

ASX Announcement

14 January 2022

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



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Near-surface high-grade gold zones extended to over 1.4 km at Glencoe and remains open in all directions

- **Drilling at Glencoe continues to intersect near-surface gold mineralisation including:**
 - **6m at 3.84 g/t Au from 36 metres in GLRC044**
 - **2m at 8.58 g/t Au from 10 metres in GLRC045**
 - **8m at 1.52 g/t Au from 80 metres in GLRC048**
 - **20m at 1.01 g/t Au from 72 metres in GLRC052**
 - **5m at 1.61 g/t Au from 11 metres in GLRC053**
 - **12m at 1.05 g/t Au from 43 metres in GLRC054**
- **Near-surface high-grade gold mineralisation intersected at Glencoe now exceeds 1.4 km of strike and remains open in all directions**
- **Favourable scale comparison with PNX's 100% owned Fountain Head gold deposit, located 3 km to the south and on a parallel mineralised trend to Glencoe**
- **Geological modelling identifies significant potential upside at Glencoe; diamond drilling to commence late January 2022**

PNX Metals Limited (**ASX: PNX**) ("**PNX**", "the **Company**") is pleased to announce further positive gold assay results from its 2021 reverse circulation (RC) drilling program at the Glencoe gold deposit ("**Glencoe**") which comprised 54 RC drill holes for a total of 4,470 metres. The program was extremely successful in confirming and enhancing historic drill results, and identifying along-strike gold lode extensions that remain open.

Glencoe is located on a granted Mineral Lease approximately 170 km south of Darwin and 3 km north of PNX's Fountain Head Gold Project in the Pine Creek region of the Northern Territory. The Glencoe Project represents a 'bolt-on' asset that has significantly expanded the proposed Fountain Head development (refer ASX release 20 December 2021).

PNX previously reported a Mineral Resource Estimate (MRE) at Glencoe of 2.1 Mt @ 1.2 g/t Au for 79,000 oz Au (Inferred category; reported in accordance with the JORC Code, 2012; refer ASX release 28 April 2021 and Table 1).

This latest batch of gold assay results are from the final 13 RC holes drilled in late 2021 (Table 2) that continue to increase the gold mineralised footprint at Glencoe, which has now been drilled and demonstrates good continuity over a 1,400-metre strike extent. The assays for the balance of the 54 drillhole program were reported on 14 September and 25 November 2021.

These holes have extended the easternmost line of drilling towards the south, generated valuable infill data in the 'Eastern Extension' area previously reported, and complete the confirmatory RC drilling within the currently defined Mineral Resource domain. Significant gold intervals were intersected, with many holes returning multiple

intervals consistent with PNX’s current geological model (Table 2). Broad zones of gold mineralisation (11 to 20 metres wide at ≥ 1.0 g/t Au) were intersected in GLRC048, GLRC049, GLRC052 and GLRC054 (Figures 1 and 2).

Of the 54 RC holes drilled by PNX at Glencoe, only six extended beyond 80 metres vertical depth, as delineating near-surface gold lodes was prioritised to maximise the gold reporting to the optimised mining studies and conceptual pit designs. The deposit remains open at depth and further down-dip testing will occur during 2022. The drilling was complemented by other work at Glencoe, including surface geological mapping and sampling, which will also assist in informing an updated MRE, to be completed after the planned diamond drilling scheduled to commence in January.

Managing Director’s Comment

PNX Managing Director James Fox said: “Glencoe continues to strengthen with infill and extensional drilling complementing our previous results and supporting the increased scale potential of the deposit. Additional holes drilled along the easternmost traverse returned high-grade gold and the deposit remains open in all directions. Geological comparison with Fountain Head suggests a gold system of similar scale potential and PNX expects with the recently reported drilling and improved geological understanding an increase in the overall contained ounces reporting to the proposed mining plan. We look forward to our 2022 exploration campaign with diamond drilling due to commence in late January, whereby we aim to add further value at Glencoe and across our entire Pine Creek exploration package.”

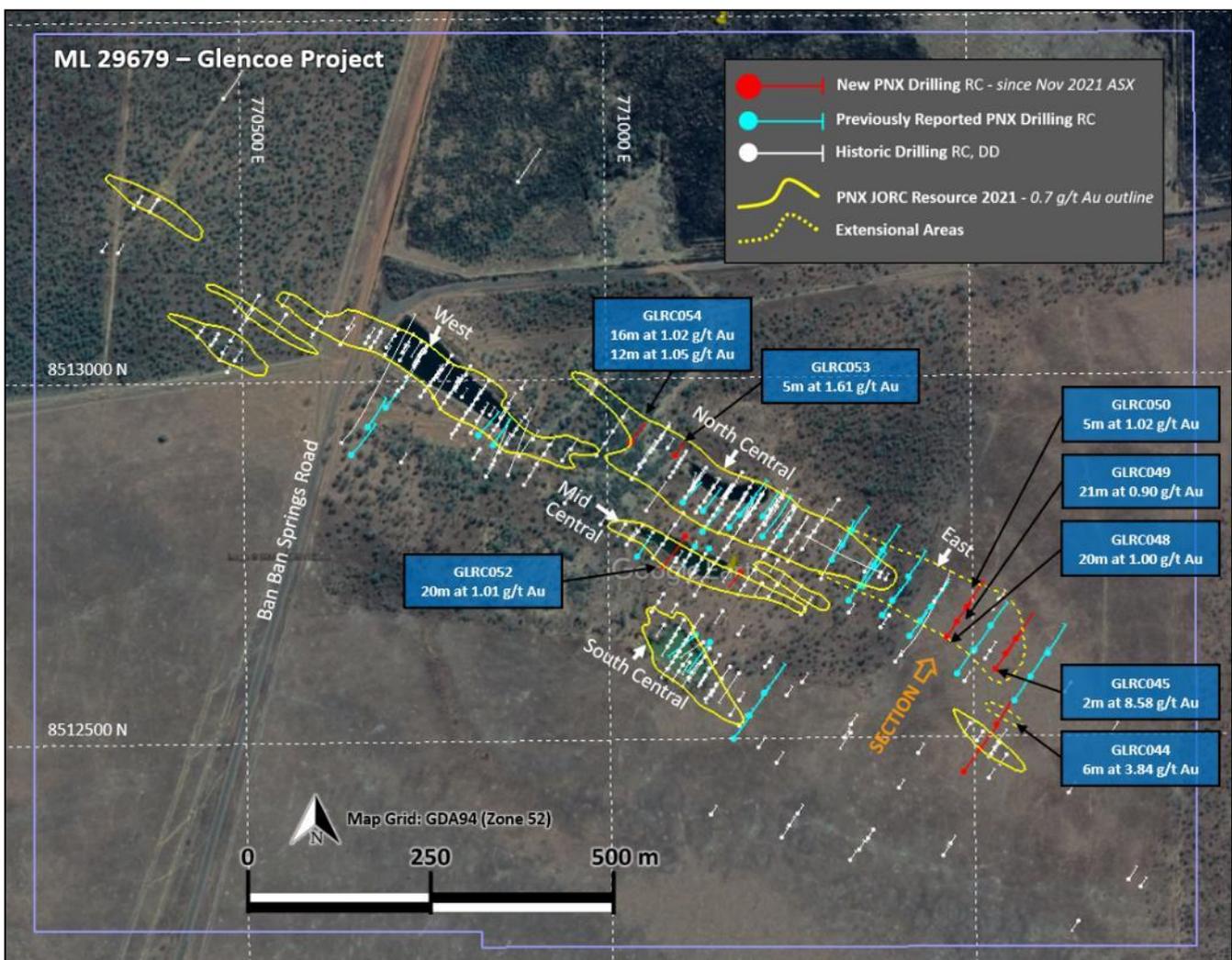


Figure 1: Glencoe Mineral Resource outline, all RC and Diamond drill holes to date, and location of the cross-section shown in Figure 2 (‘Section’).

Interpretation and Discussion

The Glencoe and Fountain Head gold deposits exhibit similar geology, with gold mineralisation in both deposits hosted within and adjacent to a complex network of interconnected sub-vertical quartz veins associated with a prominent anticlinal fold of weakly metamorphosed sandstone, siltstone and mudstone beds. Given their similar geological setting and close proximity, the current gold mineralised footprint at Glencoe can be compared with the more advanced Fountain Head MRE (2.94 Mt @ 1.7 g/t Au for 156,000 oz gold; refer ASX release 16 June 2020) (Figure 3) to provide some guidance to the scale potential PNX believes exists at Glencoe.

The current Glencoe mining optimisation contains 31,500 oz Au from four separate pits with a maximum depth of 40 m (0.81 Mt @ 1.21 g/t Au) (refer ASX release 17 June 2021). PNX expects with the recently reported drilling and improved geological understanding, these separate pit optimisations will merge and likely increase the overall contained ounces.

Next Steps

The Company continues to integrate its 2021 data with the historic Glencoe data and has engaged CSA Global to update the Glencoe MRE. Currently, the Glencoe MRE is entirely in the Inferred category due to a lack of modern QAQC protocols and robust density measurements.

These historical shortcomings have been addressed with recent work and it is expected that the Mineral Resource confidence will improve materially and also extend to cover most, if not all of the 'Eastern Extension'.

Three diamond drill holes for approximately 360 metres are scheduled to start in late January. The primary purpose of these holes is to collect material from the Oxide and Transitional zones and provide further rock density data and structural information, as well as material for confirmatory geotechnical and metallurgical test work. The updated MRE is expected to be finalised in Q2 2022 and will be used to further refine drill targets for the 2022 field season and update the Project mining optimisation.

The update to the MRE and subsequent mining optimisation will form the basis to measuring the impact on the Project economics where an incremental increase in the resource is expected. The geometry of mineralisation (approx. 45° dip), and location near-surface immediately along strike from the current pit optimisation is likely to result in an increased resource utilisation.

About the Glencoe Development Opportunity

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

PNX has agreed with Ausgold Trading Pty Ltd to extend the period for completion of the Glencoe acquisition to 31 January 2022 to allow for finalisation of the stamp duty assessment and Ministerial approval (refer to Key Terms in PNX ASX announcement 10 December 2020 for further information).

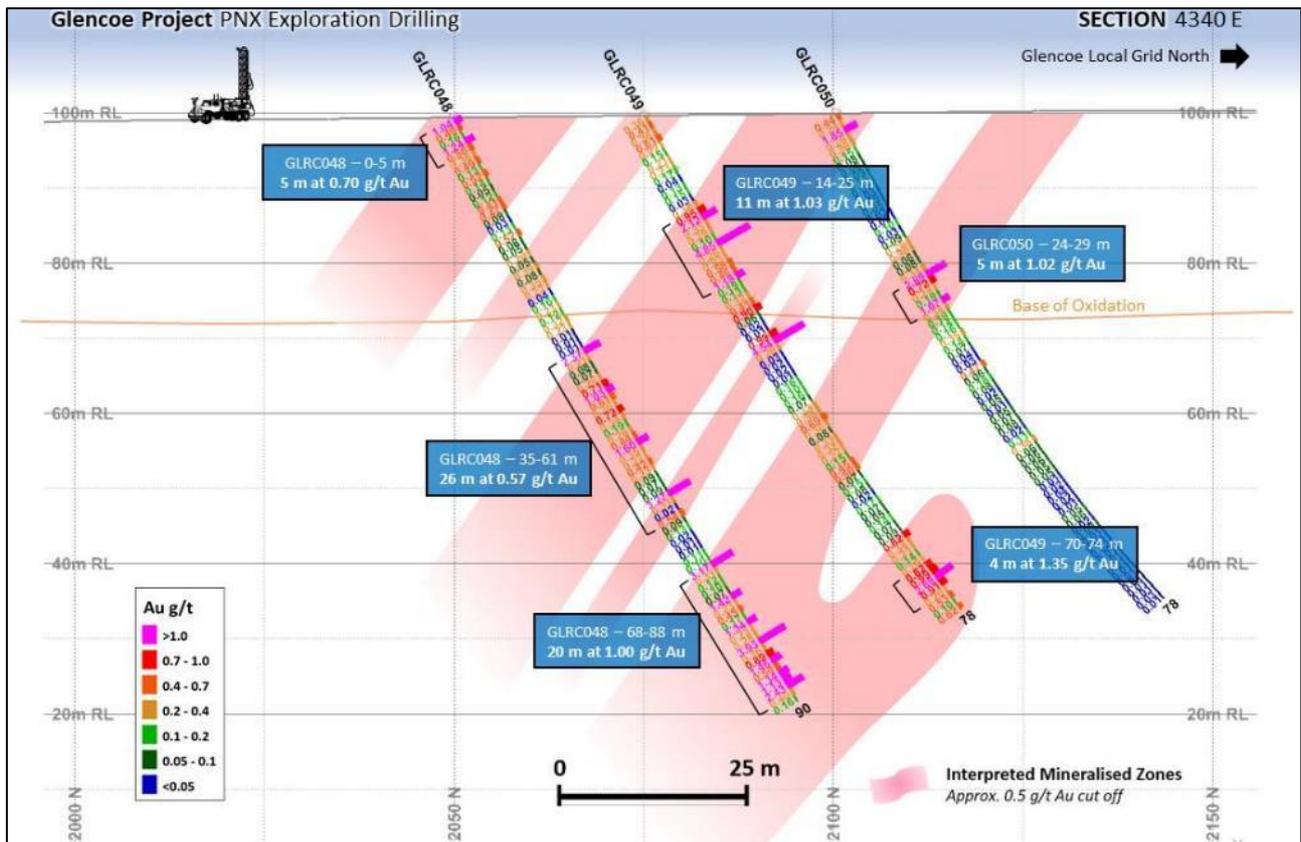


Figure 2: Glencoe cross-section showing exploration holes GLRC048 -049, and -050, and interpreted mineralised zones.

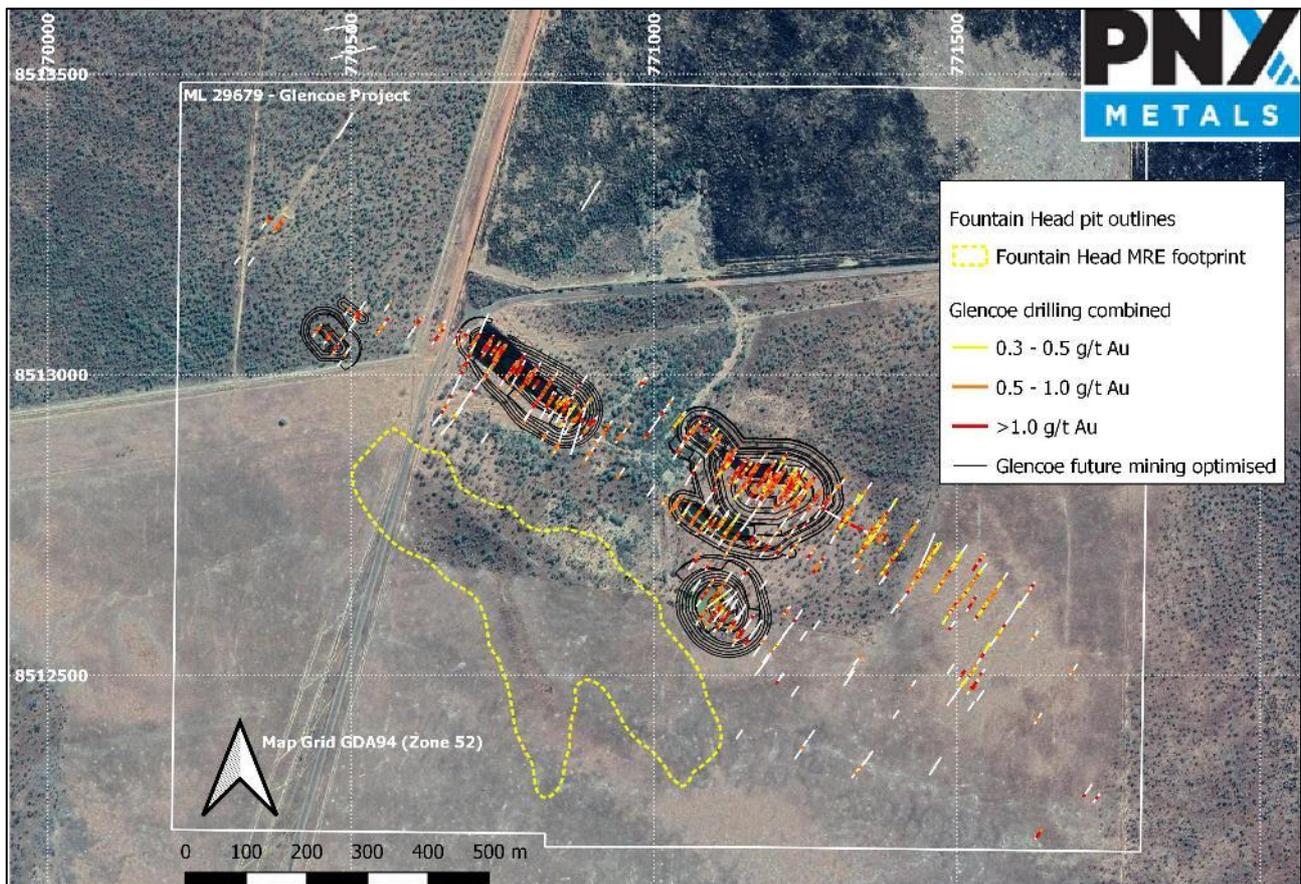


Figure 3: Comparing Glencoe drilling and optimised pit shells with Fountain Head MRE outline superimposed in yellow

Glencoe Mineral Resource

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 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

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Table 2: Significant gold intercepts for Glencoe RC drilling using the Mineral Resource Estimate cut-off grade of 0.7 g/t Au. Note: Au assays for each sample (i.e., initial routine assay plus any lab repeats) have been averaged. These were then averaged across the intercept, weighted by their sample lengths, in order to populate the 'Au g/t' field.

Hole ID	Type	Easting (m)	Northing (m)	RL (m)	Azimuth	Dip	Total Depth (m)		From (m)	To (m)	Interval (m)	Au (g/t)
GLRC042	RC	771485	8512451	97	31.5	-60	78.0	NSI				
GLRC043	RC	771508	8512483	97	31.5	-60	78.0		0.00	1.00	1.00	3.60
									41.00	42.00	1.00	2.00
									46.00	47.00	1.00	0.73
GLRC044	RC	771531	8512516	98	31.5	-60	78.0		36.00	42.00	6.00	3.84
								incl	36.00	39.00	3.00	6.76
GLRC045	RC	771530	8512593	99	31.5	-60	78.0		10.00	12.00	2.00	8.58
								incl	10.00	11.00	1.00	16.09
									26.00	27.00	1.00	0.91
									47.00	48.00	1.00	1.17
									76.00	77.00	1.00	0.86
GLRC046	RC	771544	8512614	99	31.5	-60	78.0		10.00	11.00	1.00	0.88
									18.00	19.00	1.00	1.08
									28.00	30.00	2.00	2.37
								incl	28.00	29.00	1.00	4.06
									40.00	41.00	1.00	5.03
									52.00	53.00	1.00	0.83
									57.00	58.00	1.00	1.25
GLRC047	RC	771558	8512634	100	31.5	-60	78.0		23.00	24.00	1.00	0.91
									55.00	56.00	1.00	0.77
GLRC048	RC	771464	8512638	99	31.5	-60	90.0		0.00	5.00	5.00	0.70
									35.00	36.00	1.00	2.37
									40.00	45.00	5.00	0.68
									49.00	50.00	1.00	1.60
									57.00	58.00	1.00	3.27
									68.00	69.00	1.00	3.17
									73.00	78.00	5.00	0.72
								incl	80.00	88.00	8.00	1.52
incl	80.00	81.00	1.00	3.93								
GLRC049	RC	771478	8512659	100	31.5	-60	78.0		14.00	16.00	2.00	1.53
									19.00	20.00	1.00	4.85
									22.00	25.00	3.00	0.74
									29.00	30.00	1.00	0.90
									33.00	35.00	2.00	2.77
								incl	34.00	35.00	1.00	4.54
									46.00	47.00	1.00	0.70
	65.00	66.00	1.00	0.83								

									70.00	74.00	4.00	1.35
GLRC050	RC	771492	8512680	100	31.5	-60	78.0		2.00	3.00	1.00	1.85
									24.00	29.00	5.00	1.02
GLRC051	RC	771181	8512730	102	211.5	-75	78.0		14.00	15.00	1.00	0.91
GLRC052	RC	771106	8512781	102	211.5	-55	96.0		49.00	50.00	1.00	1.15
									72.00	92.00	20.00	1.01
GLRC053	RC	771093	8512893	100	31.5	-60	42.0		11.00	16.00	5.00	1.61
								incl	11.00	12.00	1.00	3.53
GLRC054	RC	771032	8512911	103	31.5	-60	66.0		4.00	6.00	2.00	1.26
									18.00	34.00	16.00	1.02
								incl	27.00	28.00	1.00	8.12
									43.00	55.00	12.00	1.05
								incl	52.00	55.00	1.00	3.77

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"> • Samples were derived from Reverse Circulation (RC) chips which were cone-split for sampling • All RC chips were geologically logged by the onsite geologist • Sampling was at 1 m intervals. Samples were submitted for assay in 1 m intervals • Sample weights were typically 1.5 to 4 kg • Magnetic susceptibility measurements were taken using KT-10 meter
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"> • 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 • A Reflex downhole survey instrument was used to take single shot positional surveys approximately every 30 m downhole and also at 12 m downhole depth
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"> • Sample recovery was estimated by weighing every 1 m sample. Recovery of in situ regolith and fresh rock was excellent • No relationship has yet been established between sample recovery and grade.

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 RC chips have been geologically logged by the onsite geologist at 1 m intervals and chip trays have been retained and photographed • Log fields include lithology, colour, grainsize, texture, veining, sulphide mineralisation, alteration, recovery and sample moisture • Logs have been aided by the use of magnetic susceptibility. Portable XRF measurements will be performed on the pulps returned from the lab
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"> • 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 • Duplicate field samples were taken each 25th sample by using a hand-splitter identical to the cone splitter to check representivity of sample • Individual samples are placed in individual sample bags and clearly identified prior to submission to the laboratory for assay • The sample sizes are typical for the RC drilling method but caution is warranted given reports of coarse gold during historical mining operations
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"> • Original RC samples were submitted to Northern Australia Laboratory (NAL) in Pine Creek, Northern Territory for assay. • 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) • PNX submitted certified reference materials and duplicates samples every 25th sample and also submitted blank quartz material to check laboratory analytical and sample preparation quality at a rate of 3 blanks per 100 • NAL have internal QAQC procedures, including certified reference materials, duplicates and blanks, results of which are reviewed by NAL prior to reporting to PNX • 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

Criteria	JORC Code explanation	Commentary
<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"> • No external laboratory assays have yet been carried out • No twinned holes have yet been carried out during this program. • 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 • No adjustments to assays have been made. Where gold assay data has been repeated by the lab, the average value is used in the significant intersection calculation.
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Downhole surveys have been collected using a single-shot Reflex tool at approximate 30 m downhole intervals and also at 12 m downhole depth. No manual adjustments were required to allow for magnetic interference. • Drill collars reported here have only been collected using a handheld GPS and will be surveyed using a differential global positioning system (DGPS) (PNX standard procedure) in due course. • Drill collar 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 were also 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 from strike.nt.gov.au website.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • The 'Exploration' holes have been drilled at 40m, 50m and 100m - spaced drill sections. The 'Resource Definition' holes have been drilled at <40m from surrounding holes • Holes will require spacing of no more than 50m for inclusion into a resource class of Inferred Level, as this has been deemed the maximum distance for establishing geological and grade continuity at Glencoe. • No sampling compositing has been used.

Criteria	JORC Code explanation	Commentary
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • The drilling has been undertaken on sections interpreted to be orthogonal to the strike of the mineralisation. Mineralisation is interpreted to range from dipping ~45° to ~90° to ground surface (vertical). An effort has been made to drill orthogonal to the mineralisation, however the drilling process is difficult at angles less than 60° to ground surface. • The relationship between the drilling orientation and the orientation of key mineralised structures is not considered to have introduced a sampling bias.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • 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. • No third parties have been allowed access to the samples.
<i>Audits or reviews</i>	<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 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
<i>Mineral tenement and land tenure status</i>	<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 Glencoe Project is situated within a single, granted Mineral Lease ML29679, which is 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 (ML29679) 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. • 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.

Criteria	JORC Code explanation	Commentary
<p><i>Exploration done by other parties</i></p>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> 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. Exploration and related activities at the Glencoe Project can be broadly categorized into the phases listed below. <ul style="list-style-type: none"> Magnum Resources Ltd/Magnum Gold NL <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) Australasia Gold <ul style="list-style-type: none"> 2006 – Optimisation and Scoping Study 2007 – Survey of the Glencoe Local Grid 2007 - IP/Resistivity Survey 2007-2008 – Drilling Programs (RC, DD) 2011 – Heliborne VTEM Survey Newmarket Gold NT <ul style="list-style-type: none"> 2012 – Processing Stockpiled Material 2016 – Environmental and Metallurgical Testwork
<p><i>Geology</i></p>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> Glencoe gold mineralisation is hosted by greywacke, sandstone, siltstone and mudstone of the Palaeoproterozoic Mount Bonnie Formation, and is contained within a complex network of quartz veins and shears spatially associated with the axial regions of shallow plunging anticlines. Notable features: <ol 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

Criteria	JORC Code explanation	Commentary
		<p>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.</p> <p>3) 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</p> <ul style="list-style-type: none"> • Important features of the chemical environment of gold occurrence include: <ol style="list-style-type: none"> 1) A strong association of gold with sulphides, dominantly pyrite and arsenopyrite. 2) The occurrence of other metals in only trace amounts, most notably Cu and Bi. 3) There is a close association between chlorite alteration and sulphide/gold/quartz vein development. 4) Oxidation of sulphides has occurred in the weathered zone, and been replaced by iron oxide phases such as goethite and limonite occurring as fracture coatings and box works. This is inferred to have resulted in some gold re-distribution during an overprinting supergene event.
<p><i>Drill hole Information</i></p>	<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 the main body of this announcement for PNX drill holes.
<p><i>Data aggregation methods</i></p>	<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> 	<ul style="list-style-type: none"> • Reported results are interval length-weighted, however, all samples for this program were equal to 1m. • No high cut-off grades have been applied <p>Reported intersections were classified as significant if they occurred above 0.7 g/t Au average. High-grade samples within intersections are</p>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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. 	highlighted via an additional entry: 'including' ('incl.') or 'peak'. Each sample assay used for reporting is averaged across any repeat assay grades for that sample.
<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 Due to the folded nature of some mineralised zones, and unknown geometry of extensions to mineralisation, there is some uncertainty between intersected widths and true widths, however overall confidence is increasing as the 3D model develops
<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"> Refer to the main body of this announcement