

## SEPTEMBER 2017 QUARTERLY ACTIVITIES REPORT

### HIGHLIGHTS

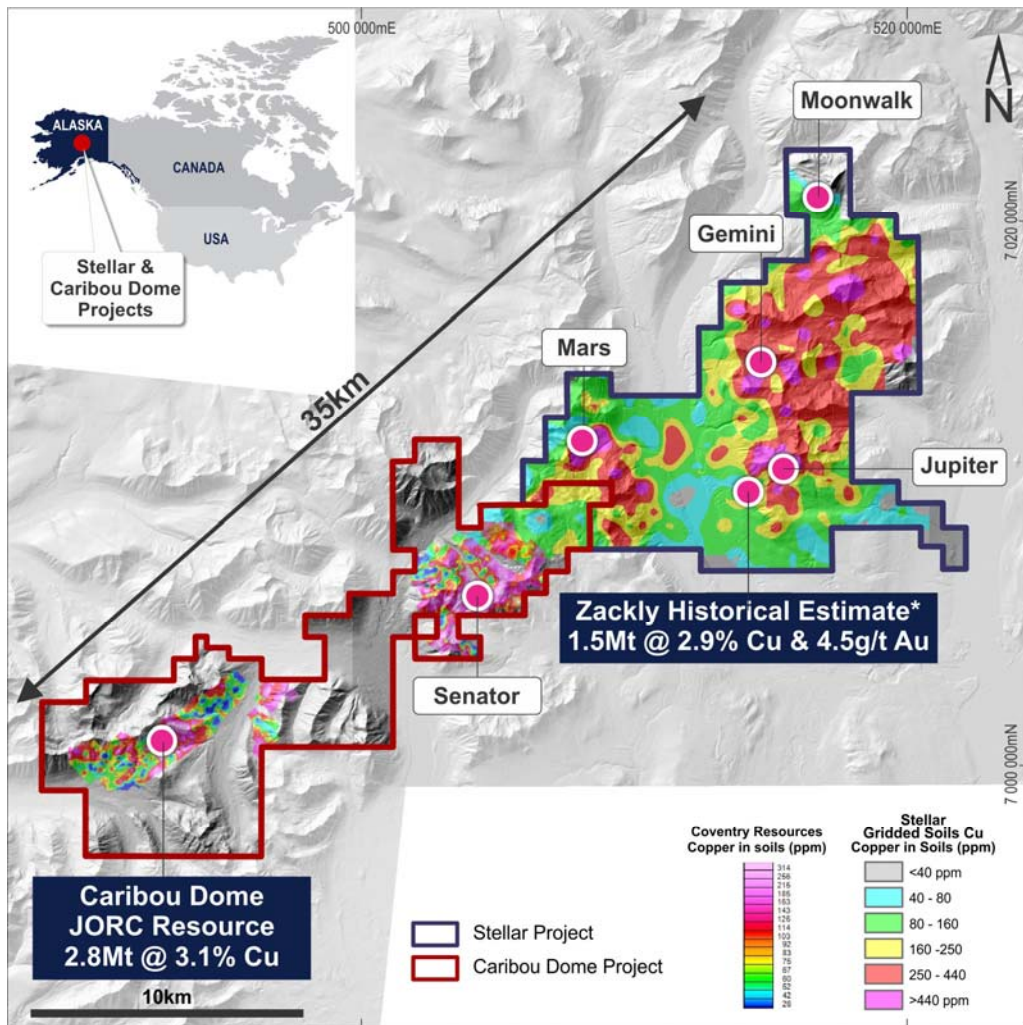
- **A 2,054m core drilling program comprising thirteen completed holes was drilled at the Company's 100% owned high-grade Zackly copper-gold prospect in Alaska.**
  - The drilling reveals thick zones of visible mineralisation, including the high-tenor copper sulphides covellite and bornite, plus disseminations and stringers of native copper.
  - Historical drilling also recorded occasional visible coarse gold within the cores.
  - First assays are expected during November 2017.
  - Geological evidence for a buried porphyry intrusive which provided heat, fluids and copper has been observed in several holes.
  - The mineralisation at Zackly remains open along-strike and at depth and lies within several larger and as-yet untested soil anomalies.
  - An Induced Polarisation (IP) survey has been completed across the strike-length of the existing Zackly deposit and will be used to plan additional drilling for the 2018 campaign.
- **IP survey data from the Mars Cu-Au target has a chargeability anomaly consistent with the top of a mineralised porphyry system located approx. 100-150m below surface.**
  - Strong surface copper and gold assays in both soil and rock-chips (up to 7.4% Cu and 1.8 g/t Au), lie directly above the IP anomaly over a 2km strike length, providing further evidence for a large mineralised system.
- **The Mars prospect lies 6km to the WNW of the Zackly deposit along a mineralised structural corridor which may host several buried porphyry Cu-Au deposits under Mars and Zackly.**
- **Geological mapping was undertaken at the Caribou Dome prospect with a focus on identifying structural modification to the geometry of known mineralisation so that more accurate drilling for resource extensions can be planned.**
- **5 lines of IP data were collected over the Senator copper prospect.**

### CORPORATE

- The Company completed the acquisition of Vista Minerals Pty Ltd via the issue of 459,821,368 ordinary shares ("Shares") and raised approximately \$5.5 million via the issue of 274,750,000 Shares at an issue price of \$0.02 per Share.
- A 1 for 5 share consolidation was completed after the Vista acquisition.
- The Company was renamed PolarX Limited during the quarter.

## EXPLORATION PROGRAM

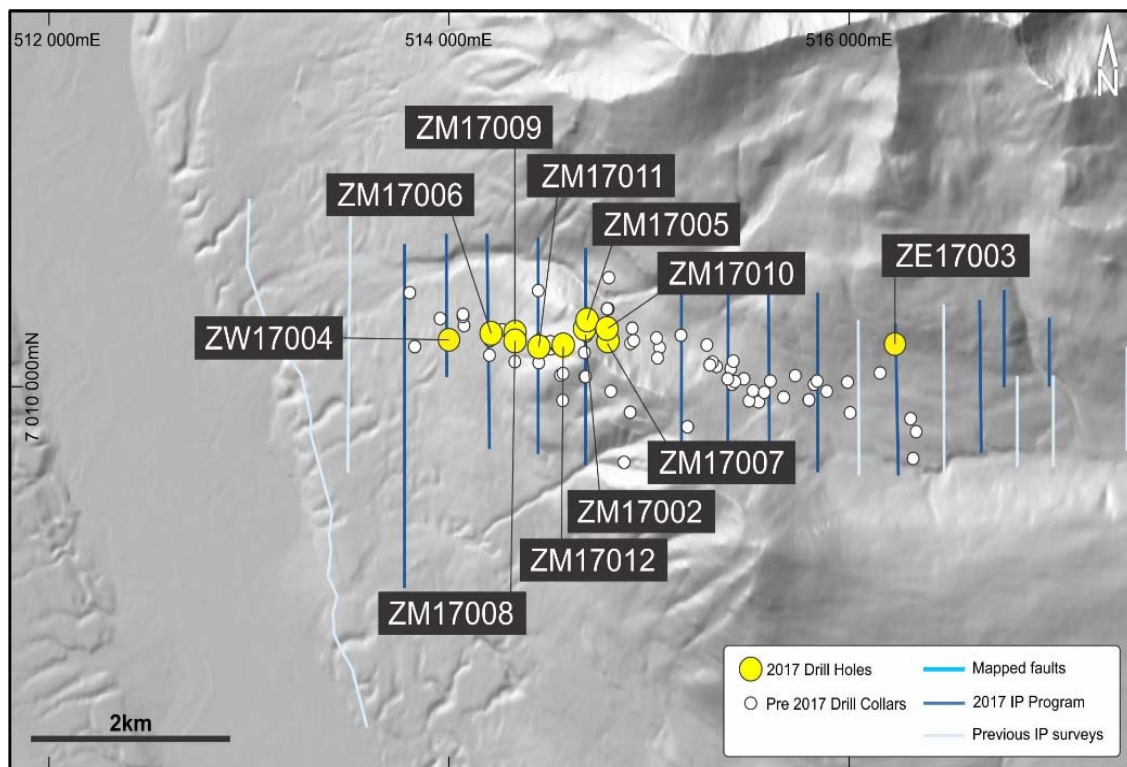
Following completion of the Vista acquisition, PolarX's focus has been on the exploration and development of its existing Caribou Dome Copper Project and new Stellar Project, which collectively form a contiguous package of claims with ~35km strike length (Figure 1). Together, they form an exciting high-grade copper and copper-gold portfolio with significant upside potential for larger porphyry copper-gold discoveries.



**Figure 1** Location map showing main deposits and prospects at the Stellar and Caribou Dome projects in central Alaska and showing regional copper geochemistry in soil sampling draped on digital elevation.

## ZACKLY CU-AU SKARN

During the quarter, thirteen drill holes for a total of 2,054m were drilled at Zackly. Eleven of these holes were drilled as HQ diameter holes to twin historical narrow diameter core collected in the early 1980's (see Figure 2).



**Figure 2** Zackly Prospect showing location of 2017 drill collars, historical and planned IP survey lines and historical drill hole collar locations.

Key observations from the drilling program at Zackly include:

### Phase 1

An initial mineralising event likely occurred when a diorite intrusion formed marbles and weakly mineralised skarns in the adjacent silty-limestones and volcanic rocks, and introduced disseminated Fe, Cu and Mo sulphides (Figure 3).

### Phase 2

Stronger and later overprinting mineralisation events are also evident in most of the new drill holes, including:

- a. Widespread garnet-bearing skarns containing clots, veins and disseminations of covellite, native copper and bornite, with local formation of secondary chalcocite (Figure 4, 5, 6). These minerals all contain higher levels of copper than chalcopyrite (which is the more commonly seen sulphide mineral in copper deposits).

- b. Zones of massive magnetite-bornite-chalcopyrite skarns up to several metres down-hole thickness.
- c. Previous drilling in 1981 and 1982 also recorded occasional coarse gold.
- d. The presence of porphyry style veins overprinting potassic alteration containing K-feldspar and secondary biotite and sub-vertical hydrothermal breccias provide evidence for the possible presence of a buried porphyritic intrusion (Figure 7).

Further drilling is being planned to establish the potential scale and commercial extent of this mineralised system at Zackly, and to assess the deeper porphyry potential.



**Figure 3** Early iron and molybdenum sulphides in dioritic endoskarn Hole ZM17010, 92.84m



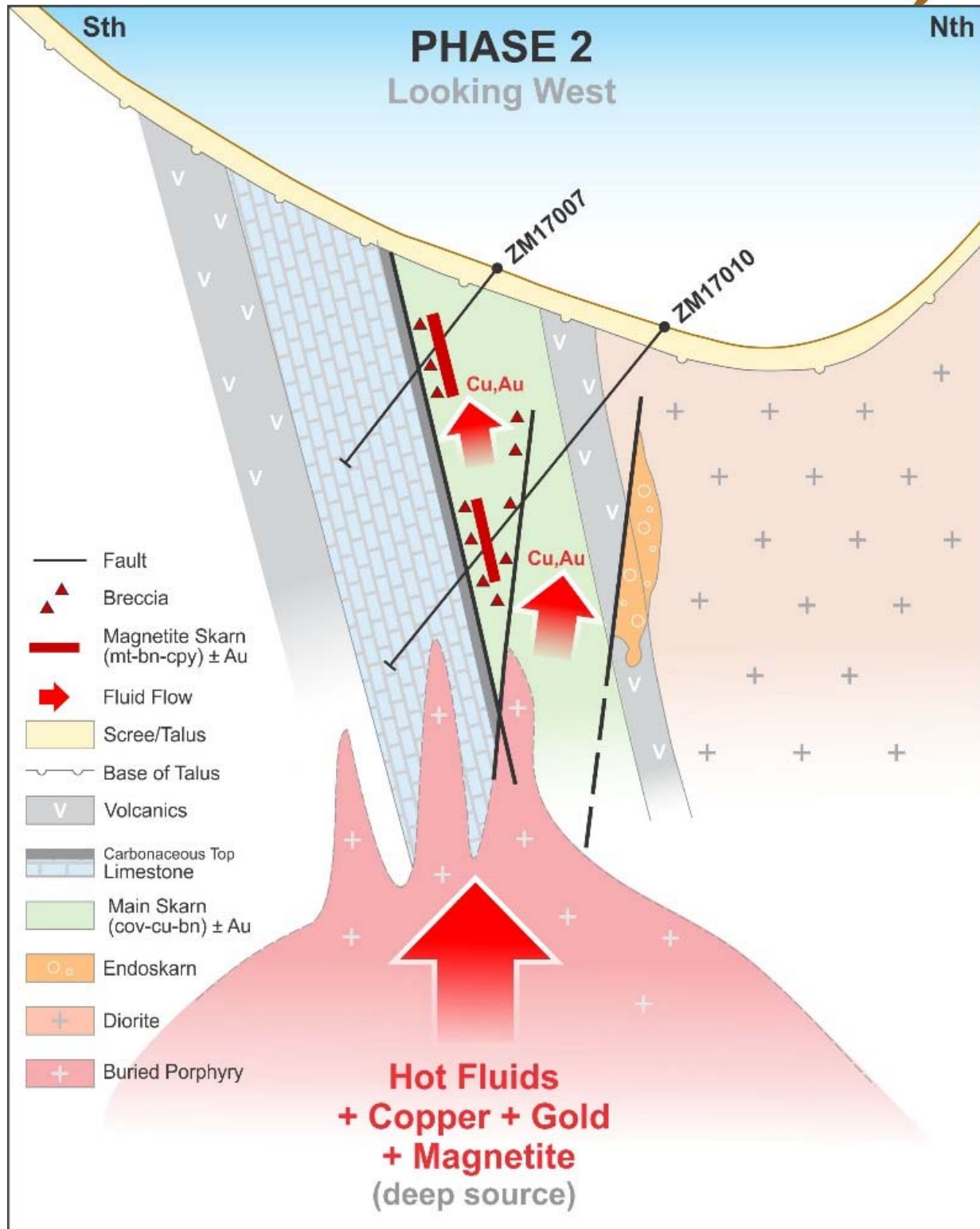
**Figure 4** Covellite and Bornite bearing skarn, Hole ZM17008, 89.3m



**Figure 5** Bornite mineralisation in garnetiferous skarn, ZM17010, 179.4m



**Figure 6** Finely disseminated Native Copper in red and green garnet skarn, ZM17010 153.7m



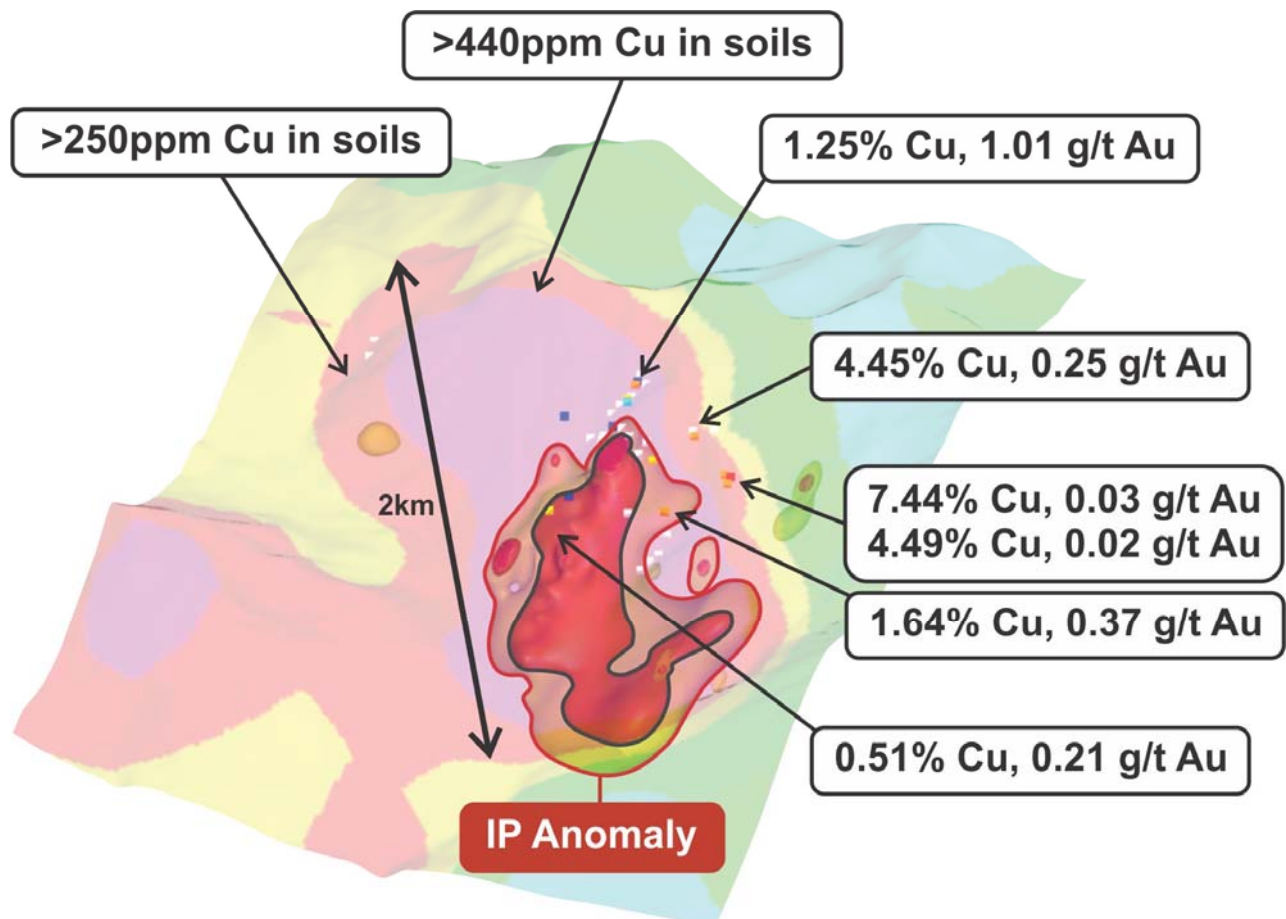
**Figure 7** Schematic geological cross-section showing postulated early skarn overprinted by later stage porphyry derived fluids sourced from below.

## MARS CU-AU TARGET

Mars is characterised by co-incident copper, gold, molybdenum and silver anomalism in broadly spaced soil samples over a large area of approximately 2,000m x 1,500m. Up to 7.4% Cu and 1.8g/t Au is evident in rock-chip samples.

PolarX conducted an initial IP survey over the Mars prospect in late August 2017. Three lines of data and one short tie line were collected using a pole-dipole array with 100m spaced electrodes. The IP results (Figure 8) show a buried chargeability anomaly located 100-150m below the surface geochemical anomalism. **This is consistent with a buried, mineralised porphyry Cu-Au system.**

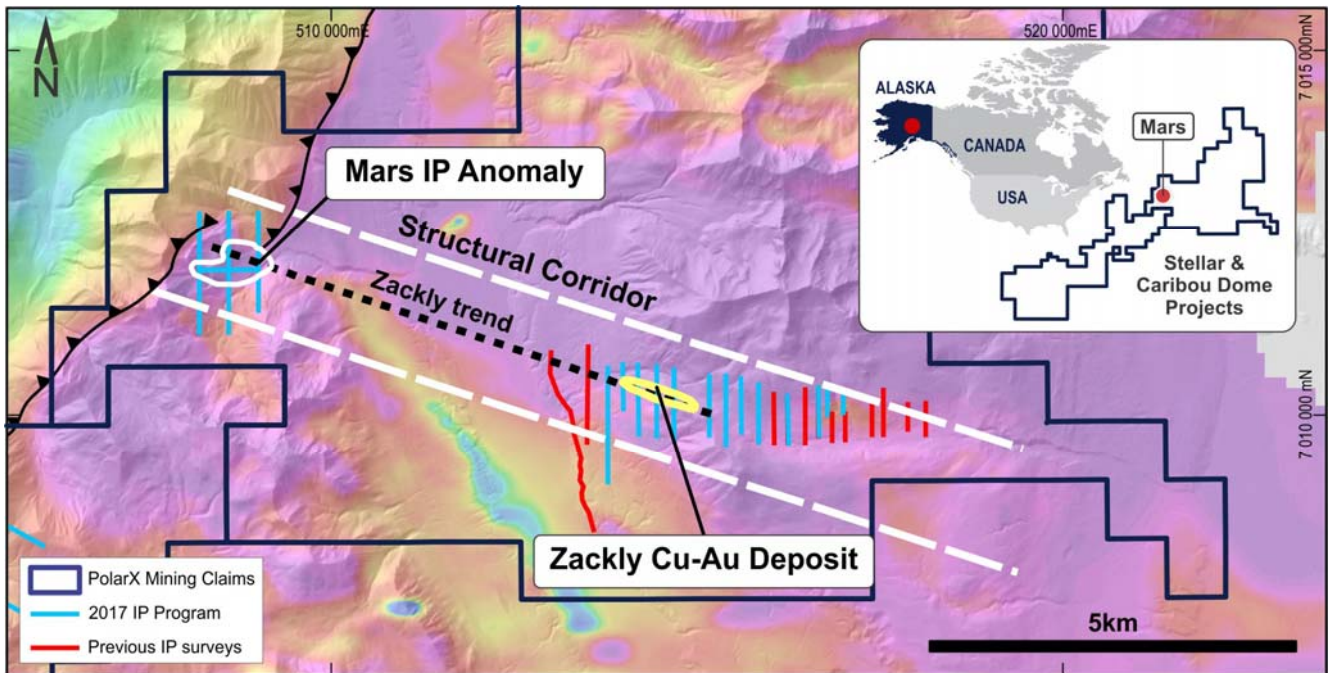
The full extent of the chargeability anomaly is not yet known as the anomalism extends to the edge of the 800m wide survey area which lies within the 2km long soil anomaly – further IP surveying will be undertaken to map out the full extent of the IP anomaly.



**Figure 8** Mars Prospect showing IP chargeability anomaly directly below soil geochemistry results and rock-chip sampling copper assays.

The Mars prospect lies 6km to the WNW of the Zackly Skarn. **Geological evidence indicates a WNW structural corridor extending between Mars and Zackly (Figure 9). This potentially hosts multiple buried porphyry Cu-Au systems.**

This corridor will now be prioritised for further exploration, including additional IP surveys, gravity surveys and re-processing of aeromagnetic data leading to extensive drilling.



**Figure 9.** WNW trending structural corridor between Mars and Zackly plotted on an image of aeromagnetic data draped on digital terrain.

## SENATOR CU TARGET

The Senator copper prospect was discovered through a soil sampling program undertaken by the Company in 2016. This highlighted an area covering approximately 5km x 2.5km with elevated copper in soils (>100ppm Cu) and sporadic outcrop. Recent site visits have highlighted the potential of this area having identified intense iron alteration (jarosite and hematite) and the presence of copper oxides on fracture surfaces (see Figure 10 below).

Five lines of IP data were read across the Senator copper anomaly in August for a total of 6.35km using 50m electrode spacing. Final pseudo-sections and inverted data were delivered to the Company in mid-October and results will be reported once analysed and interpreted.





**Figure 10.** View of some of the strong oxidized alteration at Senator which contains jarosite and copper oxides throughout a large surface area of 5km x 2.5km.

**Frazer Tabcart**  
Managing Director

## QUALIFIED AND COMPETENT PERSONS STATEMENTS

The information in this announcement relating to Exploration Results and Mineral Resources for the Stellar Project is based on information compiled by Dr Frazer Tabcart (an employee of PolarX Limited) who is a member of The Australian Institute of Geoscientists. Dr Tabcart has sufficient experience which is 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 under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code'). Dr Tabcart consents to the inclusion of the data in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources for the Caribou Dome Project is based on information compiled by Mr Peter Ball who is a Member of The Australasian Mining and Metallurgy. Mr Ball has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr Ball consents to the inclusion in the announcement of the matters based on the information in the form and context in which it appears.

### **\*Foreign Historic Mineral Resource Estimate for the Zackly Main Skarn in the Stellar Project:**

- Readers are referred to the Company's initial market release dated 24 May 2017 which provides supporting information on these historical foreign resource estimates.
- The Company confirms that the supporting information disclosed in the initial market announcement continue to apply and have not materially changed. Readers are cautioned that that this estimate is a "foreign estimate" under ASX Listing Rule 5.12 and is not reported in accordance with the JORC Code.
- A Competent Person has not yet undertaken sufficient work to classify the foreign estimate as mineral resources or ore reserves in accordance with the JORC Code.
- It is uncertain that, following evaluation and/or further exploration work, it will be possible to report this foreign estimate as mineral resources or ore reserves in accordance with the JORC Code.

## FORWARD LOOKING STATEMENTS

Any forward-looking information contained in this report is made as of the date of this report. Except as required under applicable securities legislation, PolarX does not intend, and does not assume any obligation, to update this forward-looking information.

Any forward-looking information contained in this report is based on numerous assumptions and is subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in resource exploration and development. As a result, actual results may vary materially from those described in the forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.

## APPENDIX 1 – TENEMENT SCHEDULE

| PROJECT                                     | LOCATION    | LICENCE(S)             | OWNERSHIP INTEREST |
|---|-------------|------------------------|--------------------|
| CARIBOU DOME COPPER PROJECT <sup>(i)</sup>  | Alaska, USA | <b>Claim &amp; ADL</b> | Option to earn 80% |
|   |             | Caribou 1 – Caribou 20 | Option to earn 80% |
|   |             | ADL# 563243 - 563262   | Option to earn 80% |
|   |             | Copper 1 – Copper 6    | Option to earn 80% |
|   |             | ADL# 588461 – 588466   | Option to earn 80% |
|   |             | Copper 7 – Copper 11   | Option to earn 80% |
|   |             | ADL# 645375 – 645379   | Option to earn 80% |
|   |             | CD 1 – CD66            | Option to earn 90% |
|   |             | ADL# 664859 – 664924   | Option to earn 90% |
|   |             | CD 001 – 040           | Option to earn 80% |
| STELLAR COPPER GOLD PROJECT <sup>(ii)</sup> | Alaska, USA | ADL# 719909 – 719948   | Option to earn 80% |
|   |             | CDS 001 – 038          | Option to earn 90% |
|   |             | ADL# 719949 – 719986   | Option to earn 90% |
|   |             | CDE-01 – 27            |                    |
|   |             | ADL# 722216 – 722242   |                    |
|   |             | SB 154 – 155           | 100%               |
|   |             | ADL# 704562 – 704563   |                    |
|   |             | SB 167 – 168           |                    |
|   |             | ADL# 704575 – 704576   |                    |
|   |             | ZK 3 – 5               |                    |
| ADL# 704621 – 704623                        |             |                        |                    |
| ZK 14                                       |             |                        |                    |
| ADL# 704632                                 |             |                        |                    |
| ZK 19 – 21                                  |             |                        |                    |
| ADL# 704637 – 704639                        |             |                        |                    |
| Z 1 – 5                                     |             |                        |                    |
| ADL# 709427 – 709431                        |             |                        |                    |
| Z 6 – 10                                    |             |                        |                    |
| ADL# 711728 – 711732                        |             |                        |                    |
| SB 281 – 283                                |             |                        |                    |
| ADL# 714079 – 714081                        |             |                        |                    |
| SB 297 – 299                                |             |                        |                    |
| ADL# 714095 – 714097                        |             |                        |                    |
| SB 317 – 319                                |             |                        |                    |
| ADL# 714115 – 714117                        |             |                        |                    |
| SB 346 – 348                                |             |                        |                    |
| ADL# 714144 – 714146                        |             |                        |                    |
| SB 364 – 368                                |             |                        |                    |
| ADL# 714162 – 714166                        |             |                        |                    |
| SB 376 – 379                                |             |                        |                    |
| ADL# 714174 – 714177                        |             |                        |                    |
| SB 389 – 390                                |             |                        |                    |
| ADL# 714187 – 714188                        |             |                        |                    |
| SB 417                                      |             |                        |                    |
| ADL# 715392                                 |             |                        |                    |
| SBA 001 – 066                               |             |                        |                    |
| ADL# 721446 – 721511                        |             |                        |                    |
| SBX 001 – 070                               |             |                        |                    |
| ADL# 724789 – 724858                        |             |                        |                    |

(i) Claims numbered CDS 007 (ADL# 719955), CDS 008 (ADL# 719956), CDS 009 (ADL# 719957), CDS 015 (ADL# 719963), CDS 016 (ADL# 719964) and CDS 017 (ADL# 719965), overlap prior existing active claims. Hence no exploration activity has been undertaken on these claims to date and no work will be undertaken on these claims unless they are abandoned by the original locator. The claims are not considered material to the overall Caribou Dome Project.

(ii) The Stellar Copper Gold Project claims were acquired during the quarter pursuant to the acquisition of Vista Minerals Pty Ltd, with the exception of claims numbered SBX 001 – 070 (ADL#724789 – 724858) which were acquired during the quarter pursuant to applications made subsequent to the Vista acquisition.

| PROJECT                                 | LOCATION    | LICENCE(S)   | OWNERSHIP INTEREST |
|---|-------------|--|--------------------|
| UNCLE SAM GOLD PROJECT <sup>(iii)</sup> | Alaska, USA | <b>Claim&amp; ADL #</b><br>US 2 – 3<br>ADL# 631481 – 631482<br>US 8 – 10<br>ADL# 631487 – 631489<br>US 13<br>ADL# 631492<br>US 17 – 20<br>ADL# 631496 - 631499<br>US 23 – 24<br>ADL# 631502 – 631503<br>US 27 – 28<br>ADL# 631506 – 631507<br>US 35 – 41<br>ADL# 631514 – 631520<br>US 56 -60<br>ADL# 631535 - 631539<br>US 76<br>ADL# 631555<br>US79 - 80<br>ADL# 631558 – 631559<br>US WEST 2<br>ADL# 631862<br>US WEST 5 – 6<br>ADL# 631865 – 631866<br>US WEST 22<br>ADL# 631882<br>US WEST 26 – 27<br>ADL# 631886 – 631887<br>US WEST 46 – 47<br>ADL# 631906 – 631907<br>US WEST 66 – 67<br>ADL# 631926 - 631927<br>US WEST 85 – 86<br>ADL# 631945 – 631946<br>US WEST 97 – 98<br>ADL# 631957 - 631958<br>US WEST 155<br>ADL# 632015<br>US WEST 160 – 161<br>ADL# 632020 – 632021<br>US WEST 166 – 168<br>ADL# 632026 – 632028<br>US WEST 170 – 171<br>ADL# 632030 – 632031 | 100%               |

(iii) Subject to a mineral lease and purchase agreement with Great American Minerals Exploration Inc. (GAME), pursuant to which GAME will lease the Uncle Sam Gold Project for up to 10 years with an option to purchase outright at any time during the lease period on the terms and conditions detailed in the ASX announcement of 30 July 2015.