

31 May 2018

Drilling to start as part of strategy to grow copper and gold resources at the Alaska Range Project

New program designed to rapidly grow existing JORC Resources at the Zackly deposit and support a feasibility study

PolarX Limited (Polarx or the Company, ASX: PXX) is pleased to announce that it is about to start drilling at its Alaska Range Project as part of its strategy to rapidly grow the existing JORC Resource and start feasibility studies.

The initial program comprises 23 diamond drill holes (Figure 1) designed to substantially expand the known high-grade Zackly copper-gold skarn deposit.

The Zackly Inferred Resource occurs over a strike length of 1km and already contains an estimated 41,000t of copper, 213,000oz of gold and 1.5Moz silver and is mineralised from surface (Table 1 below).

The mineralisation remains open at depth and along strike at each end and provides an immediate opportunity to create further substantial value for investors.

The Alaska Range Project also includes the Caribou Dome deposit, which has a JORC Resource of 2.8Mt at 3.1% copper, containing 85,500t of copper.

PolarX aims to rapidly accumulate a sufficient copper-gold inventory between Zackly and Caribou Dome to support feasibility studies on a combined operation or one or more stand-alone operations.

TABLE 1; Alaska Range Project Resource Estimates (JORC 2012), 0.5% Cu cut-off grade

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

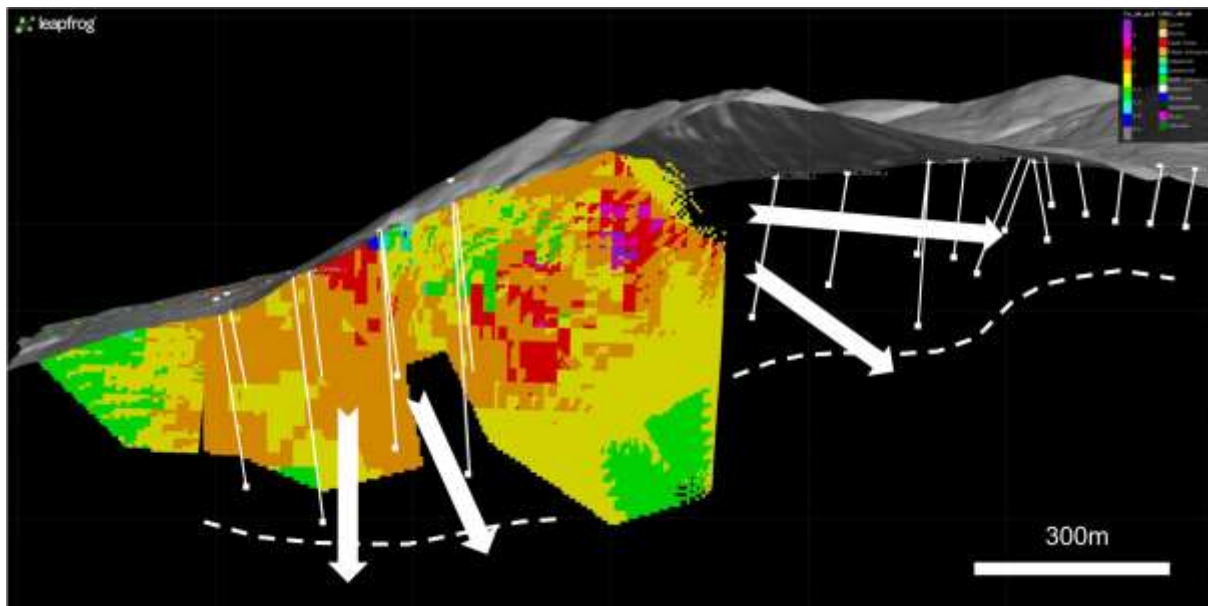


Figure 1 Zackly inferred resource block model and planned drill holes

Importantly, the style of mineralisation at Zackly is consistent with the nearby presence of a porphyry copper-gold system. There was abundant evidence to support this view in PolarX's drilling last season, when porphyry-style veins and related copper sulphides were observed in drill core.

PolarX aims to substantially increase the current inferred resource at Zackly with this drilling program as it vectors towards a deeper and much larger potential porphyry source which forms a prominent magnetic anomaly at Zackly SE.

MASSIVE REGIONAL UPSIDE

The entire Alaska Range Project straddles the boundary between the world-class Cretaceous porphyry copper belt and the Tintina Gold Belt (Figure 2). Both host some of the world's richest and largest copper and gold deposits. PolarX's 100%-owned Mars, Gemini, Jupiter and Zackly prospects share similar geology to the super-giant Pebble deposit (108M oz gold and 37Mt copper).

The mineralisation encountered in core drilling at Zackly last season, plus the district-scale aeromagnetic data, provides further evidence that the Alaska Range Project may host multiple economic discoveries (Figures 3 and 4).

PolarX intends to further define the copper/gold porphyry intrusive targets at Mars, Gemini and Zackly SE over the coming weeks with a view to drill testing these as soon as possible.

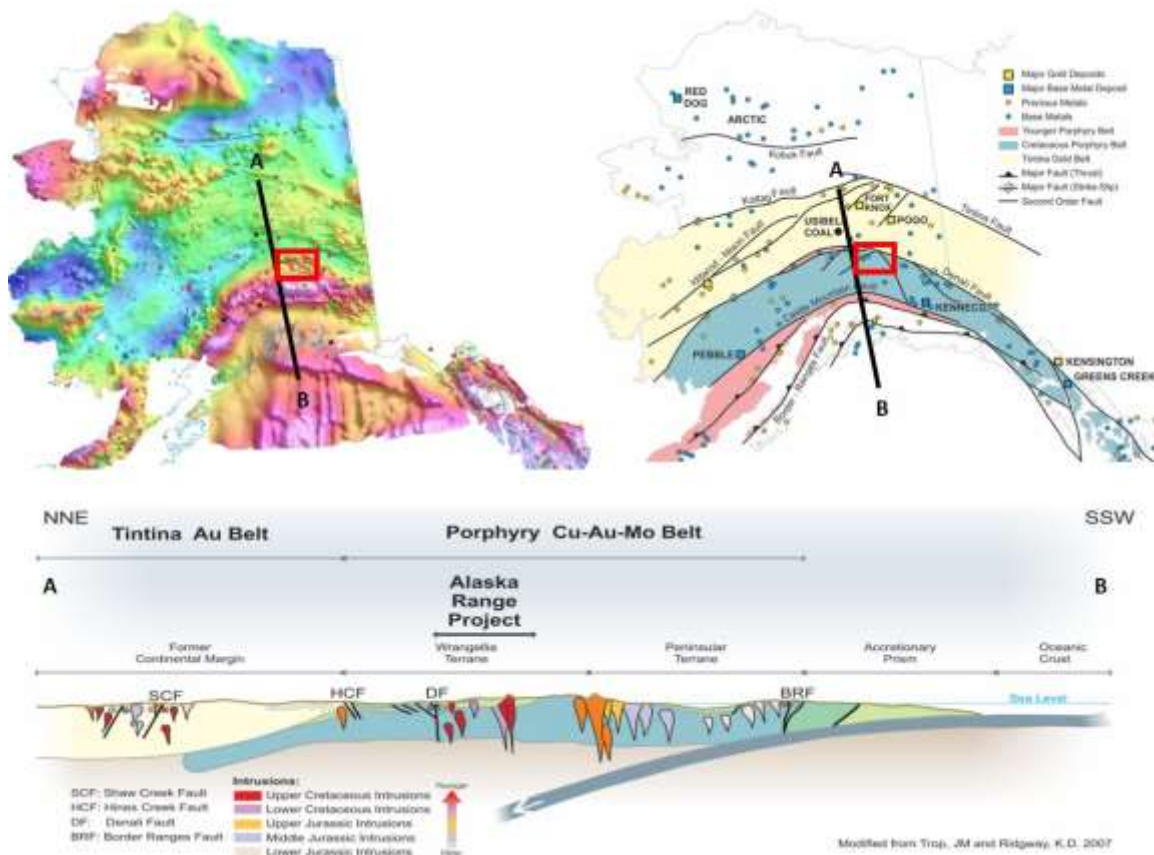


Figure 2 Regional setting of the Alaska Range Project (red box) at the boundary between the Cretaceous Porphyry Belt and the Tintina Gold Belt

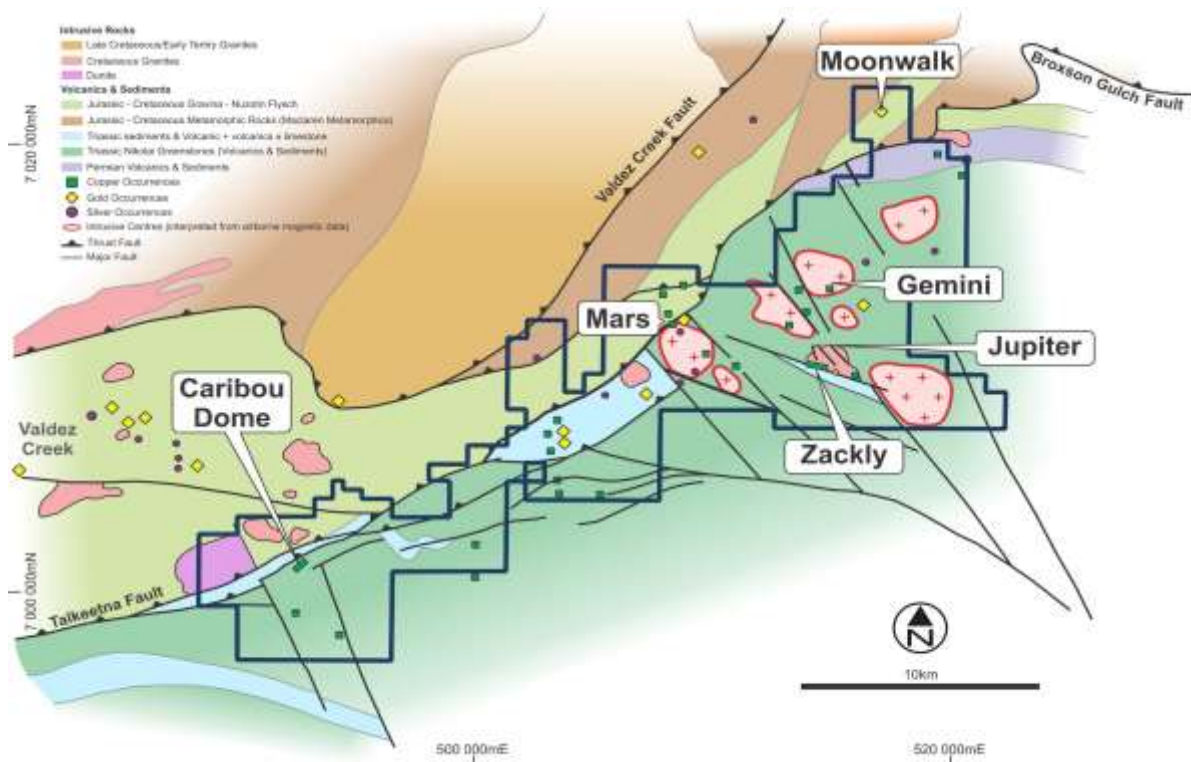


Figure 3 Regional geological interpretation and prospect locations in the Alaska Range Project

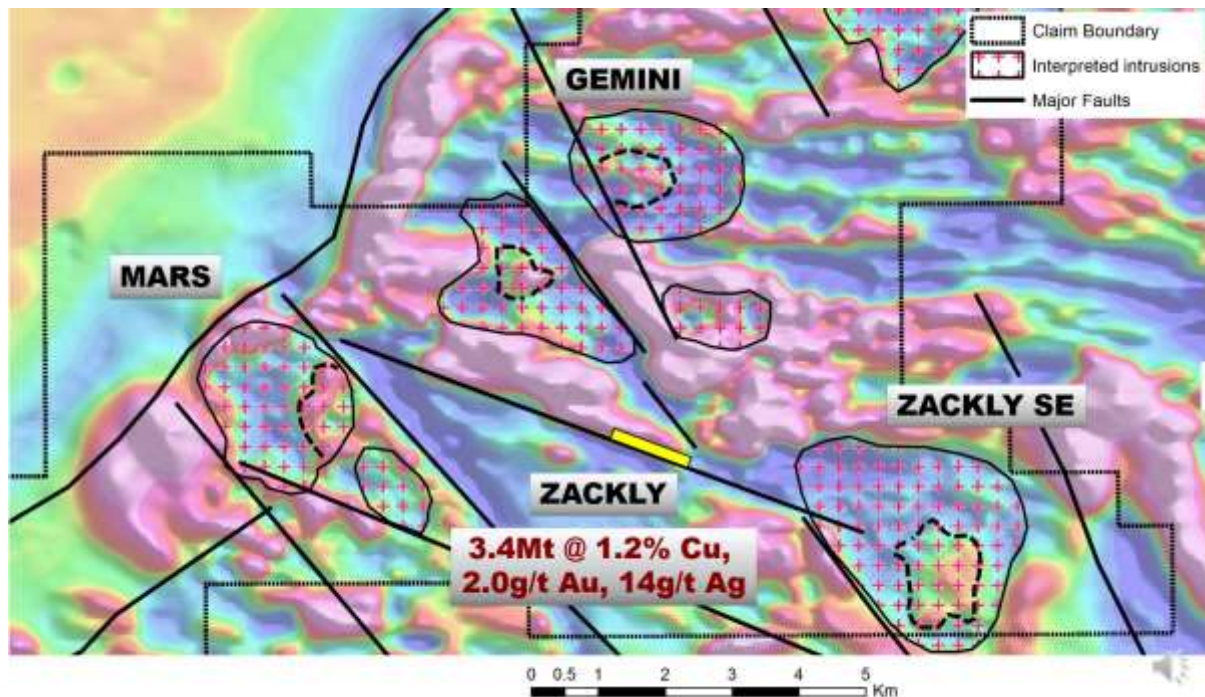


Figure 4 Geological interpretation of the district-scale aeromagnetic data showing several possible porphyry intrusive centres and faults linked to the Zackly skarn mineralisation

GOLD AT MOONWALK

Work is also planned at PolarX's 100%-owned Moonwalk prospect (for location refer to Figure 3), which occurs in the well-endowed Tintina Gold Belt. This belt also hosts the Pogo mine (12.3Mt @ 12.5g/t gold), Donlin (1.2 Bt @ 2.2g/t gold) and the Fort Knox mine (283Mt @ 0.44g/t gold).

Located approximately 11.5km north of Zackly, Moonwalk is a large-scale gold prospect consisting of altered granodiorite intruding black shale (Figure 5). The intrusive rock and surrounding sediments are commonly altered with local zones of stockwork quartz-sulphide veining.

Nineteen soil samples collected in 2011 (reported by PolarX on 24 March 2017) from the main altered zone **average 1.15 g/t Au over a 500 m by 700 m area, with a high of 3.54g/t Au**. Rock-chip samples of quartz-veins returned **assays up to 30.45 g/t Au**. In addition, a stream sediment sample approximately **2km 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**.



Figure 5 The Moonwalk gold prospect is a very large anomalous gold bearing mountain that lies within the Tintina Gold Belt. Gold is hosted within quartz-stibnite veins in granodiorite intrusive rocks.

PROGRESS REPORTS

PolarX will publish regular updates as drilling and on-site activities progress. This heralds an exciting period for the Company as it pursues several advanced targets, each of which could be part of a much larger district-scale system.

For and on behalf of the Board.

For further information, please contact the Company directly on +61 8 6465 5500

ADDITIONAL DISCLOSURE

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this announcement has been presented in accordance with the JORC Code.

Information in this report relating to Exploration results is based on information compiled by Dr Frazer Tabcart (an employee and shareholder 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 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Tabcart consents to the inclusion of the data in the form and context in which it appears.

There is information in this announcement relating to:

- (i) exploration results which were previously announced on 24 May 2017 and 10 May 2018;*
- (ii) the Mineral Resource Estimate for the Caribou Dome Deposit (Alaska Range Project), which was previously announced on 5 April 2017; and*
- (iii) the Mineral Resource Estimate for the Zackly Deposit (Alaska Range Project), which was previously announced on 20 March 2018.*

Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters have not materially changed. The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Forward Looking Statements:

Any forward-looking information contained in this news release is made as of the date of this news release. 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 news release 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.