

QUARTERLY REPORT TO 31 DECEMBER 2023

Summary

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

Strategic Review and North American Fund Raising

- Northern Eagle Mining a Special Purpose Vehicle established to attract funding from North American and European Investors.
- Appointment of Frank Bennett Managing Director Northern Eagle Mining.

Augustus Polymetallic Project

- AVM reached a lease agreement with the owners of the Bullard Mine, an approximately 550-acre mining property that borders on AVM Augustus properties.
- Engineering review completed at property with a GAP Analysis.
- Geochemical Rock Chip sampling program completed:
- Significant assay results include:
 - AUG-23-008 - 11.97% Cu and 1.25% Zinc.
 - AUG-23-007 - 4.03% Cu, 21.67 g/t Au, 1.32% Zinc.
 - AUG-23-025 - 2.32% Cu, 8.12 g/t Au, 3.65% Zinc.
- Historical Drilling Identifies Copper from Surface to Depth.

Garnet Skarn

- 20Mt-30Mt @ 0.7% Copper defined at Garnet Skarn Deposit.
 - 4 new drill targets have been identified inside the project boundary.
- Surface Skarn Outcrops within AVM property boundaries confirm Skarn mineralisation potential at depth.
- New Geological interpretation identified potential skarn rafts from surface to depth.
- An exploration target zone 4 kilometres long by 0.5 kilometres wide has been defined.

Bandera Mining Company Joint Venture

- Reviewing critical minerals opportunities in Western USA.

Corporate

- The company raised \$500,000 from a placement and \$264,000 from a Shareholder Share Purchase Plan.
- Share Consolidation of 20-1 approved by shareholders at EGM held on 22 December 2023.

Advance Metals Limited

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Strategic Review and North American Fund Raising

AVM completed a strategic review of the business. As a result of the review, AVM restructured its US subsidiary into a Special Purpose Vehicle named Northern Eagle Mining LLC. Northern Eagle will allow direct investment by North American and European investors in the key projects in the portfolio, the Augustus Project in Arizona, and the Garnet Skarn Project in Idaho. Northern Eagle will have its own Board of Directors and will be managed by the US-based AVM Team. Frank Bennett has been appointed Managing Director of Northern Eagle Mining.

Advance Metals board has successfully implemented this strategy with other companies they have been involved with in the past which has led to a significant value uplift to shareholders. A recent example of this success can be seen with Cobalt Blue (previously Broken Hill Prospecting) whose market cap has grown significantly after a similar restructuring.

Augustus Polymetallic Project, Arizona

AVM reached a lease agreement with the owners of the Bullard Mine, an approximately 550-acre mining property that borders on AVM Augustus properties. The addition of the Bullard Mine adds another highly prospective copper\gold project to the AVM holdings in Arizona. Additionally, the Bullard Mine is patented land, which can be developed to mining operations more quickly than non-patented land.

The Company also completed an Engineering Review, with site visits to all prospective zones within the Augustus Project boundaries. Multiple outcrops and mineralized veins were observed during the site visit. The engineering review accessed the old underground mine workings and established locations for a Metallurgical sampling program.



AVM CEO Frank Bennett next to outcropping vein

Due to the advanced nature of the Augustus Project, confirmatory drilling and twinning of existing drill holes will occur after a Metallurgical sampling program has been completed. Unlike many other exploration projects, the Augustus Project has established mineralisation zones due to the large and diverse amount of historical exploration data and the unique land position.

The recent reviews allow AVM to expedite the project towards development and complete a Metallurgical sampling program that will be used for metallurgical studies and establishing processing flowsheets. Due to the amount of existing data, the Company is confident in the locations of vein systems as they have been mined historically. The Company is excited about the information gathered from the review and will update the market once the report has been completed.

During the period, AVM conducted a Technical Review and Analysis of the extensive data available from data collection performed in 1981 and 1984. The Company identified multiple target drilling zones for exploration work in 2024.

The Company also conducted an extensive rock chip sampling program at the Augustus Project. Geochemical analysis of the samples confirms the findings from the 1981 and 1984 exploration programs at Augustus. Results included samples up to 11% copper and up to 21g/t gold.

Geochemical Results

Geochemical Results for the Augustus Polymetallic Project are incredibly positive for the project's economic potential. Approximately 40% of rock samples demonstrate economically viable copper concentrations. Select rock samples show copper grades of up to 12% copper, with 11 samples assaying above 0.5% Cu. All collected rock samples are taken from surface units and feature some degree of mineralisation and economic interest for the project. The Company referenced the rock samples against XRF results and found a correlation for all sample locations across the property. The geochemical results of this sample analysis have upgraded the project's economic potential.

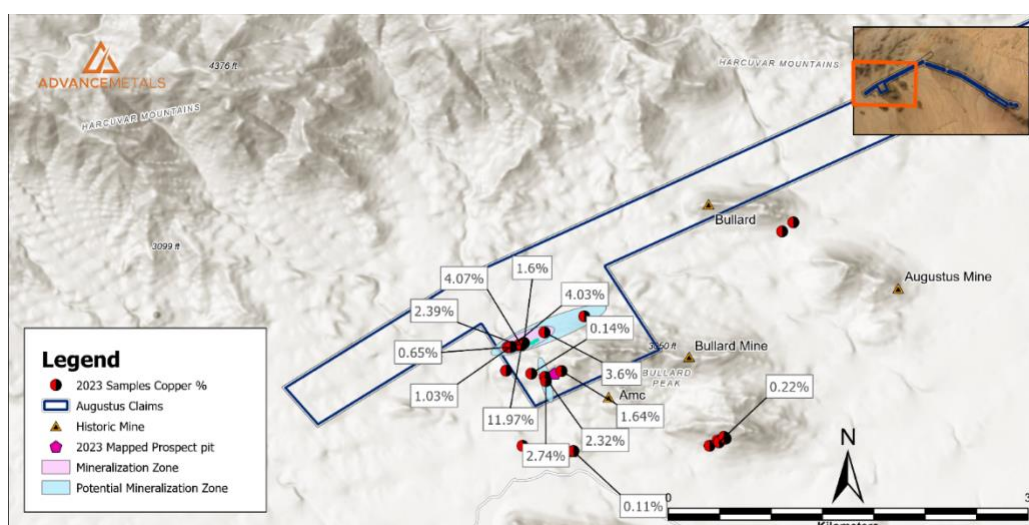


Figure 2: Select Copper Assay Samples

Element	Cu (%)	Au g/T	Ag g/T	Zn (%)
AUG-23-008	11.97	0.95	10.00	1.25
AUG-23-005	4.07	0.41	5.71	0.10
AUG-23-007	4.03	21.67	146.00	1.32
AUG-23-009	3.60	2.19	7.24	0.20
AUG-23-026	2.74	0.14	35.80	0.73
AUG-23-006	2.39	0.92	13.80	0.56
AUG-23-025	2.32	8.12	6.65	3.65
AUG-23-027	1.64	2.94	8.10	0.29
AUG-23-004	1.60	0.46	8.46	0.13
AUG-23-022	1.03	0.66	13.50	0.04
AUG-23-021	0.65	0.02	12.60	0.18

Table 1. Select Rock Chip Samples over 0.5% Copper.

Garnet Skarn

AVM has developed new JORC Exploration Targets of 20Mt-30Mt @ 0.7% Copper that demonstrate the increased economic potential of the Garnet Skarn Deposit. Recent exploration data and a historical technical review have allowed the Company to increase existing exploration targets for the Garnet Skarn Deposit. A new mineralisation zone has been established across the Property based on disseminated copper mineralisation in project units. The upgraded mineralisation target zone increases exploration potential in previously unexplored property sections.

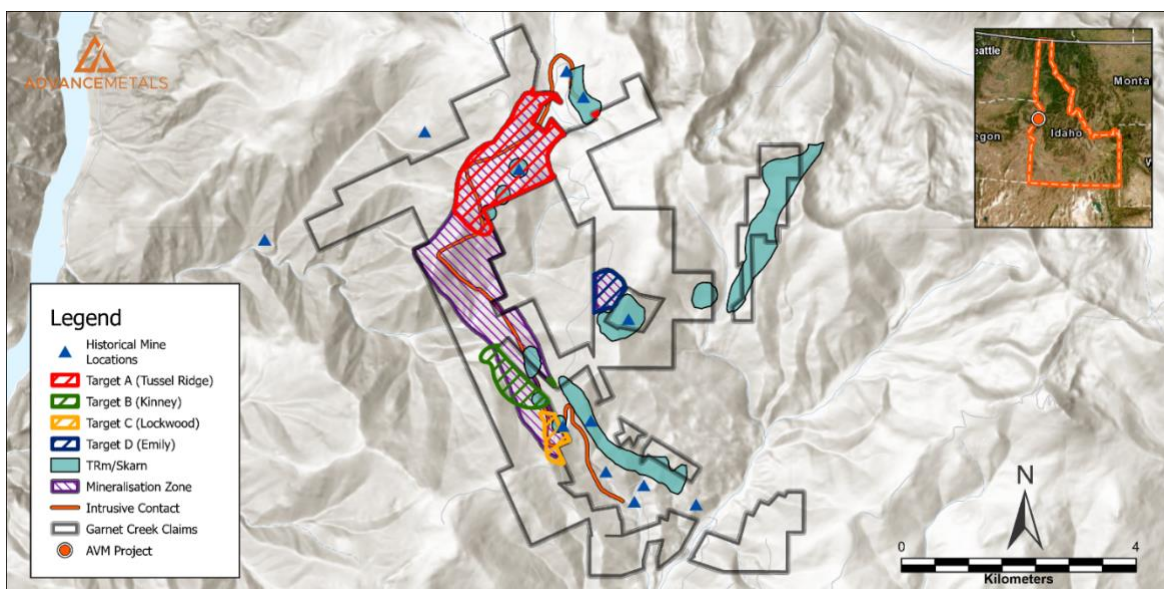


Figure 1: Garnet Creek Exploration Map

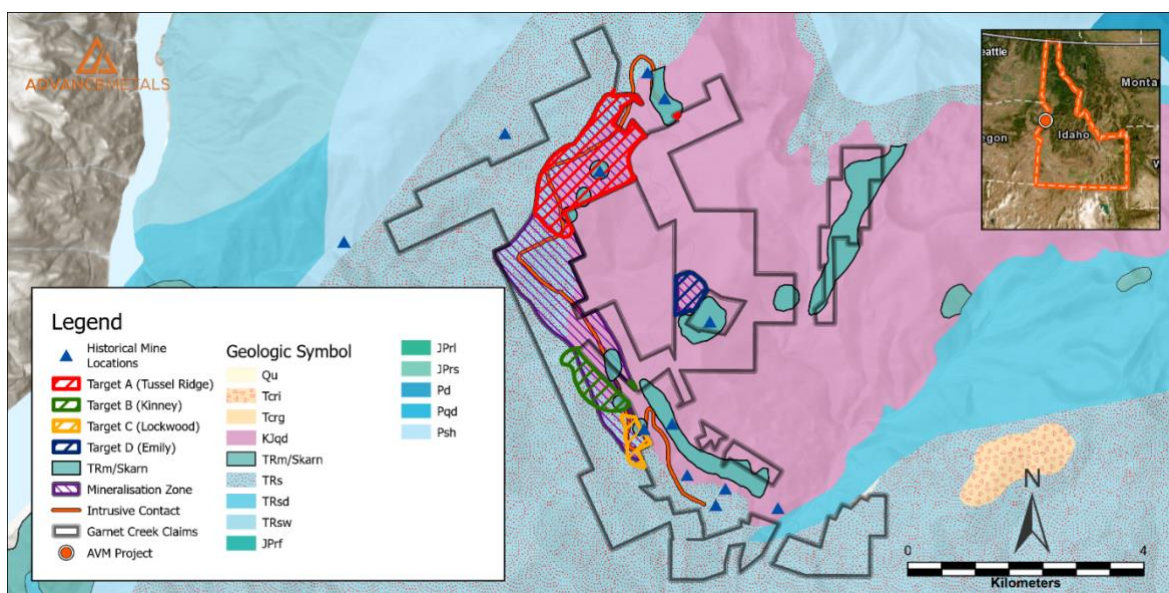


Figure 2: Garnet Creek Geological Map

Bandera Mining Company Joint Venture

Bandera Mining Company has completed a review of several critical minerals' projects in North America. The company has been focusing on Germanium projects. The Company is currently negotiating access with a large minerals and surface owner. Bandera will be independently funded by North American investors and the Company will update the market on the status of these projects once negotiations have been finalised.

Corporate

During the quarter the Company raised a total of \$746,000 . \$500,00 was raised via a placement and \$246,000 was raised by a Shareholder Share Purchase Plan.

The Company held an EGM on 22 December 2023 in which all resolutions were passed. This included a share consolidation based on a 20 to 1 consolidation.

Aggregate payments to related parties are included in item 6 of Appendix 5B. Item 6.1 relates to the payment of salaries, non-executive director fees and consulting fees for the quarter and previous quarter.

Focus for Next Quarter

During the next quarter, the Company will continue with scheduled exploration and fund-raising activities for the Garnet Skarn project in Idaho, and the Augustus Polymetallic project in Arizona. The Company will also continue to implement its new strategy, with a major focus on US-based copper projects in historic mining districts.

Tenements

A list of tenements held by AVM and its subsidiaries as of 31 December 2023.

	Tenement Reference	Nature of interest
Mining tenements held at the end of the quarter	Elko Coal Licenses in British Columbia, Canada. Licenses 418648, 418649 and 418650. Andersons Creek - Federal Lode Claims, Idaho, USA, Claims AC01-AC117 Garnet Creek - Federal Lode Claims, Idaho, USA, Claims GC01-GC147 Augustus Polymetallic – Federal Lode Claims, Arizona, USA Claims – AUG001 – AUG072	100% ownership
Mining tenements acquired during the quarter	Nil	Nil
Mining tenements relinquished during the quarter	Nil	Nil
Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter	Nil	Nil
Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed during the quarter	Nil	Nil

ASX Announcements

28/12/2023	Notification regarding unquoted securities - AVM
28/12/2023	Application for quotation of securities - AVM
22/12/2023	Results of Meeting
18/12/2023	Engineering Review and Mine Site Inspections - Augustus
30/11/2023	Change in substantial holding
28/11/2023	Change of Director's Interest Notice
27/11/2023	Application for quotation of securities - AVM
27/11/2023	Results of Share Purchase Plan
23/11/2023	Consolidation/Split - AVM
23/11/2023	Notice of General Meeting/Proxy Form
17/11/2023	Change in substantial holding
15/11/2023	Cleansing Notice
15/11/2023	Application for quotation of securities - AVM
13/11/2023	Proposed issue of securities - AVM
13/11/2023	Placement to raise \$500,000
10/11/2023	Update - Proposed issue of securities - AVM
9/11/2023	Closing date of Share Purchase Plan extended to 20 Nov 2023
9/11/2023	Historical Exploration Data and Technical Review - Augustus
1/11/2023	Historical Drilling Identifies Copper from surface to depth
31/10/2023	Quarterly Activities/Appendix 5B Cash Flow Report
23/10/2023	Change of Director's Interest Notice
23/10/2023	Share Purchase Plan Documentation
23/10/2023	Share Purchase Plan - Notice under ASIC
18/10/2023	Proposed issue of securities - AVM
18/10/2023	Security Purchase Plan
16/10/2023	Trading Halt
6/10/2023	AVM adds Prolific Bullard Property
5/10/2023	Outstanding Rock Chip Assay Results - Augustus Project

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

For more information, please contact:

Advance Metals Limited

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Chief Operating Officer: Dominic Hill
 Email: dhill@advancemetals.com.au

About Advance Metals Limited

Advance Metals Limited (ASX: AVM) is a copper-focused exploration company with a world-class portfolio of copper growth projects in mining-friendly jurisdictions of the United States. We seek to maximise shareholder value through the acquisition, discovery, and advancement of high-quality metals projects in North America. The Company utilises the expertise of our North American exploration team to identify underexplored and undervalued high-grade copper projects with significant geological potential.

The Company has 100% ownership of the Garnet Skarn Deposit, the Augustus Polymetallic Project, and the Anderson Creek Gold Project. More details are available on AVM's website, www.advancemetals.com.au.



AVM Project Locations

Previously Released Information

AVM confirms it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of exploration targets, that all material assumptions and technical parameters underpinning the exploration targets in the relevant market announcements continue to apply and have not materially changed. AVM confirms that the form and context in which the Competent Person's findings were presented have not been materially modified from the original market announcements.

Forward-Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices, or potential growth of the Company, are or may be forward-looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements.

The interpretations and conclusions reached in this announcement are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high they might be, make no claim for absolute certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk, or conclusions contained in this report will therefore carry an element of risk.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr. Jim Guilinger. Mr. Guilinger is a Member of a Recognized Overseas Professional Organisation included in a list promulgated by the ASX (SME Registered Member of the Society of Mining, Metallurgy and Exploration Inc).

Mr. Guilinger is Principal of independent consultants World Industrial Minerals LLC. Mr. Guilinger has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Guilinger consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Appendix 5B

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

Name of entity

Advance Metals Limited

ABN

83 127 131 604

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	136
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(191)	(552)
	(e) administration and corporate costs	(131)	(449)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	19
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(319)	(846)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(115)	(689)
	(e) investments	-	-
	(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(115)	(689)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	746	20
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	746	766

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	182	1,263
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(319)	(846)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(115)	(689)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	746	766

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	494	494

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	494	182
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	494	182

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	49*
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

¹. Payment of fees to Directors for Director and consulting fees for the quarter and the previous quarter.

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

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(319)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(115)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(434)
8.4	Cash and cash equivalents at quarter end (item 4.6)	494
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	494
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.14
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The company always monitors its cash position and it expects funding will be forthcoming via either equity or borrowings should it be required.		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes, the company expects to be able to continue its operations and meet its business objectives.		
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance statement

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

Date: 31 January 2024

Authorised by: The Board

Notes

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