

ASX Announcement

14 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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Multiple new zones of high-grade gold mineralisation at the Glencoe gold deposit

- **PNX's first drilling at Glencoe intersects new zones of near-surface high-grade gold mineralisation, including:**
 - 8m at 1.69g/t Au from 65m in GLRC012
 - 9m at 2.23g/t Au from 21m in GLRC019
 - 3m at 5.37 g/t Au from 31m in GLRC027
- **Strike extent of the mineralisation remains open and extends to the southeast by over 200 metres, increasing the footprint and potential scale of the Glencoe gold deposit**
- **Mineralisation appears to be thickening towards the southeast where sampling of outcrop has taken place with results pending**
- **Next drill program planned for October to test further extensions and increase confidence in the Mineral Resource Estimate**

PNX Metals Limited (**ASX: PNX**) ("**PNX**", "**the Company**") is pleased to advise that it has successfully completed 27 reverse circulation (RC) drill holes for 2,352 metres at the Glencoe gold deposit ("**Glencoe**"). 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, and represents a 'bolt-on' asset that has significantly expanded the proposed Fountain Head development.

In a highly successful first drill program at Glencoe, immediate extensions to near-surface gold mineralisation were intersected, extending the strike by more than 200 metres to the southeast of the deposit and current Mineral Resource Estimate (MRE) (Figures 1-4, and Table 2). Mineralisation also appears to be thickening towards the southeast where broader zones of mineralisation containing multiple gold intercepts have been encountered.

Surface mapping and sampling of outcrop 80-200 metres from PNX's last drill traverse has been completed with results pending.

The current drilling results also confirm the location and grade of the gold mineralisation modelled in the recent MRE (Figure 3), which was based on historic drilling results, and provide up-to-date quality assurance and quality control data that will support upgrades to portions of the MRE to an Indicated level.

Managing Director Comment

PNX Managing Director James Fox said: *"We are very pleased by the results of our first drill program at Glencoe. Several high-grade, near-surface intersections were returned and the strike length has been extended beyond the current MRE. The deposit scale has been increased with this drilling. Further drilling will be conducted at Glencoe over the coming months as we look to upgrade the confidence level for a portion of the current deposit to the indicated category. Glencoe forms an important part of our development plans for the Fountain Head gold and Hayes Creek gold-silver zinc projects."*

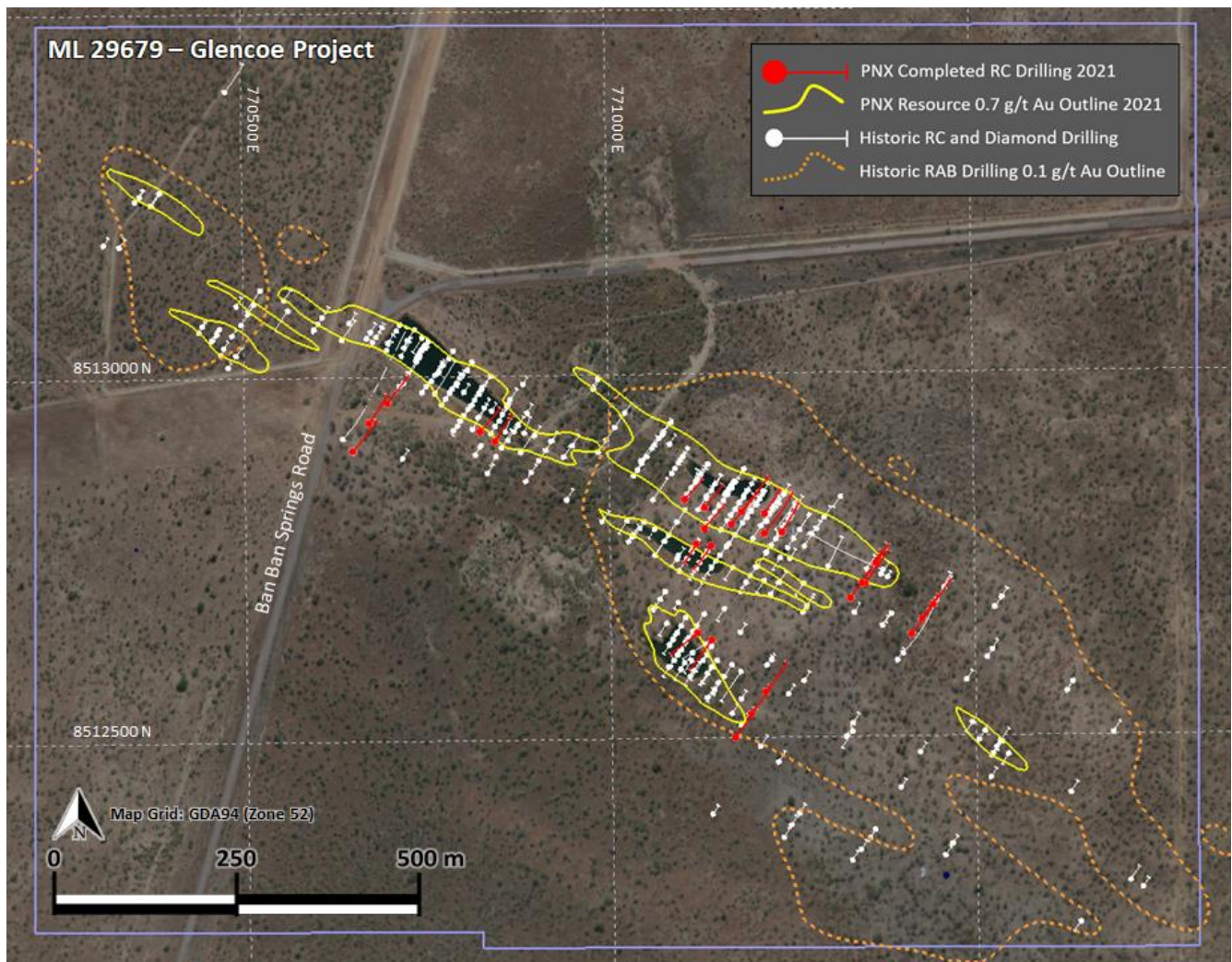


Figure 1: Glencoe Mineral Resource outline (yellow), gold target areas (orange) defined by surface soils, RAB and mapping, drill traces PNX (red), and historic (white)

Glencoe Geology

Gold mineralisation at Glencoe is hosted within and adjacent to a complex network of interconnected sub-vertical quartz veins associated with shearing in a tightly-folded sequence of interbedded sandstones, siltstones, and mudstones of the Palaeoproterozoic Mount Bonnie Formation.

The dominant trend of the quartz vein zones is subparallel to this axial plane, though gold-bearing veins with different geometries have been identified. Many of the gold-bearing veins contain pyrite, arsenopyrite, chlorite or tourmaline. There is evidence of modest gold redistribution in the in-situ regolith consistent with supergene processes.

New Drilling Planned for October

A drilling program of 2,000m to follow-up the successful initial program at Glencoe will commence in October. The aim of this next phase of drilling is to extend the new gold zones, target additional untested anomalies evident from historic exploration and recent surface sampling, and collect further data around the current MRE to upgrade the confidence level to the Indicated category for at least a portion of the deposit.

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 Code, 2012 (refer ASX release 28 April 2021). The Glencoe MRE extends from surface to 120 metres vertical depth, comprises a number of discrete lodes over a strike length of greater than 1.5km, and remains open in all directions.

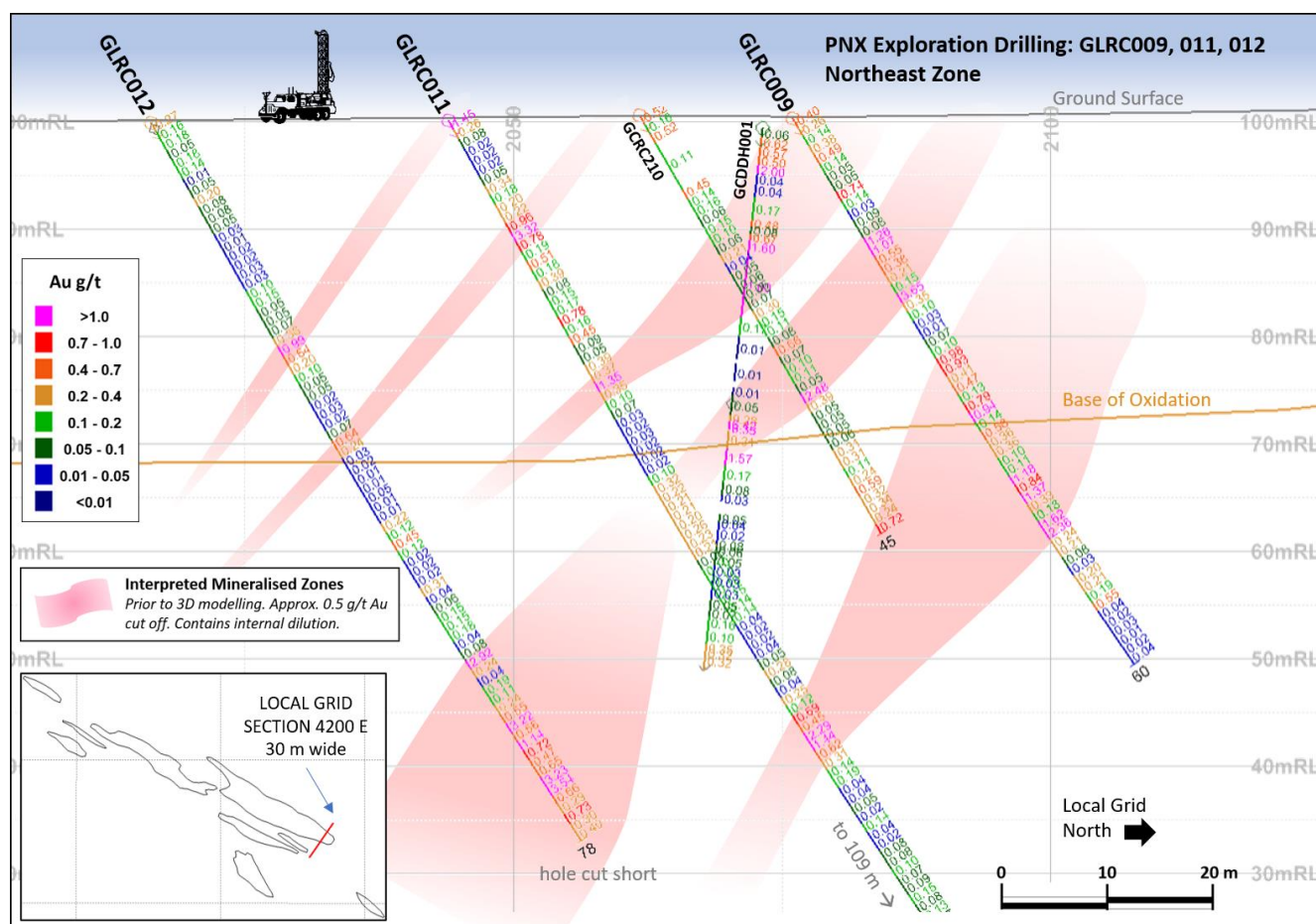


Figure 2: Glencoe X-section showing exploration holes GLRC009, 011, and 012 and interpreted mineralised zones. Note: GLRC012 ended in gold mineralisation and was stopped short of the planned depth due to loss of circulation and difficult ground conditions

Additional Work at Glencoe

A detailed topographic survey, surveying of historic drill collars, geological mapping of pits walls and surfaces, and reprocessing of regional aeromagnetic data have provided greater confidence in the validity of the historic drill data, contributed robust geological data to inform the future MRE, and identified new target areas. Integration and interpretation of these datasets is ongoing.

Prior to commencing the next drilling, downhole optical imaging and density measurements will be completed on approximately 16 of the recently drilled holes. This work will assist with the structural interpretation of the gold

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

lodes, improve the overall geological model of the deposit and provide further rock density data necessary to upgrade resource confidence. Environmental studies are also ongoing in parallel to the current exploration.

Three diamond drill holes for approximately 360 m are also planned as part of the program commencing in October 2021. These 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.

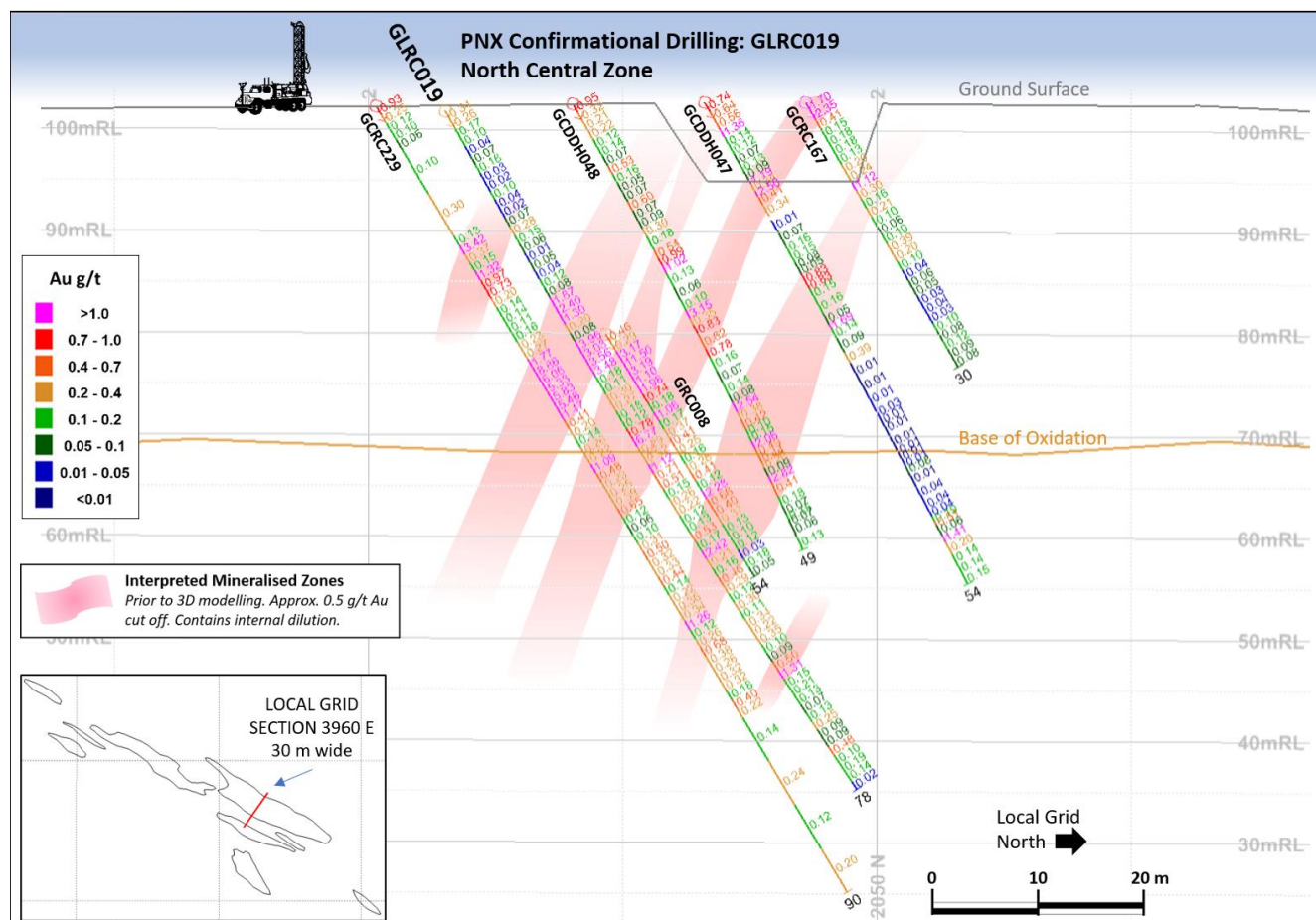


Figure 3: Glencoe X-section showing confirmatory hole GLRC019 and interpreted mineralised zones

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 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. The PFS highlights 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).

The Fountain Head Environmental Impact Statement public consultation period ended 8 August 2021 and the Company has since received very positive feedback from NT EPA. This is currently being assessed and the market will be updated in due course.

Glencoe Mineral Resource Overview

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.

Glencoe Mineral Resource Estimate

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

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

James Fox

Managing Director & CEO

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Table 2: Significant gold intercepts Glencoe RC drilling using a cut-off grade of 0.7 g/t Au (refer also Figure 4). 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. Blue holes denote confirmation, with the reminder extensional and exploration

Hole ID	Type	Easting (m)	Northing (m)	RL (m)	Azimuth	Dip	Total Depth (m)		From (m)	To (m)	Interval (m)	Au (g/t)
GLRC001	RC	770648	8512899	100	31.5	-60.00	96.00	NSI				
GLRC002	RC	770671	8512937	102	31.5	-60.00	90.00	NSI				
GLRC003	RC	770697	8512964	102	31.5	-60.00	90.00		18.00	19.00	1.00	1.29
									79.00	81.00	2.00	1.04
GLRC004	RC	771212	8512562	98	31.5	-60.00	90.00		56.00	57.00	1.00	1.13
GLRC005	RC	771191	8512532	97	31.5	-60.00	90.00		14.00	16.00	2.00	1.23
									41.00	43.00	2.00	1.39
GLRC006	RC	771169	8512500	97	31.5	-60.00	90.00	NSI				
GLRC007	RC	771138	8512634	99	211.5	-55.00	84.00	NSI				
GLRC008	RC	771119	8512644	100	231.5	-55.00	84.00		39.00	41.00	2.00	1.15
GLRC009	RC	771365	8512738	100	31.5	-60.00	60.00		8.00	9.00	1.00	0.70
									13.00	20.00	7.00	1.07
								incl	19.00	20.00	1.00	3.70
									26.00	28.00	2.00	0.96
									31.00	33.00	2.00	0.90
									39.00	46.00	7.00	1.11
GLRC011	RC	771350	8512709	100	31.5	-60.00	108.00		0.00	1.00	1.00	1.46
									11.00	14.00	3.00	1.68
								incl	12.00	13.00	1.00	3.30
									21.00	22.00	1.00	0.74
									28.00	29.00	1.00	1.42
									64.00	69.00	5.00	1.09
									94.00	97.00	3.00	1.18
GLRC012	RC	771329	8512690	100	31.5	-60.00	78.00		24.00	26.00	2.00	0.83
									58.00	59.00	1.00	3.18
									65.00	73.00	8.00	1.69
								incl	65.00	66.00	1.00	3.17
								incl	71.00	73.00	2.00	3.35
									75.00	76.00	1.00	0.75
GLRC013	RC	771236	8512781	103	31.5	-60.00	90.00		21.00	23.00	2.00	1.44
									33.00	34.00	1.00	0.97
									64.00	67.00	3.00	1.99
									69.00	70.00	1.00	0.76
									71.00	72.00	1.00	0.93
									80.00	81.00	1.00	5.49
									87.00	88.00	1.00	0.74

GLRC014	RC	771212	8512780	103	31.5	-60.00	132.00		28.00	29.00	1.00	1.13
									60.00	62.00	2.00	2.86
									69.00	75.00	6.00	1.84
									87.00	88.00	1.00	0.84
									94.00	96.00	2.00	2.27
									108.00	109.00	1.00	1.43
									120.00	121.00	1.00	2.59
GLRC015	RC	771213	8512807	104	31.5	-60.00	78.00		7.00	11.00	4.00	1.81
								incl	10.00	11.00	1.00	4.07
									22.00	25.00	3.00	2.40
									30.00	31.00	1.00	0.79
									34.00	35.00	1.00	7.99
									39.00	40.00	1.00	0.82
									47.00	49.00	2.00	0.76
GLRC016	RC	771181	8512810	103	31.5	-60.00	120.00		67.00	68.00	1.00	0.76
									33.00	35.00	2.00	0.96
									38.00	39.00	1.00	1.09
									45.00	46.00	1.00	1.22
									56.00	57.00	1.00	1.15
									98.00	99.00	1.00	0.74
									102.00	103.00	1.00	3.80
GLRC017	RC	771167	8512793	103	31.5	-60.00	120.00		115.00	116.00	1.00	2.02
									34.00	35.00	1.00	1.04
									53.00	54.00	1.00	3.72
									61.00	65.00	4.00	2.58
									67.00	70.00	3.00	1.19
									73.00	74.00	1.00	0.76
									79.00	80.00	1.00	0.74
GLRC018	RC	771139	8512764	102	211.5	-60.00	78.00		84.00	86.00	2.00	0.82
									91.00	92.00	1.00	1.12
									102.00	104.00	2.00	1.18
									111.00	112.00	1.00	0.86
									47.00	48.00	1.00	1.34
									54.00	56.00	2.00	1.57
									67.00	69.00	2.00	3.83
GLRC019	RC	771131	8512816	102	31.5	-60.00	78.00		71.00	76.00	5.00	0.94
									21.00	30.00	9.00	2.23
									36.00	38.00	2.00	3.70
									40.00	41.00	1.00	1.10
									50.00	51.00	1.00	2.41
GLRC020	RC	771443	8512680	100	31.5	-60.00	78.00		64.00	65.00	1.00	1.35
									7.00	9.00	2.00	1.17
									25.00	27.00	2.00	0.99
									38.00	40.00	2.00	1.61

									76.00	77.00	1.00	1.21
GLRC021	RC	771427	8512661	100	31.5	-60.00	78.00		5.00	6.00	1.00	1.35
									16.00	18.00	2.00	0.84
									24.00	26.00	2.00	1.10
									28.00	29.00	1.00	1.03
									37.00	41.00	4.00	1.66
									65.00	67.00	2.00	1.39
GLRC022	RC	771413	8512640	99	31.5	-60.00	78.00		15.00	16.00	1.00	0.78
									40.00	41.00	1.00	0.78
									50.00	51.00	1.00	2.23
									58.00	59.00	1.00	0.94
									69.00	74.00	5.00	1.16
GLRC023	RC	771119	8512766	102	211.5	-60.00	60.00		19.00	21.00	2.00	0.80
									28.00	34.00	6.00	1.05
									39.00	40.00	1.00	2.49
GLRC024	RC	771130	8512787	102	31.5	-60.00	78.00		41.00	42.00	1.00	0.84
									48.00	49.00	1.00	0.80
									65.00	66.00	1.00	1.20
									70.00	73.00	3.00	3.20
								incl	71.00	72.00	1.00	6.47
GLRC025	RC	771103	8512828	102	31.5	-60.00	72.00		0.00	3.00	3.00	2.44
								incl	2.00	3.00	1.00	5.84
									18.00	19.00	1.00	2.61
									24.00	26.00	2.00	0.75
									28.00	30.00	2.00	2.06
									37.00	38.00	1.00	2.80
									63.00	64.00	1.00	1.21
GLRC026	RC	770844	8512910	101	31.5	-60.00	78.00		15.00	16.00	1.00	1.81
									55.00	59.00	4.00	0.93
									76.00	77.00	1.00	0.82
GLRC027	RC	770823	8512924	103	31.5	-60.00	78.00		31.00	34.00	3.00	5.37
								incl	31.00	32.00	1.00	11.58
									39.00	41.00	2.00	3.11
									50.00	52.00	2.00	2.55
								incl	50.00	51.00	1.00	4.40
									69.00	70.00	1.00	1.86

PNX Metals Limited | ABN 67 127 446 271

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"> <i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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.</i> 	<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 Rock-chip samples were grab samples of specific rock units to identify the host of gold mineralisation
Drilling techniques	<ul style="list-style-type: none"> <i>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).</i> 	<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"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>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.</i> 	<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 The drill program was temporarily halted due to a sudden drop in sample recovery and poor repeatability of field duplicate. Drilling performance returned to excellent after necessary repairs were made. 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, strength, 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
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 Two historic diamond drill holes were twinned with RC holes. PNX hole GLRC010 was redrilled as hole GLRC011 4m away for quality checking following repairs to booster - GLRC010 will now be excluded from future resource and reporting purposes due to quality concerns. 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
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"> 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 were surveyed using a differential global positioning system (DGPS) (PNX standard procedure), to a nominal +/- 20 cm accuracy in the XY direction. DGPS was also obtained to create a comprehensive topographic surface and pick up historic collars, water surface levels, pit edges and other features and landmarks. Water depths were recorded at several locations within each of the 4 pits. 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.
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 	<ul style="list-style-type: none"> The data reported here include; a) 'Exploration' holes (>50 m spacing) in areas which will require further infill drilling prior to inclusion into the mineral resource, and b) 'Confirmation' holes (that are infill/near-extensional holes at ~10-20 m spacing, or twin holes at

Criteria	JORC Code explanation	Commentary
	<p><i>classifications applied.</i></p> <ul style="list-style-type: none"> <i>Whether sample compositing has been applied.</i> 	<p><5 m spacing) which will be used for increasing geological and resource confidence, adding modern QAQC data support, and for comparison to historic data, for an eventual upgrade to resource class</p> <ul style="list-style-type: none"> No sampling compositing has been used
Orientation of data in relation to geological structure	<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 steeply dipping (~70°) to vertical (90°). An effort has been made to drill orthogonal to the mineralisation, however the drilling process is difficult at angles less than 60 degrees 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
Sample security	<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
Audits or reviews	<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
Mineral tenement and land tenure status	<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 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.

Criteria	JORC Code explanation	Commentary
		<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>
<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"> 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> <p>1985-1987 – Discovery, Drilling Programs (Auger, RAB, RC, DD)</p> <p>1988 – Metallurgical Testwork</p> <p>1989-1990 – 1st Trial Mining</p> <p>1995 – 2nd Trial Mining (aborted early – material stockpiled)</p> <p>Australasia Gold</p> <p>2006 – Optimisation and Scoping Study</p> <p>2007 – Survey of the Glencoe Local Grid, IP/Resistivity Survey</p> <p>2007-2008 – Drilling Programs (RC, DD)</p> <p>2011 – Heliborne VTEM Survey</p> <p>Newmarket Gold NT</p> <p>2012 – Processing Stockpiled Material</p> <p>2016 – Environmental and Metallurgical Testwork</p>
<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 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. <p>Notable features:</p> <p>1) 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.</p>

Criteria	JORC Code explanation	Commentary
		<p>2) 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.</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: <ul 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.
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"> • Refer to the main body of this announcement for PNX drill holes. • Historic assay data has been displayed in Figures 2 and 3. References for the original reports: <ul style="list-style-type: none"> • <u>Holes GCDDH001, 47, 48, and GCRC167, 210, 229</u> Milligan, I., (1990) Glencoe Prospect Report on Exploration for the Year to 19th November 1989 Mineral Claims N20-N43, N1303-N1313 and Exploration Licence 4810. Report for Magnum Gold N.L. Report ID: CR1990-0085 • <u>Hole GRC008</u> Draganuta, V. (2009) Glencoe Project, N.T., Report for 1st January 2004 to 31st December 2008. (MCN 20-25, 3578, 4248). Report for Australasia Gold Ltd. Report ID: CR2008-0822.

Criteria	JORC Code explanation	Commentary
<i>Data aggregation methods</i>	<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> <i>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.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly 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 Reported intersections were classified as significant if they occurred above 0.7 g/t Au average. High-grade samples within intersections are highlighted via an additional entry: 'including' ('incl.'). 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"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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').</i> 	<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 no clear relationship yet between intersected width and true width
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> Refer to the main body of this announcement
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>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.</i> 	<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"> <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
<i>Further work</i>	<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