

31 July 2023

Quarterly Report

JUNE 2023 QUARTERLY ACTIVITIES REPORT

HUMBOLDT RANGE PROJECT, NEVADA

- Induced Polarisation (IP) surveys completed over the Humboldt Range Project in Nevada, USA.
- Focus is on identifying large-scale disseminated sulphide mineral concentrations in the Rochester Rhyolite Formation which is known to host multi-million-ounce gold/silver deposits nearby.
- Final IP inversion model results pending, with coincident high chargeability and strong resistivity anomalies identified in the IP surveys to be prioritised as large-scale drilling targets.

ALASKA RANGE PROJECT, ALASKA

- Substantial new Mineral Resource Estimation upgrade for the Caribou Dome Project which now contains 7.2Mt at 3.1 % copper and 6.5 g/t silver (0.5% Cu cut-off) starting at surface and down to only 300m depth.
- Subsequently commenced an updated Scoping Study on mine development of the Alaska Range Project, which encompasses both Caribou Dome and the nearby Zackly Project.
- Combined Alaska Range Mineral Resource estimate for Caribou Dome and Zackly is now 11.2Mt containing 269,000t of copper, 213,000oz gold and 3,131,000oz silver.
- Both resources remain open in all directions with highly prospective extension drill targets, highlighting immense potential for ongoing inventory growth.

HUMBOLDT RANGE GOLD-SILVER PROJECT, NEVADA

During the June 2023 quarter, PolarX Limited (ASX: PXX, "PolarX" or "the Company") undertook Induced Polarisation (IP) surveys at the Fourth of July claims and Black Canyon claims, both of which form part of the Humboldt Range Project in Nevada, USA.

The survey at Fourth of July took approximately 4 weeks to complete and comprised 13.6-line kilometres (Figure 1).

Further IP survey work, comprising a 21-line kilometre program, was also commenced at Black Canyon in early June 2023 (Figure 2).

Ground surveys are complete, and crews have demobilised. IP inversion results are pending for both programs.

The IP programs were undertaken following soil geochemistry programs by PolarX (ASX announcement 16 February 2022) which identified substantial gold and silver anomalies at Black Canyon and the

Fourth of July projects (refer Figures 1 and 2). The Company considers these highly prospective for gold and silver and will use the IP surveys work to identify the best targets for drilling in the second half of 2023.

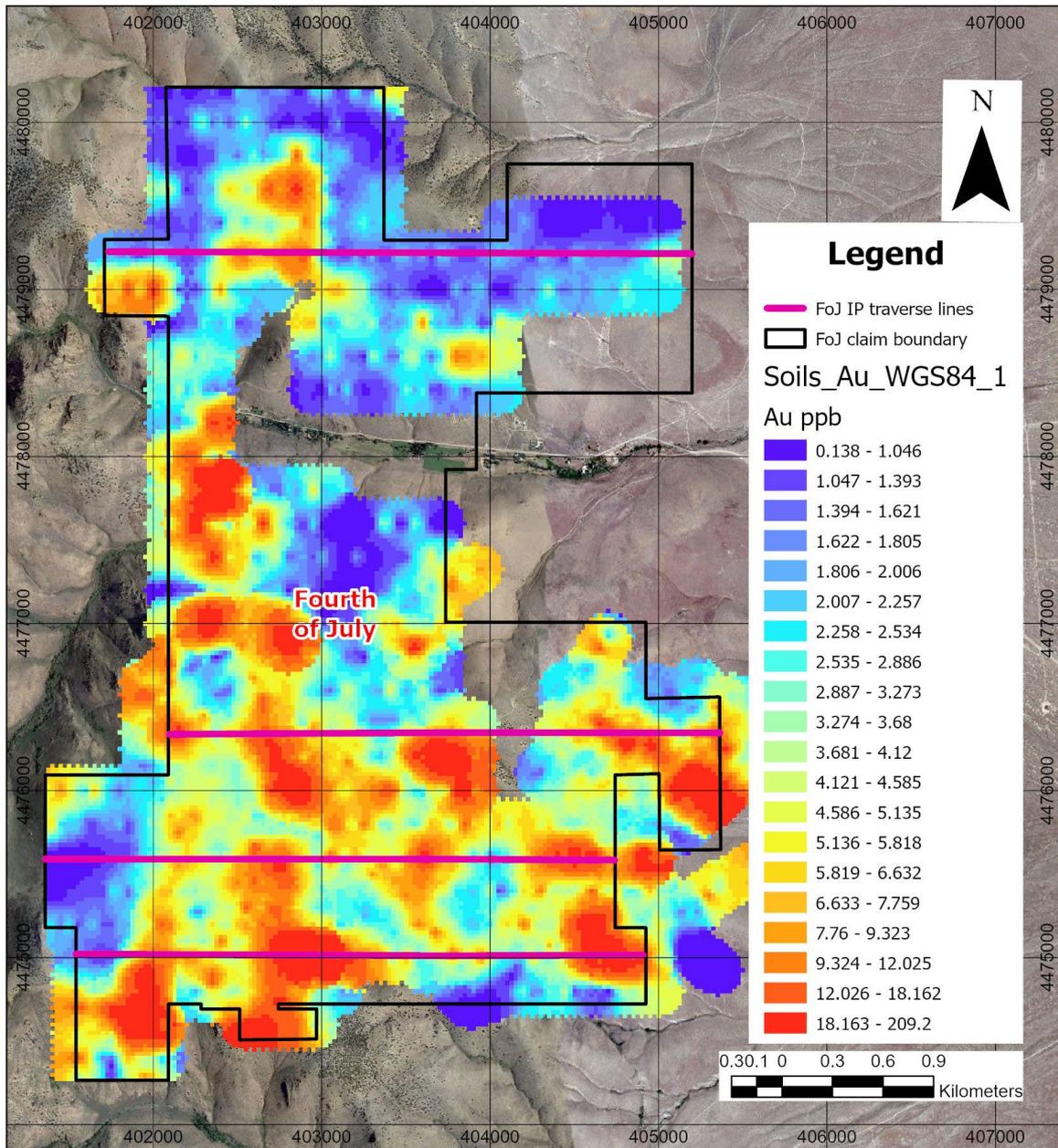


Figure 1. Fourth of July IP traverse lines overlaid on surface gold soil geochemistry map.

PolarX considers Induced Polarisation (IP) surveys across both Black Canyon and Fourth of July projects to be the best geophysical technique to assist in generating drill targets for bulk-tonnage mineralisation.

Figure 2 shows the extensive gold anomaly in soil geochemistry is at Black Canyon (about 3km by 2km). The May and December 2022 RC drill programs at Star Canyon (ASX announcement 20 February 2023) identified wide mineralised intercepts that frequently range from 0.1g/t to 0.4 g/t Au from surface, which are associated with relatively weak disseminated sulphide concentrations.

IP surveys are intended to identify higher disseminated sulphide concentrations than drilling has encountered to date at Star Canyon and Fourth of July. This geophysical work will assist prioritising future drill targeting for higher-grade bulk-scale deposits.

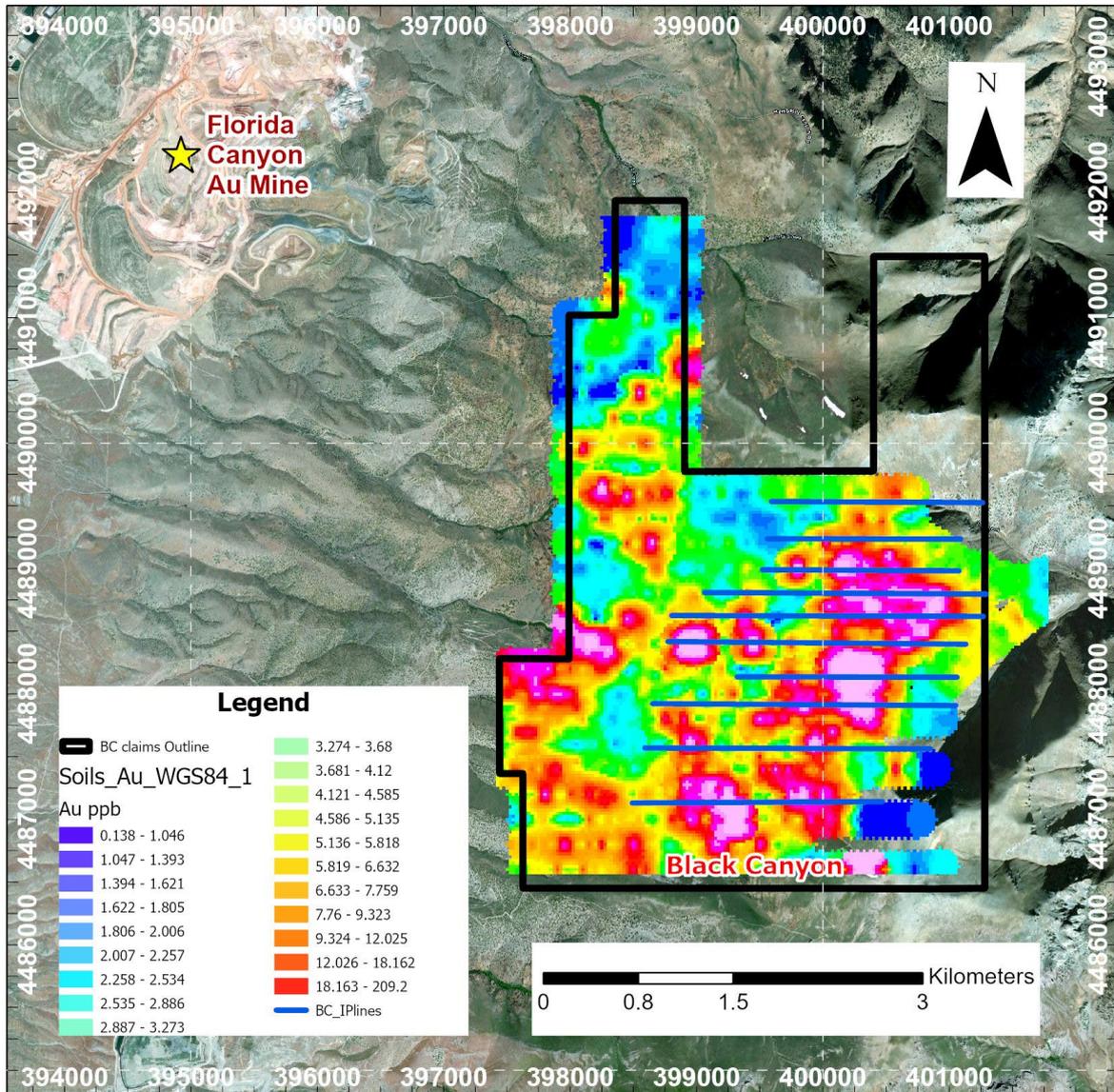


Figure 2. Black Canyon IP traverse lines overlaid on surface gold geochemistry map.

Humboldt Range Background

The Humboldt Range Project comprises 364 lode mining claims in Nevada in two claim groups: Black Canyon and Fourth of July.

The Black Canyon claims at the northern end of Humboldt Range are less than 3km from the currently operating Florida Canyon Mine, which hosts 5Moz gold (see Figures 3 and 4). The 400Moz silver / 3Moz gold Rochester Mine and the 4Moz Spring Valley gold project are located just 15km and 9km respectively to the south of PolarX's Fourth of July claims. 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.

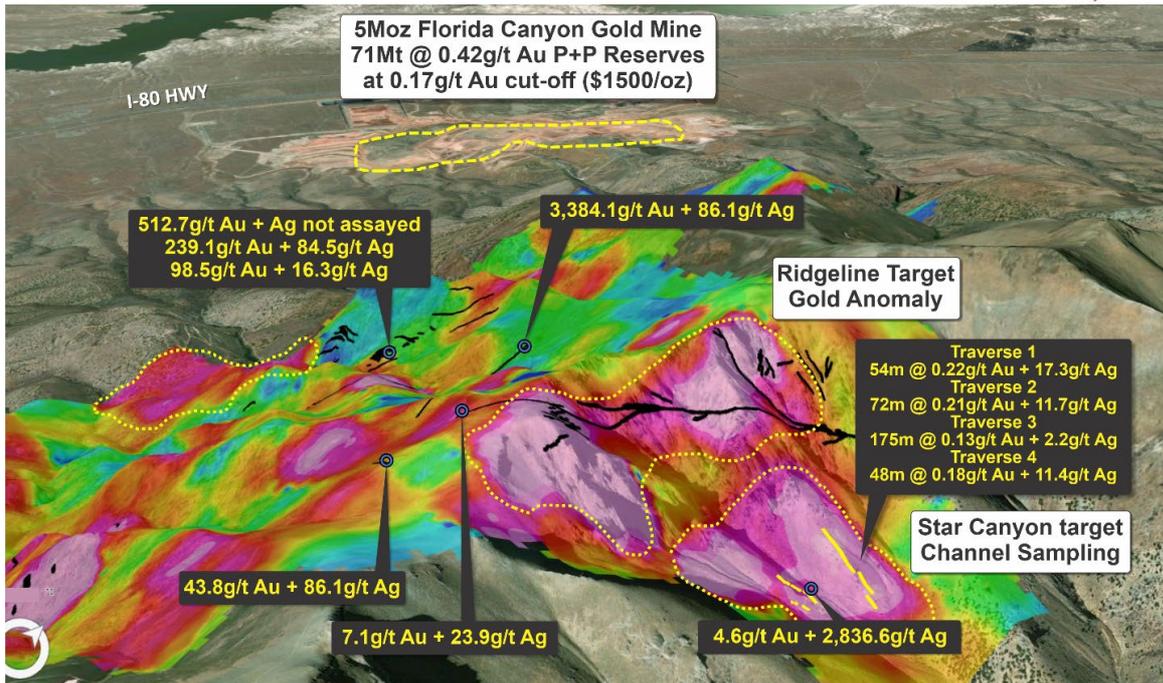


Figure 3. Oblique 3D-view of the Black Canyon project overlaid with the gold geochemical soil anomaly and high-grade vein samples.

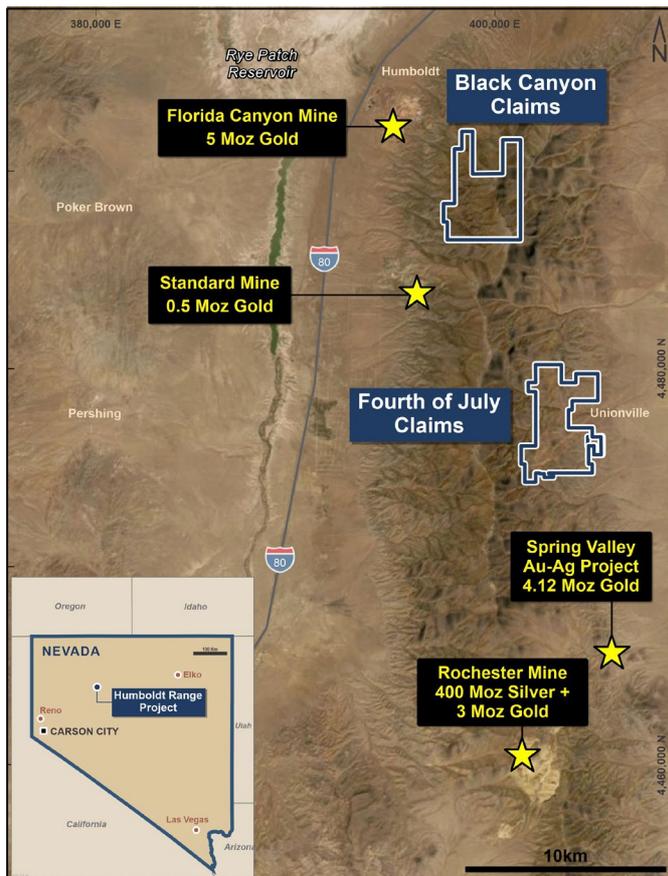


Figure 4. PolarX's Nevada claims are ideally located, adjacent to large scale operating mines and important road, energy and workforce infrastructure. The Rochester Mine, Spring Valley project and Black Canyon all host gold & silver mineralisation within north-south striking Rochester Rhyolite rock units.

Mineralised Rochester Rhyolite outcrops at surface throughout PolarX’s Humboldt Range projects. Regionally this formation hosts multi-million-ounce gold and silver deposits at the nearby Rochester Mine and the Spring Valley project. Accordingly, PolarX will focus on identifying mineralised targets which have the potential for very large, modest-grade resources. It is expected that quartz veins containing high-grade gold/silver will also be encountered within those widespread zones of lower grade mineralization.

ALASKA RANGE COPPER/GOLD PROJECT

During the June 2023 quarter, the Company announced the revised Mineral Resource Estimate for Caribou Dome (“2023 Resource”), as follows:

Table 1. 2023 Caribou Dome Mineral Resource estimation summary table.

Category	Tonnes (Mt)	Cu %	Cu (t)	Ag g/t	Ag (oz)
Measured	1.0	3.9	39,800	8.6	284,000
Indicated	3.2	3.3	105,175	6.5	662,800
Inferred	3.0	2.6	79,400	5.7	552,000
Total	7.2	3.1	224,375	6.5	1,498,800

Notes:

1. Reported at 0.5% Cu cut-off grade.
2. All Mineral Resource estimates are constrained within wireframes encapsulating the ore lenses.
3. Estimated numbers may not add up exactly due to rounding.
4. Table reported at 100% recovery (ie, in-situ).

The 2023 Resource has a copper metal content of 224,375 tonnes. This is 2.6 times greater than the 2017 Mineral Resource Estimate of 2.8Mt at 3.1% Cu with contained copper metal of 86,000 tonnes (also using a 0.5% Cu cut-off, see ASX announcement 5 April 2017). Silver has also been estimated for the first time at Caribou Dome with a contained silver metal content of 1.5 Moz within the 0.5% copper cut-off envelope.

This substantial resource increase is expected to commensurately enhance PolarX’s recent Positive Mining Scoping Study on its Alaska Range Project, as announced to ASX on 17 October 2022. Accordingly, during the quarter the Company commenced preparation of an updated scoping study (“2023 Scoping study”). The 2023 Scoping Study will now consider mining a combined 7.2 Mt Caribou Dome Mineral Resource and 4Mt Zackly Mineral Resource (see Table 2), which together are now estimated to contain 269,000 tonnes of copper, 213,000 oz of gold and 3,131,000 oz of silver.

The shallower depth projection used in the new Mineral Resource highlights the potential for future resource extension from successful exploration drilling below 300m.

Alaska Range Project Background

The Alaska Range Project (Figure 5) is located approximately 250km northeast of Anchorage in Alaska, USA. It is readily accessible by road – the Denali Highway passes within 20km of the Project and from there a purpose-built road provides direct access to the historic underground exploration development at the Project.

The Alaska Range Project comprises a contiguous package covering 262km² with ~35km strike length hosting extensive copper- and gold-in-soil anomalism consistent with several mineralised districts.

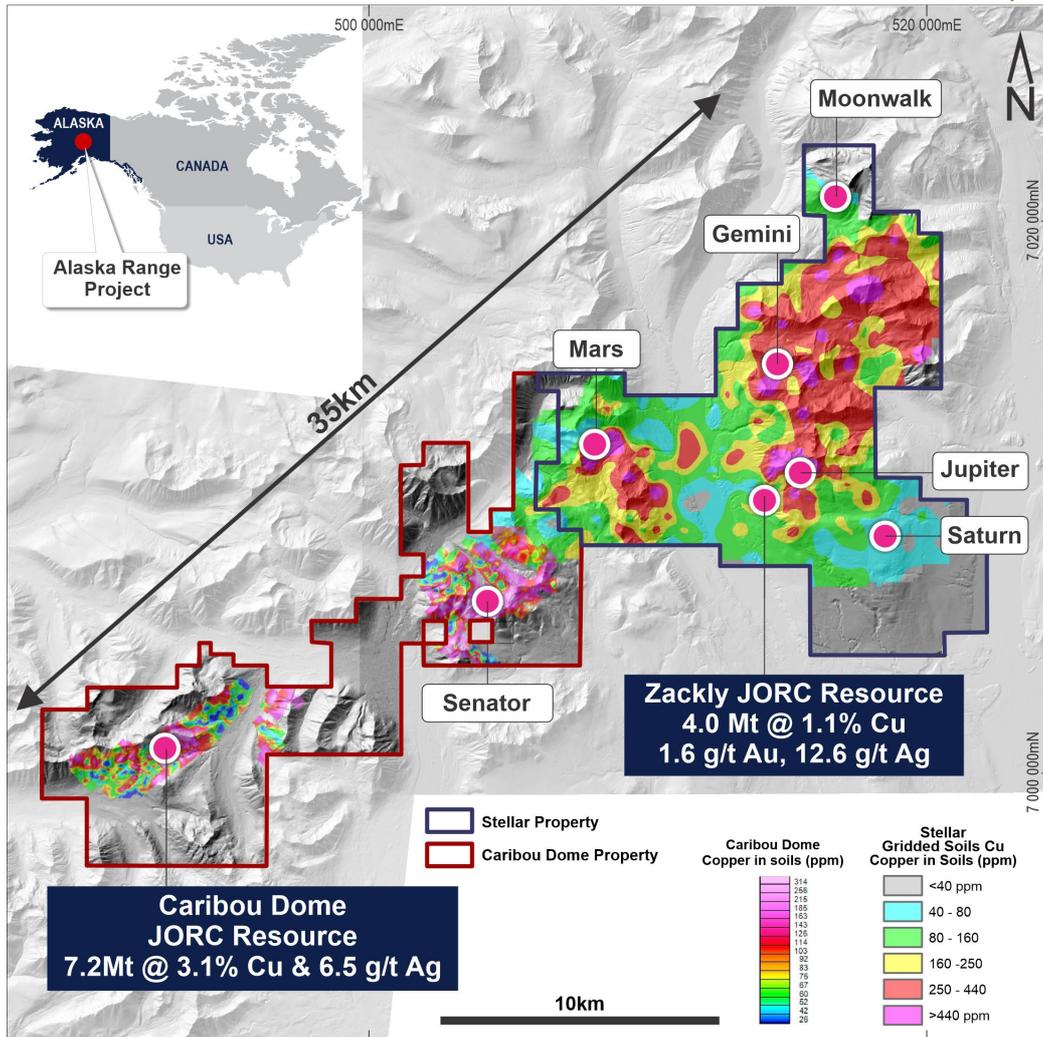


Figure 5. Location Map Alaska Range Project

CORPORATE

On 25 July 2023, the Company announced a placement of approximately 140.67 million ordinary shares (**Shares**) at an issue price of 1.1 cents per Share to raise \$1.55 million before costs (**Placement**). The Placement is scheduled for completion on 2 August 2023. The Company also announced that following completion of the Placement, it will undertake a 1 for 6 non-renounceable rights issue to eligible shareholders on the same terms to raise up to an additional \$2.74M (before costs)

As of 30 June 2023, the Company had on issue 1,353,910,146 shares, 91,552,685 listed options (\$0.03; 6 Nov 2023) and 50,868,907 unlisted options and cash of ~\$0.73 million.

ASX Additional Information

The \$359k of exploration and evaluation expenditure capitalised during the quarter (refer Item 2.1(d) of the accompanying Appendix 5B), predominantly comprised:

- Payments in relation to exploration activity at Humboldt Range, including the IP surveys undertaken in May and June 2023;

- Payments in relation to the updated mineral resource estimate for the Caribou Dome Deposit, announced in June 2023; and
- Technical consulting fees.

The aggregate amount of payments during the quarter to related parties and their associates of \$179k (refer Item 6 of the accompanying Appendix 5B) comprised:

- Director fees and administrative consulting services (\$104k); and
- Director's technical consulting services (\$75k).

Authorised for release by the Board.

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

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ADDITIONAL DISCLOSURE

There is information in this announcement relating to:

- (i) the Mineral Resource Estimate for the Caribou Dome Deposit (Alaska Range Project), which was previously announced on 14 June 2023;
- (ii) the Mineral Resource Estimate for the Zackly Deposit (Alaska Range Project), which was previously announced on 17 October 2022, and
- (iii) exploration results which were previously announced on 11 January 2021, 2 February 2021, 3 March 2021, 27 May 2021, 19 August 2021, 16 February 2022, 21 April 2022 and 20 February 2023.

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.

All references to the Scoping Study and its outcomes in this presentation relate to the announcement of 17 October 2022 titled "Scoping Study – Alaska Range Copper-Gold Project". Please refer to that announcement for full details and supporting information.

Forward Looking Statements:

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

TABLE 2: Alaska Range Project Resource Estimates (JORC 2012), 0.5% Cu cut-off

	Resource Category	Mt	Cu %	Au g/t	Ag g/t	Contained Cu (t)	Contained Cu (M lb)	Contained Au (oz)	Contained Ag (oz)
<i>ZACKLY</i>	Indicated	2.5	1.2	1.9	13.9	30,700	68	155,000	1,120,000
	Inferred	1.5	0.9	1.2	10.4	14,300	32	58,000	513,000
	TOTAL	4.0	1.1	1.6	12.6	45,000	100	213,000	1,633,000
<i>CARIBOU DOME</i>	Measured	1.0	3.9	-	8.6	39,800	88	-	284,000
	Indicated	3.2	3.3	-	6.5	105,175	232	-	662,800
	Inferred	3.0	2.6	-	5.7	79,400	175	-	552,000
	TOTAL	7.2	3.1		6.5	224,375	495		1,498,000
<i>COMBINED</i>	TOTAL	11.2				269,375	595	213,000	3,131,000

Appendix 1 - Tenement Schedule as at 30 June 2023

Tenement	Location	Licence Details	Ownership	Change in Quarter
Alaska Range Project				
Caribou Dome				
135 State mining claims	Alaska, USA	Caribou 1 – 20 ADL# 563243 - 563262 Copper 1 – 6 ADL# 588461 – 588466 Copper 7 – 11 ADL# 645375 – 645379 CD 1 – 66 ADL# 664859 – 664924 CDS 001 – 038 ADL# 719949 – 719986	Option to acquire 80% interest	Nil
81 State mining claims	Alaska, USA	CD 001 – 040 ADL# 719909 – 719948 CDE-01 – 20 ADL# 722216 – 722235 CDE 26 ADL# 722241 CD 41 – 51 ADL#725113 - 725123 SBX 71 ADL#726910 SBX 74 - 75 ADL#726913 - 726914 SBX 77 - 82 ADL#726916 – 726921	Option to acquire 90%	Nil
Stellar				
227 State mining claims	Alaska, USA	SB 154 – 155 ADL# 704562 – 704563 SB 167 – 168 ADL# 704575 – 704576 ZK 3 – 5 ADL# 704621 – 704623 ZK 14 ADL# 704632 ZK 19 – 21 ADL# 704637 – 704639 Z 1 – 5 ADL# 709427 – 709431 Z 6 – 10 ADL# 711728 – 711732 SB 281 – 283 ADL# 714079 – 714081	100% interest	Nil

Stellar (continued)				
		SB 297 – 299		
		ADL# 714095 – 714097		
		SB 317 – 319		
		ADL# 714115 – 714117		
		SB 346 – 348		
		ADL# 714144 – 714146		
		SB 364 – 368		
		ADL# 714162 – 714166		
		SB 376 – 379		
		ADL# 714174 – 714177		
		SB 389 – 390		
		ADL# 714187 – 714188		
		SB 417		
		ADL# 715392		
		SBA 001 – 066		
		ADL# 721446 – 721511		
		SBX 001 – 070		
		ADL# 724789 – 724858		
		CDE-21 – 25		
		ADL# 722236 – 722240		
		CDE 27		
		ADL# 722242		
		SBX 72 – 73		
		ADL# 726911 – 726912		
		SBX 76		
		ADL# 726915		
		SBX 83 – 91		
		ADL# 726922 – 726930		
		SBX 92 – 121		
		ADL# 728878 - 728907		

Humboldt Range Project				
318 Federal lode claims	Nevada, USA	FOJ 40, FOJ 42, FOJ 44, FOJ 60, FOJ 62, FOJ 203, FOJ 262, SM 27, SM 29, SM 73-75, SM 103, SM 105, SM 107, SM 109, SM 111, SM 113 -116, SM 133-152, SM 160-163, SM 170-179, SM 198-203, FOJ-249R, FOJ-251R, INCA # 1, INCA # 4-7, SM 3-26, SM 43-72, SM 91-102, SM 104, SM 106, SM 108, SM 110, SM 112, SM 117-126, FOJ 65-68, FOJ 99, FOJ 102, FOJ 104, FOJ 106, FOJ 140, FOJ 142, FOJ 190, FOJ 192, FOJ 194, FOJ 213, FOJ 215, FOJ 217, FOJ 219, FOJ 244, FOJ 250, FOJ 252, FOJ 258-261, FOJ 276, FOJ 278, FOJ 300, FOJ 302, PFJ 01-96, PFJ 97-141	100% interest in a Mineral Lease Agreement to explore, develop and mine the project	Nil
46 Federal lode claims	Nevada, USA	BC 01-15a, BC 15b-45	100% interest in a Mineral Lease Agreement to explore, develop and mine the project	Nil

Appendix 2 – Details of Tenement Interests that lapsed, relinquished or reduced during the June 2023 Quarter

Tenement	Location	Licence Details	Ownership	Change in Quarter
Alaska Range Project				
Stellar				
2 State mining claims	Alaska, USA	LYKN 1 – 2 ADL# 725111 – 725112	Nil	Sale of 100% interest in consideration for 1% NSR

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PolarX Limited

ABN

161615783

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(146)	(606)
(e) administration and corporate costs	(242) ¹	(831)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(388)	(1,437)

1. Administration and corporate costs are (i) investor relations and marketing costs of \$122k, including \$22k of costs which will be offset against the share issue costs incurred in relation to financing announced on 25 July 2023; and (ii) annual audit, tax and annual insurance costs of \$67K.

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(195) ²	(855) ¹
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(393)	(2,176)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(588)	(3,031)

2. Costs within this category include annual tenement maintenance costs and mining taxes, staking/pegging costs, and consideration payable under existing project acquisition agreements.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	14	3,645
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(378)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	12	3,267

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,695	1,946
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(388)	(1,437)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(588)	(3,031)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	12	3,267

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

4.5	Effect of movement in exchange rates on cash held	1	(13)
4.6	Cash and cash equivalents at end of period	732	732

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	732	1,695
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	732	1,695

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	71
6.2	Aggregate amount of payments to related parties and their associates included in item 2	108

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(388)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(393)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(781)
8.4 Cash and cash equivalents at quarter end (item 4.6)	732
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	732
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.94
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
The Company's expects to incur a similar level of net operating cash outflows in the September 2023 quarter, as the Company's proposed exploration activities will commence in the second half of the quarter.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
On 25 July 2023, the Company announced that it had received commitments for a placement to raise approximately \$1.55 million before costs (Placement). The Placement is scheduled to complete on 2 August 2023. Following completion of the Placement, the Company will undertake a 1 for 6 non-renounceable rights issue to eligible shareholders on the same terms to raise up to an additional \$2.74M (before costs).	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
The Company believes it will obtain sufficient funding to continue its operations as detailed in item 8.8(2) above.	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2023.....

Authorised by: The Board of Directors.....

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.