

## ASX Announcement

16 July 2021

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



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# Drilling commenced at the Glencoe gold deposit

- **RC drill program of up to 2,000 metres has commenced at the Glencoe gold deposit**
- **Drilling to comprise approximately 2/3 resource infill and 1/3 extensional targets where near-surface gold anomalism highlights along-strike potential**
- **Glencoe remains open in all directions, extends from surface to 120 metres vertical depth and comprises discrete lodes over a strike length of approximately 1.5km**
- **Drilling to take approximately four weeks with assays due from mid-August**

PNX Metals Limited (**ASX: PNX**) (“**PNX**”, “the **Company**”) is pleased to advise that a reverse circulation (RC) drill program of up to 2,000 metres has commenced at the Glencoe gold deposit (“**Glencoe**”). Approximately 1/3 of the drill program is designed to test for immediate extensions where near-surface gold anomalism highlights along-strike potential, with the remainder to be drilled within the boundary of the Mineral Resource to increase geological confidence.

Glencoe is located on a granted Mineral Lease approximately 170km south of Darwin and 3km to the north of PNX’s Fountain Head Gold Project in the Pine Creek region of the Northern Territory.

This will be PNX’s first drill program at Glencoe since acquiring the project. The Company released a Mineral Resource Estimate<sup>1</sup> (MRE), based on previous drilling, of 2.1Mt @ 1.2g/t Au for 79,000oz Au (Inferred Category) reported in accordance with the JORC Code, 2012 (refer ASX release 28 April 2021). The Glencoe MRE remains open in all directions, extends from surface to 120 metres vertical depth and comprises a number of discrete lodes over a strike length of greater than 1.5km. The current drill program is expected to improve geological confidence by testing the geological model and adding QA/QC information for any future MRE updates.

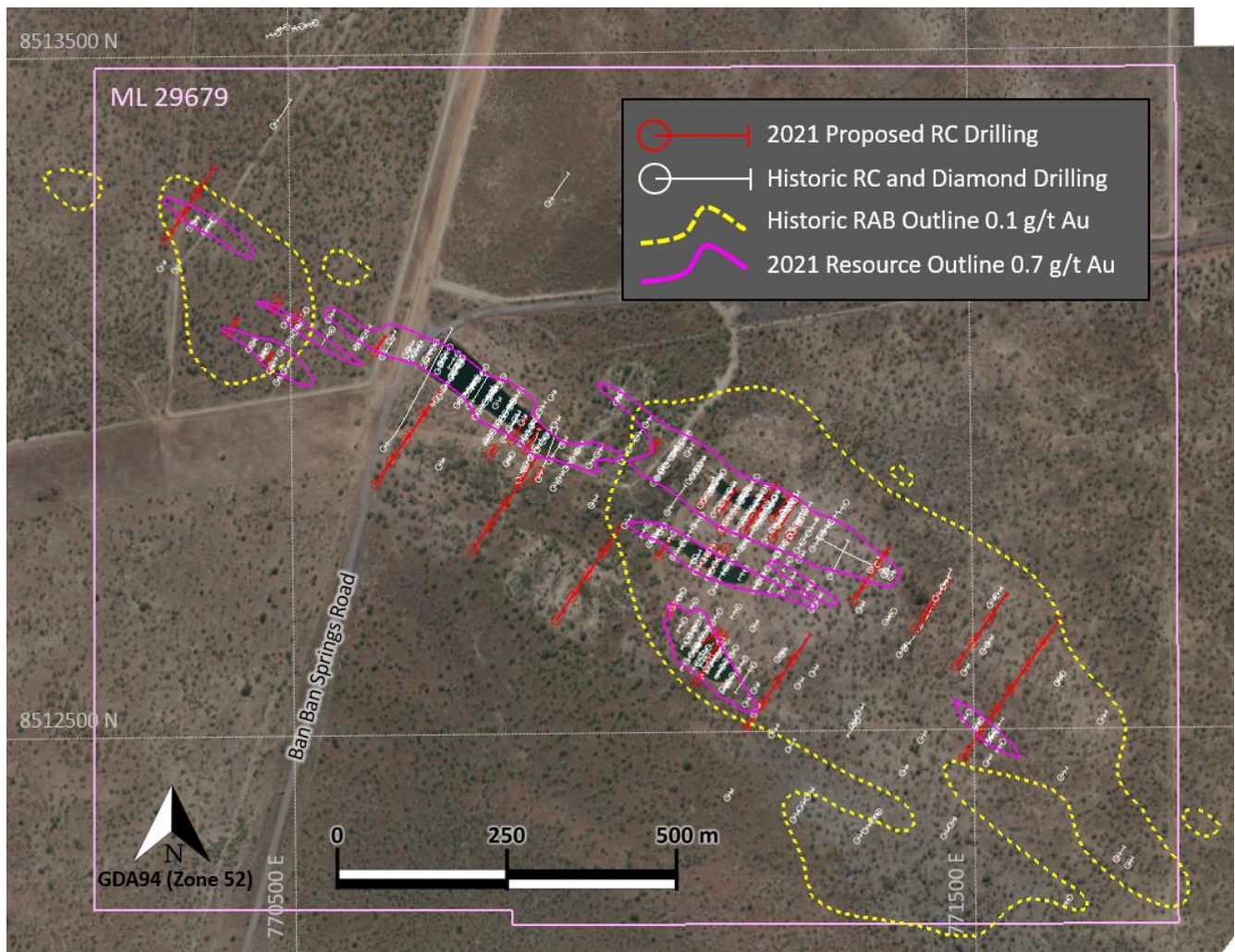
PNX Managing Director James Fox said: *“Glencoe is a key component of PNX’s NT gold development strategy. The current Glencoe Mineral Resource remains open in all directions and with further drilling success, has the potential to significantly enhance project economics at the Company’s proposed Fountain Head Gold development.”*

The Company recently finalised an assessment of the technical and economic parameters to sequentially develop the Fountain Head Gold Project (which includes Glencoe) and Hayes Creek gold-silver-zinc Project highlighting a robust, multi-commodity development with a forecast unleveraged Pre-tax NPV<sup>8%</sup> of A\$171 million and a mine life of 10 years with undiscounted revenues of A\$972 million over the mine life (net of treatment, refining and transport charges) (refer ASX release 17 June 2021).

<sup>1</sup> Refer PNX ASX release 28 April 2021 ‘New Glencoe Mineral Resource expands Fountain Head Development’ including a summary report prepared by H&S Consultants Pty Ltd and JORC Table 1

The Fountain Head Environmental Impact Statement was submitted in early June and is over halfway through its public consultation period, which finishes 8 August 2021. The Company is expecting feedback by early September.

RC drilling was recently completed at Fountain Head, where four 'near-mine' exploration targets were tested. Final assay results and subsequent geological interpretation have been delayed due to the recent Darwin COVID-19 lockdown, and are expected to be completed by the end of July.



**Figure 1:** Glencoe Mineral Resource outline, gold target areas, and drill traces (planned and historic)

### About the Glencoe Development Opportunity

Glencoe represents a 'bolt on' asset that has significantly expanded the proposed Fountain Head development. Under the Sale and Purchase Agreement (SPA) (executed 27 April 2021) with private company, Ausgold Trading Pty Ltd, PNX has acquired Glencoe for a total consideration of \$1.875 million; of which \$1.175 million has been paid to date with the balance due by 31 December 2021 (refer to Key Terms in PNX ASX announcement 10 December 2020 for further information). The Company has also received unconditional approval from the Foreign Investment Review Board for the acquisition.

## Glencoe Mineral Resource Overview

Independent mining consultants H&S Consultants Pty Ltd estimated the Mineral Resource, summarised in Table 1, in accordance with the 2012 JORC Code.

**Table 1:** Glencoe Mineral Resources by oxidation zone and JORC Classification as at 26 April 2021 estimated using a cut-off grade of 0.7 g/t Au which is consistent with the assumed open-cut mining method.

## Glencoe Mineral Resource Estimate

JORC Classification	Oxidation	Tonnage (Mt)	Au (g/t)	Ounces (Koz)
Inferred	Oxide	0.5	1.3	20
	Transitional	0.3	1.2	11
	Fresh	1.3	1.1	48
<b>Total</b>		<b>2.1</b>	<b>1.2</b>	<b>79</b>

\* Due to the effects of rounding the totals 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 announcements 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 Marco Scardigno, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Scardigno 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 Scardigno is a full-time employee and Resource Geologist 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](http://www.pnxmetals.com.au), or contact us directly:

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