

28 April 2023

Quarterly Report

MARCH 2023 QUARTERLY ACTIVITIES REPORT

HUMBOLDT RANGE PROJECT, NEVADA

- Extensive low-grade gold mineralisation confirmed to be in association with sulphides within the Rochester Rhyolite Formation throughout the Star Canyon December 2022 drill program.
- The Rochester Rhyolite is significant as it also hosts the >4Moz Spring Valley Gold Project immediately south of PolarX's tenure and the nearby 400Moz silver and 3moz gold Rochester Mine.
- Targeted bonanza-grade veins at Star Canyon interpreted to lie above a fault zone.
- IP survey to commence in May 2023 to identify sulphides as gold pathfinders prior to drilling.
- Follow up RC drill program planned to further test extensions of high-grade gold vein sets and determine higher grade zones within potentially bulk mineable Rochester Rhyolite

ALASKA RANGE PROJECT, ALASKA

- Independent review of Caribou Dome resource model incorporating PolarX's most recent drilling results.
- Ongoing review and planning for future resource extension drilling programs.

HUMBOLDT RANGE GOLD-SILVER PROJECT, NEVADA

During the March 2023 quarter, PolarX Limited (ASX: PXX, "PolarX" or "the Company") announced results from its December 2022 drilling program at the highly promising gold-silver Star Canyon prospect in the within its Humboldt Range Project in Nevada, USA (see Figure 1).

Star Canyon was previously drilled in May 2022 by PolarX, intersecting bonanza gold grades in hole BC22-005 including **9.1m at 124g/t gold and 49g/t silver** (see ASX Announcement 5 July 2022).

The Humboldt Range Project **lies less than 3km from the currently operating Florida Canyon Mine, which hosts 5Moz gold** (see Figure 1).

Highlights from the December 2022 program were:

- Extensive low-grade gold mineralisation was again identified in association with sulphides within the Rochester Rhyolite Formation throughout the Star Canyon drill program. **The modest-grade gold mineralisation is hosted in similar geology to the nearby Rochester Mine (400Moz Ag, 3Moz Au) and neighbouring Spring Valley project (4.1Moz Au)** which already demonstrate commercial potential for large scale bulk tonnage mining. Both deposits are hosted within the Rochester Rhyolite Formation (Figure 4).

- Detailed geological drillhole logging identified a concealed fault structure (see Figure 2) which offsets depth continuity of the targeted bonanza gold vein (see Figure 3), which itself is concealed beneath the surface. The surrounding Rochester Rhyolite continues to host wide, low-grade, mineralised intercepts related to sulphide presence in all holes.

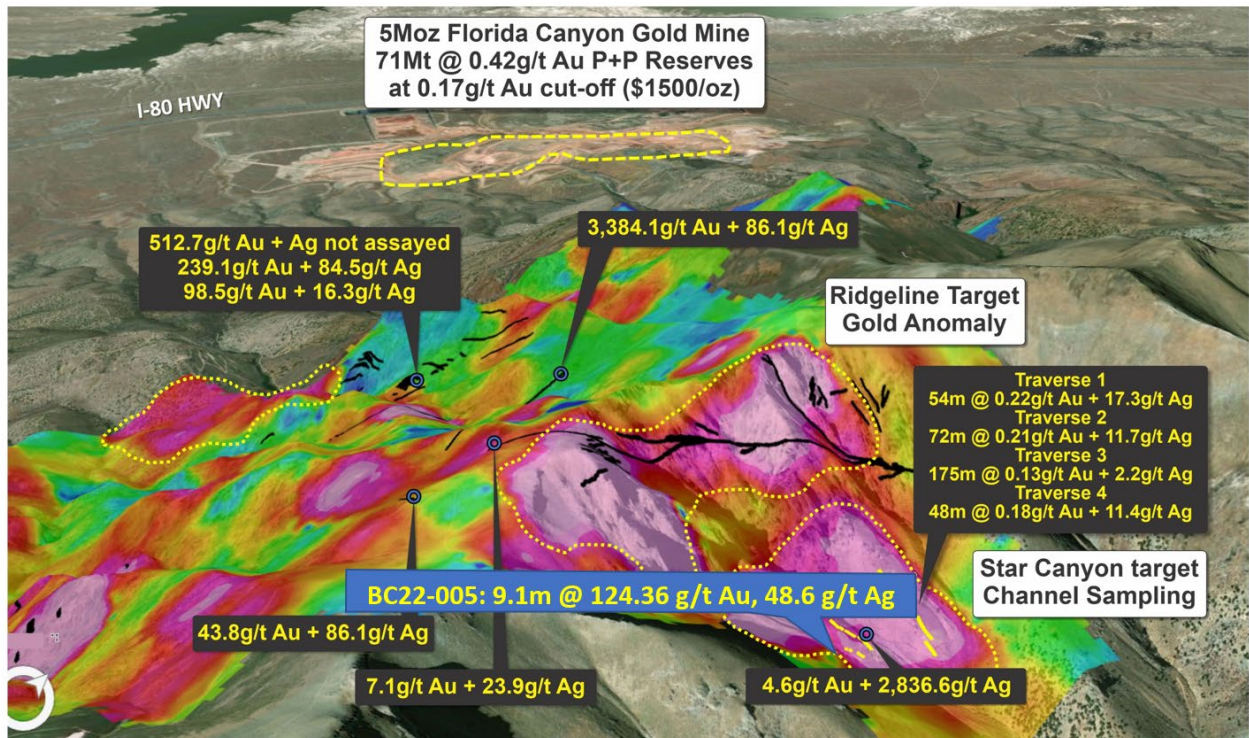


Figure 1. Black Canyon claims, northwest view to Florida Canyon mine (owned by Argonaut Gold) with PolarX's soil gold geochemistry anomaly, Star Canyon is located at the lower righthand side of the image.

PolarX considers Induced Polarisation (IP) geophysical surveys to be the best technique to assist in generating drill targets for higher grade bulk-tonnage and high-grade sulphide related vein mineralisation across both the Black Canyon and Fourth of July claim groups.

Figure 1 shows how extensive the gold anomaly in soil geochemistry is at Black Canyon (about 3km by 2km). The May and December 2022 RC drill programs at Star Canyon identified wide mineralised intercepts that frequently range in Au grade from 0.1 to 0.4 g/t Au which is associated with relatively weak sulphide metal concentration.

Accordingly, the Company will be undertaking an IP survey in May 2023, to identify higher sulphide metal concentrations than drilling has encountered to date at Star Canyon and Fourth of July. This geophysical work will assist prioritising future drill targeting.

Following the IP program, a follow up RC drilling program is planned in mid-2023 to test extensions of high-grade gold vein sets in the now defined hanging wall and footwall and to test for higher grade zones of potentially bulk mineable Rochester Rhyolite.

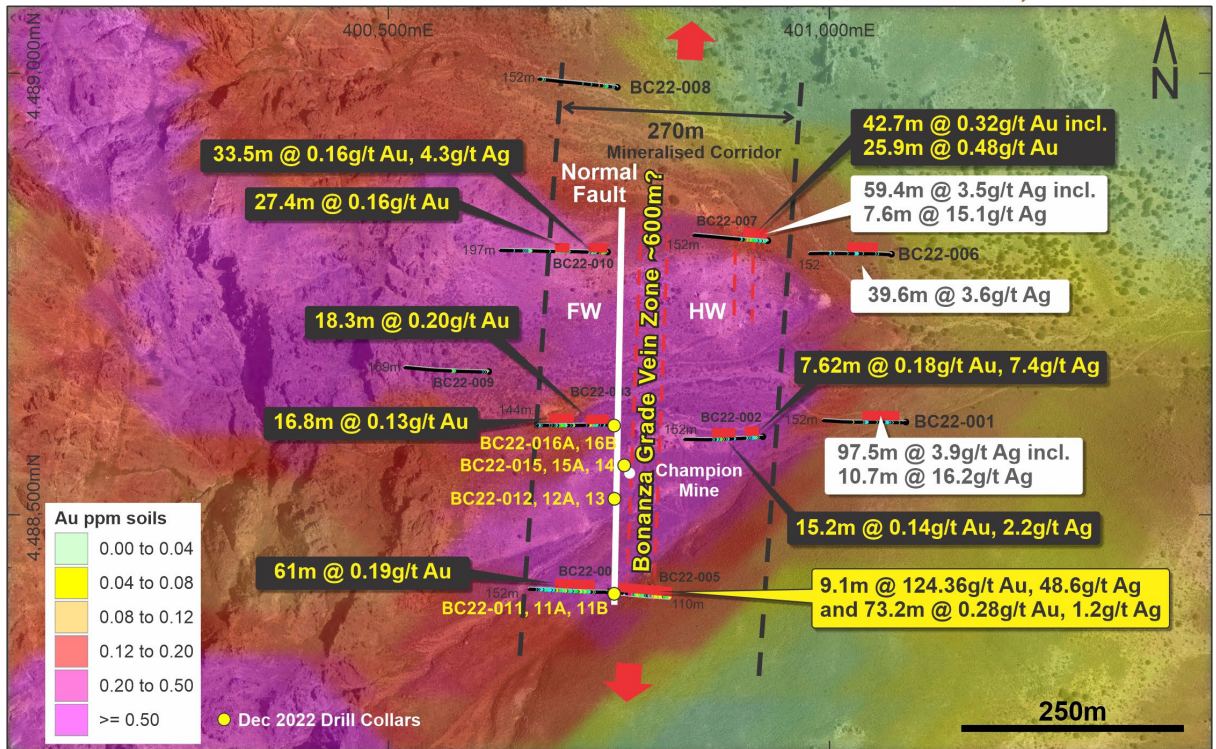


Figure 2. Plan view of drill hole collars, Au soil anomaly, May 2022 drill results for Star Canyon. Note the Normal Fault identified from the December 2022 RC drill campaign, strikes N-S and dips about 60°E. The hanging wall (HW) side has moved vertically downwards, and the footwall side (FW) has moved vertically upwards, thus displacing the earlier mineralised veins and rock units. The concealed fault has hampered the drill programs' ability to test previously intersected high-grade veins. The follow-up program will take that offset into account.

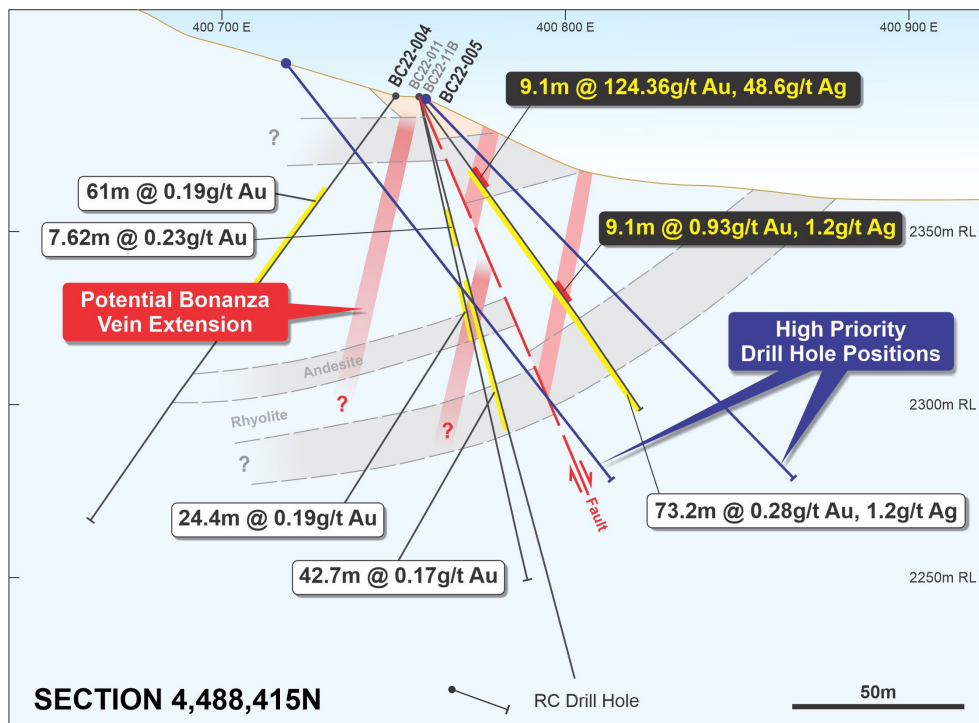


Figure 3. RC holes drilled in December 2022 (BC22-011, BC22-011A & BC22-011B) drilled into the footwall of a concealed normal fault that has displaced the bonanza vein. High priority drill holes have been planned to intersect the bonanza vein in both the hanging wall and footwall of the fault.

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 4). 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.

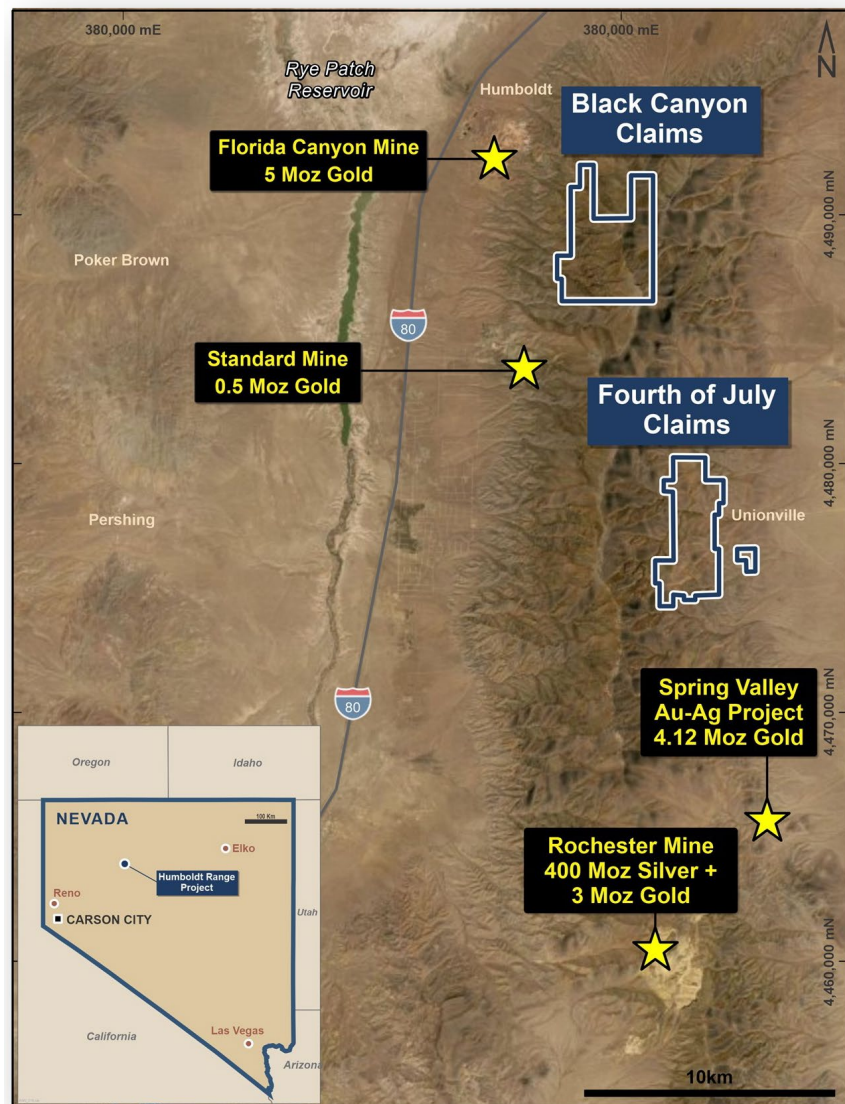


Figure 4. PolarX's Nevada claims are ideally located in Nevada, adjacent to large scale operating mines and important road, rail, power and workforce infrastructure.

ALASKA RANGE COPPER/GOLD PROJECT

During the March 2023 quarter, the Company continued planning for potential resource extension drilling programs at the Alaska Range Copper Gold Project (**"Alaska Range Project"**). This follows the release of the independent scoping study for the Alaska Range Project in October 2022, 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.

The Company also commissioned an independent review of the 2017 mineral resource estimate for Caribou Dome. The review is intended to incorporate PolarX's most recent drilling and technical results with a view to preparing an updated mineral resource estimate.

Alaska Range Project Background

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

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

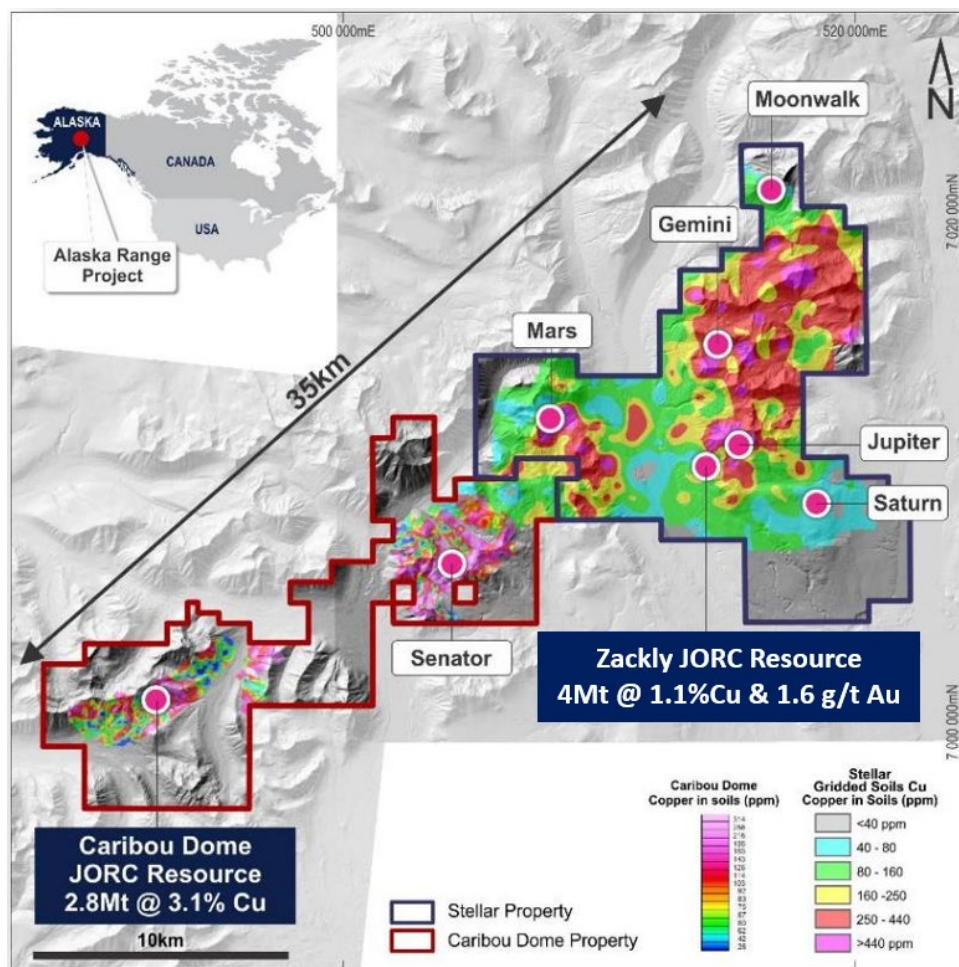


Figure 5. Location Map Alaska Range Project

CORPORATE

As of 31 March 2023, the Company had on issue 1,352,946,909 shares, 91,552,685 listed options (\$0.03; 6 Nov 2023) and 50,868,907 unlisted options and cash of ~\$1.7 million.

ASX Additional Information

The \$190k of exploration and evaluation expenditure capitalised during the quarter (refer Item 2.1(d) of the accompanying Appendix 5B), predominantly comprised:

- Payments in relation to exploration activity at Humboldt Range, including the RC drilling program completed in December 2022; and
- Technical consulting fees.

The aggregate amount of payments during the quarter to related parties and their associates of \$180k (refer Item 6 of the accompanying Appendix 5B) comprised:

- Director fees and administrative consulting services (\$104k);
- Director's technical consulting services (\$75k); and
- Mitchell River Group consulting services (\$1k).

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 5 July 2022, 8 August 2022, 5 October 2022 and 20 February 2023.

Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters have not materially changed. The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Forward Looking Statements:

Any forward-looking information contained in this report is made as of the date of this report. Except as required under applicable securities legislation, PolarX does not intend, and does not assume any obligation, to update this forward-looking information. Any forward-looking information contained in this report is based on numerous assumptions and is subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in resource exploration and development. As a result, actual results may vary materially from those described in the forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.

TABLE 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)
ZACKLY	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
	TOTAL	4.0	1.1	1.6	12.6	2.1	45,000	100	213,000	1,633,000
CARIBOU DOME	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	-	-
	TOTAL	2.8	3.1			3.1	85,800	189		
COMBINED	TOTAL	6.8				2.5	131,000	290	213,000	1,633,000

LIST OF MINING CLAIMS

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

Stellar (continued)				
		SB 297 – 299 ADL# 714095 – 714097 SB 317 – 319 ADL# 714115 – 714117 SB 346 – 348 ADL# 714144 – 714146 SB 364 – 368 ADL# 714162 – 714166 SB 376 – 379 ADL# 714174 – 714177 SB 389 – 390 ADL# 714187 – 714188 SB 417 ADL# 715392 SBA 001 – 066 ADL# 721446 – 721511 SBX 001 – 070 ADL# 724789 – 724858 LYKN 1 – 2 ADL# 725111 – 725112 CDE-21 – 25 ADL# 722236 – 722240 CDE 27 ADL# 722242 SBX 72 – 73 ADL# 726911 – 726912 SBX 76 ADL# 726915 SBX 83 – 91 ADL# 726922 – 726930 SBX 92 – 121 ADL# 728878 - 728907		

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

Appendix 5B

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

Name of entity

PolarX Limited

ABN

161615783

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(16)	(51)
	(e) administration and corporate costs	(331)	(1,006)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(347)	(1,057)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(206) ¹	(660) ¹
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(190)	(1,776)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(396)	(2,436)

1. Costs within this category include property acquisition payments, tenement maintenance costs, staking/pegging costs and annual renewal payments.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,631
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	(106)	(376)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(106)	3,255

4.	Net increase / (decrease) in cash and cash equivalents for the period	(849)	(238)
4.1	Cash and cash equivalents at beginning of period	2,552	1,946
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(347)	(1,057)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(396)	(2,436)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(106)	3,255

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
4.5	Effect of movement in exchange rates on cash held	(8)	(13)
4.6	Cash and cash equivalents at end of period	1,695	1,695

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,695	2,552
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,695	2,552

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	104
6.2	Aggregate amount of payments to related parties and their associates included in item 2	76

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.

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

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(347)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(190)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(537)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,695
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,695
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.16
<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?	
Answer: N/A		
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?	
Answer: N/A		

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?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

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

Date: 28 April 2023.....

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

Notes

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