# PolarX Limited

**ABN 76 161 615 783**

Annual Report

30 June 2021

# CONTENTS


| | Page No |
|---|---|
| Corporate Directory | 3 |
| Review of Operations | 4 |
| Directors' Report | 18 |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 27 |
| Consolidated Statement of Financial Position | 28 |
| Consolidated Statement of Cash Flows | 29 |
| Consolidated Statement of Changes in Equity | 30 |
| Notes to the Consolidated Financial Statements | 31 |
| Directors' Declaration | 67 |
| Auditor's Independence Declaration | 68 |
| Independent Audit Report | 69 |
| Additional ASX Information | 73 |

# CORPORATE DIRECTORY

**Directors**

| | |
|---|---|
| Mr. Mark Bojanjac | Executive Chairman |
| Dr. Frazer Tabeart | Managing Director |
| Dr. Jason Berton | Executive Director |
| Mr. Robert Boaz | Non-Executive Director |

**Company Secretary**

Mr. Ian Cunningham

**Registered Office**

1/100 Railway Road
Subiaco WA 6008
Australia
Telephone: (+61 8) 9226 1356
Facsimile: (+61 8) 9226 2027

**Principal Place of Business**

Suite 1, 245 Churchill Avenue
Subiaco WA 6008
Australia
Telephone: (+61 8) 6465 5500
Facsimile: (+61 8) 6465 5599

**Share Register**

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
Perth WA 6000 Australia
Telephone: 1300 787 272
International: (61 8) 9323 2000
Facsimile: (61 8) 9323 2033

**Stock Exchange Listing**

Australian Securities Exchange
ASX Code: PXX

**Auditor**

Stantons
Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

# REVIEW OF OPERATIONS

During the financial year ended 30 June 2021 ("FY2021"), PolarX Limited ("PolarX" or "the Company") focussed on the exploration and development of the:

Alaska Range Project in Alaska, USA, which contains both the Stellar Gold Copper Project ("Stellar Project" – 100% owned), and Caribou Dome Copper Project ("Caribou Dome Project" – earning 80-90%); and

Humboldt Range Gold-Silver Project in Nevada, USA ("Humboldt Range Project"), the mining rights of which were acquired by the Company in early 2021.

## Project Overview


**Alaska Range: Stellar Property (100% PXX)**

- 3.4Mt @ 1.2% Cu + 2g/t Au + 14g/t Ag JORC at Zackly Project, open in all directions.
- New 2.6km long target confirmed in 2020 drilling.
- Highly prospective for large, bulk tonnage porphyry copper-gold deposits with maiden discovery (102m @ 0.22% Cu + 0.1g/t Au) at the Mars prospect
- Metallurgical test work underway on Zackly to assess gravity gold recovery and copper sulphide flotation
- Potential joint mining and co-processing options to be assessed in a mining scoping study commencing Q3 2021.

**Alaska Range: Caribou Dome Property (PXX earning up to 90%)**

- 2.8Mt @ 3.1% Cu JORC at Caribou Dome deposit, high grade surface zones at 4.4% Cu.
- Mineralisation open in all directions, and numerous untested IP/geochemical targets.
- 1,500m core drilling program commenced in Q3 2021 for infill (metallurgical test work) ad new IP/Geochem target testing.

**Humboldt Range (Nevada)**

- Located in Nevada, USA, a TIER-1 fiscal and geological jurisdiction.
- Lies between the 5 Moz Florida Canyon Gold mine, and the 400Moz Rochester Silver mine (which also contains 3.5Moz gold).
- Outcropping quartz veins and historical mines show numerous assays over 10g/t gold, with peak values of 3,384g/t gold, 4,800g/t silver, 22.9% lead and 3.1% Zinc.
- Major sampling program recently completed in preparation for maiden drilling.

# Alaska Range Project

## Overview

The Alaska Range Project comprises a contiguous package covering 262km$^2$ with ~35km strike length hosting extensive copper- and gold-in-soil anomalism consistent with several mineralised districts (Figure 1).

Previous campaigns by PolarX focussed on resource delineation drilling at the high-grade Caribou Dome VMS copper deposit (2.8Mt @ 3.1% Cu) and the high-grade Zackly Au-Cu-Ag skarn deposit (3.4Mt @ 2.0g/t Au, 1.2% Cu and 14.0g/t Ag) (refer Table 1).

Both deposits remain open at depth and along strike and are expected to increase in size with further drilling. A maiden mineral resource estimate for the Caribou Dome deposit was announced in April 2017 (Table 1). A maiden JORC Inferred Resource estimate for the Zackly Deposit was announced in March 2018 ("Zackly Resource") (refer Table 1). None of the successful new discoveries outside those resources have yet been incorporated into these estimates.

**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[1] | **Inferred** | **3.4** | **1.2** | **2.0** | **14.0** | **41,200** | **91** | **213,000** | **1,500,000** |
| CARIBOU DOME[2] | **Measured** | **0.6** | **3.6** | **-** | | **20,500** | **45** | **-** | **-** |
| | **Indicated** | **0.6** | **2.2** | **-** | | **13,000** | **29** | **-** | **-** |
| | **Inferred** | **1.6** | **3.2** | **-** | | **52,300** | **115** | **-** | **-** |
| | | | | | **TOTAL** | **127,000** | **280** | **213,000** | **1,500,000** |

***Notes:***

1. *Refer to the ASX announcement of 20 March 2018 for full details on the Stellar Project Resource Estimate, including applicable technical information and reporting criteria. During FY2021 there was no change to the reported Zackly Resources Estimate reported as at 30 June 2020.*
2. *Refer to the ASX announcement of 5 April 2017 for full details on the Caribou Dome Project Resource Estimate, including applicable technical information and reporting criteria. During FY2021 there was no change to the Caribou Dome mineral resources estimate reported as at 30 June 2020.*

### *Scoping Study assessing Mining Potential*

In conjunction with the 2021 drilling program at Caribou Dome (refer *Stellar Project Exploration Program* and *Caribou Dome Project* sections further below), the Company has commenced a scoping study to evaluate combined mining and processing of Zackly East, Caribou Dome and Zackly Main mineralisation. This will help determine a minimum resource size required for a viable project and to assess whether the Caribou Dome Deposit can be mined on a campaign basis and processed at Zackly. As part of this study, a metallurgical test work program is underway to evaluate processing options for the Zackly mineralisation and the potential for co-processing with Caribou Dome mineralisation including:

- Initial work to evaluate gravity-recovery of coarse gold in the Zackly mineralisation.
- Evaluating subsequent flotation of the gravity circuit residue to recover copper sulphides, silver and any remaining gold.
- Comparing the above dual processing flow sheet recoveries with a single phase of flotation only.
- Comparing the above results with early Caribou Dome flotation results to evaluate co-processing or batch processing options.

***Porphyry Targets***

The regional geological setting, presence of large copper anomalies in soil sampling, and the occurrence of skarn mineralisation at Zackly strongly support the potential for major porphyry Cu-Au deposits in the Stellar Project.

Porphyry Cu-Au mineralisation was discovered by PolarX in the first ever drill hole at the Mars prospect in 2019, which intersected 102m @ 0.22% Cu and 0.1g/t Au in potassic alteration directly below a 1200m x 800m Cu-Mo-Au-As surface geochemical anomaly. This drill hole prematurely ended in mineralisation due to drill rig failure and warrants further drilling to extend and follow-up on this discovery.

Further drilling is also warranted at the Saturn porphyry target, with less advanced but highly compelling porphyry targets also noted at Jupiter and Gemini.

The Company is in active discussions with potential earn-in JV partners to fund a large porphyry exploration program but has been hampered by COVID-19 travel restrictions.

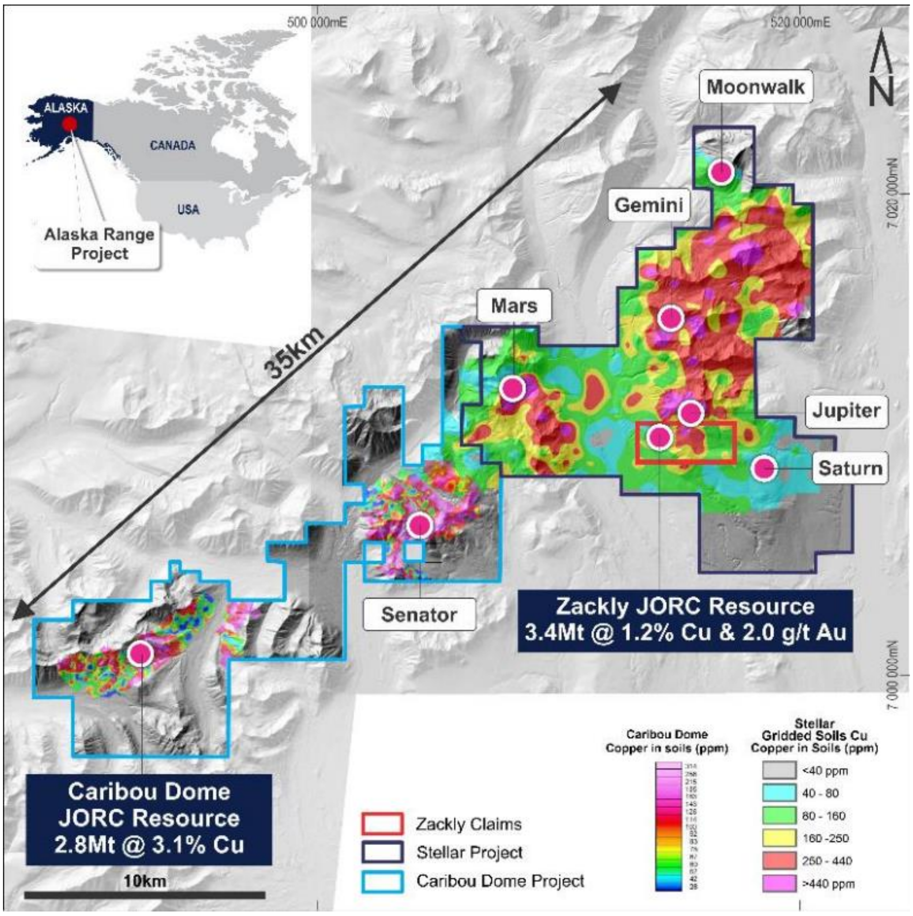


***Figure 1. Location map showing main deposits and prospects at the Stellar and Caribou Dome projects in central Alaska and showing regional copper geochemistry in soil sampling draped on digital elevation***

### Stellar Project Exploration Program

The FY2021 core drilling program commenced in July 2020 and focussed on the Zackly East mineralisation to the east of the discovery holes which previously intersected 55m @ 2.8g/t gold and 0.6% copper (hole ZX18020) and 47m @ 3.1g/t gold and 0.6% copper (ZX18024) in FY2020 (see Figure 2 for location).

**Table 2. Significant Assay Results for FY2021 Zackly East Drill Program**

| | From (m) | To (m) | Interval (m)[1] | Gold ppm | Cu % | Silver ppm |
|---|---|---|---|---|---|---|
| **ZX20035** | **46.94** | **58.52** | **11.58** | **1.76** | **0.38** | **4.36** |
| | incl 49.68 | 58.52 | 8.84 | 2.22 | 0.40 | 5.17 |
| **ZX20040** | **8.49** | **77.11** | **68.62** | **0.64** | **0.31** | **4.86** |
| | incl 8.49 | 11.57 | 3.08 | 1.57 | 0.20 | 3.79 |
| **ZX20046** | 3.05 | 8.53 | 5.48 | 0.31 | 0.73 | 4.20 |
| **ZX20047** | **65.00** | **80.77** | **15.77** | **0.51** | **0.11** | **1.78** |
| **ZX20049** | **28.35** | **30.48** | **2.13** | **1.00** | **1.98** | **22.40** |
| **ZX20056** | **1.70** | **58.74** | **57.04** | **0.19** | **0.26** | **3.96** |
| | incl 11.58 | 13.11 | 1.53 | 5.01 | 3.15 | 26.00 |

Thickness of mineralisation reported is down-hole thickness. There is currently insufficient interpretation of the mineralisation to confidently report “true widths”. It is however noted that mineralised lenses appear to dip obliquely to the drill holes, and as such it is probable that “true widths” will be less than the down-hole width.

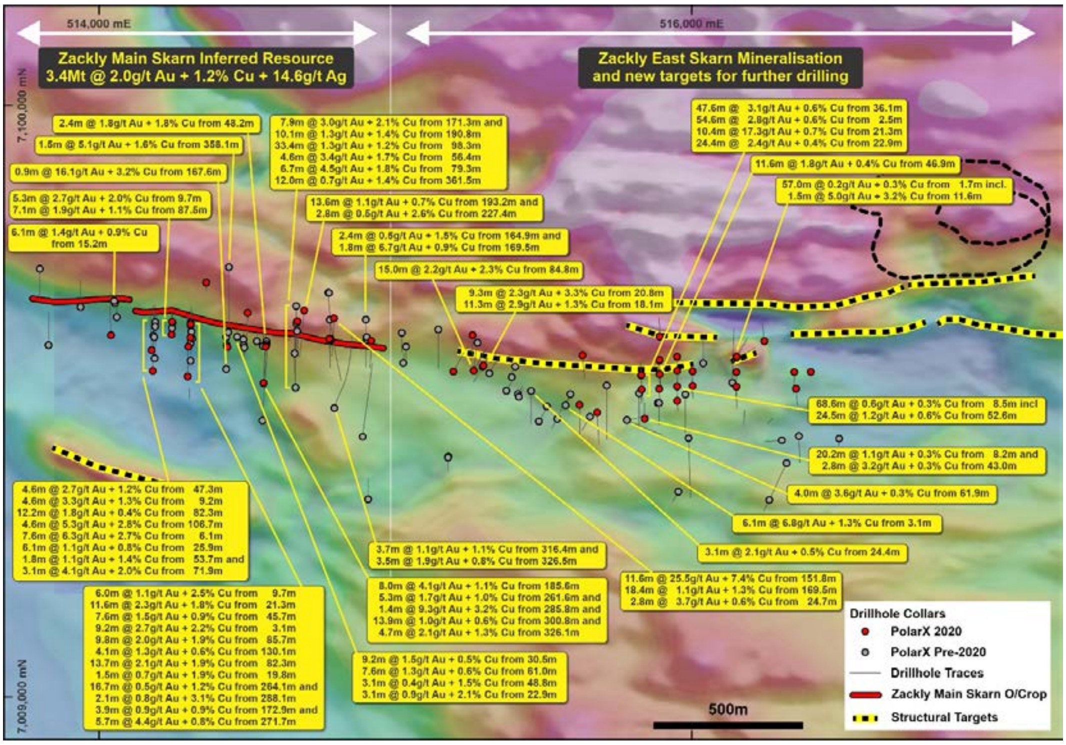


***Figure 2. Aeromagnetic map (RTP) showing PolarX (red drill collars) and pre-PolarX drilling and all significant assays to date. Drilling in FY2021 focussed to the east of the Zackly Main deposit (red line) which contains 3.4Mt @ 2.0g/t Au + 1.2% Cu.***

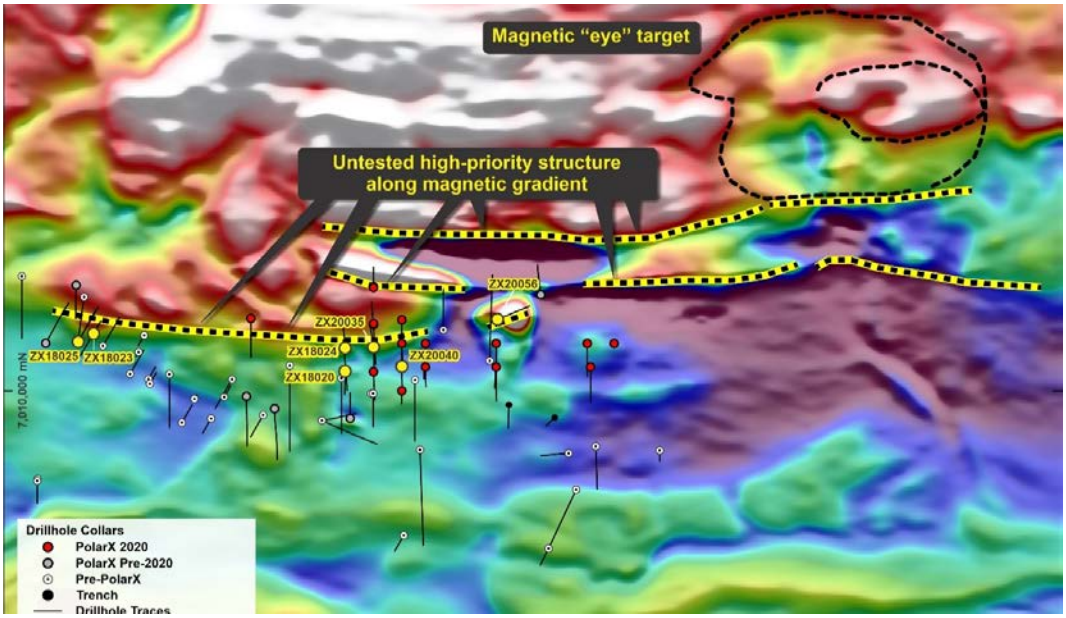


***Figure 3. Un-tested targets at Zackly East, including structures along strong magnetic gradients, and a new porphyry target (magnetic "eye") to the north and east of drilling***

The Company is compiling all available drilling data, surface geochemical sampling, geophysical surveying and spectral analysis into a detailed 3D model which will be used to formulate the next drilling program at Zackly. Over 2.6km of strike-length remains untested at Zackly East (Figure 3), and Zackly Main remains open at depth and down-plunge to the north.

In addition to the Zackly skarn mineralisation, ultra-high-resolution magnetic data acquired in 2020 has highlighted a potential porphyry target to the north and east of current drilling, in which a magnetic high is surrounded by a magnetic low, producing an "eye" structure consistent with geophysical models of porphyry style mineralisation (Figure 3). This target has never been drilled and is a high priority for follow-up.

**Caribou Dome Project**

During FY2021 the Company secured more favourable amendments to the terms of its right to acquire the Caribou Dome Project (refer details in Note 17 to the financial statements), which comprises

(i) an 80% interest in the Caribou Dome copper deposit, and
(ii) a 90% interest in the adjacent Senator property.

The Company is currently undertaking a 1,500m core drilling program at the Caribou Dome Project, intended to:

1. Test three newly developed exploration targets each of which has the potential to host one or more massive sulphide lenses.

2. Provide high-grade copper sulphide samples for metallurgical testing to determine potential co-processing options with copper mineralisation from PolarX's 100% owned neighbouring high-grade Zackly copper-gold project.

PolarX has to date completed four initial holes, providing samples of copper mineralisation for metallurgical test work. The holes were drilled into zones of copper mineralisation hosted in massive to semi-massive sulphides as predicted by the resource block model used for resource estimation in April 2017.

Historical drilling used to estimate the maiden mineral resource estimate (2.8Mt @ 3.1% Cu, refer Table 1 and see Figure 4 below) indicate a very high probability that these fresh holes will contain significant grades of copper. Assays are in process at the date of this report.

**Caribou Dome Property: Very high-grade surface copper**

- 2.8Mt at 3.1% copper (0.5% Lower-cut) for 86,000t of contained Copper (JORC 2012)
- 60% in the top 150m including 935,000t @ 4.4%
- Drill intersections over >800m strike length
- Open in all directions
- Many un-tested 3D-IP and soil anomalies within 1km of mineral resource
- Can earn up to 80% by June 2024 spending US $1.6M or completing a feasibility study
- Additional metallurgical test work in 2021, more drilling and may be assessed as a satellite mining operation in the Zackly scoping study

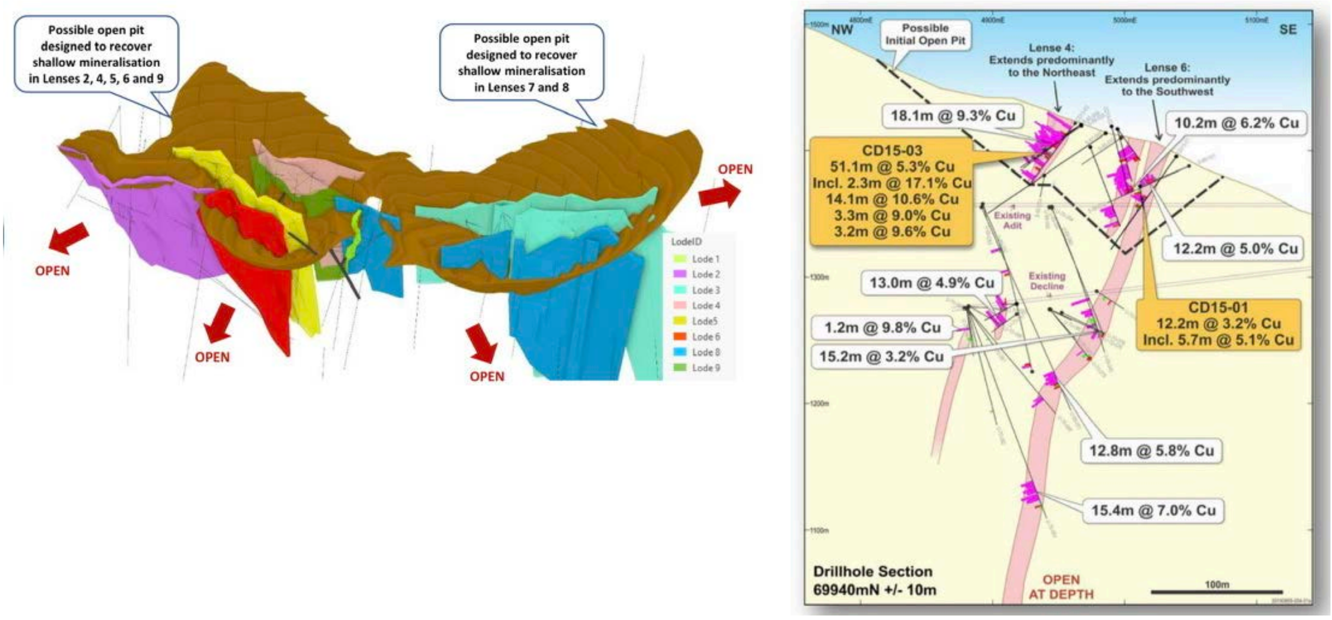


***Figure 4. showing 3D mineral resource estimate model and a cross-section at Caribou Dome***

Copper mineralisation at Caribou Dome occurs in nine currently known lenses of massive sulphide mineralisation. Previous exploration revealed these lenses show strong copper anomalism in surface soil sample assays and can also be broadly mapped/predicted using induced polarization (IP) geophysical surveys, displaying chargeability highs.

Following completion of the initial 4 holes, drilling is now currently testing three newly defined targets, all less than 500m from known mineralisation, and all showing surface copper anomalism and coincident 3D IP chargeability highs (Figures 5 and 6). Each target therefore has high potential to host one or more zones of mineralisation.

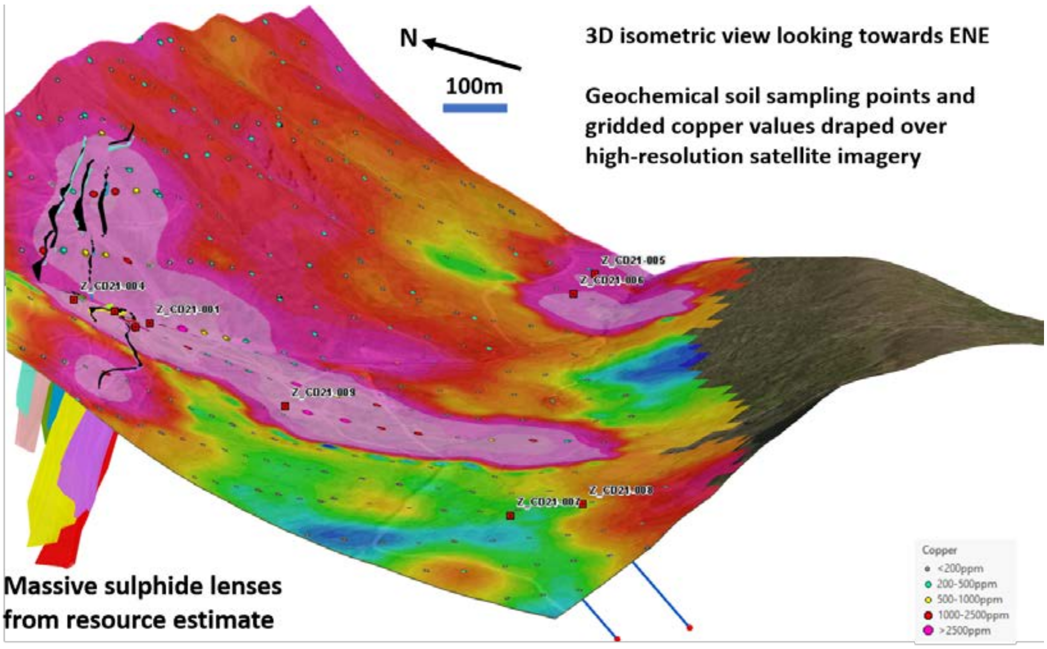


***Figure 5.** 3D isometric view of Caribou Dome showing copper anomalism in soil geochemistry draped on topography, and planned drill holes for current program.*

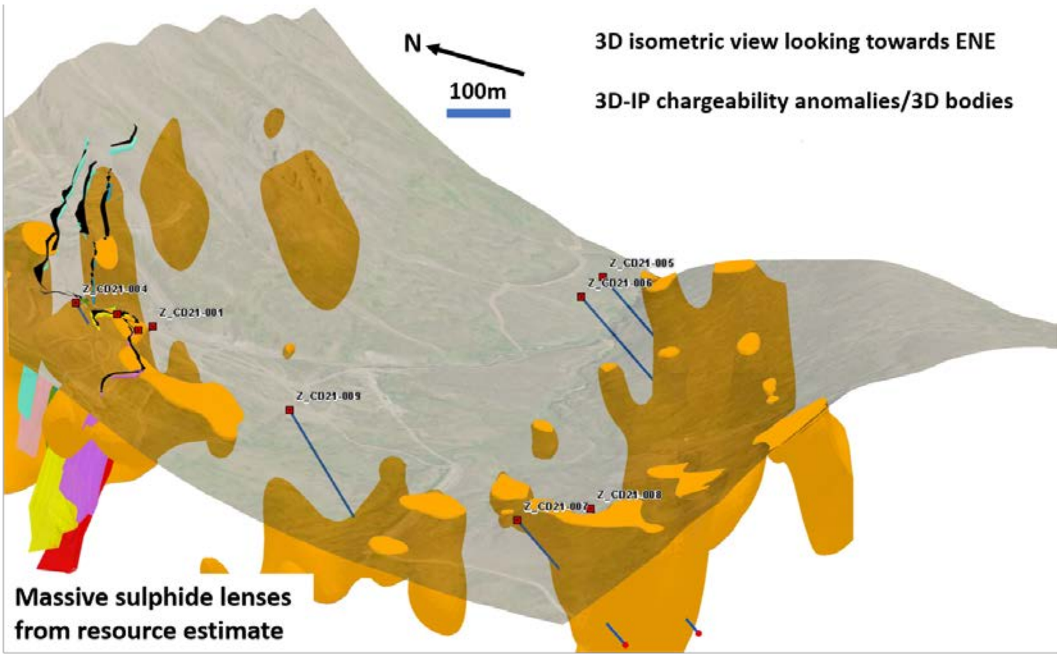


***Figure 6.** 3D isometric view of Caribou Dome showing 3D IP chargeability highs, relationship with known massive sulphide lenses, and drill holes planned for upcoming program. Holes Z_CD21-01 to Z_CD21-04 drilled into existing massive sulphide lenses. Holes Z_CD21-05 to Z_CD21-09 to test new co-incident IP and geochemical targets.*

# HUMBOLDT RANGE PROJECT

## Overview

During FY2021 the Company secured and subsequently exercised an option to acquire a Mine Lease Agreement ("MLA") over the highly prospective Humboldt Range Gold-Silver Project in Nevada, USA ("Humboldt Range Project").

The Humboldt Range Project currently comprises 318 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 Figures 7, 8 and 9).

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 both bonanza-style gold-silver mineralisation and bulk mineable gold-silver mineralisation, each 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 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.

PolarX's fieldwork completed at the Humboldt Range Project in FY2021 included:

- Integration of data collected by Renaissance Exploration Inc in 2015/16 into the PolarX database, including data related to vein sampling, soil sampling and geological mapping in the central part of the Fourth of July claims. These data were validated via assessment of assay certificates and field notes accompanying the sampling.
- Geological mapping over the entire claim block incorporating data from previous mapping by Renaissance Exploration Inc., Victoria Gold Corp, and the US Geological Survey.
- Systematic soil sampling on a notional 200m x 50m grid, was completed over the entire project with approximately 2200 soil samples and 150 rock chip samples collected and submitted for assay.
- Ultra-high-resolution drone orthophotography and digital terrain mapping for use as 3-D base maps was collected over the entire project.

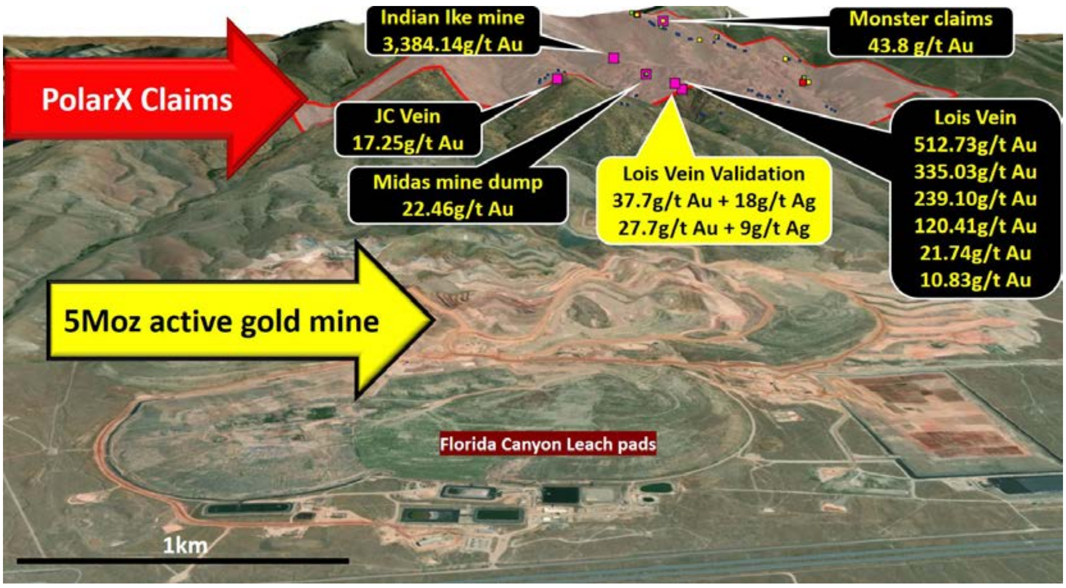


***Figure 7. 3D view of the Black Canyon claims situated in the hills less than 3km behind the operating Florida Canyon gold mine.***

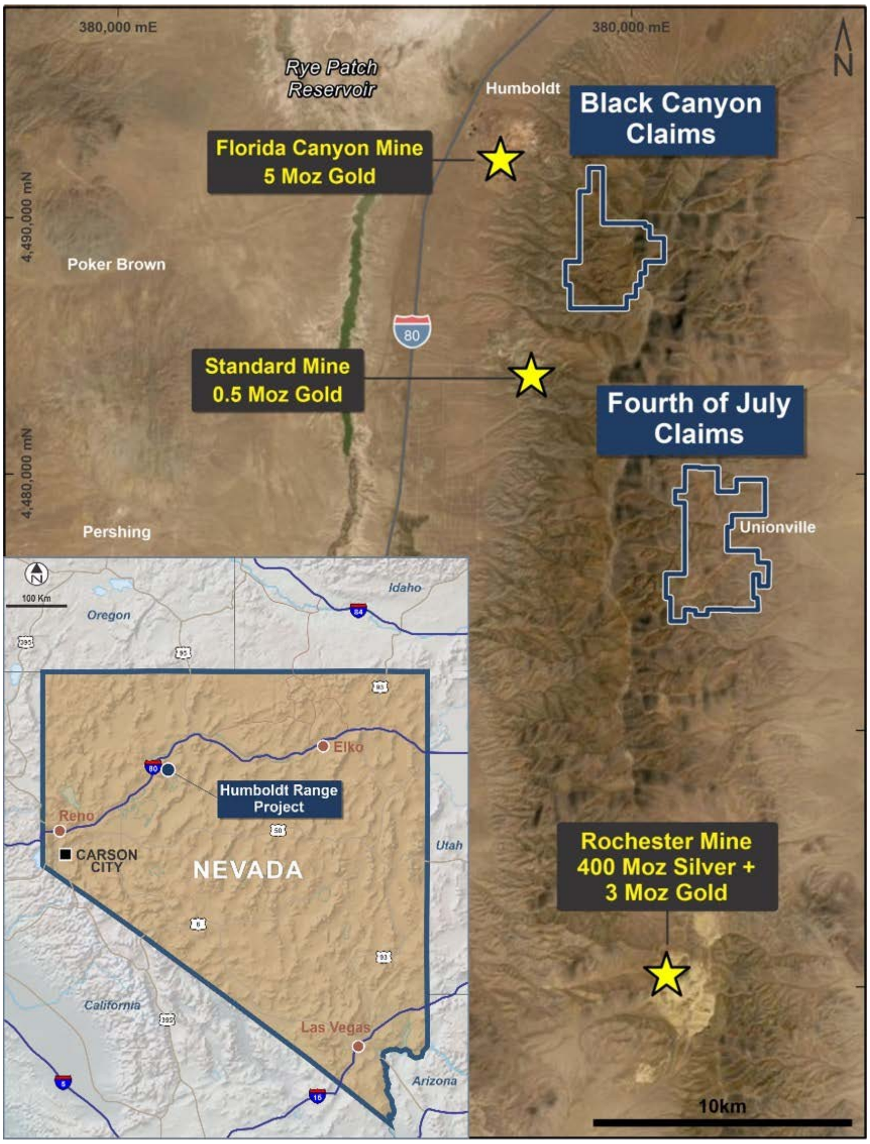


*Figure 8. Location map depicting Black Canyon and Fourth of July Claim Blocks, and proximal large-scale gold-silver mining operations.*

**FY2021 Exploration Program**

**Fourth of July**

Fourth of July is characterised by an abundance of silver anomalism prevalent over significant gold anomalism. This is broadly consistent with the nearby Rochester silver Mine's 400M oz silver and 3M oz gold.

Soil sampling on an E-W 200m x 50m grid was completed in the last quarter of FY2021, covering most the Fourth of July claims in the Humboldt Range Project (Figures 10 and 11). Assay results highlight large, coherent anomalies for both silver and gold, with key highlights being:

- The largest silver anomaly is broadly defined as >0.5g/t silver in soils and is over 3.5km long, up to 2km wide and with a peak value of 186g/t silver.
- Multiple rock-chip samples collected from veins within this very large silver anomaly assay over 60g/t silver, with eight samples > 1,000g/t and a peak value of 4,800g/t.
- Multiple gold in soil anomalies are also present, both associated with the large silver anomaly and in several stand-alone anomalies associated with known veins or extensions of known structures, or newly defined targets.
- Peak gold-in-soil anomalism is 413ppb gold, with anomalism >20ppb gold considered to be highly significant.


*Figure 9. Oblique view over the 400Moz silver & 3Moz gold Rochester Mine looking towards PolarX's Fourth of July Claims only 14km away in similar geology.*

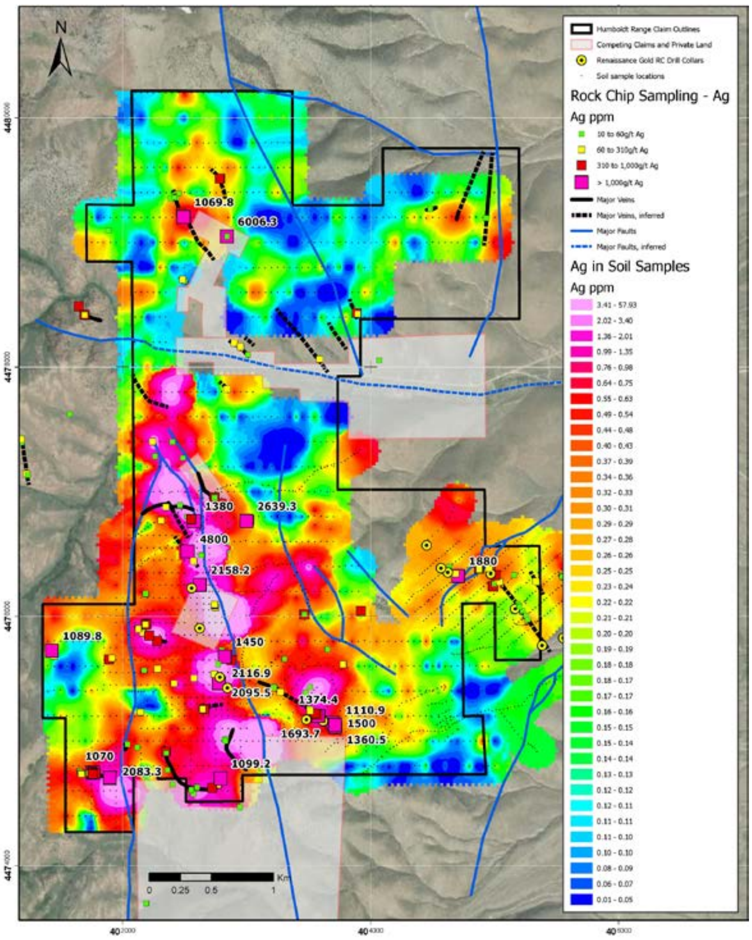


*Figure 10. Fourth of July - gridded image of silver in soil sampling overlain with rock-chip sample assays, labelled where >1,000g/t silver.*

The prominent, large silver anomaly occurs in the south-west part of the claims (Figure 10), associated with two major N-S striking faults which form the Arizona Graben.

The silver anomaly is over 3.5km long, up to 2km wide and has a peak value of 186g/t silver in the soils. Rock chip samples from quartz veins within the anomaly show high to very high levels of silver, with many samples containing more than 1,000g/t silver. Very limited historical RC drilling (7 holes by Renaissance Exploration Inc in 2015) was ever undertaken within this silver anomaly, which remains effectively untested.

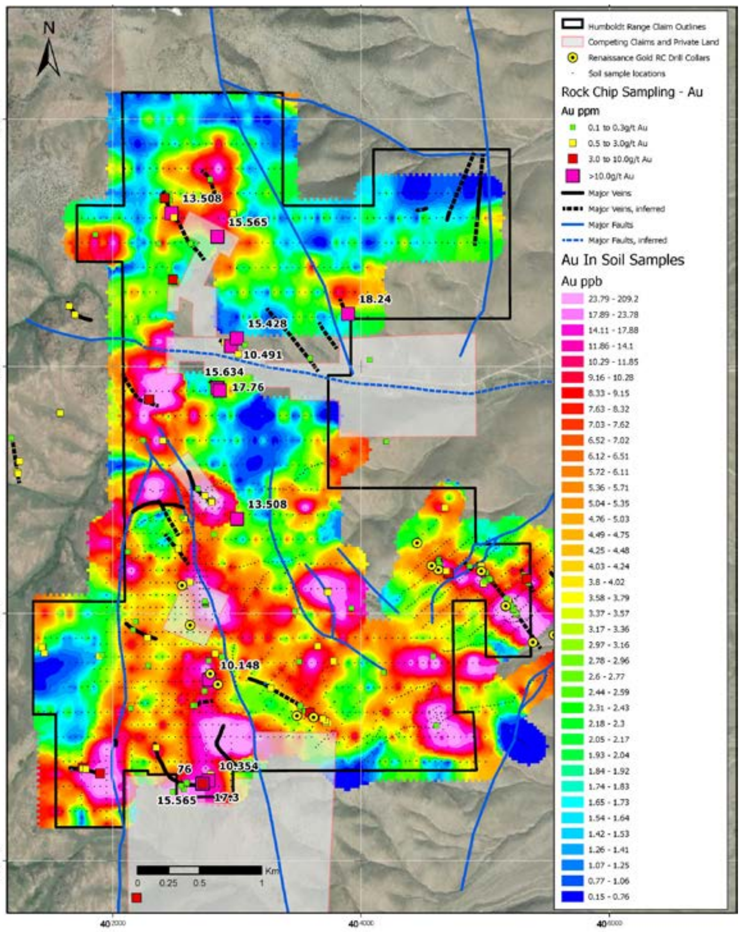


*Figure 11. Fourth of July - gridded image of gold in soil sampling overlain with rock-chip sample assays, labelled where >10g/t gold.*

Gold is also highly anomalous in the soil sampling in the Arizona Graben, particularly along the fault margins (Figure 11), also with strong supporting rock-chip samples from veins, with several samples over 10g/t gold, including a maximum of 76.0g/t at the Cottonwood vein.

There are also several other gold anomalies delineated in the soil samples. In some cases, these can be related to known veins and structures, but in other cases (for example, the extreme SE of the sampling grid), the gold anomalism represents new, previously undiscovered targets with no known surface expression (Figure 11).

**Black Canyon**

Black Canyon is characterised by high grade gold anomalism dominant over significant silver anomalism and is situated within only 3km of the neighbouring Florida Canyon Gold mine which hosts 5M oz gold in a bulk-processing operation.

Soil sampling on an E-W 200m x 50m grid was completed in the last quarter of FY2021 by PolarX, covering all the Black Canyon claims in the Humboldt Range Project. Geological mapping and rock-chip sampling of quartz veins was also undertaken, complementing previous sampling of this nature. Assay results highlight very large, coherent gold anomalies with key highlights being:

- Three significant gold anomalies greater than 50ppb gold in soils measure over 1.3km long (Figures 12 and 13).
- The largest, eastern anomaly measures 2.3km by 0.8km and contains up to 793ppb gold in the soils and up to 43.8g/t gold and 86.1g/t silver in rock-chip sampling in extensive quartz veins within the soil anomaly.
- The western anomaly measures 1.3km x 0.3km and contains up to 245.9ppb gold in the soils. At its northern end lies the Lois Vein system where several rock chip samples assayed over 100g/t gold, with a peak value of 512.7g/t gold in a 30cm wide quartz vein.
- The southern anomaly measures 1.4km x 0.5km with a peak value of 697.9ppb gold in the soils and up to 4.49g/t gold in rock-chip samples associated with multiple narrow quartz veins.

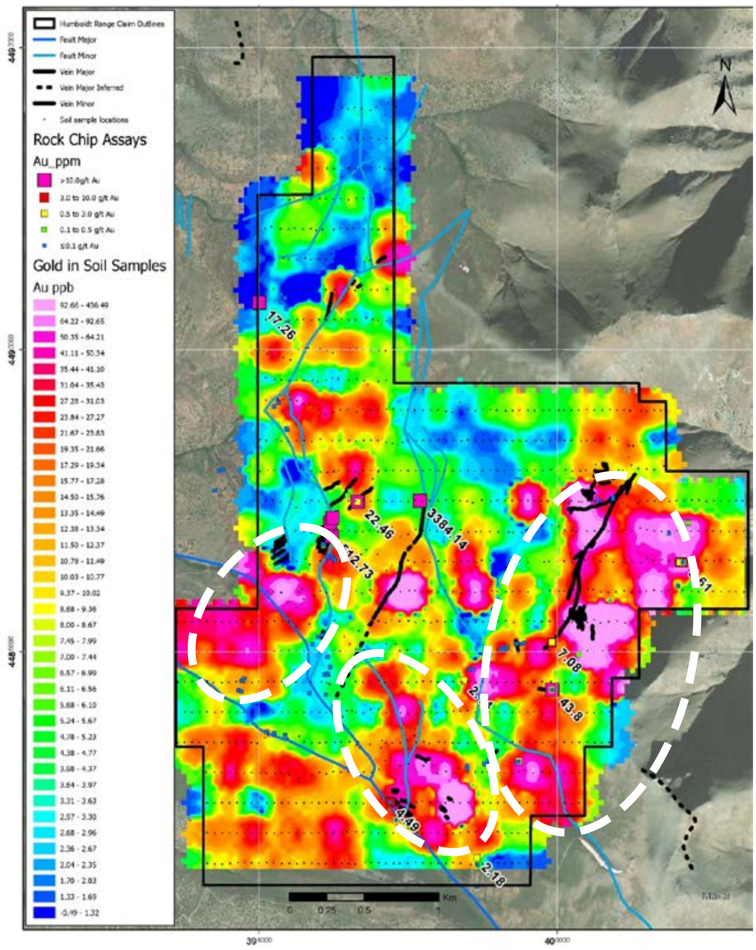


***Figure 12. Black Canyon - gridded image of gold in soil sampling overlain with rock-chip sample assays, labelled where >2g/t gold.***

The Eastern anomaly is the largest soil anomaly and measures 2,300m long and 800m wide. This anomaly is associated with outcropping mineralised quartz veins on a steep east facing slope which has never been previously sampled. The vein system has been mapped over a length of at least 1,300m with veins samples from its southern end assaying 7.8g/t gold. Another vein 250m away returned an assay of 43.8g/t gold from a narrow quartz vein associated with old workings.

Maximum gold-in-soil values of 793.1ppb and 782.1ppb occur in this anomaly. The eastern part of the soil anomaly has no outcropping quartz veins but does contain minor historic workings. Field validation of this entire anomaly will occur in mid-September 2021 to plan specific drill targets.

The western and southern soil anomalies each exceed 1,300m length and are between 300m and 500m wide. Key attributes of each are:

- Western anomaly: 1300m x 300m, peak value of 245.9ppb gold-in-soils, with narrow quartz veins in the Lois Vein area assaying 512.73g/t, 335.03g/t, 239.1g/t, 120.41g/t, 37.7g/t, 27.7g/t, 21.7g/t, 10.83g/t gold.
- Southern anomaly: 1,400m x 500m, peak value of 697.9ppb gold-in-soils, with gold-bearing veins on the south-west edge of the anomaly up to 4.49g/t gold.
- Each of these three anomalies has large scale which may indicate bulk-mineable targets like the nearby 5m oz Florida Canyon Gold Mine, which lies within only 3km to the NW (Figure 13).

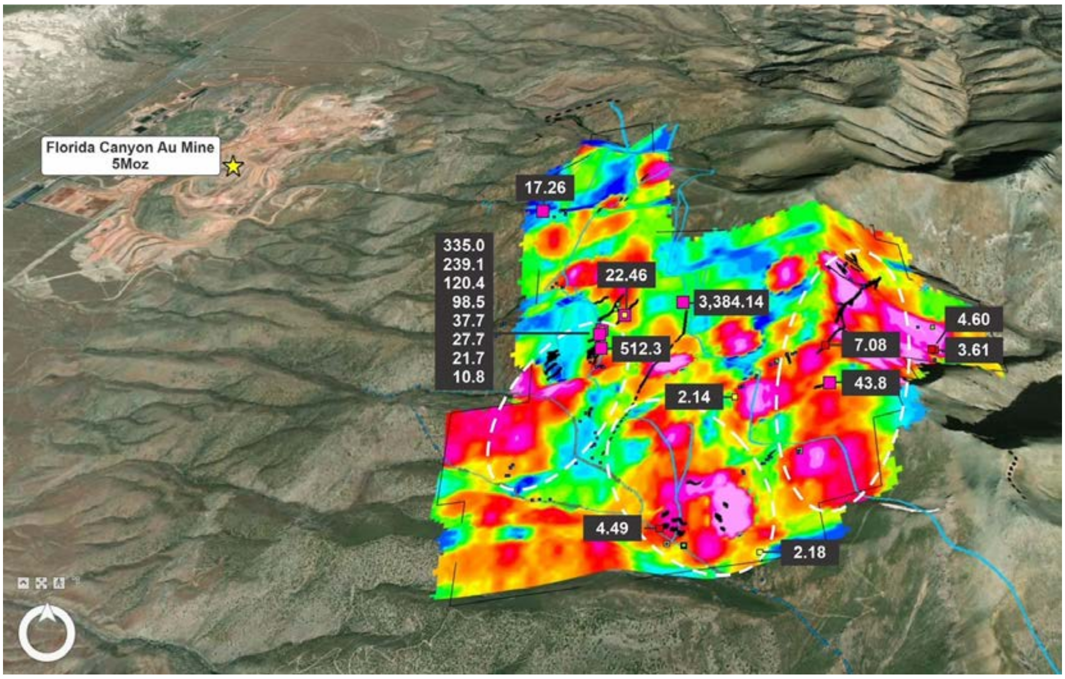


***Figure 13. Oblique 3D view of the Black Canyon claims showing gold grades in g/t and proximity to the large 5Moz Florida Canyon gold mining and heap leach operation - within only 3km to the west of PolarX's claims.***

The geochemical soil sampling anomalies at the Humboldt Range Project coincide with mapped geological structures and known mineralised quartz veins but have also highlighted additional areas for further evaluation. Field evaluation is now underway to generate drill targets, with permitting for drilling to commence immediately thereafter.

## Corporate

A summary of significant corporate activities that have taken place during the reporting period is as follows:

- On 17 July 2020, the Company completed a share purchase plan, pursuant to which the Company issued 26,315,719 ordinary shares (Shares) at an issue price of $0.038 per Share to raise gross proceeds of $1 million;

- On 17 February 2021, the Company completed a share placement, pursuant to which the Company issued 125,000,000 Shares at an issue price of $0.04 per Shares to raise gross proceeds of $5 million; and

- On 31 March 2021, the Company issued 5,000,000 Shares as part consideration to acquire a Mine Lease Agreement over the Humboldt Range Project (refer Note 17 to the financial statements for details on the remaining obligations).

As of the date of this report, the Company had on issue 672,216,731 Shares and 37,000,000 unlisted options.

### 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 report has been presented in accordance with the JORC Code.

Information in this report relating to Exploration results is based on information compiled by Dr Frazer Tabeart (a director 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.

In relation to the disclosure of visual mineralisation, the Company cautions that the massive sulphides pictured above are extremely fine grained, making visual recognition of copper sulphide species difficult. Furthermore, the Company cautions that visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analysis. Laboratory assay results are required to determine the widths and grade of the visible mineralisation reported in preliminary geological logging. The Company will update the market when laboratory analytical results become available.

#### Previously Reported Results

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 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, 19 November 2019, 20 January 2020, 19 May 2020 and 14 September 2020.*

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 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 report is based on numerous assumptions and is subject to all 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.

## DIRECTORS

The names, qualifications and experience of the Directors in office during or since the end of the financial year are as follows:

| | |
|---|---|
| **Mark Bojanjac** | Executive Chairman |
| *Qualifications* | BCom, ICAA |
| *Experience* | Mr Bojanjac is a Chartered Accountant with over 25 years' experience in developing resource companies. Mr Bojanjac was a founding director of Gilt-Edged Mining Limited which discovered one of Australia's highest-grade gold mines and was managing director of a public company which successfully developed and financed a 2.4m oz gold resource in Mongolia.<br>Mr Bojanjac was most recently Chief Executive Officer of Adamus Resources Limited and oversaw its advancement from an early-stage exploration project through its definitive feasibility studies and managed the debt and equity financing of its successful Ghanaian gold mine |
| *Interest in shares* | 1,000,000 ordinary shares |
| *Options* | 5,000,000 unlisted options exercisable at $0.125 on or before 20 December 2021 |
| *Other Current Directorships* | Kula Gold Limited<br>Metallica Minerals Limited |
| *Former Directorships in last 3 years* | Geopacific Resources Limited |
| **Frazer Tabeart** | Managing Director |
| *Qualifications* | Ph.D, B.Sc (Hons), ARSM, MAIG |
| *Experience* | Dr. Tabeart is a geologist with over 30-years' international experience in exploration and project development, with strong technical background in porphyry copper-gold systems in SE Asia, SW Pacific, the American Cordillera and central and northern Asia. After spending 16 years with WMC Resources and managing exploration portfolios in the Philippines, Mongolia and Africa, he left to join the Mitchell River Group where he is currently a Director and Principal.<br>Dr. Tabeart has served on ASX-listed Company Boards at Executive level over last 14 years. |
| *Interest in shares* | 5,755,657 ordinary shares |
| *Options* | 5,000,000 unlisted options exercisable at $0.125 on or before 20 December 2021 |
| *Other Current Directorships* | African Energy Limited<br>Arrow Minerals Limited |
| *Former Directorships in* last 3 years | Nil |
| **Jason Berton** | Executive Director |
| *Qualifications* | Ph.D, B.Sc (Hons), MAusIMM |
| *Experience* | Dr. Berton is a geologist with over 18 years' mining and exploration experience including working for Homestake, Barrick and BHP Billiton and SRK Consulting. Dr Berton has also previously spent two years in private equity investment and four years as Managing Director of ASX- listed Estrella Resources.<br>Dr. Berton holds two Degrees, a Bachelor of Economics and a Bachelor of Science (Hons) plus a PhD in Structural Geology, all from Macquarie University. |
| *Interest in shares* | 14,664,938 ordinary shares. |
| *Options* | 5,000,000 unlisted options exercisable at $0.125 on or before 20 December 2021 |
| *Other Current Directorships* | Nil |
| *Former Directorships in last 3 years* | Nil |

| | |
|---|---|
| **Robert Boaz** | Independent Non-Executive Director |
| *Qualifications* | Honors B.A., M.A. Economics |
| *Experience* | Mr Boaz graduated with honours from McMaster University of Hamilton, Ontario with a Bachelor of Arts in Economics and has a Masters Degree in Economics from York University in Toronto. He is a highly respected financial and economic strategist in Canadian bond and equity markets with experience related to equity research, portfolio management, institutional sales and investment banking.<br>Mr Boaz has over 20 years' experience in the finance industry, most recently as Managing Director, Investment Banking with Raymond James Ltd and Vice-President, Head of Research and in-house portfolio strategist for Dundee Securities Corporation.<br>Mr Boaz is the former President & CEO of Aura Silver Resources Inc. |
| *Interest in shares* | None |
| *Options* | None |
| *Other Current Directorships* | Nil |
| *Former Directorships in last 3 years* | Aura Silver Resources Inc.<br>Renaissance Gold Inc<br>Caracara Silver Inc. |

**RESULTS OF OPERATIONS**

The Group's total comprehensive loss for the year attributable to the members was $2,966,890 (2020: $8,498,710).

**DIVIDENDS**

No dividend was paid or declared by the Group in the year and up to the date of this report.

**CORPORATE STRUCTURE**

PolarX Limited is an Australian registered public company limited by shares.

**NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES**

During the financial year, the Group's principal activity was mineral exploration. The Group currently holds interests in copper, gold and silver exploration projects in Nevada and Alaska USA. During the 2021 financial year, there were no changes in the principal activities from the prior financial year.

**EMPLOYEES**

The Group had one employee at 30 June 2021 (2020: one employee).

**REVIEW OF OPERATIONS**

A detailed summary of the Group's operations during the year, including significant changes in the state of affairs, are detailed in the Review of Operations.

**SIGNIFICANT EVENTS AFTER THE REPORTING DATE**

On 28 July 2021, 5,000,000 Options exercisable at $0.05 with a three-year expiry were issued as part consideration technical consulting services.

On 20 September 2021, the Group received a third-party complaint from Great American Minerals Exploration Inc. ("GAME") in relation to the alleged breach of the underlying option agreement over the non-core Uncle Sam Gold Project. Pursuant to the complaint GAME is seeking, inter alia, to recover alleged payments to the Group totaling US$174,550. Further details are disclosed in Note 28 to the financial statements.

No other significant events have occurred subsequent to the balance sheet date but prior to the date of this report that would have a material impact on the consolidated financial statements.

**LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

The Group will continue to carry out its business plan, by:

- continuing to explore the Alaska Range and Humboldt Range projects and advance the projects towards development;
- continuing to meet its commitments relating to exploration tenements and carrying out further exploration, permitting and development activities; and

- prudently managing the Group's cash to be able to take advantage of any future opportunities that may arise to add value to the business.

**ENVIRONMENTAL REGULATION AND PERFORMANCE**

The Group carries out operations that are subject to environmental regulations under Federal and State legislation in the USA. The Group has procedures in place to ensure regulations are adhered to. The Group is not aware of any breaches in relation to environmental matters.

**SHARE OPTIONS**

There were 32,000,000 options over unissued Shares at 30 June 2021. During the 2021 financial year:

- the Company issued 3,000,000 options, exercisable at $0.05 on or before 01 November 2023 to consultants; and
- no options were exercised.

Since the end of the financial year:

- a further 5,000,000 options have been issued; and
- no options have been exercised or expired.

The details of the options on issue at the date of this report are as follows:

| Number | Exercise Price | Expiry Date |
|---|---|---|
| 29,000,000 | $0.125 | 20 December 2021 |
| 3,000,000 | $0.05 | 01 November 2023 |
| 5,000,000 | $0.05 | 26 July 2024 |

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

There were 672,216,731 Shares on issue at the reporting date.

**INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

The Company has made agreements indemnifying all the Directors and Officers of the Company against all losses or liabilities incurred by each Director or Officer in their capacity as Directors or Officers of the Company to the extent permitted by the *Corporations Act 2001*. The indemnification specifically excludes wilful acts of negligence. The Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current Officers of the Company, including Officers of the Company's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Officers in their capacity as officers of entities in the Group. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

## DIRECTORS' MEETINGS

During the financial year, in addition to regular informal Board operational discussions and decisions made via circulating resolutions, the number of formal Directors' meetings (including meetings of Committees) held during the year, and the number of formal meetings attended by each Director were as follows:

| | Directors Meetings | | Audit Committee Meetings | |
|---|---|---|---|---|
| Name | Number Eligible to Attend | Number Attended | Number Eligible to Attend | Number Attended |
| Mark Bojanjac | 1 | 1 | 2 | 2 |
| Frazer Tabeart | 1 | 1 | - | - |
| Jason Berton | 1 | 1 | - | - |
| Robert Boaz | 1 | 1 | 2 | 2 |

## PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

## CORPORATE GOVERNANCE

The Board of Directors is responsible for the overall strategy, governance and performance of the Company. The Board has adopted a corporate governance framework which it considers to be suitable given the size, nature of operations and strategy of the Company. To the extent that they are applicable, and given its circumstances, the Company adopts the eight essential Corporate Governance Principles and Recommendations (4th Edition) ('Recommendations') published by the Corporate Governance Council of the ASX. The Company's Corporate Governance Statement and Appendix 4G, both of which have been lodged with ASX, are available on the Company's website: www.polarx.com.au.

## AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Group's auditors to provide the Directors of PolarX with an Independence Declaration in relation to the audit of the full-year financial report. A copy of that declaration is included at page 68 of this report. There were no non-audit services provided by the Group's auditor.

## REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and other key management personnel of the Group in accordance with the requirements of the *Corporations Act 2001* and its *Regulations*. For the purpose of this report, Key Management Personnel (KMP) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the Parent entity.

### Details of Directors and Key Management Personnel

The directors and other KMP of the Group during or since the end of the financial year were:

***Non-Executive Directors***

| | |
|---|---|
| Mr. Robert Boaz | Non-Executive Director |

***Executive Officers (KMP)***

| | |
|---|---|
| Mr. Mark Bojanjac | Executive Chairman |
| Dr. Frazer Tabeart | Managing Director |
| Dr. Jason Berton | Executive Director |
| Mr. Ian Cunningham | Chief Financial Officer and Company Secretary |

**Remuneration Policy**

In the absence of a remuneration committee, the Board is responsible for determining and reviewing compensation arrangements for the Directors and executives. The key principles which apply in determining remuneration structure and levels are:

- set competitive fixed remuneration packages to attract and retain high calibre directors and executives;
- structure variable remuneration rewards to reflect the stage of development of the Company's operations; and
- establish appropriate performance hurdles for variable executive remuneration.

The Board undertakes an annual review of remuneration arrangements and may seek Independent external advice if required but did not employ a remuneration consultant during the year ended 30 June 2021.

The structure of Non-Executive Director and Executive remuneration is separate and distinct.

*Non-Executive Director Remuneration*

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of high calibre, whilst incurring costs that are acceptable to shareholders.

In accordance with the Company's Constitution and the ASX Listing Rule, the maximum aggregate remuneration that may be paid to Non-Executive Directors is currently set at $200,000 per annum. The amount of aggregate remuneration and the manner is which is apportioned is reviewed annually. The Board considers the fees paid to non-executive directors of comparable companies and external advice (if required), when undertaking the annual review process.

*Executive Director and Senior Manager Remuneration*

Remuneration consists of fixed and variable components (currently comprising a long-term incentive scheme).

Fixed remuneration currently consists of cash remuneration. Fixed remuneration levels are reviewed annually by the Board, taking into consideration past performance, time commitments, relevant market comparatives and the Company's stage of development. The Board has access to external advice if required.

The Board determines the appropriate form and levels of variable remuneration as and when they consider rewards are warranted. Variable remuneration currently consists of equity-based incentives (e.g. share options), which are currently considered to be the most effective and appropriate form of long-term incentives given the Company's financial resources and stage of development. The objective of the equity-based incentives is to link the variable remuneration to the achievement of key operational targets and shareholder value creation.

The table below shows the performance of the Group as measured by loss per share for the current and previous four years:

| As at 30 June | 2021 | 2020 | 2019 | 2018 | 2017* |
|---|---|---|---|---|---|
| Loss per share (cents) | $0.22 | $2.13 | $0.55 | $0.64 | $1.05 |
| Share price at reporting date (cents) | 3.1 | 3.4 | 9.0 | 8.0 | 8.0 |

*adjusted on a post-Consolidation basis

Details of the nature and amount of each element of the emolument of Directors and KMP of the Company for the financial year are as follows:

| Director | Base Salary $ | Short Term Benefits Director Fees $ | Consulting Fees $ | Super-annuation $ | Equity Share Based Payments – Options $ | Total $ | Equity based remuneration % |
|---|---|---|---|---|---|---|---|
| **2021** | | | | | | | |
| *Non-Executive Directors* | | | | | | | |
| Robert Boaz | - | 22,500 | - | - | - | 22,500 | - |
| *Executive Officers (KMP)* | | | | | | | |
| Mark Bojanjac | - | - | 230,000 | - | 7,990 | 237,990 | 3.3 |
| Frazer Tabeart | - | - | 202,500 | - | 7,990 | 210,490 | 3.8 |
| Jason Berton | - | - | 182,500 | - | 7,990 | 190,490 | 4.2 |
| Ian Cunningham | - | - | 140,000 | - | - | 140,000 | - |
| | **-** | **22,500** | **755,000** | **-** | **23,970** | **801,470** | **3.0** |
| **2020** | | | | | | | |
| *Non-Executive Directors* | | | | | | | |
| Robert Boaz | - | 22,500 | - | - | - | 22,500 | - |
| *Executive Officers (KMP)* | | | | | | | |
| Mark Bojanjac | - | - | 180,000 | - | 39,431 | 219,431 | 18.0 |
| Frazer Tabeart | - | - | 140,000 | - | 39,431 | 179,431 | 22.0 |
| Jason Berton | - | - | 156,750 | - | 39,431 | 196,181 | 20.1 |
| Ian Cunningham | - | - | 140,000 | - | 8,837 | 148,837 | 5.9 |
| | **-** | **22,500** | **616,750** | **-** | **127,130** | **766,380** | **16.6** |

There were no other key management personnel of the Group during the financial years ended 30 June 2021 and 30 June 2020.

The share options issued as part of the remuneration to the Non-Executive Director were subject to vesting conditions, designed to secure his ongoing commitment to the Group.

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

| Name | Grant Date | Grant Number | Second Vesting Date[)] | Expiry Date / Last Exercise Date | Average Fair Value per Option at Grant Date | Exercise Price per Option | Total Value Granted $ | Vested | % Vested |
|---|---|---|---|---|---|---|---|---|---|
| Mark Bojanjac | 21/12/18 | 2,000,000 | 1 | 20/12/21 | $0.0235 | $0.125 | $47,000 | - | - |
| | 21/12/18 | 2,000,000 | 2 | 20/12/21 | $0.0120 | $0.125 | $23,970 | - | - |
| | 21/12/18 | 1,000,000 | 3 | 20/12/21 | $0.0235 | $0.125 | $23,500 | - | - |
| Frazer Tabeart | 21/12/18 | 2,000,000 | 1 | 20/12/21 | $0.0235 | $0.125 | $47,000 | - | - |
| | 21/12/18 | 2,000,000 | 2 | 20/12/21 | $0.0120 | $0.125 | $23,970 | - | - |
| | 21/12/18 | 1,000,000 | 3 | 20/12/21 | $0.0235 | $0.125 | $23,500 | - | - |
| Jason Berton | 21/12/18 | 2,000,000 | 1 | 20/12/21 | $0.0235 | $0.125 | $47,000 | - | - |
| | 21/12/18 | 2,000,000 | 2 | 20/12/21 | $0.0120 | $0.125 | $23,970 | - | - |
| | 21/12/18 | 1,000,000 | 3 | 20/12/21 | $0.0235 | $0.125 | $23,500 | - | - |
| Ian Cunningham | 21/12/18 | 750,000 | 1 | 20/12/21 | $0.0235 | $0.125 | $17,625 | - | - |
| | 21/12/18 | 750,000 | 4 | 20/12/21 | $0.0235 | $0.125 | $ 3,074 | - | - |

Notes:

1. Options were granted for no consideration and shall vest upon announcement of a JORC Inferred mineral resource estimate for the Alaska Range Project, comprising both the Stellar Copper Gold and the Caribou Dome Copper properties, of 10 million tonnes of mineralisation at a minimum cut-off grade of 0.5% copper or copper equivalent, signed off by a competent person other than a director or employee of the Company. Subsequent to 30 June 2020, it was determined the likelihood of achieving the vesting condition within the applicable vesting period, was less than 50%. Accordingly, no further compensation expense was recorded on these options.
2. Options were granted for no consideration and shall vest upon the Shares trading on ASX at a volume weighted average price of $0.20 or more for 10 consecutive trading days.
3. Options were granted for no consideration and shall vest upon completion of feasibility study for the Alaska Range Project. Subsequent to 30 June 2020, it was determined the likelihood of achieving the vesting condition, within the applicable vesting period, was less than 50%. Accordingly, no further compensation expense was recorded on these options.
4. Options were granted for no consideration and shall vest upon the announcement of the completion of the acquisition of an 80% interest in the Caribou Dome Copper Project. Subsequent to 30 June 2019, it was determined the likelihood of achieving the vesting condition, within the applicable vesting period, was less than 50%. Accordingly, no further compensation expense was recorded on these options.

Options were granted as part of the recipient's remuneration package.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures and no remuneration options were exercised during the year ended 30 June 2021 (2020: Nil).

### Shareholdings of Directors and Key Management Personnel

The number of shares in the Company held during the financial year by Directors and Key Management Personnel of the Group, including their personally related parties, is set out below.

| | Balance at the start of the year | Granted as compensation | Received on exercise of options | Acquired on Market | Balance on resignation date / Other | Balance at the end of the year |
|---|---|---|---|---|---|---|
| **30 June 2021** | | | | | | |
| *Non-Executive Directors* | | | | | | |
| Robert Boaz | - | - | - | - | - | - |
| *Executive Officers (KMP)* | | | | | | |
| Mark Bojanjac | 1,000,000 | - | - | - | - | 1,000,000 |
| Frazer Tabeart | 5,492,500 | - | - | 263,157* | - | 5,775,657 |
| Jason Berton | 14,664,938 | - | - | - | - | 14,664,938 |
| Ian Cunningham | 4,387,596 | - | - | - | - | 4,387,596 |
| **30 June 2020** | | | | | | |
| *Non-Executive Directors* | | | | | | |
| Robert Boaz | - | - | - | | - | - |
| *Executive Officers (KMP)* | | | | | | |
| Mark Bojanjac | - | - | - | 1,000,000 | - | 1,000,000 |
| Frazer Tabeart | 4,103,273 | - | - | 1,389,227 | - | 5,492,500 |
| Jason Berton | 13,664,938 | - | - | 1,000,000 | - | 14,664,938 |
| Ian Cunningham | 3,720,930 | - | - | 666,666 | - | 4,387,596 |

*acquired via participation in share purchase plan

**Option holdings of Directors and Key Management Personnel**

The numbers of options over ordinary shares in the Company held during the financial year by Directors and Key Management Personnel of the Group, including their personally related parties, are set out below:

| | Balance at the start of the year | Granted as compensation | Exercised during the year | Balance on resignation date / Other | Balance at the end of the year |
|---|---|---|---|---|---|
| **30 June 2021** | | | | | |
| *Non-Executive Directors* | | | | | |
| Robert Boaz | - | - | - | - | - |
| *Executive Officers (KMP)* | | | | | |
| Mark Bojanjac | 5,000,000 | - | - | - | 5,000,000 |
| Frazer Tabeart | 5,000,000 | - | - | - | 5,000,000 |
| Jason Berton | 5,000,000 | - | - | - | 5,000,000 |
| Ian Cunningham | 1,500,000 | - | - | - | 1,500,000 |
| **30 June 2020** | | | | | |
| *Non-Executive Directors* | | | | | |
| Robert Boaz | 1,000,000 | - | - | (1,000,000) | - |
| *Executive Officers (KMP)* | | | | | |
| Mark Bojanjac | 7,000,000 | - | - | (2,000,000) | 5,000,000 |
| Frazer Tabeart | 5,000,000 | - | - | - | 5,000,000 |
| Jason Berton | 5,000,000 | - | - | - | 5,000,000 |
| Ian Cunningham | 1,500,000 | - | - | - | 1,500,000 |

**Service Agreements**

***Executive Officers***

The Executive Chairman, Mr. Mark Bojanjac consults to the Company and was remunerated on an average monthly basis at a rate of $19,167 (2020: $15,000) per month (excluding GST). Mr. Bojanjac is not entitled to any termination benefits.

The Managing Director, Dr. Frazer Tabeart consults to the Company and was remunerated on an average monthly basis at a rate of $16,833 (2020: $11,667) per month (excluding GST). Dr. Tabeart is not entitled to any termination benefits.

The Executive Director, Dr. Jason Berton consults to the Company and was remunerated on an average monthly basis at a rate of $15,208 (2020: $13,063) per month (excluding GST). Dr. Berton is not entitled to any termination benefits.

The Company Secretary / Chief Financial Officer, Mr. Ian Cunningham consults to the Company and was remunerated on an average monthly basis at a rate of $11,667 (2020: $11,667) per month (excluding GST). Mr. Cunningham is not entitled to any termination benefits.

***Non-Executive Directors***

Mr. Robert Boaz receives fixed remuneration of $22,500 per annum in the form of Director's fees. No notice period is required should a non-executive director elect to resign.

**END OF REMUNERATION REPORT**

Signed on behalf of the board in accordance with a resolution of the Directors.

**Mark Bojanjac**
Executive Chairman
29 September 2021

## Consolidated Statement of Profit or Loss and Other Comprehensive Income
***for the year ended 30 June 2021***

| | Notes | Consolidated | |
|---|---|---|---|
| | | 2021<br>$ | 2020<br>$ |
| **Interest Revenue & Other Income** | | **$ 136** | **$ 6,786** |
| Public company costs | | 56,372 | 50,372 |
| Consulting and directors fees | | 437,599 | 409,092 |
| Share-based compensation | | 9,988 | 61,071 |
| Legal fees | | 16,277 | 25,730 |
| Staff costs | | 59,750 | 66,630 |
| Serviced office and outgoings | | 24,000 | 27,000 |
| Foreign exchange gain | | (8,650) | (32,216) |
| Write off of exploration assets | 11 | - | 17,376 |
| Impairment of exploration assets | 11 | - | 7,106,569 |
| Other expenses | 6 | 704,552 | 1,169,612 |
| | | 1,299,888 | 8,901,236 |
| **(Loss) from operations** | 7 | **$ (1,299,752)** | **$ (8,894,450)** |
| Income tax expense | | - | - |
| **(Loss) after Income Tax** | | **$ (1,299,752)** | **$ (8,894,450)** |
| **Other comprehensive (loss)/income** | | | |
| Items that may be reclassified to profit and loss in subsequent periods | | | |
| Foreign currency translation | 15 | (1,667,138) | 395,740 |
| **Other comprehensive (loss)/income for the year** | | (1,667,138) | 395,740 |
| **Total comprehensive (loss) for the year** | | **$ (2,966,890)** | **$ (8,498,710)** |
| **(Loss) per share:** | | | |
| Basic and diluted (loss) per share (cents per share) | 19 | $ (0.22) | $ (2.13) |
| **Weighted Average Number of Shares:** | | | |
| Basic and diluted number of shares | 19 | 587,337,214 | 417,715,088 |

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Financial Position
***as at 30 June 2021***

| | Notes | Consolidated | |
|---|---|---|---|
| | | June 30 2021 $ | June 30 2020 $ |
| **Current Assets** | | | |
| Cash and cash equivalents | 16 | $ 3,485,056 | $ 4,179,072 |
| Other receivables and prepayments | 8 | 394,808 | 377,673 |
| **Total current assets** | | **3,879,864** | **4,556,745** |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 9 | $ 82,775 | $ 43,226 |
| Exploration and evaluation assets | 11 | 27,946,204 | 24,307,272 |
| **Total Non-Current Assets** | | 28,028,979 | 24,350,498 |
| **Total Assets** | | **$ 31,908,843** | **$ 28,907,243** |
| **Current liabilities** | | | |
| Trade and other payables | 12 | 177,247 | 149,758 |
| **Total Current Liabilities** | | 177,247 | 149,758 |
| **Total Liabilities** | | **$ 177,247** | **$ 149,758** |
| **NET ASSETS** | | **$ 31,731,596** | **$ 28,757,485** |
| **Equity** | | | |
| Contributed equity | 13 | $ 99,425,122 | $ 93,611,709 |
| Reserves | 15 | 6,069,328 | 7,608,878 |
| Accumulated losses | 14 | (73,762,854) | (72,463,102) |
| **TOTAL EQUITY** | | **$ 31,731,596** | **$ 28,757,485** |
| Commitments | 17 | | |
| Contingent Liabilities | 25 | | |

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Cash Flows

***for the year ended 30 June 2021***

| | Notes | Consolidated | |
|---|---|---|---|
| | | 2021 | 2020 |
| | | $ | $ |
| **Cash flows from Operating activities** | | | |
| Payments to suppliers and employees | | $ (1,217,936) | $ (1,497,952) |
| Interest received and other income | | 136 | 6,786 |
| **Net cash flows (used in) operating activities** | 16 (b) | (1,217,800) | (1,491,166) |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | | (78,121) | (52,921) |
| Payments for expenditure on exploration | | (4,962,995) | (5,258,824) |
| **Net cash flows (used in) investing activities** | | (5,041,116) | (5,311,745) |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | | 6,000,000 | 7,217,664 |
| Share issue costs | | (378,531) | (527,223) |
| **Net cash flows provided by financing activities** | | 5,621,469 | 6,690,441 |
| Net decrease in cash and cash equivalents | | (637,447) | (112,470) |
| Cash and cash equivalents at beginning of the year | | 4,179,072 | 4,254,493 |
| Foreign exchange variances on cash | | (56,569) | 37,049 |
| **Cash and cash equivalents at end of the year** | 16 (a) | **$ 3,485,056** | **$ 4,179,072** |

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

POLARX LIMITED

## Consolidated Statement of Changes in Equity

***for the year ended 30 June 2021***

| Consolidated | Notes | Number of Shares | Issued Capital | Accumulated Losses | Foreign Currency Translation Reserves | Warrant Reserves | Share Based Payment Reserves | Option Premium Reserve | Total |
|---|---|---|---|---|---|---|---|---|---|
| At 1 July 2020 | | 515,205,009 | $ 93,611,709 | $(72,463,102) | $ 1,706,722 | $ 1,190,098 | $ 4,709,058 | $ 3,000 | $ 28,757,485 |
| Loss for the year | | - | - | (1,299,752) | - | - | - | - | (1,299,752) |
| Other comprehensive loss | | - | - | - | (1,667,138) | - | - | - | (1,667,138) |
| **Total comprehensive loss for the year** | | - | $ - | $ (1,299,752) | $ (1,667,138) | $ - | $ - | $ - | $ (2,966,890) |
| **Transactions with owners in their capacity as owners** | | | | | | | | | |
| Shares issued | 13 | 151,315,719 | 6,000,000 | - | - | - | - | - | 6,000,000 |
| Share issue costs | 13 | | (361,305) | - | - | - | - | - | (361,305) |
| Shares issued for acquisition of Humboldt Range | 5 | 5,000,000 | 150,000 | - | - | - | - | - | 150,000 |
| Shares issued to consultants | 13 | 696,003 | 24,718 | | | | | | 24,718 |
| Options issued to consultants | 13, 24 | | - | - | - | - | 103,618 | - | 103,618 |
| Share-based compensation | 13, 24 | | - | - | - | - | 23,970 | - | 23,970 |
| **Balance at 30 June 2021** | | **672,216,731** | **$ 99,425,122** | **$(73,762,854)** | **$ 39,584** | **$ 1,190,098** | **$ 4,836,646** | **$ 3,000** | **$ 31,731,596** |

| Consolidated | Notes | Number of Shares | Issued Capital | Accumulated Losses | Foreign Currency Translation Reserves | Warrant Reserves | Share Based Payment Reserves | Option Premium Reserve | Total |
|---|---|---|---|---|---|---|---|---|---|
| At 1 July 2019 | | 372,712,638 | $ 86,874,320 | $(63,568,652) | $ 1,310,982 | $ 1,190,098 | $ 4,286,676 | $ 3,000 | $ 30,096,424 |
| Loss for the year | | - | - | (8,894,450) | - | - | - | - | (8,894,450) |
| Other comprehensive income | | - | - | - | 395,740 | - | - | - | 395,740 |
| **Total comprehensive (loss)/income for the year** | | - | $ - | $ (8,894,450) | $ 395,740 | $ - | $ - | $ - | $ (8,498,710) |
| **Transactions with owners in** | | | | | | | | | |
| Shares issued | 13 | 142,186,816 | 7,217,664 | - | - | - | - | - | 7,217,664 |
| Share issue costs | 13 | | (508,081) | - | - | - | - | - | (508,081) |
| Shares issued to consultants | 13, 24 | 305,555 | 27,806 | | | | | | 27,806 |
| Options issued to consultants | 13, 24 | | - | - | - | - | 292,307 | - | 292,307 |
| Share-based compensation | | | - | - | - | - | 130,075 | - | 130,075 |
| **Balance at 30 June 2020** | | **515,205,009** | **$ 93,611,709** | **$(72,463,102)** | **$ 1,706,722** | **$ 1,190,098** | **$ 4,709,058** | **$ 3,000** | **$ 28,757,485** |

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

## 1. Corporate Information

The financial report of PolarX Limited (**PolarX** or the **Company**) and its controlled entities (the **Group**) for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 29 September 2021.

PolarX Limited is a public company limited by shares and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. It is a “for profit” entity.

The nature of the operations and principal activities of the Group are described in the Directors’ report.

## 2. Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2021, the Group incurred a loss from operations of $1,299,752 (2020: $8,894,450) and recorded net cash outflows of ($637,447) (2020: outflows of ($112,470)). At 30 June 2021, the Group had net current assets of $3,702,617 (2020: $4,406,987).

The Group’s ability to continue as a going concern is dependent upon it maintaining sufficient funds for its operations and commitments. The Directors continue to be focused on meeting the Group’s business objectives and is mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- the current cash balance of the Group relative to its fixed and discretionary commitments;
- given the Company’s market capitalisation and the underlying prospects for the Group to raise further funds from the capital markets; and
- the fact that subject to meeting certain minimum expenditure commitments, further exploration activities may be slowed or suspended as part of the management of the Group’s working capital.

The Directors are confident that the Group can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.  However, should the Group be unable to raise further required financing, there is uncertainty which may cast doubt as to whether or not the Group will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

## 3. Summary of Significant Accounting Policies

### Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars.

### (a) Compliance Statement

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

### (b) New accounting standards and interpretations

***New and revised accounting requirement applicable to the current reporting period***

The Group has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period.

*(i) Initial adoption of AASB 2020-04: COVID-19-Related Rent Concession*

AASB 2020-4: Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions amends AASB 16 by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

*(ii) Initial adoption of AASB 2018-6: Amendments to Australian Accounting Standards – Definition of a Business*

AASB 2018-6 amends and narrows the definition of a business specified in AASB 3: Business Combinations, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

*(iii) Initial adoption of AASB 2018-7: Amendments to Australian Accounting Standards – Definition of Material*

This amendment principally amends AASB 101 and AASB 108 by refining the definition of material by improving the wording and aligning the definition across the standards issued by the AASB.

*(iv) Initial adoption of AASB 2019-3: Amendments to Australian Accounting Standards – Interest Rate Benchmark*

This amendment amends specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by interest rate benchmark reform.

*(v) Initial adoption of AASB 2019-1: Amendments to Australian Accounting Standards – References to the Conceptual Framework*

This amendment amends Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of Conceptual Framework for Financial Reporting by the AASB.

The standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

***New accounting standards and interpretations issued but not yet effective***

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these financial statements. The Board expects no impact on the financial statements of the Group.

### 3. Summary of Significant Accounting Policies (continued)

#### (c) Basis of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Company and all of its controlled entities. Controlled entities are entities the Company controls. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the controlled entities is provided in Note 10.

The assets, liabilities and results of all controlled entities are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a controlled entity is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of controlled entities have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a controlled entity not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in controlled entities and are entitled to a proportionate share of the controlled entity's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the controlled entity's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the consolidated statement of financial position and consolidated statement of profit and loss and other comprehensive income.

#### (d) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

No deferred income tax will be recognised in respect of temporary differences associated with investments in subsidiaries if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited to Profit or Loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance date and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of profit or loss.

**3. Summary of Significant Accounting Policies (continued)**

**(e) Financial Instruments**

***Financial assets***

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date (i.e., the date that the Group commits to purchase or sell the asset).

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group's financial assets at amortised cost includes other receivables.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

**3. Summary of Significant Accounting Policies (continued)**

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**3. Summary of Significant Accounting Policies (continued)**

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

***Financial Liabilities***

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

**3. Summary of Significant Accounting Policies (continued)**

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(f) Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the Statement of Financial Position. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

**(g) Trade and other receivables**

Trade receivables generally have 30–90-day terms. Trade and other receivables are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**3. Summary of Significant Accounting Policies (continued)**

**(h) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance expenditure is charged to Profit or Loss during the financial period in which it is incurred.

*Depreciation*

The depreciable amount of most of the fixed assets are depreciated on a diminishing balance method and some of the fixed assets are depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

| ***Class of Fixed Asset*** | ***Depreciation Rate*** |
|---|---|
| Plant and equipment | 10 % to 30% |
| Motor Vehicles | 30% |
| Computer Equipment | 33% |
| Office Furniture and Fixtures | 20% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

*Derecognition*

Additions of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the Profit or Loss.

*Impairment*

Carrying values of plant and equipment are reviewed at each balance date to determine whether there are any objective indicators of impairment that may indicate the carrying values may be impaired.

Where an asset does not generate cash flows that are largely independent it is assigned to a cash generating unit and the recoverable amount test applied to the cash generating unit as a whole.

Recoverable amount is determined as the greater of fair value less costs to sell and value in use. The assessment of value in use considers the present value of future cash flows discounted using an appropriate pre-tax discount rate reflecting the current market assessments of the time value of money and risks specific to the asset. If the carrying value of the asset is determined to be in excess of its recoverable amount, the asset or cash generating unit is written down to its recoverable amount.

**(i) Exploration expenditure**

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

**3. Summary of Significant Accounting Policies (continued)**

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to in AASB 6 is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.

**(j) Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or categories of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for

**3. Summary of Significant Accounting Policies (continued)**

the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**(k) Trade and other payables**

Liabilities for trade creditors and other amounts are measured at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Group.

**(l) Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

**(m) Revenue**

Revenue is recognised when a performance obligation in the contract with a customer is satisfied or when the control of the goods or services underlying the particular performance obligation is transferred to the customer.

*Interest income*

Income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

**(n) Earnings per share**

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

*Diluted earnings per share*

Diluted earnings per share is calculated as net profit attributable to members of the Group, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

### 3. Summary of Significant Accounting Policies (continued)

#### (o) Share based payment transactions

The Group provides benefits to individuals and entities, in the form of share based payment transactions, whereby the recipients render services in exchange for shares or options (**Equity Settled Transactions**).

There is currently an Employee Share Option Plan (**ESOP**) in place, which provides benefits to Directors and other eligible persons, including consultants who provide services similar to those provided by an employee. The Company may also issue options or shares outside of the ESOP to consultants and other service providers.

The cost of these equity settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value of options is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 24.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the Company's shares ('market conditions').

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share (see Note 19).

#### (p) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which is receivable from or payable to the ATO, are disclosed as operating cash flows.

**3. Summary of Significant Accounting Policies (continued)**

**(q) Investments in controlled entities**

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. Subsequent to the initial measurement, investments in controlled entities are carried at cost less accumulated impairment losses.

**(r) Foreign currency translation**

*Functional and presentation currency*

Items included in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of PolarX Limited is Australian dollars.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

*Group entities*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);
- retained earnings are translated at the exchange rates prevailing at date of transaction; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold the exchange differences relating to that entity are recognised in the profit or loss, as part of the gain or loss on sale where applicable.

**(s) Leases**

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.

**3. Summary of Significant Accounting Policies (continued)**

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

The right-of-use asses comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**(t) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of PolarX Limited.

**(u) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## 4. Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Capitalised exploration and evaluation expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the size and composition of any future mineral resource and ore reserve estimates, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

*Share based payment transactions*

The Group measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 24.

*Functional currency translation reserve*

Under the Accounting Standards, each entity within the Group is required to determine its functional currency, which is the currency of the primary economic environment in which the entity operates. Management considers the United States subsidiary to be a foreign operation with United States dollars as the functional currency. In arriving at this determination, management has given priority to the currency that influences the labour, materials and other costs of exploration activities as they consider this to be a primary indicator of the functional currency.

## 5. Acquisition Terms

On 31 January 2021, the Company announced that it had secured an option with Armada Mining Inc. ("Armada") to acquire a Mining Lease Agreement over the Humboldt Range Gold-Silver Project in Nevada, USA ("Humboldt Option"), which comprised 177 lode mining claims.

PolarX paid an initial fee of US$35,000 to secure the Humboldt Option for up to 120-days while it conducted due-diligence investigations to further verify previous exploration results and confirm ownership of the underlying lode claims. On 31 March 2021, the Company exercised the Option ("Humboldt Transaction") by payment of a further US$35,000 cash and issuing 5,000,000 fully paid ordinary shares (escrowed for 2-years) with a fair value of $150,000 to Armada. Refer to Note 17 for Commitments related to the Humboldt Range Project.

The Company accounted for the Humboldt Transaction as an asset acquisition and identified and recognized the individual identifiable assets acquired and liabilities assumed. The purchase price was allocated to the individual identifiable asset acquired, the Humboldt Project on the basis of its relative fair value at the date of acquisition. Consideration for the Humboldt Transaction of $240,047 and transaction costs of $12,964, were capitalised as exploration and evaluation assets.

## 6. Other expenses

| | Consolidated | |
|---|---|---|
| | 2021<br>$ | 2020<br>$ |
| Accounting and audit fees | 67,866 | 65,867 |
| Bank fees | 8,436 | 8,430 |
| Business expenses | 6,158 | 52,544 |
| Computer expenses | 3,160 | 4,318 |
| Conferences | 62,489 | 68,132 |
| Corporate finance | 232,028 | 498,317 |
| Insurance | 66,152 | 63,154 |
| Investor relations | 111,438 | 44,500 |
| Media coverage | 76,998 | 140,634 |
| Printing and stationery | 1,442 | 935 |
| Postage | 3,609 | 2,159 |
| Rent & accommodation | 658 | 41,557 |
| Subscriptions | 5,062 | 4,441 |
| Telephone | 2,237 | 2,018 |
| Travel expenses | - | 114,758 |
| Depreciation | 1,795 | 358 |
| Others | 55,024 | 57,490 |
| | **704,552** | **1,169,612** |

## 7. Income Tax

| | Consolidated 2021 $ | Consolidated 2020 $ |
|---|---|---|
| **(a) Income tax expense** | | |
| Current tax | - | - |
| Deferred tax | - | - |
| | - | - |
| **(b) Numerical reconciliation between aggregate tax expense recognised in the consolidated statement of profit or loss and other comprehensive income and tax expense calculated per the statutory income tax rate** | **-** | **-** |
| A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows: | | |
| Loss from operations before income tax expense | (1,299,752) | (8,894,450) |
| Tax at the company rate of 26.0% (2020: 27.5%) | (337,936) | (2,445,974) |
| Expense of remuneration options | 2,597 | 16,795 |
| Other non-deductible expenses | 73,208 | 2,061,390 |
| Impact of reduction in future corporate income tax rate | - | 121,993 |
| Income tax benefit not brought to account | 262,131 | 245,796 |
| Income tax expense | - | - |
| **(c) Deferred tax** | | |
| ***Consolidated Statement of financial position*** | | |
| The following deferred tax balances have not been brought to account: | | |
| *Deferred Tax Liabilities* | | |
| Unrealised forex gain | 1,696 | 8,837 |
| Prepayments | 10,733 | 9,639 |
| Exploration (foreign @ 30%) | 4,607,543 | 3,226,850 |
| Deferred tax liability not recognised | 4,619,972 | 3,245,326 |
| *Deferred Tax Assets* | | |
| Foreign carry forward revenue losses (@ 30%) | 5,304,871 | 4,235,745 |
| Australian carry forward revenue losses (@ 25%) | 1,601,471 | 1,487,412 |
| Accrued expenses | 6,250 | 6,250 |
| Other | 49,183 | 85,796 |
| | **6,961,775** | **5,815,203** |

The benefit for tax losses will only be obtained if:

(i) the Group derives future assessable income in Australia or the US (as applicable) of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia or the US (as applicable); and

(iii) no changes in tax legislation in Australia or the US, adversely affect the Company in realising the benefit from the deductions for the losses.

**(d) Tax consolidation**

PolarX and its wholly owned Australian subsidiaries (**Controlled Entities**) implemented the tax consolidation legislation effective as of 1 July 2017. The Controlled Entities have also entered into tax sharing and tax funding agreements. Under the terms of these agreements, the Controlled Entities will reimburse PolarX for any current income tax payable by PolarX arising in respect of their activities. The reimbursements are payable at the same time as the associated income tax liability falls due and will therefore be recognised as a current tax-related receivable by PolarX when they arise. In the opinion of the Directors, the tax sharing agreement is also a valid agreement under the tax consolidation legislation and limits the joint and several liability of the Controlled Entities in the case of a default by PolarX.

**(e) Change in Corporate Tax Rate**

There has been a legislated change in the corporate tax rate that will apply to future income years. The impact of this reduction in the corporate tax rate has been reflected in the unrecognised deferred tax positions and the prima face income tax reconciliation above.

## 8. Other Receivables and Prepayments

| | Consolidated | |
|---|---|---|
| | 2021<br>$ | 2020<br>$ |
| **Current** | | |
| GST / VAT receivable | 30,849 | 29,248 |
| Prepayments | 363,959 | 348,425 |
| | **394,808** | **377,673** |

Other debtors and goods and services tax are non-interest bearing and generally receivable on 30 day terms. They are neither past due nor impaired. The amount is fully collectible. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

## 9. Property, Plant and Equipment

| | Consolidated | |
|---|---|---|
| | 2021<br>$ | 2020<br>$ |
| **Plant and Equipment** | | |
| Cost | 38,194 | 17,628 |
| Accumulated depreciation | (20,588) | (13,181) |
| Net carrying amount | **17,606** | **4,447** |
| **Motor Vehicles** | | |
| Cost | 95,559 | 49,417 |
| Accumulated depreciation | (37,571) | (14,970) |
| Net carrying amount | **57,988** | **34,447** |
| **Office Furniture and Fixtures** | | |
| Cost | 519 | 519 |
| Accumulated depreciation | (415) | (389) |
| Net carrying amount | **104** | **130** |
| **Computer Equipment** | | |
| Cost | 10,876 | 6,231 |
| Accumulated depreciation | (3,799) | (2,029) |
| Net carrying amount | **7,077** | **4,202** |
| **Total property, plant and equipment** | | |
| Cost | 145,148 | 73,795 |
| Accumulated depreciation | (62,373) | (30,569) |
| **Net carrying amount** | **82,775** | **43,226** |

**9. Property, Plant and Equipment (continued)**

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year:

| | Consolidated | |
|---|---|---|
| | 2021 $ | 2020 $ |
| **Plant and Equipment** | | |
| Carrying amount at beginning of year | 4,447 | 6,215 |
| Additions | 22,282 | - |
| Depreciation expense | (7,440) | (1,955) |
| Net exchange differences on translation | (1,683) | 187 |
| Carrying amount at end of year | **17,606** | **4,447** |
| **Motor Vehicles** | | |
| Carrying amount at beginning of year | 34,447 | - |
| Additions | 51,131 | 49,417 |
| Depreciation expense | (22,703) | (14,332) |
| Net exchange differences on translation | (4,887) | (638) |
| Carrying amount at end of year | **57,988** | **34,447** |
| **Office Furniture and Fixtures** | | |
| Carrying amount at beginning of year | 130 | 162 |
| Depreciation expense | (26) | (32) |
| Net exchange differences on translation | - | - |
| Carrying amount at end of year | **104** | **130** |
| **Computer Equipment** | | |
| Carrying amount at beginning of year | 4,202 | 141 |
| Additions | 4,645 | 4,285 |
| Depreciation expense | (1,770) | (227) |
| Net exchange differences on translation | - | 3 |
| Carrying amount at end of year | **7,077** | **4,202** |
| **Total property, plant and equipment** | **82,775** | **43,226** |

## 10. Investments in Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in Note 3. Details of controlled entities are as follows:

| Name | Country of incorporation | % Equity Interest | |
|---|---|---|---|
| | | 2020 | 2021 |
| Coventry Minerals Pty Ltd | Australia | 100% | 100% |
| Crescent Resources (USA) Inc. | USA | 100% | 100% |
| Vista Minerals Pty Ltd | Australia | 100% | 100% |
| Vista Minerals (Alaska) Inc. | USA | 100% | 100% |
| Aldevco Pty Ltd | Australia | 100% | 100% |
| Aldevco Inc. | USA | 100% | 100% |
| Humboldt Range Inc.* | USA | 100% | - |

*Note: Incorporated on 14 January 2021

## 11. Exploration and Evaluation Assets

| | Consolidated | |
|---|---|---|
| | 2021<br>$ | 2020<br>$ |
| **Exploration and evaluation expenditure** | | |
| At cost | 36,346,317 | 32,724,761 |
| Accumulated provision for impairment | (8,400,113) | (8,400,113) |
| Write-off | - | (17,376) |
| Total exploration and evaluation | **27,946,204** | **24,307,272** |

| | Consolidated | |
|---|---|---|
| | 2021<br>$ | 2020<br>$ |
| Carrying amount at beginning of the year | 24,307,272 | 25,961,956 |
| Acquisition cost (Note 5) | 253,011 | 17,376 |
| Exploration and evaluation expenditure during the year | 4,703,325 | 5,117,692 |
| Net exchange differences on translation | (1,317,404) | 334,193 |
| Carrying amount at end of year | 27,946,204 | 31,431,217 |
| Impairment of exploration and evaluation assets | - | (7,106,569) |
| Write-off of exploration and evaluation assets | - | (17,376) |
| Carrying amount at end of year | **27,946,204** | **24,307,272** |

The Directors' assessment of the carrying amount for the Group's exploration and development assets was made after consideration of (i) prevailing market conditions, including the Company's market capitalisation and metal prices; (ii) the level of previous expenditure undertaken and the results from those programs; and (iii) the potential for future development, noting the current mineral resource estimates for both the Caribou Dome, Stellar and Humboldt Range projects. The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest. It was determined the carrying amount of the project generative costs were not recoverable for the year ended 30 June 2020 and therefore an impairment charge was recorded.

## 12. Current Liabilities

| | Consolidated 2021 $ | Consolidated 2020 $ |
|---|---|---|
| **Trade and other payables** | | |
| Trade payables | 44,053 | 71,492 |
| Accruals | 133,194 | 78,266 |
| | **177,247** | **149,758** |

Trade payables are not past due and are non-interest bearing. They are normally on average settled between 30-45 days term.

## 13. Contributed Equity

### (a) Issued and paid up capital

| | 2021 No. of shares | 2020 No. of shares |
|---|---|---|
| Ordinary shares fully paid | 672,216,731 | 515,205,009 |

### (b) Movements in ordinary shares on issue

| | 2021 No. of shares | 2021 $ | 2020 No. of shares | 2020 $ |
|---|---|---|---|---|
| Balance at beginning of year | 515,205,009 | 93,611,709 | 372,712,638 | 86,874,320 |
| Shares issued for acquisition of Humboldt Range Inc. | 5,000,000 | 150,000 | - | - |
| Shares issued to consultants | 696,003 | 24,718 | 305,555 | 27,806 |
| Shares issued (net of costs) | 151,315,719 | 5,638,695 | 142,186,816 | 6,709,583 |
| Balance at end of year | **672,216,731** | **99,425,122** | **515,205,009** | **93,611,709** |

### (c) Ordinary shares

The Group does not have authorised capital nor par value in respect of its issued capital. Shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Shares entitle the holder to one vote, either in person or proxy, at a meeting of the Company.

2021

On 17 July 2020, the Company completed a share purchase plan, pursuant to which the Company issued 26,315,719 ordinary shares (Shares) at an issue price of $0.038 per Share to raise gross proceeds of $1 million.

On 17 November 2020, the company issued 358,166 Shares with an issue price of $0.035 per Share to consultants as part remuneration for their services.

On 17 February 2021, the Company completed a share placement (Placement), pursuant to which the Company issued 125,000,000 Shares at an issue price of $0.04 per Shares to raise gross proceeds of $5 million.

On 31 March 2021, the Company issued 5,000,000 as part consideration to acquire a Mining Lease Agreement (“MLA”) over the Humboldt Range Gold-Silver Project in Nevada, USA (“Humboldt Option”), which comprised 177 lode mining claims.

On 1 June 2021, the company issued 337,837 Shares with an issue price of $0.037 per Share to consultants as part remuneration for their services.

**13. Contributed Equity (continued)**

**(c) Ordinary shares (continued)**

2020

On 4 July 2019, the Company completed a non-renounceable rights issue consisting of 43,203,922 Shares at an issue price of $0.08 per share for gross proceeds of $3.456 million.

On 23 June 2020, the Company completed a placement consisting of 98,982,894 Shares at an issue price of $0.038 per share for gross proceeds of $3.761 million.

**(d) Capital Risk Management**

The Group's capital comprises share capital, reserves and accumulated losses which amounted to $31,731,596 at 30 June 2021 (2020: $28,757,485). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Group was ungeared at year end and not subject to any externally imposed capital requirements. Refer to Note 23 for further information on the Group's financial risk management policies.

**(e) Share options**

At 30 June 2021, there were 32,000,000 options over unissued Shares (2020: 29,400,000 options). During the financial year, the Company issued 3,000,000 options to consultants, each exercisable at $0.05 on or before 1 November 2023. The options vested at the time of issue. Since year end, no options have been issued, exercised or expired.

During the year, 400,000 options lapsed.

In the prior year, on 31 July 2019, the Company issued 10,750,000 options to consultants, each exercisable at $0.125 on or before 20 December 2021 and which vest upon meeting certain performance or market conditions.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Information relating to the Options granted by the Company, including details of options issued under the Plan, is set out in Note 24.

**14. Accumulated losses**

| | Consolidated | |
|---|---|---|
| | **2021** | **2020** |
| | **$** | **$** |
| Movements in accumulated losses were as follows: | | |
| At 1 July | 72,463,102 | 63,568,652 |
| Loss for the year | 1,299,752 | 8,894,450 |
| At 30 June | **73,762,854** | **72,463,102** |

## 15. Reserves

| | Consolidated 2021 $ | Consolidated 2020 $ |
|---|---|---|
| Foreign currency translation reserve (ii) | 39,584 | 1,706,722 |
| Warrant reserves(iii) | 1,190,098 | 1,190,098 |
| Share based payments reserves(i) | 4,836,646 | 4,709,058 |
| Option premium reserve | 3,000 | 3,000 |
| | **6,069,328** | **7,608,878** |

| | Consolidated 2021 $ | Consolidated 2020 $ |
|---|---|---|
| **Movement in reserves:** | | |
| *(i) Share based payments and option premium reserve* | | |
| Balance at beginning of year | 4,709,058 | 4,286,676 |
| Options issued to corporate advisors | 103,618 | 292,307 |
| Options exercised | - | - |
| Equity benefits expense | 23,970 | 130,075 |
| Balance at end of year | **4,836,646** | **4,709,058** |

The Share based payments and option premium reserve is used to record the value of equity benefits provided to individuals acting as employees, directors as part of their remuneration, and consultants and for their services. Refer to Note 24 for details of share based payments during the financial year and prior year.

| | 2021 $ | 2020 $ |
|---|---|---|
| *(ii) Foreign currency translation reserve* | | |
| Balance at beginning of year | 1,706,722 | 1,310,982 |
| Foreign currency translation | (1,667,138) | 395,740 |
| Balance at end of year | **39,584** | **1,706,722** |

The foreign currency reserve is used to record the currency difference arising from the translation of the financial statements of the foreign operation.

**15. Reserves (continued)**

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| *(iii) Warrant reserve* | | |
| Balance at beginning of year | 1,190,098 | 1,190,098 |
| Warrants exercised | - | - |
| Balance at end of year | **1,190,098** | **1,190,098** |

The warrant reserve is used to record the value of warrants provided to shareholders as part of capital raising activities.

## 16. Cash and Cash Equivalents

| | Consolidated<br>2021<br>$ | <br>2020<br>$ |
|---|---|---|
| **(a) Reconciliation of cash** | | |
| Cash balance comprises: | | |
| Cash and cash equivalents | **3,485,056** | **4,179,072** |
| **(b) Reconciliation of the net loss after tax to the net cash flows from operations** | | |
| Loss after income tax | (1,299,752) | (8,894,450) |
| **Adjustments for:** | | |
| Depreciation | 1,796 | 256 |
| Write-off of exploration assets | - | 17,376 |
| Impairment of exploration assets | - | 7,106,569 |
| Share-based compensation | 109,704 | 316,544 |
| Shares issued to Consultants | - | 24,805 |
| **Changes in operating assets and liabilities:** | | |
| (Decrease)/increase in other receivables/prepayments | (11,832) | 34,775 |
| Decrease in trade and other payables | (17,716) | (97,041) |
| Net cash flow used in operating activities | (1,217,800) | (1,491,166) |

Share-based compensation and depreciation capitalised to exploration and evaluation assets were $17,884 (2020: $105,838) and $30,143 (2020: $16,290), respectively. In addition, shares issued to consultants of $24,718 (2020: nil) were capitalised to exploration and evaluation assets.

## 17. Expenditure commitments

### (a) Tenement expenditure commitments – Caribou Dome Property

On 17 November 2020, the Company announced it secured more favourable amendments to the terms of its option to acquire (i) 80% interest in the Caribou Dome copper deposit in Alaska, USA and (ii) a 90% interest in the adjacent Senator property (collectively "the Caribou Dome Project"). Upon execution of the amendments to the option agreement, the Company made a one-off cash payment to underlying vendors of US$75,000.

**17. Expenditure commitments (continued)**

**(b) Tenement expenditure commitments – Caribou Dome Property**

Remaining commitments related to the Caribou Dome Property at reporting date but not recognised as liabilities are as follows:

a. maintaining the claims (licenses) at the property in good standing, including making annual claim rental payments and ensuring minimum expenditure commitments are met;

b. Either meeting the following substantially reduced qualifying expenditure requirements or completing a feasibility study to mine the Caribou Dome Project:

| Due Date | Payment |
|---|---|
| 12 months ending 1 September 2021 | US$400,000 |
| 12 months ending 1 September 2022 | US$400,000 |
| 12 months ending 1 September 2023 | US$400,000 |
| 2 September to Earn-in deadline* | US$400,000 |

*Note: Earn-in deadline has been extended to 6 June 2024

For any period during which the Company does not complete U$400,000 of qualifying expenditure until it has completed a feasibility study, it shall pay to the underlying vendors a penalty in the amount of 25% of the expenditure shortfall. This payment will be in lieu of the expenditure shortfall. Excess qualifying expenditure in any period may be carried forward to future periods.

c. making annual payments to the underlying vendors of the property in the amounts of:

| Due Date | Payment |
|---|---|
| 6 June 2022 | US$100,000 |
| 6 June 2023 | US$100,000 |
| Earn-in deadline (currently 6 June 2024) | US$1,260,000 |

d. the issue to certain underlying vendors of $12,500 worth of Shares on or before 1 June 2021 and on or before 1 June of each subsequent year as long as the option remains in effect. For each Share payment instalment, the number of Shares to be issued will be based on the 10-day volume weighted average price of the Company's shares immediately prior to the date of each Share issue; and

e. a 5% net smelter return royalty is payable in relation to the sale of ore from the property and the Company has the right to purchase the royalty for US$1,000,000 for each 1.0%.

**17. Expenditure commitments (continued)**

**(c) Tenement expenditure commitments – Stellar Property**

Remaining commitments related to the Stellar Property at reporting date but not recognized as liabilities below include the following:

(i) payment of US$1,000,000 cash to Millrock Resources Inc ("Millrock") if a JORC Indicated Resource of 1Moz contained Au or more is delineated;

(ii) payment of US$2,000,000 cash to Millrock if a JORC Indicated Resource of 1Mt contained copper (or copper equivalent) metal is delineated;

(iii) 45 claim blocks covering the Zackly, Moonwalk, Mars and Gemini prospects, are subject to a royalty payable to Altius Minerals, being:

a. 2% gross value royalty on all uranium produced;
b. 2% net smelter return royalty on gold, silver, platinum, palladium and rhodium; and
c. 1% net smelter return royalty on all other metals;

(iv) All Stellar claim blocks are subject to a royalty payable to Millrock, being:

a. 1% gross value royalty on all uranium produced; and
b. 1% net smelter royalty on all other metals;

and

(v) making advance royalty payments (payments are deductible from future royalty payments) to Millrock in the amounts of:

| Due Date | Payment |
|---|---:|
| 31 March 2022 | US$35,000 |
| 31 March 2023* | US$40,000 |
| 31 March 2024* | US$45,000 |
| 31 March 2025* | US$50,000 |
| 31 March 2026* | US$55,000 |
| 31 March 2027,* and 31 March of each year thereafter occurring prior to the fifth anniversary of the commencement of Commercial Production | US$60,000 |

* Such payments will not be payable if the fifth anniversary of the commencement of Commercial Production has occurred before such date.

**17. Expenditure commitments (continued)**

**(d) Tenement expenditure commitments – Humboldt Range Property**

Remaining commitments related to the Humboldt Range Property at reporting date but not recognized as liabilities include the following:

(i) making payments on the first and second anniversary of the execution date;

| Due Date | Payment |
|---|---|
| 8 January 2022 | US$70,000 |
| 8 January 2023 | US$70,000 |

(ii) payment of 2022 claim fees (by 1 September 2021) as advance against production royalties;

(iii) monthly payment of US $10,000 from September 2022 as advance against production royalties; and

(iv) a royalty on gold production of 2.5% NSR (3.75% NSR if grade> 15.6g/t Au).

## 18. Subsequent events

On 28 July 2021, 5,000,000 Options exercisable at $0.05 with a three-year expiry were issued as part consideration for technical consulting services.

On 20 September 2021, the Group received a third-party complaint from GAME in relation to the alleged breach of the underlying option agreement over the non-core Uncle Sam Gold Project. Pursuant to the complaint GAME is seeking, inter alia, to recover alleged payments to the Group totaling US$174,550. Further details are disclosed in Note 28 to the financial statements.

No other significant events have occurred subsequent to the balance sheet date but prior to the date of this report that would have a material impact on the consolidated financial statements.

## 19. Loss per share

| | Consolidated | |
|---|---|---|
| | 2021<br>$ | 2020<br>$ |
| Loss used in calculating basic and dilutive EPS | (1,299,752) | (8,894,450) |

| | Number of Shares | |
|---|---|---|
| | 2021 | 2020 |
| Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share: | 587,337,214 | 417,715,088 |
| **Effect of dilution:** | | |
| Share options | - | - |
| Adjusted weighted average number of ordinary shares used in calculating diluted loss per share: | 587,337,214 | 417,715,088 |
| Basic and Diluted loss per share (cents per share) | (0.22) | (2.13) |

There is no impact from the 3,000,000 options vested and outstanding at 30 June 2021 (2020: 400,000 options) on the loss per share calculation because they are anti-dilutive. These options could potentially dilute basic EPS in the future.

## 19. Auditor's remuneration

During the financial year, the following audit fees were paid or payable:

| | Consolidated | |
|---|---|---|
| | 2021 $ | 2020 $ |
| Stantons | 40,215 | 40,454 |
| | 40,215 | 40,454 |

## 20. Key Management Personnel Disclosures

### (a) Details of Key Management Personnel

| | |
|---|---|
| Mr. Mark Bojanjac | Executive Chairman |
| Mr. Frazer Tabeart | Managing Director |
| Mr. Jason Berton | Executive Director |
| Mr. Ian Cunningham | Company Secretary/Chief Financial Officer |
| Mr. Robert Boaz | Non-Executive Director |

### (b) Remuneration of Key Management Personnel

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year are as follows:

| | Consolidated | |
|---|---|---|
| | 2021 $ | 2020 $ |
| Consulting and director fees | 777,500 | 639,250 |
| Share-based compensation | 23,970 | 127,130 |
| Total remuneration | 801,470 | 766,380 |

Out of the total consulting and director fees paid to key management, $339,901 (2020: $230,158) was capitalised as exploration and evaluation assets.

## 21. Related Party Disclosures

The ultimate parent entity is PolarX Limited. Refer to Note 10 - Investments in Controlled entities, for a list of all controlled entities.

Mitchell River Group Pty Ltd., a company of which Mr. Frazer Tabeart is a Director, provided the Group with consulting services related to exploration activities for a fee totalling $15,291 (2020: $26,291) and serviced office fees of $12,000 (2020: $12,000).

There were no other related party disclosures for the year ended 30 June 2021 (2020: Nil).

## 22. Financial Instruments and Financial Risk Management

Exposure to interest rate, liquidity and credit risk arises in the normal course of the Group's business. The Group does not hold or issue derivative financial instruments.

The Group uses different methods as discussed below to manage risks that arise from financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

### (a) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The responsibility for liquidity risk management rests with the Board of Directors.

$Alternatives for sourcing our future capital needs include our cash position and the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. We expect that, absent a material adverse change in a combination of our sources of liquidity, present levels of liquidity will be adequate to meet our expected capital needs.

*Maturity analysis for financial liabilities*

Financial liabilities of the Group comprise trade and other payables. As at 30 June 2021 and 30 June 2020, all financial liabilities contractually matured within 60 days.

### (b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Group's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits. The Group manages the risk by investing in short term deposits.

| | Consolidated | |
|---|---|---|
| | 2021<br>$ | 2020<br>$ |
| Cash and cash equivalents | 3,485,056 | 4,179,072 |

**Interest rate sensitivity**

The following table demonstrates the sensitivity of the Group's statement of profit or loss and other comprehensive income to a reasonably possible change in interest rates, with all other variables constant.

## 23. Financial Instruments and Financial Risk Management (continued)

***Consolidated***

| Change in Basis Points | Effect on Post Tax Loss Increase/(Decrease) | | Effect on Equity including accumulated losses Increase/(Decrease) | |
|---|---|---|---|---|
| **Judgements of reasonably possible movements** | **2021 $** | **2020 $** | **2021 $** | **2020 $** |
| Increase 100 basis points | 34,851 | 41,791 | 34,851 | 41,791 |
| Decrease 100 basis points | (34,851) | (41,791) | (34,851) | (41,791) |

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends. The analysis was performed on the same basis in 2020.

### (c) Credit Risk Exposures

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties.

At 30 June 2021, the Group held cash deposits. Cash deposits were held with financial institutions with a rating from Standard & Poors of A or above (long term). The Group has no past due or impaired debtors as at 30 June 2021 (2020: Nil).

### (d) Foreign Currency Risk Exposure

As a result of operations in the USA and expenditure in US dollars, the Group's statement of financial position can be affected by movements in the USD$/AUD$ exchange rates. The Group seeks to mitigate the effect of its foreign currency exposure by holding cash in US dollars to match expenditure commitments.

**Sensitivity analysis:**

The table below summarises the foreign exchange exposure on the net monetary position of parent and the subsidiaries against its respective functional currency, expressed in group's presentation currency. If the AUD/ USD rates moved by +10%, the effect on comprehensive loss would be as follows:

| | Company | |
|---|---|---|
| | **2021 $** | **2020 $** |
| Loan to subsidiary – Humboldt Range Inc. (in AUD) | 861,020 | - |
| Loan to subsidiary – Aldevco Pty Ltd and Aldevco Inc. (in AUD) | 7,140,872 | 7,253,201 |
| Loan to subsidiary – Vista Minerals Pty Ltd and Vista Minerals (Alaska) Inc. (in AUD) | 19,727,970 | 18,186,542 |
| | 10% | 10% |
| | **A$** | **A$** |
| Total effect on comprehensive loss of positive movements | 2,772,986 | 2,543,974 |
| Total effect on comprehensive loss of negative movements | (2,772,986) | (2,543,974) |

**23. Financial Instruments and Financial Risk Management (continued)**

The table below summarises the foreign exchange exposure on the net monetary position of parent and the subsidiary against its respective functional currency, expressed in group's presentation currency. If the AUD/ CAD rates moved by +10%, the effect on comprehensive loss would be as follows:

| | Company | |
|---|---|---|
| | 2021 | 2020 |
| | $ | $ |
| Loan from subsidiary – Coventry Minerals. (in AUD) | 739,730 | 733,725 |
| Percentage shift of the AUD / CAD exchange rate | 10% | 10% |
| | A$ | A$ |
| Total effect on comprehensive loss of positive movements | 73,973 | 73,373 |
| Total effect on comprehensive loss of negative movements | (73,973) | (73,373) |

**(e) Fair Value**

The aggregate net fair values of the Group's financial assets and financial liabilities both recognised and unrecognised are as follows:

| | Carrying Amount in the Financial Statements | Aggregate Net Fair Value | Carrying Amount in the Financial Statements | Aggregate Net Fair Value |
|---|---|---|---|---|
| | 2021 | 2021 | 2020 | 2020 |
| | $ | $ | $ | $ |
| *Financial Assets* | | | | |
| Cash and cash equivalents | 3,485,056 | 3,485,056 | 4,179,072 | 4,179,072 |
| Other receivables | 30,849 | 30,849 | 29,248 | 29,248 |
| *Financial Liabilities* | | | | |
| Trade and other payables | 177,247 | 177,247 | 149,758 | 149,758 |

The following methods and assumptions are used to determine the net fair value of financial assets and liabilities.

Cash and cash equivalents, other receivables and trade and other payables are carried at amounts approximating fair value because of their short term nature to maturity.

## 24. Share Based Payment Plans

### (a) Recognised share based payment expenses

Total expenses arising from share based payment transactions recognised during the year as part of share based payment expense, the income statement, or capitalised to exploration costs were as follows:

| | Consolidated 2021 $ | Consolidated 2020 $ |
|---|---|---|
| ***Operating expenditure*** | | |
| Options issued to employees, key management personnel and directors | 23,970 | 130,075 |
| Options issued to consultants | 103,618 | 292,307 |
| | 127,588 | 422,382 |

### (b) Share based payments

The Company makes share based payments in the form of Shares and options, to directors, executives and employees as part of their remuneration and to consultants and advisers for their services.

The Company has a Long-Term Incentive Plan ("Plan") in place, which provides benefits to Directors and other eligible persons, including consultants who provide services similar to those provided by an employee. The Company may also issue options or shares outside of the Plan to consultants and other service providers (collectively "the Options"). The objective of the Options is to assist in the recruitment, reward, retention and motivation of the recipients and/or reduce the level of remuneration or consideration that would otherwise be paid to the recipient.

Details of Options granted are as follows:

**2021**

| Grant date | Expiry date | Exercise price | Balance at start of the year Number | Granted during the year Number | Exercised during the year Number | Expired during the year Number | Balance at end of the year Number | Exercisable at end of the year Number |
|---|---|---|---|---|---|---|---|---|
| Sep 19, 2017 | Sep 18, 2020 | A$0.12 | 400,000 | - | - | (400,000) | - | - |
| Dec 21, 2018 | Dec 20, 2021 | A$0.125 | 18,250,000 | - | - | - | 18,250,000 | - |
| Jul 31, 2019 | Dec 20, 2021 | A$0.125 | 10,750,000 | - | - | - | 10,750,000 | - |
| Nov 2, 2020 | Nov 1, 2023 | A$0.05 | - | 3,000,000 | - | - | 3,000,000 | 3,000,000 |
| | | | 29,400,000 | 3,000,000 | - | (400,000) | 32,000,000 | 3,000,000 |
| Weighted remaining contractual life (years) | | | 1.46 | | | | 0.65 | 2.34 |
| Weighted average exercise price | | | $ 0.12 | | | | $ 0.12 | $ 0.05 |

On 2 November 2020, 3,000,000 Options with a fair value of $47,688 were issued to consultants as part remuneration for their services. The fair value at grant date of options granted during the period and in previous reporting periods, was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the Option.

**24. Share Based Payment Plans (continued)**

The model inputs for the options granted during the period ended 30 June 2021 included:

a) options were issued with an exercise price of $0.05;
b) expected life of options is 3 years;
c) share price at grant date was $0.03;
d) expected volatility of 103%, based on the history of the Company's share prices for the expected life of the options;
e) expected dividend yield of nil; and
f) a risk-free interest rate of 0.11%

Options were fully vested at the time of issue.

**2020**

| Grant date | Expiry date | Exercise price | Balance at start of the year | Granted during the year | Exercised during the year | Expired during the year | Balance at end of the year | Exercisable at end of the year |
|---|---|---|---|---|---|---|---|---|
| | | | Number | Number | Number | Number | Number | Number |
| Feb 20, 2015 | Feb 19, 2020 | A$0.0715 | 4,000,000 | - | - | (4,000,000) | - | - |
| Jun 18, 2015 | Jun 17, 2020 | A$0.175 | 400,000 | - | - | (400,000) | - | - |
| Aug 31, 2016 | Aug 30, 2019 | A$0.195 | 400,000 | - | - | (400,000) | - | - |
| Sep 19, 2017 | Sep 18, 2020 | A$0.12 | 400,000 | - | - | - | 400,000 | 400,000 |
| Dec 21, 2018 | Dec 20, 2021 | A$0.125 | 18,250,000 | - | - | - | 18,250,000 | - |
| Jul 31, 2019 | Dec 20, 2021 | A$0.125 | - | 10,750,000 | - | - | 10,750,000 | - |
| | | | 23,450,000 | 10,750,000 | - | (4,800,000) | 29,400,000 | 400,000 |

| | | | |
|---|---|---|---|
| Weighted remaining contractual life (years) | 2.08 | 1.46 | 0.22 |
| Weighted average exercise price | $ 0.12 | $ 0.12 | $ 0.12 |

On 31 July 2019, the Company issued 10,750,000 options, each exercisable at $0.125 on or before 20 December 2021, in lieu of cash consideration for consulting services. The 10,750,000 options shall vest as follows:

(i) 4,300,000 options shall vest upon announcement of a JORC Inferred mineral resource estimate for the Alaska Range Project, comprising both the Stellar Copper Gold and the Caribou Dome Copper properties, of 10 million tonnes of mineralisation at a minimum cut-off grade of 0.5% copper or copper equivalent, signed off by a competent person other than a director or employee of the Company;

(ii) 4,300,000 options shall vest upon the Shares trading on ASX at a volume weighted average price of $0.20 or more for 10 consecutive trading days; and

(iii) 2,150,000 options shall vest upon completion of feasibility study for the Alaska Range Project.

The fair value at grant date of options was determined using the Black Scholes option pricing model that takes into account (i) the exercise price ($0.125); (ii) the term of the option (2.39 years); (iii) the share price at grant date ($0.12); (iv) expected price volatility (89%) of the underlying share; and (v) the risk free interest rate (0.73%) for the term of the Option. The fair value of the stock options was $527,223.

## 25. Contingent Liabilities

The Company has a contingent liability arising from the termination of a drilling contract in Paraguay in 2008, subsequent to which Arbitration proceedings were commenced by the drilling contractor.

In August 2016, the Company received notice of the Arbitration Tribunal's determination. Based on its review of the Tribunal's judgement and advice from its Paraguayan legal counsel, the Company assessed the quantum of damages that may be payable by it to be approximately US$40,000 plus interest. Subsequently on 7 March 2018, the Company received notice that the plaintiff was seeking a Paraguayan judicial order for the enforcement of an arbitration award against the Company in the amount of US$123,853.

Subject to receiving a Paraguayan court order for execution of the Tribunal's judgement, the Company intends to defend any attempt to enforce the order in Australia. As at the date of this report the Company has not received notice of a court order having been issued for the execution of the Tribunal's judgement. No provision for a liability was recognised as at 30 June 2021.

Refer also to Notes 17 for the contingent payments and royalties applicable to the Caribou Dome, Stellar, Humboldt Range and Uncle Sam properties.

## 26. Operating Segment

For management purposes, the Group is organised into one main operating segment, which involves mineral exploration, predominantly for gold, copper and silver. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. The Group currently operates in Australia and the USA. The following table shows the assets and liabilities of the Group by geographic region:

| | Consolidated | |
|---|---|---|
| | 30 June 2021<br>$ | 30 June 2020<br>$ |
| **Assets** | | |
| Australia | 3,925,868 | 3,843,516 |
| United States | 27,982,975 | 25,063,727 |
| Total Assets | 31,908,843 | 28,907,243 |
| **Liabilities** | | |
| Australia | 79,292 | 109,018 |
| United States | 97,955 | 40,740 |
| Total Liabilities | 177,247 | 149,758 |
| **Operating Result** | | |
| Australia | (1,236,374) | (1,720,798) |
| United States | (63,378) | (7,173,652) |
| Total loss from operations | (1,299,752) | (8,894,450) |

## 27. Dividends

No dividend was paid or declared by the Company in the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 30 June 2021 (2020: Nil). The balance of the franking account as at 30 June 2021 is Nil (2020: Nil).

## 28. Agreements over the Uncle Sam Gold Project

In July 2015, the Company entered into a mineral lease and purchase agreement (**Option Agreement**) with Great American Minerals Exploration Inc. (**GAME**), pursuant to which GAME agreed to lease the Uncle Sam Project for 10 years with an option to purchase the property outright at any time during the lease period. Subject to exercise of the purchase option, GAME would assume liability for all royalty obligations on the project.

During the 2018 financial year, the Company received noticed from the Department of Natural Resources (State of Alaska) that the mineral claims which comprise the Uncle Sam Gold Project had been declared abandoned (**DNR Notice**). The basis for the decision was an error on the affidavit of labour filed by the previous tenement owner in 2011. As a result, GAME has sought to terminate the Option Agreement.

Following a review of its options in relation to this matter, PolarX and its US subsidiary which previously held an interest in the Uncle Sam Project, have entered into an agreement with the underlying royalty holder, International Royalty Corporation ("IRC"), pursuant to which:

(i) they have assigned to IRC its rights, titles, and interests (if any) in the Uncle Sam Project (including its rights as against GAME);

(ii) they have granted the Group a full release from any causes of action, claims, or damages that IRC could assert against PolarX or its US subsidiary; and

(iii) IRC has the right to convey the claims back to PolarX's US subsidiary, if it is successful in any court action to recover the mineral claims from GAME.

As at the date this report the Company advises that IRC has commenced legal proceedings against GAME, seeking to recover the Uncle Sam Project from GAME. In response, GAME has filed a third-party complaint, which was served on the Company on 20 September 2021 ("GAME Complaint"). Pursuant to the GAME Complaint, GAME alleges that the Company and its subsidiary, Crescent Resources (USA) Inc. ("Crescent"), breached the underlying option agreement and is seeking, inter alia, to recover alleged payments to the Company totaling US$174,550. In response, the Company notes as follows:

(i) the Company does not believe that there any grounds to the GAME Complaint against the Company and Crescent;

(ii) IRC intends to defend the GAME Complaint on behalf of the Company and Crescent (refer further Note 28 to the financial statements) and the Company believes that IRC will be successful in its original action against GAME; and

(iii) in any event, the Company only received payments totaling US$90,000 from GAME.

The Company also notes that the Uncle Sam Project:

- is considered a non-core asset and has a $nil carrying value in the Company's financial statements; and
- is independent of the Company's other projects in the USA.

## 29. Information relating to PolarX Limited ("the parent entity")

| | 2021 $ | 2020 $ |
|---|---|---|
| Current assets | 3,435,268 | 3,354,826 |
| Non-current assets | 34,240,235 | 31,642,705 |
| Total assets | 37,675,503 | 34,997,531 |
| | | |
| Current liabilities | 79,291 | 109,018 |
| Non-current liabilities | - | - |
| Total liabilities | 79,291 | 109,018 |
| Net assets | 37,596,212 | 34,888,513 |
| | | |
| Issued capital | 94,632,375 | 88,818,962 |
| Reserves | 3,868,868 | 3,741,280 |
| Retained losses | (60,905,031) | (57,671,729) |
| | 37,596,212 | 34,888,513 |
| (Loss) of the parent entity | (3,233,302) | (1,382,075) |
| Total comprehensive (loss) of the parent entity | (3,233,302) | (1,382,075) |
| | | |
| **Guarantees entered into by the parent entity in relation to the debts of its subsidiaries** | | |
| Guarantees provided | - | - |
| Contingent liabilities of the parent entity | - | - |
| | - | - |
| **Commitment for the acquisition of property, plant and equipment by the parent entity** | | |
| No longer than one year | - | - |
| Longer than one year and not longer than five years | - | - |
| Longer than five years | - | - |
| | - | - |

## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of PolarX Limited, I state that:

In the opinion of the directors:

(a) the consolidated financial statements and notes are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 3(a); and

(c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

On behalf of the Board

**Mark Bojanjac**
Executive Chairman
29 September 2021

**Stantons**

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

29 September 2021

Board of Directors
PolarX Limited
1/100 Railway Road
Subiaco, WA 6008

Dear Directors

**RE: POLARX LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of PolarX Limited.

As Audit Director for the audit of the financial statements of PolarX Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**

**Samir Tirodkar**
**Director**

Stantons

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF**
**POLARX LIMITED**

## Report on the Audit of the Financial Report

### *Opinion*

We have audited the financial report of PolarX Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Material Uncertainty Relating to Going Concern*

As referred to in Note 2 to the consolidated financial statements, the consolidated financial statements have been prepared on the going concern basis. For the financial year ended 30 June 2021, the Group incurred a loss after income tax of $1,299,752 and in net cash outflow from operating activities of $1,217,800. At 30 June 2021, the Group had cash and cash equivalents of $3,485,056.

The ability of the Group to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Group raising further working capital and/or successfully exploiting its mineral assets. In the event that the Group is not successful in raising further equity or in exploiting its mineral assets, the Group may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's current and non-current assets may be significantly less than book values.

Our audit opinion is not modified on this respect.

***Key Audit Matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How the matter was addressed in the audit |
|---|---|
| ***Carrying Value of Exploration and Evaluation Assets***<br><br>As disclosed in Note 11 to the consolidated financial statements, the carrying value of exploration and evaluation assets amounted to $27,946,204 (2020: $24,307,272).<br><br>The carrying value of exploration and evaluation assets is a key audit matter due to:<br><br>• The significance of the expenditure capitalised representing 87% of total assets;<br><br>• The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources ("AASB 6"), in light of any indicators of impairment that may be present; and<br><br>• The assessment of significant judgements made by management in relation to the capitalised exploration and evaluation expenditure. | Inter alia, our audit procedures included the following:<br><br>i. Assessing the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation;<br><br>ii. Reviewing the directors' assessment of the carrying value of the capitalised exploration and evaluation assets, ensuring the veracity of the data presented and assessing management's consideration of potential impairment indicators, commodity prices and the stage of the Group's projects against AASB 6;<br><br>iii. Evaluating documents supporting the Group's intention to continue its exploration and evaluation activities in areas of interest. The documents we evaluated included:<br><br>▪ Minutes of the board and management; and<br>▪ Announcements made by the Group to the Australian Securities Exchange; and<br><br>iv. Assessing the adequacy of the disclosures in accordance with the applicable accounting standards. |

***Other Information***

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

Stantons

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of the Directors for the Financial Report***

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

***Auditor's Responsibilities for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Stantons

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

.

***Report on the Remuneration Report***

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 21 to 26 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of PolarX Limited for the year ended 30 June 2021 complies with section 300A of the Corporations Act 2001.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**
**(An Authorised Audit Company)**

Stantons International Audit and Consulting Pty Ltd
Samir

**Samir Tirodkar**
Director
West Perth, Western Australia
29 September 2021

## ASX Additional Information

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report. The additional information was applicable as at 1 September 2021.

### Distribution of Security Holders

There are 672,216,731 fully paid ordinary shares on issue. Analysis of numbers of listed equity security holders by size of holding:

| Holding | Number of shareholders |
|---|---|
| 1 - 1,000 | 86 |
| 1,001 - 5,000 | 111 |
| 5,001 - 10,000 | 83 |
| 10,001 - 100,000 | 509 |
| 100,001 and over | 468 |
| | 1,257 |

There are 310 shareholders holding less than a marketable parcel of ordinary shares.

### Statement of Restricted Securities

There are a total of 5,000,000 Shares subject to voluntary escrow, which expires on 31 March 2023. There are no other restricted securities on issue.

### Substantial Shareholders

The Company is of the view, after taking into account publicly available information, that the substantial shareholders of the Company are as follows:

| Shareholder | Number of shares |
|---|---|
| Ruffer LLP | 93,228,730 |
| Lundin Mining Corporation | 53,442,000 |
| US Global | 50,343,939 |

### Voting Rights

The voting rights attached to each class of equity security are as follows:

***Ordinary Shares***

Each ordinary share is entitled to one vote when a poll is called otherwise each member present at a meeting or by proxy has one vote on a show of hands.

***Options***

These securities have no voting rights.

POLARX LIMITED

### Quoted Equity Security Holders

The names of the twenty largest ordinary shareholders of the Company as at 1 September 2021 are as follows:

| Shareholder | Number of Shares | % of Issued Capital |
|---|---|---|
| HSBC Custody Nominees (Australia) Limited | 50,922,926 | 22.45 |
| Citicorp Nominees Pty Limited | 67,681,335 | 10.07 |
| BNP Paribas Noms Pty Ltd <DRP> | 34,527,208 | 5.14 |
| Aetas Global Markets Limited | 16,370,782 | 2.44 |
| Hajek FT Custodians Pty Ltd <The Hajek Family A/C> | 14,179,511 | 2.11 |
| Orogen Investments Pty LTd <Orogen Investments A/C> | 13,631,832 | 2.03 |
| Equity Trustees Limited <Lowell Resources Fund A/C> | 12,754,882 | 1.90 |
| BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP> | 10,682,825 | 1.59 |
| Mr Kevin Banks-Smith | 7,787,777 | 1.16 |
| Terra Metallica Nominees Pty Ltd <Terra Metallica A/C> | 5,793,862 | 0.86 |
| Martin Huxley | 5,646,171 | 0.84 |
| Mr William Willoughby | 5,169,427 | 0.77 |
| Mr Andrew Walsh | 5,050,000 | 0.75 |
| Armada Mining Inc. | 5,000,000 | 0.74 |
| Mr Frank Violi | 4,742,857 | 0.71 |
| Stelabel Pty Ltd <The Sealinks Family A/C> | 4,387,597 | 0.5 |
| Gecko Resources Pty Ltd | 4,269,473 | 0.64 |
| Dr Charles Frazer Tabeart | 3,700,395 | 0.55 |
| Mr Andrew Huat Seong Tay | 3,617,223 | 0.54 |
| Mr Robert Keith Blanden + Ms Joan Sybil Blanden <RK & JS Blanden S/F A/C> | 3,462,338 | 0.52 |
| | **379,378,421** | **56.44** |

### Unquoted Equity Security Holders

| Class | Number of options | Number of holders | Holders with more than 20% |
|---|---|---|---|
| Unlisted stock options each exercisable at $0.125 on or before 20/12/2021 | 29,000,000 | 10 | The Fiduciary Group Limited (10,000,000)<br>Frazer Tabeart (5,000,000)<br>Orogen Investments Pty Ltd (5,000,000)<br>Kallara Holdings Pty Ltd (5,000,000) |
| Unlisted stock options each exercisable at $0.05 on or before 1/11/2023 | 3,000,000 | 2 | Peter Nesveda (2,700,000) |
| Unlisted stock options each exercisable at $0.05 on or before 26/07/2024 | 5,000,000 | 4 | C&M Co Pty Ltd <K&C Family A/C> (1,250,000)<br>Andrew Doe (1,250,000)<br>Justin Resta (1,250,000)<br>Russell Cole (1,250,000) |

### Tenement Schedule

The tenement interest held by the Group as at the date of this report are listed below:

| Project | Location | Licence(s) | Ownership Interest |
|---|---|---|---|
| Caribou Dome Property | Alaska, USA | Caribou 1 - Caribou 20 (563243 - 563262)<br>Copper 1 - Copper 6 (588461 - 588466)<br>Copper 7 - Copper 11 (645375 - 645379)<br>CD 1 - CD66 (664859 - 664924)<br>CDS 001 - 038 (719949 - 719986[1]) | Option to earn 80% |
| | | CD 001 - 040 (719909 - 719948)<br>CDE-01 - 20 (722216 - 722235)<br>CDE 26 (722241)<br>CD 41 - 51 (725113 - 725123)<br>SBX 71 (726910)<br>SBX 74 - 75 (726913 - 726914)<br>SBX 77 - 82 (726916 - 726921) | Option to earn 90% |
| Stellar Copper Gold Project | Alaska, USA | SB 154 - 155 (704562 - 704563),<br>SB 167 - 168 (704575 - 704576)<br>ZK 3 - 5 (704621 - 704623)<br>ZK 14 (704632)<br>ZK 19 - 21 (704637 - 704639)<br>Z 1 - 5 (709427 - 709431)<br>Z 6 - 10 (711728 - 711732)<br>SB 281 - 283 (714079 - 714081)<br>SB 297 - 299 (714095 - 714097)<br>SB 317 - 319 (714115 – 714117)<br>SB 346 - 348 (714144 - 714146)<br>SB 364 - 368 (714162 - 714166)<br>SB 376 - 379 (714174 - 714177)<br>SB 389 - 390 (714187 - 714188)<br>SB 417 (715392)<br>SBA 001 - 066 (721446 - 721511)<br>SBX 001 - 070 (724789 - 724858)<br>LYKN 1 - 2 (725111 - 725112)<br>CDE 21 - 25 (722236 - 722240)<br>CDE 27 (722242)<br>SBX 72 - 73 (726911 - 726912)<br>SBX 76 (726915)<br>SBX 83 - 91 (726922 - 726930)<br>SBX 92 -121 (728878 - 728907) | 100% |

| Project | Location | Licence(s) | Ownership Interest |
| --- | --- | --- | --- |
| Humboldt Range Project | 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 |