

# Quarterly Report

## SEPTEMBER 2022 QUARTERLY ACTIVITIES REPORT

### ALASKA RANGE PROJECT, ALASKA

- Updated the mineral resource estimate for the Zackly Deposit to 4.0Mt @ 1.1% Cu and 1.6g/t Au in Indicated and Inferred Resource categories.
- Positive results from the Scoping Study on the Alaska Range Project which evaluated sequential mining and processing options for the high-grade Caribou Dome VMS Copper deposit and the nearby Zackly Copper-Gold-Silver skarn deposit.
- Key outcomes of the Scoping Study are:
  - 3.8Mt of mineralised material mined over the life of the operation
  - Processing rate of ~0.6Mtpa over a 6.5 year operating life.
  - Pre-production capital expenditure of US\$111m.
  - Revenue of approximately US\$2.0bn<sup>#</sup> (A\$2.8bn) over the forecast initial operating life.
  - Net cash flow of US\$322m<sup>#</sup> (A\$460m) over the initial operating life (undiscounted, pre-tax).
  - NPV<sub>7</sub> (pre-tax) of approximately US\$72m<sup>#</sup> (A\$103m).
  - IRR<sup>#</sup> of 26.0% (pre-tax).
  - Payback of 2.25 years
  - Results most sensitive to copper price, metallurgical recovery and operating costs.
  - The study demonstrates potential for significant upside through successful resource extension drilling at Caribou Dome and Zackly

<sup>#</sup>Assuming commodity prices of copper – US\$9,000/tonne; gold – US\$1,800/oz; and AUD: USD Exchange Rate of 0.70.

### HUMBOLDT RANGE PROJECT, NEVADA

- Assay results from channel samples of outcropping mineralised veins at the Golden Staircase prospect returned wide gold and silver intervals including high-grade zones:
  - 51m @ 1.24g/t Au, 8.3g/t Ag including 3m @ 9.62g/t Au, 60.75g/t Ag.
  - 18m @ 0.71g/t Au, 5.82g/t Ag including 7.5m @ 1.05g/t Au.

- The Golden Staircase discovery sits at one end of a 2.8km long soil anomaly, with recent drilling by PolarX at the Star Canyon prospect, located at the other end of the anomaly, returning assays of up to 9.1m @ 124.36g/t gold and 48.6g/t silver within a much larger mineralised Carlin-style host system.
- Further drilling at the Star Canyon prospect expected to commence in late November 2022.

## CORPORATE

- On 26 October 2022 the Company announced a 2 for 5 renounceable rights issue to raise up to \$2.88 million at an issue price of 0.8 cents per Share

## ALASKA RANGE COPPER PROJECT

### Scoping Study

On 17 October 2022, the Company announced the results of an independent scoping study conducted for the Alaska Range Copper Gold Project (“**Alaska Range Project**”), which evaluated sequential mining and processing options for the high-grade Caribou Dome VMS Copper deposit and the nearby Zackly Copper-Gold-Silver skarn deposit (“**Scoping Study**”).

Key assumptions and results of the study are summarised below.

### Updated Mineral Resource Update

The Scoping Study was based on the 2017 Mineral Resource estimate for the Caribou Dome deposit and an updated Zackly mineral resource estimate of **4.0Mt @ 1.1% Cu and 1.6g/t Au**.

The initial Mineral Resource estimate for Zackly deposit was published on 20 March 2018. PolarX’s additional drilling in 2018 and 2020, along with ultra-detailed drone magnetic data collected in 2020 and increased geological confidence in the deposit geometry (evaluation as part of the Scoping Study) resulted in an updated Mineral Resource estimate as shown in Table 1 (refer ASX announcement of 17 October 2022 for full details, including Resource estimation methodology and all supporting information).

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

|                     | Resource Category | Mt         | Cu %       | Au g/t     | Ag g/t      | Cu % equiv* | Contained Cu (t) | Contained Cu (M lb) | Contained Au (oz) | Contained Ag (oz) |
|---------------------|-------------------|------------|------------|------------|-------------|-------------|------------------|---------------------|-------------------|-------------------|
| <b>ZACKLY</b>       | Indicated         | 2.5        | 1.2        | 1.9        | 13.9        | 2.4         | 30,700           | 68                  | 155,000           | 1,120,000         |
|                     | Inferred          | 1.5        | 0.9        | 1.2        | 10.4        | 1.7         | 14,300           | 32                  | 58,000            | 513,000           |
|                     | <b>TOTAL</b>      | <b>4.0</b> | <b>1.1</b> | <b>1.6</b> | <b>12.6</b> | <b>2.1</b>  | <b>45,000</b>    | <b>100</b>          | <b>213,000</b>    | <b>1,633,000</b>  |
| <b>CARIBOU DOME</b> | Measured          | 0.6        | 3.6        | -          | -           | 3.6         | 20,500           | 45                  | -                 | -                 |
|                     | Indicated         | 0.6        | 2.2        | -          | -           | 2.2         | 13,000           | 29                  | -                 | -                 |
|                     | Inferred          | 1.6        | 3.2        | -          | -           | 3.2         | 52,300           | 115                 | -                 | -                 |
|                     | <b>TOTAL</b>      | <b>2.8</b> | <b>3.1</b> |            |             | <b>3.1</b>  | <b>85,800</b>    | <b>189</b>          |                   |                   |
| <b>COMBINED</b>     | <b>TOTAL</b>      | <b>6.8</b> |            |            |             | <b>2.5</b>  | <b>131,000</b>   | <b>290</b>          | <b>213,000</b>    | <b>1,633,000</b>  |

*\*Copper equivalent grades for Zackly have been calculated using the average metallurgical recoveries for Cu and Au noted in the previous section (95% for Cu, 90% for Au) and assumed metal prices of \$9000/t for copper and \$1800/oz for gold used throughout the Scoping Study.  $CuEq = Cu (\%) + Au (g/t) * 0.6431 * (Au \text{ recovery} / Cu \text{ recovery})$ . Silver credits were not included in the calculation of copper equivalent grades.*

### Metallurgical Test Work Results and Conclusions

For the purposes of the Scoping Study, at a grind size of 106µm the following recoveries were used for Zackly Deposit:

- 90% recovery for copper
- 79% recovery for gold

A copper recovery of 78% was used for Caribou Dome based on rougher and cleaner flotation recovery curves from metallurgical test-work (refer to ASX announcement of 17 October 2022 for details). Upside remains from further evaluation of processing options for these very fine-grained massive sulphides.

Based on the metallurgical test work results, PolarX believes it would be possible to treat the sulphide ore from both Caribou Dome and Zackly using the same comminution and processing (flotation) plant on a campaign basis. This is an important confirmation of the original concept of a combined plant to treat sequentially mined material from both deposits.

### Mining Optimisation, Design and Inventory

The Scoping Study is based on 3.8Mt of mineralised material being mined over the life of the operation:

- Underground mining at Zackly commences during construction
- Open-cut and underground extraction at Caribou Dome follows Zackly

The Zackly mining inventory is shown in TABLE 2, the Caribou Dome mining inventory is shown in Table 3, and the whole project mining inventory shown in Table 4.

**TABLE 2: Zackly Mining Inventory**

| Zackly      | Mined Tonnes | Gold |         | Silver |         | Copper |        |
|-------------|--------------|------|---------|--------|---------|--------|--------|
| Source      | t            | g/t  | Oz      | g/t    | oz      | %      | t      |
| Underground | 2,165,812    | 1.86 | 129,844 | 12.80  | 888,231 | 1.01%  | 21,908 |

**TABLE 3: Mining volume summary for Caribou Dome**

| Caribou Dome | Mined Tonnes | Copper |        |
|--------------|--------------|--------|--------|
|              | t            | %      | t      |
| Open Pit     | 889,942      | 3.83%  | 34,016 |
| Underground  | 724,027      | 3.77%  | 27,290 |
| Total        | 1,613,969    | 3.80%  | 61,306 |

**TABLE 4: Consolidated Alaska Range Mining Inventory. Nb, rounding errors may occur**

| Alaska Range | Mined Tonnes | Gold |         | Silver |         | Copper |        |
|--------------|--------------|------|---------|--------|---------|--------|--------|
| Source       | T            | g/t  | oz      | g/t    | oz      | %      | t      |
| Open Pit     | 889,942      | -    | -       | -      | -       | 3.83%  | 34,016 |
| Underground  | 2,889,839    | 1.40 | 129,844 | 9.56   | 888,231 | 1.70%  | 49,198 |
| Total        | 3,779,781    | 1.09 | 129,844 | 7.48   | 888,231 | 2.16%  | 83,213 |

## Production schedules

For the purposes of the Scoping Study, a decision was made to locate the processing plant at Zackly. It was also determined to mine and treat Zackly before commencing Caribou Dome.

- The mining schedule commences at Zackly in Year 0, whilst the plant is being constructed.
- Caribou Dome open pit commences early in Year 4 with Caribou Dome underground commencing in mid-Year 4 from an independent access.
- The key mining and processing physicals are shown in Table 5 below.
- The mining schedule supports a processing capacity of 600ktpa for six and a half years.

Over the planned life of the project, Measured and Indicated Resources account for 65% of the total tonnes mined, and account for 79% of total tonnes mined in the first three years. There is a lower level of geological confidence associated with Inferred Resources and there is no certainty that further exploration work will result in the determination of Indicated Resources or that the production target itself will be realized.

**TABLE 5: Key mining physicals by deposit and processing physicals by year**

| Area            | Type            | Units          | Total      | Year 0 | Year 1  | Year 2  | Year 3    | Year 4     | Year 5    | Year 6  | Year 7  |
|-----------------|-----------------|----------------|------------|--------|---------|---------|-----------|------------|-----------|---------|---------|
| Open Pit        |                 | t              | 889,942    | -      | -       | -       | 33,074    | 436,551    | 126,636   | -       | -       |
|                 | Copper          | %              | 3.8%       | 0.0%   | 0.0%    | 0.0%    | 4.2%      | 3.8%       | 3.8%      | 0.0%    | 0.0%    |
|                 |                 | t              | 34,016     | -      | -       | -       | 1,398     | 16,632     | 4,761     | -       | -       |
|                 | Total Waste     | tonnes         | 29,605,332 | -      | -       | -       | 9,863,434 | 16,189,206 | 3,552,692 | -       | -       |
|                 | Stripping Ratio | Wst<br>t/Ore t | 33.3       | 0.0    | 0.0     | 0.0     | 298.2     | 37.1       | 28.1      | 0.0     | 0.0     |
| Underground     |                 | t              | 2,889,839  | 53,790 | 271,467 | 503,751 | 628,700   | 253,283    | -         | -       | -       |
|                 | Gold            | g/t            | 1.40       | 2.64   | 2.22    | 2.57    | 1.38      | 1.13       | -         | -       | -       |
|                 |                 | oz             | 129,844    | 4,559  | 19,343  | 41,599  | 27,873    | 9,202      | -         | -       | -       |
|                 | Silver          | g/t            | 9.6        | 20.4   | 16.8    | 14.4    | 10.2      | 10.0       | -         | -       | -       |
|                 |                 | oz             | 888,231    | 35,255 | 146,369 | 233,320 | 205,326   | 81,432     | -         | -       | -       |
|                 | Copper          | %              | 1.70%      | 1.69%  | 1.43%   | 1.25%   | 0.72%     | 0.68%      | 0.00%     | 0.00%   | 0.00%   |
|                 |                 | t              | 49,198     | 909    | 3,892   | 6,276   | 4,508     | 1,722      | -         | -       | -       |
|                 |                 |                |            |        |         |         |           |            |           |         |         |
| Processing      | Tonnes          | t              | 3,779,781  |        | 410,000 | 600,000 | 600,000   | 600,000    | 600,000   | 600,000 | 369,781 |
|                 | Au g/t          | g/t            | 1.07       |        | 2.29    | 2.56    | 1.56      | 1.05       |           |         |         |
|                 | Au oz           | oz             | 129,844    |        | 30,186  | 49,384  | 30,093    | 20,181     | -         | -       | -       |
|                 | Ag g/t          | g/t            | 7.31       |        | 1.30    | 24.72   | 11.17     | 9.27       |           |         |         |
|                 | Ag oz           | oz             | 888,231    |        | 17,136  | 476,860 | 215,474   | 178,761    | -         | -       | -       |
|                 | Cu%             | t              | 2.20%      |        | 1.48%   | 1.24%   | 0.77%     | 0.95%      | 3.69%     | 3.84%   | 3.84%   |
|                 | Cu t            | t              | 83,213     |        | 6,068   | 7,440   | 4,620     | 5,700      | 22,140    | 23,040  | 14,205  |
| Recovered Metal | Gold            | oz             | 102,577    |        | 23,847  | 39,013  | 23,774    | 15,943     | -         | -       | -       |
|                 | Silver          | t              | 799,407    |        | 15,423  | 429,174 | 193,927   | 160,884    | -         | -       | -       |
|                 | Copper          | t              | 70,180     |        | 5,118   | 6,275   | 3,896     | 4,807      | 18,672    | 19,431  | 11,980  |

### **Capital Cost Estimates**

- Estimated pre-production capital expenditure of approximately US\$111m (including royalty buy-back of US\$5m, further studies of US\$3.5m and US\$2.4M for additional resource drilling).
- Only minor sustaining capital has been modelled due to both the relatively short projected mine life and the assumption of contract miners providing their own capital.
- All capital items used in the evaluation are shown in Table 6 below:

**TABLE 6: Initial and Sustaining Capital Cost Summary**

| Capital Item          | \$'M         |
|-----------------------|--------------|
| Project Capex         | 105.0        |
| Pre-Feasibility Study | 1.0          |
| Feasibility Study     | 3.0          |
| Res Dev Drilling      | 2.4          |
| Sustaining Capital    | 4.0          |
| Mine Development      | 60.2         |
| <b>Total</b>          | <b>172.2</b> |

### **Operating Cost Estimates**

The summary of operating costs is shown in Table7.

**TABLE 7: Operating Cost Assumptions**

| Operating Costs   | Area                                      | Unit            | Value       |
|-------------------|---|-----------------|-------------|
| Mining            | Zackly UG                                 | \$/t mined      | \$65.98     |
|                   | Caribou Dome UG                           | \$/t mined      | \$77.60     |
|                   | Caribou Dome OP                           | \$/t mined      | \$66.55     |
|                   | Surface ore transport                     | \$/t/km trucked | \$0.12      |
| Processing        | Fixed                                     | \$/yr           | \$5,000,000 |
|                   | Variable                                  | \$/t processed  | \$13.01     |
|                   | Overall                                   | \$/t processed  | \$21.61     |
| Concentrate Sales | Includes Transport, payability, TC and RC | \$/t processed  | \$34.66     |
| G&A               | Variable                                  | \$/t processed  | \$5.00      |

## Financial Analysis

- The Scoping Study findings, summarised further below are presented in US dollars, on a 100% project basis and without finance leverage:

|  |  |
|--|--|
| <b>Revenue</b><br>US\$812M<br>A\$1,160M (\$0.70)                                       | <b>Net Cash Flow</b><br>US\$322M<br>A\$460M          |
| <b>C1 Cash Costs</b><br>US\$1.89/lb<br>A\$2.70/lb<br>Cash costs with Au and Ag credits | <b>Operating Margin</b><br>40%<br>EBITDA/Revenue     |
| <b>Average Annual Free Cash Flow</b><br>US\$37M<br>A\$53M<br>Post construction         | <b>NPV<sub>7</sub> Pre Tax</b><br>US\$72M<br>A\$103M |
| <b>IRR Pre-tax</b><br>26%  | <b>Pre-production Capital</b><br>US\$111M<br>A\$158M |
| <b>Payback</b><br>2.25 Years<br>Post construction                                      | <b>Initial LOM</b><br>6.5 years                      |

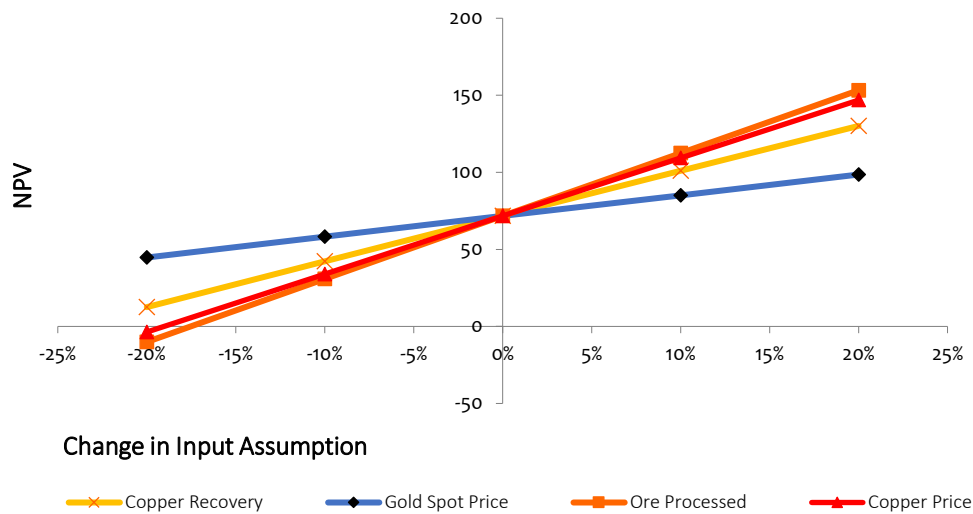
- Revenue is driven by metal recoveries, metal prices and metal volumes into concentrate for sales as shown below in Table 8.

TABLE 8: Revenue drivers

| Metal  | Production | Recoveries |              | Metal Prices |
|--------|------------|------------|--------------|--------------|
|        |            | Zackly     | Caribou Dome |              |
| Copper | 70,180t    | 90%        | 78%          | \$9,000/t    |
| Gold   | 102,577oz  | 79%        | -            | \$1,850/oz   |

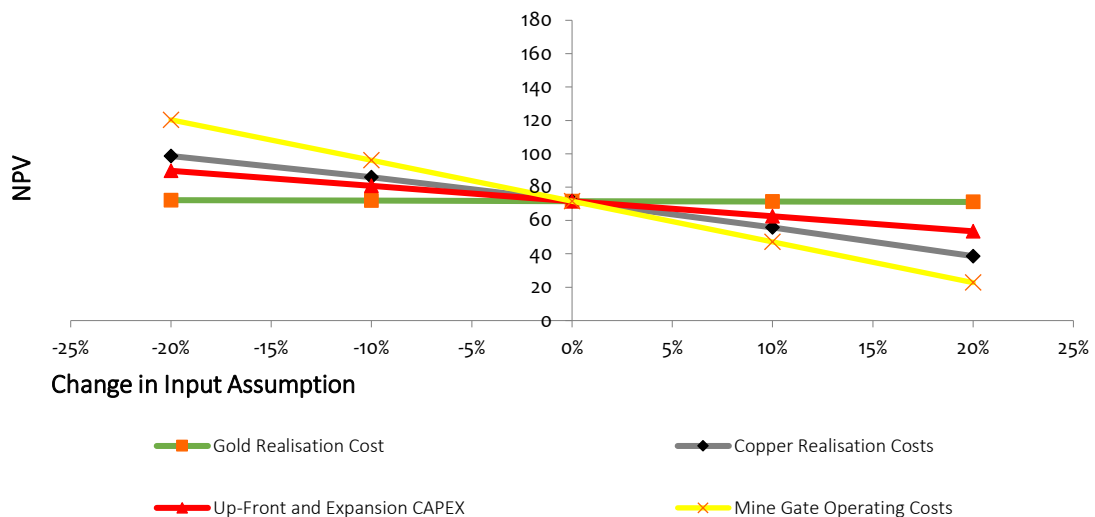
## Sensitivity Analysis

The NPV and IRR of the Alaska Range Project are most sensitive to the size of the resource mined, metal prices and recoveries of copper and operating costs (Figure 1). Alaska Range Project outcomes are more sensitive to the price and recovery of copper than they are to gold (Figure 1 below).



**FIGURE 1. NPV sensitivity (pre-tax basis) for copper and gold price, copper recovery and tonnes processed**

The Alaska Range Project is less sensitive to capital costs than it is to life-of-mine operating costs and copper realisation costs (Figure 2):



**FIGURE 2. NPV sensitivity (pre-tax basis) to capital costs and operating costs**

- The level of sensitivity is also directly related to the currently short projected mine life based on current mineral resource estimates.
- The addition of mining inventory to the project could significantly enhance the project economics. The Scoping Study also ran a hypothetical scenario with an additional 300,000t mined at Zackly (a 14% increase of Zackly mining inventory) at average mined grades, which yielded an extra US\$31M in pre-tax NPV (a 43% increase). A hypothetical scenario with an additional 500,000t mined at both Zackly and at Caribou Dome on the same basis could potentially yield an extra US\$52.5M in pre-tax NPV (a 73% increase).
- Mineral Resources at both Caribou Dome and Zackly remain open along-strike and down-dip for potential expansion.

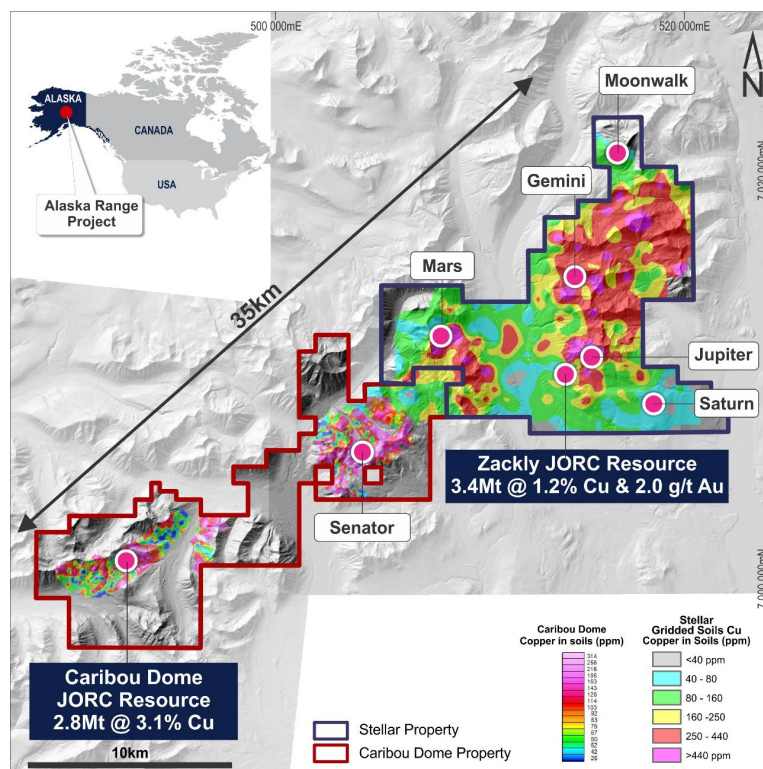
- Further infill and exploration drilling may therefore expand the potentially mineable resource considered in the financial evaluation with accordingly greater returns.

### **Forward Plans**

- The Scoping Study demonstrates potential for significant upside in NPV through successful resource extension drilling at Caribou Dome and Zackly.
- For example, a modest 300,000t increase (+14%) in material mined at Zackly at the same grades could yield an increase of ~\$31M in projected pre-tax NPV (+43%).
- A 500,000t increase in material mined at both Zackly and Caribou Dome could similarly yield a increase of ~\$52.5M in projected pre-tax NPV.
- Planning of resource extension drilling programs has commenced.
- Additional metallurgical test work is warranted and may deliver better copper recovery and concentrate grade, particularly for Caribou Dome, and better gold recovery for Zackly.

### **Alaska Range Project Background**

The Caribou Dome Project (Figure 3) 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.



**FIGURE 3. Location Map showing Caribou Dome in the Alaska Range 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.

## **HUMBOLDT RANGE GOLD-SILVER PROJECT, NEVADA**

During the September 2022 quarter the Company announced extensive gold and silver assay results from its recent channel traverse sample program at the Golden Staircase prospect, located near the Star Canyon prospect in the Humboldt Ranges of Nevada, USA (Figure 4).

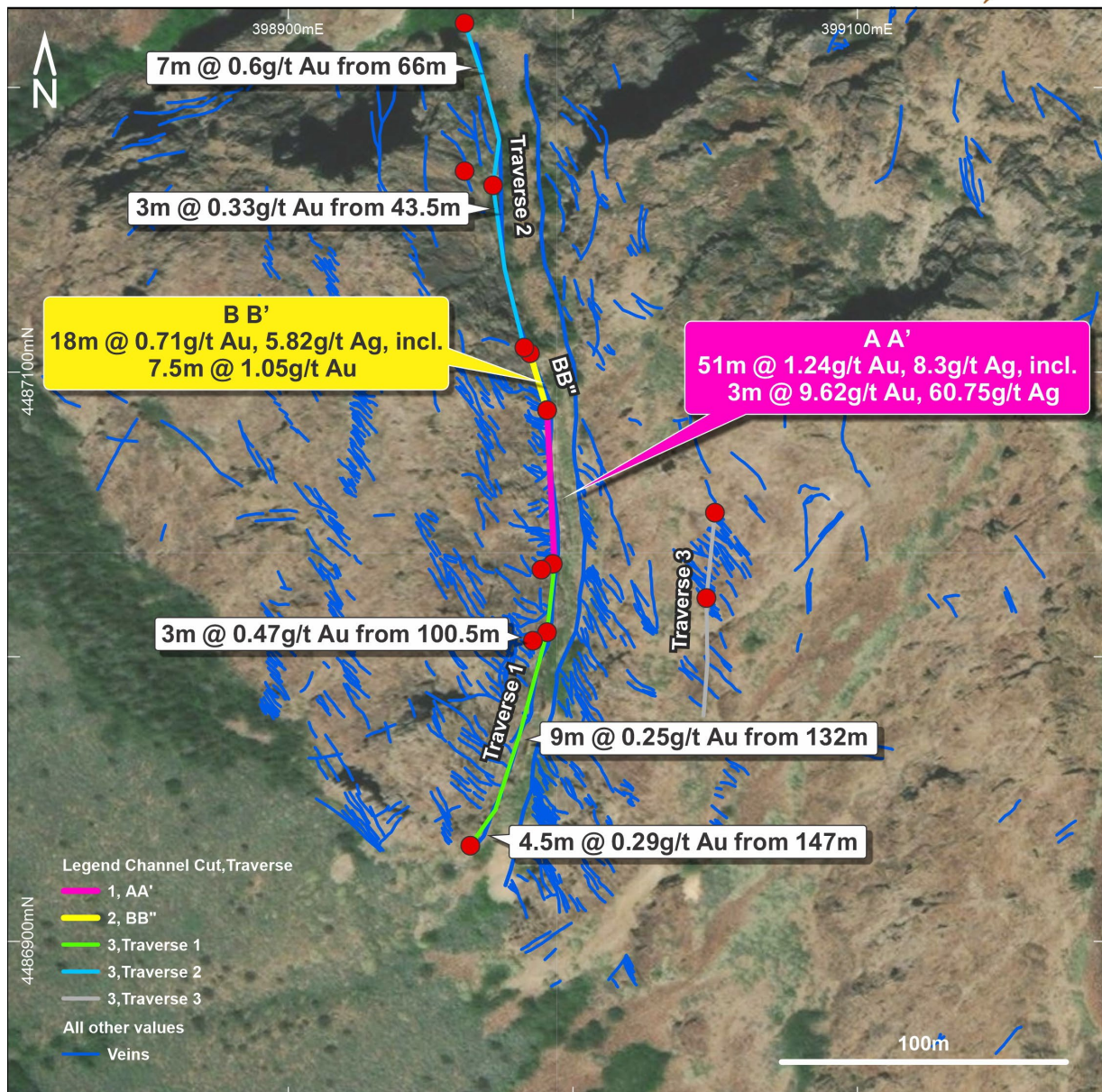
Three continuous saw-cut channel traverses were sampled, with the traverses ranging from 120m to 200m in length. Continuous sampling was undertaken along each channel cut, with a composited sample being taken along each 1.5 metre interval in a similar continuous manner to drill-core, effectively replicating a surface drill hole albeit over weathered outcrop.

The Company tested the Golden Staircase target due to its coincidence with strongly anomalous gold-in-soil sampling results (Figure 5), previous gold-rich rock-chip samples (up to 4.5g/t Au and 12.1g/t Ag, refer ASX announcement 11 January 2021), an association with intense vein swarms exposed in rocky rhyolite outcrops (Figure 6) and its close proximity to trail road access

Assay intervals AA' and BB' shown in Figure 4 below actually link as they commence from the same anchor point. The gold and silver results combine to reveal a continuous 69 metre long mineralised interval.

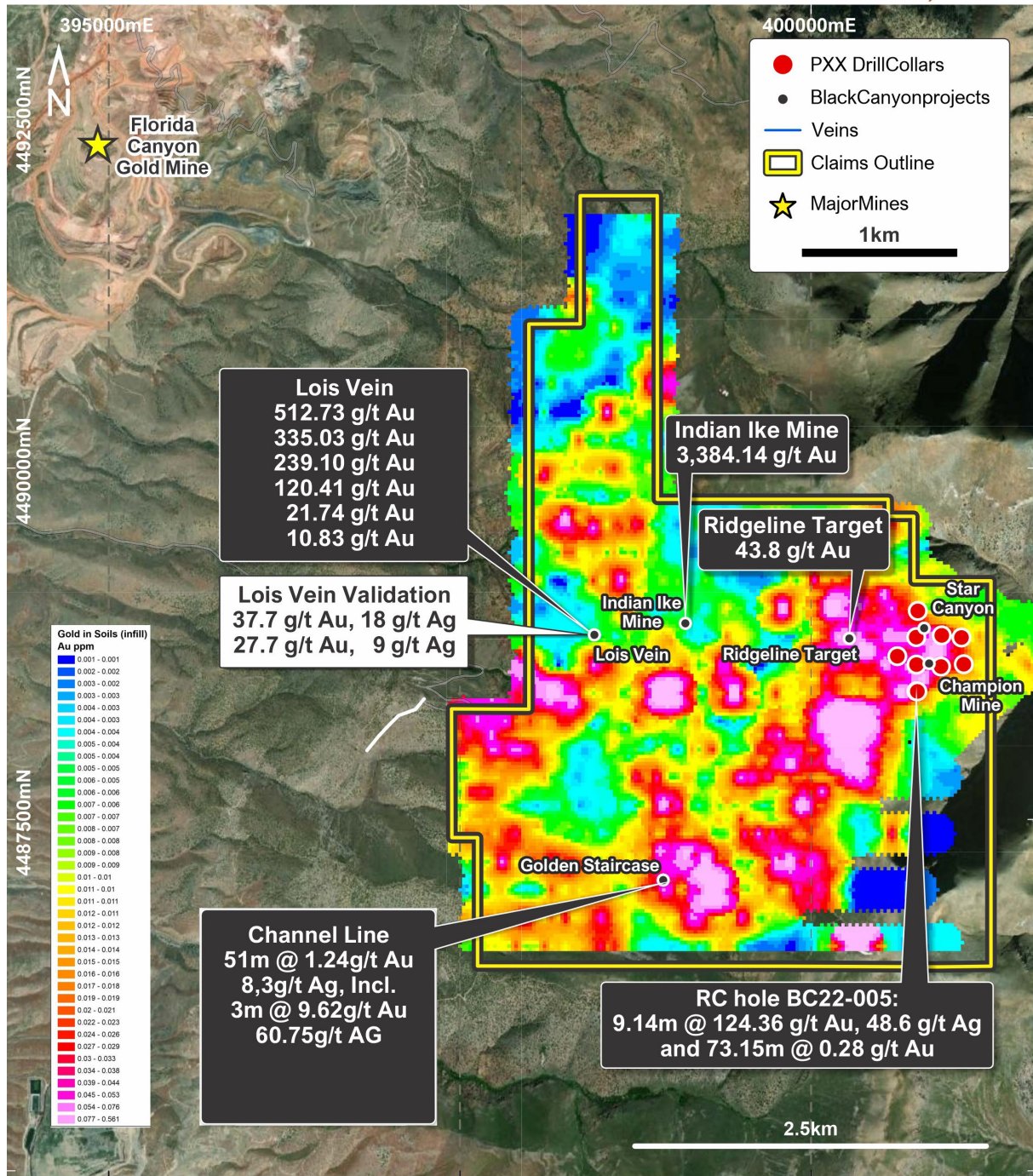
The Golden Staircase prospect sits at one end of a 2.8km long soil anomaly, with the Star Canyon prospect sitting at the other end. Recent drilling by PolarX at Star Canyon returned a bonanza assay of 9.1m @ 124.36g/t gold and 48.6g/t silver within a potentially bulk mineable Carlin-style host system (see ASX Announcement 5 July 2022).

Given the strength of the results at both Star Canyon and Golden Staircase, the Company now plans to undertake additional channel sampling and drilling along the remainder of the 2.8km long gold-in-soil anomaly.



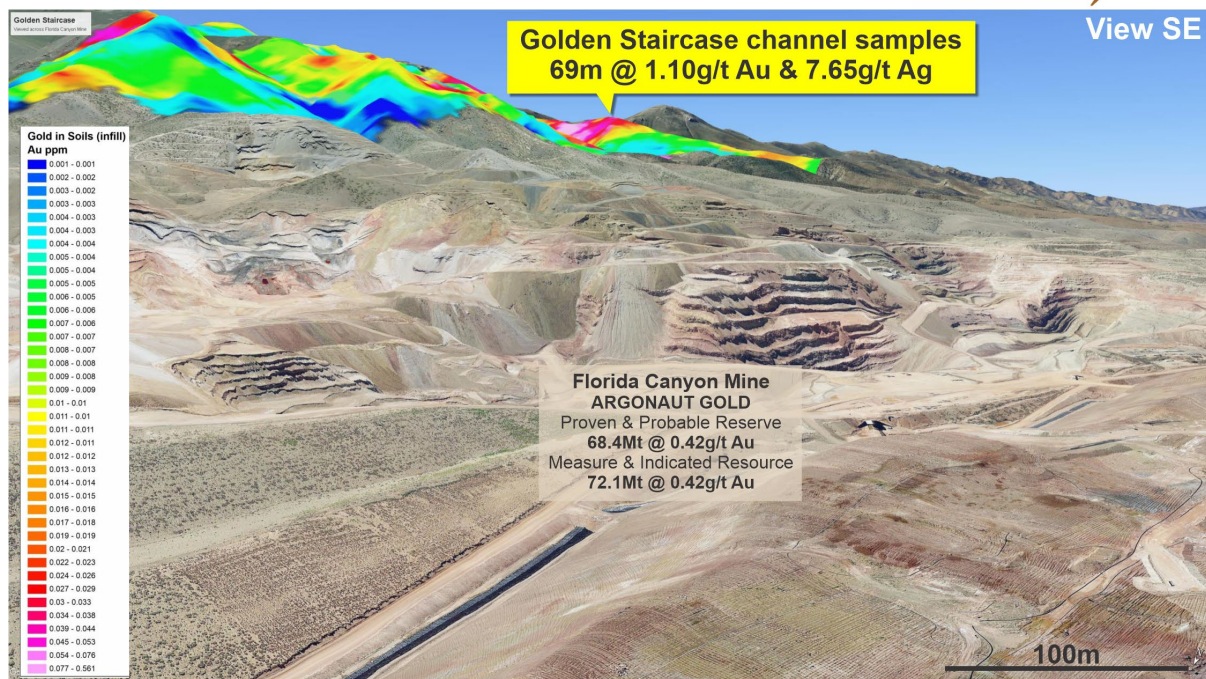
**FIGURE 4.** Channel sample lines at the Golden Staircase target in the Humboldt Ranges, Nevada, USA are being cut across intensely veined and altered rocks.





**FIGURE 5.** The Golden Staircase target is situated in a strongly anomalous gold zone in the southern area of the Black Canyon claims.





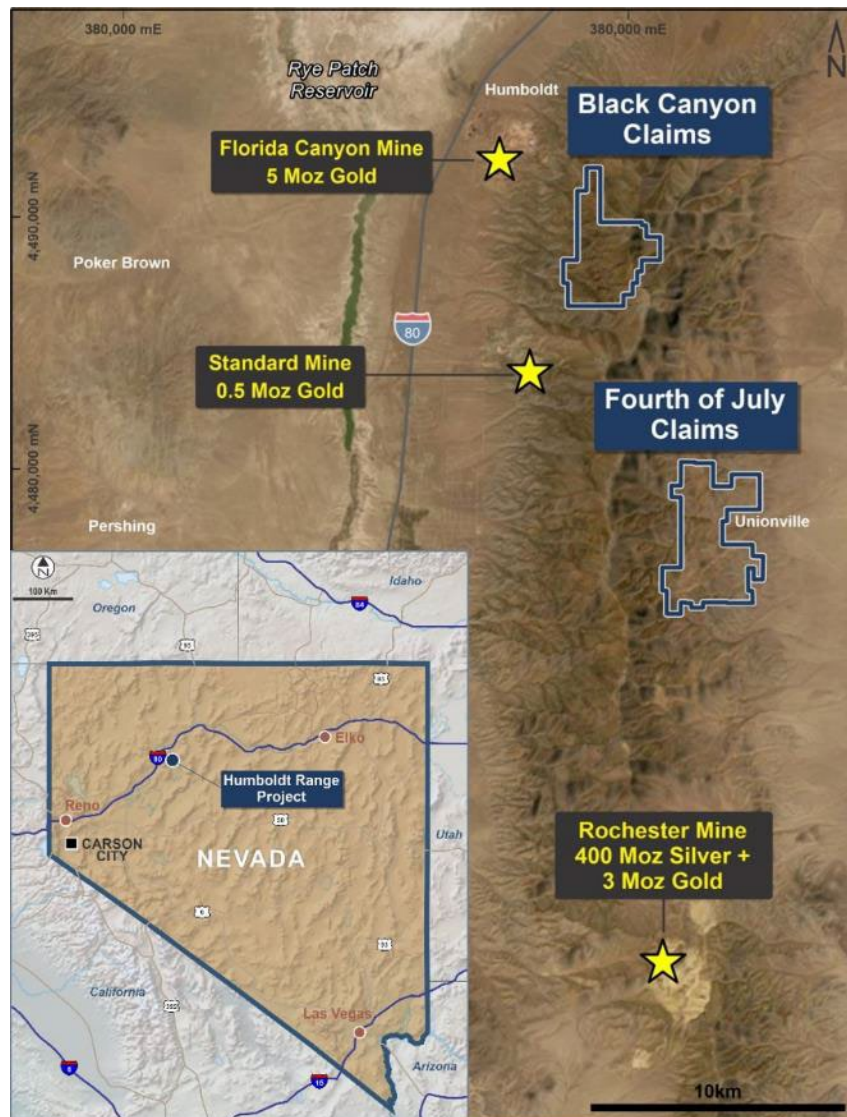
**FIGURE 6.** The Golden Staircase can be seen from the Florida Canyon Mine (owned by Argonaut Gold <https://www.argonautgold.com/English/assets/operations/Florida-Canyon/default.aspx>).

## Humboldt Range Background

The Humboldt Range Project comprises 364 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 7). 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.



**FIGURE 7.** PolarX's Nevada claims are ideally located in Nevada, adjacent to large scale operating mines and important road, rail, power and workforce infrastructure.

## **CORPORATE**

On 26 October 2022, the Company announced a 2 for 5 renounceable rights issue (**Entitlement Offer**) at an issue price of 0.8 cents per Share to raise up to \$2.88 million (before costs). The Entitlement Offer will close on 16 November 2022 (unless extended).

As of 30 September 2022, the Company had on issue 899,101,093 shares, 91,556,734 listed options (\$0.03; 6 Nov 2023) and 23,000,000 unlisted options and cash of ~\$0.8 million.

### ***ASX Additional Information***

The \$493k of exploration and evaluation expenditure capitalised during the quarter (refer Item 2.1(d) of the accompanying Appendix 5B), predominantly comprised:

- Payments to service providers in relation to the RC drilling program completed at Humboldt Range in the June 2022 quarter
- Scoping study activities in relation to the Alaska Range Project
- Technical consulting fees
- Advanced royalty payments for the Humboldt Range Project

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 the following:

- Director fees and administrative consulting services (\$98k)
- Director's technical consulting services (\$68k)
- Mitchell River Group consulting services (\$7k)
- Mitchell River Group for serviced office (\$6k)

### **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 report relating to:

- (i) the Mineral Resource Estimate for the Caribou Dome Deposit, which was previously announced on 5 April 2017;
- (ii) the Mineral Resource Estimate for the Zackly Deposit, which was previously announced on 17 October 2022; 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, 1 January 2021, 2 February 2021, 3 March 2021, 27 May 2021, 10 August 2021, 19 August 2021, 31 August 2021, 5 October 2021, 13 October 2021 and 30 November 2021, 11 January 2022, 2 February 2022, 15 February 2022, 16 February 2022, 15 March 2022, 1 April 2022, 3 May 2022, 5 July 2022, 8 August 2022 and 5 October 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.

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.

## LIST OF MINING CLAIMS

| Tenement                    | Location    | Licence Details   | Ownership                      | Change in Quarter |
|-----------------------------|-------------|---|--------------------------------|-------------------|
| <b>Alaska Range Project</b> |             |   |                                |                   |
| <b>Caribou Dome</b>         |             |   |                                |                   |
| 135 State mining claims     | Alaska, USA | Caribou 1 – 20<br>ADL# 563243 - 563262<br>Copper 1 – 6<br>ADL# 588461 – 588466<br>Copper 7 – 11<br>ADL# 645375 – 645379<br>CD 1 – 66<br>ADL# 664859 – 664924<br>CDS 001 – 038<br>ADL# 719949 – 719986   | Option to acquire 80% interest | Nil               |
| 81 State mining claims      | Alaska, USA | CD 001 – 040<br>ADL# 719909 – 719948<br>CDE-01 – 20<br>ADL# 722216 – 722235<br>CDE 26<br>ADL# 722241<br>CD 41 – 51<br>ADL#725113 - 725123<br>SBX 71<br>ADL#726910<br>SBX 74 - 75<br>ADL#726913 - 726914<br>SBX 77 - 82<br>ADL#726916 – 726921   | Option to acquire 90%          | Nil               |
| <b>Stellar</b>              |             |   |                                |                   |
| 231 State mining claims     | Alaska, USA | SB 154 – 155<br>ADL# 704562 – 704563<br>SB 167 – 168<br>ADL# 704575 – 704576<br>ZK 3 – 5<br>ADL# 704621 – 704623<br>ZK 14<br>ADL# 704632<br>ZK 19 – 21<br>ADL# 704637 – 704639<br>Z 1 – 5<br>ADL# 709427 – 709431<br>Z 6 – 10<br>ADL# 711728 – 711732<br>SB 281 – 283<br>ADL# 714079 – 714081 | 100% interest                  | Nil               |



| Stellar (continued) |  |  |  |  |
|---------------------|--|--|--|--|
|                     |  | SB 297 – 299<br>ADL# 714095 – 714097<br>SB 317 – 319<br>ADL# 714115 – 714117<br>SB 346 – 348<br>ADL# 714144 – 714146<br>SB 364 – 368<br>ADL# 714162 – 714166<br>SB 376 – 379<br>ADL# 714174 – 714177<br>SB 389 – 390<br>ADL# 714187 – 714188<br>SB 417<br>ADL# 715392<br>SBA 001 – 066<br>ADL# 721446 – 721511<br>SBX 001 – 070<br>ADL# 724789 – 724858<br>LYKN 1 – 2<br>ADL# 725111 – 725112<br>CDE-21 – 25<br>ADL# 722236 – 722240<br>CDE 27<br>ADL# 722242<br>SBX 72 – 73<br>ADL# 726911 – 726912<br>SBX 76<br>ADL# 726915<br>SBX 83 – 91<br>ADL# 726922 – 726930<br>SBX 92 – 121<br>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 01-15a   | 100% interest in a Mineral Lease Agreement to explore, develop and mine the project | Nil                  |
| 31 Federal lode claims  | Nevada, USA | BC 15b-45   | 100% interest in a Mineral Lease Agreement to explore, develop and mine the project | Acquired via staking |

## 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 September 2022

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>\$A'000 |
|--------------------------------------|---|----------------------------|-------------------------|
| <b>1.</b>                            | <b>Cash flows from operating activities</b>           |                            |                         |
| 1.1                                  | Receipts from customers                               | -                          | -                       |
| 1.2                                  | Payments for  |                            |                         |
|                                      | (a) exploration & evaluation                          | -                          | -                       |
|                                      | (b) development                                       | -                          | -                       |
|                                      | (c) production  | -                          | -                       |
|                                      | (d) staff costs                                       | (20)                       | (20)                    |
|                                      | (e) administration and corporate costs                | (377) <sup>1</sup>         | (377)                   |
| 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)                   | -                          | -                       |
| <b>1.9</b>                           | <b>Net cash from / (used in) operating activities</b> | <b>(397)</b>               | <b>(397)</b>            |

1. Costs within this category include travel expenses incurred during the quarter and forward booked (\$102k), IR activities (\$50k), corporate advisory fees (\$45k) and other listing and compliance fees (\$44k).

|           |   |       |       |
|-----------|---|-------|-------|
| <b>2.</b> | <b>Cash flows from investing activities</b> |       |       |
| 2.1       | Payments to acquire or for:                 |       |       |
|           | (a) entities                                | -     | -     |
|           | (b) tenements                               | (236) | (236) |
|           | (c) property, plant and equipment           | -     | -     |
|           | (d) exploration & evaluation                | (493) | (493) |
|           | (e) investments                             | -     | -     |
|           | (f) other non-current assets                | -     | -     |

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>\$A'000</b> |
|---|---|------------------------------------|---------------------------------|
| 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)                   | -                                  | -                               |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b> | <b>(729)</b>                       | <b>(729)</b>                    |

|             |   |             |             |
|-------------|---|-------------|-------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |             |             |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | -           | -           |
| 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 | (33)        | (33)        |
| 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)   | -           | -           |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>(33)</b> | <b>(33)</b> |

|           |  |                |                |
|-----------|--|----------------|----------------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> | <b>(1,159)</b> | <b>(1,159)</b> |
| 4.1       | Cash and cash equivalents at beginning of period                             | 1,946          | 1,946          |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (397)          | (397)          |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (729)          | (729)          |
| 4.4       | Net cash from / (used in) financing activities (item 3.10 above)             | (33)           | (33)           |

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

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>\$A'000 |
|--------------------------------------|---|----------------------------|-------------------------|
| 4.5                                  | Effect of movement in exchange rates on cash held | 6                          | 6                       |
| 4.6                                  | <b>Cash and cash equivalents at end of period</b> | <b>793</b>                 | <b>793</b>              |

| 5.  | Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|--|----------------------------|-----------------------------|
| 5.1 | Bank balances  | 793                        | 1,946                       |
| 5.2 | Call deposits  | -                          | -                           |
| 5.3 | Bank overdrafts  | -                          | -                           |
| 5.4 | Other (provide details)  | -                          | -                           |
| 5.5 | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>   | <b>793</b>                 | <b>1,946</b>                |

| 6.  | Payments to related parties of the entity and their associates                          | Current quarter<br>\$A'000 |
|---|---|----------------------------|
| 6.1   | Aggregate amount of payments to related parties and their associates included in item 1 | 98                         |
| 6.2   | Aggregate amount of payments to related parties and their associates included in item 2 | 81                         |
| <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.  | <b>Financing facilities</b>   | <b>Total facility<br/>amount at quarter<br/>end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|---|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>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   | <b>Total financing facilities</b>   | -   | -  |
| 7.5   | <b>Unused financing facilities available at quarter end</b>   |   | -  |
| 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.  | <b>Estimated cash available for future operating activities</b>  | <b>\$A'000</b> |
|---|--|----------------|
| 8.1   | Net cash from / (used in) operating activities (item 1.9)  | (397)          |
| 8.2   | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))   | (493)          |
| 8.3   | Total relevant outgoings (item 8.1 + item 8.2)   | (890)          |
| 8.4   | Cash and cash equivalents at quarter end (item 4.6)  | 793            |
| 8.5   | Unused finance facilities available at quarter end (item 7.5)  | -              |
| 8.6   | Total available funding (item 8.4 + item 8.5)  | 793            |
| 8.7   | <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>  | 0.89           |
| <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 December 2022 quarter, as the upcoming drill program at the Humboldt Range Project will commence in late November 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?   |                |
|   | On 26 October 2022, the Company announced a 2 for 5 renounceable rights issue ("Entitlement Offer") to eligible shareholders to raise up to ~\$2.88 million. The Entitlement Offer will close on 16 November 2022. |                |

## 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: 31 October 2022.....

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.