

26 April 2023

QUARTERLY REPORT

FOR THE PERIOD ENDING MARCH 31, 2023

Summary

Advance Metals Limited (**AVM**, the **Company**) is pleased to provide its Quarterly Activities Report for the three months ending 31st March 2023.

Corporate

- The company received shareholder approval to issue 100,000,000 shares at an issue price of \$0.01 per share plus a 1 for 3 free attaching unlisted option exercisable at \$0.021 with an expiry date of two years from the date of issue, which raised AUD \$1 million (before expenses) (ASX: AVM 22 February 2023)
- The company released its 2022 Annual Report to shareholders (ASX: AVM 29 March 2023)

Garnet Creek Copper Project

- The company announced (ASX: AVM 8 February 2023) further analysis of the geochemical samples taken from site during previous field work
- The Geochemical results show the presence of copper and other strategic minerals at Garnet Creek. The review of the rock chip samples demonstrate that the project has the potential to be a polymetallic deposit with high-grade copper as the predominant metal.
- High-grade rock chip samples confirm the presence of copper (Cu), silver (Ag), gold (Au) and molybdenum (Mo) as well as critical mineral tungsten (W) at Garnet Creek.
- Assay results confirm the widespread occurrences of copper across the project area.
- Recent rock chip sampling of previously unsampled areas returned anomalous assay values for Cu-Au-Ag-Mo-W.
- Copper values from select samples are up to 21% Cu, 345 g/t Ag, and 8 g/t Au.
- High concentrations of molybdenum up to 10% and anomalous tungsten are also confirmed at Garnet Creek.

Copper & Strategic Minerals Project, Idaho

The company continues to advance its Garnet Creek asset having submitted the relevant exploration permits that include numerous drill site locations, the geophysical programs including IP surveys, and further aeromagnetic and radiometric surveys with the relevant government agencies in line with previous successful applications.

Geochemical surveys including rock chip and soil sampling, geological mapping, and ground surveys have been completed and announced to market (ASX: AVM 8th February 2023).

The company hopes to have permission to drill early summer once the relevant government agencies have completed their review.

Gold Project, Idaho

The company continues to develop its exploration plans at Anderson Creek that include geophysical and geochemical programs that will help to define the ore body. The company plans to complete a soil sampling program that will focus on the Northern part of the project area.

As part of the exploration program the company will also be developing a permit to drill once further analysis has been completed.

Corporate overview

During the quarter the company undertook significant due diligence in identifying and then subsequently announced to the market (ASX: AVM 12 April 2023) it had signed an MOU with a US based expert in the critical and base metals space, World Industrial Minerals

World Industrial Minerals has been a leader in the identification, exploration, and development of critical and base metals projects in North America for over 30 years. The group has been at the forefront of working with international and domestic groups in acquiring, exploring, and developing strategic and critical minerals projects.

In signing the MOU AVM and WIM will create a Special Purpose Vehicle (SPV) that will be formed to invest in and acquire a range of critical and base metals projects across North America. The SPV will be called Bandera Mining Co LLC and has already identified several highly prospective areas in Texas.

A special purpose vehicle will be established and domiciled in Florida to pursue several opportunities both in the Southwest and Western USA. Once all administrative steps have been in place the company will look to acquire projects right away and will continue to develop a pipeline of highly prospective projects.

AVM has an initial commitment of \$100,000 which will be used as working capital to complete due diligence and aid in the acquisition of prospective projects.

The SPV will be managed separately by both AVM and WIM personnel. AVM will continue to develop the Garnet and Anderson Creek projects independently but will be able to utilize the JV's skill base where applicable.

Focus for Next Quarter

During the quarter the company undertook significant due diligence in identifying and then subsequently announced to the market (ASX: AVM 20 April 2023) it had completed a staking program in Central Arizona. The Augustus project is high grade polymetallic project in West Central Arizona, approximately 43 km Northwest of Phoenix.

In Q1 2023, after selecting the Augustus project, AVM undertook a staking program for 85 unpatented federal mining claims over the Project area.

The company staked an area covering approximately 704 Hectares (1,741 acres) with favourable mineralization and geology. The staking program was delivered on time and on budget.

The claims received acceptance as filed from the federal agency and the company will now move to start a rapid exploration program.

Tenements

	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	100% ownership
Mining tenements acquired during the quarter	Nil	Nil
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

12 January	Response to ASX Price Query
20 January	Notice of General Meeting/Proxy Form
25 January	Quarterly Activities/Appendix 5B Cash Flow Report
8 February	Rock chip samples confirm potential at Garnet Creek, Idaho
22 February	Results of Meeting
29 March	Annual Report to shareholders

Cash and Financial Assets

As at 31 March 2023 the group had a cash of \$987K.

Expenditure

Geochemical work was undertaken on the Garnet Creek project during the quarter together with planning for forth coming exploration program for Anderson Creek.

The company still looks for other exploration properties in the United States.

Aggregate payments to related parties are included in item 6 of Appendix 5B (\$30k). 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.

ASX Release Date

Wednesday 26 April 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

Executive Director – Keith Middleton

Non-Executive Director – Mel Sanderson

Company Secretary

Wayne Kernaghan

Management

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")

31 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(88)	(88)
	(e) administration and corporate costs	(66)	(66)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	7	7
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)	-	-
1.9	Net cash from / (used in) operating activities	(147)	(147)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(149)	(149)
	(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 (3 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)	-	-
2.6	Net cash from / (used in) investing activities	(149)	(149)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	20	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)	-	-
3.10	Net cash from / (used in) financing activities	20	20

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,263	1,263
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(147)	(147)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(149)	(149)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	20	20

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	987	987

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	987	1,263
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	987	1,263

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	30*
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

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(147)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(149)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(296)
8.4 Cash and cash equivalents at quarter end (item 4.6)	987
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	987
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) <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>	3.33
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: Not applicable	
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: Not applicable	
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: Not applicable	
<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 April 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.