Polymetals

ABN 73 644 736 247

ANNUAL REPORT
30 June 2023

The Endeavor silver – zinc – lead mine shaft headframe, Cobar, NSW

Directors	David Sproule - Executive Chairman Alistair Barton - Non-Executive Director Matthew Gill - Non-Executive Director Jess Oram - Non-Executive Director
Company secretary	John Haley
Registered office and principal place of business	Unit 1, 101 Main Street Alstonville NSW 2477 Phone: (02) 8046 2799
Share register	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Phone: 1300 554 474
Auditor	RSM Australia Partners Level 13, 60 Castlereagh Street Sydney NSW 2000
Solicitors	Addisons Level 12, 60 Carrington Street Sydney NSW 2000
Bankers	Commonwealth Bank of Australia 86 Woodlark Street Lismore NSW 2480
Stock exchange listing	Polymetals Resources Ltd shares are listed on the Australian Securities Exchange (ASX code: POL)
Website	www.polymetals.com
Corporate Governance Statement	www.polymetals.com/company/corporate-governance/

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Polymetals Resources Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors
The following persons were directors of Polymetals Resources Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Current:
David Sproule - Executive Chairman (Non-Executive Chairman until 10 November 2022 and Executive Chairman thereafter)
Alistair Barton - Non-Executive Director (appointed 9 August 2022)
Matthew Gill - Non-Executive Director (appointed 16 May 2023)
Jess Oram - Non-Executive Director (appointed 16 May 2023)

Former:
Christopher Johnston - Non-Executive Director (resigned 8 August 2022)
Christopher Schroor - Non-Executive Director (resigned 12 May 2023)

Principal activities
The principal activities of the consolidated entity during the reporting period were the exploration and development of mineral resources - in particular gold. During the year, the consolidated entity also commenced mine-restart studies on the Endeavor zinc-silver-lead mine in the Cobar Basin, NSW.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $7,799,397 (30 June 2022: $1,156,988).

The loss for the year ended 30 June 2023 includes an impairment of $5,699,119 relating to the Company's projects in Guinea, and the expensing of $751,223 exploration and evaluation costs relating to the proposed acquisition of the Endeavor mine.

Summary
During the year, the Company's main focus has been progressing the Endeavor Mine Restart Study and in-mine exploration with the aim of re-establishing long-term silver, zinc and lead production.

The Company commenced the Endeavor Mine Restart Study (MRS) in late May 2023 immediately after a scrip acquisition of Cobar Metals Pty Ltd (Cobar). Cobar had previously secured the right to acquire 100% of the Endeavor Mine assets from CBH Resources Limited. The assets include 30km^2 of Mining Leases, a fully permitted underground mine, a 1.2mtpa flotation concentrator, a rail link to the national network, secure water supply, grid power, 42 houses plus 4 blocks of units in the Cobar township and 1,100km^2 of contiguous Exploration Licences.

During the year ended 30 June 2023, a $15 million Concentrate Pre-Payment Facility has been secured with global trading firm Ocean Partners UK Limited (Ocean Partners). The facility included a $500,000 equity contribution to the June 2023 capital raising. Further, Ocean Partners and the Company have entered into a Memorandum of Understanding (MOU) for the purpose of agreeing commercial terms to replace the Endeavor Mine Environmental Rehabilitation Bond (Bond) in the amount of $27.96 million. Replacement of the Bond is subject to a positive MRS outcome and is the final stage of the Endeavor Mine acquisition.

Mine Restart Study (MRS)
The detailed MRS aims to demonstrate the long-term economic viability of re-establishing mining and production of silver, zinc and lead at the Endeavor Mine (the Mine). The Mine has a 38-year operational history and was formally placed on Care and Maintenance (C&M) by its owner CBH Resources during January 2020.

32 million tonnes of ore have been extracted from the underground Endeavor mine since 1983 and the project remains as one of the three largest mines in the Cobar Basin. Remaining mine JORC compliant resources contain 44 Moz silver, 1.3Mt zinc and 0.73Mt lead. The focus of the Mine Restart Study is to fully investigate the remaining resources with the aim of generating sufficient Ore Reserves to recommence Endeavor Mine production.

The following points highlight the MRS study components and the progress with these studies:

(a) Mining
Four areas within the Mine being investigated include the Level 1 Sulphides (high grade silver area), the 6/6 Stope, the Main Ore Body and the unmined Deep Zinc Lode (Figure 1). Recent mining assessment work undertaken by external consultants has defined sufficient resources in these areas to warrant mine scheduling which is now in progress. The schedule will attempt to exploit material with the highest margins at the front end of the Mine life at a sustainable mining rate. Underground reconnaissance is also underway to determine access and rehabilitation requirements for older areas of the Mine. One of the key outputs from a positive MRS will be the delivery of JORC Ore Reserves for the Endeavor Mine.

(b) Processing
External metallurgical testwork is focussed on the recovery of silver, zinc and lead from the Level 1 Sulphide zone by standard flotation. Cyanide leaching of the flotation tailings for recovery of residual gold and silver is also being tested to determine if there is a significant benefit to add a leach circuit. The leaching testwork has also been extended to the extraction of residual gold and silver from +25 million tonnes of stored Life of Mine flotation tailings. It should be noted that there has been extensive metallurgical testwork conducted at all levels of the mine throughout the life of the Mine. These results, combined with production records of metallurgical performance, are being assessed by external consultants with their recommended metal recoveries to be incorporated into the MRS.

(c) Other
Present day capital and operating costs and relevant ESG aspects of the project are also being investigated by the Company's staff and specialist external consultants.

The Company is seeking to complete the MRS and announce the results in the December 2023 Quarter.

Subject to a positive MRS result, the Company expects that mine and mill refurbishment works will commence during the December 2023 Quarter with operational recommencement likely during H1 2024. Based on that timing, first concentrate shipments and cash flow could ensue within 3 months of re-commissioning the concentrator.

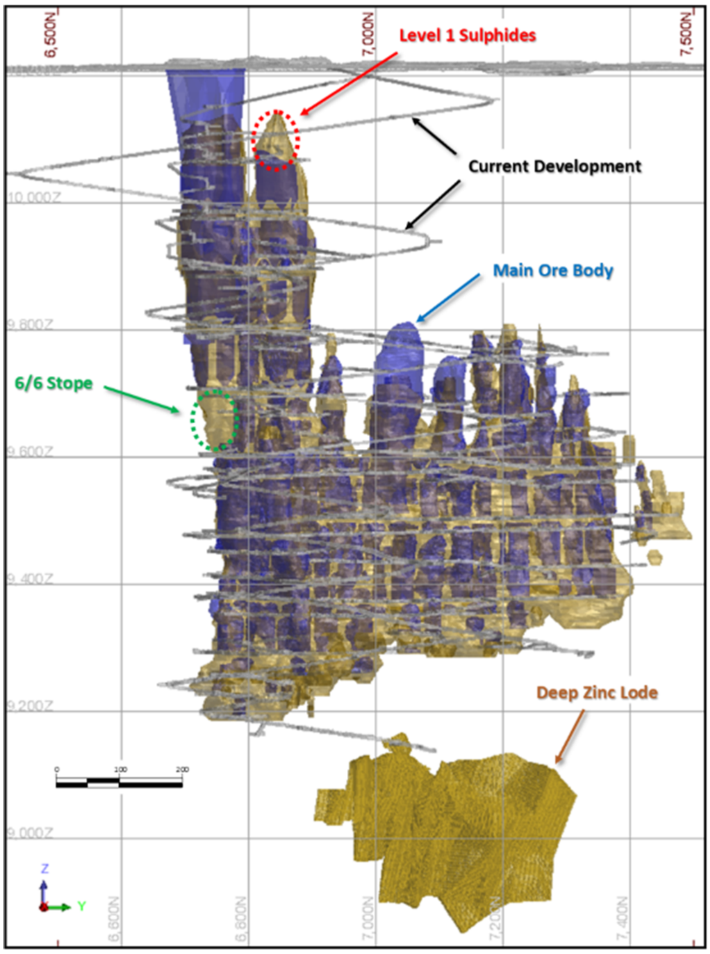

Figure 1 – Endeavor Mine Restart Study: Existing areas of mineralisation

Exploration
Assessment of the enormous paper and electronic mine and exploration data base generated by various explorers over almost 50-years of exploration relating to the Endeavor Mine Leases and the 1,100km^2 of regional Exploration Licence areas progresses, and will continue for some time.

Exploration targets have been ranked as "in-mine" and "near-mine" within the Mining Leases and "regional" relating to the Exploration Licences. The in-mine and near-mine targets will be given priority over regional targets.

(a) In-Mine exploration
Initial exploration is focused on adding Mineral Resources and Ore Reserves from within the Mine, aiming to significantly extend project life. Two in-mine areas being investigated are the Deep Zinc Lode (DZL) (refer Figure 1) and the North Western Mineralisation Extension (NWM) (Figure 2 - red ellipsoid).

This assessment is a high-level introduction to the in-mine exploration potential with further detailed exploration discussion to be fully articulated in future reporting periods, suffice to say that based on the discovered available historic geology, geochemical and geophysical data, several interesting exploration targets have been identified which warrant follow up.

(b) Deep Zinc Lode (DZL)
Underground exploration drilling of the DZL during 2016 / 2017 proved challenging due to the orientation of the decline, being close to the mineralised zone. This prevented optimal drill intercept angles from being achieved due to restricted access leaving the DZL open to the north, south and at depth.

Decline development to mine the DZL will allow further drilling to determine the full extent of the DZL mineralisation.

(c) North Western Mineralisation Extension (NMW)
The Company is seeking to understand the orientation of a series of faults which have displaced mineralisation along the length of the Main Ore Body to the north. These faults provide the potential to host en-echelon (repeating) pods of mineralisation typical of the Main Ore Body. A drill hole intercept at depth, below the NWM zone, displays a similar grade profile to intercepts below the Main Ore Body. Drill testing of the NWM will likely be completed following the resumption of Endeavor operations and will be funded from cash flow.

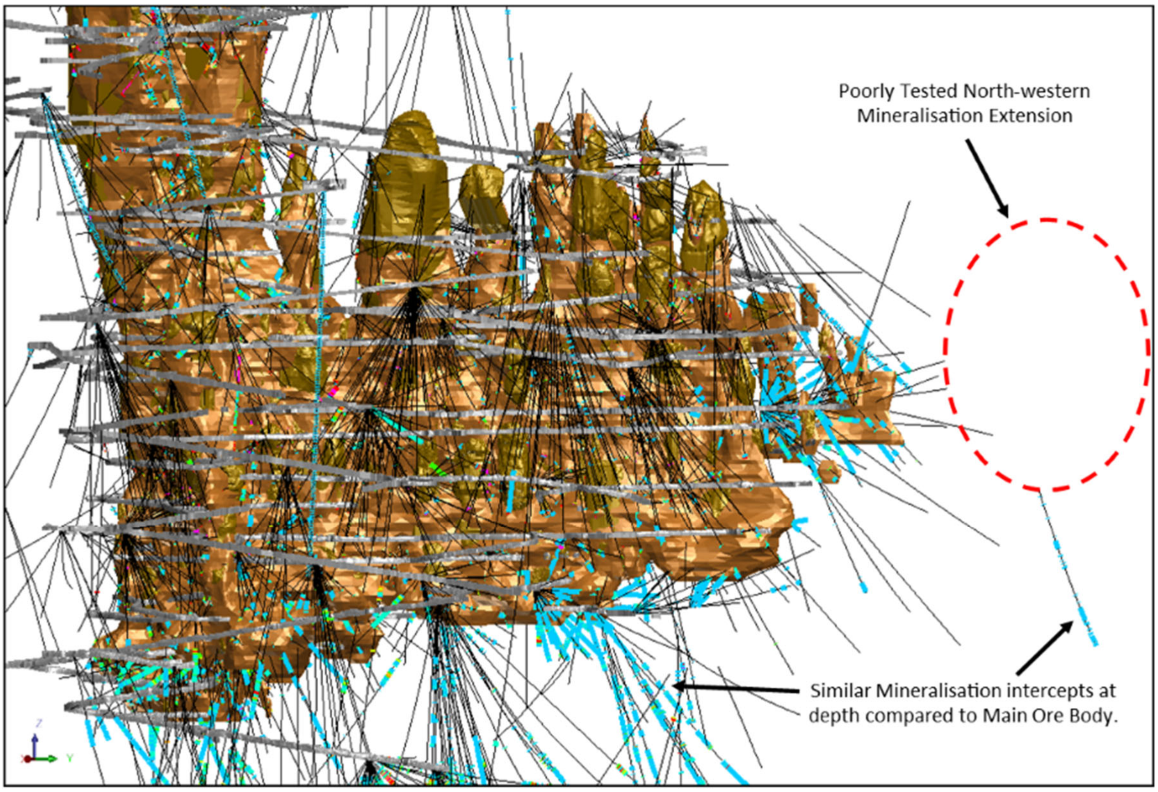

Figure 2 – In-Mine target: North-Western Mineralisation

Guinea
The Company continues to await Exploration Licence renewals for its Alahiné and Mansala gold Exploration Licences in Guinea, with no visible timeframe to renewal. Having exhausted all reasonable avenues to obtain Licence renewals, the Board has resolved to place the project on care and maintenance until such time as the project can be joint ventured, farmed-out or sold.

Significant changes in the state of affairs
On 17 August 2022, 1,126,126 ordinary shares were issued to Sahara Natural Resources as part-settlement of the outstanding contract drilling fees totalling $135,135 (refer note 15).

On 31 October 2022, a related party controlled by a Director, David Sproule, agreed to provide an unsecured loan facility with a limit of $1,000,000 (refer note 14). This was subsequently increased to a limit of $1,350,000.

On 21 December 2022, $1,000,000 of capital was raised by issuing 4,000,000 ordinary shares to a sophisticated investor (refer note 15).

On 28 March 2023, the Company announced the execution of a Share Sale and Purchase Agreement (SPA) for the purchase of Orana Minerals Pty Ltd and its subsidiary Cobar Metals Pty Ltd for a total consideration of 52,000,000 ordinary shares in Polymetals Resources Ltd (refer note 15). On 12 May 2023, the 52,000,000 ordinary shares were issued to the vendor and the shares are subject to a voluntary escrow for 12 months until 12 May 2024.

On 27 June 2023, the Company entered a binding Term Sheet with Ocean Partners UK Limited (OPUK) for an unsecured US$10,000,000 concentrate pre-payment funding facility which will provide development funding and working capital for the recommencement of mining and processing operations at the Company's underground Silver-Zinc-Lead, Endeavor Mine in the Cobar basin, NSW. It is noted that the purchase of this mine had not been finalised as of 30 June 2023 (refer note 14).

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
On 3 July 2023, 39,383,434 ordinary shares relating to the initial listing of the Company's shares were released from escrow.

The Company issued 11,777,057 and 325,040 ordinary shares on 6 July 2023 and 7 July 2023 respectively, at $0.31 per share in terms of a share placement. The funds are to be applied to the Endeavor Mine Restart Study.

On 10 August 2023, the Company received $250,000 of a $500,000 grant awarded by the NSW Government Critical Minerals Activation Fund to assist with technical components of the Endeavor Mine Restart Study.

On 14 August 2023, the Company announced the signing of a non-binding Memorandum of Understanding for the replacement of the Endeavor mine Environmental Bonds by Ocean Partners UK Limited totalling $27,996,000 (note 22). Ocean Partners UK Limited have proposed to facilitate the bond replacement by providing a surety to the Company for up to 4 years. Once the Environmental Bonds have been replaced, the purchase of the Endeavor mine can be completed (note 25).

On 31 August 2023, 1,185,000 options were exercised for $0.25 per share.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Material business risks

Limited operating history	The Company was incorporated on 30 September 2020 and therefore has limited operating history. Given the short operational life of the Company, there is limited historic performance to provide a sound measure to evaluate its prospects.
Access to future funding	There is no assurance that the funding required by the consolidated entity from time to time to meet its business requirements and objectives will be available to it on favourable terms, or at all.
Regulation changes	Unforeseen changes to the mining laws, regulations, standards and practices applicable may significantly affect the Exploration Licences in Guinea and the Endeavor Mine tenements in Australia and therefore the ability of the Company to operate in Guinea and Australia.
Business in Guinea	Political and legal uncertainty, institutional weakness and known civil turbulence are prevalent in Guinea. Such circumstances could have an impact on the progress and development of the resource potential of the Exploration Licences.
Exploration and development risk	Exploration programmes may or may not be successful and may incur cost overruns if not carefully managed. The Company is exposed to a significant risk that any proposed exploration activity will be unsuccessful and will not result in the discovery of a viable mineral resource.
Endeavor mine	The proposed acquisition of the Endeavor Mine requires replacement of Rehabilitation Bonds of approximately A$28 million. Whilst the Company believes these bonds will be replaced (refer to matters subsequent to the end of the financial year) there is no guarantee this will occur.
Occupational health and safety risk	Exploration, operations and care and maintenance programs carry occupational health and safety risks.

Environmental regulation

The mineral tenements granted, but under renewal at present, to the consolidated entity pursuant to the Guinea Mining Act 1992, are granted subject to various conditions which include standard environmental requirements. The Company adheres to these conditions and the directors are not aware of any non-compliance with environmental laws.

Information on directors

Name:	David Sproule
Title:	Executive Chairman (from 10 November 2022, previously Non-Executive Chairman)
Qualifications:	BE (Hons, Extractive Metallurgy) Member AusIMM
Experience and expertise:	David Sproule has specialised in value creation within the minerals industry, founding and managing the private Polymetals Group which developed eight Australian gold projects over 25 years. An "owner build" model was applied to all operations significantly reducing typical mine development costs. The projects collectively returned +2,000% in fully franked dividends on initial shareholder investment.
Other current directorships:	None
Former directorships (last 3 years):	Critical Resources Limited (formerly Force Commodities Limited) (ASX:CRR) (until 6 February 2021)
Special responsibilities:	Chairman
Interests in shares:	61,500,000
Interests in options:	nil

Name:	Alistair Barton (appointed 9 August 2022)
Title:	Non-Executive Director
Qualifications:	Associate Diploma and Fellowship Diploma in Geology and a Graduate Diploma in Finance and Investment.
Experience and expertise:	Alistair has over 45 years' exploration, operational and corporate experience. Alistair has operated his own consultancy practice providing technical and corporate advice to the resources sector, carrying out numerous resource project due diligence studies, feasibility studies and independent experts reports for project funding and developments. Alistair has held the positions of Managing Director for ASX-listed Probe Resources, General Manager of Exploration for Barrack Mines, General Manager of Operations for Barrack Mines, Operations Manager for McIlwraith Minerals and various Project Management positions.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	628,983
Interests in options:	nil

Name:	Matthew Gill (appointed 16 May 2023)
Title:	Non-Executive Director
Qualifications:	B.E (Hons, Mining), M Eng Sc, FAusIMM, GAICD
Experience and expertise:	Matthew is a mining engineer with over 40 years' experience. He has a strong technical, operational and executive management background; having worked as an underground miner, mine planning engineer, supervisor, general manager and CEO/Managing Director in Australia, Papua New Guinea, India, Ghana and Bolivia. He holds three First Class Metalliferous Mine Manager's Certificates of Competency and has been instrumental in the development of four gold mines. He is a three-time winner of the Australia Mine Manager of the Year Award and received the AusIMM Leadership Award in 2008. Previously, CEO and Managing Director of ASX-listed White Rock Minerals for seven years, he has also held the role of Group Chief Operating Officer for Singapore-listed LionGroup Corp. Matthew has also held the position of board member and president of the Tasmanian Minerals Council, has been chair of the MCA Victorian division, and deputy chair of AMEC Victoria.
Other current directorships:	Akora Resources Ltd (ASX:AKO)
Former directorships (last 3 years):	White Rock Minerals Ltd (ASX:WRM) Austar Gold Limited (ASX:AUL)
Special responsibilities:	None
Interests in shares:	nil
Interests in options:	nil

Name:	Jess Oram (appointed 16 May 2023)
Title:	Non-Executive Director
Qualifications:	B.Sc, (Geol), Member AIG
Experience and expertise:	Jess is an experienced exploration geologist with over 30 years' practice in mineral exploration and management across a variety of commodities, companies and countries. He has significant experience in uranium, base and precious metals exploration and has been involved in mineral discovery, resource delineation and expansion and mining feasibility studies. Jess is currently the Senior Vice President - Exploration for ASX-listed Paladin Energy Limited.
Other current directorships:	None
Former directorships (last 3 years):	Cauldron Energy Limited (ASX:CXU) (until 31 May 2022) Critical Resources Limited (formerly Force Commodities Limited) (ASX:CRR) (until February 2021)
Special responsibilities:	None
Interests in shares:	35,000
Interests in options:	nil

Name:	Christopher Johnston (resigned 8 August 2022)
Title:	Non-Executive Director
Qualifications:	BAdvSci(Hons), PhD
Experience and expertise:	Christopher has over 40 years' experience in the Australian mining industry and has explored in most states of Australia for gold, silver and base metals for companies including Burdekin Resources.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	66,667*
Interests in options:	800,000*

Name:	Christopher Schroor (resigned 12 May 2023)
Title:	Non-Executive Director
Qualifications:	B.App.Sci (Construction Management)
Experience and expertise:	Christopher is a founding director of the Azure Development Group (Azure) and is responsible for all capital raising and financing aspects of Azure. In 2014, Christopher established a Joint Venture in Thailand with Siam Commercial Bank, Kasikorn Bank, True Telecommunications, SuperNAP International and the Thai Royal Family office, to design and deliver Super NAP Thailand, Asia's first Tier IV Data Centre.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	120,000*
Interests in options:	800,000*

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

* Interests in the shares and options of the Company as at the date of resignation as a director.

Company secretary
The previous joint company secretaries, Vincent Fayad and Kurt Laney, resigned on 31 January 2023 and were replaced by John Haley from this date. John is a Chartered Accountant and has 40 years of extensive Board, company secretarial and corporate finance experience, predominantly within the mining and resources industry. John also acts as the Company Secretary for ASX-listed NewPeak Metals Limited and Clara Resources Australia Ltd.

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
David Sproule	8	8
Alistair Barton (appointed 9 August 2022)	6	6
Matthew Gill (appointed 16 May 2023)	1	1
Jess Oram (appointed 16 May 2023)	1	1
Christopher Johnston (resigned 8 August 2022)	1	1
Christopher Schroor (resigned 12 May 2023)	4	5

Held: represents the number of meetings held during the time the director held office.

There were no meetings of the Audit and Risk Committee, and the Nomination, Remuneration and Human Resources Committee during the financial year. As the Board comprised no more than four directors during the financial year, the Board considered it more effective to set aside time at the Board meetings to specifically address the matters that would have been ordinarily attended to by the respective committees.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The remuneration policy of the consolidated entity has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated entity's financial results. The Board of Directors ("the Board") believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the consolidated entity, as well as create goal congruence between directors, executives and shareholders.

All remuneration paid to directors and executives is valued at the cost to the consolidated entity and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

During the year ended 30 June 2022, the Company commenced a Loan Funded Share Plan (LFSP) whereby limited recourse loans have been provided to directors and key management personnel to acquire shares in the Company. The limited recourse loans were provided to Christopher Johnston (former non-executive director), Christopher Schroor (former non-executive director) and Alexander Hanly (former Chief Executive Officer).

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees for non-executive directors are not linked to the performance of the consolidated entity. The directors are not required to hold any shares in the Company under the Constitution of the Company; however, to align directors' interest with shareholder interests, the directors are encouraged to hold shares in the Company.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was during the 2021 Annual General Meeting where the shareholders approved a maximum annual aggregate remuneration of $250,000. The amount paid to non-executive directors of the parent entity (Polymetals Resources Limited) during the year to 30 June 2023 was $112,174 excluding any remuneration from options (2022: $135,000).

Executive remuneration
Executive directors can be employed by the consolidated entity on a consultancy basis, on Board approval, with remuneration and terms stipulated in individual consultancy agreements.

The Board reviews executive packages annually by reference to the consolidated entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries. In addition, external consultants may be used to provide analysis and advice to ensure the directors' and senior executives' remuneration is competitive in the market place.

The remuneration of the executives employed by the Company for the year ended 30 June 2023 is detailed in this Remuneration Report.

Consolidated entity performance and link to remuneration
As the Company is still in the exploration and development stage, the link between remuneration, Company performance and shareholder wealth is tenuous. Share prices are subject to the influence of mineral and metals prices and market sentiment toward the sector, and as such increases or decreases may occur quite independent of executive performance or remuneration.

At 30 June 2023 the market price of the Company's ordinary shares was $0.38 per share (30 June 2022: $0.089 per share). No dividends were paid during the year ended 30 June 2023.

Remuneration committee
During the year ended 30 June 2023, the Company did not have a separately established remuneration committee. Considering the size of the consolidated entity, the number of directors and the consolidated entity's early stages of its development, the directors are of the view that these functions can be efficiently performed with full Board participation.

Use of remuneration consultants
The Company did not engage remuneration consultants to prepare a formal remuneration report during the financial year ended 30 June 2023.

Voting and comments made at the Company's 25 November 2022 Annual General Meeting ('AGM')
At the 25 November 2022 AGM, 98.9% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Polymetals Resources Ltd:
- David Sproule
- Alistair Barton (appointed 9 August 2022)
- Matthew Gill (appointed 16 May 2023)
- Jess Oram (appointed 16 May 2023)
- Christopher Johnston (resigned 8 August 2022)
- Christopher Schroor (resigned 12 May 2023)

And the following persons:
- John Haley - Company Secretary and Chief Financial Officer (appointed 1 February 2023)
- Vince Fayad - Company Secretary (resigned 31 January 2023)
- Kurt Laney - Company Secretary (resigned 31 January 2023)
- Alexander Hanly - Chief Executive Officer (resigned 31 January 2023)

2023	Short-term benefits Cash salary and fees $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled $	Total $
Non-Executive Directors:					
Alistair Barton[(a)]	31,935	630	-	-	32,565
Matthew Gill[(b)]	8,500	-	-	-	8,500
Jess Oram[(c)]	4,500	-	-	-	4,500
Christopher Johnston[(d)]	3,800	-	-	-	3,800
Christopher Schroor[(e)]	31,500	-	-	-	31,500
Executive Directors:					
David Sproule[(f)]	128,000	-	-	-	128,000
Other Key Management Personnel:					
John Haley[(g)]	31,200	-	-	-	31,200
Vince Fayad and Kurt Laney[(g)]	61,507	-	-	-	61,507
Alexander Hanly[(h)]	120,000	-	-	-	120,000
	420,942	630	-	-	421,572

(a) Alistair Barton was appointed on 9 August 2022.
(b) Matthew Gill was appointed on 16 May 2023.
(c) Jess Oram was appointed on 16 May 2023.
(d) Christopher Johnston resigned on 8 August 2022.
(e) Christopher Schroor resigned on 12 May 2023.
(f) David Sproule was a Non-Executive Director until 10 November 2022, and Executive Chairman thereafter.
(g) Vince Fayad and Kurt Laney resigned on 31 January 2023 and John Haley was appointed from this date. Vince Fayad and Kurt Laney's remuneration has been disclosed combined in their capacity as Joint Company Secretaries.
(h) Alexander Hanly resigned on 31 January 2023.

2022	Short-term benefits Cash salary and fees $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled $	Total $
Non-Executive Directors:					
David Sproule	36,000	-	-	-	36,000
Christopher Johnston	81,000	-	-	51,888	132,888
Christopher Schroor	18,000	-	-	51,887	69,887
Other Key Management Personnel:					
Alexander Hanly	193,665	-	-	97,290	290,955
Vincent Fayad and Kurt Laney[(a)]	105,924	-	-	-	105,924
	434,589	-	-	201,065	635,654

(a) Vince Fayad and Kurt Laney's remuneration has been disclosed combined in their capacity as Joint Company Secretaries.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2023	2022	2023	2022	2023	2022
Non-Executive Directors:						
Alistair Barton	100%	-	-	-	-	-
Matthew Gill	100%	-	-	-	-	-
Jess Oram	100%	-	-	-	-	-
Christopher Johnston	100%	61%	-	-	-	39%
Christopher Schroor	100%	26%	-	-	-	74%
Executive Directors:						
David Sproule	100%	100%	-	-	-	-
Other Key Management Personnel:						
John Haley	100%	-	-	-	-	-
Vince Fayad	100%	100%	-	-	-	-
Kurt Laney	100%	100%	-	-	-	-
Alexander Hanly	100%	67%	-	-	-	33%

Service agreements
All directors and key management personnel invoice the Company under their personal name, except for the following:

- On 10 November 2022, David Sproule was appointed Executive Chairman (previously Non-Executive Chairman) under a contract for services (the Contract) which commenced on 10 November 2022, with no fixed term duration, for an annual fee of $120,000. No annual leave, long service or other leave is provided for under the Contract. The termination notice period is 1 month and may be paid out in lieu of notice by the Company.

- Vince Fayad and Kurt Laney provided their services as Joint Company Secretaries through Vince Fayad and Associates Pty Ltd, under a contract for $84,000 per annum (including accounting services). Both Vince and Kurt resigned as Company Secretaries on 31 January 2023.

- On 1 February 2023, John Haley was appointed Company Secretary and Chief Financial Officer. John is paid through a contract for services which commenced on 1 February 2023, with no fixed term duration, at a rate of $100 per hour. On 1 May 2023, the rate per hour was subsequently replaced with a fixed fee of $7,000 per month. The termination notice period is 1 month.

- Alexander Hanly (former Chief Executive Officer) provided his services through Acumen Management Group Pty Limited under a contract for $180,000 per annum. Alexander resigned as Chief Executive Officer on 31 January 2023.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Options
There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2023.

During the year ended 30 June 2022, the Company commenced a Loan Funded Share Plan (LFSP) whereby limited recourse loans have been provided to directors and key management personnel to acquire shares in the Company. Under Accounting Standard AASB 2 *Share-based Payment*, the issuance of these shares has been accounted for as an in-substance option award. The in-substance options vested on the grant date and were recorded at their fair value and expensed in full on the grant date.

The in-substance share-based options granted during the year ended 30 June 2022 lapsed during the year ended 30 June 2023 as all holders resigned from the Company.

Summary of the in-substance share-based option awards (limited recourse borrowings):

Name	Number of in substance options granted	Grant date	Expiry date	Exercise price	Fair value per option at grant date
Christopher Johnston	800,000	29/11/2021	29/11/2024	$0.25	$0.07
Christopher Schroor	800,000	29/11/2021	29/11/2024	$0.25	$0.07
Alexander Hanly	1,500,000	29/11/2021	29/11/2024	$0.25	$0.07
	3,100,000				

Additional information
The earnings of the consolidated entity for the three years to 30 June 2023 are summarised below:

	2023 $	2022 $	2021 $
Loss after income tax	(7,799,397)	(1,156,988)	(506,932)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021
Share price at financial year end (cents)	38.0	8.9	14.5
Basic earnings per share (cents per share)	(8.7)	(1.5)	(1.7)

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other*	Balance at the end of the year
Ordinary shares					
Directors:					
David Sproule	41,697,379	-	18,953,391	-	60,650,770
Alistair Barton	-	-	580,000	-	580,000
Jess Oram	-	-	35,000	-	35,000
Christopher Johnston	66,667	-	-	(66,667)	-
Christopher Schroor	120,000	-	-	(120,000)	-
Other Key Management Personnel:					
John Haley	-	-	198,000	-	198,000
Vincent Fayad	16,385	-	-	(16,385)	-
Kurt Laney	15,000	-	-	(15,000)	-
Alexander Hanly	100,000	-	-	(100,000)	-
	42,015,431	-	19,766,391	(318,052)	61,463,770

* Included in expired/forfeited/other is the removal from the table of the shareholdings for key management personnel who have resigned during the period or are no longer considered to be a key management person.

Option holding
The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
*Limited recourse loan options***					
Directors:					
Christopher Johnston	800,000	-	-	(800,000)	-
Christopher Schroor	800,000	-	-	(800,000)	-
	-	-	-	-	-
Other Key Management Personnel:					
Alexander Hanly	1,500,000	-	-	(1,500,000)	-
	3,100,000	-	-	(3,100,000)	-

* Included in expired/forfeited/other is the removal from the table of the options for key management personnel who have resigned during the period or are no longer considered to be a key management person.
** All options noted above are options that have been issued under the Loan Funded Share Plan.

No other key management personnel held options.

Other transactions with key management personnel and their related parties
At the time of acquisition, Meadowhead Investments Pty Ltd, an entity controlled by David Sproule, owned 33.48% of Orana Minerals Pty Ltd. Following the resolutions voted at the extraordinary general meeting held on 12 May 2023, Meadowhead Investments Pty Ltd were issued 17,410,714 shares.

Additionally, Linden Sproule (son of David Sproule) owned 2.23% of Orana Minerals Pty Ltd at the time of the acquisition. Following the resolutions voted at the extraordinary general meeting held on 12 May 2023, Linden Sproule was issued 1,160,714 shares.

On 31 October 2022, Meadowhead Investments Pty Ltd, an entity controlled by David Sproule, agreed to provide the consolidated entity with a loan facility up to $1,350,000. The facility is unsecured, can be drawn down at any time, and incurs interest at 5% per annum (refer note 14). $1,350,000 was drawn down on this facility during the 2023 financial year. The loan balance at 30 June 2023 was $1,350,000. No interest has been paid on the loan in the year ended 30 June 2023.

Aggregate amounts of each of the above types of other transactions with key management personnel and their related entities are included in the
financial statements as follows:

Statement of financial position:

Amounts recognised as borrowings:
Related party loan: $1,350,000 (2022: $nil)

Amounts recognised as trade and other payables, being the unpaid or accrued key management personnel remuneration:
Trade payables: $105,242 (2022: $nil)
Other payables: $66,000 (2022: $102,000)

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Polymetals Resources Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
30 November 2021	30 November 2024	$0.25	1,167,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
There were 1,148,000 ordinary shares of Polymetals Resources Ltd issued on the exercise of options during the year ended 30 June 2023 and 1,185,000 issued on the exercise of options on 31 August 2023.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of RSM Australia Partners
There are no officers of the Company who are former partners of RSM Australia Partners.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Rounding of amounts
The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to 'rounding-off' of amounts in the directors’ report. Amounts in the directors’ report have been rounded off in accordance with the instrument to the nearest dollar.

Auditor
RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

____
David Sproule
Executive Chairman

29th September 2023

General information

The financial statements cover Polymetals Resources Ltd as a consolidated entity consisting of Polymetals Resources Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Polymetals Resources Ltd's functional and presentation currency.

Polymetals Resources Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Unit 1, 101 Main Street
Alstonville
NSW 2477

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29th September 2023. The directors have the power to amend and reissue the financial statements.

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500
F +61 (0) 2 8226 4501

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Polymetals Resources Ltd and its controlled entities for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

C J HUME
Partner

Sydney, NSW
Dated: 29 September 2023

Polymetals Resources Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 2023 $	Consolidated 2022 Restated* $
Interest revenue		1,133	1,116
Expenses			
Consultancy and accountancy fees		(168,529)	(340,079)
Depreciation and amortisation expense	5	(8,296)	(2,691)
Employee benefits expense	5	(519,055)	(550,729)
Exploration expenses		(751,223)	-
Impairment of exploration costs	12	(5,699,119)	-
Legal costs		(265,057)	(17,933)
Professional, registry and listing related expenses		(91,031)	(59,460)
Short term lease expense		(12,091)	-
Write off of assets	10	(119,097)	-
Other expenses		(167,032)	(187,212)
Total expenses		(7,800,530)	(1,158,104)
Loss before income tax expense		(7,799,397)	(1,156,988)
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of Polymetals Resources Ltd		(7,799,397)	(1,156,988)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Polymetals Resources Ltd		(7,799,397)	(1,156,988)
		Cents	**Cents**
Basic earnings per share	29	(8.7)	(1.5)
Diluted earnings per share	29	(8.7)	(1.5)

* Refer to note 3 for detailed information on Restatement of comparatives.

	Note	2023 $	Consolidated 2022 Restated* $	1 July 2021 Restated* $
Assets				
Current assets				
Cash and cash equivalents	7	2,624,195	1,503,426	5,013,992
Trade and other receivables	8	257,470	26,719	80,327
Other assets	9	-	19,200	18,202
Total current assets		2,881,665	1,549,345	5,112,521
Non-current assets				
Property, plant and equipment	10	21,187	133,211	2,467
Intangibles	11	18,636,657	-	-
Exploration and evaluation	12	-	4,149,316	1,748,419
Other assets	9	1,900	-	-
Total non-current assets		18,659,744	4,282,527	1,750,886
Total assets		21,541,409	5,831,872	6,863,407
Liabilities				
Current liabilities				
Trade and other payables	13	1,769,818	235,973	303,644
Borrowings	14	1,350,000	-	250,000
Total current liabilities		3,119,818	235,973	553,644
Total liabilities		3,119,818	235,973	553,644
Net assets		18,421,591	5,595,899	6,309,763
Equity				
Issued capital	15	25,488,064	7,462,460	7,470,481
Prepaid capital	16	2,599,485	-	-
Reserves	17	451,145	451,145	-
Accumulated losses		(10,117,103)	(2,317,706)	(1,160,718)
Total equity		18,421,591	5,595,899	6,309,763

* Refer to note 3 for detailed information on Restatement of comparatives.

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital $	Prepaid capital $	Reserves $	Accumulated losses $	Non-controlling Interest $	Total equity $
Balance at 1 July 2021	1,248	-	-	(1,142,927)	7,451,442	6,309,763
Adjustment for reclassification (note 3)	7,469,233	-	-	(17,791)	(7,451,442)	-
Balance at 1 July 2021 - restated*	7,470,481	-	-	(1,160,718)	-	6,309,763
Loss after income tax expense for the year	-	-	-	(1,156,988)	-	(1,156,988)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,156,988)	-	(1,156,988)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 15)	(8,021)	-	-	-	-	(8,021)
Share-based payments (note 30)	-	-	206,145	-	-	206,145
Share options reserve	-	-	245,000	-	-	245,000
Balance at 30 June 2022	7,462,460	-	451,145	(2,317,706)	-	5,595,899

* Refer to note 3 for detailed information on Restatement of comparatives.

Consolidated	Issued capital $	Prepaid capital $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2022	7,462,460	-	451,145	(2,317,706)	-	5,595,899
Loss after income tax expense for the year	-	-	-	(7,799,397)	-	(7,799,397)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(7,799,397)	-	(7,799,397)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 15)	18,025,604	-	-	-	-	18,025,604
Contributions of prepaid capital (note 16)	-	2,599,485	-	-	-	2,599,485
Balance at 30 June 2023	25,488,064	2,599,485	451,145	(10,117,103)	-	18,421,591

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 2023 $	2022 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,682,543)	(710,019)
Interest received		1,133	1,116
Net cash used in operating activities	28	(1,681,410)	(708,903)
Cash flows from investing activities			
Net cash acquired in asset acquisition	25	4,932	-
Payments for property, plant and equipment	10	(15,369)	(133,435)
Payments for exploration expenditure	12	(1,549,803)	(2,319,706)
Payments for security deposits		(1,900)	-
Payments for intangibles		(835,635)	-
Net cash used in investing activities		(2,397,775)	(2,453,141)
Cash flows from financing activities			
Proceeds from issue of shares	15	1,287,000	-
Share issue transaction costs	15	(36,531)	(98,522)
Proceeds received in advance for issue of shares	16	2,599,485	-
Proceeds from borrowings	28	1,350,000	-
Repayment of borrowings		-	(250,000)
Net cash from/(used in) financing activities		5,199,954	(348,522)
Net increase/(decrease) in cash and cash equivalents		1,120,769	(3,510,566)
Cash and cash equivalents at the beginning of the financial year		1,503,426	5,013,992
Cash and cash equivalents at the end of the financial year	7	2,624,195	1,503,426

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern
The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity recorded a loss after tax of $7,799,397 and had net cash outflows from operating and investing activities of $1,681,410 and $2,397,775 respectively for the year ended 30 June 2023. At 30 June 2023, the consolidated entity had net current liabilities of $238,153 and had a commitment to pay $27,996,000 in Environmental Bonds (refer note 22).

The ability of the consolidated entity to continue as a going concern is principally dependent upon raising additional capital or securing other forms of financing, as and when necessary to meet the levels of expenditure required for the consolidated entity to continue to progress the exploration of the tenements in which it has an interest and to meet the consolidated entity's working capital requirements.

These factors indicate significant uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- As at the date of this report, the consolidated entity had cash on hand of $2,624,195.
- Proven ability of the consolidated entity to raise the necessary funding or settle debts via the issuance of shares, as evidenced by the raising of $1,287,000 in cash (before share issue transaction costs) from shares issued during the year ended 30 June 2023, plus cash of $2,599,485 paid in advance of shares issued after 30 June 2023.
- The consolidated entity has access to 2 financing facilities for $1,350,000 (working capital) and US$10,000,000 (to be used to fund the recommencement of mining and processing operation at the mine in Cobar, NSW) (refer note 14).
- On 14 August 2023, the Company announced the signing of a non-binding Memorandum of Understanding for the replacement of the Endeavor mine Environmental Bonds by Ocean Partners UK Limited totalling $27,996,000 (note 22). Ocean Partners UK Limited have proposed to facilitate the bond replacement by providing a surety to the Company for up to 4 years. Once the Environmental Bonds have been replaced, the purchase of the Endeavor mine can be completed (refer note 25).
- The consolidated entity has the ability to reduce exploration activities and other discretionary spending, subject to meeting the expenditure commitments disclosed in note 22.

Based on the above, the Directors are of the opinion that at the date of signature of the financial report there are reasonable and supportable grounds to believe that the consolidated entity will be able to meet its liabilities from its assets in the ordinary course of business, for a period of not less than 12 months from the date of this financial report and has accordingly prepared the financial report on a going concern basis.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and liabilities other than in the ordinary course of business, and at amounts that may differ from those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amount and classification of liabilities that might be required should the consolidated entity not be able to continue as a going concern.

Note 1. Significant accounting policies (continued)

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Comparative information
Some comparative information has been reclassified for presentation purposes.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 24.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Polymetals Resources Ltd ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Polymetals Resources Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

The consolidated financial statements have been prepared on the basis that the wholly-owned subsidiary, Golden Guinea Resources SARL, is the accounting parent entity.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue recognition
The consolidated entity recognises revenue as follows:

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 1. Significant accounting policies (continued)

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts
The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to 'rounding-off' of amounts in the report. Amounts in the report have been rounded off in accordance with the instrument to the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made. During the year ended 30 June 2023, the consolidated entity impaired all its exploration and evaluation assets (refer note 12).

Right to acquire the Endeavor Mine
The right to acquire the Endeavor Mine (the Mine) has been valued at acquisition on 12 May 2023 at $17,276,822 (refer note 11 and note 25). After subsequent costs have been capitalised, the value of the right to acquire the Mine at 30 June 2023 was $18,636,657. Subsequent to the acquisition, care and maintenance costs relating to the Mine have been capitalised on the basis that the consolidated entity is obligated to pay these costs under the agreement to acquire the Mine. Other discretionary costs relating to the Mine have been expensed on the basis that these costs are not required to be incurred under the agreement to acquire the Mine.

At 30 June 2023, the Directors expect that the acquisition of the Mine will be finalised by 30 April 2024, and no impairment to the intangible asset is considered necessary. The Directors have applied judgement in assessing the impairment of the intangible asset and the additional costs capitalised subsequent to the acquisition of the right.

Note 3. Restatement of comparatives

Reclassification
In January 2021, Polymetals Resources Ltd ("Polymetals") acquired 100% of the share capital in Golden Guinea Resources SARL ("Golden Guinea") through a reverse acquisition. Although legally the issuing entity (Polymetals) was regarded as the parent and the private entity (Golden Guinea) was regarded as the subsidiary, the legal subsidiary is the acquirer if it has the power to govern the financial and operating policies of the legal parent so as to obtain benefits from its activities. Therefore in this acquisition Golden Guinea was considered the accounting acquirer.

Despite Golden Guinea being the accounting parent, the loss for the year ended 30 June 2021 and 30 June 2022 would be 100% attributable to the owners of Polymetals, therefore there are no non-controlling interests. Consequently, in order to more accurately reflect this transaction, the consolidated entity has restated the comparatives to reclassify results previously presented as non-controlling interests by reducing the *non-controlling interest reserve* and increasing the *accumulated losses* by the same amount. The previously reported loss attributable to non-controlling interests for the year ended 30 June 2021 was $17,791 and for 30 June 2022 was $342,261 therefore *accumulated losses* and the *non-controlling interest reserve* have been restated by these amounts.

In a reverse acquisition, the issued capital is retroactively adjusted to reflect the issued capital of the legal acquirer (Polymetals). Therefore, to more accurately reflect this, the consolidated entity has restated the comparatives to reclassify issued capital that was previously presented as relating to non-controlling interests, by increasing *issued capital* and reducing the *non-controlling interest reserve at* 1 July 2022 and 30 June 2022 by $7,469,233 and $7,461,212 respectively.

Some comparative expenses have been reclassified for presentation purposes.

Note 3. Restatement of comparatives (continued)

Statement of profit or loss and other comprehensive income

	Consolidated		
Extract	**2022 $ Reported**	**$ Adjustment**	**2022 $ Restated**
Expenses			
Professional, registry and listing related expenses	(77,393)	17,933	(59,460)
Employee benefits expense	(201,065)	(349,664)	(550,729)
Depreciation and amortisation expense	-	(2,691)	(2,691)
Legal costs	-	(17,933)	(17,933)
Other expenses	(539,567)	352,355	(187,212)
Loss before income tax expense	(1,156,988)	-	(1,156,988)
Income tax expense	-	-	-
Loss after income tax expense for the year attributable to the owners of Polymetals Resources Ltd	(1,156,988)	-	(1,156,988)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year attributable to the owners of Polymetals Resources Ltd	(1,156,988)	-	(1,156,988)
Loss for the year is attributable to:			
Non-controlling interest	(342,261)	342,261	-
Owners of Polymetals Resources Ltd	(814,727)	(342,261)	(1,156,988)
	(1,156,988)	-	(1,156,988)
Total comprehensive income for the year is attributable to:			
Non-controlling interest	(342,261)	342,261	-
Owners of Polymetals Resources Ltd	(814,727)	(342,261)	(1,156,988)
	(1,156,988)	-	(1,156,988)
	Cents Reported	**Cents Adjustment**	**Cents Restated**
Basic earnings per share	(1.5)	-	(1.5)
Diluted earnings per share	(1.5)	-	(1.5)

Note 3. Restatement of comparatives (continued)

Statement of financial position at the beginning of the earliest comparative period

		Consolidated	
	1 July 2021		1 July 2021
	$	$	$
Extract	**Reported**	**Adjustment**	**Restated**
Equity			
Issued capital	1,248	7,469,233	7,470,481
Accumulated losses	(1,142,927)	(17,791)	(1,160,718)
Equity/(deficiency) attributable to the owners of Polymetals Resources Ltd	(1,141,679)	7,451,442	6,309,763
Non-controlling interest	7,451,442	(7,451,442)	-
Total equity	6,309,763	-	6,309,763

Statement of financial position at the end of the earliest comparative period

		Consolidated	
	2022		2022
	$	$	$
Extract	**Reported**	**Adjustment**	**Restated**
Equity			
Issued capital	1,248	7,461,212	7,462,460
Accumulated losses	(1,957,654)	(360,052)	(2,317,706)
Equity/(deficiency) attributable to the owners of Polymetals Resources Ltd	(1,505,261)	7,101,160	5,595,899
Non-controlling interest	7,101,160	(7,101,160)	-
Total equity	5,595,899	-	5,595,899

Note 4. Operating segments

Identification of reportable operating segments
The consolidated entity operated in two operating segments during the year - being gold exploration within Guinea, West Africa and a silver-zinc-lead mine located in Cobar, NSW. The operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The consolidated entity is currently conducting an exploration of tenements considered prospective for gold. No income has been derived from the recovery of gold during the year ended 30 June 2023 (2022: nil).

The consolidated entity entered into a share sale agreement to purchase the shares in a company (Cobar Metals Pty Ltd) that currently owns a right to acquire a silver-lead-and zinc mine in Cobar, NSW. The agreement will not complete until the consolidated entity pays the Environmental Bonds (refer note 22). A drilling program has been completed in the year and, until the completion of the agreement, care and maintenance costs are payable by the consolidated entity.

The information reported to the CODM is on at least a quarterly basis.

Unallocated items
The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- interest revenue;
- income tax benefit;
- corporate costs;
- cash at bank of Polymetals Resources Ltd; and
- receivables and payables associated with corporate costs.

Note 4. Operating segments (continued)

Operating segment information

Consolidated - 2023	Silver-Zinc-Lead $	Gold $	Unallocated $	Total $
Operating loss	(763,869)	(5,818,216)	(1,210,149)	(7,792,234)
Depreciation and amortisation	(263)	(6,286)	(1,747)	(8,296)
Interest revenue	-	-	1,133	1,133
Loss before income tax expense	(764,132)	(5,824,502)	(1,210,763)	(7,799,397)
Income tax expense				-
Loss after income tax expense				(7,799,397)
Assets				
Segment assets	18,898,598	403	2,642,408	21,541,409
Total assets				21,541,409
Total assets includes:				
Acquisition of non-current assets	18,636,658	1,549,803	15,369	20,201,830
Liabilities				
Segment liabilities	1,344,538	-	1,775,280	3,119,818
Total liabilities				3,119,818

Consolidated - 2022	Gold $	Unallocated $	Total $
Operating loss	-	(1,155,413)	(1,155,413)
Depreciation and amortisation	-	(2,691)	(2,691)
Interest revenue	-	1,116	1,116
Loss before income tax expense	-	(1,156,988)	(1,156,988)
Income tax expense			-
Loss after income tax expense			(1,156,988)
Assets			
Segment assets	4,276,975	1,554,897	5,831,872
Total assets			5,831,872
Total assets includes:			
Acquisition of non-current assets	2,526,280	7,828	2,534,108
Liabilities			
Segment liabilities	3,791	232,182	235,973
Total liabilities			235,973

Geographical information

	Geographical non-current assets	
	2023 $	**2022 $**
Australia	18,659,744	7,828
Guinea	-	4,274,699
	18,659,744	4,282,527

The geographical non-current assets above are exclusive of, where applicable, financial instruments and deferred tax assets.

Note 4. Operating segments (continued)

Accounting policy for operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Expenses

	Consolidated 2023 $	Consolidated 2022 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	2,010	2,467
Motor vehicles	4,637	-
Field equipment	1,649	224
Total depreciation	8,296	2,691
Superannuation expense		
Defined contribution superannuation expense	22,900	-
Share-based payments expense		
Share-based payments expense	-	201,065

Note 6. Income tax

	Consolidated 2023 $	Consolidated 2022 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(7,799,397)	(1,156,988)
Tax at the statutory tax rate of 30% (2022: 25%)	(2,339,819)	(289,247)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	76,756	124,645
	(2,263,063)	(164,602)
Current year tax losses and temporary differences not recognised	2,263,063	164,602
Income tax expense	-	-

	Consolidated 2023 $	Consolidated 2022 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	2,239,332	918,180
Potential tax benefit @ 30%	671,800	275,454

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 6. Income tax (continued)

Accounting policy for income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 7. Cash and cash equivalents

	Consolidated	
	2023 $	2022 $
Current assets		
Cash at bank	2,624,195	503,426
Cash on deposit	-	1,000,000
	2,624,195	1,503,426

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 8. Trade and other receivables

	Consolidated	
	2023 $	2022 $
Current assets		
BAS receivable	257,470	26,719

Accounting policy for trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 9. Other assets

	Consolidated 2023 $	Consolidated 2022 $
Current assets		
Prepayments	-	19,200
Non-current assets		
Security deposits	1,900	-
	1,900	19,200

Note 10. Property, plant and equipment

	Consolidated 2023 $	Consolidated 2022 $
Non-current assets		
Plant and equipment - at cost	25,888	10,519
Less: Accumulated depreciation	(4,701)	(2,691)
	21,187	7,828
Motor vehicles - at cost	-	92,494
Less: Accumulated depreciation	-	-
	-	92,494
Field equipment - at cost	-	33,113
Less: Accumulated depreciation	-	(224)
	-	32,889
	21,187	133,211

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant and equipment $	Motor vehicles $	Field equipment $	Total $
Balance at 1 July 2021	2,467	-	-	2,467
Additions	7,828	92,494	33,113	133,435
Depreciation expense	(2,467)	-	(224)	(2,691)
Balance at 30 June 2022	7,828	92,494	32,889	133,211
Additions	15,369	-	-	15,369
Write off of assets	-	(87,857)	(31,240)	(119,097)
Depreciation expense	(2,010)	(4,637)	(1,649)	(8,296)
Balance at 30 June 2023	21,187	-	-	21,187

Accounting policy for property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 10. Property, plant and equipment (continued)

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Plant and equipment	10% per annum
Motor vehicles	10% per annum
Field equipment	10% per annum

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 11. Intangibles

	Consolidated	
	2023 $	2022 $
Non-current assets		
Right to acquire the Endeavor Mine	18,636,657	-

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Right to acquire Endeavor mine $
Balance at 1 July 2021	-
Balance at 30 June 2022	-
Additions through asset acquisition (note 25)	17,276,822
Additions	1,359,835
Balance at 30 June 2023	18,636,657

Right to acquire the Endeavor Mine
On 12 May 2023 the Company acquired the right to purchase 3 entities holding the Endeavor lead/zinc/silver mine in Cobar, NSW (the Mine). The purchase of the Mine will not complete until the consolidated entity has paid Environmental Bonds of $27,996,000, which is expected by 30 April 2024 (refer note 25).

Since the purchase of the right to acquire the Mine, as part of the agreement, the consolidated entity has been paying for the care and maintenance of the Mine. The costs have been capitalised to the intangible asset. Any other costs incurred on the Mine that are not required in the agreement have been expensed.

Accounting policy for intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Note 12. Exploration and evaluation

	Consolidated 2023 $	2022 $
Non-current assets		
Exploration and evaluation - at cost	5,699,119	4,149,316
Less: Impairment	(5,699,119)	-
	-	4,149,316

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	$
Balance at 1 July 2021	1,748,419
Additions	2,400,897
Balance at 30 June 2022	4,149,316
Additions	1,549,803
Impairment of assets*	(5,699,119)
Balance at 30 June 2023	-

* This represents a full impairment of the carrying value of the Company's Guinea tenements, which are under renewal at present. Having exhausted all reasonable avenues to obtain the renewals, the Board has resolved to place Guinea tenements on care and maintenance until such time as the project can be joint ventured, farmed-out or sold.

Accounting policy for exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Note 13. Trade and other payables

	Consolidated 2023 $	2022 $
Current liabilities		
Trade payables	1,109,473	105,973
Other payables	660,345	130,000
	1,769,818	235,973

Included in *Other payables* is $66,000 (2022: $102,000) and in *Trade payables* is $105,242 (2022: $nil) payable to directors at 30 June 2023.

Refer to note 19 for further information on financial instruments.

Note 13. Trade and other payables (continued)

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 14. Borrowings

	Consolidated	
	2023	**2022**
	$	**$**
Current liabilities		
Related party loan	1,350,000	-

Refer to note 19 for further information on financial instruments.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2023	**2022**
	$	**$**
Total facilities		
Related party loan	1,350,000	-
Other loan	15,082,956	-
	16,432,956	-
Used at the reporting date		
Related party loan	1,350,000	-
Other loan	-	-
	1,350,000	-
Unused at the reporting date		
Related party loan	-	-
Other loan	15,082,956	-
	15,082,956	-

On 31 October 2022, a related party agreed to provide the consolidated entity with a loan facility up to $1,000,000. In April 2023 the facility was extended up to $1,350,000. The loan is unsecured and can be drawn down at any time. The keys terms of the facility are as follows:
(i) Repayment date - the earlier of the next capital raising or 18 months from the first drawdown date
(ii) Interest rate - 5% per annum, compounded monthly until the end of the loan

On 27 June 2023 the consolidated entity announced that it has entered into a binding Term Sheet with Ocean Partners UK Limited (OPUK) for an unsecured US$10,000,000 (A$15,082,956) pre-payment funding facility which will provide development funding and working capital for the recommencement of mining and processing operation at the Company's underground Silver-Zinc-Lead, Endeavor Mine in the Cobar basin, NSW.

Note 14. Borrowings (continued)

The key terms of the facility are as follows:
(i) Facility limit - US$10,000,000 (at 30 June 2023, this translates to A$15,082,956)
(ii) Contract - 5-year offtake of zinc and silver-lead concentrates
(iii) Interest - 12-month Secured Overnight Financing Rate + 7.0%
(iv) Term - Up to 36 months
(v) Share subscription - A$500,000 equity investment
(vi) Key conditions:
1. Signed Zinc & Silver-Lead Concentrate Offtake Contracts
2. Executed Concentrate Prepayment Facility Agreement
3. Third-party confirmation of Endeavor Mine Restart Study (MRS)

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 15. Issued capital

	Consolidated			
	2023 Shares	2022 Restated* Shares	2023 $	2022 Restated* $
Ordinary shares - fully paid	137,714,126	79,440,000	25,488,064	7,462,460

* The value and number of ordinary shares at 30 June 2022 have been restated, as detailed in note 3.

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2021	79,440,000		7,470,481
Net share issue cost refund				(8,021)
Balance	30 June 2022	79,440,000		7,462,460
Shares issued to settle debts (a)	17 August 2022	1,126,126	$0.12	135,135
Placement (b)	21 December 2022	4,000,000	$0.25	1,000,000
Shares issued to vendor of Orana Minerals Pty Ltd (refer note 25)	12 May 2023	52,000,000	$0.32	16,640,000
Options exercised (c)	30 June 2023	1,148,000	$0.25	287,000
Share issue costs				(36,531)
Balance	30 June 2023	137,714,126		25,488,064

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(a) Shares issued to settle debts
On 17 August 2022, the consolidated entity issued 1,126,126 ordinary shares to Sahara Natural Resources for part-payment of its contract drilling fees at $0.12 per share. The market share price at the date of issue was $0.15 however the rate that the shares were issued was agreed between the parties.

Note 15. Issued capital (continued)

(b) Placement
On 21 December 2022, the consolidated entity issued 4,000,000 ordinary shares to a sophisticated investor at 25 cents per share. The issue price per share represents a 6.4% premium to the closing price on the ASX of $0.235 per share on 19 December 2022 and a 15.3% premium to the 30-day VWAP of $0.217 per share.

(c) Options exercised
On 30 June 2023, 1,148,000 options were converted to ordinary shares.

Options
As at 30 June 2023, there were 2,352,000 unissued ordinary shares of Polymetals Resources Ltd under option, held as follows:

Options on issue in Polymetals Resources Ltd	Number	Exercise price	Expiry
Share options - unlisted	2,352,000	$0.25	30/11/2024

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The consolidated entity is not exposed to externally imposed capital requirements.

The consolidated entity monitors capital through the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is defined as equity per the statement of financial position plus net debt.

The Board reviews the capital structure on an annual basis. As a part of this review the Board considers the cost of capital and risks associated with each class of capital. A high gearing ratio will be expected as the consolidated entity enters into its development stage and more debts are required to fund the operation and development activities.

The capital risk management policy remains unchanged from the 2022 Annual Report.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 16. Prepaid capital

	Consolidated	
	2023	**2022**
	$	**$**
Prepaid share capital	2,599,485	-

Prepaid capital relates to proceeds received in advance for the Endeavor Mine Restart Study share placement, which was completed on 6 July 2023 (refer to note 27). Upon the issue of the related shares on 6 July 2023, the proceeds converted to issued capital.

Note 17. Reserves

	Consolidated 2023 $	Consolidated 2022 $
Share-based payments reserve	206,145	206,145
Options reserve	245,000	245,000
	451,145	451,145

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration.

Options reserve
The reserve is used to recognise the value of share options provided to other parties as part of their compensation for services.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments reserve $	Options reserve $	Total $
Balance at 1 July 2021	-	-	-
Share-based payments	206,145	-	206,145
Share options	-	245,000	245,000
Balance at 30 June 2022	206,145	245,000	451,145
Share-based payments	-	-	-
Balance at 30 June 2023	206,145	245,000	451,145

Note 18. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 19. Financial instruments

Financial risk management objectives
In common with all other businesses, the consolidated entity is exposed to risks that arise from its use of financial instruments. This note describes the consolidated entity's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the consolidated entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

The consolidated entity's financial instruments consist mainly of deposits with banks, receivables and payables.

The Board has overall responsibility for the determination of the consolidated entity's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the consolidated entity's finance function.

Note 19. Financial instruments (continued)

The overall objective of the Board is to set polices that seek to reduce risk as far as possible without unduly affecting the consolidated entity's competitiveness and flexibility. Further details regarding these policies are set out below.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Apart from the Alahiné and Mansala projects in the Republic of Guinea, the consolidated entity has no significant exposure to foreign exchange risk as there are effectively no foreign currency deals outstanding. However, the likely impact of this risk is at the stage considered to be minimal due to the exploration nature of this asset.

In order to protect against exchange rate movements, the consolidated entity had entered into a forward foreign exchange contract during the 2022 financial year for US$100,000 at a rate of US$0.741 : A$1. The contract was fully redeemed on 21 July 2022 and settled on 2 August 2022. At 30 June 2023 there were no outstanding forward foreign exchange contracts.

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
Interest rate risk arises principally from cash and cash equivalents. The objective of interest rate risk management is to manage and control interest rate risk exposures within acceptable parameters while optimising the return. The consolidated entity does not have any significant exposure to interest rate risk.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. This usually occurs when debtors fail to settle their obligations owing to the consolidated entity. The consolidated entity 's objective is to minimise the risk of loss from credit risk exposure.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk is reviewed regularly by the Board. It arises from exposure to receivables as well as through deposits with financial institutions.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity and at the reporting date.

The consolidated entity's cash at bank is wholly held with Commonwealth Bank of Australia.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by monitoring forecast cash flows for the possible need to obtain debt or equity finance.

A related party has agreed to provide the consolidated entity with a loan facility of up to $1,350,000 (refer note 14).

Note 19. Financial instruments (continued)

The consolidated entity has entered into a binding Term Sheet with Ocean Partners UK Limited (OPUK) for an unsecured US$10,000,000 (A$15,082,956) concentrate pre-payment funding facility which will provide development funding and working capital for the recommencement of mining and processing operation at the Company's underground Silver-Zinc-Lead, Endeavor Mine in the Cobar basin, NSW (refer note 14).

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2023	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	1,769,818	-	-	-	1,769,818
Interest-bearing - fixed rate					
Borrowings	1,350,000	-	-	-	1,350,000
Total non-derivatives	3,119,818	-	-	-	3,119,818

Consolidated - 2022	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	235,973	-	-	-	235,973
Total non-derivatives	235,973	-	-	-	235,973

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 20. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2023 $	Consolidated 2022 $
Short-term employee benefits	420,942	434,589
Post-employment benefits	630	-
Share-based payments	-	201,065
	421,572	635,654

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	Consolidated	
	2023	**2022**
	$	**$**
Audit services - RSM Australia Partners		
Audit or review of the financial statements	30,500	27,000

Note 22. Commitments

	Consolidated	
	2023	**2022**
	$	**$**
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	27,996,000	-

The consolidated entity is required to pay $27,996,000 of Environmental Bonds in favour of the Minister of the Government of New South Wales to meet the environmental obligations of the Endeavor Mine tenements. During the year, the entity entered into a share sale agreement to purchase the shares in a company (Cobar Metals Pty Ltd) that currently owns the rights to the Endeavor Mine tenements (refer note 25). The agreement will not complete until the consolidated entity pays the Environmental Bonds. On 14 August 2023, the Company announced the signing of a non-binding Memorandum of Understanding for the replacement of the Endeavor mine Environmental Bonds by Ocean Partners UK Limited (refer note 27).

Note 23. Related party transactions

Legal parent entity
Polymetals Resources Ltd is the legal parent entity.

Accounting parent entity
Golden Guinea Resources SARL is the accounting parent of the group.

Subsidiaries
Interests in subsidiaries are set out in note 26.

Key management personnel
Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the directors' report.

Transactions with related parties
At the time of acquisition, Meadowhead Investments Pty Ltd, an entity controlled by David Sproule, owned 33.48% of Orana Minerals Pty Ltd. Following the resolutions voted at the extraordinary general meeting held on 12 May 2023, Meadowhead Investments Pty Ltd were issued 17,410,714 shares.

Additionally, Linden Sproule (son of David Sproule) owned 2.23% of Orana Minerals Pty Ltd at the time of the acquisition. Following the resolutions voted at the extraordinary general meeting held on 12 May 2023, Linden Sproule was issued 1,160,714 shares.

Note 23. Related party transactions (continued)

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 2023 $	Consolidated 2022 $
Current payables:		
Trade payables to key management personnel	105,242	-
Other payables to key management personnel	66,000	102,000

Loans to/from related parties
On 31 October 2022, Meadowhead Investments Pty Ltd, an entity controlled by David Sproule, agreed to provide the consolidated entity with a loan facility up to $1,350,000 (refer note 14). The facility is unsecured, can be drawn down at any time, and incurs interest at 5% per annum. $1,350,000 was drawn down on this facility during the 2023 financial year. The loan balance at 30 June 2023 was $1,350,000. No interest has been paid on the loan in the year ended 30 June 2023.

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated 2023 $	Consolidated 2022 $
Current borrowings:		
Loan from other related party	1,350,000	-

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 24. Parent entity information

Set out below is the supplementary information about the legal parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2023 $	Parent 2022 $
Loss after income tax	(13,227,674)	(1,156,989)
Total comprehensive income	(13,227,674)	(1,156,989)

Note 24. Parent entity information (continued)

Statement of financial position

	Parent 2023 $	Parent 2022 $
Total current assets	19,261,058	1,547,070
Total assets	20,753,159	11,812,646
Total current liabilities	1,775,280	232,182
Total liabilities	1,775,280	232,182
Net assets	18,977,879	11,580,464
Equity		
Issued capital	30,629,168	12,603,564
Prepaid capital	2,599,485	-
Share-based payments reserve	206,145	206,145
Options reserve	245,000	245,000
Accumulated losses	(14,701,919)	(1,474,245)
Total equity	18,977,879	11,580,464

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Legal parent entity disclosures
The above information has been extracted from the books and records of the legal parent entity, Polymetals Resources Ltd. Accordingly, the information does not relate to the 'accounting parent' - Golden Guinea Resources SARL.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 25. Asset acquisition

On 12 May 2023, the Company acquired 100% of the ordinary shares of Orana Minerals Pty Ltd (Orana Minerals) for the total consideration transferred of 52,000,000 ordinary shares at $0.32 per share, totalling $16,640,000. This is a mining exploration business and Orana Minerals' wholly-owned subsidiary, Cobar Metals Pty Ltd, has entered into a legally-binding agreement to purchase 3 entities holding the Endeavor lead/zinc/silver mine in Cobar, NSW. The purchase of the Endeavor Mine will not complete until Cobar Metals Pty Ltd has paid Environmental Bonds of $27,996,000, which is expected by 30 April 2024 (refer note 22).

At the time of acquisition, Meadowhead Investments Pty Ltd, an entity controlled by David Sproule, owned 33.48% of Orana Minerals Pty Ltd. Following the resolutions voted at the extraordinary general meeting held on 12 May 2023, Meadowhead Investments Pty Ltd were issued 17,410,714 shares.

Note 25. Asset acquisition (continued)

Additionally, Linden Sproule (son of David Sproule) owned 2.23% of Orana Minerals Pty Ltd at the time of the acquisition. Following the resolutions voted at the extraordinary general meeting held on 12 May 2023, Linden Sproule was issued 1,160,714 shares.

The shares issued as consideration are subject to a Voluntary Escrow Agreement for 12 months from the date of issue.

The acquisition was approved by shareholders at the general meeting held on 12 May 2023.

With reference to AASB 3 *Business combinations*, it has been determined that the acquisition is not a business combination and the transaction has therefore been accounted for as an asset acquisition. The cost of the acquisition, including the consideration paid to the vendor, and liabilities assumed, has been allocated across the relative fair value of the assets acquired.

Details of the acquisition are as follows:

	Fair value $
Cash and cash equivalents	4,932
BAS receivable	110,050
Right to acquire Endeavor mine	17,276,822
Other loans	(751,804)
Acquisition-date fair value of the total consideration transferred	16,640,000
Representing:	
Polymetals Resources Ltd shares issued to vendor	16,640,000
Cash used to acquire Orana Minerals, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	16,640,000
Less: cash and cash equivalents	(4,932)
Less: shares issued by the Company as consideration	(16,640,000)
Net cash received	(4,932)

Note 26. Interests in subsidiaries

Polymetals Resources Ltd is the legal parent entity of the consolidated entity and Golden Guinea Resources SARL is the accounting parent entity.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Golden Guinea Resources SARL	Guinea, Africa	100%	100%
Société Oro Tree Guinea Resources SARL	Guinea, Africa	100%	100%
Orana Minerals Pty Ltd*	Australia	100%	-
Cobar Metals Pty Ltd**	Australia	100%	-

* During the year, the Company acquired Orana Minerals Pty Ltd and its subsidiary Cobar Metals Pty Ltd (refer note 25).

** Subsidiary of Orana Minerals Pty Ltd.

Note 26. Interests in subsidiaries (continued)

Unless otherwise stated, the subsidiaries have share capital consisting solely of ordinary shares that are held directly by the consolidated entity, and the proportion of ownership interests is equal to the proportion of voting rights held by the consolidated entity.

Note 27. Events after the reporting period

On 3 July 2023, 39,383,434 ordinary shares relating to the initial listing of the Company's shares were released from escrow.

The Company issued 11,777,057 and 325,040 ordinary shares on 6 July 2023 and 7 July 2023 respectively, at $0.31 per share in terms of a share placement. The funds are to be applied to the Endeavor Mine Restart Study.

On 10 August 2023, the Company received $250,000 of a $500,000 grant awarded by the NSW Government Critical Minerals Activation Fund to assist with technical components of the Endeavor Mine Restart Study.

On 14 August 2023, the Company announced the signing of a non-binding Memorandum of Understanding for the replacement of the Endeavor mine Environmental Bonds by Ocean Partners UK Limited totalling $27,996,000 (note 22). Ocean Partners UK Limited have proposed to facilitate the bond replacement by providing a surety to the Company for up to 4 years. Once the Environmental Bonds have been replaced, the purchase of the Endeavor mine can be completed (note 25).

On 31 August 2023, 1,185,000 options were exercised for $0.25 per share.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 28. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2023 $	2022 $
Loss after income tax expense for the year	(7,799,397)	(1,156,988)
Adjustments for:		
Depreciation and amortisation	8,296	2,691
Impairment	5,699,119	-
Share-based payments	135,135	446,065
Write off of assets	119,097	-
Finance costs - non-cash	-	14,389
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(120,701)	53,608
Decrease/(increase) in prepayments	19,200	(999)
Decrease in other operating assets	1	-
Increase/(decrease) in trade and other payables	257,840	(67,669)
Net cash used in operating activities	(1,681,410)	(708,903)

Note 28. Cash flow information (continued)

Non-cash investing and financing activities

	Consolidated 2023 $	Consolidated 2022 $
Shares issued in relation to asset acquisition	16,640,000	-

Changes in liabilities arising from financing activities

Consolidated	Borrowings $
Balance at 1 July 2021	250,000
Net cash used in financing activities	(250,000)
Balance at 30 June 2022	-
Net cash from financing activities	1,350,000
Balance at 30 June 2023	1,350,000

Note 29. Earnings per share

	Consolidated 2023 $	Consolidated 2022 $
Loss after income tax attributable to the owners of Polymetals Resources Ltd	(7,799,397)	(1,156,988)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	89,559,192	79,440,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	89,559,192	79,440,000
	Cents	**Cents**
Basic earnings per share	(8.7)	(1.5)
Diluted earnings per share	(8.7)	(1.5)

Options are not considered dilutive as they are currently out of the money, however, may become dilutive in the future.

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Polymetals Resources Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 30. Share-based payments

A Loan Funded Share Plan (the plan) has been established by the consolidated entity and approved by shareholders at a general meeting held on 29 November 2021, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant Restricted Shares in the Company to certain key management personnel of the consolidated entity. The Plan was established to attract, motivate and retain current and prospective directors, employees and certain contractors of the consolidated entity and provide them with an incentive to deliver growth and value to all shareholders.

Under Accounting Standard AASB 2 *Share-based Payment*, the issuance of these shares has been accounted for as an in-substance option award. The fair value of these equity instruments was assessed by Directors based on an independent valuation (using an option-pricing model) and are recorded in the Share-based payments reserve (note 17).

The total number of Restricted Shares that can be issued will not exceed 5% of the current issued ordinary share capital of the Company. The Restricted Shares will not carry any voting, dividend or other participation rights (except as required by law) until all performance conditions attaching to them are satisfied, as which point they will convert into fully-paid ordinary shares in the Company at the conversion rate of 1:1.

Set out below are summaries of in-substance options awarded under the plan:

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
29/11/2021	29/11/2024	$0.25	3,100,000	-	-	(3,100,000)	-
			3,100,000	-	-	(3,100,000)	-

* During the year ended 30 June 2023, the in-substance options expired as the directors and the CEO that held the options resigned and therefore are no longer eligible under the plan.

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
29/11/2021	29/11/2024	$0.00	-	3,100,000	-	-	3,100,000
			-	3,100,000	-	-	3,100,000

The weighted average remaining contractual life of options outstanding at the end of the 2022 financial year was 2.4 years. All options expired during the year ended 30 June 2023.

The total expense arising from share-based payment transactions recognised during the year as part of employee benefits expense was $nil (2022: $201,065).

Accounting policy for share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Note 30. Share-based payments (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

David Sproule
Executive Chairman

29th September 2023

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500
F +61 (0) 2 8226 4501

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
To the Members of Polymetals Resources Ltd and its controlled subsidiaries

Opinion

We have audited the financial report of Polymetals Resources Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group recorded a loss after tax of $7,799,397 and had net cash outflows from operating and investing activities of $1,681,410 and $2,397,775 respectively for the year ended 30 June 2023. At 30 June 2023, the Group had net current liabilities of $238,153, net assets of $18,421,591 and had a commitment to pay $27,996,000 in Environmental Bonds (refer to Note 22). The ability of the Group to continue as a going concern is principally dependent upon raising additional capital or securing other forms of financing.

As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Acquisition accounting
Refer to Note 25 in the financial statements</td></tr>
<tr><td>On 12 May 2023, the Company acquired 100% of the ordinary shares of Orana Minerals Pty Ltd (Orana Minerals) for the total consideration transferred of 52,000,000 ordinary shares at $0.32 per share, totalling $16,640,000. This is a mining exploration business and Orana Minerals' wholly-owned subsidiary, Cobar Metals Pty Ltd, has entered into a legally-binding agreement to purchase 3 entities holding the Endeavor lead/zinc/silver mine in Cobar, NSW. The purchase of the Endeavor Mine will not complete until Cobar Metals Pty Ltd has paid Environmental Bonds of $27,996,000, which is expected by 30 April 2024 (refer Note 22).

As disclosed in Note 25, the Group's right to acquire the Endeavor Mine asset at the time of acquisition was $17,276,822.

Since the purchase of the right to acquire the Endeavor Mine, as part of the agreement, the Group has been paying for the care and maintenance of the Mine.

As disclosed in Note 11, an additional $1,359,835 of care and maintenance costs have been capitalised to intangible assets since the purchase of the right to acquire the Endeavor Mine. The carrying value of the right to acquire the Endeavor Mine of $18,636,657 as at 30 June 2023 which represents a significant asset of the Group.

We considered this transaction to be a key audit matter because of:</td><td>Our audit procedures included the following:
Obtaining Management's accounting paper and Share Sale and Purchase Agreement in relation to the acquisition of Orana Minerals Pty Ltd, and understanding the nature of the transaction to confirm that it met the definition of an asset acquisition rather than being a Business Combination under AASB 3;
Tracing the values for the consideration transferred to the signed Share Sale and Purchase Agreement;
Assessing care and maintenance costs capitalised since the purchase of the right to acquire the Endeavor Mine to determine if there are any negative indicators that would suggest a potential impairment of the carrying value of the right to acquire the Endeavor Mine at 30 June 2023; and
Reviewing the adequacy of the relevant disclosures in the financial statements.</td></tr>
</table>

• the judgments involved in determining whether the transaction is an asset acquisition rather than a Business Combination; • the material nature of the arising right to acquire Endeavor Mine asset; and • the treatment of inter-group trading operations in the consolidation process.	

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 14 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Polymetals Resources Ltd, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM AUSTRALIA PARTNERS

C J HUME
Partner

Sydney, NSW
29 September 2023

The shareholder information set out below was applicable as at 1 September 2023.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	18	4.31	-	-
1,001 to 5,000	62	14.83	-	-
5,001 to 10,000	109	26.08	-	-
10,001 to 100,000	159	38.03	-	-
100,001 and over	70	16.75	2	100.00
	418	100.00	2	100.00
Holding less than a marketable parcel	28	6.70	-	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
DEERING NOMINEES PTY LTD	21,499,848	14.24
MEADOWHEAD INVESTMENTS PTY LTD	19,997,431	13.24
SPARTA AG	6,450,000	4.27
AGUIBOU BAH	3,781,358	2.50
NABLA GLOBAL LIMITED	2,354,908	1.56
SL JACKSON CONTRACTING PTY LTD	1,819,846	1.21
KWAN PEK LOY	1,708,140	1.13
OCEAN PARTNERS UK LIMITED	1,612,903	1.07
MR PAUL ROBERT MCCALLUM	1,563,839	1.04
YONG POH WAI	1,530,286	1.01
SHARON LIM	1,512,641	1.00
TOMANOVIC MULTIOWN PTY LTD - AFS SUPER FUND A/C	1,400,000	0.93
MEADOWHEAD INVESTMENTS PTY LTD	1,392,677	0.92
DAVID WONG FUT JOON	1,313,150	0.87
BRUCE STAINFORTH	1,224,553	0.81
KUAN PEK WOON	1,198,203	0.79
MR STEPHEN LEE JACKSON	1,083,288	0.72
P & J BUTTIGIEG NOMINEES PTY LTD - BUTTIGIEG FAMILY A/C	1,000,000	0.66
MR DREW ROBERT FOSTER MCCALLUM	1,000,000	0.66
P & D SUPER AUSTRALIA PTY LTD - P & D SUPER FUND	983,684	0.65
	74,426,755	49.28

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	1,167,000	2

The following person holds 20% or more of unquoted equity securities:

Name	Class	Number held
Paul McCallum	Options over ordinary shares issued	1,000,000

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
DEERING NOMINEES PTY LTD	21,499,848	14.24
MEADOWHEAD INVESTMENTS PTY LTD	19,997,431	13.24

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Tenements

As at the date of this report, the Company has an interest in the following tenements:

Tenement	*Holder*	*% Interest*	*Expiry date*	*Term*
EL22123 - Alahiné	Golden Guinea Resources SARL	-	30/04/2022	
EL22694 - Mansala	Golden Guinea Resources SARL	-	31/10/2022	

Both of the above licences are under renewal and the Board has resolved to place the Guinea tenements on care and maintenance (refer note 12).