

ASX Announcement

ASX: POL



21 July 2023

Market Announcements Platform  
ASX Limited

### AMENDED QUARTERLY REPORT

Polymetals Resources Limited (ASX-POL) attaches an Amended Quarterly Activities and Cash Flow Report for the June 2023 quarter. The Report has been amended to include additional information required under Item 7 of the Quarterly Cash Flow Report.

The contents and release of this notice have been authorised by the Company Secretary.

Yours sincerely

A handwritten signature in black ink, appearing to read "J. Haley", enclosed within a dotted rectangular border.

John Haley

Company Secretary

# AMENDED JUNE 2023 QUARTERLY ACTIVITIES & CASHFLOW REPORT

*Polymetals progresses the Endeavor Mine Restart Study*

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## HIGHLIGHTS

- Significant progress has been made in preparing for a decision to restart operations at the Endeavor Silver-Zinc-Lead Mine in Cobar NSW, underpinned by a Mine Restart Study (MRS) scheduled for release during the December quarter 2023.
- Entered a Binding Agreement for a US\$10 million unsecured concentrate pre-payment finance facility and \$500,000 Equity Investment with Global Base & Precious metal trading firm Ocean Partners UK.
- Completed an equity placement raising \$3,751,650 @ \$0.31 per share, which was cornerstoned by Sparta AG and supported by new investment funds & sophisticated investors.
- All assay results were received from the Upper Main Lode (UML) 21-hole RC Drilling program highlighting exceptional zones of high-grade Silver-Gold-Zinc-Lead mineralisation.
- Upper Main Lodes JORC Code compliant Mineral Resource Estimate completed by independent consultants resulting in an increase in contained silver grade of 31% adding 2.9 million ounces to the estimate.
- Highly experienced management & technical team appointed to drive the Mine Restart Study and recommencement of operations at the Endeavor Project.
- Financing discussions for Mine Restart & Environmental Rehabilitation Bond replacement well advanced.
- A Final Investment Decision expected during the December quarter 2023, with targeted commencement of operations by mid-2024.
- Overwhelming shareholder support to acquire the Endeavor Mine via an Extraordinary General Meeting held on 12 May 2023.

Polymetals Resources Ltd (ASX: **POL**) ("**Polymetals**" or the "**Company**") is pleased to provide its June 2023 Quarterly Report which provides detail on progress and outcomes which the company has achieved during the quarter as it maintains focus on operational recommencement of its Endeavor Mine.

**Polymetals Resources Executive Chairman, Dave Sproule said,**

*"The June quarter has been an exceptionally busy time for the Company as it beds down resourcing with personnel and capital to support the path to production at Endeavor.*

*We have assembled a capable team of practical mining professionals and external consultants who are now fully engaged with all aspects of the Endeavor Mine Restart Study (MRS).*

*The recent support received for the Company's second placement to new investors is a strong endorsement of the Endeavor Project and team and confidence in Polymetals' ability to execute on the plan to restart mining at Endeavor.*

*We welcome our new shareholders and look forward to delivering a positive Mine Restart Study, building significant value for the Company and generating positive outcomes for the Cobar Region."*

### **COMMENCEMENT OF MINE RESTART STUDY (MRS)**

Polymetals' detailed due diligence, reset of the Endeavor Mine Silver Streaming Royalty, drilling of the Upper Main Lodes (UML) and its internal scoping study provided a compelling business case for the Company to acquire the Endeavor zinc-silver-lead Mine with the aim of re-establishing operations (refer ASX announcement dated 28th March 2023).

In progressing this aim, a Mine Restart Study (MRS) was formally commenced in early June 2023, which takes full advantage of the extensive existing infrastructure, the internal and external studies generated by the previous mine owner and operator CBH Resources, as well as actual historical capital and operating costs. Existing mine and processing modelling is being reviewed and adjusted for the latest consensus metal prices, inflation, and labour conditions now prevalent across all industry. Various metallurgical test work has commenced on UML mineralisation at ALS Laboratories (Burnie, Tasmania) and North Australia Laboratories (Pine Creek, NT). Whole of mine, Ore Reserve estimation has also commenced and is being completed by independent consultants, Ground Control Engineering (GCE).

Aside from the Main Ore Body of the Endeavor Mine, the MRS extends to further known mineralised areas as shown by (Figure 1).

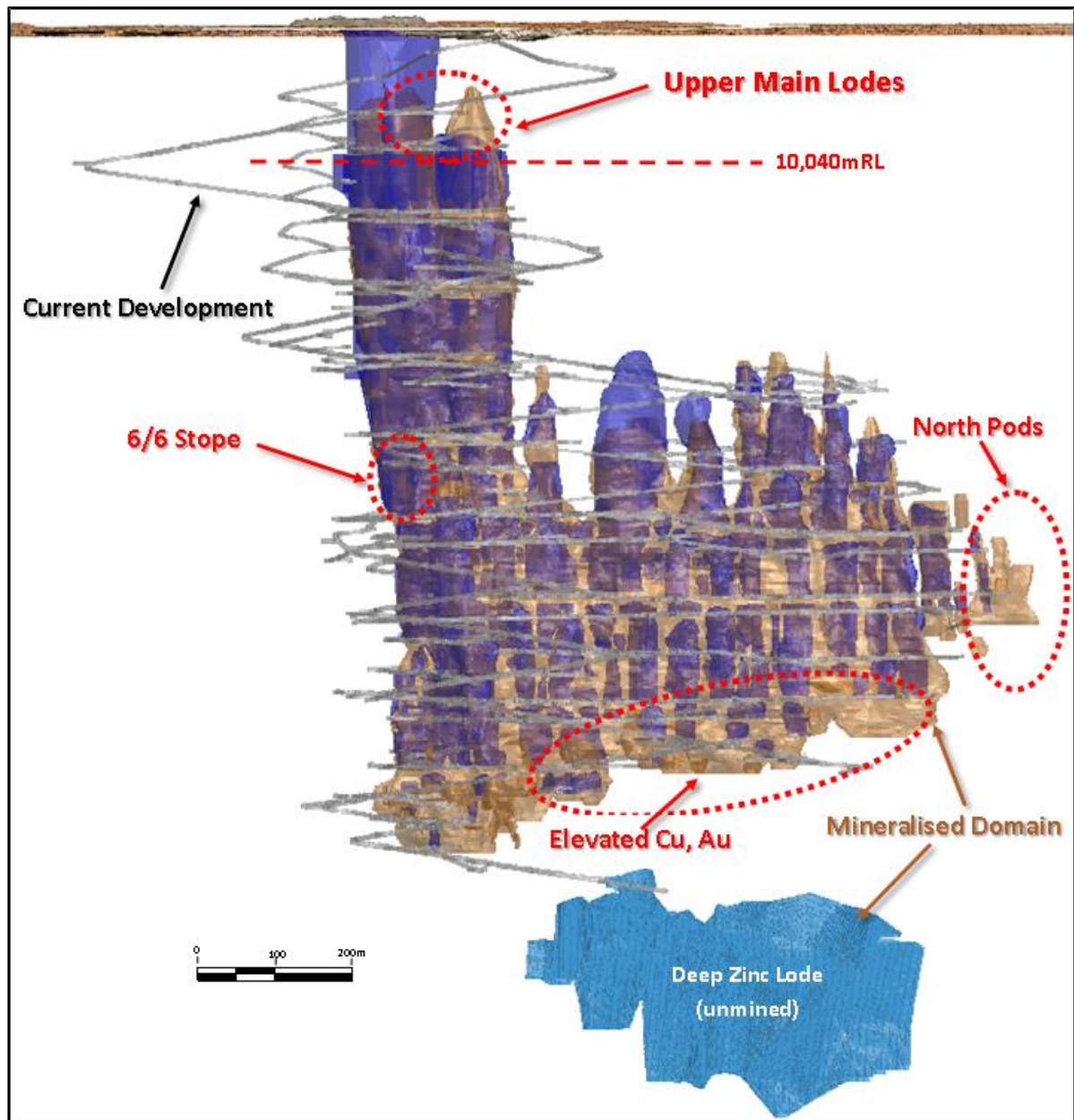


Figure 1: Endeavor Mine long section

The MRS is progressing well and on schedule to be completed and outcomes announced during the December quarter 2023. The Company aims to achieve a positive outcome from the study with likely re-commencement of mining operations by mid-2024.

## **POLYMETALS SECURES US\$10M CONCENTRATE PRE-PAYMENT FUNDING FACILITY**

A binding term sheet for a US\$10 million unsecured concentrate pre-payment funding facility was signed between the Company and global concentrate trading company Ocean Partners UK. The Pre-payment Facility (refer ASX announcement dated 27th June 2023) is subject to third party approval of the MRS with concentrate offtake based on global benchmark terms.

## **JUNE CAPITAL RAISING (PLACEMENT)**

Support from new investment funds & professional investors was realised via a successful placement during June which raised \$3,751,650 (before costs). This placement is the 2<sup>nd</sup> capital raising completed since the Company listed in June 2021. German investment company, Sparta AG participated in the placement with a cornerstone investment of \$1,999,500 and Ocean Partners UK also contributed \$500,000 as part of the concentrate Pre-payment Facility.

The structure of the Placement was 12,102,097 fully paid ordinary shares at \$0.31 per share which representing a 6.7% and 5.96% discount to the 15-day and 30-day trading VWAP respectively.

The Placement Shares will rank equally with existing shares on issue.

Proceeds from the Placement will be used to progress the Polymetals Endeavor Mine Restart Strategy including:

- Mine Restart Study,
- In-Mine Exploration,
- Endeavor Care & Maintenance Costs, and
- General Working Capital.

## **UPPER MAIN LODES DRILLING RESULTS**

Phase 1 RC drilling of near surface high-grade mineralisation, known as the Upper Main Lodes (UML), was completed in March with final assays received for the programme during April 2023. Peak 1m assays of 13.9g/t gold, 2,799 g/t silver, 13.3% zinc, 22.7% lead and 7.4% copper were received from this very successful due diligence drilling programme which provided the Company with great confidence to proceed with the Endeavor Mine acquisition. Some of the previously announced drill hole assay intercepts are summarised as follows:

Met\_1LS\_1 (DD): 81m @ 19.5% ZnEq<sup>1</sup>

- 81m @ 1.15g/t Au, 473g/t Ag, 7.4% Zn, 5.5% Pb and 0.11% Cu from 77m to the end of the hole at 158m and finishing in mineralisation.
- including 8m @ 2.21 g/t Au, 931g/t Ag, 6.2% Zn, 12.2% Pb and 0.18% Cu from 77m

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<sup>1</sup> Zinc equivalent calculation – see Appendix 1

PNL001(RC): 52m @ 14.6% ZnEq

- 52m @ 0.65 g/t Au, 343 g/t Ag, 5.7% Zn, 4.6% Pb and 0.12% Cu from 84m to the end of the hole at 136m.
  - including 2m @ 0.64g/t Au, 2020g/t Ag, 1.1% Zn, 6.3% Pb and 0.13% Cu from 78m

PSL020(RC): 71m @ 11.02% ZnEq

- 71m @ 0.43 g/t Au, 272 g/t Ag, 3.6% Zn, 4.2% Pb and 0.13% Cu from 107m to 178m
  - including 34m @ 0.76g/t Au, 492g/t Ag, 7.3% Zn, 4.8% Pb and 0.14% Cu from 144m
  - including 8m @ 0.89g/t Au, 914g/t Ag, 8.9% Zn, 5.3% Pb and 0.16% Cu from 154m

The Endeavor Mine UML Phase 1 drilling programme included 21 RC drill holes for a total of 2,868m. The programme was designed to generate measured resources hosted within the unmined near surface North Lode. Although gold mineralisation is present within the Endeavor Mine, no gold grades have previously been reported within mineral resource estimates. Drill assays generated from the Phase 1 UML programme were a key factor in determining the optimal near-term strategy for the project. Underground access to the North Lode had been established prior to the Endeavor Mine being placed on Care and Maintenance in December 2019, (refer Figure 2). The North Lode was identified by Polymetals as a high priority target early in its due diligence of the project and is recognised as having potential to generate near term and significant cash flow, particularly from the precious metal (Ag and Au) component.

As noted in the Company's 28th March ASX announcement, an existing 100% silver streaming royalty (in place at Endeavor since 2005) was re-negotiated by the Company to a 4% Ag, Zn and Pb net smelter royalty (NSR) on the mining leases. The reset of the royalty allowed Polymetals to consider silver revenues in its due diligence production modelling and provided confidence to progress with mine acquisition negotiations. The elevated silver grades and persistent host mineralisation evident within the UML confirms the Company's view that the Endeavor Mine provides very significant near-term potential.

UML focus elements of the MRS extend to determining mine access rehabilitation costs, conventional flotation recoveries and the potential application of Ag and Au leach recovery from the flotation tailing.

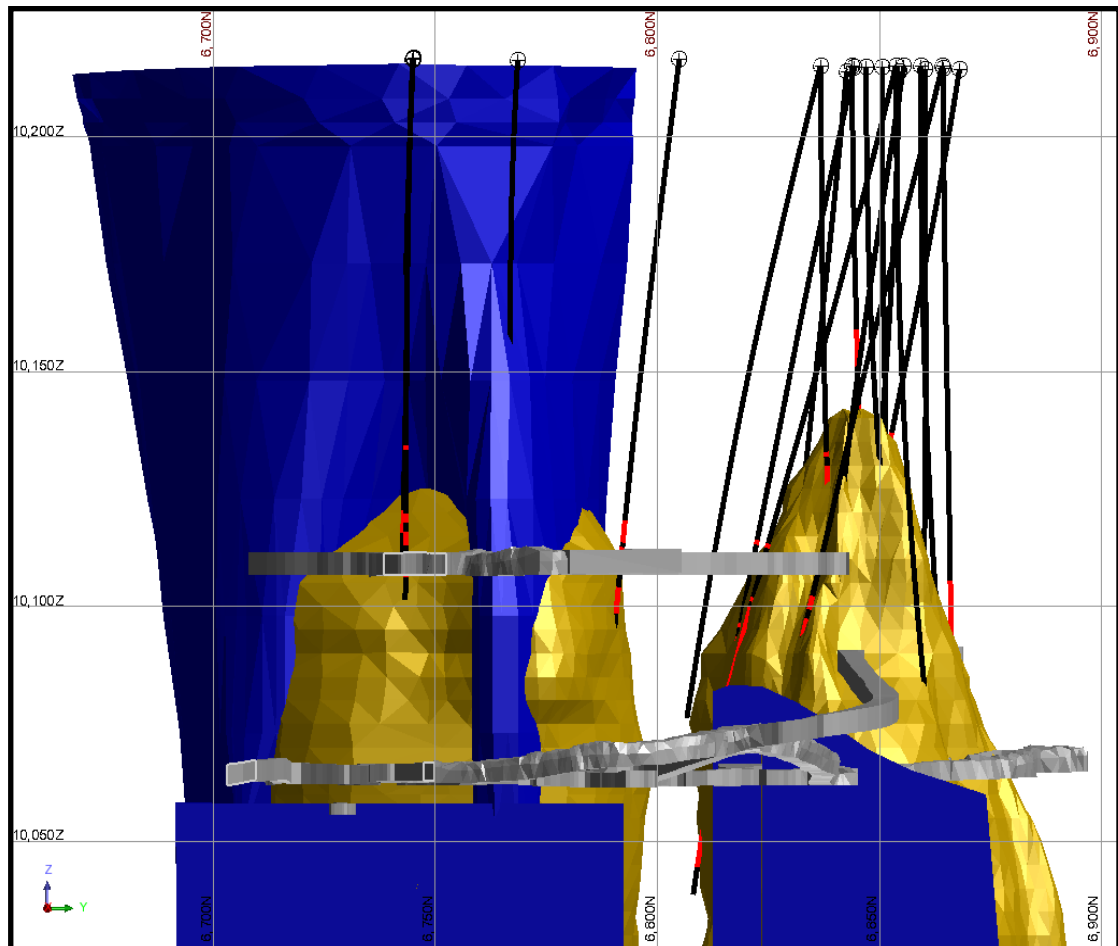


Figure 2: Oblique view of unmined Upper Main Lodes (North & South Lode), showing existing mine development and RC drill hole traces.

## UPPER MAIN LODGE (UML) JORC CODE COMPLIANT RESOURCE

Following receipt of all assays from the Phase 1 UML RC drill program (see ASX Announcements 17th & 26th April and 9th May 2023) Polymetals engaged resource consultants, Groundwork Plus Pty Ltd, to complete an independent JORC (2012) Code compliant Mineral Resource estimate for the Endeavor Upper Main Lodes. The outcome of the May 2023 updated MRE for the Upper Main Lodes is summarised in Table 1.

In contrast to the February 2023 Total MRE, (refer ASX announcement dated 28<sup>th</sup> March 2023) the re-estimated Upper Main Lode (UML) MRE (Table 1) has improved the silver grade by 31% and tonnage by 13% within the UML resulting in a contained silver increase of 48% or 2.9Moz from the previous estimate.



Table 1: Endeavor Mine – Upper Main Lodes (above 10040mRL, 180m of surface) – May 2023<sup>1</sup>

JORC Category	Tonnes	Zinc %	Lead %	Silver g/t	Zinc Tonnes	Lead Tonnes	Silver Ounces	AgEq <sup>3</sup> g/t
Measured	451,000	7.3%	5.0%	329	32,923	22,550	4,770,492	526
Indicated	320,000	6.8%	5.0%	358	21,760	16,000	3,683,187	532
Inferred	47,000	8.3%	6.1%	277	3,901	2,867	418,570	537
<b>Total <sup>2</sup></b>	<b>818,000</b>	<b>7.1%</b>	<b>5.1%</b>	<b>338</b>	<b>58,078</b>	<b>41,718</b>	<b>8,889,160</b>	<b>528<sup>4</sup></b>

1. Reported using an NSR cut-off value of A\$190/t above 10080mRL and A\$150/t below 10080mRL

2. Discrepancies may occur due to rounding

3. Footnote 1 for reference to Silver Equivalent calculation

4. 528 grams silver = 17 ounces silver

## ENDEAVOR ACQUISITION APPROVED BY SHAREHOLDERS

Shareholders approved the proposed acquisition of the Endeavor Project at an EGM held on the 12<sup>th</sup> May 2023. The acquisition was by way of a share purchase of Orana Minerals Pty Ltd, the 100% owner of Cobar Metals Pty Ltd (which holds the right to acquire the three Endeavor Mine subsidiary companies or Project assets). A total of 52,000,000 fully paid Polymetals shares have been issued to the shareholders of Orana Minerals with all shares held in escrow until 12<sup>th</sup> May 2024.

All Endeavor Mine regulatory approvals are in place for the recommencement of mining and flotation treatment operations with replacement of the Environmental Rehabilitation Bonds of \$27.96 million to be completed as part of acquiring the three Endeavor Mine subsidiary companies and prior to recommencement of operations.

## MANAGEMENT APPOINTMENTS

A number of Board and staff changes and appointments were made during the quarter. Non-executive director, Mr Chris Schroor retired, with Mining Engineer, Mr Matt Gill and Exploration Geologist, Mr Jess Oram joining the Board as non-executive directors. Further highly experienced technical personnel were also recruited to the management team which includes Mr Troy Lowien, Mr Patrick McDowall and Mr David Pelchen. Mr Lowien is currently responsible for oversight of the MRS which involves input by Board and Management team members as well as various external consultants.

Polymetals Resources Limited - Board		
Board Member	Role	Strengths
David Sproule	Executive Chairman	Metallurgy / Development
Alistair Barton	Non-executive director	Geology / Operations



Matthew Gill	Non-executive director	Mining / Operations
Jess Oram	Non-executive director	Geology / Exploration

Polymetals Resources Limited - Senior Management		
Officer	Role	Strengths
John Haley	CoSec / CFO	Governance & Accounting
Jason Creighton	Process	Feasibility & Process Development
Troy Lowien	Resources	Study Management & Operations
Patrick McDowell	Exploration	Exploration Management & Discovery
Michael Garman	Exploration	Conceptual Geology & Exploration
David Pelchen	Endeavor Site Representative	Underground Mine Management
Linden Sproule	Corporate	Corporate Strategy & Finance

## GUINEA GOLD PROJECTS

Polymetals continues low-cost exploration of its Alahiné (64.2km<sup>2</sup>) and Mansala (48.2km<sup>2</sup>) licences within Guinea's Siguiri Basin. As previously announced on 28<sup>th</sup> May 2023, due to tenement title uncertainty and the impact of the wet season from July, no drilling will be completed during 2023.

Detailed geological mapping and sampling of existing artisanal workings have been undertaken to further understand the controls of mineralisation and identify additional potential targets for drilling.

### HIGHLIGHTS

- The geological mapping and artisanal pit and channel sampling program reinforce the prospectivity of the Alahiné licence.
- Four new gold mineralised structures have been identified in the Alahiné licence. These are Sounabe West, the Naman Prospect, Dialakeh East and the Lapin Prospect.
- At Sounabe West, channel sampling of artisanal mining walls returned continuous intervals of 28m @ 0.7g/t along the southern workings and 33m @ 0.6g/t along the northern workings. Both zones are about 12m wide.
- Also, at Sounabe West, individual rock chip grades of stockwork veins include 21.2g/t Au, 4.1g/t Au, 3.5g/t Au and 2.5g/t Au.
- At the Naman Prospect, quartz stockwork rock chip sampling returned assays including 7.9g/t Au, 3.3g/t Au, 3.2g/t Au, 2.4g/t Au and 2.3g/t Au.

Although highly prospective, without any visibility on exploration licence renewal timeframes, the Board has resolved to look at strategic options for the Company's Guinea exploration project. Divestment opportunities via strategic partnerships, joint ventures or sale are now being considered.

## **CORPORATE**

The Endeavor Mine acquisition was approved by shareholders at an EGM on the 12<sup>th</sup> May with 52,000,000 POL shares issued as a result, all of which are escrowed for a period of 12 months (until 12<sup>th</sup> May 2024).

The Board and Management are continuing to advance various Environmental Rehabilitation Bond replacement options which is a requirement before the Endeavor Project is fully acquired and operations can be recommenced.

The Ocean Partners UK concentrate offtake and US\$10M prepayment facility provides great confidence that the Endeavor Mine restart will attract the requisite working capital necessary to achieve positive cashflow.

Board changes and senior management appointments have also enabled the Mine Restart Study to progress in earnest with the aim of completing the work early in the December quarter 2023 and recommencement of mining operations likely by mid 2024.

The Company continues to progress its application for up to \$500,000 of funding under the New South Wales government Critical Minerals Activation Fund. The Company anticipates the first \$250,000 of this funding will be received in the September 2023 Quarter.

### **Unsecured loan facility**

An entity controlled by its chairman and major shareholder; Mr David Sproule provided an unsecured loan facility to the Company in October 2022. The loan facility was drawn to the amount of \$1.35 million on 30 June 2023.

### **Cash**

As at 30 June 2023, Polymetals had cash at bank of approximately \$2,612,000.

### **ASX Additional Information**

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

1. **ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the quarter was \$226,000. All of this expenditure was for wages, fuel and costs for people onsite, security and storage, including geologists' wages at the Company's Mansala and Alahiné projects in Guinea.**

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2. **ASX Listing Rule 5.3.2:**

- The Company confirms that there were no mine production activities for the quarter.
- The development expenditure (rounded to '000) incurred by the Company in relation to the Endeavor Project is as follows:
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**Table 2:** Breakdown of the development expenditure incurred on the Endeavor Project

Nature of expenses	Amount (\$)
Care and maintenance	• 561,000
Drilling	• 135,000
Geological consulting	• 34,000
Assays	• 78,000
Wages	• 76,000
Other including studies, site costs, travel and other consultants	• 174,000
GST refund from previous quarter	• (8,000)
<b>TOTAL EXPENDITURE</b>	• <b>1,040,000</b>

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3. **ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the quarter was \$9,000 (GST exclusive) in cash. Fees of \$82,500 owing to related parties and their associates were accrued as at the end of the quarter and paid July 2023.**

**Table 3:** Director's remuneration

Name of Director	Nature of Payment	Amount (\$)
David Sproule	Accrued Director fees at 30 June 2023 for the 6 months to 30 June 2023 - paid in July 2023	60,000
Alistair Barton	Ongoing Director fees paid in June 2023 quarter	9,000
Christopher Schroor	Accrued Director fees - paid in July 2023	22,500
Matt Gill		Nil
Jess Oram		Nil
Total accrued and paid		91,500

#### 4. Tenements

- In accordance with Listing Rule 5.3.3, Polymetals provides the following Information concerning its mining tenements:

(a) no applications were made during the quarter by the Company to acquire new or surrender its existing licences; and

(b) the following table lists the Company's mining tenements held at the end of the quarter, and their location:

**Table 4:** Polymetals Guinea and Endeavor Exploration and Mining Licences

Project	Licence	Location	Expiry	Ownership
<b>Guinea</b>				
Alahiné	EL22123	Republic of Guinea	Awaiting renewal	100%
Mansala	EL22694	Republic of Guinea	Awaiting renewal	100%
<b>Endeavor<sup>1</sup></b>				
	EL 5785	NSW	5/10/2027	100%
	EL 8583	NSW	2/6/2029	100%
	EL 8752	NSW	27/6/2024	100%
	ML 158	NSW	20/5/2028	100%

	ML 159	NSW	12/3/2028	100%
	ML 160	NSW	12/3/2028	100%
	ML 161	NSW	12/3/2028	100%
	ML 930	NSW	20/5/2028	100%

*Note 1: Polymetals' ownership of Endeavor tenements is subject to completion of exchange of Environmental Rehabilitation Bonds*

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

*For further information, please contact:*

**Linden Sproule**

Corporate Development

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**John Haley**

Chief Financial Officer / Company Secretary

[john.haley@polymetals.com](mailto:john.haley@polymetals.com)

## ABOUT POLYMETALS

Polymetals Resources Ltd (ASX: POL) is an Australian mining and exploration company with a project portfolio with significant potential for the discovery and development of both precious and base metal resources. With our cornerstone asset, the Endeavor Silver-Zinc-Lead Mine, Polymetals is seeking to become a long term, consistent and profitable base and precious metal producer. Polymetals holds a strong exploration portfolio for organic growth, are development driven and continually measure strategic acquisition opportunities. POL is committed to developing genuine long-lasting relationships within our community, building strong relationships with investment partners, local stakeholders and providing our shareholders with capital growth and dividends. For more information visit [www.polymetals.com](http://www.polymetals.com)

## COMPETENT PERSON STATEMENT- ENDEAVOR PROJECT

The information supplied in this release regarding Mineral Resources of the Endeavor Project is based on information compiled by Mr Troy Lowien, a Competent Person who is a Member of the Australian Institute of

Mining and Metallurgy. Mr Lowien is an employee 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 Lowien consents to the inclusion of matters based on information in the form and context in which it appears.

### COMPETENT PERSONS STATEMENT- GUINEA

The information in this ASX Announcement regarding the Guinea Projects 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.

### FORWARD LOOKING STATEMENT

Certain statements in this document are or maybe “forward-looking statements” and represent Polymetals’ intentions, projections, expectations, or beliefs concerning among other things, future exploration activities and future mining studies. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Polymetals, and which may cause Polymetals’ actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. Polymetals does not make any representation or warranty as to the accuracy of such statements or assumptions.

## APPENDIX 1 – Silver and Zinc Equivalent calculations

**Silver Grams Equivalent (AgEq g/t):** Silver is deemed to be the appropriate metal for equivalent calculations as Silver is the dominant metal within the Upper Main Lode Resource. Silver equivalent value is per tonne of resource. Silver 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 AgEq g/t calculation are as follows; metallurgical recoveries of, 70.05% silver, 78.58% zinc and 70.97% lead. Spot metal prices of US\$25.40/oz silver, US\$2856.50/t zinc and US\$2170.00/t lead.  $\text{AgEq g/t} = (\text{Ag g/t} \times (25.40/31.1035) \times 0.7005) + (\text{Zn\%} \times 2,856.50 \times 0.7858) + (\text{Pb\%} \times 2,170 \times 0.7097) / (25.4 \times 31.1035)$ . Polymetals Resources is of the opinion that all elements included in the metal equivalent calculation have reasonable potential to be recovered and sold.

**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.  $ZnEq\% = [(Au\text{ g/t} \times (2,004.40/31.1035) \times 0.50) + (Ag\text{ g/t} \times (25.40/31.1035) \times 0.7005) + (Zn\% \times 2,856.50 \times 0.7858) + (Pb\% \times 2,170 \times 0.7097)] / (2,856.50)$ . Polymetals Resources is of the opinion that all elements included in the metal equivalent calculation have reasonable potential to be recovered and sold.





## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Name of entity

POLYMETALS RESOURCES LTD

#### ABN

73 644 736 247

#### Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(60)	(318)
	(e) administration and corporate costs	(115)	(428)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(175)</b>	<b>(746)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(226)	(1,543)
	(e) investments	-	-
	(f) project development-Endeavor	(1,040)	(1,812)
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,266)</b>	<b>(3,355)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,887	3,887
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(6)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
3.5	Proceeds from borrowings	850	1,350
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,737</b>	<b>5,231</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	337	1,503
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(175)	(746)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,266)	(3,355)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,737	5,231
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,633</b>	<b>2,633</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,633	337
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,633</b>	<b>337</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1 (Director Fees)
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

9

0

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

<b>7. Financing facilities</b>	<b>Total facility amount at current quarter end \$A'000</b>	<b>Amount drawn amount at previous quarter \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	1,350,000	500,000
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	1,350,000	500,000
7.5 <b>Unused financing facilities available at quarter end</b>	Nil	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

The loan facility is from entities associated with David Sproule, Executive Chairman of the Company. The facility is unsecured with interest payable of 5% per annum compounded monthly from draw down to repayment. \$350,000 of the facility drawn down at 30 June 2023 is repayable on demand once a capital raising is completed by the Company. The balance of \$1 million is only repayable on demand once a further separate capital raising is completed by the Company. The loan is otherwise repayable 18 months from drawdown.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(175)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,266)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,441)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,633
8.5 Unused finance facilities available at quarter end (Item 7.5)	Nil
8.6 Total available funding (Item 8.4 + Item 8.5)	2,633
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	1.8

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes, although the Company is able to make some reductions in expenditure depending on funding available.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes, the company completed a share placement in late June and early July 2023 raising a total of approximately \$3.7 million (before costs). \$960,000 of these funds were received after 30 June 2023.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, see 2 above.

### Compliance statement

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

Date: **21/07/2023**

Authorised by: **The Polymetals Resources Ltd Board**

### Notes

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