(ASX:PXX)

15 September 2017

Company Data	
Share Price (A$)	0.085
Issue Shares (m)	238.9
Issued Options (m)	4.9
Market Cap (A$m)	20.306
Cash (est. A$m)	5.000
Debt (A$m)	-
Enterprise Value (A$m)	15.306

Directors & Management	
Mark Bojanjac	Exec. Chairman
Frazer Tabeart	Managing Director
Jason Berton	Executive Director
Ian Cunningham	CFO/Company Sectary
Michael Fowler	Non-Executive Director
Robert Boaz	Non-Executive Director
Mitchell River Group	Technical Services

Substantial Shareholders	%
Management/Directors/MRG	17.0
Millrock Resources (Alaska)	10.7
J P Morgan (UK)	9.8
Ruffer Gold Fund (UK)	8.1
Lowell Resources Fund (Aus)	4.0
Jupiter Asset Mgmt (UK)	3.3
Top 20	**66**

Company Details

Address 245 Churchill Ave
Subiaco WA 6008

Phone +61 9 6465 5500

Web www.polarx.com.au

Analyst

Basil Burmeister +61 7 5474 0670

NORTH TO ALASKA !

High grade copper and copper-gold resources in a 35km mineralised belt with numerous advanced targets

Overview

The recently restructured and renamed ***PolarX*** Limited brings together the exciting Alaskan assets of Coventry Resources and Vista Minerals into an exploration company with substantial existing resources and multiple advanced exploration targets.

Value Proposition

- The Caribou Dome Project (earning 80% at Caribou Dome and 90% at Senator) has a shallow, high grade JORC resource of 2.8Mt at 3.1% Cu which is open in all directions.
- The Stellar Project (100% owned), which has an historic non-JORC resource of 1.5Mt at 2.9% Cu *and* 4.5g/t Au at Zackly, is also open in all directions. Current drilling program is expected to confirm resources to JORC standard.
- Both projects are expected to progress to pre-feasibility studies in 2017/18.
- ***Current copper and copper equivalent grades of 4% and 5.5% respectively compare favourably with some of the highest grade operating copper mines in the world.***
- The massive upside is the exploration potential of the 35km strike extent of copper in soil anomalism. Numerous prospects with large copper in soil anomalies and associated high-grade copper and gold rock-chip samples will be tested by IP surveys in 2017 before drilling. Early stage exploration risk has therefore been removed.
- The opportunity for further discoveries is not restricted to relatively small tonnage/high grade deposits. There is clear potential for the discovery of significant bulk-mineable deposits including porphyry Cu-Au systems and related skarns plus intrusion related gold.
- Infrastructure is good, with road access to both projects and the main railway line between Anchorage and Fairbanks (100km to the west) providing access to the all-year port of Seward. All this in a mining-friendly jurisdiction and attractive investment destination.
- The merger has assembled a strong, regionally focused technical and commercial team with a proven record in delivering projects into commercial production.
- A preliminary wetlands survey has been completed at Caribou Dome and has now commenced at Zackly. Hydrology baseline surveying for Caribou Dome and Zackly will commence in September.

An active exploration program for 2017/18 should ensure a strong flow of results. The program includes resource extension drilling and twinning existing holes at the Zackly Main Skarn to allow a JORC compliant resource estimate. In addition, mapping, soil sampling and IP surveys have commenced on a number of prospects, with drilling programs to follow.

Background

Coventry Resources Limited (ASX:CYY; 'Coventry') has been listed on the ASX for several years. Following the sale of its principal assets in 2014 and a change in executive management, Coventry announced that it had entered into an agreement with an unlisted Australian company which had an option to acquire an 80% interest in the Caribou Dome Copper Project in Alaska. Terms and conditions are detailed under 'Projects'. Early exploration successes culminated in the publication of a maiden JORC Resource in April 2017.

On 24 May 2017, Coventry announced plans to significantly increase its highly prospective footprint in Alaska by acquiring 100% of unlisted Australian company Vista Minerals Limited (Vista). Vista holds a 100% interest in the Stellar Copper-Gold Project in Alaska, pursuant to an agreement dated 22 May 2017 with Millrock Resources Inc. and Millrock Alaska LLC. Coventry's Caribou Dome and Vista's Stellar Projects form a contiguous package of claims with a ~35km strike length.

In the same transaction, Coventry raised $5.5m in equity capital and then immediately consolidated its shares on a 1 for 5 basis. The net proceeds from the placement will be used for exploration and development activities at the Caribou Dome and Stellar Projects as well as for working capital.

Shareholders are expected to approve the name change from Coventry Resources Limited to ***PolarX*** Limited (ASX: PXX) on 15 September 2017.

Investment Thesis

High Grade Deposits

One of the Company's greatest attractions and competitive advantages is the high grade nature of the deposits. The JORC resource grade at Caribou Dome is 3.1% Cu and the 1993 Historic non-JORC grade estimate at Zackly is 2.9% Cu**.** If gold credits from Zackly (4.51g/t) are considered, the **combined** grade at Zackly lifts to **5.5 % Cu equivalent** at current copper and gold prices.

It should also be noted that 935,000t at 4.4% Cu are contained in the top 150m at Caribou Dome, with the possibility of open pit designs to recover shallow mineralisation.

Both deposits are expected to progress to pre-feasibility studies in the near future, and then into definitive feasibility studies as warranted. Environmental baseline surveys are underway and consultants have been engaged to assist with progressing the projects through the permitting process.

These grades compare very favourably with a February 2017 report by MINING.com on the world's top 10 highest grade copper mines, the results of which are tabulated below (Fig 1). Copper operations were split into underground and open pit.

The analysis covered those currently active copper mining operations throughout the world that are separate reporting units and which have recent reserve figures, calculated according to international standards and disclosed by the owners/operators after 31 December 2014. The research focused on ore grade, while acknowledging that there are other crucial factors in addition to grade that can influence economic outcomes.

			RESERVES		RESOURCES	
Operation	**Country**	**Major Owner**	**Copper Grade %**	**Copper 000't**	**Copper Grade %**	**Copper 000't**
Open Pit						
Las Cruces	Spain	First Quantum	5.0	360	1.8	780
KOV	DRC	Glencore	4.2	2,360	4.6	8,680
Kinsevere	DRC	MMG	3.5	490	2.8	1,500
Sepon	Laos	MMG	2.7	450	1.7	720
Antas	Brazil	Avanco	2.5	92	2.4	152
Underground						
Sudbury	*Canada*	*KGHM*	*7.9*	*38*	*1.0*	*172*
Kinsenda	DRC	Metorex	4.8	290	5.6	1,170
DeGrussa	*Australia*	*Sandfire*	*4.4*	*353*	*5.7*	*443*
CSA	Australia	Glencore	4.3	247	5.7	673
Reed	*Canada*	*Hudbay*	*4.1*	*49*	*4.6*	*9*

Figure 1: World's Highest Grade Operating Copper Mines **Source: MINING.com**

Copper grades in reserves of the five highest grade open pit operations range from 2.5% Cu to 5.0% Cu, with reserve grades for underground copper operations ranging from 4.1% Cu to 7.9% Cu. The grades at Caribou Dome (3.1% Cu overall, 4.4% Cu in possible open pit) and Zackly (5.5% Cu equivalent for a possible underground operation), albeit not reserve grades, compare favourably with this group.

One of the deepest holes at Caribou Dome recorded 15.4m at 7% Cu and the deposit remains open at depth, illustrating high-grade upside potential.

GRADE IS KING! - Allowing small scale with high profitability

The high grade nature of the two deposits, their close proximity and the fact that mineralisation occurs from near surface suggests that an initial small scale operation, at a moderate initial capital cost, is a distinct possibility.

As an example, Avanco's Antas North Mine in Brazil, which began production in 2016, was developed on a reserve tonnage of 3.63Mt at a grade of 2.53% Cu and 0.55%g/t Au, part of a total resource of 6.38Mt at 2.38% Cu and 0.5g/t Au. The capital cost of the open pit mine, 800,000tpa concentrator and associated infrastructure was around US$60m.

Similarly, Hudbay Minerals' Reed Mine in Manitoba Province Canada, which achieved commercial production in early 2014, was developed on ore reserves of 1.2Mt and a mine life of only 4-5 years. The ability to truck ore to the company's Flin Flon concentrator would have strongly influenced the development decision, but the high grade of the deposit would still have been a major positive in the decision to proceed.

Another small, high grade gold-copper deposit with a minimum life of 6 years that has recently been developed is the Deflector Project in the Southern Murchison region of Western Australia. The 480,000tpa plant, which will produce a copper-gold concentrate, was developed at a cost of AU$88m.

As a result of the high copper grades at the company's two deposits, the relatively small tonnages (which are expected to increase with further exploration success) should not be seen as a barrier but as a very sound starting point for a modest, low cost start-up to provide early cash flow.

Exceptional Exploration Upside

The Company's Caribou Dome and Stellar Projects now form a contiguous package of claims with a ~35km strike length. Situated in a highly prospective metalliferous belt the project has excellent potential for the discovery of significant, bulk-mineable copper and copper/gold deposits including porphyry Cu-Au and related skarns and intrusion related gold.

In addition to the existing mineral inventories at Caribou Dome and the Zackly Main Skarn areas, several copper and copper-gold anomalies, will be drill-ready with the completion of IP surveying in the current exploration program.

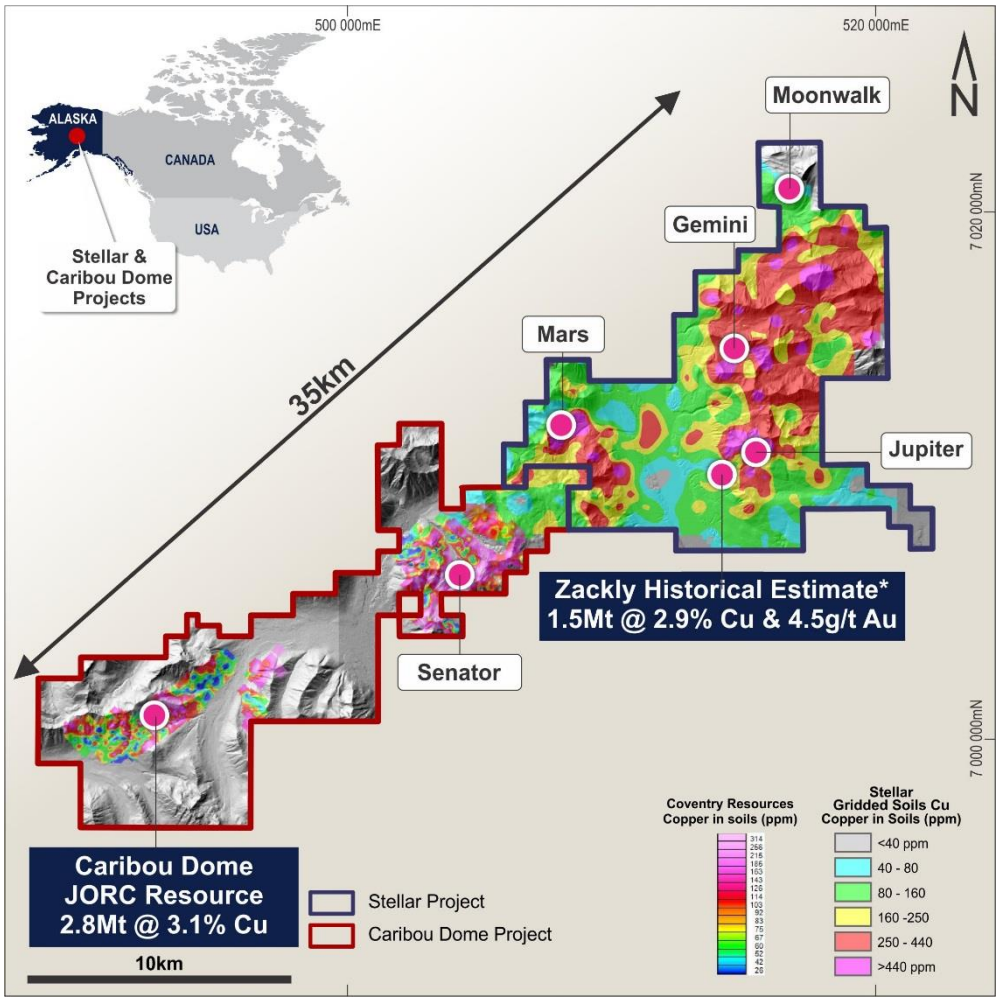

Figure 2: Location Map showing extensive known deposits and prospects within copper in soil anomalism over 35km on the Company's Stellar and Caribou Dome Projects

At the Stellar Project:

- The **Zackly Main Skarn** area, which is approximately 800m x 250m x 3m, lies within a 4-5km mineralised trend which is largely untested along strike or at depth.

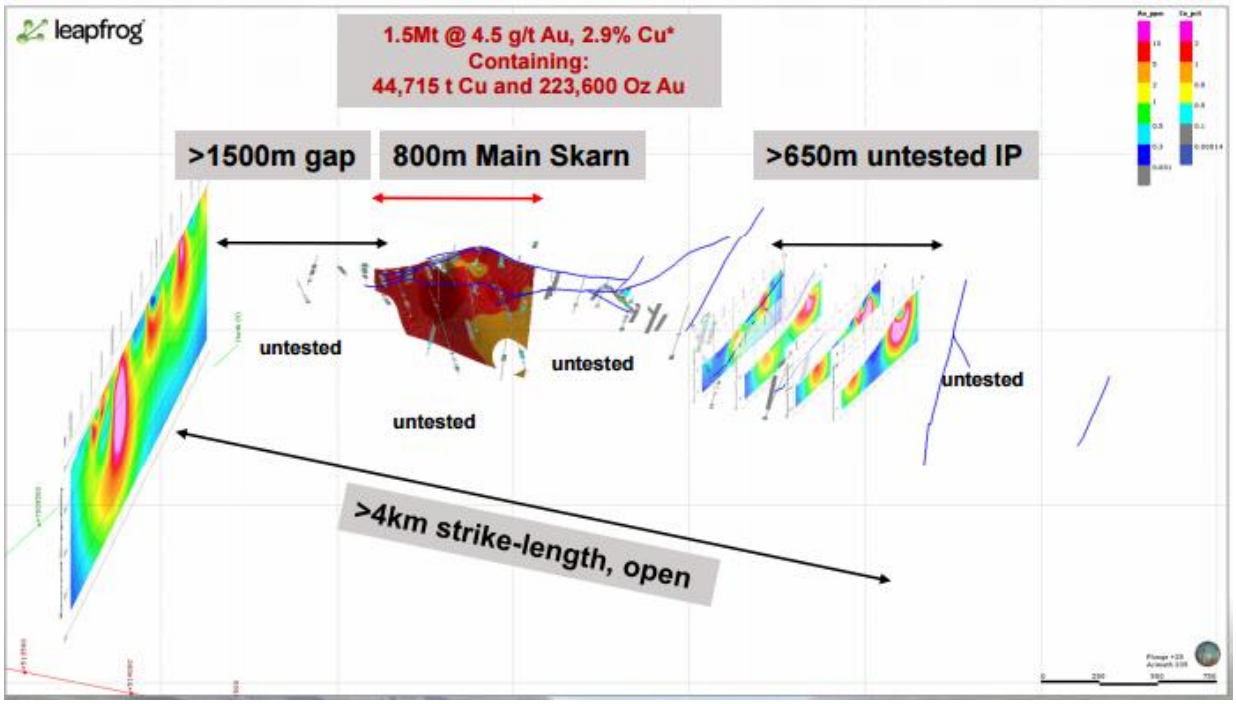

Figure 3: 3D Oblique Section of Zackly showing obvious upside to the east, west and at depth

- The **Mars Prospect** is a 2km x 1.5km Cu-Au-Mo-Ag soil anomaly with visible copper oxides at surface and up to 7.4% Cu and 1.8g/t Au in rock-chip samples. It is prospective for both Cu-Au porphyry and skarn deposits. IP surveying is currently nearing completion, with results expected to lead to targets ready for drilling next season
- The **Jupiter Prospect** is a 2km x 1km soil anomaly with up to 3,850 ppm Cu and 0.78g/t Au, with limited Induced Polarisation (IP), no drilling and is prospective for Cu-Au porphyry and skarn deposits
- The **Gemini Prospect** is a 2km x 2km soil anomaly with up to 1,130 ppm Cu and 0.28g/t Au with no IP or drilling and is prospective for Cu-Au porphyry and skarn deposits
- The **Moonwalk Prospect** has a 1km x 1km gold-arsenic-bismuth-antimony anomaly in soils associated with a granodioroite intruding into black shales. This association of metals and the nature of the geology show similarities with 'Tombstone-style' gold deposits and prospects found within the Tintina gold belt of Alaska and the Yukon. Multiple rock chip samples assayed >1g/t Au. Moonwalk is drill ready for next season

At Caribou Dome, the project portfolio includes outcropping multiple lenses of high-grade sediment-hosted copper mineralisation. Known mineralisation has a strong IP response and there are numerous untested IP anomalies requiring drilling, a number of which are co-incident with strong copper in soil anomalies.

- At **Caribou Dome** itself, mineralisation remains open in all directions. Shallow mineralisation may be amenable to extraction by open pit mining.

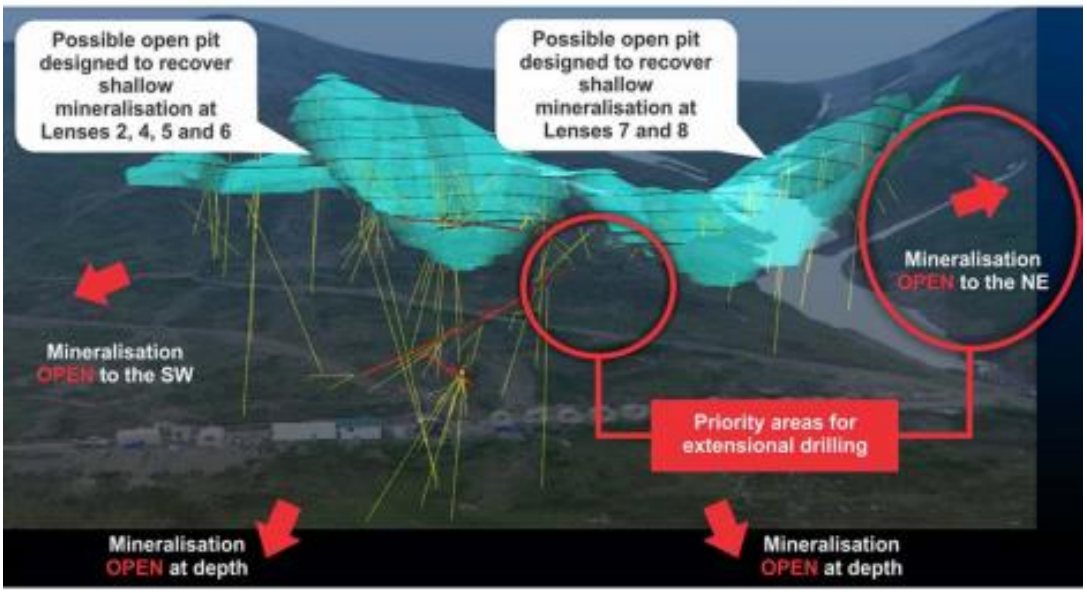

Figure 4: Caribou Dam showing mineralisation open in all directions

- At the **Senator Prospect**, in the northeast part of the project, a large ***>5km long*** copper in soil anomaly at >200ppm has been defined , with soil samples up to 1,700ppm Cu and rock chip results of up to 12.1% Cu. Preliminary IP surveying and geological mapping is underway, with results expected to define targets for drilling in 2018.

Experienced Management Team

The Company has a management team with proven experience in exploration, development and US permitting and with relevant technical expertise in the geology of different deposit types. The team combines personnel from both companies who have strong corporate, management and in-house technical skills at project level.

Executive Chairman **Mark Bojanjac** has been involved with development projects in Australia and Mongolia and as CEO of Adamus Resources, oversaw the advancement of the Nzema Mine in Ghana from early stage exploration through definitive feasibility studies to debt and equity financing and development. MD **Frazer Tabeart** has extensive experience in exploration and project development and is a principal of the Mitchell River Group which will provide ongoing technical support. **Jason Berton**, the Executive Director, has excellent hands-on geological and exploration experience, while Non-Executive Director **Michael Fowler** has a wealth of experience in both exploration and management. CFO/Company Secretary **Ian Cunningham** and Non-Executive Director **Robert Boaz** have been on the Board for several years and have played an important role in the Company's strategy and progress to date.

PolarX has a strong relationship with one of its major shareholders, the **Mitchell River Group** (MRG), a Perth-based diversified consulting and resource development company. MRG will be engaged as required on a contract basis to provide technical support to the merged group.

In Alaska, PolarX's largest shareholder, **Millrock Resources Inc.** (10.8%), provides on-ground geological and logistical services at cost +10% under the ultimate direction of PolarX. Based in Anchorage, Millrock has over 20 years experience in Alaska and some of its team members were directly involved in two of Alaska's largest copper and gold discoveries in the past decade.

- Pebble Project (from discovery to 37Mt Cu and 108Moz Au)
- Donlin Creek (now 79Moz Au)

Alaska – a Good Place to do Business

Alaska is a mining friendly jurisdiction. It was ranked 6th most attractive global investment destination in the 2015 Fraser Institute report.

There are six mines currently in production, including the high grade Red Dog zinc-lead silver operation and the Greens Creek silver-zinc-lead-gold mine. Undeveloped projects include the massive Donlin Gold Project (1.2Bt at 2.3g/t Au containing 78.9M oz Au and the large, low grade Pebble Project (36.9Mt Cu, 107.6M oz Au).

More than 40M oz of gold has been produced from the state to date, although ~80% of the State's GDP is derived from oil and gas.

Positive Outlook for Copper

Several studies, including a recent one by the highly regarded commodity consultants Wood Mackenzie, are predicting copper deficits from 2017 through to at least 2022. This is partly due to strong anticipated demand, particularly if the massive growth in electric motor vehicles materialises, but also due to declining grades, particularly in the large South American mines, as well as a lack of development by the smaller and mid-tier producers. These deficits are likely to translate into improved copper prices.

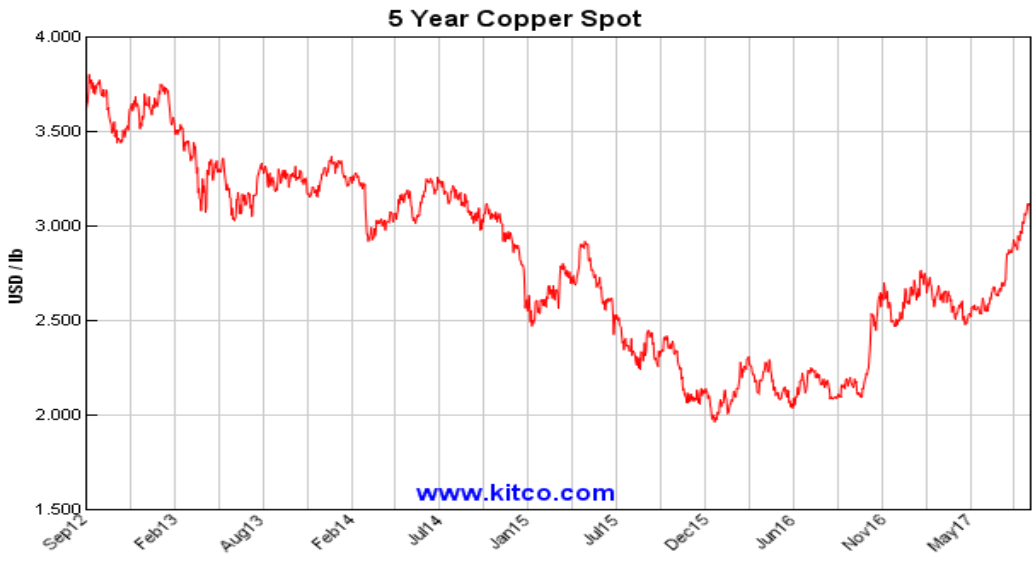

Figure 5: Kitco's 5 year copper price graph

Exploration and Development Programs for 2017/18

Caribou Dome claims:

- Review of structural geology, resource extension drilling and commencement of PFS at Caribou Dome
- Mapping and IP, followed up by drilling at the along-strike Senator copper anomaly
- Preliminary drilling at the Trojan IP anomaly

Stellar claims:

- IP surveys at Zackly, Zackly East and Zackly West
- Twin existing drill holes at Zackly Main Skarn and additional drilling to extend the historic resource
- Resource estimate for Zackly to JORC 2012 standard followed by commencement of PFS
- Geological mapping, soil sampling and IP surveys at the Mars and Gemini prospects
- Helicopter supported drilling at Mars/Gemini
- Follow-up mapping and sampling at the Moonwalk prospect

Projects

Caribou Dome Copper Project

In late February 2015, Coventry Resources completed the transaction that provides the right to earn an 80% interest in the high grade Caribou Dome Copper Project in Alaska. In addition, the company has the right to earn 90% of the extended tenure which includes the Senator Prospect.

Location

The project, which comprises 202 mineral claims covering ~107km^2, is located approximately 250km northeast of Anchorage. It is easily accessible by road; the Denali Highway passes within 20km of the project and from there a purpose built road provides direct access. The Anchorage-Fairbanks railway line is located approximately 100km west of the project. Any potential concentrate or metal produced from the project could be transported by road to the railway at Cantwell for shipment from the ports of Anchorage, Seward (all year) or Port Mackenzie.

Technical Review

During early 2015, a comprehensive technical review of historic geological, geochemical and geophysical data was undertaken to prioritise targets for follow-up and to plan suitable exploration programs to optimally delineate additional high grade mineralisation. The results were as follows.

- Multiple high-priority exploration targets are evident over more than 15km of strike. Outcrops of sediment-hosted copper mineralisation had previously been identified across the project, confirming the drill-tested mineralisation could be part of a much larger mineralised system
- Two exceptional targets, both of which are completely untested by drilling, were identified. The first is outcropping mineralisation at Lense 2 that is 200m long, up to 15m wide and coincides with a 350m-long IP anomaly. The second is a 400m-long soil anomaly with assays up to 0.63% Cu, and coincident IP anomaly, immediately south of the known lenses
- Additional drilling is warranted to evaluate the strike and depth extensions of all nine known mineralised lenses
- Numerous extensive soil anomalies over 3.5Km of previously sampled strike required further exploration. These included four high-priority and three second order targets

Exploration Results

The first two holes drilled by Coventry at Caribou Dome (at the Lense 6 area) produced immediate success, with intersections of 10.1m at 7.1% Cu from 39.0m and 12.2m at 3.2% Cu from 39.8m respectively. These results confirmed that substantial thicknesses of shallow, high grade copper mineralisation are present at Caribou Dome. The results were comparable with previous adjacent drilling results, providing confidence in the reliability of the historic data.

Thick copper mineralisation was intersected in the first two exploration holes drilled to test primary mineralisation beneath 200m of mineralised outcrop at Lense 2. Assay results included 8.7m at 1.7% Cu from 54.3m and 10m at 1.6% Cu from 62.5m. New IP data showed that these holes were drilled directly above a strong IP anomaly that was to be drill-tested.

A further hole drilled deep enough to begin evaluation of the 250m-long strong IP anomaly at Lense 2 intersected high-grade copper mineralisation including 3.4m at 4.8% Cu and 3.5m at 1.9% Cu.

A hole drilled at Lense 4 produced a spectacular intersection of thick, shallow, primary high-grade copper mineralisation, in total comprising 51.1m (estimated true thickness of ~25m) at 5.3% Cu from 4.4m. This result included 2.3m at 17.1% Cu from 4.4m, 14.1m at 10.6% Cu from 10.7m, 3.3m at 9.0% Cu from 39.8m and 3.2m at 9.6% Cu from 52.3m.

Mineral Resources

On 5 April 2017, Coventry announced a maiden JORC Mineral Resource estimate for the high-grade Caribou Dome Project. The total mineral resource is 2.8mt at 3.1% Cu (using a 0.5% lower cut-off) containing 86,000t of copper. Significantly, approximately 60% of the Mineral Resource (1.6Mt at 3.0% Cu) lies within 150m of surface. The Mineral Resource remains open at depth and along strike both at surface and depth.

A grade-tonnage curve for the Mineral Resource was also published. The curve clearly indicates the flexibility to further increase grades at higher cut-off levels should this be deemed to be appropriate. For example, at a 2% Cu cut-off grade, the head grade increases from 3.1% Cu to 4.6% Cu, and despite tonnage falling from 2.8Mt to 1.6Mt, the contained metal drops by only 16% to 72,000t of copper.

A strong indicator of the depth potential is that the second deepest hole drilled to date, which reached a depth of 280m from surface, recorded an intersection (not true width) of 15.4m at 7.4% Cu.

Background to the Project

History

Copper mineralisation was first discovered at Caribou Dome in 1963. Almost all the exploration was undertaken at the Project between 1964 and 1970. Nine lenses of outcropping mineralisation were delineated over approximately 750 metres of strike. However, virtually all work was focused on only three of these lenses with a view to developing a small high-grade underground mine. Approximately 1,000 metres of underground workings were developed on two levels (an adit and a decline). In addition, more than 6,000m of diamond drilling (43 diamond core holes drilled from surface and 48 diamond core holes drilled from underground) were completed, together with 3,282m of underground percussion drilling.

The top 14 intersections produced copper grades ranging from 4.9% to 9.3% over intersected widths ranging from 8.3m to 18.4m. Cross sections and longitudinal sections indicate that mineralisation is mainly confined to sub-vertical lenses of good thickness. The drilling did not constrain the extents of mineralisation at any of the known lenses.

Little additional work has been undertaken since 1970. A further 17 surface diamond holes were drilled; nine shallow holes were drilled in 2011 to evaluate lenses 7 and 9, six of which intersected copper sulphide mineralisation. A 225kg bulk sample for metallurgical test work was collected in 2008.

Geology

Copper mineralisation at the Caribou Dome Project is predominantly stratiform. Historically, nine outcropping lenses of high-grade pyrite-chalcopyrite mineralisation were delineated over approximately 750m of strike. These are predominantly located in argillites at an interface with a sequence of volcanic rocks. Interbedded limestones appear to have exerted an important control on the location of mineralisation.

Metallurgy

A bulk sample collected in 2008 averaged 6.7% copper. Using flotation and GalvanoxTM leaching, recoveries of 91.7% of the copper were achieved. These results were deemed encouraging for the project and further test work was recommended.

- 2015 and 2016 testwork on the Caribou Dome Central deposit completed on a 5.03% composite sample yielded over 95% Cu recoveries and a concentrates grading up to 24.5% Cu were produced.
- 2016 testwork on a sample grading 7.4% from the extended Lens 7/8 Area at Caribou Dome recovered over 99% Cu and concentrates up to 27.4% Cu were produced. More optimisation testwork is currently in progress.

Terms of Acquisition

In November 2014, Coventry entered into an agreement to acquire a 100% interest in an unlisted Australian company which, in turn, had an option to acquire an 80% interest in the Project (and 90% of the extended project including Senator), from unlisted Hatcher Resources Inc.

Ongoing obligations to acquire the 80% interest included a US$75,000 payment to Hatcher and a 9-year option which includes the following obligations:

- Original vendor payments of $1.96m over the nine-year period ($1.36m in June 2023)
- Annual expenditure of $100,000/pa for FY15, FY16 and FY17
- Minimum expenditure of $2.0m per 3-year period ending June 2016, June 2019 and June 2022
- If a feasibility study is delivered before expending $9.0m, the earn-in condition is satisfied

Stellar Copper-Gold Project

The Stellar Project comprises 182 contiguous State Mining Claims and is located immediately adjacent to the Company's existing Caribou Dome Copper Project. The claims cover a total area of 11,784 hectares.

History

The **Zackly area** was explored from 1981 to 1994 by several companies. Programs included surface sampling, trenching, geophysics and both core and reverse circulation drilling totalling approximately 12,000m in approximately 85 holes. Three historical estimates (1982, 1987 and 1993) have been completed for the Zackly 'Main Skarn' zone, one of the three known mineralised skarn zones located along the Zackly skarn trend.

Historical conventional soil sampling over the Zackly prospect area defined multiple, large, highly anomalous Cu-Au zones currently untested by drilling. Aeromagnetic anomalies encompassing Zackly extend both northwest and southeast of the project, potentially reflecting extension of surface mineralisation.

More Recent Exploration

Since 2010, Millrock Resources Inc collected approximately 950 soil and 760 rock samples for assay and/or spectral analysis, as well as 99 stream sediment samples throughout the project area. A new EM/magnetic/radiometric survey was also conducted over the property in 2013. The work resulted in the definition of at least seven additional copper and/or gold prospects and anomalies.

The **Mars Prospect** is located 6.4km west of Zackly. The prospect consists of altered gabbro/dolerite intruding volcanics with lesser sedimentary rocks, locally containing gossan exposures. The altered zones commonly contain variable copper mineralisation. Soil sampling across the prospect defined a +420 ppm copper anomalous zone measuring approximately 950m x 1.7 km. Rock samples of altered volcanic rock returned assays as high as 7.4% Cu. Anomalous gold-in-soil values are common within the area of the +420 ppm Cu anomaly, including multiple samples assaying +0.100 ppm Au. Assays as high as 1.78 ppm Au have been returned from rock samples here.

The **Jupiter Prospect** is hosted in altered volcanic rocks near a contact with dioritic intrusive rocks. The prospect, which is located approximately 1.8km north of the main Zackly skarn, is characterized by east and northerly-trending, altered, Cu/Au-bearing fracture/vein zones. Soil sampling has defined a +420 ppm copper anomaly measuring approximately 800m x 1.9km. Anomalous gold-in-soil values are commonly associated with elevated copper values with assays up to 0.330 ppm Au.

The **Gemini Prospect**, located approximately 5.2km north of Zackly, appears to be hosted primarily within volcanic rocks. This newly discovered prospect was defined in August of 2013, the result of a wide-spaced, property-wide soil sampling program. The Gemini +420 ppm copper-in-soil anomaly, while variable in outline, averages approximately 1.0km x 1.6km. Anomalous gold-in-soil results tend to occur coincident with elevated copper values with gold assays typically ranging from 0.150 – 0.250 ppm Au.

The **Moonwalk Prospect**, located approximately 11.5km north of Zackly, is a gold prospect consisting of altered granodiorite intruding mainly black shale. The intrusive rock and surrounding sediments are commonly altered with local zones of stockwork quartz-sulphide veining. Nineteen soil samples collected from the main altered zone average 1.15 g/t Au over a 400 m by 700 m area. Chip samples of vein material returned assays up to 30 g/t Au. In addition, a stream sediment sample approximately 2 km downstream from this area assayed 0.24 g/t Au and was accompanied by an outcrop sample of what appears to be altered and veined sandstone that assayed 23.0 g/t Au.

Current Exploration Program

A major exploration program has commenced in 2017, in which the Zackly high-grade copper-gold skarn will be re-drilled so that the historic resource can be reclassificed under the JORC (2012) standard, and to test for along-strike extensions of the known mineralisation.

Induced polarisation (IP) surveys have recently been completed at Zackly and this data is being used to assist in planning drill holes to test the eastern and western extensions of the Main Skarn.

Resource delineation drilling at Zackly began at the end of August 2017. One diamond drill rig will drill to evaluate potential eastern and western extensions of known mineralisation, as indicated by IP surveys. Up to 12 holes, for a total of 1,400m, are expected to be drilled to test these potential extensions. The second rig will drill cored holes to twin/infill approximately 12 of the historical holes drilled in the deposit 1981/82 and 1993/94. This should verify previous drilling results and allow a revised resource estimate to JORC 2012 standard. This core will also provide material to use in preliminary metallurgical test work to provide processing options for copper and gold. In total, the Company expects to drill approximately 3,000m of core in 25 holes.

Terms of Acquisition

Vista and Millrock entered into a binding Sale and Purchase Agreement under which Vista acquired 100% ownership of the Stellar claims under the following conditions:

- Millrock was issued with 25.6m PolarX shares (post share consolidation basis).
- PolarX will pay advance royalty payments to Millrock, starting at US$20,000 p.a on 31 March 2019 and rising by US$5,000 p.a to US$60,000 by March 2027 until commercial production occurs. PolarX may recoup advance royalty payments from production royalty payments.
- A 1% Net Smelter Return royalty payable to Millrock on all metals is payable.
- If PolarX, at any time prior to the end of 2032, establishes a JORC Indicated Mineral Resource of one million ounces of gold within the Stellar property area, it will pay Millrock US$1.0m and in the same period, if PolarX establishes a JORC Code Indicated Mineral Resource of one million tonnes of contained copper or copper equivalents, Polaris will pay Millrock US$2.0m.
- 45 claim blocks covering the Zackly, Moonwalk, Mars and Jupiter prospects are subject to a royalty payable to Altius Minerals of 2% gross value of any uranium produced, 2% NSR on gold, silver, platinum, palladium and rhodium and 1% NSR on all other metals.
- Millrock acts as exploration operator under PolarX direction, and earns a management fee of cost +10%.

Board and Management

Mark Bojanjac

Executive Chairman

Mark is a Chartered Accountant with more than 25 years' direct experience in developing resource companies. He was a founding director of Gilt-Edged Mining Limited which discovered one of Australia's highest grade gold mines and managing director of an unlisted public company which successfully developed and financed a 2.4Moz gold resource in Mongolia. He was previously CEO of Adamus Resources Limited, where he oversaw its advancement from an early stage exploration project through definitive feasibility studies and managed the debt and equity financing to build its successful Ghanaian gold mine. He is currently also a Non-Executive Director of Geopacific Resources Limited and of Kula Gold Limited, which are developing a copper mine in Cambodia and a gold mine in PNG respectively.

Frazer Tabeart

Managing Director

Frazer is a geologist with 30 years international experience in exploration and project development, with a strong technical background in porphyry copper-gold systems in SE Asia, SW Pacific, the American Cordillera and central and northern Asia. After spending 16 years with WMC Resources and managing exploration portfolios in the Philippines, Mongolia and Africa, he left to join the Mitchell River Group. He has served on ASX-listed Company Boards at Executive level over the past 10 years. He is a Director and Principal at Mitchell River Group (see below), and current Managing Director of African Energy Resources Limited and Non-Executive Director at Segue Resources Limited.

Jason Berton

Executive Director

Jason is a geologist with more than 16 years' mining and exploration experience including working for Homestake, Barrick and BHP Billiton and SRK Consulting. Jason has also previously spent two years in private equity investment and four years as Managing Director of ASX-listed Estrella Resources. Jason holds two Degrees, a Bachelor of Economics and a Bachelor of Science (Hons) plus a PhD in Structural Geology, all from Macquarie University.

Bob Boaz

Non-Executive Director

Bob graduated with honours from McMaster University of Hamilton, Ontario with a Bachelor of Arts in Economics and has a Masters Degree in Economics from York University in Toronto. He is a highly respected financial and economic strategist in Canadian bond and equity markets with experience related to equity research, portfolio management, institutional sales and investment banking. Mr Boaz has more than 20 years' experience in the finance industry, most recently as Managing Director, Investment Banking with Raymond James Ltd and Vice-President, Head of Research and in-house portfolio strategist for Dundee Securities Corporation. He is currently President & CEO of Aura Silver Resources Inc.

Michael Fowler

Non-Executive Director

Michael is a geologist with 25 years' experience in the resources industry. He graduated from Curtin University in 1988 with a Bachelor of Applied Science degree majoring in geology and in 1999 received a Master of Science majoring in Ore Deposit Geology from the University of Western Australia. On graduating he was involved in gold and base metals exploration for Dominion Mining in the Murchison, Gascoyne and Eastern Goldfields regions of Western Australia. In 1996, he joined Croesus Mining NL and oversaw all exploration until he was appointed as Managing Director. Has overseen the discovery and development of several significant gold deposits, and is currently a Director of Genesis Minerals Limited.

Ian Cunningham

CFO and Company Secretary

Ian is a Chartered Accountant and Chartered Secretary with a Bachelor of Commerce degree and Bachelor of Laws degree from the University of Western Australia. He also holds a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia and a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia. Mr. Cunningham has 15 years' experience in the resources industry in executive and senior management roles, including with Adamus Resources Ltd, during which time Adamus developed the Nzema Gold Mine (Ghana) before merging with Endeavour Mining Corporation.

Mitchell River Group (MRG)

Technical Services

MRG is a privately owned project generation and resource management and development group providing technical, commercial and management services to multiple ASX-listed companies. Current clients include ASX-listed African Energy Resources, Anova Metals, Exterra Resources and EVE Investments. MRG has been engaged to provide commercial and technical management of its Alaskan projects, including data management, resource modelling and estimation, management of feasibility studies and management of US permitting.

Millrock Resources Inc. (Millrock)

Exploration and Logistics Services

Millrock is a 10.8% shareholder of *PolarX p*rovides on-ground exploration logistics under *PolarX* management at cost +10%.

Based in Anchorage, Alaska, USA and TSX-V listed, Millrock has 20+ years Alaskan exploration experience as a focussed project generator.

Millrock's presence provides immediate in country and on-ground experience combined with incentive as a major shareholder.