

ASX Announcement

20 October 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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Drilling underway at the Glencoe gold deposit

- **RC drill program of up to 2,000 metres has commenced at the Glencoe gold deposit**
- **Improved geological model highlights numerous areas to test for immediate extensions to defined lodes**
- **Near-surface anomalism outlines potential to considerably expand the mineralised footprint**
- **Glencoe remains open in all directions, extends from surface to 120 metres vertical depth and comprises discrete lodes over a strike length of approximately 1.5 km**
- **Drilling to take approximately four weeks with assays due from mid-November**

PNX Metals Limited (**ASX: PNX**) (“**PNX**”, “the **Company**”) is pleased to advise that a reverse circulation (RC) drill program of up to 2,000 metres has commenced at its 100%-owned Glencoe gold deposit (“**Glencoe**”).

Glencoe hosts a Mineral Resource Estimate (MRE) of 2.1Mt @ 1.2 g/t Au for 79,000 oz Au (77.4% Measured and Indicated Categories) reported in accordance with the 2012 JORC Code (refer ASX release 30 August 2022 and Table 1 below). 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 (Figure 1).

The current Glencoe drill program is designed to test 3 targets (Targets 1, 3 and 4 - Figure 2) exploring for:

- mineralised extensions where near-surface gold anomalism highlights along-strike potential, and
- gold-bearing quartz veins oblique to the main gold lodes identified by surface rock chip samples (refer ASX release 17 March 2022):
 - 33.1 g/t Au in GLFS035c,
 - 15.5 g/t Au in GLFS043,
 - 35.8 g/t Au in GLFS046a,
 - 15.9 g/t Au in GLFS046c.

Managing Director’s Comment

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

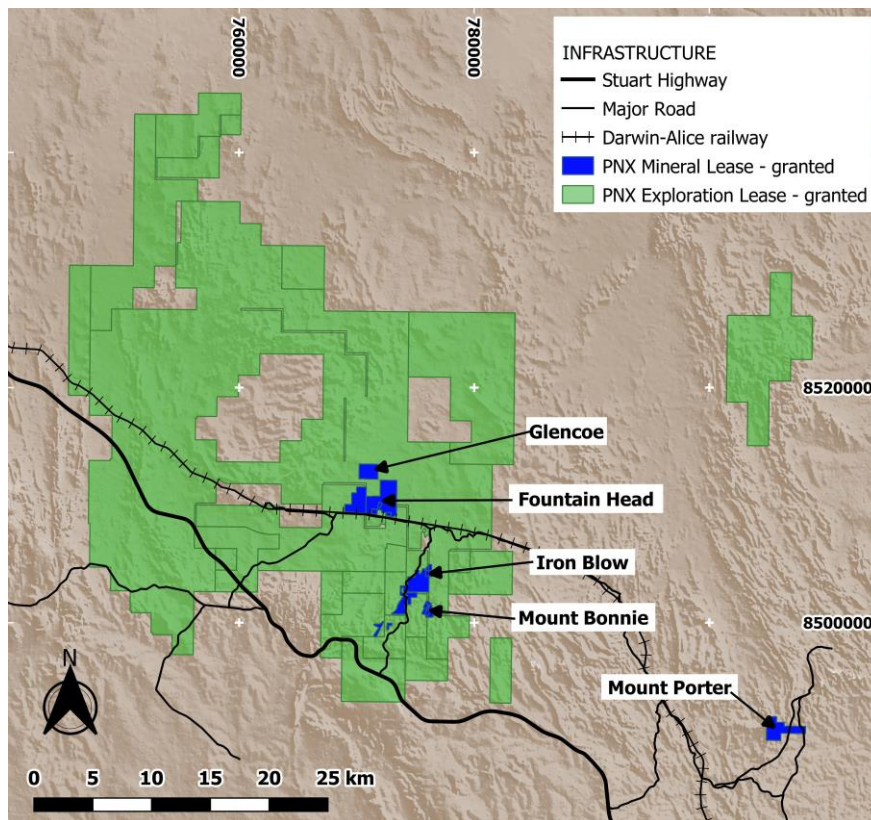


Figure 1: Location map of the Glencoe ML in relation to the Fountain Head Gold Development Project

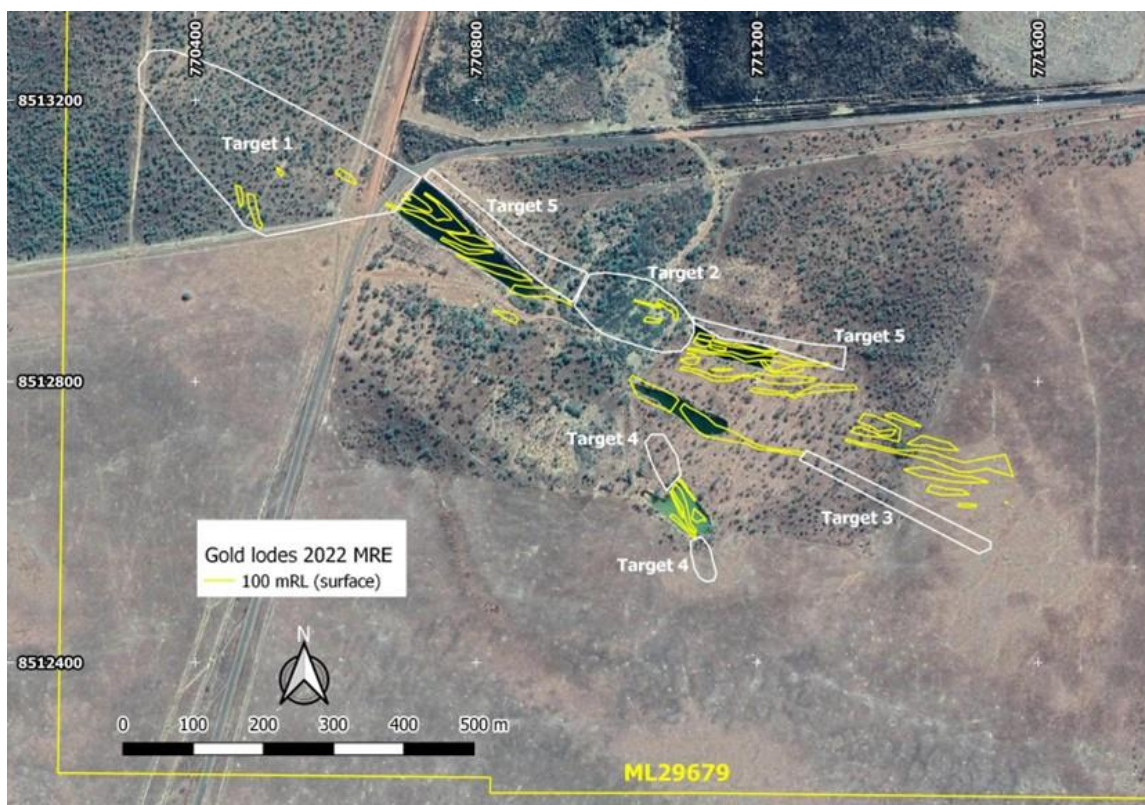


Figure 2: Glencoe exploration target zones for next phase of drilling (existing mineral lodes outlined in yellow with new targets in white)

Development Opportunity

Glencoe is a key component of PNX’s integrated gold, silver and zinc development strategy, which is proposing to mine and process ore from five 100%-owned discrete deposits (Fountain Head, Glencoe and the recently acquired Mt Porter gold deposits as well as the Mt Bonnie and Iron Blow zinc-gold-silver deposits), located on granted MLs in the Pine Creek region of the Northern Territory. As outlined below, PNX’s Global Mineral Resources now contain a total metal inventory of:

- **520,900 oz gold, 16.2 M oz silver, 177 kt zinc, 37 kt lead and 10 kt copper**

A Pre-feasibility Study (excluding Mt Porter) was released in mid-2021 (refer ASX release 17 June 2021) detailing the proposed development strategy.

The Company has received updated Project capital and operating costs from its Engineering Partner, Como Engineers, using a simplified flowsheet. These updated costs have partly offset cost inflation being experienced during construction for projects globally, and will now be used to update the Project financial model and for ongoing discussions with prospective financiers.

The NT EPA published PNX’s Fountain Head Supplement to the Environmental Impact Statement (EIS) on 3 August 2022. An Assessment Report is to be prepared and provided to the Minister for Environment to consider, expected to be towards the end of CY 2022.

Glencoe Mineral Resource Overview

Independent mining consultants, Measured Group Pty Ltd (“MG”), estimated the Glencoe Mineral Resource, summarised in Table 1, in accordance with the 2012 JORC Code¹. The MRE was finalised on 29 August 2022 and is based on geological data acquired from 443 drill holes that intersected the in-situ orebody.

Table 1: Glencoe Mineral Resources by oxidation zone and JORC classification as at 29 August 2022 estimated using a cut-off grade of 0.7 g/t Au which is consistent with the assumed open-cut mining method.

Zone	Measured		Indicated		Inferred		Total		
	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Au Ounces
Oxide	14,000	1.18	86,000	1.04	40,000	1.23	140,000	1.11	5,000
Transitional	144,000	1.25	449,000	1.28	107,000	1.18	700,000	1.26	28,300
Fresh	269,000	1.36	649,000	1.04	324,000	1.17	1,242,000	1.14	45,700
Total	427,000	1.32	1,184,000	1.13	471,000	1.18	2,082,000	1.18	79,000

Notes:

1. Due to the effects of rounding, totals may not represent the sum of all components
2. Classification of Mineral Resources incorporates the terms and definitions from the JORC Code

Total Project Mineral Resources

Near surface oxide and free milling gold mineral resources capable of being processed through the proposed Fountain Head CIL Plant between Fountain Head, Glencoe and Mt Porter now total 283,200 oz (refer PNX ASX announcements 16 June 2020 and 30 August 2022, 28 September 2022 respectively for full details of the Fountain Head, Glencoe and Mt Porter MREs including JORC tables).

The Mt Bonnie and Iron Blow zinc-gold-silver-rich massive sulphide deposits host polymetallic mineral resources and contain 237,700 oz Au, 16.2 M oz Ag, 177 kt Zn, 37 kt Pb and 10 kt Cu (refer PNX ASX announcement 3 May 2017 for full details including JORC tables).

¹ 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).

PNX's Global Mineral Resources now contain a total metal inventory of:

- **520,900 oz gold, 16.2 M oz silver, 177 kt zinc, 37 kt lead and 10 kt copper**

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements referenced in this announcement 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 data is based on information compiled by Dr Michael Green, who is a full-time employee of PNX Metals Ltd. Dr Green is a Member of the Australian Institute of Geoscientists (AIG No: 4360) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Dr Green consents to the inclusion of this information in the form and context in which it occurs.

For further information please visit the Company's website www.pnxmetals.com.au, or contact us directly:

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