

ASX Announcement

17 July 2020

This announcement has been authorised to be lodged with the ASX by the Board of Directors of PNX Metals Limited.



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Fountain Head Gold Project update including gold assays

- Screen fire assays have been received from diamond hole FHDD181 (Tally Ho lode) where visible gold was identified between 145m and 181m
- Several intervals of elevated gold were noted including:
 - 5.75m at 1.74 g/t Au from 168.5m, including
 - 0.3m at 14.28 g/t Au from 172.25m
- Identification of this zone of mineralisation suggests a thickening and extension of the Tally Ho lode which remains open down-dip
- PNX working towards formalising the recently announced \$40m JV proposal for the development of Processing Infrastructure at the Fountain Head Project
 - Environmental Impact Statement to be submitted to NT EPA by end July '20
 - Pit dewatering Mine Management Plan to be submitted in August '20 subject to transfer of Environmental Bond

PNX Metals Limited (**ASX: PNX**) (“**PNX**”, “the **Company**”) is pleased to provide an update on the Fountain Head gold Project development (“**Project**”) located in the Pine Creek region of the Northern Territory, including the receipt of final assays from diamond drill hole FHDD181.

Diamond holes FHDD180 and FHDD181 were drilled earlier in 2020 on the margins of the proposed open pit at the Project to provide geotechnical information for mine design and to capture new geological data from the south-eastern portion of the Tally Ho lode.

FHDD181 intersected the south-eastern end of the Tally Ho lode and geological logging identified occurrences of coarse visible gold from a down hole depth of 145m to 188.14m. “Whole core” samples to include the visible gold zones (Figure 1) were assayed and a number of sample repeats were taken providing the weighted average results as reported (Table 1) (see also attached JORC Tables for further information).

Whilst in absolute terms the assays are not significant, the Company believes the occurrence of visible gold in FHDD181 is material as it suggests that the high-grade Tally Ho lode remains open along strike and at depth to the south-east (Figures 2 and 3), and that the majority of quartz veins at Tally Ho, in addition to those that have been identified as containing visible gold, have the potential to host further coarse gold mineralisation. With further test work, this knowledge may assist with mineral processing, in particular through the inclusion of a gravity circuit to recover the coarse gold prior to leaching.

The Company received expert advice and took appropriate measures to ensure sample representivity as the heterogeneous nature of the gold mineralisation at Fountain Head can lead to difficulties in obtaining accurate samples. Questions still remain as the assays from intervals where visible gold was observed are, in general, lower than expected. The pulp rejects from these intervals will be re-sampled for further analysis to confirm the assays reported in this release. The remainder of the diamond drill core outside this visible gold zone has not yet

been submitted for assay, instead having been preserved for geotechnical core logging when Northern Territory COVID-19 travel restrictions are lifted.

About Fountain Head

The Company is working towards formal documentation regarding a proposed financial commitment by private company Halifax Capital (HC), and joint venture (JV) with its subsidiary Bridge Creek Mining (BCM) to develop the Fountain Head Gold Project (see ASX release 15 July 2020). The proposal includes:

- capital investment of A\$40 million by HC (or nominee) via BCM to fund the acquisition, construction and commissioning of a fit-for-purpose gold Carbon-in-Leach processing plant and associated Project Infrastructure to be located at Fountain Head to facilitate profitable treatment of certain PNX (including FH) and BCM gold mineral resources; and
- an unincorporated JV between PNX and BCM to mine and process those mineral resources through the Project Infrastructure and to share 50/50 the gold produced with agreed direct operating costs to be paid by PNX and BCM in the same proportion.

This proposal supports PNX's strategy to rapidly monetise and generate early cashflow from the gold resources at Fountain Head and may also provide an opportunity to enhance overall Hayes Creek zinc-gold-silver Project economics and extend the project mine life with the mined-out Fountain Head pit available for use as tailings storage for subsequent sulphide flotation of ore from the Mt Bonnie and Iron Blow deposits at Hayes Creek.

Near-term development of gold resources also capitalises on a supportive current and forecast gold price environment.

Managing Director Comment PNX Managing Director James Fox said: "We continue to be excited about the potential of the Fountain Head Gold Project to deliver cashflow to the Company. Working with Bridge Creek Mining and Halifax Capital to assist with fast tracking the Project development we look forward to continuing to extend and optimise the proposed open-pit to maximise future profits. The assay results reported in this release show a thickening and extension of the Tally Ho lode down dip, and below the limit of the known mineralisation, remaining open to further potential extensions."

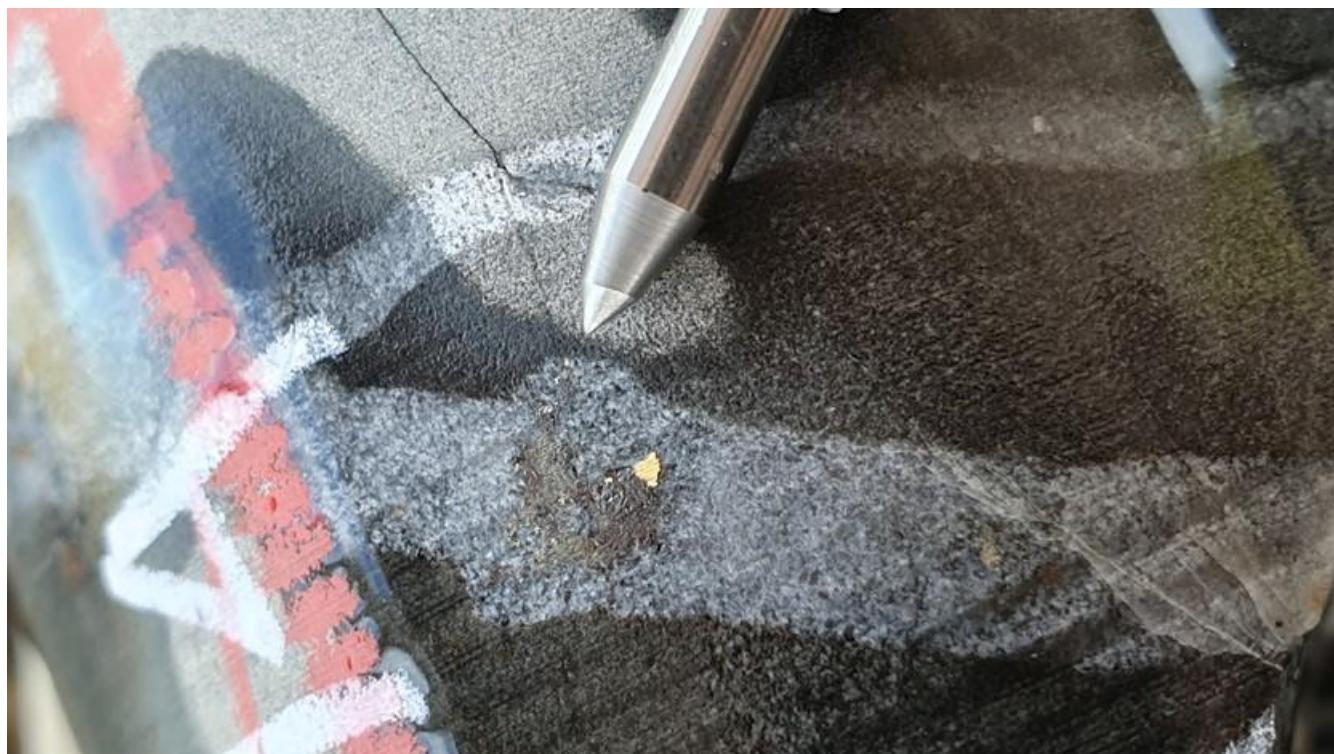


Figure 1: Visible gold identified in the Tally Ho lode at Fountain Head in FHDD181 at 174.02 grading 5.07g/t over 0.35m from 173.90m

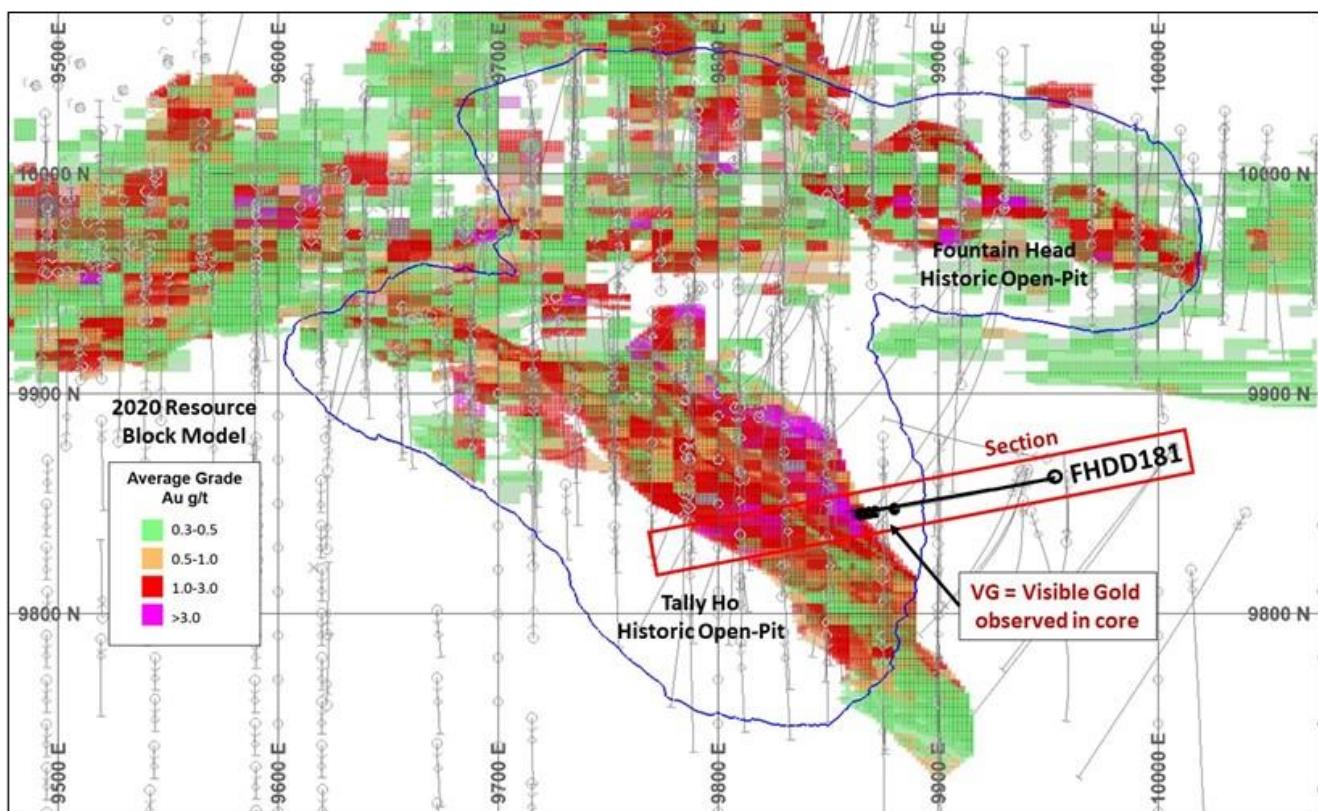


Figure 2: Plan view of FHDD181 and cross section location in respect to Tally Ho Lode overlaid on the 2020 Mineral Resource Block model. The blue outline represents the existing pit outline.

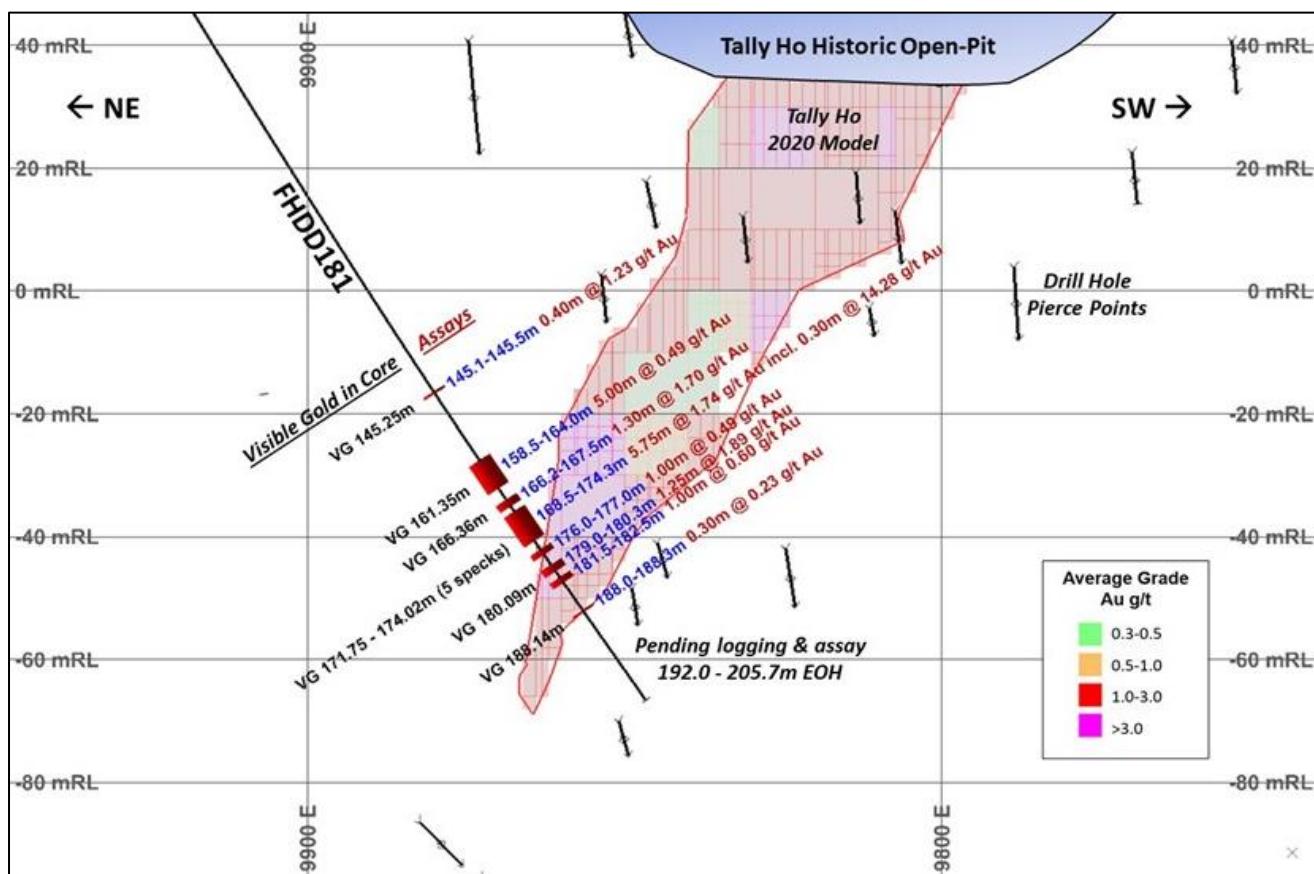


Figure 3: Cross section (looking south-east) of Tally Ho Lode and FHDD181 with logged visible gold and associated assays.

Fountain Head Resource Estimate

The Fountain Head Project hosts a Mineral Resource Estimate of **2.94Mt at 1.7g/t Au for 156,000 oz Au** (Table 1) (reported in accordance with the JORC Code¹, 2012 see ASX release 16 June 2020 for full details including JORC tables).

Table 1: Fountain Head and Tally Ho Mineral Resources by JORC Classification as at 16 June 2020, reported utilising a cut-off grade of >0.7 g/t Au which is consistent with the assumed open cut mining method.

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	0.89	1.4	41
Inferred	1.11	1.6	56
Total	2.00	1.5	96
Total Fountain Head + Tally Ho*			
Indicated	1.83	1.7	100
Inferred	1.11	1.6	56
Total	2.94	1.7	156

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

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements referenced in this release continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Charles Nesbitt, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Nesbitt 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 Nesbitt is a full-time contract Exploration Manager with 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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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).

Fountain Head Drill Results Table

Table 1: PNX Drill hole assay summary for drill hole FHDD181, Fountain Head Project. Significant results reported are those assaying at least 0.5 g/t/m Au

Hole ID	Type	Easting	Northing	RL	Azi	Dip	Total Depth		From (m)	To (m)	Interval (m)	Au (g/t)	VG Logged
FHDD 181	DD	771227	8509851	108	295	-60.00	205.70		158.50	164.00	5.50	0.49	161.35
								and	166.20	167.50	1.30	1.70	166.36
								Incl.	166.20	166.50	0.30	5.44	
								and	168.50	174.25	5.75	1.74	171.25 171.78 172.35 173.43
								Incl.	172.25	172.55	0.30	14.28	
								Incl.	173.90	174.25	0.35	5.07	
								and	176.00	177.00	1.00	0.49	
								and	179.00	180.25	1.25	1.89	180.09
								and	181.50	182.50	1.00	0.60	-
								and	186.65	186.95	0.30	1.62	186.79
FHDD 181	DD	771227	8509851	108	295	-60.00	205.70	Remainder of core from 192m awaiting geotechnical logging prior to sampling and assaying.					n/a
FHDD 180	DD	771081	8510255	107	180	-50.00	130.70	Still to be processed, awaiting geotechnical logging prior to sampling and assaying.					n/a

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"> <i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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.</i> 	<ul style="list-style-type: none"> The HQ3 diamond core was sampled by hand as whole core, with maximum sample length 0.55m and minimum length 0.3m. Sampling, where possible, will be to lithological units Magnetic susceptibility measurements were taken using KT-10 meter Field portable XRF measurements taken for 34 elements (Ca, Ti, V, Cr, Mn, Fe, Co, Ni, Cu, Zn, As, Rb, Sr, Zr, Mo, Ag, Cd, Sn, Sb, W, Hg, Pb, Bi, Th, U, Pd, S, Ba, K, Cs, Sc, Se, Te, and Au) using an Niton XL3T 500 device Mineralised intercepts have been verified using the field portable XRF instrument which gives a qualitative measure of the relevant elemental abundances Visible gold was identified and logged by the onsite geologist. It was sampled and assayed from 143m to 192m (down hole depth), the interval containing all visible gold identified and logged in the core. Remainder of the core, outside of the visible gold zone, will await NT COVID-19 border restrictions to be lifted so that geotechnical consultants can travel to site to geotechnically log the core before being processed for assay.
Drilling techniques	<ul style="list-style-type: none"> <i>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).</i> 	<ul style="list-style-type: none"> Geological logging relates to diamond drilling. Drilling was carried out by AMWD Drilling Services Pty Ltd, using an Alton HD900 drilling rig Core diameter was HQ3 (61.1mm). Core was orientated using the Boart Longyear TruCore electronic orientation tool. A Boart-Longyear Trueshot survey tool calibrated in 2019, was used at regular intervals (approximately every 30m downhole) as instructed by PNX's on-site geologist to monitor the downhole position.
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade</i> 	<ul style="list-style-type: none"> Core recovery was measured for each core run (typically 3 m), with core recoveries averaging 99% No relationship has been established between core recovery and grade, there is no reason to expect a sample bias exists. Whole core was sampled.

Criteria	JORC Code explanation	Commentary
	<p><i>and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	
Logging	<ul style="list-style-type: none"> <i>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 studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> FHDD181 diamond drill core has been geologically and geotechnically logged in its entirety by the onsite geologist. All core was cleaned and metre intervals marked up. RQD was measured for each metre. All core has been photographed both wet and dry Intervals with like geological characteristics are logged in detail, with sample boundaries corresponding to changes in geology Log fields include lithology, colour, grainsize, texture, veining, sulphide mineralisation, alteration, strength, recovery and sample moisture Logs have been aided by the use of magnetic susceptibility and portable XRF measurements on each metre sample
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>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.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> FHDD181 was sampled between 143m and 192m (down hole depth). Whole core was sampled due to the coarse nature of the gold. Maximum sample length was 0.55m and minimum sample length was 0.3m.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> Samples were submitted to Northern Australian Laboratories (NAL) in Pine Creek, Northern Territory Core is crushed to 10mm with a jaw crusher, which is cleaned between each sample. The 10mm crushed sample is then crushed with a roll crusher to a size of approx. 2-3mm, then a 1kg sample is split from the sample. The remainder is kept as coarse reject for future assay if required. 1kg, 2-3mm sample, is then passed through a Keegor Mill to a size < 100 microns. The mill was cleaned with 2 barren quartz flushes between each sample. A Keegor Mill is used as it is able to grind the

Criteria	JORC Code explanation	Commentary
		<p>coarse gold to produce a representative sample</p> <ul style="list-style-type: none"> After crushing and pulverizing to –100 microns, each sample is roll mixed on a rubber mat after pulverizing. A 50gm sub-sample of the pulverized sample is submitted for conventional fire assay for gold (FA50). Determination is by atomic absorption spectrophotometry (AAS). The remaining pulp sample is kept for future reference/assay. PNX submitted certified reference materials approx. every 16th sample and also submitted blank quartz material to check laboratory analytical and sample preparation quality at a rate of approx.1 per 7 samples. NAL have internal QAQC procedures, including certified reference materials, pulp size analysis, duplicates, blanks and repeats, results of which are reviewed by NAL prior to reporting to PNX Visual assessment of the standards, blanks, duplicates and repeats shows that a high degree of confidence can be placed in the accuracy and precision of the assay data Density determinations were taken on the diamond drill core Field portable XRF measurements were taken for 34 elements using a Niton XL3T 500 device.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> FHDD181 was designed to provide information to enable geotechnical evaluation of proposed pit wall design and to provide technical information to inform the geological model. No specific twinned holes have been carried out and the drill hole is outside the resource envelope of the June 2020 Mineral Resource Estimate although the intercepts are down dip of the known mineralisation. All significant intercepts are verified by the Exploration Manager, and Resource Geologist. All logging has been carried out using standardised logging codes to professional standards. All geological, geotechnical and sampling information has been entered into a digital database which has been validated for sample overlaps and missing data All hard copies of information are stored in a secure compound at site. Digital copies are held on site and at PNX's Adelaide office on a

Criteria	JORC Code explanation	Commentary
		backed-up server
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"> Downhole surveys have been collected at approximate 30m intervals downhole and manually adjusted where magnetic interference is encountered in pyrrhotite bearing mineralisation The drill collars were located using a Garmin GPS Map 60 hand-held GPS unit and verified using a second unit. The drill hole locations are considered accurate to within 5m and will be picked up with differential GPS prior to any new resource estimation. All coordinates are quoted using the GDA94 datum and projected to MGA zone 52 A hydrographic survey was conducted in January 2019 to obtain an accurate pit floor surface of the water-filled conjoined Fountain Head and Tally Ho open pits. Measurements were made using a remotely controlled hydrographic craft fitted with an RTK GPS and Cederucer sonar system. The remote craft recorded data over a 5 m grid plan of the pit extents. A Terra 3D aerial drone was flown over the Project area in July 2014, producing a high quality DTM surface and a composited aerial photograph using a CanonIXUS127HS camera. Some vegetation artefacts can be seen. The final DTM used is a version of the Terra 3D DTM that has been updated with the 2019 hydrographic survey DTM, and then reduced in size to be manageable within the Datamine software
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. 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. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> The diamond drill hole FHDD181 was designed for geotechnical drilling are not designed on a regular grid pattern and therefore the drill spacing is irregular. The pre-existing overall drill spacing within the mineralised zone is approximately 20 x 20m The sample spacing is sufficient to establish the grade continuity. Intervals are determined from geological contacts where possible, with a maximum sample length of 0.5m and minimum sample length of 0.3m within a particular unit. Where visible mineralisation or lithology is less than 0.3m, the mineralised unit eg quartz vein, is wholly contained within the 0.3m sample interval. Geological boundaries for units greater than 0.3m, generally coincide with a sample boundary.
Orientation of data in relation to	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation 	<ul style="list-style-type: none"> The drill holes have been designed to cross cut the main lithology to maximise structural, geotechnical and geological data Any biasing effect is yet to be determined as no samples have been taken

Criteria	JORC Code explanation	Commentary
geological structure	<i>of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Logging has been carried out by PNX and contract personnel who are always on-site during drilling. No third parties have been allowed access to the samples
Audits or reviews	<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"> No audits have been carried out at this point

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"> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> The Fountain Head Gold Project comprises four granted Mineral Leases (MLs) totaling 879.67 hectares, all 100% owned by PNX. These include MLN4, MLN1020, MLN1034 and ML31124 All mineral titles are situated within Perpetual Pastoral Lease 1111, NT Portion 695, known as Ban Ban Springs Station PNX has entered into an arrangement with the pastoral lease owners, which governs land access and other obligations for each party. No other landowner access agreements are in place Native Title has been extinguished over the Mineral Leases, and hence, Native Title issues will not affect the development and operation of these project tenements The Mineral Leases are in good standing and no known impediments exist
Exploration done by other parties	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> The Fountain Head and Tally Ho deposits have been subject to sporadic exploration over a long period of time. Drilling has taken place when the project has been owned by the following companies: PNX Metals (2018 to 2020) GBS Gold International (2006 to 2008) Northern Gold (2004 to 2006)

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> • Dominion Mining Limited (DML) (1993 to 1994) • Zapopan (1989 to 1991) • NT Gold Mining (NTGM) (1988 to 1989) • Destiny Prospecting (1987 to 1988) • Australian Coal and Gold (1982). • The mineralisation at Fountain Head and Tally Ho occurs within the lower units of the Burrell Creek Formation, the lowermost division of the Finnis River Group, open folded sequence of mainly pelitic and psammitic Lower Proterozoic sediments with interlayered tuff units. These cyclic siltstone, mudstone and greywacke packages have been metamorphosed to greenschist facies. • In the area, stratigraphy is folded along northwest-southeast axes that plunge shallowly to the southeast. The southeast-striking anticline has variable limb dips and the axis is faulted by northwest-southeast trending faults. The sequence has been intruded by pre-orogenic dolerite sills of the Zamu Dolerite and several late syn-orogenic to post-orogenic Proterozoic granitoids. • Mineralisation at Fountain Head occurs in veins as either conformable anticlinal lodes (with flanking mineralisation) or subvertical “ladder vein” styled mineralisation associated with brittle failure sub-parallel to the fold axis, and is found within mudstones, greywackes and phyllite units. Sheeted quartz vein stock-works occur mainly in the axial zone with veins predominantly dipping northeast, and some saddle reefs occur in the axial zone). • The Tally Ho deposit is located just to the south of Fountain Head deposit and sits on the western limb of the Fountain Head anticline. The Tally Ho deposit strikes sub-parallel to the Fountain Head deposit and consists of a linear zone of mineralisation striking northwest-southeast and plunging to the southeast. The quartz veins are 1–20 cm thick and host gold with a minor pyrite-arsenopyrite association. • Previous mining at Fountain Head has consisted of small-scale mining of quartz reefs and alluvials from 1886 sporadically up to 1989. In 1995, Dominion Mining Ltd carried out trial open pit mining at Fountain Head. The Tally Ho lodes were discovered in 2006 and the deposits

Criteria	JORC Code explanation	Commentary
		<p>were mined to approximately 50m below surface by GBS in 2007-2008, producing approximately 1.13Mt @ 1.65 g/t for 60,200oz</p> <ul style="list-style-type: none"> See ASX release 16 June 2020 where PNX published the results of a new mineral resource estimate.
Geology	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> Mineralisation at Fountain Head occurs as conformable and crosscutting lodes within mudstones, greywackes and phyllite units of a NW /SE striking anticline that plunges to the SE. The lithological units are believed to belong to the Burrell Creek Formation, the lowermost division of the Finness River Group. Gold mineralisation is hosted by sub vertical shear related stock-works, fracture zones in grey-wackes and saddle reefs at lithological contacts. Most of the resource is in the hinge zone of the anticline with gold grade rapidly tapering off down dip on the limbs
Drill hole Information	<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"> Refer to table and diagram in main announcement for drill summary details
Data aggregation methods	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Reported results are interval length weighted No high cut-off grades have been applied Where repeat assays have occurred, the average grade across the original and repeats is used. Reported intersections are classified as significant if they occur at a minimum of .5g/t Au, although minimum mining cutoffs may be significantly lower, or higher depending on the depth of the intersection and the proposed mining methods

Criteria	JORC Code explanation	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	<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 angle is known, its nature should be reported. • 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'). 	<ul style="list-style-type: none"> • All significant intersections are quoted as downhole widths
<i>Diagrams</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Refer to the main body of this announcement
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • All matters of importance have been included
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • All relevant information has been included
<i>Further work</i>	<ul style="list-style-type: none"> • The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> • See PNX ASX release 15 July for further information on the Project Development • FHDD180 and FHDD181 are two of six proposed diamond drill holes required for geotechnical studies to inform pit design.