

ASX Announcement

28 June 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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PNX increases NT gold exploration footprint

- **Earn-in completed over ELs and MLs directly adjacent to PNX's 100% owned Hayes Creek zinc-gold-silver Project**
- **Area prospective for gold and base metals with significant historic intercepts reported, including 4 metres at 118 g/t gold from 40 metres (TPCRC159)**
- **Co-funded Drone Magnetic survey expanded over new prospective areas to commence in August**

PNX Metals Limited (**ASX: PNX**) ("**PNX**", "the **Company**") is pleased to announce it has increased its Northern Territory exploration footprint in an area highly prospective for gold, base metals, and uranium.

The Company has satisfied the terms of a Farm-In Agreement with private operators Oz Uranium Pty Ltd ("**Oz**") and Rockland Resources Pty Ltd ("**Rockland**"), covering two granted Mineral Leases (MLs), one Mining Lease Application (MLA) and five Exploration Licences (ELs) (Figure 1).

This acquisition continues to strengthen PNX's footprint in the Pine Creek region. The new licenses are contiguous with PNX's existing tenements at Hayes Creek that host the zinc-gold-silver mineral resource at Iron Blow. The Iron Blow and Mt Bonnie massive sulphide zinc-gold-silver deposits form a core part of PNX's proposed Fountain Head and Hayes Creek Project development (refer PNX ASX release 17 June 2021).

Managing Director's Comment

PNX Managing Director James Fox said: *"The completion of this earn-in to obtain 100% ownership of five ELs, and the hard-rock rights over three MLs contiguous with our Hayes Creek zinc-gold-silver project continues to improve our development prospects, and strengthen our position in the highly prospective Pine Creek area. These titles contain a number of advanced gold exploration targets which we have reviewed and now look forward to testing. The location of these titles also provides additional flexibility around proposed infrastructure."*

Planned Work Programs and Historic Results

PNX has reviewed the historic work across these new licences and is commencing its 2022 field season by mapping and sampling the best of the new gold targets. A planned drone magnetic survey, which is co-funded by the Northern Territory Government, has been expanded to cover more of the Priscilla "line-of-lode" with the intent that this will lead to the delineation of new high-priority drill targets.

MLs 29933 and 29937 are contiguous with PNX's existing MLs at Iron Blow and Good Shepherd and cover additional parts of the Golden Dyke – North Point gold-trend (Figure 1). ML29933 hosts the Priscilla gold prospect which is located along strike and within 100 metres of the southern boundary of the historic Princess Louise open-cut gold mine which was mined by Crocodile Gold Australia Pty Ltd between 2011 and 2013.

RC drilling at the Priscilla gold prospect in 2011 by Thundelarra Exploration Ltd (“Thundelarra” or THX) intersected a high-grade intercept of **4 m at 118 g/t Au** from 40 m in TPCRC159, (follow-up assays included **1 m at 908 g/t** (refer THX ASX releases 21 December 2011, 30 January 2012 and 30 April 2012).

The Red Hill prospect is off-set approximately 200 m east of the Princess Louise “line-of-lode” where TPCRC167 returned **4 m at 4.6 g/t Au** from 64 m. Three follow-up RC drill holes at Red Hill in 2013 returned a best result of 4 m at 0.81 g/t Au from 24 m in TPCRC178 (refer THX ASX release 31 July 2013), thus failing to repeat the ‘bonanza’ gold grades and suggesting coarse nuggety gold typical of the Pine Creek area. ML29933 also includes extensive alluvial-eluvial gold workings.

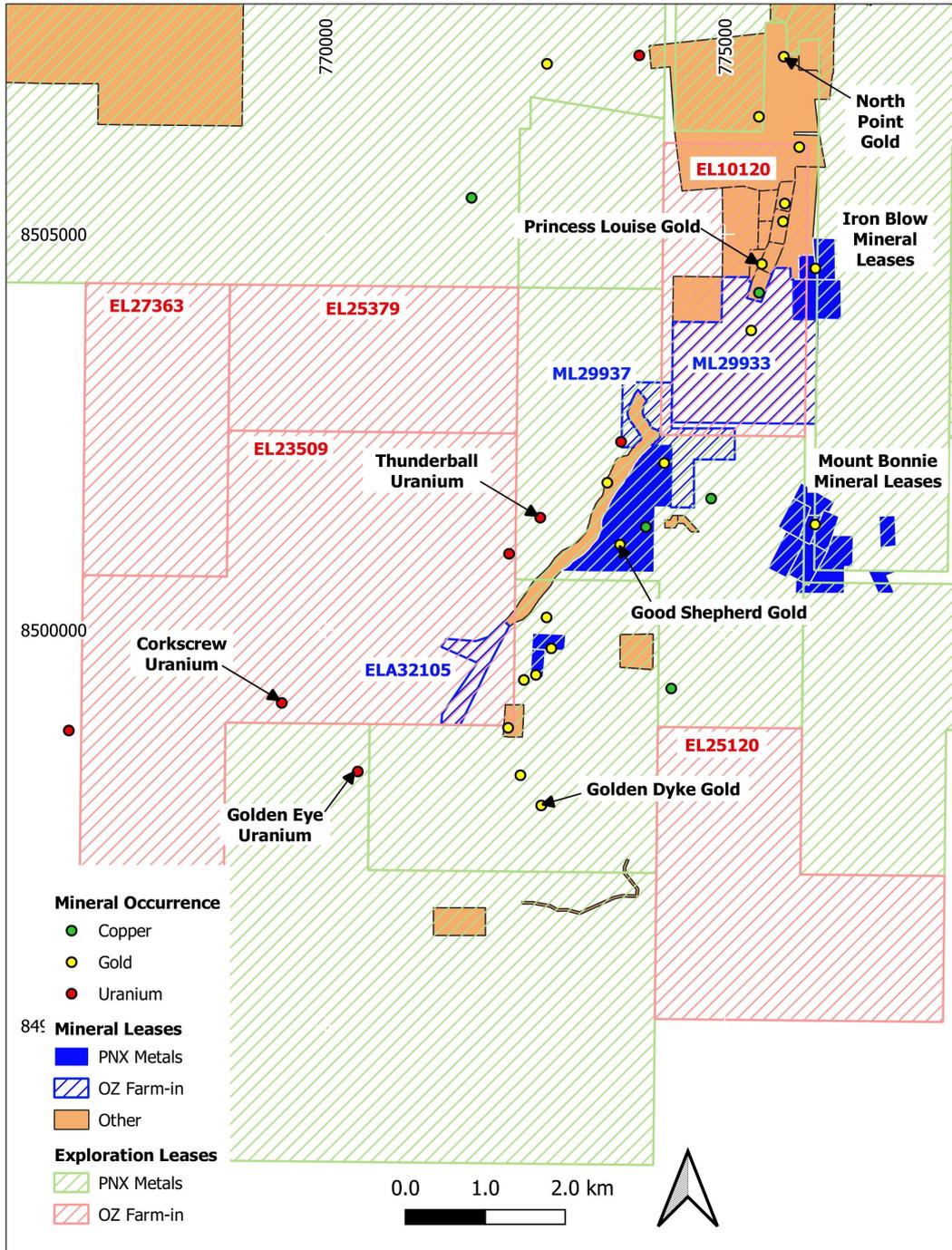


Figure 1: Location of Farm-In Agreement and PNX’s existing Mining and Exploration Leases. Other MLs also shown. Mineral occurrences adapted from Northern Territory Geological Survey STRIKE system

The remaining tenure is also highly prospective for gold, as demonstrated by PNX's previous positive gold results from near the Thunderball uranium resource (Figures 1 and 2; refer PNX ASX 2015 Annual Report).

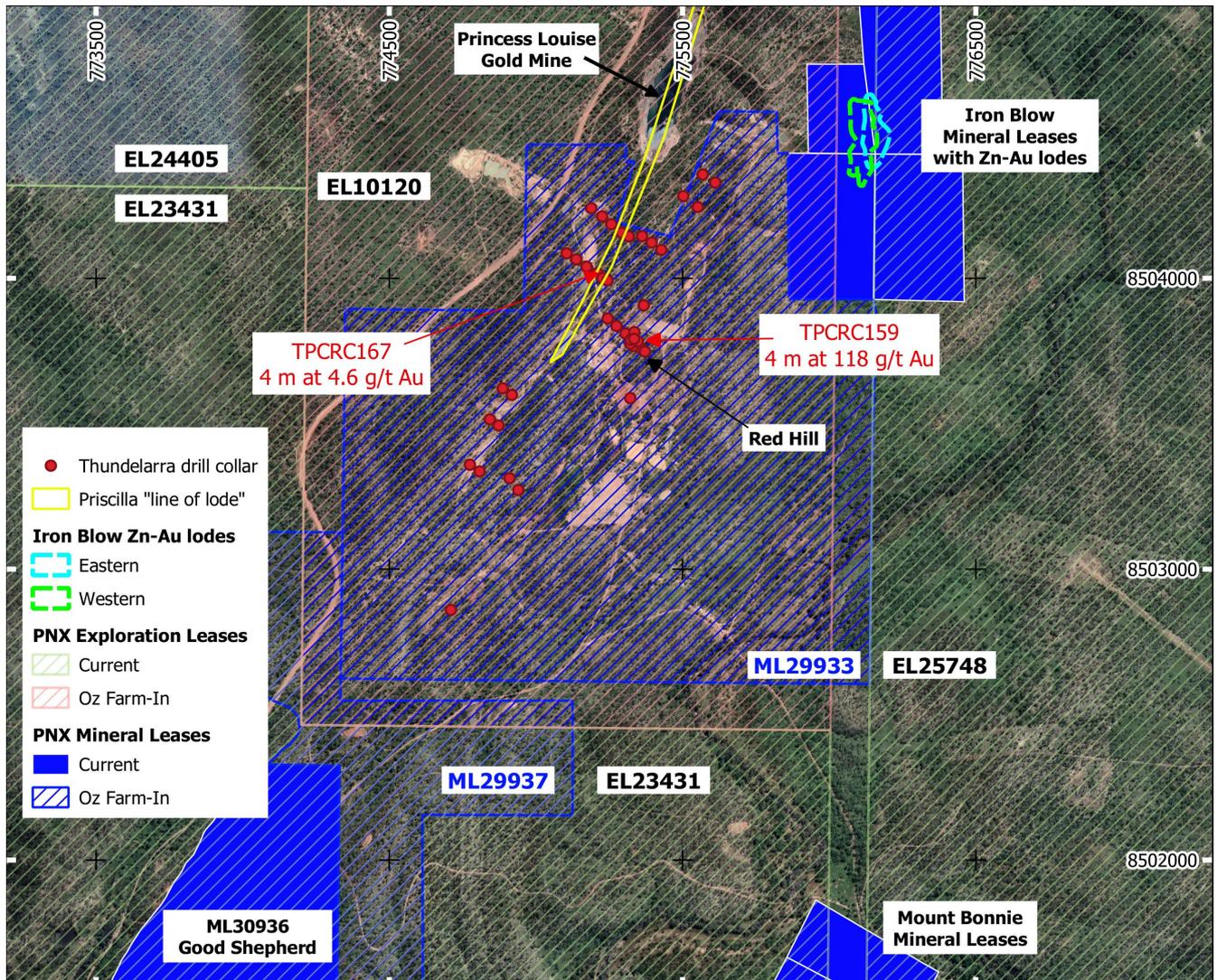


Figure 2: Historic drill collars and significant gold intercepts in ML29933 with existing PNX Mineral Leases and PNXs surrounding exploration tenure

Summary of the JV Agreement

The Company entered into a farm-in agreement on 22 March 2021 with private entities Oz Uranium Pty Ltd (ABN 98 164 615 749) and Rockland Resources Pty Ltd (ABN 99 149 709 713) to earn a 100 % interest in five granted Exploration Licences, and a 100 % interest in the hard-rock rights over two granted Mining Leases and one Mining Lease Application. A 20% ownership interest is held by a private third-party over the two granted Mining Leases.

PNX has made an initial \$60,000 cash payment and completed earn-in expenditure of \$80,000. Foreign Investment Review Board approval and transfer of title is pending. Upon completing title transfer a 1% Net Smelter Royalty over all minerals will be granted to Oz Uranium, who also retain the uranium rights over the tenure until late 2023 at which time those rights will transfer to the Title holder(s).

Table 1: Farm-In Agreement licences

Title ID	Title Name	Area	Comments
ML 29937	-	85.4 ha	80% ownership; exclusive hard-rock rights
ML 29933	-	354 ha	80% ownership; exclusive hard-rock rights
MLA 32105	-	36.8 ha	100% ownership; exclusive hard-rock rights
EL 10120	Yam Creek	6.7 km ²	100% ownership
EL 23509	Corkscrew	20.0 km ²	100% ownership
EL 25120	Kulbac	10.0 km ²	100% ownership
EL 25379	Dowling	6.7 km ²	100% ownership
EL 27363	Jigsaw	6.7 km ²	100% ownership

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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