

ACN 161 615 783

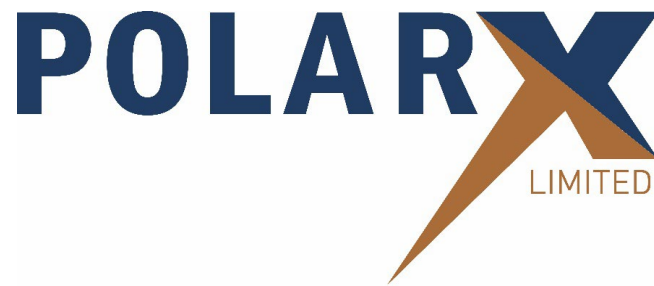
NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

TIME:	1.00pm (WST)
DATE:	5 May 2022
PLACE:	Suite 1, 245 Churchill Avenue Subiaco, Western Australia 6008

This Notice of General Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of General Meeting please do not hesitate to contact the Company Secretary on +61 8 9226 1356.



ACN 161 615 783

IMPORTANT INFORMATION IN REGARD TO SHAREHOLDER MEETING VOTING

Notice is hereby given that a general meeting of Shareholders of PolarX Limited (the **Company**) will be held at Suite 1, 245 Churchill Avenue, Subiaco WA 6008 on Thursday, 5 May 2022 at 1.00pm (WST) (**Meeting**).

Based on the information available at the date of the Notice of Meeting, the Board considers that it will be in a position to hold a physical meeting with appropriate measures in place to comply with Federal and State COVID-19 restrictions regarding gatherings. However, the Company strongly encourages Shareholders to submit completed Proxy Forms prior to the Meeting in accordance with the instructions set out in the Proxy Form and the Notice. The Board also advises Shareholders to monitor the Company's website and ASX announcements for any updates in relation to the Meeting that may need to be provided.

In accordance with the *Corporations Amendment (Meetings and Documents) Act 2021 (Cth)*, the Company will not be sending hard copies of the Notice of Meeting to Shareholders. Instead, Shareholders can access a copy of the Notice at the following link:

<https://www.polarx.com.au/notice-of-general-meeting-05052022.pdf>

How Shareholders Can Participate

1. Shareholders are urged to appoint the Chair as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business and the Chair must follow the Shareholder's instructions. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting. Your proxy voting instructions must be received by 1.00pm (WST) on Tuesday, 3 May 2022.
2. Shareholders may submit questions in advance of the Meeting by email to the Company Secretary at ianc@polarx.com.au. Responses will be provided at the Meeting in respect of all valid questions received prior to 5.00pm (WST) on Tuesday, 3 May 2022. Shareholders who physically attend the Meeting, will also have the opportunity to submit questions during the Meeting.

Shareholders should contact the Company Secretary on +61 8 9226 1356 or by email at ianc@polarx.com.au if they have any queries in relation to the Meeting arrangements.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform and on the Company's website at www.polarx.com.au.

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IMPORTANT INFORMATION

Time and place of Meeting

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 1.00pm (WST) on Thursday, 5 May 2022 at:

Suite 1, 245 Churchill Avenue
Subiaco, Western Australia 6008

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Company may specify a time, not more than 48 hours before the Meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Company's Directors have determined that all Shares of the Company that are on issue at 5.00pm (WST) on Tuesday, 3 May 2022 shall, for the purposes of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above. However, the Company strongly encourages all Shareholders to participate in the Meeting by reading the Notice carefully and voting by proxy in accordance with instructions below.

Voting by proxy

Shareholders are strongly urged to appoint the Chair as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair must follow Shareholder's instructions. Lodgement instructions (which include the ability to lodge proxies online) are set out in the Proxy Form attached to this Notice of Meeting. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting. **Proxy Forms must be received prior to 1.00pm (WST) on Tuesday, 3 May 2022.**

BUSINESS OF THE MEETING

The business to be considered at the Meeting is set out below.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES UNDER LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 95,425,142 Shares pursuant to a placement, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue and any Associate of those persons. However, this does not apply to a vote cast in favour of Resolution 1 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES UNDER LISTING RULE 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 24,174,764 Shares pursuant to a placement, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue and any Associate of those persons. However, this does not apply to a vote cast in favour of Resolution 2 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. RESOLUTION 3 – APPROVAL OF OPTIONS UNDER PLACEMENT

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 59,799,892 Placement Options to the parties, for the purpose and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 3 by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any Associate of those persons. However, this does not apply to a vote cast in favour of Resolution 3 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. RESOLUTION 4 – APPROVAL OF OPTIONS TO PEAK ASSET MANAGEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 30,000,000 Options to Peak Asset Management (and/or their nominee(s)), for the purpose and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 4 by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any Associate of those persons. However, this does not apply to a vote cast in favour of Resolution 4 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 6 April 2022

By order of the Board

**IAN CUNNINGHAM
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTIONS 1 AND 2 – PLACEMENT

1.1 Background

On 31 March 2022, the Company announced a placement of up to 119,600,000 Shares at an issue price of \$0.021 per Share (**Placement Shares**) together with free attaching Options on a 1 for 2 basis (**Placement Options**) subject to Shareholder approval under Resolution 3 to raise \$2.51 million, before costs (**Placement**). The Company also announced a 1 for 8 rights issue on the same terms as the Placement to raise up to a further \$2.19 million before costs (**Rights Issue**).

For further information, please refer to the ASX announcement dated 31 March 2022.

The Placement Shares were issued on 6 April 2022. The issue of the Placement Options is subject to the approval of Shareholders under Resolution 3 of this Notice of Meeting.

The Placement Shares, which totalled 119,599,906, were issued on the following basis:

- (a) 95,425,142 Shares issued pursuant to Listing Rule 7.1 (**Placement 7.1 Shares**); and
- (b) 24,174,764 Shares issued pursuant to Listing Rule 7.1A (**Placement 7.1A Shares**).

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement 7.1 Shares.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement 7.1A Shares.

2. RESOLUTION 1– RATIFICATION OF PRIOR SHARE ISSUE UNDER LISTING RULE 7.1

2.1 Background

As stated in Section 1.1 of the Explanatory Statement, the purpose of Resolution 1 is for Shareholders to ratify the issue of the Placement 7.1 Shares which was undertaken by way of a placement without Shareholder approval, as announced to the ASX on 31 March 2022. The Placement 7.1 Shares form part of the Placement.

2.2 Regulatory requirements

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The issue of the Placement 7.1 Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Placement 7.1 Shares.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made without shareholder approval under Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 and so it does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

If Resolution 1 is passed, the issue of the Placement 7.1 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the

Company can issue without shareholder approval over the 12 month period following the date of issue of the Placement 7.1 Shares.

If Resolution 1 is not passed, the issue of the Placement 7.1 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the Placement 7.1 Shares.

In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following information:

(a) The names of the persons to whom the entity issued or agreed to issue the securities or the basis on which those persons were identified and selected

The Placement 7.1 Shares were issued to sophisticated, professional or other exempt investors, all of whom were not related parties of the Company.

The subscribers were introduced to the Company by the Lead Manager. None of the investors were material investors in the Company.¹

(b) Number of securities and class of securities issued

95,425,142 Shares were issued pursuant to Listing Rule 7.1.

(c) Terms of the securities

The Placement 7.1 Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(d) Date of issue

The Placement 7.1 Shares were issued on 6 April 2022.

(e) Issue price or other consideration

The Placement 7.1 Shares were issued at \$0.021 per Share.

(f) Purpose of the issue, including the intended use of the funds raised

The proceeds from the issue of the Placement Shares will primarily be used to fund the initial drilling program at the Humboldt Range Gold-Silver Project in Nevada and the drilling program at the Caribou Dome copper deposit in Alaska.

(g) Relevant agreement

The Placement Shares were issued pursuant to a placement agreement that included terms usual for agreements of this nature.

(h) Voting exclusion statement

A Voting Exclusion Statement has been provided for Resolution 1 in the Business of the Meeting Section of this Notice of Meeting.

¹ ASX consider the following to be material investors:

- (i). a related party of the entity;
- (ii). a member of the entity's key management personnel;
- (iii). a substantial holder in the entity;
- (iv). an adviser to the entity; or
- (v). an associate of any of the above,

where such person or entity is being issued more than 1% of the entity's current issued capital.

2.3 Board Recommendation

The Board believes that the ratification of the above issues of securities is beneficial for the Company as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital under Listing Rule 7.1 without the requirement to obtain prior Shareholder approval. Accordingly, the Board recommends Shareholders vote in favour of Resolution 1.

3. RESOLUTION 2 – RATIFICATION OF PRIOR SHARE ISSUE UNDER LISTING RULE 7.1A

3.1 Background

As stated in Section 1.1 of the Explanatory Statement, the purpose of Resolution 2 is for Shareholders to ratify the issue of the Placement 7.1A Shares which was undertaken by way of a placement without Shareholder approval, as announced to the ASX on 31 March 2022. The Placement 7.1A Shares form part of the Placement.

3.2 Regulatory requirements

On 10 December 2021, the Company held its annual general meeting where Shareholder approval was sought and obtained to, among other things, approve an additional 10% placement capacity pursuant to Listing Rule 7.1A.

The Company issued the Placement 7.1A Shares without prior Shareholder approval pursuant to its additional 10% placement capacity under Listing Rule 7.1A.

Listing Rule 7.1A provides, subject to a number of exemptions, that in addition to issues permitted without prior shareholder approval under Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under Listing Rule 7.1A may issue or agree to issue, during the period the approval is valid, a number of equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in Listing Rule 7.1.

The issue of the Placement 7.1A Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 10% limit in Listing Rule 7.1A, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1A for the 12 month period following the date of issue of the Placement 7.1A Shares.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1A those securities will from that date be included in variable "A" in the formula in Listing Rules 7.1 and 7.1A.2 for the purpose of calculating the annual placement capacity of the Company under both Listing Rules 7.1 and 7.1A, and so it does not reduce the Company's capacity to issue further equity securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1A.

If Resolution 2 is passed, the issue of the Placement 7.1A Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 months period following the date of issue of the Placement 7.1A Shares.

If Resolution 2 is not passed, the issue of the Placement 7.1A Shares will be included in calculating the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the Placement 7.1A Shares.

In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following information:

(a) The names of the persons to whom the entity issued or agreed to issue the securities or the basis on which those persons were identified and selected

The Placement 7.1A Shares were issued to sophisticated, professional or other exempt investors, all of whom were not related parties of the Company.

The subscribers were introduced to the Company by the Lead Manager. None of the investors were material investors in the Company.²

(b) Number of securities and class of securities issued

24,174,764 Shares were issued pursuant to Listing Rule 7.1A.

(c) Terms of the securities

The Placement 7.1A Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(d) Date of issue

The Placement 7.1A Shares were issued on 6 April 2022.

(e) Issue price or other consideration

The Placement 7.1A Shares were issued at \$0.021 per Share.

(f) Purpose of the issue, including the intended use of the funds raised

The proceeds from the issue of the Placement Shares will primarily be used to fund the initial drilling program at the Humboldt Range Gold-Silver Project in Nevada and the drilling program at the Caribou Dome copper deposit in Alaska.

(g) Relevant agreement

The Placement 7.1A Shares were issued pursuant to a placement agreement that included terms usual for agreements of this nature.

(h) Voting exclusion statement

A Voting Exclusion Statement has been provided for Resolution 2 in the Business of the Meeting Section of this Notice of Meeting.

3.3 Board Recommendation

The Board believes that the ratification of the above issue of securities is beneficial for the Company as it allows the Company to retain the flexibility to issue further securities representing up to 10% annual placement capacity under Listing Rule 7.1A without the requirement to obtain prior Shareholder approval. Accordingly, the Board recommends Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL OF OPTIONS UNDER A PLACEMENT

4.1 Background

As stated in Section 1.1, the Company announced the Placement on 31 March 2022 which included the issue of the Placement Shares the subject of Resolutions 1 and 2.

The Placement also included a proposed issue of free attaching Options on the basis of 1 Option for every 2 Placement Shares (**Placement Options**). The Placement Options are exercisable at \$0.03 each with an expiry date of 6 November 2023.

The issue of the Placement Options is subject to Shareholder approval under Resolution 3.

² ASX consider the following to be material investors:

- (vi). a related party of the entity;
- (vii). a member of the entity's key management personnel;
- (viii). a substantial holder in the entity;
- (ix). an adviser to the entity; or
- (x). an associate of any of the above,

where such person or entity is being issued more than 1% of the entity's current issued capital.

4.2 Regulatory Requirements

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

The issue of 59,799,892 Placement Options pursuant to Resolution 3 will exceed the 15% limit and therefore requires the approval of Shareholders.

The Placement Options would comprise approximately 7% of the Company's fully diluted issued capital (based on the number of Shares and Options on issue as at the date of this Notice of General Meeting).

In compliance with the information requirements of Listing Rule 7.3, Shareholders are advised of the following information:

(a) The names of the persons to whom the entity will issue the securities or the basis on which those persons will be identified or selected

The Placement Options will be issued to the participants under the Placement on the basis of one option for every Placement Share subscribed for. Please see Section 2 and 3 above for further details on the Placement Shares.

(b) Maximum number and class of securities to be issued

The Company intends to issue up to 59,799,892 Placement Options.

(c) Material terms of the securities

The Placement Options will be issued on the terms and conditions set out in Schedule 1. The Placement Options will be on the same terms as the options to be issued under the Rights Issue.

Subject to the requirements of the ASX, the Company will apply to ASX for official quotation of the Placement Options.

(d) Date of issue

The Placement Options will be issued as soon as possible after Shareholder approval is provided, but, in any case, no later than 3 months after the date of Shareholder approval pursuant to this Resolution 3 or such later date as approved by ASX.

(e) Issue price or other consideration

The exercise price for Shares issued on the exercise of the Placement Options will be \$0.03 per Placement Option.

(f) Purpose of the issue, including the intended use of the funds raised

The purpose of the issue is to enable the Company to issue the Placement Options and to satisfy its obligations to participants under the Placement as announced on 31 March 2022.

No funds will be raised from the issue of the Placement Options.

In the event that Shareholders do not approve the issue of the Placement Options, then the Company will not be able to proceed with the issue of the Placement Options and the Company may be required to renegotiate the terms of the Placement with the placement subscribers or may be required to pay cash in lieu of the issue of the Placement Options to the subscribers under the Placement.

(g) Relevant agreement

The Placement Options were issued pursuant to a placement agreement that included terms usual for agreements of this nature.

The terms of the Placement Options are set out in Schedule 1.

(h) Voting exclusion statement

A voting exclusion statement for Resolution 3 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

4.3 Board Recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 3 to approve the issue of the Placement Options

5. RESOLUTION 4 – APPROVAL OF OPTIONS TO PEAK ASSET MANAGEMENT

5.1 Background

As stated in Section 1.1, the Company undertook the Placement to raise \$2.51 million, before costs.

As part of the Placement, the Company agreed to issue to the Lead Manager 30,000,000 Options (**Broker Options**), subject to the Placement and the Rights Issue raising a combined minimum of \$4 million (before costs) and Shareholder approval.

The Company now proposes, subject to Shareholder approval, to issue the Broker Options exercisable at \$0.03 with an expiry date of 1 April 2025.

5.2 Regulatory Requirements

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

The issue of 30,000,000 Options pursuant to Resolution 4 will exceed the 15% limit and therefore requires the approval of Shareholders.

The Broker Options proposed to be issued, for which approval is sought under Resolution 4, comprise approximately 3.5% of the Company's fully diluted issued capital (based on the number of Shares and Options on issue as at the date of this Notice of General Meeting).

In compliance with the information requirements of Listing Rule 7.3, Shareholders are advised of the following information:

(a) The names of the persons to whom the entity will issue the securities or the basis on which those persons will be identified or selected

The Broker Options will be issued to the Lead Manager, or its nominees.

The Lead Manager is not a related party of the Company.

(b) Maximum number and class of securities to be issued

The Company intends to issue 30,000,000 Broker Options.

(c) Material terms of the securities

The Broker Options are on the same terms as those set out in Schedule 1 save that they:

- expire on 1 April 2025;
- will be unlisted; and
- they will not be transferable without the Company's authority, such authority not to be unreasonably withheld.

The Company will not apply to ASX for official quotation of the Broker Options.

(d) Date of issue

The Broker Options will be issued as soon as possible but, in any case, no later than 3 months after the date of Shareholder approval pursuant to this Resolution 4 or such later date as approved by ASX.

(e) Issue price or other consideration

The exercise price for Shares issued on the exercise of the Options will be \$0.03 per Option.

(f) Purpose of the issue, including the intended use of the funds raised

The Broker Options are being issued as part consideration for acting as corporate adviser and lead manager to the Placement and if required, the Rights Issue. No funds will be raised from the issue of the Options.

In the event that Shareholders do not approve the issue of the Broker Options, then the Company will not be able to proceed with the issue of the Broker Options and the Company will be required to pay cash for an equivalent value.

(g) Relevant agreement

The Broker Options the subject of Resolution 4 are to be issued pursuant to the broker's agreement between the Company and the Lead Manager, the material terms of which are set out in Schedule 2.

(h) Voting exclusion statement

A voting exclusion statement for Resolution 4 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

5.3 Board Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4 to approve the issue of the Broker Options.

6. ENQUIRIES

Shareholders may contact the Company Secretary on (+61) 8 9226 1356 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means board of Directors.

Broker Option means an Option to be issued to the Lead Manager on the terms set out under Section 5 above.

Chair means the chair of the Meeting.

Company means PolarX Limited (ACN 161 615 783).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means director of the Company.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Statement means the explanatory statement that accompanies this Notice of Meeting.

Lead Manager means Peak Asset Management.

Listing Rules means the listing rules of ASX.

Notice of Meeting or **Notice** means this Notice of General Meeting.

Option means an option to acquire a Share.

Placement means the placement announced to ASX on 31 March 2022 to raise up to \$2,511,600, before costs.

Placement 7.1 Shares has the meaning given to it in Section 1.1(a).

Placement 7.1A Shares has the meaning given to it in Section 1.1(b).

Placement Options means the options attaching to the Placement Shares on a 1 for 2 basis on the terms set out in Schedule 1.

Proxy Form means the proxy form enclosed with this Notice of Meeting.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Rights Issue means the 1 for 8 rights issue with a free attaching Option on a 1 for 2 basis at \$0.021 per Share, as announced to ASX on 31 March 2022.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

Schedule 1 – Terms of Placement Options

- (a) Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) at an exercise price of \$0.03 (**Exercise Price**).
- (b) The Options are exercisable at any time on or before 5.00pm Western Standard Time on 6 November 2023 (**Expiry Date**). Any Options not exercised by the Expiry Date shall lapse.
- (c) Options may not be exercised if the effect of such exercise and subsequent allotment of the Shares would be to create a holding of less than a marketable parcel of Shares unless the allottee is already a shareholder of the Company at the time of exercise.
- (d) Exercise of the Option is effected by completing a notice of exercise of option and delivering it to the registered office of the Company together with payment of \$0.03 per Option exercised.
- (e) A notice of exercise is only effective when the Company has received the full amount of the Exercise Price in cash or cleared funds.
- (f) The Company will apply for Official Quotation by ASX of the Options.
- (g) All Shares issued upon exercise of the Options and payment of the Exercise Price will rank equally in all respects with the Company's then existing Shares. The Company will apply for Official Quotation by ASX of all Shares issued upon exercise of the Options within three days of the issue of the Shares.
- (h) There are no participating rights or entitlements inherent in the Options and the holder will not be entitled to participate in new entitlement issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, Optionholders are given such period required by the Listing Rules of ASX to give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (i) If from time to time before the expiry of the Options the Company makes an issue of shares to the holders of ordinary shares by way of capitalisation of profits or reserves (a "bonus issue") other than in lieu of a dividend payment, then upon exercise of an Option the Optionholder will be entitled to have issued to it (in addition to the shares which it is otherwise entitled to have issued to it upon such exercise) additional shares in the Company. The number of additional shares is the number of shares which would have been issued to it under that bonus issue (bonus shares) if on the date on which entitlements were calculated it had been registered as the holder of the number of shares which it would have been registered as holder if immediately before that date it had exercised its Options. The bonus shares will be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank pari passu in all respects with the other shares allotted upon exercise of the Options.
- (j) The period during which the Options may be exercised cannot be extended.
- (k) In the event of any reconstruction, including a consolidation, subdivision, reduction or return of the issued capital of the Company prior to the Expiry Date, the number of Options which each holder is entitled or the Exercise Price of the Options or both will be reconstructed as appropriate in a manner which is in accordance with the Listing Rules and will not result in any benefits being conferred on Optionholders which are not conferred on shareholders, subject to such provision with respect to the rounding of entitlements as may be sanctioned by the meeting of shareholders approving the reconstruction of capital, but in all other respects the terms of exercise of the Options will remain unchanged. The rights of an Optionholder may be changed to comply with the Listing rules applying to a reorganisation of capital at the time of the reconstruction.
- (l) Shares allotted and issued pursuant to the exercise of an Option will be allotted and issued not more than 14 days after the receipt of a proper notice and payment of the exercise price in respect of the Options exercised.
- (m) Other than as referred to above, an Option does not confer the right to a change in Exercise Price, or a change to the number of underlying securities over which it can be exercised.

Schedule 2 – Summary of Broker Agreement

On 29 March 2022, the Company entered into a broker agreement (**Broker Agreement**) with Peak Asset Management who agreed to act as corporate advisor and lead manager to the Placement and, if required, the Rights Issue. The material terms of the Broker Agreement are summarised below:

- (a) **(Term of Engagement)** The Broker Agreement is effective from 25 March 2022 and will continue until 30 June 2022, unless extended.
- (b) **(Conditions)** The Broker Agreement is subject to conditions including the following:
 - (i) The Company announcing a non-renounceable rights issue on the same terms and conditions as the Placement (**Rights Issue**);
 - (ii) Settlement of the Placement occurring before the record date for the Rights Issue;
 - (iii) The Company seek quotation of the Placement Options on the ASX;
 - (iv) The Company calling for a general meeting within 30 days of the completion of the Placement to seek Shareholder approval for the issue of the Options under the Placement, to replenish its placement capacity, and to seek approval of the Options issue to Peak Asset Management.
- (c) **(Remuneration)** The Company will pay Peak Asset Management fees, consisting of:
 - (i) 6% of the total amount on all funds raised under the Placement; and
 - (ii) Subject to a minimum of \$4,000,000 being raised under the Placement and Rights Offer, and subject to Shareholder approval, issue Peak Asset Management 30,000,000 Options exercisable at \$0.03 and expiring on or before 1 April 2025 or an equivalent amount in cash if Shareholder approval is not obtained.
- (d) **(Other)** The Broker Agreement contains other terms (including warranties) standard for agreements of this nature.

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **1:00pm (AWST) on Tuesday, 3 May 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 186686

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of PolarX Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of PolarX Limited to be held at Suite 1, 245 Churchill Avenue, Subiaco, WA 6008 on Thursday, 5 May 2022 at 1:00pm (AWST) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Ratification of prior issue of Placement Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of prior issue of Placement Shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Options under Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Broker Options to Peak Asset Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

P X X

2 8 6 9 2 3 A



Computershare

