PolarX Limited

ABN 76 161 615 783

Annual Report
30 June 2018

CONTENTS

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

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Stock Exchange Listing
Australian Securities Exchange
ASX Code: PXX

Auditors
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Level 2, 1 Walker Avenue
West Perth WA 6005

REVIEW OF OPERATIONS

Alaska Range Project, Alaska USA

During the financial year ended 30 June 2018 (**FY2018**), the Company significantly expanded its highly prospective footprint in Alaska by acquiring 100% of the issued capital of Vista Minerals Pty Ltd (**Vista Acquisition**), which holds a 100% interest in the Stellar Copper Gold Project (**Stellar Property**).

Subsequent to the Vista Acquisition, PolarX's focus has been on the exploration and development of its newly named **Alaska Range Project** which contains both the Caribou Dome Copper Project (**Caribou Dome Property**) and the new Stellar Property (refer Figure 1). The combined Alaska Range Project now comprises 417 State mineral claims covering a total area of ~241km^2, which follows the staking of an additional 104 State Mining Claims during the reporting period. Collectively these claims form a contiguous package with ~35km strike length containing extensive copper and gold-in-soil anomalism, with significant upside potential for resource extensions and larger porphyry copper-gold discoveries.

The project is located approximately 250km northeast of Anchorage. It is easily accessible by road with the Denali Highway passing within 20km of the project. The project is also located ~125km from the Anchorage-Fairbanks railway line. Any potential concentrate or metal produced from the project could be transported by road or rail to the ports of Anchorage, Seward (all year) or Port Mackenzie. There are also nearby lodges along the Denali Highway which provide accommodation facilities, communications, logistics support and supplies.

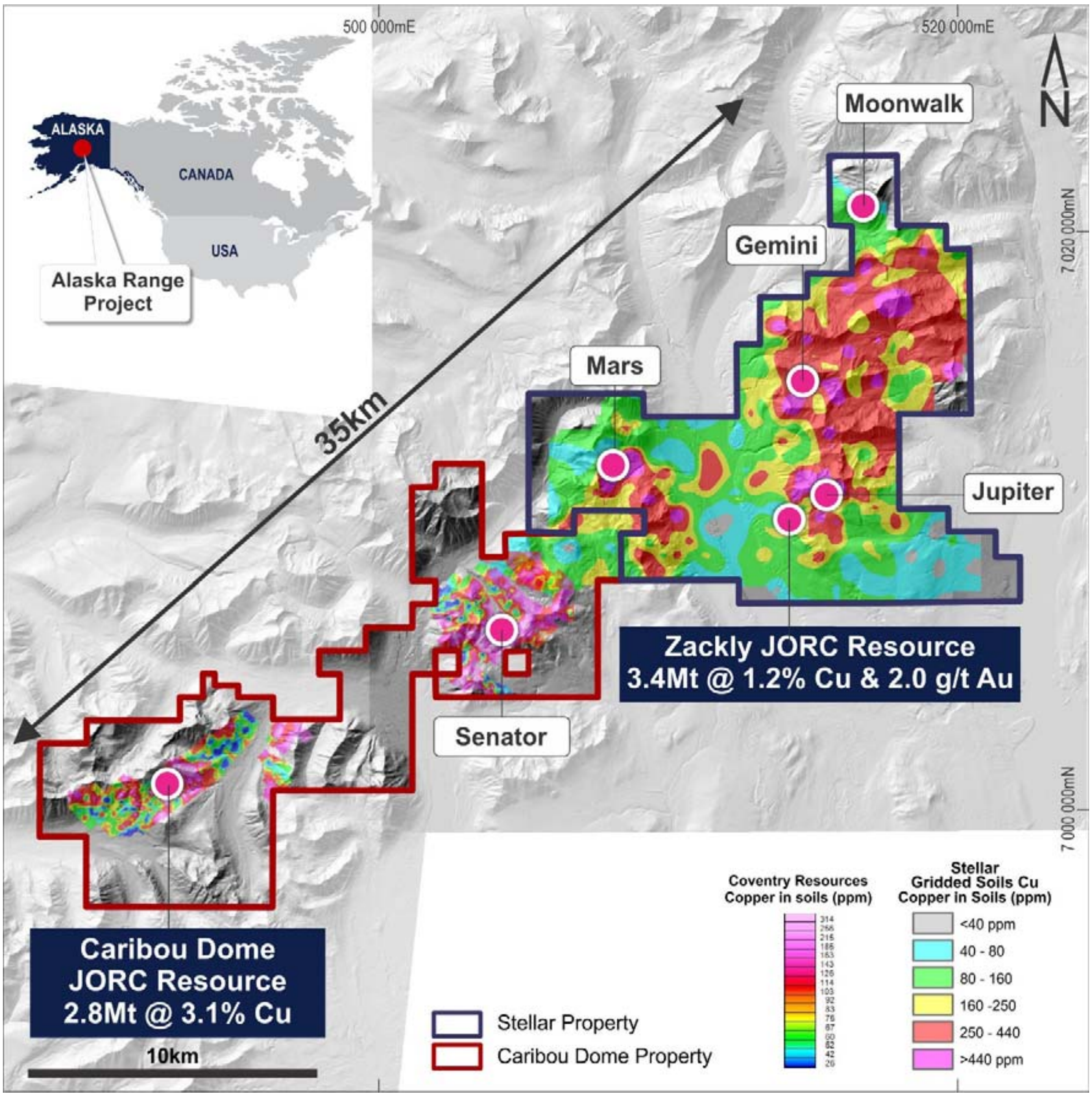

Figure 1: Location map showing main deposits and prospects at the Stellar and Caribou Dome properties in central Alaska, which collectively form the Alaska Range Project, regional copper geochemistry in soil sampling draped on digital elevation.

Geological setting of the Alaska Range Project

The Alaska Range Project occurs along a major ENE trending structural break marking the local boundary between the Tintina Gold Belt to the north, and a major porphyry Cu-Au belt to the south (Figure 2). This porphyry belt has had a long geological history which commenced as a volcanic island arc over 300 million years ago. The island arc was accreted to the north American Craton causing associated collisional to post-collisional magmatic events between 110 and 90 million years ago. This magmatism created world class deposits such as the Pebble Cu-Au-Mo porphyry and the Tintina-style gold deposits at Donlin, Pogo and Fort Knox.

Multiple styles of mineralisation occur in the Alaska Range Project, including early massive sulphide lenses at **Caribou Dome** (2.8Mt @ 3.1% Cu, Table 1) which pre-date the intense folding events caused by the collision 110 million years ago, and the **Zackly Cu-Au skarn** (3.4Mt @ 1.2% Cu, 2.0g/t Au, 14.0 g/t Ag) which overprints the folding and thus occurred in a post-collisional setting. Such settings are highly prospective for large porphyry Cu-Au deposits, and the presence of Zackly is direct confirmation that the right processes have operated in the Alaska Range Project.

A major NW trending fault corridor intersects the terrane boundary in the eastern part of the Alaska Range Project and hosts several interpreted intrusive centres such as Mars, Gemini and Jupiter, all of which the Company considers highly prospective for large mineralised porphyry systems.

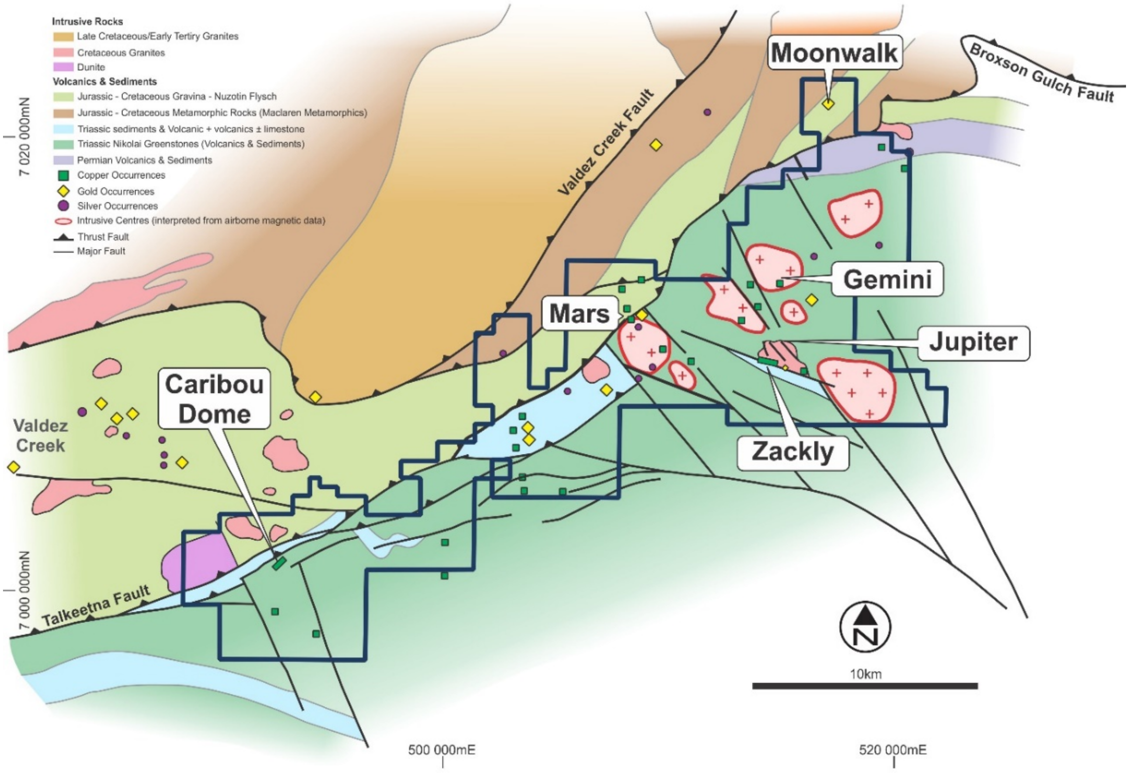

Figure 2: Regional geological setting of the Alaska Range Project

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

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

Stellar Property (100% interest)

The Stellar Property contains six main prospects: the Zackly Cu-Au skarn; the Zackly SE, Jupiter, Mars and Gemini porphyry Cu-Au targets, and the Au-only Moonwalk Prospect (Figure 2). Prior to the Vista Acquisition, Zackly was the only prospect to have been tested by drilling, undertaken between 1981 and 1994. This drilling identified a mineralized Cu-Au skarn along a strike-length of approximately 800m. PolarX identified the opportunity to significantly increase the strike length and depth of the mineralisation through further drilling.

The skarn mineralisation as Zackly was caused by mineralising fluids escaping from an intrusion and reacting with silty limestones. The Zackly skarn mineralisation comprises predominantly sub-vertical zones of intense garnet alteration which completely replaces the original limestone, and which contains variable amounts of magnetite, copper sulphides and coarse gold. The copper sulphides are predominantly the high-tenor minerals bornite and chalcocite, with lesser amounts of chalcopyrite. Late supergene remobilisation and oxidation has locally produced copper oxides and native copper.

2017 Stellar Field Program and Maiden Mineral Resource Estimate

During the 2017 field season, a program of 13 drill holes, for a total of 2,054m, were drilled at Zackly. This drilling helped validate the historical drilling results, and a maiden JORC Inferred Resource estimate for the Zackly Deposit was announced in March 2018 (**Zackly Resource, Table 2**). The Zackly Resource extends from surface and remains open for extension along strike and at depth.

Table 2: Zackly Mineral Resource Estimate (JORC 2012) at various cut-off grades*

Cut-off grade	*Category*	*Million Tonnes*	*Cu %*	*Au g/t*	*Contained Cu (t)*	*Contained Cu (M lb)*	*Contained Au (oz)*
0.5% Cu	***Inferred***	***3.4***	***1.2***	***2.0***	***41,200***	***90.8***	***213,000***
0.8% Cu	*Inferred*	*2.4*	*1.5*	*2.3*	*34,750*	*76.6*	*177,000*
1.0% Cu	*Inferred*	*1.9*	*1.6*	*2.5*	*30,250*	*66.7*	*152,000*

**Refer to the ASX announcement of 20 March 2018 for full details, including applicable technical information and reporting criteria*

2018 Stellar Field Program

The 2018 drilling program comprised 17 holes for a total of 3,754m of core drilling designed to extend the Zackly Resource both along-strike and down-dip (Figure 3).

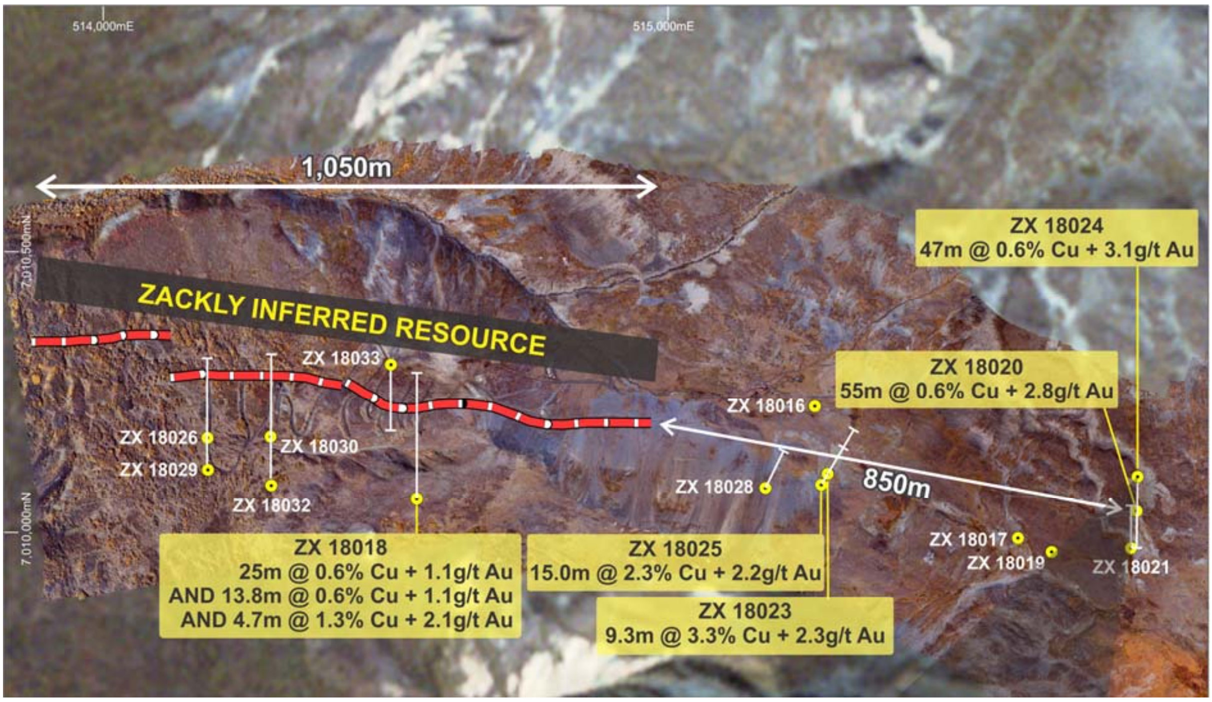

Figure 3: Drill hole plan for Zackly showing the 2017 surface trace of PolarX's inferred resource outline (red) and the 2018 drill holes (yellow) on detailed drone imagery.

Highlights from the 2018 drilling program are summarised below:

Hole ZX-18020 intersected 55m @ 2.8g/t Au and 0.6% Cu from near-surface. This hole is 850m east of the Zackly Resource (Figure 3 and Figure 4). The intersection included a 0.3m down-hole thickness from 56.7m which assayed 27.3% Cu, 2.5g/t Au and 82.5g/t Ag. **Hole ZX-18024**, drilled 40m down-dip from ZX-18020 intersected 46.7m @ 3.1g/t Au and 0.6% Cu from 37m, confirming the presence of thick, near-surface high-grade mineralisation.

The gold and copper mineralisation in ZX-18020 occurs from near-surface under 2.5m of transported cover in garnet-bearing skarn alteration located above a fault. Visible copper mineralisation in both holes occurs in veins, fractures, interstitial to grains, as native copper flecks and silicified chalcocite. High grade gold is also present throughout the mineralised zone. The gold and copper oxide mineralisation appear to be associated with quartz and sericite veining and alteration, which is consistent with hydrothermal alteration proximal to a porphyry system.

Significantly, the relict bedding in both holes clearly shows that the mineralisation is at a much lower angle than the usual steeply dipping mineralisation seen elsewhere at Zackly such as seen in nearby hole ZX-18021 (Figure 4). This lower angle mineralisation, if extended down-dip and along-strike, may be amenable to open-pit extraction.

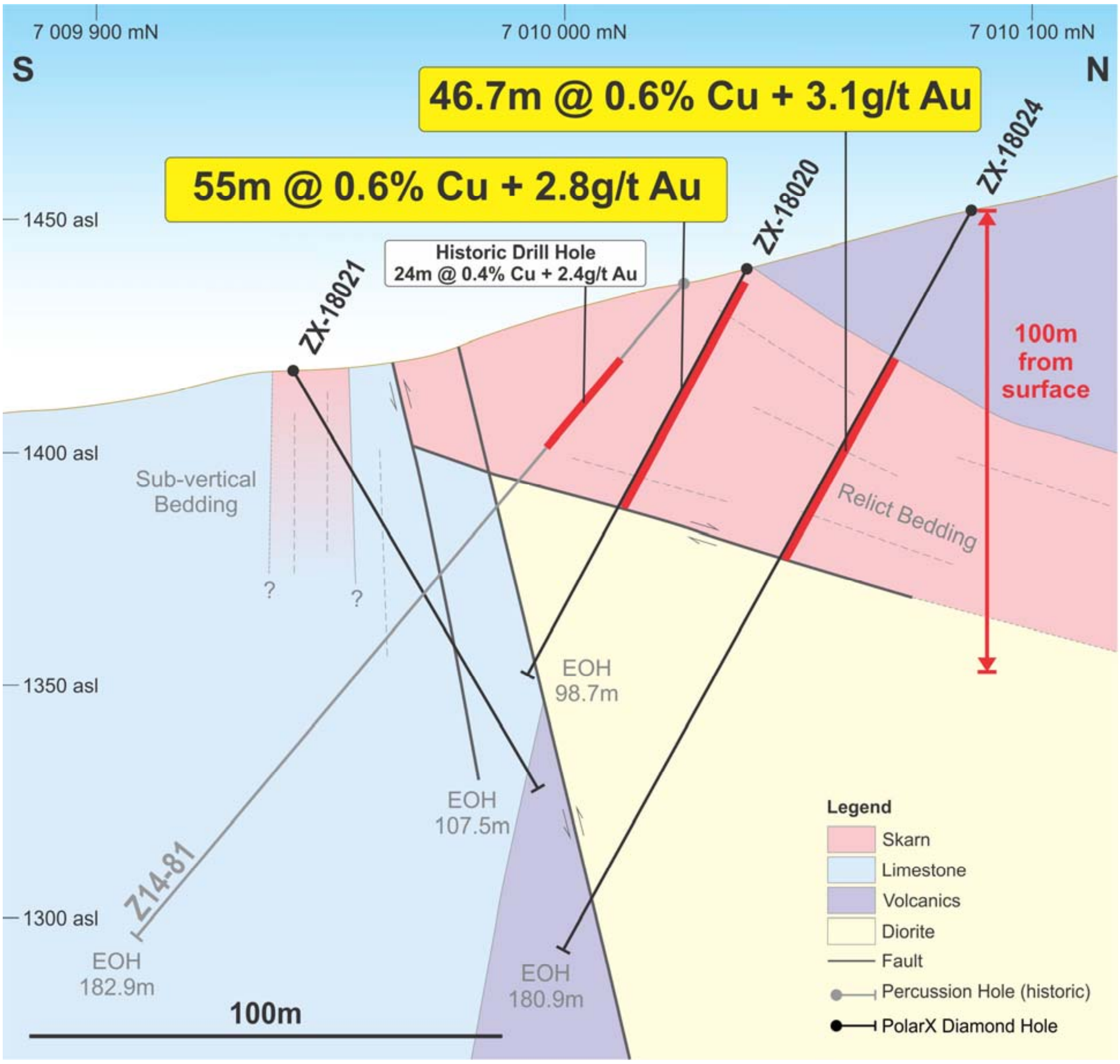

Figure 4: **Shallow, sub-horizontal mineralisation is hole ZX-18020 and ZX-18024**

Hole **ZX-18018** intersected multiple zones of copper-gold mineralisation below the nearest hole in the current Zackly Resource (Figure 5). The mineralisation in hole ZX-18018 occurs approximately 100m vertically below historic drill hole Z31-82 and it is expected that this will result in the resource block model extending down-dip by a similar distance, increasing the size of the Zackly inferred resource. The cumulative width of the intersections is thicker than previous intercepts and included 1.4m @ 3.2% Cu, 9.3g/t Au and 38.2g/t Ag from 285.8m and 2.5m @ 2.3% Cu, 3.5g/t Au and 18.5g/t Ag from 326.1m.

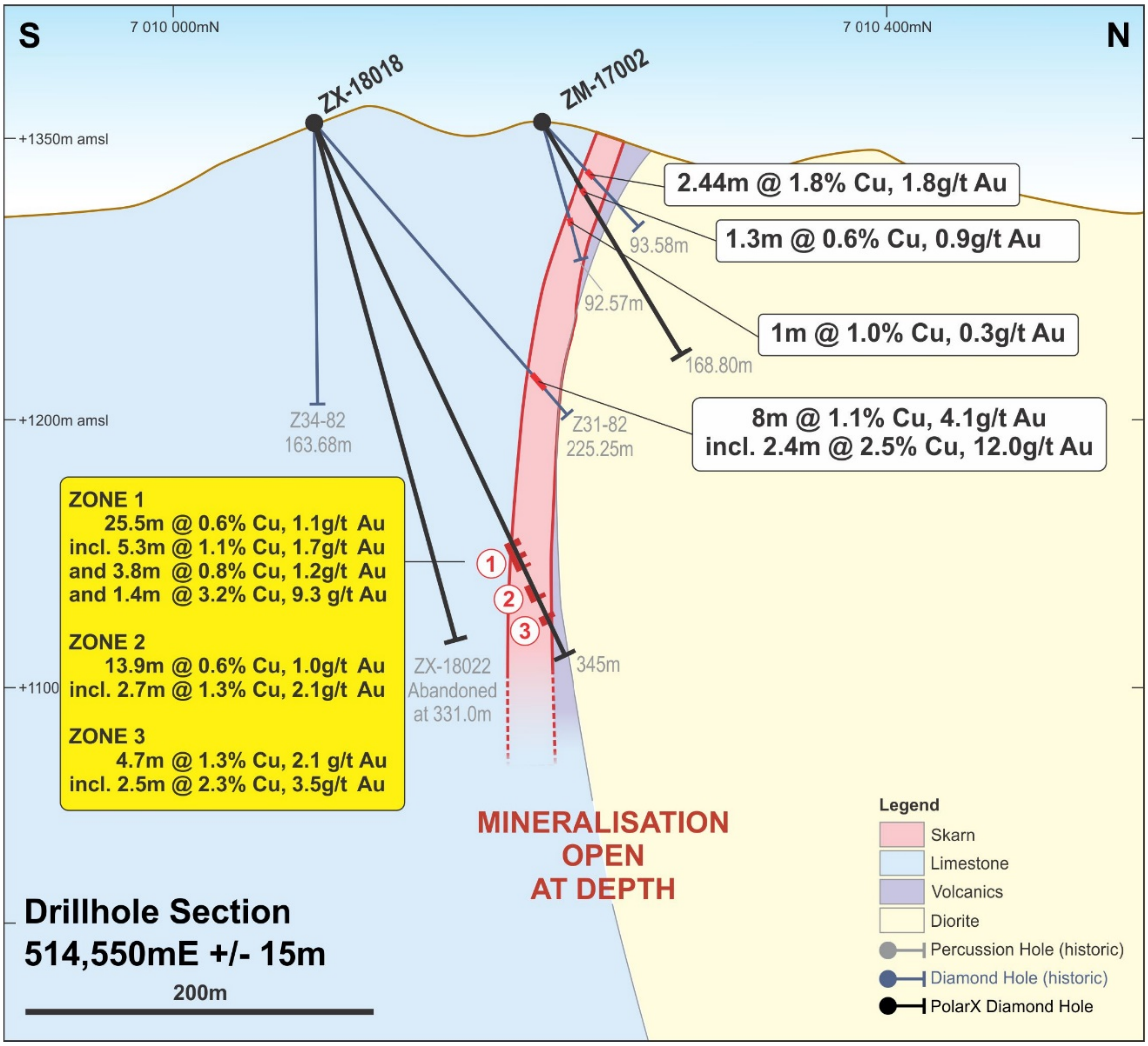

Figure 5: Multiple, thicker zones of mineralisation in hole ZX-18018, 100m below Z31-82

Hole ZX-18023 intersected shallow, strong copper sulphide (bornite and chalcopyrite) mineralisation in a magnetite-skarn at 20.5m down-hole depths, 350m to the east of the Zackly Resource (refer Figures 3 and 7). The copper mineralisation is hosted within magnetite-rich skarn alteration and assayed 3.3% Cu, 2.3g/t Au and 19.7g/t Au over 9.3m. Copper mineralisation occurs as the high-tenor sulphide bornite, with lesser amounts of chalcopyrite, covellite, native copper and copper oxides. These minerals appear to replace original bedding layers in the pre-cursor silty limestone (Figure 6). Mineralisation occurs between an altered limestone and an altered basalt, and is consistent with that previously reported by the Company.

Figure 6: Chalcopyrite replacing folded, crenulated bedding planes in magnetite rich skarn, hole ZX-18023

Hole ZX-18025 intersected a 15.0m wide down-hole interval of magnetite skarn containing 2.3% copper, 2.2 g/t gold and 11.9 g/t silver, from 84.9m to 99.8m down-hole depth. This zone of mineralisation is approximately 40m below the similar mineralisation in hole ZX-18023 (refer Figures 7 and 8) and adds substantially to the growing discovery outside the existing Zackly Resource. The copper mineralisation occurs as disseminated, blebby and vein-hosted chalcopyrite between an altered limestone and an altered basalt.

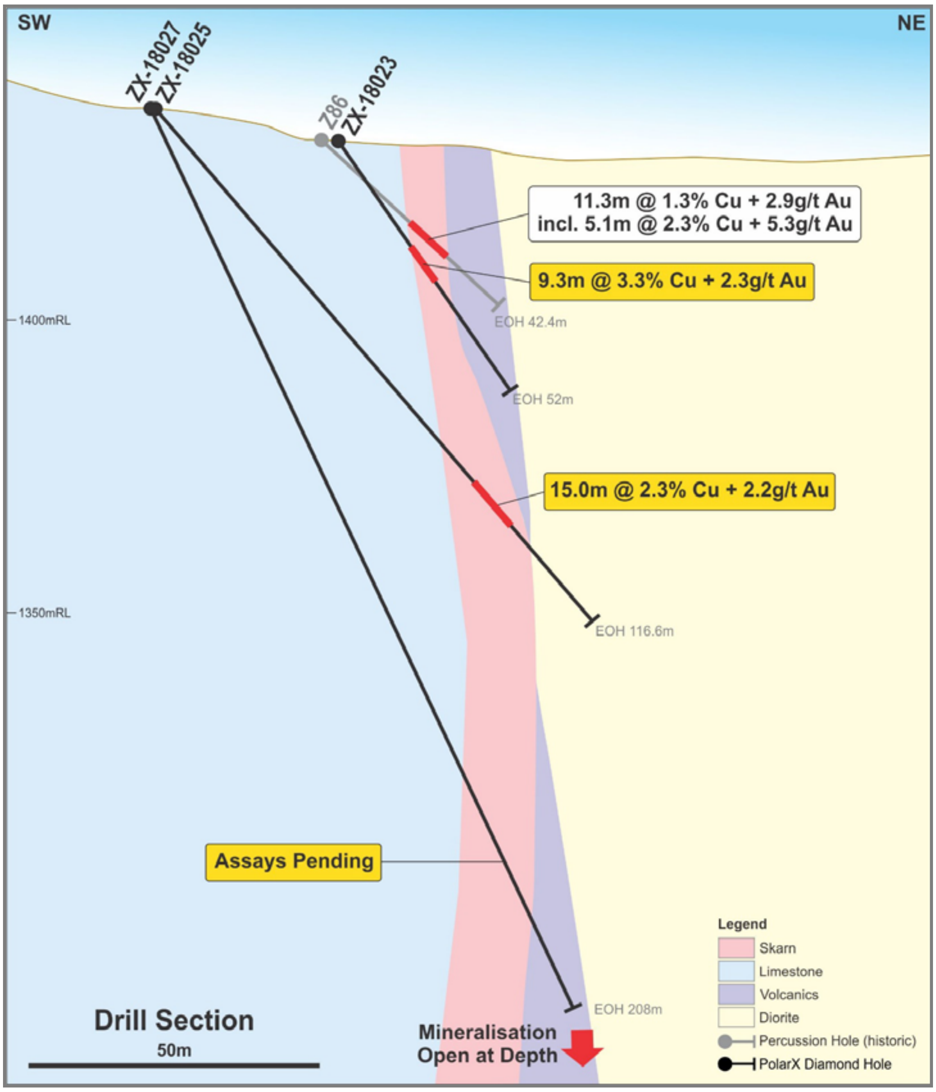

Figure 7: Cross-section showing relationship between holes ZX-18023, ZX-18025 and ZX-18027 and historic percussion hole Z86.

Assay results for deeper hole ZX-18027 which intersected less intense magnetite skarn, but with more prominent quartz and carbonate veining are expected in October 2018.

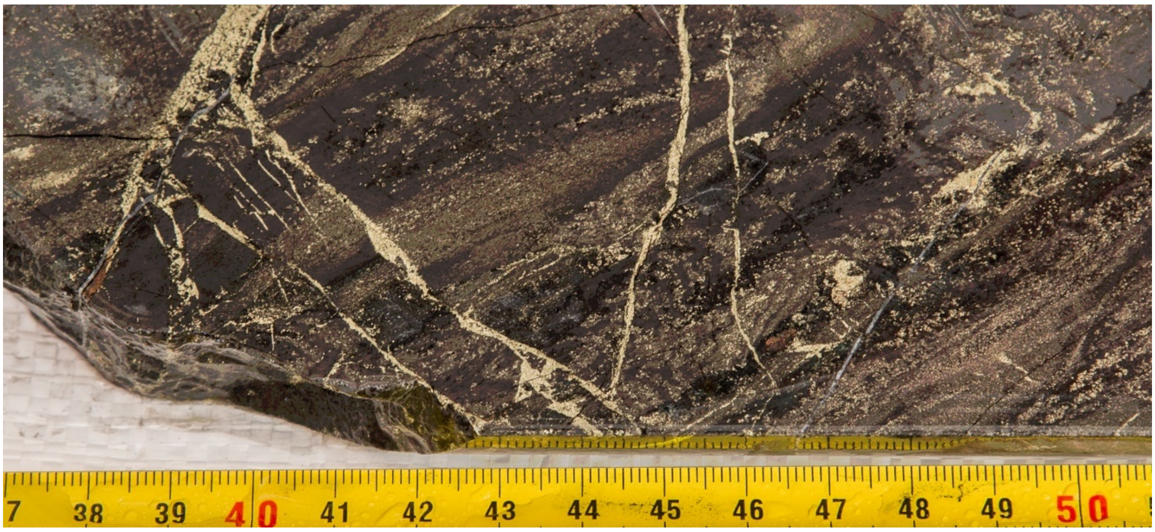

Figure 8: Visible copper sulphides and magnetite in half-core, hole ZX-18025, 93.9m down-hole depth. Copper sulphides comprise mainly chalcopyrite (yellow colour). Assays returned mineralisation grades of 5.4% Cu, 3.7g/t Au and 16.3g/t Ag for the interval including the above core-photograph. Scale bar is in cm

Hole ZX-18020 was drilled 850m east of the Zackly Resource. Given this result and the fact that several other holes drilled as part of this program intersected visible mineralisation outside the current Zackly Resource, PolarX expects the existing resource estimate to increase, with a mineral resource estimate update targeted for later in the year.

Importantly, PolarX also believes that the geological nature, width and the grade of the mineralisation in hole ZX-18020 supports its view of the potential for a porphyry copper-gold target at Zackly SE (refer Figure 9).

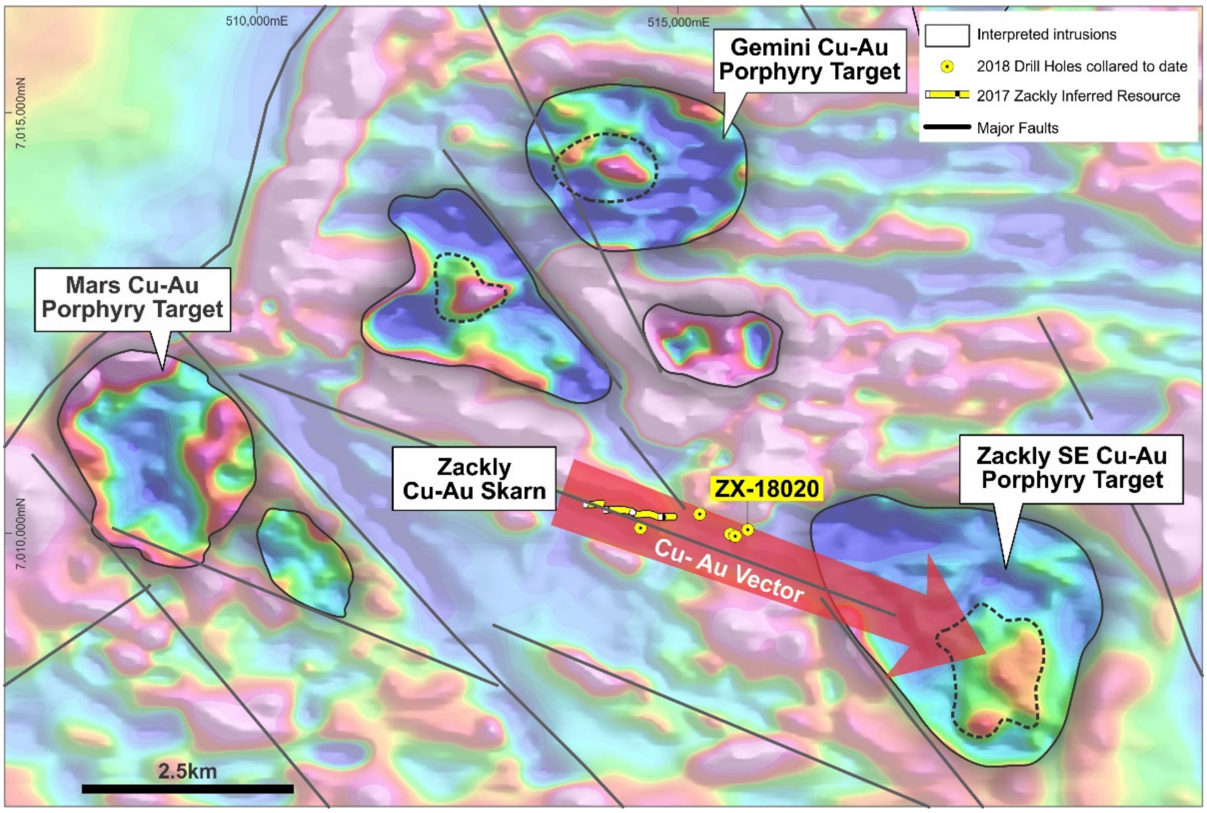

Figure 9: Aeromagnetic imagery showing a prominent magnetic anomaly to the SE of the Zackly inferred resource. Note the recently completed drill hole ZX-18020 in which thick zones of gold and copper mineralisation were intersected in association with quartz-sericite veining, possible indicative of the presence of porphyry style mineralisation.

Regional Activity

The Company's exploration program also aims to test the strong potential at Zackly for a deeper and much larger buried porphyry source. PolarX believes a porphyry intrusion may be the source of the prominent, buried magnetic anomaly at Zackly SE and the magnetic anomaly and associated Cu-Au soil geochemical anomalism at Mars (Figures 9 and 10).

Following the observed association of magnetite with mineralisation and the presence of geological structures at the Zackly Skarn, and given the magnetic signatures of the porphyry targets, a detailed helicopter-borne magnetic and radiometric survey at 50m line-spacing has been completed over the entire northern part of the Alaska Range Project. Processing of the raw data will commence in October and is expected to be complete in November. Given the close association of magnetite with mineralisation, the presence of geological structures at the Zackly Skarn, and the magnetic signatures of the porphyry targets, this data will provide an excellent context for all future exploration in this part of the Alaska Range.

Mars Cu-Au Target

The Mars prospect lies 6km to the WNW of the Zackly Skarn. Geological evidence indicates a WNW structural corridor extending between Mars and Zackly (Figure 10). This potentially hosts multiple buried porphyry Cu-Au systems.

The Mars prospect is characterised by co-incident copper, gold, molybdenum and silver anomalism in broadly spaced soil samples over a large area of approximately 2,000m x 1,500m. Up to 7.4% Cu and 1.8g/t Au is evident in rock-chip samples.

PolarX conducted an initial IP survey over the Mars prospect in late August 2017. Three lines of data and one short tie line were collected using a pole-dipole array with 100m spaced electrodes. The IP results (Figure 11) show a buried chargeability anomaly located 100-150m below the surface geochemical anomalism. This is consistent with a buried, mineralised porphyry Cu-Au system.

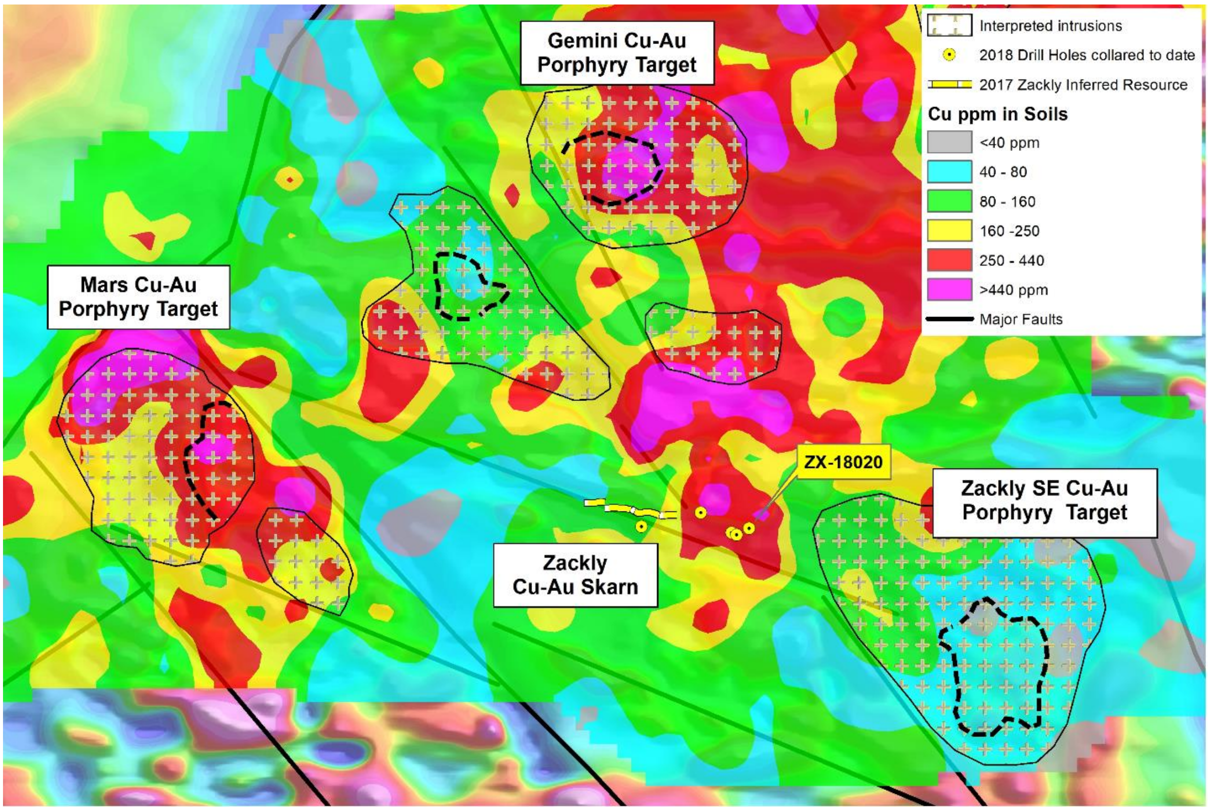

Figure 10: Regional copper in soil anomalism plotted over aeromagnetic data showing the prominent geochemical anomalism at Mars, Gemini and immediately north of Zackly. Note that Zackly SE is covered by glacial till and is therefore blind to surface geochemical sampling.

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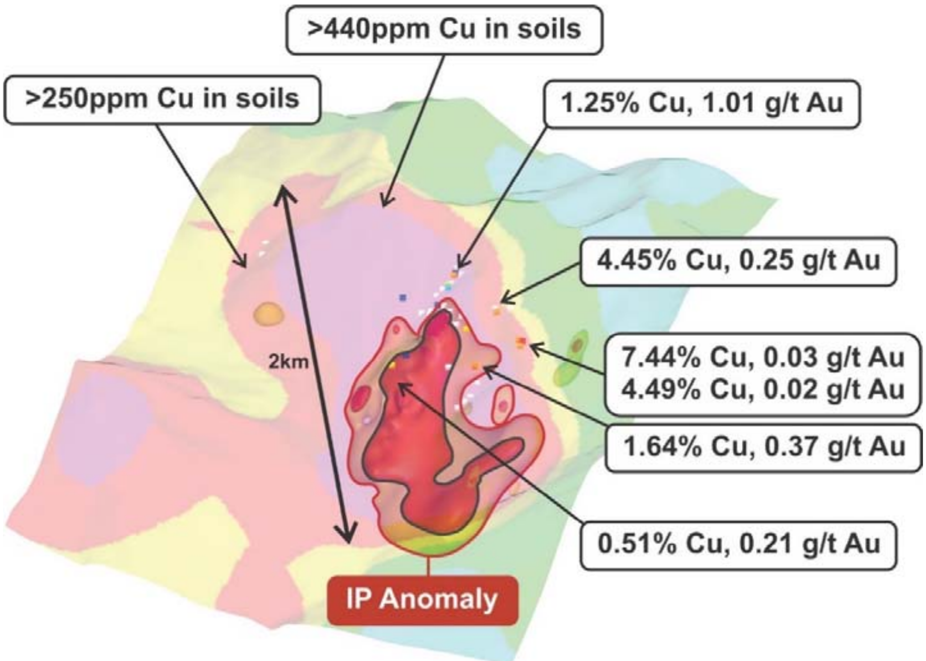

Figure 11: Mars Prospect showing IP chargeability anomaly directly below soil geochemistry results and rock-chip sampling copper assays.

The full extent of the chargeability anomaly is not yet known as the anomalism extends to the edge of the 800m wide survey area which lies within the 2km long soil anomaly – further IP surveying will be undertaken to map out the full extent of the IP anomaly. In addition, a program of detailed soil sampling and geological mapping on a 200m x 150m grid has been recently completed over the entire 4km x 2km Mars target. The results from these programs, together with the newly acquired aeromagnetic data, will lead to a drill campaign on this prospect.

Moonwalk Prospect

A program of detailed mapping and rock-chip sampling was undertaken at the Moonwalk Tintina-style gold prospect in the far north of the project. Results are pending.

Caribou Dome Property

Caribou Dome Deposit *(earning an 80% interest)*

The Caribou Dome deposit is located approximately 20km south-west of the Zackly Deposit. A maiden mineral resource estimate for the Caribou Dome Deposit was announced in April 2017 (Table 3).

Table 3: Caribou Dome Mineral Resource Estimate

Category	*Tonnes*	*Grade Cu %*	*Contained Cu (t)*
Measured	*569,000*	*3.6*	*21,000*
Indicated	*593,000*	*2.2*	*13,000*
Inferred	*1,634,000*	*3.2*	*52,000*
Total	*2,796,000*	*3.1*	*86,000*

Notes:
1. Numbers are presented at a 0.5% Cu cut-off grade and are rounded; and
2. Refer to the ASX announcement of 5 April 2017 for full details, including applicable technical information and reporting criteria

During FY2018 there was no change to the Mineral Resources Estimate reported at 30 June 2017 for comparison.

The FY2018 program at Caribou Dome comprised detailed geological mapping and structural interpretation of outcrop and drill core. This work will aid understanding the structural influences and geometry of the known mineralisation and will be used to assist in planning extensional drilling at the Caribou Dome Deposit.

Senator Cu Target *(earning a 90% interest)*

The Senator copper prospect, which forms part of the Caribou Dome Property, was discovered through a soil sampling program undertaken by the Company in 2016. This highlighted an area covering approximately 5km x 2.5km with elevated copper in soils (>100ppm Cu) and sporadic outcrop. Site visits undertaken during 2017 highlighted the potential of this area having identified intense iron alteration (jarosite and hematite) and the presence of copper oxides on fracture surfaces.

Environmental Baseline Surveys

Environmental baseline studies to monitor surface and ground water at the Caribou Dome and Zackly deposits for future mine permitting purposes commenced during FY2018 and included a reconnaissance level wetlands survey over Zackly and collection of initial water samples from a number of baseline monitoring stations at Zackly and Caribou Dome. These studies are ongoing.

Uncle Sam Gold Project, Alaska USA

The Uncle Sam Project is located 75 kilometres southeast of the City of Fairbanks in Alaska. Intrusion-related gold has been targeted in previous exploration programs.

The Company acquired the Uncle Sam Project in April 2013 from Millrock. Subsequently in July 2015, the Company entered into a mineral lease and purchase 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 at any time during the lease period (refer Note 29 to the 2017 Annual Financial Report for key terms).

During the reporting period 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 labor filed by the previous tenement owner in 2011. As a result, GAME has sought to terminate the Option Agreement.

The Company is currently reviewing its options in relation to this matter, including whether GAME has complied with its obligations under the Option Agreement, but notes that the Uncle Sam Gold Project:

- is considered a non-core asset and had a $nil carrying value in the Company's financial statements at the time of receipt of the DNR Notice; and
- is independent of the Company's Alaska Range Project.

Corporate

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

- on 26 July 2017 the Company announced that it had (i) completed the Vista Acquisition; and (ii) raised approximately $5.5 million via the issue of 54,950,000 ordinary shares at an issue price of $0.10 per Share. The July 2017 placement was a condition precedent to completion of the Vista Acquisition;
- following the Vista Acquisition, Dr Frazer Tabeart and Dr Jason Berton were appointed as directors of the Company, with Dr Tabeart appointed as Managing Director/CEO and Dr Berton as Technical Director;
- on 3 August 2017, the Company completed a 1 for 5 security consolidation (**Consolidation**) Accordingly, references to shares and options throughout this financial report, including the accompanying financial statements and notes thereto, are on a post-Consolidation basis;
- on 15 September 2017 the Company changed its name to PolarX Limited;
- on 26 May 2018, the Company completed a placement consisting of 23,974,407 Shares at an issue price of $0.105 per Share for gross proceeds of $2.517 million to institutional and sophisticated investors; and
- on 2 August 2018, the Company completed a placement consisting of 35,299,128 Shares at an issue price of $0.11 per Share for gross proceeds of $3.883 million to institutional and sophisticated investors (refer further Note 19 to the financial statements). Net funds raised pursuant to the August 2018 placement will be used for exploration and development activities on the Alaska Range Project and for general working capital purposes.

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

There is information in this report relating to:

(i) the Mineral Resource Estimate for the Caribou Dome Deposit (Alaska Range Project), which was previously announced on 5 April 2017;

(ii) the Mineral Resource Estimate for the Zackly Deposit (Alaska Range Project), which was previously announced on 20 March 2018; and

(iii) exploration results which were previously announced on 13 July 2018, 17 July 2018, 24 July 2018, 7 August 2018, 15 August 2018, 21 August 2018, 27 August 2018, 20 September 2018 and 25 September 2018.

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 of the risks and uncertainties inherent in the Company's business, including risks inherent in resource exploration and development. As a result, actual results may vary materially from those described in the forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.

The Directors present the annual report of PolarX Limited (**PolarX** or the **Company**) and its subsidiaries (the **Group**) for the financial year ended 30 June 2018.

DIRECTORS

The names, qualifications and experience of the Directors in office during or since the end of the financial year are as follows (Directors were in office for the entire period unless otherwise stated).

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. He also co-founded a 3 million oz gold project in China. 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 and options	2,000,000 unlisted options exercisable at $0.0715 on or before 19 February 2020
Other Directorships	Director of Geopacific Resources Limited (since 28 March 2013) and Kula Gold Limited (since 21 August 2017)
Frazer Tabeart	Managing Director (appointed 25 July 2017)
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. Dr. Tabeart has served on ASX-listed Company Boards at Executive level over last 10 years.
Interest in shares and options	4,103,273 ordinary shares
Other Directorships	Dr. Tabeart is a Director and Principal at Mitchell River Group, and current Managing Director at African Energy Resources Limited (since 1 November 2007) and Non-Executive Director at Arrow Minerals Limited (since 1 September 2014).
Jason Berton	Executive Director (appointed 25 July 2017)
Qualifications	Ph.D, B.Sc (Hons), MAusIMM
Experience	Dr. Berton is a geologist with over 17 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. 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 and options	13,664,938 ordinary shares
Other Directorships	*None*

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. 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. Mr Boaz is the former President & CEO of Aura Silver Resources Inc.
Interest in shares and options	1,000,000 unlisted options exercisable at $0.0715 on or before 19 February 2020
Other Directorships	Aura Silver Resources Inc. (2008 - 2018) Renaissance Gold Inc. (since 2010) Caracara Silver Inc. (since 2011)

Michael Fowler	Independent Non-Executive Director (resigned 1 December 2017)
Qualifications	BSc, MSc, MAusIMM
Experience	Mr Fowler is a geologist with over 25 years' experience in the resources industry. He graduated from Curtin University in 1988 with a Bachelor of Applied Science degree majoring in geology and in 1999 received a Master of Science majoring in Ore Deposit Geology from the University of Western Australia. On graduating he explored for gold and base metals for Dominion Mining in the Murchison, Gascoyne and Eastern Goldfields regions of Western Australia. In 1996, Mr Fowler joined Croesus Mining NL and was made Exploration Manager in 1997. He oversaw all exploration for Croesus until June 2004 and was then appointed Business Development Manager and subsequently Managing Director in October 2005. Mr Fowler has overseen the discovery and development of several significant gold deposits. He has intimately involved in a number of significant acquisitions and project reviews.
Interest in shares and options	1,000,000 unlisted options exercisable at $0.0715 on or before 19 February 2020
Other Directorships	Director of Genesis Minerals Limited (since 16 April 2007)

RESULTS OF OPERATIONS

The Group's total comprehensive loss after taxation attributable to the members for the year was $869,476 (2017: $1,056,489).

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 and gold exploration projects in Alaska USA. During the 2018 financial year there were no changes in the principal activities from the prior financial year.

EMPLOYEES

The Group had one employee at 30 June 2018 (2017: 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 2 August 2018, the Company completed a placement consisting of 35,299,128 Shares at an issue price of $0.11 per Share for gross proceeds of $3.883 million to institutional and sophisticated investors. Net funds raised pursuant to the August placement were used for exploration and development activities on the Alaska Range Project and for general working capital purposes.

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 Project and advance these 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 5,200,000 options over unissued ordinary shares at 30 June 2018. During the 2018 financial year:

- the Company issued 400,000 options, exercisable at $0.12 on or before 18 September 2020, in lieu of cash consideration for consulting services; and
- 372,370 options expired; and
- no options were exercised.

Since the end of the financial year, no options have been issued, exercised or have expired. The details of the options on issue at the date of this report are as follows:

Number	Exercise Price	Expiry Date
4,000,000	$0.0715	19 February 2020
400,000	$0.175	17 June 2020
400,000	$0.195	30 August 2019
400,000	$0.12	18 September 2020

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 298,170,638 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 discussions and decisions made via circulating resolutions, the number of Directors' meetings (including meetings of Committees) held during the year, and the number of 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
Michael Fowler	1	1	1	1

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 Best Practice Recommendations ('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 62 of this report. There were no non-audit services provided by the Company'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. Michael Fowler	Non-Executive Director (resigned 1 December 2017)
Mr. Robert Boaz	Non-Executive Director

Executive Officers (KMP)

Mr. Mark Bojanjac	Executive Chairman
Dr. Frazer Tabeart	Managing Director (appointed 25 July 2017)
Dr. Jason Berton	Executive Director (appointed 25 July 2017)
Mr. Ian Cunningham	Chief Financial Officer and Company Secretary

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors and management. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Company does not link the nature and amount of the emoluments of such officers to the Group's financial or operational performance. The lack of a performance link at this time is not considered to have a negative impact on retaining and motivating Directors.

The rewards for Directors' have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board will determine appropriate levels of performance rewards as and when they consider rewards are warranted.

The table below shows the performance of the Group as measured by earnings / (loss) per share for the previous five years:

As at 30 June 2018	2018	2017*	2016*	2015*	2014*
Loss per share (cents)	$0.65	$1.05	$1.95	$2.4	$153.45
Share price at reporting date (cents)	8.0	8.0	31.0	17.5	2.5

*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	Short Term Benefits Base Salary $	Director Fees $	Consulting Fees $	Super-annuation $	Share Based Payments – Options $	Total $
2018						
Non-Executive Directors						
Michael Fowler[5]	-	7,610	-	723	-	8,333
Robert Boaz	-	20,000	-	-	-	20,000
Executive Officers (KMP)						
Mark Bojanjac	-	-	180,000	-	-	180,000
Frazer Tabeart[4]	-	-	128,333	-	-	128,333
Jason Berton[4]	-	-	136,250	-	-	136,250
Ian Cunningham	-	-	140,000	-	-	140,000
	-	**27,610**	**584,583**	**723**	**-**	**612,916**
2017						
Non-Executive Directors						
Michael Fowler	-	18,265	-	1,735	7,171	27,171
Robert Boaz	-	20,000	-	-	7,171	27,171
Executive Officers (KMP)						
Mark Bojanjac[1]	-	10,464	97,500	995	14,341	123,300
Michael Haynes[2]	-	-	79,030	-	-	79,030
Ian Cunningham[3]	-	-	140,000	-	-	140,000
	-	**48,729**	**316,530**	**2,730**	**28,683**	**396,672**

Notes:

1. Mark Bojanjac was appointed as Executive Chairman on 13 December 2016;
2. Michael Haynes resigned as Managing Director on 13 December 2016;
3. Ian Cunningham resigned as Executive Director on 13 December 2016, but continued in the roles of Chief Financial Officer and Company Secretary;
4. Frazer Tabeart and Jason Berton were appointed as directors on 25 July 2017; and
5. Michael Fowler resigned as Non-Executive Director on 1 December 2017.

There were no other key management personnel of the Company during the financial years ended 30 June 2018 and 30 June 2017.

The share options issued as part of the remuneration to Non-Executive Directors were subject to vesting conditions, designed to secure their ongoing commitment to the Company.

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*	20/02/15	2,000,000	20/02/17	19/02/20	$0.0460	$0.0715	$92,393	2,000,000	100
Michael Fowler* **	20/02/15	1,000,000	20/02/17	19/02/20	$0.0460	$0.0715	$46,197	1,000,000	100
Robert Boaz*	20/02/15	1,000,000	20/02/17	19/02/20	$0.0460	$0.0715	$46,197	1,000,000	100

*Options were granted for no consideration with 50% vesting on 20 February 2016 (fair value per option $0.0455) and the remaining 50% vested on 20 February 2017 (fair value per option $0.0465).

**Michael Fowler resigned as non-executive director on 1 December 2017.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the year. No remuneration options were exercised during the year ended 30 June 2018 (2017: Nil).

Options were granted as part of the recipient's remuneration package. On resignation, any unvested options will be forfeited.

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 2018						
Non-Executive Directors						
Robert Boaz	-	-	-		-	-
Michael Fowler[5]	-	-	-		-	-
Executive Officers (KMP)						
Mark Bojanjac	-	-	-		-	-
Frazer Tabeart [4]	4,103,273	-	-		-	4,103,273
Jason Berton[4]	13,631,832	-	-	33,106	-	13,664,938
Ian Cunningham	3,720,930	-	-		-	3,720,930
30 June 2017						
Non-Executive Directors						
Michael Fowler	-	-	-		-	-
Robert Boaz	-	-	-		-	-
Executive Officers (KMP)						
Mark Bojanjac[1]	-	-	-		-	-
Michael Haynes[2]	4,700,786	-	-		(4,700,786)	-
Ian Cunningham[3]	3,720,931	-	-		-	3,720,931

Notes:

1. Mark Bojanjac was appointed as Executive Chairman on 13 December 2016;
2. Michael Haynes resigned as Managing Director on 13 December 2016;
3. Ian Cunningham resigned as Executive Director on 13 December 2016, but continued in the roles of Chief Financial Officer and Company Secretary;
4. Frazer Tabeart and Jason Berton were appointed as directors on 25 July 2017 and hence their opening balances represent shares held on the appointment date; and
5. Michael Fowler resigned as Non-Executive Director on 1 December 2017.

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 2018					
Non-Executive Directors					
Robert Boaz	1,000,000	-	-	-	1,000,000
Michael Fowler[5]	1,000,000	-	-	(1,000,000)	-
Executive Officers (KMP)					
Mark Bojanjac	2,000,000	-	-	-	2,000,000
Frazer Tabeart[4]	-	-	-	-	-
Jason Berton[4]	-	-	-	-	-
Ian Cunningham	-	-	-	-	-
30 June 2017					
Non-Executive Directors					
Robert Boaz	1,070,000	-	-	(70,000)	1,000,000
Michael Fowler	1,000,000	-	-	-	1,000,000
Executive Officers (KMP)					
Mark Bojanjac[1]	2,000,000	-	-	-	2,000,000
Michael Haynes[2]	195,650	-	-	(195,650)	-
Ian Cunningham[3]	-	-	-	-	-

Notes:

1. Mark Bojanjac was appointed as Executive Chairman on 13 December 2016;
2. Michael Haynes resigned as Managing Director on 13 December 2016. Prior to his resignation, 70,000 options expired on 28 November 2016 and the balance of 125,650 expired on 1 December 2016;
3. Ian Cunningham resigned as Executive Director on 13 December 2016, but continued in the roles of Chief Financial Officer and Company Secretary;
4. Frazer Tabeart and Jason Berton were appointed as directors on 25 July 2017; and
5. Michael Fowler resigned as Non-Executive Director on 1 December 2017.

Service Agreements

Executive Officers

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

The Managing Director, Mr. Frazer Tabeart consults to the Company and is remunerated on a monthly basis at a rate of $11,666 per month (excluding GST). Mr. Tabeart is not entitled to any termination benefits.

The Executive Director, Mr. Jason Berton consults to the Company and is remunerated on a monthly basis at a rate of $10,000 per month (excluding GST). Mr. Berton is not entitled to any termination benefits.

The Company Secretary / Chief Financial Officer, Mr. Ian Cunningham consults to the Company and is remunerated on a monthly basis at a rate of $11,666 per month (excluding GST). Mr. Cunningham is not entitled to any termination benefits.

Non-Executive Directors

Mr. Michael Fowler and Mr. Robert Boaz are paid Director's fees on a monthly basis. 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
28 September 2018

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2018

	Notes	Consolidated	
		June 30	
		2018	2017
		$	$
Interest Revenue & Other Income		**$ 4,247**	**$ 27,471**
Public company costs		43,558	50,825
Consulting and directors fees		402,630	390,214
Share-based compensation	16, 25	29,738	28,683
Legal fees		40,373	62,419
Staff costs		50,471	50,390
Serviced office and outgoings		28,000	72,000
Interest and penalties		570	1,763
Foreign exchange loss		(40,931)	31,187
Write off of exploration Assets	12	3,094	-
Other expenses	7	938,526	264,466
		1,496,029	951,947
Loss from operations		**$ (1,491,782)**	**$ (924,476)**
Income tax expense	8	-	-
Loss after Income Tax		**$ (1,491,782)**	**$ (924,476)**
Other comprehensive (loss)/income			
Items that may be reclassified to profit and loss in subsequent periods			
Foreign currency translation	16	622,306	(132,013)
Other comprehensive (loss)/income for the year		622,306	(132,013)
Total comprehensive loss for the year		**$ (869,476)**	**$ (1,056,489)**
Loss per share:			
Basic and diluted loss per share (cents per share)	20	$ (0.64)	$ (1.03)
Weighted Average Number of Shares:			
Basic and diluted number of shares		231,387,714	90,033,168

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

Statement of Financial Position *as at 30 June 2018*

	Notes	Consolidated	
		As at	
		June 30 2018	June 30 2017
		$	$
Current Assets			
Cash and cash equivalents		$ 528,997	$ 54,856
Other receivables and prepayments	9	1,096,095	35,612
Total current assets		1,625,092	90,468
Non-Current Assets			
Property, plant and equipment	10	$ 8,834	$ 12,165
Exploration and evaluation assets	12	20,308,946	6,031,415
Total Non-Current Assets		20,317,780	6,043,580
Total Assets		**$ 21,942,872**	**$ 6,134,048**
Current liabilities			
Trade and other payables	13	$ 199,309	123,934
Convertible note	6, 13	-	108,863
Total Current Liabilities		199,309	232,797
Total Liabilities		**$ 199,309**	**$ 232,797**
NET ASSETS		**$ 21,743,563**	**$ 5,901,251**
Equity			
Contributed equity	14	$ 77,805,986	$ 61,123,936
Reserves	16	5,805,924	5,153,880
Accumulated losses	15	(61,868,347)	(60,376,565)
TOTAL EQUITY		**$ 21,743,563**	**$ 5,901,251**
Commitments	18		
Contingent Liability	26		

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

Statement of Cash Flows *for the year ended 30 June 2018*

	Notes	Consolidated 2018 $	Consolidated 2017 $
Cash flows from Operating activities			
Payments to suppliers and employees		$ (1,627,717)	$ (988,502)
Interest received and other income		4,247	41,260
Net cash flows used in operating activities	17	(1,623,470)	(947,242)
Cash flows from investing activities			
Cash acquired on acquisition	5	35,142	-
Payments for expenditure on exploration		(5,404,515)	(2,889,506)
Net cash flows used in investing activities		(5,369,373)	(2,889,506)
Cash flows from financing activities			
Proceeds from issue of shares	14	8,012,313	1,807,160
Share issue costs		(521,941)	(146,068)
Convertible note	6	-	100,000
Net cash flows from financing activities		7,490,372	1,761,092
Net increase/(decrease) in cash and cash equivalents		497,529	(2,075,656)
Cash and cash equivalents at beginning of year		54,856	2,137,481
Foreign exchange variances on cash		(23,388)	(6,969)
Cash and cash equivalents at end of year		**$ 528,997**	**$ 54,856**

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

Statement of Changes in Equity *for the year ended 30 June 2018*

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 2017		91,982,673	$ 61,123,936	$ (60,376,565)	$ (215,978)	$ 1,190,098	$ 4,176,760	$ 3,000	$ 5,901,251
Loss for the year		-	-	(1,491,782)	-	-	-	-	(1,491,782)
Other comprehensive loss		-	-	-	622,306	-	-	-	622,306
Total comprehensive loss for the year		-	$ -	$ (1,491,782)	$ 622,306	$ -	$ -	$ -	$ (869,476)
Transactions with owners in their capacity as owners									
Shares issued	14	78,924,407	8,012,313	-	-	-	-	-	8,012,313
Share issue costs	14	-	(526,689)	-	-	-	-	-	(526,689)
Shares issued for acquisition of Vista Minerals	5, 14	91,964,430	9,196,426	-	-	-	-	-	9,196,426
Options issued to consultants	14	-	-	-	-	-	29,738	-	29,738
Share-based compensation	25	-	-	-	-	-	-	-	-
Balance at 30 June 2018		**262,871,510**	**$ 77,805,986**	**$ (61,868,347)**	**$ 406,328**	**$ 1,190,098**	**$ 4,206,498**	**$ 3,000**	**$ 21,743,563**

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 2016		80,687,923	59,462,844	(59,452,089)	(83,965)	1,190,098	4,098,880	3,000	5,218,768
Loss for the year		-	-	(924,476)	-	-	-	-	(924,476)
Other comprehensive loss		-	-	-	(132,013)	-	-	-	(132,013)
Total comprehensive loss for the year		-	-	(924,476)	(132,013)	-	-	-	(1,056,489)
capacity as owners									
Shares issued	14	11,294,750	1,807,160	-	-	-	-	-	1,807,160
Share issue costs	14	-	(146,068)	-	-	-	-	-	(146,068)
Options issued to consultants	14	-	-	-	-	-	49,197	-	49,197
Share-based compensation	25	-	-	-	-	-	28,683	-	28,683
Balance at 30 June 2017		**91,982,673**	**61,123,936**	**(60,376,565)**	**(215,978)**	**1,190,098**	**4,176,760**	**3,000**	**5,901,251**

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

1. Corporate Information

The financial report of PolarX Limited (formerly Coventry Resources Limited) (**PolarX** or the **Company**) and its subsidiaries (the **Group**) for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the Directors on 28 September 2018.

PolarX Limited is a public company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. It is a "for profit" entity. The Company changed its name to PolarX Limited (formerly Coventry Resources Limited) on 15 September 2017.

On 7 August 2017, the Company completed a 1 for 5 security consolidation (the **Consolidation**). Accordingly, all amounts have been presented on a post-Consolidation basis in this report. References throughout the financial statements and the notes to the financial statements to shares and options, are on a post-Consolidation basis.

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 2018, the Group incurred a loss from operations of $1,491,782 (2017: $924,476) and recorded net cash inflows of $497,529 (2017: outflows of $2,075,656). At 30 June 2018, the Group had net current assets of $1,425,783 (2017: net current liabilities of $142,329).

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 future exploration and evaluation expenditure are generally discretionary in nature (i.e. at the discretion of the Directors having regard to an assessment of the Group's eligible expenditure to date and the timing and quantum of its remaining earn-in expenditure requirements). 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 adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2017 and that are applicable to the Group.

(i) AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses

This Standard makes amendments to AASB 112 Income Taxes to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.

AASB 2016-1 is applicable to annual reporting periods beginning on or after 1 January 2017.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

(ii) AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

The amendments to AASB 107 Statement of Cash Flows are part of the IASB's Disclosure Initiative and help users of financial statements better understand changes in an entity's debt. The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

AASB 2016-2 is applicable to annual reporting periods beginning on or after 1 January 2017.

The adoption of these amendments has not had a material impact on the Group.

(iii) AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle

This Standard clarifies the scope of AASB 12 Disclosure of Interests in Other Entities by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale or discontinued operations in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations.

AASB 2017-2 is applicable to annual reporting periods beginning on or after 1 January 2017.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

New accounting standards and interpretations issued but not yet effective

The following applicable accounting standards and interpretations have been issued or amended but are not yet effective. The Company has not elected to early adopt any new Standards or Interpretations. The adoption of the Standards or Interpretations are not expected to have material impact on the financial statements of the Group.

Reference	**Title**	**Summary**	**Application date of Standard**	**Application date for Group**
AASB 9: Financial Instruments and associated Amending Standards	*AASB 139 Financial Instruments: Recognition and Measurement*	The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting. The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective. The directors anticipate that the adoption of AASB 9 will not have a material impact on the Group's financial instruments.	1 January 2018	1 July 2018

AASB 15 Revenue from Contracts with Customers	*AASB 118: Revenue, AASB 111 Construction Contracts*	When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. The transitional provisions of this standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108, Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15), or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements. The directors anticipate that the adoption of AASB 15 will not have a material impact on the Group's revenue recognition and disclosures.	1 January 2018	1 July 2018

AASB 16 Leases	*AASB 117 Leases* Int. 4 *Determining whether an Arrangement contains a Lease* Int. 115 *Operating Leases—Lease Incentives* Int. 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*	When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as either operating leases or finance leases. Lessor accounting remains similar to current practice. The main changes introduced by the new Standard are as follows: • recognition of the right-to-use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets); • depreciating the right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components; • inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date; • application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and • additional disclosure requirements. The transitional provisions of AASB 16 allow a lease to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity at the date of initial application. The directors anticipate that the adoption of AASB 16 will not have a material impact on the Group's recognition of leases and disclosures.	1 January 2019	1 July 2020

AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions	*None*	The AASB issued amendments to AASB 2 *Share-based Payment* that address three main areas: • the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; • the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and • accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. Early application of this amendment is permitted. The directors anticipate that the adoption of AASB 2016-5 will not have a material impact on the Group's financial statements.	1 January 2018	1 July 2018
AASB 2016-6 Amendments to Australian Accounting Standards – Applying	*AASB 9 Financial Instruments with AASB 4 Insurance Contracts*	The amendments address concerns arising from implementing the new financial instruments standard, AASB 9, before implementing AASB 17 Insurance Contracts, which replaces AASB 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying AASB 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after 1 January 2018. An entity may elect the overlay approach when it first applies AASB 9 and apply that approach retrospectively to financial assets designated on transition to AASB 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying AASB 9. These amendments are not applicable to the Group.	1 January 2018	1 July 2018

(c) Basis of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Company and all of its subsidiaries. Subsidiaries 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 subsidiaries is provided in Note 11.

The assets, liabilities and results of all subsidiaries 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 subsidiary 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 subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary 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 subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary'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 statement of financial position and statement of 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.

(e) 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.

(f) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(g) 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%
Computer Equipment	33%
Furniture and Fittings	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.

(h) 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.

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.

(i) 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 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.

(j) 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.

(k) 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.

(l) Revenue

Revenue is recognised and measured by the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Revenue 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.

(m) 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.

(n) Share based payment transactions

The Group provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Group in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

There is currently an Employee Share Option Plan (**ESOP**) in place, which provides benefits to Directors and individuals providing services similar to those provided by an employee. The Company may also issue options 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 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 25.

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 20).

(o) 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.

(p) 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.

(q) 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.

(r) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease. Leases are classified as operating leases where substantially all the risks and benefits remain with the lessor.

Payments in relation to operating leases are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(s) 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.

(t) 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 with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value 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 25.

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

On 23 May 2017, the Company announced it had entered into agreements that provided it the right to acquire an 100% interest in the Stellar Copper Gold Project (**Stellar Property**) via the acquisition of Vista Minerals Pty Ltd (**Vista**) (the **Vista Transaction**), subject to shareholder approval and certain closing conditions. On 30 June 2017, the Company's shareholders approved the Vista Transaction and it was completed on 26 July 2017.

Pursuant to the Vista Transaction, PolarX issued 91,964,430 fully paid ordinary shares (**Shares**), on a post-Consolidation basis, to Vista's shareholders, being the consideration for the acquisition of 100% of the issued capital of Vista. Concurrently, the Company completed a private placement (**Placement**) pursuant to which 54,950,000 Shares, on a post-Consolidation basis, were issued at $0.10 per Share for gross proceeds of $5.495 million.

The Company has accounted for the Vista Transaction as a business combination and has identified and recognized the individual identifiable assets acquired and liabilities assumed. The purchase price was allocated to the individual identifiable assets and liabilities on the basis of their fair values at the date of purchase. Consideration consisted entirely of Shares, which were measured at the fair value of the PolarX Shares issued using quoted price per Share. The fair value of the 91,964,430 Shares issued to Vista's shareholders to complete the Vista Transaction was $9,196,426.

The fair value of net assets at the Vista Transaction date is as follows:

	July 26, 2017
ASSETS	
Cash	$ 35,142
Convertible note (refer to Note 6)	100,921
Other receivables	44,191
Exploration and evaluation assets	9,240,287
Total Assets	**9,420,541**
LIABILITIES	
Accounts payables	140,787
Accrued liabilities	83,328
Total Liabilities	**224,115**
Net assets	**$ 9,196,426**

The acquired subsidiary contributed no revenue and a loss of $15,332 for the period 26 July 2017 to 30 June 2018.

6. Convertible Note

On 29 April 2017, the Company entered into a convertible note deed (the **Note**) with Vista Minerals Pty Ltd (**Noteholder**) to borrow up to $200,000. Under the terms of the Note, the funds could be withdrawn on the "liquidity date", which was the date the Company's consolidated cash position was at or below $50,000. On 14 June 2014, the Company borrowed $100,000 pursuant to the Note, which was repayable within twelve months. Interest accrued on the balance at 8% per annum. During the year, there was a gain on the change in the fair value of the convertible note of $8,512 (2017: loss of $8,512).

The Noteholder had the option to convert the outstanding balance and accrued interest into shares of the Company. Upon issue of a conversion notice, the Noteholder is entitled to receive that number of shares equal to the amount withdrawn plus accrued interest divided by a 10% discount to the volume weighted average price of the closing price of the Company's Shares trading on the ASX for 30 trading days immediately prior to the date of the conversion notice. The Company repaid the outstanding balance plus accrued interest on 2 August 2017.

	Consolidated	
	2018	2017
	$	$
7. Other expenses		
Accounting and audit fees	67,397	52,195
Analysts	46,845	-
Bank fees	3,981	7,834
Business expenses	107,545	36,596
Computer expenses	4,282	5,236
Conferences	57,446	-
Corporate Finance	183,643	46,128
Insurance	35,933	34,657
Investor relations	42,117	970
Media coverage	60,357	-
Printing and stationery	3,206	5,139
Postage	5,247	2,852
Rent & accommodation	99,747	-
Subscriptions	-	400
Telephone	1,905	3,688
Travel expenses	155,400	39,357
Depreciation	246	216
Others	63,229	29,198
	938,526	264,466

	Consolidated	
	2018	2017
	$	**$**
8. Income Tax		
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	**-**
(b) Numerical reconciliation between aggregate tax expense recognised in the 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)/Profit from operations before income tax expense	(1,491,782)	(924,476)
Tax at the company rate of 27.5% (2017: 30%)	(410,240)	(277,342)
Expense of remuneration options	8,178	8,605
Other non-deductible expenses	(149,558)	1,681
Income tax benefit not brought to account	551,620	267,056
Income tax expense	-	-
(c) Deferred tax		
Statement of financial position		
The following deferred tax balances have not been brought to account:		
Deferred Tax Liabilities		
Unrealised forex gain	11,747	-
Exploration (foreign @ 30%)	733,132	240,760
Deferred tax liability not recognised	744,879	240,760
Deferred Tax Assets		
Foreign carry forward revenue losses (@ 30%)	1,244,918	488,741
Australian carry forward revenue losses (@ 27.5%)	932,453	369,655
Accrued expenses	8,250	7,630
	2,185,621	866,026

The benefit for tax losses will only be obtained if:

(i) the Company 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, and

(ii) the Company 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 has not formed a tax consolidation group and there is no tax sharing agreement.

	Consolidated	
	2018	2017
	$	$
9. Other Receivables and Prepayments		
Current		
GST / VAT receivable	22,927	18,101
Prepayments	1,073,168	17,511
	1,096,095	**35,612**

Prepayments include $1,012,567 paid to Millrock Exploration Corp. as an advance for exploration work for the Stellar Project.

Trade debtors, 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.

	Consolidated	
	2018	2017
	$	$
10. Property, Plant and Equipment		
Plant and Equipment		
Cost	17,628	17,557
Accumulated depreciation	(9,206)	(5,958)
Net carrying amount	**8,422**	**11,599**
Office Furniture and Fixtures		
Cost	519	519
Accumulated depreciation	(317)	(266)
Net carrying amount	**202**	**253**
Computer Equipment		
Cost	1,946	1,946
Accumulated depreciation	(1,736)	(1,633)
Net carrying amount	**210**	**313**
Total property, plant and equipment		
Cost	20,093	20,022
Accumulated depreciation	(11,259)	(7,857)
Net carrying amount	**8,834**	**12,165**

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

	Consolidated	
	2018	2017
	$	$
Plant and Equipment		
Carrying amount at beginning of year	11,599	17,118
Additions	-	-
Depreciation expense	(3,451)	(5,068)
Net exchange differences on translation	274	(451)
Carrying amount at end of year	**8,422**	**11,599**
Office Furniture and Fixtures		
Carrying amount at beginning of year	253	316
Additions	-	-
Depreciation expense	(51)	(63)
Net exchange differences on translation	-	-
Carrying amount at end of year	**202**	**253**
Computer Equipment		
Carrying amount at beginning of year	313	468
Additions	-	-
Depreciation expense	(103)	(154)
Net exchange differences on translation	-	(1)
Carrying amount at end of year	**210**	**313**
Total property, plant and equipment	**8,834**	**12,165**

11. Investments in subsidiaries

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

Name	Country of incorporation	% Equity Interest	
		2018	**2017**
Coventry Minerals Pty Ltd	Australia	100%	100%
Crescent Resources (USA) Inc.	USA	100%	100%
Vista Minerals Pty Ltd	Australia	100%	-
Vista Minerals (Alaska) Inc.	USA	100%	-
Aldevco Pty Ltd	Australia	100%	100%
Aldevco Inc.	USA	100%	100%

	Consolidated	
	2018	2017
	$	$

12. Deferred Exploration and Evaluation Expenditure

	2018 $	2017 $
Exploration and evaluation expenditure		
At cost	21,602,490	7,321,865
Accumulated provision for impairment	(1,293,544)	(1,290,450)
Total exploration and evaluation	**20,308,946**	**6,031,415**

	Consolidated	
	2018	2017
	$	$
Carrying amount at beginning of the year	6,031,415	3,794,242
Acquisition cost	9,240,287	-
Exploration and evaluation expenditure during the year	4,466,504	2,410,010
Payment related to mineral lease agreement	-	(42,781)
Net exchange differences on translation	573,834	(130,056)
Carrying amount at end of year	20,312,040	6,031,415
Impairment of exploration and evaluation expenditures	(3,094)	-
Carrying amount at end of year	**20,308,946**	**6,031,415**

The Directors' assessment of the carrying amount for the Group's exploration and development expenditure was after consideration of prevailing market conditions; previous expenditure for exploration work carried out; and the potential for mineralisation based on the Group's independent geological reports. The recoverability of the carrying amount of the deferred exploration and evaluation expenditure 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 Uncle Sam Project was not recoverable and therefor was written down to nil.

	Consolidated	
	2018	2017
	$	$

13. Current Liabilities

	2018 $	2017 $
Trade and other payables		
Trade payables	111,507	67,742
Accruals	87,802	56,192
	199,309	**123,934**
Convertible note	-	108,863
	199,309	**232,797**

14. Contributed Equity

	2018	2017
(a) Issued and paid up capital	**No. of shares**	**No. of shares**
Ordinary shares fully paid	262,871,510	459,913,365

	2018		2017	
	No. of shares	**$**	**No. of shares**	**$**
(b) Movements in ordinary shares on issue				
Balance at beginning of year	459,913,365	61,123,936	403,439,615	59,462,844
1:5 Share Consolidation	(367,930,692)	-	-	-
Number of shares post- Consolidation	91,982,673	61,123,936	403,439,615	59,462,844
Shares issued for acquisition of Vista Minerals	91,964,430	9,196,426	-	-
Share issues (net of costs)	78,924,407	7,485,624	56,473,750	1,661,092
Balance at end of year	262,871,510	77,805,986	459,913,365	61,123,936

(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 their holder to one vote, either in person or proxy, at a meeting of the Company.

On 26 July 2017, concurrent with the Vista Acquisition, the Company completed a private placement of 54,950,000 Shares at an issue price of $0.10 per share for gross proceeds of $5.495 million to institutional and sophisticated investors.

On 26 May 2018, the Company completed a placement consisting of 23,974,407 Shares at an issue price of $0.105 per Share for gross proceeds of $2.337 million to institutional and sophisticated investors.

In the prior year, on 1 September 2016, the Company completed a placement consisting of 56,473,750 Shares at an issue price of $0.032 per Share for gross proceeds of $1,807,160 to institutional and sophisticated investors.

(d) Capital Risk Management

The Group's capital comprises share capital, reserves less accumulated losses amounting to $21,743,563 at 30 June 2018 (2017: $5,901,251). 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 24 for further information on the Group's financial risk management policies.

(e) Share options

At 30 June 2018, there were 5,200,000 options (post-Consolidation basis) over unissued Shares (2017: 5,172,370 options). During the financial year 372,370 options expired. No options were exercised during the financial year. Since the end of the financial year, no options have been exercised and no options have expired.

On 19 September 2017, the Company issued 400,000 options, each exercisable at $0.12 on or before 18 September 2020, in lieu of cash consideration for consulting services.

In the prior year, on 31 August 2016, the Company issued 400,000 options (post-Consolidation basis), each exercisable at $0.195 on or before 30 August 2019, in lieu of cash consideration for consulting services provided during the 2016 financial year. These expenses were accrued for at 30 June 2017.

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 25.

	Consolidated	
	2018	2017
	$	$
15. Accumulated losses		
Movements in accumulated losses were as follows:		
At 1 July	60,376,565	59,452,089
Loss for the year	1,491,782	924,476
At 30 June	**61,868,347**	**60,376,565**

	2018	2017
	$	$
16. Reserves		
Foreign currency translation reserve	406,328	(215,978)
Warrant reserves	1,190,098	1,190,098
Share based payments reserves	4,206,498	4,176,760
Option premium reserve	3,000	3,000
	5,805,924	**5,153,880**

	Consolidated	
	2018	2017
	$	$
Movement in reserves:		
Share based payments and option premium reserve		
Balance at beginning of year	4,179,760	4,101,880
Options issued to agents	29,738	49,197*
Options exercised	-	-
Equity benefits expense	-	28,683
Balance at end of year	**4,209,498**	**4,179,760**

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 25 for details of share based payments during the financial year and prior year.

*Expense of $49,197 was recorded in the financial year ending 30 June 2016, being the fair value of consultant stock options issued as consideration for services provided during the 2016 financial year. which were subsequently issued in August 2016.

	2017	2016
	$	$
Foreign currency translation reserve		
At 1 July	(215,978)	(83,965)
Foreign currency translation	622,306	(132,013)
Balance at end of year	**406,328**	**(215,978)**

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

	2018	2017
	$	$
Warrant reserve		
At 1 July	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 currency difference arising from the translation of the financial statements of the foreign operation.

	Consolidated	
	2017	2017
	$	$
17. Cash and Cash Equivalents		
(a) Reconciliation of cash		
Cash balance comprises:		
Cash and cash equivalents	**528,997**	**54,856**
(b) Reconciliation of the net loss after tax to the net cash flows from operations		
Net loss after tax	(1,491,782)	(924,476)
Adjustments for:		
Depreciation	246	216
(Gain)/Loss on convertible note	(8,512)	8,512
Share-based compensation	29,738	28,683
GAME lease payment	-	13,792
Changes in operating assets and liabilities:		
Decrease in other receivables/prepayments	61,974	23,009
Increase in trade and other payables	(215,134)	(96,978)
Net cash flow used in operating activities	(1,623,470)	(947,242)

18. Expenditure commitments

(a) Tenement expenditure commitments – Caribou Dome Property

Remaining commitments related to the Caribou Dome Project at reporting date but not recognized as liabilities, include the following (refer further Note 29):

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

(ii) expending a minimum of US$2,000,000 in each of the periods (i) 2 September 2017 to 1 September 2020; and (ii) 2 September 2020 to 6 June 2023 (unless the Earn-in deadline of 6 June 2023 is extended);

(iii) expending a total of US$9,000,000 on the Project (inclusive of the expenditure in (i) and (ii) above and expenditure prior to 2 September 2017) or completing a feasibility study on the Project by 6 June 2023 (unless the Earn-in deadline of 6 June 2023 is extended); and

(iv) making annual payments to the underlying vendors of the Project in the amounts of:

Due Date	Payment
6 June 2019	US$100,000
6 June 2020	US$100,000
6 June 2021	US$100,000
6 June 2022	US$100,000
Earn-in deadline (currently 6 June 2023)	US$1,360,000

(b) 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 1Moz 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
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 2019	US$20,000
31 March 2020	US$25,000
31 March 2021	US$30,000
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.

	Consolidated	
	2018	2017
	$	$
(c) Services agreement		
Within one year	-	-
	-	-

19. Subsequent events

On 2 August 2018, the Company completed a placement consisting of 35,299,128 Shares at an issue price of $0.11 per Share for gross proceeds of $3.883 million to institutional and sophisticated investors. Net funds raised pursuant to the August placement were used for exploration and development activities on the Alaska Range Project and for general working capital purposes.

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.

	Consolidated	
	2018	2017
	$	$

20. Loss per share

Loss used in calculating basic and dilutive EPS	(1,491,782)	(924,476)

	Number of Shares	
	2018	2017
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share:	231,387,714*	90,033,168*
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	231,387,714*	90,033,168*
Basic and Diluted loss per share (cents per share)	(0.64)	(1.03)

*All share numbers are shown on a post-Consolidation basis

There is no impact from the 5,200,000 options outstanding at 30 June 2018 (2017: 5,172,370 options) on the loss per share calculation because they are anti-dilutive. These options could potentially dilute basic EPS in the future.

21. Auditor's remuneration

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

	Consolidated	
	2018	2017
	$	$
BDO Canada LLP	-	3,035
Stantons International Audit and Consulting Pty Ltd.	46,765	40,947
	46,765	43,982

22. Key Management Personnel Disclosures

(a) Details of Key Management Personnel

Mr. Mark Bojanjac	Executive Chairman (Chairman prior to 13 December 2016)
Mr. Frazer Tabeart	Managing Director (appointed 26 July 2017)
Mr. Jason Berton	Executive Director (appointed 26 July 2017
Mr. Michael Haynes	Managing Director (resigned 13 December 2016)
Mr. Ian Cunningham	Executive Director/Company Secretary/Chief Financial Officer (resigned as Executive Director on 13 December 2016)
Mr. Robert Boaz	Non-Executive Director
Mr. Michael Fowler	Non-Executive Director (resigned on 1 December 2017)

(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	
	2018	2017
	$	$
Consulting and director fees	612,916	367,989
Share-based compensation	-	28,683
Total remuneration	612,916	396,672

23. Related Party Disclosures

The ultimate parent entity is PolarX Limited. Refer to Note 11 - Investments in subsidiaries, for a list of all subsidiaries.

Mitchell River Group Pty Ltd., a Company of which Mr. Frazer Tabeart is a Director, provided the Company with consulting services related to exploration activities for a fee totalling $33,579 (2017: Nil).

In the prior year, MQB Ventures Pty Ltd, a Company of which Mr. Michael Haynes is a Director, provided the Company with a fully serviced office including administration support for a fee totalling $33,000 up to the date of his resignation on 13 December 2016.

There were no other related party disclosures for the year ended 30 June 2018 (2017: Nil).

24. 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 Company 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 2018 and 30 June 2017, all financial liabilities are 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	
	2018	2017
	$	$
Cash and cash equivalents	528,997	54,856

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.

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	2018 $	2017 $	2018 $	2017 $
Increase 100 basis points	5,290	549	5,290	549
Decrease 100 basis points	(5,290)	(549)	(5,290)	(549)

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 2017.

(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 2018, 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 2018 (2017: 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 fx 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/ USD rates moved by +10%, the effect on comprehensive loss would be as follows:

	Consolidated	
	2018	2017
	$	$
Loan to subsidiary – Aldevco Pty Ltd and Aldevco Inc. (in AUD)	6,130,967	5,404,011
Loan to subsidiary – Vista Minerals Pty Ltd and Vista Minerals (Alaska) Inc. (in AUD)	7,881,418	-
	10%	10%
	A$	A$
Total effect on comprehensive loss of positive movements	1,401,239	540,401
Total effect on comprehensive loss of negative movements	(1,401,239)	(540,401)

The table below summarises the fx 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:

	Consolidated	
	2018	2017
	$	$
Loan from subsidiary – Coventry Minerals. (in AUD)	709,298	690,900
Percentage shift of the AUD / CAD exchange rate	10%	10%
	A$	A$
Total effect on comprehensive loss of positive movements	70,930	69,090
Total effect on comprehensive loss of negative movements	(70,930)	(69,090)

(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 2018 $	Aggregate Net Fair Value 2018 $	Carrying Amount in the Financial Statements 2017 $	Aggregate Net Fair Value 2017 $
Financial Assets				
Cash Assets	528,997	528,997	54,856	54,856
Receivables	22,927	22,927	18,101	18,101
Financial Liabilities				
Payables	199,309	199,309	123,934	123,934
Borrowings	-	-	108,863	108,863

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

Cash assets and financial assets are carried at amounts approximating fair value because of their short term nature to maturity. Receivables and payables are carried at amounts approximating fair value.

25. 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 were as follows:

	Consolidated 2018 $	2017 $
Operating expenditure		
Options issued to employees and directors	-	28,683

(b) Share based payment to employees

The Group has established an Employee Share Option Plan (**ESOP**) and also issues options to executive officers, directors, consultants and employees outside the Plan (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 cash remuneration that would otherwise be paid to the recipient. An eligible person may receive the options or nominate a relative or associate to receive the options. Details of Options granted are as follows:

2018

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
Jan 8, 2013	Aug 17, 2017	C$0.25	226,170	-	-	(226,170)	-	-
Feb 20, 2015	Feb 19, 2020	A$0.0715	4,000,000	-	-	-	4,000,000	4,000,000
Jun 18, 2015	Jun 17, 2020	A$0.175	400,000	-	-	-	400,000	400,000
Jun 18, 2015	Jun 30, 2018	A$0.13	146,200	-	-	(146,200)	-	-
Aug 31, 2016	Aug 30, 2019	A$0.195	400,000	-	-	-	400,000	400,000
Sep 19, 2017	Sep 18, 2020	A$0.12	-	400,000	-	-	400,000	400,000
			5,172,370	400,000	-	(372,370)	5,200,000	5,200,000

Weighted remaining contractual life (years)	2.47	1.67	1.67
Weighted average exercise price	$ 0.10	$ 0.09	$ 0.09

On 19 September 2017, the Company issued 400,000 options exercisable at $0.12 on or before 18 September 2020, in lieu of cash consideration for consulting services. The fair value at grant date of options was determined using the Black Scholes option pricing model that takes into account the exercise price ($0.12), the term of the option (3 years), the share price at grant date ($0.10) and expected price volatility (135%) of the underlying share and the risk free interest rate (2.1%) for the term of the Option. The fair value of the stock options was $29,738.

2017

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
Jan 8, 2013	Dec 1, 2016	C$0.25	301,560	-	-	(301,560)	-	-
Jan 8, 2013	Aug 17, 2017	C$0.25	226,170	-	-	-	226,170	226,170
Jan 8, 2013	Mar 8, 2017	C$0.25	25,130	-	-	(25,130)	-	-
Nov 28, 2013	Nov 28, 2016	C$0.25	670,000	-	-	(670,000)	-	-
Feb 20, 2015	Feb 19, 2020	A$0.0715	4,000,000	-	-	-	4,000,000	4,000,000
Jun 18, 2015	Jun 17, 2020	A$0.175	400,000	-	-	-	400,000	400,000
Jun 18, 2015	Jun 30, 2018	A$0.13	146,200	-	-	-	146,200	146,200
Aug 31, 2016	Aug 30, 2019	A$0.195	-	400,000	-	-	400,000	400,000
			5,769,060	400,000	-	(996,690)	5,172,370	5,172,370

Weighted remaining contractual life (years)	2.97	2.47	2.47
Weighted average exercise price	$ 0.10	$ 0.10	$ 0.10

During the 2017 financial year, 400,000 Options were issued. The fair value at grant date of options was determined using the Black Scholes option pricing model that takes into account the exercise price ($0.195), the term of the option (3 years), the share price at grant date ($0.15) and expected price volatility (162%) of the underlying share and the risk free interest rate (1.4%) for the term of the Option. The expense of $49,197 had been accrued for at 30 June 2016 on the basis that the underlying services had been provided during the 2016 financial year.

26. 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.

The Company does not anticipate making any damages payment until it has received further advice in relation to the matter, including the accuracy of the claimed amount and the Company's right to challenge any attempt to enforce the judgement in Australia.

Refer also to Notes 18, 29 and 30 for the contingent payments and royalties applicable to the Caribou Dome, Stellar and Uncle Sam properties.

27. Operating Segment

For management purposes, the Group is organised into one main operating segment, which involves mineral exploration, predominantly for copper. 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 2018	30 June 2017
	$	$
Assets		
Australia	1,054,140	122,164
United States	20,888,732	6,011,884
Total Assets	21,942,872	6,134,048
Liabilities		
Australia	154,840	223,407
United States	44,469	9,390
Total Liabilities	199,309	232,797

	30 June 2018	30 June 2017
	$	$
Operating Result		
Australia	(1,463,701)	(921,368)
United States	(28,081)	(3,108)
Total loss from operations	(1,491,782)	(924,476)

28. 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 2018 (2017: Nil). The balance of the franking account as at 30 June 2018 is Nil (2017: Nil).

29. Agreements over the Caribou Dome Copper Project

On 5 November 2014, the Company announced it had entered into agreements that provided it the right to acquire 80% of the Caribou Dome Project via the acquisition of Aldevco Pty Ltd (**Aldevco**) (the **Aldevco Transaction**). On February 20, 2015, shareholders approved the Aldevco Transaction, with completion taking place on 25 February 2015 following the issue of 12,000,000 Shares to Aldevco's shareholders in consideration for the acquisition of 100% of the issued capital of Aldevco.

Aldevco holds the right to acquire an 80% interest in the Caribou Dome Project from Hatcher Resources Inc (**Hatcher**) by:

(i) maintaining the claims (licenses) at the Caribou Dome Project in good standing, including making annual claim rental payments and ensuring minimum expenditure commitments are met;

(ii) expending a minimum of US$100,000 on the Caribou Dome Project for each of the 12 month periods ending 1 September 2015, 2016 and 2017;

(iii) expending a minimum of US$2,000,000 (inclusive of payments in (ii) above) in each of the three year periods (i) 2 September 2014 to 1 September 2017; (ii) 2 September 2017 to 1 September 2020; and (iii) 2 September 2020 to 6 June 2023 (unless the Earn-in deadline of 6 June 2023 is extended);

(iv) expending a total of US$9,000,000 on the Caribou Dome Project (inclusive of the payments in (ii) and (iii) above) or completing a feasibility study on the Project by 6 June 2023 (unless the Earn-in deadline of 6 June 2023 is extended); and

(v) making annual payments to the underlying vendors of the Caribou Dome Project, who are not related parties of Hatcher or Aldevco, in the amounts of (remaining payments only):

Due Date	Payment
6 June 2017	US$50,000
6 June 2018	US$100,000
6 June 2019	US$100,000
6 June 2020	US$100,000
6 June 2021	US$100,000
6 June 2022	US$100,000
Earn-in deadline (currently 6 June 2023)	US$1,360,000

Subject to Aldevco exercising its right to acquire an 80% interest in the Caribou Dome Project, Hatcher will retain a 10% interest in the Project with the remaining 10% held by SV Metals LP. The current owner of the Caribou Dome Project, C-D Development Corporation, would retain a 5.0% Net Smelter Returns royalty, with PolarX retaining the right to purchase this royalty for US$1million for each 1.0%.

Related parties of former directors, Michael Haynes and Ian Cunningham retain a majority shareholding in Hatcher post the Aldevco Transaction.

30. Agreements over the Uncle Sam Gold Project

On December 15, 2010, Millrock Resources Inc. and Millrock Alaska LLC (collectively **Millrock**) entered into an option agreement with PolarX Limited (the **Millrock Option**), whereby PolarX Limited was granted (and subsequently exercised in April 2013) an option to purchase an undivided 100% interest the Uncle Sam Gold Project. Pursuant to the Millrock Option, during such time as PolarX Limited retains an interest in the Uncle Sam Project it has the following obligations (the **Resource Share Payments**) in relation to any future mineral resource estimate for the Uncle Sam Gold Project:

(i) the issue of 60,000 Shares to Millrock in the event that a gold mineral resource of 1,000,000 ounces or more is defined, in accordance with NI 43-101 on the Uncle Sam Project; and

(ii) the issue of a further 40,000 Shares to Millrock in the event that a gold mineral resource of 2,000,000 ounces or more is defined, in accordance with NI 43-101 on the Uncle Sam Project, plus an additional 40,000 shares for every additional 1,000,000 ounces of resources in excess of 2,000,000 ounces.

Pursuant to the Millrock Option, PolarX also remains obligated to pay a 2% net smelter return royalty to a third party in relation to any future production from the Uncle Sam 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.

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 labor filed by the previous tenement owner in 2011. As a result, GAME has sought to terminate the Option Agreement.

The Company is currently reviewing its options in relation to this matter, including whether GAME has complied with its obligations under the Option Agreement, but notes that the Uncle Sam Gold Project:

- is considered a non-core asset and had a $nil carrying value in the Company's financial statements at the time of receipt of the DNR Notice; and
- is independent of the Company's Alaska Range Project.

Refer further to the *Review of Operations*.

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

	2018	2017
	$	$
Current assets	564,370	76,997
Non-current assets	20,499,838	5,414,129
Total assets	21,064,208	5,491,126
Current liabilities	152,200	223,406
Non-current liabilities	-	-
Total liabilities	152,200	223,406
Net assets	20,912,008	5,267,720
Issued capital	73,013,238	56,331,189
Reserves	3,238,719	3,208,981
Retained losses	(55,339,949)	(54,272,450)
	20,912,008	5,267,720
(Loss) of the parent entity	(1,067,499)	(955,919)
Total comprehensive (loss) of the parent entity	(1,067,499)	(955,919)
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		
Not 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 financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 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 financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 3(a);

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

(d) 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 2018.

On behalf of the Board

Mark Bojanjac
Executive Chairman
28 September 2018

Stantons International Audit and Consulting Pty Ltd
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28 September 2018

Board of Directors
PolarX Limited
Suite 9,
5 Centro Avenue,
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 2018, 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
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik
Director

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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 (formerly Coventry Resources Limited) the Company and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of 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 2018 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.

Emphasis of Matter Relating to Going Concern

Without modifying our audit opinion expressed above, attention is drawn to the following matter.

As referred to in Note 2 to the financial statements, the consolidated financial statements have been prepared on the going concern basis. At 30 June 2018, the Group had cash and cash equivalents of $528,997, and incurred a loss after income tax of $1,491,782.

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 successfully 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.

Key Audit Matters

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be Key Audit Matter to be communicated in our report.

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 Matters	How the matter was addressed in the audit
Carrying Value of Exploration and Evaluation Assets As at 30 June 2018, Exploration and Evaluation Assets totalled $20,308,946 (refer to Note 12 of the financial report). The carrying value of exploration and evaluation assets is a key audit matter due to: • The significance of the expenditure capitalised representing 93% of total assets; • 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 • 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: 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; ii. Reviewing the directors' assessment of the carrying value of the capitalised exploration and evaluation costs, 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 also against AASB 6; iii. Evaluation of Group documents for consistency with the intentions for continuing exploration and evaluation activities in areas of interest and corroborated in discussions with management. The documents we evaluated included: ▪ Minutes of the board and management; and ▪ Announcements made by the Group to the Australian Securities Exchange; and iv. Consideration of the requirements of accounting standard AASB 6 and reviewed the financial statements to ensure appropriate disclosures are made.

Key Audit Matters	How the matter was addressed in the audit
Business Combination – Acquisition of Vista Minerals Pty Ltd. During the year, the Company acquired 100% issued capital Vista Minerals Pty Ltd which holds a 100% interest in the Stellar Copper Gold Project. The acquisition has been disclosed in Note 5 to the financial report and was considered a key audit matter due to: • The significance of the transaction ($9.2 million net asset acquisition); and • The judgement required in the application of AASB 3 Business Combinations ("AASB 3"). AASB 3 required the Group to determine, if the transaction is an asset acquisition or a business combination and the fair value of considerations transferred and the identifiable assets and liabilities acquired as part of the acquisition.	Inter alia, our audit procedures included the following: i. Examining the contract for the acquisition of Vista Minerals Pty Ltd; ii. Reviewing and assessing the determination made by the Group whether the transaction is an asset acquisition or a business combination; iii. Assessing the fair value of consideration paid for the acquisition of Vista Minerals Pty Ltd; iv. Examining the net assets of Vista Minerals Pty Ltd as at the date of acquisition; and v. Considering the adequacy of the financial report disclosures contained in Note 5 in relation to AASB 3.

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 2018, 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.

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.

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 18 to 21 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of PolarX Limited for the year ended 30 June 2018 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
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director
West Perth, Western Australia
28 September 2018

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 5 September 2018.

Information in relation to the Company's securities is provided on a post-Consolidation basis.

Distribution of Security Holders

There are 298,170,638 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	73
1,001 - 5,000	165
5,001 - 10,000	100
10,001 - 100,000	380
100,001 and over	229
	947

There are 266 shareholders holding less than a marketable parcel of ordinary shares.

Statement of Restricted Securities

There are no restricted securities on issue.

Substantial Shareholders

The substantial shareholders of the Company are as follows:

Shareholder	Number of shares
JP Morgan Chase & Co and its affiliates	25,791,864
Ruffer LLP	21,567,333
Millrock Resources Inc.	19,203,968

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.

Quoted Equity Security Holders

The names of the twenty largest ordinary shareholders of the Company as at 5 September 2018 are as follows:

Shareholder	Number of Shares	% of Issued Capital
HSBC Custody Nominees (Australia) Limited	46,559,604	15.62
Citicorp Nominees Pty Limited	31,840,520	10.68
J P Morgan Nominees Australia Limited	24,517,874	8.22
Orogen Investments Pty Ltd <Orogen Investments A/C>	13,631,832	4.57
Aetas Global Markets Limited	12,018,099	4.03
Mr Adam Leslie Hajek + Mrs Lisa Gaye Hajek	9,765,312	3.28
Equity Trustees Limited <Lowell Resources Fund A/C>	7,687,976	2.58
Mr William Willoughby	5,169,427	1.73
Mr Frank Violi	4,800,000	1.61
Terra Metallica Nominees Pty Ltd <Terra Metallica A/C>	4,378,841	1.47
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	4,355,132	1.46
CS Fourth Nominees Pty Limited <HSBC Cust Nom Au Ltd 11 A/C>	3,980,823	1.34
Dr Charles Frazer Tabeart	3,447,368	1.16
BNP Paribas Nominees Pty Ltd Hub 24 Custodial Serv Ltd DRP	2,916,114	0.98
Mr Anthony Violi	2,850,000	0.96
MICJUD Pty Ltd <Chester Super Fund A/C>	2,754,840	0.92
Mr Andrew John Pearson	2,743,446	0.92
Mr Richard Offer	2,615,916	0.88
Mr Kevin Banks Smith	2,519,500	0.84
Anita Cunningham	2,460,931	0.83
	191,013,555	**64.06**

Unquoted Equity Security Holders

Class	Number of options	Number of holders	Holders with more than 20%
Unlisted stock options each exercisable at $0.0715 on or before 19/2/2020	4,000,000	3	Denise Worthington (2,000,000) Robert Boaz (1,000,000) Michael Fowler (1,000,000)
Unlisted stock options each exercisable at $0.175 on or before 17/6/2020	400,000	1	Julie Lai (400,000)
Unlisted stock options each exercisable at $0.195 on or before 30/8/2019	400,000	1	Anthony Violi (400,000)
Unlisted stock options each exercisable at $0.12 on or before 18/9/2020	400,000	2	Jayart Funds Management Pty Ltd (200,000) Borsa Enterprises Pty Ltd (200,000)

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 Copper Property	Alaska, USA	Claim	ADL #	
		Caribou 1 – Caribou 20 Copper 1 – Copper 6 Copper 7 – Copper 11 CD 1 – CD66 CD 001 – 040 CDS 001 – 038	563243 - 563262 588461 – 588466 645375 – 645379 664859 – 664924 719909 – 719948 719949 – 719986[1]	Option to earn 80% Option to earn 80% Option to earn 80% Option to earn 80% Option to earn 90% Option to earn 80%
Senator Property	Alaska, USA	CDE-01 – 27	722216 - 722242	Option to earn 90%
Stellar Copper Gold Project	Alaska, USA	SB 154 – 155 SB 167 – 168 ZK 3 – 5 ZK 14 ZK 19 – 21 Z 1 – 5 Z 6 - 10 SB 281 - 283 SB 297 - 299 SB 317 – 319 SB 346 – 348 SB 364 - 368 SB 376 - 379 SB 389 - 390 SB 417 SBA 001 – 066 SBX 001 – 070 LYKN 1 – 2 CD 41 – 51 SBX 71 - 91	704562 – 704563 704575 – 704576 704621 – 704623 704632 704637 – 704639 709427 - 709431 711728 - 711732 714079 - 714081 714095 - 714097 714115 – 714117 714144 - 714146 714162 – 714166 714174 - 714177 714187 - 714188 715392 721446 - 721511 724789 - 724858 725111 – 725112 725113 – 725123 726910 - 726930	100%
Uncle Sam Gold Project	Alaska, USA	-[2]	-[2]	-[2]

Notes:

1. Caribou Dome Claims numbered CDS 007 (ADL# 719955), CDS 008 (ADL# 719956), CDS 009 (ADL# 719957), CDS 015 (ADL# 719963), CDS 016 (ADL# 719964) and CDS 017 (ADL# 719965), overlap prior existing active claims. Hence no exploration activity has been undertaken on these claims to date and no work will be undertaken on these claims unless they are abandoned by the original locator. The claims are not considered material to the overall Caribou Dome Project.

2. Refer Note 29 to the financial statements for the status of the Uncle Sam Gold Project. For a detailed listing of the Uncle Sam Gold Project mineral claims, held prior to receipt of the DNR Notice referred to in Note 29, please refer to Appendix 1 to the quarterly activities report dated 31 October 2017.