



Polymetals

Interim Financial Report.

Polymetals Resources Ltd
ABN 73 644 736 247
Unit 1, 101 Main Street
Alstonville NSW 2477 Australia

For the period ending 31 December 2025

www.polymetals.com

ASX: POL



Polymetals Resources Ltd
Appendix 4D
Half-year report

1. Company details

Name of entity: Polymetals Resources Ltd
ABN: 73 644 736 247
Reporting period: For the half-year ended 31 December 2025
Previous period: For the half-year ended 31 December 2024

2. Results for announcement to the market

	31 Dec 2025 \$	31 Dec 2024 \$	Change \$	Change %
Loss after tax attributable to the owners of Polymetals Resources Ltd	(34,539,748)	(6,901,421)	(27,638,327)	400%
Revenue from ordinary activities	39,386,182	-	39,386,182	100%
Loss Before Interest, Tax, Depreciation and Amortisation	(28,350,603)	(5,582,442)	(22,768,161)	408%

Results

The first shipments of concentrate occurred during the half-year. Revenue for the half-year ended 31 December 2025 was \$39,386,182 (2024: \$nil).

The loss for the consolidated entity after providing for income tax amounted to \$34,539,748 (31 December 2024: \$6,901,421), an increase in the loss of \$27,638,327.

The Company's results and operations are set out below in the Directors' report "Review of Operations".

3. Net tangible assets

	31 Dec 2025 Cents	30 June 2025 Cents
Net tangible assets per ordinary security	<u>7.93</u>	<u>3.91</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report.

11. Attachments

Details of attachments (if any):

The Interim Financial Report of Polymetals Resources Ltd for the half-year ended 31 December 2025 is attached.

12. Signed



Signed _____

Date: 27 February 2026

David Sproule
Executive Chairman

Polymetals Resources Ltd
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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 half-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 27 February 2026.

Polymetals Resources Ltd
Directors' report
31 December 2025

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'group') 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 half-year ended 31 December 2025.

Directors

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

David Sproule - Executive Chairman
 Jess Oram - Executive Director
 Alistair Barton - Non-Executive Director

Company secretary

John Haley

Principal activities

The principal activities of the consolidated entity during the reporting period were the exploration, development and mining of mineral resources - in particular silver-lead and zinc. During the half-year, the first shipments of zinc and silver/lead concentrate were made from the Endeavor silver-lead-zinc mine in the Cobar Basin, NSW.

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$34,539,748 (31 December 2024: \$6,901,421).

Prior to the suspension of operations on 28 October, due to the mining incident that claimed the lives of two of our miners, the Company's production performance started the December quarter strongly (Table 1). Operations recommenced on a staged basis in mid-November progressing to continuous mining by month end. Despite the challenges arising from the incident, the team has worked exceptionally well, with operational performance stabilising and returning to expected levels during the latter part of December.

Production Snapshot

		QE 30 Sept 2025	QE 31 Dec 2025	6 months to 31 Dec 2025
Ore mined	tonnes	113,152	88,563	201,715
Ore milled	tonnes	114,893	87,149	202,042
Milled grade	Silver (g/t)	83.8	58.4	77.4
	Zinc (%)	4.43	3.2	3.87
	Lead (%)	2.85	1.43	2.27
Recovery	Silver (%)	71.9	54.8	60.2
	Zinc (%)	88.5	78.0	81.6
	Lead (%)	88.6	79.6	81.6
Zinc concentrate production	tonnes (dry)	9,419	4,630	14,049
	Zinc grade (%)	47.9	47.0	47.3
Silver-lead concentrate production	tonnes (dry)	6,248	2,427	8,675
	Silver grade (g/t)	1,108	1,148	1,099
	Lead grade (%)	46.6	40.9	43.6
Metal produced	Silver (oz)	222,565	89,568	312,133
	Lead (t)	2,902	992	3,894
	Zinc (t)	4,507	2,174	6,681

Mining

Endeavor experienced reduced mine output during the period primarily reflecting the temporary suspension of operations in November.

Access to the high silver grade UNL was achieved in September 2025, with first ore extracted from the uppermost 10120 level in the March quarter (Figure 1). The grades illustrated in Figure 1 are in keeping with expectations from this zone of the UNL. Minor amounts of UNL development ore have been blended with Main Lode ore and milled which helped to increase the grade of produced concentrate. Polymetals expects to mine approximately 400,000 tonnes of high grade UNL ore over the next two years.

Planning to develop the Deep Zinc Lode (DZL), located at the base of the existing Endeavor Mine (Figure 2) is well advanced and will require extension to the main decline. The DZL was last drilled in 2016 and remains open along strike and down dip. Polymetals will mine an exploration drill drive to provide access to allow further drilling to test extensions of the DZL. Mining the DZL aims to 'fill the mill' to its nameplate treatment capacity of 100,000 tonnes per month. The development of the DZL will be funded from cash flow and planned to commence in the June 2026 quarter and the production of ore from this zone is scheduled in H1 2027.



Figure 1. Second development cut in UNL 10120 level 10/1/26 – duplicate site analyses returned average grades of 918g/t Silver, 7.63% Zinc and 26.65% Lead from an initial grab sample.

Milling

The Endeavor Mill commissioned in June 2025 has performed in line with expectations, with all major plant components operating reliably and routine maintenance delivering strong operational availability. Workforce training continues, with a focus on optimising metal recovery and enhancing revenues from the production of silver-lead and zinc concentrates. The production snapshot above summarises milled tonnes and concentrate output for the half-year period. Recoveries and concentrate production were impacted by the temporary production hiatus between late October and November 2025. In addition, reduced feed grades during the December quarter contributed to lower flotation recoveries. With mining and processing of higher-grade UNL now underway, mill feed grades have increased. This improvement is expected to support metal recoveries returning to modelled performance levels from January 2026.

Concentrate transport

Transport of both zinc and silver-lead concentrate from Endeavor to Adelaide port Berth 29 can now be considered a routine operation. Qube Logistics haul half height containers via triple road trains: initially to its Broken Hill rail siding and then by rail to Adelaide. The containers are then emptied to bulk vessels and delivered to the Korea Zinc Onsan smelter, located in South Korea.

Workforce

At 31 December 2025, the Endeavor Mine employed 221 full time personnel. The Company has initiated an apprentice program to commence in June 2026 designed to develop local talent in Cobar and the broader region to support our long-term operational plans.

Endeavor Mine General Manager, Matthew Gill resigned on 10 December 2025.

The Company appointed Brad Stanmore to the position of Acting General Manager. Brad Stanmore formerly filled the role of General Manager, Maintenance at Endeavor and is a local Cobar resident.

Projects

Tailings

A resource of 5 million tonnes of high-grade 'Sector 1' tailings is included in the mine plan for flotation retreatment and is also being evaluated for potential recovery of precious metals. The Sector 1 tailings were generated during the initial five years of mining and processing operations at Endeavor. Gold hosted within pyrite, together with silver not recovered to the lead concentrate, is not expected to be recovered through conventional flotation. Accordingly, external independent metallurgical test work aimed at enhancing gold and silver recovery from retreated Sector 1 tailings is progressing. This work is assessing a conceptual, albeit relatively complex, retreatment flowsheet. Such a flowsheet would likely require a significant capital investment; successful development could, however, enhance project economics. Subject to positive outcomes, this pathway has the potential to extend the operating life of the Endeavor Mine and may provide the opportunity to process third-party feed sources.

CSA Mine Water Connection

The Company entered an arrangement with Metals Acquisition Corporation dated 27 May 2024, which included the sale of a proportion of Endeavor's allocated water supply (up to 150ML p.a.) for 4.5 years as well as potential tolling of CSA Mine zinc ore. This water allocation is excess to Endeavor's future requirements.

The Endeavor Mine has the largest allocation of water of all three mines in the Cobar Basin and an average of 250 ML of ground water is pumped from the mine annually. Further, the Endeavor Mine has a number of licenced water bores which are currently not tapped.

The connection by the CSA Mine to enable it to draw its allocated water supply from the Endeavor Mine pipeline was completed during the half-year.

Near Mine Exploration

Exploration activities during the half-year continued to advance near-mine targeting at Endeavor, supported by ongoing refinement of the structural and geological models. Drilling programs were primarily targeted at Carpark and Endeavor South corridors, testing structural and geophysical targets interpreted to be analogous to the Main Lode. The Carpark and Endeavor South corridors define a prospective zone of about 1500 metres (north-south) by 500 metres (east-west). Mineralisation targets within these corridors are characterised by relatively short strike length but demonstrate significant vertically continuity (see Figure 2 and 3).

At Carpark, extension drilling of holes PCP018 and PCP018A intersected zones of massive sulphide mineralisation containing economic grades over sub-economic widths. These intersections represent the first confirmation of significant sulphide development south of Main Lode. Follow-up hole PCP019 intersected multiple intervals of low-tenor lead-zinc mineralisation. Interpretation of newly developed alteration proxies derived from full-scan hand-held XRF data supports continued systematic drill testing along strike and down-dip.

In parallel, preliminary interpretation of the recently completed passive seismic survey, which includes the Carpark prospect, has imaged a series of deep, moderately dipping (~45°) structures extending north and south of the Endeavor deposit. These features are interpreted as fundamental basin-scale structures that may have influenced basin architecture and acted as fluid pathways during mineralisation. Importantly, the structural interpretation indicates no defined southern limit to the Endeavor system. Further technical work is underway to integrate these seismic results with existing geological, geophysical and geochemical datasets to refine drill targeting.

Integration of new drilling data with geotechnical observations and underground mapping indicates that mineralised footprints in the upper levels of the system are typically narrow, with limited geochemical leakage beyond ore boundaries. Accordingly, disciplined, structurally constrained drilling remains critical to effectively test blind targets while avoiding over-drilling weak target vectors.

Carpark and Endeavor South remain high-priority targets, with exploration potential identified down-dip, along strike and within a sub-parallel corridor west of the Main Lode. Planned programmes include wedging off PCP019, extending PCP013 and PES015, selective short-hole percussion programs to map redox responses, and additional underground drilling of Western Lode positions proximal to existing workings.

While recent drilling has not yet delivered economic widths of mineralisation, the results continue to enhance geological understanding and are contributing to refinement of high-priority targets for the next phase of exploration.

Regional Exploration

Regional exploration activities during the half-year were directed toward advancing a pipeline of prospects to drill-ready status while also identifying new targets. The work covers the entire exploration tenure which covers an area of 1,100km² over the North Cobar Basin (Figure 4). Work is focused on integrating historical datasets with new geophysical, geological and geochemical information to refine targets and prioritise areas with the greatest potential to host Endeavor-style or Triton-style (Cu-Au) mineralisation.

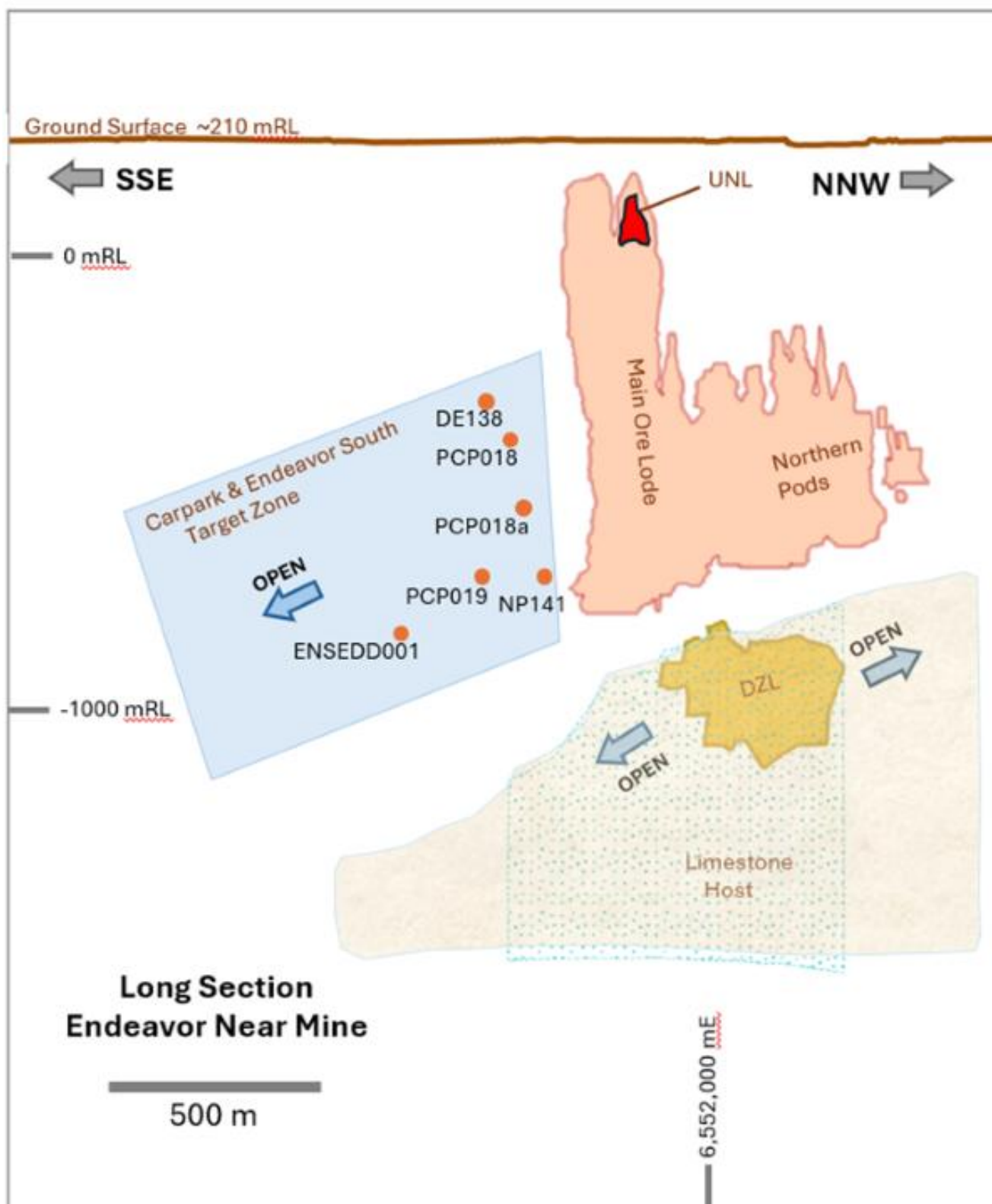


Figure 2. Endeavor South and Carpark. Long section looking west-southwest; Drilling across the line of lode to the south of the mineralisation; Endeavor ore outline in orange, DZL is Deep Zinc Lode in mustard yellow; orange points denote drillholes passing through the plane of long-section, located in Figure 3.

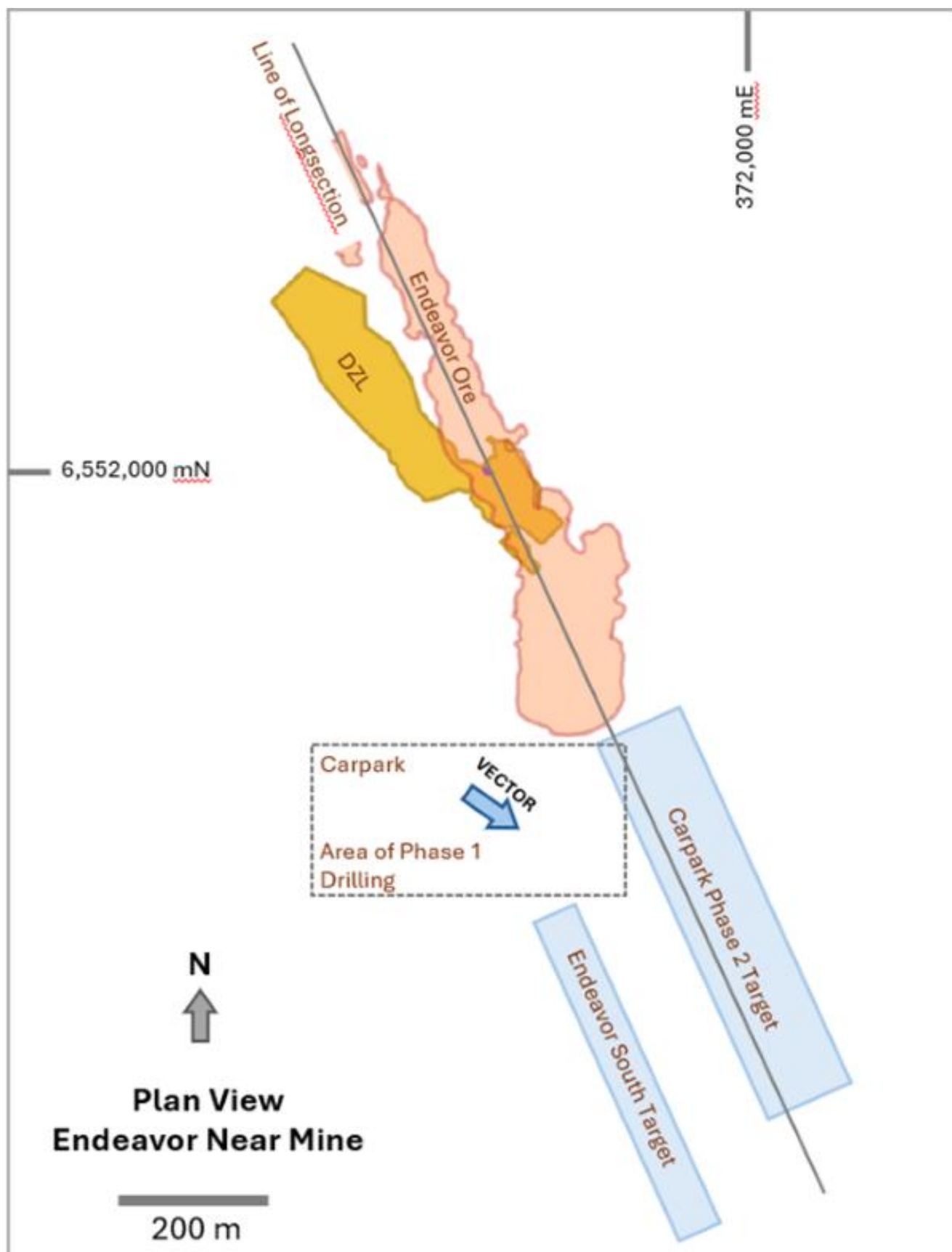


Figure 3. Endeavor South and Carpark. Plan view; Drilling across the line of lode to the south of the mineralisation; Endeavor ore outline in orange, DZL is Deep Zinc Lode in mustard yellow.

Geophysics - Target Generation

Polymetals has designed a program of dipole–dipole induced polarisation (IP) surveying to test seven priority regional prospects; Furney's Tank, Kiri, Ferricartup, Boundary Tank, No. 4 Tank, Cougar Tank and a traverse across three airborne electromagnetic (AEM) anomalies located in the northern portion of EL8762. The IP program comprises approximately 65 line-kilometres of survey coverage and is designed to detect chargeability and resistivity responses potentially associated with disseminated to massive sulphide mineralised systems.

Results from the IP program will be integrated with existing geological interpretations to assist in ranking prospects and defining specific drill locations. This disciplined approach is intended to ensure drilling is targeted, cost-effective and technically justified. Additional information on proposed drilling and follow-up regional programs will be provided once survey results and interpretations are complete.

Drilling - Target Testing

Polymetals has identified the following high priority targets to be tested by drilling:

- No. 4 Tank – gold & copper target
- Boundary Tank – gold & copper target
- Furney's Tank – lead, zinc & gold target
- Kiri – copper & zinc target

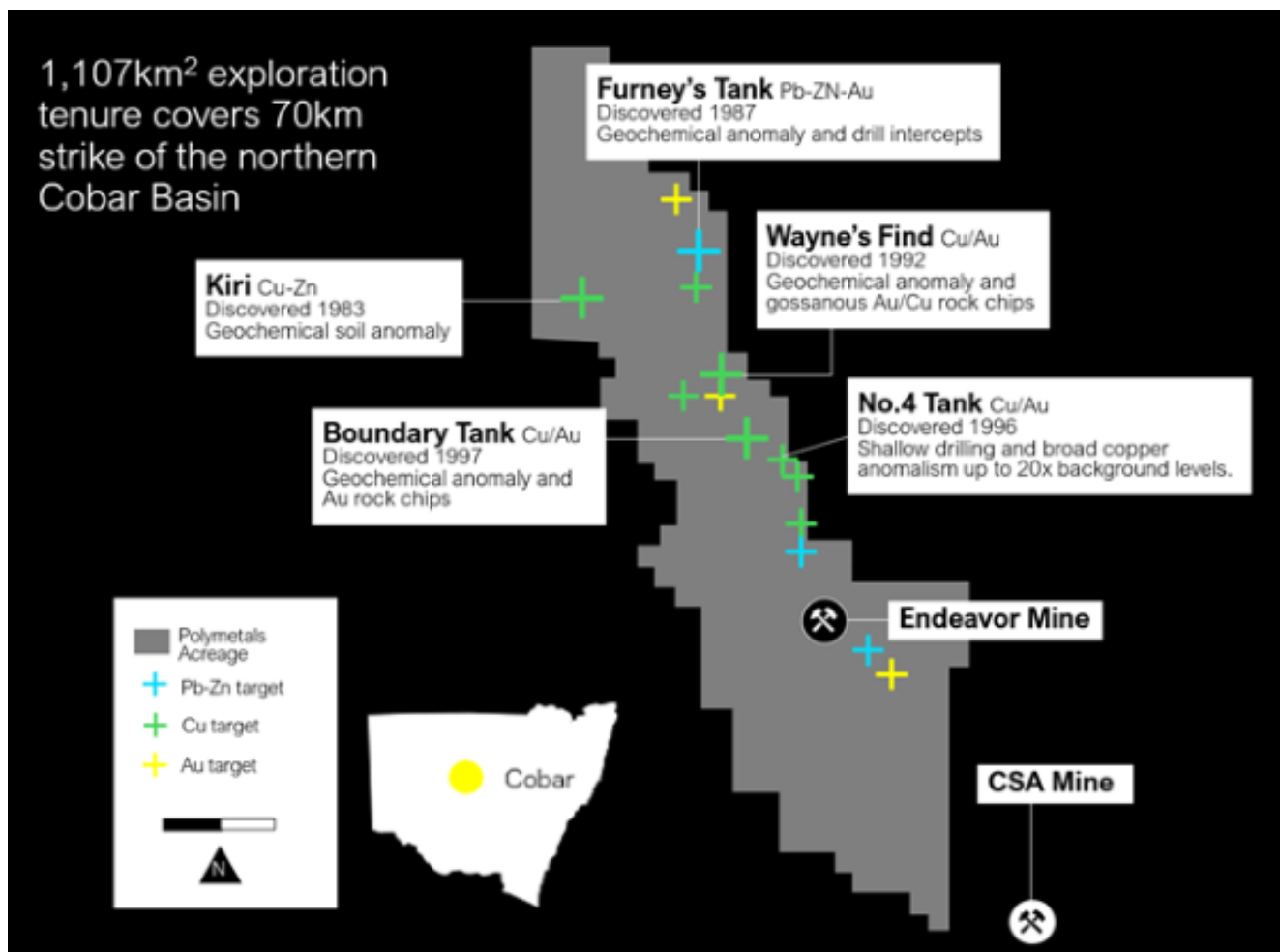


Figure 4. Four high priority targets north of the Endeavor Mine have been identified for drilling.

Corporate

Refer to *Significant changes in the state of affairs* section below.

Unsold metal inventory at 31 December 2025 stood at 106 t lead, 9,730 oz silver and 252 t zinc with an approximate value of A\$2.8 million.

Significant changes in the state of affairs

Refer to the *Review of operations* section for information on the mine operations.

In July 2025, the Ocean Partners UK Limited loan facility limit was reduced to US\$10,000,000 (refer note 13).

On 14 July 2025, the Company issued 18,750,000 ordinary shares at \$0.80 per share to raise \$15,000,000 to replace the undrawn facility that is no longer available from Ocean Partners (refer note 16).

On 5 December 2025, Ocean Partners exercised 1,250,000 options at \$1.00 per share (refer note 16).

On 11 December 2025, the Company issued 39,500,000 ordinary shares at \$0.87 per share, which represented a 15.9% discount on the last traded price of \$1.04 per share. The \$34,365,000 raised (before share issue costs) is to be used for furthering near-mine drilling and exploration, and to strengthen the Company's balance sheet (refer note 16).

On 19 December 2025, 743,750 loan-funded shares vested and were issued under the loan-funded share plan. The loans are repayable only from the proceeds of the sale of the shares or their market value at the time of repayment (refer note 16).

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

Matters subsequent to the end of the financial half-year

Subsequent to 31 December 2025, the consolidated entity has proposed and the New South Wales government regulator has accepted a payment plan for approximately \$6 million of the Environmental Bonds (refer note 19) to be paid progressively from 31 March 2026 to 31 March 2028.

No other matter or circumstance has arisen since 31 December 2025 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.

Material business risks

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. However, the consolidated entity has a US\$10,000,000 loan facility from Ocean Partners UK Ltd.
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The consolidated entity also has a proven ability to raise the necessary funding or settle debts via the issuance of shares, as evidenced by the raising of \$38,483,500 in cash (before share issue transaction costs) from shares issued during the year ended 30 June 2025, and a further \$15,000,000 and \$34,365,000 in cash (before share issue transaction costs) from shares issued in July 2025 and December 2025 respectively.

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. Any such changes in Australia is monitored by the Company's membership of AMEC which maintains a close watching brief of state and federal regulatory changes with regular updates circulated to members. The Company monitors its Guinea interests via its Country Manager, Mr Aguibou Bah.
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Ore Reserves and production	The consolidated entity is now in the early stages of production. A key risk is that the Ore Reserves underground may be less extensive, or of lower grade, than currently estimated. This could result in reduced production volumes, higher operating costs, or a shorter mine life than planned. Ongoing drilling, geological modelling, and mine planning are undertaken to improve confidence in the Mineral Resource and Ore Reserve base. The Board and Management maintain close oversight of production performance, mine planning, and reserve reconciliation to mitigate this risk.
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Endeavor mine	The acquisition of the Endeavor Mine requires replacing the Vendors current guarantee for Rehabilitation Bonds of A\$34.092 million within two years of the completion of the acquisition of the two entities that hold the Endeavor Mine (Cobar Operations Pty Ltd and Endeavor Operations Pty Ltd). Under the Share Sale Agreement, security has been granted over assets of Cobar Operations Pty Ltd and Endeavor Operations Pty Ltd in favour of the vendor of the Endeavor Mine, CBH Resources Ltd ('CBH'). If the Company is unable to replace the Rehabilitation Bonds within two years then CBH may enforce the security and take ownership of the assets of Cobar Operations Pty Ltd and Endeavor Operations Pty Ltd. If this were to occur, then this would present a significant strategic setback for the Company and could potentially threaten the Company's listing on the ASX and its ability to continue as a going concern. The Company is now generating revenue and this could potentially be utilised to partly or wholly repay the bond. The Company has also commenced legal and technical due diligence as part of a potential refinancing process including replacement of the Bond.
Occupational health and safety risk	Exploration, operations and care and maintenance programs carry occupational health and safety risks which remains well managed by training, site hygiene practices and qualified staff who have implemented industry standard operating and monitoring procedures. In addition to these measures, the consolidated entity maintains comprehensive insurance coverage, including workers' compensation policies through Icare NSW, to address potential liabilities and provide financial support in the event of workplace incidents. These policies are designed to safeguard the consolidated entity and its employees against unforeseen events, ensuring compliance with statutory obligations and supporting the consolidated entity's commitment to workplace safety. The site accident which resulted in two fatalities is currently the subject of an internal review and external reviews by the relevant regulators. At this stage, no action has been taken against, or notified to, the Company. Any liability which may result (if any) is currently uncertain and unquantifiable.

Environmental regulation

The consolidated entity is subject to environmental regulations under Australian and international laws, including the Endeavor Mine in New South Wales. Mining and milling operations commenced in May 2025 and first shipments of concentrate occurred during the half-year. The consolidated entity continued to meet all regulatory obligations during this half-year.

Additionally, the consolidated entity holds mineral tenements in Guinea under the Guinea Mining Act 1992, which are subject to renewal and include standard environmental conditions. The Company complies with these conditions, and the directors are not aware of any non-compliance with environmental laws.

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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



David Sproule
Executive Chairman

27 February 2026

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Polymetals Resources Ltd for the half year ended 31 December 2025, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to be 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to be 'R J Morillo Maldonado'.

R J MORILLO MALDONADO
Partner

Melbourne, VIC
Dated: 27 February 2026



Polymetals Resources Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

		Consolidated	
	Note	31 Dec 2025	31 Dec 2024
		\$	\$
Revenue	4	39,386,182	-
Other income		12,369	44,763
Interest revenue		52,023	21,354
Government grants		-	75,000
Total revenue		<u>39,450,574</u>	<u>141,117</u>
Expenses			
Consultancy and accountancy fees		(161,239)	(187,796)
Production costs		(35,044,441)	(179,978)
Depreciation and amortisation expense		(4,297,933)	(63,965)
Employee benefits expense		(21,375,803)	(2,590,230)
Exploration expenses		(1,638,555)	(171,268)
Freight and shipping		(4,269,234)	-
Insurance		(1,733,855)	(168,511)
Royalties		(2,207,162)	-
Write off of assets		-	(1,631,356)
Other corporate costs		(1,318,865)	(773,066)
Finance costs		(1,943,235)	(1,276,368)
Total expenses		<u>(73,990,322)</u>	<u>(7,042,538)</u>
Loss before income tax expense		<u>(34,539,748)</u>	<u>(6,901,421)</u>
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Polymetals Resources Ltd		<u>(34,539,748)</u>	<u>(6,901,421)</u>
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Polymetals Resources Ltd		<u>(34,539,748)</u>	<u>(6,901,421)</u>
		Cents	Cents
Basic earnings per share	23	(12.7)	(3.6)
Diluted earnings per share	23	(12.7)	(3.6)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Polymetals Resources Ltd
Statement of financial position
As at 31 December 2025

		Consolidated	
	Note	31 Dec 2025	30 Jun 2025
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	5	30,116,968	8,375,993
Trade and other receivables	6	2,702,185	21,881
Inventories	7	1,953,556	3,920,470
Other assets	8	1,258,494	448,602
Total current assets		<u>36,031,203</u>	<u>12,766,946</u>
Non-current assets			
Inventories	7	7,926,965	4,592,141
Property, plant and equipment	9	71,925,876	68,679,871
Right-of-use assets	10	1,481,028	2,086,331
Intangible assets	11	9,100,000	9,100,000
Other assets	8	402,811	41,900
Total non-current assets		<u>90,836,680</u>	<u>84,500,243</u>
Total assets		<u>126,867,883</u>	<u>97,267,189</u>
Liabilities			
Current liabilities			
Trade and other payables	12	20,997,897	16,483,791
Borrowings	13	25,854,998	18,258,546
Lease liabilities	14	1,253,279	1,191,821
Employee benefits		1,747,542	1,024,570
Total current liabilities		<u>49,853,716</u>	<u>36,958,728</u>
Non-current liabilities			
Borrowings	13	9,018,706	6,446,516
Lease liabilities	14	295,125	933,941
Employee benefits		43,222	43,222
Provisions	15	34,092,000	34,092,000
Total non-current liabilities		<u>43,449,053</u>	<u>41,515,679</u>
Total liabilities		<u>93,302,769</u>	<u>78,474,407</u>
Net assets		<u><u>33,565,114</u></u>	<u><u>18,792,782</u></u>
Equity			
Issued capital	16	128,268,491	79,621,946
Reserves	17	623,836	(41,699)
Accumulated losses		(95,327,213)	(60,787,465)
Total equity		<u><u>33,565,114</u></u>	<u><u>18,792,782</u></u>

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

Polymetals Resources Ltd
Statement of changes in equity
For the half-year ended 31 December 2025

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	39,765,767	451,145	(13,390,344)	26,826,568
Loss after income tax expense for the half-year	-	-	(6,901,421)	(6,901,421)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(6,901,421)	(6,901,421)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	3,656,875	-	-	3,656,875
Share-based payments	-	575,176	-	575,176
Transfer from reserves to accumulated losses upon expiry of options	-	(451,145)	451,145	-
Loan-funded share reserve recognition	-	(616,875)	-	(616,875)
Balance at 31 December 2024	<u>43,422,642</u>	<u>(41,699)</u>	<u>(19,840,620)</u>	<u>23,540,323</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2025	79,621,946	(41,699)	(60,787,465)	18,792,782
Loss after income tax expense for the half-year	-	-	(34,539,748)	(34,539,748)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(34,539,748)	(34,539,748)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 16)	49,263,420	-	-	49,263,420
Share-based payments (note 24)	-	48,660	-	48,660
Reversal of loan-funded shares reserve	(616,875)	616,875	-	-
Balance at 31 December 2025	<u>128,268,491</u>	<u>623,836</u>	<u>(95,327,213)</u>	<u>33,565,114</u>

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

Polymetals Resources Ltd
Statement of cash flows
For the half-year ended 31 December 2025

	Consolidated	
Note	31 Dec 2025	31 Dec 2024
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	37,399,589	925
Payments to suppliers and employees (inclusive of GST)	(64,810,106)	(5,307,689)
	(27,410,517)	(5,306,764)
Interest received	52,023	22,687
Interest and other finance costs paid	(1,943,235)	(27,816)
Net cash used in operating activities	(29,301,729)	(5,311,893)
Cash flows from investing activities		
Payment for purchase of business, net of cash acquired	-	2,533
Payments for property, plant and equipment	(486,082)	(4,205,928)
Payments for security deposits	(360,911)	(53,448)
Net cash used in investing activities	(846,993)	(4,256,843)
Cash flows from financing activities		
Proceeds from issue of shares	50,669,250	560,000
Share issue transaction costs	(1,405,830)	-
Proceeds from borrowings	-	7,814,651
Proceeds from related party loans	5,000,000	-
Repayment of leases	(577,358)	(15,021)
Repayment of borrowings	(1,676,196)	(1,192,914)
Net cash from financing activities	52,009,866	7,166,716
Net increase/(decrease) in cash and cash equivalents	21,861,144	(2,402,020)
Cash and cash equivalents at the beginning of the financial half-year	8,275,180	7,875,287
Effects of exchange rate changes on cash and cash equivalents	(21,105)	43,838
Cash and cash equivalents at the end of the financial half-year	5 <u>30,115,219</u>	<u>5,517,105</u>

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

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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 assumes the realisation of assets and extinguishment of liabilities in the normal course of business at the amounts stated in the financial report.

During the half year ended 31 December 2025, the consolidated entity incurred a loss after tax of \$34,539,748 and net cash outflows from operating and investing activities of \$29,301,729 and \$846,993 respectively. Also, as at 31 December 2025 the consolidated entity had net current liabilities of \$13,822,513. In addition, the consolidated entity had a commitment to pay \$34,092,000 by 1 August 2026 of Environmental Bonds in favour of the Government of New South Wales to meet the environmental obligations of the Endeavor Mine tenements (refer to note 19).

The continuing viability of the consolidated entity is dependent upon the entity continuing its transition successfully as a mining producer, successful exploration activities and other external factors, such the price of the commodities.

These factors indicate a material uncertainty exists that may cast significant doubt 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 have reviewed the cashflow forecast for a period of at least 12 months from the date of approval of these financial statements and believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern. Consequently, the directors believe it is appropriate to adopt the going concern basis in the preparation of the financial report. The directors' assessment considered the following matters:

- On 6 November 2024, the consolidated entity entered into a six-year offtake agreement for zinc and silver-lead concentrates produced from the Endeavor Mine. The Company is able to obtain prepayments for concentrate production under this Offtake Agreement, and has utilised this prepayment facility in the half year, and may continue to do so;
- The consolidated entity commenced productions and sales of product in July 2025. Revenue earned in the half-year ended 31 December 2025 was \$39,386,182;
- The consolidated entity is currently in negotiations to sell high grade silver ore from the Upper North lode area without on site processing ('direct shipping ore'). If these negotiations are successfully completed then the consolidated entity will maximise revenue from this ore as the recovery of the contained silver will be maximised at a time of historically high silver prices;
- Subsequent to 31 December 2025, the consolidated entity has proposed and the New South Wales government regulator has accepted a payment plan for approximately \$6 million of the Environmental Bonds,

Note 1. Material accounting policy information (continued)

which form part of the \$34,092,000 commitment noted above, to be paid progressively from 31 March 2026 to 31 March 2028 (refer note 22);

- In addition, the Company is listed on the ASX and has the ability to seek for additional funds in the future. The Directors are of the opinion that, if required, the Company will be successful in raising funds, as it has been demonstrated in the past evidenced by the raising of \$15 million and \$34.4 million in cash (before share issue transaction costs) from shares issued in July 2025 and December 2025 respectively.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

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.

Revenue recognition

The Group applies judgement in determining the point at which control of concentrate transfers to customers under offtake agreements. While contractual terms provide for legal title to pass on receipt of advance or provisional payments, management has determined that control transfers only when the concentrate is loaded on board the vessel at the port of shipment. This judgement is based on an assessment of the Incoterms applied, the transfer of risk, retention of physical possession prior to shipment, and the customer's inability to direct the use of the concentrate before loading. Management considers this assessment to appropriately reflect the satisfaction of the Group's performance obligations under AASB 15.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into two operating segments: a silver-zinc-lead mine located in Cobar, NSW and gold exploration within Guinea, West Africa. No exploration activity occurred in Guinea in the half-year ended 31 December 2025. 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.

Concentrate production is underway at the silver-zinc-lead mine, with the first shipments of zinc concentrate in the half year ended 31 December 2025.

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 (for 31 December 2024); and
- receivables and payables associated with corporate costs.

Polymetals Resources Ltd
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31 December 2025

Note 3. Operating segments (continued)

Operating segment information

	Silver-Zinc- Lead \$	Gold \$	Unallocated \$	Total \$
Consolidated - 31 Dec 2025				
Operating loss	(29,742,633)	-	(551,205)	(30,293,838)
Depreciation and amortisation	(4,297,933)	-	-	(4,297,933)
Interest revenue	767	-	51,256	52,023
Loss before income tax expense	<u>(34,039,799)</u>	<u>-</u>	<u>(499,949)</u>	<u>(34,539,748)</u>
Income tax expense				-
Loss after income tax expense				<u>(34,539,748)</u>
Assets				
Segment assets	126,867,480	403	-	126,867,883
Total assets				<u>126,867,883</u>
<i>Total assets includes:</i>				
Acquisition of non-current assets	6,938,635	-	-	6,938,635
Liabilities				
Segment liabilities	93,302,769	-	-	93,302,769
Total liabilities				<u>93,302,769</u>
Consolidated - 31 Dec 2024				
Operating loss	(4,090,327)	-	(1,492,115)	(5,582,442)
Depreciation and amortisation	(63,965)	-	-	(63,965)
Interest revenue	973	-	20,381	21,354
Finance costs	(1,272,773)	-	(3,595)	(1,276,368)
Loss before income tax expense	<u>(5,426,092)</u>	<u>-</u>	<u>(1,475,329)</u>	<u>(6,901,421)</u>
Income tax expense				-
Loss after income tax expense				<u>(6,901,421)</u>
Consolidated - 30 Jun 2025				
Assets				
Segment assets	88,505,668	403	8,761,118	97,267,189
Total assets				<u>97,267,189</u>
<i>Total assets includes:</i>				
Acquisition of non-current assets	60,810,555	-	-	60,810,555
Liabilities				
Segment liabilities	78,474,407	-	-	78,474,407
Total liabilities				<u>78,474,407</u>

Geographical information

	Geographical non-current assets	
	31 Dec 2025	30 Jun 2025
	\$	\$
Australia	<u>90,836,680</u>	<u>84,500,243</u>

Note 3. Operating segments (continued)

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

Note 4. Revenue

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$	\$
Concentrate sales	<u>39,386,182</u>	<u>-</u>

Disaggregation of revenue

Revenue is attributed to geographic location based on final shipping destination. The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$	\$
<i>Geographical regions</i>		
Asia	<u>39,386,182</u>	<u>-</u>

Accounting policy for revenue

Revenue from the sale of mineral concentrate under offtake agreements is recognised when control of the concentrate transfers to the customer. Offtake sales are conducted under contracts incorporating CIF Incoterms 2020. Delivery, and the transfer of control, occurs when the concentrate is loaded on board the vessel at the port of shipment. At this point, the customer obtains the significant risks and rewards of ownership and the ability to direct the use of, and obtain substantially all remaining benefits from, the concentrate.

Under the terms of the offtake agreements, legal title to the concentrate may transfer upon receipt of advance or provisional payments. However, such payments do not result in the transfer of control, as the Group retains physical possession of the concentrate and bears the risks associated with the goods until shipment. Accordingly, amounts received prior to loading are recognised as contract liabilities until the concentrate is loaded on board the vessel.

The Group's offtake contract includes provisional pricing arrangements whereby the final selling price for concentrate is determined by reference to observable market prices over a specified quotational period following shipment. At the time of shipment, revenue is measured based on the estimated consideration receivable, reflecting provisional pricing, estimated payable metal content and any pricing fixed under early pricing options. Subsequent adjustments arising from changes in metal prices, final weights and assays, and over or under quantities are recognised as adjustments to revenue in the period in which they are determined.

Note 5. Cash and cash equivalents

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
<i>Current assets</i>		
Cash at bank	<u>30,116,968</u>	<u>8,375,993</u>

Polymetals Resources Ltd
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Note 5. Cash and cash equivalents (continued)

Reconciliation to cash and cash equivalents at the end of the financial period

The above figures are reconciled to cash and cash equivalents at the end of the period as shown in the statement of cash flows as follows:

	Consolidated 31 Dec 2025 \$
Balances as above	30,116,968
Bank overdraft (note 13)	<u>(1,749)</u>
Balance as per statement of cash flows	<u><u>30,115,219</u></u>

Note 6. Trade and other receivables

	Consolidated 31 Dec 2025 \$	30 Jun 2025 \$
<i>Current assets</i>		
Trade receivables	2,041,948	-
Other receivables	-	21,881
Fuel rebate	<u>660,237</u>	<u>-</u>
	<u><u>2,702,185</u></u>	<u><u>21,881</u></u>

Note 7. Inventories

	Consolidated 31 Dec 2025 \$	30 Jun 2025 \$
<i>Current assets</i>		
Concentrate inventory	1,953,556	2,697,486
Consumables inventory	<u>-</u>	<u>1,222,984</u>
	<u><u>1,953,556</u></u>	<u><u>3,920,470</u></u>
<i>Non-current assets</i>		
Spares on hand	<u>7,926,965</u>	<u>4,592,141</u>
	<u><u>9,880,521</u></u>	<u><u>8,512,611</u></u>

Note 8. Other assets

	Consolidated 31 Dec 2025 \$	30 Jun 2025 \$
<i>Current assets</i>		
Prepayments	<u>1,258,494</u>	<u>448,602</u>
<i>Non-current assets</i>		
Security deposits	<u>402,811</u>	<u>41,900</u>
	<u><u>1,661,305</u></u>	<u><u>490,502</u></u>

Polymetals Resources Ltd
Notes to the financial statements
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Note 9. Property, plant and equipment

Consolidated
31 Dec 2025 30 Jun 2025
\$ \$

Non-current assets

Plant and equipment - at cost	76,957,708	70,855,625
Less: Accumulated depreciation	<u>(6,325,405)</u>	<u>(2,767,438)</u>
	<u>70,632,303</u>	<u>68,088,187</u>

Fixtures and fittings - at cost	13,695	13,695
Less: Accumulated depreciation	<u>(5,528)</u>	<u>(2,789)</u>
	<u>8,167</u>	<u>10,906</u>

Motor vehicles - at cost	1,441,775	605,224
Less: Accumulated depreciation	<u>(156,369)</u>	<u>(24,446)</u>
	<u>1,285,406</u>	<u>580,778</u>

	<u><u>71,925,876</u></u>	<u><u>68,679,871</u></u>
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Security over property, plant and equipment

The seller of the Endeavor Mine companies holds security over the Endeavor Mine companies, including property, plant and equipment with a carrying value of \$6,239,415 at 31 December 2025, and could reclaim ownership if the consolidated entity is not able to replace the Environmental Bonds - MLs by 1 August 2026 or pay \$34,092,000 in cash.

Note 10. Right-of-use assets

Consolidated
31 Dec 2025 30 Jun 2025
\$ \$

Non-current assets

Land and buildings - right-of-use	1,973,336	1,973,336
Less: Accumulated depreciation	<u>(904,446)</u>	<u>(411,112)</u>
	<u>1,068,890</u>	<u>1,562,224</u>

Motor vehicles - right-of-use	650,634	650,634
Less: Accumulated depreciation	<u>(238,496)</u>	<u>(126,527)</u>
	<u>412,138</u>	<u>524,107</u>

	<u><u>1,481,028</u></u>	<u><u>2,086,331</u></u>
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For more information on the leases, refer to note 14.

Reconciliations

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

Consolidated	Accommodation right-of-use \$	Motor vehicles right-of-use \$	Total \$
Balance at 1 July 2025	1,562,224	524,107	2,086,331
Depreciation expense	<u>(493,334)</u>	<u>(111,969)</u>	<u>(605,303)</u>
Balance at 31 December 2025	<u><u>1,068,890</u></u>	<u><u>412,138</u></u>	<u><u>1,481,028</u></u>

Polymetals Resources Ltd
Notes to the financial statements
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Note 11. Intangible assets

Consolidated
31 Dec 2025 30 Jun 2025
\$ \$

Non-current assets

Right to acquire the Endeavor Mine

9,100,000 9,100,000

Right to acquire the Endeavor Mine

The balance represents the right to acquire Cobar Infrastructure Pty Ltd, a company that holds residential properties. To be eligible to acquire Cobar Infrastructure Pty Ltd, the consolidated entity will need to replace the Vendors exposure to existing Environmental Bond guarantees of \$34,092,000 by 1 August 2026.

Note 12. Trade and other payables

Consolidated
31 Dec 2025 30 Jun 2025
\$ \$

Current liabilities

Trade payables

9,937,475 9,995,239

Payable to Cobar Water Board

2,100,000 2,216,554

Payroll tax payable

226,326 280,512

Royalties

369,360 -

Accruals

6,205,072 3,082,768

BAS payable

855,741 65,616

Other payables

1,303,923 843,102

20,997,897 16,483,791

Note 13. Borrowings

Consolidated
31 Dec 2025 30 Jun 2025
\$ \$

Current liabilities

Bank overdraft

1,749 100,813

Related party loans

5,000,000 -

Equipment finance

5,327,120 3,049,466

Ocean Partners loan facility

14,957,207 14,903,643

Premium finance

568,922 187,124

Employee loans

- 17,500

25,854,998 18,258,546

Non-current liabilities

Equipment finance

9,018,706 6,446,516

34,873,704 24,705,062

Equipment finance

The consolidated entity has various finance arrangements for motor vehicles and other equipment. Borrowings are measured at amortised cost using the effective interest method. Interest rates are fixed and secured over specific assets with a net book value of \$15,191,550 at 31 December 2025. Most arrangements are for a term of 36 months, with interest rates ranging from 6.25% to 8.75%.

Polymetals Resources Ltd
Notes to the financial statements
31 December 2025

Note 13. Borrowings (continued)

Financing arrangements

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

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Total facilities		
Related party loans	5,000,000	-
Ocean Partners loan facility	14,957,207	30,683,412
	<u>19,957,207</u>	<u>30,683,412</u>
Used at the reporting date		
Related party loans	5,000,000	-
Ocean Partners loan facility	14,957,207	14,903,643
	<u>19,957,207</u>	<u>14,903,643</u>
Unused at the reporting date		
Related party loans	-	-
Ocean Partners loan facility	-	15,779,769
	<u>-</u>	<u>15,779,769</u>

Related party loans

During the half-year ended 31 December 2025, a related company to one of the Directors, David Sproule, loaned \$5,000,000 to the Company. The loan is interest free and for a term of 12 months.

Ocean Partners loan facility

In July 2025, the US\$20,000,000 revolving loan facility was reduced to US\$10,000,000.

Note 14. Lease liabilities

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
<i>Current liabilities</i>		
Lease liability - Cobar accommodation	1,030,171	976,954
Lease liability - Motor vehicles	223,108	214,867
	<u>1,253,279</u>	<u>1,191,821</u>
<i>Non-current liabilities</i>		
Lease liability - Cobar accommodation	89,601	615,643
Lease liability - Motor vehicles	205,524	318,298
	<u>295,125</u>	<u>933,941</u>
	<u>1,548,404</u>	<u>2,125,762</u>

On 1 February 2025 a lease commenced for all 26 rooms at Cobar Crossroads Motel, Town & Country and Cobar Motor Inn. The lease is for two years to 31 January 2027, with two options for a further two years each. A daily unoccupied room rate of \$110 plus GST is payable per room and this is increased to \$145 plus GST for an occupied room. Management are not reasonably certain that the options will be exercised therefore these are excluded from the calculation of the lease liability.

The consolidated entity also leases 7 Toyota Landcruisers and a 12-seater bus. The leases all commenced in December 2024 and are for terms ranging from 24 months to 36 months.

Note 14. Lease liabilities (continued)

Lease liabilities are secured by the related leased assets.

Note 15. Provisions

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
<i>Non-current liabilities</i>		
Rehabilitation provision	<u>34,092,000</u>	<u>34,092,000</u>

Rehabilitation provision

The provision for rehabilitation costs relate to a present assessment of the costs to reinstate the disturbed area of the Endeavor Mine in accordance with the relevant consent. Provisions have been made to rehabilitate all areas of disturbance including surface infrastructure, buildings, underground mine workings and underground entries, using internal and external expert assessments of each aspect to calculate an anticipated cash outflow discounted to net present value. At each reporting date the rehabilitation provision is re-measured in line with the then-current level of disturbance, cost estimates, and other key inputs.

Note 16. Issued capital

	Consolidated			
	31 Dec 2025	30 Jun 2025	31 Dec 2025	30 Jun 2025
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>309,307,427</u>	<u>249,063,677</u>	<u>128,268,491</u>	<u>79,621,946</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2025	249,063,677		79,621,946
Reversal of loan-funded shares reserve	1 July 2025			(616,875)
Placement (a)	14 July 2025	18,750,000	\$0.80	15,000,000
Options exercised (b)	5 December 2025	1,250,000	\$1.00	1,250,000
Placement (a)	11 December 2025	39,500,000	\$0.87	34,365,000
Shares issued under loan-funded share plan (c)	19 December 2025	743,750		
Loans under loan-funded share plan repaid (d)	23 December 2025		\$0.35	54,250
Share issue costs				(1,405,830)
Balance	31 December 2025	<u>309,307,427</u>		<u>128,268,491</u>

(a) Placement

On 14 July 2025, the Company issued 18,750,000 ordinary shares at \$0.80 per share to raise \$15,000,000 to replace the undrawn facility that is no longer available from Ocean Partners.

On 11 December 2025, the Company issued 39,500,000 ordinary shares at \$0.87 per share, which represented a 15.9% discount on the last traded price of \$1.04 per share. The \$34,365,000 raised (before share issue costs) is to be used for furthering near-mine drilling and exploration, and to strengthen the Company's balance sheet.

(b) Options exercised

On 5 December 2025, Ocean Partners exercised 1,250,000 options at \$1.00 per share.

(c) Shares issued under loan-funded share plan

On 19 December 2025, 743,750 loan-funded shares vested and were issued under the loan-funded share plan. The loans are repayable only from the proceeds of the sale of the shares or their market value at the time of repayment. The issued capital value will be recognised once the loans are repaid.

Polymetals Resources Ltd
Notes to the financial statements
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Note 16. Issued capital (continued)

Due to an ASX reporting breach, the Company has sought shareholder approval to implement a selective buy-back of the loan-funded shares to Directors (being 250,000 issued to David Sproule, 187,500 to Alistair Barton, and 125,000 to Jess Oram). The meeting for shareholder approval will be held on 20 February 2026. If the share buy-back is approved, the loan funded shares will be bought back and cancelled by the Company and the corresponding Company-provided loans will also be cancelled. If the share buy-back is not approved, the shares will be sold on market and the profits generated from those sales will be provided to a local charity selected by the Company.

(d) Loans under loan-funded share plan repaid

During the half-year ended 31 December 2025, \$54,250 of the loans relating to the loan-funded shares issued under the Loan Funded Share Plan on 5 September 2024 were repaid by shareholders. Issued capital has been recognised for the \$54,250 received.

Note 17. Reserves

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Share-based payments reserve	623,836	575,176
Loan-funded shares reserve	-	(616,875)
	<u>623,836</u>	<u>(41,699)</u>

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.

Loan-funded shares reserve

The loan-funded shares reserve represents the equity component of the Company's loan-funded share plan. Under the plan, shares are issued to participants at fair value, funded by non-recourse loans provided by the Company. The loans are repayable only from the proceeds of the sale of the shares or their market value at the time of repayment. The reserve reflects the unpaid portion of the loan and is adjusted as the loans are repaid or shares are forfeited (refer note 16).

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

	Share-based payments reserve \$	Loan-funded shares reserve \$	Total \$
Consolidated			
Balance at 1 July 2025	575,176	(616,875)	(41,699)
Share-based payments (note 24)	48,660	-	48,660
Reversal of loan-funded share reserve	-	616,875	616,875
Balance at 31 December 2025	<u>623,836</u>	<u>-</u>	<u>623,836</u>

Note 18. Contingent liabilities and contingent assets

Under the terms of the acquisition of the Endeavor Mine companies, the consolidated entity has until 1 August 2026 to procure the replacement of the Environmental Bonds - MLs. If these bonds are not replaced before this date, the seller may exercise its security over the Endeavor Mine companies and reclaim ownership, or the consolidated entity could pay \$34,092,000 in cash to replace the Environmental Bonds - MLs.

At the reporting date, management expects to meet this obligation within the required timeframe.

Note 18. Contingent liabilities and contingent assets (continued)

During the year ended 30 June 2025, the Company entered a loan facility with Ocean Partners UK Ltd to fund the restart of the Endeavor Mine totalling US\$20,000,000. In July 2025, the facility limit reduced to US\$10,000,000. In conjunction with this facility arrangement, the Company executed a six-year offtake agreement with Ocean Partners UK Ltd relating to zinc and silver-lead concentrates produced from the Endeavor Mine. The offtake is dependent on future production benchmarks which may or may not occur.

The consolidated entity is not aware of any other contingent liabilities or contingent assets as at the date of this financial report.

Note 19. Commitments

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	<u>34,092,000</u>	<u>34,092,000</u>

The consolidated entity is required to pay \$34,092,000 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.

Subsequent to 31 December 2025, the consolidated entity has proposed and the New South Wales government regulator has accepted a payment plan for approximately \$6 million of the Environmental Bonds to be paid progressively from 31 March 2026 to 31 March 2028.

Note 20. 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 21.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$	\$
Payment for other expenses:		
Other expenses paid to key management personnel	-	159,000

Receivable from and payable to related parties

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

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Current payables:		
Trade payables to key management personnel	-	120,000

Polymetals Resources Ltd
Notes to the financial statements
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Note 20. Related party transactions (continued)

Loans to/from related parties

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

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Current borrowings:		
Loan from other related party - Deering Nominees Pty Ltd (note 13)	5,000,000	-

Note 21. 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	
		31 Dec 2025	30 Jun 2025
		%	%
Golden Guinea Resources SARL	Guinea, Africa	100%	100%
Société Oro Tree Guinea Resources SARL	Guinea, Africa	100%	100%
Orana Minerals Pty Ltd	Australia	100%	100%
Cobar Metals Pty Ltd*	Australia	100%	100%
Cobar Operations Pty Ltd**	Australia	100%	100%
Endeavor Operations Pty Ltd**	Australia	100%	100%
Polymetals (Endeavor) Pty Ltd	Australia	100%	100%

* Subsidiary of Orana Minerals Pty Ltd.

** Subsidiaries of Cobar Metals Pty Ltd.

Note 22. Events after the reporting period

Subsequent to 31 December 2025, the consolidated entity has proposed and the New South Wales government regulator has accepted a payment plan for approximately \$6 million of the Environmental Bonds (refer note 19) to be paid progressively from 31 March 2026 to 31 March 2028.

No other matter or circumstance has arisen since 31 December 2025 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 23. Earnings per share

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$	\$
Loss after income tax attributable to the owners of Polymetals Resources Ltd	<u>(34,539,748)</u>	<u>(6,901,421)</u>

Note 23. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	271,114,950	194,322,564
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>271,114,950</u>	<u>194,322,564</u>
	Cents	Cents
Basic earnings per share	(12.7)	(3.6)
Diluted earnings per share	(12.7)	(3.6)

Share options are considered to be potential ordinary shares but were anti-dilutive in nature for the current and prior financial period and were not included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

Note 24. Share-based payments

Loan Funded Share Plan

A Loan Funded Share Plan (the plan) has been established by the consolidated entity whereby the consolidated entity may, at the discretion of the Board, 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.

On 5 September 2024, the Company granted 3,525,000 loan-funded shares under the plan, split between 15 staff including the Board, Executives and Senior Management.

The options vest in the following circumstances:

- 25% upon drawdown of a debt facility to fund the restart of the Endeavor Mine
- 25% upon the Company's shares trading at a 30-day VWAP above \$0.50
- 25% upon first zinc or silver-lead concentrate shipment from the Endeavor Mine
- 25% upon exchange of Endeavor Mine Environmental Rehabilitation Bonds

The exercise conditions are as follows:

- Exercise price of \$0.35 per share
- 3-year term
- Participants must remain engaged with the Company throughout the 3-year term
- 100% of options vest in the event of a change of control transaction

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 were recorded in the Share-based payments reserve. The total fair value of the in-substance options at grant date was \$191,914.

On 19 December 2025, a further 743,750 loan-funded shares vested and were issued. The loans are repayable only from the proceeds of the sale of the shares or their market value at the time of repayment (refer note 16). At 31 December 2025, 881,250 loan-funded shares had not yet vested.

During the half-year ended 31 December 2025, \$54,250 of the loans were repaid by shareholders. Issued capital has been recognised for the \$54,250 received (refer note 16).

Polymetals Resources Ltd
Notes to the financial statements
31 December 2025

Note 24. Share-based payments (continued)

Other share options

As required under the Ocean Partners UK Ltd loan facility, on 13 September 2024 the consolidated entity issued 2,500,000 share options to Ocean Partners UK Ltd with an exercise price of \$1.00 that expire on 23 November 2026. The total fair value of the options at grant date was \$448,552.

On 5 December 2025, Ocean Partners UK Ltd exercised 1,250,000 of the options at \$1 per share (refer note 16).

Share-based payments expense

The total share-based payment expense recognised during the half-year ended 31 December 2025 is \$48,660 (2024: \$575,176)

Set out below are summaries of options during the half-year:

	Number of options 31 Dec 2025	Weighted average exercise price 31 Dec 2025	Number of options 31 Dec 2024	Weighted average exercise price 31 Dec 2024
Outstanding at the beginning of the financial half-year	4,262,500	\$0.73	-	\$0.00
Granted	-	\$0.00	6,025,000	\$0.62
Exercised	(1,993,750)	\$0.76	-	\$0.00
Expired	(137,500)	\$0.35	-	\$0.00
Outstanding at the end of the financial half-year	<u>2,131,250</u>	\$0.73	<u>6,025,000</u>	\$0.62
Exercisable at the end of the financial half-year	<u>1,250,000</u>	\$1.00	<u>4,262,500</u>	\$0.73

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 1.2 years (2024: 2.4 years).

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Polymetals Resources Ltd
Directors' declaration
31 December 2025

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial half-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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



David Sproule
Executive Chairman

27 February 2026

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF POLYMETALS RESOURCES LTD

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Polymetals Resources Ltd (the Company) and its subsidiaries (together the Consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Consolidated entity is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Consolidated entity 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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 review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report, which indicates that during the half-year ended 31 December 2025 the Consolidated entity incurred a loss of \$34,539,748 and had net cash outflows from operating and investing activities of \$29,301,729 and \$846,993, respectively. In addition, as at 31 December 2025 the Consolidated entity's current liabilities exceeded its current assets by \$13,822,513. 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 Consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

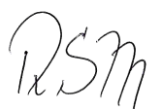
Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated entity's financial position as at 31 December 2025 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink, appearing to read "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read "R J Morillo Maldonado".

R J MORILLO MALDONADO

Partner

Melbourne, VIC

Dated: 27 February 2026