
Loan Agreement

**Polymetals Group Pty Ltd
Polymetals Resources Ltd**

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DETAILS

Date: 4th June 2021 (Commencement Date)

Parties

(1) Polymetals Group Pty Ltd (Lender)

ACN 613 590 284
Address PO Box 247
Everton Park QLD 4053
Email sproulefamily@bigpond.com
Attention Jane Sproule

(2) Polymetals Resources Ltd (Borrower)

ACN/ 644 736 247
Address Suite 6, Level 5 189-197 Kent Street
Sydney NSW 2000
Email vince.fayad@vfassociates.com.au
Attention Company Secretary

Recitals

- A. At the request of the Borrower, the Lender has agreed to provide the advance facility (**Loan Facility**) to the Borrower on the terms of this agreement.
- B. As at the Commencement Date, the Borrower has advanced \$150,000 which is to be considered an Advance made on the terms of this agreement.

Operative Parts

1. Defined Terms

Capitalised terms not otherwise defined in this agreement have the following meanings.

A\$ means Australian dollars.

Advances means the provision by the Lender of financial accommodation to the Borrower at its request under this agreement.

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general banking business in Sydney.

Corporations Act means the Corporations Act 2001 (Cth).

Drawdown means the provision of an Advance by the Lender to the Borrower.

Insolvency Event means the occurrence of any of the following events with respect to a party:

- (a) it is (or states that it is) under administration or insolvent (each as defined in the Corporations Act);
- (b) it has had a controller appointed or is in liquidation, in provisional liquidation, under administration or wound-up or has had a receiver appointed to any part of its property;
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this agreement);
- (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), a resolution passed, a proposal put forward, or any other action taken, in each case in connection with that party, which is preparatory to or could result in any of (a), (b) or (c) above;
- (e) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or if it makes a statement from which another party to this agreement reasonably deduces it is so subject);
- (f) it is otherwise unable to pay its debts when they fall due; or
- (g) something having a substantially similar effect to any of (a) to (f) above happens in connection with that party under the law of any jurisdiction.

Loan means all advances of principal made under this agreement.

2. **Loan Facility**

The Loan Facility has the following terms:

Loan Amount	\$250,000
Due Date	The date which is two Business Days after the directors of the Borrower, with David Sproule being excluded from voting on the resolution, resolve that the Borrower has adequate funds to repay the Loan.
Purpose	To provide funding to the Borrower for the purpose of commencing drilling activities in Northeast Guinea.
Interest Rate	Nil

3. **Drawdown**

The Loan Amount may be advanced by cleared funds in successive Advances up to the Loan Amount from the Commencement Date, provided that five Business Days' notice, or such other time as agreed, is given prior to a drawdown notice in the form of the notice attached to this agreement as Annexure 1.

4. Events of Default

- (a) The Borrower undertakes to the Lender that as long as any part of the Loan remains owing it will notify the Lender of any Event of Default that has occurred as soon as practicable after becoming aware of the same.
- (b) Each of the following shall constitute an **Event of Default** (whether or not in the control of the Borrower):
 - (i) the Borrower fails to pay, on the Due Date specified by the Lender, any principal amount of the Loan Amount or any other amount payable under this Loan Agreement; or
 - (ii) an Insolvency Event occurs with respect to any Borrower.
- (c) Upon the occurrence of an Event of Default the Lender may, by written notice to the Borrower, declare the Loan Amount due and payable:
 - (i) immediately, in which case the Loan Amount and all other amounts payable under this agreement are immediately due and payable by the Borrower to the Lender; or
 - (ii) on the expiry of such period as may be specified in the written notice, in which case the Loan Amount and all other amounts payable under this agreement are due and payable by the Borrower to the Lender at the expiration of such period.

5. Payments

5.1 Repayment

The Borrower must pay to the Lender the outstanding principal amount of all Advances under the Loan Facility on the Due Date.

5.2 Payments

All payments to be made under this agreement will be made on the Due Date in A\$ and in freely transferable same day funds. If the Due Date is not a Business Day, the payment will be made on the following Business Day.

6. Representations and Warranties

- (a) The Borrower represents and warrants to the Lender that:
 - (i) it is duly incorporated and validly existing under the laws of its place of incorporation or registration;
 - (ii) it has the power to enter into, deliver and perform its obligations under this agreement;
 - (iii) the entry into, delivery and performance of this agreement has been duly authorised and will not violate its constitution or any other law or agreement binding on it;
 - (iv) no government or regulatory body is required to:
 - (A) give any approval or authorisation or do any other thing; or

(B) receive any notice or other document,

for the due execution, delivery and performance of this agreement;

(v) this agreement, when signed by it, constitutes its legal, valid and binding obligations, enforceable against it in accordance with the terms of this agreement;

(vi) no Insolvency Event has occurred in relation to it; and

(vii) it has obtained separate independent legal advice and financial advice in relation to, and understands the risks of the transactions contemplated by, this agreement.

(b) The Borrower acknowledges that the Lender has relied upon the representations and warranties specified above in entering into this agreement.

7. General

7.1 Costs and expenses

The Borrower must pay the Lender's costs and expenses of:

- (a) the preparation, execution and enforcement of this agreement;
- (b) a variation, release or discharge of this agreement; and
- (c) giving a consent, approval or waiver in connection with this agreement.

7.2 Amendment

An amendment in relation to this agreement must be in writing and signed by both parties.

7.3 Notices

All notices and other communications under this agreement must be in writing and sent to the address of the recipient specified in the Details for that party or to any other address it may have notified the sender in writing.

7.4 No waiver

A failure to exercise or delay in exercising any right under this agreement by the Lender is not a waiver of that right. A single or partial exercise of any right does not preclude any other exercise of that or any other right.

7.5 Supervening legislation

For the avoidance of doubt, nothing in this agreement excludes the operation of sections 415D, 434J or 451E of the Corporations Act (**ipso facto law**). If any provision of this agreement (including any right, obligation, power or remedy of a party) is of a kind where its enforcement would be subject to the ipso facto law, that provision must be construed in a manner that is not inconsistent with the ipso facto law (but only to the extent the ipso facto law applies).

7.6 Remedies

The Lender's remedies under this agreement are cumulative and not exclusive of any remedies provided by law.

7.7 Severability

An illegal, void or unenforceable provision of this agreement under the laws of any jurisdiction will be ineffective in that jurisdiction to the extent of being illegal, void or unenforceable. A provision being ineffective in a jurisdiction does not invalidate the remaining provisions of this agreement or affect that provision in any other jurisdiction.

7.8 Assignment

The Borrower may not assign or transfer any of its rights or obligations under this agreement without the Lender's prior written consent.

7.9 Governing law

This agreement is governed by the laws of New South Wales. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of that place (and any court of appeal) and waives any right to object to an action being brought in those courts, including on the basis of an inconvenient forum or those courts not having jurisdiction.

7.10 Counterparts

This agreement may be executed in any number of counterparts. Each counterpart constitutes an original of this agreement, all of which together constitute one instrument. A party who has executed a counterpart of this agreement may exchange it with another party by emailing a pdf (portable document format) copy of, the executed counterpart to that other party, and if requested by that other party, will promptly deliver the original by hand or post. Failure to make that delivery will not affect the validity of this agreement.

7.11 GST

If any supply under this agreement by the Lender is a "supply" for GST purposes, then the Borrower must pay to the Lender the amount of the GST due in respect of that supply within five Business Days' demand from the Lender.

7.12 Further acts

The Borrower will, at its own cost on demand by the Lender, perform all acts (including executing any document) as the Lender reasonably requires to perfect or improve the rights created or intended to be created by this agreement or any Security.

Executed as an agreement


Executed by Polymetals Resources Ltd
ACN 644 736 247 in accordance with Section
127 of the Corporations Act 2001 (Cth)



Signature of director

Christopher Johnston

Name of director



Signature of director

Christopher Schroor

Name of director

Executed by Polymetals Group Pty Ltd
ACN 613 590 284 in accordance with Section
127 of the Corporations Act 2001 (Cth)



Signature of sole director/secretary

Jane Christine Sproule

Name of sole director/secretary

Annexure 1 – Form of Drawdown Notice

[BORROWER'S LETTERHEAD]

[insert date]

To: **Polymetals Group Pty Ltd**

Attention: David Sproule

Drawdown Notice

We give you irrevocable notice requesting drawings as follows:

Drawing amount: AS[insert]

Drawdown Date: [insert date], which is a Business Day

Proceeds remittance details: Account number: [insert]

Account Name: [insert]

Bank and branch: [insert]

BSB: [insert]

Representation and warranty

We represent and warrant that no default or potential default subsists in relation to the Loan Agreement dated [insert date].

.....
Director

Name (print):

.....
Director

Name (print):

