

17 July 2018

Madeleine Green
Adviser, Listings Compliance (Perth)
ASX Compliance Pty Ltd
Level 40
152-158 St George's Terrace
PERTH WA 6000

Via email: tradinghaltspert@asx.com.au

Dear Madeleine

We refer to your letter dated 13 July 2018 ("Aware Query") in relation to our ASX announcement of 12 July 2018 (the "Relevant Date") titled "Drilling hits wide visible copper mineralisation" (the "Announcement") and subsequent announcement on 13 July 2018 titled "Drilling hits wide visible copper mineralisation – Revised (together with the Announcement the "Total Disclosed Information"). Our responses to the questions set out in your Aware Query are as follows:

1. Over what period were the initial 6 holes, the subject of the Announcement, drilled?

The 2018 drilling program commenced on 17 June 2018 and hole ZX-18020 was completed on 9 July 2018

2. When was the drill core for hole ZX-18020 inspected?

Photos and drill logs for hole ZX-18020 were sent to the Perth corporate office on 9 July 2018 for inspection and review.

3. When did the Company first become aware of the Total Disclosed Information?

The Company first became aware of the Total Disclosed Information on 11 July 2018.

4. Does the Company consider the Total Disclosed Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes

5. If the answer to question 4 is “no”, please advise the basis for that view.

Not applicable

6. If the Company first became aware of the Total Disclosed Information before the Relevant Date, did the Company make any announcement prior to the Relevant Date which disclosed the Total Disclosed Information? If so, please provide details. If not, please explain why the Total Disclosed Information was not released to the market at an earlier time, commenting specifically on when you believe the Company was obliged to release the Total Disclosed Information under Listing Rules 3.1 and 3.1A and what steps the Company took to ensure that the Total Disclosed Information was released promptly and without delay.

Upon receipt of the drill logs on 9 July 2018, the information was subject to review and analysis as per the Company’s quality assurance and review procedures. This process was finalised on 11 July 2018 along with completion of the requisite technical drafting and JORC table. The draft announcement was subsequently circulated for final Board review after market close on 11 July 2018. At all times during this process confidentiality was maintained. The Total Disclosed Information could not be released prior to 12 July 2018 as to do so would have been to release incomplete information.

7. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms that it is in compliance with Listing Rule 3.1.

8. Please confirm that the Company’s responses to the questions above have been authorize and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the Board to respond to ASX on disclosure matters.

The Company’s responses to the above questions have been approved by the Board.

Yours sincerely

Ian Cunningham
Company Secretary

13 July 2018

Ian Cunningham

Company Secretary

PolarX Limited

PO Box 457

WEST PERTH WA 6872

By email: ianc@polarx.com.au

Dear Ian

PolarX Limited (“the Company”): Aware Query

ASX Limited (“ASX”) refers to the following:

- A. the Company’s announcement entitled “Drilling hits wide visible copper mineralisation” (“Announcement”) lodged on the ASX Market Announcements Platform (“MAP”) and released at 08:26 am AEST on Thursday, 12 July 2018 (“Relevant Date”), disclosing visual estimate results (“Disclosed Information”).
- B. The Company’s announcement entitled “Drilling hits wide visible copper mineralisation – Revised” lodged on MAP and released on Friday, 13 July 2018 at 9:11 am AEST providing the following further information:

This mineralisation is hosted within garnet bearing skarn alteration. Copper mineralisation occurs in veins, fractures, interstitial to grains, as native copper flecks and silicified chalcocite with variation in intensity throughout each mineralised zone as follows:

| From (m) | To (m) | Mineralisation | % Mineralisation |
|----------|--------|---|------------------|
| 2.50 | 24.95 | Malachite, chalcocite, chrysocolla, native copper | 0.1% to 1.5% |
| 24.95 | 32.80 | Malachite, chalcocite, bornite, chrysocolla | 0.25% to 25% |
| 32.80 | 33.70 | No visible copper minerals | Fault gouge |
| 33.70 | 36.14 | Malachite, chrysocolla | 0.4% to 6% |
| 36.14 | 38.55 | No visible copper minerals | |
| 38.55 | 43.40 | Malachite, chrysocolla, chalcocite | 0.5% to 30% |
| 43.40 | 50.40 | Native copper, malachite, chrysocolla | 0.1% to 1% |
| 50.40 | 53.65 | No visible copper minerals | |
| 53.65 | 57.14 | Chalcopryrite, chalcocite, malachite, chrysocolla | 0.5% to 40% |

In relation to the disclosure of visual mineralisation, the Company cautions that visual estimates of sulphide and oxide material abundance should never be considered a proxy or substitute for laboratory analysis. Laboratory assay results are required to determine the widths and grade of the visible mineralisation reported in preliminary geological logging. The Company will update the market when laboratory analytical results become available.

(together with the Disclosed Information, being the “Total Disclosed Information”).

- C. The change in price of the Company’s securities from a low of \$0.009 on 9 July 2018 to a high of \$0.0105 at the close of market on Wednesday 11 July 2018 and the significant increase in the volume of the Company’s securities traded between Monday 9 July 2018 and Wednesday 11 July 2018.

D. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity"

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* "When does an entity become aware of information".

F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

G. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Having regard to the above, ASX asks the Company to respond separately to each of the following questions and requests for information:

1. Over what period were the initial 6 holes, the subject of the Announcement, drilled?
2. When was the drill core for hole ZX-18020 inspected?
3. When did the Company first become aware of the Total Disclosed Information?
4. Does the Company consider the Total Disclosed Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
5. If the answer to question 4 is "no", please advise the basis for that view.
6. If the Company first became aware of the Total Disclosed Information before the Relevant Date, did the Company make any announcement prior to the Relevant Date which disclosed the Total Disclosed Information? If so, please

provide details. If not, please explain why the Total Disclosed Information was not released to the market at an earlier time, commenting specifically on when you believe the Company was obliged to release the Total Disclosed Information under Listing Rules 3.1 and 3.1A and what steps the Company took to ensure that the Total Disclosed Information was released promptly and without delay.

7. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than half an hour before the start of trading (i.e. before 9.30 a.m. AEST) on Wednesday, 18 July 2018.**

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at tradinghaltsperth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, providing the information requested in this letter.

Further, if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in this letter and may require the Company to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We will require the request for the trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you do not respond to this letter by the deadline set out above or if ASX does not consider your response to be satisfactory, ASX is likely to suspend trading in the Company's securities under Listing Rule 17.3.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Madeleine Green
Adviser, Listings Compliance (Perth)