ASX:AVM

ADVANCEMETALS

Consolidated Interim Financial Report

For the Half-Year Ended 30 June 2026

Advance Metals Limited

ABN 83 127 131 604

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CORPORATE INFORMATION

Registered Office

Unit 6, Level 1, 389 Oxford Street
Mount Hawthorn WA 6016

Directors

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

Company Secretary

Jay Stephenson

Principal Place of Business

Unit 6, Level 1, 389 Oxford Street
Mount Hawthorn WA 6016
Email: info@advancemetals.com.au
Telephone: +61 412 474 180
Website: www.advancemetals.com.au

Share Registry

Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000
Telephone: 1300 737 760 (in Australia)
+61 2 9290 9600 (International)
Website: www.boardroomlimited.com.au

Banker

National Australia Bank
Westpac Banking Corporation
Bank of Queensland

Auditor

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

Securities Exchange Listing

Australian Securities Exchange
ASX Code: AVM

DIRECTORS' REPORT

The Directors of Advance Metals Limited ASX code: AVM (the Company) present their report for the half-year ended 30 June 2026. The Directors report as follows:

1. Directors

The names of the Directors of the Company during the half-year and up to the date of this report are:

David O'Connor (Non-Executive Chairman) Appointed 22 October 2025

Adam McKinnon (Managing Director) Appointed 2 January 2025

Craig Stranger (Non-Executive Director) Appointed 24 June 2024

The Directors named above held office during and since the end of the half-year unless otherwise stated.

2. Review of operations

The consolidated loss after income tax for the half-year ended 30 June 2026 was $4,268,058 (2025: $1,195,279).

The half year was one of significant advancement for the Company and its controlled entities (the Consolidated Entity). The Consolidated Entity delivered a maiden JORC Mineral Resource at Yoquivo, commenced maiden drilling at Gavilanes, progressed its earn-in towards 100% ownership of its Victorian gold projects and completed the disposal of its remaining non-core coal interest.

Yoquivo Silver-Gold Project (Chihuahua, Mexico)

Resource extension and infill diamond drilling continued through the March quarter. Hole YQ-26-018, a scissor step-out through the central Pertenencia zone, returned 67.88m @ 134 g/t AgEq (68 g/t Ag, 0.9 g/t Au) from 305.9m, including 23.89m @ 257 g/t AgEq from 346.9m. Hole YQ-26-020 returned 48.4m @ 148 g/t AgEq with individual zones grading up to 2,180 g/t AgEq over a downhole interval exceeding 230 metres.

On 8 April 2026 the Company announced a maiden JORC (2012) Mineral Resource Estimate for Yoquivo of 8.8 million tonnes at 120 g/t AgEq for 33 Moz AgEq, comprising 23 Moz of silver and 140 koz of gold. This represents an uplift of approximately 92% on the previous foreign estimate. The estimate is supported by a database of 99 diamond holes for more than 26,000 metres, together with newly assayed historical core. Mineralisation extends over a strike length exceeding 750 metres and up to 250 metres in width, and remains open along strike and at depth. Approximately 31 Moz AgEq of the resource is contained within the Pertenencia deposit, with the balance at Esperanza.

Gavilanes Silver Project (Durango, Mexico)

A maiden diamond drilling program of 15 to 18 holes for up to 4,500 metres commenced in May 2026, designed to test extensions to the known high-grade silver system and to evaluate additional exploration targets. The first hole, GV-26-001, returned 33.9m @ 220 g/t Ag from 117.6m, including 6.2m @ 718 g/t Ag from 133m, together with a deeper polymetallic interval of 3.3m @ 270 g/t Ag, 0.2 g/t Au, 0.7% Cu, 0.7% Pb and 1.1% Zn from 164.6m. The program, supported by geological modelling and historic core sampling, is intended to underpin a maiden JORC Mineral Resource Estimate for Gavilanes targeted for the fourth quarter of the 2026 calendar year.

Guadalupe y Calvo Gold-Silver Project (Chihuahua, Mexico)

Work during the half year comprised mapping, surface sampling and compilation and remodelling of the extensive historical drilling database ahead of the design of an initial drilling program. The project comprises ten mining concessions totalling approximately 27.5 square kilometres and hosts a foreign estimate of 60.6 Moz AgEq at 198 g/t AgEq. Together with Yoquivo and Gavilanes, the Consolidated Entity's Mexican portfolio now totals approximately 116 Moz AgEq.

Myrtleford and Beaufort Gold Projects (Victoria, Australia)

Diamond drilling at the Happy Valley prospect continued to return high-grade gold, with hole AMD026 returning 6m @ 9.4 g/t Au from 76.9m and 1m @ 22.3 g/t Au from 95.7m, including 0.2m @ 108.5 g/t Au. Initial gravity recoverable gold testwork returned total gold recoveries of up to 96.1% following regrinding of the tails, supporting assessment of lower cost processing pathways. First-pass drilling approximately 4.5 kilometres from Happy Valley intersected gold in both holes completed, the first drilling undertaken outside the main deposit. Regional mapping and rock chip sampling commenced across the tenure, including along the 16 kilometre Magpie–Barwidgee trend, which has not previously been subject to modern drilling.

During the June quarter the Consolidated Entity entered into an amended agreement to acquire the remaining 20% interest in the Myrtleford and Beaufort Gold Projects, increasing total ownership consideration to CAD 4.0 million payable over three years. The amended terms provide full operational control, exclusive working rights, the flexibility to settle payments in cash or shares, and the right to undertake sampling, drilling, surveys and other exploration work.

Corporate

On 16 February 2026 the Company announced the sale of its non-core Elko Coking Coal Project in British Columbia, Canada, through the disposal of its wholly owned subsidiary Pacific American Coal Canada Ltd to Elko Metallurgical Resources Corporation. Completion occurred on 27 February 2026. Consideration comprises staged cash payments of up to C$5.25 million linked to permitting and production milestones, together with an ongoing royalty of up to US$3 per tonne of coal produced, depending on prevailing coal prices. A loss on disposal of $2,163,890 has been recognised in the half year, with cash proceeds of $257,079 received on completion and contingent consideration of $885,803 recognised as a non-current asset at fair value. The disposal completes the Consolidated Entity's transition to a focused precious metals exploration business.

The Annual General Meeting of the Company was held on 29 May 2026. All resolutions put to the meeting were carried on a poll, including the adoption of the remuneration report, the election of Mr David O'Connor as a Director and the approval of additional placement capacity under ASX Listing Rule 7.1A.

Net cash used in operating activities for the half year was $7,198,242 (2025: $1,514,909). Exploration and evaluation expenditure of $6,672,505 is included within operating activities in the current period, consistent with the presentation adopted in the Consolidated Entity's Appendix 5B quarterly cash flow reports; in the corresponding period the equivalent expenditure was presented within investing activities. Cash and cash equivalents at 30 June 2026 were $4,347,682 (31 December 2025: $11,002,273).

3. Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The Auditor's Independence Declaration pursuant to Section 307C of the Corporations Act 2001 (Cth) is set out on page 7.

4. Rounding of Amounts to the Nearest Dollar

The Company is not of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and, as such, amounts in the Half Year Financial Report and Directors' Report have been reported to the nearest dollar, unless otherwise stated.

5. Competent Person's Statement

The information in this Interim Financial Report that relates to Exploration Results and Mineral Resources has been compiled by Dr Adam McKinnon, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Dr McKinnon is the Managing Director of Advance Metals Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr McKinnon consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Foreign Estimates

The foreign estimates referred to in this Interim Financial Report for the Gavilanes Silver Project and the Guadalupe y Calvo Gold-Silver Project are not reported in accordance with the JORC Code 2012. A Competent Person has not done sufficient work to classify these foreign estimates as Mineral Resources in accordance with the JORC Code 2012, and it is uncertain that following evaluation and further exploration work these foreign estimates will be able to be reported as Mineral Resources in accordance with the JORC Code 2012. The estimates were prepared and disclosed under reporting standards other than the JORC Code 2012 and have not been reported in accordance with that Code. The Company confirms that the supporting information provided in the original market announcements continues to apply and has not materially changed.

Previously Released Information

This Interim Financial Report refers to information extracted from reports available for viewing on AVM's website www.advancemetals.com.au and announced on ASX.

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

Forward Looking Statements

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

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

Signed in accordance with a resolution of the Board of Directors.

David O'Connor
Non-Executive Chairman
Sydney
11 September 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 review of the financial report of Advance Metals Limited for the half-year ended 30 June 2026, 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 review; and
ii. any applicable code of professional conduct in relation to the review.

Hall Chadwick

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

VINAY SHEORAN
Partner
Dated: 11 September 2026

CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Half-Year Ended 30 June 2026

	Note	**June 2026**	June 2025
		$	$
Other revenue			
Other income		608	39
Interest income		105,146	28,305
Expenses			
Employee expenses		(832,589)	(377,017)
Administration costs		(843,277)	(757,676)
Foreign currency exchange gains/(losses)		59,126	9,183
Impairment		(350,565)	-
Loss on disposal of investment in subsidiary		(2,163,890)	-
Lease of movable property		(134,613)	-
Share based payments	6	(108,004)	(98,113)
Loss before income tax		**(4,268,058)**	**(1,195,279)**
Income tax expense		-	-
Loss after income tax		**(4,268,058)**	**(1,195,279)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation differences		(123,147)	(363,821)
Total other comprehensive income		**(123,147)**	**(363,821)**
Total comprehensive income		**(4,391,205)**	**(1,559,100)**
		Cents per share	Cents per share
(Loss) per share:			
Basic	7	(0.89)	(0.56)
Diluted		(0.89)	(0.56)

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

CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2026

	Note	Consolidated Entity **June 2026** **$**	 December 2025 $
Current Assets			
Cash and cash equivalents		4,347,682	11,002,273
Trade and other receivables	3	121,130	31,480
Other assets		643,316	478,795
Total Current Assets		**5,112,128**	**11,512,548**
Non-Current Assets			
Security deposits		-	179,293
Deferred exploration and evaluation costs	4	13,498,792	11,971,045
Contingent consideration		885,803	-
Property, Plant & Equipment		113,482	59,442
Total Non-Current Assets		**14,498,077**	**12,209,780**
Total Assets		**19,610,205**	**23,722,328**
Current Liabilities			
Trade and other payables		337,654	1,009,143
Total Current Liabilities		**337,654**	**1,009,143**
Total Liabilities		**337,654**	**1,009,143**
Net Assets		**19,272,551**	**22,713,185**
Equity			
Contributed equity	5	42,338,983	41,402,056
Share option reserve	6	3,225,613	3,251,569
Foreign currency exchange reserve		437,620	560,767
Accumulated losses		(26,729,665)	(22,501,207)
Total Equity		**19,272,551**	**22,713,185**

The Consolidated Interim Balance Sheet is to be read in conjunction with the Notes to the Financial Statements

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Half-Year Ended 30 June 2026

	Contributed Equity $	Share Option Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 January 2026	**41,402,056**	**3,251,569**	**560,767**	**(22,501,207)**	**22,713,185**
Transactions with owners in their capacity as owners					
Issue of share capital	100,000	-	-	-	100,000
Issue of share capital in consideration of project acquisition	511,666	-	-	-	511,666
Share issue costs	(4,477)	-	-	-	(4,477)
Share Based Payments and Performance Rights	-	108,004	-	-	108,004
Quoted options lapsed during period	-	(39,600)	-	39,600	-
Unquoted options converted into shares	235,378	-	-	-	235,378
Performance rights converted into shares	94,360	(94,360)	-	-	-
	936,927	(25,956)	-	39,600	950,571
Comprehensive income					
Loss after tax	-	-	-	(4,268,058)	(4,268,058)
Foreign currency translation differences	-	-	(123,147)	-	(123,147)
Total comprehensive income for the half-year	-	-	(123,147)	(4,268,058)	(4,391,205)
Balance at 30 June 2026	**42,338,983**	**3,225,613**	**437,620**	**(26,729,665)**	**19,272,551**
Balance at 1 January 2025	**21,818,688**	**1,076,227**	**976,257**	**(15,222,092)**	**8,649,080**
Transactions with owners in their capacity as owners					
Issue of share capital	4,610,974	-	-	-	4,610,974
Share Based Payments and Performance Rights	-	32,475	-	-	32,475
Share issue costs	(341,619)	145,683	-	-	(195,936)
	4,269,355	178,158	-	-	4,447,513
Comprehensive income					
Loss after tax	-	-	-	(1,195,279)	(1,195,279)
Foreign currency translation differences	-	-	(363,821)	-	(363,821)
Total comprehensive income for the half-year	-	-	(363,821)	(1,195,279)	(1,559,100)
Balance at 30 June 2025	**26,088,043**	**1,254,385**	**612,436**	**(16,417,371)**	**11,537,493**

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

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the Half-Year Ended 30 June 2026

	Consolidated Entity	
	June 2026	June 2025
	$	$
Cash Flows (Used In) / From Operating Activities		
Interest received	105,146	28,305
Cash payments in the course of operations	(7,303,388)	(1,543,214)
Net Cash used in Operating Activities	**(7,198,242)**	**(1,514,909)**
Cash Flows (Used In) / From Investing Activities		
Payment for plant and equipment	(44,329)	(14,186)
Payment for exploration and evaluation costs	-	(1,527,734)
Proceeds from disposal of entities	257,079	-
Net Cash from / (used in) Investing Activities	**212,750**	**(1,541,920)**
Cash Flows (Used In) / from Financing Activities		
Proceeds from the issue of securities	335,378	4,610,974
Costs associated with the issue of securities	(4,477)	(341,619)
Net Cash from Financing Activities	**330,901**	**4,269,355**
Net increase/(decrease) in cash and cash equivalents	(6,654,591)	1,212,526
Net foreign exchange differences	-	-
Cash and cash equivalents at beginning of financial period	11,002,273	922,911
Cash and cash equivalents at end of financial period	**4,347,682**	**2,135,437**

The Consolidated Interim 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

Reporting Entity

Advance Metals Limited (the Company) is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the half year ended 30 June 2026 comprises the Company and its controlled entities (together referred to as the Consolidated Entity). The comparative period is the six months ended 30 June 2025.

Statement of Compliance

The consolidated interim financial report is a general-purpose financial report which has been prepared in accordance with *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001* (Cth).

The consolidated interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial reports of the Consolidated Entity as at and for the year ended 31 December 2025.

This consolidated interim financial report was approved on 11 September 2026 by the Board of Directors.

Going Concern

The Consolidated Entity had a net loss of $4,268,058 and a net operating cash outflow of $7,198,242 for the 6 months ended 30 June 2026. As at 30 June 2026, the Consolidated Entity had cash and cash equivalents of $4,347,682, net current assets of $4,774,474 and net assets of $19,272,551.

Management continues to preserve operating cash and at the same time, process has started to raise additional capital to fund ongoing administration and budgeted exploration. The ability of the Consolidated Entity to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Consolidated Entity to raise additional capital in the form of equity;
- the continued support of current shareholders; and
- the ability to successfully develop and extract value from its projects that are under development.

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

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

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

Should the Consolidated Entity 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.

The financial statements do 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 Consolidated Entity be unable to continue as a going concern.

Notes to the Financial Statements (continued)

1. Statement of Material Accounting Policies (continued)

Accounting Policies

The accounting policies and methods of computation applied by the Consolidated Entity in the consolidated interim financial report are the same as those applied by the Consolidated Entity in its consolidated financial report as at and for the year ended 31 December 2025.

Associates

Associates are all entities over which the Consolidated Entity 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 Consolidated Entity's share of its associates' 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. Any dividends receivable from associates are recognised as reduction in the carrying amount of the investment.

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

Any unrealised gains on transactions between the Consolidated Entity and its associates are eliminated to the extent of the Consolidated Entity's interest in the associates. Any 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 Consolidated Entity.

Deferred Exploration and Evaluation Costs

Exploration and evaluation costs related to an area of interest are written off as incurred except they are carried forward as an asset in the balance sheet where the rights of tenure of an area are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area of interest, or alternatively be its sale.

Capital costs include costs directly related to exploration and evaluation activities in the relevant area of interest.

General and administrative costs are allocated to an exploration or evaluation asset only to the extent that those costs can be related directly to operational activities in the relevant area of interest.

Capitalised exploration and evaluation expenditure are written off where the above conditions are no longer satisfied.

Identifiable exploration assets acquired are recognised as assets at their fair value.

Exploration and evaluation expenditure incurred subsequent to the acquisition of an exploration asset in a business combination is accounted for in accordance with the policy outlined above.

All capitalised exploration and evaluation expenditure is assessed for impairment if facts and circumstances indicate that an impairment may exist. Exploration and evaluation assets are also tested for impairment once commercial reserves are found, before the assets are transferred to development properties.

Foreign Currency

Transactions in foreign currencies are translated to the respective functional currencies of the Consolidated Entity 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 translated using the exchange rate at the transaction date.

Notes to the Financial Statements (continued)

1. Statement of Material Accounting Policies (continued)

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.

New and Revised Standards

New and revised standards have been issued by the AASB and are effective for the half-year, however there are no material changes to the policies that affect the recognition and measurement of the results or financial position of the Consolidated Entity.

Fair Values

The fair values of Consolidated Entity's financial assets and liabilities approximate their carrying value. No financial assets or liabilities are readily traded on organised markets in standardised form.

2. Dividends

During the half year, no dividends were paid or provided for (2025: $ Nil).

3. Trade and other receivables

	30 June 2026	31 December 2025
	$	$
Other receivables	39,978	31,480
Prepayments	81,152	-
Receivable from associates	-	295,919
	121,130	327,399
Impairment of receivables – Opening balance	-	(295,919)
Movement for the year	-	-
Impairment of receivables – Closing balance	-	(295,919)
Total Current Receivables	**121,130**	**31,480**

4. Deferred exploration and evaluation costs

Movements during the period	**30 June 2026**	31 December 2025
	$	$
Balance at beginning of period	11,971,045	7,625,313
Additions	1,423,321	6,348,641
Impairment	-	(2,275,316)
Foreign currency difference to Exchange Reserve	104,426	272,407
Balance at end of period	13,498,792	11,971,045

*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.

Notes to the Financial Statements (continued)

5. Contributed Equity

	30 June 2026	31 December 2025
Issued Capital – Number of ordinary fully paid shares	485,369,190	471,751,012
Value of Issued Capital	42,338,983	41,402,056

	30 June 2026		31 December 2025	
Share Capital Movements during the period:	**Number**	**$**	**Number**	**$**
Fully paid ordinary shares at beginning of period	471,751,012	41,402,056	168,499,174	21,818,688
Shares issued under placement	1,000,000	100,000	226,035,663	17,510,974
Shares issued in consideration of project acquisition[1]	6,559,820	511,666	-	-
Shares issued on exercise of performance rights	3,369,984	94,360	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 on exercise of options	2,688,374	235,378	11,700,001	721,700
Share issue costs	-	(4,477)	-	(1,301,645)
Total fully paid ordinary shares at end of period	485,369,190	42,338,983	471,751,012	41,402,056

[1] Consideration for acquisition of remaining 20% interest in Myrtleford and Beaufort projects, where 6,559,820 ordinary shares were issued at AUD 0.078.

6. Share Option Reserve

	30 June 2026	31 December 2025
Quoted options issued – Number of options	157,803,964	157,803,964
Unlisted securities issued – Number of securities	124,552,194	130,560,552
	282,356,158	288,364,516
Value of listed options	874,736	874,736
Value of unlisted securities	2,350,877	2,376,833
Value of securities issued	3,225,613	3,251,569

	30 June 2026		31 December 2025	
Quoted option movements during the period:	**Number**	**$**	Number	$
Quoted options at beginning of the period	157,803,964	874,736	145,337,297	857,436
Quoted options issued during the period	-	-	20,666,667	66,500
Quoted options lapsed during the period	-	-	-	-
Quoted options converted into shares during the period	-	-	(8,200,000)	(49,200)
Total quoted options at end of period	**157,803,964**	**874,736**	**157,803,964**	**874,736**

Notes to the Financial Statements (continued)

Unlisted Securities Movements during the period:	30 June 2026 Number	30 June 2026 $	31 December 2025 Number	31 December 2025 $
Unquoted options and performance rights at beginning of period	130,560,552	2,376,833	10,504,286	218,791
Share based payments recognised	-	108,004	-	-
Unquoted options and performance rights issued during the period	500,000	-	165,510,554	2,742,665
Unquoted options and performance rights converted into shares	(6,058,358)	(94,360)	(41,000,003)	(502,544)
Unquoted options lapsed	(450,000)	(39,600)	(4,454,285)	(82,079)
Total unlisted options and performance rights at end of period	**124,552,194**	**2,350,877**	**130,560,552**	**2,376,833**

7. Earnings per share

	June 2026 $	June 2025 $
Losses used to calculate basic and diluted earnings per share	**(4,268,058)**	**(1,195,279)**

Weighted average number of shares and options

	Number of shares	Number of shares
Weighted average number of ordinary fully paid shares outstanding during the period, used in calculating basic and diluted earnings per share	**479,541,273**	214,212,402

The effects from the potential ordinary shares of the Company arising from the exercise of share options for the financial period ended 30 June 2026 is deemed anti-dilutive. Accordingly, the basic and diluted earnings per share for the current financial period are the same.

8. Contingent Liabilities and Assets

The Consolidated Entity has no financial guarantees as at 30 June 2026 and 31 December 2025.

9. Subsequent Event

There has not arisen in the interval between the end of the interim period and the date of this review report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity.

Notes to the Financial Statements (continued)

10. Segment Reporting

Reportable Segments

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

During the half year to 30 June 2026, management identified the Consolidated Entity as having three reportable segments, being the geographic location of assets in Mexico, North America and Australia.

Below is an analysis of the Consolidated Entity's revenue and operating results from reportable segments:

Consolidated 6 months to 30 June 2026	Mexico	North America	Australia	**Total**
	$	$	$	**$**
Other revenue				
Interest income	-	-	105,146	105,146
Other income	608	-	-	608
Expenses				
Employee expenses	(396,313)	-	(436,276)	(832,589)
Administration costs	(305,465)	-	(537,812)	(843,277)
Foreign currency exchange gains/(losses)	59,126	-	-	59,126
Impairment	-	(350,565)	-	(350,565)
Loss on disposal of investment in subsidiary	-	-	(2,163,890)	(2,163,890)
Lease of movable property	(134,613)	-	-	(134,613)
Share based payments	-	-	(108,004)	(108,004)
Loss before income tax	(776,657)	(350,565)	(3,140,836)	(4,268,058)

Consolidated 6 months to 30 June 2025	Mexico	North America	Australia	Total
Other revenue				
Interest income	-	-	28,305	28,305
Other income	39	-	-	39
Expenses				
Employee expenses	(115,037)	-	(261,980)	(377,017)
Administration costs	(317,433)	(1,510)	(438,733)	(757,676)
Share based payments	-	-	(98,113)	(98,113)
Foreign currency exchange gains/(losses)	9,078	48	57	9,183
Loss before income tax	(423,353)	(1,462)	(770,464)	(1,195,279)

Notes to the Financial Statements (continued)

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

Consolidated as at 30 June 2026	Mexico	North America	Australia	**Total**
		$	$	**$**
Current assets	708,244	25,265	4,378,619	5,112,128
Non-current assets	2,506,794	-	11,991,283	14,498,077
Total assets	3,215,038	25,265	16,369,902	19,610,205
Current liabilities	(38,746)	(63,251)	(235,657)	(337,654)
Non-current liabilities	-	-	-	-
Total liabilities	(38,746)	(63,251)	(235,657)	(337,654)
Net segment assets	3,176,292	(37,986)	16,134,245	19,272,551
Consolidated as at 31 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

Notes to the Financial Statements (continued)

11. Disposal of Subsidiary

On 27 February 2026 the Consolidated Entity completed the disposal of its wholly owned subsidiary Pacific American Coal Canada Ltd, which held the Elko Coking Coal Project in British Columbia, Canada, to Elko Metallurgical Resources Corporation. Control was lost on that date and the subsidiary has been de-consolidated from the date of disposal.

Consideration comprises staged cash payments of up to C$5.25 million linked to permitting and production milestones, together with an ongoing royalty of up to US$3 per tonne of coal produced, depending on prevailing coal prices. Total consideration recognised on disposal was $1,142,882, comprising cash of $257,079 received on completion and contingent consideration of $885,803 measured at fair value at the date of disposal.

The carrying amount of the net assets disposed of was $3,306,772, resulting in a loss on disposal of $2,163,890, which has been recognised in the consolidated interim statement of profit or loss and other comprehensive income for the half year ended 30 June 2026.

The contingent consideration of $885,803 is recognised as a non-current financial asset at fair value. Fair value has been estimated by reference to the milestone payments provided for under the sale agreement and the Directors' assessment of the probability and expected timing of those milestones being achieved, translated at the exchange rate at the date of disposal. As the measurement is based on unobservable inputs, the asset is classified within Level 3 of the fair value hierarchy. Changes in the assumptions applied could result in a material change to the carrying amount of the asset in future periods.

Cash proceeds of $257,079 received on completion are presented within investing activities in the consolidated interim statement of cash flows. The contingent consideration of $885,803 is a non-cash item and has been excluded from the statement of cash flows.

DIRECTORS' DECLARATION

For the half year ended 30 June 2026

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001* (Cth), *Australian Accounting Standard AASB 134 'Interim Financial Reporting', Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto give a true and fair view of the Consolidated Entity's financial position as at 30 June 2026 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5) of the *Corporations Act 2001* (Cth).

David O'Connor
Non-Executive Chairman
Sydney
11 September 2026

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

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

Conclusion

We have reviewed the half-year financial report of Advance Metals Limited (the company) and its controlled entities (the group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year then ended, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the group does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the group's financial position as at 30 June 2026 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of Advance Metals Limited 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that the group incurred a loss of $4,268,058 and net operating cash outflows of $7,198,242 during the half-year ended 30 June 2026. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of Advance Metals Limited are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Review of the Financial Report

ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the group's financial position as at 30 June 2026 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

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

VINAY SHEORAN
Partner
Dated: 11 September 2026