



Polymetals

Polymetals Resources Ltd ABN 73 644 736 247

2022
ANNUAL REPORT



CORPORATE DIRECTORY

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CORPORATE DIRECTORY

Directors

Mr David Sproule
(Non-Executive Chairman)

Mr Christopher Schroor
(Non-Executive Director)

Mr Alistair Barton
(Non-Executive Director)

Joint Company Secretaries

Mr Vincent Fayad
Mr Kurt Laney

Chief Executive Officer

Mr Alex Hanly

ASX Code

POL

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Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Auditor

RSM Australia Partners
Level 13, 60 Castlereagh Street
SYDNEY NSW 2001

Solicitors

Addisons Lawyers
Level 12, 60 Carrington Street
SYDNEY NSW 2000

Bankers

Commonwealth Bank of Australia
86 Woodlark Street
LISMORE NSW 2480



Chairman's Letter to Shareholders

Dear Fellow Shareholders,

It is a pleasure that I present Polymetals Resources Ltd's (ASX: POL) 2022 Annual Report to you. The 2022 reporting period was our first full financial year since listing on the Australian Securities Exchange (ASX) in June 2021 and I believe the Company has achieved a significant amount.

The period has been highlighted by the growing momentum at our two gold exploration projects in Guinea, West Africa – Alahiné and Mansala. Both projects continue to show tremendous potential and our understanding of the mineralisation has improved considerably following the completion of major drilling programs.

Polymetals is focussed on unlocking Siguiri-style gold mineralisation akin to AngloGold Ashanti's >10Moz Siguiri Gold Mine and we are confident the work completed during the period has the Company well placed to provide its best opportunity for exploration success.

At Alahiné, Polymetals completed the Phase 2 drilling program which has reinforced the prospectivity of the licence, confirmed the strike continuity and established key targets for follow up exploration programs.

The Mansala Project is also emerging as a key part of our portfolio. We have successfully accelerated exploration at this early-stage project including the completion of a major auger drilling program which has positioned the licence for its next phase of work.

Our achievements are not limited to the exploration activities at Alahiné and Mansala. Polymetals is committed to establishing strong and productive relationships with local government and communities in Guinea. It remains a priority for us to provide opportunities for local people and assist communities where possible, such as with the improvement of infrastructure.

Thank you to all of our management team and employees for their efforts in helping Polymetals reach this point. The progress we have made to advance our exploration projects while also supporting the communities in which we operate deserve credit.

Polymetals is also considering a new chapter in its growth, having announced that we are investigating a number of project generation opportunities, including acquiring an asset in Australia. Establishing a larger project portfolio is an exciting prospect for Polymetals and we look forward to sharing news on a proposed transaction if it does proceed.

Finally, I would like to thank our shareholders for the confidence you have placed in Polymetals since our IPO in 2021. With a busy period ahead for the Company, we look forward to keeping you updated on our progress.

Yours sincerely,

Mr David Sproule
Non-Executive Chairman



Review of Operations and Tenements

Polymetals 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 objective of Polymetals' efforts at Alahiné & Mansala is to discover "Siguiri-style" mineralisation akin to the AngloGold Ashanti (ASX:AGG, NYSE:AU) >10Moz Siguiri Gold Mine, located 37km west of the Alahiné licence.

The Company's focus in the 2022 financial year was mainly on the Alahiné project while progressing the exploration at the Mansala Gold Project. Large drilling programs, totalling 1,722 drill holes for 28,447m, were completed during the year in Guinea.

These comprised 1,550 power auger holes (totalling 14,742m), 94 air core (AC) holes (totalling 6,840m) and 78 reverse circulation (RC) holes (totalling 6,865m).

BACKGROUND

Polymetals Resources (ASX: POL) 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.

The Golden Guinea project consists of two parts, being:

- Exploration Licence EL22123 which is otherwise referred to as the 'Alahiné' project; and
- Exploration Licence EL22694 which is otherwise referred to as the 'Mansala' project.

Figure 1 below sets out the location of the projects.

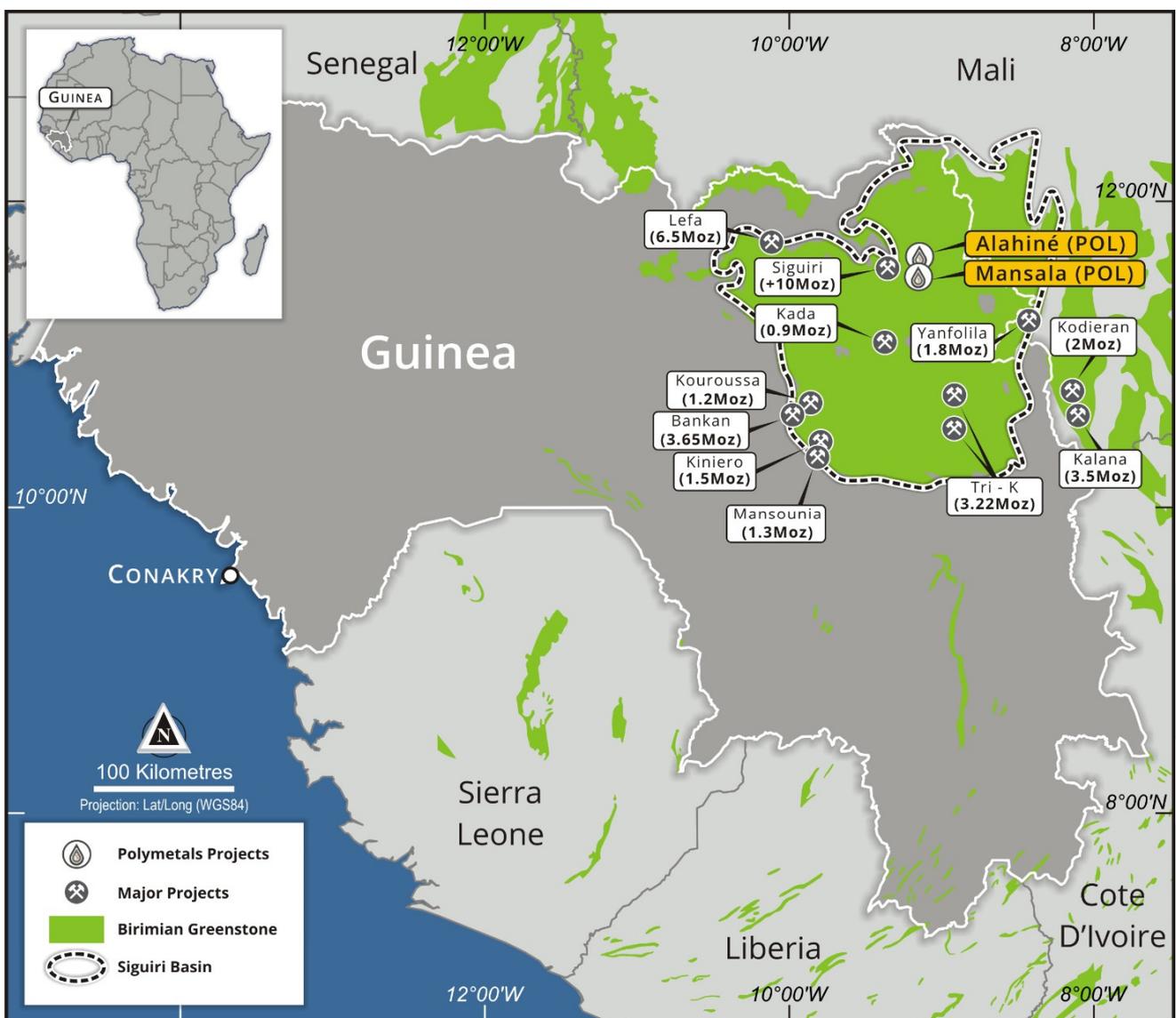


Figure 1: Proximal gold deposits relative to Polymetals' Exploration Licences.

ALAHINÉ

During the reporting period, Polymetals made significant progress on its planned drilling programs at the Alahiné Project, with focus on testing high priority targets over 4km of interpreted strike and confirming strike continuity at the licence.

The period culminated in the commencement in June of Polymetals' Phase 3 Reverse Circulation (RC) drilling program which was completed in early July 2022. The Phase 3 drilling program comprised 74 drill holes on 17 traverse lines for a total of 6,385m and focussed on numerous targets generated during previous drilling programs. Infill drilling also continued to define the 4km of interpreted strike within the NE quadrant of the licence.

Phase 3 was conducted by OreSearch Drilling which had the objective to test the strike continuity of the delineated mineralised zone. Thirty-Five (35) holes were planned to test the strike extent of broad zones of mineralisation identified within previous drilling through step out traverses located 200m north and south of the Company's 2021 Phase 2 traverses. A further 13 holes were planned to test the updip and downdip extent of mineralised zones intersected during previous drilling programs. In addition, Phase 3 drilling targeted the 12 previous high-grade end-of-hole intersections examples of which include 1m @ 21.40 g/t Au, 1m @ 7.12 g/t Au and 1m @ 11.56 g/t Au. Optimal drilling direction is yet to be settled in this terrain. As a result, the drilling program was completed at an average hole depth of 85m and the deepest hole being 150m. Most of the holes were angled at -60° at an azimuth of 270° with 6 test holes at an azimuth of 90° and 10 holes at an azimuth of 310° to test targets based on mapped geology.

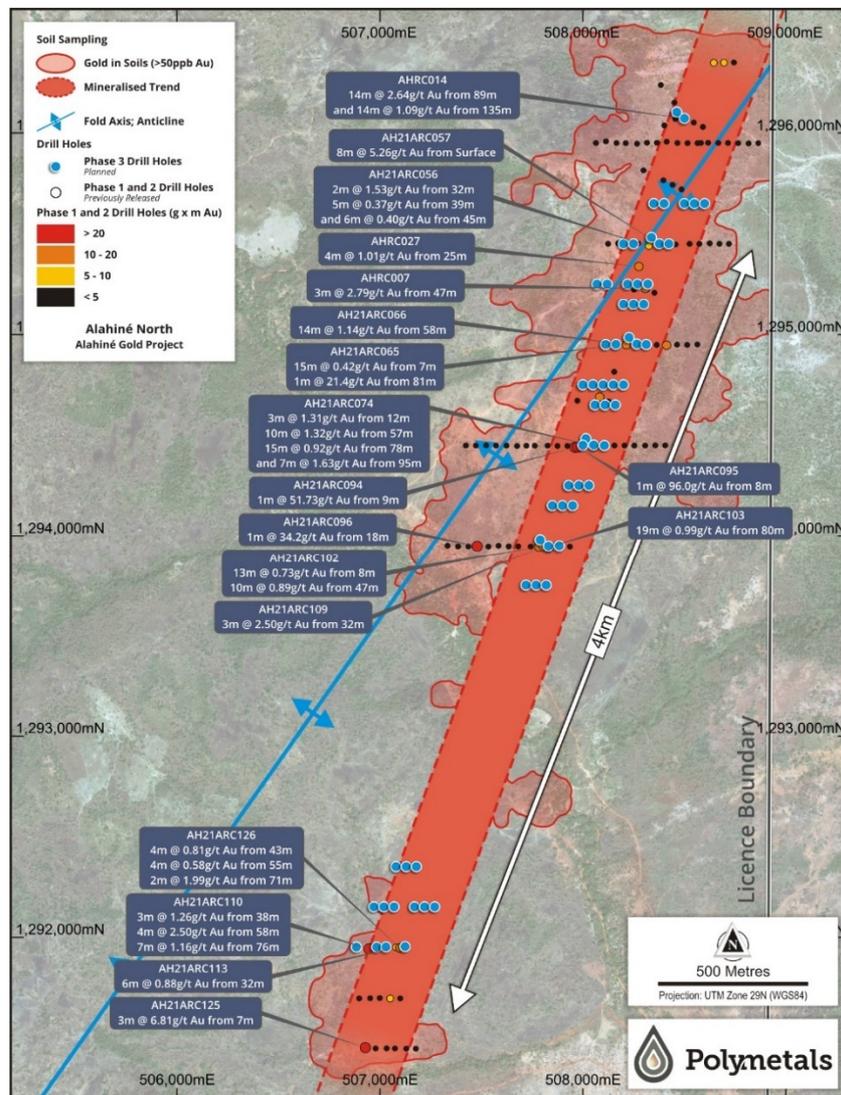


Figure 2: Plan view of Alahiné Phase 3 RC program
(planned holes shown in blue, and prominent mineralised trend shown in red).

Prior to the Phase 3 program commencing, Polymetals completed an auger drilling program at Alahiné comprising 751 holes for a total of 8,619m. The auger program followed the Company's 2021 Phase 2 program and focussed on testing mineralised saprolite beneath areas that display >100ppb gold in soil anomalies. The mineralisation was associated with steeply dipping quartz veins striking approximately 080°M with three new NNE trends identified and providing justification for further testing.

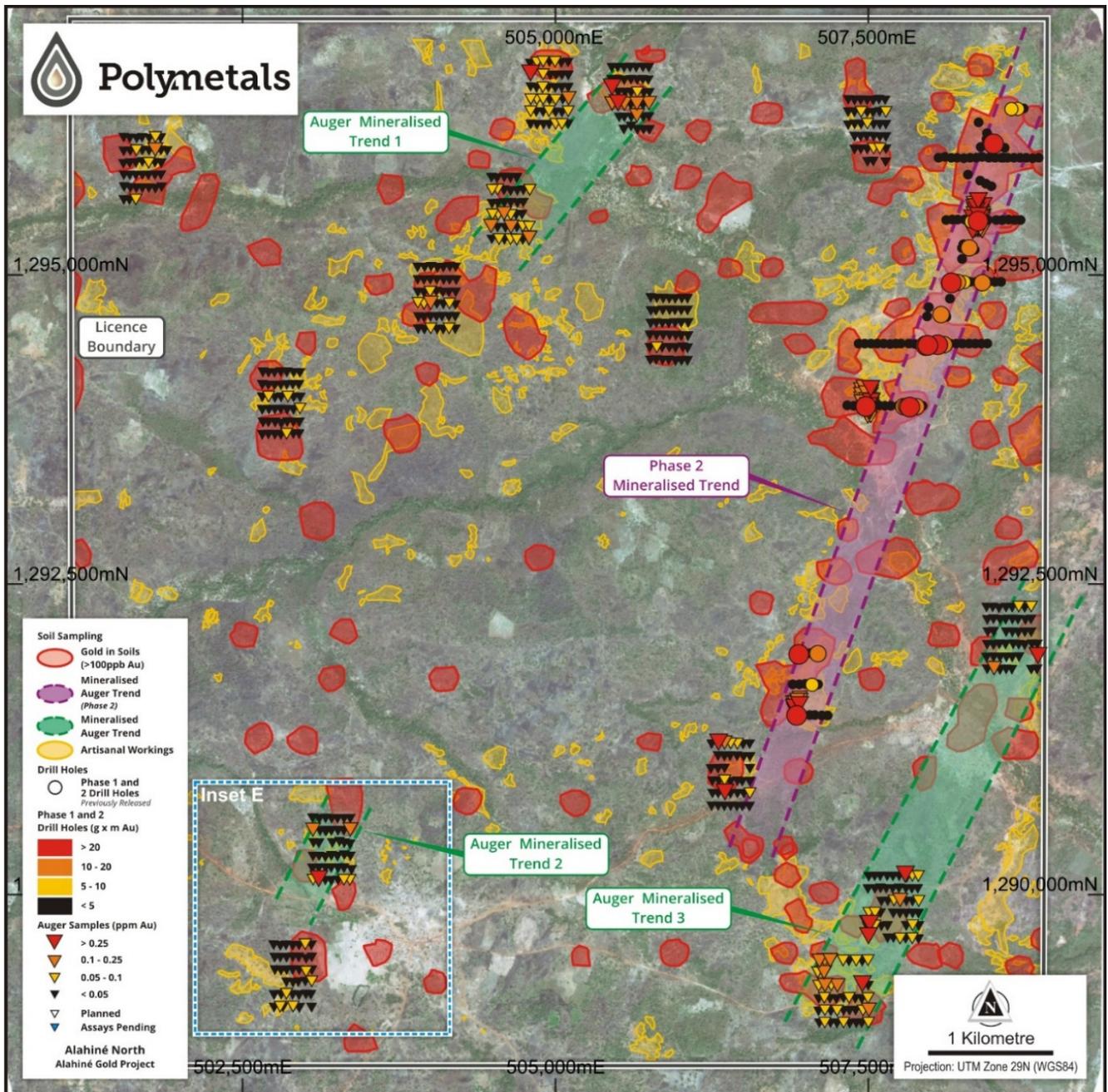


Figure 3: Alahiné auger program illustrating the three interpreted mineralised trends.

Polymetals' auger drilling program was carried out by Sahara Natural Resources with all assays completed by the SGS laboratory in Bamako, Mali. Figure 2 displays the results received during the auger program and illustrates the interpreted mineralised trends present within the Alahiné licence. The results were analysed and mapped in the field to provide a greater understanding of the three interpreted trends. Auger drilling initially focussed on near surface high grade supergene gold deposits. This involved drilling of several examples of this ore type identified by Phase 2 drilling. Table 1 below shows results.

Table 1: Alahiné Gold Project auger program significant mineralised intercepts.

Hole ID	From (m)	To (m)	Significant Gold Intersections (Interval (m) @ g/t gold)
AH21AU005	0	2	2m @ 0.47 g/t Au
AH21AU007	2	4	2m @ 4.33 g/t Au
AH21AU028	4	8	4m @ 0.34 g/t Au
AH21AU043	2	4	2m @ 0.47 g/t Au
AH21AU057	0	2	2m @ 0.90 g/t Au
AH21AU075	0	2	2m @ 1.02 g/t Au
AH21AU097	0	2	2m @ 0.32 g/t Au
AH21AU099	0	2	2m @ 0.45 g/t Au
AH21AU101	12	18	6m @ 0.71 g/t Au
AH21AU103	0	2	2m @ 10.95 g/t Au
	16	20	4m @ 0.28 g/t Au
AH21AU111	2	8	6m @ 0.36 g/t Au
AH21AU120	0	2	2m @ 0.33 g/t Au
AH21AU127	0	2	2m @ 2.66 g/t Au
AH21AU132	0	2	2m @ 0.50 g/t Au
AH21AU137	0	2	2m @ 0.55 g/t Au
AH21AU145	0	2	2m @ 0.31 g/t Au
AH21AU149	8	12	4m @ 0.36 g/t Au
AH21AU171	4	8	4m @ 0.31 g/t Au
AH21AU227	8	12	4m @ 0.93 g/t Au
AH21AU258	0	2	2m @ 0.30 g/t Au
AH21AU259	2	4	2m @ 14.10 g/t Au
AH21AU302	4	8	4m @ 3.58 g/t Au
AH21AU465	0	2	2m @ 0.45 g/t Au
AH21AU559	8	12	4m @ 0.35 g/t Au
AH21AU564	4	8	4m @ 0.64 g/t Au
AH21AU624	3	6	3m @ 0.26 g/t Au
AH21AU712	9	10	1m @ 0.32 g/t Au

Notes: Intercept cut-off grade is 0.25 g/t gold.

Results from the Phase 2 drilling program suggested 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 the auger program.

Polymetals announced all assay results from the Phase 2 drilling program by October 2021. The program, completed by Australian-based West African contractor Target Drilling, tested the lateral and vertical extent of the Phase 1 Hole 14 gold mineralised zone, and Sigui-ri-like shallow oxide gold potential across the Alahiné licence. Phase 2 comprised 98 drill holes, consisting of 94 aircore (AC) and 4 RC holes for a total of 7,320m. The drilling tested the prolific artisanal gold workings, areas enclosed by 40 ppb Au-in-soil contour and new priority targets identified by the Polymetals exploration team.

Key gold intersections 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
 - **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 4 to 6 below.

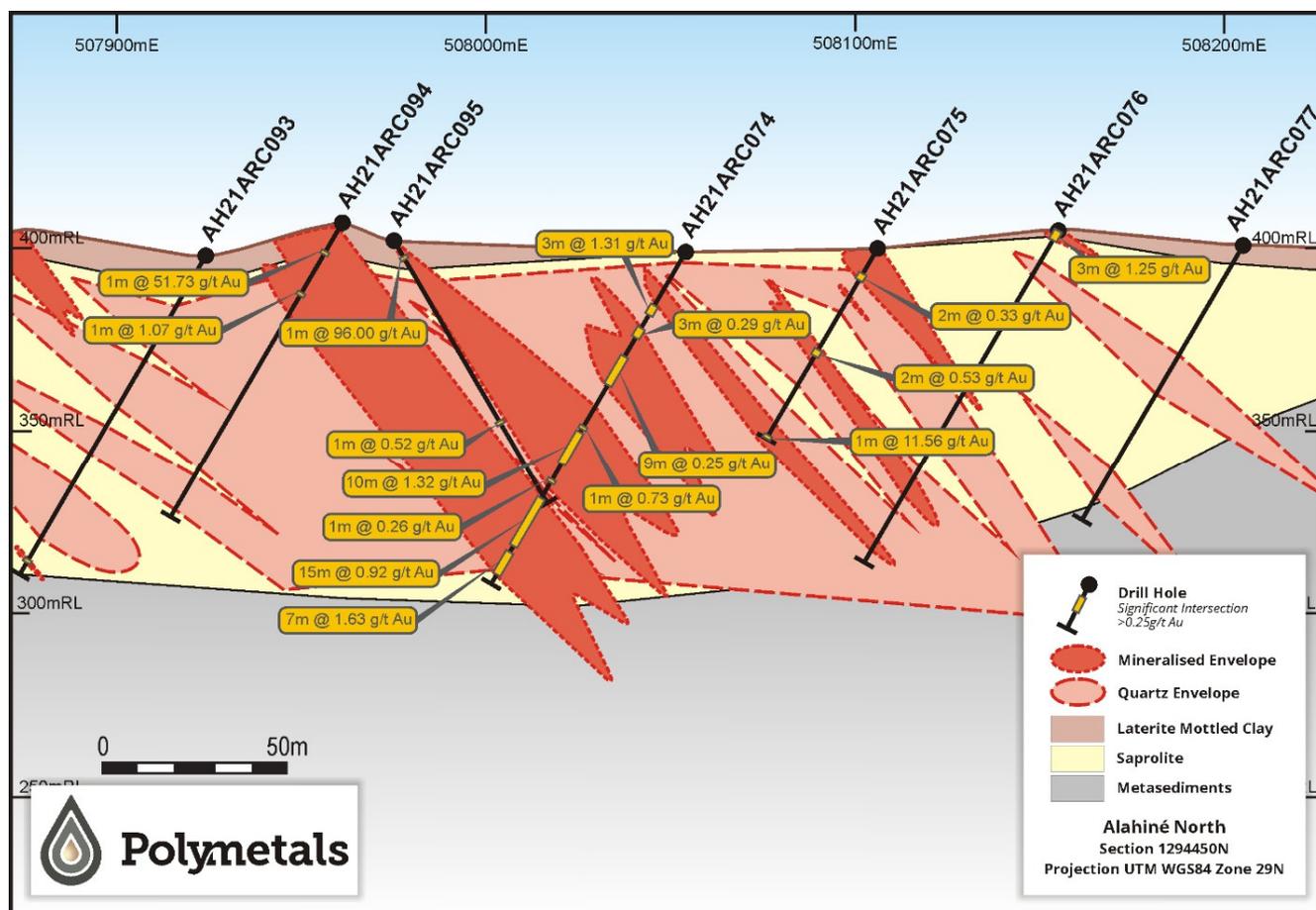


Figure 4: Alahiné Section 1294450N showing gold mineralised intercepts (Note: down hole length, true width not known)

The Phase 2 program focussed on: follow-up of mineralised intercepts from the Phase 1 drilling program; follow-up of the best soil-Au anomalies not yet tested; and Investigation of intense artisanal mining activity. Phase 2 drilling encountered very similar geology over the strike length tested. Deep but variable weathering ranging from 500 to 100m vertical depth was encountered. The gold content of the near surface lateritic gravels was variable, but values of 1m at 51.73 g/t in hole AH21ARC094 and 1m at 96.00 g/t in hole AH21ARC095 from Phase 2 drilling were significant.

During the reporting period, Polymetals continued to advance renewal of the Alahiné licence which is expected to be finalised in the second half of 2022.

Alahiné Renewal

In March 2022, the Company commenced negotiations with the Centre for Production and Development (CPD) to renew the Alahiné project licence. It is noted that the Alahiné licence was eligible for renewal in the month of April 2022.

On 8 April 2022, the Company received confirmation from the CPD that its application for renewal of the Alahiné licence was in progress and that no outstanding matters were required by the Company to finalise the application. The Company remains confident of receiving renewal of the Alahiné licence, based on its past exploration activities conducted on the project.

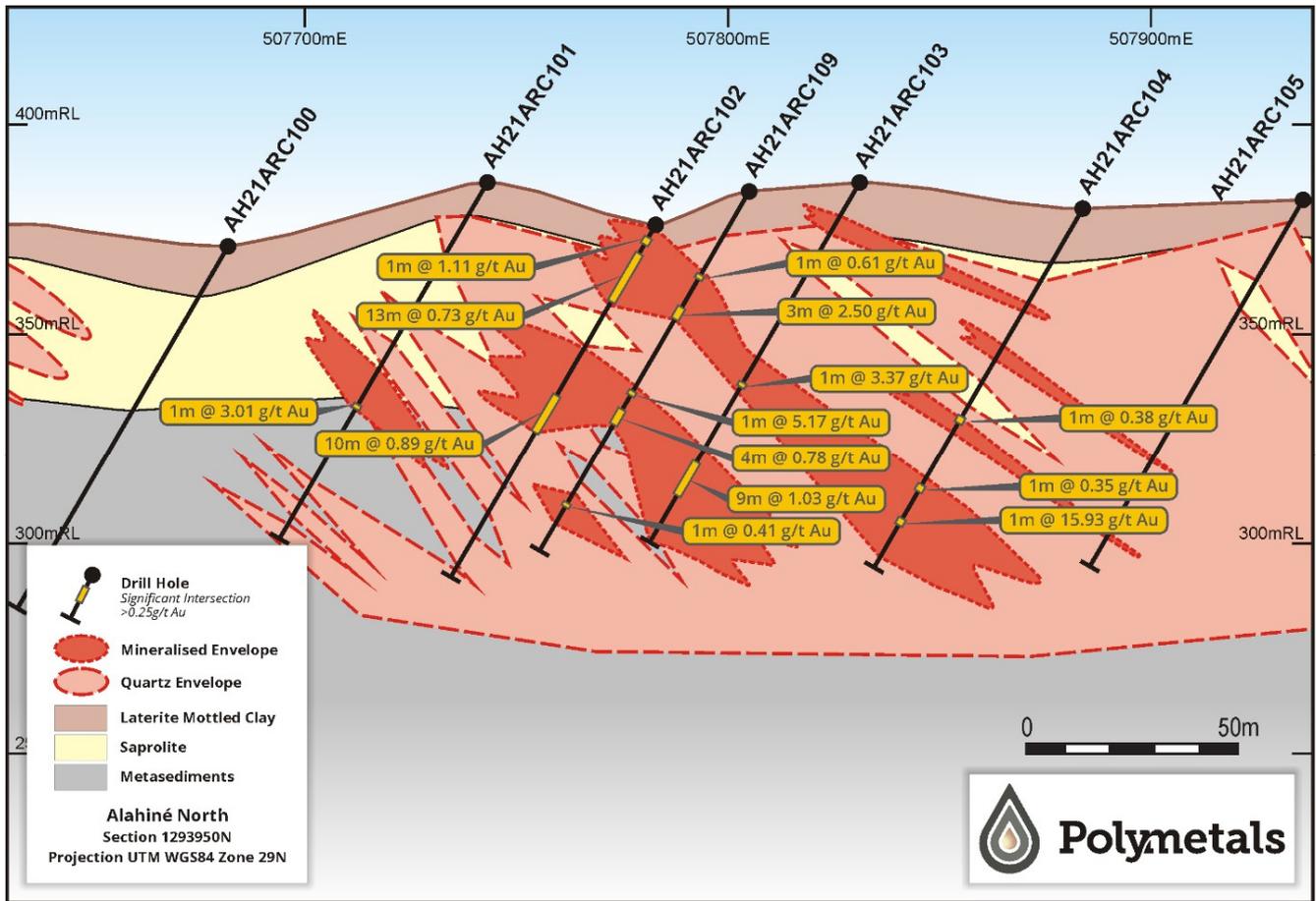


Figure 5: Alahiné Section 1293950N showing gold mineralised intercepts (Note: down hole length, true width not known)

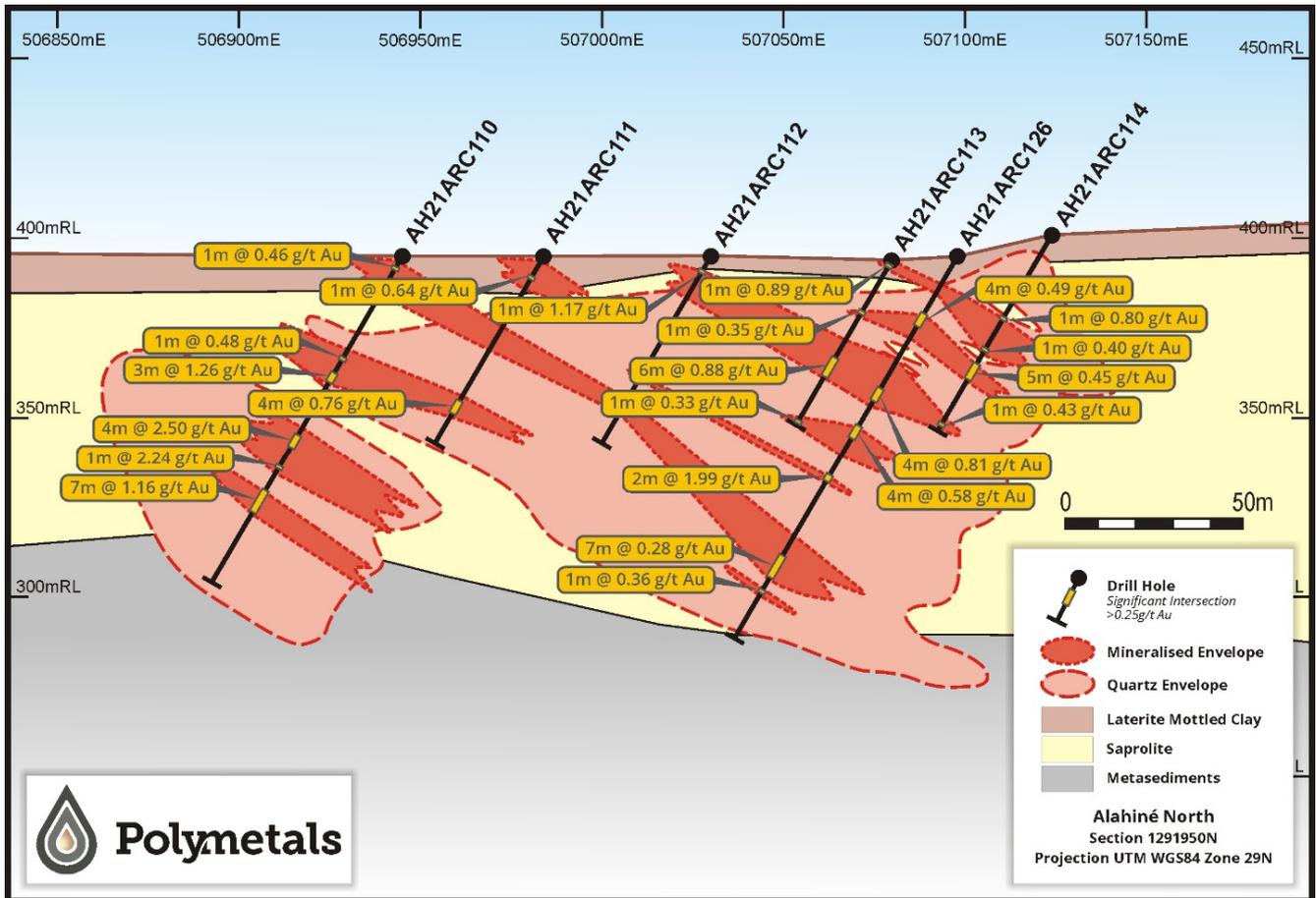


Figure 6: Alahiné Section 1291950N showing gold mineralised intercepts (Note: down hole length, true width not known)

MANSALA

During the reporting period, Polymetals completed an auger drilling program at the Mansala Gold Project comprising 799 holes at an average depth of 7m for a total of 6,123m. The program was completed on a 100m x 50m drill pattern over six delineated Areas, see Figure 7 below.

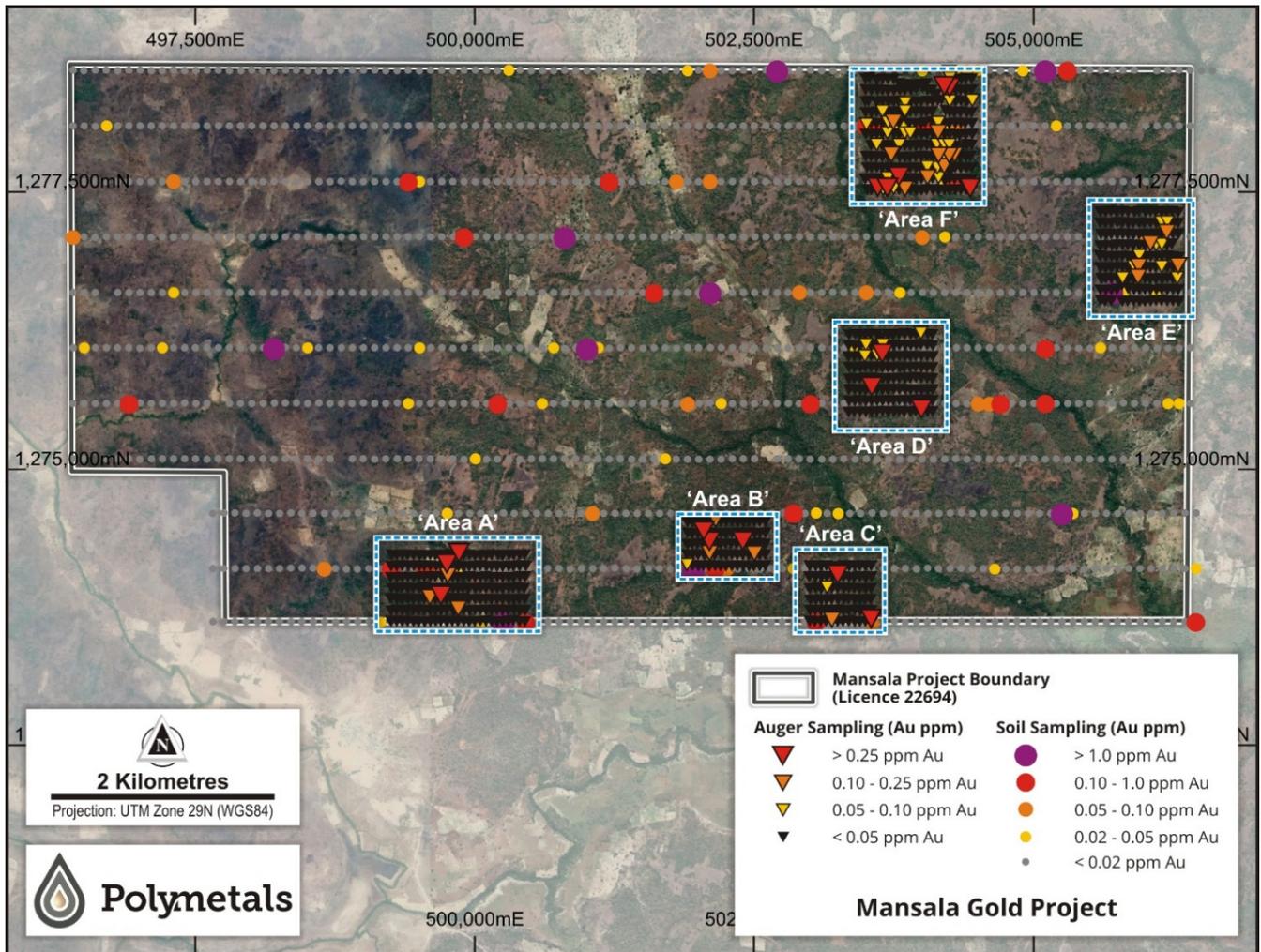


Figure 7: Mansala auger gold results overlaid on thematically mapped gold in soil values and satellite imagery.

The objective of the auger program was to test gold in soil anomalies supported by coincident pathfinder elements (As, Ag, Bi, Mo, Sb, W and Te). Strong gold anomalies (>1000ppb) without supporting pathfinder elements will be investigated further before drill-testing. The program aimed to provide the Company with AC and RC drill targets within the previously undrilled licence.

Polymetals' auger drilling program was carried out by Sahara Natural Resources with all assays completed by the SGS laboratory in Bamako, Mali. Best auger drill intervals within Area F at Mansala included 3m @ 3.26 g/t Au, 3m @ 1.60 g/t Au, 3m @ 1.01 g/t Au typically found within the intermediate mottled clay zone likely indicative of nearby bedrock mineralisation. End of hole saprolite samples were taken within Area F. Significant results included 1m @ 1.09 g/t Au and 1m @ 0.34 g/t Au.

Interpretation of auger assays received suggested that Area F is very prospective and likely to have multiple mineralised trends. In addition, auger assays revealed a >300m long eastern mineralised trend, near-parallel to the quartz stockwork structure.

In Area A, all single station Au anomalies identified were considered important and warrant further investigation. Auger results defined a NE mineralised trend (length >300m) which is coincident with low level artisanal activities. Mapping and sampling of priority areas will confirm the identified trend within Area A.

In Area E, all single station anomalies identified by the auger program are important and warrant further investigation. Mapping and sampling of priority targets within each of the defined areas will confirm the appropriate follow-up method.

Table 2: Mansala Gold Project auger program significant mineralised intercepts.

Hole ID	From (m)	To (m)	Significant Gold Intersections (Interval (m) @ g/t gold)
MN22AU096	8	9	1 m @ 2.50 g/t Au
MN22AU207	3	6	3 m @ 4.57 g/t Au
MN22AU344	6	7	1 m @ 0.68 g/t Au
MN22AU412	11	12	1 m @ 0.94 g/t Au
MN22AU449	2	3	1 m @ 0.34 g/t Au
MN22AU473	0	3	3 m @ 1.60 g/t Au
MN22AU487	0	3	3 m @ 0.69 g/t Au
MN22AU501	3	6	3 m @ 0.72 g/t Au
	6	8	2 m @ 0.53 g/t Au
	8	10	2 m @ 0.53 g/t Au
	10	11	1 m @ 0.34 g/t Au
MN22AU527	3	6	3 m @ 0.26 g/t Au
MN22AU534	0	3	3 m @ 3.26 g/t Au
MN22AU571	8	10	2 m @ 0.26 g/t Au
MN22AU620	0	3	3 m @ 1.01 g/t Au
MN22AU621	8	9	1 m @ 1.09 g/t Au
MN22AU634	10	11	1 m @ 0.76 g/t Au

Late in the period, a pit sampling campaign was completed at Mansala. The licence is predominantly covered by laterite, which varies in thickness from 3-10m. As a result, geological mapping and rock chip sampling are limited to rare saprolite outcrops and artisanal workings, where weathered bedrock has been exposed.

The pit sampling program was designed to confirm the nature and gold content of the material being extracted by artisanal miners. A total of 103 rock chip samples were collected from the walls of abandoned 1m x 1m artisanal mining shafts and directly from active artisanal workings. The average depth of the artisanal shafts sampled was 7m. Rock chip sampling returned a number of high-grade assays including 16.70 g/t Au, 8.35 g/t Au, 5.74 g/t Au and 5.48 g/t Au. The strike extent of the mineralised zone is approximately 600m and is open to the north and south.

Table 3: Mansala Gold Project pit sampling

Point ID	Northing (UTM)	Easting (UTM)	Significant Gold Intersections (Au ppm)
18	1278057	504143	0.28
21	1278055	504143	16.30
25	1278123	504159	5.74
26	1278228	504183	8.35
27	1278226	504183	0.51
29	1278225	504188	1.72
30	1278217	504193	0.34
31	1278226	504189	0.36
36	1278253	504194	0.28
38	1278308	504201	0.99
42	1278346	504209	0.44
46	1278345	504218	6.06
49	1278400	504221	1.66
51	1277866	504111	0.60
54	1277864	504141	0.61
56	1277863	504151	0.55
59	1277880	504134	1.66
62	1277883	504126	0.28
68	1277894	504144	1.34
69	1277897	504152	1.95
70	1277909	504165	0.32
72	1277910	504147	0.45
73	1277908	504128	0.31
77	1277934	504112	0.30
78	1277935	504117	0.44
79	1277942	504128	1.03
81	1277940	504169	2.14
82	1277949	504167	0.89
85	1277910	504140	0.74
93	1276047	506691	0.66
97	1275926	506697	0.32
101	1278398	504221	0.34
106	1280241	504254	1.07

This weathered mineralisation comprises predominantly quartz veins and quartz stockworks with minor ankerite alteration halos. Predominant strike of mineralised veins is NE and dipping moderately to the SE. Host rocks comprise highly weathered saprolite after fine-grained metasediments. The mineralisation occurs in an NNE trending zone containing extensive artisanal workings excavated within lateritic cover.

Results suggested that the area sampled within this program is highly prospective. Follow up RC drilling will be undertaken to investigate the source at depth of this observed near-surface supergene gold mineralisation.

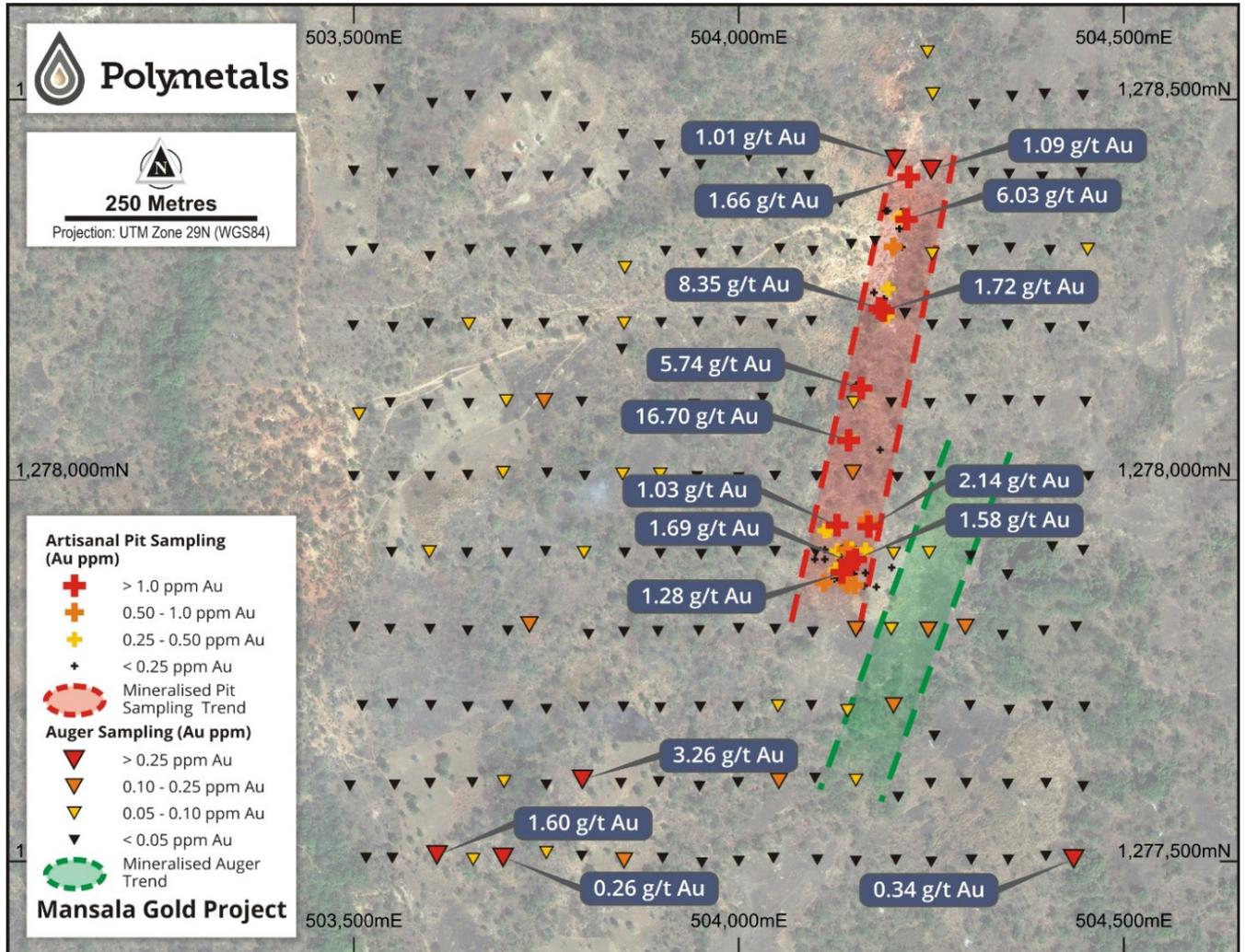


Figure 8: Mansala Area F auger drilling illustrating best intervals intersected, including pit sampling. Satellite imagery displays artisanal workings at the north end of the mineralised zone.

An infill soil sampling program for XRF analyses was undertaken within the western portion of the Mansala licence. The objective of the infill soil sampling program was to delineate orogenic gold pathfinder elements (As, Ag, Bi, Mo, Sb, W and Te) within the western corridor of the Mansala property. Samples that return with anomalous pathfinder elements will be assayed for Au.

All soil samples were collected from depths of 300 – 500mm beneath the ground surface on a 100m X 25m grid system. The samples will be analysed using portable XRF to test pathfinder elements (As, Ag, Bi, Mo, Sb, W and Te) identified in the district. Results will be used to identify further follow up targets within the Mansala Gold Project. The previous works conducted in December 2020 and subsequent results of the Mansala soil sampling campaign were reported within the Company's Prospectus.

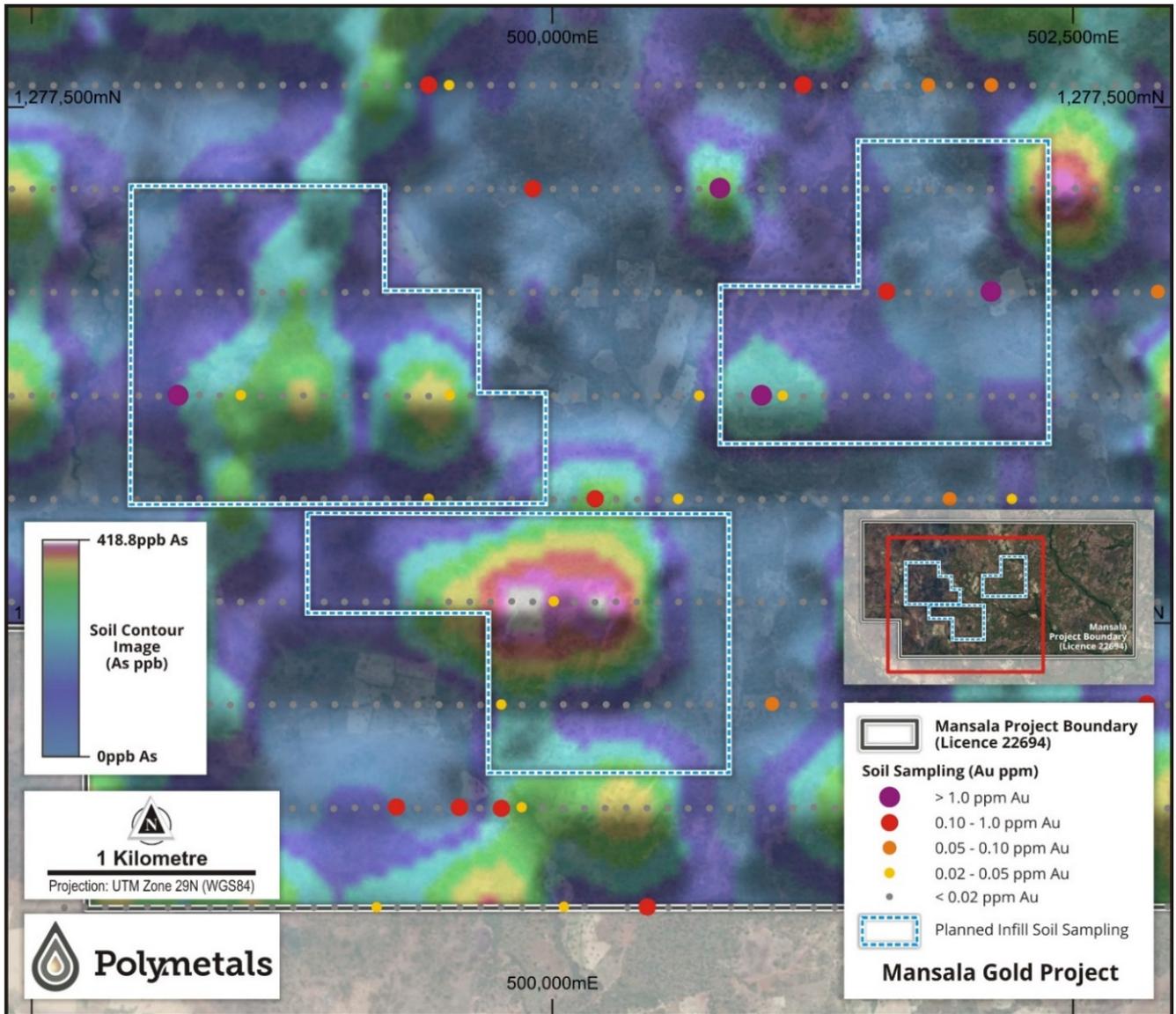


Figure 9: Mansala infill soil sampling program. Imaged soil arsenic values and thematically mapped gold in soils.

Polymetals completed an airborne magnetic survey at the Alahiné and Mansala Gold Projects during May. The survey was conducted by AeroPhysX, a leader in UAV exploration systems with extensive experience operating throughout Africa and internationally.

The survey was completed at 100m line spacings and an average sensor height of 30m with the total areas of both the Alahiné and Mansala licences covered. The objective of the 700-line km survey was to provide detailed data to determine the structural controls on mineralisation and information on the nature and disposition of host rocks currently obscured by lateritic cover.

Following interpretation of the results, the survey has been used to identify drilling targets and further assist in the design of ongoing exploration campaigns over both project areas during 2022. Post the reporting period, Polymetals reported that the airborne magnetic survey had identified 10 high priority targets at the Alahiné Gold Project.

Mansala Renewal

The Mansala tenement licence is due for renewal in October 2022. The Company has commenced negotiations with the Centre for Production and Development (CPD) to renew the Mansala project licence and will provide an update once further information is available.

MINERAL RESOURCES AND ORE RESERVES - CORPORATE GOVERNANCE STATEMENT

Set out below is the following in relation to the Company's Mineral Resources and Ore Reserves:

Annual Report of Mineral Resources and Exploration Results

The Statement of Mineral Resources and Exploration Results presented in this Report has been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition (the JORC Code 2012). Polymetals is not aware of any new information or data that materially affects the information included in this Report and confirms that all of the material assumptions and technical parameters underpinning the Exploration Results in the relevant market announcement(s) continue to apply and have not materially changed.

Summary of tenements and interests:

Project	Exploration Licence	Location	Status	Ownership	Expiry
Alahiné	EL22123	Republic of Guinea	Granted	100%	April 2022 ¹
Mansala	EL22694	Republic of Guinea	Granted	100%	October 2022 ²

¹ The Company, through its wholly owned subsidiary (Golden Guinea Resources SARL), has submitted a renewal application for EL22123 with the Centre of Production and Development (CPD) in Guinea. The CPD has provided confirmation that the renewal is in process.

² The Company, through its wholly owned subsidiary (Golden Guinea Resources SARL), is in the process of submitting a renewal application for EL22694 with the CPD, which is due for renewal in October 2022.

Summary of the results of the annual review of Mineral Resource and Ore Reserves

Exploration of the Company's projects is at an early stage and the Company has:

- no Ore Reserves; and
- Mineral Resources.

Competent Persons

The information in this ASX Announcement that relates to Exploration Results is based on information compiled by Mr William Pountney, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Pountney is a Project Manager of Polymetals Resources Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Pountney consents to the inclusion in this ASX Announcement of the matters based on his information in the form and context in which it appears.

CORPORATE ACTIVITIES

Capital raising – Initial Public Offering

Polymetals successfully completed its Initial Public Offering (IPO) and listing on the Australian Securities Exchange (ASX) just prior to the beginning of the reporting period, on 29 June 2021, marking a major milestone for the Company. Established in September 2020, Polymetals raised \$5.2 million through the issue of 26 million new shares at \$0.20 per share in its IPO.

Appointment of Joint Company Secretary

Polymetals appointed Kurt Laney as Joint Company Secretary in October 2021. Mr Laney is an experienced Chartered Accountant (CAANZ) who has worked alongside Vincent Fayad in the CFO and Company Secretarial roles of Polymetals since the Company's listing on the ASX. Mr Laney is an Associate Director of Vince Fayad and Associates Pty Ltd. Mr Laney has also worked in several similar roles for other ASX-listed companies and is highly experienced in exploration company requirements. Mr Fayad and Mr Laney are acting as Joint Company Secretaries.

Board Changes

The following board changes were announced by the Company during the reporting period.

a) Appointments

No appointments were made during the reporting period.

b) Resignations

No resignations were made during the reporting period.

More information concerning the directors can be found under the Directors' Report below.

With the exception of the above, there were no other changes made to the Board's composition during the period.

Management Changes

Appointment of Project Manager – Mr William Pountney

William Pountney was appointed Project Manager for the Company's portfolio of gold exploration assets in Guinea. Mr Pountney has more than 20 years' experience in both greenfield and brownfield exploration in West Africa, most recently, as Exploration Manager with Owere Mines Limited at the Konongo Gold Project in Ghana, West Africa. During his three-year tenure as Exploration Manager at the Tri K project in Guinea, Mr Pountney managed the growth of gold resources from 1.80 million ounces (Moz) to 3.22Moz.

Appointment of Lead Exploration Geologist - Mr Nana Yaw Asante

Polymetals appointed Nana Yaw Asante as Lead Exploration Geologist in January. Mr Asante has more than 13 years' experience in both greenfield and brownfield exploration in West Africa. Most recently, Mr Asante spent four-and-a-half years as Senior Exploration Geologist with Golden Star Resources (NYSE: GSS, TSX: GSC) in Ghana, where he managed multiple drilling programs at the Wassa and HBB projects which increased both the Inferred and Indicated Mineral Resources.

Risks

Polymetals is subject to a number of risks, including but not limited to the following:

Risk	Description
Control	David Sproule and his family own approximately 52% of the Company. Accordingly, there is a risk that Mr Sproule and his associated entities could impact upon future decisions of the Company, either positively or negatively.
Limited operating history	The Company was incorporated on 30 September 2020 and therefore has limited operating history. Given the short operational life of the Company, there is limited historic performance to provide a sound measure to evaluate its prospects.
Access to future funding	There is no assurance that the funding required by the Company from time to time to meet its business requirements and objectives will be available to it on favourable terms, or at all.
Regulation changes	Unforeseen changes to the mining laws, regulations, standards and practices applicable may significantly affect the Exploration Licences and ability of the Company to operate in Guinea.
Business in Guinea	Political and legal uncertainty, institutional weakness and known civil turbulence are prevalent in Guinea. Such circumstances could have an impact on progress and development of the Exploration Licences.
Exploration and development risk	Exploration programmes may or may not be successful, could cause harm to employees or contractors, and may incur cost overruns if not carefully managed. The Company is exposed to a significant risk that the proposed exploration activity will be unsuccessful and will not result in the discovery of a viable mineral resource.



Mr David Sproule

Non-Executive Chairman

Dated at Sydney this 30th day of September 2022.

CORPORATE GOVERNANCE STATEMENT

Polymetals Resources Ltd is committed to implementing the highest standards of Corporate Governance, in a manner in which is practical and efficient given the Company's size and operations.

This Corporate Governance Statement of the Company has been prepared in accordance with the 4th Edition of the Australian Securities Exchange's ('**ASX**') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('**ASX Principles and Recommendations**').

This statement has been approved by the Company's Board of Directors and is current as at 30 September 2022. Where the Company's Corporate Governance practices do not correlate with the practices recommended by the Council, the Company will provide an explanation as to why it does not consider that the practices are appropriate for the Company.

The Company's Corporate Governance statement for the reporting period ended 30 June 2022 is available for members to download and access from <https://www.polymetals.com/site/company-overview/corporate-governance>

DIRECTORS' REPORT

The directors present their report, together with the financial statements of Polymetals Resources Ltd (**the Company**) and its controlled entities (**the Group**), at the end of, or during the year ended 30 June 2022.

DIRECTORS

The names of the directors in office at any time during the whole financial year and up to the date of this report are as follows:

Mr David Sproule (Non-Executive Chairman)

Dr Christopher Johnston (Non-Executive Director) – resigned 8 August 2022

Mr Christopher Schroor (Non-Executive Director)

Mr Alistair Barton (Non-Executive Director) – appointed 9 August 2022

COMPANY SECRETARY

The names of the company secretaries in office at any time during the whole financial year and up to the date of this report are as follows:

Mr Vincent Fayad

Mr Kurt Laney – appointed 29 October 2021.

CHIEF EXECUTIVE OFFICER

Mr Alex Hanly held the position as the Group's Chief Executive Officer at the end of the reporting period.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities of the Group during the reporting period were the exploration and development of mineral resources – in particular gold.

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

RESULTS AND REVIEW OF OPERATIONS

The consolidated loss of the Group for the reporting period after providing for income tax amounted to \$1,156,988 (30 September 2020 to 30 June 2021: \$506,932).

The consolidated loss for the year has been impacted by the following:

- options issued to a broker to provide ongoing consultancy services to the Company, which has been recognised as an expense of \$245,000;
- share based payments to directors and key management personnel, which has been recognised as an expense during the vesting period of \$201,065;
- registry, listing and compliance costs of \$77,393; and
- foreign exchange losses and interest expenses incurred on operating foreign bank accounts and loans of \$21,692.

The residual of the operating loss of \$611,838 is made of general overheads incurred in relation to the day to day running of the Company and directors remuneration.

The net assets of the Group were \$5,595,899 as at 30 June 2022 (30 June 2021: \$6,309,763). The decrease in net assets between the two periods of \$713,864 was primarily attributable to the funding of the administrative and operational costs of the Company.

A full report in relation to the review of the operations has been set out on pages 5 to 19.

DIVIDENDS PAID OR RECOMMENDED

The Directors recommend that no dividend be paid for the year ended 30 June 2022 (2021: nil).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of entities in the Group during the year, except as disclosed throughout this report.

FUTURE DEVELOPMENTS AND RESULTS

The Group intends to further explore and develop its gold projects within the Siguiiri Basin, Guinea, West Africa. The Company also is actively seeking out new exploration and mining opportunities both in Guinea and outside of Guinea.

ENVIRONMENTAL ISSUES

The exploration activities of the Group are conducted in accordance with and controlled principally by the Republic of Guinea government legislation.

The Group employs a system for reporting environmental incidents, establishing and communicating accountability, and rating environmental performance. During the year, data on environmental performance was reported as part of the monthly exploration-reporting regime. In addition, as required under various state and territory legislation, procedures are in place to ensure that the relevant authorities are notified prior to the commencement of ground disturbing exploration activities. The Group is committed to minimising the impact of its activities on the surrounding environment at the same time aiming to maximise the social, environmental and economic returns for the local community. To this end, the environment is a key consideration in the Company's exploration activities and during the rehabilitation of disturbed areas. Generally, rehabilitation occurs immediately following the completion of a particular phase of exploration. In addition, the Group continued to develop and maintain mutually beneficial relationships with the local communities affected by its activities. Rehabilitation initiatives include the extraction of all pegs and restoration of peg lines, plugging of all drill holes and the removal of plastic bags of drill cuttings bags from site.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Since the end of the reporting period, the following matters have arisen which have significantly affected or could significantly affect the operations of the Group in future financial years:

- (a) the Company announced on 28 July 2022, that Airborne magnetic survey identified ten (10) high-priority geophysical targets at Alahiné Gold Project, in the richly mineralised Siguiiri Basin of Guinea.
- (b) on 09 August 2022, Polymetals Resources Ltd welcomed to its Board experienced geologist Mr Alistair Barton as Non-Executive Director. The Company also advised of the retirement of Non-Executive Director Dr Chris Johnston.
- (c) the Company announced on 12 August 2022 that results had been received for the recent Phase 3 RC program at the Alahiné Gold Project in Guinea, with numerous higher grade zones intersected, and a number of broad zones of strong, shallow gold mineralisation.

Key gold intersections include:

AH22RC164	16m @ 3.01 g/t Au from 62m, including: 7m @ 5.78 g/t Au from 71m
AH22RC165:	4m @ 10.62 g/t Au from 8m
AH22RC148:	15m @ 1.33 g/t Au from 7m, including 4m @ 3.77 g/t Au from 14m

- (d) on 17 August 2022, the Company issued 1,126,126 Shares to driller to fund approximately AU\$135,135 of drilling costs. Share issue aligns interests of the driller and the Company, with the possibility of a further increase in capitalisation of drilling costs

- (e) on 25 August 2022, Polymetals Resources Ltd announced that the recently completed 500 line-kilometre airborne magnetic survey has identified eight (8) targets within the Company's wholly owned Mansala Gold Project in Guinea, West Africa.

INFORMATION ON DIRECTORS & COMPANY SECRETARY

Mr David Sproule

Non-Executive Director and Non-Executive Chairperson

Mr Sproule has specialised in value creation within the minerals industry, founding and managing the private Polymetals Group which developed 8 Australian gold projects over 25 years. An "owner build" model was applied to all operations significantly reducing typical mine development costs. The projects collectively returned +2,000% in fully franked dividends on initial shareholder investment.

Mr Sproule previously served as a Chairman of Polymetals Mining Limited from its listing on ASX in 2011 until the company merged with Southern Cross Goldfields (ASX: SXG).

Dr Christopher Johnston (resigned 8 August 2022)

Non-Executive Director

Dr Johnston has over 40 years' experience in the Australian mining industry and has explored in most states of Australia for gold, silver and base metals for companies including Burdekin Resources NL, St Francis Mining Limited, Tritton Resources Limited and more recently as NSW Exploration Manager for Black Oak Minerals Limited (previously Polymetals Mining Limited).

Dr Johnston holds a First Class Honours degree in Geology from Auckland University and also a Doctor of Philosophy (Geology) from James Cook University.

Mr Christopher Schroor

Non-Executive Director

Mr Schroor is a founding director of the Azure Development Group ("Azure"), a multifaceted Property Development and Investment Company which has delivered over \$AUD 500 million of projects since its inception in 2014. Mr Schroor is responsible for all capital raising and financing aspects of Azure.

Mr Schroor was previously Executive Director – Commercial Development for the Springfield Land Corporation and during his 10 years in that role he spear-headed all development associated with the \$8bn, 2830ha master planned city.

In 2014 Mr Schroor established a Joint Venture in Thailand with Siam Commercial Bank, Kasikorn Bank, True Telecommunications, Super NAP International and the Thai Royal Family office, to design and deliver Super NAP Thailand, Asia's first Tier IV Data Centre.

Mr Alistair Barton (appointed 9 August 2022)

Non-Executive Director

Mr Barton has over 45 years' exploration, operational and corporate experience. Mr Barton has operated his own consultancy practice providing technical and corporate advice to the resources sector, carrying out numerous resource project due diligence studies, feasibility studies and independent experts reports for project funding and developments.

Mr Barton has held the positions of Managing Director for ASX listed Probe Resources, General Manager of Exploration for Barrack Mines, General Manager of Operations for Barrack Mines, Operations Manager for Mcllwraith Minerals and various Project Management positions.

Mr Vince Fayad

Joint Company Secretary

Mr Fayad is currently a Director of Vince Fayad and Associates Pty Limited and has had approximately 35 years of experience in Corporate Finance, Accounting and other advisory related services. He is a registered company auditor and tax agent.

Mr Fayad currently serves the Company Secretary and Executive Director of Astro Resources NL (ASX: ARO).

He has also previously served on other listed entities boards.

Mr Kurt Laney (appointed 29 October 2021)

Joint Company Secretary

Mr Laney is an experienced Chartered Accountant and is an Associate Director of Vince Fayad and Associates Pty Limited.

Mr Laney currently serves the Company Secretary of Astro Resources NL (ASX: ARO) and Greenvale Mining Ltd (ASX:GRV).

MEETINGS OF DIRECTORS

During the reporting period, five meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee ¹	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
David Sproule	9	9	-	-
Christopher Johnston (resigned 8 August 2022)	9	9	-	-
Christopher Schroor	9	9	-	-
Alistair Barton (appointed 9 August 2022)	-	-	-	-

¹Refer to Principle 4.1 of the Governance Statement which explains why the Company has not established an Audit Committee.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of the Group support and have adhered to the principles of Corporate Governance. The Group's corporate governance statement can be downloaded here <https://www.polymetals.com/site/company-overview/corporate-governance>

DIRECTORS' INTERESTS

The relevant interest of each director in the shares of the Company as notified by the Directors to the Australian Securities Exchange in accordance with s.205G(1) of the *Corporations Act 2001* at the date of this report is as follows:

	Ordinary Shares – Fully Paid	
	2022	2021
Mr David Sproule ¹	41,697,379	41,499,848
Dr Christopher Johnston (resigned 8 August 2022) ²	-	66,667
Mr Christopher Schroor	75,000	75,000
Mr Alistair Barton (appointed 9 August 2022) ³	230,000	-

¹ Shares are held between various entities controlled by Mr Sproule. Such amounts included in the above table reflect Mr Sproule's collective interest within the Company.

² Dr Johnston's shareholding in the Company has been removed due to his resignation as a director on 8 August 2022.

³ Shares are held between various entities controlled and associated by Mr Barton. Such amounts included in the above table reflect Mr Barton's collective interest within the Company.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

During the reporting period, the Group paid a premium in respect of a contract insuring the directors of the Group, the Company Secretary, all executive officers of the Group and of any related body corporate against a liability incurred as a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The Group has not otherwise, during or since the reporting period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

The contract of insurance prohibits the disclosure of the nature of the liabilities and the amount of the premium.

OPTIONS

On 30 November 2021, the Company issued 3,500,000 unlisted options to a broker in consideration for their services in acting as a corporate advisor to the Company.

Details of the options are as follows:

Option	Details
Code	POLAN
Options issued	3,500,000
Exercise price	\$0.25
Exercise conversion	1 POLAN : 1 POL (ordinary share)
Expiry date	30 November 2024

With the exception to the above, there were no other options held or exercised in the Company during the reporting period.

SHARE BASED COMPENSATION

The Group operates a Loan Funded Share Plan (LFSP) whereby limited recourse loans are provided to directors and key management personnel to acquire shares in the Company. Under the terms of the LFSP, whilst the loans remain outstanding, neither the shares nor the loans can be recognised in the statement of financial position. For accounting purposes, the arrangement is accounted for as equity settled share-based payments.

Shares to be issued under the LFSP are recorded at their fair value on grant date and amortised as an expense to the profit or loss over the vesting period.

The terms and conditions of shares under the LFSP affecting remuneration of directors and key management personnel in this financial year are as follows:

Grant date	Expiry date	Name	Number of loan shares	Exercise price	Fair value of shares at grant date
29 November 2021	29 November 2024	Christopher Johnston	800,000	\$0.25	\$0.07
29 November 2021	29 November 2024	Christopher Schroor	800,000	\$0.25	\$0.07
29 November 2021	29 November 2024	Alex Hanly	1,500,000	\$0.25	\$0.07

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 or the Group was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

RSM Australia Partners is the appointed auditors of the Company.

RSM Australia Partners has not performed any other services in addition to their statutory duties as the auditors during 2022. Fees paid for these services in relation to the audit and review of the Group's financial report were \$27,000 (2021: \$48,750).

During the 30 June 2021 reporting period, RSM Australia were engaged to prepare an Investigative Accountants Report (IAR) as part of the Company's Initial Public Offering (IPO). The total fees paid in relation to this service was \$24,500.

Further details relating audit and non-audit fees are outlined in note 24.

The Directors are satisfied that the provision of services is compatible with the general standard of independence for the auditor as imposed by the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2022 has been received and can be found on page 32 of the financial report.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the company who are former partners of RSM Australia Partners.

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.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each key management staff member (**KMP**) of Polymetals Resources Ltd (the Company).

1. Remuneration policy

The remuneration policy of Polymetals Resources Ltd and its Controlled Entities (the Group) has been designed to align key management personnel (**KMP**) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Polymetals Resources Ltd and its Controlled Entities believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- the remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the board;

- non-executive directors received fees for their services as approved by shareholders; and
- executive directors can be employed by the Group on a consultancy basis, on board approval, with remuneration and terms stipulated in individual consultancy agreements.

The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries. In addition, external consultants may be used to provide analysis and advice to ensure the directors and senior executives remuneration is competitive in the market place.

The board exercises its discretion in determining remuneration performance of executives. Given the size and nature of the entity the board does not deem it to be realistic to measure performance against defined criteria. As such remuneration and performance are not linked.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviewed their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees for non-executive directors are not linked to the performance of the Group. The directors are not required to hold any shares in the company under the Constitution of the Company; however, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Group.

The board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

i. Remuneration Committee

During the year ended 30 June 2022, the Company did not have a separately established nomination or remuneration committee. Considering the size of the Group, the number of directors and the Group's early stages of its development, the directors are of the view that these functions could be efficiently performed with full board participation.

ii. Group Performance, Shareholder Wealth and Directors and Executives Remuneration

No relationship exists between shareholder wealth, director and executive remuneration and Group performance except for options issued.

2. Key management personnel

Name	Position Held
Mr David Sproule	Non-Executive Chairman
Dr Christopher Johnston – resigned 8 August 2022	Non-Executive Director
Mr Christopher Schroor	Non-Executive Director
Mr Alistair Barton – appointed 9 August 2022	Non-Executive Director
Mr Vincent Fayad	Company Secretary
Mr Kurt Laney – appointed 29 October 2021	Company Secretary
Mr Alexander Hanly – appointed 30 September 2020	Chief Executive Officer

3. Voting made at the Company's 2021 Annual General Meeting

At the Company's 2021 Annual General Meeting (AGM), shareholders voted to approve the adoption of the remuneration report for the year ended 30 June 2021.

4. Key person remuneration entitlement

Amounts of remuneration

Details of the remuneration of KMP of the group are set out in this section.

Key Management Personnel	Position Held as at 30 June 2022	Contract Details	Remuneration
Mr David Sproule	Non-Executive Chairman	-	\$48,000 per annum.
Dr Christopher Johnston (resigned 8 August 2022)	Non-Executive Director	-	\$36,000 per annum.
Mr Christopher Schroor	Non-Executive Director	-	\$36,000 per annum.
Mr Alistair Barton (appointed 9 August 2022)	Non-Executive Director	-	\$36,000 per annum.
Messers Vince Fayad and Kurt Laney	Company Secretary	Contract is ongoing.	\$84,000 per annum, for the accounting and services of company secretary.
Mr Alexander Hanly	Chief Executive Officer	Contract is ongoing.	\$180,000 per annum.

5. Remuneration details for the year ended 30 June 2022

The following table of benefits and payment details, in respect to the reporting period, the components of remuneration for each member of the KMP of the Group and, to the extent different, the three Group executives and three Company executives receiving the highest remuneration:

2022	Cash salary/fees	Termination Payments	Share based payments ⁴	Total
	\$	\$	\$	\$
Executive Directors				
Non-Executive Directors				
Mr David Sproule	36,000	-	-	36,000
Dr Christopher Johnston (resigned 8 August 2022) ³	81,000	-	51,888	132,888
Mr Christopher Schroor	18,000	-	51,887	69,887
Mr Alistair Barton (appointed 9 August 2022)	-	-	-	-
KMP				
Mr Alexander Hanly ²	193,665	-	97,290	290,955
Messers Vincent Fayad and Kurt Laney ¹	105,924	-	-	105,924
	<u>434,589</u>	<u>-</u>	<u>201,065</u>	<u>635,654</u>

1 Payments to Vince Fayad and Kurt Laney were made their capacity as joint company secretaries of the Company;

2 Payments to Alexander Hanly were made in his capacity as Chief Executive Officer (CEO) of the Company;

3 During the 2022 period, Mr Johnston was engaged to provide geological consultancy services and act as the Company's competent person. Such services were in addition to his director remuneration and have been included in this total;

4 Share based payments are recorded at their fair value on grant date and amortised as an expense to the profit or loss over the vesting period.

2021	Cash salary/fees	Termination Payments	Share based payments	Total
	\$	\$	\$	\$
Executive Directors				
Non-Executive Directors				
Mr David Sproule	36,000	-	-	36,000
Dr Christopher Johnston	27,000	-	-	27,000
Mr Christopher Schroor	18,000	-	-	18,000
KMP				
Mr Alexander Hanly ²	45,915	-	-	45,915
Mr Vincent Fayad ¹	49,924	-	-	49,924
	176,839	-	-	176,839

- 1 Payments to Vince Fayad were made in his capacity as company secretary of the Company. The services rendered related to the Company's IPO – including the preparation of the 2018, 2019, 2020 and 31 January 2021 statutory accounts, as well as preparation of the prospectus; and
- 2 Payments to Alexander Hanly were made in his capacity as Chief Executive Officer (CEO) of the Company.

i. Short-term non-monetary benefits:

During the reporting period, the Group paid a premium of \$17,968 (2021: \$15,962), being \$3,594 (2021: \$3,192) per person in respect of a contract ensuring the directors, company secretary and all executive officers of the Group and of any related body corporate against liabilities incurred as a director, secretary or executive officer.

ii. Options issued as part of remuneration for the year:

There were no options issued as part of remuneration package for the year ended 30 June 2022 (2021: nil). No options have been granted since the end of the reporting period.

iii. Share based payments:

The share-based payments relate to the Company's Loan Funded Share Plan (LFSP) whereby limited recourse loans have been provided to directors and key management personnel to acquire shares in the Company. Shares to be issued under the LFSP are recorded at their fair value on grant date and amortised as an expense to the profit or loss over the vesting period.

A total of 3,100,000 shares under the Company's LFSP and further information concerning the terms of this arrangement can be found within the Directors Report.

6. Description of options granted as remuneration

There were no options granted as remuneration to Directors and those key management personnel and executives during the period.

7. Share Holdings of Key Management Personnel

Ordinary shares

The number of shares in the Company, excluding shares under the LFSP, held by each director and members of the KMP, including their personally related entities, is set out below:

Ordinary shares 2022	Balance at start of period	Granted as part of remuneration	Additions	(Disposals)/ Other	Balance at end of period
Executive Directors					
Non-Executive Director					
Mr David Sproule ¹	41,497,379	-	200,000	-	41,697,379
Dr Christopher Johnston ²	66,667	-	-	(66,667) ⁷	-
Mr Christopher Schroor ³	75,000	-	-	-	75,000
Mr Alistair Barton	-	-	-	-	-
KMP					
Mr Alexander Hanly ⁴	100,000	-	-	-	100,000
Mr Vincent Fayad ⁵	16,385	-	-	-	16,385
Mr Kurt Laney ⁶	-	-	-	15,000	15,000
	41,680,431	-	200,000	(51,667)	41,903,764

Ordinary shares 2021	Balance at start of period	Granted as part of remuneration	Additions	(Disposals)/ Other	Balance at end of period
Executive Directors					
Non-Executive Director					
Mr David Sproule ¹	-	-	-	41,497,379	41,497,379
Dr Christopher Johnston ²	-	-	-	66,667	66,667
Mr Christopher Schroor ³	-	-	-	75,000	75,000
KMP					
Mr Alexander Hanly ⁴	-	-	-	100,000	100,000
Mr Vincent Fayad ⁵	-	-	-	16,385	16,385
	-	-	-	41,680,431	41,680,431

¹Mr David Sproule's shareholding is comprised of shares that he holds personally, along with shares that are held by entities he controls. Further information concerning the composition of Mr David Sproule's shareholding can be found within his Notice of initial substantial shareholder form lodged on the ASX on 29 June 2021.

²Dr Christopher Johnston's shareholding in the Company was acquired pre IPO.

³Mr Christopher Schroor's shareholding in the Company is held through a controlled entity 'Schroor Superannuation Fund Pty Ltd' and was acquired during the IPO.

⁴Mr Alexander Hanly's shareholding in the Company was acquired pre IPO.

⁵Mr Vince Fayad's shareholding in the Company is held through a controlled entity 'KAFTA Enterprises Pty Limited' and was acquired during the IPO.

⁶Mr Kurt Laney's shareholding in the Company is held through a controlled entity 'KWL Investments Pty Ltd' and was acquired both on market and during the IPO.

⁷This balance reflects Dr Christopher Johnston's shareholding in the Company at the time of his resignation as a non-executive director on 8 August 2022.

Shares under the loan share plan

The number of shares under the LFSP in the Company held during the financial year by each held by each director and members of the KMP, including their personally related entities, is set out below:

Loan Funded Share Plan 2022	Balance at start of period	Granted	Exercised	Expired/ forfeited/ other	Balance at end of period
Non-Executive Director					
Dr Christopher Johnston	-	800,000	-	(800,000) ¹	-
Mr Christopher Schroor	-	800,000	-	-	800,000
KMP					
Mr Alexander Hanly	-	1,500,000	-	-	1,500,000
	-	3,100,000	-	(800,000)	2,300,000

¹This balance reflects Dr Christopher Johnston's shareholding in the Company at the time of his resignation as a non-executive director on 8 August 2022.

7. Service Agreements

All directors and Key Management Personnel invoice the Company under their personal name, except for the following:

- Messer's Vince Fayad and Kurt Laney provide their services as Joint Company Secretaries through Vince Fayad and Associates Pty Limited.
- Mr Alexander Hanly provides his services to the Group through Acumen Management Group Pty Limited.

8. Additional Information

The earnings of the consolidated entity for the two years to 30 June 2022 (noting that there are only 2 years of past financial performance) are summarised as below:

	2022 \$'000	2021 \$'000
Sales revenue	1,116	-
EBITDA	(1,156,988)	(506,932)
EBIT	(1,156,988)	(506,932)
Profit after income tax	(1,156,988)	(506,932)

The factors that are considered to affect total shareholders return (TSR) are summarised below:

	2022 \$'000	2021 \$'000
Share price at financial year end (\$)	0.089	0.145
Total dividends declared (cents per share)	-	-
Basic earnings per share (cents per share)	(1.46)	(1.70)

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Mr David Sproule
Non-Executive Chairman

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Polymetals Resources Ltd and its controlled entities for the year ended 30 June 2022, 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.



RSM AUSTRALIA PARTNERS



C J HUME
Partner

Sydney, NSW
Dated: 30 September 2022

Consolidated Statement of Profit or Loss & Other Comprehensive Income for the year ended 30 June 2022

		30 September
	1 July 2021 to	2020 to 30
	30 June 2022	June 2021
	Note	\$
Revenue		
Interest income		1,116
		-
Expense		
Exploration expenditure written off	4	(114,377)
Interest expense and realised foreign losses		(80,663)
Other expenses	4	(297,192)
Professional, registry and listing related expenses		(14,702)
Share based payments expense	4	-
Loss before income tax		(506,932)
Income tax benefit	5	-
Loss from continuing operations		(506,932)
Members of the parent entity		(489,140)
Non-controlling interest		(17,792)
		(814,727)
		(342,261)
		(1,156,988)
Other comprehensive income ("OCI")		
Items that may be reclassified subsequently to the profit or loss:		
Other comprehensive loss for the year/period		-
Total comprehensive loss for the year/period		(506,932)
Total comprehensive loss attributable to:		
Members of the parent entity		(489,140)
Non-controlling interest		(17,792)
		(814,727)
		(342,261)
		(1,156,988)
Loss per share		
From continuing operations:		
Basic loss per share (cents)	6	(1.70)
Diluted loss per share (cents)	6	(1.46)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position as at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,503,426	5,013,992
Trade and other receivables	8	26,719	80,327
Other assets	9	19,200	18,202
TOTAL CURRENT ASSETS		1,549,345	5,112,521
NON-CURRENT ASSETS			
Property, plant and equipment	11	133,211	2,467
Exploration, evaluation and development assets	10	4,149,316	1,748,419
TOTAL NON-CURRENT ASSETS		4,282,527	1,750,886
TOTAL ASSETS		5,831,872	6,863,407
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	235,973	303,644
Borrowings	13	-	250,000
TOTAL CURRENT LIABILITIES		235,973	553,644
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LAIBILITIES		-	-
TOTAL LIABILITIES		235,973	553,644
NET ASSETS		5,595,899	6,309,763
EQUITY			
Issued capital	14	1,248	1,248
Reserves	15	451,145	-
Accumulated losses		(1,957,654)	(1,142,927)
Equity attributable to the owners of Polymetals Resources Ltd		(1,505,261)	(1,141,679)
Non-controlling interest		7,101,160	7,451,442
TOTAL EQUITY		5,595,899	6,309,763

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flow

For the year ended 30 June 2022

	Note	2022 \$	30 September 2020 to 30 June 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Proceeds from other income		1,116	-
Payments to suppliers and employees		(712,709)	(201,525)
Net cash used in operating activities	17	(711,593)	(201,525)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for property, plant and equipment		(130,745)	-
Payments for exploration expenditure		(2,319,706)	(464,193)
Net cash used in investing activities		(2,450,451)	(464,193)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds/(Repayment) of loan facility		(250,000)	250,000
Proceeds from share/options issue (gross of transaction costs)		-	5,950,085
Payments for share issue costs		(98,522)	(520,375)
Net cash (used in)/provided by financing activities		(348,522)	5,679,710
Net (decrease)/increase in cash and cash equivalents held		(3,510,566)	5,013,992
Cash and cash equivalents at beginning of year/period		5,013,992	-
Cash and cash equivalents at end of financial year/period	7	1,503,426	5,013,992

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Issued Capital	Reserves	Accumulated Losses	Non-Controlling Interest	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	1,248	-	(1,142,927)	7,451,442	6,309,763
Share based payments reserve	-	206,145	-	-	206,145
Options reserve	-	245,000	-	-	245,000
Share issue costs	-	-	-	(8,021)	(8,021)
Loss for year	-	-	(814,727)	(342,261)	(1,156,988)
Balance at 30 June 2022	1,248	451,145	(1,957,654)	7,101,160	5,595,899

	Issued Capital	Reserves	Accumulated Losses	Non-Controlling Interest	Total
	\$	\$	\$	\$	\$
Balance at 30 September 2020	-	-	-	-	-
Issued capital (formation)	1,248	-	-	-	1,248
Minority interest Polymetals Resources Ltd subscription capital ¹	-	-	-	365,897	365,897
Minority interest	-	-	-	2,123,647	2,123,647
Introduction of the accumulated losses relating to Golden Guinea Resources SARL ²	-	-	(653,787)	-	(653,787)
Seed capital raise	-	-	-	318,318	318,318
IPO capital raise	-	-	-	5,200,000	5,200,000
Share issue costs	-	-	-	(538,628)	(538,628)
Loss for period	-	-	(489,140)	(17,792)	(506,932)
Balance at 30 June 2021	1,248	-	(1,142,927)	7,451,442	6,309,763

Notes to the Consolidated Statement of Changes in Equity

¹ As set out in note 1(d) in the summary of the significant accounting policies, 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.

² In addition to the comment made in (1) above, the consolidated financial statements incorporate Golden Guinea Resources SARL accumulated losses from prior periods.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Polymetals Resources Ltd (**Polymetals**) is a company domiciled in New South Wales, Australia. The address of the Company's registered office is Suite 6, Level 5 189 Kent Street, Sydney NSW 2000. The consolidated financial statements of the Company are for the 1 July 2021 to 30 June 2022 and comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

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 34,282,353 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*. A parent entity summary is included in note 25.

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial report of Polymetals Resources Ltd for the year ended 30 June 2022 was authorised for issue by the Board of Directors on 30 September 2022.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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.

(b) 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 \$1,156,988 and had net cash outflows from operating and investing activities of \$711,593 and \$2,450,451 respectively for the year ended 30 June 2022. The Group is in the process of finalising capital raises. The capital raised will fund the continuing exploration operations of the Group.

These factors indicate significant uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

(b) 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:

- As at 30 June 2022 the consolidated entity had net current assets of \$1,313,372 and cash at bank of \$1,503,426;
- The company has the ability to reduce exploration activities and other discretionary spending, subject to meeting the expenditure commitments disclosed in Note 18; and
- The company has the ability to raise capital through the issuance of ordinary shares and has done so successfully in the past.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

(c) Comparative figures

The Company was incorporated on 30 September 2020. Accordingly, for the purposes of this financial report the comparative financial information relates to the period 30 September 2020 to 30 June 2021.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(d) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Polymetals and its subsidiary (“the **Group**”). Subsidiaries are entities which the parent controls. The parent 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 19.

As noted previously, these financial statements have been prepared on the basis that the wholly owned subsidiary Golden Guinea is the parent company. The basis for this is that the shareholders of Golden Guinea sold their shares to Polymetals in exchange for their shares in Polymetals. As a result, no business combination is considered to have occurred, resulting in Golden Guinea being deemed to be the acquirer of Polymetals.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control was 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.

(e) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(f) Functional and presentational currency

The financial statements are presented in Australian dollars, which is Polymetals' functional and presentational currency.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity. The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars 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 financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis. Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of property, plant and equipment, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

The depreciation rate used by the Group for property plant and equipment was 10%.

(h) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(i) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. When available-for-sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

(j) Impairment of non-financial assets (excluding capitalised exploration costs)

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired.

The assessment will include considering external sources of information and internal sources of information and dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Value in use is calculated by discounting the estimated future cash flows of the asset or cash-generating unit (CGU) at a pre-tax discount rate reflecting the specific risks in the asset / CGU.

Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of profit or loss and other comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets (excluding exploration assets) with indefinite lives.

(k) Goodwill

Goodwill on acquisitions of subsidiaries on or after 1 January 2019 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses. Goodwill on associated companies is included in the carrying amount of the investments.

(l) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value. For the purposes of the statement of cash flows, cash and cash equivalents comprise the above.

(m) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

(n) Borrowings (continued)

The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(o) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

(p) Earnings per share

The Group presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(q) Income tax

The income tax expense (income) for the period comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and liability balances during the period as well as unused tax losses. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Current and deferred income tax expense/(income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the Group in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

(q) Income tax (continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

- i. a legally enforceable right of set-off exists; and
- ii. the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future years in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(r) Revenue and Other income

All revenue is stated net of the amount of goods and services tax (GST).

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(s) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(u) Goods and services tax (GST)

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 consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(v) Exploration and development expenditure

Exploration and evaluation costs are capitalised as exploration and evaluation assets on a project-by-project basis pending determination of the technical feasibility and commercial viability of the project. The capitalised costs are presented as both tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. When a licence is relinquished or a project abandoned, the related costs are recognised in the profit or loss immediately.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and/or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units consistent with the determination of reportable segments.

Upon determination of proven reserves, intangible exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to a separate category within tangible assets.

Amortisation is not charged on exploration and evaluation assets until they are available for use.

Pre-licence costs are recognised in profit or loss as incurred. Expenditure deemed unsuccessful is recognised in profit or loss immediately.

(w) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 25.

(x) Share based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

(x) Share based payments (continued)

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(y) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(z) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2022. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(aa) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key judgement - exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(aa) Critical Accounting Estimates and Judgments (continued)

Share-based payment transactions

The consolidated entity 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 either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted.

The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 15 for further information.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

2 Operating Segments

Segment information

Identification of reportable segments

Operating segments are reporting 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.

An operating segment is a component of the Group that engage 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.

The operating segments are identified by the Board of Directors based on the type of exploration being conducted by the Group. Detailed 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 by reportable segment

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 30 June 2022 (2021: nil).

Accounting policies adopted

Unless stated below, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- interest revenue;
- income tax benefit;
- cash and cash equivalents; and
- trade debtors and creditors.

Notes to the Financial Statements

(a) Segment performance

	Gold		Unallocated		Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
REVENUE						
Interest revenue	-	-	1,116	-	1,116	-
Total segmented revenue	-	-	1,116	-	1,116	-
Segment result	-	(189,675)	(1,156,988)	(317,257)	(1,156,988)	(506,932)
Loss for the period	-	(189,675)	(1,156,988)	(317,257)	(1,156,988)	(506,932)
Other segment information						
Depreciation and amortisation	-	-	-	-	-	-
Segment assets and liabilities						
Segment assets						
Exploration expenditure	4,149,316	1,748,419	-	-	4,149,316	1,748,419
Property, plant and equipment	125,384	2,467	7,827	-	133,211	2,467
Other assets	2,275	2,275	1,547,070	5,110,246	1,549,345	5,112,521
	4,276,975	1,753,161	1,554,897	5,110,246	5,831,872	6,863,407
Segment liabilities	3,791	3,792	232,182	549,852	235,973	553,644
<i>Other assets are made up of:</i>						
Cash and cash equivalents	403	402	1,503,023	5,013,590	1,503,426	5,013,992
Prepayments	-	-	19,200	18,202	19,200	18,202
Other receivables	1,872	1,873	24,847	78,454	26,719	80,327
	2,275	2,275	1,547,070	5,110,246	1,549,345	5,112,521

Notes to the Financial Statements

3 Revenue

	2022	30 September 2020 to 30 June 2021
	\$	\$
Interest income	1,116	-
	<u>1,116</u>	<u>-</u>

4 Result for the Year/Period

	2022	30 September 2020 to 30 June 2021
	\$	\$
The result for the period includes the following specific expenses		
Share based payment expense	201,065	-
Interest expense	-	78,261
Exploration expenditure written off to the profit and loss	-	114,377
	<u>201,065</u>	<u>114,377</u>
Other expenses:		
- Directors' and key management personnel fees	433,664	176,838
- Consultancy fees (broker services)	245,000	-
- Administration expenses	152,262	71,604
- Auditors remuneration for audit services	27,027	48,750
	<u>857,953</u>	<u>297,192</u>

5 Income Tax

	2022	30 September 2020 to 30 June 2021
	\$	\$
(a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax benefit as follows:		
Prima facie tax benefit on loss from ordinary activities before income tax at 25.00% (2021: 27.50%)	(289,247)	(139,406)
Add tax effect of:		
- non-deductible expenses	124,645	74,463
- deferred tax assets and liabilities not recognised	164,602	64,943
Income tax	<u>-</u>	<u>-</u>
(b) Net deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility occur:		
Tax losses ¹	229,545	64,943
Capital losses	-	-
	<u>229,545</u>	<u>64,943</u>

Notes to the Financial Statements

	2022 \$	30 September 2020 to 30 June 2021 \$
5 Income Tax (continued)		
<u>Note on deferred tax assets</u>		
¹ The above deferred tax assets will only be obtained if:		
i. future assessable income is derived of a nature and an amount sufficient to enable utilize the benefit; and		
ii. the conditions for deductibility imposed by tax legislation continue to be complied with and no changes in the tax legislation adversely affect the company in realising the benefit.		
6 Earnings per Share		
(a) Reconciliation of earnings to loss from continuing operations		
Loss from continuing operations	(1,156,988)	(506,932)
(b) Earnings used to calculate overall earnings per share		
Earnings used to calculate overall earnings per share	(1,156,988)	(506,932)
(c) Weighted average number of ordinary shares outstanding during the year/period used in calculating basic EPS		
	2022 No.	2021 No.
Weighted average number of ordinary shares outstanding during the year/period used in calculating basic EPS	79,440,000	29,778,540
Diluted earnings per share		
Both share options and performance shares under the Company's Loan Funded Share Plan are not considered dilutive as conversion of such amounts to ordinary shares will result in a decrease in the net loss per share.		
7 Cash and Cash Equivalents		
	2022 \$	2021 \$
<i>Current assets</i>		
Cash at bank and in hand	503,426	5,013,992
Cash on deposit	1,000,000	-
	<u>1,503,426</u>	<u>5,013,992</u>
8 Trade and Other Receivables		
	2022 \$	2021 \$
<i>Current assets</i>		
GST recoverable ¹	26,719	80,327
	<u>26,719</u>	<u>80,327</u>

¹Credit risk

There is no material credit risk or currency risk within the Trade and Other Receivables balance.

Notes to the Financial Statements

9 Other Assets

	2022	2021
	\$	\$
<i>Current assets</i>		
Prepayments	19,200	18,202
	<u>19,200</u>	<u>18,202</u>

10 Exploration, Evaluation and Development Assets

	2022	2021
	\$	\$
NON-CURRENT		
in exploration phase:		
- At cost and net of impairment	4,149,316	1,748,419
(a) Composition of exploration assets		
Capitalised exploration – wholly owned	4,149,316	1,748,419
Impairment	-	-
Balance at end of the year	<u>4,149,316</u>	<u>1,748,419</u>

(b) Movements

	2022	2021
	\$	\$
(i) <i>Exploration assets at cost</i>		
Opening Balance (wholly owned)	1,748,419	-
Add:		
- Expenditure capitalised	2,400,897	1,862,796
Less:		
- Expenditure impaired to the profit and loss	-	(114,377)
Closing balance	<u>4,149,316</u>	<u>1,748,419</u>
(ii) <i>Impairment</i>		
Opening Balance	-	-
Add/(Less):		
- Current year impairment adjustment	-	-
Closing Balance	<u>-</u>	<u>-</u>

(c) Discussion on impairment

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

(d) Licence Renewal

The Company, through its wholly owned subsidiary (Golden Guinea Resources SARL), has submitted a renewal application for EL22123 with the Centre of Production and Development (CPD) in Guinea. The CPD has provided confirmation that the renewal is in process.

The Company, through its wholly owned subsidiary (Golden Guinea Resources SARL), is in the process of submitting a renewal application for EL22694 with the CPD, which is due for renewal in October 2022.

Notes to the Financial Statements

11 Property, Plant and Equipment

	2022	2021
	\$	\$
Plant and equipment ¹		
At cost	10,519	2,691
Accumulated depreciation	(2,691)	(224)
	<u>7,828</u>	<u>2,467</u>
Field equipment ²		
At cost	32,889	-
Accumulated depreciation	-	-
	<u>32,889</u>	<u>-</u>
Motor vehicles ²		
At cost	92,494	-
Accumulated depreciation	-	-
	<u>92,494</u>	<u>-</u>
Total property, plant and equipment	<u>133,211</u>	<u>2,467</u>

Notes to property, plant and equipment

¹the plant and equipment was continued to be used in the activities in the period ended 30 June 2021. The depreciation rate applied on the plant is 10.00% per annum.

²in accordance with AASB 116, depreciation on plant and equipment is recorded from the date that the relevant equipment is 'available for use'. The Company notes that motor vehicle and field equipment were only utilised in the 2023 financial year and accordingly, no depreciation has been recorded within these financial statements.

(a) Movement in Property, Plant and Equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current and previous reporting period:

Consolidated	Plant and Equipment	Field Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Balance at 30 September 2020	-	-	-	-
Additions	2,691	-	-	2,691
Depreciation expense	(224)	-	-	(224)
	<u>2,467</u>	<u>-</u>	<u>-</u>	<u>2,467</u>
Balance at 30 June 2021	2,467	-	-	2,467
Additions	7,828	32,889	92,494	133,211
Depreciation expense	(2,467)	-	-	(2,467)
	<u>7,828</u>	<u>32,889</u>	<u>92,494</u>	<u>133,211</u>
Balance at 30 June 2022	7,828	32,889	92,494	133,211

Notes to the Financial Statements

12 Trade and Other Payables

	2022	2021
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	105,973	218,851
Other payables ¹	130,000	84,793
Total Trade and Other Payables	235,973	303,644

¹ Notes to Other Payables

Other payables consists of amounts owing to directors. At balance date, such amounts were as follows:

David Sproule	48,000	36,000
Christopher Johnston	36,000	27,000
Christopher Schroor	18,000	18,000
Balance at end of the year/period owing to directors	102,000	81,000

13 Borrowings

	2022	2021
	\$	\$
CURRENT		
Unsecured borrowings		
Loan Facility – Polymetals Group Pty Limited ¹	-	250,000
	-	250,000

¹ Notes to borrowings

The terms of the loan to Polymetals Group Pty Limited are as follows:

Purpose of funding	Amount drawn to 30 June 2021, including capitalised interest	Due date
The purpose of the funding is as follows: a) Working capital of the Company; b) Commence Phase 2 of the drilling campaign at the Company's Alahiné project.	\$250,000	See below.
Total amount owing prior to repayment	\$250,000	

Key terms of the consolidated facility

Security	Unsecured
Interest Rate	nil% per annum
Repayment	Two business days after the directors of Polymetals Resources Ltd, with David Sproule being excluded from voting on the resolution, resolve that Polymetals Resources Ltd has adequate funds to repay the loan

Notes to the Financial Statements

14 Issued Capital

Movement Reconciliation – Issued and Fully Paid

Balance at the end of the reporting period (No. of shares)

	2022 No.	2021 No.
	1,000	1,000
	1,000	1,000

(a) Movement Reconciliation – Golden Guinea Resources SARL

	Date	2022 \$	2021 No.
2021			
At the beginning and end of the reporting period	30/09/2020	-	-
1,000 Ordinary shares	30/09/2020	1,248	1,000
		1,248	1,000
2022			
At the beginning and end of the reporting period		1,248	1,000

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.

(a) Movement in ordinary shares – Polymetals Resources Ltd

	Date		
At the beginning of the reporting period		-	-
Share issue - acquisition of Golden Guinea Resources SARL	31/01/2021	5,142,353	34,282,353
Share issue - acquisition of Golden Guinea Resources SARL	31/01/2021	2,123,647	14,157,647
Seed capital	31/01/2021	431,767	2,877,880
Seed capital	18/02/2021	318,318	2,122,120
Initial Public Offering (IPO)	24/06/2021	5,200,000	26,000,000
Share issue costs incurred in relation to IPO	24/06/2021	(604,499)	-
At the end of the reporting period		12,611,586	79,440,000
Partial refund for issue costs incurred in relation to IPO ¹	26/07/2021	17,584	-
Share issue costs incurred in relation to IPO	04/08/2021	(25,652)	-
Partial refund for issue costs incurred in relation to IPO ²	07/09/2021	1,357	-
Share issue costs incurred in relation to driller shares	31/05/2022	(1,310)	-
At the end of the reporting period³		12,603,565	

Notes to movements in ordinary shares

- ¹ The partial refund represents amounts refunded to the Company by the Australian Securities Exchange (ASX) for excess listing fees paid in relation to the Company's Initial Public Offering;
- ² The partial refund represents a credit adjustment for professional costs incurred in relation to Company's Initial Public Offering.
- ³ As provided under Note 1 above, *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.

Notes to the Financial Statements

14 Issued Capital (continued)

(b) Options

		\$	No
At the beginning of the reporting period		-	-
Options issued (POLAN)	(a)	245,000	3,500,000
Options exercised/lapsed under Offer		-	-
At the end of the reporting period		245,000	3,500,000

(a) Option pricing models

The fair value of options granted during the financial year (POLAN) has been measured using a Black Scholes formula, and has incorporated the following model inputs:

Exercise price	\$0.25
Grant Date	30/11/2021
Expiry Date	30/11/2024
Share Price at Grant Date	\$0.15
Expected Price Volatility of Company's Shares	100.00%
Risk Free Interest Rate	2.00%

15 Reserves

	2022	2021
	\$	\$
Share based payments reserve	206,145	-
Options reserve	245,000	-
	451,145	-

Share based payments reserve

The reserve is used to recognise the value of equity benefits provided to directors and key management personnel as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share Based Payments Reserve	Options Reserve	Total
	\$	\$	\$
Balance at 30 September 2020	-	-	-
Balance at 30 June 2021	-	-	-
Share based payments	206,145	-	206,145
Options	-	245,000	245,000
Balance at 30 June 2022	206,145	245,000	451,145

Notes to the Financial Statements

16 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, borrowings, accounts receivable and payable.

The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

(a) Categories of financial instruments

	2022	2021
	\$	\$
Financial assets		
Cash and cash equivalents	1,503,426	5,013,992
Trade and other receivables	26,719	80,327
	<u>1,530,145</u>	<u>5,094,319</u>
Financial liabilities		
Trade and other payables	235,973	303,644
Borrowings	-	250,000
	<u>235,973</u>	<u>553,644</u>

(b) Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits of other stockholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of cash and cash equivalents, deposits in respect of bank guarantee and equity attributable to equity holders of the company, comprising issued capital, reserves and accumulated losses.

There are no externally imposed capital requirements. None of the Group's entities are subject to externally imposed capital requirements.

The Group monitors capital through the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is defined as equity per the statement of financial position plus net debt.

The Board reviews the capital structure on an annual basis. As a part of this review the Board considers the cost of capital and the risks associated with each class of capital. High gearing ratio will be expected as the Group enters into its development stage and more debts are required to fund the operation and development activities.

There have been no changes in the strategy adopted by management during the year/period.

Notes to the Financial Statements

16 Financial Risk Management (continued)

(c) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group and arises principally from the Group's receivables and investments.

Other receivables

Receivables consist of GST recoverable. No credit terms apply to these debtors. No receivables are in a foreign currency receivables during the year/period. The ageing of the Group other receivables was not past due.

(d) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages liquidity risk by monitoring forecast cash flows for the possible need to obtain debt or equity finance.

Cash flows required to settle the Group's financial liabilities consist of:

- trade and other payables; and
- unpaid director fees.

All financial liabilities including the loan to the director's related entity are due within 12 months. The total value of cash flows required to settle the Group's financial liabilities as at 30 June 2022 is \$235,973 (2021: \$553,644).

(e) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i. Interest rate risk

The Group is exposed to interest rate risk in Australia. To minimise the effects of reducing interest income that the Group may receive, the Board plans to invest the excess cash position in the near future to avoid any adverse effects of future interest rates. There is no written internal policy on interest rate management.

Changes in market interest rates affect the interest income of non-derivative variable interest financial instruments and are based on both historical trends and the perceived market interest to 30 June 2022. The Group have determined that the effects of changes in these interest rates based upon forward looking rates would not have a material effect on the Group for 2022. Therefore, no Group interest rate sensitivity analysis is disclosed as interest rate risk is not considered to have a material impact on the result or equity of the Group for 2022.

ii. Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group. Apart from the Alahiné and Mansala projects, in the Republic of Guinea, the Group has no significant exposure to foreign exchange risk as there are effectively no foreign currency deals outstanding. However, the likely impact of this risk is at this stage considered to be minimal due to the exploration nature of this asset.

Notes to the Financial Statements

16 Financial Risk Management (continued)

iii. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss. Management of the Group monitors the mix of debt and equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board. The primary goal of the Group's investment strategy is to maximise investment returns. The Group does not enter into commodity contracts.

Net fair values

The Group's financial assets and liabilities that are recorded on the balance sheet are carried at amounts that approximate net fair values.

Fair value estimation

Net fair values of financial assets and liabilities are determined by the Group on the following basis:

i. Cash and cash equivalents

The carrying amount approximates fair value because of their short-term to maturity.

ii. Receivables and payables

The carrying amount approximates fair value because of their short-term to maturity.

17 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

	30 September 2022	30 September 2021
	\$	\$
Loss for the year/period	(1,156,988)	(506,932)
Non-cash flows in loss:		
- tenement expenses written off	-	108,438
- equity based payments	446,066	-
- interest and other expenses	14,389	74,732
Changes in assets and liabilities:		
- decrease/(increase) in trade and other receivables	52,609	(98,529)
- (decrease)/increase in trade and other payables	(67,669)	220,766
Cash flow used in operating activities	<u>(711,593)</u>	<u>(201,525)</u>

18 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:

Notes to the Financial Statements

18 Capital and Leasing Commitments (continued)

	2022	2021
	\$	\$
Payable:		
- no later than 1 year	-	-
- between 1 year and 5 years	-	-
	-	-

19 Controlled Entities

	Country of Incorporation	Percentage Owned (%)* 2022	Percentage Owned (%)* 2021
Parent Entity:			
Polymetals Resources Ltd	Australia		
Subsidiaries of Polymetals Resources Ltd:			
Golden Guinea Resources SARL	Guinea, Africa	100	100
Société Oro Tree Guinea Resources SARL	Guinea, Africa	100	100

As set out in note 1(d), whilst Polymetals Resources Ltd is the legal parent company, there was no business combination and as such, Golden Guinea Resources SARL is deemed to be the parent company for the purposes of the consolidated financial report.

20 Contingent Liabilities and Contingent Assets

The Directors are not aware of any contingent liabilities or assets as at the date of these financial statements.

21 Related Party Transactions

(a) Head company

There is no head company applicable to the Group.

(b) Transactions with the parent entity

The Group's main related parties are as follows:

(i) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered KMP.

For details of remuneration disclosures relating to KMP, refer to the remuneration report in the Directors' Report. Other transactions with KMP and their related entities are shown below.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(ii) Director related entities

Refer to note 12 for amounts owing to Directors and their related entities.

Notes to the Financial Statements

21 Related Party Transactions (continued)

(iii) Subsidiaries

Refer to Note 19 for the subsidiaries included in the financial statements.

(iv) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

22 Interests of Key Management Personnel

The totals of remuneration paid to key management personnel of the Company and the Group during the year/period are as follows:

	30 September 2020 to 30 June 2021	
	2022	June 2021
	\$	\$
Short-term employee benefits	233,524	176,839
Share based payments benefits	201,065	-
	434,589	176,839

23 Events after the end of the Reporting Period

Since the end of the reporting period, the following matters have arisen which have significantly affected or could significantly affect the operations of the Group in future financial years:

- (a) the Company announced on 28 July 2022, that Airborne magnetic survey identified ten (10) high-priority geophysical targets at Alahiné Gold Project, in the richly mineralised Siguiri Basin of Guinea.
- (b) on 09 August 2022, Polymetals Resources Ltd welcomed to its Board experienced geologist Mr Alistair Barton as Non-Executive Director. The Company also advised of the retirement of Non-Executive Director Dr Chris Johnston.
- (c) the Company announced on 12 August 2022 that results had been received for the recent Phase 3 RC program at the Alahiné Gold Project in Guinea, with numerous higher grade zones intersected, and a number of broad zones of strong, shallow gold mineralisation.

Key gold intersections include:

AH22RC164	16m @ 3.01 g/t Au from 62m, including: 7m @ 5.78 g/t Au from 71m
AH22RC165:	4m @ 10.62 g/t Au from 8m
AH22RC148:	15m @ 1.33 g/t Au from 7m, including 4m @ 3.77 g/t Au from 14m

- (d) on 17 August 2022, the Company issued 1,126,126 Shares to driller to fund approximately AU\$135,135 of drilling costs. Share issue aligns interests of the driller and the Company, with the possibility of a further increase in capitalisation of drilling costs
- (e) on 25 August 2022, Polymetals Resources Ltd announced that the recently completed 500 line-kilometre airborne magnetic survey has identified eight (8) targets within the Company's wholly owned Mansala Gold Project in Guinea, West Africa.

Notes to the Financial Statements

24 Auditor's Remuneration

Remuneration of the auditor of the parent entity, RSM Australia Partners for:

	2022	30 September 2020 to 30 June 2021
	\$	\$
- auditing or reviewing the financial statements ¹	27,000	48,750
- other services	-	24,500
	<u>27,000</u>	<u>73,250</u>

¹ Auditing services rendered by the auditor during the 30 June 2021 financial year included the audit of the Company's 2018, 2019, 2020 and 2021 financial statements.

25 Parent entity

The following information has been extracted from the books and records of the parent, Polymetals Resources Ltd and has been prepared in accordance with Accounting Standards. The financial information for the parent entity, Polymetals Resources Ltd has been prepared on the same basis as the consolidated financial statements:

Statement of Financial Position

	2022	2021
	\$	\$
Assets		
Current assets	1,547,070	5,110,245
Non-current assets	10,265,577	7,733,935
Total Assets	<u>11,812,646</u>	<u>12,844,180</u>
Liabilities		
Current liabilities	232,182	549,851
Non-current liabilities	-	-
Total Liabilities	<u>232,182</u>	<u>549,851</u>
Net Assets	11,580,464	12,294,329
Equity		
Issued capital	12,603,564	12,611,586
Reserve	451,145	-
Accumulated losses	(1,474,245)	(317,257)
Total Equity	<u>11,580,464</u>	<u>12,294,329</u>

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Total loss for the year/period	(1,156,988)	(317,257)
Other comprehensive income	-	-
Total comprehensive loss	<u>(1,156,988)</u>	<u>(317,257)</u>

Notes to the Financial Statements

25 Parent entity (continued)

Contingent liabilities

Apart from the minimum expenditure requirements, as set out in Note 18 and the contingent liability set out in note 20 there are no other contingent liabilities.

Contractual commitments

During the 2022 financial year, the Company sought to maximise the favourable movement in the Australian dollar by entering into a Forward Exchange Contracts (FEC) for its USD denominated costs.

Amounts recognised in other comprehensive income and accumulated in equity are reclassified to the profit or loss in the period where the hedged item affects the profit or loss.

Details of the FEC are as follows:

Value of contract	\$USD 100,000
Contract exchange rate	\$USD 0.741: \$1 AUD
Value of contract (AUD)	\$AUD 134,952
Foreign currency rate at 30 June 2022	\$USD 0.691: \$1 AUD
Fair value of FEC	\$AUD 144,717
Financial benefit of FEC	\$AUD 9,765

With the exception of the above, the parent entity did not have any commitments as at 30 June 2022 (2021: nil).

Share based payments

A share option plan has been established by the Company and approved by shareholders at the Company's general meeting held on 29 November 2021, whereby the Company may at the discretion of its Nomination and Remuneration Committee, grant options over ordinary shares in the Company to key management personnel. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Company.

Set out below are summaries of the options granted under the plan:

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited	Balance at the end of the year
29/11/2021	29/11/2024	\$0.25	-	3,100,000	-	(800,000)	2,300,000

2021

No information available as the Plan was established during the 2022 financial year.

Notes to the Financial Statements

For the options granted during the 2022 financial year, the valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk free interest rate	Fair value at grant date
29/11/2021	29/11/2024	\$0.15	\$0.25	100%	Nil	0.92%	\$0.07

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following: Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

26 Company Details

The registered office of and principal place of business of the company is:

Suite 6, Level 5, 189 Kent Street
SYDNEY NSW 2000

Directors' Declaration

Directors' Declaration

The directors of the Group declare that:

1. the financial statements and notes, as set out on pages 33 to 62 are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the period ended on that date of the Company and consolidated group;
2. the Company Secretary has declared that:
 - a. the financial records of the Group for the reporting period have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the reporting period comply with the Accounting Standards; and
 - c. the financial statements and notes for the reporting period give a true and fair view.
3. based on the comments outlined in Note 1(b) 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.



David Sproule
Non-Executive Chairman

Dated 30th September 2022

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT

To the Members of Polymetals Resources Ltd and
its controlled subsidiaries

Opinion

We have audited the financial report of Polymetals Resources Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other 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 2022 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 Group 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the company incurred a loss of \$1,156,988 for the year ended 30 June 2022. Further, the Group is in the process of finalising capital raises. The capital raised will fund the continuing exploration operations of the Group. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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THE POWER OF BEING UNDERSTOOD
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Key Audit Matters

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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
<p><i>Carrying value of capitalised exploration, evaluation and development assets</i> Refer to Note 10 in the financial statements</p>	
<p>As disclosed in note 10, the Group held capitalised exploration, evaluation and development assets of \$4,149,316 as at 30 June 2022 which represents a significant asset of the Group.</p> <p>The carrying value of exploration, evaluation and development assets is subjective based on Group's ability, and intention, to continue to explore the asset. The carrying value may also be impacted by the mineral reserves and resources may not be commercially viable for extraction. This creates a risk that the amounts stated in the financial statements may not be recoverable.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Considering the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as obtaining independent searches of the company's tenement holdings; • Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area which included an assessment of the Group's future cash flow forecasts and enquired of management and the Board of Directors as to the intentions and strategy of the Group; • Assessing recent exploration activity in a given exploration license area to determine if there are any negative indicators that would suggest a potential impairment of the capitalised exploration and evaluation expenditure; • Assessing the commercial viability of results relating to exploration and evaluation activities carried out in the relevant license area; and • Assessing the ability to finance any planned future exploration and evaluation activity.

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 2022, but does not include the financial report and the 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 conclusion 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 have 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 26 to 31 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Polymetals Resources Ltd, for the year ended 30 June 2022, 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.

**RSM AUSTRALIA PARTNERS****C J HUME**

Partner

Sydney, NSW
30 September 2022

Tenement Schedule

Lease	Lease Status	Project	Holders
EL22123	Granted	Alahiné	Golden Guinea Resources SARL ¹
EL22694	Granted	Mansala	Golden Guinea Resources SARL ²

¹ The Company, through its wholly owned subsidiary (Golden Guinea Resources SARL), has submitted a renewal application for EL22123 with the Centre of Production and Development (CPD) in Guinea. The CPD has provided confirmation that the renewal is in process.

² The Company, through its wholly owned subsidiary (Golden Guinea Resources SARL), is in the process of submitting a renewal application for EL22694 with the CPD, which is due for renewal in October 2022.

ASX Additional Information

As at 23 September 2022 the following information applied:

1 Substantial Shareholders

Substantial shareholders disclosed in substantial shareholder notices to the Company:

	No. of Shares Held	% Held
DEERING NOMINEES PTY LTD	21,499,848	26.69%
MEADOWHEAD INVESTMENTS PTY LTD	20,197,431	24.82%

2 Securities

(a) Fully paid ordinary shares

The number of holders of fully paid shares in the Company is 80,566,126. On a show of hands every holder of fully paid ordinary shares present or by proxy, shall have one vote. Upon a poll, each fully paid ordinary share shall have one vote. The distribution of holders of fully paid ordinary shares is as follows:

	No. of Shares Held	% Held
1 – 1,000	1,240	-
1,001 – 5,000	57,908	0.07
5,001 – 10,000	1,447,125	1.80
10,001 – 100,000	6,892,853	8.56
100,001 and over	72,167,000	89.57
	80,566,126	100.00
Number holder less than a marketable parcel	-	-

The Company's fully paid ordinary shares are quoted on the Australian Securities Exchange using the code POL.

Top 20 Shareholders

	No. of Shares Held	% Held
DEERING NOMINEES PTY LTD	21,499,848	26.69
MEADOWHEAD INVESTMENTS PTY LTD	19,997,431	24.82
AGUIBOU BAH	3,781,358	4.69
NABLA GLOBAL LIMITED	2,354,908	2.92
TOMANOVIC MULTIOWN PTY LTD	2,000,000	2.48
KWAN PEK LOY	1,708,140	2.12
SHARON LIM	1,512,641	1.88
DAVID WONG FUT JOON	1,313,150	1.63
BRUCE STAINFORTH	1,224,553	1.52
KUAN PEK WOON	1,198,203	1.49
YONG POH WAI	1,178,286	1.46
POWERXPLORE LIMITED	1,126,126	1.40
P & J BUTTIGIEG NOMINEES PTY LTD	1,000,000	1.24
KHE SANH PTY LTD	700,000	0.87
FGI HOLDINGS PTY LTD	666,667	0.83
CHONG MEE FAH	650,154	0.81
PAYZONE PTY LTD	625,000	0.78
MR DAVID ARITI	622,379	0.77
LANDTECK PTY LTD	550,000	0.68
MR IAN MICHAEL PATERSON PARKER & MRS CATRIONA SYLVIA PARKER	528,004	0.66
	64,236,848	79.73

(b) Escrow

Upon being admitted to the Official List upon completion of the Initial Public Offering (**IPO**), ordinary shares were classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The ASX has confirmed the following securities will be subject to escrow:

- a. 39,383,434 Shares for up to 24 months from the date of quotation, which are the original 100 Shares issued in the Company, Christopher Johnston's Shares to be escrowed after the application of the cash formula under the ASX Listing Rules and the Craton Consideration Shares held by the shareholders of Craton which were distributed to them by Craton following the sale of Golden Guinea to Polymetals Resources Ltd; and
- b. 1,233,309 Shares for up to 12 months from the date of issue of these shares to the Pre-IPO investors in Polymetals Resources Ltd.

As at 23 September 2022, 39,383,434 shares from the IPO remained subject to escrow.

(c) Unquoted equity securities

Unquoted Equity Security Holders with greater than 20% of an individual class:

(i) Unlisted options

Unlisted options exercisable at \$0.25 on or before 30/11/2024 (POLAN)	Number held	Options over ordinary shares (% of total options issued)
ZENIX NOMINEES PTY LTD	3,500,000	100%

(ii) Unlisted performance shares

There are 2.3 million unlisted preference shares held by directors and key management personnel of Polymetals Resources Ltd. Further information concerning the terms of the performance shares can be found within the 'Directors Report' section of these financial statements.