

QUARTERLY ACTIVITIES REPORT

PERIOD ENDED 30 SEPTEMBER 2021

Australian-based gold exploration and mining company Polymetals Resources Ltd (**POL**, **Polymetals** or the **Company**) is pleased to provide its Quarterly Activities Report for the quarter ended 30 September 2021 (**Quarter**).

KEY HIGHLIGHTS

- 2021 Exploration drill program (Phase 2) completed at Alahiné.
- 54 % assays received by quarter end.
- Key gold intersections include:
 - AH21ARC057
 - **8m @ 5.26 g/t Au** from 0m (surface)
 - AH21ARC066
 - **14m @ 1.14 g/t Au** from 58
 - AH21ARC067
 - **1m @ 7.12 g/t Au** from 97m (hole ended in mineralisation)
 - AH21ARC070
 - **1m @ 13.00 g/t Au** from 39m
 - AH21ARC074
 - **3m @ 1.31 g/t Au** from 12m,
 - **10m @ 1.32 g/t Au** from 57m,
 - **15m @ 0.92 g/t Au** from 78m, and
 - **7m @ 1.63 g/t Au** from 95m
 - AH21ARC075
 - **1m @ 11.56/t Au** from 59m (hole ended in mineralisation)
 - AH21ARC076
 - **3m @ 1.25 g/t Au** from 0m (surface).
- Exploration team strengthened with Clive Hastings appointed Supervising Geologist.
- Site activities at Alahiné and Mansala remain unaffected by recent political situation.

GUINEA EXPLORATION

Polymetals aims to become a gold production company, initially focusing on its two 100% owned exploration licences within Guinea's Siguiri Basin, totalling 112km².

The Siguiri Basin hosts several large active gold mining operations and is notable for its significant and widespread gold anomalism.

Polymetals' Exploration Licences, known as Alahiné (64.2km²) and Mansala (48.2km²), host extensive historic and current artisanal gold production which reinforces exploration potential of the area.

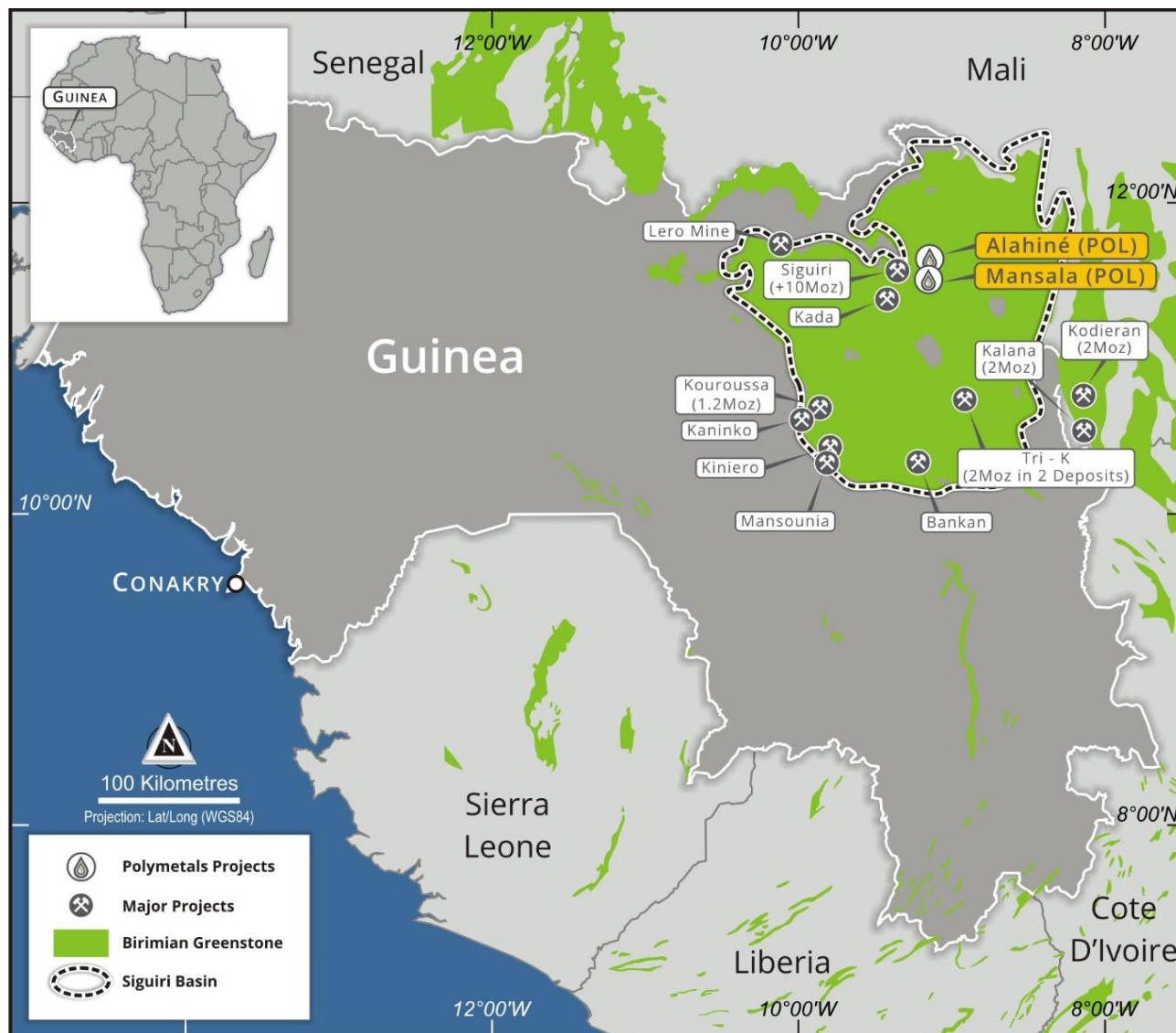


Figure 1: Proximal gold deposits relative to Polymetals Exploration Licences.

Phase 2 East Alahiné Drilling Program

During the quarter, the Company completed its Phase 2 drilling program, comprising 98 drill holes, consisting of 94 Air Core (**AC**) and 4 Reverse Circulation (**RC**), for a total of 7,320m. The drill program was completed with no safety or environmental issues occurring. A total of 54% of samples submitted for analysis were reported by quarter end.

The program was designed to test the area enclosed by the 40 ppb Au-in-soil contour. Numerous productive shallow artisanal gold pits and diggings are present in this area.

The Phase 2 Drilling Program was initially planned to incorporate 5,100m of combined RC and AC drilling. However, deeper than anticipated weathering resulted in softer drilling conditions, as such, significantly reducing the intended use of RC drilling in favour of the more cost effective and faster AC drilling. As such, an additional 2,220m was completed based on geological interpretations and site geologist recommendations.

Target Drilling, an Australian-based West African drilling contractor, completed the Phase 2 drilling program at the Company's Alahiné Project.



Figure 2: Phase 2 drilling (AH21ARC029)

Assay batches 1 and 2 reported by quarter end demonstrate significant zones of mineralisation. These zones confirm the N/NE trend interpreted from previous results, 40ppb Au-in-soil contour and adjacent artisanal workings.

- Key gold intersections include:
 - AH21ARC057
 - **8m @ 5.26 g/t Au** from 0m (surface)
 - AH21ARC056
 - **2m @ 1.53 g/t Au** from 32m,
 - **5m @ 0.37 g/t Au** from 39m, and
 - **6m @ 0.40 g/t Au** from 45m
 - AH21ARC032
 - **2m @ 1.10 g/t Au** from 26m,
 - **7m @ 0.31 g/t Au** from 35m, and
 - **5m @ 0.50 g/t Au** from 48m
 - AH21ARC033
 - **1m @ 5.24g/t Au** from 21m
 - AH21ARC065
 - **15m @ 0.42 g/t Au** from 7m,
 - **1m @ 21.40 g/t Au** from 81m (hole ended in mineralisation)
 - AH21ARC066
 - **14m @ 1.14 g/t Au** from 58
 - AH21ARC067
 - **1m @ 7.12 g/t Au** from 97m (hole ended in mineralisation)
 - AH21ARC070
 - **1m @ 13.00 g/t Au** from 39m
 - AH21ARC074
 - **3m @ 1.31 g/t Au** from 12m,
 - **10m @ 1.32 g/t Au** from 57m,
 - **15m @ 0.92 g/t Au** from 78m, and
 - **7m @ 1.63 g/t Au** from 95m
 - AH21ARC075
 - **1m @ 11.56/t Au** from 59m (hole ended in mineralisation)
 - AH21ARC076
 - **3m @ 1.25 g/t Au** from 0m (surface)

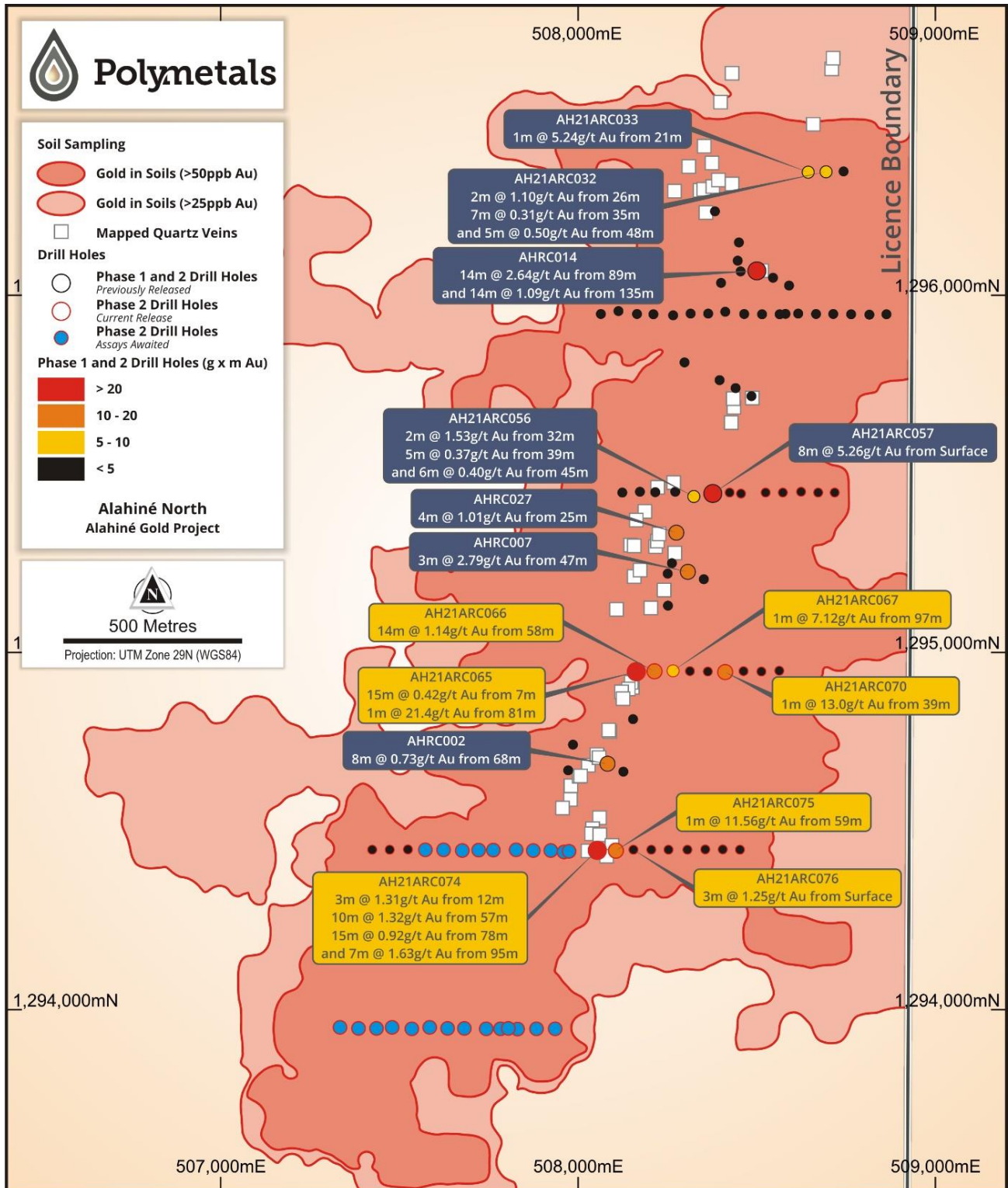


Figure 3: Alahiné plan view showing assay results reported by quarter end

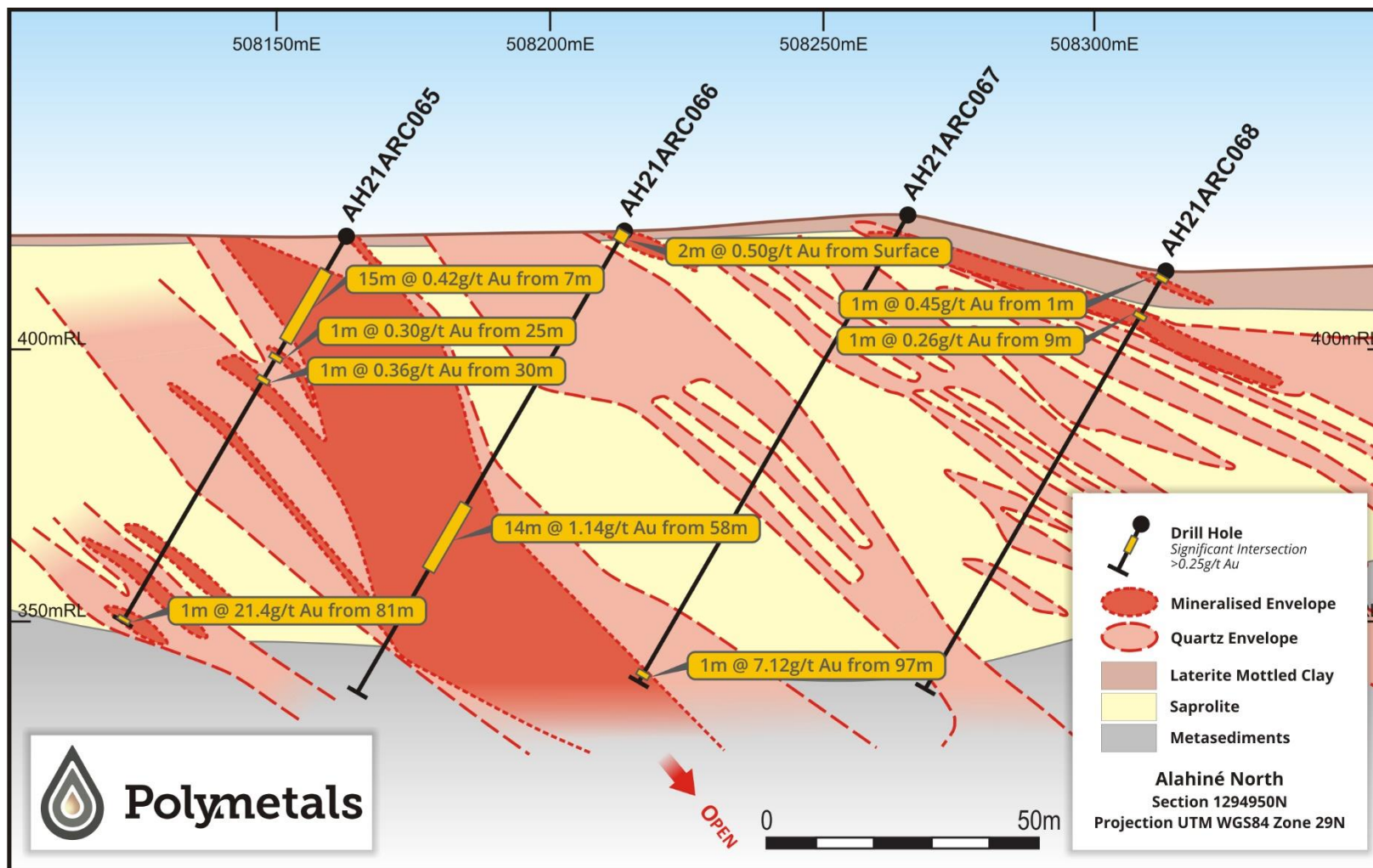


Figure 4: Alahiné Section 1294950N showing gold mineralised intercepts (Note: down hole length, true width not known)

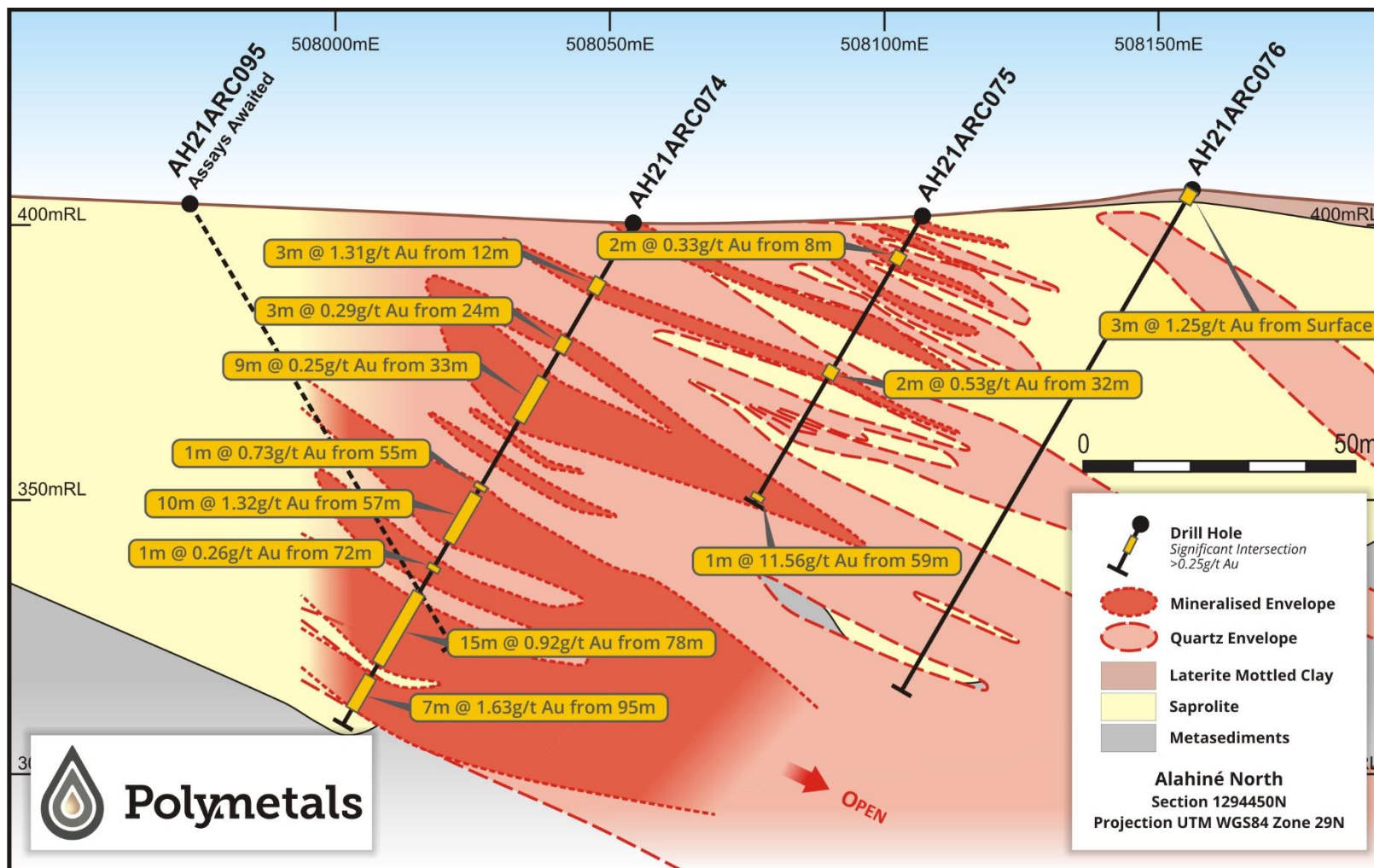


Figure 5: Alahiné Section 1294450N showing gold mineralised intercepts (Note: down hole length, true width not known)

Key intersections reported by quarter end are included in Table 1 below.

Table 1: Key intersections from Phase 2 East Alahiné Drilling Program Reported by quarter end

Hole ID	From (m)	To (m)	Significant Gold Intersections (Interval (m) @ g/t gold)
AH21ARC032	26	28	2m @ 1.10 g/t Au
	35	42	7m @ 0.31g/t Au
	45	47	2m @ 0.27 g/t Au
	48	53	5m @ 0.50 g/t Au
AH21ARC033	21	22	1m @ 5.24g/t Au
AH21ARC038	0	1	1m @ 0.27 g/t Au
	39	41	2m @ 0.29 g/t Au
AH21ARC039	46	47	1m @ 0.66 g/t Au
AH21ARC040	28	31	3m @ 0.27 g/t Au
AH21ARC046	5	6	1m @ 0.34 g/t Au
	27	28	1m @ 0.33 g/t Au
AH21ARC052	35	36	1m @ 0.67 g/t Au
AH21ARC054	3	4	1m @ 0.31 g/t Au
AH21ARC055	38	39	1m @ 1.01g/t Au
	64	66	2m @ 0.35 g/t Au
AH21ARC056	32	34	2m @ 1.53 g/t Au
	39	44	5m @ 0.37 g/t Au
	45	51	6m @ 0.40 g/t Au
AH21ARC057	0	8	8m @ 5.26 g/t Au
AH21ARC065	7	22	15m @ 0.42 g/t Au
	25	26	1m @ 0.30 g/t Au
	30	31	1m @ 0.36 g/t Au
	81	82	1m @ 21.40 g/t Au (hole ended in mineralisation)
AH21ARC066	0	2	2m @ 0.50 g/t Au
	58	72	14m @ 1.14 g/t Au
AH21ARC067	97	98	1m @ 7.12 g/t Au (hole ended in mineralisation)
AH21ARC068	1	2	1m @ 0.45 g/t Au
	9	10	1m @ 0.26 g/t Au
AH21ARC070	39	40	1m @ 13.00 g/t Au
AH21ARC074	12	15	3m @ 1.31 g/t Au
	24	27	3m @ 0.29 g/t Au
	33	42	9m @ 0.25 g/t Au
	55	56	1m @ 0.73 g/t Au
	57	67	10m @ 1.32 g/t Au
	72	73	1m @ 0.26 g/t Au
	78	93	15m @ 0.92 g/t Au
	95	102	7m @ 1.63 g/t Au
AH21ARC075	8	10	2m @ 0.33 g/t Au
	32	34	2m @ 0.53 g/t Au
	59	60	1m @ 11.56 g/t Au (hole ended in mineralisation)
AH21ARC076	0	3	3m @ 1.25 g/t Au

Business Development

The Company continues to investigate new business development opportunities.

The Company is currently reviewing and investigating various new business opportunities within the Siguiri Basin in addition to advanced project opportunities in Australia.

Guinea Political Situation

In September, following an update of the military removal of the existing government in Guinea Polymetals provided an update to shareholders of the effects on the Company's ongoing exploration activities.

The action to remove the sitting government by the Guinea military took place in the capital city, Conakry. Polymetals was pleased to report that all of its local employees were safe and well distanced from any military activity, and that there would be no effect on its planned exploration activities.

The Company further advised later in September, that its exploration activities at Alahiné and Mansala remained unaffected and whilst the Company continues to monitor the situation, it remains confident the military action will not affect exploration work or hinder its business strategy.

Appointment of Supervising Geologist

In August, Polymetals significantly strengthened its exploration team with the key appointment of Mr Clive Hastings as Supervising Geologist. Mr Hastings has over 41 years of experience in mineral exploration, mining services and project management, having managed numerous diamond, reverse circulation and air-core drilling programs across Australia and Africa. In addition to previously working in Guinea, Mr Hastings has experience in Archaean and Proterozoic greenstone-granitoid terrains throughout Western Australia's Yilgarn and Pilbara regions.

Mr Hastings has been actively involved in the activities at the Company's Alahiné Project since the commencement of the Drilling Program in June 2021. In addition to supervising the Alahiné Phase 2 Program, Mr Hastings has also scouted the Company's Mansala Exploration Licence, situated 10km south of the Alahiné Licence, providing significant geological insights of the area.

Mr Hastings is supported by Non-executive Director, Dr. Christopher Johnston, in addition to working alongside the Company's four Guinean geologists onsite at Alahiné.

CORPORATE

ASX Additional Information

The Company provides the following information pursuant to ASX Listing Rule requirements:

1. **ASX Listing Rule 5.3.1:** Exploration and Evaluation Expenditure spend during the quarter was \$699,839.

Full details of exploration activity during the September 2021 quarter are set out in this report. Below is the breakdown of the expenditure incurred:

Table 2: Breakdown of the expenditure incurred

Property	Nature of expenses	Amount (\$)
Mansala	Wage for people onsite, security and storage	12,407
Mansala	Licences and Taxes	17,345
Mansala	Geology and Geophysics	25,210
Alahiné	Wages, security and storage	56,412
Alahiné	Drilling	327,058
Alahiné	Licences and Taxes	17,345
Alahiné	Geology and Geophysics	244,062
Total Exploration costs		699,839

2. **ASX Listing Rule 5.3.2:**

The Company confirms that there was no mine production and development activities for the quarter.

3. **ASX Listing Rule 5.3.4:**

The Company provides the following update between its actual expenditure incurred during the quarter to that of the Use of Funds (refer to ASX release dated 25 June 2021 "Updated Use of Funds Table").

Table 3: Updated Use of Funds Table

Use of Funds	Estimate of the first 2 years after ASX admission (\$)	Actual to September 2021 Quarter (\$)	Balance Remaining (\$)
Expenditure at Alahiné and Mansala	2,350,000	920,609	1,429,391
Environmental surveys and consultants	150,000	-	150,000
Guinea operations and logistics	500,000	-	500,000
Expenses of the Offer	637,000	486,848	150,152
Administrative Costs	1,845,815	403,780	1,442,035
Total	5,491,815	1,811,237	3,680,578

¹ Polymetals Use of Funds – ASX Prospectus 25 June 2021 Item 5.6 ‘Proposed Exploration Program and Expenditure’

Variances in the above table are due to the expenditures incurred up to the September 2021 quarter only representing a period of 6 months against the proposed use of funds which has been tabled over a 2-year period within the Company's Prospectus.

- ASX Listing Rule 5.3.5:** Payment to related parties of the Company and their associates during the quarter was \$81,000 in cash.

The Company advises that this relates to remuneration of Directors only. Please see the Remuneration Report in the Company's Prospectus for further details on Directors' Remuneration. Set out below is the following additional information in relation to the cash flow statement:

Table 4: Director's remuneration

Name of Director	Nature of Payment	Amount (\$)
David Sproule	Ongoing Director fees	36,000
Christopher Johnston	Ongoing Director fees	27,000
Christopher Schroor	Ongoing Director fees	18,000
Total		81,000

Tenements

In accordance with Listing Rule 5.3.3, Polymetals provides the following Information concerning its exploration licences. No applications were made during the quarter by the Company to acquire further licences or surrender its existing licences.

The following table lists the Company's exploration licences held at the end of the quarter, and their location:

Table 5: *Polymetals exploration licences*

Project	Exploration Licence	Location	Status	Ownership
Alahiné	EL22123	Republic of Guinea	Granted	100%
Mansala	EL22694	Republic of Guinea	Granted	100%

This announcement was authorised for release by the Board of Polymetals Resources Ltd.

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For more information, visit www.polymetals.com.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

POLYMETALS RESOURCES LTD

ABN

73 644 736 247

Quarter ended ("current quarter")

September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(145)	(145)
	(e) administration and corporate costs	(126)	(126)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(271)	(271)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment		
	(d) exploration & evaluation	(699)	(699)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(699)	(699)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(97)	(97)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(250)	(250)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(347)	(347)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,015	5,015
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(271)	(271)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(699)	(699)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(347)	(347)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,698	3,698

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	698	5,015
5.2	Call deposits	3,000	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,698	5,015

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 (Director Fees)	81
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note : The above payments to directors reflect fees for services rendered during the current quarter. More information concerning the breakdown of the relevant director payments can be found within the accompanying Quarterly Announcement.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at current quarter end \$A'000	Amount drawn amount at previous quarter \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end	-	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Not applicable.			

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(271)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(699)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(970)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	3,698
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	3,698
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.81
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A as item 8.7 is greater than 2.	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A as item 8.7 is greater than 2.	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A as item 8.7 is greater than 2.	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 22 October 2021

Authorised by: By the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.