

## QUARTERLY REPORT TO 30 JUNE 2023

### Summary

Advance Metals Limited (AVM, or the Company) is pleased to provide its Quarterly Activities Report for the three months ending 30 June 2023.

#### Corporate

- The Company announced (ASX: AVM 7 June 2023) the appointment of US based Frank Bennett as CEO. Frank is a seasoned mining executive with expertise in building businesses in North America for both domestic and international organisations.
- The Company held its annual general meeting during the quarter and all resolutions passed.

#### Augustus Polymetallic Project

- The company announced (ASX: AVM 20 April 2023) it had staked the highly prospective Augustus project staked in a historic mining district in Arizona. 85 Federal Lode Claims registered over favourable geology.
- Historic geochemical samples identify the presence of copper (Cu), silver (Ag), gold (Au).
- Existing road and highway networks in place leading into the project area.
- Area was drilled previously by ASARCO, Teck (Cominco), Freeports and other junior mining companies.

#### Bandera Mining Company (Joint Venture Company)

- The Company announced (ASX: AVM 12 April 2023) that it had signed an MOU with World Industrial Minerals. Since that announcement, the Company has signed a formal JV agreement and formed the company in Florida.

## Corporate

During the quarter, the Company appointed Mr Frank Bennett as Chief Executive Officer based in the USA. Frank is an experienced senior executive who has worked for and consulted with multiple mining firms in the metals, coal, rare earths, and aggregate industries, including Newmont and MP Materials, as well as mining suppliers in the explosives, capital equipment, chemical, automation and ground support segments, including Austin Powder Company, Normet and Yokogawa.

Most recently, Frank has been advising major mining companies (with annual spend greater than \$1B) on how to improve and reorganise their international and domestic supply chains.

Frank has been extensively involved in international capital markets, with firms at various stages from startups to mineral producers.

Highlights include negotiating a \$100M debt facility through a JP Morgan consortium, leading investor road shows with UBS and JP Morgan as book-runners and preparing pre-IPO firms for public listing.

## Augustus Polymetallic Deposit

The Augustus project is high grade polymetallic project in West Central Arizona, approximately 43 km Northwest of Phoenix. The Company staked an area covering approximately 704 Hectares (1,741 acres) with favourable mineralisation and geology. The staking program was delivered on time and on budget.

The project has vast amounts of historical exploration data available from work completed by major mining companies such as Teck, Asarco and Freeports. A historical assay from a rock chip sample shows copper grades of +2% copper, +24 g/t gold and 7.8 g/t silver.

Between 1933 and 1956 the Bullard Mining District produced approximately 614,000 pounds of copper, 3,600 ounces of gold, and 15,000 ounces of silver from 17,000 tons of ore (Keith and others, 1983). (ASX: AVM 20 April 2023)

## Garnet Skarn Project, Idaho

The Company continues to advance its Garnet Creek project as it awaits the approval of its drilling permits and has been in constant contact with the permitting regulator.

Geochemical surveys including rock chip and soil sampling, geological mapping, and ground surveys have been completed and announced to market (ASX: AVM 8 February 2023). The Company has taken an extensive review of all the project data over the last quarter and will update exploration targets that will be announced to the market once finalised.

## Gold Project, Idaho

The Company continues to review the Anderson Creek Gold project in Eastern Idaho and develop its exploration plans that include geophysical and geochemical programs that will help to define the ore body. As part of the exploration program the Company will also be developing a permit to drill once further analysis has been completed.

## Bandera Mining

### Joint Venture Special Purpose Vehicle

The Company finalised its joint venture documentation with its partner World Industrial Minerals. A special purpose vehicle called Bandera Mining LLC has now been established in the US to undertake work. Bandera has completed significant due diligence in identifying several highly prospective copper and critical minerals projects. The Company has started the process of engaging numerous mining stakeholders to lease and acquire these projects.

### Focus for Next Quarter

During the next quarter, the Company will continue with scheduled prospecting activities at the Garnet Skarn project in Idaho, and the Augustus Polymetallic project in Arizona. Prospecting plans with Bandera Mining LLC, the newly formed Joint Venture project in the US, will also be initiated.

The Company will also continue to implement its new strategy, with a major focus on US-based copper projects in historic mining districts.

## Tenements

A list of tenements held by AVM and its subsidiaries as of 30 June 2023.

	Tenement Reference	Nature of interest
Mining tenements held at the end of the quarter	Elko Coal Licences in British Columbia, Canada. Licences 418648, 418649 and 418650. Andersons Creek - Federal Lode Claims, Idaho, USA, Claims AC01-AC117 Garnet Creek - Federal Lode Claims, Idaho, USA, Claims GC01-GC147 Augustus Polymetallic – Federal Lode Claims, Arizona, USA Claims – AUG001 – AUG085	100% ownership
Mining tenements acquired during the quarter	Augustus Polymetallic – Federal Lode Claims, Arizona, USA Claims – AUG001 – AUG085	100% ownership
Mining tenements relinquished during the quarter	Nil	Nil
Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter	Nil	Nil
Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed during the quarter	Nil	Nil

## ASX Announcements

4 April	<a href="#"><u>Corporate Governance Statement</u></a>
12 April	<a href="#"><u>AVM signs MOU with Critical Minerals Experts</u></a>
20 April	<a href="#"><u>Polymetallic Project Staked - Arizona</u></a>
26 April	<a href="#"><u>Quarterly Activities/Appendix 5B Cash Flow Report</u></a>
19 May	<a href="#"><u>Results of Meeting</u></a>
8 June	<a href="#"><u>US Based CEO Appointed</u></a>

## Cash and Financial Assets

As of 30 June 2023, the group had cash of \$610k.

## Expenditure

The Company staked an area covering approximately 704 Hectares (1,741 acres) with favourable mineralisation and geology during the quarter.

The Company undertook a review of its tenements during the quarter and planned for the forthcoming exploration programs.

Aggregate payments to related parties are included in item 6 of Appendix 5B (\$40K). This figure consists of Directors' fees and consulting fees paid to related parties during the quarter.

This market announcement has been authorised for release to the market by the Board of Advance Metals Limited.

For further information, please contact:

**Frank Bennett, Chief Executive Officer**

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**Dominic Hill, Chief Operating Officer**

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**ASX Release Date**

Wednesday 26 July 2023

**ASX Code**

AVM

**About Us**

Advance Metals Limited is an ASX listed metals exploration company with a diversified asset portfolio with a focus on identifying and developing North American metal projects.

AVM is advancing the development of its Copper and Gold assets – Garnet Creek and Anderson Creek Project in Idaho, USA. AVM continues to seek investment in metals projects in north America.

AVM holds renewable energy assets under its 100% owned subsidiary Primary Power including a 50% interest in GP Hydro Pte Ltd.

**Board**

Non-Executive Chairman – Geoff Hill

Non-Executive Director – Keith Middleton

Non-Executive Director – Mel Sanderson

**Company Secretary**

Wayne Kernaghan

**Management**

CEO – Frank Bennett

COO – Dom Hill

Project	Ownership
Anderson Creek Gold	100%
Garnett Creek Copper	100%
GP Hydro Pte Ltd	50%
Elko Project	100%

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Advance Metals Limited

ABN

83 127 131 604

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(88)	(176)
	(e) administration and corporate costs	(131)	(197)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	13
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(213)</b>	<b>(360)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(164)	(313)
	(e) investments	-	-
	(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(164)</b>	<b>(313)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	20
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>20</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	987	1,263
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(213)	(360)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(164)	(313)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	20

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>610</b>	<b>610</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	610	987
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>610</b>	<b>987</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	40*
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

1. Payment of fees to Directors for the current quarter together with consulting fees.



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(213)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(164)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(377)
8.4 Cash and cash equivalents at quarter end (item 4.6)	610
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	610
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.62
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The company always monitors its cash position and it expects funding will be forthcoming via either equity or borrowings should it be required	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes, the company expects to be able to continue its operations and meet its business objectives.	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 26 July 2023

Authorised by: The Board

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.