

# mine life

## RESOURCE BULLETIN by Gavin Wendt

Friday 22<sup>nd</sup> May, 2020

### Portfolio Stock Developments

**PolarX** - (ASX: PXX, Share Price: \$0.029, Market Cap: \$12m, coverage initiated @ \$0.066 in April 2019)



### Key Catalyst

***Planning underway for significant drilling program in July to follow up high-grade gold and copper intersections at the Zackly East prospect, located within its Alaska Range Project.***

We initiated coverage of PXX during April 2019, based on encouraging results from its ongoing exploration campaign at its 80% to 100%-owned Alaska Range Project, located in south-central Alaska. Limited work so far has managed to already delineate two advanced deposits - the Zackly skarn and the high-grade Caribou Dome sedimentary copper deposit. Zackly hosts a current Inferred resource estimate of 3.4Mt @ 1.2% Cu, 2.0g/t Au and 14g/t Au - 41,000t of copper, 213,000oz of gold and 1.5Moz silver from surface, whilst Caribou Dome hosts a JORC 2012-compliant resource of 2.8Mt @ 3.1% Cu. Mineralisation at both these prospects remains open at depth and along strike, with PXX pursuing a strategy of stand-alone mining operations. More recently, 3D modelling has identified exciting copper-gold porphyry targets, Mars and Saturn which PXX aims to farm out to a big brother with deep pockets.

## Latest Activity

### Alaska Range Exploration Update

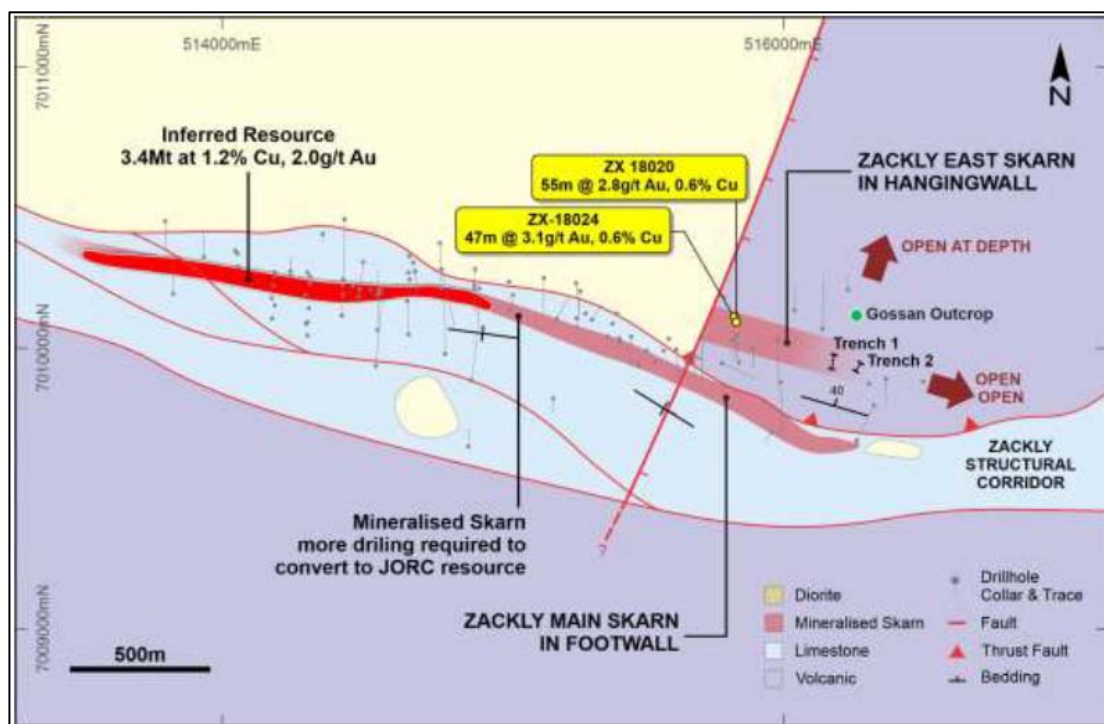
PXX has commenced planning for a significant drilling program in July to follow up on previously identified high-grade gold and copper intersections at the Zackly East prospect within its Alaska Range Project. The initial, small drilling program at Zackly East returned hits grading up to 3.1g/t gold and 0.6% copper.

Zackly East sits just 800m from the Zackly Main deposit, where PXX has outlined an Inferred Resource comprising 41,000t of copper, 213,000oz of gold and 1.5Moz of silver from surface over a strike length of 1,050m.

	Category	Million Tonnes	Cu %	Au g/t	Ag g/t	Contained Cu (t)	Contained Cu (M lb)	Contained Au (oz)	Contained Ag (oz)
ZACKLY	Inferred	3.4	1.2	2.0	14.0	41,200	91	213,000	1,500,000
CARIBOU DOME	Measured	0.6	3.6	-		20,500	45	-	-
	Indicated	0.6	2.2	-		13,000	29	-	-
	Inferred	1.6	3.2	-		52,300	115	-	-
					<b>TOTAL</b>	<b>127,000</b>	<b>280</b>	<b>213,000</b>	<b>1,500,000</b>

**Table 1:** Alaska Range Project Existing Resource Estimates (JORC 2012), 0.5% Cu cut-off

Mineralised drill intersections to the east of the resource, along with geological mapping and trenching to evaluate the potential 600m strike-length of the Zackly East skarn, indicate that the resource inventory may be increased as a result of future drilling programs.



**Figure 1:** Geological summary map of the Zackly Main and Zackly East skarns showing 600m strike potential to the east of the high-grade intersections in drill holes ZX-18020 and ZX-18024

A program of 15-20 shallow drill holes to an average depth of 150m each (~3,000m in total) has been planned to test the 600m long Zackly East target. Drilling will commence on the existing section containing holes ZX-18020 and ZX-18024 to determine down-dip continuity. Step out cross-sections will be drilled on 50m and 100m centres, with precise details to be finalised on a hole-by-hole basis using information gleaned from the previous drill holes. Drilling is expected to commence in July and take approximately eight weeks using two drill rigs.

### Technical Significance

There is no doubt that the overall Zackly resource will grow, which is why drilling the upcoming drilling program at Zackly East is important. Geological mapping and trenching indicate that the Zackly East mineralisation may extend along a total strike-length of ~600m.

From a bigger picture perspective, the aim is to grow Zackly to a size where it could underpin a stand-alone project, or tie into any exploration success at the nearby Mars and Saturn porphyry targets. Such a strategy gives the company options that it can pursue in our own right, or with a joint venture partner at Mars and Saturn.

The shallow, thick and relatively low-angle mineralisation encountered at Zackly East may be amenable to open-pit mining and is the highest priority and lowest risk target for evaluation on the Alaska Range Project.

### Other Recent Activity

#### **Stellar Project Update**

PXX aims to secure a new farm-in partner for the Stellar project, located within its Zackly Project, where it recently discovered porphyry copper-gold mineralisation. The company has initiated this process after being informed by Lundin Mining Corporation in early January 2020 that its right to commence an earn-in program on the Stellar Claims will expire unexercised. Lundin Mining remains as PXX's largest shareholder with a 12.8% stake.

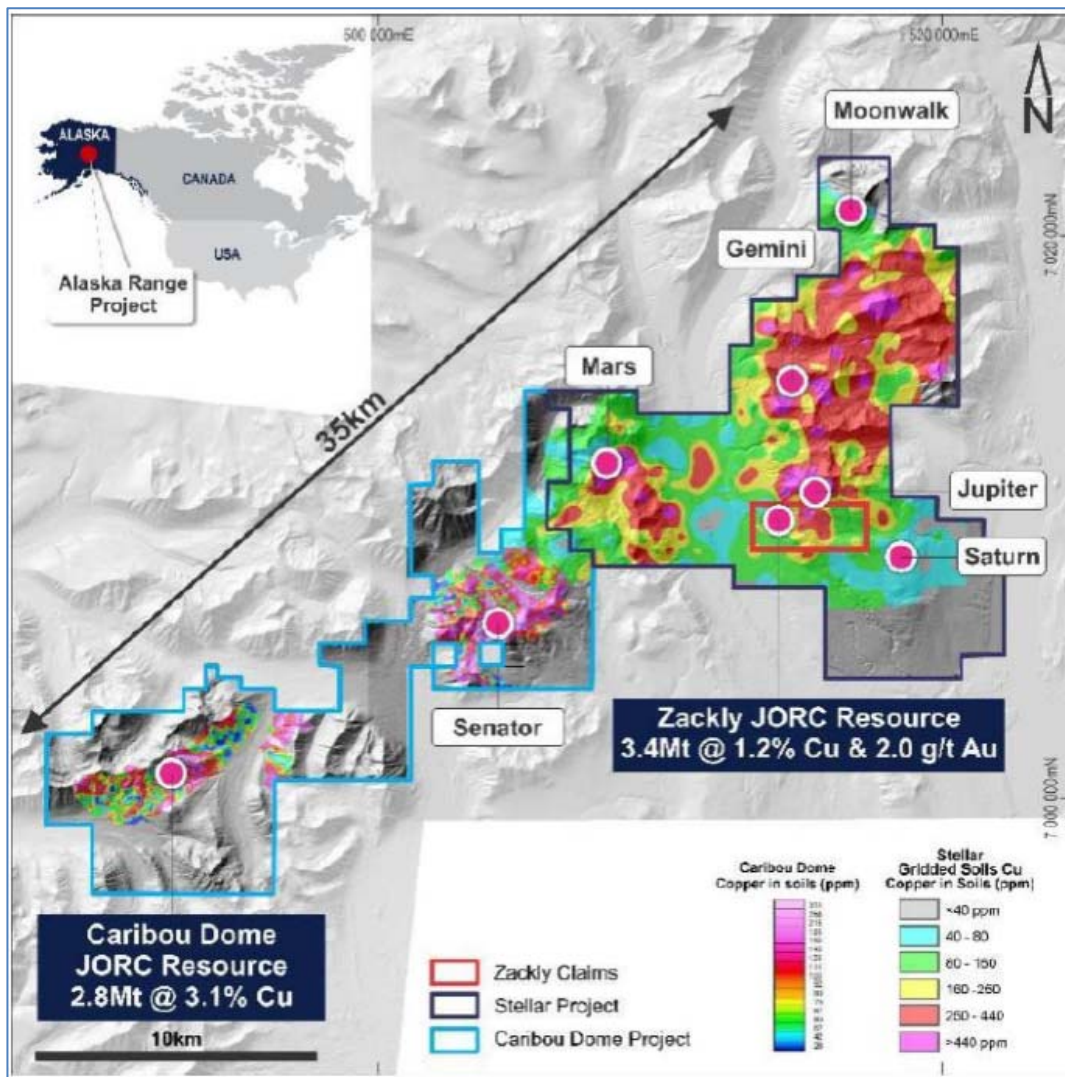
PXX therefore retains its entire portfolio of high-quality projects in Alaska, which includes the high-grade deposits at Zackly and Caribou Dome, the recent porphyry copper-gold discovery at Mars, and the Saturn porphyry target.

PXX aims to secure a major joint venture partner for the Mars and Saturn porphyry targets during 2020 and then immediately commence drilling to follow-up the Mars discovery hole. This will be funded via an earn-in joint venture arrangement (i.e. non-dilutionary to PXX at the parent level).

Along these lines, PXX has reportedly engaged with several potential joint venture partners that are currently undertaking due diligence on Mars and Saturn, and are waiting for the Covid-19 restrictions to be eased to be able to access and view the drill-core that is stored near Anchorage.

## Alaska Range Project Overview

The Alaska Range Project comprises two highly prospective contiguous projects encompassing 241 sq km - the **Caribou Dome Property** and the **Stellar Property** - hosting an approximate 35km strike length containing extensive copper and gold-in-soil anomalism along the entire length, with clear upside potential for resource extensions and larger porphyry copper-gold discoveries.



**Figure 2:** Map showing the Saturn and Mars targets with respect to copper in soil anomalism in the Stellar Project claims.

The currently delineated Zackly Inferred resource occurs over a strike length of 1km within the Stellar property, and already contains an estimated 41,000t of copper, 213,000oz of gold and 1.5Moz silver from surface. The mineralisation remains open at depth and along strike at each end, and provides an immediate opportunity to boost the overall JORC resource base. The near-surface high gold grades and thick, sub-horizontal geometry of this mineralisation means it could be suitable for low-cost, open-pit extraction upon an economic resource being established through further drilling and feasibility studies.

PXX aims to substantially increase the current Inferred resource at Zackly, as it vectors towards a deeper and much larger potential porphyry source that forms a prominent magnetic anomaly at Zackly SE.

The Caribou Dome deposit is located within the Caribou Dome property, comprising a JORC Resource of 2.8Mt at 3.1% copper for 85,500t of contained copper.

PXX aims to rapidly accumulate sufficient copper-gold inventory between Zackly and Caribou Dome to support feasibility studies on a combined operation, or one or more stand-alone operations. The company is pursuing a strategy of proving up resources that will have a grade/tonnage combination to justify stand-alone mining operations, whilst also exploring the rest of its acreage.

### **Porphyry Potential**

The Saturn and Mars porphyry targets are located within the Stellar property. Mars occurs at the western end of a 12km-long mineralised corridor that also hosts the high-grade Zackly Cu-Au skarn and the Saturn porphyry target. Mars comprises an aeromagnetic anomaly with an associated Cu-Au-Mo-As soil anomaly that extends over 1,500m x 800m. These anomalies are co-incident with a chargeability high that was defined in a previous IP survey back in November 2018. As described earlier, a single hole has so been drilled into the Mars target by PXX, with encouraging results.

### **Summary**

***Previous exploration over the Alaska Range project has highlighted its mineralised potential, with an almost continuous zone of copper anomalism over a NE-trending strike length of ~35km, with several individual priority prospects also being recognised. These prospects represent a number of mineralisation styles, including porphyry Cu-Au-Mo, intrusion related gold (IRGS) and sedimentary-hosted copper, with exploration results from all of these undrilled prospects highlighting the potential for each to host a major deposit.***

***PXX's immediate aim is to grow its Zackly resource to a size where it could underpin a stand-alone project, or tie into any exploration success at the nearby Mars and Saturn porphyry targets.***

***Interest also revolves around the Mars and Saturn prospects, due to their potential scale and proximity to potential porphyry bodies. Initial drilling at the Mars prospect has generated encouraging results, with a +400m mineralised intercept from surface, reaffirming the prospectivity of the entire 12km length of the Mars-Zackly-Saturn corridor for porphyry deposits.***

***PXX therefore remains held within our coverage Portfolio.***

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