



ADVANCEMETALS

ANNUAL REPORT

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DIRECTORY

Registered Office

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Telephone: +61 2 8964 4373
Website: www.advancemetals.com.au

Directors

Craig Stranger (Non-Executive Chairman)
Adam McKinnon (Managing Director)
Joshua Gordon (Non-Executive Director)
Fadi Diab (Non-Executive Director)

Company Secretary

Jay Stephenson

Share Registry

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Telephone: +61 2 9290 9600
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Website: www.boardroomlimited.com.au

Bankers

National Australia Bank

Auditor

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Sydney NSW 2000

Investor enquiries

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89 York Street
Sydney NSW 2000
Telephone: +61 2 8964 4373
Email: info@advancemetals.com.au

Summary of Activities

PROJECT ACTIVITIES

Yoquivo Silver Project Acquisition

During the year Advance signed a binding agreement to acquire a 100% interest in the project from Golden Minerals Company (NYSE: AUMN & TSX: AUMN) against a backdrop of record high silver prices (ASX AVM 28 October 2024). The project is located 210km west-southwest of Chihuahua, in Ocampo Municipality, Chihuahua State and sits within the Sierra Madre Volcanic Belt, a district that hosts multiple other large precious metal mines including Pinos Altos, Ocampo, El Cocheño and Orisyvo (**Figure 1**). After acquiring the project in 2017, Golden Minerals completed more than 70 drill holes for over 16,500m of drilling at the Project and reported a Foreign Estimate of **937kt at 570g/t AgEq¹** (2.1g/t Au & 410g/t Ag) for **17.23Moz AgEq** (ASX AVM 28 October 2024).

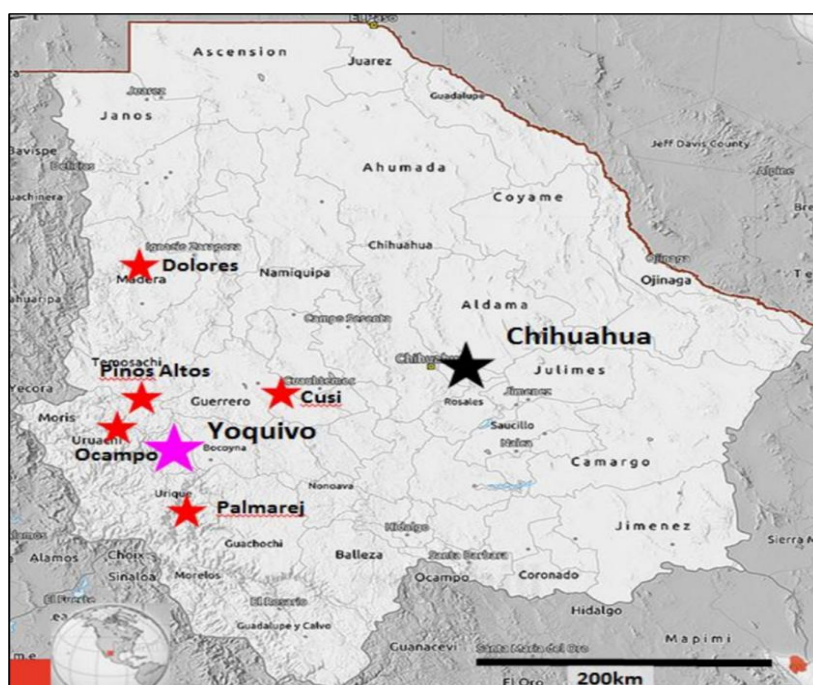


Figure 1. Location of the high grade Yoquivo Silver Project (purple star) and surrounding precious metal mines (ASX AVM 28 October 2024).

¹The Yoquivo silver equivalent was derived based on initial flotation and leaching test work conducted by Golden Minerals in 2022. The formula used is $AgEqg/t = Agg/t + (Aug/t * Au_price/Ag_price)$, where the assumed \$US/oz gold price is \$1,860 and the assumed \$US/oz silver price is \$24. Au and Ag recovery are both assumed at 85% based on this test work. In AVM's opinion all elements that are included in the metal equivalency calculation have reasonable potential to be recovered and sold.

The high grade tenor of the project was confirmed by previous Golden Minerals drilling at Yoquivo, which returned multiple bonanza grade silver and gold intersections (ASX AVM 28 October 2024):

- 1.2 metres at **1,895g/t Ag & 34.0g/t Au** from 47.3m (YQ_20_012)
- 1.5 metres **1,473g/t Ag & 4.0g/t Au** from 100.2m (YQ_021_004)
- 6.2 metres **2,404g/t Ag & 17.2g/t Au** from 64.8m (YQ_021_006)
- 2.6 metres **2,058g/t Ag & 7.1g/t Au** from 64.2m (YQ_021_016)
- 0.4 metres **5,260g/t Ag & 30.8g/t Au** from 141.5m (YQ_022_008)
- 3.0 metres **767g/t Ag & 4.5g/t Au** from 43.5m (YQ_022_014)
- 3.05 metres **668g/t Ag & 3.9g/t Au** from 117.8m (YQ_022_031)

Advance has identified the potential for significant upside at the Project, noting that a majority of the mapped silver and gold-bearing veins remain poorly drilled (see **Figure 2**).

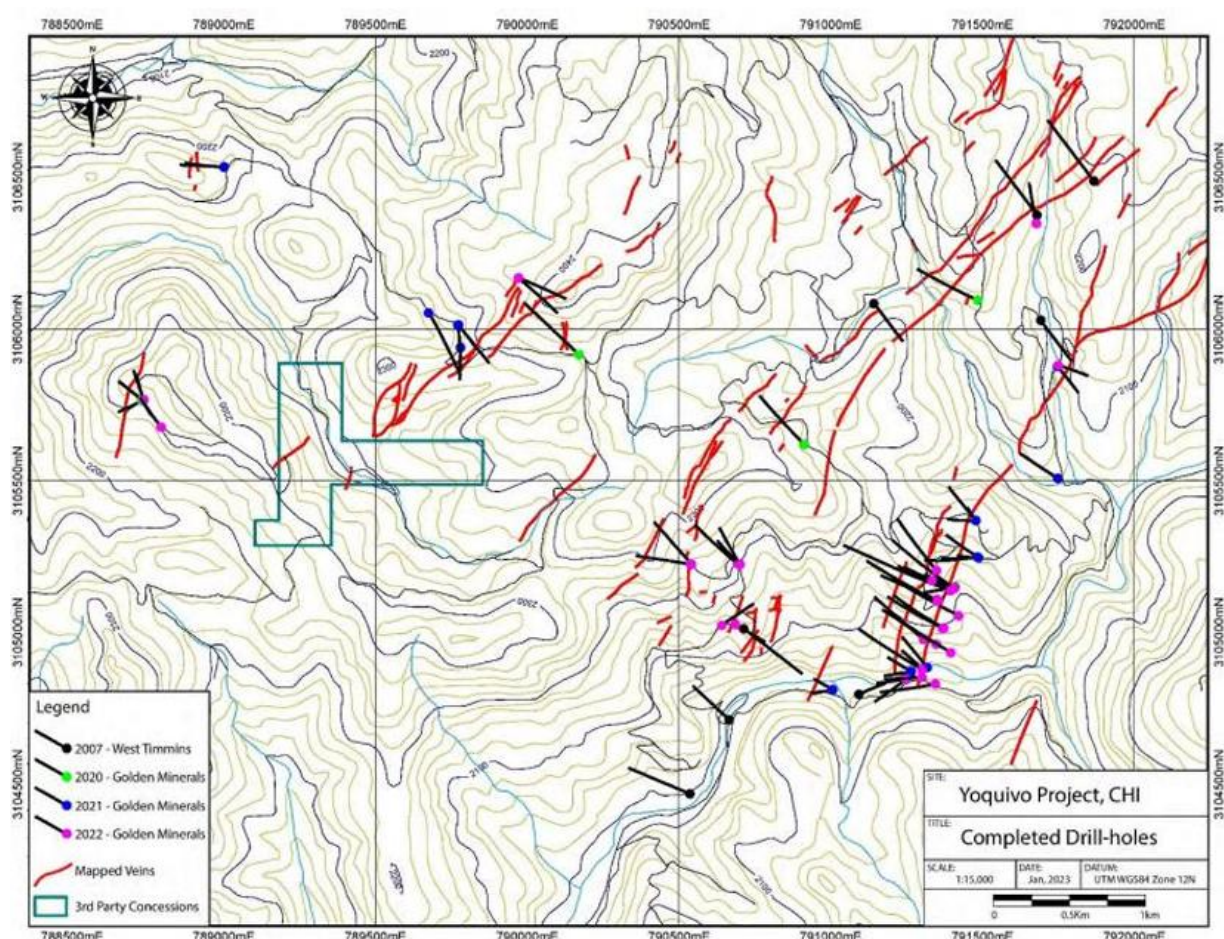


Figure 2. Mapped veins and previous drilling at the Yoquivo Project. Full details can be found in Advance Metals' ASX release 'Acquisition of high grade silver and gold project in Mexico' dated 28 October 2024.

The Company is currently designing an initial confirmatory and extensional drilling program for the Project. Subsequent to the end of the year, Advance announced the commencement of on-ground work

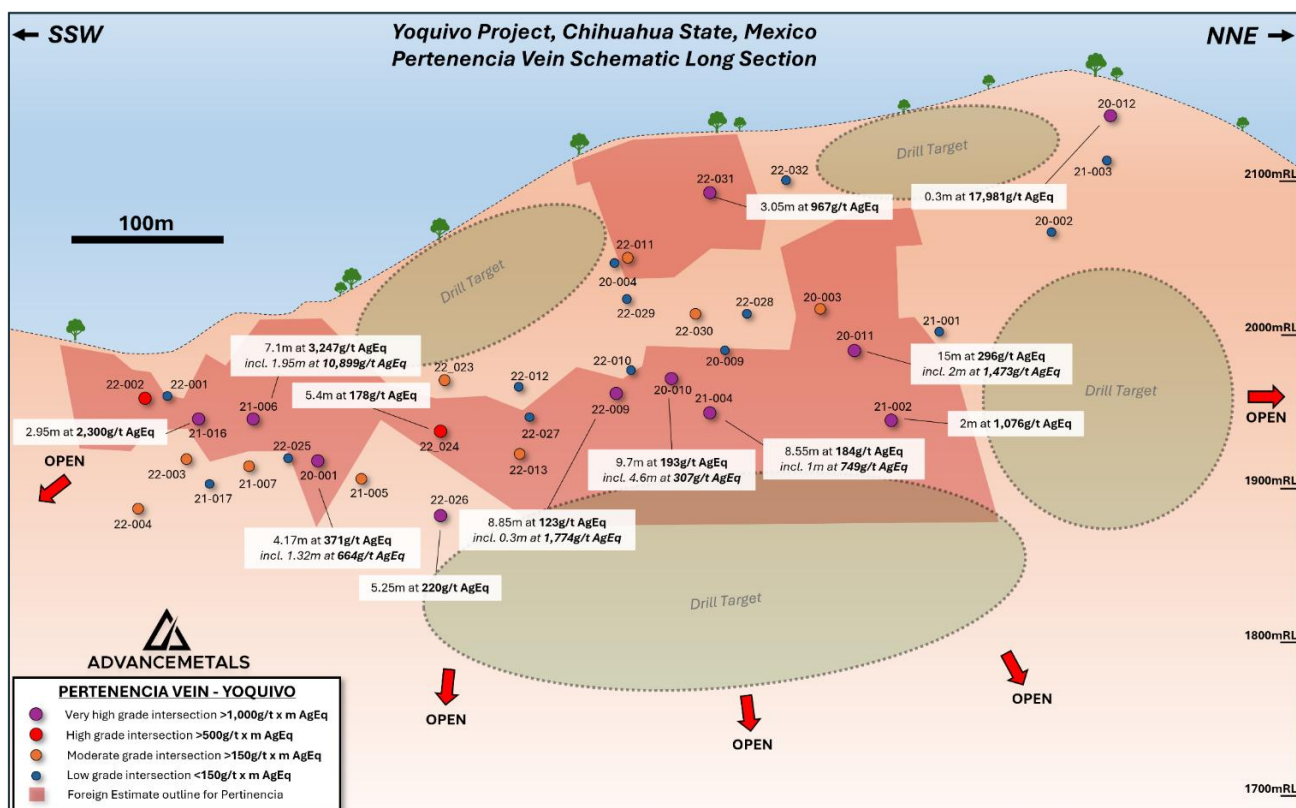


Figure 3. Schematic long section showing previous drill intersections at Pertinencia, colour-coded by silver equivalent multiplied by down hole interval (g/t x m AgEq). Selected intersections are also highlighted on the long section, as is the current Foreign Estimate outline and four key areas to identified four follow-up drilling (ASX AVM 3 March 2025). Silver-equivalents have been calculated as per footnote 1.

Augustus Project

During the year Advance continued to progress the Augustus Project in Arizona, USA (**Figure 1**). Early in the year the Company published an Exploration Target for the project, comprising 19 to 25Mt at 0.3 to 2.0% copper and 0.3 to 7.0g/t gold (ASX AVM 4 April 2025). The Exploration Target was supported by previous work undertaken by Teck-Cominco, Freeport-McMoRan, ASARCO and others.

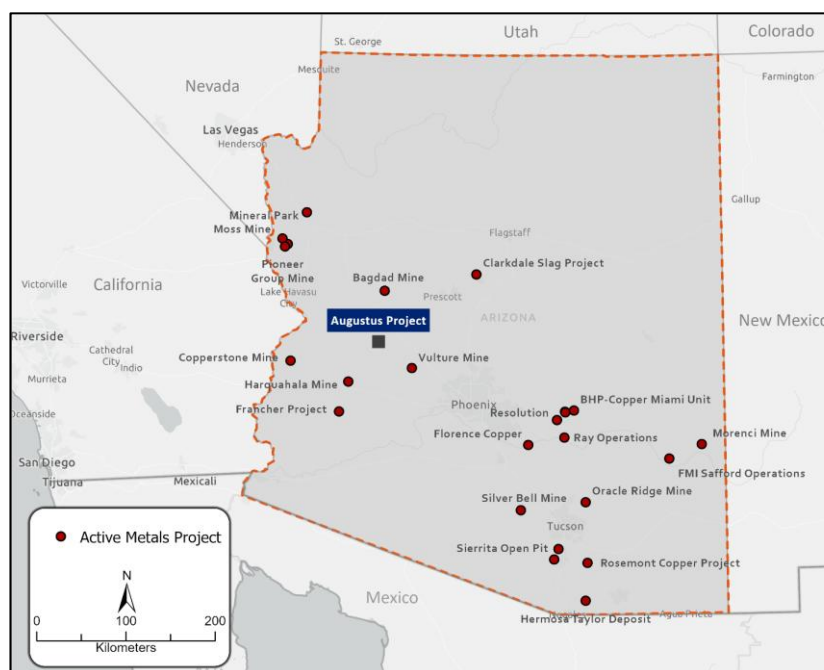


Figure 4. Location map for the Augustus Project in Arizona, USA.

Additional work completed on the project during the period included a significant program of mapping and rock chip/channel sampling (ASX AVM 30 August & 19 September 2024). Channel sampling returned gold assay grades up to 116.7g/t, associated with copper mineralisation in listric vein systems (**Figure 5**, ASX AVM 19 September 2024).

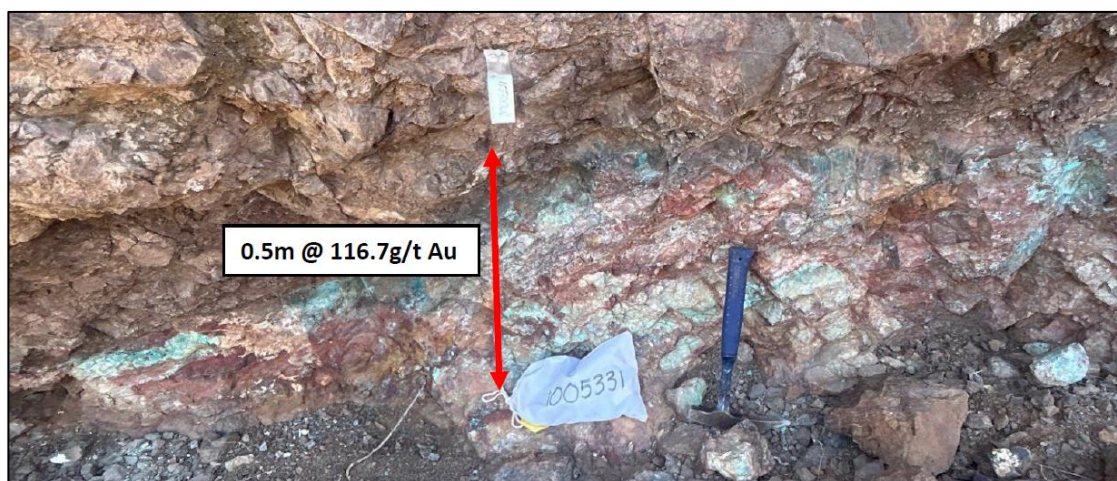


Figure 5. Photograph showing channel sampling location at Augustus that returned gold grades of 116.7g/t Au (ASX AVM 19 September 2024).

The program also produced very strong copper results across the project area, with at least 32 of the 34 samples taken returning grades above 1.0% Cu (**Figure 6**). Channel sampling of veins included copper grades up to 12.8% Cu (ASX AVM 30 August 2024). Given the strong results, the Company commenced preliminary work on a RC/diamond drilling program to follow-up the strong geochemistry at the project.

Myrtleford and Beaufort Project Acquisitions

Subsequent to the end of the year, Advance entered into a binding joint venture agreement with Serra Energy Metals Corp. to acquire up to an 80% interest in the high grade Myrtleford and Beaufort Gold Projects, located in the Victorian Goldfields, Australia (**Figure 7**, ASX AVM 6 January 2025). Key areas such as Twist Creek and Magpie at Myrtleford show strong potential for further exploration success, building on the already impressive results from the Happy Valley Prospect. Previous drilling at Happy Valley has delivered high grade intercepts, including 11.5 metres at 160g/t Au, 5.9 metres at 66.2g/t Au, 2.3 metres at 44.8g/t Au and 0.6 metres at 148g/t Au, with mineralisation remaining open at depth, underscoring the project's significant upside potential (ASX AVM 6 January 2025).



Figure 7. Location of the Myrtleford and Beaufort Projects relative to other high grade mines in the Victorian Goldfields (ASX AVM 25 February 2025).

Advance's team immediately commenced planning and reconnaissance activities to expedite an initial exploration program at Myrtleford. To provide a better understanding of grade distribution and structural controls on mineralisation, a diamond drilling program commenced at Happy Valley in February 2025 and remained ongoing at the time of this report (**Figure 8**, ASX AVM 25 February 2025). Additional wider-spaced drill holes are also planned up and down dip from this zone (**Figure 5**), testing both the plunge and strike extent of the high grade mineralisation.



Figure 8. Visible gold mineralisation (assays pending) in patches to 3mm with minor sulphides hosted in quartz from recent drill hole AMD001 at 158.7m downhole (ASX AVM 25 February 2025).

Gavilanes Silver Project Acquisition

Subsequent to the end of the period, Advance also announced a binding sale agreement with Sailfish Royalty Corp to acquire a 100% interest in the high grade Gavilanes Silver Project in Durango, Mexico (**Figure 9**, ASX AVM 6 January 2025). The acquisition of the Gavilanes Project represents a very low-cost opportunity to increase Advance's exposure to the silver sector, with an existing Foreign Estimate of silver endowment, as well as a project which has previously had substantial exploration and drilling.

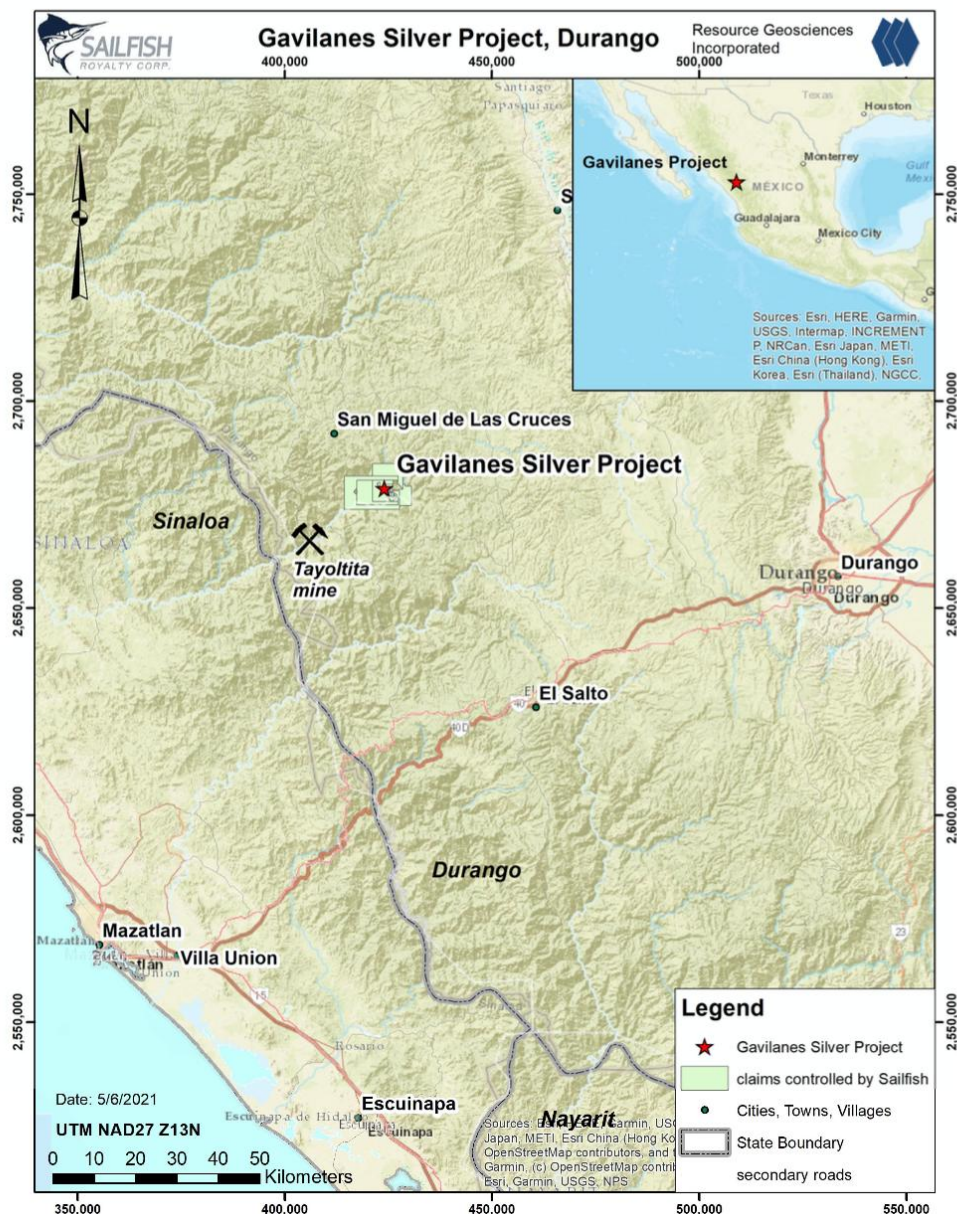


Figure 9. Location of the Gavilanes Silver Project in Durango, Mexico

The project spans a 135km² land package with low to intermediate sulfidation epithermal polymetallic veins, offering substantial room for growth and development. Current exploration has tested just 0.17km of the main zone, while an additional 0.28km² of known veins remain undrilled⁴.

Drilling to date has confirmed the presence of extensive veins and breccia zones, with veins extending over 2km but drill coverage limited to less than 900m along strike. Additional zones, including Central and Western Zones, show promise but require detailed mapping and sampling.

Gavilanes has an existing Foreign Estimate of 2.83Mt at 245.6g/t AgEq for 22.4Moz AgEq² (ASX AVM 6 January 2024). Advance has identified significant upside potential given the limited nature of existing drilling. The Company is currently considering options for an initial drilling program at the site following the expected completion of the acquisition in the coming months.

²The Gavilanes silver equivalent was derived based on assumed metallurgical recoveries of similar deposits by author of the NI43-101 technical document Derick Unger. The formula used is $AgEqg/t = Ag/t + (Au/t \cdot 70.175) + (Cuppm \cdot 0.00658) + (Pbppm \cdot 0.00188) + (Znppm \cdot 0.00188)$, where assumed recoveries for Ag, Au, Cu, Pb and Zn are

96%, 80%, 50%, 50% & 50% respectively, and prices in USD are \$19.00/oz, \$1,600/oz, \$3.50/pound, \$1.00/pound and \$1.00/pound respectively. In AVM's opinion all elements that are included in the metal equivalency calculation have reasonable potential to be recovered and sold.

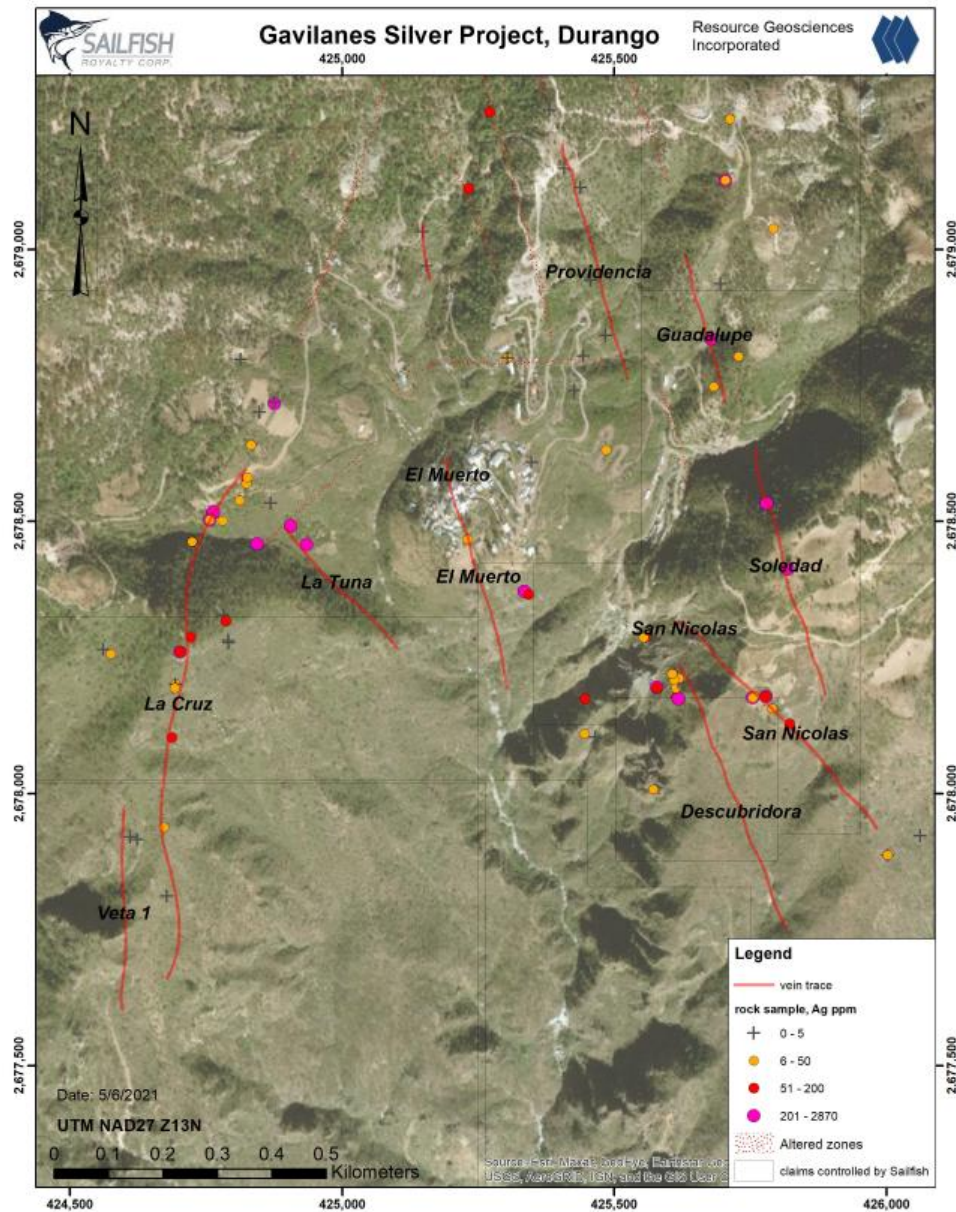


Figure 9. Mapped veins at the Gavilanes Silver Project⁴

Competent Persons Statement

The information in this report concerning data and exploration results has been compiled by Dr. Adam McKinnon, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Dr. McKinnon is the Managing Director of Advance Metals Limited and possesses the relevant expertise in the style of mineralisation, type of deposit under evaluation, and the associated activities, qualifying him as a Competent Person under the guidelines of the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Dr. McKinnon has approved the inclusion of this information in the report in the form and context in which it appears.

With regard to references to the Yoquivo Foreign Estimates and in particular the ASX announcement dated 28 October 2024, "Advance Metals to acquire Yoquivo High Grade Silver Project in Mexico", the Competent Person for the information and data contained in that Announcement was Mr Steve Lynn and JORC Table 1 disclosures are contained therein.

With regard to references to the Gavilanes Foreign Estimates and in particular the ASX announcement dated 6 January 2025, "Advance Metals to acquire high grade gold projects in Victoria and high grade silver project in Mexico", the Competent Person for the information and data contained in that Announcement was Mr Joel Sidoruk.

The Company is not aware of any new information or data that materially affects the information and data included in the Announcement. In addition, all material assumptions and technical parameters underpinning the estimates in the Announcement have not changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

Cautionary Statement on Foreign Estimates

The Foreign Estimates of mineralisation mentioned in this presentation are not compliant with the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code) and is a "Foreign Estimate". A Competent Person (under ASX Listing Rules) has not yet done sufficient work to classify the Foreign Estimate as Mineral Resources or Ore Reserves in accordance with the 2012 JORC Code. It is uncertain that following evaluation and/or further exploration work the Foreign Estimate will be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code 2012.

DIRECTORS' REPORT

Your directors present their report, together with the financial statements, of the group consisting of Advance Metals Limited (**Company** or **AVM**) and the entities it controlled at the end of, or during, the year ended 31 December 2024 (**Group**).

1. DIRECTORS

The Directors of the Company during the year and until the date of this report are:

| NAME AND POSITION | QUALIFICATIONS, EXPERIENCE, SPECIAL RESPONSIBILITIES AND OTHER DIRECTORSHIPS |
|--|--|
| Craig Stranger Non-Executive Chairman Appointed 24 June 2024 | Craig Stranger is an experienced financial services professional with over 25 years in equities research, equity capital markets, and mergers and acquisitions. He is the co-founder of PAC Partners, a leading independent financial services group operating across Sydney, Melbourne, and Perth, which has facilitated numerous capital market transactions in the emerging companies sector over the past 11 years. Craig is currently a Non-Executive Director of Glennon Small Companies Limited (ASX: GC1). |
| Adam McKinnon Managing Director Appointed 2 January 2025 | Adam McKinnon PhD is an exploration and mining executive with extensive experience in the discovery and development of silver, gold, and base metal deposits. He previously served as Managing Director of Magmatic Resources Limited, where he oversaw the definition of a large-scale porphyry copper-gold-silver system at Myall and secured a farm-in and joint venture deal with Fortescue. Prior to this, he was General Manager - Exploration and Business Development at Aurelia Metals Limited, leading the discovery of the high-grade Federation base metal-gold-silver deposit and other significant finds at the Peak Mines. Adam has also held technical roles with CBH Resources and KBL Mining, where he managed the discovery of the high-grade Pearse gold-silver deposit. He is currently a Non-Executive Director of Australian Gold and Copper (ASX: AGC). Adam holds a PhD in geochemistry and mineralogy from Western Sydney University, with research focused on silver mineralogy in the Cobar Basin. |
| Joshua Gordon Non-Independent Non-Executive Director Appointed 24 June 2024 | Joshua Gordon is a corporate finance professional with extensive experience in raising capital for small and emerging resource and energy companies on the ASX. He has deep expertise across the entire Equity Capital Market transaction lifecycle, including transaction origination, structuring, execution, and distribution. Joshua holds a Bachelor of Commerce (Finance) from Monash University and a Master of Management (Accounting) from the University of Melbourne. He is currently a Non-Executive Director of Traka Resources Limited (ASX: TKL), Dalaroo Metals Ltd (ASX: DAL) and Critical Resources Limited (ASX: CRR). Joshua was appointed as a Non-Executive Director of Advance Metals Limited on 24 June 2024. |
| Fadi Diab Non-Independent Non-Executive Director Appointed 20 September 2024 | Fadi Diab is a seasoned corporate executive with over 10 years of experience in large financial institutions. He has worked on multiple large-scale technology transformation programs that have received national industry recognition and awards. Fadi has also managed large operational teams responsible for processing billions of dollars in payments. He is currently a Director of Balkan Mining and Minerals Limited (ASX: BMM) |
| Geoffrey Hill Non-Executive Chairman Appointed 18 October 2007 – resigned 24 June 2024 | Geoff Hill BEcon (Syd), MBA (NSW), FFIN, FCPA, FAICD is a merchant banker with experience in mergers and capital raising and has acted for a wide range of corporate clients in Australia and overseas, particularly in the resources sector. He is Chairman of the International Pacific Securities Group and Asian Property Investments Limited. He is also a non-executive director of ASX listed company American Rare Earths Limited (ASX: ARR) (appointed 27 August 2015). |
| Denis Geldard Independent Non-Executive Director Appointed 29 February 2024 – resigned 7 October 2024 | <p>Denis Geldard AWASM, MAIMM</p> <p>Denis has over 40 years technical and operational experience in exploration and project development in Australia and Internationally. Denis is a Mining Engineering graduate from the Kalgoorlie School of Mines in Western Australia. He has managed and run several junior and mid-tier mining and exploration companies and mining operations over the past 40 year including directorships of several Australian listed mining and exploration companies.</p> <p>His former public directorships over the past three years is American Rare Earths Limited from 3 August 2015 to 31 August 2022.</p> |

| NAME AND POSITION | QUALIFICATIONS, EXPERIENCE, SPECIAL RESPONSIBILITIES AND OTHER DIRECTORSHIPS |
|--|---|
| Melissa (Mel) Sanderson Independent Non-Executive Director Appointed 14 April 2022 – resigned 20 September 2024 | Melissa (Mel) Sanderson, B.Ec., BA English Literature, MBA, Professor, Mel's international career has spanned diplomacy and mining for 30+ years. Mel is adept at cross-cultural communication and brings leadership experience in inclusivity and diversity issues. At global mining leader Freeport-McMoRan, Mel sited, staffed, and ran a corporate office focused on government and public relations, as well as social responsibility programs. She served our nation as a senior diplomat in the US. Department of State. She is currently a Non-executive Director of American Rare Earths Limited [ASX:ARR] (appointed 12 November 2021) |
| Keith Middleton Independent Non-Executive Director Appointed 1 February 2022 Resigned 29 February 2024 | Keith Middleton BA, AIM, AICD is a Non-Executive Director. Keith is a corporate advisor and director of ASX listed companies specializing in the Australian and International resource sector. He has extensive experience in financial analysis, risk management, major capital works expenditure, corporate governance and ESG regulations. Keith has direct accountability for mining operations and exploration activities coupled with strategy formulation, project evaluation and investor presentations. His former public directorships over the last three years include American Rare Earths Limited from 19 March 2020 to 7 February 2022 and Redbank Copper from 2 August 2019 to 2 August 2021. |

All Directors shown were in office from the beginning of the period until the date of this report, unless otherwise stated.

2. COMPANY SECRETARY

Jay Stephenson was appointed a Joint Company Secretary on has been involved in business development for over 35 years including approximately 29 years as Director, Chief Financial Officer and Company Secretary for various listed and unlisted entities in resources, manufacturing, information technology, health care, wine, hotels and property. Jay has been involved in business acquisitions, mergers, initial public offerings, capital raisings, business restructuring as well managing all areas of finance for companies.

Jay holds a Master of Business Administration, is a Chartered Accountant, Fellow of Certified Practicing Accountants Australia, A Fellow of the Governance Institute of Australia, a member of the Australian Institute of Company Directors, a member of Chartered Professional Accountants and Certified Management Accountants in Canada.

Wayne Kernaghan BBus, ACA, FAICD, ACIS Company Secretary Appointed 16 December 2020 – resigned 10 March 2025.

Wayne is a member of the Institute of Chartered Accountants in Australia with a number of years' experience in various areas of the mining industry. He provides secretarial services to a range of companies including other public listed companies. He is also a Fellow of the Australian Institute of Company Directors and a Chartered Secretary.

3. MEETINGS OF DIRECTORS AND COMMITTEES OF BOARD

The number of meetings held (including meetings of Directors) and the number of meetings attended during the financial year are:

| Directors | Board Meetings | | Audit Committee Meetings | | Remuneration Committee Meetings | |
|-------------|--------------------|----------|--------------------------|----------|---------------------------------|----------|
| | Eligible to Attend | Attended | Eligible to Attend | Attended | Eligible to Attend | Attended |
| C Stranger | 2 | 2 | - | - | - | - |
| J Gordon | 2 | 2 | - | - | - | - |
| F Diab | - | - | - | - | - | - |
| G Hill | 6 | 6 | - | - | - | - |
| K Middleton | 1 | 1 | - | - | - | - |
| M Sanderson | 6 | 6 | - | - | - | - |
| D Geldard | 5 | 5 | - | - | - | - |

4. PRINCIPAL ACTIVITIES

The Company has a diverse portfolio of mining and exploration projects across multiple countries and commodities. It holds interests in the Yoquivo silver project in Mexico and is currently finalising the acquisition of the Myrtleford and Beaufort Gold Projects in Victoria, Australia, as well as the Gavilanes Silver Project in Mexico. Additionally, through its controlled entity Pacific American Coal Canada Limited, the Company possesses coal exploration licenses in the coking coal regions of Kootenay, British Columbia, and is applying for exploration licenses in the metallurgical coal region of the Arkoma Basin in Oklahoma, USA. The Company also maintains interests in licenses for copper and gold exploration in the USA.

5. REVIEW OF OPERATIONS

The consolidated loss after income tax for the Group was \$950,668 (2023: \$713,408).

Refer to the Summary of Activities Section of this Annual Report for details on the review of operations.

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year other than as stated in this report.

7. DIVIDENDS

There were no dividends paid or declared by the Group (2024: \$Nil).

8. ENVIRONMENTAL REGULATION

The Group's operations are subject to environmental regulations under relevant local laws, council policies and state and federal government legislation in relation to operating activities.

Operations are closely monitored in accordance with operating procedures to ensure that potential for environmental contamination is minimised.

Directors are not aware of any significant breaches in environmental regulations during the period covered by this report.

9. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

On 6 January 2025, Advance Metals Limited announced that it had entered into two binding agreements to acquire high-grade mining projects in Australia and Mexico.

1. Myrtleford and Beaufort Gold Projects (Victoria, Australia)

Advance secured the right to acquire an 80 percent interest in these projects through a joint venture with Serra Energy Metals Corp.

The projects contain over 70 past-producing high-grade underground gold mines with significant exploration potential.

Consideration includes the issuance of shares in tranches, subject to shareholder approval at the 25 March 2025 general meeting.

2. Gavilanes Silver Project (Durango, Mexico)

Advance entered into an agreement with Sailfish Royalty Corp. to acquire a 100 percent interest in this silver project.

The project has a foreign estimate of 22.4 million ounces of silver equivalent at 245.6 g/t AgEq.

Consideration includes 16,800,000 fully paid ordinary shares and 33,600,000 performance rights, subject to shareholder approval.

On 18 February 2025, Advance Metals Limited completed a placement of 34,624,793 fully paid ordinary shares at an issue price of \$0.044 per share, raising \$1.524 million before costs.

On 25 March 2025, shareholders approved all resolutions at its General Meeting. The following securities have been issued on 28 March 2025.

1. 17,774,876 free attaching options to Placement Participants;
2. 9,462,191 Shares to Serra Energy Metals Corp;
3. 1,448,676 Shares to Horizon Capital Ltd;
4. 2,668,182 Options exercisable at 7.5c on or before 28 March 2028 Options to AFSL holders;
5. 17,854,976 Performance Rights to Directors of the Company; and
6. 2,500,000 Performance Rights to Sixty Two Capital Pty Ltd.

10. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Whilst the Board will continue with planned decisions to conserve cash, the Company is continuing to identify, pursue and explore new projects and investment opportunities together with procuring funding for its existing projects. Neither the expected results of any operations nor strategy for new projects have been included in this report, as in the opinion of the Directors this information would prejudice the interest of the Company if included.

11. DIRECTORS' INTERESTS

The relevant interest of each Director in the shares issued by the Company, as notified by the Directors to the Australian Securities Exchange ('ASX') in accordance with Section 205G(1) of the *Corporations Act 2001*, at the date of this Directors' Report is as follows:

| | Shares | Options | Performance Rights |
|------------|-----------|-----------|--------------------|
| C Stranger | 1,731,194 | 1,731,194 | 2,500,000 |
| A McKinnon | 575,000 | - | - |
| J Gordon | 3,307,693 | 3,307,693 | 2,500,000 |
| F Diab | 7,692,307 | 7,692,307 | - |

¹ Held directly and indirectly

12. AUDITOR'S INDEPENDENCE DECLARATION

We confirm that we have obtained the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* (Cth) which is set out on page 22.

13. AUDITOR

Hall Chadwick is appointed auditor in office in accordance with section 327 of the *Corporations Act 2001*.

14. SHARES UNDER OPTION

At the date of this report there are 150,816,565 unissued ordinary shares of the Company under option (2023: 5,104,268)

15. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND AUDITORS

Indemnification

Under the Company's Constitution, the Company indemnifies each Director, Officer and Agent of the Company ('Officer') against:

- any liability incurred by that Officer as such in defending any proceedings, whether civil or criminal, in which judgement is given in favour of the Officer or which are discontinued, withdrawn, dismissed or struck out, or in which the Officer is acquitted, or in connection with any application in relation to those proceedings in which relief is granted to the Officer by the Court; and
- any liability incurred by an Officer in carrying out the business or exercising the powers of the Company which does not involve any negligence, default, breach of duty or breach of trust by the Officer in relation to the Company.

Insurance Premiums

Since the end of the year, the Company has paid insurance premiums of \$27,706 (2023: \$22,140) in respect of directors' and officers' liability and legal expenses' insurance contracts, for current and former Officers, including senior executives of the Company and directors, senior executives and secretaries of its controlled entities. The insurance premiums relate to:

- costs and expenses incurred by the relevant Officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policy outlined above does not contain details of the premiums paid in respect of individual Officers.

16. NON-AUDIT SERVICES

Fees for non-audit services provided by Hall Chadwick, its related practices and non-related audit firms in the December 2023 financial year were \$4,500 (2023: \$4,500) - for taxation services.

Directors are satisfied that the services disclosed above did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

17. REMUNERATION REPORT - AUDITED

The remuneration committee reviews and makes recommendations to the board on remuneration packages and policies applicable to the executive officers and directors of the Company and of other executives of the Group. It is also responsible for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies.

The members of the remuneration committee during the year were:

- Geoff Hill – Non-Executive Board Chairman
- Melissa Sanderson – Non-Executive Director

Upon the resignations of the members of the Committee the board other than Adam McKinnon took on the role of the remuneration committee,

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for security holders. The remuneration structures take into account a range of factors, including the following:

- the capability and experience of the key management personnel;
- the requirement to utilise those skills in the furtherance of the Group's strategic objectives;
- the performance of the key management in their particular role;
- the Group's overall performance;
- the remuneration levels being paid by competitors for similar positions; and
- the need to ensure continuity of executive talent and smooth succession planning.

In assessing the performance of a particular executive, consideration of various other aspects is taken into account regardless of the immediate profit and loss performance. The nature of the Group's operations and investment is such that decisions are constantly being taken that will not have profit repercussions for several years. Moreover, the evaluation of executive performance also has regard to the Executive's effectiveness in developing a capable support team and in showing leadership qualities and instilling positive cultural values within the Group.

Remuneration packages included fixed remuneration only for the past financial year, but a revision of a performance bonus structure is under consideration. There was no performance-based remuneration in either the current or the prior financial year.

Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any fringe benefits tax charges related to employee benefits including motor vehicles, car parking and other specified benefits), as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually through a process that considers the factors outlined above.

Non-executive Directors

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent

external advice is sought when required. No remuneration consultants were used in the 2023 financial year. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. On 31 May 2022, shareholders last approved a maximum aggregate amount totalling \$350,000. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Non-Executive Directors' interests with shareholders' interests, the Non-Executive Directors are encouraged to hold shares in the Group and may receive options as long-term incentive remuneration.

Executives

Executive Directors and other Company executives (Executives) receive either a salary plus superannuation guarantee contributions as required by law, currently set at 10%, or provide their services via a consultancy arrangement. Individuals may elect to sacrifice part of their salary to increase payments towards superannuation. Bonus payments are at the discretion of the Board and based on an Executive's performance.

Base Salary

Structured as a total employment cost package comprising cash, leave benefits and superannuation, Executives' remuneration is reviewed annually for competitiveness and performance. There are no guaranteed salary increases fixed in any Executives' contract.

Benefits

Executives may receive reimbursement for out-of-pocket expenses incurred in undertaking their duties, including reasonable travel, accommodation and entertainment expenses.

When considering the relationship between the Group's Remuneration Policy and the performance of the Group and Executives and the subsequent benefits the performance had on shareholders' wealth, the Remuneration Committee had regard to the following:

| | 2024 | 2023 | 2022 | 2021 |
|---|-----------|------------|-------------|-------------|
| Net loss (\$) | (950,668) | (713,408) | (1,394,510) | (1,262,845) |
| Loss per share (cents) | (0.54) | (2.34)# | (0.28) | (0.37) |
| Dividends / distributions (\$) | - | - | - | - |
| Share price at year end (\$) | \$0.034 | 0.038# | 0.010 | 0.017 |
| Market capitalisation (\$) | 5,728,971 | 1,523,228# | 5,800,441 | 8,123,916 |
| Director & Key Management Personnel remuneration (\$) | 650,910 | 387,484 | 417,468 | 265,750 |

Post 20:1 share consolidation

The Remuneration Committee considers that the Group's remuneration policy is appropriate.

Employment Contracts

No director or key management personnel are employed under an official contract of service as at 31 December 2024.

Details of Key Management Personnel

Directors

| Name | Position |
|-------------|---|
| C Stranger | Non-Executive Chairman – appointed 24 June 2024 |
| J Gordon | Non-Executive Director – appointed 24 June 2024 |
| F Diab | Non-Executive Director – appointed 20 September 2024 |
| G Hill | Non-Executive Chairman – resigned 24 June 2024 |
| D Geldard | Non-Executive Director - appointed 1 March 2024 resigned 7 October 2024 |
| K Middleton | Non-Executive Director - resigned 1 March 2024 |
| M Sanderson | Non-Executive Director - resigned 20 September 2024 |

Other Key Management Personnel

| Name | Position |
|--------------|---|
| F Bennett | Chief Executive Officer – resigned 16 July 2024 |
| W Kernaghan | Chief Financial Officer /Company Secretary |
| J Stephenson | Company Secretary |

Key management personnel are those directly accountable and responsible for the operational management and strategic direction of the Company and the Group.

Details of the nature and amount of each element of the remuneration of Directors and other Key Management Personnel of the Company during the financial year are:

| Key Management Personnel | Year | Short-Term Employee Benefits | | | Post-Employment | Share Based Payments Options/ Performance Rights | Total | Proportion of Remuneration Performance Related | Value of Options as a Proportion of Remuneration |
|---------------------------|-------------|------------------------------|----------|-----------------------|--------------------------|--|----------------|--|--|
| | | Salary & Fees | Bonus | Non-Monetary Benefits | Super-annuation Benefits | | | | |
| | | \$ | \$ | \$ | \$ | \$ | \$ | % | % |
| Directors | | | | | | | | | |
| C Stranger | 2024 | 35,167 | - | - | 3,584 | 32,897 | 71,648 | - | 45.9 |
| | 2023 | - | - | - | - | - | - | - | - |
| J Gordon | 2024 | 25,974 | - | - | 2,987 | 32,897 | 61,858 | - | 53.1 |
| | 2023 | - | - | - | - | - | - | - | - |
| F Diab | 2024 | 15,634 | - | - | - | - | 15,634 | - | - |
| | 2023 | - | - | - | - | - | - | - | - |
| G Hill | 2024 | 30,000 | - | - | - | - | 30,000 | - | - |
| | 2023 | 60,000 | - | - | - | - | 60,000 | - | - |
| K Middleton | 2024 | 6,000 | - | - | - | - | 6,000 | - | - |
| | 2023 | 45,000 | - | - | - | - | 45,000 | - | - |
| D Geldard | 2024 | 25,938 | - | - | - | 7,125 | 33,063 | - | 25.1 |
| | 2023 | - | - | - | - | - | - | - | - |
| M Sanderson | 2024 | 25,938 | - | - | - | - | 25,938 | - | - |
| | 2023 | 37,606 | - | - | - | - | 37,606 | - | - |
| Executives (Other) | | | | | | | | | |
| F Bennett | 2024 | 128,302 | - | - | 9,176 | - | 137,478 | - | - |
| | 2023 | 184,628 | - | - | - | - | 184,628 | - | - |
| W Kernaghan | 2024 | 63,000 | - | - | - | - | 63,000 | - | - |
| | 2023 | 60,250 | - | - | - | - | 60,250 | - | 4.8 |
| J Stephenson | 2024 | 5,825 | - | - | - | - | 5,825 | - | - |
| | 2023 | - | - | - | - | - | - | - | 4.8 |
| Total | 2024 | 361,778 | - | - | 15,747 | 72,919 | 450,444 | - | 11.2 |
| | 2023 | 387,484 | - | - | - | - | 387,484 | - | - |

No termination payments, bonuses or long-term benefits have been paid or accrued for any director or key management personnel in the year ended 31 December 2024 (2023: \$Nil).

Compensation options: Granted and vested during the year

5,000,000 Performance Options were granted in June 2024 to Directors C Stranger and J Gordon. 500,000 Options were granted to D Geldard.

Equity Instruments held by Key Management Personnel

The number of shares and options over shares in the Company held during the financial year by each Director of and each of the other key management personnel, including their personally related entities, are set out below:

Movement in Shareholdings held by Key Management Personnel

| | Held at 31 December 2023 | Other Changes During the Year | Held at 31 December 2024 |
|------------------|--------------------------|-------------------------------|--------------------------|
| 2024 | | | |
| Directors | | | |
| C Stranger | - | 1,731,194 | 1,731,194 |
| J Gordon | - | 3,307,693 | 3,307,693 |
| F Diab | - | 7,692,307 | 7,692,307 |

| | | | |
|--------------------------|-------------------|-------------------|-------------------|
| G Hill ¹ | 2,809,112# | (2,809,112) | - |
| D Geldard | | | |
| K Middleton | 200,000# | (200,000) | - |
| M Sanderson | - | - | - |
| Executives | | | |
| W Kernaghan ¹ | 285,714# | 464,287 | 750,001 |
| Total | 3,294,826# | 10,186,369 | 13,481,195 |

| | Held at 31 December 2022 | Other Changes During the Year | Held at 31 December 2023 |
|--------------------------|-----------------------------|----------------------------------|-----------------------------|
| 2023 | | | |
| Directors | | | |
| G Hill ¹ | 44,461,380 | (41,652,268) | 2,809,112# |
| S Bird ¹ | 863,442 | (863,442) | - |
| K Middleton | 2,000,000 | (1,800,000) | 200,000# |
| M Sanderson | - | - | - |
| Executives | | | |
| W Kernaghan ¹ | - | 285,714 | 285,714# |
| Total | 47,324,822 | (44,029,996) | 3,294,826# |

¹ Held directly and indirectly

Post 20:1 share consolidation.

Movement in Option and Performance Rights (Securities) holdings held by Key Management Personnel

| | Held at 31 December 2023 | Securities granted | Net Change Other | Held at 31 December 2024 | Total Vested and Exercisable# |
|-------------------|-----------------------------|-----------------------|---------------------|--------------------------------|----------------------------------|
| Directors | | | | | |
| C Stranger | - | 2,500,000 | 4,231,194 | 4,231,194 | 4,231,194 |
| J Gordon | - | 2,500,000 | 5,807,693 | 5,807,693 | 5,807,693 |
| F Diab | - | | 7,692,307 | 7,692,307 | 7,692,307 |
| G Hill | 200,000 | - | (200,000) | - | - |
| D Geldard | - | 500,000 | (500,000) | | |
| K Middleton | 75,000 | - | (75,000) | - | - |
| M Sanderson | 75,000 | - | (75,000) | - | - |
| Executives | | | | | |
| W Kernaghan | 25,000 | - | 464,297 | 489,287 | 489,287 |
| Total | 375,000 | 5,500,000 | 17,345,491 | 18,220,481 | 18,220,481 |

Post 20:1 share consolidation

Movement in Security holdings held by Key Management Personnel

| | Held at 31 December 2023 | Securities granted | Net Change Other | Held at 31 December 2024 | Total Vested and Exercisable# |
|-------------------|-----------------------------|-----------------------|---------------------|--------------------------------|----------------------------------|
| Directors | | | | | |
| G Hill | 4,000,000 | - | (3,800,000) | 200,000# | 150,000 |
| D Geldard | - | - | - | - | - |
| K Middleton | 1,500,000 | - | (1,425,000) | 75,000# | 75,000 |
| M Sanderson | 1,500,000 | - | (1,425,000) | 75,000# | 75,000 |
| Executives | | | | | |
| W Kernaghan | 500,000 | - | (475,000) | 25,000# | 25,000 |
| Total | 7,500,000 | - | (7,125,000) | 375,000# | 325,000 |

Loans to Key Management Personnel

There were no loans to key management personnel during the year.

Transactions with Related Entities

There were transactions with related entities during the year

END - REMUNERATION REPORT – AUDITED**18. PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

19. ROUNDING OF AMOUNTS

Amounts in the financial report and Directors' Report are rounded off to the nearest dollar, unless otherwise stated.

Signed in accordance with a resolution of the Directors



Craig Stranger

Chair

Date 28 March 2025

Sydney

**ADVANCE METALS LIMITED
ABN 83 127 131 604
AND ITS CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ADVANCE METALS LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Advance Metals Limited. As the lead audit partner for the audit of the financial report of Advance Metals Limited for the year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Hall Chadwick (NSW)

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

Anthony Travers

ANTHONY TRAVERS
Partner
Dated: 28 March 2025

| ADELAIDE | BRISBANE | DARWIN | MELBOURNE | PERTH | SYDNEY |
|---|---|--|---|---|---|
| Level 9 50 Pirie Street Adelaide SA 5000 +61 8 7093 8283 | Level 4 240 Queen Street Brisbane QLD 4000 +61 7 2111 7000 | Level 1 48-50 Smith Street Darwin NT 0800 +61 8 8943 0645 | Level 14 440 Collins Street Melbourne VIC 3000 +61 3 9820 6400 | Level 11 77 St Georges Tce Perth WA 6000 +61 8 6557 6200 | Level 40 2 Park Street Sydney NSW 2000 +61 2 9263 2600 |

Liability limited by a scheme approved under Professional Standards Legislation. Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 352

www.hallchadwick.com.au

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Year Ended 31 December 2024

| | Note | 12 months to 31 December 2024 \$ | 12 months to 31 December 2023 \$ |
|---|------|--|--|
| Other revenue: | | | |
| Interest income | | 40,075 | 18,733 |
| | | <u>40,075</u> | <u>18,733</u> |
| Expenses: | | | |
| Employee expenses | | (328,755) | (331,016) |
| Administration | | (537,668) | (527,163) |
| Foreign currency exchange difference | | (16,125) | (132) |
| Impairment of receivables | 5 | (276) | 126,170 |
| Share based payment | | (107,919) | - |
| Loss before income tax | | <u>(950,668)</u> | <u>(713,408)</u> |
| Income tax expense | 2 | - | - |
| Loss after income tax | | <u>(950,668)</u> | <u>(713,408)</u> |
| Other comprehensive income: | | | |
| <i>Items that may be reclassified to profit or loss</i> | | | |
| Foreign currency translation differences | | 690,326 | (82,943) |
| Total other comprehensive income | | <u>690,326</u> | <u>(82,943)</u> |
| Total comprehensive income | | <u>(260,342)</u> | <u>(796,351)</u> |
| Loss per share: | | | |
| Basic loss | 3 | (0.54) | (2.34)# |
| Diluted loss | 3 | (0.54) | (2.34)# |
| # Post 20:1 share consolidation | | | |

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

| | Note | 31 December 2024 \$ | 31 December 2023 \$ |
|---|------|------------------------------|------------------------------|
| Current Assets: | | | |
| Cash and cash equivalents | 4 | 922,911 | 493,998 |
| Trade and other receivables | 5 | 311 | 20,901 |
| Other assets | 6 | 81,171 | 9,207 |
| Total Current Assets | | 1,004,393 | 524,106 |
| Non-Current Assets: | | | |
| Security deposits | | 193,021 | 175,440 |
| Investments in associates | 7 | - | - |
| Deferred exploration and evaluation costs | 8 | 7,625,313 | 5,141,677 |
| Total Non-Current Assets | | 7,818,334 | 5,317,117 |
| Total Assets | | 8,822,727 | 5,841,223 |
| Current Liabilities: | | | |
| Trade and other payables | 9 | 173,647 | 167,702 |
| Total Current Liabilities | | 173,647 | 167,702 |
| Total Liabilities | | 173,647 | 167,702 |
| Net Assets | | 8,649,080 | 5,673,521 |
| Equity: | | | |
| Contributed equity | 10 | 21,818,688 | 19,513,142 |
| Options reserve | 11 | 1,076,227 | 167,982 |
| Foreign Exchange Translation Reserve | 12 | 976,257 | 285,931 |
| Accumulated losses | | (15,222,092) | (14,293,534) |
| Total equity attributable to the equity holders of the Company | | 8,649,080 | 5,673,521 |

The Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31 December 2024

| | Contributed Equity | Options Reserve | Foreign Exchange Translation Reserve | Accumulated Losses | Total Equity |
|---|-----------------------|--------------------|---|-----------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 31 December 2022 | 18,749,431 | 115,530 | 368,874 | (13,580,126) | 5,653,709 |
| Comprehensive income | | | | | |
| Loss after income tax for the year | - | - | | (713,408) | (713,408) |
| Foreign currency translation differences for foreign operations | - | - | (82,943) | - | (82,943) |
| Total comprehensive income for the year | - | - | (82,943) | (713,408) | (796,351) |
| Transactions with owners in their capacity as owners | | | | | |
| Issue of share capital | 816,163 | - | - | - | 816,163 |
| Share issue costs | - | - | - | - | - |
| Unquoted options issued during the year | (52,452) | 52,452 | - | - | - |
| Unquoted options lapsed transferred to accumulated losses | - | - | - | - | - |
| | 763,711 | 52,452 | - | - | 816,163 |
| Balance at 31 December 2023 | 19,513,142 | 167,982 | 285,931 | (14,293,534) | 5,673,521 |
| Comprehensive income | | | | | |
| Loss after income tax for the year | - | - | | (950,668) | (950,668) |
| Foreign currency translation differences for foreign operations | - | - | 690,326 | - | 690,326 |
| Total comprehensive income for the year | - | - | 690,326 | (950,668) | (260,342) |
| Transactions with owners in their capacity as owners | | | | | |
| Issue of share capital | 2,534,335 | 804,436 | - | - | 3,338,771 |
| Share issue costs | (228,789) | 18,000 | - | - | (210,789) |
| Share based payments | - | 107,919 | - | - | 107,919 |
| Unquoted options lapsed transferred to accumulated losses | - | (22,110) | - | 22,110 | - |
| | 2,305,546 | 908,245 | - | 22,110 | 3,235,901 |
| Balance at 31 December 2024 | 21,818,688 | 1,076,227 | 976,257 | (15,222,092) | 8,649,080 |

The Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the Year Ended 31 December 2024

| | Note | 12 months to 31 December 2024 \$ | 12 months to 31 December 2023 \$ |
|--|------|---|---|
| Cash Flows from Operating Activities: | | | |
| Interest received | | 40,075 | 18,733 |
| Cash payments in the course of operations | | (880,978) | (691,220) |
| Net Cash Used In Operating Activities | 15 | (840,903) | (672,487) |
| Cash Flows from Investing Activities: | | | |
| Payment for exploration and evaluation costs | | (1,840,585) | (863,160) |
| Payment for security deposits | | (17,581) | - |
| Net Cash Used In Investing Activities | | (1,858,166) | (863,160) |
| Cash Flows from Financing Activities: | | | |
| Proceeds from the issue of securities | | 3,338,771 | 766,000 |
| Share issue costs | | (210,789) | - |
| Net Cash from Financing Activities | | 3,127,982 | 766,000 |
| Net increase (decrease) in cash and cash equivalents | | 428,913 | (769,647) |
| Cash and cash equivalents at beginning of year | | 493,998 | 1,263,645 |
| Cash and Cash Equivalents at End of Year | 4 | 922,911 | 493,998 |

The Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

(a) Introduction

This financial report covers the group of Advance Metals Limited (the “Company”) and its controlled entities (together referred to as the “Group”). Advance Metals Limited is a listed public company, incorporated and domiciled in Australia. The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Operations and principal activities:

The principal activities of the Group are investment in renewable energy and coal exploration.

Currency

The financial report is presented in Australian dollars, rounded to the nearest dollar, which is the functional currency of the Parent Entity.

Authorisation of financial report:

The financial report was authorised for issue on 28 March 2025.

(b) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Advance Metals Limited (Formerly Pacific American Holdings Limited) is a for-profit entity for the purpose of preparing the financial statements.

Accounting Policies

The accounting policies and methods of computation applied by the Group in the consolidated financial report are the same as those applied by the Group in the previous financial year and corresponding reporting period.

Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Historical cost convention

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on historical experiences and the best available current information on current trends and economic data, obtained both externally and within the Group. These estimates and judgements made assume a reasonable expectation of future events, but actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period and future periods, if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below.

Key estimates – impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Key judgements – exploration and evaluation assets

The Group performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to balance date.

Going Concern

The Group incurred a net loss of \$950,668 and had operating cash outflows of \$840,903 for the year ended 31 December 2024. As at 31 December 2024 the Group has cash and cash equivalents of \$922,911 and net assets of \$8,649,080.

Management continues to preserve operating cash. Current cash levels are sufficient to fund ongoing operations. The ability of the Group to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Group to raise additional capital in the form of equity;
- the continued support of current shareholders; and
- the ability to successfully develop and extract value through development and/or sale of its projects that are under development.

These conditions give rise to a material uncertainty over the Group's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Group has funded its activities through issuance of equity securities and it is expected that the Group will be able to fund its future activities through further issuances of equity securities; and
- The directors believe there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities within the forecast period.

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

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

(c) Principles of consolidation

The consolidated financial statements comprise the financial statements of Advance Metals Limited (Formerly Pacific American Holdings Limited) and its subsidiaries at 31 December each year ("the Group"). Subsidiaries are entities (including structured entities) over which the Group has control. The Group has control over an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to use its power to affect those returns. Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 23 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is re-measured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the consolidated statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Joint Ventures

The Group's share of the assets, liabilities, revenue and expenses of joint ventures are included in the appropriate items of the consolidated financial statements.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of its associate's post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equal or exceed its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Australian dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

Foreign Currency

Transactions in foreign currencies are translated to the respective functional currencies of Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(e) Income tax

The income tax benefit (expense) for the year comprises current income tax benefit (expense) and deferred tax benefit (expense). Current income tax benefit (expense) credited (charged) to profit or loss is the tax receivable (payable) on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

The credit (charge) for current income tax benefit (expense) is based on the profit (loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(f) Plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a re-valued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer below for details of impairment).

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of asset is:

| <u>Class of Fixed Asset</u> | <u>Depreciation Rate</u> |
|-----------------------------|--------------------------|
| Plant and Equipment | 10% - 20% |

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

(g) Deferred Exploration and Evaluation Costs

Exploration and evaluation assets incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(h) Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(i) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component, or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon de-recognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables; and
- contract assets (eg amounts due from customers under construction contracts).

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach; and
- the simplified approach

De-recognition

De-recognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

De-recognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

De-recognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for de-recognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(j) Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a re-valued amount in accordance with another Standard (e.g. in

accordance with the revaluation model in AASB 116). Any impairment loss of a re-valued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(k) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Equity-settled compensation

Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the binomial pricing model. The volatility input in the pricing model is determined by the historical volatility of the Company's share price over a similar period to the exercise period. Where applicable, the number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(l) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method.

(m) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(n) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(o) Share capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(p) Earnings per share

The Group presents basic and diluted earnings (loss) per share (EPS) data for the Parent's ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, adjusted as appropriate. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(q) Comparative figures

When required by accounting standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Comparative figures have also been changed where classifications of income and expenditure items have been altered from the prior year as a result of a review by directors. The new classifications have been made to reflect a more accurate view of the Group's operations.

(r) New standards and interpretations adopted

The Group has adopted all new and amended Australian Accounting Standards and AASB interpretations, which were applicable as of 1 January 2024. Adoption of other new and amended Australian Accounting Standards and AASB interpretations did not have any effect of the financial position or performance of the Group.

The Group has not elected to early adopt any new standards or amendments.

(s) Research and development

Research expenditure is recognised as an expense as incurred.

Costs incurred on development projects (relating to the development of mining projects) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably.

The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, which varies from 3 to 5 years.

Currently all of the Group's projects have not yet reached the stage where research and development costs are capitalised.

2. INCOME TAX

Reconciliation of Income Tax Benefit to Loss Before Income Tax

| | 12 months to 31 December 2024 | 12 months to 31 December 2023 |
|---|--|-------------------------------------|
| | \$ | \$ |
| Loss before income tax | (950,668) | (713,408) |
| Tax at the Australian tax rate of 25% (2023: 25%) | (237,667) | (178,352) |
| Non-deductible expenses and non-assessable income | 107,919 | 87,849 |
| Deferred tax assets not recognized | 129,748 | 90,503 |
| Income Tax Benefit | - | - |

At 31 December 2024 the Group had Australian tax losses of \$17,530,052 (31 December 2023: \$17,011,060) which may be carried forward and used to reduce certain taxable income in future years. The Australian losses carry forward indefinitely.

No tax benefit has been recognised at reporting date as the Directors of the Company believe it is too uncertain to determine whether sufficient taxable income will be generated in future periods to utilise these tax losses.

3. LOSS PER SHARE

(a) Basic and Diluted Loss per Share

| | 12 months to 31 December 2024 \$ | 12 months to 31 December 2023 \$ |
|--|---|---|
| Loss used to calculate basic and diluted EPS | 950,668 | 713,408 |

(b) Weighted Average Number of Shares and options

| | Number | Number |
|--|--------------------|--------------------|
| Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted earnings per share | 101,393,657 | 30,454,656# |
| # Post 20:1 share consolidation | | |
| Number of options excluded from the diluted loss per share calculation because they are anti-dilutive | 150,866,565 | 5,104,268# |
| # Post 20:1 share consolidation | | |

Options were not considered dilutive as they were out of the money.

4. CASH AND CASH EQUIVALENTS

| | 31 December 2024 \$ | 31 December 2023 \$ |
|--|---------------------------|---------------------------|
| Cash at bank | 922,911 | 493,998 |
| Total Cash and Cash Equivalents | 922,911 | 493,998 |

5. TRADE AND OTHER RECEIVABLES

| | | |
|---|------------------|------------------|
| Other receivables | 311 | 20,901 |
| Receivable from associates | 295,919 | 295,643 |
| | 296,230 | 316,544 |
| Impairment of receivables – Opening balance | (295,643) | (421,813) |
| Movement for the year | (276) | 126,170 |
| Impairment of receivables – Closing balance | (295,919) | (295,643) |
| Total Current Receivables | 311 | 20,901 |

Note: Movement for the year expensed out by w/off Investment in receivables in Balance Sheet \$276 and not accumulating in Impairment of receivables

6. OTHER ASSETS

| | | |
|---------------------------|---------------|--------------|
| GST Receivables | 13,998 | 9,207 |
| Prepayments and deposits | 67,173 | - |
| Total other assets | 81,171 | 9,207 |

7. INVESTMENTS IN ASSOCIATES

| | 31 December 2024 \$ | 31 December 2023 \$ |
|---|---------------------------|---------------------------|
| Non-Current: | | |
| Investments in associates | - | - |
| | - | - |
| Movements during the year | | |
| Balance at beginning of year | - | - |
| Additions during the year | - | - |
| Amount impaired | - | - |
| Balance at end of year | - | - |
| Summary of financial information on associates | | |
| Current assets | - | 3,543 |
| Non-current assets | - | - |
| Total assets | - | 3,543 |
| Current liabilities | - | 569,091 |
| Net assets | - | (565,548) |
| Total revenue | - | - |
| Loss for the financial year | - | - |

8. DEFERRED EXPLORATION AND EVALUATION COSTS

| | | |
|--|------------------|------------------|
| Deferred exploration and evaluation costs | 7,625,313 | 5,141,677 |
| Movements during the year | | |
| Balance at the beginning | 5,141,677 | 4,359,777 |
| Additions | 1,840,585 | 863,160 |
| Impairment | - | - |
| Foreign currency difference to exchange reserve | 643,051 | (81,260) |
| Balance at end of year | 7,625,313 | 5,141,677 |

Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation of areas of interest, and the sale of minerals or the sale of the respective areas of interest.

9. TRADE AND OTHER PAYABLES

| | | |
|---|----------------|----------------|
| Current: | | |
| Trade payables | 46,533 | 71,147 |
| Other creditors and accruals | 127,114 | 96,555 |
| Total Current Trade and Other Payables | 173,647 | 167,702 |

Trade payables are usually due within 30 days.

Secured Amounts Payable

None of the payables are secured.

10. CONTRIBUTED EQUITY

| | 31 December 2024 | 31 December 2023 |
|-----------------------------------|---------------------|---------------------|
| Issued Capital - Number of shares | 168,499,174 | 40,084,954# |
| # Post 20:1 share consolidation | | |
| Value of Issued Capital | 21,818,688 | 19,513,142 |

Movement in contributed equity during the year:

| Share Capital Movements during the year | 31 December 2024 | | 31 December 2023 | |
|---|------------------|------------|------------------|------------|
| | Number | \$ | Number | \$ |
| Fully paid ordinary shares at beginning of year | 40,084,954 | 19,513,142 | 580,044,068 | 18,749,431 |
| Shares issued under a share purchase plan | - | - | 70,285,719 | 246,000 |
| Shares issued under placement offer | - | - | 144,857,123 | 520,000 |
| Share issued in lieu of cash payment of invoice | - | - | 6,514,657 | 50,163 |
| Share consolidation 20:1 | - | - | (761,616,613) | - |
| Placement 14 June 2024 at \$0.026 | 31,051,204 | 807,331 | - | - |
| Non-renounceable rights issue 14 June 2024 at \$0.026 | 22,798,848 | 592,770 | - | - |
| Placement as approved by Shareholders - 21 June 2024 at \$0.026 | 15,102,642 | 392,670 | - | - |
| Placement - 21 June 2024 at \$0.026 | 26,374,797 | 685,745 | - | - |
| Placement - 17 September 2024 at \$0.026 | 33,086,731 | 860,255 | - | - |
| Free attaching options issued under placement | - | (804,436) | - | - |
| Share issue costs | - | (228,789) | - | (52,452) |
| Total fully paid ordinary shares at end of year | 168,499,174 | 21,818,688 | 40,084,954 | 19,513,142 |

Terms and Conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Capital Management

Management controls the capital of the Company in order to provide capital growth to shareholders and ensure the Company can fund its operations and continue as a going concern. The Company's capital includes ordinary share capital, reserves and accumulated losses as disclosed in the Consolidated Statement of Financial Position. There are no externally imposed capital requirements. Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and the market. These responses include the management of share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

11. OPTIONS RESERVE

The Company also grants incentive stock options for the purchase of ordinary fully paid shares of the Company to its officers, directors, employees and consultants. The exercise price and vesting terms of the share options is determined by the board of directors of the Company at the time of the option grant.

| | 31 December 2024 | 31 December 2023 |
|---|---------------------|---------------------|
| Quoted options issued – Number of options | 145,337,297 | |
| Unquoted securities issued - Number of securities | 10,504,268 | 5,104,268 |
| | 155,841,565 | 5,104,268 |
| Value of listed options | 857,436 | - |
| Value of unlisted options | 218,791 | 167,982 |
| | 1,076,227 | 167,982 |

Movement in options reserve during the year:
Quoted options movement during the year

| | 31 December 2024 | | 31 December 2023 | |
|---|-------------------------|-----------|-------------------------|-----------|
| | Number | \$ | Number | \$ |
| Quoted options at beginning of year | - | - | - | - |
| Quoted options issued expiring 31 May 2029 exercisable at 5 cents | 145,337,297 | 857,436 | - | - |
| Total quoted at end of year | 145,337,297 | 857,436 | - | - |

Unquoted options movements during the year

| | 31 December 2024 | | 31 December 2023 | |
|---|-------------------------|-----------|-------------------------|-----------|
| | Number | \$ | Number | \$ |
| Unquoted options at beginning of year | 5,104,268 | 167,982 | 17,800,000 | 115,530 |
| Unquoted options issued expiring 10 March 2025 exercisable at 2.1 cents | - | - | 36,666,664 | - |
| Unquoted options issued expiring 12 November 2025 exercisable at 0.6 cents | - | - | 47,610,048 | 52,452 |
| Unquoted performance rights expiring 21 June 2027 subject to vesting conditions | 5,000,000 | 65,794 | - | - |
| Unquoted options lapse 8 October 2024 | (25,000) | - | - | - |
| Unquoted options lapse 4 June 2024 | (50,000) | (11,460) | - | - |
| Unquoted options lapse 15 March 2024 | (50,000) | (10,650) | - | - |
| Unquoted options issued to previous director expiring 28 February 2027 exercisable at 6.0 cents | 500,000 | 7,125 | - | - |
| Share consolidation 20:1 | - | - | (96,972,444) | - |
| | 10,479,268 | 218,791 | 5,104,268# | 167,982 |

Post 20:1 share consolidation

Information relating to the Advance Metals Limited's Share Option Plan (ESOP), including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of financial year, is set out in Note 24.

12. FOREIGN EXCHANGE TRANSLATION RESERVE

| | 31 December 2024 | 31 December 2023 |
|---|-------------------------|-------------------------|
| | \$ | \$ |
| Foreign exchange translation reserve | 976,257 | 285,931 |
| Movement in Foreign Exchange Translation Reserve | | |
| Balance at beginning | 285,931 | 368,874 |
| Foreign currency translation | 690,326 | (82,943) |
| Balance at end | 976,257 | 285,931 |

Nature and purpose of reserves
Foreign exchange translation reserve

The foreign exchange translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

13. COMMITMENTS

The Group did not have any commitments as of 31 December 2024 (December 2023: Nil).

14. CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as of 31 December 2024 (December 2023: Nil).

15. CASH FLOW INFORMATION

| | 12 months to 31 December 2024 \$ | 12 months to 31 December 2023 \$ |
|---|--|--|
| Loss after income tax | (950,668) | (713,408) |
| <i>Add / (less) non-cash items:</i> | | |
| Share based payments | 107,919 | - |
| Foreign exchange | 47,275 | - |
| Shares issued in lieu of payment of invoice | - | 50,163 |
| <i>Change in operating assets and liabilities</i> | | |
| Decrease in other receivables | 20,590 | 13,458 |
| (Increase) in other assets | (71,964) | - |
| Increase (decrease) in trade and other payables | 5,945 | (22,700) |
| Net Cash Used In Operating Activities | (840,903) | (672,487) |

Non-cash Investing Activities

There were no non-cash financing activities during the current year and the previous corresponding year.

16. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key Management Personnel Compensation

| | 31 December 2024 \$ | 31 December 2023 \$ |
|----------------------|------------------------|------------------------|
| Short-term benefits | 361,778 | 387,484 |
| Long-term benefits | 15,747 | - |
| Share based payments | 72,919 | - |
| | 460,444 | 387,484 |

(b) Loans to Key Management Personnel

There were no loans to key management personnel during the year.

17. RELATED PARTIES

Transactions with Related Entities

There were no transactions with related entities during the year and previous corresponding year.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

18. AUDITOR'S REMUNERATION

| | 31 December 2024 \$ | 31 December 2023 \$ |
|---------------------------------------|------------------------|------------------------|
| Audit of the Group | | |
| Hall Chadwick: | | |
| Audit and review of Financial Reports | 45,000 | 44,500 |
| Taxation services | 4,500 | 4,500 |
| | 49,500 | 49,000 |

19. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise deposits with banks, accounts receivable and payable and investments. The main purpose of these financial instruments is to raise cash for the Group's operations. The Group's policy is to manage its finance costs using a mix of fixed and variable interest rates.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, price risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rate prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, and liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the directors of the Group. They review and agree to policies for managing each of the risks identified below, including limits for approved instruments, transaction values, tenor and counterparties with whom the Group transacts. The Group does not enter into financial transactions for

the purpose of short-term trading.

(a) Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the Group's income or the value of its instruments which arises on floating rate instruments. The Group's exposure to market interest rates relates primarily to cash and cash equivalents.

At reporting date, the Group had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

| | Note | 31 December 2024 \$ | 31 December 2023 \$ |
|--------------------------|------|------------------------|------------------------|
| Financial Assets: | | | |
| Cash assets | 4 | 922,911 | 493,998 |
| | | 922,911 | 493,998 |

Interest rates over the 12-month period were analysed and a sensitivity analysis determined to show the effect on profit and equity after tax if the interest rates at the reporting date had been 1.0% higher or lower, with all other variables held constant. This level of sensitivity was considered reasonable given the current level of both short-term and long-term Australian interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At 31 December, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgments of reasonably possible movements:

| | Post Tax Profit Higher/(Lower) | | Equity Higher/(Lower) | |
|--------------|-----------------------------------|---------------------------|---------------------------|---------------------------|
| | 31 December 2024 \$ | 31 December 2023 \$ | 31 December 2024 \$ | 31 December 2023 \$ |
| Group | | | | |
| +1.00% | 9,229 | 4,940 | 9,229 | 4,940 |
| - 1.00% | (9,229) | (4,940) | (9,229) | (4,940) |

(b) Foreign currency risk

Foreign currency risk arises as a result of having instruments/cash flows denominated in a currency other than the functional currency. On balancing date, the Group had cash balances made up of Australian, United States and Canadian Dollars as follows:

| Currency | 31 December 2024 \$ | 31 December 2023 \$ |
|----------|------------------------|------------------------|
| AUD | 894,997 | 461,744 |
| USD | 27,914 | 31,264 |
| CAD | - | 990 |
| | 922,911 | 493,998 |

At 31 December, if the AUD:USD exchange rate had moved as illustrated in the table below with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgments of reasonably possible movements:

| | Post Tax Profit Higher/(Lower) | | Equity Higher/(Lower) | |
|--------------|-----------------------------------|---------------------------|---------------------------|---------------------------|
| | 31 December 2024 \$ | 31 December 2023 \$ | 31 December 2024 \$ | 31 December 2023 \$ |
| Group | | | | |
| +10.00% | 2,791 | 3,126 | 2,791 | 3,126 |
| - 10.00% | (2,791) | (3,126) | (2,791) | (3,126) |

At 31 December, if the AUD: CAD exchange rate had moved as illustrated in the table below with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgments of reasonably possible movements:

| | Post Tax Profit Higher/(Lower) | | Equity Higher/(Lower) | |
|--------------|-----------------------------------|---------------------|--------------------------|---------------------|
| | 31 December 2024 | 31 December 2023 | 31 December 2024 | 31 December 2023 |
| | \$ | \$ | \$ | \$ |
| Group | | | | |
| +10.00% | - | 99 | - | 99 |
| - 10.00% | - | (99) | - | (99) |

(c) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet contractual obligations. The Group does not hold any collateral.

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Receivable balances are monitored on an ongoing basis.

At 31 December 2024 the Group had a concentration of credit risk relating to cash deposits totalling \$922,911 (31 December 2023: \$493,998). Cash deposits are only held with banks and financial institutions who are independently rated parties with a minimum rating of 'A'. The Group had no other concentrations of credit risk with any single counterparty or group of counterparties.

(d) Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility.

The table below reflects the contractual maturity of fixed and floating rate financial liabilities. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing at 31 December 2024, the amounts disclosed represent undiscounted cash flows. The remaining contractual maturities of the financial assets and liabilities are:

| | ≤ 6 months | 6-12 months | 1-2 years | 2-5 years | 5+ years | Contractual cash flows | Carrying Amount |
|-------------------------------|----------------|----------------|--------------|--------------|-------------|---------------------------|--------------------|
| 31 December 2024 | \$ | \$ | \$ | \$ | \$ | \$ | |
| Receivables: | | | | | | | |
| Trade and other receivables | 311 | - | - | - | - | 311 | 311 |
| | 311 | - | - | - | - | 311 | 311 |
| 31 December 2023 | | | | | | | |
| Receivables: | | | | | | | |
| Trade and other receivables | 20,901 | - | - | - | - | 20,901 | 20,901 |
| | 20,901 | - | - | - | - | 20,901 | 20,901 |
| 31 December 2024 | | | | | | | |
| Financial Liabilities: | | | | | | | |
| Payables | 173,647 | - | - | - | - | 173,647 | 173,647 |
| | 173,647 | - | - | - | - | 173,647 | 173,647 |
| 31 December 2023 | | | | | | | |
| Financial Liabilities: | | | | | | | |
| Payables | 167,702 | - | - | - | - | 167,702 | 167,702 |
| | 167,702 | - | - | - | - | 167,702 | 167,702 |

20. SEGMENT INFORMATION

Identification of reportable operating segments

The Group operates mainly in Canada with the head office located in Australia.

The Group has identified its operating segment based on internal reports that are reviewed and used by the executive team in assessing performance and determining the allocation of resources. The Group does not yet have any products or services from which it derives an income.

Currently, management identifies the Group as having only two reportable segments, being the geographic location of assets in Canada and Australia.

| | Canada \$ | Australia \$ | Total \$ |
|---|------------------|------------------|------------------|
| Consolidated 12 Months Ended December 2024 | | | |
| Other revenue | | | |
| Interest income | - | 40,075 | 40,075 |
| Other income | - | - | - |
| | - | 40,075 | 40,075 |
| Expenses | | | |
| Employee expenses | (154,388) | (174,367) | (328,755) |
| Administration and others | (105,692) | (539,895) | (645,587) |
| Foreign currency exchange difference | (16,148) | 23 | (16,125) |
| Impairment of receivables | - | (276) | (276) |
| Loss before income tax | (276,228) | (674,440) | (950,668) |
| Consolidated 12 Months Ended December 2023 | | | |
| Other revenue | | | |
| Interest income | - | 18,733 | 18,733 |
| Foreign currency exchange difference | - | - | - |
| | - | 18,733 | 18,733 |
| Expenses | | | |
| Employee expenses | (188,410) | (142,606) | (331,016) |
| Administration and others | (162,848) | (364,315) | (527,163) |
| Foreign currency exchange difference | (139) | 7 | (132) |
| Share based payments | - | - | - |
| Impairment of exploration expenditure | - | - | - |
| Impairment of receivables | - | 126,170 | 126,170 |
| Loss before income tax | (351,397) | (362,011) | (713,408) |

Below is an analysis of the Group's assets and liabilities from reportable segments:

Consolidated December 2024

| | | | |
|---------------------------|------------------|------------------|------------------|
| Current assets | 27,914 | 976,479 | 1,004,393 |
| Non- current assets | 6,664,364 | 1,153,970 | 7,818,334 |
| Total assets | 6,692,278 | 2,130,449 | 8,822,727 |
| Current liabilities | 69,885 | 103,762 | 173,647 |
| Non-current liabilities | - | - | - |
| Total liabilities | 69,885 | 103,762 | 173,647 |
| Net segment assets | 6,622,393 | 2,026,687 | 8,649,080 |

Consolidated December 2023

| | | | |
|---------------------------|------------------|----------------|------------------|
| Current assets | 31,016 | 493,090 | 524,106 |
| Non- current assets | 5,317,117 | - | 5,317,117 |
| Total assets | 5,348,133 | 493,090 | 5,841,223 |
| Current liabilities | 68,015 | 99,687 | 167,702 |
| Non-current liabilities | - | - | - |
| Total liabilities | 68,015 | 99,687 | 167,702 |
| Net segment assets | 5,280,118 | 393,403 | 5,673,521 |

21. SUBSEQUENT EVENT

On 6 January 2025, Advance Metals Limited announced that it had entered into two binding agreements to acquire high-grade mining projects in Australia and Mexico.

1. Myrtleford and Beaufort Gold Projects (Victoria, Australia)
 - a. Advance secured the right to acquire an 80 percent interest in these projects through a joint venture with Serra Energy Metals Corp.
 - b. The projects contain over 70 past-producing high-grade underground gold mines with significant exploration potential.
 - c. Consideration includes the issuance of shares in tranches, subject to shareholder approval at the 25 March 2025 general meeting.
2. Gavilanes Silver Project (Durango, Mexico)
 - a. Advance entered into an agreement with Sailfish Royalty Corp. to acquire a 100 percent interest in this silver project.
 - b. The project has a foreign estimate of 22.4 million ounces of silver equivalent at 245.6 g/t AgEq.
 - c. Consideration includes 16,800,000 fully paid ordinary shares and 33,600,000 performance rights, subject to shareholder approval.

On 18 February 2025, Advance Metals Limited completed a placement of 34,624,793 fully paid ordinary shares at an issue price of \$0.044 per share, raising \$1.524 million before costs.

On 25 March 2025, shareholders approved all resolutions at its General Meeting. The following securities have been issued on 28 March 2025.

1. 17,774,876 free attaching options to Placement Participants;
2. 9,462,191 Shares to Serra Energy Metals Corp;
3. 1,448,676 Shares to Horizon Capital Ltd;
4. 2,668,182 Options exercisable at 7.5c on or before 28 March 2028 Options to AFSL holders;
5. 17,854,976 Performance Rights to Directors of the Company; and
6. 2,500,000 Performance Rights to Sixty Two Capital Pty Ltd.

No matter or circumstance other than these has arisen since 31 December 2024 that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in financial years subsequent to 31 December 2024.

22. DIVIDENDS AND FRANKING CREDITS

There were no dividends paid or recommended during the financial year. There were no franking credits available to the shareholders of the Group.

23. PARENT ENTITY INFORMATION

The parent in Australia, and ultimate parent entity, is Advance Metals Limited.

| | 31 December 2024 \$ | 31 December 2023 \$ |
|----------------------------|------------------------|------------------------|
| Current assets | 976,479 | 494,720 |
| Non-current assets | 10,597,996 | 8,514,219 |
| Total assets | 11,574,475 | 9,008,939 |
| Current liabilities | 103,762 | 99,687 |
| Non-current liabilities | - | - |
| Total liabilities | 103,762 | 99,687 |
| Net assets | 11,470,713 | 8,909,252 |
| Contributed equity | 21,818,688 | 19,513,142 |
| Options reserve | 1,076,227 | 167,982 |
| Reserves | 266,594 | 266,594 |
| Accumulated losses | (11,690,796) | (11,038,466) |
| Total equity | 11,470,713 | 8,909,252 |
| Loss after income tax | (674,440) | (362,312) |
| Other comprehensive income | - | - |
| Total comprehensive income | (674,440) | (362,312) |

(a) Guarantees entered into by the parent entity

The parent entity has not provided any financial guarantees as at 31 December 2024 (31 December 2023: \$Nil).

(b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2024 or 31 December 2023.

(c) Contractual commitments for acquisition of property, plant and equipment

As at 31 December 2024, the parent entity did not have any contractual commitments for the acquisition of property, plant or equipment.

(d) Significant investment in subsidiaries:

| Name | Formation / Incorporation | Class of Share | Interest Held % ¹ | |
|--|---------------------------|----------------|------------------------------|---------------|
| | | | December 2024 | December 2023 |
| Primary Power Pty Ltd (formerly Pacific American Hydro Pty Ltd) | Australia | Ordinary | 100 | 100 |
| Texas and Oklahoma Coal Company (USA) LLC ² | USA | Ordinary | 100 | 100 |
| Pacific American Coal Ltd (formerly Texas and Oklahoma Coal Company Ltd ²) | British Virgin Island | Ordinary | 100 | 100 |
| Pacific American Coal Canada Ltd (formerly Texas and Oklahoma Coal Company (Canada) Ltd ²) | Canada | Ordinary | 100 | 100 |
| Texas and Oklahoma Coal Company Pickaxe Exploration LLC ² | USA | Ordinary | 100 | 100 |
| Pacific American Gold Western Australia Pty Ltd | Australia | Ordinary | 100 | 100 |
| Girgar Operaciones, S.A. DE C.V. | Mexico | Ordinary | 100 | - |

¹ Percentage of voting power is in proportion to ownership being a combined direct and indirect holding.

² These companies have a 30 June reporting date.

24. SHARE BASED PAYMENTS

Equity based instruments – Options

Employee option plan

The Advance Metals Limited Directors and Employee Option Incentive Plan (“the Employee Plan”) was last approved by shareholders at the annual general meeting held 31 May 2021.

Options granted to Company employees are issued under the Employee Plan. Options are granted under the Employee Plan for no consideration and once capable of exercise entitle the holder to subscribe for one fully paid ordinary share upon exercise, at the exercise price.

Options granted under the Employee Plan that have not vested at the time an option holder becomes ineligible (i.e. no longer an employee), are forfeited and not capable of exercise. When an option holder becomes ineligible and the options have already vested then the option holder has 3 months to exercise or they expire. Options must be exercised by the expiry dates or they lapse.

At 31 December 2024 there were 870,000 (post consolidation) (2023: 890,000) unquoted employee options over ordinary shares.

25. INTERESTS IN OTHER ENTITIES

Individually immaterial associates

The Group has an interest in Metals Finance Africa Ltd that is accounted for as an associate. No amounts are recognised in the accounts of the Group as the Group’s interest has been reduced to zero and additional losses are not provided for as the Group has not incurred legal or constructive obligations or made payments on behalf of Metals Finance Africa Ltd.

Should Metals Finance Africa subsequently report profits, the Group will resume recognising its share of profits only after its share of the profits equals the share of losses not recognised.

DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001* (Cth), the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the period ended on that date;
- the remuneration disclosures included in pages 16 to 19 of the Directors' Report (as part of audited Remuneration Report), for the year ended 31 December 2024, comply with section 300A of the *Corporations Act 2001*;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

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

Signed for and on behalf of the directors by:



Craig Stranger, Chairman

Date 28 March 2025

Sydney

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year as required by the Corporations Act 2001 (s.295 (3A) (a)).

At 31 December 2024

| Entity Name | Entity Type | Place formed or Incorporation | % of share capital held | Tax residency | |
|--|----------------|-------------------------------|-------------------------|----------------------|-------------------------|
| | | | | Australia or foreign | Foreign jurisdiction |
| Primary Power Pty Ltd | Body corporate | Australia | 100 | Australia | N/A |
| Texas and Oklahoma Coal Company (USA) LLC | Body corporate | USA | 100 | Foreign | USA |
| Pacific American Coal Ltd (formerly Texas and Oklahoma Coal Company Ltd) | Body corporate | British Virginia Island | 100 | Foreign | British Virginia Island |
| Pacific American Coal Canada Ltd | Body corporate | Canada | 100 | Foreign | Canada |
| Texas and Oklahoma Coal Company Pickaxe Exploration LLC | Body corporate | USA | 100 | Foreign | USA |
| Pacific American Gold Western Australia Pty Ltd | Body corporate | Australia | 100 | Foreign | N/A |
| Girgar Operaciones, S.A. DE C.V. | Body corporate | Mexico | 100 | Foreign | Mexico |

Key assumptions and judgements

Determination of Tax Residency

Section 295(3A) of the Corporations Acts 2001 required that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency: The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency: The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

**ADVANCE METALS LIMITED
ABN 83 127 131 604
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF ADVANCE METALS LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Advance Metals Limited (the company) and controlled entities (the group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, consolidated entity disclosure statement and the director's declaration.

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

- (a) giving a true and fair view of the group's financial position as at 31 December 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial report, which indicates that the group incurred a loss of \$950,668 and had operating cash outflows of \$840,903 during the year ended 31 December 2024. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate the existence of a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

| ADELAIDE | BRISBANE | DARWIN | MELBOURNE | PERTH | SYDNEY |
|------------------|-------------------|--------------------|--------------------|-------------------|-----------------|
| Level 9 | Level 4 | Level 1 | Level 14 | Level 11 | Level 40 |
| 50 Pirie Street | 240 Queen Street | 48-50 Smith Street | 440 Collins Street | 77 St Georges Tce | 2 Park Street |
| Adelaide SA 5000 | Brisbane QLD 4000 | Darwin NT 0800 | Melbourne VIC 3000 | Perth WA 6000 | Sydney NSW 2000 |
| +61 8 7093 8283 | +61 7 2111 7000 | +61 8 8943 0645 | +61 3 9820 6400 | +61 8 6557 6200 | +61 2 9263 2600 |

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ADVANCE METALS LIMITED
ABN 83 127 131 604
AND ITS CONTROLLED ENTITIES

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF ADVANCE METALS LIMITED**

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 31 December 2024. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER

**HOW OUR AUDIT ADDRESSED THE KEY
AUDIT MATTER**

Carrying value of deferred exploration and evaluation costs

Refer to Note 8 Deferred Exploration and Evaluation Costs' and Note 1(b) Critical Accounting Estimates and Judgements

As at 31 December 2024 the group's statement of financial position includes capitalised exploration and evaluation assets amounting to \$7,625,313.

This is a key audit matter due to significant management judgement applied in determining whether capitalised exploration and evaluation expenditure meets the requirements of Accounting Standard AASB 6 "Exploration for and Evaluation of Mineral Resources".

Our audit procedures included, amongst others:

- Evaluating the nature of the type of the exploration and evaluation expenditure that was capitalised to verify such expenditure had met the capitalisation criteria as prescribed in AASB 6.
- Assessing the renewal of exploration licences to confirm exploration licences are current.
- Verifying a sample of additions of capitalised exploration and evaluation expenditure incurred during the year to supporting documentation.
- Conducting a review for any impairment indicators to assess the carrying value of capitalised exploration expenditure.
- Reviewing the adequacy of disclosure in relation to the carrying value of capitalised exploration and evaluation assets.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the group's annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**ADVANCE METALS LIMITED
ABN 83 127 131 604
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF ADVANCE METALS LIMITED**

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

**ADVANCE METALS LIMITED
ABN 83 127 131 604
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF ADVANCE METALS LIMITED**

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

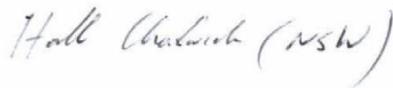
Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of Advance Metals Limited for the year ended 31 December 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



ANTHONY TRAVERS

Partner

Dated: 28 March 2025

ADDITIONAL SECURITY HOLDER INFORMATION

The information set out below was prepared as at 26 March 2025.

1. Class of Shares and Voting Rights

There are currently 878 holders of the Company's ordinary fully paid shares.

The voting rights attaching to ordinary shares set out in the Company's Constitution are:

- (a) On a show of hands each person present as a member, proxy, attorney or representative has one vote; and
- (b) On a poll each member present in person or by proxy, attorney or representative has:
 - (i) one vote for each fully paid share held by him; and
 - (ii) in respect of each partly paid share held by him, a fraction of a vote equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call shall be ignored when calculating the proportion.

2. Distribution of Shareholders

| Holdings Ranges | Number Holders | Number of Shares | Percentage of Total Shares |
|--|----------------|--------------------|----------------------------|
| 1-1,000 | 320 | 101,958 | 0.06 |
| 1,001-5,000 | 175 | 460,024 | 0.27 |
| 5,001-10,000 | 66 | 527,949 | 0.31 |
| 10,001-100,000 | 189 | 7,735,698 | 4.59 |
| 100,001-9,999,999,999 | 128 | 159,673,545 | 94.76 |
| Totals | 878 | 168,499,174 | 100.00 |
| Minimum \$ 500.00 parcel (share price 4.8 cents) | 565 | 1,132,204 | 0.56 |

3. Substantial Shareholders

| Substantial Holder Name | Balance of Shares Held | Percentage of Total Shares |
|-------------------------|------------------------|----------------------------|
| MS CHUNYAN NIU | 15,585,526 | 9.25% |
| MRS IFRAH NISHAT | 14,586,718 | 8.66% |
| MR DAVID DOMINIC PEVCIC | 14,836,346 | 8.80% |

4. Largest Twenty Shareholders and Option holders

| | Holder Name | Balance of Shares Held | Percentage of Total Shares |
|----|--|------------------------|----------------------------|
| 1 | MS CHUNYAN NIU | 17,679,644 | 8.704% |
| 2 | MRS IFRAH NISHAT | 14,586,718 | 7.181% |
| 3 | MR BIN LIU | 8,118,491 | 3.997% |
| 4 | NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C> | 7,850,197 | 3.865% |
| 5 | CAP HOLDINGS PTY LTD <CAP A/C> | 7,692,308 | 3.787% |
| 6 | MR FADI DIAB | 7,692,307 | 3.787% |
| 7 | SHARESIES AUSTRALIA NOMINEE PTY LIMITED | 6,327,840 | 3.115% |
| 8 | MR MING YIU KO | 6,000,000 | 2.954% |
| 9 | QUIETEK INTERNATIONAL PTY LTD | 5,000,000 | 2.462% |
| 10 | MR DAVID DOMINIC PEVCIC | 4,414,050 | 2.173% |
| 11 | VEL LATINA INVEST AG | 4,250,000 | 2.092% |
| 12 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT> | 3,952,740 | 1.946% |
| 13 | MR JOSHUA GORDON | 3,307,693 | 1.628% |
| 14 | MR BILAL AHMAD | 3,030,000 | 1.492% |
| 15 | KOBALA INVESTMENTS PTY LTD <FERNANDO EDWARD FAMILY A/C> | 2,860,000 | 1.408% |
| 16 | MR SUFIAN AHMAD | 2,272,727 | 1.119% |
| 17 | MR ROY ALAN GILMORE & MRS SOPHIE ANNE GILMORE | 2,270,000 | 1.118% |
| 18 | BNP PARIBAS NOMS PTY LTD | 2,254,842 | 1.110% |
| 19 | MR NING HAN & DR MIN RU QIU <HQSUPER FUND A/C> | 2,050,000 | 1.009% |
| 20 | THE CODE FLAG Z TRADING COMPANY PTY LTD <THE EASE VANG SUPER FUND> | 2,000,000 | 0.985% |
| | | 113,609,557 | 55.931% |

| | Top 20 listed Option Holder Name listed options exercisable at \$0.05 with an expiry date of 31 May 2029 | Balance of Unlisted Options Held | Percentage of Total Options |
|----|--|----------------------------------|-----------------------------|
| 1 | MR DAVID DOMINIC PEVCIC | 14,836,346 | 10.208% |
| 2 | MRS IFRAH NISHAT | 14,586,718 | 10.036% |
| 3 | MS CHUNYAN NIU | 14,340,526 | 9.867% |
| 4 | MR BIN LIU | 10,085,820 | 6.940% |
| 5 | MR SUFIAN AHMAD | 10,000,000 | 6.881% |
| 6 | CAP HOLDINGS PTY LTD <CAP A/C> | 7,692,308 | 5.293% |
| 7 | MR FADI DIAB | 7,692,307 | 5.293% |
| 8 | KOBALA INVESTMENTS PTY LTD <FERNANDO EDWARD FAMILY A/C> | 7,200,000 | 4.954% |
| 9 | MR BILAL AHMAD | 4,500,000 | 3.096% |
| 10 | MATTHEW BURFORD SUPER FUND PTY LTD <BURFORD SUPERFUND A/C> | 4,193,475 | 2.885% |
| 11 | CLAYTON CAPITAL PTY LTD | 3,350,000 | 2.305% |
| 12 | MR JOSHUA GORDON | 3,307,693 | 2.276% |
| 13 | THE CODE FLAG Z TRADING COMPANY PTY LTD <THE EASE VANG SUPER FUND> | 3,200,000 | 2.202% |
| 14 | PAC PARTNERS SECURITIES PTY LTD | 2,076,923 | 1.429% |
| 15 | JBM TRADING PTY LTD | 2,000,000 | 1.376% |
| 16 | HARSHELL INVESTMENTS PTY LTD <KAPLAN FAMILY A/C> | 2,000,000 | 1.376% |
| 17 | MISS IFRAH NISHAT | 1,950,000 | 1.342% |
| 18 | MR CRAIG RUSSELL STRANGER | 1,731,194 | 1.191% |
| 19 | 952I CAPITAL PTY LTD | 1,346,154 | 0.926% |
| 20 | MR SCOTT ARTHUR CLUFF <THE CLUFF OPERATING A/C> | 1,250,000 | 0.860% |
| | | 117,339,464 | 80.736% |

5. Restricted Securities

The Company has no restricted securities.

6. On-market Buy Back

There is no current on-market buy back.

7. Corporate Governance Statement

The Company's Corporate Governance statement is available for members to download and access from www.advancemetals.com.au

8. Mining Tenements at 31 December 2024

| Location | Tenement Reference | Ownership |
|--------------------------|--|-----------|
| British Columbia, Canada | Licences 418648,418649 and 418650 | 100% |
| Idaho USA | Federal Lode Claims AC01-AC24 | 100% |
| Idaho USA | Federal Lode Claims GC01-GC147 | 100% |
| Arizona USA | Claims AUG001-AUG072 | 100% |
| Mexico | Yoquivo Silver Project, Chihuahua Mexico, Concession Title No. 214876, 223499, 2200851, 217475, 216491, 217476, 218071 | 100% |

9. Securities Exchange Listing

The Company's ordinary shares (ASX: AVM) are listed on the Australian Securities Exchange. Home exchange is Sydney, Australia.

10. Securities Registrar

Boardroom Pty Limited
Level 8, 210 George Street
Sydney, NSW, 2000
Telephone: +61 2 9290-9600
Facsimile: +61 2 9279-0664
Website: www.boardroomlimited.com.au

11. Registered Office

Suite 706, Level 7
89 York Street
Sydney 2000
Telephone: +61 2 8964 4373

12. Auditor

Hall Chadwick
Level 40, 2 Park Street
Sydney 2000

13. Company Secretary

Jay Stephenson