
Notice of Meeting

Polymetals Resources Ltd ACN 644 736 247

Time of Meeting: 10am (Brisbane time)
Date of Meeting: Tuesday, 16 July 2024
Place of Meeting: The offices of K&L Gates
Level 16, 66 Eagle Street
Brisbane QLD 4000

This Notice of Meeting and the accompanying Explanatory Statement should be read carefully and in their entirety. If a Shareholder is in any doubt as to how they should vote, they should seek advice from their professional adviser prior to voting.

Should you wish to discuss the matters in this Notice of Meeting (or in the accompanying Explanatory Statement) please contact the Company's Company Secretary on 0414 018 831 or by email at john.haley@polymetals.com.

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IMPORTANT INFORMATION

Time, date and place of Meeting

Notice is hereby given that a meeting of Polymetals Resources Ltd (**Company**) shareholders will be held at 10am (Brisbane time) on Tuesday, 16 July 2024 (**Meeting**).

Shareholders may attend the Meeting in person at the offices of K&L Gates on Level 16, 66 Eagle Street, Brisbane QLD 4000.

The Chair has determined that voting on Resolutions 1 to 6 (inclusive) will occur by way of a poll rather than by way of a show of hands.

Defined terms

Unless otherwise defined in the body of this Notice of Meeting or in the Explanatory Statement, capitalised words and terms used in either this Notice of Meeting or in the Explanatory Statement have the meanings given to them in the Glossary.

Voting eligibility

You will be eligible to attend and vote at the Meeting if you are registered as a Shareholder as at 7pm (Sydney time) on Sunday, 14 July 2024.

Voting options

If you are a Shareholder entitled to attend and vote at the Meeting, you may:

- attend the Meeting and vote in person; or
- appoint someone as your proxy, corporate representative or attorney to attend the Meeting and vote on your behalf (please see *“How to appoint a proxy”* below for further information).

How to appoint a proxy

If you are a Shareholder who is entitled to attend and vote at the Meeting, you are also entitled to appoint a proxy to attend the Meeting in your absence and vote on your behalf. Furthermore, and as noted elsewhere in this Notice of Meeting, a proxy may be an individual or body corporate and need not be a Shareholder.

Shareholders may appoint a proxy online at <https://investorcentre.linkgroup.com> or by completing and returning a paper-based version of the Proxy Form to the Share Registry in accordance with the instructions specified on that form. Please note that to be valid, the proxy appointment needs to be received by the Share Registry at least 48 hours prior to the Meeting.

If you require a second paper-based version of the Proxy Form, please contact the Company Secretary on 0414 018 831 or by email at john.haley@polymetals.com.

In accordance with section 249L(1)(d) of the Corporations Act and Rule 9.19 of the Constitution, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

Shareholders and their proxies should be aware that:

- if a proxy holder votes, they must cast all directed proxies as directed;
- any directed proxies which are not voted will automatically default to the Chair, who must cast the proxies as directed;
- an instrument of proxy in which the name of the appointee is not filled in is taken to be given in favour of the Chair; and
- if a Shareholder does not direct its proxy how to vote, the proxy may, subject to any voting exclusions applicable to each Resolution, vote as he or she considers appropriate at the Meeting.

Further details on these matters are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
- if the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll and must vote that way; and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way.

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded, or is otherwise required under section 250JA, on the question that the resolution be passed; and
- either of the following apply:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at that meeting.

Chair's intentions in relation to undirected proxies

The Chair intends to vote all undirected proxies in favour of Resolutions 1 to 6 (inclusive).

Corporate representative

A body corporate that is a Shareholder or that has been appointed as a proxy must appoint an individual as its corporate representative if it wishes to attend and vote at the Meeting.

If a corporate representative is to attend the Meeting on behalf of a body corporate that is Shareholder or that has been appointed as proxy, an original (or certified copy) of a duly completed "Appointment of Corporate Representative Form¹" (or properly executed letter or other document confirming the individual's authority to act as the body corporate's corporate representative) must be received by the Company at its registered office or by the Share Registry at least 48 hours before the commencement of the Meeting unless an original (or a certified copy) of the relevant documentation has already been provided.

Alternatively, the corporate representative may bring an original (or certified copy) of a duly completed Appointment of Corporate Representative Form (or properly executed letter or other document confirming the individual's authority to act as the body corporate's corporate representative) with them to the Meeting.

Powers of attorney

If you appoint an attorney to attend and vote at the Meeting on your behalf or if your Proxy Form (or other instrument of proxy) has been or is required to be signed by an attorney, an original (or certified copy) of the power of attorney in respect of that appointment must be received by the Company at its registered office or by the Share Registry at least 48 hours before the commencement of the Meeting unless an original (or a certified copy) of the relevant power of attorney has already been provided.

Your vote is important

The business of the Meeting affects your Shareholding, and your vote is important.

Required majorities

Resolution 1 is required to be considered as a special resolution. This means that for Resolution 1 to be passed, at least 75% of the votes cast by Shareholders entitled to vote on the Resolution must be cast in favour of it.

Resolutions 2 to 6 (inclusive) are to be considered as ordinary resolutions. This means that for Resolutions 2 to 6 (inclusive) to be passed, at least 50% of the votes cast by Shareholders entitled to vote on each of these Resolutions must be cast in favour of each of them.

Questions at the Meeting

Shareholders will be able to submit written questions to the Company in advance of the Meeting. Questions may be submitted online at www.linkmarketservices.com.au. Questions should be submitted no later than 10am (Brisbane time) on Friday, 12 July 2024.

The Company will endeavour to address as many of the questions as possible during the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions raised. Please note that individual responses will not be sent to Shareholders.

¹ An editable version of the Appointment of Corporate Representative Form is available at <https://www.linkmarketservices.com.au/corporate/resources/forms.html>.

BUSINESS OF THE MEETING

The Resolutions to be considered at the Meeting are set out below.

RESOLUTION 1 – APPROVAL OF FINANCIAL ASSISTANCE

To consider and, if thought fit, to pass, the following Resolution as a **special resolution**:

“That, for the purposes of section 260B(2) of the Corporations Act and for all other purposes, Shareholder approval is given to the extent necessary to permit each of Cobar Operations Pty Ltd and Endeavor Operations Pty Ltd to:

- (a) provide financial assistance to Cobar Metals Pty Ltd in connection with the contemporaneous acquisition by Cobar Metals Pty Ltd of all of the shares in each of Cobar Operations Pty Ltd and Endeavor Operations Pty Ltd; and*
- (b) enter into and give effect to each Document required to implement the provision of the financial assistance in connection with the acquisition by Cobar Metals Pty Ltd of all of the shares in each of Cobar Operations Pty Ltd and Endeavor Operations Pty Ltd,*

in each case, as described in the Explanatory Statement.”

Voting exclusion statement

There is no voting exclusion statement applicable to Resolution 1.

Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 1.

RESOLUTION 2 – APPROVAL OF PROPOSED ISSUED OF SHARES

To consider and, if thought fit, to pass, the following Resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 (and for all other purposes), Shareholders approve the proposed issue by the Company of 1,000,000 Shares for nil cash consideration to CBH Resources Limited ACN 009 423 858 on the terms and subject to the conditions set out in the Explanatory Statement.”

Voting exclusion statement

Please see below for the voting exclusion statement applicable to Resolution 2.

Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, the following Resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 (and for all other purposes), Shareholders ratify the prior issue by the Company of 7,142,857 Shares at an issue price of \$0.35 per Share to Metals Acquisition Corp. (Australia) Pty Ltd ACN 657 799 758 on the terms set out in the Explanatory Statement.”

Voting exclusion statement

Please see below for the voting exclusion statement applicable to Resolution 3.

Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 3.

RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, the following Resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 (and for all other purposes), Shareholders ratify the prior issue by the Company of 22,000,000 Shares at an issue price of \$0.28 per Share to a number of sophisticated and professional investors on the terms set out in the Explanatory Statement.”

Voting exclusion statement

Please see below for the voting exclusion statement applicable to Resolution 4.

Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 4.

RESOLUTION 5 – APPROVAL OF PROPOSED ISSUE OF SHARES

To consider and, if thought fit, to pass, the following Resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 (and for all other purposes), Shareholders approve the proposed issue by the Company of a total of 2,000,000 Shares at an issue price of \$0.28 per Share to Sparta AG on the terms set out in the Explanatory Statement.”

Voting exclusion statement

Please see below for the voting exclusion statement applicable to Resolution 5.

Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

RESOLUTION 6 – APPROVAL OF PROPOSED ISSUE OF SHARES

To consider and, if thought fit, to pass, the following Resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 (and for all other purposes), Shareholders approve the proposed issue by the Company of a total of 5,000,000 Shares at a deemed issue price of \$0.28 per Share to Meadowhead Investments Pty Ltd ACN 003 122 870 on the terms set out in the Explanatory Statement.”

Voting exclusion statement

Please see below for the voting exclusion statement applicable to Resolution 6.

Board recommendation

The Directors (other than Mr David Sproule, who abstains from making a recommendation in respect of Resolution 6) recommend that Shareholders vote in favour of Resolution 6.

VOTING EXCLUSION STATEMENTS

Resolution 1

N/A

Resolution 2

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of (i) CBH, (ii) any person who will obtain a material benefit as a result of the proposed issue of Shares the subject of Resolution 2 (except a benefit solely by reason of being an existing holder of Shares) and/or (iii) any other person who is an Associate of any such (excluded) person.

Resolution 3

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of MAC and/or by or on behalf of any person who is an Associate of MAC.

Resolution 4

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of any person who participated in the issue of Shares the subject of Resolution 4 and/or by or on behalf of any person who is an Associate of any such person.

Resolution 5

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of (i) Sparta AG, (ii) any person who will obtain a material benefit as a result of the proposed issue of Shares the subject of Resolution 5 (except a benefit solely by reason of being an existing holder of Shares) and/or (iii) any other person who is an Associate of any such (excluded) person.

Resolution 6

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of (i) Meadowhead Investments, (ii) any person who will obtain a material benefit as a result of the proposed issue of Shares the subject of Resolution 6 (except a benefit solely by reason of being an existing holder of Shares) and/or (iii) any other person who is an Associate of any such (excluded) person.

Exceptions to the above referred voting exclusions

The above noted voting exclusions do not apply to a vote cast in favour of Resolutions 2 to 6 (inclusive) by:

- a person as proxy or attorney for a person who is entitled to vote on a particular Resolution, in accordance with directions given to the proxy or attorney to vote on that Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on a particular Resolution, in accordance with a direction given to the Chair to vote on that Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on each relevant Resolution; and
 - the holder votes on the applicable Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 14 June 2024

By order of the Board

A handwritten signature in black ink, appearing to read 'J. Haley', written in a cursive style.

**John Haley
Company Secretary**

EXPLANATORY STATEMENT

This Explanatory Statement sets out all of the information which the Directors consider to be relevant to Shareholders in deciding how to vote on Resolutions 1 to 6 (inclusive). Capitalised terms not otherwise defined have the meanings given in the Glossary.

1. RESOLUTION 1 – FINANCIAL ASSISTANCE

1.1 Background

On 14 May 2024, the Company announced to ASX (**ASX Release**) that it, its wholly owned subsidiary, Cobar Metals Pty Ltd (**Cobar Metals**), and CBH Resources Ltd (**CBH**) had revised the commercial arrangements relating to Cobar Metals' (and therefore, albeit indirectly, the Company's) proposed acquisition of the historic Endeavor Silver, Zinc and Lead Mine located approximately 40km NW of Cobar, NSW (the **Endeavor Project**).

As detailed in the ASX Release, the Company and Cobar Metals have agreed with CBH that the original share sale agreement in relation to the proposed acquisition and sale of the Endeavor Project (**Original Endeavor Share Sale Agreement**) would be terminated and replaced with a new set of agreements and associated arrangements (including a **New Endeavor Share Sale Agreement** and a **Call Option Deed** (and accompanying **CIPL SSA**)).

These new agreements and associated arrangements provide for the following:

- the termination of the Original Endeavor Share Sale Agreement;
- under the New Endeavor Share Sale Agreement, the acquisition by Cobar Metals of all of the shares in each of Cobar Operations and Endeavor Operations (i.e. two of the three companies that collectively own the Endeavor Project) held by CBH subject to the satisfaction of certain conditions², one of which is Shareholder approval of Resolution 1;
- the extension of the date by which the Environmental Bonds - MLs with respect to mining leases provided by CBH on behalf of Cobar Operations are due for replacement to the date which is up to 2 years after the date on which completion under the New Endeavor Share Sale Agreement occurs (noting that under the original agreement, the Environmental Bonds - MLs needed to be replaced by 30 April 2024); and
- the subsequent potential acquisition of Cobar Infrastructure (i.e. the third of the three companies that collectively own the Endeavor Project) by Cobar Metals subject to completion under the New Endeavor Share Sale Agreement having occurred and the Environmental Bonds - MLs being replaced by Cobar Metals.

² Shareholders should note that on 29 May 2024, the Company announced to ASX that it had received written confirmation from CBH that 2 of the 3 conditions precedent to completion under the New Endeavor Share Sale Agreement have been satisfied. These conditions precedent relate to:

- MUFG Bank approval of the proposal to maintain the current Environmental Bonds – MLs by CBH for up to a further 2 years after completion of the New Endeavor Share Sale Agreement; and
- approval of the Toho board of the transactions contemplated by the New Endeavor Share Sale Agreement.

Please see the Company's ASX release dated 29 May 2024 available at www.asx.com.au or Schedule 2 for further information.

On completion of the New Endeavor Share Sale Agreement, the Company will issue 1 million Shares to CBH for nil cash consideration.

Under the Original Endeavor Share Sale Agreement, Cobar Metals was not entitled to acquire any of the three CBH subsidiaries that collectively own the Endeavor Project until it had procured the release and replacement of the Environmental Bonds - MLs. However, the new arrangements agreed to by CBH and Cobar Metals now provide for Cobar Operations and Endeavor Operations (i.e. the companies that own the mining tenements and exploration licences relating to and the plant and equipment located at the Endeavor Project) to be acquired as soon as possible after Shareholder approval of Resolution 1 is obtained (provided that certain other conditions are also satisfied³), with the potential acquisition of Cobar Infrastructure (i.e. the company that owns various residential properties in Cobar, NSW) to be deferred until the Environmental Bonds - MLs are replaced by Cobar Metals.

Please see Section 1.4 and Schedule 2 for further information in relation to Cobar Metals' revised (and now considerably more onerous) obligations with respect to the Environmental Bonds - MLs.

A brief summary of the various assets owned by each of Cobar Operations, Endeavor Operations and Cobar Infrastructure is set out in Schedule 1.

A brief summary of the key differences between the Original Endeavor Share Sale Agreement and the New Endeavor Share Sale Agreement is set out in Schedule 2.

Shareholders should note that the acquisition of Cobar Operations and Endeavor Operations by Cobar Metals is now governed by the terms of the New Endeavor Share Sale Agreement with the subsequent potential acquisition of Cobar Infrastructure by Cobar Metals governed by the terms of the Call Option Deed (and accompanying CIPL SSA).

A brief summary of the key terms of the Call Option Deed and accompanying CIPL SSA is set out in Schedule 3.

1.2 Corporations Act requirements

Under section 260A(1) of the Corporations Act, a company may "financially assist"⁴ a person to acquire shares in the company (or a holding company of the company) only if:

- the giving of the financial assistance does not materially prejudice:
 - the interests of the company or its shareholders; or
 - the company's ability to pay its creditors; or
- the assistance is approved by shareholders under section 260B of the Corporations Act; or
- the assistance is exempted under section 260C of the Corporations Act.

³ Please see footnote 2.

⁴ While not specifically defined in the Corporations Act, the term "financial assistance" has been interpreted broadly by market participants and the courts to mean the provision of anything needed in order to carry out a transaction involving the acquisition of shares in the company giving the financial assistance and includes the grant of security over assets or the giving of a guarantee or indemnity in respect of another person's liability. The Company considers that the grant of the Securities in connection with the acquisition by Cobar Metals of all of the shares in each of Cobar Operations and Endeavor Operations constitutes the giving of financial assistance for the purposes of section 260A of the Corporations Act.

For a company to financially assist a person to acquire shares in itself or a company of which it is a subsidiary (and unless an exemption is available), section 260B(1) of the Corporations Act states that the financial assistance must be approved by shareholders by:

- a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares or by their Associates; or
- a resolution agreed to, at a general meeting, by all of the company's ordinary shareholders.

If the company will be a subsidiary of a listed domestic corporation immediately after the acquisition, then section 260B(2) of the Corporations Act requires that the financial assistance must also be approved by a special resolution passed at a general meeting of that listed domestic corporation.

1.3 Financial assistance

Since Cobar Metals will now (i.e. provided that Shareholders approve Resolution 1) be acquiring all of the shares in each of Cobar Operations and Endeavor Operations prior to the mandatory release and replacement of the Environmental Bonds - MLs, the parties to the New Endeavor Share Sale Agreement have also agreed, amongst other things, that on completion of the New Endeavor Share Sale Agreement that:

- Cobar Metals will grant security in favour of CBH over all of the shares in each of Cobar Operations and Endeavor Operations that will be transferred to Cobar Metals (**Specific Security**); and
- each of Cobar Operations and Endeavor Operations will grant security in favour of CBH over all present and after acquired property owned by each of them (each, a **Security** and together, the **Securities**).

As the granting of each Security is to occur contemporaneously with the acquisition by Cobar Metals of all of the shares in each of Cobar Operations and Endeavor Operations (the result of which is that each company will become a wholly owned subsidiary of the Company – which is a “listed domestic corporation” for the purposes of section 260B(2)), the grant of each Security is:

- considered to be the giving of financial assistance in connection with the acquisition of shares within the meaning of section 260A of the Corporations Act; and
- not permissible under section 260A of the Corporation Act unless either an exception to that provision applies or shareholders of each target company and of the Company approve the grant of the Securities under section 260B⁵.

Cobar Operations' and Endeavor Operations' entry into (i.e. to the extent they haven't already) and giving effect to each Document⁶ required to implement the provision of the financial assistance may also constitute the giving of financial assistance in connection with the acquisition of shares within the meaning of section 260A of the Corporations Act.

⁵ Since both Cobar Operations and Endeavor Operations will become subsidiaries of the Company on completion of the New Endeavor Share Sale Agreement, (Polymetals) Shareholder approval of the grant of the Securities is required under section 260B(2) of the Corporations Act.

⁶ For the purposes of Resolution 1, the “**Documents**” include the New Endeavor Share Sale Agreement and the General Security Deed and any certificate, form or consent required under any of those documents. Please see the Glossary for further information.

Accordingly, the purpose of Resolution 1 is to approve the giving of the financial assistance by each of Cobar Operations and Endeavor Operations and to approve each of them entering into (i.e. to the extent they haven't already) and giving effect to each Document required to implement the giving of that financial assistance in each case for the purposes of section 260B(2) of the Corporations Act.

Resolution 1 is required to be considered as a special resolution. This means that for Resolution 1 to be passed, at least 75% of the votes cast by Shareholders entitled to vote on the Resolution must be cast in favour of it⁷. Shareholders may either vote for or against Resolution 1.

Separate approvals under section 260B of the Corporations Act will also be required from CBH. Provided that Resolution 1 is approved, it is expected that these separate approvals by CBH will be obtained immediately after completion of the Meeting.

1.4 Effect, advantages and disadvantages

Effect

If Resolution 1 is approved by Shareholders, the effect will be to:

- permit Cobar Operations and Endeavor Operations to give financial assistance (i.e. to grant their respective Securities in favour of CBH⁸) on completion of the acquisition of all of the shares in those two companies by Cobar Metals; and
- allow CBH to acquire all of the property owned by Cobar Operations and Endeavor Operations in the event that Cobar Metals is unable to procure the release and replacement of the Environmental Bonds - MLs within 2 years after completion of the New Endeavor Share Sale Agreement.

The Specific Security and each Security will be released on completion of the CIPL SSA.

Advantages

The giving of financial assistance by Cobar Operations and Endeavor Operations is part of a series of revised commercial arrangements that are considered to be highly advantageous for the Company. The giving of the financial assistance facilitates the acquisition by Cobar Metals (and therefore, albeit indirectly, by the Company) of Cobar Operations and Endeavor Operations (i.e. two of the three companies that collectively own the Endeavor Project) before Cobar Metals is required to replace the Environmental Bonds - MLs. This, in turn, is expected to yield the following significant advantages for the Company:

- (enhanced financing opportunities) as ultimate owner of Cobar Operations and Endeavor Operations, the Company believes that it will be more likely to be able to access external debt and/or equity funding to support the development of the Endeavor Project⁹. Following the receipt of any such funding, the Company believes that it will be able to expeditiously move towards the recommencement of production at the Endeavor Project with the added benefit that any revenues

⁷ Under the terms of the New Endeavor Share Sale Agreement, Cobar Metals will not be permitted to proceed with the acquisition of the shares in Cobar Operations and Endeavor Operations unless Shareholders pass Resolution 1 and each Security is granted.

⁸ Shareholder approval is not required to permit the grant of the Specific Security by Cobar Metals.

⁹ Shareholders should note that there can be no certainty that the Company will be able to obtain additional debt or equity funding to support the Company's development plans at the Endeavor Project. Nonetheless, preliminary feedback from prospective external financiers indicates that additional funding for the Company is considerably more likely if the Company were to own these companies.

generated from the project will ultimately be available to support the replacement of the Environmental Bonds - MLs by Cobar Metals; and

- (reduced C&M expenses) as ultimate owner of Cobar Operations and Endeavor Operations, the Company will have acquired all of the mining tenements and all of the plant and equipment that collectively comprise the Endeavor Project and, as such, the Company believes that it will be able to materially reduce the ongoing care and maintenance expenses applicable to the Endeavor Project (which are paid for by the Company under the Original Endeavor Share Sale Agreement despite these costs being currently incurred by Cobar Operations and Endeavor Operations (which are currently owned by CBH)).

Disadvantages

As the Company presently does not own either Cobar Operations or Endeavor Operations and because it was unlikely that Cobar Metals would have been in a position to replace the Environmental Bonds - MLs on or before 30 April 2024 as required under the Original Endeavor Share Sale Agreement, the giving of the financial assistance by Cobar Operations and Endeavor Operations as part of the revised commercial arrangements referred to in this Explanatory Statement is not expected to materially prejudice the interests of the Company or of its shareholders or the Company's ability to pay its creditors.

Cautionary statement

Pursuant to the terms of the New Endeavor Share Sale Agreement, Cobar Metals is now contractually obliged to procure the release and replacement of the Environmental Bonds - MLs within 2 years after the date on which completion under the New Endeavor Share Sale Agreement occurs¹⁰.

Shareholders should note however that there can be no certainty that Cobar Metals will be able to procure the release and replacement of the Environmental Bonds - MLs within 2 years after completion of the New Endeavor Share Sale Agreement on terms acceptable to CBH or at all.

Under the revised arrangements, the failure by Cobar Metals to procure the release and replacement of the Environmental Bonds - MLs by the due date would:

- likely result in a direct claim against Cobar Metals for any losses that CBH suffers as a result of Cobar Metals' failure to procure the release and replacement of the Environmental Bonds - MLs by the due date;
- mean that Cobar Metals would not be entitled to exercise the call option under the Call Option Deed (and therefore not be entitled to complete the CIPL SSA) to acquire Cobar Infrastructure;
- likely result in CBH enforcing one or more of the Specific Security¹¹ and the Securities resulting in the sale of the shares in, or the assets owned by, Cobar Operations and Endeavor Operations; and

¹⁰ Under the Original Endeavor Share Sale Agreement, the failure by Cobar Metals to procure the release and replacement of the Environmental Bonds - MLs would have prevented it from completing the acquisition of the Endeavor Project (or any part of it). Cobar Metals was not however contractually obliged to do so. However, Cobar Metals is now contractually obliged under the New Endeavor Share Sale Agreement to procure the release and replacement of the Environmental Bonds - MLs by the due date. The consequences of Cobar Metals' inability to procure the release and replacement of the Environmental Bonds - MLs include those consequences set out in Section 1.4.

¹¹ Please see Schedule 2 for a discussion of an additional circumstance pursuant to which CBH may seek to enforce the Specific Security.

- almost certainly result in ASX suspending the Shares from official quotation until it was satisfied that the Company's level of operations and financial condition (including operating results) are adequate to warrant the continued quotation of the Shares on the financial market operated by, and the Company's continued listing on, ASX¹².

Cobar Metals' failure to procure the release and replacement of the Environmental Bonds - MLs by the due date would be a significant strategic setback for the Company and could potentially threaten the Company's listing on ASX and its ability to continue as a going concern.

Please see Schedules 2 and 3 for further information.

1.5 Prior notice to ASIC

As required by section 260B of the Corporations Act, copies of the Notice of Meeting and this Explanatory Statement (including each of its schedules and annexures) were lodged with ASIC in advance of their despatch to Shareholders.

If Resolution 1 is approved by Shareholders, additional forms (and accompanying materials) will also be lodged with ASIC before the financial assistance the subject of that Resolution is given.

1.6 Disclosure

The Directors consider that the Notice of Meeting and this Explanatory Statement contains all information known to the Company that is material to Shareholders in deciding how to vote on Resolution 1 other than information (if any) which would be unreasonable to require the Company to include in these documents because the Company has previously disclosed that information to Shareholders. In this regard, the Company notes the substantial number of detailed periodic and continuous disclosures (including detailed Shareholder meeting documents) that it has made in relation to the Endeavor Project (all of which are available at www.asx.com.au) since April 2023.

1.7 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 1.

¹² There can be no certainty that any such suspension of the Shares from official quotation would be lifted by ASX.

2. RESOLUTION 2 – APPROVAL OF PROPOSED ISSUE OF SHARES

2.1 Background

As detailed in Section 1, the Company has agreed to issue 1 million Shares for nil cash consideration to CBH on completion of the New Endeavor Share Sale Agreement.

The proposed issue of Shares to CBH is subject to Shareholder approval of Resolution 1. No period of voluntary escrow applies to the Shares the subject of Resolution 2.

2.2 Prescribed disclosures

Broadly speaking, and subject to a limited number of exceptions set out in Listing Rule 7.2, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the total number of fully paid ordinary shares it had on issue at the start of that 12 month period.

As the proposed issue of Shares to CBH does not fit within any of the exceptions in Listing Rule 7.2 and since it has not yet been approved or ratified by Shareholders for the purposes of Listing Rule 7.1, the proposed issue, if it were to be made without approval or ratification, would reduce the Company's available Listing Rule 7.1 placement capacity for the 12 months following the date of issue.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for any such future issues under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the proposed issue to CBH for the purposes of Listing Rule 7.1 so that it does not use up any of the Company's available placement capacity.

To this end, Resolution 2 seeks Shareholder approval of the proposed issue of Shares to CBH for the purposes of Listing Rule 7.1.

If Resolution 2 is passed, the proposed issue can proceed without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the proposed issue can still proceed but it will reduce, by 1 million securities, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 months following the issue.

In accordance with the disclosure requirements of Listing Rule 7.3, the following information is provided by the Company:

Listing Rule	Required Disclosure
7.3.1	The Company is proposing to issue 1 million Shares to CBH. CBH is not a Related Party (or an Associate of a Related Party) of the Company.
7.3.2	The Company is proposing to issue 1 million Shares to CBH.
7.3.3	N/A

Listing Rule	Required Disclosure
7.3.4	It is expected that the Shares the subject of Resolution 2 will be issued within approximately 2 to 3 weeks of the Meeting and in any event will be issued by no later than 3 months after the date of the Meeting ¹³ .
7.3.5	The Shares the subject of Resolution 2 will not be issued for cash but rather will be issued as consideration for completion of the New Endeavor Share Sale Agreement.
7.3.6	As noted above, the Shares the subject of Resolution 2 will not be issued for cash but rather will be issued as consideration for completion of the New Endeavor Share Sale Agreement.
7.3.7	Please see Section 1 and Schedule 2 for a summary of the material terms of the New Endeavor Share Sale Agreement.
7.3.8	N/A
7.3.9	Please see the voting exclusion statement for Resolution 2 in the Notice of Meeting.

2.3 Other

Voting in relation to Resolution 2 will be considered by way of a poll. The Chair will cast all undirected proxies in favour of Resolution 2.

2.4 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2.

¹³ Or such longer time as permitted by ASX.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

3.1 Background

On 27 May 2024, the Company announced to ASX that it had entered into a share subscription agreement with Metals Acquisition Corp. (Australia) Pty Ltd ACN 657 799 758 (**MAC**), a wholly-owned subsidiary of ASX (and NYSE) listed Metals Acquisition Limited ARBN 671 963 198, pursuant to which MAC has agreed to subscribe for, and the Company has agreed to issue, up to \$5 million worth of Shares at an issue price of \$0.35 per Share (**Subscription Agreement**).

Under the Subscription Agreement, MAC has agreed to subscribe for Shares in 2 separate tranches with:

- the issue of the first tranche of 7,142,857 Shares being completed on 27 May 2024 (**Tranche 1**); and
- the issue of the second tranche of 7,142,857 Shares to be completed subject to the satisfaction of the below noted conditions precedent (**Tranche 2** and, together with Tranche 1, the **Strategic Investment**).

The 14,285,714 Shares the subject of the Strategic Investment were (or have been agreed to be) issued to MAC out of the Company's then (i.e. as at 27 May 2024) available Listing Rule 7.1 placement capacity.

3.2 Subscription Agreement

As part of the Strategic Investment, the parties have agreed that MAC has the right to appoint a director to the board of the Company if at any time it holds at least 7% of the total number of Shares on issue. This right, once enlivened, will continue for so long as MAC holds at least 5% of the total number of Shares on issue. Furthermore, and while the Shares the subject of Tranche 1 have already been issued, the Shares the subject of Tranche 2 will not be issued to MAC until:

- (**Endeavor Project funding**) the Company has secured external financing to the extent necessary, in MAC's reasonable opinion, to recommence production at the Endeavor Project with all conditions precedent to that external financing having been satisfied or waived;
- (**Zinc tolling agreement**) the parties have entered into a zinc tolling agreement to enable at least 100,000 tonnes per annum of zinc ore from MAC's CSA Copper Mine to be delivered and treated on site at the at the Endeavor Project with the cost (plus 35%) of doing so reimbursed to the Company by MAC;
- (**Endeavor Project production third party consents**) the Company obtains all necessary consents, permits, approvals and/or waivers from all relevant third-parties (including all relevant government agencies) required to recommence production at the Endeavor Project;
- (**MAC investment third party consents**) MAC obtains all necessary consents, permits, approvals and/or waivers required from all relevant third-parties (including its secured lenders and from Glencore Plc) required to complete Tranche 2 of the Strategic Investment; and
- (**Water offtake agreement**) the parties have entered into a water offtake agreement whereby the Company will provide MAC with up to 150 million litres of water per annum from the Endeavor Project water pipeline for an initial period of 4.5 years (effectively) commencing from the date of completion of the New Endeavor Share Sale Agreement. For the first 3 years of the initial 4.5-year supply period, MAC will reimburse the Company for the cost of the water supplied

noting that it will pay an additional \$500,000 per annum in addition to cost for the remaining 1.5 years.

The Subscription Agreement is otherwise in largely customary form and does not include any unusual or unnecessarily onerous terms or conditions.

Please see the Company's ASX release dated 27 May 2024 available at www.asx.com.au for further information in relation to the Strategic Investment.

3.3 Prescribed disclosures

Broadly speaking, and subject to a limited number of exceptions set out in Listing Rule 7.2, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the total number of fully paid ordinary shares it had on issue at the start of that 12 month period.

As the issue of Shares the subject of Tranche 1 does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved or ratified by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, thereby reducing the Company's capacity to issue further equity securities without approval under Listing Rule 7.1 for the 12 months following the date of issue.

Listing Rule 7.4 allows the shareholders of a listed company to ratify an issue of equity securities after it has been made or agreed to be made. If they do, the relevant issue of securities is taken to have been approved under Listing Rule 7.1 such that it does not reduce the company's capacity to issue further securities without approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for any such future issues under Listing Rule 7.1. To this end, Resolution 3 seeks Shareholder ratification of the issue of 7,142,857 Shares under Tranche 1 for the purposes of Listing Rule 7.4.

If Resolution 3 is passed, the issue the subject of Resolution 3 will be excluded from calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 months following the date of issue (which was 27 May 2024).

If Resolution 3 is not passed, the issue the subject of Resolution 3 will be included in the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 months following the date of issue.

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided by the Company:

Listing Rule	Required Disclosure
7.5.1	The Tranche 1 Shares were issued to Metals Acquisition Corp. (Australia) Pty Ltd ACN 657 799 758 a wholly-owned subsidiary of ASX (and NYSE) listed Metals Acquisition Limited ARBN 671 963 198.
7.5.2	The Company issued 7,142,857 Shares to MAC under Tranche 1 of the Strategic Investment.
7.5.3	N/A

Listing Rule	Required Disclosure
7.5.4	The Company issued 7,142,857 Shares to MAC under Tranche 1 of the Strategic Investment on 27 May 2024.
7.5.5	The issue price for the Shares issued to MAC under Tranche 1 was \$0.35 per Share.
7.5.6	The Company will use the \$2.5 million raised under Tranche 1 to continue with its Endeavor Project restart studies and redevelopment activities.
7.5.7	The material terms of the Subscription Agreement have been set out in Section 3.2.
7.5.8	Please see the voting exclusion statement for Resolution 3 in the Notice of Meeting.

3.4 Other

Voting in relation to Resolution 3 will be considered by way of a poll. The Chair will cast all undirected proxies in favour of Resolution 3.

Furthermore, the Company is not proposing to seek Shareholder ratification of the agreement to issue the Shares the subject of Tranche 2 at this time.

3.5 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 3.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

4.1 Background

On 4 June 2024, the Company announced to ASX that it had received firm commitments from a number of sophisticated and professional investors to subscribe for a total of 22 million Shares at an issue price of \$0.28 per Share to raise gross proceeds of \$6.16 million (**Institutional Placement**¹⁴).

Of the 22 million Shares issued under the Institutional Placement, 7 million were issued out of the Company's then (i.e. as at 4 June 2024) available Listing Rule 7.1 placement capacity and 15 million were issued out of the Company's then available Listing Rule 7.1A placement capacity.

The Company will use the \$6.16 million raised under the Institutional Placement:

- to continue with its Endeavor Project restart studies and redevelopment activities;
- to fund near mine exploration activities; and
- for working capital (including to pay the costs of the Institutional Placement) purposes.

Please see the Company's ASX release dated 4 June 2024 available at www.asx.com.au for further information in relation to the Institutional Placement.

4.2 Prescribed disclosures

Broadly speaking, and subject to a limited number of exceptions set out in Listing Rule 7.2, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the total number of fully paid ordinary shares it had on issue at the start of that 12 month period¹⁵.

As the issue of Shares the subject of the Institutional Placement does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved or ratified by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1 (and part of the 10% limit in Listing Rule 7.1A), thereby reducing the Company's capacity to issue further equity securities without approval under Listing Rule 7.1 (and Listing Rule 7.1A) for the 12 months¹⁶ following the date of issue.

¹⁴ Under the Institutional Placement, the Company also procured an additional firm commitment from existing Shareholder, Sparta AG, to subscribe for a further (i.e. in addition to the 22 million Shares the subject of the Institutional Placement) 2 million Shares subject to Shareholder approval. Please see Resolution 5 for further information.

¹⁵ With the approval of a company's shareholders at its annual general meeting (which approval needs to be obtained in accordance with Listing Rule 7.1A), a listed company may issue an additional 10% of the total number of fully paid ordinary shares it has on issue (with that approval remaining valid until the company's next annual general meeting), provided certain conditions in Listing Rule 7.1A are satisfied with respect to that issuance.

¹⁶ The ratification of the Shares issued out of the Company's Listing Rule 7.1A capacity will expire at the Company's next annual general meeting, at which point the Company will need to obtain a fresh approval under Listing Rule 7.1A if it wishes to issue additional Shares under that rule during the period between that annual general meeting and the Company's subsequent (i.e. 2026) annual general meeting.

Listing Rule 7.4 allows the shareholders of a listed company to ratify an issue of equity securities after it has been made or agreed to be made. If they do, the relevant issue of securities is taken to have been approved under Listing Rule 7.1 (and Listing Rule 7.1A) such that it does not reduce the company's capacity to issue further securities without approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for any such future issues under Listing Rule 7.1 and Listing Rule 7.1A. To this end, Resolution 4 seeks Shareholder ratification of the issue of 22 million Shares under the Institutional Placement for the purposes of Listing Rule 7.4.

If Resolution 4 is passed, the issue the subject of Resolution 4 will be excluded from calculating the Company's 15% limit in Listing Rule 7.1 (and the Company's 10% limit in Listing Rule 7.1A), effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 months¹⁷ following the date of issue (which was 13 June 2024).

If Resolution 4 is not passed, the issue the subject of Resolution 4 will be included in the Company's 15% limit in Listing Rule 7.1 (and the Company's 10% limit in Listing Rule 7.1A), effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 months following the date of issue.

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided by the Company:

Listing Rule	Required Disclosure
7.5.1	The Shares issued under the Institutional Placement were issued to a number of exempt investors each of whom were either clients of Blue Ocean Equities Pty Ltd ¹⁸ (Blue Ocean Equities), a Sydney-based advisory and equity capital markets firm or were existing investors in the Company ¹⁹ . In seeking to procure firm commitments under the Institutional Placement, Blue Ocean Equities identified (and then approached) those of its clients who it believed wished to gain an equity exposure to a base and precious metals project development company and who may also be interested in investing in the Company.
7.5.2	The Company issued 22 million Shares (of which 7 million were issued out of the Company's available Listing Rule 7.1 placement capacity and 15 million were issued out of the Company's available Listing Rule 7.1A placement capacity) under the Institutional Placement.
7.5.3	N/A
7.5.4	The Company issued the 22 million Shares the subject of Resolution 4 on 13 June 2024.

¹⁷ Please see footnote 15 and footnote 16.

¹⁸ The Company paid (or has agreed to pay) Blue Ocean Equities a broker fee of 2% and a management fee of 4% in each case of the total amount raised under the Institutional Placement.

¹⁹ Of the 22 million Shares issued under the Institutional Placement, Blue Ocean subscribed for 1,477,857 Shares on its own behalf.

Listing Rule	Required Disclosure
7.5.5	The issue price for the Shares issued under the Institutional Placement was \$0.28 per Share.
7.5.6	<p>The Company will use the \$6.16 million raised under the Institutional Placement:</p> <ul style="list-style-type: none"> • to continue with its Endeavor Project restart studies and redevelopment activities; • to fund near mine exploration activities; and • for working capital (including to pay the costs of the Institutional Placement) purposes.
7.5.7	N/A
7.5.8	Please see the voting exclusion statement for Resolution 4 in the Notice of Meeting.

4.3 Other

Voting in relation to Resolution 4 will be considered by way of a poll. The Chair will cast all undirected proxies in favour of Resolution 4.

4.4 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – APPROVAL OF PROPOSED ISSUE OF SHARES

5.1 Background

As part of the Institutional Placement, the Company has also agreed to issue 2 million Shares at an issue price of \$0.28 per Share to existing Shareholder, Sparta AG. The issue of these Shares is subject to Shareholder approval.

The Company will use the \$560,000 raised from the issue of Shares the subject of Resolution 5 for the same corporate purposes as specified for the Institutional Placement.

Please see the Company's ASX release dated 4 June 2024 available at www.asx.com.au for further information in relation to the institutional Placement.

5.2 Prescribed disclosures

Broadly speaking, and subject to a limited number of exceptions set out in Listing Rule 7.2, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the total number of fully paid ordinary shares it had on issue at the start of that 12 month period.

As the proposed issue of 2 million Shares to Sparta AG does not fit within any of the exceptions in Listing Rule 7.2 and because it exceeds the 15% limit in Listing Rule 7.1, Shareholder approval under Listing Rule 7.1 is required.

If Resolution 5 is passed, the proposed issue of Shares to Sparta AG can proceed without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will be unable to complete the issue of Shares to Sparta AG until such time as it has sufficient Listing Rule 7.1 placement capacity (noting that any such subsequent issue will reduce the Company's then available placement capacity).

In accordance with the disclosure requirements of Listing Rule 7.3, the following information is provided by the Company:

Listing Rule	Required Disclosure
7.3.1	The Company is proposing to issue 2 million Shares to Sparta AG. Sparta AG is not a Related Party (or an Associate of a Related Party) of the Company.
7.3.2	The Company is proposing to issue 2 million Shares to Sparta AG.
7.3.3	N/A
7.3.4	It is expected that the Shares the subject of Resolution 5 will be issued within approximately 1 week of the Meeting and in any event will be issued by no later than 3 months after the date of the Meeting ²⁰ .
7.3.5	The Shares the subject of Resolution 5 will be issued by the Company for \$0.28 per Share.

²⁰ Or such longer time as permitted by ASX.

Listing Rule	Required Disclosure
7.3.6	<p>The Company will receive a total of \$560,000 from the issue of Shares the Subject of Resolution 5.</p> <p>As for the Institutional Placement, the funds raised by the Company from the issue of Shares to Sparta AG will be used:</p> <ul style="list-style-type: none"> • to continue with its Endeavor Project restart studies and redevelopment activities; • to fund near mine exploration activities; and • for working capital purposes.
7.3.7	N/A
7.3.8	N/A
7.3.9	Please see the voting exclusion statement for Resolution 5 in the Notice of Meeting.

5.3 Other

Voting in relation to Resolution 5 will be considered by way of a poll. The Chair will cast all undirected proxies in favour of Resolution 5.

5.4 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

6. RESOLUTION 6 – APPROVAL OF PROPOSED ISSUE OF SHARES

6.1 Background

Shareholder approval is being sought for the purposes of Listing Rule 10.11 to the extent necessary to permit the issue of 5 million Shares to Meadowhead Investments in exchange for the repayment of \$1.4 million worth of outstanding debt currently owed by the Company to Meadowhead investments.

Meadowhead Investments is controlled by the Company's Executive Chairman, Mr David Sproule.

On completion of the debt for equity "swap" the subject of Resolution 6, the Company's total indebtedness to Meadowhead Investments will be reduced from \$1,555,502 to \$155,502. Shareholders should note that the Company still owes Deering Investments, another entity controlled by Mr Sproule, a total of \$950,000.

6.2 Prescribed disclosures

Listing Rule 10.11 states that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- **LR 10.11.1:** a Related Party;
- **LR 10.11.2:** a person who is, or was at any time in the 6 months before the issue or agreement, a "substantial (30%+)" holder in the listed company;
- **LR 10.11.3:** a person who is, or was at any time in the 6 months before the issue or agreement, a "substantial (10%+)" holder in the listed company and who has nominated a director to the board of the listed company pursuant to a relevant agreement which gives them a right or expectation to do so;
- **LR 10.11.4:** an Associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- **LR 10.11.5:** a person whose relationship with the listed company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its (i.e. the listed company's) shareholders.

Since Meadowhead Investments is controlled by Mr David Sproule, a Related Party of the Company (and therefore, a person to whom Listing Rule 10.11.1 applies) and because the proposed issue the subject of Resolution 6 does not fall within any of the exceptions to Listing Rule 10.11 (which are set out in Listing Rule 10.12), Shareholder approval under Listing Rule 10.11 is required.

Resolution 6 is seeking Shareholder approval under Listing Rule 10.11 to the extent necessary to permit the proposed issue of Shares to Meadowhead Investments under the debt for equity "swap" referred to in Section 6.1.

In accordance with the disclosure requirements of Listing Rule 10.13, the following information is provided by the Company:

Listing Rule	Required Disclosure
10.13.1	Resolution 6 is seeking Shareholder approval for the purposes of Listing Rule 10.11 to the extent necessary to permit the proposed issue of Shares to Meadowhead Investments.

Listing Rule	Required Disclosure
10.13.2	Since Meadowhead Investments is controlled by the Company's Executive Chairman, Mr David Sproule (who is a Related Party of the Company), the issue the subject of the proposed debt for equity "swap" triggers Listing Rule 10.11.1.
10.13.3	The Company is seeking Shareholder approval pursuant to Resolution 6 to issue 5 million Shares to Meadowhead Investments in consideration for the repayment of \$1.4 million worth of outstanding debt currently owed by the Company to Meadowhead Investments.
10.13.4	N/A
10.13.5	It is expected that the Shares the subject of Resolution 6 will be issued by the Company shortly after the Meeting, and in any event, will be issued by no later than 1 month after the date of the Meeting ²¹ .
10.13.6	The Shares the subject of Resolution 6 will be issued for a deemed price of \$0.28 per Share in exchange for the repayment of a total of \$1.4 million worth of outstanding debt owed by the Company to Meadowhead Investments.
10.13.7	As noted above, the Shares the subject of Resolution 6 will be issued for a deemed price of \$0.28 per Share in exchange for the repayment of a total of \$1.4 million worth of outstanding debt owed by the Company to Meadowhead Investments.
10.13.8	N/A
10.13.9	N/A
10.13.10	Please see the voting exclusion statements for Resolution 6 in the Notice of Meeting.

6.3 Relevant interest

On completion of the proposed debt for equity "swap" the subject of Resolution 6, Mr Sproule's Relevant Interest in Shares is expected to increase from a total of 64,919,306 Shares (equivalent to 34.76% of the Company's total issued Share capital as at the date of this Explanatory Statement) to a total of 69,919,306 Shares (equivalent to 35.90% of the Company's total issued Share capital. Such an increase is permitted by Item 9 of section 611 of the Corporations Act²² noting that on 16 January 2024 (i.e. the date which is 6 months prior to the date of the Meeting), Mr Sproule had a Relevant Interest in 64,919,306 Shares (equivalent to 41.19% of the Company's then (i.e. as at 16 January 2024) total issued Share capital).

²¹ Or such longer time as permitted by ASX.

²² Item 9 of section 611 of the Corporations Act allows a person who held at least 19% of a company's shares throughout the 6 months before the proposed acquisition to acquire additional shares in the company provided that the actual acquisition of shares does not result in the person increasing their proportionate interest in the company by more than 3 percentage points above the holding they had 6 months before the acquisition.

6.4 Other

If Resolution 6 is not passed, the Company will not be able to proceed with the proposed issue of Shares the subject of this Resolution and will need to find alternative sources of funding in order to repay (or reduce) the outstanding debts currently owed by the Company to Meadowhead Investments.

6.5 Other

Voting in relation to Resolution 6 will be considered by way of a poll. The Chair will cast all undirected proxies in favour of Resolution 6.

6.6 Board recommendation

The Directors (other than Mr David Sproule, who abstains from making a recommendation in respect of Resolution 6) recommend that Shareholders vote in favour of Resolution 6.

GLOSSARY

Term	Definition
ASIC	means the Australian Securities and Investments Commission
Associate	has the meaning given in the Listing Rules
ASX	means ASX Limited ACN 008 624 691 or the financial market operated by it as the context requires
ASX Release	means the ASX release given by the Company to ASX on 14 May 2024
Blue Ocean Equities	has the meaning given in Section 4.1
Board	means the Company's Board of Directors
Call Option Deed	means the call option deed between Cobar Metals and CBH dated 14 May 2024 which allows Cobar Metals to acquire Cobar Infrastructure from CBH upon exercise of the call option within it
CBH	means CBH Resources Ltd ACN 009 423 858
Chair	means the chair of the Meeting
CIPL SSA	means the share sale agreement between Cobar Metals and CBH (which will come into effect on exercise of the option in the Call Option Deed) relating to the potential acquisition of Cobar Infrastructure by Cobar Metals
Cobar Infrastructure	means Cobar Infrastructure Pty Ltd ACN 103 570 207
Cobar Metals	means Cobar Metals Pty Ltd ACN 662 737 242
Cobar Operations	means Cobar Operations Pty Ltd ACN 103 555 835
Collateral	means each or any of the Product, the Endeavor Project and all proceeds from any of them
Company	means Polymetals Resources Ltd ACN 644 736 247
Constitution	means the Company's constitution
Corporations Act	means the <i>Corporations Act 2001</i> (Cth)
Deering Nominees	means Deering Nominees Pty Ltd ACN 008 776 190 ATF the Deering Family Trust
Director	means a director of the Company

Term	Definition
Documents	means each of the agreements, deeds and mortgages (as applicable) that each of Cobar Operations and Endeavor Operations are (or will become) a party to which require or give effect to the provision of financial assistance in connection with the acquisition of shares in each of those companies and includes the New Endeavor Share Sale Agreement and the General Security Deed and any certificate, form or consent required under any of those documents
Endeavor Mine	for the purposes of the MTA Royalty Deed, means: <ul style="list-style-type: none"> • the various mining leases and exploration licences in relation to; and • the underground mine with decline, winder and headframe, the 1.2Mtpa processing plant (and supporting infrastructure) and the mining equipment located on site at, the Endeavor Project
Endeavor Operations	means Endeavor Operations Pty Ltd ACN 103 555 862
Environmental Bonds - MLs	means the security bonds provided by CBH on behalf of Cobar Operations in favour of the Minister to meet certain environmental obligations associated with mining leases ML 158, ML 159, ML 160, ML 161 and ML 930 with a current aggregate value of \$27.956 million
Explanatory Statement	means this explanatory statement
General Security Deed	means the general security deed to be entered by each of Cobar Operations and Endeavor Operations (as respective grantors) in favour of CBH (as grantee) on completion of the New Endeavor Share Sale Agreement
Institutional Placement	has the meaning given in Section 4.1
Listing Rules	means the listing rules of and administered by ASX
MAC	has the meaning given in Section 3.1
Meadowhead Investments	means Meadowhead Investments Pty Ltd ACN 003 122 870 ATF the Sproule Family Trust
Meeting	means the general meeting of Shareholders to be held at 10am (Brisbane time) on 16 July 2024
Minister	means the Minister of the Government of New South Wales responsible for the administration of the <i>Mining Act 1992</i> (NSW) as amended or substituted from time to time, and any regulations made under that Act

Term	Definition
MTA	means MTA Royalty & Streaming Pty Ltd ACN 620 345 235
MTA Royalty Deed	means the royalty deed between MTA and Cobar Operations dated 31 January 2023 under which Cobar Operations has agreed to pay MTA a royalty, calculated in accordance with that deed, for each quarter in which any Product is sold or otherwise disposed of
MTA Royalty Security	means the security granted by Cobar Metals under the MTA Royalty Deed
MUFG Bank	means MUFG Bank, Ltd a Japanese financial institution
New Endeavor Share Sale Agreement	means the share sale agreement between Cobar Metals and CBH dated 14 May 2024 relating to the acquisition of Cobar Operations and Endeavor Operations by Cobar Metals
Notice of Meeting	means the document accompanying the Explanatory Statement
NSW Resources Regulator	means the division (so named) of Mining Exploration and Geoscience, a group within the Department of Regional NSW
Original Endeavor Share Sale Agreement	means the share sale agreement between Cobar Metals and CBH dated 23 December 2022, as amended on 24 March 2023, relating to the acquisition of Cobar Operations, Endeavor Operations and Cobar Infrastructure by Cobar Metals
Product	means all silver, lead and zinc which is extracted or otherwise recovered by or on behalf of Cobar Operations from the Endeavor Mine
Product Sales Date	means the first date after completion of the New Endeavor Share Sale Agreement on which any Product is sold or otherwise disposed of
Property Mortgages	<p>means the mortgages dated on or about the date on which completion of the New Endeavor Share Sale Agreement occurs granted by Cobar Operations in favour of CBH over the land situated at:</p> <ul style="list-style-type: none"> • Elura Railway Line, Cobar NSW 2835 with land title reference 1/41242; • 98 Marshall Street, Cobar NSW 2835 with land title references 319/755649 and 386/725314; and • Endeavor Mine, 1478 Endeavor Mine Road, Cobar NSW 2835 with land title reference 528/725314

Term	Definition
Proxy Form	means the proxy form accompanying this Explanatory Statement
Related Party	has the meaning given in the Listing Rules
Relevant Interest	has the meaning given in section 608 of the Corporations Act
Resolution	means a resolution set out in the Notice of Meeting
Securities	means the securities granted by each of Cobar Operations and Endeavor Operations under (a) the General Security Deed, (b) the Property Mortgages, (c) the Tenement Mortgages, (d) the WAL Mortgages and (e) the WLL Mortgage and Security means any one of them
Share	means a fully paid ordinary share in the Company
Shareholder	means a registered holder of one or more Shares
Specific Security	means the security granted by Cobar Metals under the Specific Security Deed
Specific Security Deed	means the specific security deed to be entered by Cobar Metals (as grantor) in favour of CBH (as grantee) on completion of the New Endeavor Share Sale Agreement
Strategic Investment	has the meaning given in Section 3.1
Subscription Agreement	has the meaning given in Section 3.1
Tenement Mortgages	means the mortgages dated on or about the date on which completion of the New Endeavor Share Sale Agreement occurs granted by Cobar Operations in favour of CBH over tenements ML 158, ML 159, ML 160, ML 161, ML 930, EL 5785, EL 8762 and EL 8583
Toho	means Toho Zinc Co., Ltd the parent company CBH
Tranche 1	has the meaning given in Section 3.1
Tranche 2	has the meaning given in Section 3.1
WAL Mortgages	means the mortgages dated on or about the date on which completion of the New Endeavor Share Sale Agreement occurs granted by Cobar Operations in favour of CBH over water access licences WAL 36337, WAL 36334, WAL 36335, WAL 36336 and WAL 28422

Term	Definition
WLL Mortgage	means the Western Lands Pastoral Lease mortgage dated on or about the date on which completion of the New Endeavor Share Sale Agreement occurs granted by Cobar Operations in favour of CBH over the land with the land title reference 5258/725314

SCHEDULE 1 – ASSETS OWNED

Company	Summary of Assets Owned
Cobar Operations	<p>The following assets are owned by Cobar Operations:</p> <ul style="list-style-type: none">• various mining leases and exploration licenses relating to the Endeavor Project;• the 1.2Mtpa processing plant and supporting infrastructure located on site at the Endeavor Project; and• a small portfolio of residential properties located in Cobar, NSW.
Endeavor Operations	<p>Endeavor Operations owns various motor vehicles and some mining-related equipment.</p>
Cobar Infrastructure	<p>Cobar Infrastructure owns a significant portfolio of residential properties located in Cobar, NSW.</p>

SCHEDULE 2 – KEY DIFFERENCES

Original Endeavor SSA	New Endeavor SSA
Companies to be acquired	
<p>Under the Original Endeavor Share Sale Agreement, Cobar Metals agreed to buy (and CBH agreed to sell) all of the shares in each of:</p> <ul style="list-style-type: none"> • Cobar Operations; • Endeavor Operations; and • Cobar Infrastructure. <p>The above-referred companies collectively own all of the property (including the mine, processing plant and real estate portfolio) that comprises the Endeavor Project.</p> <p>On completion of the Original Endeavor Share Sale Agreement, each of Cobar Operations, Endeavor Operations and Cobar Infrastructure would have become wholly owned subsidiaries of the Company.</p>	<p>Under the New Endeavor Share Sale Agreement, Cobar Metals has agreed to buy (and CBH has agreed to sell) all of the shares in each of:</p> <ul style="list-style-type: none"> • Cobar Operations; and • Endeavor Operations. <p>On completion of the New Endeavor Share Sale Agreement, both of the above-referred companies will become wholly owned subsidiaries of the Company.</p> <p>The acquisition of Cobar Infrastructure is now dealt with separately under the Call Option Deed (and accompanying CIPL SSA).</p> <p>Please see Schedules 1 and 3 for further information.</p>
Environmental Bonds	
<p>In order to effect completion of the Original Endeavor Share Sale Agreement (i.e. completion of the acquisition of the three companies that collectively own the Endeavor Project), Cobar Metals was required to procure the release and replacement of the Environmental Bonds - MLs and other environmental bonds with respect to exploration licenses held by Cobar Operations (Environmental Bonds - ELs) on or before 30 April 2024.</p> <p>Under the Original Endeavor Share Sale Agreement, if the amount of the Environmental Bonds - ML was increased because of “evaporation pond overflow”, CBH was responsible for up to a maximum of \$2 million of any such increase.</p>	<p>Under the terms of the New Endeavor Share Sale Agreement, Cobar Metals is now contractually obliged to procure the release and replacement of the aggregate amount of the Environmental Bonds - ML within 2 years after the date on which completion of the New Endeavor Share Sale Agreement occurs.</p> <p>Completion of the New Endeavor Share Sale Agreement also does not occur until the Environmental Bonds - ELs are released and replaced by Cobar Metals.</p> <p>Please see below for the other conditions precedent (and completion deliverables) required to effect completion under the New Endeavor Share Sale Agreement.</p> <p>Cobar Metals is responsible for any increase in the total amount payable in order to release and replace the Environmental Bonds - MLs (and is responsible for any such increase regardless of the cause of that increase).</p>

Original Endeavor SSA	New Endeavor SSA
	<p>Cobar Metals has also agreed to pay:</p> <ul style="list-style-type: none"> • 2% to CBH; and • 1% to the NSW Resources Regulator, of the value of the existing Environmental Bonds - MLs (calculated annually, payable quarterly) whilst retained by CBH. <p>Shareholders should note that there can be no certainty that Cobar Metals will be able to procure the release and replacement of the Environmental Bonds - MLs by the due date on acceptable terms or at all. Cobar Metals' failure to do so by the due date would be a significant strategic setback for the Company and could potentially threaten the Company's listing on ASX and its ability to continue as a going concern.</p> <p>Please see Section 1.4 for further information.</p>
Consideration payable	
<p>An amount of \$1 million has already been paid by Cobar Metals to CBH in connection with the acquisitions the subject of the Original Endeavor Share Sale Agreement.</p>	<p>The Company has agreed to issue 1 million Shares to CBH on completion of the New Endeavor Share Sale Agreement.</p>
Security package	
<p>N/A</p>	<p>On completion of the New Endeavor Share Sale Agreement:</p> <ul style="list-style-type: none"> • (Specific Security) Cobar Metals is required to grant security in favour of CBH over all of the shares in each of Cobar Operations and Endeavor Operations that will be transferred to Cobar Metals; and • (Securities) each of Cobar Operations and Endeavor Operations are required to grant security in favour of CBH over all present and after acquired property owned by each of them²³. <p>The security package in favour of CBH is to rank pari passu with any project funding facility to be established by the Company.</p>

²³ Shareholder approval to permit the grant of the Securities is being sought pursuant to Resolution 1.

Original Endeavor SSA	New Endeavor SSA
	<p>The Specific Security and each Security will be released on completion of the CIPL SSA.</p> <p>Shareholders should also note that:</p> <ul style="list-style-type: none"> • under the MTA Royalty Deed, effective on and from completion of the New Endeavor Share Sale Agreement, Cobar Operations will grant a first ranking security over its Collateral to secure its obligations under the Royalty Deed (i.e. the MTA Royalty Security)²⁴; and • under the New Endeavor Share Sale Agreement, Cobar Operations is required to procure the acknowledgement from, and agreement of, MTA that notwithstanding the order of registration, the Securities rank in priority to the MTA Royalty Security on and from the first date after completion of the New Endeavor Share Sale Agreement on which any Product is sold or otherwise disposed of by or on behalf of Cobar Operations (i.e. the Product Sales Date). This acknowledgement from, and agreement of, MTA is to be documented in a priority deed acceptable to CBH. <p>If Cobar Operations is unable to procure the parties' entry into the priority deed referred to above on or before the Product Sales Date, CBH is entitled to require the release and replacement of the Environmental Bonds - MLs by the date that is 10 business days after the Product Sales Date. Furthermore, if Cobar Operations is unable to procure the release and replacement of the full amount of the Environmental Bonds - MLs by the relevant date, then Cobar Operations must:</p>

²⁴ A deed under which CBH covenants in favour of MTA to comply with certain obligations of Cobar Operations under the MTA Royalty Deed may also be required in connection with (or as a consequence of) the grant of Cobar Operations' Security. The parties' entry into such a deed may be required either before or after completion of the New Endeavor Share Sale Agreement.

Original Endeavor SSA	New Endeavor SSA
	<ul style="list-style-type: none"> • immediately pay to (or as directed by) CBH, an amount equal to the full amount of the Environmental Bonds - MLs; and • cooperate with CBH to procure the replacement of the Environmental Bonds - MLs, by using the cash paid to CBH for this purpose. <p>CBH may also seek alternative remedies for breach of the New Endeavor Share Sale Agreement including by enforcing the Specific Security resulting in all of the shares in Cobar Operations and Endeavor Operations that are held by Cobar Metals being transferred back to CBH.</p> <p>Shareholders are cautioned that the occurrence of either of the above noted events would represent a significant strategic setback for the Company and could potentially threaten the Company's listing on ASX and its ability to continue as a going concern.</p>
Post-completion asset sales	
N/A	During the Option Period, the sale of any material asset owned by either Cobar Operations or Endeavor Operations must be approved by CBH.
Conditions precedent and conditions deliverable	
The primary completion deliverable related to Cobar Metals' release and replacement of the Environmental Bonds - MLs.	<p>The conditions precedent to the completion of the New Endeavor Share Sale Agreement include:</p> <ul style="list-style-type: none"> • Shareholder approval of Resolution 1²⁵ (i.e. approval to permit the giving of the financial assistance by Cobar Operations and Endeavor Operations as described in this Explanatory Statement);

²⁵ Separate approvals under section 260B of the Corporations Act (i.e. for each of Cobar Operations and Endeavor Operations) will also be required from CBH (i.e. as sole shareholder of each of these companies). Provided that Resolution 1 is approved, it is expected that these separate approvals by CBH will be obtained immediately after completion of the Meeting.

Original Endeavor SSA	New Endeavor SSA
	<ul style="list-style-type: none"> • MUFG Bank approval of the proposal to maintain the current Environmental Bonds - MLs by CBH until the earlier of 2 years after the date on which completion under the New Endeavor Share Sale Agreement occurs and the date the Environmental Bonds - MLs are replaced unconditionally or on conditions acceptable to CBH; and • approval by the board of directors of Toho of the transactions contemplated by the New Endeavor Share Sale Agreement unconditionally or on conditions acceptable to CBH. <p>Furthermore, it is a completion deliverable under the New Endeavor Share Sale Agreement that Cobar Metals, Cobar Operations and Endeavor Operations enter into the Specific Security Deed, the General Security Deed and any ancillary Document.</p> <p>Shareholders should note that on 29 May 2024, the Company announced to ASX that it had received written confirmation from CBH that the above noted conditions precedent relating to MUFG Bank approval of the proposal to maintain the current Environmental Bonds – MLs by CBH for up to a further 2 years and the condition precedent relating to approval of the Toho board of the transactions contemplated by the New Endeavor Share Sale Agreement have been satisfied.</p>
<p>Post-completion information rights</p>	<p>During the period between completion of the New Endeavor Share Sale Agreement and the Product Sales Date, Cobar Operations must, at least every 2 months, provide CBH with written reports detailing:</p> <ul style="list-style-type: none"> • the anticipated timing of (and progress towards) the Product Sales Date; • any changes to the anticipated timing of the Product Sales Date; and • any other relevant information reasonably requested by CBH. <p>Cobar Operations must also advise CBH in writing within 1 business day of the Product Sales Date of the date of the Product Sales Date.</p>

SCHEDULE 3 – CALL OPTION DEED & CIPL SSA

The acquisition of Cobar Operations and Endeavor Operations by Cobar Metals is governed by the terms of New Endeavor Share Sale Agreement with the subsequent potential acquisition of Cobar Infrastructure by Cobar Metals governed by the terms of the Call Option Deed and accompanying CIPL SSA.

Provision	Summary/Meaning
Overview	<p>The Call Option Deed gives Cobar Metals the right but not the obligation to acquire all of CBH's shares in Cobar Infrastructure on the terms set in the Call Option Deed and in the CIPL SSA.</p> <p>The Call Option Deed may only be exercised following completion of the New Endeavor Share Sale Agreement and the release and replacement of the Environmental Bonds - MLs.</p> <p>On completion of the CIPL SSA, Cobar Metals will acquire all of the shares in Cobar Infrastructure resulting in it becoming a wholly owned subsidiary of the Company.</p> <p>The option provided under the Call Option Deed expires two (2) years after completion of the New Endeavor Share Sale Agreement (Option Period).</p>
Right to lease	<p>CBH has agreed to grant Cobar Metals an opportunity to request to lease available properties held by Cobar Infrastructure on standard market terms (including interest and outgoings) during the Option Period and CBH must not unreasonably refuse such a request.</p>
Representations and warranties	<p>There are also various representations and warranties contained within each of the Call Option Deed and the CIPL SSA that are generally customary for transaction documentation of this nature.</p>

ANNEXURES

Annexure	Document
A	ASX Release
B	Proxy Form

ASX: **POL**

ASX Announcement

14 May 2024

ENDEAVOR SILVER ZINC LEAD MINE ACQUISITION ACCELERATED

Revised arrangements secure ownership and bring the Endeavor Silver, Zinc & Lead Mine closer to re-commencing production.

Polymetals Resources Ltd (ASX: **POL**) (**Polymetals** or the **Company**) is pleased to announce that revised Endeavor Silver, Zinc & Lead Mine acquisition agreements and ancillary arrangements have been executed and agreed with CBH Resources Ltd (**CBH**), a subsidiary of Toho Zinc Co., Ltd (**Toho**).

HIGHLIGHTS

- **Agreement to defer exchange of the Endeavor Mine Rehabilitation Bond for up to 2 years at a cost of 2% p.a.**
- **New Endeavor Share Sale Agreement to deliver Polymetals ownership of the Endeavor Silver Zinc and Lead Mine.**
- **Polymetals will now proceed to finalise project financing and expedite mine restart activities, targeting Silver, Zinc and Lead production in H1 2025.**

Polymetals Executive Chairman Dave Sproule said:

"This is a major achievement for the Company. The Bond exchange has been a challenging hurdle to overcome in what had been a depressed market over the past 12-months. I would like to thank CBH and Toho for their continuing support of the Company and our plans to return the Endeavor Mine to operation.

Bringing Endeavor back to production will be a great outcome for NSW and the Cobar community, creating over 200 direct jobs and injecting around \$50m a year into the local community for at least another 10-years. This mine life has potential to be increased with exploration success and implementation of value adding treatment options.

On completion of the revised agreements and transfer of ownership to Polymetals, we will expedite project funding and the commencement of planned mine restart activities. Fortunately, we are moving into an increasing base metal price environment which significantly improves the project's economics."

ASX Announcement

ASX: POL

Polymetals, through its wholly owned subsidiary, Cobar Metals Pty Ltd (**Cobar Metals**), has entered into revised arrangements with CBH for the purchase of the Endeavor Silver, Zinc & Lead Mine near Cobar, NSW (**Endeavor Project**¹).

In addition to delivering Polymetals with 100% ownership of the Endeavor Mine² and 1,100km² of exploration tenements in the Cobar Basin, the revised arrangements provide Polymetals with an additional 2 years to replace the approximately \$28 million Endeavor Mine Rehabilitation Bond (**Bond**).

Completion of the acquisition of the Endeavor Mine is subject to Polymetals shareholder approval of the grant of security associated with the new arrangements, with a Notice of Meeting and accompanying Explanatory Statement to be circulated to shareholders in the coming days. Other conditions to completion are noted below.

Transaction details

The new agreements and associated arrangements (which include an entirely new Endeavor share sale agreement (**New Endeavor Share Sale Agreement**)) provide for the following:

- the termination of the original Endeavor share sale agreement dated 23rd December 2022 (**Original Endeavor Share Sale Agreement**);
- the acquisition by Cobar Metals of all of the shares in each of Cobar Operations Pty Ltd (**Cobar Operations**) and Endeavor Operations Pty Ltd (**Endeavor Operations**) (the two companies that collectively own the Endeavor Mine) held by CBH subject to the satisfaction of the conditions referred to below;
- the extension of the date by which the Bond is due for replacement to the date which is two years after the date on which completion under the New Endeavor Share Sale Agreement occurs (noting that under the Original Endeavor Share Sale Agreement, the Bond needed to be replaced by 30 April 2024)³;
- Cobar Metals option to acquire Cobar Infrastructure Pty Ltd (**Cobar Infrastructure**), subject to completion under the New Endeavor Share Sale Agreement having occurred and the Bond being replaced by Cobar Metals within the above-mentioned two-year period; and

¹ For the purposes of this announcement, the **Endeavor Project** includes the Endeavor Mine (defined below) and the property portfolio owned by Cobar Infrastructure Pty Ltd.

² The "**Endeavor Mine**" owned by Cobar Operations Pty Ltd and Endeavor Operations Pty Ltd, comprises various mining leases and exploration licences, an underground mine with decline, winder and headframe, a 1.2Mtpa processing plant and supporting infrastructure and mining equipment located on site at the Endeavor Mine.

³ Under the Original Endeavor Share Sale Agreement, the failure by Cobar Metals to procure the release and replacement of the Bond would have prevented it from completing the acquisition of the Endeavor Project (or any part of it). Cobar Metals was not however contractually obliged to do so. However, Cobar Metals is now contractually obliged under the New Endeavor Share Sale Agreement to procure the release and replacement of the Bond by the due date. The consequences of not doing so will be set out in detail in the Explanatory Memorandum for the proposed shareholder meeting.

ASX Announcement

ASX: POL

- the issue of 1 million POL shares to CBH on completion of the New Endeavor Share Sale Agreement.

Under the original Endeavor Share Sale Agreement, Cobar Metals was not entitled to acquire any of the three CBH subsidiaries that collectively own the Endeavor Project until it had procured the release and replacement of the Bond. However, the new arrangements agreed to by CBH and Cobar Metals now provide for Cobar Operations and Endeavor Operations (i.e. the two companies that together own the Endeavor Mine) to be acquired by Cobar Metals as soon as possible after the conditions referred to below are satisfied. The potential acquisition of Cobar Infrastructure (i.e. the company that owns various residential properties in Cobar, NSW) is to be deferred until the Bond is replaced by Cobar Metals.

Conditions under the New Endeavor Share Sale Agreement:

1. Polymetals shareholders must approve Cobar Operations and Endeavor Operations granting security over their assets to CBH; and
2. CBH's bank⁴ must provide its approval of the two-year extension of the date by which Cobar Metals is required to arrange for the release and replacement of the Bond.
3. Toho's directors must approve the transactions the subject of the New Endeavor Share Sale Agreement.

On completion, Cobar Metals, Cobar Operations and Endeavor Operations must enter into various security documents to secure Cobar Metals' obligations under the New Endeavor Share Sale Agreement.

Shareholder approval

As a consequence of the contemporaneous granting of security by each of Cobar Operations and Endeavor Operations over all of their present and future acquired property in favour of CBH on completion of the New Endeavor Share Sale Agreement (i.e. at the time all of the shares in each of these companies are transferred to Cobar Metals), Polymetals shareholder approval is required in accordance with the financial assistance provisions of the *Corporations Act 2001* (Cth).

As noted above, the Notice of Meeting and accompanying Explanatory Statement for the Polymetals shareholder meeting are expected to be sent to shareholders in the coming days, with the general meeting expected to be held in late June 2024. The Explanatory Statement contains considerable detail in relation to the revised arrangements agreed to by the Company, Cobar Metals and CBH and should be read carefully and in its entirety.

<ENDS>

This announcement was authorised for release by Polymetals Resources board.

⁴ CBH's bank is the provider of the Bond instruments held in favour of the Secretary of the NSW Mine Regulator.

For further information, please contact:

Linden Sproule

Corporate Development

linden.sproule@polymetals.com

John Haley

Chief Financial Officer / Company Secretary

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, 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 STATEMENTS

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.



Endeavor Mine, Cobar NSW, Australia



POLYMETALS RESOURCES LTD

ACN 644 736 247

LODGE YOUR VOTE

ONLINE
<https://investorcentre.linkgroup.com>

BY MAIL
Polymetals Resources Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

ALL ENQUIRIES TO
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Polymetals Resources Ltd and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **10:00am (Brisbane time) on Tuesday, 16 July 2024 at K & L Gates, Level 16, 66 Eagle Street, Brisbane, QLD 4000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Approval of Financial Assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of Proposed Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of Proposed Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of Proposed Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3

POL PRX2401A



HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of Extraordinary General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Brisbane time) on Sunday, 14 July 2024**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Polymetals Resources Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*During business hours Monday to Friday (9:00am - 5:00pm)

**IF YOU WOULD LIKE TO PARTICIPATE IN AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**