



**Polymetals**

# **Acquisition and Advancement of the Endeavor Silver - Zinc - Lead Mine**

**Investor Presentation - April 2023**

**ASX: POL**

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## Limitation on Information in Relation to the Endeavor Operations

All information in this presentation relating to the Endeavor Operations, including in relation to historical production, mineral resources and ore reserve estimates, historical exploration results, historical costs, life of mine plans and other historic financial information, has been sourced from the previous mine owner records and reports, public records and consultants. Polymetals has conducted due diligence in relation to the Transaction, but has not independently verified all such information and, to the maximum extent permitted by law, makes no representation or warranty, expressed or implied, as to the fairness, accuracy, correctness, completeness or adequacy of any information relating the Endeavor Operations. Nothing in this presentation can be relied on as implying that there has been no change to any information relating to the Endeavor Operations since the date of this presentation, or as a representation as to future matters in relation to the Endeavor Operations.

## Competent Person Statement

The Endeavor Mine Mineral Resource information was prepared and disclosed under the JORC Code (2012) as per the ASX Announcement “Endeavor Mine Acquisition Final” by Polymetals Resources Ltd on 28th March 2023. This presentation contains references to exploration results and Mineral Resource estimates, all of which have been cross-referenced to previous market announcements where possible. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The information supplied in this presentation is based on information compiled by a team led by Mr Alistair Barton, a Competent Person who is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Barton is a Director 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 Barton consents to the inclusion of the matters based on information in the form and context in which it appears.

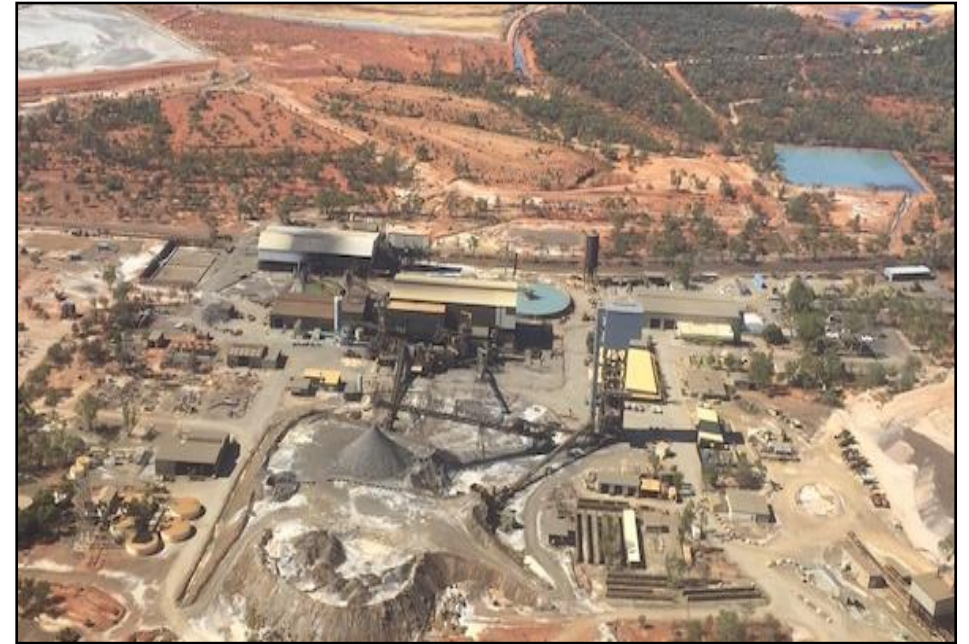
## Historic Exploration Information

The exploration results and prospects identified on the tenements includes historical pre-1989 exploration results. The exploration activity was undertaken by a number of companies and POL notes that the pre-1989 results are not reported in accordance with the JORC Code, 2012. A Competent Person has not done sufficient work to disclose the exploration results in accordance with the JORC Code 2012 and it is possible that following further evaluation and/or exploration work, that the confidence in the prior reported exploration results may be reduced when reported under the JORC Code, 2012. Nothing has come to the attention of POL that questions the accuracy or reliability of all the historical exploration results.



# Summary

- The Endeavor Mine is operationally ready and provides excellent potential to re-establish long-term production of silver – zinc – lead as well as gold.
- Significant asset portfolio independently valued +\$150 million<sup>1</sup> including; underground mine, processing facility infrastructure and Cobar real estate.
- JORC (2012) Compliant Resources of 16.3Mt at 8.0% Zn, 4.6% Pb and 79 g/t Ag.<sup>2</sup>
- Strategic regional position – 41km<sup>2</sup> Mining Leases + 1,100km<sup>2</sup> Exploration Licences;<sup>3</sup>
  - Existing in-mine, near-mine and regional exploration targets.
- Management team have long-term knowledge and experience of the asset and the Cobar region.
- All operational approvals in place.

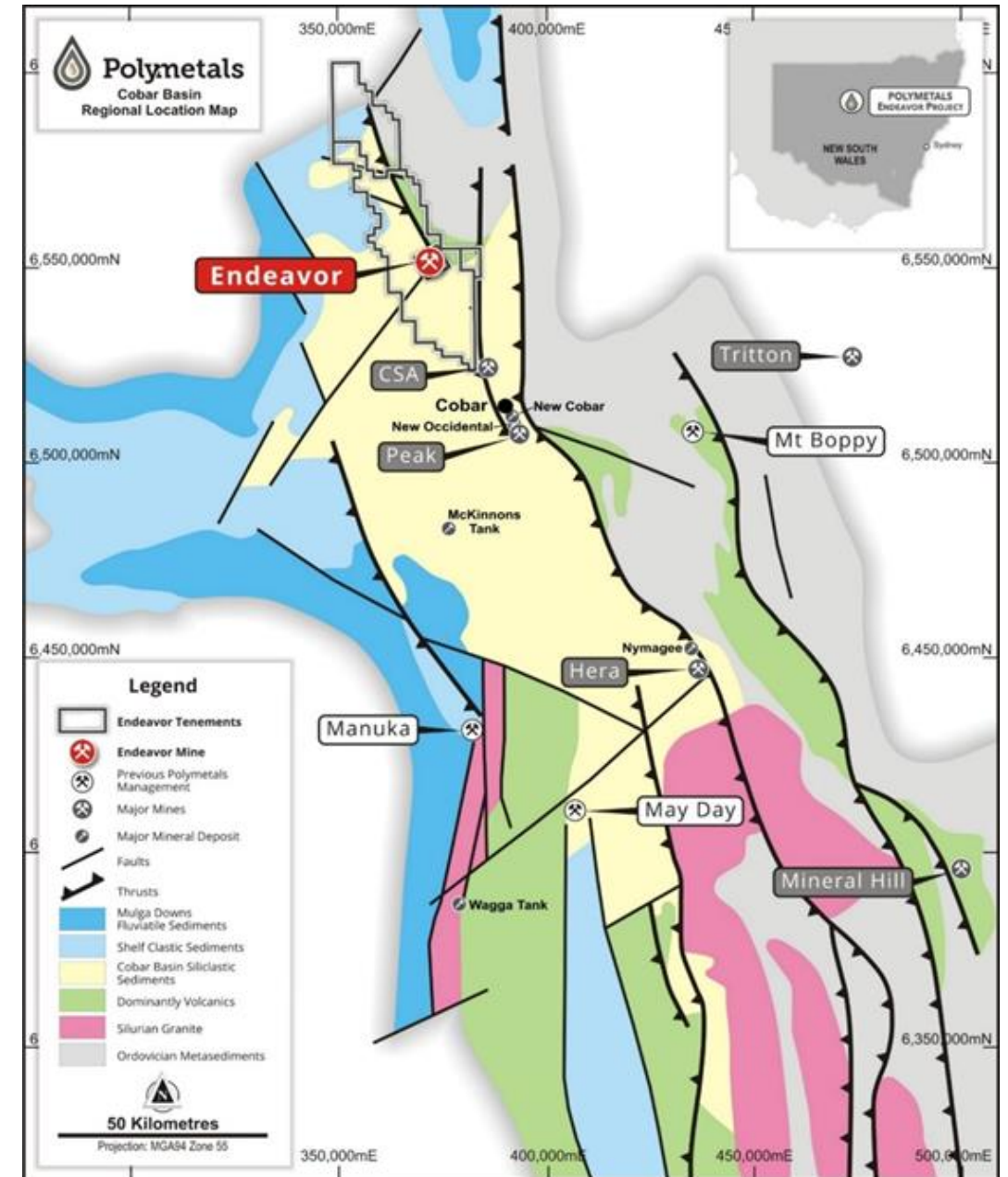


Endeavor Mine Site (March 2023)



# The Opportunity

1. Acquisition of a significant mining asset portfolio for 7% of its \$150M independent valuation<sup>1</sup>
2. Renegotiation of the existing 100% silver streaming royalty to a 4% Ag-Zn-Pb NSR facilitated negotiations for mine acquisition.
3. Significant remaining Measured and Indicated Resources provide immediate ability to remodel Resources and generate Ore Reserves.<sup>2</sup>
4. Potential for near term substantial cash generation by extracting shallow high grade North Lode silver, zinc, lead and gold mineralisation (open-cut or underground mining).
5. Expansion of recently discovered Deep Zinc Lodes (2.69Mt @ 7.7% Zn open along strike and at depth).
6. Potential for delineation of in-mine gold resources.
7. Testing of known near-mine DHEM conductors.
8. Leaching to recover further silver and gold following lead-zinc flotation.
9. Funding assistance via NSW Government Critical Metals Grant Scheme (\$500k approved, with up to \$10M June 2023 applications)<sup>3</sup>





# The Asset

Endeavor Mine 38-year operational history in one of Australia's most prolific polymetallic regions, Cobar, NSW

<b>Location</b>	<ul style="list-style-type: none"> <li>Cobar Basin, 40km north of Cobar NSW Australia</li> </ul>
<b>History</b>	<ul style="list-style-type: none"> <li>Discovered in 1974, production commenced in 1982 and placed on Care and Maintenance 2019</li> <li>Mined &amp; Processed 32Mt @ 8.01% Zinc, 5.04% Lead and 89.2g/t Silver</li> <li>Output of metal in concentrates: 2.0Mt Zinc, 1.2Mt Lead &amp; 41.6Moz Silver</li> </ul>
<b>Deposit &amp; mineralisation</b>	<ul style="list-style-type: none"> <li>Cobar Style polymetallic deposit (Ag, Zn &amp; Pb dominant with minor Au &amp; Cu)</li> <li>2<sup>nd</sup> largest mine in the Cobar region, 30km north of CSA Copper mine</li> </ul>
<b>Mining</b>	<ul style="list-style-type: none"> <li>Life of Mine average mining rate of 875Ktpa</li> <li>Open stope mining method with later paste fill</li> </ul>
<b>Processing</b>	<ul style="list-style-type: none"> <li>Capacity 1.2Mt per annum Pb/Ag &amp; Zn flotation</li> </ul>
<b>Workforce</b>	<ul style="list-style-type: none"> <li>Local Cobar drive-in / drive-out workforce</li> <li>Accommodation in Cobar - ownership of 42 houses, 4 blocks of units</li> </ul>
<b>Access</b>	<ul style="list-style-type: none"> <li>40km sealed road north of Cobar and concentrate freight rail line</li> </ul>
<b>Water / Power</b>	<ul style="list-style-type: none"> <li>Cobar Water Supply 1,280ML / 15MW grid supply at 132kV with diesel back-up</li> </ul>
<b>Approvals</b>	<ul style="list-style-type: none"> <li>All operational approvals including expansion of tailings storage facility</li> </ul>
<b>JORC (2012) Resources</b>	<ul style="list-style-type: none"> <li>16.3Mt @ 8.0% Zn, 4.6% Pb &amp; 79 g/t Ag (Contained Metal: 1.3Mt Zn, 0.75Mt Pb &amp; 41.4Moz Ag)</li> </ul>



Endeavor Mine Headframe (March 2023)

A S X : P O L

# The Deal

## Terms

- Acquisition of Cobar Metals via 100% purchase of Orana Minerals<sup>1</sup>.
- Issue of 52 million POL shares to Orana Minerals Shareholders. (A\$9.36M @ \$0.18/share)
- Cobar Metals and CBH Resources are parties to a binding Share Purchase Agreement for Cobar Metals to acquire 100% of the Endeavor project.
- Environmental Rehabilitation Bonds<sup>2</sup> of \$27.96M to be replaced by April 2024.

## Asset Portfolio

### Fully equipped Mine, Process Plant, Infrastructure and Housing

- Tenements: 5 Mining Leases (41km<sup>2</sup>), 3 Exploration Licences (1,100km<sup>2</sup>) + Western Lands Pastoral Lease (2,500ha).
- Independent JORC (2012) Compliant Resources - 16.3Mt @ 8.0% Zn, 4.6% Pb & 79g/t Ag within the Mining Leases (Recoverable silver equivalent: 193Moz).
- Mine and infrastructure assets independently valued at +\$150M<sup>3</sup>.
  - Fully equipped and operationally ready underground mine: 1.2Mtpa mineral processing plant.
  - Sealed access road, freight rail line, grid and back-up power and secure water supply.
  - Offices, workshops, laboratory, inventory of stores, critical parts, and spares. Light vehicles, heavy machinery, and mobile equipment.
  - 42 houses, 4 blocks of units and 6 vacant allotments in Cobar.
  - Statutory operational approvals, including increased tailings storage.

## Value Creation

- Reset of project economics through silver royalty restructure.
- Resource / Reserve increase via mine optimisation.
- Addition of hydrometallurgical recovery of Ag & Au.
- Fully define in-mine gold resources
- Expand Deep Zinc Lodes (DZL)
- Drilling of known near-mine targets.
- Regional exploration of priority Cu and Au targets.

# The Royalty Restructure: *Pre-requisite to Mine Acquisition*

An immediate unlocking of +25% in project economics

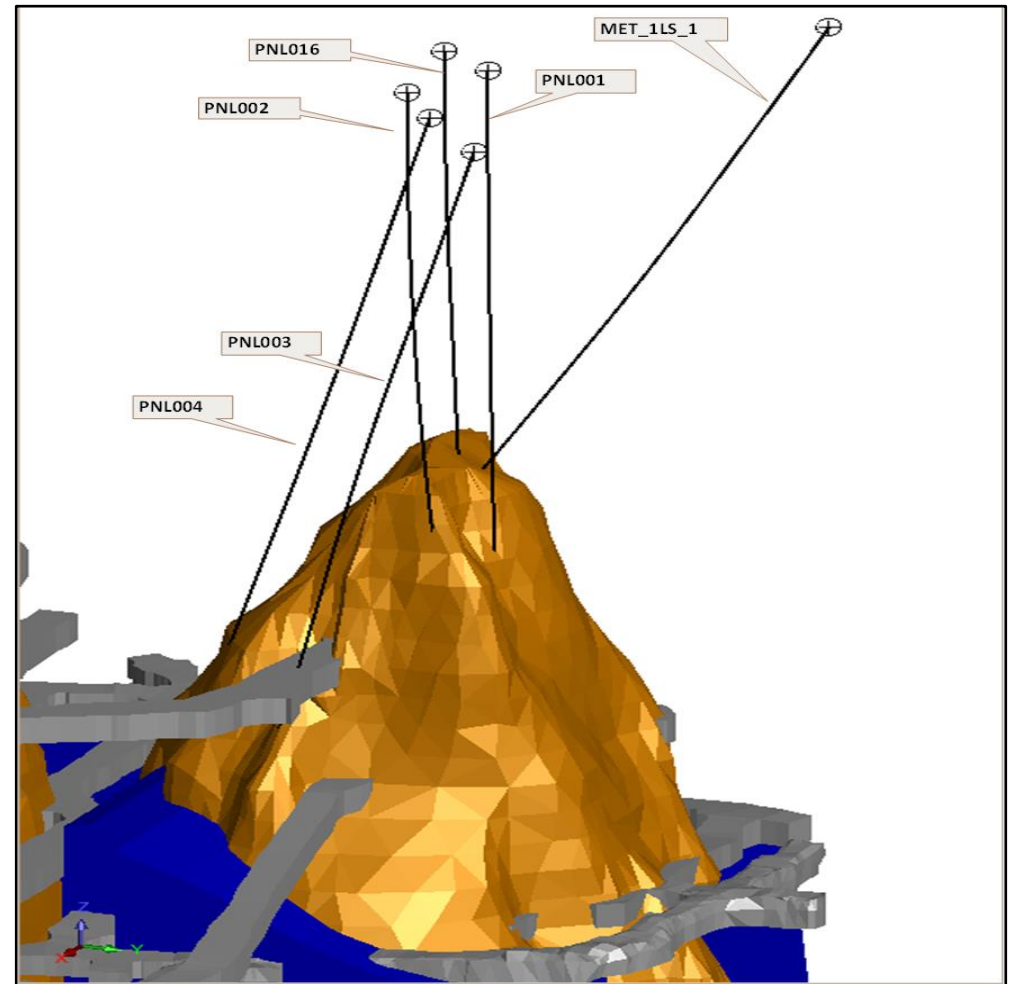
- Mine acquisition negotiations with CBH commenced following agreement with royalty owner, Metalla Royalty and Streaming Ltd (Metalla), to replace its 100% silver streaming royalty over the Endeavor Mine with a 4% Zn-Pb-Ag Net Smelter Royalty (NSR) over the Mining Leases only and excluding Au and Cu.
- The impact of the renegotiated royalty compared to historic financials demonstrates the potential for improved economics +25%.
- This highlights an example of Polymetals business solutions approach to unlock value.

History	In May 2005, Coeur d'Alene paid CBH A\$50M in exchange for 100% silver production up to 20Moz. The royalty was subsequently purchased by Metalla in 2017 when the company acquired a portfolio of Coeur Mining royalties. At closure (December 2019) a total of 7.4Moz had been delivered with an outstanding balance of 12.6Moz.
Previous Agreement	100% Silver production up to 20Moz
Revised Terms	4% Net Smelter Royalty on Zn, Pb & Ag recovered from the existing mining leases
Owner	Metalla Royalty and Streaming Ltd. (TSX: MTA) (NYSE: MTA)
Key Benefit	<b>Significant financial constraint removed allowing focus on silver production &amp; recovery options</b>

# Phase 1 Drilling – completed March 2023

21 RC Drill holes (assays for 15 holes awaited as at 16/04/2023)

Hole ID	Intercept (m)	Au g/t	Ag g/t	Zn%	Pb%	Cu%	ZnEq (%)
<b>MET_1LS_1</b>	<b>81</b>	<b>1.15</b>	<b>473</b>	<b>7.4</b>	<b>5.5</b>	<b>0.11</b>	<b>19.5%</b>
<i>including</i>	8	2.21	931	6.2	12.2	0.18	32.6%
<b>PNL001</b>	<b>52</b>	<b>0.65</b>	<b>343</b>	<b>5.7</b>	<b>4.6</b>	<b>0.12</b>	<b>14.6%</b>
<i>including</i>	2	0.64	2020	1.1	6.3	0.13	47.2%
<b>PNL002</b>	<b>40</b>	<b>0.88</b>	<b>226</b>	<b>5.1</b>	<b>2.9</b>	<b>0.10</b>	<b>11.1%</b>
<b>PNL003</b>	<b>22</b>	<b>0.49</b>	<b>228</b>	<b>6.3</b>	<b>3.1</b>	<b>0.10</b>	<b>11.7%</b>
<i>and</i>	3	0.51	576	5.4	2.8	0.08	17.9%
<i>and</i>	9	0.82	757	7.6	3.1	0.07	23.7%
<b>PNL004</b>	<b>36</b>	<b>0.43</b>	<b>341</b>	<b>7.3</b>	<b>4.6</b>	<b>0.18</b>	<b>15.5%</b>
<b>PNL016</b>	<b>34</b>	<b>2.87</b>	<b>131</b>	<b>3.2</b>	<b>4.3</b>	<b>0.07</b>	<b>10.7%</b>
<i>including</i>	4	13.92	62	0.5	1.8	0.02	18.3%



Oblique view of unmined Upper North Lode, existing mine development and drill hole traces.

Refer ASX announcement 17 April 2023 "Polymetals intercepts 81 m at 19.5% zinc equivalent". **Zinc Equivalent (ZnEq %)**: Zinc is deemed to be the appropriate metal for equivalent calculations as Zinc is the dominant metal within the Endeavor deposit. Zinc equivalent calculations are based on assumed metal prices taken at spot value on 16/04/2023 (below), 38-years of average process recoveries for lead, zinc and silver and hydrometallurgical precious metal recovery testwork. Inputs for the ZnEq% calculation are as follows; metallurgical recoveries of 50.00% gold, 70.05% silver, 78.58% zinc, 70.97% lead and 0.00% copper. Spot metal prices of US\$2004.40/oz gold, US\$25.40/oz silver, US\$2856.50/t zinc and US\$2170.00/t lead.  $ZnEq\% = \frac{[Au\ g/t \times (2,004.40/31.1035) \times 0.50] + [Ag\ g/t \times (25.40/31.1035) \times 0.7005] + [Zn\ \% \times 2,856.50 \times 0.7858] + [Pb\ \% \times 2,170 \times 0.7097]}{(2,856.50)}$ . Polymetals Resources is of the opinion that all elements included in the metal equivalent calculation have reasonable potential to be recovered and sold.



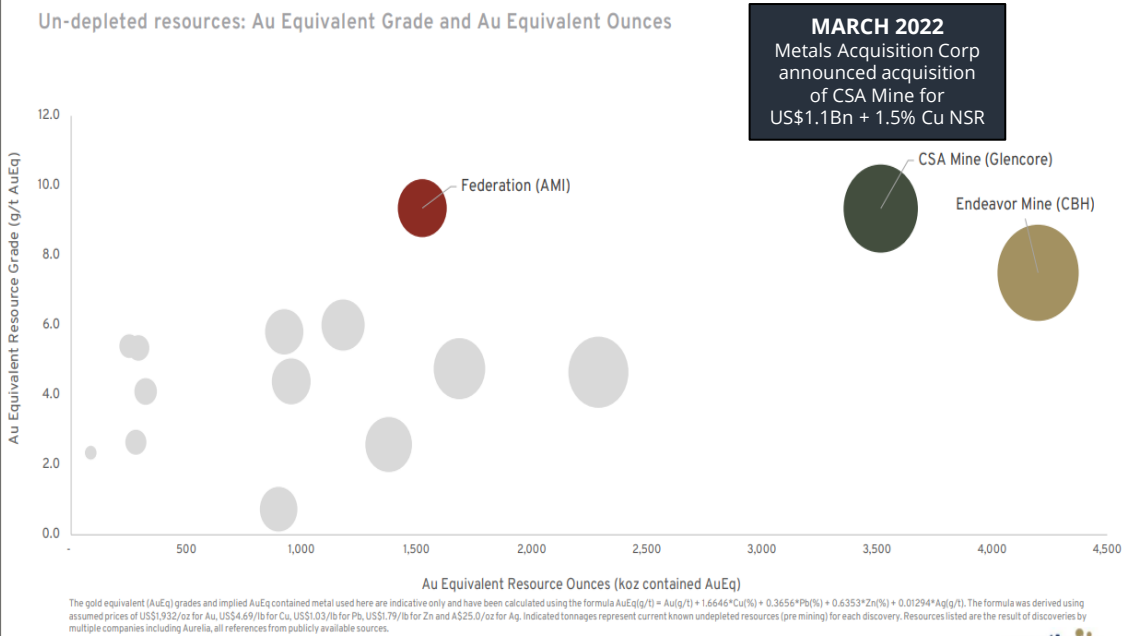


# Project Peer Comparison

## Australian Base Metal Mining Projects

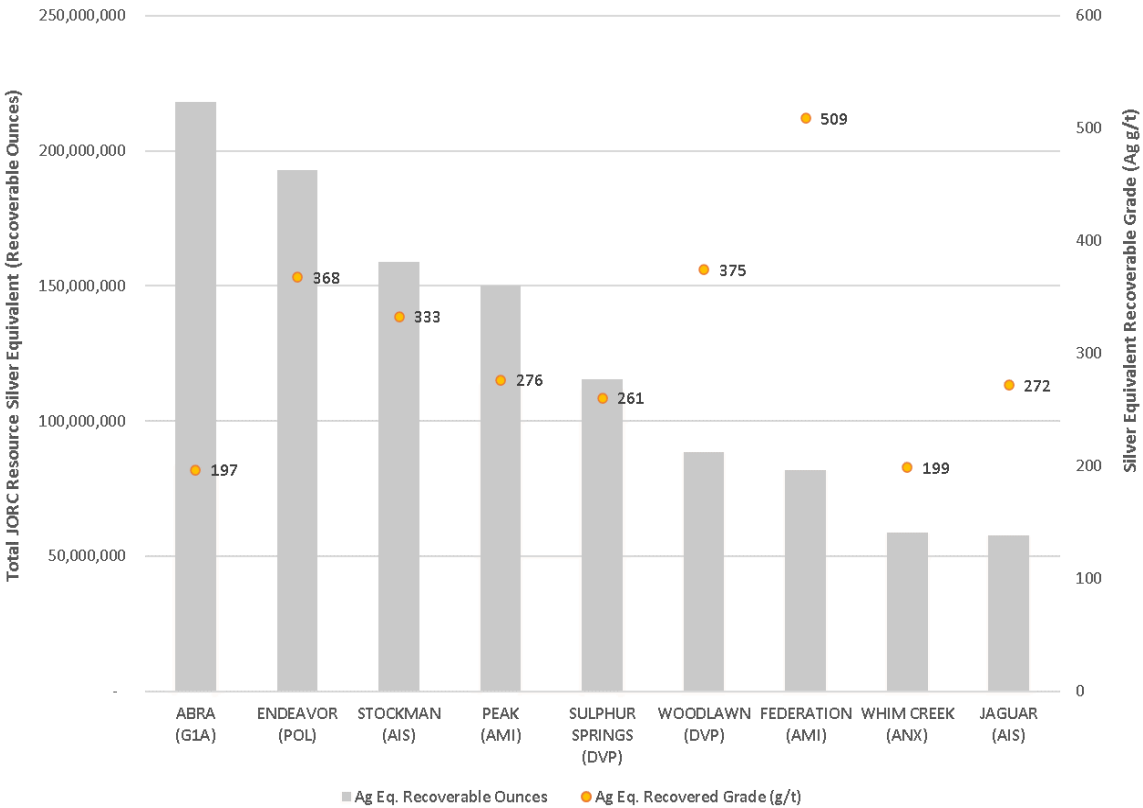
### COBAR REGION MINES AND PROJECTS

Un-depleted resources: Au Equivalent Grade and Au Equivalent Ounces



Comparison of un-depleted JORC resources expressed as gold equivalent  
(Source: Aurelia Metals (ASX: AMI) presentation – 30 March 2022)

### Silver Equivalent JORC Resources of Peer Projects (Recoverable Ounces & Grade)



# The Regional Opportunity

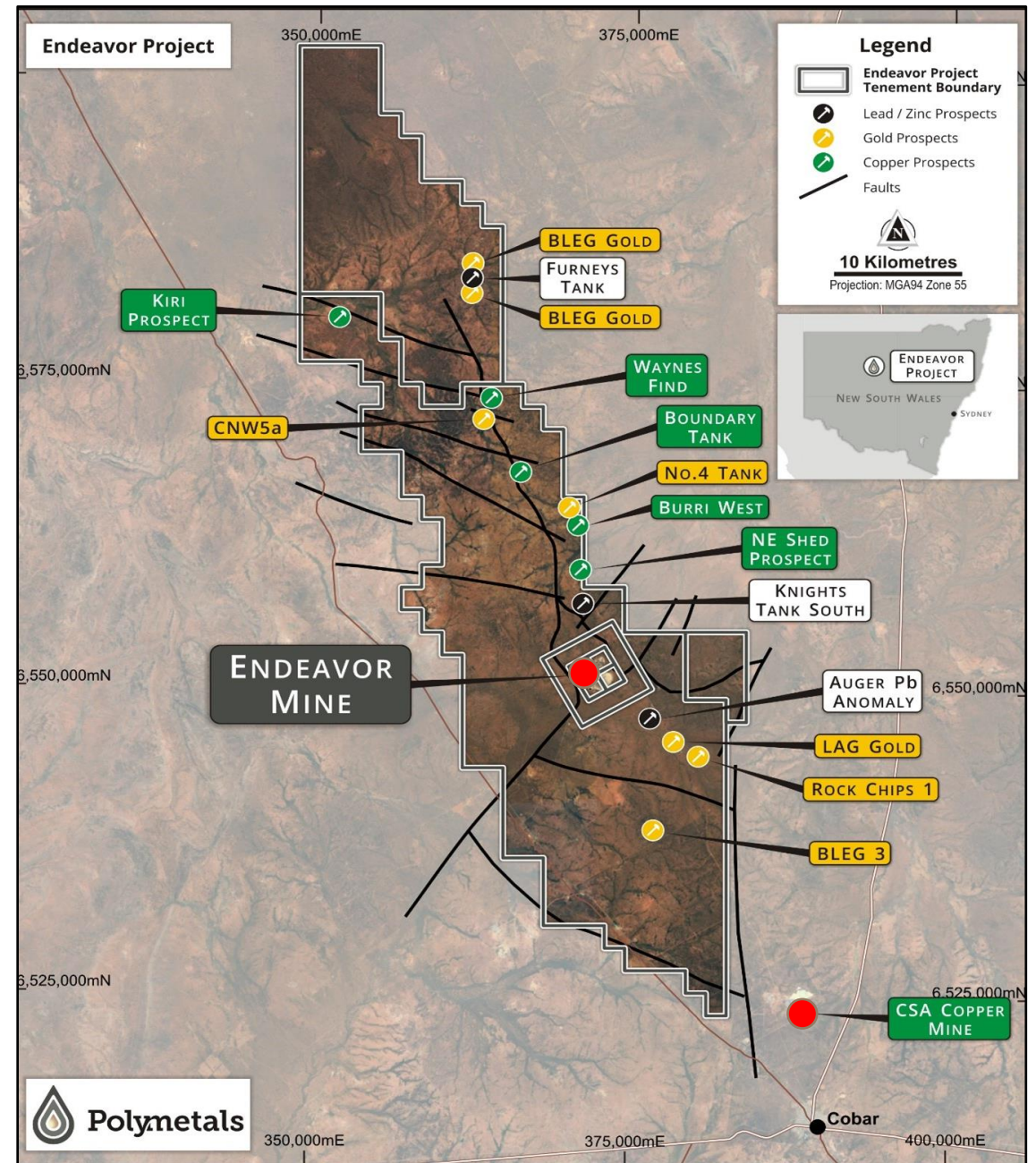
## *Walk-up: Sparsely or Untested targets*

Numerous regional historic Pb, Zn, Cu, Ag and Au anomalies to be validated by low-cost exploration<sup>1</sup>.

Many prospects have not been followed-up with modern exploration.

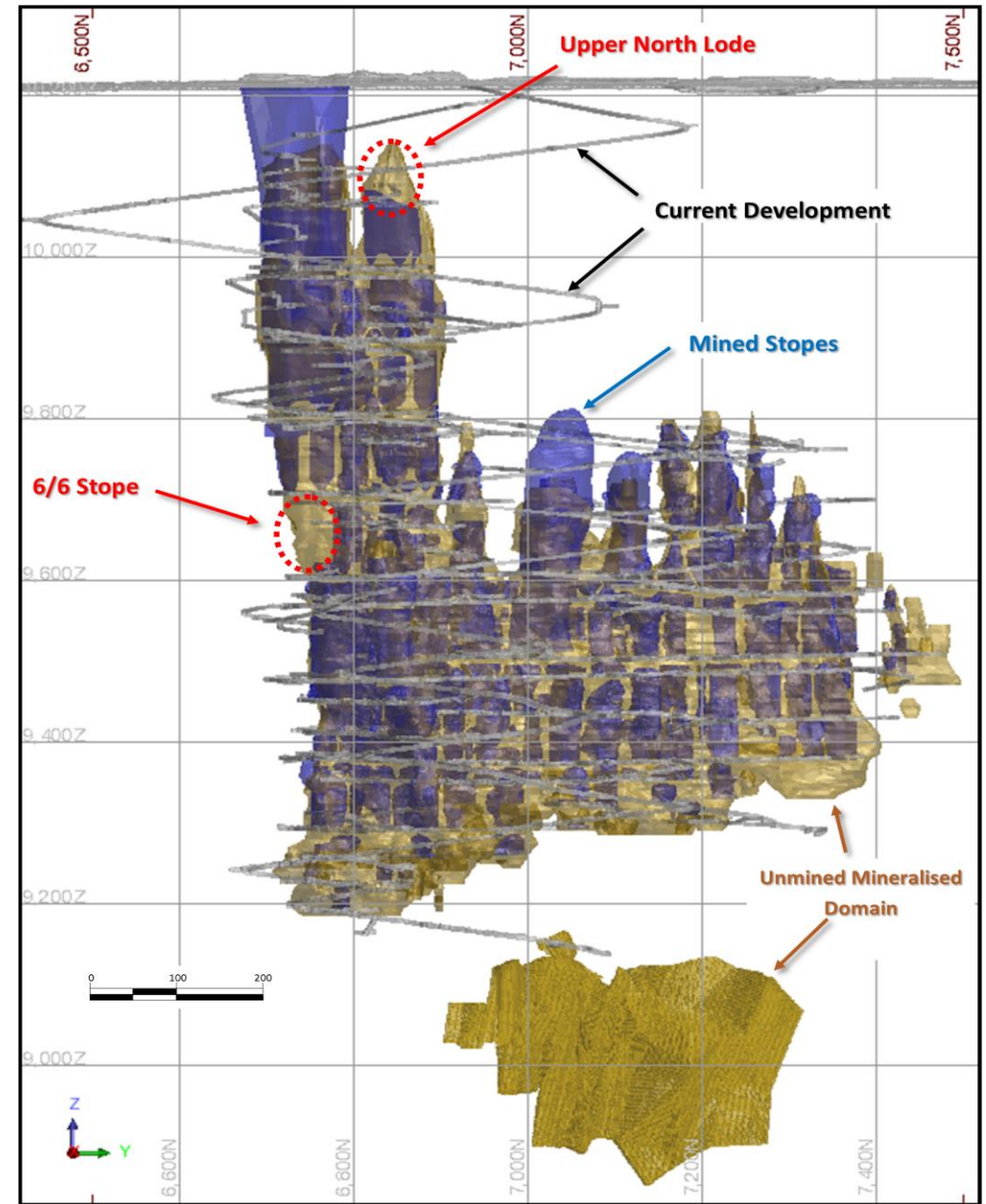
### *Priority Prospects:*

- 1. Kiri: Cu-Zn** - discovered 1983 (geochemical soil anomaly)
- 2. Furney's Tank: Pb-Zn-Au** - discovered 1987 (geochemical anomaly and drill intercepts)
- 3. Boundary Tank: Cu/Au** - discovered 1997 (geochemical soil anomaly with supporting Au in rock chips)
- 4. Wayne's Find: Cu/Au** - discovered 1992 (geochemical soil anomaly and gossanous Au / Cu in rock chips)



# The Future

- Establish sufficient Ore Reserves to support recommencement of operations;
  - Assumed lead time 18-24 months targeting initial 5-year mine life.
- Initial development focus on North Lode, 6-6 Stope and Deep Zinc Lodes.
- Addition of leach circuit to existing processing plant to recover further silver and gold.
- Extending Deep Zinc Lode resources (open along strike and at depth).
- Delineating in-mine gold rich zones on the margin of high grade Pb/Zn mineralisation (eg: NP0565: 30m @ 3.58g/t Au incl. 3.2m @ 18.2g/t Au at end of assayed interval)<sup>1</sup>.
- Testing of known near-mine and regional exploration targets (regional exploration JV contemplated).
- Zinc and precious metals recovery from stored tailings.



Endeavor Mine Long Section – known but unmined mineralisation





# JORC (2012) Compliant - Endeavor Mineral Resources

Endeavor Mine JORC Mineral Resource Estimate – ‘Groundworks Plus 2023 Independent Endeavor Mine Resource Report’<sup>1</sup>

## 2023 Endeavor Mine JORC Resources

(NSR cut-off values of \$190/t for mineralisation above 10,080mRL, and \$150/t for mineralisation below 10,080mRL)

Category	Mt	NSR (\$/t)	Zn%	Pb%	Ag g/t	Zn kt	Pb kt	Ag Moz
Measured	4.2	302	8.4	5.2	77	353	218	10.4
Indicated	8.9	279	8.0	4.6	80	712	409	22.9
Inferred	3.1	251	7.7	3.7	78	239	115	7.7
<b>Total</b>	<b>16.3 Mt</b>	<b>\$279/t</b>	<b>8.0%</b>	<b>4.6%</b>	<b>79 g/t</b>	<b>1,304 kt</b>	<b>743 kt</b>	<b>41.1 Moz</b>



## Acquisition of the Endeavor Silver – Zinc - Lead Mine

Transformational Opportunity with Long-Term Growth  
from Ownership of Operationally ready Silver-Zinc-Lead  
Mine within the Cobar Basin, Australia

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