ASX: **POL**

ASX Announcement

10 February 2025

$35 MILLION EQUITY CAPITAL RAISE

Funding secured for the growth of Australia's next Silver and Zinc producer.

HIGHLIGHTS

- **Single tranche placement of 43.75 million shares to raise $35 million at $0.80**
- **Polymetals is now well-funded with a pro forma cash position of ~$37 million**
- **The Company also has access to ~$26 million in undrawn debt finance facilities providing the capital required for the near-term Endeavor restart**
- **Funds from the Placement will be applied to:**
  - **strengthening the balance sheet as Polymetals transitions towards first silver and zinc production at Endeavor in Q2 2025;**
  - **accelerating the Company's near-mine (including at the Carpark prospect) and regional exploration activities; and**
  - **corporate and general working capital purposes.**
- **Share Purchase Plan to be undertaken for existing shareholders.**
- **Path to H1 2025 cashflow remains on time and on budget.**

Polymetals Resources Ltd (ASX: **POL**) (**Polymetals** or the Company) is pleased to announce that it has received firm commitments for a single tranche placement to raise $35 million (before issue costs) at $0.80 ("**Offer Price**") per new fully paid ordinary share ("**New Share**") by issuing 43.75 million New Shares (the "**Placement**").

The Placement was strongly supported by existing and new domestic and offshore sophisticated, professional and institutional investors. The Company is particularly pleased to have welcomed a number of new, specialist resources investors to the register.

A Share Purchase Plan (SPP) will be undertaken to allow existing shareholders registered on 7th February 2025 to purchase up to $30,000 of shares at $0.80/share.

Polymetals Executive Chairman Dave Sproule said:

"*We are extremely grateful for the support shown to Polymetals from both our existing shareholders and the new investors we now welcome to the Polymetals share register.*

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Our Endeavor restart activities remain on track and the Polymetals team look forward to commissioning the operation to become Australia's next silver and zinc producer. Timing is particularly encouraging against the backdrop of strong A$ zinc and silver prices and the favourable treatment terms currently available to zinc concentrate producers.

During the past two years, collation and validation of 50 years of exploration data has identified numerous and compelling near mine and regional exploration targets. Alongside our measured approach to testing of the Carpark Prospect to the immediate south of the Endeavor mine, we have been building our exploration team with practical experienced staff to advance to testing high priority targets. As well as strengthening the Polymetals balance sheet, funds from this raising will allow us to significantly step up the Company's exploration activities and we look forward to updating the market on our exploration results.

With this equity raising achieved, we believe the Polymetals team is very well-positioned to begin the next chapter in "Making Endeavor Great Again" with the establishment of strong and sustainable cash flow and providing a significant and lasting contribution to the community of Cobar and the mining industry in New South Wales."

Placement Details

The Company will issue 43.75 million New Shares at an issue price of $0.80 per New Share to raise $35 million (before issue costs). The New Shares will be issued in a single tranche utilising the Company's existing capacity pursuant to ASX Listing Rule 7.1 (24,120,000 shares) and 7.1A (19,630,000 shares). As a transaction where New Shares will be issued on an unconditional basis and in a single tranche, directors will not be participating in the Placement. All directors have indicated they will take up shares through the Share Purchase Plan which is described below.

The Offer Price of $0.80 represents:

- a 6.4% discount to the 6th February closing price of $0.855;
- a 9.5% discount to the 15-day volume weighted average price ("VWAP"); and
- a 6.8% discount to the 30-day VWAP of $0.858, prior to the Company entering a Trading Halt on 6th February 2025.

The Placement is expected to settle on Friday, 14 February 2025.

Blue Ocean Equities Pty Ltd and Ord Minnett Limited are acting as Joint Lead Managers to the Placement and Arlington Group Asset Management Limited is acting as a Selling Agent.

Costs to the offer are approximately $1.68 million (being 4.8% of gross funds) to be paid in cash including management & broker fees with the Company to realise net funds of $33.32 million.

Share Purchase Plan Details

In addition to the Placement, the Company will offer eligible existing shareholders with a registered address in Australia or New Zealand who were holders of Shares at 7:00pm (AEDT) on Friday, 7

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February 2025 (the "Record Date") ("Eligible Shareholders"), the opportunity to apply for New Shares via a non-underwritten SPP, without incurring brokerage fees. The Company may raise up to $3.2 million under the SPP at the same price as the Placement ($0.80 per New Share).

Eligible Shareholders will have the opportunity to apply for up to $30,000 worth of New Shares. The New Shares under the SPP will rank equally with the Company's existing Shares.

As the SPP is not underwritten, the SPP may raise less than $3.2 million. If the Company receives applications for more than $3.2 million, the Company may decide in its absolute discretion to accept applications that result in the SPP raising more than $3.2 million. The Company also retains the right to scale back applications (in whole or in part) at its absolute discretion, for example because the aggregate amount applied for under the SPP exceeds the Company's requirements.

Further information in relation to the SPP, including the terms and conditions, is expected to be made available to Eligible Shareholders on Tuesday, 18 February 2025, together with the SPP Offer Booklet. Eligible Shareholders should review the SPP terms and conditions in full before deciding whether or not to participate in the SPP.

Under the ASX Listing Rules, Polymetals directors are permitted to participate fully in the SPP if they are Australian / New Zealand residents. All directors have indicated they will take up shares through the SPP.

Indicative Equity Raising Timetable

Indicative Timetable	Date (2025), Time AEDT
Record date for eligibility to participate in SPP	7PM Friday, 7 February
ASX Announcement / Resume Trading	Monday, 10 February
Settlement of New Shares under the Placement	**Friday, 14 February**
Allotment, quotation and trading of New Shares under the Placement	Monday, 17 February
SPP Offer open date	Tuesday, 18 February
SPP closing date	**5PM Tuesday, 11 March**
Announcement of SPP participation results	Friday, 14 March
Allotment of New Shares under the SPP	Monday, 17 March
Normal trading of SPP shares and dispatch of holding statements	**Monday, 17 March**

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Intended uses of Equity Raising proceeds

The capital expenditure remaining to fund the restart of the Endeavor zinc / silver mine is capable of being funded from the Company's undrawn debt facilities. Proceeds from the Equity Raising will be used for the following:

- strengthening the balance sheet as Polymetals transitions towards first silver and zinc production at Endeavor in Q2 2025 - $15.5 million;
- materially increasing the Company's exploration activities both near-mine (including the Carpark prospect) and regionally - $10 million across CY2025 and CY2026; and
- Corporate, general working capital purposes of $7.8 million and Placement costs of approximately $1.68 million

Shareholder Communication

Shareholders are advised to refer to the company's Shareholder Communication POL Policy or contact linden.sproule@polymetals.com for further details.

This announcement was authorised for release by Polymetals Resources Ltd Board.

For further information, please contact:

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ABOUT POLYMETALS

Polymetals Resources Ltd (ASX: POL) is an Australian mining company on track to deliver first production and cashflow in H1 2025 at its 100% owned Endeavor Silver Zinc Mine, located in the Cobar Super Basin, New South Wales, Australia. Polymetals has the potential to be a +20-year producer of precious and base metals, initially within its five approved and permitted mining leases. Polymetals is active across its 1,100km^2 of exploration licenses covering 80km of the prolific polymetallic (copper, gold, silver and zinc) mineral province. For more information visit www.polymetals.com

FORWARD LOOKING STATEMENT

Certain statements in this document are or maybe "forward-looking statements" and represent Polymetals' intentions, projections, expectations or beliefs concerning among other things, future exploration activities. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Polymetals, and which may cause Polymetals' actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. Polymetals does not make any representation or warranty as to the accuracy of such statements or assumptions.

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