

ADVANCE METALS

LIMITED



and its Controlled Entities
ABN 83 127 131 604



ANNUAL
REPORT



Table of Contents

DIRECTORY	3
SUMMARY OF ACTIVITIES	4
PROJECT ACTIVITIES	5
DIRECTORS' REPORT	11
AUDITOR'S INDEPENDENCE DECLARATION	21
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	22
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	23
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	24
CONSOLIDATED STATEMENT OF CASH FLOWS	25
NOTES TO THE FINANCIAL STATEMENTS	26
DIRECTORS' DECLARATION	45
CONSOLIDATED ENTITY DISCLOSURE STATEMENT	46
INDEPENDENT AUDITOR'S REPORT	47
ADDITIONAL SECURITY HOLDER INFORMATION	51

DIRECTORY

Registered Office

Suite 6
389 Oxford Street
Mount Hawthorn WA 6071
Telephone: +61 412 474 180
Website: www.advancemetals.com.au

Directors

David O'Connor (Non-Executive Chairman)
Adam McKinnon (Managing Director)
Craig Stranger (Non-Executive Director)

Company Secretary

Jay Stephenson

Share Registry

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

Bankers

National Australia Bank

Auditor

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

Investor enquiries

Jane Morgan Management
Telephone: +61 405 555 618
Email: jm@janemorganmanagement.com.au

Review of Operations

For the year ended 31 December 2025

Advance Metals Limited is an exploration company focused on the discovery and development of high-grade precious metal deposits across established mining jurisdictions in Mexico and Australia. The Company's strategy is centred on the acquisition and advancement of high-quality projects with the potential to host significant gold and silver mineralisation capable of supporting long-term development.

During the year ended 31 December 2025 the Company made substantial progress in building a diversified portfolio of exploration assets across the Sierra Madre Occidental precious metals belt in Mexico and the Victorian Goldfields in Australia. Activities during the year were directed toward systematic exploration, including drilling programs, geological modelling, historical data review and acquisition of additional high-grade projects.

The Company's portfolio at the end of the reporting period comprised the Myrtleford and Beaufort Gold Projects in Victoria, Australia, together with the Yoquivo Silver-Gold Project, Gavilanes Silver Project and Guadalupe y Calvo Gold-Silver Project in Mexico. These projects collectively provide exposure to multiple high-grade precious metals systems located within historically productive mining districts.

The reporting period was characterised by a series of significant exploration milestones, including the commencement of drilling programs in both Australia and Mexico, confirmation of high-grade mineralisation at several projects and the expansion of the Company's Mexican project portfolio through strategic acquisitions.

The Company also strengthened its financial position through successful capital raisings during the year, enabling the acceleration of exploration programs and positioning the Company to continue advancing its projects through 2026.

YOQUIVO SILVER-GOLD PROJECT

Chihuahua, Mexico

Project Overview

The Yoquivo Silver-Gold Project is located within the Sierra Madre Occidental volcanic belt in Chihuahua State, Mexico, a region recognised globally for its significant silver and gold endowment. The district hosts several major mining operations and numerous epithermal precious metals deposits.

Advance holds a 100% interest in the Yoquivo Silver-Gold Project, which was acquired in 2024. Exploration conducted by previous owners included more than 16,500 metres of drilling and resulted in the definition of a Foreign Estimate of 17.23 million ounces of silver-equivalent mineralisation.

The mineralisation at Yoquivo occurs within epithermal quartz-carbonate veins hosted by volcanic rocks. These veins are typically associated with high-grade silver and gold mineralisation, which has historically been mined from similar deposits across the Sierra Madre region.

The Company's exploration activities during the year were directed toward confirming and expanding the known mineralisation within the Pertenencia vein system while also testing additional structures identified through geological mapping.

Maiden Drilling Program

During the reporting period the Company completed its maiden drilling campaign at Yoquivo. The program consisted of eight diamond drill holes totalling approximately 3,111 metres and was designed to test extensions of the known mineralised zones along strike and at depth.

The drilling returned several broad intervals of silver-gold mineralisation confirming the continuity of the vein system. Notable intersections included 4.42 metres grading 446 grams per tonne silver equivalent and 40.57 metres grading 105 grams per tonne silver equivalent. Additional intervals included 23.83 metres grading 85 grams per tonne silver equivalent and 17.5 metres grading 111 grams per tonne silver equivalent.

Within the deeper portions of the Pertenencia vein system, drilling intersected particularly high-grade mineralisation including an interval grading more than 2,000 grams per tonne silver equivalent. These results indicate that the mineralised system remains open at depth and has the potential to expand beyond the limits of the existing Foreign Estimate.

The results of the maiden drilling program have significantly enhanced the Company's understanding of the geology and structural controls of mineralisation at Yoquivo. Towards the end of the period, a second drilling program commenced at Yoquivo and is currently ongoing.

Geological Modelling and Historic Core Resampling

In parallel with the drilling program, the Company commenced an extensive geological review of historical data associated with the Yoquivo project. This work included the relogging and resampling of historic drill core that had previously been only partially analysed.

More than five thousand metres of historic drill core were relogged during the year, with numerous additional samples collected for assay. Initial results from this work confirmed the presence of additional high-grade mineralisation that had not previously been recognised.

The integration of this new data into the geological model is expected to significantly improve the understanding of the mineralised system and support the preparation of an updated Mineral Resource Estimate in the future.

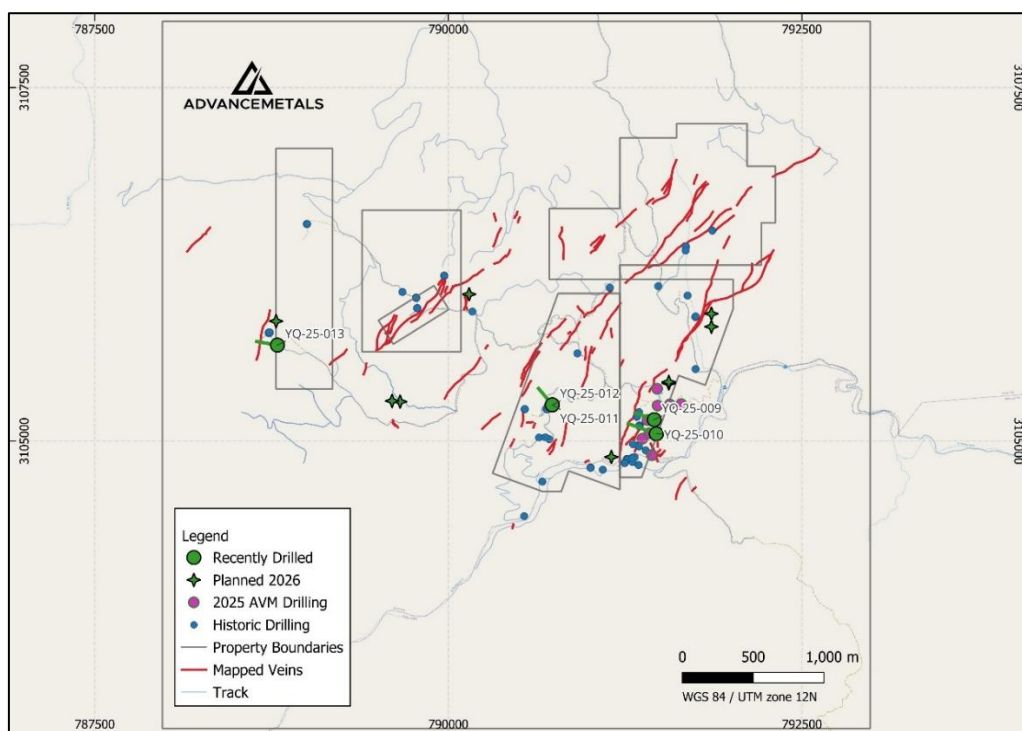


Figure 1. Plan of the Yoquivo Silver-Gold Project showing the location of drilling conducted towards the end of the reporting period (ASX AVM 18 December 2025).

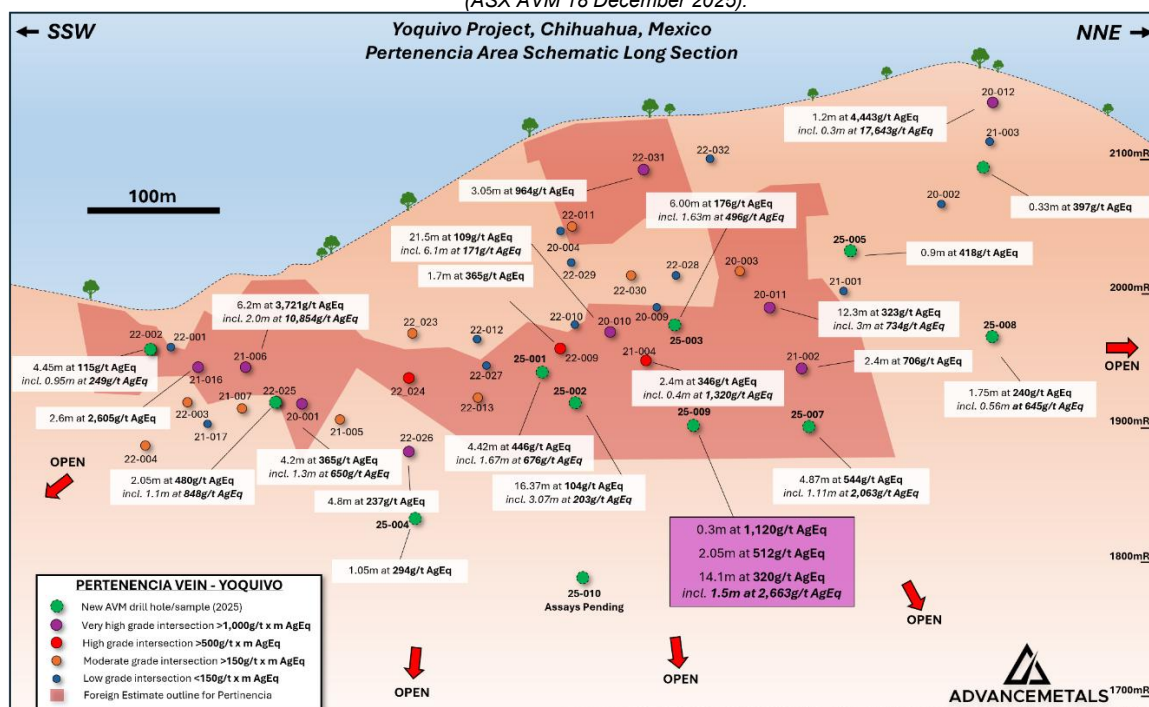


Figure 2. Schematic long section showing previous drill intersections at Pertenencia, colour-coded by silver-equivalent multiplied by down hole interval (g/t x m AgEq). Selected intersections are also highlighted on the long sections, as current Foreign Estimate outline (ASX AVM 22 January 2026).

GAVILANES SILVER PROJECT

Durango, Mexico

The Gavilanes Silver Project is located within the San Dimas mining district in Durango State, Mexico. The district is well known for its long history of precious metals production and hosts the San Dimas mine, one of Mexico's largest primary silver operations.

During the year the Company completed the acquisition of a 100% interest in the Gavilanes project. The project hosts high-grade epithermal silver mineralisation and includes a Foreign Estimate of approximately 2.83 million tonnes grading 246 grams per tonne silver-equivalent.

Following completion of the acquisition, the Company began planning exploration activities aimed at evaluating the potential for resource expansion and the identification of additional mineralised structures. Initial work programs are expected to include geological mapping, sampling and drilling.

GUADALUPE Y CALVO GOLD-SILVER PROJECT

Chihuahua, Mexico

During the year the Company secured the right to earn-in to a 100% interest in the Guadalupe y Calvo Gold-Silver Project from Endeavour Silver Corp. The project is located within the Sierra Madre Occidental belt and has a long history of mining dating back to the nineteenth century.

Historic mining operations within the district are estimated to have produced more than two million ounces of gold and approximately thirty-one million ounces of silver. Modern exploration undertaken during the early 2000s included extensive drilling programs which collectively totalled approximately 86,000 metres.

A Foreign Estimate prepared in 2021 outlines approximately 9.5 million tonnes grading 2.7 grams per tonne gold-equivalent containing approximately 816 thousand ounces of gold-equivalent. Subject to requisite exploration approvals, initial work programs are expected to include geological mapping, sampling and drilling.

MYRTLEFORD GOLD PROJECT

Victoria, Australia

Project Overview

The Myrtleford Gold Project is located within the Victorian Goldfields region of southeastern Australia, a province that has historically produced more than 80 million ounces of gold and remains one of the most prospective gold exploration districts in the country. The project comprises a large landholding covering numerous historic gold workings, including more than seventy past producing underground mines.

Advance entered into an agreement during the year to acquire up to an 80% interest in the Myrtleford and Beaufort tenements through a joint venture arrangement. The acquisition provided the Company with exposure to a historically productive high-grade gold district where modern exploration techniques have been limited.

The geology of the project area is characterised by structurally controlled quartz-sulphide vein systems hosted within folded and faulted sedimentary rocks typical of the Victorian Goldfields. These structures historically supported numerous high-grade underground operations that were developed during the late nineteenth and early twentieth centuries.

The Company's exploration strategy at Myrtleford is focused on identifying extensions of these high-grade lode systems through systematic drilling and structural interpretation.

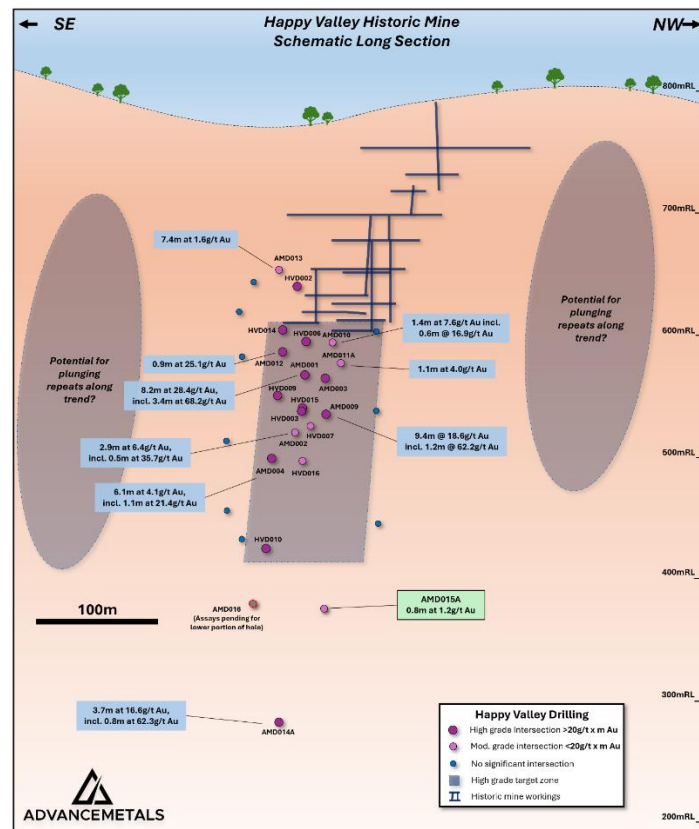


Figure 1. Schematic long section looking southwest showing previous drilling by Serra Energy Metals at Happy Valley (HVD-prefix) along with Advance's recently drilled holes (AMD-prefix) (ASX AVM 21 January 2026).

Happy Valley Prospect

Initial exploration activities during the year concentrated on the Happy Valley prospect, where previous drilling had identified extremely high-grade gold mineralisation associated with quartz-arsenopyrite veins.

Advance completed its maiden diamond drilling program at Happy Valley during the first half of the year, targeting extensions of historically drilled mineralisation. The program comprised four initial diamond holes designed to test the continuity of high-grade zones along strike and down plunge.

Results from the program confirmed the presence of strong gold mineralisation in each of the holes drilled. Several high-grade intersections were returned, demonstrating the continuity of mineralisation within the vein system and validating the geological model developed by the Company's technical team.

Among the most significant results were intersections of 8.2 metres grading 22.4 grams per tonne gold and 7.5 metres grading 47.9 grams per tonne gold. Within the latter interval an exceptionally high-grade zone returned 1.3 metres grading 271.6 grams per tonne gold. These results highlight the potential for the development of a coherent high-grade mineralised system within the project area.

The mineralisation is interpreted to be associated with a series of steeply dipping quartz veins that form part of a broader structural corridor. Geological interpretation suggests that the mineralised system remains open both down plunge and along strike, providing considerable potential for further discoveries through continued drilling.

Twist Creek Area

In addition to drilling at Happy Valley, the Company also undertook exploration activities within the Twist Creek area located approximately 45 kilometres north-northwest of the main prospect area. Historical exploration had identified several gold-bearing structures within this region but these had not been extensively drilled using modern techniques.

A series of shallow diamond holes were completed to test the presence of mineralised structures within the Twist Creek trend. Although the grades encountered were generally lower than those returned at Happy Valley, the drilling confirmed the presence of gold mineralisation within the area and demonstrated the broader prospectivity of the Myrtleford tenement package.

These results provide encouragement that multiple mineralised systems may exist across the project area, supporting the Company's strategy of undertaking systematic exploration across the broader landholding.

Ongoing Exploration and Drilling Expansion

Following the success of the initial drilling campaign at Happy Valley, the Company commenced a follow-up drilling program aimed at extending the mineralised system. This program included deeper drilling designed to test the vertical extent of the mineralisation and additional holes targeting potential parallel structures.

Subsequent drilling confirmed that gold mineralisation extends significantly deeper than previously recognised, with mineralised intercepts recorded at depths exceeding 500 metres below surface. Visible gold mineralisation was observed in several holes, reinforcing the high-grade nature of the system.

The Company also mobilised a second diamond drill rig later in the year to accelerate exploration activities and to test additional targets along the broader Happy Valley trend. These activities represent an important step toward defining the scale of the mineralised system and assessing its potential to support a future mineral resource.

The Company believes that significant exploration upside exists within the project area due to the scale of the mineralised system and the presence of multiple untested structural targets. Future exploration programs are expected to focus on drilling extensions of known mineralisation and testing additional vein systems identified through geological mapping.

CORPORATE ACTIVITIES

Capital Raising

During the year the Company strengthened its financial position through a series of capital raisings that were undertaken to support exploration activities across its project portfolio.

Early in the year the Company completed a placement raising approximately \$1.52 million to fund initial drilling activities at the Myrtleford and Yoquivo projects. A further placement completed during the middle of the year raised approximately \$2.55 million to continue exploration programs.

Subsequent to these raisings, the Company completed a significantly larger institutional placement raising approximately \$13 million. The proceeds of this raising provide a strong funding platform for the expansion of exploration programs across the Company's projects.

Board and Management Changes

During the year the Company implemented several changes to strengthen its leadership and governance capabilities.

Adam McKinnon commenced as Managing Director and Chief Executive Officer, bringing significant experience in exploration and project development. Later in the year the Board was further strengthened with the appointment of David O'Connor as Non-Executive Chairman.

The Company also established a Mexican Advisory Board comprising experienced mining professionals with extensive knowledge of the region. The formation of this advisory board enhances the Company's technical capability and provides valuable strategic guidance for exploration activities in Mexico.

OUTLOOK

Advance enters 2026 with a strong portfolio of high-grade precious metals projects and a well-funded exploration program. The Company intends to continue systematic exploration across its portfolio with the objective of expanding known mineralisation and identifying new discoveries.

Key priorities for the coming year include further drilling at the Myrtleford Gold Project to define the scale of the high-grade system at Happy Valley, continued drilling and geological modelling at the Yoquivo Silver-Gold Project and the commencement of exploration activities at the Gavilanes and Guadalupe y Calvo projects.

The Board believes the Company is well positioned to generate significant exploration success through disciplined exploration and technical evaluation of its projects.

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 2025 (**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
David O'Connor Non-Executive Chairman Appointed 22 October 2025	David O'Connor has more than 40 years of international mining industry experience and has worked across a range of roles in mineral exploration and project development in multiple jurisdictions. He has been involved in the identification, acquisition and management of mineral projects and has participated in the establishment and development of several publicly listed resource companies. David holds a Bachelor of Science (Honours) in Geology from the University of Cape Town and a Master of Science (D.I.C.) in Mineral Exploration from the Royal School of Mines, London.
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.
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).
Joshua Gordon Non Independent Non -Executive Director Appointed 2 January 2025 - resigned 22 October 2025	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
Fadi Diab Non Independent Non -Executive Director Appointed 2 January 2025 – resigned 20 October 2025	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.

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 Practising Accountants Australia, A Fellow of the Governance Institute of Australia, 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
D O'Connor	1	1	-	-	-	-
A McKinnon	3	3	-	-	-	-
C Stranger	3	3	-	-	-	-
J Gordon	2	2	-	-	-	-
F Diab	2	2	-	-	-	-

In addition, the board met numerous times for informal meetings and resolved a number of matters by circular resolution.

4. PRINCIPAL ACTIVITIES

Advance Metals Limited is an exploration company focused on the acquisition, exploration and development of precious metals projects. During the year the Company's activities were directed toward the exploration and evaluation of its gold and silver projects located in Australia and Mexico, together with the identification and assessment of additional mineral exploration opportunities.

5. REVIEW OF OPERATIONS

The consolidated loss after income tax for the Group was \$7,361,194 (2024: \$950,668).

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 16 February 2026 the Company announced that it had entered into an agreement to sell its Elko Coking Coal Project located in the East Kootenay Basin of British Columbia, Canada. The transaction involves the sale of 100% of the issued share capital of Pacific American Coal Canada Ltd, a wholly owned subsidiary of the Company which holds the Elko coal licences.

The consideration for the transaction comprises C\$250,000 payable in cash at completion, C\$2,500,000 payable upon the grant of a mining licence and receipt of all regulatory permits required to enable development of the project, C\$2,500,000 payable upon the project achieving commercial production of two million tonnes per annum, and an ongoing royalty on coal produced and sold from the project.

Completion of the transaction occurred on 27 February 2026.

Other than the matter described above, there have been no other events subsequent to the reporting date that require disclosure in, or adjustment to, these financial statements.

10. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Whilst The Company intends to continue advancing exploration and development activities across its existing project portfolio, with a focus on progressing its precious metals assets in Australia and Mexico. Planned work programs are expected to include further drilling, geological modelling and resource evaluation activities aimed at expanding known mineralisation and identifying new exploration targets.

The Company will also continue to assess additional project acquisition opportunities that complement its existing portfolio and support long-term growth. The results of these activities will depend on exploration outcomes, market conditions and the availability of funding, and accordingly the Directors are not able to reliably estimate the expected results of operations for future financial periods. 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
D O'Connor	-	-	2,000,000
A McKinnon	9,444,984	166,667	1,684,992
C Stranger	9,231,000	1,731,194	-

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 288,364,516 unissued ordinary shares of the Company under option (2024: 155,841,565)

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 \$32,738 (2024: \$27,706) 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 2025 financial year were \$4,500 (2024: \$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:

- Craig Stranger – Non-Executive Director
- David O'Connor – Non-Executive Director
- Joshua Gordon – Non-Executive Director – resigned 22 October 2025

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 12%, 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:

	2025	2024	2023	2022
Net loss (\$)	(7,361,194)	(950,668)	(713,408)	(1,394,510)
Loss per share (cents)	(0.40)	(0.54)	(2.34)	(0.28)
Dividends / distributions (\$)	-	-	-	-
Share price at year end (\$)	\$0.15	\$0.034	0.038#	0.010
Market capitalisation (\$)	\$70,762,652	5,728,971	1,523,228#	5,800,441
Director & Key Management Personnel remuneration (\$)		650,910	387,484	417,468
# Post 20:1 share consolidation				

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

Employment Contracts

Dr Adam McKinnon is engaged as Managing Director and CEO under an executive services agreement with no fixed term. Under the agreement he receives fixed annual remuneration of \$325,000 plus statutory superannuation and is eligible to receive performance-based incentives comprising 5,054,976 performance rights, which vest subject to service and share price performance conditions approved by shareholders. The agreement may be terminated by the Company or Dr McKinnon with three months' notice, or immediately in the case of serious misconduct, and includes standard provisions relating to duties, confidentiality, intellectual property and other customary employment terms.

Mr David O'Connor, Non-Executive Chairman, is engaged under a letter of appointment and receives remuneration of \$125,000 per annum plus superannuation. He is also eligible to receive performance shares subject to share price performance conditions.

Mr Craig Stranger is engaged under a letter of appointment and receives remuneration of \$60,000 per annum plus superannuation.

Details of Key Management Personnel

Directors

Name	Position
D O'Connor	Non-Executive Chair – appointed 22 October 2025
A McKinnon	Managing Director – appointed 2 January 2025
C Stranger	Non-Executive Director
J Gordon	Non-Executive Director – appointed 2 June 2024 – resigned 22 October 2025
F Diab	Non-Executive Director – appointed 20 Sept 2024 – resigned 20 October 2025

Other Key Management Personnel

Name	Position
Jay 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:

		Short-Term Employee Benefits			Post-Employment	Share Based Payments Options/Performance Rights		Value of Options as a Proportion of Remuneration
Year		Salary & Fees	Bonus	Non-Monetary Benefits	Super-annuation Benefits		Total	
Key Management Personnel		\$	\$	\$	\$	\$	\$	%
Directors								
Adam Mckinnon	2025	324,995			40,681	84,183	449,859	18.71
	2024	-	-	-	-	-	-	-
Craig Stranger	2025	80,000			4,750	64,500	149,250	43.22
	2024	35,167	-	-	3,584	32,897	71,648	45.91
Joshua Gordon	2025	41,667			4,875	129,000	175,542	73.49
	2024	25,974	-	-	2,987	32,897	61,858	53.18
David O'Connor	2025	13,777				7,387	21,164	34.90
	2024	-	-	-	-	-	-	-
Fadi Diab	2025	34,284	-	-	-	123,250	157,534	78.24
	2024	15,634	-	-	-	-	15,634	-
G Hill	2025	-	-	-	-	-	-	-
	2024	30,000	-	-	-	-	30,000	-
K Middleton	2025	-	-	-	-	-	-	-
	2024	6,000	-	-	-	-	6,000	-
D Geldard	2025	-	-	-	-	-	-	-
	2024	25,938	-	-	-	7,125	33,063	21.55
M Sanderson	2025	-	-	-	-	-	-	-
	2024	25,938	-	-	-	-	25,938	-
Executives (Other)								
J Stephenson	2025	76,725	-	-	-	6,538	83,263	7.85
	2024	5,825	-	-	-	-	5,825	-
F Bennett	2025	-	-	-	-	-	-	-
	2024	128,302	-	-	9,176	-	137,478	-
W Kernaghan	2025	-	-	-	-	-	-	-
	2024	63,000	-	-	-	-	63,000	-
Total	2025	571,448	-	-	50,306	414,858	1,036,612	40.02
	2024	361,778	-	-	15,747	72,919	450,444	16.19

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 2025 (2024: \$Nil).

Compensation performance: Granted and vested during the year

5,054,976 Performance Rights were granted in March 2025 to Director A Mckinnon. At the end of the year, these Performance Rights remain unvested.

5,000,000 Performance Rights were granted in March 2025 to Director J Gordon. These Performance Rights vested in July 2025

2,500,000 Performance Rights were granted in March 2025 to Director C Stranger. These Performance Rights vested in July 2025

5,000,000 Performance Rights were granted in March 2025 to Director F Diab. These Performance Rights vested in October 2025.

15,000,000 Performance Rights were granted in July 2025 to all directors. These Performance Rights vested in October 2025.

5,000,000 Performance Rights were granted in June 2024 to Directors C Stranger and J Gordon. These Performance Rights vested in July 2025

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 2024	Other Changes During the Year	Held at 31 December 2025
2025			
Directors			
D O'Connor	-	-	-
Adam McKinnon	-	9,444,984	9,444,984
C Stranger	1,731,194	7,500,000	9,231,194
J Gordon	3,307,693	(3,307,693)	-
F Diab	7,692,307	(7,692,307)	-
Executives			
J Stephenson	-	-	-
W Kernaghan	750,001	(750,001)	-
Total	13,481,195	5,194,983	18,676,178
	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	2,809,112	(2,809,112)	-
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

Movement in Option holdings held by Key Management Personnel

No options were granted as remuneration in 2025

	Held at 31 December 2024	Options granted	Net Change Other	Held at 31 December 2025	Total Vested and Exercisable#
Directors					
D O'Connor	-	-	-	-	-
C Stranger	1,731,194	-	-	1,731,194	1,731,194
J Gordon	-	-	-	-	-
F Diab	-	-	-	-	-
Executives					
J Stephenson	-	-	-	-	-
Total	1,731,194	-	-	1,731,194	1,731,194

Movement in Performance Rights holdings held by Key Management Personnel

	Held at 31 December 2024	Granted	Converted to shares	Held at 31 December 2025	Total Vested and Exercisable#
Directors					
D O'Connor	-	2,000,000	-	2,000,000	-
A McKinnon	-	10,054,976	5,000,000	5,054,976	-
C Stranger	2,500,000	5,000,000	7,500,000	-	-
J Gordon	2,500,000	10,000,000	12,500,000	-	-
F Diab	-	7,500,000	7,500,000	-	-
Executives					
J Stephenson	-	1,000,000	-	1,000,000	-
Total	5,000,000	35,554,976	32,500,000	8,054,976	-

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

A handwritten signature in black ink, appearing to read 'A. McKinnon', with a stylized, flowing script.

Adam McKinnon

Managing Director

Date 30 March 2026

**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 2025, 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)
Level 40, 2 Park Street
Sydney NSW 2000



ANTHONY TRAVERS
Partner
Dated: 30 March 2026

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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www.hallchadwick.com.au

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Year Ended 31 December 2025

	Note	12 months to 31 December 2025 \$	12 months to 31 December 2024 \$
Other revenue:			
Interest and Other income		71,968	40,075
		<u>71,968</u>	<u>40,075</u>
Expenses:			
Employee expenses		(199,794)	(328,755)
Administration	12	(3,707,638)	(537,668)
Foreign currency exchange difference		99,074	(16,125)
Impairment	13	(2,443,179)	(276)
Lease of Movable Property		(31,705)	-
Share based payment		(1,149,920)	(107,919)
Loss before income tax		<u>(7,361,194)</u>	<u>(950,668)</u>
Income tax expense	2	-	-
Loss after income tax		<u>(7,361,194)</u>	<u>(950,668)</u>
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation differences		(415,490)	690,326
Total other comprehensive income		<u>(415,490)</u>	<u>690,326</u>
Total comprehensive income		<u>(7,776,684)</u>	<u>(260,342)</u>
Loss per share:			
Basic loss	3	(0.40)	(0.54)
Diluted loss	3	(0.40)	(0.54)
# 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 2025

	Note	31 December 2025 \$	31 December 2024 \$
Current Assets:			
Cash and cash equivalents	4	11,002,273	922,911
Trade and other receivables	5	31,480	311
Other assets	6	478,795	81,171
Total Current Assets		11,512,548	1,004,393
Non-Current Assets:			
Security deposits		179,293	193,021
Deferred exploration and evaluation costs	7	11,971,045	7,625,313
Property, Plant & Equipment		59,442	-
Total Non-Current Assets		12,209,780	7,818,334
Total Assets		23,722,328	8,822,727
Current Liabilities:			
Trade and other payables	8	1,009,143	173,647
Total Current Liabilities		1,009,143	173,647
Total Liabilities		1,009,143	173,647
Net Assets		22,713,185	8,649,080
Equity:			
Contributed equity	9	41,402,056	21,818,688
Options reserve	10	3,251,569	1,076,227
Foreign Exchange Translation Reserve	11	560,767	976,257
Accumulated losses		(22,501,207)	(15,222,092)
Total equity attributable to the equity holders of the Company		22,713,185	8,649,080

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 2025

	Contributed Equity	Options Reserve	Foreign Exchange Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
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)
Unquoted options issued during the year	-	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
Comprehensive income					
Loss after income tax for the year	-	-	-	(7,361,194)	(7,361,194)
Foreign currency translation differences for foreign operations	-	-	(415,490)	-	(415,490)
Total comprehensive income for the year	-	-	(415,490)	(7,361,194)	(7,776,684)
Transactions with owners in their capacity as owners					
Issue of share capital	20,333,269	-	-	-	20,333,269
Share issue costs	(1,301,645)	-	-	-	(1,301,645)
Unquoted securities issued during year		2,742,665		-	2,742,665
Quoted securities issued during the year		66,500		-	66,500
Quoted options converted into shares	49,200	(49,200)		-	-
Unquoted options lapsed		(82,079)		82,079	-
Performance rights converted into shares	502,544	(502,544)		-	-
	19,583,368	2,175,342	-	82,079	21,840,789
Balance at 31 December 2025	41,402,056	3,251,569	560,767	(22,501,207)	22,713,185

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 2025

	Note	12 months to 31 December 2025 \$	12 months to 31 December 2024 \$
Cash Flows from Operating Activities:			
Interest received		72,043	40,075
Cash payments in the course of operations		(2,642,521)	(880,978)
Net Cash Used In Operating Activities	16	(2,570,478)	(840,903)
Cash Flows from Investing Activities:			
Payment for exploration and evaluation costs		(4,212,052)	(1,840,585)
Payment for security deposits		-	(17,581)
Net Cash Used In Investing Activities		(4,212,052)	(1,858,166)
Cash Flows from Financing Activities:			
Proceeds from the issue of securities		18,083,492	3,338,771
Share issue costs		(1,221,600)	(210,789)
Net Cash from Financing Activities		16,861,892	3,127,982
Net increase (decrease) in cash and cash equivalents		10,079,362	428,913
Cash and cash equivalents at beginning of year		922,911	493,998
Cash and Cash Equivalents at End of Year	4	11,002,273	922,911

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 30 March 2026.

(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 judgments 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 \$ 7,361,194 and had operating cash outflows of \$ 2,570,478 for the year ended 31 December 2025. As at 31 December 2025 the Group has cash and cash equivalents of \$ 11,002,273 and net assets of \$ 22,713,185.

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 24 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 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%
Motor Vehicles	25%
Computer Equipment	30%

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) 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 2025. 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.

(r) 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 2025	12 months to 31 December 2024
	\$	\$
Loss before income tax	(7,361,194)	(950,668)
Tax at the Australian tax rate of 25% (2024: 25%)	(1,840,298)	(237,667)
Non-deductible expenses and non-assessable income	898,274	107,919
Deferred tax assets not recognized	942,024	129,748
Income Tax Benefit	-	-

At 31 December 2025 the Group had Australian tax losses of \$21,298,147 (31 December 2024: \$ 17,530,052) 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 2025 \$	12 months to 31 December 2024 \$
Loss used to calculate basic and diluted EPS	7,361,194	950,668

(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	1,851,620,225	101,393,657

Number of options excluded from the diluted loss per share calculation because they are anti-dilutive

288,364,516	150,866,565
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Options were not considered dilutive as they were out of the money.

4. CASH AND CASH EQUIVALENTS

	31 December 2025 \$	31 December 2024 \$
Cash at bank	11,002,273	922,911
Total Cash and Cash Equivalents	11,002,273	922,911

5. TRADE AND OTHER RECEIVABLES

Other receivables	31,480	311
Receivable from associates	295,919	295,919
	327,399	296,230
Impairment of receivables – Opening balance	(295,919)	(295,643)
Movement for the year	-	(276)
Impairment of receivables – Closing balance	(295,919)	(295,919)
Total Current Receivables	31,480	311

6. OTHER ASSETS

GST Receivables	130,636	13,998
Prepayments and deposits	-	67,173
Advances	52,485	
VAT Receivable	289,669	
Guarantee Deposits	6,005	
Total other assets	478,795	81,171

7. DEFERRED EXPLORATION AND EVALUATION COSTS

Deferred exploration and evaluation costs	11,971,045	7,625,313
Movements during the year		
Balance at the beginning	7,625,313	5,141,677
Additions	6,348,641	1,840,585
Impairment	(2,275,316)	-
Foreign currency difference to exchange reserve	272,407	643,051
Balance at end of year	11,971,045	7,625,313

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.

8. TRADE AND OTHER PAYABLES

Current:

Trade payables	834,134	46,533
Other creditors and accruals	175,009	127,114
Total Current Trade and Other Payables	1,009,143	173,647

Trade payables are usually due within 30 days.

Secured Amounts Payable

None of the payables are secured.

9. CONTRIBUTED EQUITY

	31 December 2025	31 December 2024
Issued Capital - Number of shares	471,751,012	168,499,174
# Post 20:1 share consolidation		
Value of Issued Capital	41,402,056	21,818,688

Movement in contributed equity during the year:

Share Capital Movements during the year	31 December 2025		31 December 2024	
	Number	\$	Number	\$
Fully paid ordinary shares at beginning of year	168,499,174	21,818,688	40,084,954	19,513,142
Shares issued under a share purchase plan				
Shares issued under placement offer	226,035,663	17,510,974		
Shares issued in exercise of Performance Rights	37,500,000	502,544		
Shares Issued to Consultants	11,216,174	1,393,795		
Shares issued for acquisition of Sailfish	16,800,000	756,000		
Shares issued in exercise of Options	11,700,001	721,700		
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		(1,301,645)		(228,789)
Total fully paid ordinary shares at end of year	471,751,012	41,402,056	168,499,174	21,818,688

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.

10. 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 2025	31 December 2024
Quoted options issued – Number of options	157,803,964	145,337,297
Unquoted securities issued - Number of securities	130,560,552	10,504,268
	288,364,516	155,841,565
Value of listed options	874,736	857,436
Value of unlisted options and performance rights	2,376,833	218,791
	\$3,251,569	\$1,076,227

Movement in options reserve during the year:

	31 December 2025		31 December 2024	
Quoted options movement during the year	Number	\$	Number	\$
Quoted options at beginning of year	145,337,297	857,436	-	-
Quoted options issued during period	20,666,667	66,500	145,337,297	857,436
Quoted options converted into shares during period	(8,200,000)	(49,200)		
Total quoted at end of year	157,803,964	874,736	145,337,297	857,436

	31 December 2025		31 December 2024	
Unquoted options movements during the year	Number	\$	Number	\$
Unquoted options at beginning of year	10,504,286	218,791	5,104,268	167,982
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
Unquoted options and performance rights issued during period	165,510,554	2,742,665	-	-
Unlisted options and performance rights converted into shares	(41,000,003)	(502,544)		
Unlisted options lapsed	(4,454,285)	(82,079)		
	130,560,552	2,376,833	10,479,268	218,791

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 25.

11. FOREIGN EXCHANGE TRANSLATION RESERVE

	31 December 2025 \$	31 December 2024 \$
Foreign exchange translation reserve	560,767	976,257
Movement in Foreign Exchange Translation Reserve		
Balance at beginning	976,257	285,931
Foreign currency translation	(415,490)	690,326
Balance at end	560,767	976,257

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.

12. ADMINISTRATION EXPENSES

	31 December 2025 \$	31 December 2024 \$
Investor Relations ¹	1,418,159	13,574
Legal expenses	306,072	68,933
ASX and share registry expenses	209,767	136,109
Salaries and wages	364,662	32,763
Maxican subsidiary's expenses	974,568	-
Other administration expenses	434,410	286,289
Total Administration	3,707,638	537,668

- Investor Relations includes \$1,237,500 for S3 Consortium for the issue of 8,500,000 Shares at an average price of \$0.146 per share.

13. IMPAIRMENT

	31 December 2025 \$	31 December 2024 \$
Impairment of exploration and evaluation asset of Texas and Oklahoma Coal USA	2,399,016	-
Impairment of investment in GP Hydro	43,472	-
Impairment of investment in PAH	691	-
Impairment of receivables	-	276
Total	2,443,179	276

Note - During the year the Group recognised an impairment on exploration and evaluation asset of Texas and Oklahoma Coal USA, investment in GP Hydro and investment in PAH.

14. COMMITMENTS

The Group did not have any commitments as of 31 December 2025 (December 2024: Nil).

15. CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as of 31 December 2025 (December 2024: Nil).

16. CASH FLOW INFORMATION

	12 months to 31 December 2025 \$	12 months to 31 December 2024 \$
Loss after income tax	(7,361,194)	(950,668)
<i>Add / (less) non-cash items:</i>		
Share based payments	1,149,920	107,919
Foreign exchange	(467,499)	47,275
Depreciation	3,618	-
Impairment	2,443,179	-
Investor relations	907,500	
<i>Change in operating assets and liabilities</i>		
Increase in other receivables	(31,169)	20,590
(Increase) in other assets	(397,623)	(71,964)
Increase (decrease) in trade and other payables	1,182,790	5,945
Net Cash Used In Operating Activities	(2,570,478)	(840,903)

Non-cash Investing Activities

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

17. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key Management Personnel Compensation

	31 December 2025 \$	31 December 2024 \$
Short-term benefits	571,448	361,778
Long-term benefits	50,306	15,747
Share based payments	414,858	72,919
	1,036,612	450,444

(b) Loans to Key Management Personnel

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

18. 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.

19. AUDITOR'S REMUNERATION

	31 December 2025 \$	31 December 2024 \$
Audit of the Group		
Hall Chadwick:		
Audit and review of Financial Reports	59,500	45,000
Taxation services	4,500	4,500
	64,000	49,500

20. 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 2025 \$	31 December 2024 \$
Financial Assets:			
Cash assets	4	11,002,273	922,911
		11,002,273	922,911

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 2025 \$	31 December 2024 \$	31 December 2025 \$	31 December 2024 \$
Group				
+1.00%	110,023.00	9,229	110,023.00	9,229
- 1.00%	(110,023.00)	(9,229)	(110,023.00)	(9,229)

(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 2025 \$	31 December 2024 \$
AUD	10,821,803	894,997
USD	25,929	27,914
MXN	154,541	-
	11,002,273	922,911

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 2025 \$	31 December 2024 \$	31 December 2025 \$	31 December 2024 \$
Group				
+10.00%	2,593	2,791	2,593	2,791
- 10.00%	(2,593)	(2,791)	(2,593)	(2,791)

At 31 December, if the AUD: MXN 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 2025	31 December 2024	31 December 2025	31 December 2024
	\$	\$	\$	\$
Group				
+10.00%	15,454	-	15,454	-
- 10.00%	(15,454)	-	(15,454)	-

(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 2025 the Group had a concentration of credit risk relating to cash deposits totalling \$11,002,273(31 December 2024: \$922,911). 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 2025, 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 2025							
Receivables:							
Trade and other receivables	31,480	-	-	-	-	31,480	31,480
	31,480	-	-	-	-	31,480	31,480
31 December 2024							
Receivables:							
Trade and other receivables	311	-	-	-	-	311	311
	311	-	-	-	-	311	311
31 December 2025							
Financial Liabilities:							
Payables	1,009,143	-	-	-	-	1,009,143	1,009,143
	1,009,143	-	-	-	-	1,009,143	1,009,143
31 December 2024							
Financial Liabilities:							
Payables	173,647	-	-	-	-	173,647	173,647
	173,647	-	-	-	-	173,647	173,647

21. 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.

	Mexico \$	North America \$	Canada \$	Australia \$	Total \$
Consolidated 12 Months Ended December 2025					
Other revenue					
Interest income	-	-	-	72,043	72,043
Other income	(75)	-	-	-	(75)
	(75)	-	-	72,043	71,968
Expenses					
Employee expenses	-	-	-	(199,794)	(199,794)
Administration and others	(974,568)	(2,405,684)	-	(2,770,566)	(6,150,818)
Foreign currency exchange difference	98,602	-	-	473	99,075
Impairment of receivables	-	-	-	-	-
Insurance	-	-	-	-	-
Lease of Movable Property	(31,705)	-	-	-	(31,705)
Share Based Payments	-	-	-	(1,149,920)	(1,149,920)
Loss before income tax	(907,746)	(2,405,684)	-	(4,047,764)	(7,361,194)
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)

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

Consolidated December 2025

Current assets	507,466	25,929	-	10,979,153	11,512,548
Non- current assets	1,225,896	3,944,893	-	7,038,991	12,209,780
Total assets	1,733,362	3,970,822	-	18,018,144	23,722,328
Current liabilities	89,514	(423,373)	-	1,343,002	1,009,143
Non-current liabilities	-	-	-	-	-
Total liabilities	89,514	(423,373)	-	1,343,002	1,009,143
Net segment assets	1,643,848	4,394,195	-	16,675,142	22,713,185

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

22. SUBSEQUENT EVENT

On 16 February 2026 the Company announced that it had entered into an agreement to sell its Elko Coking Coal Project

located in the East Kootenay Basin of British Columbia, Canada. The transaction involves the sale of 100% of the issued share capital of Pacific American Coal Canada Ltd, a wholly owned subsidiary of the Company which holds the Elko coal licences.

The consideration for the transaction comprises C\$250,000 payable in cash at completion, C\$2,500,000 payable upon the grant of a mining licence and receipt of all regulatory permits required to enable development of the project, C\$2,500,000 payable upon the project achieving commercial production of two million tonnes per annum, and an ongoing royalty on coal produced and sold from the project.

Completion of the transaction occurred on 27 February 2026.

No matter or circumstance other than these has arisen since 31 December 2025 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 2025.

23. 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.

24. PARENT ENTITY INFORMATION

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

	31 December 2025 \$	31 December 2024 \$
Current assets	17,110,767	976,479
Non-current assets	12,877,074	10,597,996
Total assets	29,987,841	11,574,475
Current liabilities	724,078	103,762
Non-current liabilities	-	-
Total liabilities	724,078	103,762
Net assets	29,263,763	11,470,713
Contributed equity	41,402,056	21,818,688
Options reserve	3,251,569	1,076,227
Reserves	266,594	266,594
Accumulated losses	(15,656,456)	(11,690,796)
Total equity	29,263,763	11,470,713
Loss after income tax	(4,047,765)	(674,440)
Other comprehensive income	-	-
Total comprehensive income	(4,047,765)	(674,440)

(a) Guarantees entered into by the parent entity

The parent entity has not provided any financial guarantees as at 31 December 2025 (31 December 2023: \$Nil).

(b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2025 or 31 December 2024.

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

As at 31 December 2025, 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 2025	December 2024
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.

25. SHARE BASED PAYMENTS

Equity based instruments – Options and Performance Rights

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 and Performance Rights granted to Company employees are issued under the Employee Plan. Options and Performance Rights 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 and Performance Rights 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 2025 there were 8,354,976 Performance Rights (2024: 870,000 options) to employees or other Key Management Personnel.

26. 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 2025 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 2025, 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:



Adam McKinnon

Managing Director

Date 30 March 2026

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 2025

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 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 2025, 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 2025 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 \$7,361,194 and had operating cash outflows of \$2,570,478 during the year ended 31 December 2025. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists 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 2025. 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 7 Deferred Exploration and Evaluation Costs' and Note 1(b) Critical Accounting Estimates and Judgements

As at 31 December 2025 the group's statement of financial position includes capitalised exploration and evaluation assets amounting to \$11,971,045.

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 2025, 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.
- 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.

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

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

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 2025.

In our opinion, the Remuneration Report of Advance Metals Limited for the year ended 31 December 2025 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: 30 March 2026

ADDITIONAL SECURITY HOLDER INFORMATION

The information set out below was prepared as at 8 March 2026.

1. Class of Shares and Voting Rights

There are currently 3,346 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	344	104,698	0.02
1,001-5,000	440	1,515,235	0.32
5,001-10,000	519	4,119,223	0.86
10,001-100,000	1,563	59,720,717	12.49
100,001-9,999,999,999	480	412,622,224	86.31
Totals	3,346	478,082,097	100.00
Minimum \$ 500.00 parcel (share price 4.8 cents)	653	994,160	0.21

3. Substantial Shareholders

Substantial Holder Name	Balance of Shares Held	Percentage of Total Shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	52,404,338	10.961%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	26,597,460	5.563%

4. Largest Twenty Shareholders and Option holders

	Holder Name	Balance of Shares Held	Percentage of Total Shares
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	52,404,338	10.961%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	26,597,460	5.563%
3	GLENEDEN NOMINEES PTY LTD	20,000,000	4.183%
4	CITICORP NOMINEES PTY LIMITED	16,149,108	3.378%
5	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	15,761,542	3.297%
6	SHARESIES AUSTRALIA NOMINEE PTY LIMITED	15,683,270	3.280%
7	SAILFISH ROYALTY CORP	12,800,000	2.677%
8	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	11,048,625	2.311%
9	MS CHUNYAN NIU	9,500,000	1.987%
10	BUTTONWOOD NOMINEES PTY LTD	9,077,700	1.899%
11	S3 CONSORTIUM PTY LTD	8,120,000	1.698%
12	CRAIG RUSSELL STRANGER	7,500,000	1.569%
13	DAVIES SUPERSTAKE PTY LTD <DAVIES S/F ACCOUNT>	5,013,268	1.049%
14	DR ADAM ROBERT MCKINNON	5,000,000	1.046%
15	ARLINGTON GROUP ASSET MGT LTD	4,600,000	0.962%
16	MR SIMON CATT	4,600,000	0.962%
17	MR MARC DAVID HARDING	4,500,000	0.941%
18	DR ADAM ROBERT MCKINNON	4,444,984	0.930%
19	VEL LATINA INVEST AG	4,250,000	0.889%
20	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	3,700,000	0.774%
		240,750,295	50.358%

	Top 20 listed Option Holder Name listed options exercisable at \$0.05 with an expiry date of 31 May 2029	Balance of Listed Options Held	Percentage of Total Options
1	MR SEAN VEREKER SHEPPERSON	14,003,834	8.874%
2	MR ROBERT ANTHONY HEALY	11,750,000	7.446%
3	GLENEDEN NOMINEES PTY LTD	11,000,000	6.971%
4	MS CHUNYAN NIU	8,164,989	5.174%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	7,811,318	4.950%
6	HEALTH EXCEL PTY LTD	7,000,000	4.436%
7	MR BILAL AHMAD	4,000,000	2.535%
8	MR SIMON ANDREW TESTER	3,874,250	2.455%
9	THE CODE FLAG Z TRADING COMPANY PTY LTD <THE EASE VANG SUPER FUND>	3,533,333	2.239%
10	EVOLUTION CAPITAL PTY LTD	3,500,000	2.218%
11	MR WESLEY JAMES JAMIESON & MR JOHN ALFRED JAMIESON <JAMIESON SUPER FUND A/C>	2,750,364	1.743%
12	COMFYTINK PTY LTD	2,405,161	1.524%
13	CAP HOLDINGS PTY LTD <CAP A/C>	2,192,308	1.389%
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,139,908	1.356%
15	MR GRANVILLE PARKER & MRS SANDRA PARKER <PARKER FAMILY SUPERFUND A/C>	2,030,000	1.286%
16	DR ROBERT GROPEL	2,007,993	1.272%
17	MR MARK FLOYD KEENAN C W M TRUSTEE COMPANY LIMITED <THE BARK BAY A/C>	2,005,000	1.271%
18	SUROKI PTY LTD <SUROKI SUPER FUND A/C>	2,000,000	1.267%
19	MR LEMUEL CHERLOABA	2,000,000	1.267%
20	MR KAH CHAN	1,750,000	1.109%
		95,918,458	60.783%

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. Securities Exchange Listing

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

9. 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

10. Registered Office

Suite 6, 389 Oxford Street
Mount Hawthorn WA 6016
Telephone: +61 412 474 180

11. Auditor

Hall Chadwick
Level 40, 2 Park Street
Sydney 2000

12. Company Secretary

Jay Stephenson