ADVANCEMETALS

First Gavilanes Drill Hole Intersects Broad High Grade Silver Zone

Maiden drilling returns 33.9m at 220g/t Ag, including 6.2m at 718g/t Ag, supporting Advance's strategy for rapid growth of the high grade Gavilanes silver system.

Highlights:

- First diamond drill hole (GV-26-001) at Advance's 100%-owned Gavilanes Project in Mexico has returned a very broad zone of high grade silver mineralisation (**Figure 1**):

  33.9m at 220g/t Ag from 117.6m,

  incl. ***6.2m at 718g/t Ag*** *from 133m*

- Increasing base metals and gold were also seen in association with strong silver mineralisation deeper in the hole, including:

  3.3 metres at 270g/t Ag, 0.2g/t Au, 0.7% Cu, 0.7% Pb & 1.1% Zn from 164.6m,

  incl. **1.65 metres at 394g/t Ag, 0.4g/t Au, 1.1% Cu, 1.1% Pb & 1.7% Zn** from 166.25m

- Resource expansion drilling is ongoing, with assays pending for hole GV-26-002 and a third hole in progress

- The program is targeting major extensions to the existing high grade system, which hosts a Foreign Estimate[1] of **22.4Moz AgEq at 246g/t AgEq**[2,3], with current drilling expected to support a JORC Resource upgrade later in 2026

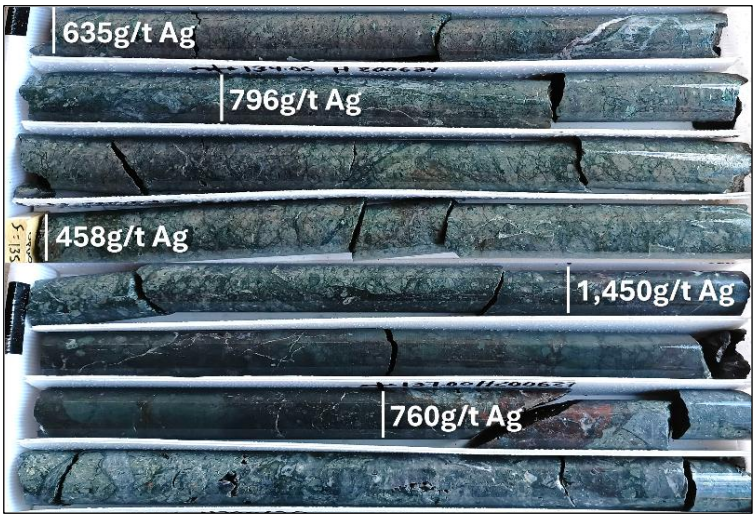

Figure 1. *Strongly altered breccia zone in diamond hole GV-26-001 showing multiple consecutive high grade down hole silver assay results. This zone forms part of an intersection grading* ***6.2 metres at 718g/t Ag*** *from 133m.*

[1] The Foreign Estimate of mineralisation mentioned in this announcement 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.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.

[2] ASX announcement – 6 January 2025 "Advance Metals to Acquire High Grade Gold Project in Victoria and High Grade Silver Project in Mexico"

[3] The Gavilanes silver equivalent was derived based on assumed metallurgical recoveries of similar deposits by the author of the NI43-101 technical document Derick Unger. The formula used is AgEq g/t = Ag g/t + Au g/t* 70.175 + Cu ppm*0.00658 + Pb ppm*0.00188 + Zn ppm*0.00188, where assumed recoveries for Ag, Au, Cu, Pb and Zn are 96%, 80%, 50%, 50% & 50% respectively, and prices in USD are $19.00/oz, $1,600/oz, $3.50/lb, $1.00/lb and $1.00/lb respectively. In AVM's opinion all elements that are included in the metal equivalency calculation have reasonable potential to be recovered and sold.

Commenting on the first results from the Company's drilling program at Gavilanes, Advance's Managing Director & CEO Dr Adam McKinnon said:

"This is an excellent first result from our maiden drilling program at Gavilanes and provides early validation of the strategy we outlined when drilling commenced in May. GV-26-001 has intersected a broad zone of high grade silver mineralisation, including 6.2m at 718g/t Ag, in an area where we are targeting extensions to the known high grade system."

"Gavilanes already hosts a substantial high grade Foreign Estimate, and these first assays strengthen our confidence in the project's potential to support a planned JORC Resource upgrade later this year. With assays pending from GV-26-002, a third hole in progress and historic core sampling also planned, we see strong potential for continued news flow from Gavilanes."

"The strong initial results at Gavilanes have come immediately after a highly successful drilling program at our Yoquivo Project, where the endowment has doubled to 33Moz silver-equivalent. Both Projects are now presenting an unparalleled growth and development opportunity for Advance, with significant additional near-term value to be unlocked as we continue to execute the growth strategy across our Mexican portfolio."

Advance Metals Limited (**ASX:AVM**)("**Advance**" or the **"Company**") is pleased to announce that the first diamond drill hole from the maiden program at its 100%-owned Gavilanes Silver Project in western Durango, Mexico has returned a very broad zone of high grade silver mineralisation.

Gavilanes hosts an existing Foreign Estimate[1] comprising 2.83Mt at 246g/t AgEq, containing 22.4Moz AgEq[2,3]. Advance's first drilling at the site was designed to target down dip (GV-26-001) and southerly strike extensions (GV-26-002 & 003) to the high grade Descubridora structure (**Figures 2 & 3**).

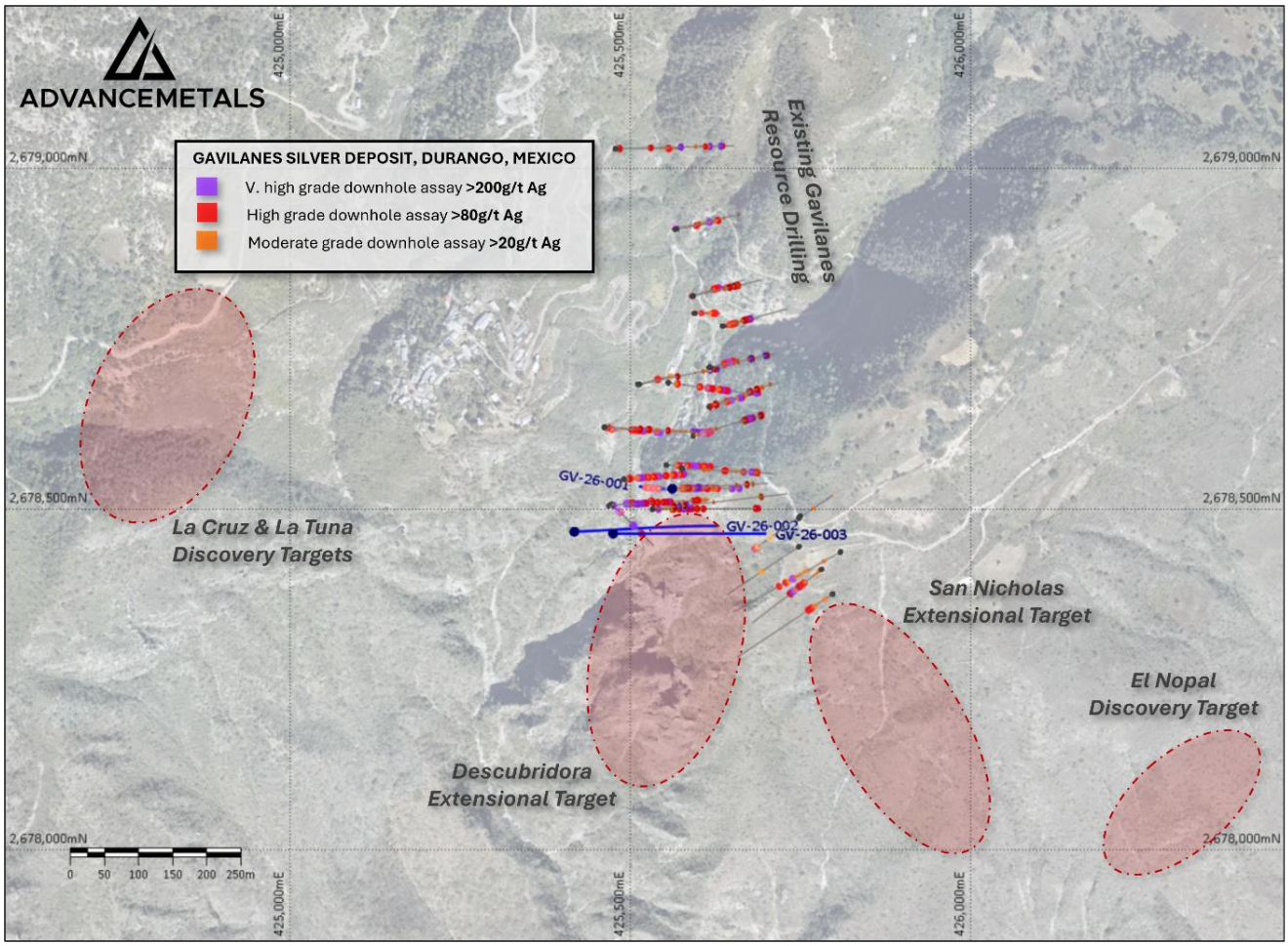

Figure 2. *Plan view of the Gavilanes Project showing previous drill holes with down hole silver grades[2] along with Advance's key drilling targets. The location of recent AVM drill holes GV-26-001 to GV-26-003 are also shown on the plan.*

Figure 3. *Drone photograph of resource expansion drilling currently underway at Advance's Gavilanes Project in Mexico.*

The Company's first hole, GV-26-001, was drilled to a depth of 276 metres and intersected a broad zone of high grade silver mineralisation approximately 80 metres down dip to the west of the high grade zone previously defined in historic hole SCHN-12[2] (**Figures 1 & 4**):

GV-26-001 **33.9m at 220g/t Ag** from 117.6m,
incl. ***6.2m at 718g/t Ag*** *from 133m*

Deeper in the hole, multiple high grade silver intersections are also associated with increasing base metals and gold (**Figures 4 & 5**), including:

GV-26-001 **3.3 metres at 270g/t Ag, 0.2g/t Au, 0.7% Cu, 0.7% Pb & 1.1% Zn** from 164.6m,
incl. **1.65 metres at 394g/t Ag, 0.4g/t Au, 1.1% Cu, 1.1% Pb & 1.7% Zn** from 166.25m
0.7 metres at 44g/t Ag, 0.1g/t Au, 1.1% Cu, 0.3% Pb & 0.3% Zn from 183.8m
1.35 metres at 69g/t Ag, 0.1g/t Au, 0.8% Cu, 0.1% Pb & 0.1% Zn from 219.5m

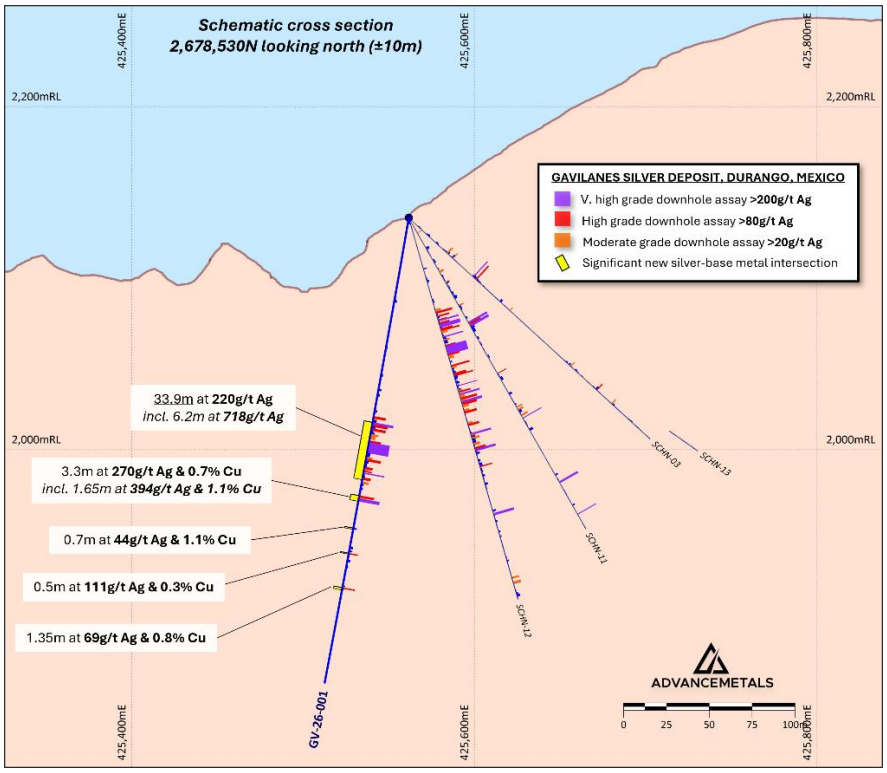

Figure 4. *Schematic cross section at 2,678,530N showing the significant intersections recently returned from GV-26-001 at the Gavilanes Project.*

Figure 5. *Section of cut core showing a complex breccia zone with hematite (brown), quartz (white) and the copper sulphide mineral chalcopyrite (yellow). Peak assay grades from this zone included 0.9m at* ***467g/t Ag, 0.6g/t Au, 1.4% Cu, 1.4% Pb & 2.1% Zn*** *from 169m down hole.*

Diamond drill hole GV-26-002 was recently completed to a depth of 291 metres, and was designed to test southern extension of the know system (see **Figure 2**). Assays are pending for this hole, with drilling underway on a third extensional hole (GV-26-003) located on the same drill section. The full program is expected to comprise 15 to 18 new diamond holes totalling up to 4,500 metres.

The Company is updating the geological model for the Gavilanes Project, incorporating new lithological and geochemical data generated from each hole. This new model, together with assay data from the full diamond drilling program, is expected to support a JORC Mineral Resource upgrade for the Gavilanes Project, targeted for completion in early Q4 CY2026.

Next Steps

- Receipt of assays from GV-26-002, which tested the southern extension of the known Gavilanes mineralised system.
- Completion of GV-26-003, targeting further extensional mineralisation along the same drill section.
- Progress the broader maiden diamond drilling program, comprising 15 to 18 holes for up to 4,500 metres.
- Incorporate new lithological, structural, and geochemical data into an updated geological model for Gavilanes.
- Review and sample selected historic drill core to generate additional low cost geological and assay data.
- Use results from new drilling and historic core sampling to support a planned JORC Mineral Resource upgrade, targeted for early Q4 CY2026.
- Continue testing priority targets outside the current Foreign Estimate area to assess the broader scale potential of the Gavilanes system.

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

Competent Person's 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 prior announcements of Foreign Estimates and in particular the ASX announcement dated 6 January 2025, "Advance Metals to Acquire High Grade Gold Project 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 and JORC Table 1 disclosures are contained therein.

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 Person findings are presented have not been materially modified from the original market announcement.

Cautionary Statement on Foreign Estimates

The Foreign Estimates of mineralisation mentioned in this announcement 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.

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.

Table 1. *Details for Advance Metals' recent diamond drill holes reported in this release (coordinates WGS84/UTM Zone 13N).*

Prospect	Hole ID	Easting (m)	Northing (m)	RL (m)	Max Depth (m)	Dip	Azimuth	Type
Descubridora	GV-26-001	425562	2678530	2150	276	-80.0˚	270.0˚	NQ Diamond
Descubridora	GV-26-002	425418	2678467	2035	291	-45.0˚	90.0˚	NQ Diamond
Descubridora	GV-26-003	425475	2678464	2045	350*	-50.0˚	90.0˚	NQ Diamond

**Proposed depth, drilling currently in progress.*

Table 2. *Significant intersections for hole GV-26-001. Intervals are defined based on a nominal cut-off grade of 25g/t Ag and/or 0.5% Cu.*

Hole ID	Interval	Ag (g/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	From
GV-26-001	33.9	220	0.0	0.0	0.2	0.1	217.6
includes	6.2	718	0.0	0.0	0.7	0.1	133
	3.3	270	0.2	0.7	0.7	1.1	164.6
includes	1.65	394	0.4	1.1	1.1	1.7	166.25
	0.7	44	0.1	1.1	0.3	0.3	183.8
	0.5	111	0.1	0.3	0.5	0.0	198.7
	1.35	69	0.1	0.8	0.1	0.1	219.15
GV-26-002	*Assays pending*						
GV-26-003	*Drilling in progress*						

JORC Code, 2012 Edition – Table 1 Gavilanes Silver Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• *Diamond drilling was conducted to collect NQ -sized core samples from the project* • *Core samples were logged on-site, split using a diamond disk saw, and stored in a secure warehouse* • *Sampling intervals were based on visual inspection by geologists, ranging from 0.3m to 1.3m* • *Certified Reference Materials (standards), blanks and duplicate were inserted at regular intervals in each assay batch* *Silver Analyses:* • *Primary Method: Four-acid digestion followed by inductively coupled plasma mass spectrometry (ICP-MS).* • *High Grade Silver Upper Limit for ICP-MS:* • *Samples exceeding 100 g/t Ag were re-analyzed using inductively coupled plasma atomic emission spectroscopy (ICP-AES).* • *Samples exceeding 1,500 g/t Ag underwent re-analysis using fire assay fusion with gravimetric analysis* *Gold Analysis:* • *Primary Method: Fire assay fusion with atomic absorption (AA).* *Multi Element Analysis* • *Concentrations for copper, lead and zinc were determined using four acid digestion followed by ICP-MS analysis* • *Samples that exceeded the upper limits were reanalyzed using ICP-AES.* • *The samples were also analyzed for Al, As, Ba, Be, Bi, Ca, Cd, Ce Co,Cr, Cs, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Rb, Re, S, Sb, Sc, Se, Sn, Sr,Ta, Re, Th, Ti, Tl, U, V, W, Y, Zn, and Zr using four acid digestion followed by ICP-MS*

Criteria	JORC Code explanation	Commentary
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• *Diamond core drilling was utilized, producing NQ-sized core with a diameter of 47.6 mm*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *Core recoveries are generally good, estimated to be >98% for the current diamond program* • *Drilling parameters including rotation speed and pressure were adjusted to ensure efficient drilling with good core recoveries* • *It is unknown whether there is a relationship between sample recovery and grade, and no obvious relationship has been noted in logging*
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• *Logging was conducted on all diamond drill core* • *This logging is of sufficient detail to support Mineral Resource Estimation* • *Both quantitative and qualitative logging was undertaken. All core was photographed before and after sampling* • *The entire length of the core was logged*
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *Core sampling was conducted on split core that was cut on site using a diamond disc saw* • *Half core sampling is considered an appropriate technique for this style of mineralisation* • *Field geologists ensured that duplicate, standard and blank samples were inserted into the sample stream in strategic locations according to JORC standards, to verify and ensure the accuracy of the sample results received from the laboratory* • *Sample sizes are considered appropriate for the material being sampled*
Quality of assay data and	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc,*	• *Silver concentrations were determined using four-acid digestion and inductively coupled plasma mass spectrometry (ICP-MS).* • *Samples exceeding the upper limits of ICP-MS were re-analyzed using*

Criteria	JORC Code explanation	Commentary
laboratory tests	*the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	*inductively coupled plasma atomic emission spectroscopy (ICP-AES) and fire assay fusion with gravimetric analysis.* • *Gold was analyzed using fire assay fusion and atomic absorption (AA) methods, with higher-grade samples re-analyzed by gravimetric analysis.* • *Concentrations for copper, lead and zinc were determined using four acid digestion followed by ICP-MS analysis* • *The analysis techniques utilised are considered appropriate for the mineralisation type* • *Certified reference material, both mineralised and blank were inserted in the sample stream to verify the lab results* • *The results of the CRM's returned by the lab were considered to be accurate*
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *The significant intercepts were checked by at least two AVM staff members* • *No twinned holes have been completed to date* • *Assay and lab certificates were sourced directly from the laboratory and entered into a digital database* • *There were no adjustments made to the assay data*
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *Drill hole collars were surveyed via differential GPS at the completion of the drilling campaign* • *Downhole surveys were conducted using a REFLEX instrument at intervals of approximately every 30m. The precision of this instrument is 0.1 degrees in azimuth and dip, with field accuracy estimated to be ±1-2 degrees* • *The coordinate system used for the drill holes and survey data is WGS84 UTM, Zone 13N. This grid system was used to establish the location of drill collars, drill paths, and other relevant site features* • *Topographic Control: Topographic control was achieved using high resolution a high resolution LiDAR survey completed by Advance Metals in 2025*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications*	• *The drillholes were designed to intercept outcropping and interpreted veins at depth* • *Holes were oriented approximately perpendicular to the veins* • *Hole spacing is deemed appropriate for delineating the mineralised*

Criteria	JORC Code explanation	Commentary
	applied. • *Whether sample compositing has been applied.*	*zones* • *The entirety of the drilled core from the current program was sampled* • *No sample compositing was applied*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *The orientations of drillholes are approximately perpendicular to the interpreted strike of the mineralised veins. As the dip of the systems remain uncertain the true widths remain uncertain* • *The orientation of the drilling to date is not interpreted to have introduced a sampling bias*
Sample security	• *The measures taken to ensure sample security.*	*<u>Core Handling</u>:* • *Drill core was logged and split on-site using a diamond saw.* • *Half of the core was retained and stored securely for reference.* *<u>Sample Bagging and Labeling</u>:* • *Samples were placed in labeled bags, each with unique identifiers.* • *The bags were sealed and assembled into batch shipments for transport.* *<u>Transport to Laboratory</u>:* • *Samples were transported to the ALS laboratory in Chihuahua, Mexico, by AVM staff* • *Pulps were subsequently transported to ALS's Vancouver laboratory for analysis.* *<u>Storage and Security</u>:* *On-Site Core Storage:* • *Core and samples were stored in a locked warehouse to prevent unauthorised access.* *<u>Field Procedures</u>:* • *Core boxes were closed and securely transported from drill sites to logging facilities.* *<u>Access Control</u>:* • *Unauthorised personnel were prohibited from accessing core storage or sampling areas.* *<u>Chain of Custody</u>:*

Criteria	JORC Code explanation	Commentary
		• *Strict chain-of-custody protocols were followed during sample collection, transport, and submission to the laboratory.* • *Sample shipments were tracked and documented to ensure proper handling at every stage.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *No reviews of AVM's sampling techniques and data have been conducted to date*

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	*Tenure Status:* • *The project consists of eleven mining concessions covering a total area of 13,594 hectares.* • *These concessions are in good standing.* • *All minerals in Mexico are owned by the Federal Government but private entities may exploit them under concessions granted by the government.* • *The concessions for the Gavilanes Project are valid for 50 years, contingent upon compliance with annual requirements, such as bi-annual fees and work expenditures.* *Property Titles:* • *The concessions include the following titles:* 1. *Gavilanes HMX (Title No. 240542) – 1,243.3288 hectares, valid from 14 June 2012 to 13 June 2062.* 2. *Gavilanes MHM Fracc. 1 (Title No. 240541) – 2,491.3149 hectares, valid from 14 June 2012 to 13 June 2062.* 3. *Gavilanes MHM Fracc. 2 (Title No. 233289) – 2,774.1142 hectares, valid from 23 January 2009 to 22 January 2059.* 4. *Victoria Cuatro (Title No. 172309) – 81.5064 hectares, valid from 24 November 1983 to 23 November 2033.*

Criteria	JORC Code explanation	Commentary
		5. *San Jose (Title No. 178392) – 8.9897 hectares, valid from 7 August 1986 to 6 August 2036.* 6. *Maria Luisa (Title No. 187678) – 41.5404 hectares, valid from 17 September 1990 to 16 September 2040.* 7. *Gavilan (Title No. 221108) – 158 hectares, valid from 28 November 2003 to 27 November 2053.* 8. *Nuevo Gavilanes (Title No. 221107) – 99 hectares, valid from 28 November 2003 to 27 November 2053.* 9. *El Gavilan 2 (Title No. 231437) – 1,895.4853 hectares, valid from 28 February 2008 to 27 February 2058.* 10. *El Gavilan 2 Fracción Uno (Title No. 231438) – 38.9999 hectares, valid from 28 February 2008 to 27 February 2058.* 11. *Guadalupe (Title No. 227264) – 4,762.2006 hectares, valid from 2 July 2006 to 1 July 2056*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	*<u>1980s - Activities by Dr. Jorge de la Torre</u>:* • *A Mexican individual, Dr. Jorge de la Torre, acquired the project through a government loan and installed a 120 ton/day mill to process mine dumps* • *Four core holes were drilled on the Guadalupe and Descubridora Veins, totaling 540 metres. However, data on these drill holes is limited to collar locations and orientations* *<u>Hochschild Mining PLC (2008)</u>:* • *Hochschild initiated modern exploration, collecting 71 surface samples and conducting geological mapping* • *Ten diamond drill holes were completed, totaling 2,847.35 metres. Due to incomplete data on QA/QC and logging, these drill holes were not included in later mineral resource estimates* *<u>Santacruz Silver (2010s):</u>* • *Acquired the project and conducted systematic exploration, including surface mapping, geochemical sampling, and a major diamond drilling campaign* • *In 2012-2013, Santacruz drilled 47 HQ core holes, totaling 9,623.9 metres. These efforts significantly contributed to the geological understanding and mineral resource estimation of the project*

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *The deposit is a low- to intermediate-sulfidation epithermal deposit that hosts precious metals (silver and gold) and base metals (lead, zinc, copper).* • *Located within the Sierra Madre Occidental (SMO), a large Tertiary volcanic field, the volcanic sequence is approximately 2 km thick, underlain by Mesozoic sedimentary rocks.* • *The project area is underlain by Lower Series rocks capped by Upper Series ignimbrites.* • *Mineralisation is structurally controlled, often occurring near rhyolite dikes* • *Mineralised zones are generally associated with margins of flow-banded rhyolite dikes and structural and hydrothermal brecciation zones* • *True widths range from <1 m to >10 m and consists of sulfide-rich breccias and discontinuous banded quartz-carbonate-sulfide veins.* • *Zones are often gradational, with metal grades decreasing away from quartz-sulfide veining* • *Notable veins include Guadalupe-Soledad, San Nicolas, Descubridora, and others.* • *Key veins exhibit strike lengths of hundreds of metres (e.g., Guadalupe-Soledad: 870 m, La Cruz: 880 m)*

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• *See Table 1 in the body of the report for full details.*

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *A nominal 25g/t Ag and/or 0.5% Cu cut-off has been used for reporting significant intersections in the current report. No maximum or minimum grade truncations have been used. Up to four metres of internal dilution has been allowed for these intercepts* • *Shorter higher grade intercepts have also been reported where appropriate to highlight the grade distribution in the broader intervals.* • *No silver equivalents were applied to the drilling results* • *The silver equivalent used for the Foreign Estimate was derived based on assumed metallurgical recoveries of similar deposits by the author of the NI43-101 technical document Derick Unger. The formula used is AgEq g/t = Ag g/t + Au g/t* 70.175 + Cu ppm*0.00658 + Pb ppm*0.00188 + Zn ppm*0.00188, where assumed recoveries for Ag, Au, Cu, Pb and Zn are 96%, 80%, 50%, 50% & 50% respectively, and prices in USD are $19.00/oz, $1,600/oz, $3.50/lb, $1.00/lb and $1.00/lb respectively.* • *In AVM's opinion all elements that are included in the metal equivalency calculation have reasonable potential to be recovered and sold.*
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• *The true widths of mineralised veins and zones vary significantly, ranging from less than 1 meter to over 15 metres. These widths were determined based on surface outcrops, underground sampling and drill hole intercepts* • *The mineralised structures are often associated with rhyolite dikes intruding andesite country rock. They are described as zones of structural and hydrothermal brecciation, not simple fissure-filling veins. This complexity may contribute to variability in true widths* • *None of the outcropping veins have had their strike or downdip limits delineated by drillhole testing*
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *Refer to the body of this report for a plan and section map of the drilling*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• *All mineralised intersection from AVM's current program are reported in Table 2*

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other substantive exploration data to report
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *See body of report for details*