

ASX Announcement

23 September 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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High-Grade surface rock chips highlight potential for significant extensions to the Glencoe gold deposit

- **New surface rock chip sampling up to 400m east of the existing Glencoe gold deposit has returned high-grade gold, including:**
 - **6.02g/t Au in TGU5467,**
 - **4.04g/t Au in TGU5459, and**
 - **3.05g/t Au in TGU5486,**
- **Geological mapping and face sampling within the historic Glencoe open pits has strengthened PNX's geological understanding and also returned high-grade gold, including:**
 - **11.06g/t Au in TGU5493 at the furthest extent of the west pit, and**
 - **9.52g/t Au in TGU5497 from the south wall of the west pit**
- **Gold mineralisation is associated with quartz-sulphide veins within altered mafic rocks which are interpreted to occur within an inferred shear zone that extends more than 1km east of the historic open pits**
- **Surface mineralisation remains open along strike to the east and is untested by drilling with further rock chip sampling currently underway**
- **Additional drilling planned for next month to test these eastern extensions and to further increase confidence in the Mineral Resource Estimate**

PNX Metals Limited (**ASX: PNX**) ("**PNX**", "the **Company**") is pleased to advise that it has received assay results from rock chip samples taken during geological mapping of the Glencoe gold deposit ("**Glencoe**") and the surrounding area. Glencoe is located on a granted Mineral Lease approximately 170 km south of Darwin and 3km north of PNX's Fountain Head Gold Project in the Pine Creek region of the Northern Territory.

A total of 54 rock chip samples (Table 2) were collected from a broad area extending up to 400m east of the existing Glencoe deposit and 200m east of the RC drilling program recently completed by PNX (see ASX release 14 September 2021).

Numerous high-grade gold values in excess of 1.0g/t were returned from the newly defined 'Eastern Zone' (Figure 1), including 6.02g/t Au (TGU5467), 4.04g/t Au (TGU5459) and 3.05g/t Au (TGU5486). These samples were collected from outcropping quartz-sulphide veined and altered mafic rocks that are largely obscured by a veneer of transported soil cover.

The 'Eastern Zone' extensional area, supported by recently reprocessed magnetic data, is interpreted to lie within a regional-scale shear zone which can be traced for over 1km to the southeast of the Glencoe gold deposit (Figure 2). Significantly, this structure remains largely unexplored beyond limited shallow (average depth ~4 metres) wide-

spaced (400m x 200m) historic RAB drilling. The presence of transported soil cover would have also rendered surface soil sampling ineffective.

The newly identified surface mineralisation and underlying shear zone represent a potentially significant extension to the Glencoe deposit. At the time of writing, further mapping and rock chip sampling along its strike are ongoing.

Geological mapping and face sampling within the historic Glencoe open pits has also been completed and has strengthened PNX's understanding of the deposit's geological setting, with several high-grade rock chip results, including 11.06g/t Au (TGU5493) from the furthest extent of the west pit wall, and 9.52g/t Au (TGU5497).

A further 2,000m of RC drilling is planned to commence next month to test the eastern extensions and to upgrade a portion of the existing Glencoe Mineral Resource Estimate (MRE) to the Indicated category.

The Glencoe MRE (Table 1) extends from surface to 120m vertical depth, comprises a number of discrete lodges over a strike length of greater than 1.5km, and remains open in all directions.

Managing Director Comment

PNX Managing Director James Fox said: *“These new high-grade rock chip results support our view that the Glencoe gold deposit extends well beyond the limits of historic drilling. The focus of our ongoing work at Glencoe will be to test the significance of the eastern extension as well as upgrading a portion of the existing MRE to the Indicated category. We look forward to updating the market as further results become available”*

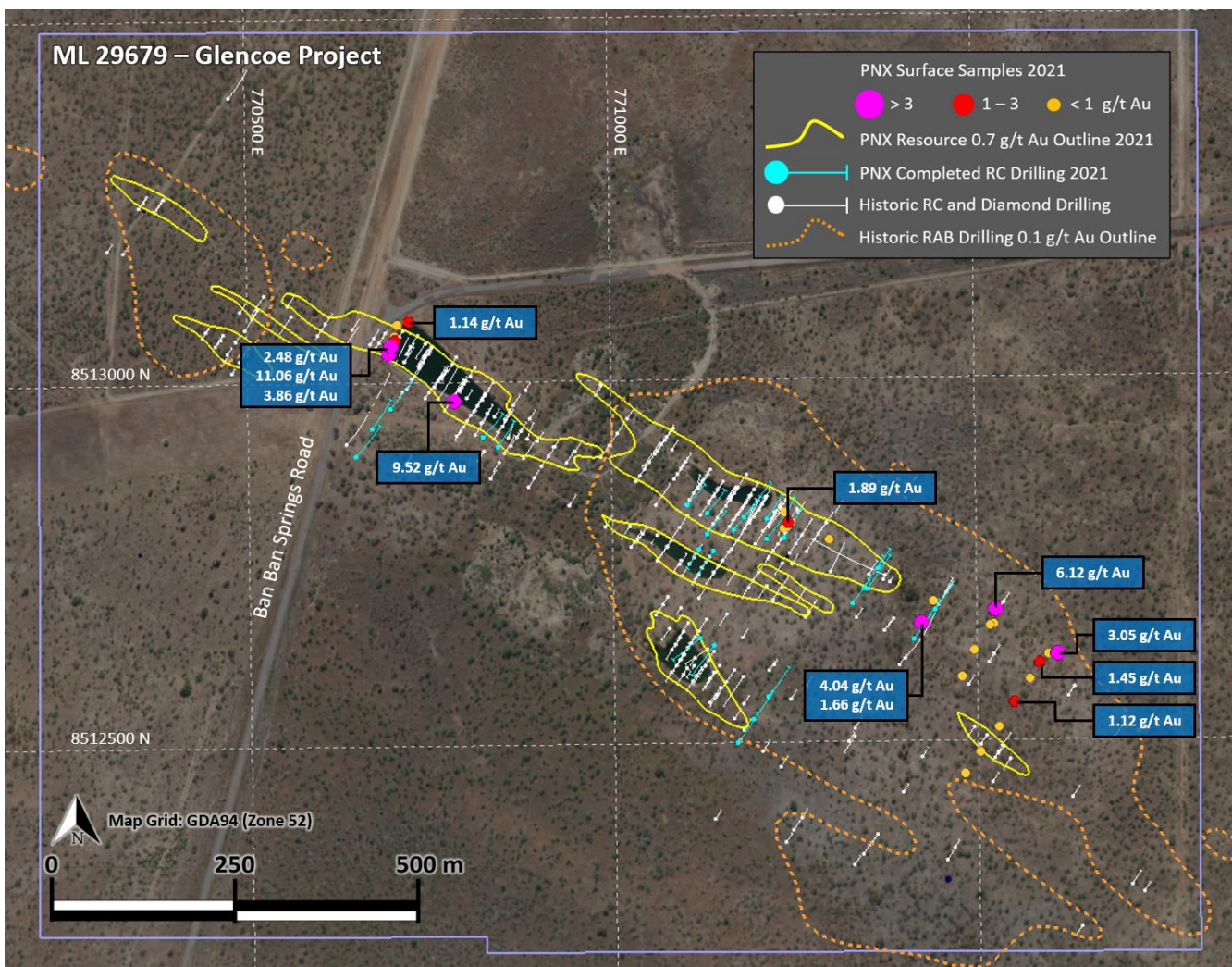


Figure 1: Glencoe Mineral Resource outline (yellow), gold target areas (orange), drill traces (white) with locations of surface rock chip samples, and new assays shown

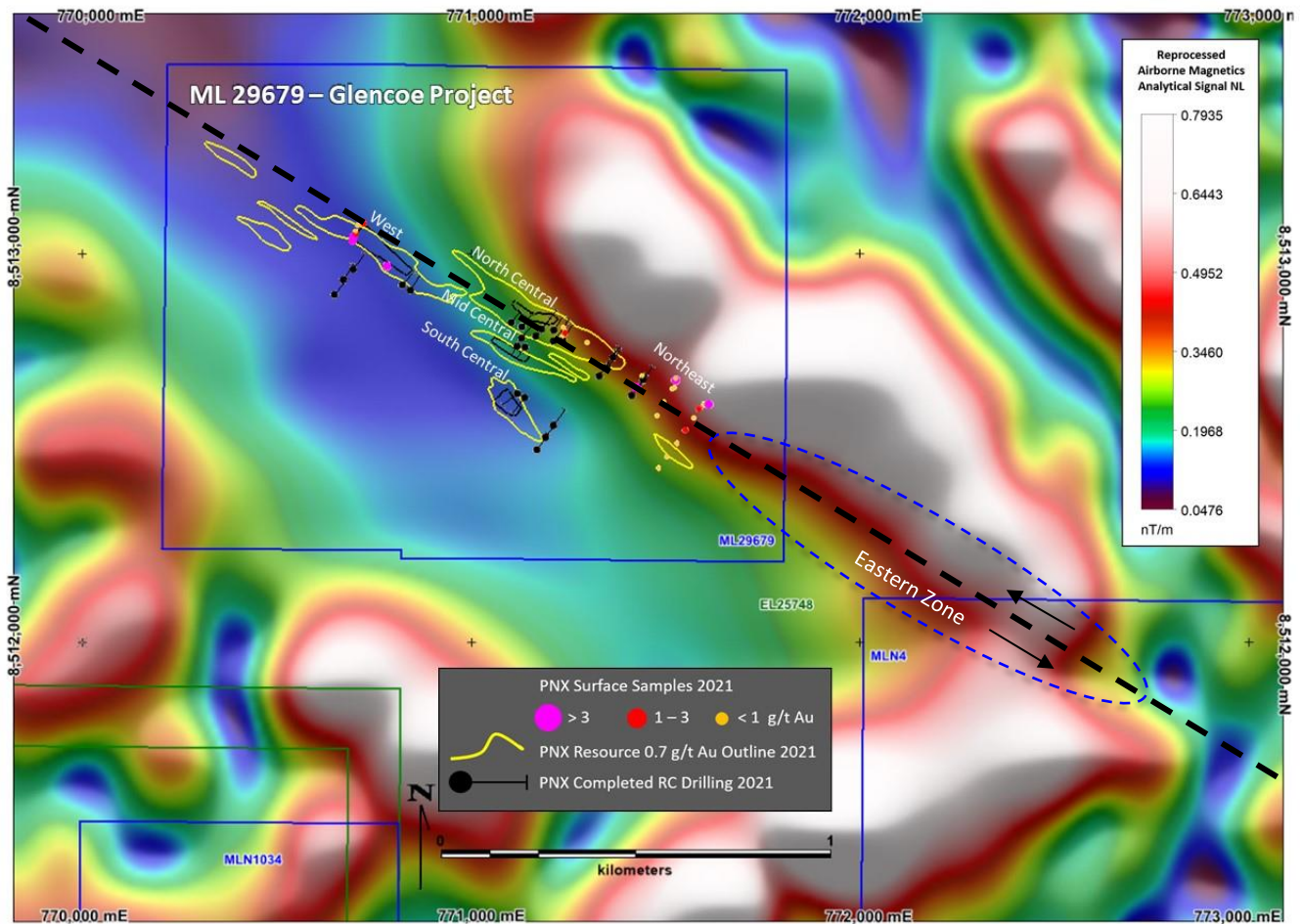


Figure 2: Reprocessed regional magnetic data showing the Glencoe MRE outline (yellow), PNX 2021 drilling/rock chip sample, new target area in the Eastern Zone (blue ellipse) and dashed line showing the trace of the inferred prospective shear zone.

Additional Work at Glencoe

Downhole optical imaging and density measurements have been completed on 20 of the recently drilled RC holes. The data are being assessed and will assist with the structural interpretation of the gold lodes, improve the gross geological model of the deposit, and provide further rock density data necessary to upgrade resource confidence.

Three diamond drill holes for approximately 360 m are also planned and will focus on the Oxide and Transitional zones of the deposit and will be used to provide further rock density data and structural information, and material for confirmatory geotechnical and metallurgical test work.

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 received unconditional approval from the Foreign Investment Review Board for the acquisition.

Positive PFS Supports Long-Term gold, silver zinc Project 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_{8%} 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).

Glencoe Mineral Resource Overview

The Company announced a Mineral Resource Estimate¹ for Glencoe in April 2021 of 2.1Mt @ 1.2g/t Au for 79,000oz Au (Inferred Category) reported in accordance with the JORC Code², 2012 (refer ASX release 28 April 2021).

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.*

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
Total		2.1	1.2	79

* 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 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, or contact us directly:

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¹ 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

² 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).

Table 2: Glencoe Significant Surface Geochemical Samples, with those highlighted above 1.0 g/t Au (1,000 ppb Au)

Sample No	Easting	Northing	RL	Datum	Zone	Au ppb	Au g/t	Sample Type
TGU5495	770,695	8,513,040	98.7	GDA94	52	3,858	3.86	Grab
TGU5489	770,707	8,513,080	105.7	GDA94	52	752	0.75	Grab
TGU5490	770,707	8,513,080	105.7	GDA94	52	429	0.43	Grab
TGU5499	770,703	8,513,064	105.6	GDA94	52	618	0.62	Grab
TGU5491	770,703	8,513,064	105.6	GDA94	52	924	0.92	Grab
TGU5493	770,698	8,513,050	103.3	GDA94	52	11,064	11.06	Grab
TGU5494	770,698	8,513,050	103.3	GDA94	52	439	0.44	Grab
TGU5492	770,704	8,513,058	103.7	GDA94	52	2,479	2.48	Grab
TGU5488	770,723	8,513,084	105.2	GDA94	52	1,139	1.14	Grab
TGU5497	770,784	8,512,974	104.3	GDA94	52	9,516	9.52	Grab
TGU5447	771,237	8,512,816	103.6	GDA94	52	260	0.26	Rock
TGU5444	771,236	8,512,794	103.8	GDA94	52	723	0.72	Rock
TGU5446	771,242	8,512,802	103.7	GDA94	52	1,887	1.89	Rock
TGU5445	771,240	8,512,796	103.7	GDA94	52	331	0.33	Rock
TGU5448	771,298	8,512,778	101.8	GDA94	52	557	0.56	Rock
TGU5452	771,440	8,512,692	100.0	GDA94	52	114	0.11	Channel
TGU5453	771,440	8,512,692	100.0	GDA94	52	635	0.64	Channel
TGU5454	771,440	8,512,692	100.0	GDA94	52	372	0.37	Channel
TGU5449	771,424	8,512,662	99.6	GDA94	52	98	0.10	Channel
TGU5450	771,424	8,512,662	99.6	GDA94	52	63	0.06	Channel
TGU5451	771,424	8,512,662	99.6	GDA94	52	1,660	1.66	Channel
TGU5459	771,424	8,512,662	99.6	GDA94	52	4,037	4.04	Channel
TGU5466	771,526	8,512,684	100.2	GDA94	52	318	0.32	Grab
TGU5467	771,526	8,512,680	100.1	GDA94	52	6,119	6.12	Grab
TGU5462	771,518	8,512,658	99.9	GDA94	52	605	0.61	Channel
TGU5463	771,518	8,512,658	99.9	GDA94	52	259	0.26	Channel
TGU5464	771,518	8,512,658	99.9	GDA94	52	79	0.08	Channel
TGU5458	771,496	8,512,624	99.4	GDA94	52	352	0.35	Channel
TGU5460	771,496	8,512,624	99.4	GDA94	52	643	0.64	Channel
TGU5461	771,496	8,512,624	99.4	GDA94	52	103	0.10	Channel
TGU5465	771,523	8,512,660	99.9	GDA94	52	41	0.04	Grab
TGU5455	771,479	8,512,588	99.1	GDA94	52	79	0.08	Channel
TGU5456	771,479	8,512,588	99.1	GDA94	52	401	0.40	Channel
TGU5457	771,479	8,512,588	99.1	GDA94	52	43	0.04	Channel
TGU5487	771,586	8,512,606	99.5	GDA94	52	1,447	1.45	Grab
TGU5468	771,482	8,512,454	97.9	GDA94	52	307	0.31	Channel
TGU5469	771,482	8,512,454	97.9	GDA94	52	351	0.35	Channel
TGU5470	771,482	8,512,454	97.9	GDA94	52	119	0.12	Channel
TGU5471	771,503	8,512,484	97.7	GDA94	52	203	0.20	Channel
TGU5472	771,503	8,512,484	97.7	GDA94	52	87	0.09	Channel
TGU5479	771,572	8,512,584	99.2	GDA94	52	121	0.12	Channel

TGU5480	771,572	8,512,584	99.2	GDA94	52	151	0.15	Channel
TGU5481	771,572	8,512,584	99.2	GDA94	52	69	0.07	Channel
TGU5482	771,572	8,512,584	99.2	GDA94	52	52	0.05	Channel
TGU5475	771,551	8,512,552	98.8	GDA94	52	92	0.09	Channel
TGU5476	771,551	8,512,552	98.8	GDA94	52	1,123	1.12	Channel
TGU5477	771,551	8,512,552	98.8	GDA94	52	134	0.13	Channel
TGU5478	771,551	8,512,552	98.8	GDA94	52	45	0.05	Channel
TGU5473	771,529	8,512,518	98.3	GDA94	52	235	0.24	Channel
TGU5474	771,529	8,512,518	98.3	GDA94	52	165	0.17	Channel
TGU5483	771,598	8,512,618	99.7	GDA94	52	113	0.11	Channel
TGU5484	771,598	8,512,618	99.7	GDA94	52	85	0.09	Channel
TGU5485	771,598	8,512,618	99.7	GDA94	52	29	0.03	Channel
TGU5486	771,611	8,512,618	99.6	GDA94	52	3,048	3.05	Grab

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 (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. 	<ul style="list-style-type: none"> • Composite rock chip and grab samples (2 – 3 kg weight) were collected from prospective lithologies in the field • Sample information including lithological descriptions were also collected at the time of sampling • Samples were submitted to Northern Australia Laboratory (NAL) in Pine Creek, Northern Territory for assay • NAL used the assay method FALL (Fire Assay Low Level) for Au, in parts per billion (ppb), with repeat assays completed on 53 samples, and a second repeat assay completed on 7 samples • 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 (FA40) • NAL have internal QAQC procedures, including certified reference materials, duplicates and blanks, results of which are reviewed by NAL prior to reporting to PNX
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"> • Drilling is not included in this announcement
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"> • Drilling is not included in this announcement

Criteria	JORC Code explanation	Commentary
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 studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • All surface samples have been geologically described and logged by the onsite geologist • Log information includes lithology, colour, texture, veining, sulphides alteration and additional notes. Logging is qualitative in nature
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"> • Drilling is not reported in this announcement • The sample preparation technique is appropriate for rock chip samples and of industry standard
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"> • The method of digestion is considered to be a near total digest • No geophysical tools etc were used • For quality control procedures, the laboratory conducted a regime of repeat analysis and QA/QC
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 external laboratory assays have yet been carried out • 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 backed-up server

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> No adjustments to assays have been made. Where gold assay data has been repeated by the lab, the average value is used for the 'Au g/t' field.
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"> GPS was used to locate the sample sites. Elevation for these points was obtained using the existing topographic DTM. Surface sample coordinates are recorded in GDA94 (MGA Zone 52), then transformed to Glencoe Local Grid via Datamine Discover software, using established reference points – Local Grid pegs have been located on-site, and confirmed the historic MGA-to-Local Grid transformation was correct within the expected accuracy. DGPS accuracy and the MGA-to-Local Grid transformation were further confirmed by georeferencing high-resolution aerial imagery.
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 data reported here include surface samples for geochemical analysis, in which the goals were to further increase geological confidence and determine the specific rock types that are hosts to gold mineralisation. The samples are adequately spaced and distributed across varying rock types to achieve those goals. No sampling compositing was used.
Orientation of data in relation to geological structure	<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 of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> The surface sampling array is overall irregular; some samples were taken at exposed pit edges (West pit) while others in rough lines perpendicular to the strike of mineralisation (in the Eastern extension areas). The sample count is not large enough for use in statistical analysis.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Sampling and field geology has been carried out by PNX personnel on-site. The samples are submitted to the laboratory by the same people. No third parties have been allowed access to the samples.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits or reviews on sampling techniques and data have yet been carried out.

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 Glencoe Project is situated within a single, granted Mineral Lease ML29679 within a single, granted Exploration License EL25748 (90% PNX Metals/ 10% Kirkland Lake Gold Australia Pty Ltd). 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 ASX announcement 10 December 2020 for further information). The Company has also received unconditional approval from the Foreign Investment Review Board for the acquisition. <p>The Glencoe Project area is situated within the pastoral lease of Ban Ban Station, parcel number 695. PNX has existing arrangements with the pastoral lease holders, which governs land access and other obligations for each party and will include Glencoe in this arrangement.</p> <p>An Indigenous Land Use Agreement (ILUA) surrounds and follows the main access road, Ban Ban Springs Rd, situated in the western end of the resource and partially covering the resource. It is unclear at this stage what actions if any are needed.</p>
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"> Exploration and related activities at the Glencoe Project can be broadly categorized into the phases listed below. <p>Magnum Resources Ltd/Magnum Gold NL</p> <ul style="list-style-type: none"> 1985-1987 – Discovery, Drilling Programs (Auger, RAB, RC, DD) 1988 – Metallurgical Testwork 1989-1990 – 1st Trial Mining 1995 – 2nd Trial Mining (aborted early – material stockpiled) <p>Australasia Gold</p> <ul style="list-style-type: none"> 2006 – Optimisation and Scoping Study 2007 – Survey of the Glencoe Local Grid, IP/Resistivity Survey 2007-2008 – Drilling Programs (RC, DD)

Criteria	JORC Code explanation	Commentary
		<p>Crocodile Gold 2011 – Heliborne VTEM Survey</p> <p>Newmarket Gold NT 2012 – Processing Stockpiled Material 2016 – Environmental and Metallurgical Testwork</p>
<p>Geology</p>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • Glencoe mineralisation is hosted by greywackes, sandstones, siltstones and mudstones of the Palaeoproterozoic Mount Bonnie Formation, and contained within complex quartz veining and shearing spatially associated with the axial regions of shallow plunging anticlines. Notable features: <ul style="list-style-type: none"> • The majority of the quartz vein mineralization occurs within sub vertical to steeply dipping fracture and shear zones, with previous workers also noting a possible association with more ductile carbonaceous mudstone in these zones. Veins range in width from millimetre scale up to several metres. • A second style of quartz veining is interpreted as having a conformable or ‘saddle reef’ geometry, and occurs as stratabound bodies extending outwards from the discordant fracture-filled zones. This style is also described as favouring carbonaceous mudstone horizons, as well carrying higher gold values. • Late-stage chlorite alteration, shearing and brecciation overprinting earlier veining is also a feature, including country rock breccias with a chlorite matrix. It is noted by previous work that this alteration also appears to enhance gold values in both veins and breccias • Important features of the chemical environment of gold occurrence include: <ul style="list-style-type: none"> • A strong association of gold with sulphides, dominantly pyrite and arsenopyrite. • The occurrence of other metals in only trace amounts, most notably Cu and Bi. • There is a close association between chlorite alteration and sulphide/gold/quartz vein development. • Oxidation of sulphides has occurred in the weathered zone, and been replaced by iron oxide phases such as goethite and limonite

Criteria	JORC Code explanation	Commentary
		occurring as fracture coatings and box works. This is inferred to have resulted in some gold re-distribution during an overprinting supergene event.
Drill hole Information	<ul style="list-style-type: none"> • 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"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • 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. 	<ul style="list-style-type: none"> • Drilling is not included in this announcement
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"> • No weighting averaging techniques or minimum/maximum grade truncations (cut off/top cut) were applied • The field 'Au ppb' is the routine Au assay value. The field 'Au g/t' is the average of the routine Au assay and any repeat Au assay grades for that sample
Relationship between mineralisation widths and intercept lengths	<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"> • This announcement is for surface samples only, which do not inform the geometry of mineralisation.
Diagrams	<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
Balanced reporting	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades 	<ul style="list-style-type: none"> • All relevant information has been included

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	<p><i>and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></p> <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. Geophysical survey imagery provided in this report is as follows: Rum Jungle Survey (MAG/RAD/DEM) 1988, (Open File) - Contractor: World Geoscience Corporation Ltd. – Reprocessed by Southern Geoscience Consultants in August 2021, for PNX Metals Ltd. The image used (Figure 2) shows the 'Analytical Signal' – <i>A combination of the vertical and horizontal derivatives. Generates a maximum directly over a discrete body, or alternatively maxima over the edges of wider bodies, regardless of the presence of any remanent magnetisation or the Earth's local magnetic inclination.</i>
Further work	<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"> Refer to the main body of this announcement