

ASX: **POL**

ASX Announcement

29 May 2024



# ENDEAVOR SILVER ZINC MINE PLAN OPTIMISATION

*Geotechnical drilling of near surface high-grade Silver Resources.*

Polymetals Resources Ltd (ASX: **POL**) (**Polymetals** or the **Company**) continues to progress its optimisation of the Endeavor mine plan with a work program of geotechnical drilling of the near surface high-grade Upper North Lode (UNL) resources. Drilling will support optimisation of the mining method aiming to convert further Resources to Reserves.

## HIGHLIGHTS

- **Geotechnical drilling to commence in June 2024.**
- **Potential to increase high grade Ore Reserves.**
- **Endeavor Mine Plan Optimisation Study to be released Q3 CY24.**

## MINE PLAN OPTIMISATION

The Polymetals Endeavor Mine Restart Study (MRS)<sup>1</sup> provided a Stage 1 mine life of 10 years and first concentrate production within 9 months from commencement of mine rehabilitation and mill refurbishment. Increasing metal prices have significantly improved the project economics as summarised by **Table 1**.

| Parameter                    | October 2023 MRS | Spot Price <sup>2</sup> |
|------------------------------|------------------|-------------------------|
| Silver Price (US\$/oz)       | <b>\$23.00</b>   | <b>\$32.34</b>          |
| Zinc Price (US\$/tonne)      | <b>\$2,750</b>   | <b>\$3,122</b>          |
| Lead Price (US\$/tonne)      | <b>\$2,200</b>   | <b>\$2,336</b>          |
| Exchange Rate AUD : USD      | <b>0.67</b>      | <b>0.67</b>             |
| Before Tax NPV <sub>8%</sub> | <b>\$201M</b>    | <b>\$371M</b>           |
| IRR                          | <b>91%</b>       | <b>183%</b>             |
| Before tax Free Cashflow     | <b>\$323M</b>    | <b>\$570M</b>           |

**Table 1: Endeavor MRS - Financial Outcomes Comparison**

<sup>1</sup> Refer ASX announcement "Endeavor Silver Lead Zinc Mine Restart Study Completed", dated 16<sup>th</sup> October 2023.

<sup>2</sup> Source - Market Index 29/05/2024.

For personal use only

## UPPER NORTH LODGE – DUE DILIGENCE DRILLING

Polymetals completed a 21-hole due diligence surface drilling programme of the Upper North Lode and adjacent remnant South Lode prior to securing the Endeavor Mine<sup>3</sup>. Mineralisation was intersected in all due diligence drillholes with intercepts and assays summarised in **Appendix 1**<sup>4</sup>.

Examples of mineralised UNL intercepts previously announced are as follows:

### **Met\_1LS\_1** (81m of mineralisation – refer **Figure 1**)

- **81m @ 473g/t Ag, 7.4% Zn, 1.15g/t Au, 0.11% Cu and 5.5% Pb from 77m to end of hole.**

### **PNL009** (46m of total mineralisation)

- **46m @ 396 g/t Ag, 6.9% Zn, 1.04 g/t Au, 0.16% Cu and 5.9% Pb from 78m to 124m.**

### **PNL010** (42m of mineralisation)

- **22m @ 816 g/t Ag, 4.6% Zn, 0.69 g/t Au, 1.27% Cu and 2.6% Pb from 101m to 123m, and;**
- **20m @ 435g/t Ag, 5.5% Zn, 0.89g/t Au, 0.08% Cu and 2.6% Pb from 130m to 150m.**

### **PNL012** (53m of mineralisation)

- **41m @ 423 g/t Ag, 5.0% Zn, 1.03 g/t Au, 0.17% Cu and 4.9% Pb from 82m to 123m, and;**
- **5m @ 481g/t Ag, 7.9% Zn, 0.74g/t Au, 0.14% Cu and 5.3% Pb from 127m to 132m, and;**
- **7m @ 346g/t Ag, 8.3% Zn, 0.82g/t Au, 0.10% Cu and 3.9% Pb from 137m to 144m.**

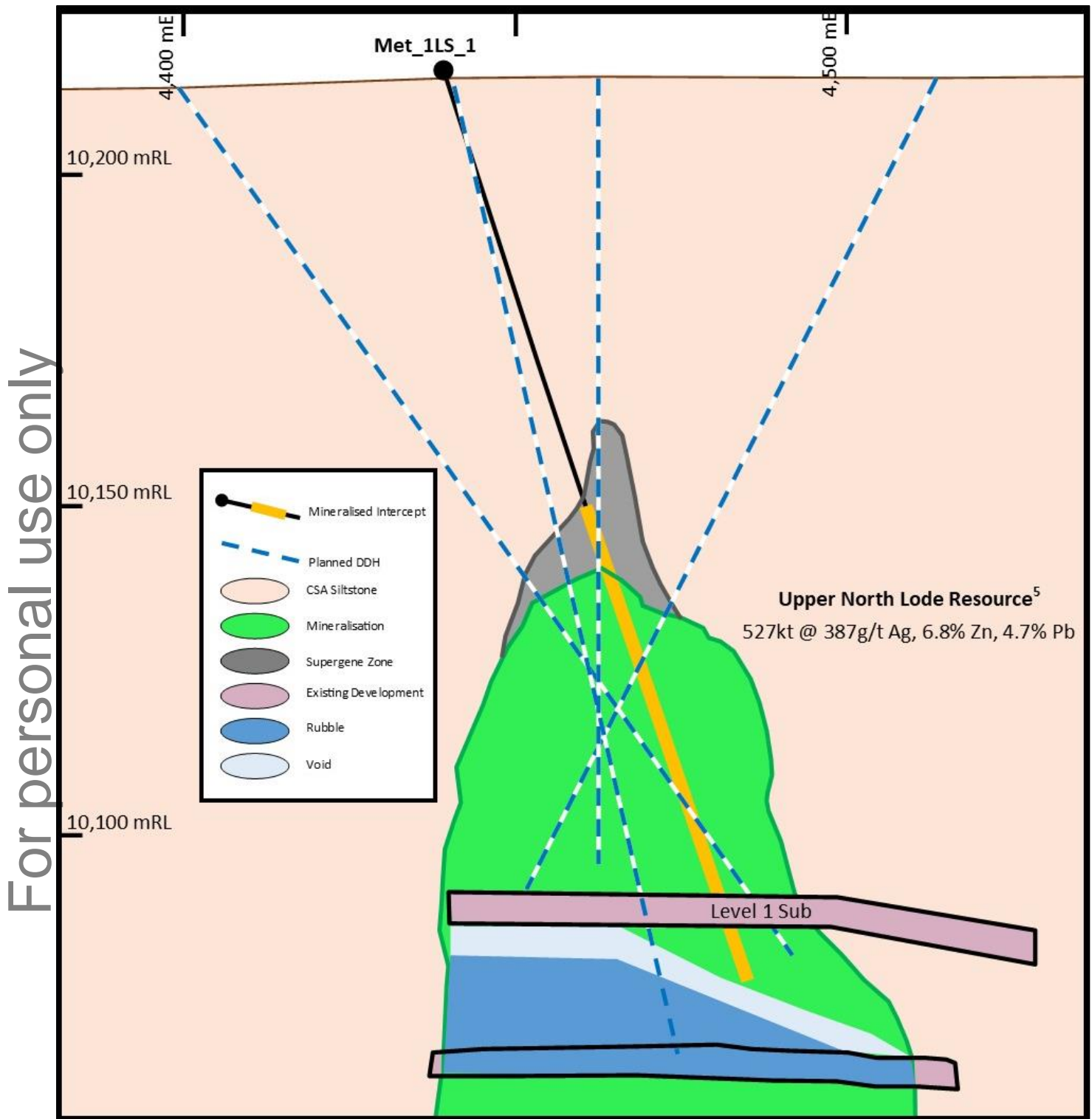
## UPPER NORTH LODGE - GEOTECHNICAL DRILLING

Planned core drilling of the UNL<sup>5</sup> has been designed to intersect UNL mineralisation and surrounding strata to enable geotechnical logging to be completed (**Figure 1**). The geotechnical investigations are aimed at determining if the UNL Ore Reserve can be enhanced via a change to mining techniques. Should these investigations prove positive, the Company anticipates that project economics will be significantly enhanced via increased available UNL ore, reduced mining costs and faster mining rates.

<sup>3</sup> Refer ASX announcement, "Endeavor Mine Acquisition Final", dated 28<sup>th</sup> March 2023.

<sup>4</sup> Refer ASX announcement, "Outstanding high grade assays Zn-Ag-Au-Cu-Pb at Endeavor", dated 9<sup>th</sup> May 2023.

<sup>5</sup> The UNL Resource is contained within the Upper Main Lodes JORC (2012) Mineral Resource. Refer ASX announcement "Endeavor Near Surface Resource 94% Measured & Indicated", dated 23 May 2023



**Figure 1:** Upper North Lode - Planned geotechnical core holes.

**MAIN OREBODY - RESERVE UPGRADE**

Ongoing Mine Plan optimisation of the Main Orebody has identified additional stopes (designed after release of the October 2023 MRS) which may materially increase Ore Reserves.

The outcomes of this continuing Main Orebody work and the UNL optimisation (pending the geotechnical drilling) will be released upon completion; however, the expected uplift in ore tonnage will extend the Endeavor Mine life.

**Polymetals Executive Chairman Dave Sproule said:**

*“Polymetals has continued its mine plan optimisation work since the release of its initial MRS in October last year. With the recent strategic investment by Metals Acquisition Limited, the Company is now funded to complete its final optimisation work program, being geotechnical drilling of the high-grade silver zinc Upper North Lode for mine planning optimisation purposes, as well as providing improved resources to reserves conversion.*

*We are confident that the planned drilling might generate an uplift in the UNL Ore Reserves which are planned to be mined over the first 2-years of production. The high grade and high margin silver and zinc UNL is shallow and has existing mine development allowing immediate access for accelerated mining.*

*Results from the drilling will be included along with the additional tonnes identified from within the main orebody in our optimised study”.*

**<ENDS>**

**This announcement was authorised for release by Polymetals Resources board.**

*For further information, please contact:*

**Linden Sproule**

Corporate Development

[linden.sproule@polymetals.com](mailto:linden.sproule@polymetals.com)

---

**ABOUT POLYMETALS**

Polymetals Resources Ltd (**ASX: POL**) is a mining and metals company developing & producing commodities like silver and zinc. Polymetals owns and operates the high-grade underground Endeavor silver zinc mine (+copper & gold). Endeavor is located within Australia’s premier polymetallic mineral province the Cobar Basin, New South Wales Australia. Polymetals is seeking to become a long term, consistent and profitable base and precious metal producer holding a strong exploration portfolio for organic growth, and continually measure strategic acquisition opportunities. For more information visit [www.polymetals.com](http://www.polymetals.com)

**FORWARD LOOKING STATEMENTS**

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

**COMPETENT PERSON STATEMENT**

The information supplied in this release regarding Mineral Resources of the Endeavor Project is based on information compiled by Mr Troy Lowien, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Mr Lowien is an employee of Polymetals Resources Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Lowien consents to the inclusion of matters based on information in the form and context in which it appears.

For personal use only

### APPENDIX 1 – Endeavor Upper Main Lodes Drillhole details

Table 1: Endeavor Due Diligence Drilling 2023 - Significant mineralised intercept

| Hole ID          | From | To   | End of Hole | Intercept (m) | Ag g/t | Zn%  | Au g/t | Pb%  | Cu%  | Comments   |
|------------------|------|------|-------------|---------------|--------|------|--------|------|------|--|
| MET_1LS_1        | 77   | 158  | 158         | 81            | 473    | 7.4  | 1.15   | 5.5  | 0.11 | Diamond hole drilled during 2015. Core split Feb 23 for assay. |
| <i>including</i> | 77   | 85   |             | 8             | 931    | 6.2  | 2.21   | 12.2 | 0.18 |  |
| PNL001           | 84   | 136  | 144         | 52            | 343    | 5.7  | 0.65   | 4.6  | 0.12 |  |
| <i>including</i> | 84   | 86   |             | 2             | 2020   | 1.1  | 0.64   | 6.3  | 0.13 |  |
| PNL002           | 95   | 135  | 135         | 40            | 226    | 5.1  | 0.88   | 2.9  | 0.10 | Could not continue beyond 135m. Ending in mineralisation.      |
| <i>and</i>       | 142  | 145  | 156         | 3             | 576    | 5.4  | 0.51   | 2.8  | 0.08 |  |
| <i>and</i>       | 147  | 156  | 156         | 9             | 757    | 7.6  | 0.82   | 3.1  | 0.07 |  |
| PNL004           | 120  | 156  | 156         | 36            | 341    | 7.3  | 0.43   | 4.6  | 0.18 | Ending in mineralisation.                                      |
| PNL005           | 138  | 147  |             | 9             | 228    | 5.2  | 0.39   | 3.8  | 0.09 |  |
| <i>and</i>       | 151  | 156  | 162         | 5             | 281    | 6.8  | 0.60   | 4.9  | 0.08 |  |
| PNL006           | 119  | 139  |             | 20            | 237    | 7.2  | 0.66   | 5.0  | 0.14 |  |
| <i>and</i>       | 146  | 148  | 150         | 2             | 255    | 6.8  | 0.56   | 5.0  | 0.13 |  |
| PNL007           | 109  | 140  |             | 31            | 226    | 6.5  | 0.66   | 3.8  | 0.11 | Ending in mineralisation.                                      |
| <i>and</i>       | 144  | 150  | 150         | 6             | 183    | 6.6  | 0.52   | 4.2  | 0.11 |  |
| PNL008           | 109  | 135  |             | 26            | 232    | 5.6  | 0.88   | 6.1  | 0.12 | Ending in mineralisation.                                      |
| <i>and</i>       | 139  | 155  |             | 16            | 158    | 6.1  | 0.95   | 5.2  | 0.14 |  |
| <i>and</i>       | 157  | 159  |             | 2             | 295    | 3.6  | 1.37   | 1.8  | 0.08 |  |
| <i>and</i>       | 162  | 164  | 164         | 2             | 296    | 3.8  | 0.92   | 2.2  | 0.11 |  |
| PNL009           | 78   | 124  | 138         | 46            | 396    | 6.9  | 1.04   | 5.9  | 0.16 |  |
| PNL010           | 101  | 123  |             | 22            | 816    | 4.6  | 0.69   | 2.6  | 1.27 | includes 5m x 5.08% Cu from 101m                               |
| <i>and</i>       | 130  | 150  | 150         | 20            | 435    | 5.5  | 0.89   | 2.6  | 0.08 | Ending in mineralisation.                                      |
| PNL011           | 106  | 125  |             | 19            | 398    | 7.6  | 0.64   | 5.2  | 0.12 |  |
| <i>and</i>       | 128  | 132  | 132         | 4             | 640    | 8.3  | 0.81   | 4.5  | 0.13 |  |
| PNL012           | 82   | 123  |             | 41            | 423    | 5.0  | 1.03   | 4.9  | 0.17 |  |
| <i>and</i>       | 127  | 132  |             | 5             | 481    | 7.9  | 0.74   | 5.3  | 0.14 |  |
| <i>and</i>       | 137  | 144  | 144         | 7             | 346    | 8.3  | 0.82   | 3.9  | 0.10 |  |
| PNL013           | 97   | 109  | 109         | 12            | 239    | 7.6  | 0.88   | 3.2  | 0.09 | Ending in mineralisation.                                      |
| PNL014           | -    | -    | 143         | -             | -      | -    | -      | -    | -    | No significant assays  |
| PNL015           | 121  | 151  |             | 30            | 393    | 6.7  | 0.48   | 5.8  | 0.15 |  |
| <i>and</i>       | 155  | 174  | 180         | 19            | 478    | 5.9  | 0.47   | 3.9  | 0.08 |  |
| PNL016           | 52   | 85.5 |             | 33.5          | 180    | 2.9  | 2.64   | 3.9  | 0.06 | Abandoned at 85.5m. Rods bogged.                               |
| <i>including</i> | 64   | 68   | 85.5        | 4             | 62     | 0.5  | 13.9   | 1.8  | 0.02 | Ending in mineralisation.                                      |
| PSL017           | 99   | 111  | 111         | 12            | 35     | 0.1  | 0.51   | 3.3  | 0.00 | Ending in mineralisation.                                      |
| PSL018           | 100  | 134  | 134         | 34            | 302    | 2.1  | 0.47   | 4.9  | 0.49 | includes 5m x 2.50% Cu from 117m                               |
| PSL019           | 32   | 48   | 48          | 16            | 0.5    | 0.1  | 0.03   | 1.9  | 0.02 | Abandoned at 48m. Rods bogged.                                 |
| PSL020           | 107  | 178  |             | 71            | 272    | 3.6  | 0.43   | 4.2  | 0.13 |  |
| <i>including</i> | 144  | 178  | 180         | 34            | 492    | 7.3  | 0.76   | 4.8  | 0.14 |  |
| PSL021           | 68   | 96   | 96          | 28            | 81     | 0.04 | 0.37   | 3.6  | 0.01 | Ending in mineralisation.                                      |

For personal use only