

28 January 2022

quarterly

DECEMBER 2021 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

Alaska Range Project, Alaska

- Completed the 2021 exploration program at the high-grade Caribou Dome Copper Project:
 - Multiple, thick massive sulphide drill intersections with visible copper sulphides as predicted by the geological model.
 - Widespread visible native copper drill intersections from new discovery of basalt-hosted copper mineralisation over >1.1km strike-length.
- Assays are still pending for the Caribou Dome drilling, with continuing delays due to massive demand for assay services, staff shortages, COVID-19 workplace restrictions and a reported cyber-attack on the laboratory.
- Duplicate samples sent by PolarX to another laboratory in Nevada as back-up, results expected in ~ 1 month.

Humboldt Range Project, Nevada

- Channel sampling of the outcropping, high- priority Star Canyon gold-silver mineralization completed in November 2021.
- Infill soil sampling also completed at the Monster/Star Canyon and Black Canyon gold anomalies.
- Assays for both programs are pending and will be used to develop more precise targets for the planned drilling program scheduled to commence in early Q2 2022.

ALASKA RANGE COPPER PROJECT

During the December 2021 quarter, PolarX Limited (ASX: PXX) completed its 2021 exploration program at the high-grade Caribou Dome Copper Project within its Alaska Range Project (Figure 1). Results from the program included:

- Drill intersections containing massive copper and iron sulphides from the mineral resource estimate envelope (see Figures 1 and 2). These samples were submitted to the sample preparation lab in Fairbanks, Alaska in mid-September 2021.
- Drill intersections containing disseminated and vein-hosted native copper mineralisation hosted in andesitic-basalt lava flows and of a similar nature to the Keweenaw copper deposits in Michigan (Figures 3, 4 and 5). These samples were submitted to the sample preparation laboratory in early October 2021.

Assay results from the 2021 program are still pending. Unprecedented delays in assay turnaround times are being experienced by all companies due to massive demand, global staff shortages and COVID-19 workplace

restrictions. Duplicate massive sulphide and native copper samples from Caribou Dome drill core have been airfreighted by PolarX to a different lab in Nevada to ensure a parallel assay path. These independent assays results are expected in ~1 month

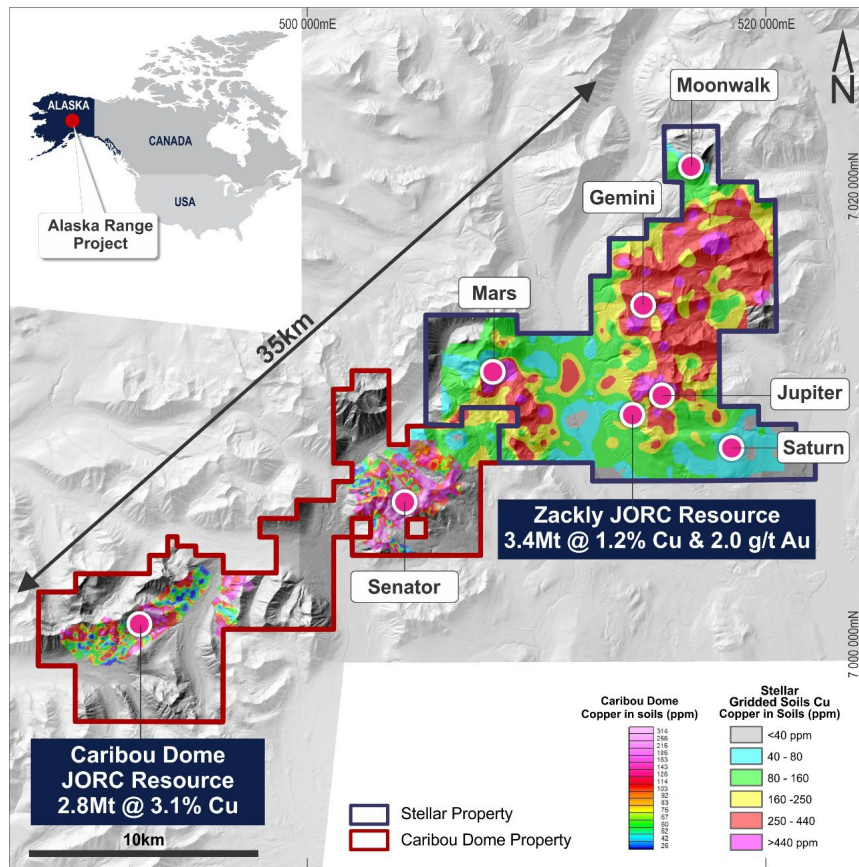


Figure 1. Location Map showing Caribou Dome in the Alaska Range Project

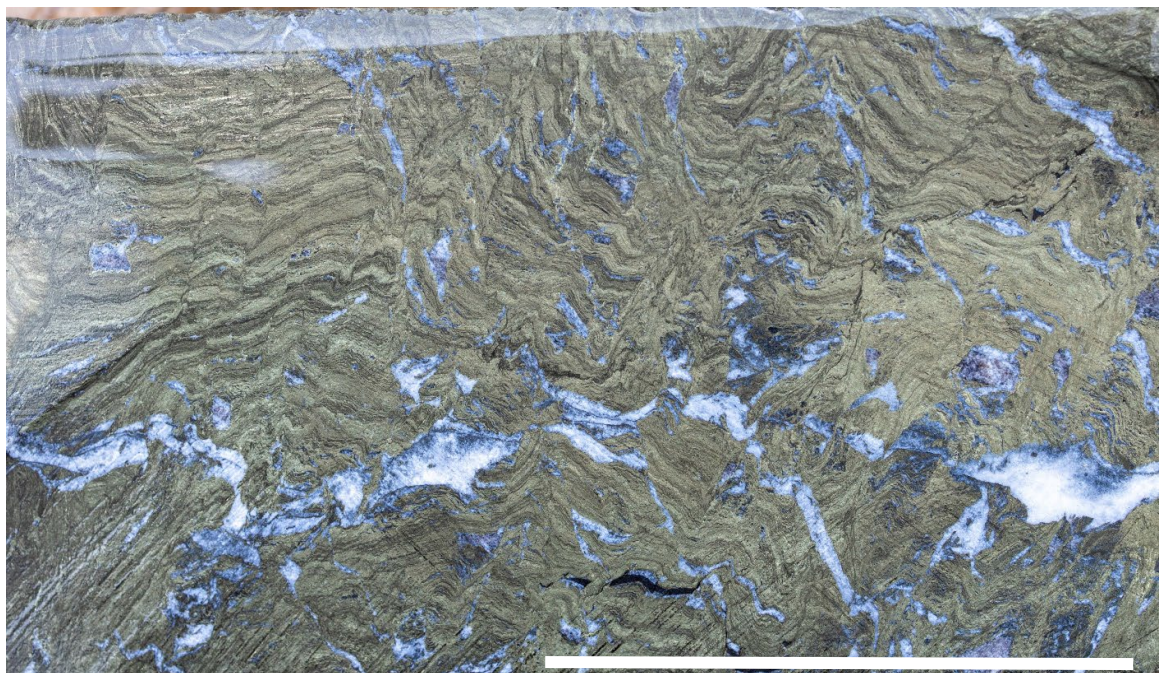


Figure 2 Slabbed section of core from 28.2m down-hole depth in CD21-003 containing very fine-grained chalcopyrite and pyrite. Scale bar approx. 5cm.



Figure 3 Native copper mineralisation in vesicle infill within porphyritic andesitic-basalt lava flows, 21.35m depth in drill hole CD21-008. Core is approximately 6cm in diameter.

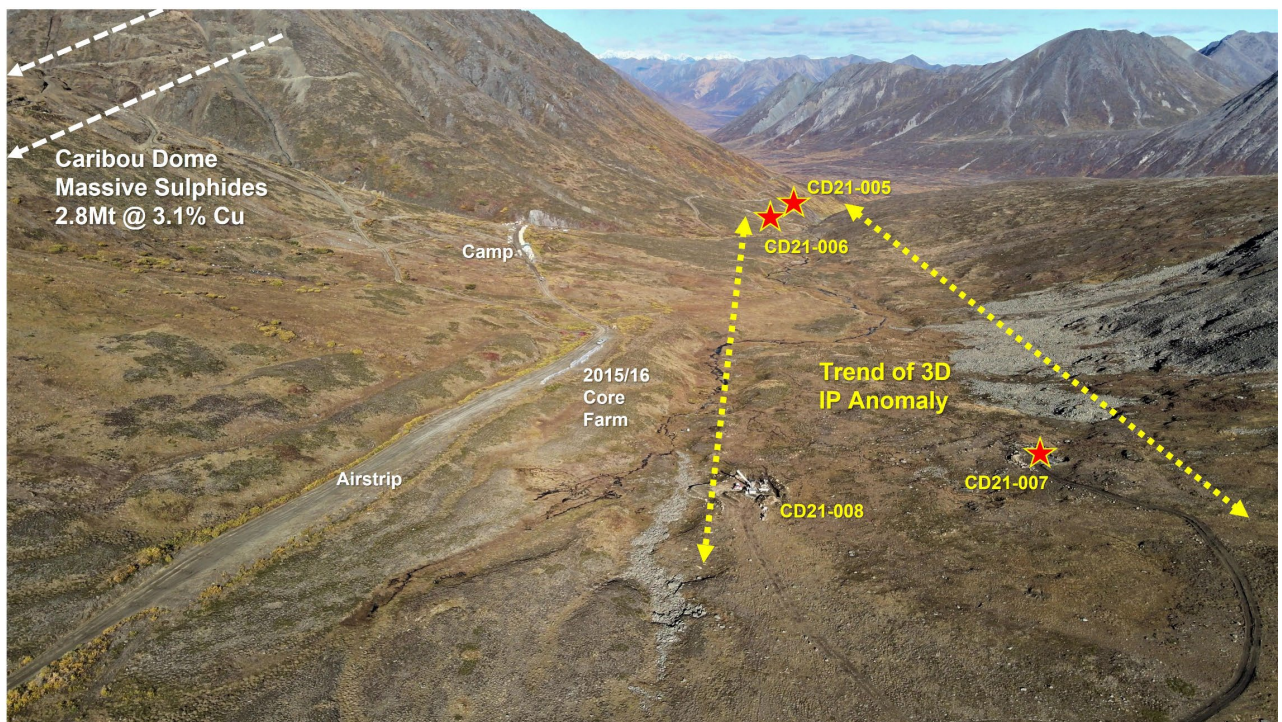


Figure 4 Oblique view to the ENE along the trend of the 3D IP anomaly associated with finely disseminated native copper in andesitic to basaltic lava flows at Caribou Dome.

During the quarter the Company continued to progress the Scoping Study evaluating the potential for joint operations at the Caribou Dome copper deposit and the Zackly copper-gold deposit. The Scoping Study is expected to be complete in Q1 2022.

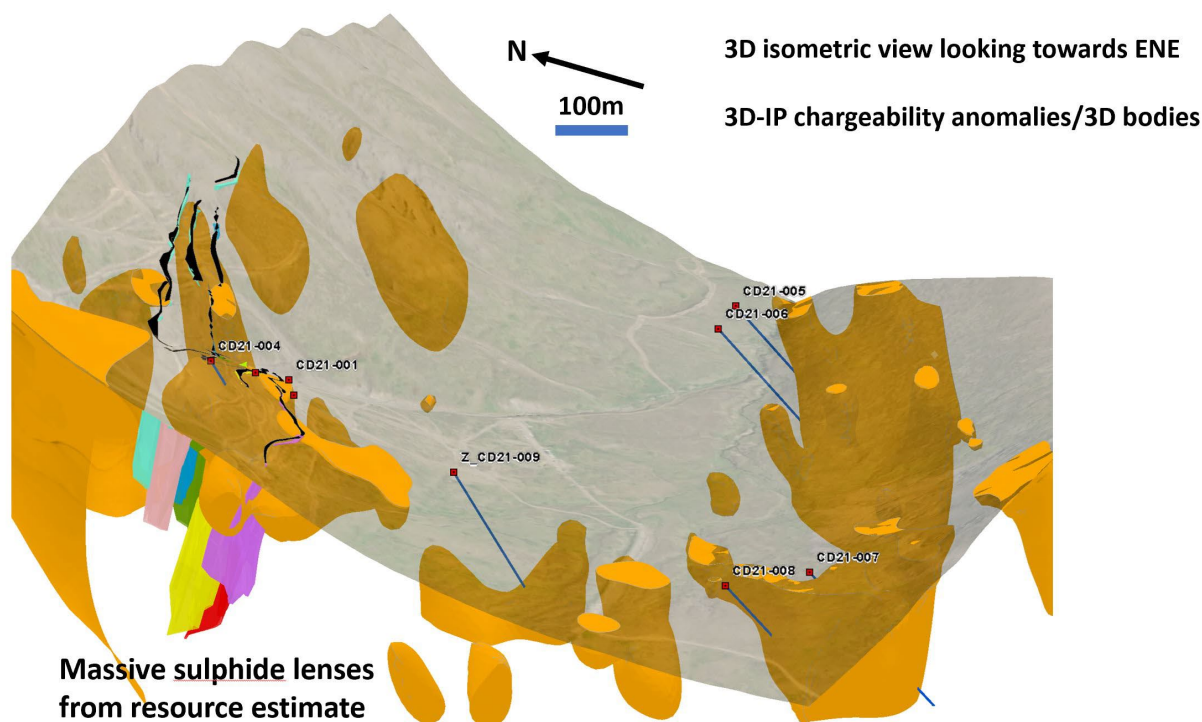


Figure 5 3D isometric view of Caribou Dome showing 3D IP chargeability highs, relationship with known massive sulphide lenses, and drill holes CD21-005 to CD21-008 inclusive, all of which intersected zones containing native copper mineralisation.

Project Overview

The Caribou Dome Project (Figure 1) 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.

Copper mineralisation was discovered at the Caribou Dome Project in 1963. From 1963-1970 nine lenses of volcanic sediment-hosted copper mineralisation were delineated over approximately 700m of strike. Ninety-five diamond core holes were drilled during this period, from surface and underground.

On 25 February 2015, PolarX secured the right to acquire an 80% interest in the Caribou Dome Project by meeting certain expenditure obligations and annual cash payments. Very limited exploration had been undertaken since 1970, until PolarX secured the rights to explore and develop the project in February 2015. It compiled all historic technical information, prioritised targets arising, completed a ground geophysics (induced polarisation) survey, geochemical soil sampling and two programs of diamond core drilling. This drilling rapidly validated previous work and the Company was able to publish a maiden resource in April 2017 (see Table 1 below).

Table 1. Alaska Range Project Resource Estimates (JORC), 0.5% Cu cut-off grade

	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	Measured	0.6	3.6	-		20,500	45	-	-
DOVE	Indicated	0.6	2.2	-		13,000	29	-	-
	Inferred	1.6	3.2	-		52,300	115	-	-
					TOTAL	127,000	280	213,000	1,500,000

HUMBOLDT RANGE GOLD-SILVER PROJECT, NEVADA

During the December 2021 quarter, the Company undertook further sampling programs at the Humboldt Range Project. Work undertaken and results from the program included:

- Channel samples of outcropping alteration and mineralisation associated with extensive stockworks of quartz veins in the Star Canyon area within the Black Canyon claims (see Figures 6 to 10 inclusive).
 - Previous field validation identified extensive outcropping ridges of intensely silicified and oxidised volcanic rocks hosting multiple quartz vein arrays and old gold-silver workings (Figure 8).
 - The alteration reaches widths of up to 200m and extends over more than 400m of strike length before being concealed under thin soils to the north and south. This area represents the best-known target in the entire project for large tonnage, low-moderate grade mineralisation.
 - Channel samples (Figure 9) representing a cumulative length of 467.8m were submitted to the assay laboratory in Reno, Nevada on 19 November.
- Infill soil sampling to define the best gold anomalies more precisely in the Black Canyon claims. Samples submitted to Reno lab on 19 November 2021.
- 15 new lode claims were staked to cover potential extensions of mineralisation noted in the SE corner of the property.

Assay results from the programs will be used for detailed planning of 2022 drilling campaign. Permitting for the Company's initial drill program at the Humboldt Range Project is in progress, targeting commencement of drilling in April 2022.

Project Overview

The Humboldt Range Project comprises 333 lode mining claims in Nevada in 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 (see Figure 6). 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.

Fieldwork completed at Humboldt Range to date includes:

- Integration of data collected by Renaissance Exploration Inc in 2015/16 into the PolarX database, including data related to vein sampling, soil sampling and geological mapping in the central part of the Fourth of July claims. This data has been validated via assessment of assay certificates and field notes accompanying the sampling.

- Geological mapping over the entire claim block incorporating data from previous mapping by Renaissance Exploration Inc., Victoria Gold Corp, and the US Geological Survey.
- Systematic soil sampling on a notional 200m x 50m grid, has been completed over the entire project with approximately 2200 soil samples and 150 rock chip samples collected and assayed.
- Infill sampling to 100m x 25m has been completed over several gold anomalies.
- Ultra-high-resolution drone orthophotography and digital terrain mapping for use as 3-D base maps has been collected over the entire project.

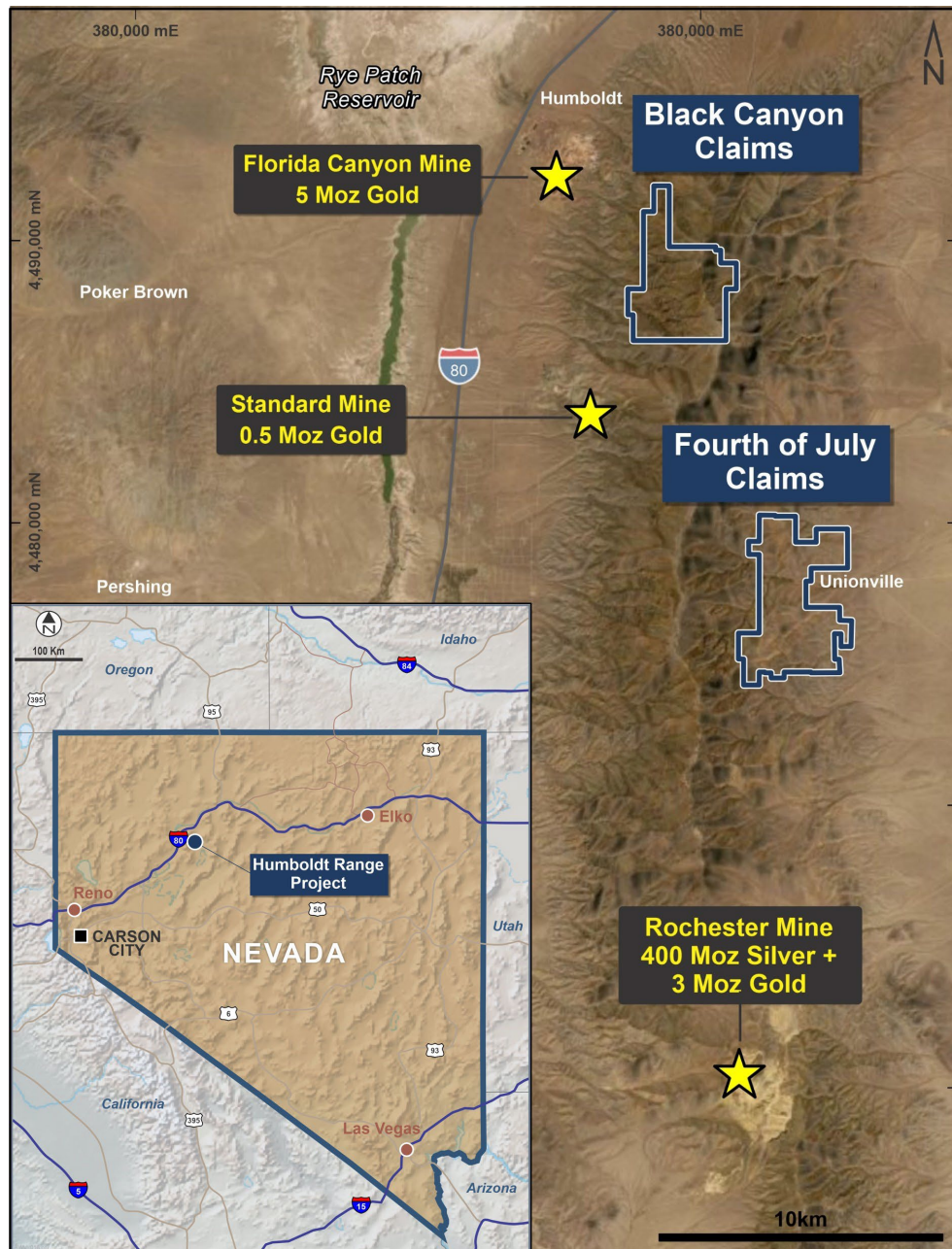


Figure 6. Location map depicting Black Canyon and Fourth of July Claim Blocks, and proximal large-scale gold-silver mining operations.

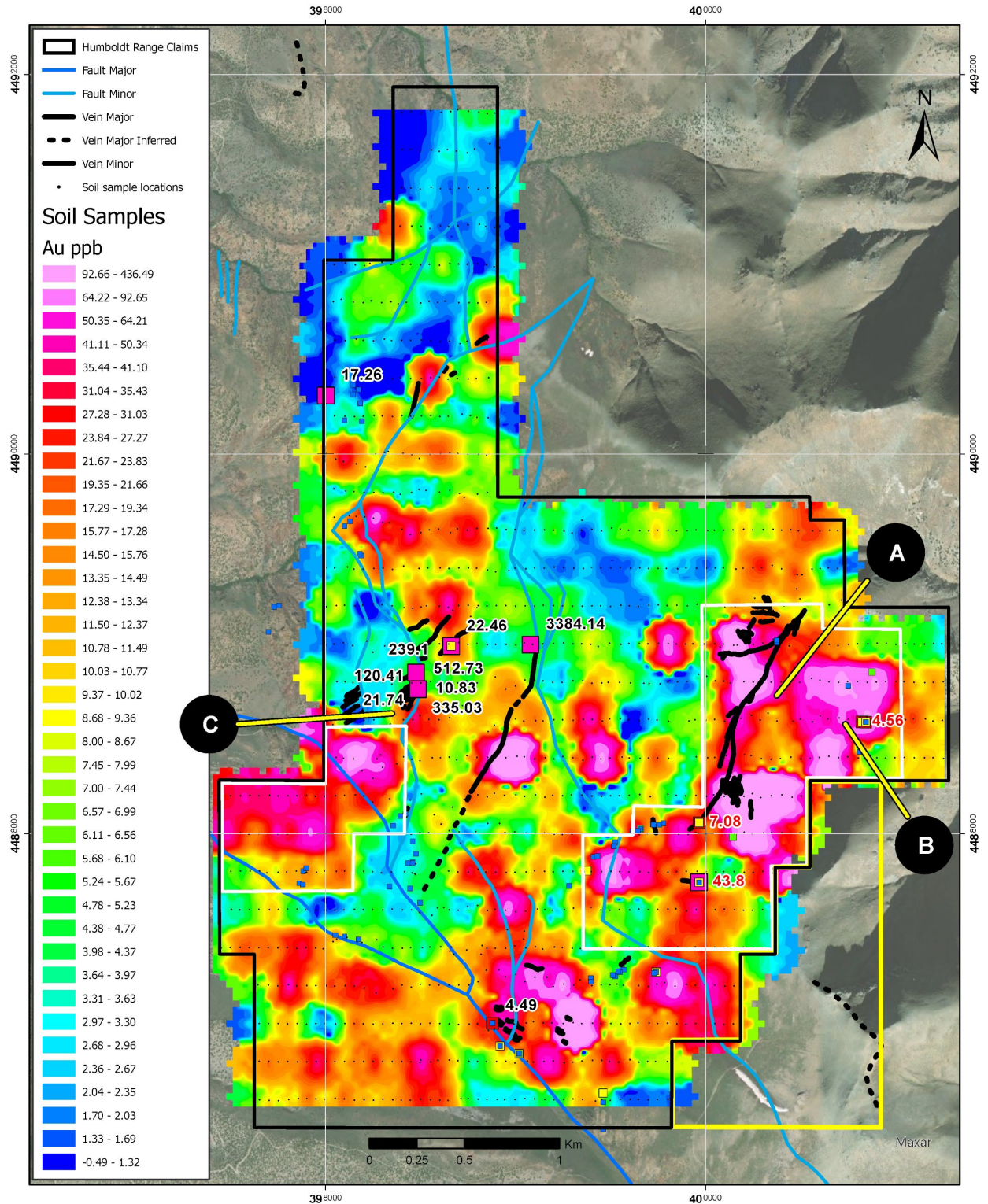


Figure 7. Gridded image of gold in soil sampling overlain with rock-chip sample assays, labelled where $>4\text{g/t}$ gold. Yellow box outlines new federal lode claims staked in the SE corner of the project. White boxes denote areas of infill sampling. Label B denotes location of Figures 8 and 9, and Label A denotes the position of Figure 10.



Figure 8. Intensely veined and altered volcanic rocks associated with gold anomalism in soil sampling and historic gold-silver workings, Star Canyon.



Figure 9 Intense quartz veining and silicification in areas of channel sampling at Star Canyon, Humboldt Range, Nevada.

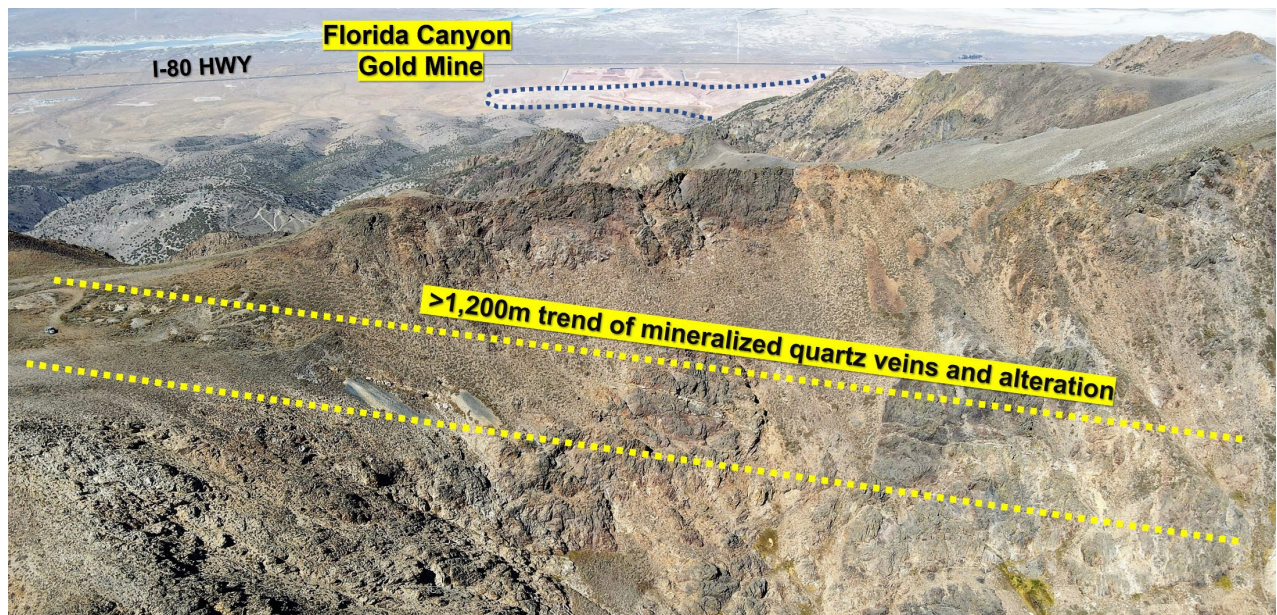


Figure 10 Steep face and ridgeline at the head of Star Canyon showing the extensive scale of large quartz vein array extending across the face. Drill rig access from behind the ridge is possible. The 5M oz Florida Canyon Gold Mine is less than 3km behind at the bottom of the hill.

CORPORATE

On 22 December 2021, the Company completed a share placement, which raised gross proceeds of approximately \$1.38M pursuant to the issue of 43,013,125 ordinary shares (**Shares**) at an issue price of \$0.032 per Share.

As of 31 December 2021, the Company had on issue 715,229,856 Shares and 23,000,000 unlisted options, and cash of ~\$1.6 million.

The \$1.03M of exploration and evaluation expenditure capitalised during the quarter predominantly comprised:

- Payments to service providers in relation to the 2022 exploration program undertaken on the Alaska Range Project and the sampling programs on the Humboldt Range Project.
- Technical consulting fees; and
- The balance of annual claim fees for the Alaska Range Project

The aggregate amount of payments during the quarter to related parties and their associates of \$213,025k comprised the following:

- Director fees and administrative consulting services (\$87,500k)
- Director's technical consulting services (\$120,125)
- Mitchell River Group consulting services (\$2,400)
- Mitchell River Group serviced office (\$3,000)

Authorised for release by the Board.

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

Investor Relations:

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ADDITIONAL DISCLOSURE

In relation to the disclosure of visual mineralisation, the Company cautions that visual estimates of mineralised material abundance should never be considered a proxy or substitute for laboratory analysis. Laboratory assay results are required to determine the widths and grade of the visible mineralisation reported in preliminary geological logging. The Company will update the market when laboratory analytical results become available.

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 Tabeart (an employee and shareholder of PolarX Limited), who is a member of The Australian Institute of Geoscientists. Dr Tabeart 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 Tabeart consents to the inclusion of the data in the form and context in which it appears.

There is information in this report relating to:

- (i) the Mineral Resource Estimate for the Caribou Dome Deposit (Alaska Range Project), which was previously announced on 5 April 2017;
- (ii) the Mineral Resource Estimate for the Zackly Deposit (Alaska Range Project), which was previously announced on 20 March 2018; and
- (iii) exploration results which were previously announced on 21 July 2015, 6 August 2015, 10 September 2015, 13 November 2015, 28 July 2016, 17 August 2016, 5 November 2018, 12 November 2018, 10 August 2021, 19 August 2021, 31 August 2021, 5 October 2021, 13 October 2021 and 30 November 2021.

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 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.

LIST OF MINING CLAIMS

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				
231 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 LYKN 1 – 2 ADL# 725111 – 725112 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
15 Federal lode claims	Nevada, USA	BC 01-15	100% interest in a Mineral Lease Agreement to explore, develop and mine the project	Nil

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")

31 December 2021

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	(13)	(31)
	(e) administration and corporate costs	(380)	(741)
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	(393)	(772)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	(8)
	(c) property, plant and equipment	(30)	(30)
	(d) exploration & evaluation	(1,033)	(2,361)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
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	(1,063)	(2,399)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,376	1,376
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	(67)	(67)
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	1,309	1,309

4.	Net increase / (decrease) in cash and cash equivalents for the period	(147)	(1,862)
4.1	Cash and cash equivalents at beginning of period	1,769	3,485
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(393)	(772)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,063)	(2,399)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,309	1,309

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
4.5	Effect of movement in exchange rates on cash held	(23)	(24)
4.6	Cash and cash equivalents at end of period	1,599	1,599

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	1,599	1,769
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)	1,599	1,769

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	88
6.2	Aggregate amount of payments to related parties and their associates included in item 2	126
<i>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.</i>		

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

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<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>		
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)	(393)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,033)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,426)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,599
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,599
		1.12
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	
	<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 reduced level of net operating cash outflows in the March 2022 quarter, as the planned drill program at the Humboldt Range Project is not expected to commence until early Q2 2022.	
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?	
	Based on the Company's (i) exploration results for the Alaska Range Project, including observations from the 2021 program; (ii) exploration results for the Humboldt Range Project and its proposed drill program commencing in early Q2 2022; and (iii) its past record for raising requisite funding, the Company expects that it will be able to fund its ongoing activities via future equity financings	

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

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.

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.

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: 28 January 2022

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

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.