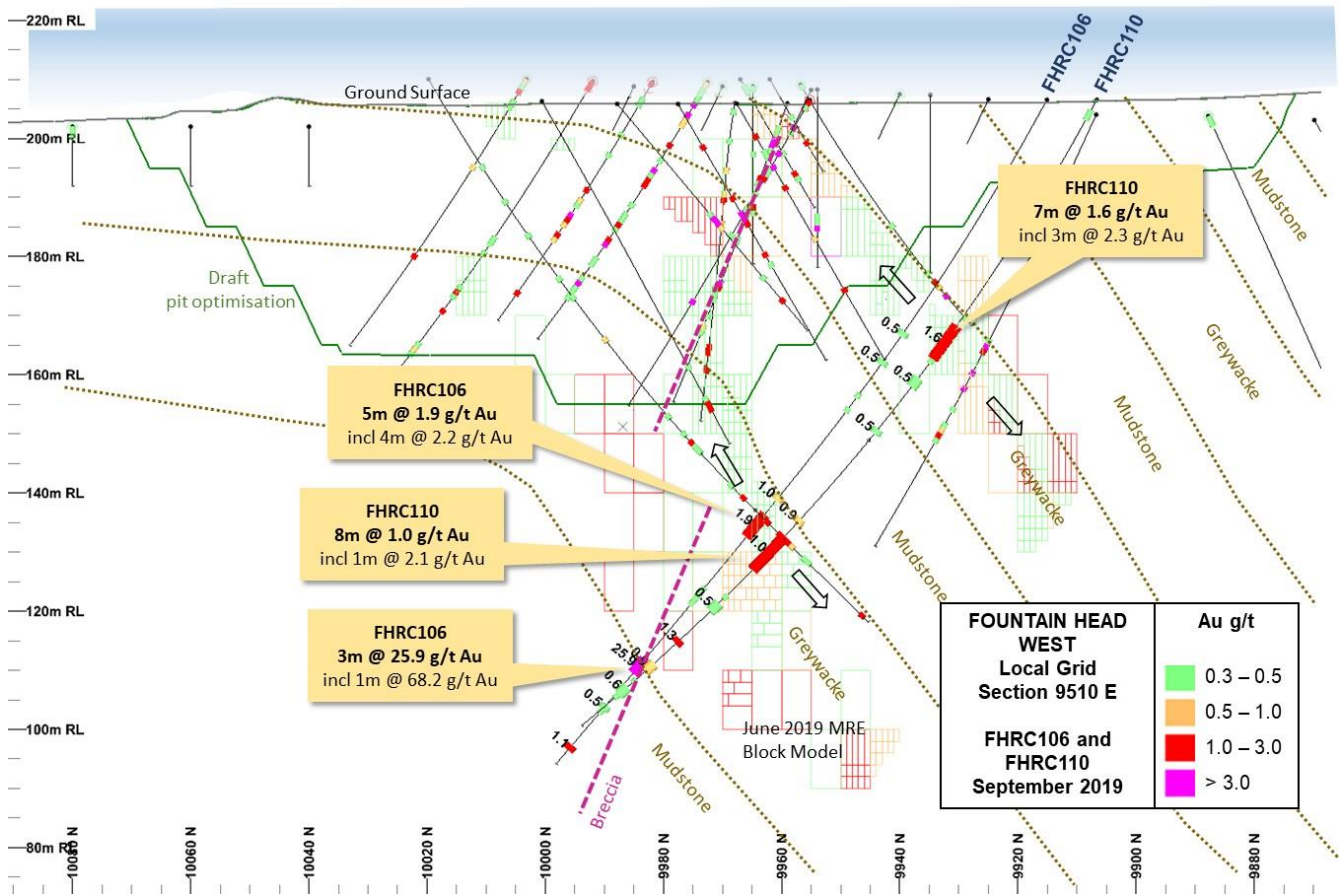


Figure 2: Fountain Head section showing resource estimate block model and the continuity of mineralisation along lithological boundaries and high-grade breccias.

About Fountain Head

The scale of the mineralised envelope within the Fountain Head Gold Project is significant as the gold bearing horizon extends 500m from the south-east of the existing historic open-pits, to the Banner prospect (ASX release 23 August 2018) - an approximate 2km strike extent (Figure 3).

Almost the entire strike extent remains open providing numerous exploration targets. In addition, small-scale historic hard-rock workings have been identified a further 400m to the west of the Banner prospect along the interpreted Fountain Head anticline. This suggests there is potential for further gold mineralisation in this area.

Initial leaching test work on Fountain Head samples has been completed (see ASX release 7 November 2019) resulting in excellent gold recoveries with low reagent consumption.

Heap leaching is currently being assessed as a low cost, scalable option for rapidly monetising, and generating early cashflow from, gold resources at Fountain Head, with column leach tests underway at various crush sizes for use in scaled-up modelling. A rapid development strategy relating to this is to be published in early 2020.

This could provide an opportunity to enhance the overall Hayes Creek economics and extend the Project mine life. The mined-out Fountain Head pit would then still be available for use as tailings storage from subsequent sulphide flotation of Mt Bonnie and Iron Blow ore.

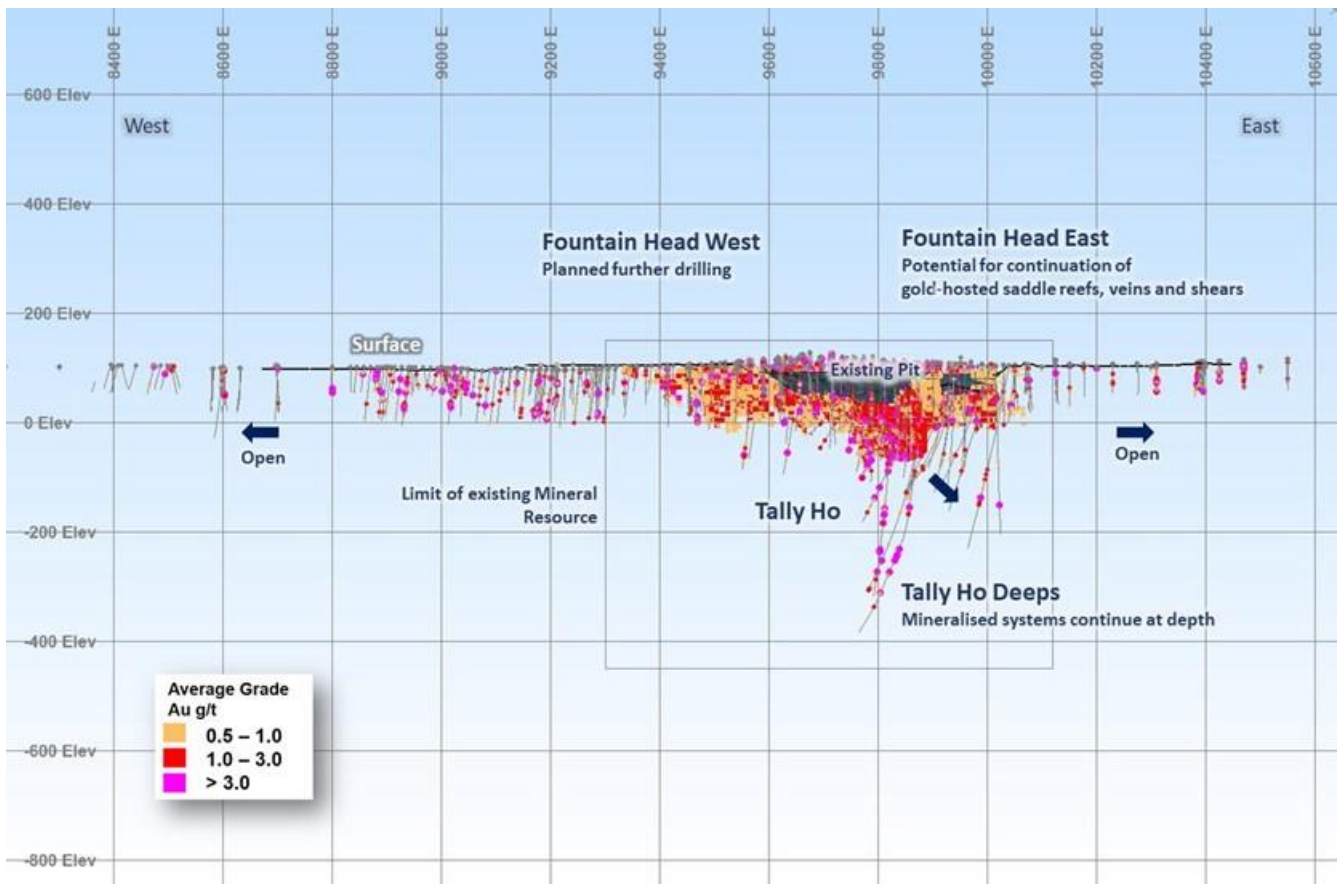


Figure 3: Fountain Head long-section showing extent of mineralisation in relation to Mineral Resource Block Model

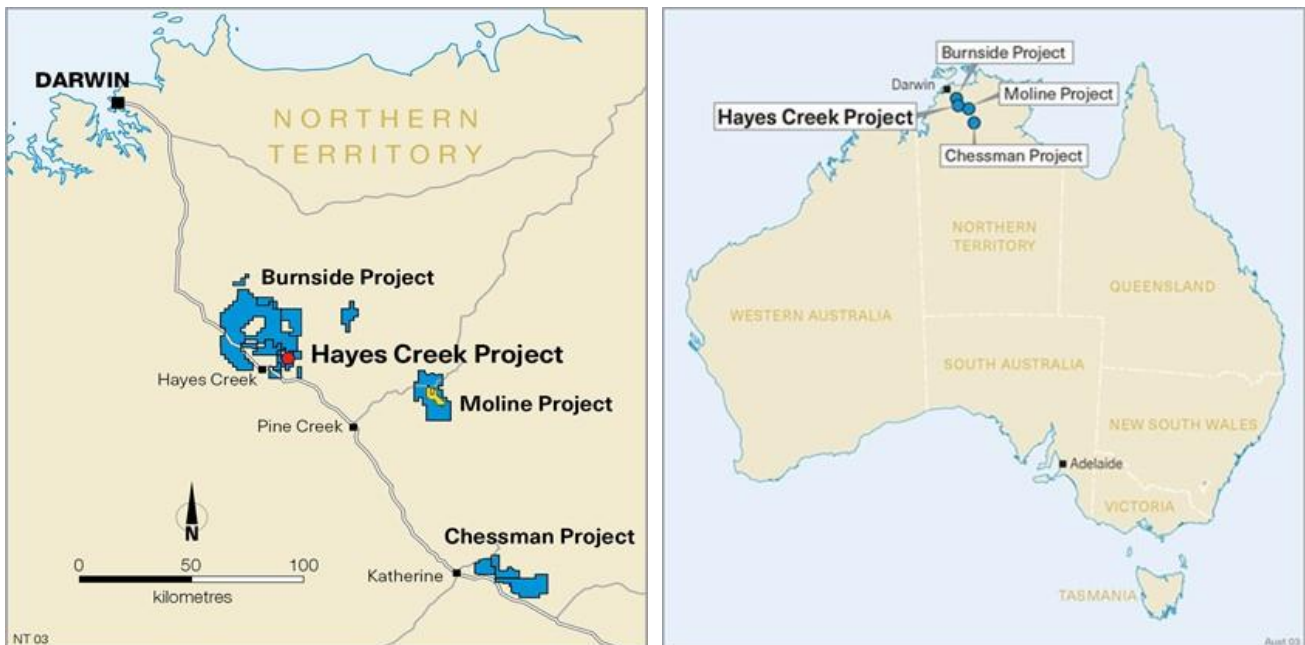


Figure 4: NT Project locations

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Bradley Ermel, a Competent Person who is a Member of the Australian Institute of geoscientists (AIG)). Mr Ermel 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 Ermel 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.

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

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Fountain Head Drill Results Table

Table 1: 2019 PNX Drill hole assay summary Fountain Head Project. Significant results reported are those assaying at least 0.5 g/t Au over a 1m interval or greater.

Hole ID	Type	Easting	Northing	RL	Dip	Azi	Total Depth		From	To	Interval	Au (g/t)	Comment
FHRC101	RC	770874	8510306	105	-60	40	45		NSI				
FHRC102	RC	770893	8510265	105	-60	40	65		NSI				
FHRC103	RC	770916	8510233	106	-60	40	87		0.00	2.00	2.00	0.47	
								and	22.00	23.00	1.00	0.60	
								and	31.00	32.00	1.00	1.41	
FHRC104	RC	770906	8510217	106	-60	40	84		25.00	27.00	2.00	3.83	
								and	48.00	49.00	1.00	1.04	
								and	67.00	68.00	1.00	0.84	
FHRC105	RC	770906	8510187	107	-60	40	134		79.00	80.00	1.00	0.94	Hole lifted by nearly 20 degrees
								and	85.00	89.00	4.00	1.75	
								and	101.00	105.00	4.00	0.48	
								and	113.00	114.00	1.00	0.57	
								and	123.00	124.00	1.00	0.81	
FHRC106	RC	770923	8510176	107	-60	40	138		46.00	47.00	1.00	0.50	Mineralised breccia, may be extension of Tally Ho. Strong bedding continuity up dip and along strike.
								and	81.00	82.00	1.00	0.99	
								and	85.00	90.00	5.00	1.91	
								and	117.00	120.00	3.00	25.94	
								and	136.00	137.00	1.00	1.07	
FHRC107	RC	771237	8510210	109	-60	220	120		NSI				
FHRC108	RC	771367	8509862	106	-60	310	132		82.00	86.00	4.00	5.39	Further definition of FH East structure
								and	90.00	91.00	1.00	1.16	
								and	95.00	102.00	7.00	1.24	
								and	104.00	106.00	2.00	2.65	
								and	111.00	114.00	3.00	0.66	
								and	117.00	119.00	2.00	0.63	
								and	124.00	125.00	1.00	1.01	
FHRC109	RC	771309	8510108	107	-60	220	114		105.00	107.00	2.00	0.60	Hole stopped short; wet samples and rods becoming bogged
FHRC110	RC	770917	8510170	107	-60	40	138		45.00	52.00	7.00	1.58	Mineralised breccia, may be extension of Tally Ho. Strong bedding continuity in mineralisation up dip and along strike
								and	56.00	58.00	2.00	0.53	
								and	67.00	68.00	1.00	0.54	

								and	87.00	88.00	1.00	0.86		
								and	91.00	99.00	8.00	1.03		
								and	107.00	109.00	2.00	0.54		
								and	116.00	117.00	1.00	1.27		
								and	122.00	124.00	2.00	0.92		
								and	128.00	130.00	2.00	0.60		
FHRC111	RC	770915	8510225	106	-60	40	90		37.00	38.00	1.00	0.54	Mineralised breccia, may be extension of Tally Ho	
								and	43.00	44.00	1.00	1.19		
								and	47.00	48.00	1.00	1.65		
								and	55.00	56.00	1.00	0.62		
								and	64.00	65.00	1.00	0.47		
FHRC112	RC	770863	8510292	105	-60	40	54	NSI						
FHRC113	RC	770931	8510248	106	-60	40	67		1.00	2.00	1.00	0.60		
								and	46.00	47.00	1.00	0.56		
								and	50.00	51.00	1.00	2.32		
FHRC114	RC	770944	8510263	106	-60	40	55		35.00	36.00	1.00	1.74		
FHRC115	RC	770907	8510281	105	-60	40	49		41.00	45.00	4.00	0.70		
FHRC116	RC	770990	8510224	106	-60	40	61		11.00	14.00	3.00	0.51		
								and	16.00	18.00	2.00	1.05		
								and	21.00	22.00	1.00	0.53		
FHRC117	RC	771272	8509842	107	-60	40	199		24.00	27.00	3.00	1.11		
								and	89.00	90.00	1.00	0.52		
								and	110.00	113.00	3.00	5.35		
								and	132.00	134.00	2.00	1.12		
								and	138.00	140.00	2.00	0.82		
								and	171.00	172.00	1.00	1.42		
								and	174.00	176.00	2.00	0.62		
FHRC118	RC	771323	8510062	104	-60	220	37		0.00	5.00	5.00	0.47	Hole stopped short due to rods bogging	

Fountain Head Resource Estimate

Independent mining consultants CSA Global Pty Ltd (“CSA Global”) have estimated the Mineral Resource in accordance with the JORC Code¹, which is summarised in Table 1.

Table 2: Fountain Head and Tally Ho Mineral Resources by JORC Classification as at 11 July 2019 estimated utilising a cut-off grade of >0.7 g/t Au which is consistent with the assumed open cut mining method (see PNX ASX release 11 July 2019).

JORC Classification	Tonnage (Mt)	Au (g/t)	Ounces (Koz)
Tally Ho			
Indicated	0.94	2.0	59
Inferred	–	–	–
Total	0.94	2.0	59
Fountain Head			
Indicated	0.50	1.5	23
Inferred	1.15	1.5	55
Total	1.64	1.5	79
Total Fountain Head + Tally Ho*			
Indicated	1.43	1.8	83
Inferred	1.15	1.5	55
Total	2.58	1.7	138

* Due to the effects of rounding, the total may not represent the sum of all components

¹ Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).