

24 September 2024

ASX Listing Compliance
ASX Limited
20 Bridge Street
Sydney NSW 2000

via email: ListingsComplianceSydney@asx.com.au

Dear Sir

Advance Metals Limited (“AVM”): Cleansing Notice – Aware Query

We refer to your letter dated 20 September 2024 containing specific queries in relation to Advance Metals Limited’s (“AVM”) announcement “Cleansing Notice” lodged on the ASX Market Announcement Platform and released at 10.00AM on 17 September 2024 (the “Announcement”), disclosing that AVM had issued 33,086,731 fully paid ordinary shares and 62,461,526 listed options exercisable at \$0.05 with an expiry date of 31 May 2029 (the “Cleansing Notice”) seeking to cleanse for secondary sale purpose the securities issued under the Appendix 2A and Cleansing Notice, and stating that there is no excluded information, as defined in sections 708A(7) and 708A(8) of the Corporations Act 2001 (the “Act”) as of the date of the Cleansing Notice.

AVM’s announcement titled “High Grade Gold Assays – Augustus Project, Arizona” lodged on MAP and released at 8.59AM on 19 September 2024, disclosing significant high grade gold assays, including 0.5M @116g/t Au in channel samples across the vein at its Augustus polymetallic deposit in Arizona (the “Announcement”)

The change in price of AVM’s securities from \$0.023 at the close of trading on 18 September 2024 to a high of \$0.034 following release of the Announcement, and the significant increase in the volume of AVM’s securities traded on 19 September 2024.

Please find below responses to your questions:

- 1 If AVM considers the Appendix 2A and Cleansing Notice to constitute a valid and effective “cleansing notice” please answer the following questions. ASX asks these questions because it appears that the Appendix 2A and Cleansing Notice may be defective pursuant to section 708A (10) (a) of the Act because AVM may have been in possession of “excluded information” as defined in sections 708A(7) and (8) of the Act at the time AVM lodged the Appendix 2A and Cleansing Notice on MAP.*

AVM considers that the Appendix 2A’s and Cleansing Notice to be valid and effective.

The three Appendix 2A’s were released by MAP at 9.19am, 9.27am and 9.32am. The issue of these securities the subject of the three Appendix 2A’s was announced on 12 June 2024 and were approved by shareholders at the general meeting held on 5 September 2024.

The Cleansing Notice was released by MAP at 10.00am following the release of the three Appendix 2A’s.

1.1 Does AVM consider the content of the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities; or information which constitutes “excluded information” as defined in sections 708A(7) and (8) of the Act?

No, because the rock chip sampling is consistent with previously announced rock chip samples (refer to Appendix B of AVM’s 30 August 2024 announcement).

The reason the information was released and marked market sensitive was to distinguish the announcement from a routine procedural disclosure.

1.2 When did AVM first become aware of the Announcement information? In answering this question, please specify the date and time when AVM first became aware of the Announcement information or any part thereof, including when AVM first became aware of the Announcement information or any part thereof, including when AVM received and subsequently analysed the assay results disclosed in the Announcement.

AVM first became aware of the Announcement information shortly after 10am AEST on 17 September, after it received the Announcement information from its United States based geological team (which consists of an AVM employee and a third-party consultant). The Board and Company Secretary received the email containing the Announcement information from its geological team at 9.51am on 17 September.

Prior to receipt of this email, AVM was unaware of the Announcement information itself or exactly when it would receive the Announcement information.

The first batch of the gold assays were received by AVM’s United States based geological team on August 23rd 2024. The assays were then processed through a rigorous quality control review by the team prior to fully interpreting and analysing the data, culminating in the results being sent to the Board on 17 September. The Board then reviewed the results, finalised an ASX announcement and released the announcement on 19 September.

1.3 If AVM first became aware of the Announcement before lodging the Appendix 2A and Cleansing Notice on MAP, did AVM rely on the provisions of Listing Rule 3.1A not to release the Announcement information before AVM lodged the Announcement on MAP?

AVM became aware of the Announcement information after the lodgement of the three Appendix 2A’s and Cleansing Notice.

1.4 Is AVM of the view that the Cleansing Notice was validly issued? If so, please explain the basis for that view. If not, please outline the remedial action AVM intends to take to address the defective issue of the Cleansing Notice.

Yes, for the reason given in question 1.3.

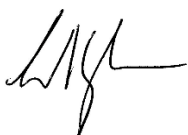
2 Please confirm that AVM complying with Listing Rules and, in particular, Listing Rule 3.1

AVM confirms that it is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.

- 3 Please confirm that AVM's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AVM with delegated authority from the board to respond to ASX on disclosure matters.

AVM confirms that the above responses have been authorised and approved by the board.

Yours faithfully
Advance Metals Limited



Wayne Kernaghan
Company Secretary



20 September 2024

Reference: 100305

Mr Wayne Kernaghan
Company Secretary
Advance Metals Limited
Suite 706, Level 7
89 York Street
Sydney NSW 2000

By email:

Dear Mr Kernaghan

Advance Metals Limited ('AVM'): Cleansing notice – Aware Query

ASX refers to the following:

- A. AVM's announcement titled 'Cleansing Notice' lodged on the ASX Market Announcements Platform ('MAP') and released at 10:00 AM on 17 September 2024, disclosing an issue of 33,086,731 fully paid ordinary shares and 62,461,526 listed options exercisable at \$0.05 with an expiry date of 31 May 2028 (the 'Cleansing Notice'), seeking to 'cleanse' for secondary sale purposes the securities issued under the Appendix 2A and Cleansing Notice, and stating that there is no excluded information, as defined in sections 708A(7) and 708A (8) of the *Corporations Act 2001* (the 'Act') as of the date of the Cleansing Notice.
- B. AVM's announcement titled 'High Grade Gold Assays – Augustus Project, Arizona' lodged on MAP and released at 8:59 AM on 19 September 2024, disclosing significant high grade gold assays, including 0.5m @ 116g/t Au in channel samples across the vein at its Augustus polymetallic deposit in Arizona (the 'Announcement').
- C. The change in price of AVM's securities from \$0.023 at the close of trading on 18 September 2024 to a high of \$0.034 following release of the Announcement, and the significant increase in the volume of AVM's securities traded on 19 September 2024.
- D. The definition of 'aware' in Chapter 19 of the Listing Rules. This definition states that:

'an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.'

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B 'When does an entity become aware of information'.

- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

'3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:

3.1A.1 One or more of the following 5 situations applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*

- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.'*

F. ASX's policy position on the concept of 'confidentiality' which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B 'Listing Rule 3.1A.2 – the requirement for information to be confidential'. In particular, the Guidance Note states that:

'Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.'

Request for information

Having regard to the above, ASX asks AVM to respond separately to each of the following questions and requests for information.

1. If AVM considers the Appendix 2A and Cleansing Notice to constitute a valid and effective 'cleansing notice', please answer the following questions. ASX asks these questions because it appears that the Appendix 2A and Cleansing Notice may be defective pursuant to section 708A (10)(a) of the Act because AVM may have been in possession of "excluded information" (as defined in sections 708A(7) and (8) of the Act at the time AVM lodged the Appendix 2A and Cleansing Notice on MAP.
 - 1.1 Does AVM consider the content of the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities; or information which constitutes 'excluded information' as defined in sections 708A(7) and (8) of the Act?
 - 1.2 When did AVM first become aware of the Announcement information? In answering this question, please specify the date and time when AVM first became aware of the Announcement information or any part thereof, including when AVM received and subsequently analysed the assay results disclosed in the Announcement.
 - 1.3 If AVM first became aware of the Announcement information before lodging the Appendix 2A and Cleansing Notice on MAP, did AVM rely on the provisions of Listing Rule 3.1A not to release the Announcement information before AVM lodged the Announcement on MAP?
 - 1.4 Is AVM of the view that the Cleansing Notice was validly issued? If so, please explain the basis for that view. If not, please outline the remedial action AVM intends to take to address the defective issue of the Cleansing Notice.
2. Please confirm that AVM complying with the Listing Rules and, in particular, Listing Rule 3.1.
3. Please confirm that AVM's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AVM with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **5:00 PM AEST Tuesday, 24 September 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AVM's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require AVM to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on MAP.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in AVM's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in AVM's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to AVM's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that AVM's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Yours sincerely

ASX Compliance