

Wednesday 6th July, 2022

Portfolio Stock Developments

PolarX - (ASX: PXX, Share Price: \$0.018, Market Cap: \$15m, coverage initiated @ \$0.066 in April 2019)



Key Catalyst

Maiden Reverse Circulation percussion drilling at Star Canyon within the Humboldt Range Project in Nevada highlights potential for high-grade gold and silver veins within a Carlin-style system.

We initiated coverage of PXX during April 2019 based on its 80% to 100%-owned Alaska Range Project, located in south-central Alaska. Encouraging results from ongoing exploration campaigns have so far delineated 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, PXX has diversified its exploration interests through the acquisition of the Humboldt Range Gold-Silver Project in Nevada, USA – which is situated between two large-scale and active mines.

Latest Activity

Humboldt Range Project Update

PXX has provided an update with respect to exploration activities on its Humboldt Range Project in Nevada, USA – where maiden RC drilling has generated outstanding initial results.

Overview

Maiden Reverse Circulation percussion drilling at the Star Canyon prospect, located within the Humboldt Range Project in Nevada, has returned exceptional initial results. The results include:

- 9.1m @ 124.36 g/t Au & 48.6 g/t Ag from 27.4m to 36.6m depth in hole BC22-005 (including 3m @ 371g/t Au & 143.5g/t Ag).
- 73.2m @ 0.28 g/t Au from 36.6m to end of hole in Carlin-style mineralisation immediately down-hole from the bonanza intersection in BC22-005.
- 42.7m @ 0.32 g/t Au (including 25.9m @ 0.48 g/t Au) from 19.8m in hole BC22-007. This is also spatially associated with a broad zone of silver mineralisation over 59.4m @ 3.5g/t Ag from 3m depth.
- 61m @ 0.19 g/t Au from 39.2m in hole BC22-004).

These results highlight the potential for Star Canyon to host high-grade gold and silver veins within a potentially bulk mineable Carlin-style system. Broad Carlin-style gold and silver mineralisation occurs throughout the tested part of the soil anomaly and the central mineralised limestone corridor. The mineralisation remains open and largely untested for the extension of bonanza-grade veins.

The Star Canyon prospect comprises part of a much larger anomalous gold & silver zone known to contain many other mineralised veins with bonanza-grade potential. In light of these strong results, PXX is prioritising follow-up drilling at Star Canyon and the associated Ridgeline Target.

Details

The maiden RC drill program at Star Canyon consisted of 10 RC percussion holes to test the strong gold and silver anomaly announced during February 2022 from PXX's soil sampling program. Drill-holes were largely set to west-dipping inclinations due to the angle of the terrain to test the bulk-tonnage potential of the anomaly.

Drilling has confirmed that mineralisation is hosted within strongly-silicified limestone with extensive quartz veining in a Carlin-style setting. An east-dipping hole (BC22-005) was drilled to test for west-dipping vein structures observed at the nearby historic Champion Mine workings, intercepting a bonanza-grade vein that's consistent with historical vein samples encountered elsewhere in the Black Canyon tenure.

Hole BC22-005 is situated 100m south of the artisanal Champion Mine workings and the veins discovered in the drilling are not exposed at surface. The bonanza-grade vein was intercepted between 27.4 and 36.6m down-hole depth and averages 124.36 g/t Au & 48.6 g/t Ag. Two individual 1.52m samples assayed 352.79 g/t Au & 134 g/t Ag and 389.27 g/t Au & 153 g/t Ag from 27.4 to 30.5m downhole depth, immediately followed with 73.15m at 0.28 g/t Au from 36.6m to end of hole at 109.73m. This hole was terminated in mineralisation grading 0.29g/t Au and 4.3g/t Ag due to technical issues.

Quartz veins identified within the historical Champion Mine workings strike NNE and dip steeply (about 80 degrees) to the west and can be traced for about 450m along an intense zone of quartz veining and silica flooding. This zone remains untested outside of hole BC22-005 due to the west-dipping inclinations of all other drill-holes in the program being unable to intercept the steep, west-dipping vein structures from their drill pads.

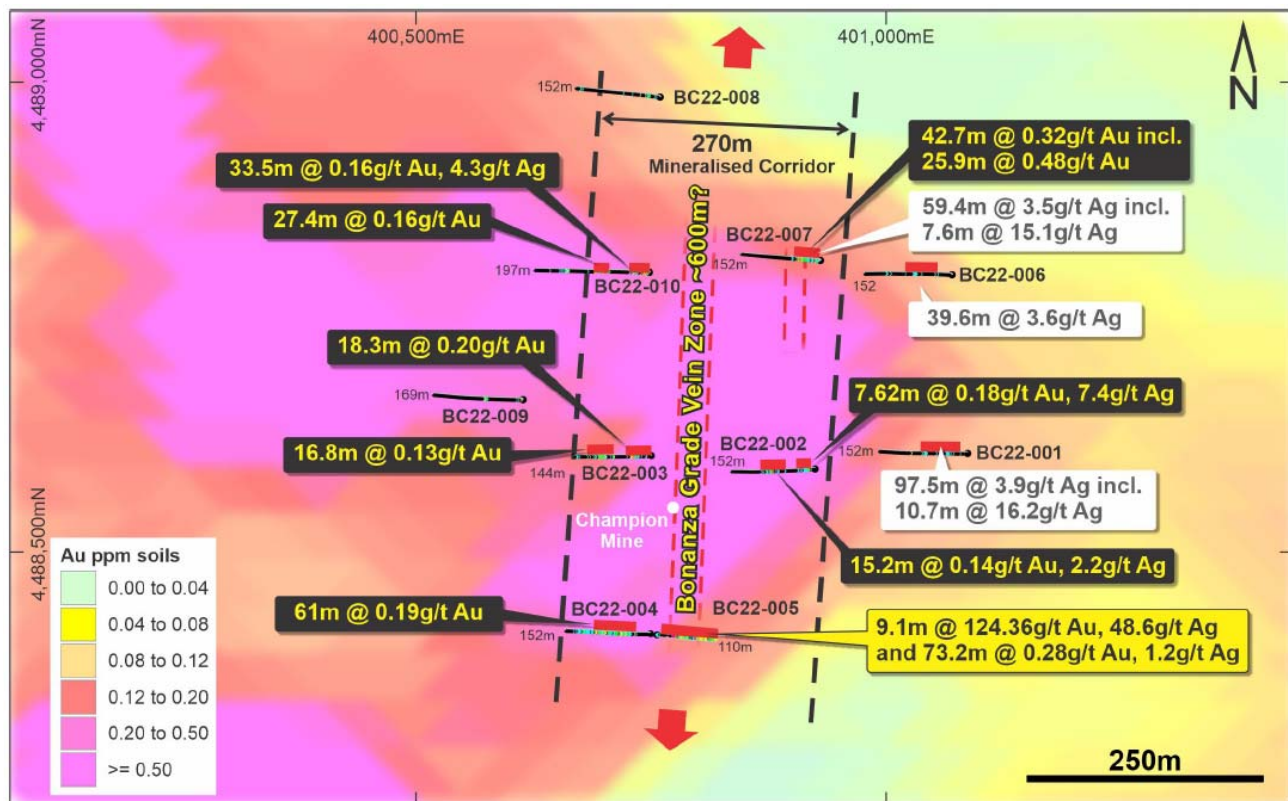


Figure 1: Star Canyon drill plan view with drill results overlaid on the soil sample anomaly. All 10 RC holes drilled at Star Canyon (except BC22-005) were either drilled west-dipping and away from the central bonanza vein or ended well before they had the opportunity to test the bonanza vein. Hole BC22-005 intercepted the bonanza grade vein (9.14m apparent width) and continued for over 73m within Carlin-style mineralisation until end of hole (109m). A potential bonanza vein system may extend through the central anomalous zone at Star Canyon. Note silver mineralisation extends further east than gold mineralisation (holes BC22-001 and BC22-006).

Access to the mine is limited, but only minor surface disturbance indicates that mining activities at Champion were not extensive. BC22-005 was drilled 100m to the south of these historical workings to

avoid any potential voids. Follow-up diamond drilling is planned to confirm vein continuity, grades and true thicknesses, and will also attempt to drill beneath the historical workings.

Hole BC22-004 intercepted 61m @ 0.19 g/t Au and was drilled dipping away from the bonanza vein, yet still encountered strong Carlin-style mineralisation. Hole BC22-010 drilled in the projected hanging-wall of the bonanza vein into the Carlin system, but away from the vein system, while BC22-007 drilled into the Carlin system but into the vein footwall with a hole depth too short to intercept the vein.

Technical Significance

The Star Canyon prospect lies with the Black Canyon claims at the northern end of Humboldt Range, less than 3km from the currently operating Florida Canyon Mine that hosts 5Moz of gold, whilst the Rochester Mine is located about 20km south of the Fourth of July claims.

The coincidence of the two mineralisation styles within the one project demonstrates the potential for high-grade veins to significantly increase the metal inventory of a large tonnage Carlin-style resource that may be present and that could be amenable to a bulk-mining operation. The RC drilling program has so far only tested an area of 600m x 400m within the overall soil anomaly that measures 2,500m x 1,000m.

PXX is naturally highly encouraged by these assay results and is prioritising follow-up drilling at Star Canyon and the nearby Ridgeline Target. Ridgeline has good road access and can be drilled from the roadside to test for high-grade veins within Carlin style mineralisation similar to Star Canyon.

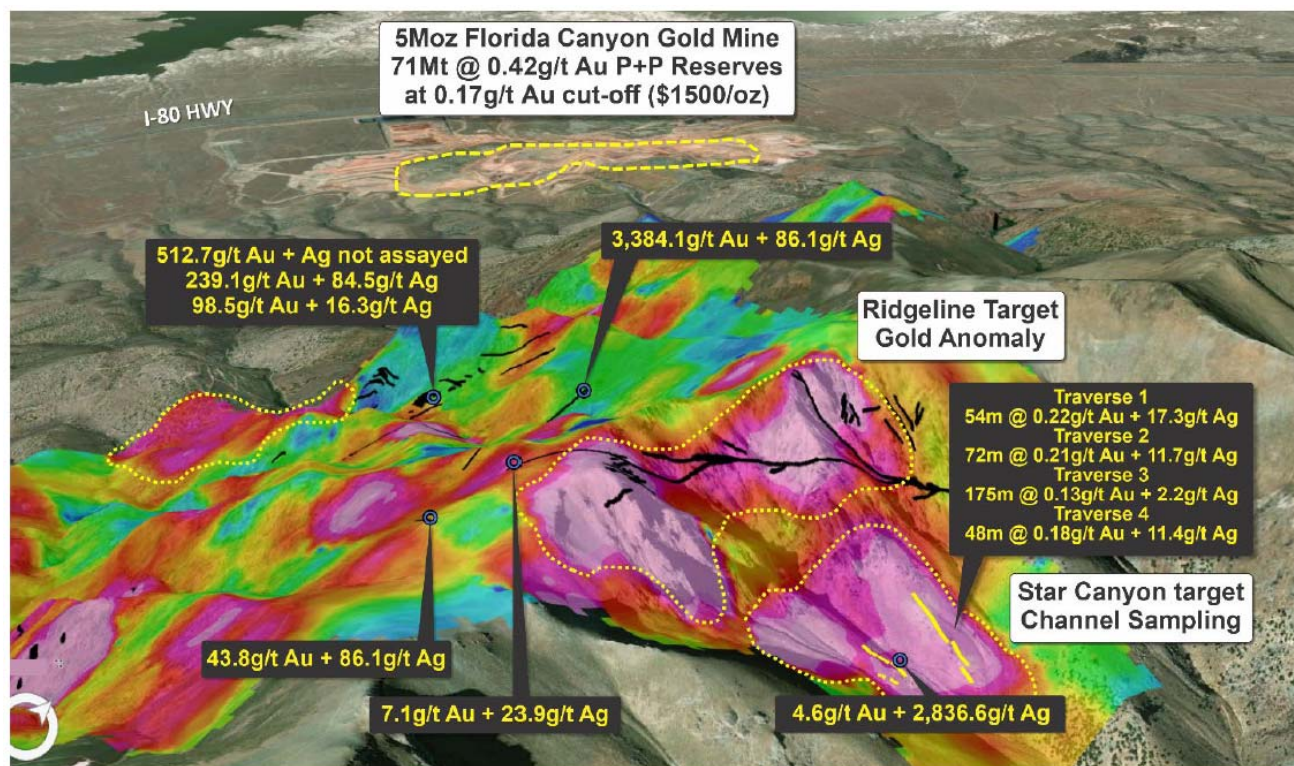


Figure 2: Oblique 3D-view showing Star Canyon and Ridgeline targets, high-grade vein samples and proximity to the 5Moz Florida Canyon gold mine.

Project Overview

The Humboldt Range Project comprises 333 lode mining claims in Nevada within two claim groups - Black Canyon and Fourth of July - and is situated between two large-scale active mines: the Florida Canyon gold mine and the Rochester silver-gold mine. Access to the project is straightforward via roads off the I-80 Interstate Highway, which lies less than 15km to the west of the claims.

Humboldt Range contains geology consistent with bonanza-style epithermal gold-silver mineralisation and bulk mineable epithermal gold-silver mineralisation, both of which are well known in Nevada.

Widespread narrow vein mineralisation with visible gold occurs within the claims and was historically mined via numerous adits and underground workings between 1865 and the 1927. Mineralisation occurs in swarms of high-grade epithermal quartz veins of varying thickness (reported from 1cm to 3m), either as isolated veins or as broad zones of sheeted/anastomosing veins within zones of intensely altered and mineralised host rocks.

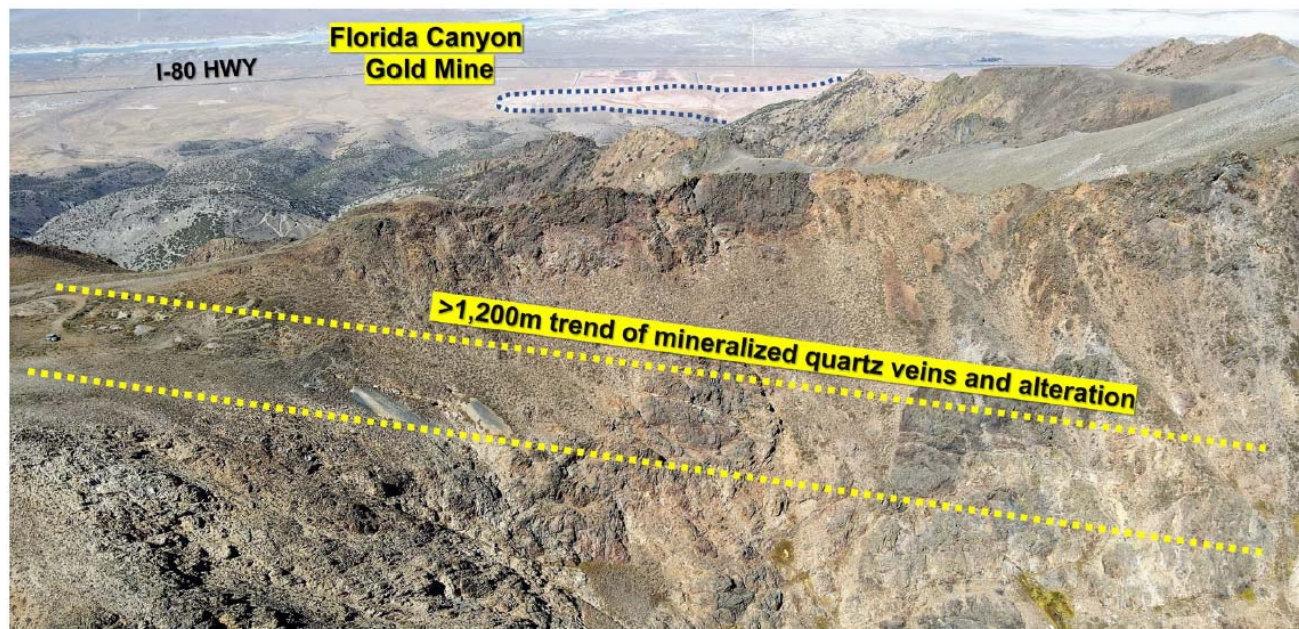


Figure 3: Aerial view looking northwards towards the Ridgeline Target which comprises the extension of the high-grade Monster Veins and associated gold-in-soil anomalism.

Summary

These results highlight the potential for Star Canyon to host high-grade gold and silver veins within a potentially bulk mineable Carlin-style system. Broad Carlin-style gold and silver mineralisation occurs throughout the tested part of the soil anomaly and the central mineralised limestone corridor. The mineralisation remains open and largely untested for the extension of bonanza-grade veins. The Star Canyon prospect comprises part of a much larger anomalous gold & silver zone known to contain many other mineralised veins with bonanza-grade potential. In light

of these strong results, PXX is prioritising follow-up drilling at Star Canyon and the associated Ridgeline Target.

Don't forget PXX's other important project interest, which comprises its 80% to 100%-owned Alaska Range Project, located in south-central Alaska. It hosts 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 – for 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.

We await further results with great interest from both Nevada and Alaska, we therefore retain PXX firmly within our coverage Portfolio.

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