

Additional high-grade gold mineralisation intersected at Fountain Head

- **Results from RC drilling at Fountain Head Project return high-grade gold intersections, including:**
 - 3m at 25.94 g/t Au from 117m in FHRC106,
 - 4m at 5.39 g/t Au from 82m in FHRC108, and
 - 3m at 5.25 g/t Au from 110m in FHRC117
- **Results confirm high-grade continuity at depth and along strike adjacent to the current resource envelope**
- **Potential to grow resources through further exploration along strike**
- **Further drilling planned to commence in December**

PNX Metals Limited (**ASX: PNX**) ("**PNX**", "the **Company**") is pleased to announce assay results from a follow-up reverse circulation (RC) drill program of 1,669m at its 100% owned Fountain Head gold Project. The results are presented in Table 1.

This was the first drilling undertaken at Fountain Head since the Company released a Mineral Resource estimate for the Project of **2.58Mt at 1.7g/t Au for 138,000 oz Au** (Figure 1 and Table 2) (reported in accordance with the JORC Code, 2012, see ASX release 11 July 2019 for full details including JORC tables). Fountain Head, together with the Iron Blow and Mt Bonnie volcanogenic massive sulphide (VMS) deposits, form the Hayes Creek zinc-gold-silver Project ("**the Project**") in the Pine Creek region of the Northern Territory.

The drill program was successful, with numerous mineralised intercepts confirming good high-grade continuity at depth and along strike, directly adjacent to the current resource envelope.

Due to the success of this drill program, the Company is planning further drilling at Fountain Head to test the potential for future growth in the current resources, this is planned to commence in December.

Managing Director Comment

PNX Managing Director James Fox said: "These drill results confirm our view that significant mineralisation exists outside the current resource envelope at Fountain Head, consistent with the recently developed geological model. Numerous targets have now been identified and with further testing there is the potential to grow resources. This exploration work is being undertaken as part of the Company's efforts to determine the viability of a heap leach operation at Fountain Head that may pave the way for the development of the broader Hayes Creek Project."

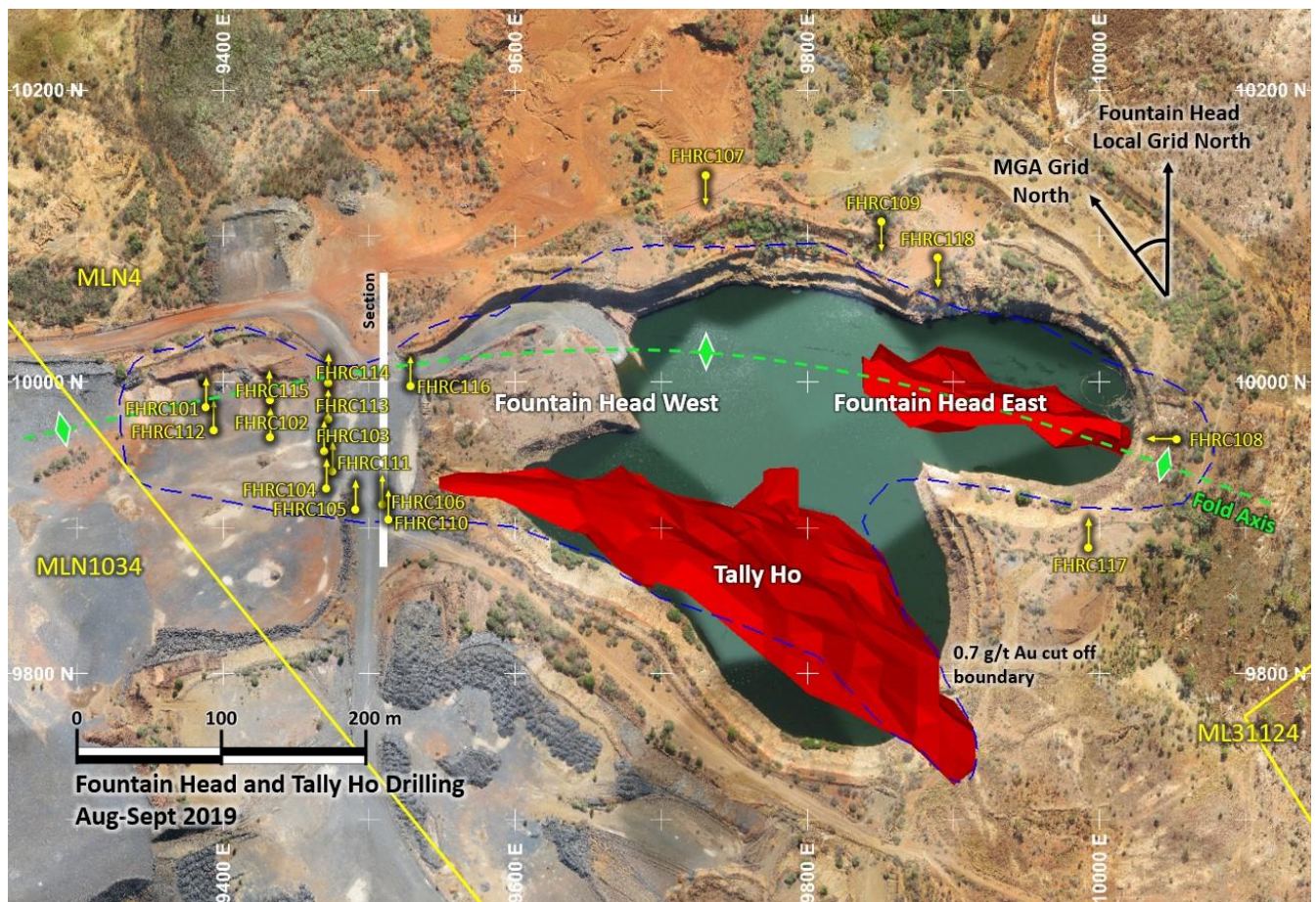


Figure 1: Plan view of the Fountain Head Mineral Resource (lodes in red and outline in blue) showing proximity to historic mining areas, mineral leases and new drill collar locations (yellow). Fountain Head anticline shown in green. Figure 2 section location shown as a white line.

Interpretation of drill results

The newly developed geological model has received further support from this drill program. Significant mineralisation appears to favour the intersection of greywacke bedding and steeply oriented structural breccia units – these mineralised ‘pipes’, plunging to the south-west at -20 to -40 degrees, are a new exploration vector and provide numerous open areas to test with the potential for higher-grade ‘trap sites’.

The deeper high-grade intercepts drilled in FHRC110 and FHRC106, confirm continuity of bedding-controlled mineralisation that is trending towards the north-west and has the potential to connect with near-surface mineralisation that currently sits outside the existing Mineral Resource envelope (Figure 2).

The Company is highly encouraged by these results and further drilling is planned to target extensions to any new mineralised zones at depth and to increase the density of drill data along the 1.6km strike to support the potential for additional Mineral Resources.

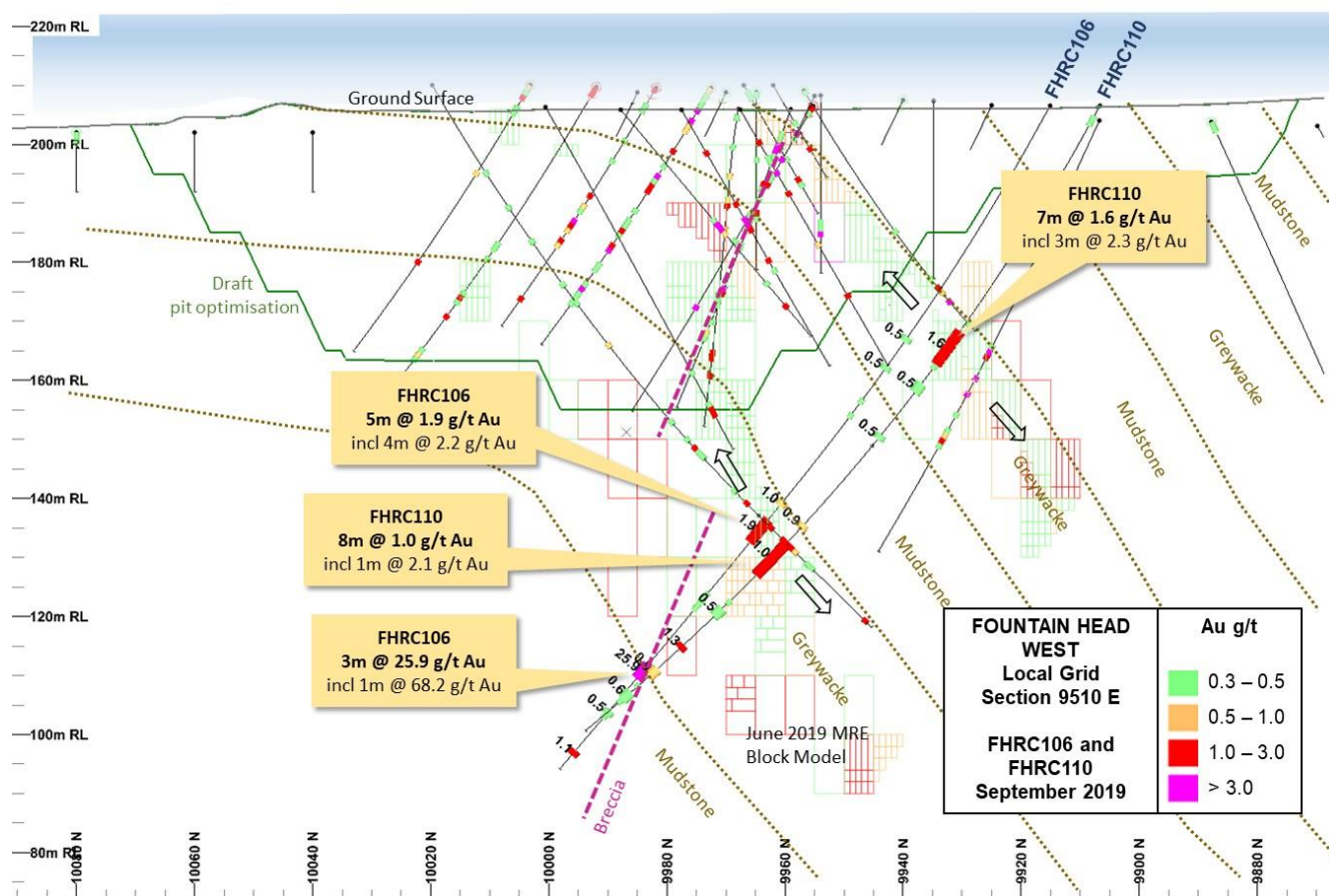


Figure 2: Fountain Head section showing resource estimate block model and the continuity of mineralisation along lithological boundaries and high-grade breccias.

About Fountain Head

The scale of the mineralised envelope within the Fountain Head Gold Project is significant as the gold bearing horizon extends 500m from the south-east of the existing historic open-pits, to the Banner prospect (ASX release 23 August 2018) - an approximate 2km strike extent (Figure 3).

Almost the entire strike extent remains open providing numerous exploration targets. In addition, small-scale historic hard-rock workings have been identified a further 400m to the west of the Banner prospect along the interpreted Fountain Head anticline. This suggests there is potential for further gold mineralisation in this area.

Initial leaching test work on Fountain Head samples has been completed (see ASX release 7 November 2019) resulting in excellent gold recoveries with low reagent consumption.

Heap leaching is currently being assessed as a low cost, scalable option for rapidly monetising, and generating early cashflow from, gold resources at Fountain Head, with column leach tests underway at various crush sizes for use in scaled-up modelling. A rapid development strategy relating to this is to be published in early 2020.

This could provide an opportunity to enhance the overall Hayes Creek economics and extend the Project mine life. The mined-out Fountain Head pit would then still be available for use as tailings storage from subsequent sulphide flotation of Mt Bonnie and Iron Blow ore.

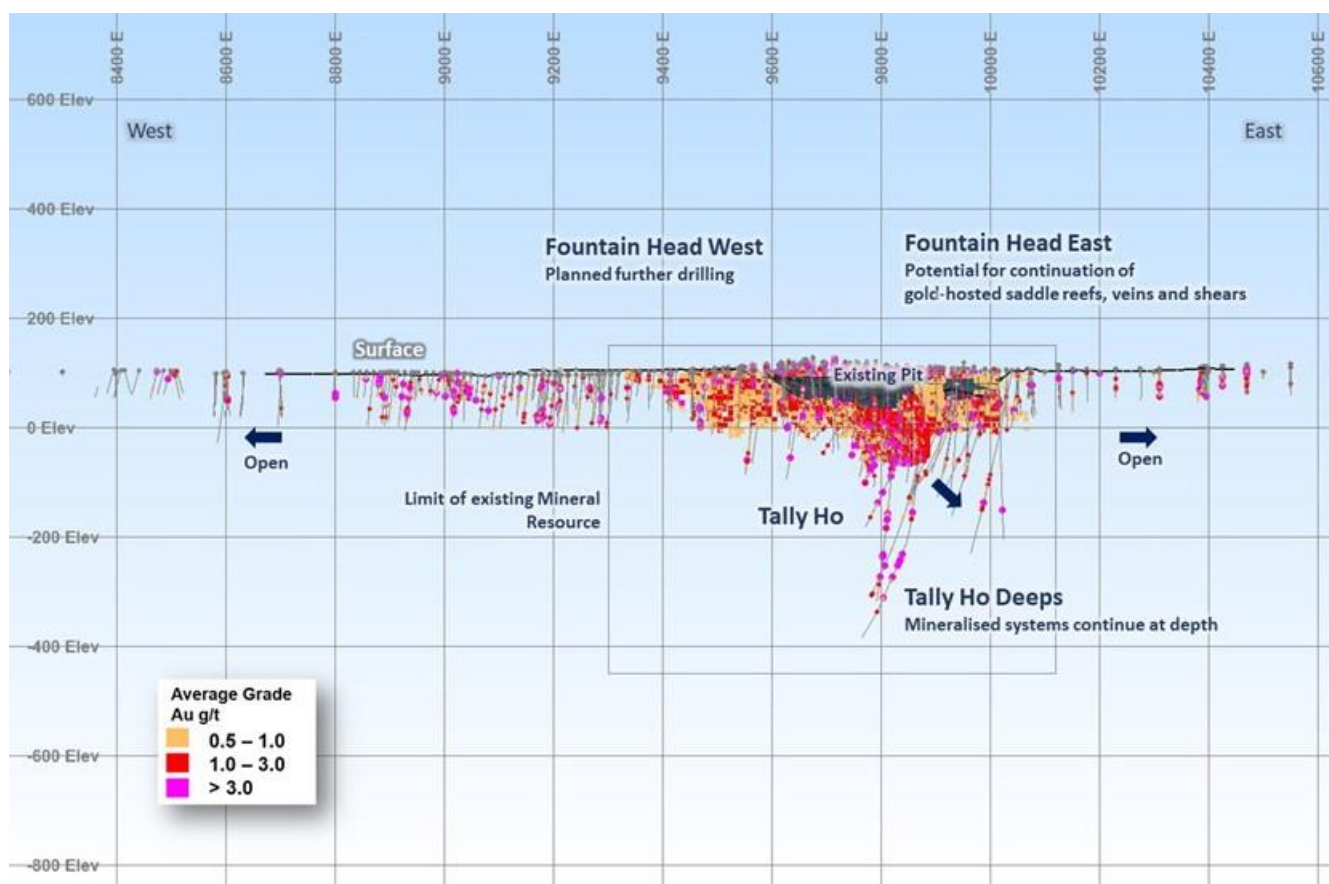


Figure 3: Fountain Head long-section showing extent of mineralisation in relation to Mineral Resource Block Model

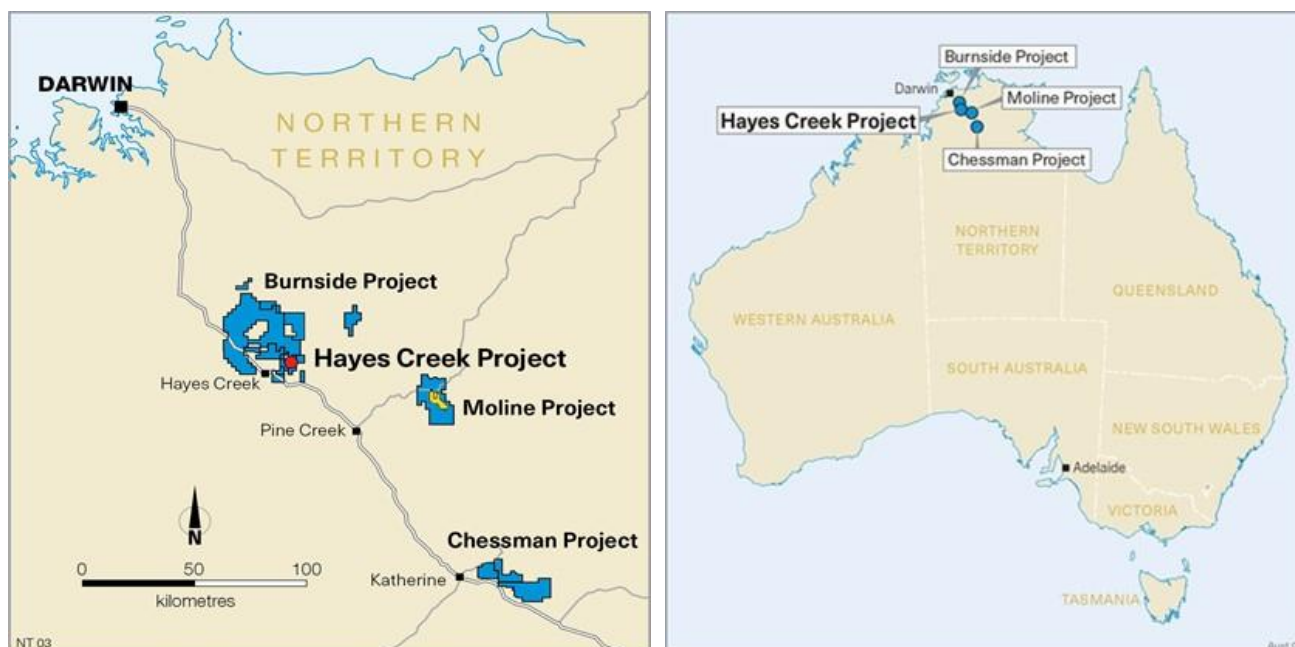


Figure 4: NT Project locations

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Bradley Ermel, a Competent Person who is a Member of the Australian Institute of geoscientists (AIG)). Mr Ermel 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 Ermel is a full-time employee of 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:

James Fox

Managing Director & CEO

Telephone: +61 (0) 8 8364 3188

Fountain Head Drill Results Table

Table 1: 2019 PNX Drill hole assay summary Fountain Head Project. Significant results reported are those assaying at least 0.5 g/t Au over a 1m interval or greater.

Hole ID	Type	Easting	Northing	RL	Dip	Azi	Total Depth		From	To	Interval	Au (g/t)	Comment
FHRC101	RC	770874	8510306	105	-60	40	45	NSI					
FHRC102	RC	770893	8510265	105	-60	40	65	NSI					
FHRC103	RC	770916	8510233	106	-60	40	87		0.00	2.00	2.00	0.47	
								and	22.00	23.00	1.00	0.60	
								and	31.00	32.00	1.00	1.41	
FHRC104	RC	770906	8510217	106	-60	40	84		25.00	27.00	2.00	3.83	
								and	48.00	49.00	1.00	1.04	
								and	67.00	68.00	1.00	0.84	
FHRC105	RC	770906	8510187	107	-60	40	134		79.00	80.00	1.00	0.94	Hole lifted by nearly 20 degrees
								and	85.00	89.00	4.00	1.75	
								and	101.00	105.00	4.00	0.48	
								and	113.00	114.00	1.00	0.57	
								and	123.00	124.00	1.00	0.81	
FHRC106	RC	770923	8510176	107	-60	40	138		46.00	47.00	1.00	0.50	Mineralised breccia, may be extension of Tally Ho. Strong bedding continuity up dip and along strike.
								and	81.00	82.00	1.00	0.99	
								and	85.00	90.00	5.00	1.91	
								and	117.00	120.00	3.00	25.94	
								and	136.00	137.00	1.00	1.07	
FHRC107	RC	771237	8510210	109	-60	220	120	NSI					
FHRC108	RC	771367	8509862	106	-60	310	132		82.00	86.00	4.00	5.39	Further definition of FH East structure
								and	90.00	91.00	1.00	1.16	
								and	95.00	102.00	7.00	1.24	
								and	104.00	106.00	2.00	2.65	
								and	111.00	114.00	3.00	0.66	
								and	117.00	119.00	2.00	0.63	
								and	124.00	125.00	1.00	1.01	
FHRC109	RC	771309	8510108	107	-60	220	114		105.00	107.00	2.00	0.60	Hole stopped short; wet samples and rods becoming bogged
FHRC110	RC	770917	8510170	107	-60	40	138		45.00	52.00	7.00	1.58	Mineralised breccia, may be extension of Tally Ho. Strong bedding continuity in mineralisation up dip and along strike
								and	56.00	58.00	2.00	0.53	
								and	67.00	68.00	1.00	0.54	

								and	87.00	88.00	1.00	0.86	
								and	91.00	99.00	8.00	1.03	
								and	107.00	109.00	2.00	0.54	
								and	116.00	117.00	1.00	1.27	
								and	122.00	124.00	2.00	0.92	
								and	128.00	130.00	2.00	0.60	
FHRC111	RC	770915	8510225	106	-60	40	90		37.00	38.00	1.00	0.54	Mineralised breccia, may be extension of Tally Ho
								and	43.00	44.00	1.00	1.19	
								and	47.00	48.00	1.00	1.65	
								and	55.00	56.00	1.00	0.62	
								and	64.00	65.00	1.00	0.47	
FHRC112	RC	770863	8510292	105	-60	40	54	NSI					
FHRC113	RC	770931	8510248	106	-60	40	67		1.00	2.00	1.00	0.60	
								and	46.00	47.00	1.00	0.56	
								and	50.00	51.00	1.00	2.32	
FHRC114	RC	770944	8510263	106	-60	40	55		35.00	36.00	1.00	1.74	
FHRC115	RC	770907	8510281	105	-60	40	49		41.00	45.00	4.00	0.70	
FHRC116	RC	770990	8510224	106	-60	40	61		11.00	14.00	3.00	0.51	
								and	16.00	18.00	2.00	1.05	
								and	21.00	22.00	1.00	0.53	
FHRC117	RC	771272	8509842	107	-60	40	199		24.00	27.00	3.00	1.11	
								and	89.00	90.00	1.00	0.52	
								and	110.00	113.00	3.00	5.35	
								and	132.00	134.00	2.00	1.12	
								and	138.00	140.00	2.00	0.82	
								and	171.00	172.00	1.00	1.42	
								and	174.00	176.00	2.00	0.62	
FHRC118	RC	771323	8510062	104	-60	220	37		0.00	5.00	5.00	0.47	Hole stopped short due to rods bogging

Fountain Head Resource Estimate

Independent mining consultants CSA Global Pty Ltd ("CSA Global") have estimated the Mineral Resource in accordance with the JORC Code¹, which is summarised in Table 1.

Table 2: Fountain Head and Tally Ho Mineral Resources by JORC Classification as at 11 July 2019 estimated utilising a cut-off grade of >0.7 g/t Au which is consistent with the assumed open cut mining method (see PNX ASX release 11 July 2019).

JORC Classification	Tonnage (Mt)	Au (g/t)	Ounces (Koz)
Tally Ho			
Indicated	0.94	2.0	59
Inferred	–	–	–
Total	0.94	2.0	59
Fountain Head			
Indicated	0.50	1.5	23
Inferred	1.15	1.5	55
Total	1.64	1.5	79
Total Fountain Head + Tally Ho*			
Indicated	1.43	1.8	83
Inferred	1.15	1.5	55
Total	2.58	1.7	138

* Due to the effects of rounding, the total may not represent the sum of all components

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).

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 are derived from Reverse Circulation (RC) chips which were cone-split for sampling All the RC chips used have been geologically logged by the onsite geologist Sampling intervals are at 1m intervals for RC chips. Samples were either submitted in 1m intervals, or composited as a 4m interval. Sample weights were typically 2-3 kg Magnetic susceptibility measurements were taken using KT-10 meter Field portable XRF measurements taken for 34 elements (Ca, Ti, V, Cr, Mn, Fe, Co, Ni, Cu, Zn, As, Rb, Sr, Zr, Mo, Ag, Cd, Sn, Sb, W, Hg, Pb, Bi, Th, U, Pd, S, Ba, K, Cs, Sc, Se, Te, and Au) using an Niton XL3T 950 device
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 Geo Drilling Pty Ltd, Northern Territory using a truck mounted Schramm 450 drilling rig A Relfex downhole survey instrument was used to take single shot positional surveys approximately every 30m downhole
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 visually by inspecting the size of the sample collected, and recorded in the geological log at 1m intervals. Recovery of insitu regolith and fresh rock was excellent No relationship has yet been established between sample recovery and grade. The vast majority of RC samples were dry, but when samples became wet, there was unavoidable loss of fines (typically 5-10% of the sample weight). This has the possibility of introducing a sample bias. Geological logs include the wet or dry nature of the sample

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 1m 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 and portable XRF measurements on each metre sample
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 compressor 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 dual outlet on 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 Australian Laboratories (NAL) in Pine Creek, Northern Territory After crushing and pulverizing to – 100 microns, each sample is roll mixed on a rubber mat after pulverizing, a barren flush is pulverized between each sample. A sub-sample of the pulverized sample is submitted for conventional fire assay for gold (FA50) 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 Visual 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"> <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 specific twinned holes have been carried out as yet No external laboratory assays have 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 No adjustments to assays have been made. Where gold assay data has been repeated by the lab, the average value has been reported in the significant intersection calculations
Location of data points	<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 by at approximate 30m intervals downhole and manually adjusted where magnetic interference is encountered Drill collars have been surveyed using a differential global positioning system (DGPS), to a nominal +/- 20 cm accuracy in the XY direction. Downhole surveys were completed using a Reflex SS single shot camera Drill collar coordinates are typically recorded in GDA94 (MGA Zone 52), then transformed to Fountain Head Local Grid via Datamine Discover software, with +1000 m added to the RL value A hydrographic survey was conducted in January 2019 to obtain an accurate pit floor surface of the water-filled conjoined Fountain Head and Tally Ho open pits. Measurements were made using a remotely controlled hydrographic craft fitted with an RTK GPS and Ceducer sonar system. The remote craft recorded data over a 5 m grid plan of the pit extents A Terra 3D aerial drone was flown over the Project area in July 2014, producing a high quality DTM surface and a composited aerial photograph using a CanonIXUS127HS camera. Some vegetation artefacts can be seen The final DTM used in the resource model is a version of the Terra 3D DTM that has been updated with the 2019 hydrographic survey DTM, and then reduced in size to be manageable within the Datamine software

Criteria	JORC Code explanation	Commentary
<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"> • At Fountain Head, the data spacing is irregular, although much of the drilling is along north-south lines using the Fountain Head Local Grid, dipping at -60°, towards azimuths of either 000° (dipping northward) or 180° (dipping southward). Drill line spacing is typically 20-40 m. On section, holes are spaced 5-30 m apart, with an average of approximately 15 m. There is a rapid decrease in drill data density outside the current resource area, lacking holes north and south, as well as at depth in the east and west. • At Fountain Head East, line spacing is typically 20 m. Holes are spaced tightly along drill lines at around 5 m apart, in order to define the central mineralised shear. In this area, no drilling has tested rocks more than 125 m from surface. • At Fountain Head West, drill line spacing is irregular and lines are either 10, 20 or 40 m apart. The areas with 40 m spacing would benefit from infill drilling, particularly in the far west of the resource. • At Tally Ho, line spacing is typically 20 m, although there are at least 4 lines within the Tally Ho orebody with around 30 m spacing. Around 13 holes have reached depths of over 200 m below ground surface, down to around 350 m, targeting deep extensions to the orebody. • The sample spacing is sufficient to establish the grade continuity of mineralised zones • RC samples are collected at routine 1 metre downhole intervals, which is appropriate for RC drilling and for the thickness of the known mineralisation. The 1m samples, for intervals where mineralisation was interpreted to be likely, were submitted for assay. • Four metre composite samples were taken over intervals where the drill hole was not expected to intersect mineralisation. The composite samples were collected by spear sampling the 1m bulk RC samples and combining the spear samples into composite samples over the four metre interval. Where the assays suggested that significant mineralisation may exist within the four metre composite sample, the 1m samples collected from the drill rig mounted cone splitter were then submitted for assay.
<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</i> 	<ul style="list-style-type: none"> • The drilling has been undertaken on sections orthogonal to the strike of the mineralisation. Given the folded nature of the stratigraphy at Fountain Head, and often conformable mineralisation, an effort has been made to drill orthogonal to the stratigraphy. This means holes on each section are often drilled at different orientations. For the most part, holes are drilled at a high angle to the mineralisation. Some

Criteria	JORC Code explanation	Commentary
	<i>sampling bias, this should be assessed and reported if material.</i>	<p>holes, however, have been drilled down dip of the stratigraphy, and sub-parallel to the mineralisation. Holes at Tally Ho and Fountain Head East, where the mineralisation is more shear hosted and linear, have been drilled at a high angle to the mineralisation. Most drill holes are oriented to intersect mineralisation close to perpendicular to the interpreted orientation of the main zone of mineralisation.</p> <ul style="list-style-type: none"> 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"> The measures taken to ensure sample security. 	<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"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits or reviews have been carried out at this point Visual comparison of the assay results with the field portable XRF shows an acceptable correlation with lab results

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 Project comprises four granted Mineral Leases (MLs) totaling 879.67 hectares, all 100% owned by PNX. These include MLN4, MLN1020, MLN1034 and ML31124 All mineral titles are situated within Perpetual Pastoral Lease 1111, NT Portion 695, known as Ban Ban Springs Station PNX has entered into an arrangement with the pastoral lease owners, which governs land access and other obligations for each party. No other landowner access agreements are in place Native Title has been extinguished over the Mineral Leases, and hence, Native Title issues will not affect the development and operation of these project tenements The Mineral Leases are in good standing and no known impediments exist

Criteria	JORC Code explanation	Commentary
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"> The Fountain Head and Tally Ho deposits have been subject to sporadic exploration over a long period of time. Drilling has taken place when the project has been owned by the following companies: <ul style="list-style-type: none"> PNX Metals (2018) GBS Gold International (2006 to 2008) Northern Gold (2004 to 2006) Dominion Mining Limited (DML) (1993 to 1994) Zapopan (1989 to 1991) NT Gold Mining (NTGM) (1988 to 1989) Destiny Prospecting (1987 to 1988) Australian Coal and Gold (1982). The mineralisation at Fountain Head and Tally Ho occurs within the upper units of the Mount Bonnie Formation, the uppermost division of the South Alligator Group, open folded sequence of mainly pelitic and psammitic Lower Proterozoic sediments with interlayered tuff units. These cyclic siltstone, mudstone and greywacke packages have been metamorphosed to greenschist facies. In the area, stratigraphy is folded along northwest-southeast axes that plunge shallowly to the southeast. The southeast-striking anticline has variable limb dips and the axis is faulted by northwest-southeast trending faults. The sequence has been intruded by pre-orogenic dolerite sills of the Zamu Dolerite and several late syn-orogenic to post-orogenic Proterozoic granitoids. Mineralisation at Fountain Head occurs in veins as either conformable anticlinal lodes (with flanking mineralisation) or subvertical “ladder vein” styled mineralisation associated with brittle failure sub-parallel to the fold axis, and is found within mudstones, greywackes and phyllite units. Sheeted quartz vein stock-works occur mainly in the axial zone with veins predominantly dipping northeast, and some saddle reefs occur in the axial zone). The Tally Ho deposit is located just to the south of Fountain Head deposit and sits on the western limb of the Fountain Head anticline. The Tally Ho deposit strikes sub-parallel to the Fountain Head deposit and consists of a linear zone of mineralisation striking northwest-southeast and plunging to the southeast. The quartz veins are 1–20 cm thick and host gold with a minor pyrite-arsenopyrite association. Previous mining at Fountain Head has consisted of small-scale mining of quartz reefs and alluvials from 1886 sporadically up to

Criteria	JORC Code explanation	Commentary
		<p>1989. In 1995, Dominion Mining Ltd carried out trial open pit mining at Fountain Head. The Tally Ho lodes were discovered in 2006 and the deposits were mined to approximately 50m below surface by GBS in 2007-2008, producing approximately 1.13Mt @ 1.65 g/t for 60,200oz</p> <ul style="list-style-type: none"> • See ASX release 11 July 2019 where PNX published the results of a new mineral resource estimate
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • Mineralisation at Fountain Head occurs as conformable and crosscutting lodes within mudstones, greywackes and phyllite units of a NW /SE striking anticline that plunges to the SE. The lithological units are believed to belong to the Mount Bonnie Formation, within the South Alligator Group. Gold mineralisation is hosted by sub vertical shear related stock-works, fracture zones in grey-wackes and saddle reefs at lithological contacts. Most of the resource is in the hinge zone of the anticline with gold grade rapidly tapering off down dip on the limbs
Drill hole Information	<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 table and diagram in main announcement for drill summary details
Data aggregation methods	<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 • No high cut-off grades have been applied • Reported intersections are classified as significant if they occur at a minimum of 0.5 g/t Au, although mining cut-offs may be significantly lower or higher, depending on the depth of the intersection

Criteria	JORC Code explanation	Commentary
<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 quote 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"> • Further drill work will be focused on testing for dip extensions and strike extensions and to confirm grade and geological continuity implied by the current block model • Further metallurgical work including materials handling and column tests will be conducted and incorporated in the assessment of Fountain Head heap leaching