

POLYMETALS CORPORATE UPDATE

Corporate strategy advancing in a strengthening metal price environment.

HIGHLIGHTS

- **Strengthened metal prices have enhanced the Endeavor Mine economics by 28% providing a Pre-Tax NPV_{8%} = \$257M and IRR = 120%.**
- **Ongoing optimisation of the Mine Plan has identified additional ore sources which could be included in an updated Ore Reserve.**
- **Expected Environmental Rehabilitation Bond exchange solution to be announced during April.**
- **Project financing and strategic partnering discussions progressing.**

Polymetals Resources Ltd (ASX: **POL**) (**Polymetals** or the **Company**) is pleased to provide an update to the market on its corporate strategy focussed on the recommencement of production at the Endeavor silver, zinc and lead mine.

Strengthening lead and zinc prices, coupled with silver now trading above A\$42.50/oz (the Australian dollar silver price is at highs not seen for over a decade) adds significant momentum to Endeavor's near-term operational recommencement. The first three years of planned production at Endeavor includes mining the high-grade silver ore from the Upper Main Lode which contains +5.1 million ounces of silver.

Key outcomes from the Endeavor Mine Restart Study (**MRS**)¹ (which was initially prepared by the Company on a conservative basis) based on today's spot metal price and exchange rate inputs² provides a 28% improvement in the Endeavor Mine financial outcome to a Pre-Tax NPV_{8%} = \$257M and an IRR = 120% (noting that the Mine Restart Study outputs from October 2023 were NPV_{8%} = \$201M and IRR = 91%, respectively). Furthermore, ongoing optimisation of the Mine Plan for the Endeavor project has identified a significant amount of additional mineable ore sources which could potentially be included in an updated Ore Reserve.

¹Refer ASX release 16/10/2023 titled "Endeavor Silver Lead Zinc Mine Restart Study completed" available at <https://announcements.asx.com.au/asxpdf/20231016/pdf/05w2s4mlwfwbs8.pdf> for further detail.

² Market Index spot prices & rates at 7:00pm on 10/04/2024: Ag = US\$28.28/oz, Zn = US\$2,787/t, Pb = US\$2,121/t & AUD:USD = 0.66.

Further information in relation to the MRS, including the material assumptions underpinning its key outcomes, is included in the ASX release referred to in footnote 1.

Excellent progress has also been made in the replacement of the Endeavor Environmental Rehabilitation Bond (**Rehabilitation Bond**) which links positively to advancing project financing discussions with debt providers and strategic partners. An update in relation to the Rehabilitation Bond solution will be provided by the Company on or before 30 April 2024.

The revised Endeavor Project economics (optimised mine plan and updated Ore Reserve) and Project Financing details will be released as each element is completed during the current quarter.



Figure 1: Endeavor surface crushing and grinding infrastructure.

Continued operational funding (in the form of short-term, non-convertible and unsecured loan funding) for the Company has been provided by an entity related to the Chairman which will allow the Company to close on its various corporate initiatives in the near term.

Polymetals Executive Chairman Dave Sproule said;

"I am pleased to announce the progress we have made on advancing the Endeavor project towards production. Last year's Mine Restart Study showed the high value and optionality of the project, which will only improve with the accelerating silver, zinc and lead prices currently in swing. A reduction in zinc supply is now evident which has reduced global concentrate treatment charges by +40% which will have a significant positive impact for zinc producers.

We are working diligently to complete the bond replacement, optimise the mine plan, establish synergies with regional partners and finalise project financing. Our near-mine exploration is also progressing very well with follow up drilling of the Carpark Prospect planned to commence during the quarter.

The Company is excited to be advancing the high value Endeavor mine toward recommencement of operations".

<ENDS>

This announcement was authorised for release by Polymetals Resources 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

COMPETENT PERSON STATEMENT

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.

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.