

## ASX Announcement

11 August 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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# Fountain Head Gold Project – Drilling Results

- **Exploration drilling at Fountain Head highlights new areas of open mineralisation on the margins of the deposit and outside the current Mineral Resource envelope**
- **High-grade gold intersections from North-West Breccia:**
  - **3m at 8.54g/t Au from 34m in FHRC145, including;**
    - **1 m at 23.72g/t Au from 34m**
  - **2m at 3.56g/t Au from surface, 3m at 4.13g/t Au from 16m, and 3m at 1.83g/t Au from 116m in FHRC192**
- **Gold mineralisation extends over a considerable strike extent with the central zone hosting the Fountain Head Mineral Resource of 2.94 Mt at 1.7g/t Au for 156,000oz Au**
- **Project Development activities on-time and on-budget with feedback expected from Public Consultation on the EIS by the NT EPA in late August 2021**

PNX Metals Limited (**ASX: PNX**) (“**PNX**”, “the **Company**”) is pleased to advise that it has received assay results from reverse circulation (RC) drilling of ‘near-mine’ exploration targets at the Fountain Head Gold Project (“**Fountain Head**”). Fountain Head is 100% owned by PNX and located on granted Mineral Leases approximately 170km south of Darwin in the Pine Creek region of the Northern Territory.

The aim of the drilling was to identify areas of near-surface mineralisation with the potential to augment the existing mine plan, and test that there is no significant mineralisation in the vicinity of proposed waste stockpiles and other infrastructure (Figure 1). Numerous zones of potentially economic gold mineralisation were intersected (Table 3) and further work is now planned including a more detailed structural study to assist in the vectoring of more significant lode extensions or offset shoots.

Fountain Head hosts a Mineral Resource Estimate (MRE)<sup>1</sup> of 2.94Mt at 1.7g/t Au for 156,000oz Au (reported in accordance with the JORC Code, 2012).

### Managing Director’s Comments

*PNX Managing Director James Fox said: “These drill results at the Fountain Head highlight the potential for economic gold mineralisation outside of the currently defined MRE. The Company will continue to assess targeted exploration with a view to further enhance the existing mine-plan. The drill rig has now moved back to Glencoe to test for immediate extensions where near-surface gold anomalism highlights along-strike potential, and to increase geological confidence within the boundary of the existing MRE.*

*In parallel, other Project development activities are occurring with feedback expected by end of August 2021 from public consultation of the EIS, and ongoing engineering and design of the proposed gold Plant and Infrastructure.”*

<sup>1</sup> Refer ASX release 16 June 2020 ‘Increase and improved confidence in Mineral Resource at Fountain Head gold Project’ for further details including a summary report by CSA Global Pty Ltd including a summary report and JORC Table 1

Since completing the Fountain Head drilling, the rig was moved to the 100% PNX-owned Glencoe gold deposit, located 3km to the north of Fountain Head (refer ASX release 16 July 2021). Ten holes were drilled with assays pending.

Further drill testing at Glencoe has been deferred for approximately two weeks to allow for maintenance and drilling of third-party exploration targets and is expected to recommence imminently.

The Glencoe MRE (2.1Mt @ 1.2g/t Au for 79,000oz Au<sup>2</sup>) 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.

### **Fountain Head Project Development**

The Company recently finalised an assessment of the technical and economic parameters to sequentially develop the Fountain Head Gold Project and Hayes Creek gold-silver-zinc Projects (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 from undiscounted revenues of A\$972 million (net of treatment, refining and transport charges) (refer ASX release 17 June 2021 'Positive PFS supports long-term gold, silver, zinc Project development').

### **Discussion and Results**

The integration of recent mapping with existing geological data suggests that gold mineralisation at Fountain Head exists over a significant strike extent of approximately 5km along the Fountain Head Anticline fold hinge. Two main mineral lodes have been identified to date - the Fountain Head lode and the crosscutting NNW-trending Tally Ho lode, both of which remain open along strike and down dip and host the majority of the current MRE. Limited sub-surface exploration has taken place outside of the main known mineralised zones and controls around gold mineralisation are not well understood in these peripheral areas.

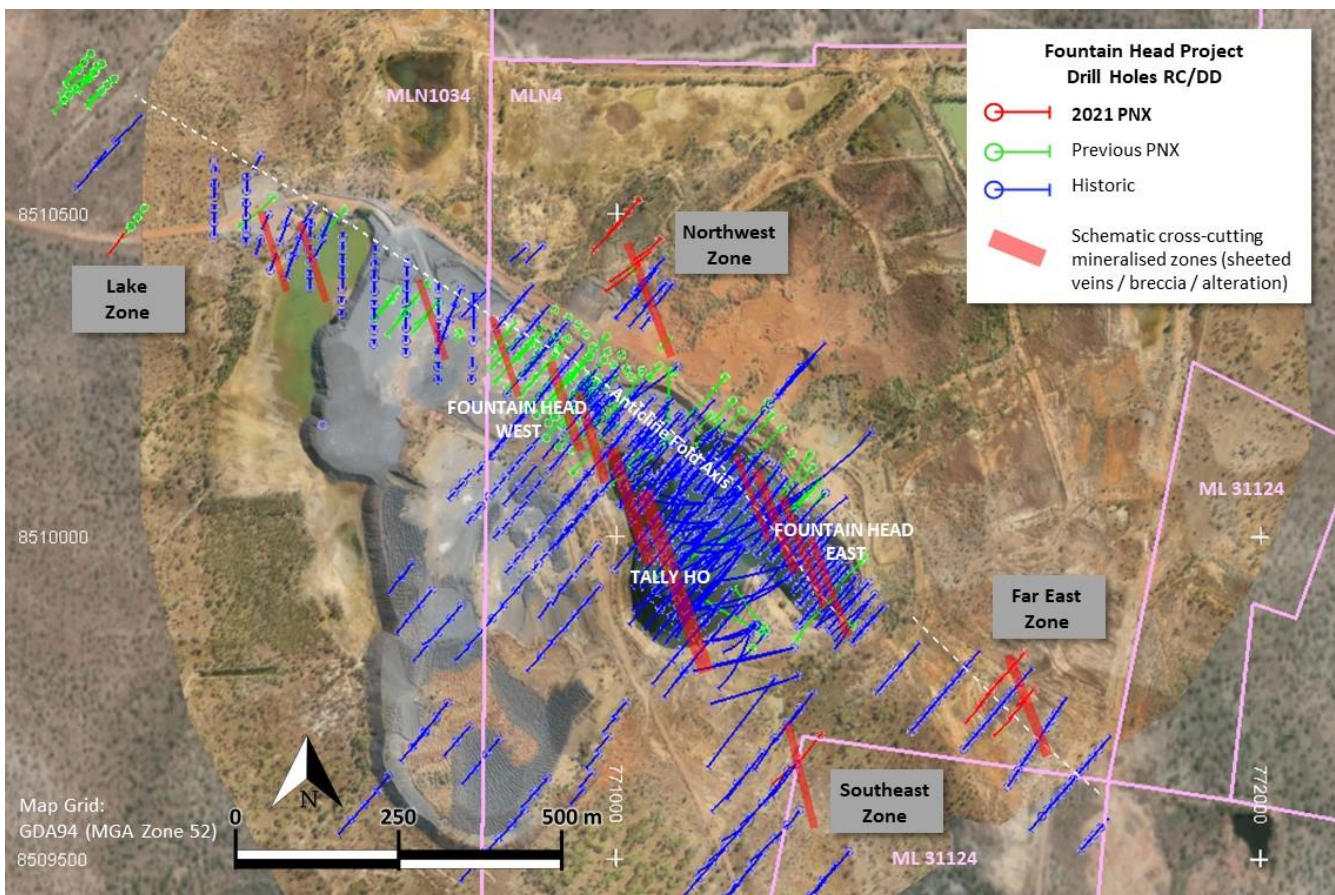
Five exploration targets were tested at Fountain Head (Figure 2):

1. 'NW Breccia' - a largely untested area on the northern limb of the Fountain Head Anticline containing favourable host greywackes and sandstones. A corridor of mineralisation has been traced for approximately 200m in a NNW direction from the Fountain Head pit, and being coincident with at least one sub-vertical breccia in historic drilling. Several narrow zones of gold mineralisation were intersected that remain open, including:
  - 3m at 8.54g/t Au from 34m in FHRC145 (drilled by PNX in 2019) including;
    - 1m at 23.72g/t from 34m in FHRC145
  - 2m at 3.56g/t Au from surface, 3 m at 4.13g/t Au from 16m, and 3m at 1.83g/t Au from 116m in FHRC192
  - 1m at 1.83g/t Au from 73m in FHRC196
2. 'South East Zone' - located approximately 250m southeast from the Fountain Head resource boundary along the interpreted offset Tally Ho trend and an area of shallow historic hard-rock mining. This is also the proposed location for the extended waste stockpile. Two holes were drilled in this area, with the best result from surface of 1m at 4.38g/t Au.
3. 'Far East Zone' - interpreted eastern offset of the Fountain Head anticline. Located approximately 250m from the eastern edge of the proposed open-pit expansion and sparsely tested by historic drilling which highlighted a zone of broadly spaced low-grade mineralisation. PNX drilled 7 holes over two sections at a different orientation to historic drilling to assist with determining the geometry of the mineralisation in this area. Mineralisation was similar to that intersected historically, and has been interpreted as being hosted by sub-vertical sheeted veins cross-cutting bedding. Significant results include:
  - 1m at 2.87g/t Au from 5m, and 1m at 1.30g/t Au from 65m in FHRC182

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<sup>2</sup> Refer 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

- 1m at 1.44g/t Au from 26m, and 2m at 1.36g/t Au from 56m in FHRC187
  - 1m at 3.98g/t Au from 24m in FHRC189
4. 'Lake Zone' - located approximately 600 metres northwest of the Fountain Head MRE on the southernmost extent of drilling along the FH anticline. A single hole (FHRC198) was drilled stratigraphically above previous PNX hole FHRC079 which intersected 1m at 5.92g/t from 42m and 4m at 3.10g/t from 48m. In FHRC079, typical host rocks, alteration, and arsenopyrite were noted as seen elsewhere in the deposit where gold mineralisation is evident. FHRC198 intersected similar host rocks and returned 1m at 0.50g/t Au from 3m.



**Figure 1:** Fountain Head Mineral Resource outline, gold target areas, and interpreted cross-cutting mineralised zones

**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:

**James Fox**

Managing Director & CEO

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### Fountain Head Resource Estimate

Independent mining consultants CSA Global Pty Ltd estimated the Mineral Resource in accordance, summarised in Table 1, in accordance with the JORC Code<sup>3</sup>

**Table 1:** Fountain Head and Tally Ho Mineral Resources by JORC Classification as at 16 June 2020 estimated 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)
<b>Tally Ho</b>			
Indicated	0.94	2.0	59
Inferred	–	–	–
<b>Total</b>	<b>0.94</b>	<b>2.0</b>	<b>59</b>
<b>Fountain Head</b>			
Indicated	0.89	1.4	41
Inferred	1.11	1.6	56
<b>Total</b>	<b>2.00</b>	<b>1.5</b>	<b>96</b>
<b>Total Fountain Head + Tally Ho*</b>			
Indicated	1.83	1.7	100
Inferred	1.11	1.6	56
<b>Total</b>	<b>2.94</b>	<b>1.7</b>	<b>156</b>

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

### Glencoe Mineral Resource Overview

Independent mining consultants H&S Consultants Pty Ltd estimated the Mineral Resource, summarised in Table 2, in accordance with the 2012 JORC Code.

**Table 2:** 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)
<b>Inferred</b>	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.

<sup>3</sup> 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 3:** PNX Drill hole assay summary 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	To	Interval	Au (g/t)	Area	
FHRC182	RC	771569	8509742	104	220	-60.00	84.00		5.00	6.00	1.00	2.87	Far East	
									65.00	66.00	1.00	1.30		
FHRC183	RC	771585	8509762	104	220	-60.00	78.00		67.00	68.00	1.00	0.55		
FHRC184	RC	771601	8509781	105	220	-60.00	78.00	NSI						
FHRC185	RC	771617	8509800	104	220	-60.00	78.00		8.00	9.00	1.00	0.59		
									58.00	59.00	1.00	0.51		
FHRC186	RC	771634	8509819	104	220	-60.00	78.00		12.00	13.00	1.00	0.75		
FHRC187	RC	771617	8509722	104	220	-60.00	90.00		20.00	21.00	1.00	0.59		
									46.00	47.00	1.00	1.44		
									56.00	58.00	2.00	1.36		
								incl	56.00	57.00	1.00	2.31		
FHRC188	RC	771635	8509744	104	220	-60.00	78.00		46.00	47.00	1.00	0.99		
									49.00	50.00	1.00	0.65		
									70.00	74.00	4.00	0.40		
FHRC189	RC	771649	8509763	104	220	-60.00	78.00		24.00	25.00	1.00	3.98		
FHRC190	RC	771318	8509693	104	220	-60.00	108.00		0.00	1.00	1.00	4.38	South Zone	
									105.00	106.00	1.00	0.57		
FHRC192	RC	771036	8510421	96	220	-60.00	138.00		0.00	2.00	2.00	3.56	NW Breccia	
								incl	0.00	1.00	1.00	6.54		
									16.00	19.00	3.00	4.13		
								incl	16.00	17.00	1.00	9.95		
									116.00	119.00	3.00	1.83		
incl	117.00	118.00	1.00	3.52										
FHRC193	RC	771052	8510440	96	220	-60.00	150.00		20.00	21.00	1.00	0.80		
FHRC194	RC	771068	8510460	96	220	-60.00	150.00		93.00	95.00	2.00	0.68		
FHRC195	RC	771034	8510521	94	220	-60.00	150.00	NSI						
FHRC196	RC	771018	8510501	95	220	-60.00	150.00		73.00	74.00	1.00	1.83		
FHRC197	RC	771002	8510482	95	220	-60.00	114.00		86.00	87.00	1.00	0.55		
FHRC145	RC	771028	8510412	97	0	-90.00	70.00		34.00	37.00	3.00	8.54		
								incl	34.00	35.00	1.00	23.72		
FHRC198	RC	770236	8510467	99	220	-60.00	78.00		3.00	4.00	1.00	0.50	Lake	

# 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"> <li>• 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.</li> <li>• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>• Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>• In cases where 'industry standard' work has been done this would be relatively simple (e.g. '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.</li> </ul>	<ul style="list-style-type: none"> <li>• Samples are derived from Reverse Circulation (RC) chips which were cone-split for sampling</li> <li>• All RC chips were geologically logged by the onsite geologist</li> <li>• Sampling was at 1 m intervals. Samples were submitted for assay in 1 m intervals</li> <li>• Sample weights were typically 1.5 to 4 kg</li> <li>• Magnetic susceptibility measurements were taken using KT-10 meter</li> <li>• Field portable XRF measurements will be collected from the lab pulps 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 950 device (not yet completed on 2021 drill holes)</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>• 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).</li> </ul>	<ul style="list-style-type: none"> <li>• All RC drilling was from surface with 5.25" bit with a face sampling hammer. Drilling was carried out by Australian Mineral and Water Drilling Pty Ltd, using a truck mounted Metzke RCD250 Drill Rig</li> <li>• A Reflex downhole survey instrument was used to take single shot positional surveys approximately every 30 m downhole</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>• Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>• Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Sample recovery was estimated by weighing every 1 m sample. Recovery of in situ regolith and fresh rock was excellent</li> <li>• No relationship has yet been established between sample recovery and grade. All RC samples were dry</li> </ul>

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>• All RC chips have been geologically logged by the onsite geologist at 1 m intervals and chip trays have been retained and photographed</li> <li>• Log fields include lithology, colour, grainsize, texture, veining, sulphide mineralisation, alteration, strength, recovery and sample moisture</li> <li>• Logs have been aided by the use of magnetic susceptibility. Portable XRF measurements will be performed on the pulps returned from the lab</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• 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.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>• All samples were cone split. The splitter was blown with compressed air and cleaned at the end of each rod (6 m) to reduce sample contamination</li> <li>• Duplicate field samples were taken each 25<sup>th</sup> sample by using a hand-splitter identical to the cone splitter to check representivity of sample</li> <li>• Individual samples are placed in individual sample bags and clearly identified prior to submission to the laboratory for assay</li> <li>• The sample sizes are typical for the RC drilling method but caution is warranted given reports of coarse gold during historical mining operations</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• 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.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Original RC samples were submitted to Northern Australia Laboratory (NAL) in Pine Creek, Northern Territory for assay.</li> <li>• After crushing and pulverizing to – 75 microns, each sample is homogenized within the bowl, and a 200 g sub-sample of the pulverized sample is submitted for conventional fire assay for gold (FA50)</li> <li>• PNX submitted certified reference materials and duplicates samples every 25<sup>th</sup> sample and also submitted blank quartz material to check laboratory analytical and sample preparation quality at a rate of 3 blanks per 100</li> <li>• NAL have internal QAQC procedures, including certified reference materials, duplicates and blanks, results of which are reviewed by NAL prior to reporting to PNX</li> <li>• Assessment of the standards, blanks and duplicates shows that a high degree of confidence can be placed in the accuracy and precision of the assay data</li> </ul>

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>• No specific twinned holes have been carried out as yet</li> <li>• No external laboratory assays have been carried out</li> <li>• 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</li> <li>• 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 backed-up server</li> <li>• No adjustments to assays have been made. Where gold assay data has been repeated by the lab, the average value has been reported in the significant intersection calculations</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>• Downhole surveys have been collected using a single-shot Reflex tool at approximate 30 m downhole intervals. No manual adjustments were required to allow for magnetic interference.</li> <li>• Drill collars have not yet been surveyed using a differential global positioning system (DGPS) (PNX standard procedure), to a nominal +/- 20 cm accuracy in the XY direction. Downhole surveys were completed using a Reflex SS single shot camera</li> <li>• Drill collar coordinates are recorded in GDA94 (MGA Zone 52), then transformed to Fountain Head Local Grid via Datamine Discover software, with +1000 m added to the RL value</li> <li>• 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</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• 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.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>• The data reported here are widely spaced and are not used to calculate a Mineral Resource</li> <li>• No sampling compositing has been used</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• The drilling has been undertaken on sections interpreted to be orthogonal to the strike of the mineralisation. Given the folded nature of the stratigraphy at Fountain Head, and often conformable mineralisation, an effort has been made to drill orthogonal to the stratigraphy</li> <li>• The relationship between the drilling orientation and the orientation of</li> </ul>



Criteria	JORC Code explanation	Commentary
		key mineralised structures is not considered to have introduced a sampling bias
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Logging, and sampling has been carried out by PNX personnel who are always on-site during drilling, and samples are submitted to the laboratory by the same people</li> <li>No third parties have been allowed access to the samples</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No audits or reviews have been carried out at this point</li> </ul>

## 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"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Project comprises four granted Mineral Leases (MLs) totalling 879.67 hectares, all 100% owned by PNX. These include MLN4, MLN1020, MLN1034 and ML31124</li> <li>All mineral titles are situated within Perpetual Pastoral Lease 1111, NT Portion 695, known as Ban Ban Springs Station</li> <li>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</li> <li>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</li> <li>The Mineral Leases are in good standing and no known impediments exist</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>PNX Metals (2018)</li> <li>GBS Gold International (2006 to 2008)</li> <li>Northern Gold (2004 to 2006)</li> <li>Dominion Mining Limited (DML) (1993 to 1994)</li> <li>Zapopan (1989 to 1991)</li> <li>NT Gold Mining (NTGM) (1988 to 1989)</li> <li>Destiny Prospecting (1987 to 1988)</li> </ul> </li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>○ Australian Coal and Gold (1982)</li> <li>• The mineralisation at Fountain Head and Tally Ho occurs within the upper units of the Mount Bonnie Formation, the uppermost division of the South Alligator 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</li> <li>• 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 granitoid</li> <li>• 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</li> <li>• 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</li> <li>• 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 were mined to approximately 50_m below surface by GBS in 2007-2008, producing approximately 1.13Mt @ 1.65 g/t for 60,200_oz</li> <li>• See ASX release 11 July 2019 where PNX published the results of a new mineral resource estimate</li> </ul>
Geology	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 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 Mount Bonnie Formation, within the South Alligator Group. Gold mineralisation is hosted by sub vertical shear</li> </ul>

Criteria	JORC Code explanation	Commentary
		related stock-works, fracture zones in grey-wackes and saddle reefs along 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"> <li>• 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: <ul style="list-style-type: none"> <li>○ easting and northing of the drill hole collar</li> <li>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> </ul> </li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Refer to table and diagram in main announcement for drill summary details</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>• Reported results are interval length weighted</li> <li>• No high cut-off grades have been applied</li> <li>• Reported intersections are classified as significant if they occur at a minimum of 0.5 g/t Au, although mining cut-offs may be significantly lower or higher, depending on the depth of the intersection</li> <li>• Each sample assay used for reporting is averaged across any repeat assay grades for that sample</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• 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').</li> </ul>	<ul style="list-style-type: none"> <li>• All significant intersections are quote as downhole widths</li> <li>• Due to the folded nature of some mineralised zones, and unknown geometry of extensions to mineralisation, there is no clear relationship yet between intersected width and true width</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Refer to the main body of this announcement</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades</li> </ul>	<ul style="list-style-type: none"> <li>• All matters of importance have been included</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>All relevant information has been included</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li><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></li> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>Further drill work will be focused on testing for dip extensions and strike extensions and to confirm grade and geological continuity implied by the current block model</li> <li>Refer to the main body of this announcement</li> </ul>