

Metal exploration North America

Following the copper trail to Alaska

Surging demand for copper, fuelled by rising electric vehicle production, spells good news for the 49th state of the United States.

Alaska – purchased by the US from Tsarist Russia in 1867 and admitted to the union in 1959 – stands to benefit from the global push for alternative energy sources to stem the advance of climate change.

"It makes sense that mining companies are searching worldwide for copper projects amid the forecasts that demand for the red metal will significantly outstrip supply from 2020," observes Northrim Bank's Alaskanomics blog.

There are 300 kilograms of copper in an electric bus and nine tonnes per wind-farm megawatt. It will take an estimated five times more copper for advanced windmills and solar-panel systems to generate electrical power. New battery technologies designed to store more energy will require even more copper.

"All of the innovations designed to slow climate change by using alternative energy require one indispensable element: copper," notes Alaskanomics.

Minerals are Alaska's second largest export commodity, accounting for 36 per cent of the state's exports in 2017.

According to Alaska's Resource Development Council, the mining industry spent \$US135 million on exploration in the state in 2018, with an emphasis on metals to meet demand in the surging economies of China and India. The same year, the industry spent \$US170 million on mine construction and the redevelopment of existing mines.

It is not surprising, therefore, that Perth-based, ASX-listed junior gold and copper explorer PolarX has seen the future and it's in Alaska.

PolarX's principal holding is the 35-kilometre mineralised belt, the Alaska Range Project, 250 kilometres north-east of Anchorage, comprising high-grade existing resources and several promising unexplored targets.

PolarX managing director Frazer Tabeart, a geologist with 30 years' international experience in exploration and project development, says that one of the company's greatest advantages is the high grade of its Caribou-Dome and Zackly deposits.

Exploration and development programs have been designed to bring initially the Zackly deposit (100 per cent-owned) and Caribou-Dome deposit (80 per cent) into early production, while much larger porphyry targets such as Saturn (100 per cent) and Mars (100 per cent) will be tested and, if successful, advanced to resource/reserve status.

"Early soil sampling demonstrates that almost the entire 35-kilometre belt is mineralised with copper, gold and silver," Tabeart says.

In June, PolarX secured a \$4.3 million investment from Canadian base metals miner Lundin Mining Corporation, giving the latter a 12.9 per cent stake in PolarX and making it the Perth company's largest shareholder.

The share subscription also secured an exclusive option for Lundin Mining to enter an earn-in for a 51 per cent interest in PolarX's wholly owned Stellar Project.



Drilling at the site of the Zackly deposit, one of two high-grade deposits at the core of PolarX's Alaskan endeavour.

Should Lundin Mining exercise its rights to enter into the strategic earn-in partnership it will provide the Alaska Range Project with certainty of funding for future exploration, with Lundin Mining to undertake the staged spending of \$US24 million on exploration and staged cash payments to PolarX of \$US20 million over a three-year period.

PolarX is using the proceeds of the initial investment to fund an exploration program through the end of 2019.

The program will be determined by a joint exploration committee comprising three Lundin Mining members and two PolarX members. Lundin Mining will decide whether to exercise its option based on a review of the exploration results on or before December 31.

Once formed, the joint venture that will be owned 51 per cent by Lundin Mining and 49 per

cent by PolarX, will be managed by a five-person board (three Lundin Mining appointees and two from PolarX).

The agreement with Lundin Mining was followed up in July with a rights issue that raised \$3.54 million from eligible shareholders. With a treasury that now exceeds \$7.5 million, PolarX is fully funded for its exploration programs.

In addition to the funding certainty and "instant validation" provided by the PolarX-Lundin Mining agreement, Tabeart says another important factor in PolarX's favour is the attractiveness of Alaska as "an under-explored Tier-1 geological province in a Tier-1 jurisdiction".

"The strategic investment by Lundin Mining provides strong independent validation of PolarX's confidence in its porphyry copper-gold targets in the Alaska Range," he says.

"We are delighted to have attracted an investor

and potential project partner with the demonstrated financial, technical, commercial and operational capability that Lundin Mining provides."

Tabert also describes PolarX's porphyry targets at the Saturn and Mars projects as "compelling opportunities of significant scale" that will be the subject of a "major exploration campaign".

"Our goal is to provide enough information by the end of this field season to enable Lundin Mining to exercise its option to enter the joint venture earn-in phase on the Stellar property," he says. "At the same time, we plan to undertake further drilling to grow the inferred resource size at our 100 per cent-owned high-grade Zackly deposit, which is specifically excluded from the earn-in area and remains 100 per cent-owned by PolarX."

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Frazer Tabeart
(below), PolarX
managing director



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