ASX Announcement

ASX: **POL**

21 March 2024

FURTHER DRILLING COMPLETED AT CARPARK

Geological observations and on-site analysis indicating a near-mine mineralised system.

HIGHLIGHTS

- **A further 1,198m RC drilling and 318m orientated HQ core has now been completed at the Carpark Prospect located 150m south of the Endeavor Silver-Zinc-Lead Mine.**
- **Geological observations and on site pXRF analysis strongly indicate a potential buried sulphide source.**
- **A DHEM survey has identified a conductive plate proximal and along strike of recent drilling.**

Polymetals Resources Ltd (ASX: **POL**) (**Polymetals** or the **Company**) is pleased to announce that its recently expanded drilling programme[1] at the Carpark Prospect has been completed. The Carpark prospect is located 150m to the south of the Endeavor Mine from which 32 million tonnes of ore has been mined to produce 91.8Moz Silver, 2.6Mt Zinc and 1.6Mt Lead.

Further Drilling Completed at Carpark.

Since Thursday 15th February 1,198m of reverse circulation drilling, 318m of oriented HQ core and a 360m down hole electromagnetic survey (DHEM) has been completed. A total of 8 holes have now been drilled at the Carpark prospect (Table 1) since mid December 2023.

Geological observations in combination with semi-quantitative multi-element data collection using a portable pXRF strongly indicate a buried sulphide source to the immediate south of the Endeavor Main Lode orebody. Broad coherent zinc anomalism proximal to quartz-ankerite veins preferentially developed in the coarser sediments of the CSA lithology (Figure 1), are thought to represent an outer halo to a deeper sulphide source. Secondary enrichment of zinc oxides in combination with pyrite-chlorite development on fractures and cleavage, are considered as additional evidence of a potential sulphide source south of the Endeavor Main Lode.

[1] ASX announcement – "Drill programme expanded at the Carpark prospect" dated 21st February 2024

Zinc and Lead anomalism first identified in RC drill hole PCP001[2] now extends for over 150m in an east west direction and over at least 100m along a 310° - 330° corridor (Figure 2). This presents the company with an immediate and compelling target proximal to exisiting underground infrastructure.

A subsequent DHEM survey of hole PCP008 has located a conductive plate some 50m north of the hole (See plate projection on section – Figure 2).

The significant zinc anomalism and DHEM survey results from the recent drilling has further strengthened the propospectivity of the Carpark Prospect to potentially host a down dip primary sulphide source.

Work has commenced to design a further drill programme to test the down dip potential of current drill intercepts via percussion and oriented core.

Figure 1: Diamond Core from Carpark hole PCP008. Stockwork quartz veining with ankerite within anomalous zinc zone.

[2] ASX announcement – "Carpark Exploration Results & Phase 2 Drilling Commences" dated 14th February 2024

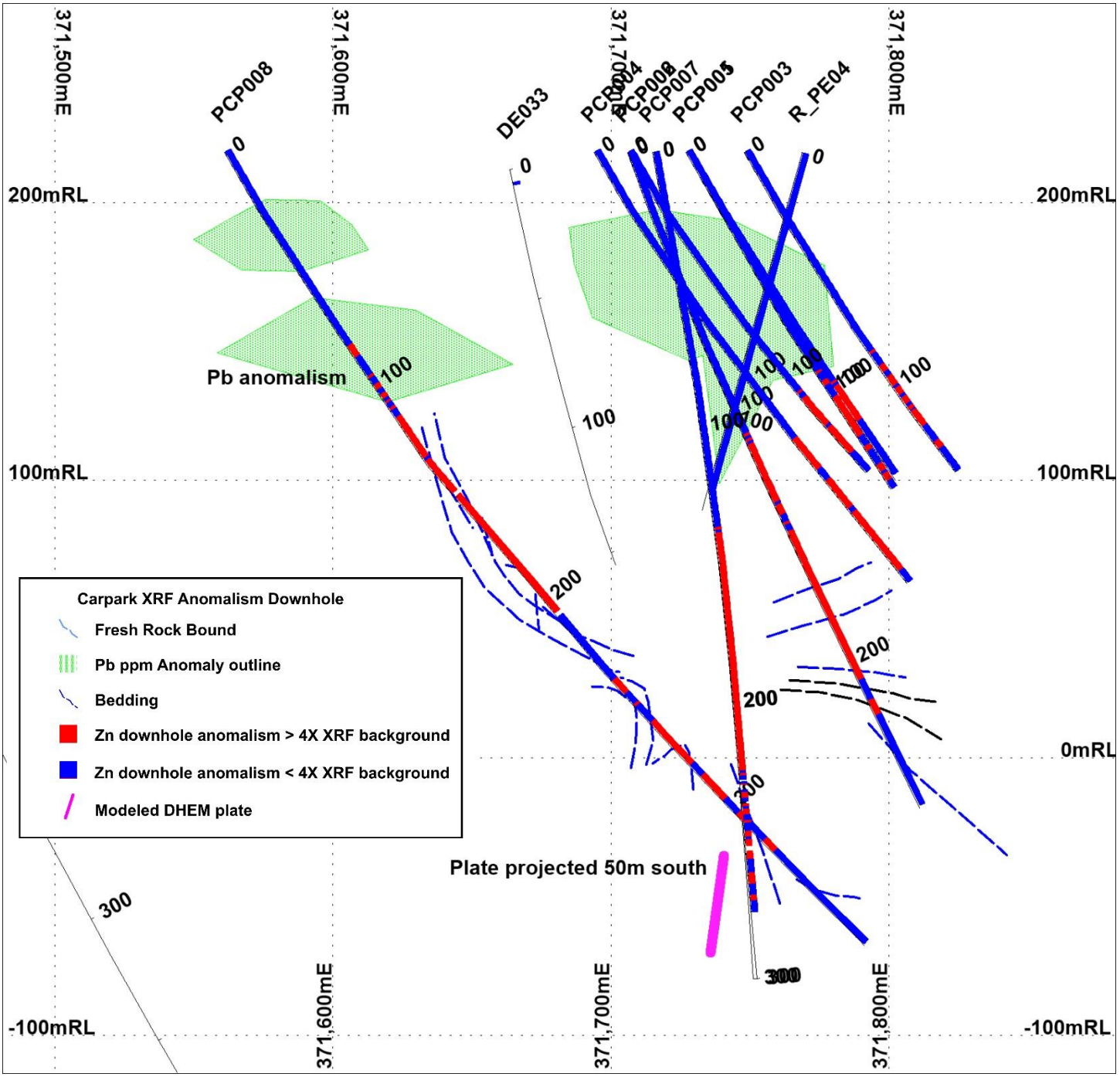

Figure 2 – East-West Section looking north: Carpark drilling which includes a projection of the DHEM conductive plate.

Table 1: Collar details (Coordinates are MGA94)

Hole ID	Hole Type	Easting	Northing	RL	Dip	Depth	Azimuth
PCP001	RC	371727	6551551	218	-60	142m	90°
PCP002	RC/DDH	371706	6551550	218	-70	258.9m	90°
PCP003	RC	371748	6551550	218	-60	138m	90°
PCP004	RC	371694	6551575	218	-60	192m	90°
PCP005	RC	371727	6551575	218	-60	140m	90°
PCP006	RC	371706	6551515	218	-60	144m	90°
PCP007	RC	371715	6551562	218	-80	300m	86°
PCP008	RC/DDH	371561	6551553	218	-60	369.5m	84°

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, one of the three large mines in Cobar, NSW Australia, 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. For more information visit www.polymetals.com

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. 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.

COMPETENT PERSON STATEMENT

The information supplied in this release that relates to exploration activities for 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.

CAUTIONARY NOTE – PXRF ANALYSIS OF RC CHIPS

Reference in this announcement to pXRF analysis are of RC drill chips (held within calico sample bags) and whole diamond core. Results of pXRF analyses are preliminary and semi-quantitative in nature and may not be representative of the entire sample interval. Laboratory analyses and assays are required for quantitative and representative estimates of zinc and lead metal concentrations.

APPENDIX 1 – JORC Code (2012 Edition), Assessment and Reporting Criteria

Section 1: Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	The sampling referred to in this release refers to 5 Reverse Circulation (RC) drill holes and 2 RC holes with diamond core tails. Samples were all collected by a qualified geologist or under geological supervision. RC Samples were collected on one metre intervals via a cyclone with a cone splitter providing a 40kg and 2kg sample. The cyclone was cleaned at each rod change and when directed by the supervising geologist. The samples are considered to be representative of the rock being drilled. The nature and quality of the sampling was carried out in conformity with industry standard QAQC procedures.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Drilling consisted of Reverse Circulation (RC) drill holes, using a UDR1000 rig with a 350 psi/650 cfm compressor. An auxiliary air booster was also used. The drill string utilised standard 6m rods and a 5 ½ inch face sampling hammer. Diamond drilling was carried out producing HQ sized core which was electronically oriented using a Reflex ACT3 tool.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Representative samples of the material drilled in the RC holes were collected from every metre drilled and assessed for recovery by weight. Diamond core was assessed for recovery by downhole measurements. The drilling method used was selected so as to maximise sample recovery. Holes were cased for a minimum of 12m from surface.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	Drill chips and core were logged for lithology, mineralisation, weathering, alteration, colour and any other relevant characteristics. Logging was qualitative in nature. Small representative samples of chips are stored in chip trays. Chip trays and diamond core were photographed. The entire length of the holes were logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	RC sample was collected on one metre intervals via a cyclone with a cone splitter providing a 40kg and 2kg sample. The cyclone was cleaned at each rod change and when directed by the supervising geologist. Bulk samples were placed in green plastic bags while sub samples were placed in calico bags. The sample size of 2kg is appropriate for the grain size of the material being sampled. No sampling quality control procedures have been undertaken at this stage until samples are chosen for laboratory analytical analysis.

Criteria	Explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	The 2kg one metre sample was tested at the rig during drilling using an Olympus Vanta portable XRF. The XRF is placed directly on the bag after cleaning the reading face, and a three beam XRF reading was taken (20 seconds per read). Anomalous samples (using the 2kg sample collected in a calico bag) were then re-tested using the Olympus Work station and portable XRF after the samples had been dried for at least 24 hours. This reading is 45 seconds, 30 seconds, and 30 seconds for the three beams respectively. 25-50g pulps of anomalous samples were prepared at the on site preparation facility using a mortar and pestle and the sample re-read on the pXRF. Analysis if the core by pXRF consisted of several hundred spot measurements, and as such can only be considered as semi-quantitative in nature. The Olympus Vanta records the reading and the meta data for each reading and this is downloaded and checked before formatting and loading into the data set.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	All drilling results were scrutinised by senior management of the company. The use of twinned holes is not relevant in this instance as the drill program has been undertaken to help refine targets for further investigation. All drilling data is accumulated initially in spreadsheets, and ultimately transferred to a master database for archiving.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Drill collars were located on the ground using a GPS (+/-5m). The grid system used is the MGA94. The quality of the topographic control is considered to be adequate.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	The drill target was designed to test base metal anomalism present in an previous drilling. As the program is preliminary in nature, insufficient data spacing and distribution has been obtained to establish the degree of geological and grade continuity appropriate for Mineral Resource estimation. No sample compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Orientation of the drill hole is considered to be appropriate for the target being tested and the purpose of the drilling. Mineralisation at Endeavor occurs in sub-vertical, cylindrical shaped bodies up to 100m wide.
Sample security	• *The measures taken to ensure sample security.*	Samples are stored on the Endeavor Mine site which is a fully fenced site and has controlled access.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	There has been no external audit or review of the sampling techniques or data completed at this time.

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Endeavor Project Mineral tenements are listed below and are 100% owned by Cobar Operations Pty Ltd ML's 158, 159, 160, 161 and 930. EL's 8752, 5785 and 8583. All licences are in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Previous exploration activities including drilling has been carried out on the site since the 1970's.
Geology	• *Deposit type, geological setting and style of mineralisation.*	Mineralisation at the Elura deposit is hosted by fine grained turbidite sequence of the Cobar Basin and comprises multiple sub-vertical elliptical shaped pipe-like pods that occur within the axial plane of an anticline and are surrounded by an envelope of sulphide stringer mineralisation, in turn surrounded by an envelope of siderite alteration extending for tens of metres away from the sulphide mineralisation. Around 150m below the base of the main mineralised pods/lodes, mineralisation is hosted within the western limb of a folded limestone unit, occurring in veins and fractures. Recent reviews favour a syngenetic formation model of an original stratiform deposit that was later emplaced by tectonic force into a favourable structural site during deformation.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		A representative section (Figures 2) is included in this announcement. Table 1 showing collar coordinates, RL's, dip, azimuth, and hole depth is included in this announcement.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No assay results have been reported in this announcement.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	The geometry of the mineralisation (vertical pods) has been well defined from diamond drilling and underground development. The drill hole described in this announcement was designed to test for mineralisation by drilling at an oblique angle across the target area as seen in Figure 3 of this announcement.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer Figure 2 within this announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.*	The accompanying document is considered to represent a balanced report.
Other substantive	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and*	A downhole geophysical survey was undertaken on PCP008 using a DHEM EM fixed loop (300 by 300m) with down hole receiver running at 1 Hz and 40amp. Data

Criteria	JORC Code explanation	Commentary
exploration data	*method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	was processed and modelled in Maxwell, using Leroi (conductive plate in a layered earth).
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further drilling is required to test below the intercept described in this announcement.