



Polymetals

ABN 73 644 736 247

Consolidated Interim Financial Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021



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Directors' Report

The Directors of Polymetals Resources Ltd ("**the Company**") together with its subsidiary (collectively referred to as "**the Group**"), present their report together with the consolidated financial statements for the six months ended 31 December 2021 ("**Half-Year 2021**").

Directors

The names of the Company's directors in office during the Half-Year 2021 and until the date of this report are set out below. Directors were in office for this entire period, unless otherwise stated:

- Mr David Sproule – Non-Executive Chairperson
- Mr Christopher Schroor – Non-Executive Director
- Dr Christopher Johnston – Non-Executive Director

Objectives

The Company's objective is to increase shareholder wealth through successful exploration activities whilst providing a safe workplace and ensuring best practice in relation to its environmental obligations.

Principal Activities

The principal activity of the Group during the Half-Year 2021 period was the exploration and development of mineral resources - in particular gold.

Significant Changes in the State of Affairs

There were no significant changes in the nature of the Group's principal activities during the Half-Year period.

Review of Operations

The consolidated loss of the Group after providing for income tax and non-controlling interest amounted to \$403,308 (30 September 2020 to 31 December 2020: \$195,911).

Further details on the financial results for the period have been included on page 17.

Operations Summary

GUINEA EXPLORATION

The Group is focussed on exploring two licences within Guinea's Siguiri Basin which hosts several large active gold mining operations and is notable for its significant and widespread gold anomalism.

The Exploration Licences, known as Alahiné (64.2km²) and Mansala (48.2km²) host prolific historic and current small scale gold production conducted by artisanal miners confirming the extensive gold endowment of the area.

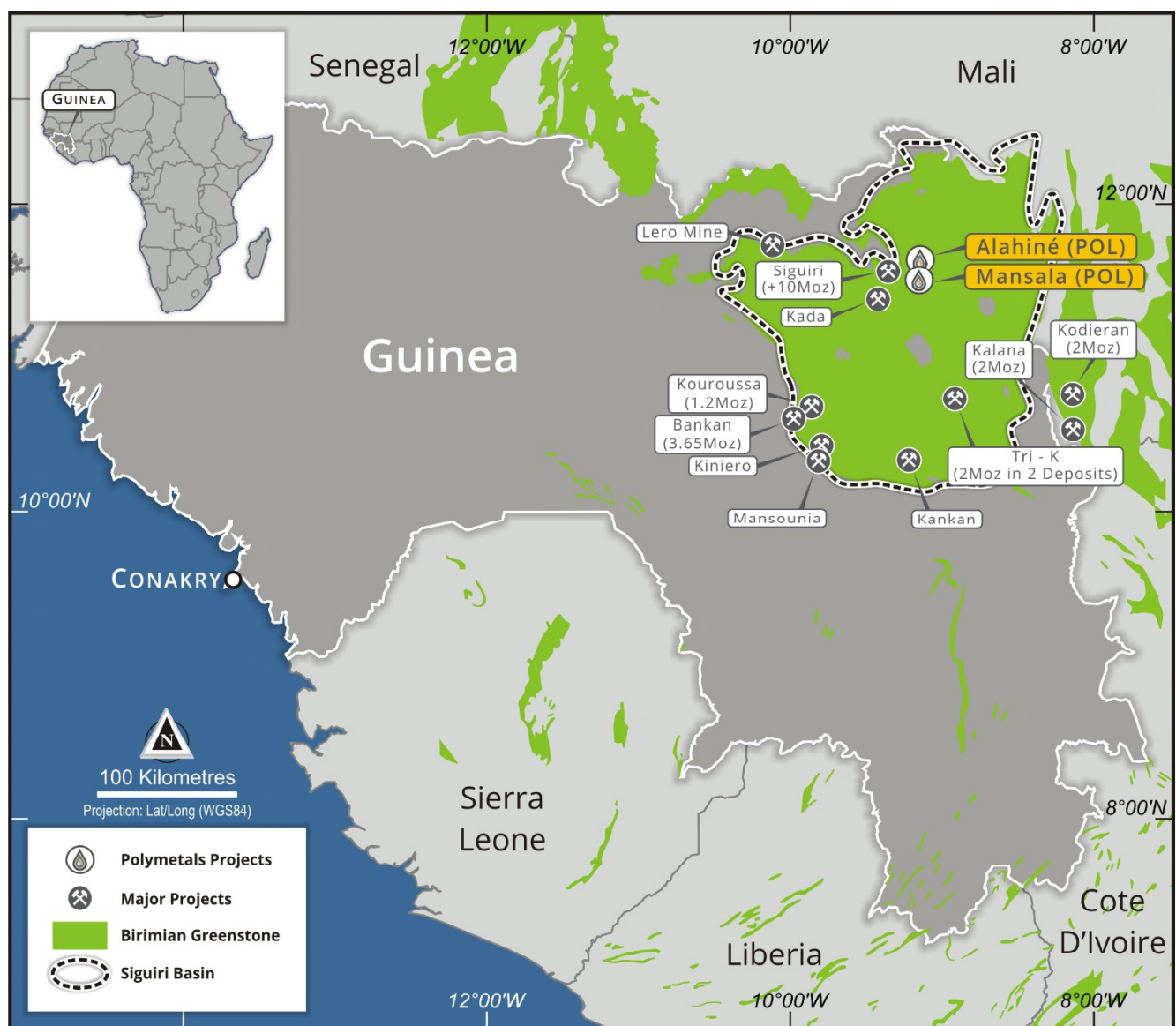


Figure 1: Regional West African gold deposits relative to the Company's Exploration Licences

FINAL ASSAYS RECEIVED FROM ALAHINÉ PHASE 2 DRILLING PROGRAM

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Upon completion of the Company's Alahiné Phase 2 drilling program, the Company had received all three batches of assay results by October (refer to ASX announcement dated 20 October 2021 *"Additional Positive Results from Phase 2 Drilling Program"*).

The Phase 2 drilling program comprised 98 drill holes, consisting of 94 Air Core (AC) and 4 Reverse Circulation (RC), for a total of 7,320m. The drilling program was designed to test the prolific artisanal gold workings, areas enclosed by 40 ppb Au-in-soil contour and new priority targets identified by the Polymetals exploration team.

Assay batches 1 and 2 reported 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 reported before the final batch of assays include:

- AH21ARC057
 - 8m @ 5.26 g/t Au from 0m (surface)
- AH21ARC056
 - 2m @ 1.53 g/t Au from 32m,
- 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 o AH21ARC075
 - 1m @ 11.56/t Au from 59m (hole ended in mineralisation)
- AH21ARC076
 - 3m @ 1.25 g/t Au from 0m (surface)

Key gold intersections reported within the final batch of assays include:

- AH21ARC094
 - 1m @ 51.73 g/t Au from 9m
- AH21ARC095
 - 1m @ 96.00 g/t Au from 8m
- AH21ARC096
 - 1m @ 34.2g/t Au from 18m
- AH21ARC102

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- 13m @ 0.73 g/t Au from 8m, and
 - 10m @ 0.89 g/t Au from 47m,
- AH21ARC103
 - 19m @ 0.99 g/t Au from 80m (hole ended in mineralisation)
 - Including 9m @ 1.03 g/t Au from 90m
- AH21ARC109
 - 3m @ 2.50 g/t Au from 32m
- AH21ARC110
 - 3m @ 1.26 g/t Au from 38m,
 - 4m @ 2.50 g/t Au from 58m, and
 - 7m @ 1.16 g/t Au from 76m
- AH21ARC125
 - 3m @ 6.81 g/t Au from 7m

Geological investigations of the Alahiné exploration licence are still at an early stage, but the broad strategy of the Phase 2 drilling program was to investigate the well-defined NNE trending soil gold response located in the eastern third of the licence area.

Plan and cross-sectional views of the reported holes are provided in Figures 2 to 5. Detailed results of significant intercepts can be found in Table 1.

The Phase 2 program focused on:

1. Follow-up of mineralised intercepts from the Phase 1 drilling program,
2. Follow-up of the best soil-Au anomalies not yet tested, and
3. Investigation of intense artisanal mining activity.

With a strike length in excess of 4km and with drill traverses spaced at 500m intervals, numerous anomalous responses remain untested.

As shown in Figures 2 to 5, very similar geology has been encountered over the strike length tested. Deep but variable weathering ranging from 50 to 100m vertical depth has been encountered. The nature of the lateritic profile is unclear at present, but appears to comprise auriferous lateritic gravels overlying a well-developed mottled zone which gives way to intensely bleached saprolite, saprock then fresh rock. Section 1294450N (Figure 2) records partial erosion of the present-day lateritic profile with thicknesses varying from 10m to zero, in the centre of the traverse. For the two more southerly traverses, the ferruginous profile is intact and varies in thickness from 15m in section 1293950N (Figure 3) to 5m in section 1291950N (Figure 4).

Within the zone of saprolitic weathering, Figures 2 to 4 illustrate the extent of quartz veining and gold mineralisation. These zones are extensive and contain two types of targets that require follow-up:

1. Narrow intercepts of >10 g/t Au (eg. holes AH21ARC0651, AH21ARC0741, AH21ARC0751 and AH21ARC094), and
2. Shallow but potentially economic low-grade intercepts such as shown in holes AH21ARC074 and AH21ARC102

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The current program has focussed principally on shallow supergene gold resources within the weathered zone, but high gold values (eg. 21.40 g/t Au in hole AH21ARC065 and 11.56 g/t Au in hole AH21ARC075) encountered at Air Core refusal hints at deeper potential (Refer to ASX release dated 15 September 2021 *"Further Positive Results From Phase 2 Drilling Program"*). Similarly, intense artisanal activity recovering high grade gold from shallow depth implies a gold source nearby. Potentially deeper, unweathered portions of that source are an important target.

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.

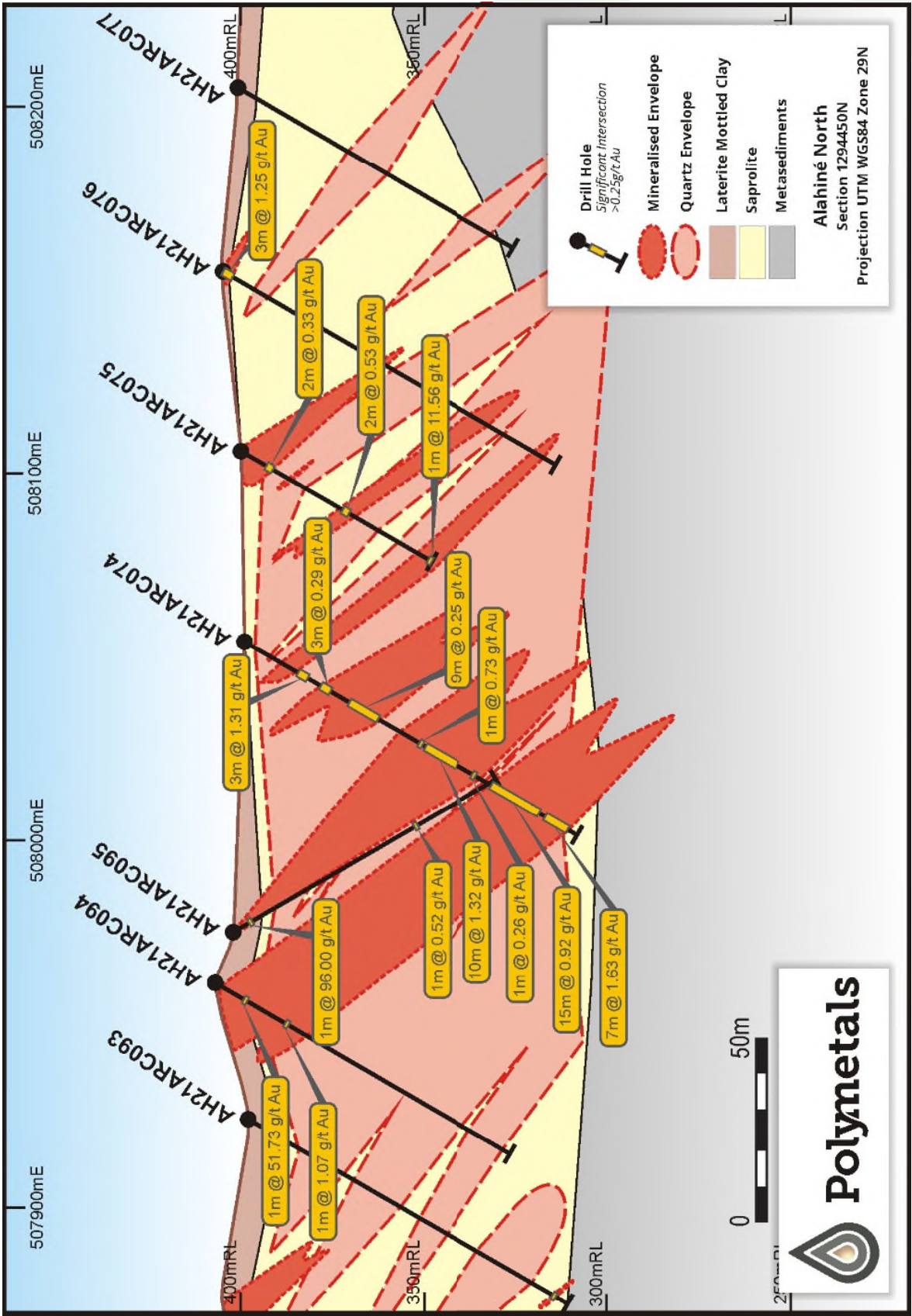


Figure 2: Alahiné Section 1294450N showing gold mineralised intercepts (Note: down hole length, true width not known)

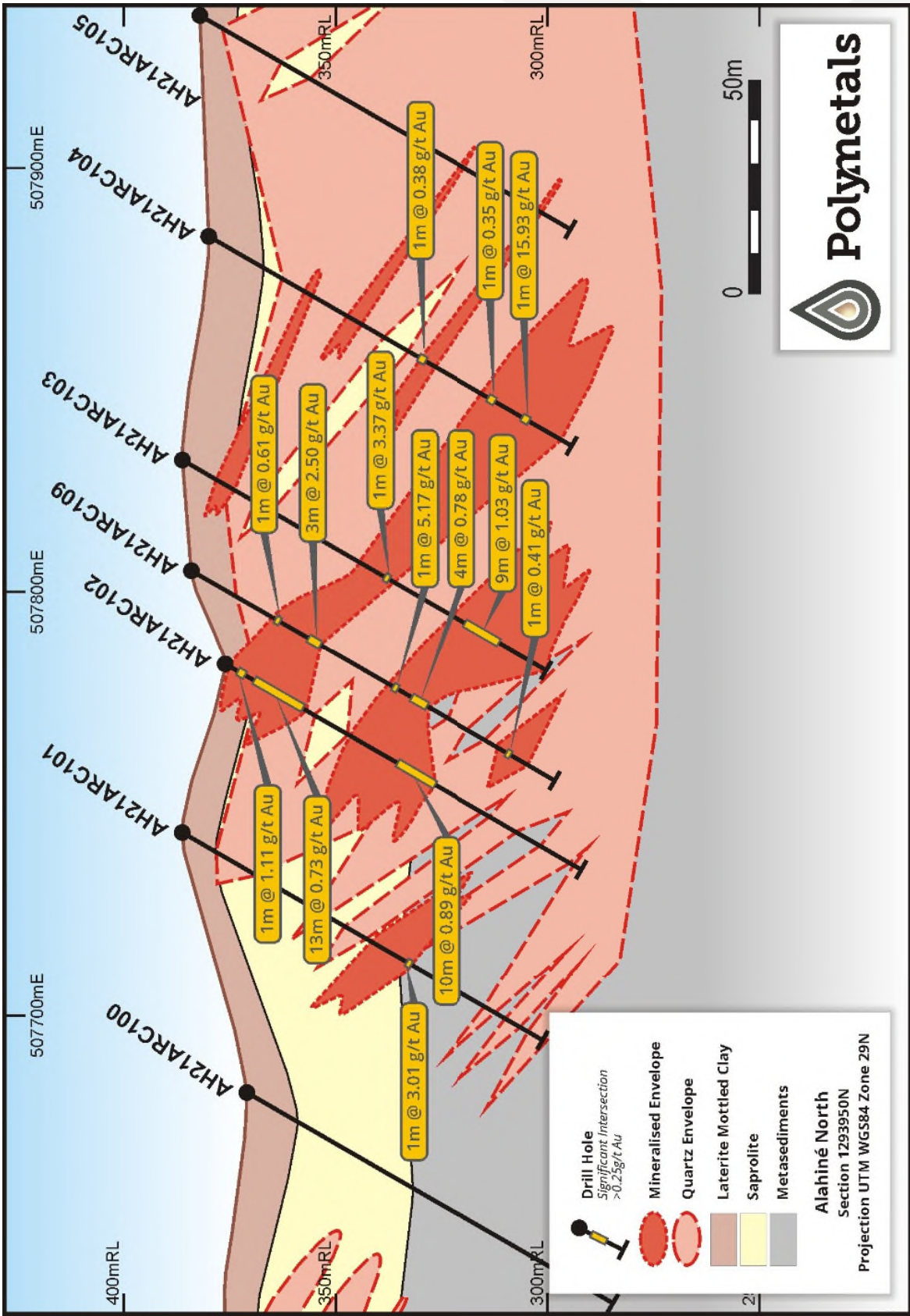


Figure 3: Alahiné Section 1293950N showing gold mineralised intercepts (Note: down hole length, true width not known)

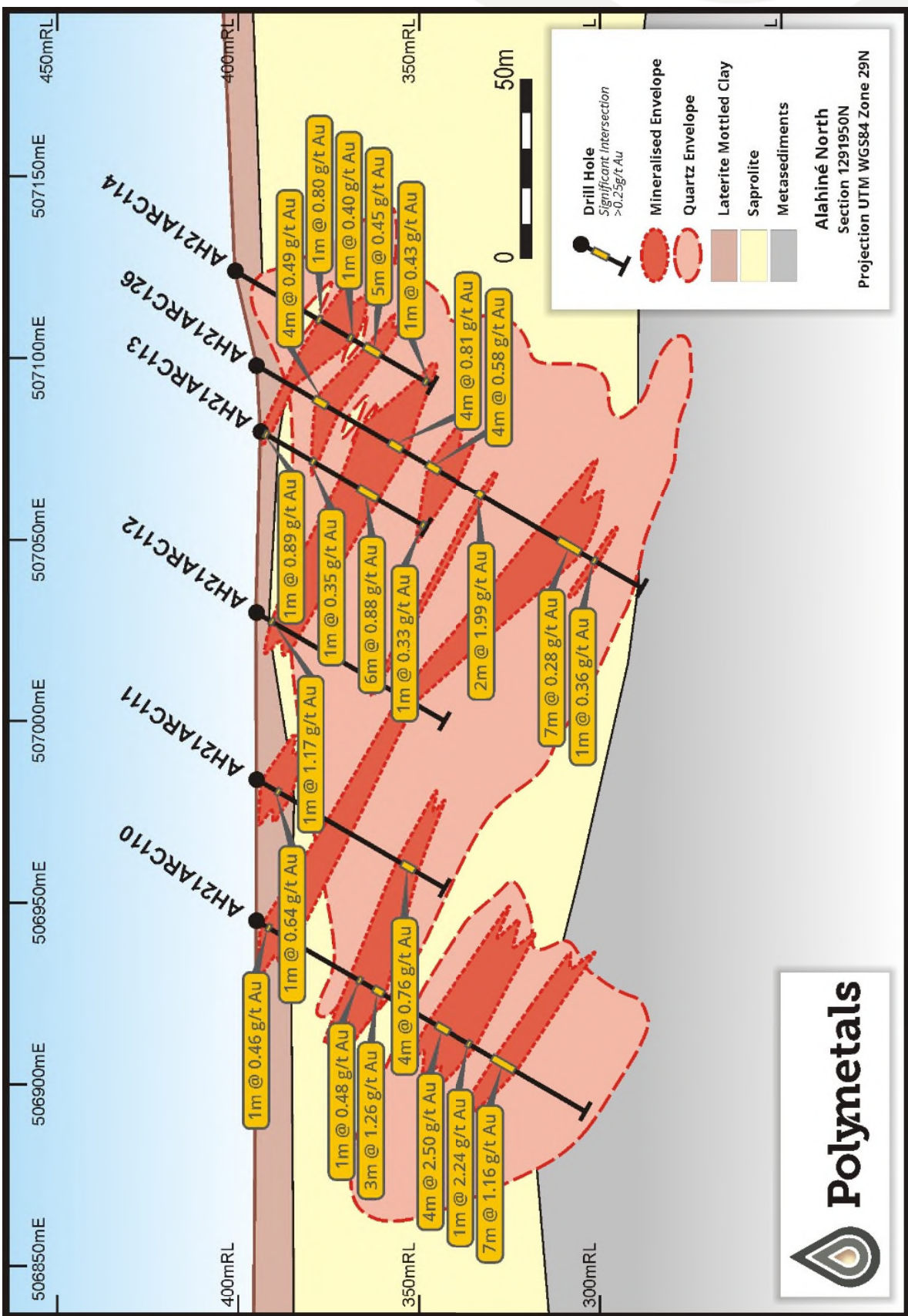


Figure 4: Alahiné Section 1291950N showing gold mineralised intercepts (Note: down hole length, true width not known)

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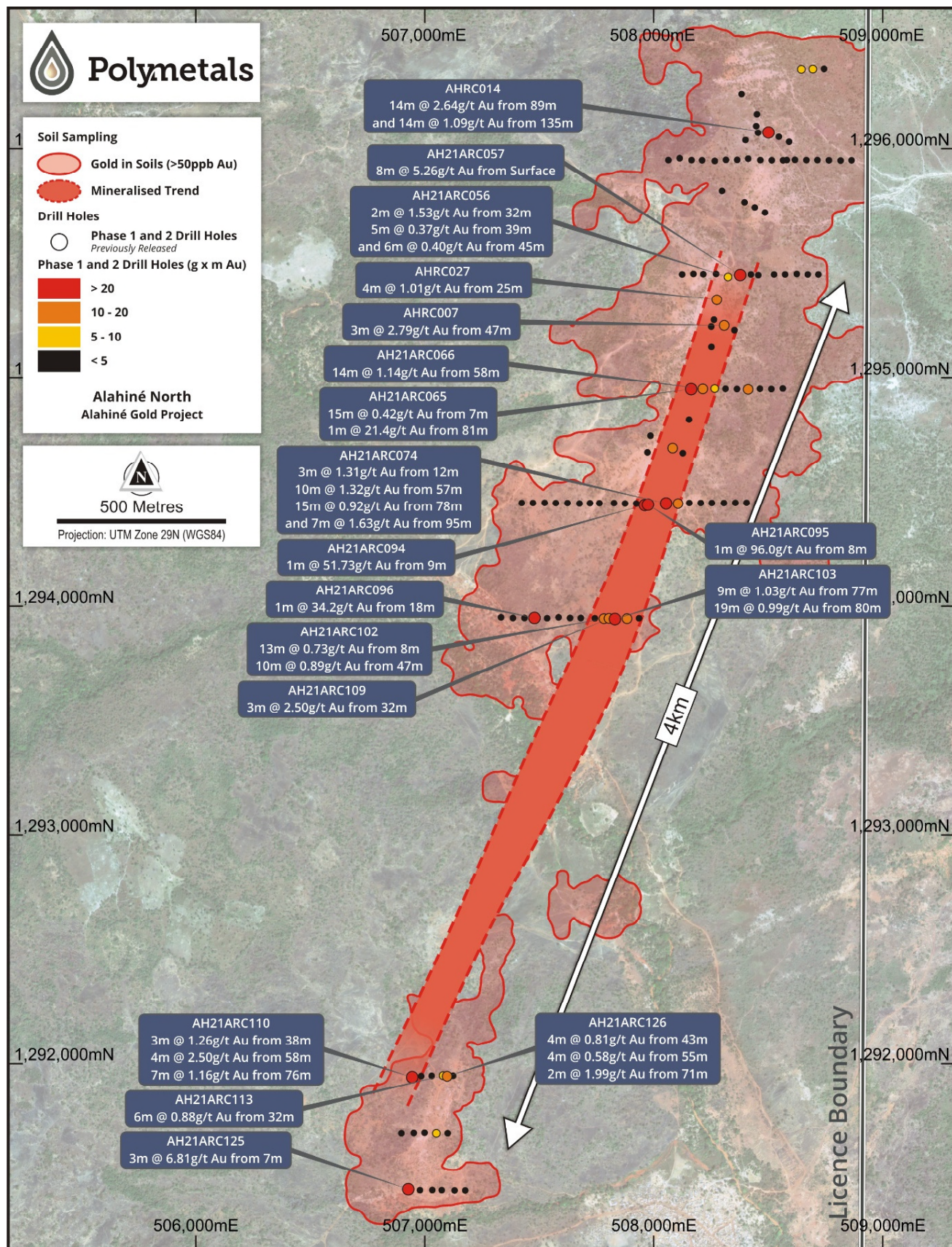


Figure 5: Alahiné North plan view showing all Phase 2 results.

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Table 1: Alahiné significant mineralised intercepts from phase 2 drilling program

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
AH21ARC088	9	13	4m @ 0.32 g/t Au
AH21ARC092	1	9	8m @ 0.44 g/t Au
AH21ARC093	96	97	1m @ 1.05 g/t Au
AH21ARC094	9	10	1m @ 51.73 g/t Au
	22	23	1m @ 1.07 g/t Au
AH21ARC095	8	9	1m @ 96.00 g/t Au
	56	57	1m @ 0.52 g/t Au
AH21ARC096	18	19	1m @ 34.20 g/t Au

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AH21ARC098	32	33	1m @ 0.82 g/t Au
AH21ARC099	37	38	1m @ 2.79 g/t Au
AH21ARC101	61	62	1m @ 3.01 g/t Au
AH21ARC102	4	5	1m @ 1.11 g/t Au
	8	21	13m @ 0.73 g/t Au
	47	57	10m @ 0.89 g/t Au
AH21ARC103	55	56	1m @ 3.37 g/t Au
	80	99	19m @ 0.99g/t Au
			Including 9m @ 1.03 g/t Au from 90m
			(hole ended in mineralisation)
AH21ARC104	58	59	1m @ 0.38 g/t Au
	77	78	1m @ 0.35 g/t Au
	86	87	1m @ 15.93 g/t Au
AH21ARC107	16	17	1m @ 0.41 g/t Au
AH21ARC109	23	24	1m @ 0.61 g/t Au
	32	35	3m @ 2.50 g/t Au
	55	56	1m @ 5.17 g/t Au
	60	64	4m @ 0.78 g/t Au
	86	87	1m @ 0.41 g/t Au
AH21ARC110	4	5	1m @ 0.46 g/t Au
	33	34	1m @ 0.48 g/t Au
	38	41	3m @ 1.26 g/t Au
	58	62	4m @ 2.50 g/t Au
	68	69	1m @ 2.24 g/t Au
	76	83	7m @ 1.16 g/t Au
AH21ARC111	7	8	1m @ 0.64 g/t Au
	47	51	4m @ 0.76 g/t Au
AH21ARC112	5	6	1m @ 1.17 g/t Au
AH21ARC113	2	3	1m @ 0.89 g/t Au
	17	18	1m @ 0.35 g/t Au
	32	38	6m @ 0.88 g/t Au
	52	53	1m @ 0.33 g/t Au
AH21ARC114	27	28	1m @ 0.80 g/t Au
	37	38	1m @ 0.40 g/t Au
	42	47	5m @ 0.45 g/t Au
	61	62	1m @ 0.43 g/t Au
AH21ARC117	0	2	2m @ 0.41 g/t Au
AH21ARC118	10	13	3m @ 0.28 g/t Au
	15	16	1m @ 0.81 g/t Au
	35	37	2m @ 1.07 g/t Au
	44	45	1m @ 0.46 g/t Au
	48	49	1m @ 0.37 g/t Au
	51	52	1m @ 0.52 g/t Au
	56	58	2m @ 0.58 g/t Au
			(hole ended in mineralisation)
AH21ARC120	90	92	2m @ 0.65 g/t Au
AH21ARC124	39	41	2m @ 0.74 g/t Au
AH21ARC125	7	10	3m @ 6.81 g/t Au
	36	37	1m @ 0.45 g/t Au
AH21ARC126	19	23	4m @ 0.49 g/t Au
	43	47	4m @ 0.81 g/t Au
	55	59	4m @ 0.58 g/t Au
	71	73	2m @ 1.99 g/t Au
	97	104	7m @ 0.28 g/t Au
	108	109	1m @ 0.36 g/t Au

AUGER DRILLING AT ALAHINÉ IN SIGUIRI BASIN, GUINEA

During the Half-Year 2021, Polymetals commenced its planned 10,000m auger drilling program at the Company's Alahiné Gold Project, located in Guinea's Siguri Basin, West Africa (ASX announcement 22 November 2021 "*Auger Drilling Commences at Alahiné in Siguri Basin, Guined*").

The Auger drilling initially focused on near surface high-grade supergene gold deposits. This involved drilling of several examples of this ore type identified by the Company's Phase 2 drilling program. Post half, Polymetals reported it had drilled a total of 7,372m comprising 604 holes (refer to ASX release dated 11 February 2022 "*Drilling Update Alahiné Gold Project, Guinea*"). Initial results from the auger program confirm the mineralised trend identified by Phase 2 drilling, in addition to providing follow-up Phase 3 targets.

The gold content of the near surface lateritic gravels is variable, but high-grade values of **1m at 51.73 g/t** in hole AH21ARC094 and **1m at 96.00 g/t** in hole AH21ARC095 are considered very significant (refer to ASX release dated 20 October 2021 "*Additional Positive Results From Phase 2 Drilling Program*"). The planned targets proximate to the near surface high grade zones will be completed on a 20m x 20m grid (please refer to figure 6 for further detail).

Results from the Phase 2 drilling program suggest that soil values of this magnitude and higher are indicative of near surface high grade supergene gold deposits. Ten priority targets, adjacent to >100ppb gold in soil anomalies and nearby artisanal workings were selected for testing within this program. The testing was completed on a 50m x 100m grid (please refer to figure 7 for further information). Further preparatory field work and laboratory studies will be carried out to confirm primary gold mineralisation targets within this well-endowed gold exploration licence.

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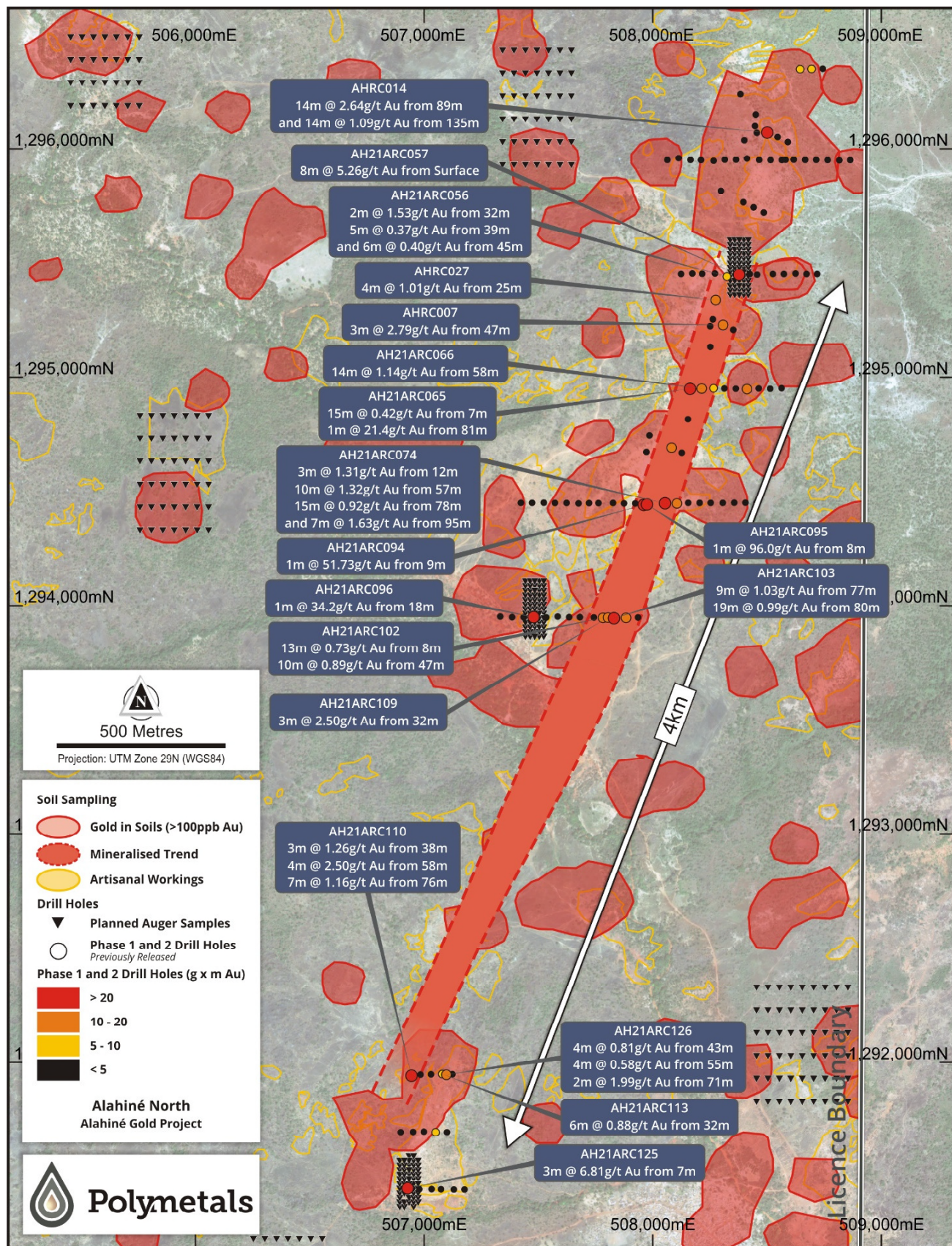


Figure 6: Planned auger program focussed on high-grade Phase 2 results (20x20 grid) (Figure 3 from 22/11/2021 release)

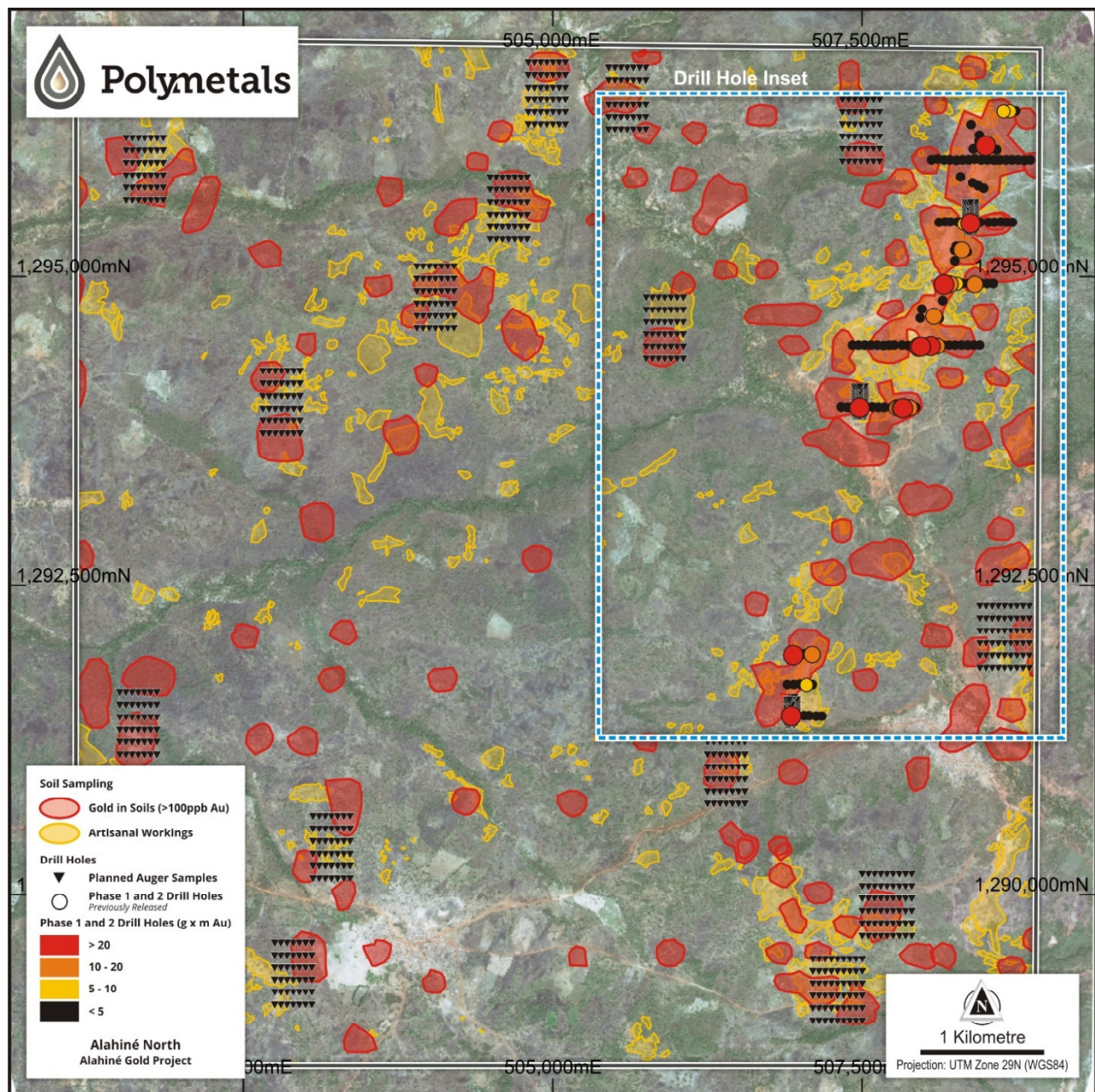


Figure 7: Alahiné planned auger program (Figure 2 from 22 November 2021 release)

GUINEA POLITICAL SITUATION

Polymetals advised that Moussa Magassouba, the former director general of AngloGold Ashanti's (JSE: ANG) (NYSE: AU) local subsidiary has been appointed as Guinea's mines and geology minister. Magassouba, has more than 20 years' experience in the industry. Industry experts believe this appointment is reassuring for the wider mining industry and expect Magassouba will be attentive to industry stakeholders.

In September, Polymetals advised that despite the coup, its operations on the ground have not been impacted, and we further note the appointment of Guinea's new Prime Minister Mohamed Beavogui to oversee the transition to a civilian-led government (ASX announcement 22 November 2021 "Auger Drilling Commences at Alahiné in Siguri Basin, Guinée").

Financial Results

Revenue

There was no income generated by the Company during the Half-Year 2021.

Net expenses and impairment

The following points are noted in relation to expenses for the Half-Year 2021:

- ongoing administration expenses of \$357,868 at December 2021. Included in the Half-Year 2021 results was directors travel costs to Guinea, West Africa, for the purposes of managing the drilling program at Alahiné and also to source new opportunities for the Company in the region;
- foreign exchange losses and interest expenses incurred on operating foreign bank accounts and loans of \$13,800; and
- the Directors have considered whether any further impairment for the Company's tenements is required for the current period. They have formed the view that no impairment is required.

Statement of financial position

During the 2021 Half-Year the following key items occurred:

- cash decreased from \$5,013,992 at 30 June 2021 to \$3,105,225 at 31 December 2021. This decrease was primarily caused by the commencement of the Alahiné project drilling program; and
- trade and other payables decreased from \$303,644 at 30 June 2021 to \$128,257 at 31 December 2021. The primary reason for this decrease related to the payment of the Company's Initial Public Offering (IPO) costs, which were included in the 30 June 2021 trade and other payables amount.

Cash Flow

The cash flow for the 2021 Half-Year of the Group included:

- exploration costs of \$1,033,966, which related to the Company's drilling campaign in Alahiné, Guinea West Africa; and
- administrative costs of \$433,897, which related to the ongoing management of the Company.

Corporate

Management

On 29 October 2021, the Company appointed Mr Kurt Laney as joint Company Secretary.

Directors

During the Half-Year 2021, the Company established a Loan Funded Share Plan (Plan) for the purposes of aligning the interests of participants to that of shareholders and to retain/properly compensate participants. Participants will include current and future members of the Company or its subsidiaries.

Further details concerning the Company's Plan can be found within its ASX announcement dated 7 October 2021.

Business Development

The Company is currently reviewing and investigating various new business opportunities within the Siguiri Basin and Australia.

COVID-19 Impact

The Company's operations have been affected by COVID-19 as a result of ongoing travel restrictions and increase in supply costs, resulting in higher costs of exploration.

Events subsequent to balance date

Since balance date, the following matters have arisen:

- on 31 January 2022, the Company appointed Mr Nana Yaw Asante as lead exploration geologist;
- the Company announced on 11 February 2022 that it had identified new gold anomalies targets at its Alahiné project and further analysis would be undertaken; and
- on 22 February 2022, an auger drilling program had commenced at the Company's Mansala gold project. The project will comprise 805 drill holes for a total depth of 5,000 meters.

Apart from the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

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Rounding of Amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to "rounding off". Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's Independence Declaration

The auditor's independence declaration in accordance with section 307C of the Corporation Act 2001 for the Half-Year ended 31 December 2021 has been received and can be found on page 20 of the financial report.

This report is signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



Mr David Sproule
Chairperson

15 March 2022

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Polymetals Resources Ltd for the half year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



C J HUME
Partner

Sydney, NSW

Dated: 15 March 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2021

	Note	31 December 2021 \$	30 September 2020 – 31 December 2020 \$
Continuing Operations			
Revenue		-	-
Interest expense and realised foreign losses		(13,800)	(74,733)
Administration expenses		(357,868)	(16,413)
Exploration expenditure written off		-	(105,072)
Share based compensation expense	10(b)	(201,066)	-
(Loss) from continuing operations before income tax		(572,734)	(196,218)
Income tax expense		-	-
(Loss) from continuing operations after tax	5	(572,734)	(196,218)
(Loss) attributable to:			
Members of the parent entity		(403,308)	(195,911)
Non-controlling interest		(169,426)	(307)
		(572,734)	(196,218)
Other comprehensive income ("OCI")			
Items that may be reclassified subsequently to the profit or loss		-	-
Other comprehensive loss for the period		-	-
Total comprehensive (loss) for the period		(572,734)	(196,218)
Total comprehensive (loss) attributable to:			
Members of the parent entity		(403,308)	(195,911)
Non-controlling interest		(169,426)	(307)
		(572,734)	(196,218)
Loss per share			
From continuing operations:			
Basic loss per share (cents)		(0.72)	(1.16)
Diluted loss per share (cents)		(0.72)	(1.16)

The accompanying notes form part of these Financial Statements.

Consolidated Statement of Financial Position

As at 31 December 2021

	Note	31 December 2021 \$	30 June 2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		3,105,225	5,013,992
Trade and other receivables		19,315	78,455
Other current assets		8,334	20,074
TOTAL CURRENT ASSETS		3,132,874	5,112,521
NON-CURRENT ASSETS			
Plant and equipment		96,160	2,467
Exploration, expenditure and development assets	6	2,805,398	1,748,419
TOTAL NON-CURRENT ASSETS		2,901,558	1,750,886
TOTAL ASSETS		6,034,432	6,863,407
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		128,257	303,644
Borrowings		-	250,000
TOTAL CURRENT LIABILITIES		128,257	553,644
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		128,257	553,644
NET ASSETS		5,906,175	6,309,763
EQUITY			
Issued capital	8	1,248	1,248
Reserves	9	206,145	-
Non-controlling interest		7,245,017	7,451,442
Accumulated losses		(1,546,235)	(1,142,927)
TOTAL EQUITY		5,906,175	6,309,763

The accompanying notes form part of these Financial Statements.

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2021

		30 September 2020 –
	31 December 2021	31 December 2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers and employees	(433,897)	(2,616)
Net cash used in operating activities	(433,897)	(2,616)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for exploration expenditure	(1,033,966)	(85,472)
Payments for plant and equipment	(93,693)	(1,220)
Net cash used in investing activities	(1,127,659)	(86,692)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	-	41,391
Repayment of borrowings	(250,000)	(20,000)
Proceeds from share issue	-	351,767
Payments for share issue costs	(97,211)	(55,870)
Net cash (used)/provided by financing activities	(347,211)	317,288
Net (decrease)/increase in cash and cash equivalents held	(1,908,767)	227,980
Cash and cash equivalents at beginning of the Period	5,013,992	-
Cash and cash equivalents at end of the Half-Year	3,105,225	227,980

The accompanying notes form part of these Financial Statements.

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2021

	Note	Issued capital \$	Reserves \$	Accumulated losses \$	Non- Controlling Interest \$	Total equity \$
Balance at 1 July 2021		1,248	-	(1,142,927)	7,451,442	6,309,763
Loss for the period		-	-	(403,308)	(169,426)	(572,734)
Share issue costs		-	-	-	(36,999)	(36,999)
Options reserve		-	5,079	-	-	5,079
Share based payments		-	201,066	-	-	201,066
Balance at 31 December 2021		1,248	206,145	(1,546,235)	7,245,017	5,906,175

	Note	Issued capital \$	Reserves \$	Accumulated losses \$	Non- Controlling Interest \$	Total equity \$
Balance at 30 September 2021		-	-	-	-	-
Loss for the period		-	-	(195,911)	(307)	(196,218)
Issued capital (formation)		1,248	-	-	-	1,248
Non-controlling interest Polymetals Resources Ltd subscription capital	1	-	-	-	351,767	351,767
Non-controlling interest		-	-	-	2,123,647	2,123,647
Introduction of the accumulated losses relating to Golden Guinea Resources SARL	2	-	-	(653,785)	-	(653,785)
Share issue costs		-	-	-	(55,870)	(55,870)
Balance at 31 December 2020		1,248	-	(849,696)	2,419,237	1,570,789

Notes:

- As set out under Note 1 of the Condensed Notes to the Consolidated Financial Statements, Polymetals wholly owned subsidiary, Golden Guinea Resources SARL, is deemed to be the parent company for the purposes of this financial report and as such, any equity contribution made by shareholders of Polymetals are recognised as a contribution by minority shareholders.
- The interim 31 December 2020 consolidated financial statements incorporate Golden Guinea Resources SARL accumulated losses from prior periods.

The accompanying notes form part of these Financial Statements.

Condensed Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2021

1 Corporate Information

The financial report of Polymetals Resources Ltd (**"the Company"**) for the Half-Year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors dated 15 March 2022. This financial report comprises the activities for the Company and its subsidiary (together referred to as **"the Group"**), which is primarily involved in mineral exploration.

The comparatives in these financial statements are for the period 30 September 2020 to 31 December 2020.

The Company is incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange (ASX).

In January 2021, Polymetals acquired 100% of the share capital in Golden Guinea Resources SARL. The acquisition was funded by way of the issuance of 48,440,000 ordinary shares at a deemed price of \$0.15 per share in Polymetals to the former Golden Guinea Resources SARL (**Golden Guinea**) shareholders.

For the purpose of preparing these financial statements, it has been determined that the effect of such a transaction will not constitute a business combination and therefore AASB 3 Business Combinations does not apply. The separate financial statements and notes of the parent entity, Polymetals Resources Ltd, have not been presented within this financial report as permitted by amendments made to the *Corporations Act 2001*.

2 Summary of Significant Accounting Policies

The Half-Year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The Half-Year financial report should be read in conjunction with the Annual Financial Report of Polymetals Resources Ltd as at 30 June 2021. It is also recommended that the Half-Year financial report be considered together with any public announcements made by Polymetals Resources Ltd and its controlled entities during the Half-Year ended 31 December 2021 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2021 are available upon request from the Company's registered office at Suite 6, Level 5, 189 Kent Street, Sydney NSW 2000, or <https://polymetals.com/>

(a) Basis of Preparation

The Half-Year consolidated financial report is a general-purpose financial report, which has been prepared in accordance with the requirement of the Corporations Act 2001 and Australian Accounting Standards, including AASB 134 "Interim Financial Reporting". Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

For the purposes of preparing the Half-Year financial report, the Half-Year has been treated as a discrete reporting period.

(b) Basis of consolidation

The Half-Year consolidated financial statements comprise the financial statements of Polymetals Resources Ltd and its controlled subsidiary (the **"Group"**).

(c) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$572,734 and had net cash outflows from operating activities of \$433,897 for the period ended 31 December 2021. As at that date the consolidated entity had net current assets of \$3,004,617 and cash at bank of \$3,105,225.

Half-Year Financial Report 2021

Polymetals Resources Ltd and Controlled Entities

(c) **Going concern** (continued)

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- having regard to the current level of planned expenditure;
- the ability to reduce discretionary spending; and
- ability to raise equity capital.

(d) **New Accounting Standards and Interpretations**

The adoption of all the new and revised Standards and Interpretations has not resulted in any material changes to the consolidated entity's accounting policies and has no effect on the amounts reported for the current or prior half-years.

3 **Financial Risk Management**

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2021.

4 **Segment Information**

Identification of reportable segments

Operating Segments

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

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segment results are regularly reviewed by the Group's Board of Directors to make decisions about resources allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments are identified and segment information disclosed on the basis of internal reports that are provided to, or revised by, the Company's chief operating decision maker which, for the Company, is the Board of Directors.

The operating segments are identified by management based on the type of exploration being conducted by the Group. Discrete financial information about each of these operating businesses is reported to the Board of Directors on at least a quarterly basis.

The Group operated in one operating segment during the reporting period - being gold exploration within Guinea, West Africa.

Types of Products and Services

Gold exploration

The Group is currently conducting exploration upon tenements considered prospective for gold. No income has been derived from the recovery of gold during the period ended 31 December 2021.

Half-Year Financial Report 2021

Polymetals Resources Ltd and Controlled Entities

4 Segment Information

(a) Segment performance

	Gold		Unallocated		Total	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$		\$	
REVENUE						
Interest revenue	-	-	-	-	-	-
Total segmented revenue	-	-	-	-	-	-
Segment result	-	(189,560)	(572,734)	(6,658)	(572,734)	(196,218)
Research & development grant	-	-	-	-	-	-
Loss for the period	-	(189,560)	(572,734)	(6,658)	(572,734)	(196,218)
Other segment information						
Depreciation and amortisation	-	-	-	-	-	-
Segment assets and liabilities						
Segment assets						
Exploration expenditure	2,805,398	1,459,453	-	-	2,805,398	1,459,453
Property, plant and equipment	94,962	2,467	1,198	-	96,160	2,467
Other assets	2,275	2,275	3,130,599	232,882	3,132,874	235,157
	2,902,635	1,464,195	3,131,797	232,882	6,034,432	1,697,077
Segment liabilities	3,792	103,791	124,465	22,495	128,257	126,287
<i>Other assets are made up of:</i>						
Cash and cash equivalents	402	402	3,104,823	227,577	3,105,225	227,979
Prepayments	1,873	1,873	6,461	-	8,334	1,873
Other receivables	-	-	19,315	5,305	19,315	5,305
	2,275	2,275	3,130,599	232,882	3,132,874	235,157

Half-Year Financial Report 2021

Polymetals Resources Ltd and Controlled Entities

5 Result for the Period

	31 December 2021	31 December 2020
Note	\$	\$
The result for the period includes the following specific expenses		
Administrative expenses:		
- Directors' and related entities consulting fees	180,888	-
- Administration expenses	159,952	16,413
- Auditors remuneration for audit services	17,028	-
	357,868	16,413

6 Exploration, Evaluation and Development Assets

	31 December 2021	30 June 2021
Note	\$	\$
NON-CURRENT		
in exploration phase:		
- At cost and net of impairment	(a) 2,805,398	1,748,419
(a) Composition of exploration assets		
Capitalised exploration – wholly owned	(b)(i) 2,805,398	1,748,419
Impairment	(b)(ii),(c) -	-
Balance at end of the year	2,805,398	1,748,419
(b) Movements		
(i) <i>Exploration assets at cost</i>		
Opening Balance (wholly owned)	1,748,419	-
Add:		
Expenditure capitalised	1,056,979	1,862,796
Less:		
Expenditure impaired to the profit and loss	-	(114,377)
Closing balance	2,805,398	1,748,419
(ii) <i>Impairment</i>		
Opening Balance	-	-
Add/(Less):		
Current year impairment adjustment	-	-
Closing Balance	-	-

(c) Discussion on impairment

The Board has impaired all capitalised costs where necessary, including that part of the acquisition.

7 Capital and Leasing Commitments

Exploration expenditure commitments

The Group is required to perform minimum exploration work and expend minimum amount of money on its tenements. The overall expenditure requirement tends to be limited in the normal course of the Group's tenement portfolio management through expenditure exemption approvals and expenditure reductions through relinquishment of part or the whole of tenements deemed not prospective. Should the Group wish to preserve interest in its current tenements the amount which may be required to be expended is as follows:

Half-Year Financial Report 2021

Polymetals Resources Ltd and Controlled Entities

		31 December 2021	30 June 2021 \$
7 Capital and Leasing Commitments (continued)	Note	\$	
Payable:			
- no later than 1 year		-	-
- between 1 year and 5 years		-	-
		<u>-</u>	<u>-</u>

8 Issued Capital

		31 December 2021	30 June 2021 \$
Ordinary shares	Note	\$	
	(a)	1,248	1,248
		<u>1,248</u>	<u>1,248</u>

(a) Movement Reconciliation – Golden Guinea Resources SARL

		31 December 2021 No.	30 June 2021 No.
At the beginning and end of the reporting period		1,000	-
Formation		-	1,000
Number of ordinary shares on issue	(a)(i)	<u>1,000</u>	<u>1,000</u>

Note (a)(i) Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number and amount paid on the share held. On a show of hands at meetings of the Group, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. The shares have no par value and there is no current on-market buy back.

(b) Movement in ordinary shares – Polymetals Resources Ltd

	Note	No.	No.
At the beginning and end of the reporting period		79,440,000	-
Share issue upon acquisition of Golden Guinea Resources SARL		-	34,282,353
Share issue upon acquisition of Golden Guinea Resources SARL former shareholders loan securities		-	14,157,647
Seed capital		-	5,000,000
Initial Public Offering (IPO)		-	26,000,000
Number of ordinary shares on issue	(b)(i)	<u>79,440,000</u>	<u>79,440,000</u>

Note (b)(i) AASB 3 *Business Combinations* has been considered not to apply to the Group on the basis that common control is present for both Polymetals and Golden Guinea Resources SARL. Accordingly, the share capital in Polymetals Resources Ltd has only been in part reflected within the Group's financial statements, until such time that common control is deemed to have ceased.

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Polymetals Resources Ltd and Controlled Entities

9 Reserves

		31 December 2021	30 June 2021
	Note	\$	\$
Options reserve	(c)	5,079	-
Share based payments reserve	(b)	201,066	-
	(a)	<u>206,145</u>	<u>-</u>

(a) Movement in reserves

		31 December 2021	30 June 2021
	Note	\$	\$
Opening balance		-	-
Current year share based payment expense	(b)	201,066	-
Current year options reserve	(c)	5,079	-
		<u>206,145</u>	<u>-</u>

(b) Share based payments reserve

During the half-year, directors and key management personnel were granted 3,100,000 performance share rights under a Loan Funded Share Plan ("LFSP"). The following factors and assumptions were used in determining the fair value of the performance shares under the Monte Carlo option valuation model ("MC model").

Factor/assumptions	Value
Grant date	29/11/2021
Performance share life	36 months
Fair value per performance share (MC model)	\$0.065
Exercise price	\$0.25
Price of shares on grant date	\$0.15
Expected volatility	100.00%
Risk-free interest rate	0.92%

(c) Options reserve

As at 31 December 2021, the Group had the following options on issue:

Number of Options Outstanding	Exercise Price	Expiry Date
3,500,000 (unlisted)	\$0.25	30/11/2024

10 Controlled Entities

	Country of Incorporation	Percentage Owned (%)
Parent Entity:		
Polymetals Resources Ltd	Australia	
Subsidiaries:		
Golden Guinea Resources SARL	Guinea, Africa	100

Half-Year Financial Report 2021

Polymetals Resources Ltd and Controlled Entities

11 Events after the Balance Sheet Date

Since balance date, the following matters have arisen:

- on 31 January 2022, the Company appointed Mr Nana Yaw Asante as lead exploration geologist;
- the Company announced on 11 February 2022 that it had identified new gold anomalies targets at its Alahiné project and further analysis would be undertaken; and
- on 22 February 2022, an auger drilling program had commenced at the Company's Mansala gold project. The project will comprise 805 drill holes for a total depth of 5,000 meters.

Apart from the above, no matters or circumstances have arisen since 31 December 2021 which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 21 to 31 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the consolidated group's financial position as at 31 December 2021 and of its performance for the Half-Year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.



Mr David Sproule
Chairperson
15 March 2022

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
POLYMETALS RESOURCES LTD**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Polymetals Resources Ltd which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Polymetals Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Polymetals Resources Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Polymetals Resources Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



C J HUME
Partner

Sydney, NSW
Dated: 16 March 2022