



About Polymetals

Polymetals Mining Limited is an Australian mining company focused on precious and base metal production.

Polymetals has a 26-year history of delivering profitable resource production projects.

Over that time the Company has generated significant returns for shareholders.

Polymetals' successful track record is built on acquisition, exploration, development and operation of precious and base metals projects.

The Company has current production, positive cashflow and tenements in some of Australia's most prospective mining regions.

Polymetals has strong growth potential.

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ASX ANNOUNCEMENT / MEDIA RELEASE

24 September 2012

Polymetals successfully acquires 100% of Lansdowne Resources

- Earning 75% interest in Turner River Project
- Near-term production potential from existing resources
 - Gold project resource of 6.72 million tonnes at 1.38g/t Au for 298,000 oz Au
 - Base metals project resource of 3.1 million tonnes at 2.36% Zn, 0.97% Pb, 82 g/t Ag, 0.65 g/t Au
- Extensive technical data base enabling an immediate focus on expanding the existing proven resource in both gold and base metal projects
- Excellent potential to extend known resources and to discover extensions to, and repetitions of, the known precious metal and base metal mineralisation.

Polymetals Mining Limited (Polymetals, ASX:PLY) is pleased to announce it has entered into an agreement with the shareholders of Lansdowne Resources Pty Ltd (Lansdowne) to acquire 100% of the shares in the company, together with the associated rights to earn into a 75% share of the Turner River Gold and Base Metals Joint Venture and the option to purchase a 75% interest in the Wingina Well gold resource.

The Turner River Project is located approximately 60 kilometres south of Port Hedland (see Figure 1) within a granite-greenstone terrane of the Archaean-Proterozoic Pilbara Craton of Western Australia.

Polymetals CEO Frank Terranova comments *"Polymetals is committed to seeking growth opportunities that benefit from the Company's proven skills in developing projects quickly and economically. The Turner River project is one such opportunity and we are excited about its potential."*



David Sproule
Chairman

Frank Terranova
Chief Executive Officer

The Turner River Project is considered highly prospective for additions to the existing resources and discovery of additional resources in several geochemical and geophysical target areas within the tenement package. Mineral Resources at the Wingina Well project have been estimated at 5.1 million tonnes at 1.34 g/t Au for 220,000 oz gold and will be the initial focus of exploration with the objective to rapidly progress the project to a development decision.

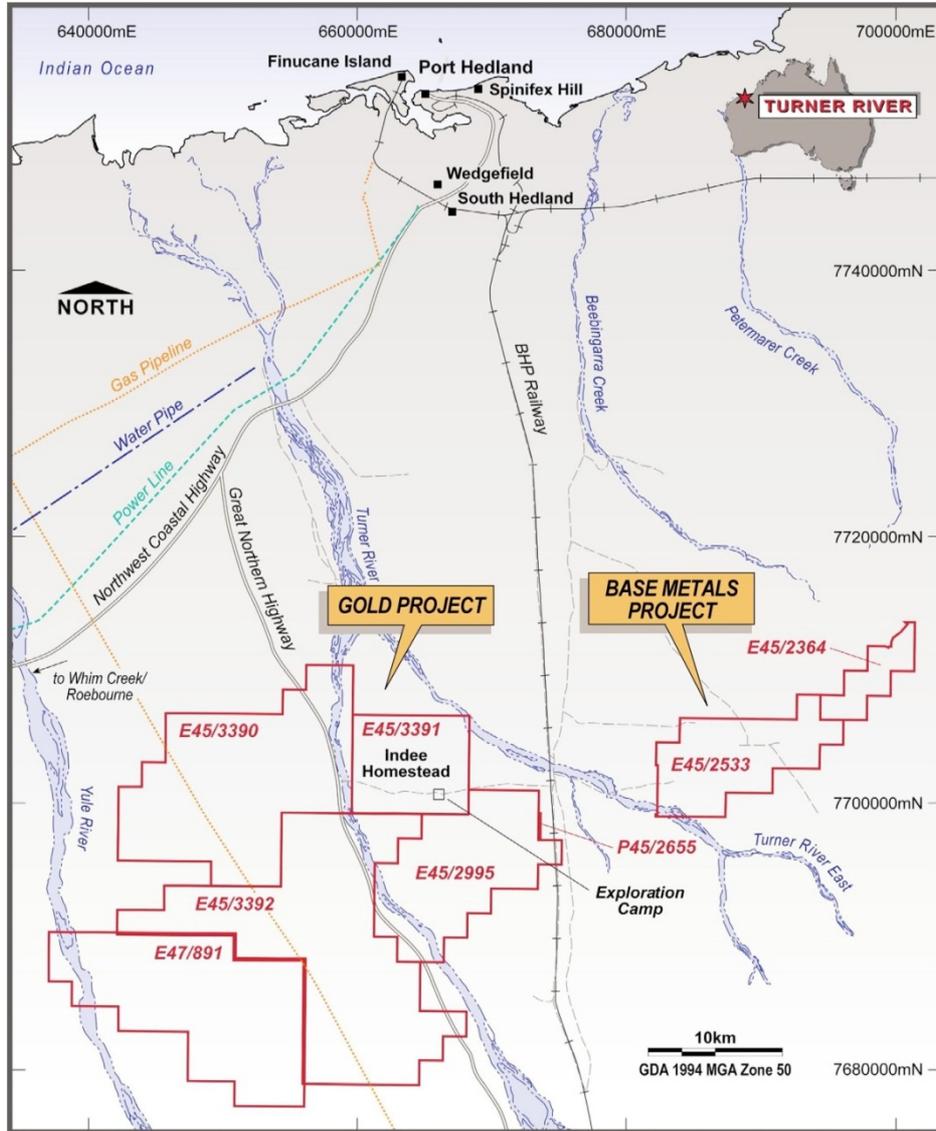


Figure1. Turner River Gold and Base Metal Project Areas

The purchase consideration to be paid to Lansdowne’s shareholders comprises:

- Upfront payment of \$0.5 million cash and \$0.75 million of fully paid PLY shares; and
- \$0.5 million of fully paid PLY shares or cash at the sellers’ election in 9 months from date of acquisition.

Milestone payments will be made to the sellers upon the development of a Gold project as follows:

- \$0.75 million of fully paid PLY shares or cash at Polymetals’ election upon decision to mine; and

- \$0.75 million of fully paid PLY shares or cash at Polymetals' election upon first production.

The following milestone payments will be made to the sellers upon the development of a Base Metals Project:

- \$1.0 million of fully paid PLY shares or cash at the sellers' election upon definition of a 0.75 million ounce gold equivalent Resource: and
- \$1.0 million of fully paid PLY shares or cash at the sellers' election upon a decision to mine

Tenements comprising the Turner River Gold and Base Metals projects are the subject of a farm-out and joint venture agreement with De Grey Mining Limited (De Grey, ASX:DEG) under which Lansdowne may earn a 75% interest in the project by funding exploration expenditure of \$2 million and \$1.5 million respectively over three years, the earn-in period having commenced on 6 May 2011. Exploration expenditure by Lansdowne to date is approximately \$1.1 million and therefore the Polymetals' requirement to earn into the Turner River Projects is a further \$2.4 million by May 2014.

Upon Polymetals earning its interest, a 75:25 joint venture will be formed and Polymetals would continue to fund all expenditures up to a Decision to Mine. Upon a Decision to Mine, a mining joint venture area would be declared and mine development expenditures would be funded by De Grey and Polymetals in proportion to their JV interests. De Grey's free carried interest continues in respect of project areas outside of the mining joint venture area. Upon earning into the Gold Project joint venture Polymetals has the option to purchase a 75% interest in the Wingina Well gold resource with a milestone payment of \$4.1 million to De Grey.

Gold Project

The Turner River Gold tenements straddle the Mt Dove – Tabba Tabba Shear Zone and the Mallina Shear which is a well known host to gold mineralisation in the area. (see Figure 2).

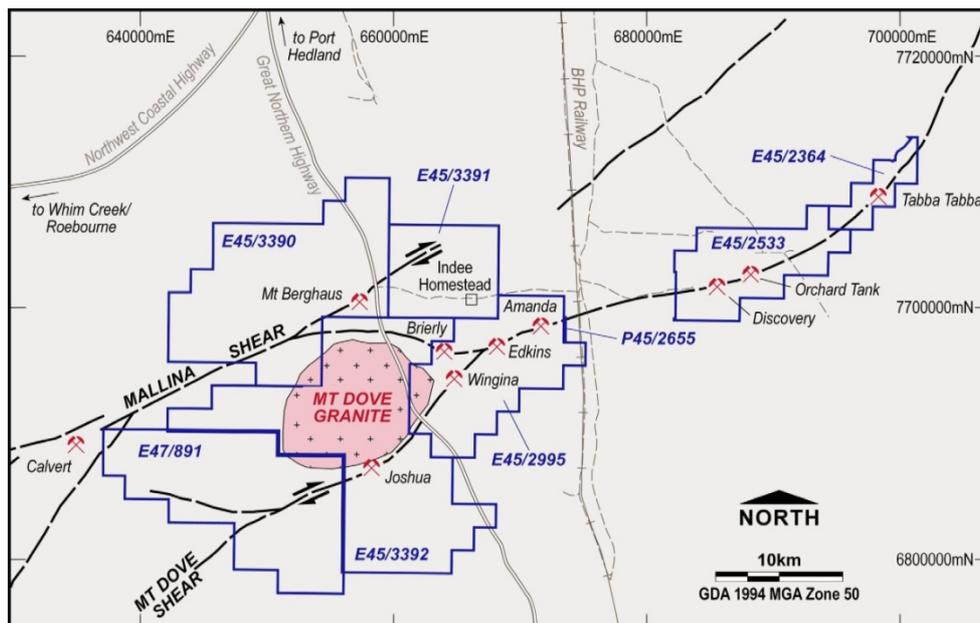


Figure 2: Turner River Simplified Geology, Tenement Location and Prospects

The Turner River Gold project has Resources at a 0.5 g/t Au cut-off grade as follows:

Prospect	JORC Category	Resource	Million tonnes	Grade Gold g/t	Ounces Gold
Wingina Well	Measured		1.70	1.54	84,200
Wingina Well	Indicated		2.45	1.28	100,900
Wingina Well	Total Measured and Indicated		4.15	1.39	185,100
	Inferred		0.96	1.14	35,100
Wingina Well ⁽¹⁾	Total Measured, Indicated and Inferred		5.11	1.34	220,200
Mt Berghaus ⁽²⁾	Inferred		0.92	1.44	42,600
Amanda ⁽³⁾	Inferred		0.69	1.60	35,400
Total Gold Project	Measured, Indicated and Inferred		6.72	1.38	298,100

Note: (1) Resource estimation by Hellman & Schofield, April 2009. 28xAC, 181xRC, 34xDD holes. Multiple Indicator Kriging. 0.5g/t Au lower cut-off grade.

(2) Resource estimation by Ravensgate, Feb-2012. 125 drill holes. Ordinary Kriging. 0.5g/t Au lower cut-off grade

(3) Resource estimation by Ravensgate, Mar-2012. 248 drill holes. Ordinary Kriging. 0.5g/t Au lower cut-off grade

(4) The above resource estimations have been verified by Polymetals.

Previous drilling at Wingina Well has indicated at least three relatively high-grade, parallel gold zones contained within lower grade envelopes (see following table). Potential exists for both shallow open pit and deeper selective underground mining of the estimated resource that is open along strike and at depth.

Drill Hole No	Collar Co-ord MGA E	Collar Co-ord MGA N	Bearing (deg)	Inclination (deg)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Approx true Thickness (m)
WRC042	664940	7694270	118	-65	64	72	8	7.3	3.6
WRC105	665138	7694617	138	-60	24	28	4	27.0	2.0
WRC160D	664893	7694174	318	-60	140 including 160	183.1 170	43.1 10	4.71 15.09	21 5
WRC043D	664799	7694304	318	-60	126 including 142.4 162.3 186.5	197.4 149.4 175.5 191.4	71.4 7 13.2 4.9	3.85 5.88 10.09 9.98	24 2.4 4.5 1.7

Metallurgical testwork to date on gold mineralised material from Wingina Well indicated that the gold is fine-grained and free-milling. Carbon in leach testwork achieved gold recoveries up to 93% with low reagent consumption and easy grinding of the weathered material that forms the bulk of the currently estimated Mineral Resource at Wingina Well.

Results from drilling at Mt Berghaus have also demonstrated the existence of high-grade zones that require definition by follow up drilling (see following table).

Drill Hole No	Collar Co-ord MGA E	Collar Co-ord MGA N	Bearing (deg)	Inclination (deg)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Approx true Thickness (m)
BGRC001	657139	7700321	000	-60	21	28	7	15.5	4.0
BGRC039	656995	7700198	000	-60	58	60	2	38.1	1.2
BGRC040	656990	7700205	000	-60	58 including 58	63	5	10.3	3.5
BGRC095	657013	7700234	000	-60	3	11	8	7.4	4.0
BGRC097	657051	7700251	000	-54	4 including 13 and 19	20	16	24.8	8.7
						14	1	354	
						20	1	31.3	

The Wingina Well, and Mt Berghaus deposits remain open at depth and along strike and the structures in which they are located are prospective for repetitions along strike.

Base Metals Project

The tenements of the Turner River Base Metals project lie 5.3 km northeast of the Gold project tenements (Figure 3).

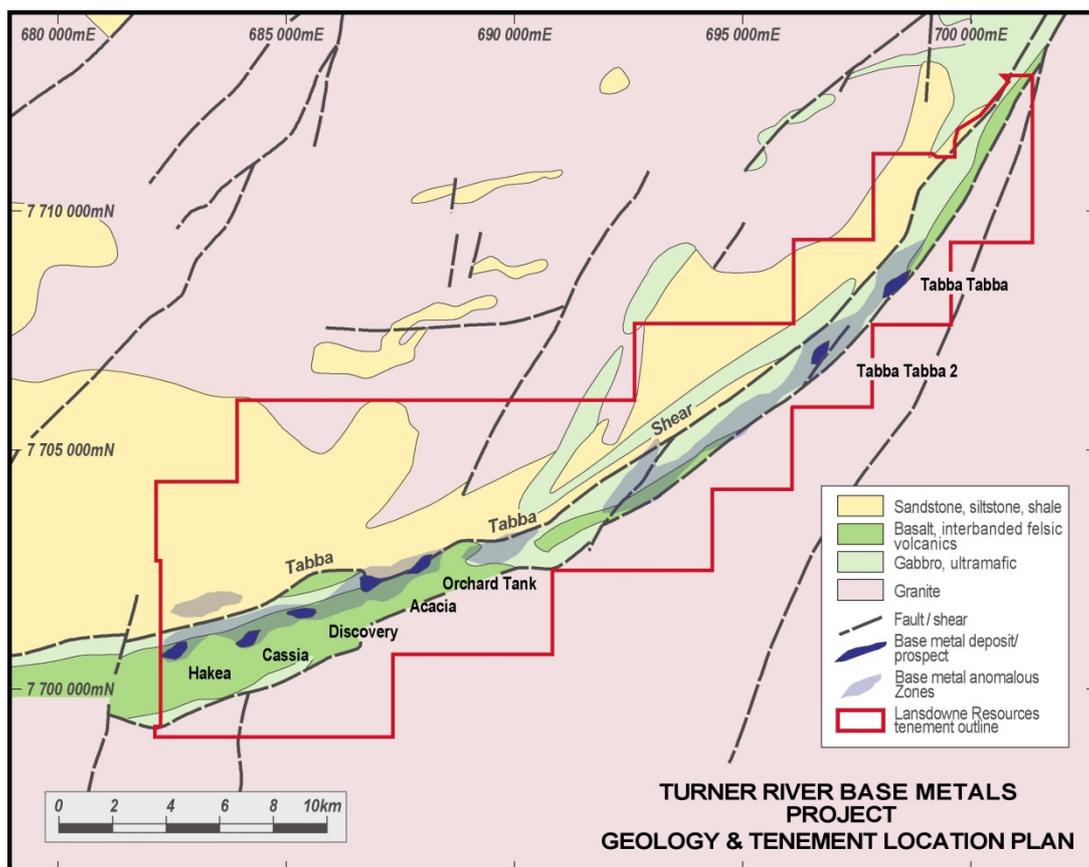


Figure 3: Simplified Geology, Tenement Outline, Deposits and Prospects

Estimated Mineral Resources at the Base Metals project are as follows:

Deposit	Million tonnes	Grade Zinc %	Grade Silver g/t	Grade Lead %	Grade Copper %	Grade Gold g/t
Discovery (Inferred) ⁽¹⁾	1.12	2.62	94	1.03	0.12	0.87
Orchard Tank (Inferred) ⁽²⁾	1.49	2.71	84	1.10	0.08	0.57
Total (Inferred)	2.61	2.67	89	1.07	0.10	0.70

Note: (1) Resource estimation by Ravensgate February 2012. 18XRC and 2XDD drill holes. Ordinary Kriging. 1.0% Zn lower cut-off grade.

(2) Resource estimation by Ravensgate, February 2012. 10XRC and 10XDD drill holes. Ordinary Kriging. 1.0% Zn lower cut-off grade.

(3) Ravensgate Mineral Resources verified by Polymetals.

Higher grade intersections within the Discovery and Orchard Well prospects are listed in the following table.

Drill Hole No / Project	Collar Co-ord MGA E	Collar Co-ord MGA N	Bearing (deg)	Inclination (deg)	From (m)	To (m)	Interval (m)	Grade	Approx true thickness (m)
WARC024 Discovery	685437	7701623	000	-70	165	182	17	4.64%Zn, 1.84%Pb, 0.17%Cu, 124 g/tAg, 0.80g/tAu.	15.4
WADH012 Orchard Tank	687765	7702640	180	-60	514.4	519.3	4.9	12.7%Zn 7.31%Pb 0.35%Cu 331g/tAg 2.54g/tAu	2.5

A high-grade gold intersection north of Orchard Tank, grading 6 m at 37.2 g/t Au from 193 m, has been tested by two drill holes only and warrants additional drilling.

Metallurgical testwork on transitional and sulphidic material from the Orchard Tank deposit returned high recoveries and concentrate grades from standard flotation techniques.

To date only the outcropping or geochemically anomalous zones have been tested by bedrock drilling. Mineralisation at Discovery and Orchard tank has been drilled over strike lengths of approximately 280 m and 350 m respectively over a potentially mineralised horizon extending for some 20 km of strike within the tenement area.

Drilling of the Wingina Well project is expected to commence within the next two months and will continue until the start of the wet season. In addition to exploration for resource extension, samples for metallurgical testing and geotechnical assessment will be taken to rapidly progress project scoping studies.

For further enquiries please contact:

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Corporate Directory

Board of Directors

David Sproule
Chairman

Jon Parker
Non-executive Director

David Carland
Non-executive Director

Company Secretary

David Kinsman

Share capital

36.951 million ordinary shares

Share price activity

To 21 September 2012

	High	Low	Last
2012	\$0.85	\$0.49	\$0.49

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Share registry

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P: 1300 554 474

Please direct shareholding enquiries to the share registry.

Forward Looking and Competent Persons Statement

This announcement contains forward looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

All references to dollars, cents or \$ in this update are to AUD currency, unless otherwise stated.

The information in this announcement that relates to Resources is based on information compiled (Canbelego, Drew Hill) or verified (Turner River) by Mr Troy Lowien, Polymetals Senior Resource Geologist, who is a Member of the Australian Institute of Mining and Metallurgy and is a fulltime employee of Polymetals Mining Limited.

The information in this announcement that relates to Mt Boppy Ore Reserves is based on information compiled by Mr Andrew Lawry, Polymetals COO and a Member of The Australasian Institute of Mining and Metallurgy and a fulltime employee of Polymetals Mining Limited.

The information in this announcement that relates to Exploration Results is based on information compiled or verified by Mr Jess Oram, Polymetals Exploration Manager who is a Member of the Australian Institute of Geoscientists and is a fulltime employee of Polymetals Mining Limited.

Messrs Buxton, Lawry, Lowien and Oram have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities which they undertook to qualify as a Competent Persons as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Messrs Lawry, Lowien and Oram consent to the inclusion of matters based on their information in the form and context in which it appears in this announcement.

Company Resources and Ore Reserves

The table below notes the Company's Mineral Resources and Ore Reserves as at 30 June 2012.

All grades and ounces are gold

Canbelego (incl. Mt Boppy) Resource statement

(2.5g/t cut-off)

	kt	g/t	koz
Measured	39	6.4	8
Indicated	540	4.4	76
Inferred	77	4.0	10
Total	656	4.5	94

The Measured and Indicated Mineral resources are inclusive of those Mineral Resources modified to produce the Ore Reserves (below)

Mt Boppy Ore Reserves

	kt	g/t	koz
Proved	42	5.64	8
Probable	507	4.19	68
Total	549	4.30	76

Drew Hill (incl. White Dam and Vertigo) Resource statement

(White Dam: 0.3g/t cut-off, depleted to end January 2012; Vertigo: 0.4g/t cut-off)

	kt	g/t	koz
Indicated	1,915	1.10	68
Inferred	3,255	0.89	93
Total	5,170	0.97	161

For further enquiries please refer to the company website

www.polymetals.com.au

or contact:

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