

31 March 2022

Funding Secured as Drilling Commences in Nevada

Key Points

- PolarX has received firm commitments to raise \$2.51M before costs at an issue price of 2.1 cents per share, together with a free attaching option on a 1:2 basis (\$0.03 exercise price and 18-month expiry date).
- Following the placement, the Company will undertake a 1 for 8 non-renounceable rights issue to eligible shareholders on the same terms to raise up to an additional \$2.19M.
- Funds raised under the offers will be used to advance the Company's projects in the USA, specifically to undertake:
 - The initial drilling program at the Humboldt Range Project, to commence next week which include recent channel sampling results of:
 - Channel 1: 54m @ 17.3g/t Ag and 0.22g/t Au
 - Channel 2: 72m @ 11.7g/t Ag and 0.21g/t Au
 - Channel 3: 138m @ 2.7g/t Ag and 0.14g/t Au
 - Resource extension drilling at its Alaska Range, high-grade Caribou Dome copper deposit to advance historical drilling that included recent high-grade intersections of:
 - 19.1m @ 7.0% Cu
 - 10.7m @ 7.4% Cu
- Leading Melbourne boutique, Peak Asset Management led the raise which was over-subscribed.

PolarX Limited (ASX: PXX) ('PolarX' or the 'Company') is pleased to advise that it has accepted firm commitments from investors to subscribe for 119.6 million shares at an issue price of 2.1 cents per share to raise \$2.51 million before costs ('Placement'). Each Placement share will include a free attaching option on a 1:2 basis ('Placement Option'). The Placement Options will be exercisable at \$0.03 each and will expire 18 months from issue date. The issue of the Placement Options is subject to shareholder approval.

Net proceeds of the Placement will primarily be used to fund the initial drilling program at the Humboldt Range Gold-Silver Project in Nevada, which commences next week and the 2022 drilling program at the high-grade Caribou Dome copper deposit in Alaska.

Proposed uses of proceeds from the Placement are:

Use of Proceeds	Amount (\$'000)
Drilling – Humboldt Range	1,050
Drilling – Caribou Dome	1,000
Metallurgical studies – Alaska Range Project	50
Scoping study – Alaska Range Project	50
Issue expenses	361
Total	2,511

Planned Work Programs

Humboldt Range Project

PolarX's first drill testing of gold and silver targets on the Humboldt Range Project is on schedule to commence next week to advance:

- Channel sample assays which confirmed a very large drill target for bulk-tonnage gold-silver mineralisation at Star Canyon within the Black Canyon lode claims; Black Canyon is at the northern end of the Humboldt Range Project.
- Highly anomalous gold and silver values in the first 3 of 11 channel sample traverses cover a cumulative length of >245m. This is perpendicular to the estimated >645m strike length of altered and mineralised volcanic rocks:
 - Channel 1: 54m @ 17.3g/t Ag and 0.22g/t Au
 - Channel 2: 72m @ 11.7g/t Ag and 0.21g/t Au
 - Channel 3: 138m @ 2.7g/t Ag and 0.14g/t Au
- Multiple targets for gold-silver mineralisation in the Fourth of July claims at the southern end of the Humboldt Range Project.

Alaska Range Project

Ongoing technical studies on the Alaska Range Project comprise:

- Metallurgical test work evaluating processing options for the Zackly gold-copper-silver mineralisation and the potential for co-processing with Caribou Dome copper mineralisation; and
- Scoping study which is evaluating combined mining and processing of Caribou Dome and Zackly mineralisation to help determine minimum resource size required for a viable project. The study is anticipated to be completed in Q2 2022.

The planned exploration program at the Alaska Range Project will comprise:

- Additional core drilling at the Caribou Dome copper deposit to extend mineralisation along strike and down-dip from the high-grade intersections announced on 23 February 2022:

	From	To	Down-Hole Interval (m)	Est. True Thickness (m)	Cu %	Ag ppm
CD21-001	25.28	35.05	9.77	6.45	6.8	7.8
and	45.16	64.25	19.09	12.60	7.0	11.2
including	45.16	54.1	8.94	5.90	10.0	16.0
including	50.12	54.1	3.98	2.63	14.8	24.0
and	58.4	64.25	5.85	3.86	6.8	10.9
CD21-002	12.07	20.73	8.66	5.89	0.3	1.1
and	43.6	56.85	13.25	9.01	0.4	0.5
CD21-003	26	36.71	10.71	7.50	7.4	15.4

Placement

The Placement is being undertaken within the Company's existing capacity under ASX Listing Rules 7.1 (95,425,236) and 7.1A (24,174,764 shares). The Placement is expected to complete on or around Tuesday, 5 April 2022.

Leading boutique, Peak Asset Management is acting as Lead Manager for the Placement and will be paid a 6% capital raising fee on Placement funds. Subject to a minimum of \$4 million being raised pursuant to the Placement and subsequent rights issue (refer below), the Company will, subject to shareholder approval, also issue the Lead Manager with 30 million options, each exercisable at \$0.03 on or before 1 April 2025 ('**Broker Options**'). In the absence of shareholder approval for the Broker Options, a cash fee will be payable in equivalent value.

Rights Issue

Following completion of the Placement, the Company will offer a 1 for 8 non-renounceable rights issue ('**Rights Issue**') to eligible shareholders to raise up to an additional \$2.19M at \$0.021 per Share, together with a 1 for 2 free attaching option with the same terms as the Placement Options.

Funds raised through the Rights Issue will provide further funding for the proposed 2022 exploration program at Caribou Dome, as detailed above, and for general working capital. Further details on the Rights Issue will be announced following completion of the Placement.

An indicative timetable for the Placement and the Rights Issue is attached.

Authorised for release by Dr. Frazer Tabeart, Managing Director.

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Media

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ADDITIONAL DISCLOSURE

There is information in this announcement relating to exploration results which were previously announced on 16 and 23 February 2022.

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.

Appendix – Indicative Timetable for Placement and Rights Issue

Subject to the ASX Listing Rules and the Corporations Act requirements, PolarX anticipates that completion of the Placement and Rights Issue will be in accordance with the following timetable approved by the ASX (subject to change).

Event	Date	Business Day
Request trading halt from ASX	29 March 2022	
Announce completion of Placement and announce Rights Issue Trading halt lifted and trading of shares recommences on ASX Lodge Appendix 3B in respect of Placement securities and the Rights Issue	31 March 2022	
Settlement of new Shares under Placement	1 April 2022	
Quotation of New Shares issued under the Placement	5 April 2022	
Lodge Prospectus with ASIC and ASX	6 April 2022 (Prior to the commencement of trading on day 0)	0
Send Notice of Meeting to Shareholders to approve Placement Options	6 April 2022	
"Ex" date	8 April 2022 (1 business day before the record date)	2
Record date	11 April 2022 (at least 3 business days after day 0)	3
Offer Opens Prospectus and personalised entitlement and acceptance forms sent to persons entitled and announcement that this has occurred	12 April 2022 (no more than 3 business days after record date)	4-6

Event	Date	Business Day
Offer Closes at 5pm	26 April 2022 (at least 7 business days after offer document sent)	11
Shares quoted on a deferred settlement basis	27 April 2022 (the next business day after offer closes)	12
Last day to announce results of Rights Issue Issue Shares taken up under Rights Issue Lodge Appendix 2A	3 May 2022 (before noon (Sydney time) no more than 5 business days after offer)	17
Anticipated trading of Shares and Options under the Rights Issue on a normal basis	4 May 2022	
General Meeting to approve issue of Placement Options	5 May 2022	
Issue of Placement Options Lodge Appendix 2A	6 May 2022	
Anticipated trading of Options under the Placement on a normal basis	9 May 2022	

Note: The above dates are indicative only and may change without notice