

14 August 2023

REPLACEMENT OF \$28M ENDEAVOR REHABILITATION BOND

Partnership delivers pathway for completion of the Endeavor Mine acquisition.

HIGHLIGHTS

- **Polymetals & Ocean Partners sign a non-binding Memorandum of Understanding for the replacement of the Endeavor Mine Environmental Rehabilitation Bond, being the final condition to Completion of the Endeavor Mine Acquisition.**
- **\$28 million Bond Surety to be guaranteed for up to 4 years.**
- **The Mine Restart Study remains on track for release during the December Quarter with project financing well advanced.**
- **Subject to Mine Restart Study success, first concentrate shipment targeted early H2 2024.**

Polymetals Resources Ltd (ASX: **POL**) (**Polymetals** or the **Company**) is pleased to announce that it has entered into a non-binding Memorandum of Understanding (**MOU**) with Ocean Partners UK Limited (**Ocean Partners**) for the purpose of negotiating the commercial details for an agreement to replace the Endeavor Mine Environmental Rehabilitation Bond (**Bond**) in the amount of **\$27.96 million**.

DELIVERING ENDEAVOR

Polymetals acquired 100% of Cobar Metals Pty Ltd (**Cobar**) via a share transaction¹ ratified by shareholders at a General Meeting held 12th May 2023. As a wholly owned subsidiary, Cobar retains the right to acquire the Endeavor zinc – silver – lead Mine including associated significant infrastructure and 1,100km² of exploration tenements. Completion of the acquisition requires that the Company replace the Bond by 30th April 2024. Polymetals key consideration in the deal structuring with Ocean Partners is to complete the Mine Restart Study (**MRS**), to Pre-Feasibility Study level, to ensure positive economics can be achieved.

The MRS is well advanced, and the Company aims to announce the results early in the December Quarter. Subject to a positive MRS result and Bond replacement, the Company expects that mine and mill refurbishment works would commence during the December Quarter. On this basis, operational recommencement would occur during H1 2024, with first concentrate shipments and cash flow targeted within 3 months of re-commissioning the concentrator.

¹ Refer ASX announcements dated 28th March 2023 – “Endeavor Mine Acquisition”, 12th April 2023 – “Notice of General Meeting” and 12th May 2023 - “Results of Meeting – Acquisition of Endeavor Project”.

BOND REPLACEMENT

Ocean Partners recently provided a A\$15 million Concentrate Pre-Payment Facility to Polymetals which also included a \$500,000 equity contribution to the June 2023² capital raising. The long-term relationship with Ocean Partners and their confidence in the Endeavor opportunity, has been extended to their assistance to work toward finalising commercial terms with the Company to replace the Bond.

Following a positive MRS outcome, Ocean Partners have proposed to facilitate Bond replacement by providing a Surety to Polymetals for **up to 4 years**.

Bond replacement facilitates Completion of the Endeavor Mine acquisition with full title of all assets transferred to Cobar (100% Polymetals subsidiary), which include the mining leases, fully permitted underground mine, 1.2mtpa concentrate concentrator, rail, secure water, grid power, 42 houses + 4 blocks of units in the Cobar township and 1,100km² of contiguous exploration tenements.

PROJECT FUNDING

Further to the A\$15 million Concentrate Pre-Payment Facility³ provided by Ocean Partners, the Company continues to advance discussions with various other debt providers to ensure an Endeavor Mine Restart is well funded.

Polymetals Resources Executive Chairman, Dave Sproule said:-

“The support shown by Ocean Partners via the Pre-payment Facility, Equity participation and now assistance with the Environmental Bond replacement, is testament to their confidence in the Polymetals Team, the Endeavor Mine and particularly their outlook for silver (Ag), zinc (Zn) and lead (Pb). Our well-established partnership should not be underestimated as it provides all key elements to give the Endeavor Mine its absolute best chance to be brought back online as a long term and profitable silver, zinc & lead producer.”

ABOUT OCEAN PARTNERS

Ocean Partners is a global base & precious metal trading firm with +20-year history, the team have grown the business to +US\$5 billion in annual turnover supported by US\$1.4 billion active credit lines. The company offers a complete range of trading services for miners, smelters, refiners, and metal consumers around the world. Working closely with global partners Ocean Partners offer customised risk management while linking clients to unique market opportunities.

<https://oceanpartners.com/>

² Refer ASX announcement dated 29th June 2023 – “Polymetals funded to complete mine restart study”.

³ Refer ASX announcement dated 27th June 2023 – “Polymetals Secures A\$15m prepayment facility”

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

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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



Endeavor Mine Concentrator - 2023