

Sale of Non-Core Canadian Coking Coal Project

Advance Metals Limited (**ASX:AVM**) ("Advance" or "the Company") is pleased to announce the sale of its Elko Coking Coal Project in the East Kootenay Basin of British Columbia, Canada to Elko Metallurgical Resources Corporation ("EMRC").

The divestment further streamlines Advance into a focused precious metals growth company, enabling capital and management attention to be directed toward the exploration and development of its high grade portfolio in Mexico and Australia.

The Company has held the Elko Coking Coal Project since 2014 through its wholly owned subsidiary Pacific American Coal Limited. The project comprises three British Columbia Coal Licenses (418648, 418649 & 418650) and is considered a non-core part of Advance's portfolio, with the last significant on-ground work completed at the site in 2018.

Advance has agreed to the sale of the Elko Coking Coal Project to EMRC for the following consideration:

- △ **C\$250,000** in cash upon completion;
- △ **C\$2,500,000** in cash upon the grant of a mining license and all other regulatory permits;
- △ **C\$2,500,000** in cash upon the project achieving commercial production of two (2) million tonnes per annum;
- △ An **ongoing royalty** on coal produced and sold from the project as follows:
 - **US\$1.50/tonne** where average net prices received at point of loading are US\$120 to US\$150; and
 - **US\$3.00/tonne** where average net prices received at point of loading are greater than US\$150

A summary of key transaction terms is given in **Schedule 1**. The transaction has the potential to deliver up to C\$5.25 million in cash, in addition to long term royalty exposure. Importantly Advance retains meaningful upside through the royalty structure, providing leverage to any future production success at Elko without further capital commitments. The sale also removes ongoing holding costs associated with a non-core asset and reinforces Advance's strategic focus on precious metals.

EMRC's management has extensive experience permitting, developing and operating coal mines in Canada and globally. This includes Mr Ian Slater, formerly Managing Partner for Ernst and Young's Canadian mining practice and founder of multiple mining companies including Valory Resources. Valory Resources recently permitted and is developing Mine 14, the first new coal mine in Alberta in several decades. EMRC's management also includes mining executive Mr Brian McDonald, whose former roles include Executive Chairman of Fitzroy Australia Resources, Managing Director of Vale Australia, Managing Director of AMCI Australia and CEO of MIM Holdings Coal Group.

Adam McKinnon, Managing Director and CEO commented:

"The sale of this project to the experienced team at Elko Metallurgical Resources Corporation is a great outcome for Advance's shareholders. With exceptional drilling results continuing to flow from our high grade silver and gold assets in Mexico and Australia, this transaction allows us to concentrate our efforts where we see the greatest near-term value creation opportunities."

"We remain fully funded for our current exploration and resource upgrade programs, with an updated JORC Resource Estimate at Yoquivo targeted for the end of the first quarter of 2026. Divesting Elko further streamlines the business while preserving long-term royalty upside potential for shareholders."

Ongoing work at Yoquivo continues to deliver strong results, with recent drilling returning exceptional high-grade silver and gold intercepts and historic core resampling highlighting broader mineralised zones (ASX AVM 6 February 2026). The upcoming JORC Resource update will assess both underground and potential bulk-tonnage development scenarios, supported by a strong silver and gold price environment.

For further information:

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

About Advanced Metals

Advance Metals Limited (ASX:AVM) is a silver and gold exploration and development company with multiple high grade assets in North America and Australia.

In less than 12 months, AVM has executed three strategic acquisitions in the prolific Sierra Madre Belt, giving it a +100Moz AgEq endowment and making it the largest ASX participant in this space in Mexico. Importantly, all three projects have significant district-scale upside potential, with AVM targeting a significant increase to the endowment in the medium term.

In Australia, AVM is currently exploring the ultra-high grade Myrtleford Project in the Victorian Goldfields, with early drilling at already delivering spectacular results such as 7.5m at 55.0g/t Au and 8.2m at 28.8g/t Au.

Forward-Looking Statements

Certain statements in this announcement relate to the future, including forward-looking statements relating to the Company and its business (including its projects). Forward-looking statements include, but are not limited to, statements concerning Advance Metals Limited planned exploration program(s) and other statements that are not historical facts. When used in this document, words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward looking statements.

These forward-looking statements involve known and unknown risks, uncertainties, assumptions, and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such statements. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement and deviations are both normal and to be expected. Neither the Company, its officers nor any other person gives any representation, assurance or guarantee that the events or other matters expressed or implied in any forward-looking statements will actually occur. You are cautioned not to place undue reliance on those statements.

Schedule 1 – Terms of the Transaction

Transaction Structure

The Company has agreed to sell 100% of the issued share capital of Pacific American Coal Canada Ltd, a wholly owned subsidiary which holds the Elko coal licences located in British Columbia, Canada.

Consideration

The total consideration payable to the Company comprises:

- (a) C\$250,000 in cash payable at completion;
- (b) C\$2,500,000 in cash payable upon the grant of a mining licence and receipt of all regulatory permits required to enable development of the project;
- (c) C\$2,500,000 in cash payable upon the project achieving commercial production of two million tonnes of product coal per annum; and
- (d) an ongoing production royalty payable for the life of mine calculated as follows:
 - US\$1.50 per tonne where the average net price received at the point of loading is between US\$120 and US\$150 per tonne; and
 - US\$3.00 per tonne where the average net price received at the point of loading exceeds US\$150 per tonne.

Royalty

The royalty will apply to coal produced and sold from the project following commencement of commercial production and will run with the title to the licences for the life of the project.

Completion

Completion is scheduled to occur on or around 27 February 2026, subject to customary pre-completion steps and satisfaction of standard closing conditions.

Conditions

Key conditions to completion include:

- satisfaction of customary closing deliverables
- confirmation that all representations and warranties remain true at completion
- absence of material adverse change;
- settlement, repayment or capitalisation of intercompany balances relating to the target entity; and
- no legal or regulatory impediment to completion.