

2 January 2020

Update on Strategic Partnership

**Lundin Mining Corporation to remain a 12.8% shareholder of PolarX
which will retain 100% of its Stellar Claims.**

- **Lundin Mining Corporation shall forgo its right to earn-in to the Stellar Claims within the Alaska Range Project. Accordingly, PolarX retains its 100% ownership of the entire Stellar Project.**
- **Lundin Mining remains PolarX's largest shareholder with 12.8% of the Company.**
- **The outstanding potential of the project has been highlighted by the recent discovery of porphyry copper-gold mineralisation at the Mars prospect and the presence of porphyry-related hydrothermal alteration at Saturn.**
- **PolarX has now initiated a process to secure an alternative source of earn-in funding for the Stellar porphyry targets. PolarX will continue to sole-fund its own programs for the high-grade Zackly and Caribou Dome deposits at Alaska Range.**
- **PolarX retains very strong institutional investor support, including major shareholders Lundin Mining, JP Morgan, US Global, Ruffer Gold Fund and Lowell Resources Fund.**

PolarX Limited (ASX: PXX) advises that it has commenced a process to secure a new farm-in partner for the Stellar project, where it recently discovered porphyry copper-gold mineralisation, within its Alaska Range Project.

The Company has initiated this process after being informed by Lundin Mining Corporation ("Lundin Mining") that its right to commence an earn-in program on the Stellar Claims (Figure 1) will expire unexercised.

PolarX therefore retains its entire portfolio of high-quality projects in Alaska, which includes the high-grade deposits at Zackly and Caribou Dome, the recent porphyry copper-gold discovery at Mars (refer ASX released dated 19th November 2019) and the Saturn porphyry target (Table 1 and Figures 1 and 2). Lundin Mining remains as PolarX's largest shareholder and owns 12.8% of the Company.

The Company is well supported with a strong institutional shareholder base and with excellent long-term fundamentals in place for copper and gold, looks forward to sole funding the Zackly and Caribou Dome projects whilst advancing discussions with other parties to fund the porphyry exploration programs at Mars and Saturn on an earn-in basis, without unduly diluting PolarX's listed share equity.

Authorised for release by Frazer Tabcart, Managing Director.

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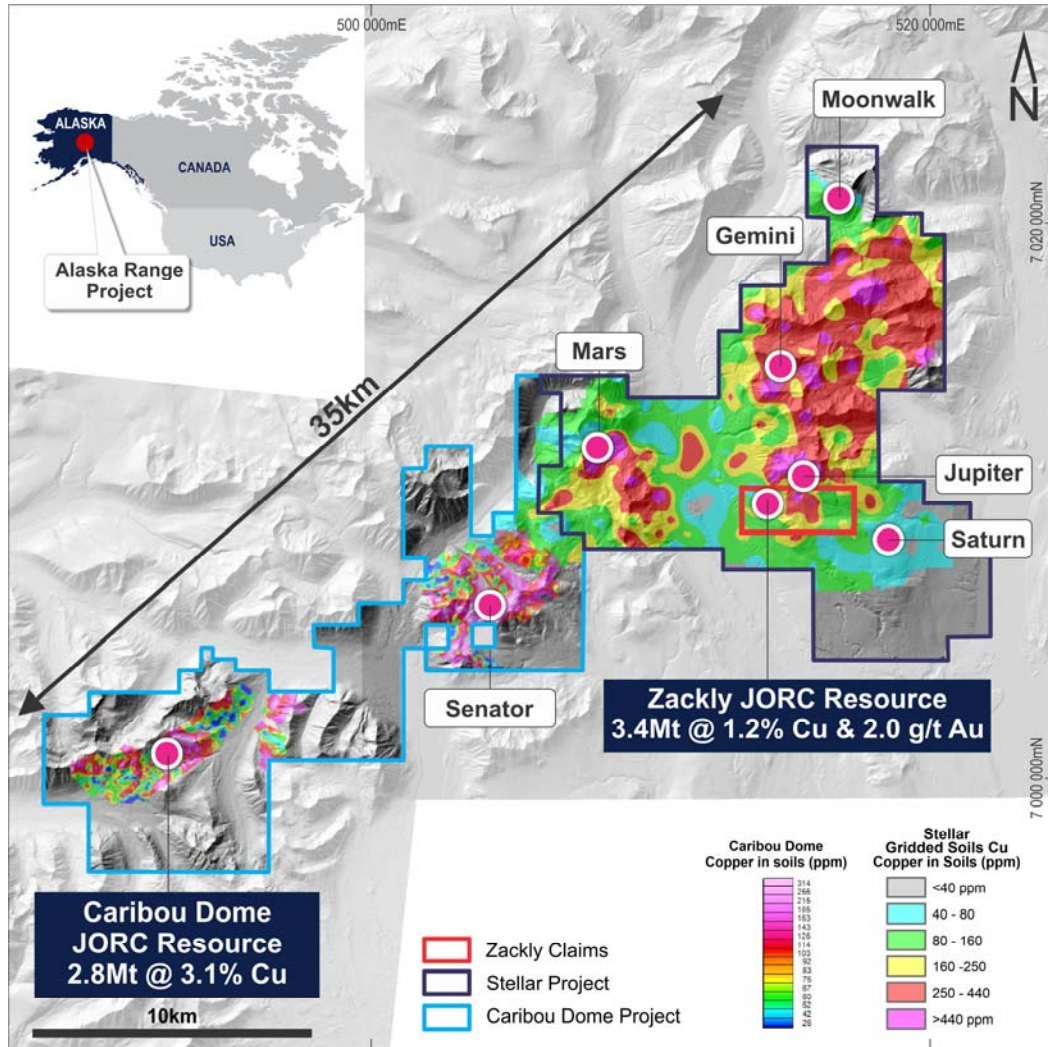


Figure 1. Map showing the Alaska Range Project.

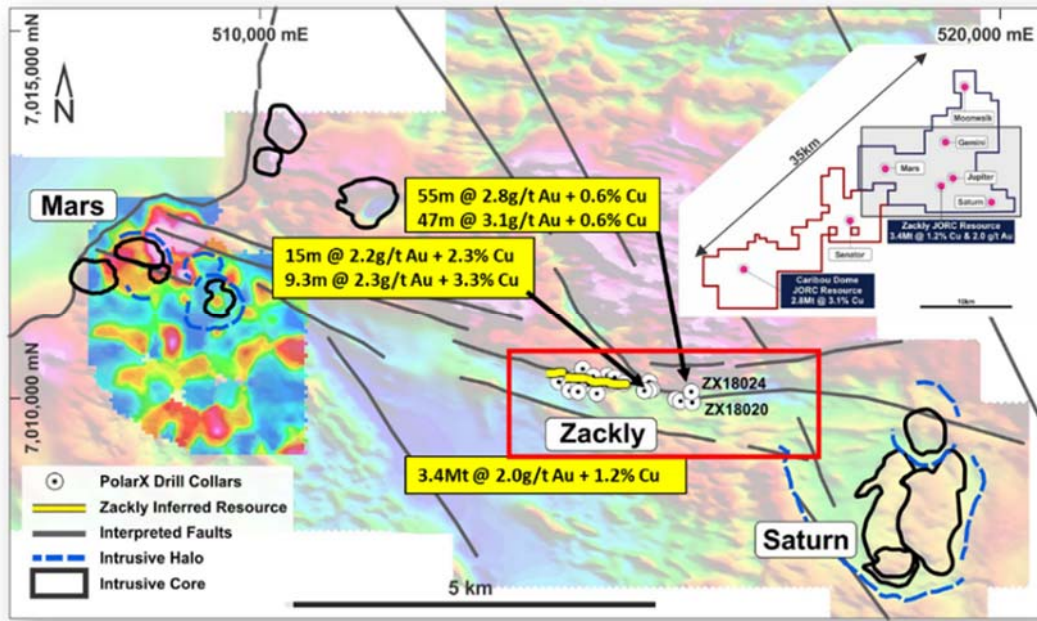


Figure 2. The Mars-Zackly-Saturn corridor showing the location of the main prospects on detailed aeromagnetic imagery.

Table 1. Alaska Range Project Resource Estimates (JORC 2012), 0.5% Cu cut-off grade

| | Category | Million Tonnes | Cu % | Au g/t | Ag g/t | Contained Cu (t) | Contained Cu (M lb) | Contained Au (oz) | Contained Ag (oz) |
|---------|-----------|----------------|------|--------|--------|------------------|---------------------|-------------------|-------------------|
| ZACKLY | Inferred | 3.4 | 1.2 | 2.0 | 14.0 | 41,200 | 91 | 213,000 | 1,500,000 |
| CARIBOU | Inferred | 1.6 | 3.2 | - | | 52,300 | 115 | - | - |
| DOME | Indicated | 0.6 | 2.2 | - | | 13,000 | 29 | - | - |
| | Measured | 0.6 | 3.6 | - | | 20,500 | 45 | - | - |
| | | | | | TOTAL | 127,000 | 280 | 213,000 | 1,500,000 |

ADDITIONAL DISCLOSURE

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this announcement has been presented in accordance with the JORC Code.

Information in this announcement relating to Exploration results is based on information compiled by Dr Frazer Tabeart (an employee and shareholder of PolarX Limited), who is a member of The Australian Institute of Geoscientists. Dr Tabeart has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Tabeart consents to the inclusion of the data in the form and context in which it appears.

There is information in this announcement relating to:

- (i) the Mineral Resource Estimate for the Caribou Dome Deposit (Alaska Range Project), which was previously announced on 5 April 2017;*
- (ii) the Mineral Resource Estimate for the Zackly Deposit (Alaska Range Project), which was previously announced on 20 March 2018; and*
- (iii) exploration results which were previously announced on 5 November 2018, 12 November 2018, 29 January 2019, 25 March 2019, 5 August 2019, 1 October 2019, 21 October 2019 and 19 November 2019.*

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

Forward Looking Statements:

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