

7 June 2019

Rights Issue to fund 2019 exploration programs at PolarX's Zackly and Caribou Dome prospects in the Alaska Range Project

Key Points:

- **Non-renounceable 1-for-7 rights issue at \$0.08 per share, to raise up to \$4.26M (before costs).**
- **Represents a 17.5% discount to closing price of PXX shares on 6 June 2019.**
- **Proceeds to primarily fund upcoming exploration at the Zackly and Caribou Dome prospects in the Alaska Range Project.**

PolarX Limited (ASX: PXX; **the Company** or **PolarX**) is pleased to announce the details of a \$4.26 million capital raising to fund the commencement of the 2019 exploration program at the Alaska Range Project.

The Company will undertake a non-underwritten 1-for-7 non-renounceable rights issue (**Entitlement Issue**) to raise up to \$4.26 million (before costs). The Entitlement Issue will comprise the issue of up to approximately 53,244,662 shares at an issue price of \$0.08 per share, which represents a 17.5% discount to the Company's closing share price on 6 June 2019.

The net proceeds from the Entitlement Issue will primarily be used to fund the Company's 2019 exploration program on the excluded Zackly claims and the Caribou Dome property, both of which fall outside the area covered by the strategic earn-in joint venture with Lundin Mining Corporation (refer ASX announcement of 4 June 2019). The planned program will comprise:

- Metallurgical test-work on Zackly Cu-Au mineralisation
- Core drilling program at Zackly to extend the deposit to the east around high grade intersections in 2018 drill holes ZX-18020, ZX-18024
- Re-assessment of Caribou Dome drill targets to extend existing high-grade mineralisation
- Ongoing environmental baseline studies for surface and ground water quality at Zackly and Caribou Dome
- Project generation activities to assess new Cu-Au opportunities in the region

Net proceeds from the Entitlement Issue will also be used for general working capital purposes. Refer to the Use of Funds table below for further details.

ENTITLEMENT ISSUE

The Entitlement Issue will be undertaken by way of a non-renounceable pro-rata offer to eligible shareholders, on the basis of one (1) shares (**New Shares**) for every seven (7) shares held by eligible shareholders registered at 5.00pm (WST) on 13 June 2019 (**Record Date**) at an issue price of \$0.08 per share to raise approximately \$4.26 million (before costs). The issue price of \$0.08 per share represents a 17.5% discount to the Company's closing share price on 6 June 2019.

On the basis that no further shares are issued or options exercised prior to the Record Date, the Company will issue up to 53,244,662 New Shares under the Entitlement Issue.

The Entitlement Issue is not underwritten.

The table below sets out the impact of the Entitlement Issue on the capital structure of the Company:

Event	Shares*	Number of unquoted options*
Balance at date of announcement of the Entitlement Issue	372,712,638	23,450,000
New securities to be issued under the Entitlement Issue	53,244,662	-
Total at completion of the Entitlement Issue	425,957,300	23,450,000

**Assumes maximum subscription under the Entitlement Issue and that no options are exercised prior to the Record Date.*

The New Shares issued under the Entitlement Issue will rank equally with the existing shares on issue.

ELIGIBLE SHAREHOLDERS

The Entitlement Offer is available to all Company shareholders who:

- Are registered as a holder of shares on the Record Date;
- Have a registered address in Australia, New Zealand, Canada, Singapore, Hong Kong or the United Kingdom;
- Are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds shares in the Company for the account or benefit of such person in the United States); and
- Are eligible under all applicable securities laws to receive an offer under the Entitlement Issue without any requirement for a prospectus or offer booklet to be lodged or registered.

SHORTFALL OFFER

A Shortfall Offer will allow Eligible Shareholders that have fully subscribed for their entitlement under the Entitlement Issue (**Entitlement**) to subscribe for additional New Shares in excess of their Entitlement (**Additional New Shares**). There is no guarantee that applicants will receive all or any of the Additional New Shares they apply for under the facility and the Directors reserve their right to allocate the Additional New Shares at their discretion.

Further details regarding the allocation policy will be included in the Offer Document.

INDICATIVE TIMETABLE

An indicative timetable for the Entitlement Issue is set out below.

Event	Date
Announce Entitlement Issue	7 June 2019
Lodge Appendix 3B and notice under section 708AA	7 June 2019
Send notice of Entitlement Issue to Shareholders	11 June 2019
Record Date for determining Entitlements (7.00pm Sydney time)	13 June 2019
Offer documents dispatched to Eligible Shareholders	18 June 2019
Opening date	18 June 2019
Closing date	27 June 2019
Notification of shortfall	2 July 2019
Anticipated date for issue of the Shares under the Entitlement Issue Deferred settlement trading ends	4 July 2019
Anticipated date for commencement of Shares trading on a normal settlement basis	5 July 2019

The Offer Document and a personalised entitlement and acceptance form will be sent to eligible shareholders in accordance with the above timetable.

The indicative timetable is subject to change and the Company reserves the right to withdraw or vary the timetable without notice, subject to compliance with the Corporations Act 2001 (Cth) and the Listing Rules.

In particular, the Company reserves the right to extend the closing date of the Entitlement Issue, to accept late applications under the Entitlement Issue without prior notice.

Any extensions of the closing date will have a consequential effect on the issue date of shares.

USE OF FUNDS

The Company intends to apply the funds raised from the Entitlement Issue in accordance with the table set out below:

Item of Expenditure	Amount (\$m)
Exploration at the Alaska Range Project, comprising: <ul style="list-style-type: none"> • Drilling at Zackly • Zackly metallurgical studies • Caribou Dome targeting • Regional targeting for new Cu-Au opportunities • Environmental base line studies at Zackly and Caribou Dome 	2.71
Working capital	1.50
Expenses of the Entitlement Issue	0.05
TOTAL	4.26

In the event that circumstances change or other opportunities arise, the Directors reserve the right to vary the proposed use of funds.

For further information please contact:

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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.