

10 October 2023

Ms Yulia Gurdina
Senior Adviser, Listings Compliance (Sydney)
ASX
20 Bridge Street
Sydney NSW 2000

Dear Ms Gurdina,

Polymetals Resources Limited ('POL')-Query Letter

Polymetals Resources Limited (ASX: POL) (Company) refers to the ASX Query dated 4 October 2023 and advises as follows:

1. POL understands that the trade on 18 September 2023 was executed on that date due to an inadvertent error by Mr. Sproule's stockbroker. Attached is an e-mail from Mr. Sproule to his broker on 14 September 2023 confirming that any remaining parts of the buy order he had earlier instructed needed to be completed on Friday 14 September 2023, whilst POL shares were not in a prohibited/blackout period. Mr. Sproule notes that he had also verbally advised his broker of this in a conversation earlier on 14 September 2023. Mr. Sproule was not aware that the purchase order was actually left in place post 14 September 2023 until he received a confirmation of execution of the share purchase later on 18 September 2023.
2. Written notice was given by e-mail by Mr. Sproule on 6 September 2023 to me as Company Secretary and copied to all Board members including the Chairman of the Audit and Risk Committee. I replied on the same date and copied all Board Members. Copies of the relevant e-mails are attached.

Request for Information

Given the above, the Company advises as follows in relation to the specific requests for information in the ASX Letter:

1. Please refer to 1 above. The Trades in question complied as the order was placed before the prohibited period. The execution of the trade occurred in the period as a result of an inadvertent error by Mr. Sproule's sharebroker as outlined above. Upon further consideration, POL accepts the alternate view that the actual trades still occurred within the Trading Policy prohibited period, notwithstanding this was inadvertent. The Appendix 3Y should therefore have acknowledged the trade was in a prohibited period, with the reasons for this being explained. POL is willing to lodge an amended 3Y or separate ASX release to correct this misunderstanding.
2. Please refer to 2 above.

3. See Request for Information point 2 above. The order was placed before the prohibited period and an inadvertent error was made by Mr. Sproule's sharebroker. This was despite clear verbal and written advice from Mr. Sproule. Given this, the company does not intend to take any disciplinary action. The Company and its Board have noted the issue and that given this, even more specific instructions to sharebrokers acting for Directors or employees may be needed in the future with trades that are close to a prohibited period.
4. POL confirms it is complying with the Listing Rules and in particular Listing Rule 3.1.
5. POL confirms that this response has been authorised by the Board of Polymetals Resources Ltd.

Please contact me should you require further information.

Yours faithfully



John Haley– Company Secretary
Polymetals Resources Ltd



4 October 2023

Reference: 81399

Mr John Haley
Company Secretary
Polymetals Resources Ltd
Suite 6, Level 5
189 Kent Street
SYDNEY NSW AU 2000

By email

Dear Mr Haley

Polymetals Resources Ltd ('POL'): Trading during closed period (Appendix 3Y) – Query

ASX refers to the following:

- A. POL's Appendices 3Y released on the ASX Market Announcements Platform ('MAP') on 21 September 2023, which disclosed that POL's director, Mr David William Sproule, acquired POL's securities on-market on 14 and 18 September 2023. The transaction of interest is the on-market purchase that occurred on 18 September 2023 (the '**Transaction**').
- B. POL's Annual Report for the period ended 30 June 2023 (the '**Annual Report**') released on MAP on 29 September 2023.
- C. POL's Securities Trading Policy, released on MAP on 4 August 2023 and published on its website¹ (the '**Policy**'), which provides (relevantly):

"4.1 Prohibited Periods

*Subject to the provisions of this Policy, Designated Personnel must not buy and sell the Securities during the following periods (**Prohibited Periods**):*

- (a) two weeks prior to the release to ASX of the Company's annual results;*
- (b) two weeks prior to the release to ASX of the Company's half yearly results;*
- (c) two weeks prior to the release of the Company's quarterly reports (if applicable); and*
- (d) any other period determined by the Board.*

The Board may at its discretion vary this rule in relation to a particular Prohibited Period by general announcement to all Designated Personnel either before or during the Prohibited Periods. However, if a Designated Person is in possession of inside information, he or she must not deal in the Securities whilst he or she is in possession of such information."

...

"5.1 Notification of proposed trade in the Securities

Where a Designated Person, who believes that trading is permitted under this Policy, proposes to deal in the Securities, they must first provide:

¹ <https://polymetals.com/wp-content/uploads/2023/07/Polymetals-Resources-Ltd-Securities-Trading-Policy.pdf>

(a) written notice of their intention to trade to the Relevant Officer (being the Chairperson of the Board or, in the case of an application from the Chairperson, the Chair of the Audit and Risk Committee) and the Company Secretary; and

(b) confirmation that they are not in possession of any inside information.

No dealing may be undertaken before the Designated Person receives written clearance from the Relevant Officer. If the Designated Person receives written clearance for their proposed dealing, that dealing must be completed within 7 days from the date of the clearance, unless it specifies otherwise."

Request for information

Having regard to the above, ASX asks POL to respond separately to each of the following questions and requests for information:

1. Noting the Transaction occurred two weeks prior to the release of the Annual Report, is POL of the view that the Transaction was conducted in accordance with the Policy? If so, please explain the basis for that view.
2. Please provide a copy of Mr Sproule's notification to POL's Chair of the Audit and Risk Committee and the Company Secretary of his intention to trade (as required by section 5.1 of the Policy), and any subsequent approval given (not for release to the market).
3. If the Transaction was not conducted in accordance with the Policy:
 - 3.1 please explain why the Appendix 3Y states in Part 3 that no interests in POL's securities were traded during a closed period; and
 - 3.2 please outline any disciplinary and/or remedial action POL intends to take in response to this breach.
4. Please confirm that POL is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that POL's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of POL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEDT on Tuesday, 10 October 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, POL's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require POL to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in POL's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;

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- how long you want the trading halt to last;
 - the event you expect to happen that will end the trading halt;
 - that you are not aware of any reason why the trading halt should not be granted; and
 - any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in POL's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to POL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that POL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Regards

Yulia Gurdina
Senior Adviser, Listings Compliance