

31 October 2013

**ASX:AWV**

Anova Metals Limited  
ABN 20 147 678 779

**Directors**  
Jon Parker – Chairman & NED  
Bill Fry – Executive Director  
Alasdair Cooke – NED  
Mal James – NED

**Management**  
John Hasleby – VP USA  
Steven Jackson – Co. Secretary

For further information,  
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Bill Fry  
Executive Director

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## Highlights

- Hydrogeological drilling program at 601 pit commenced
- Big Springs exploration plan of operations lodged
- Mine planning for 601 pit well advanced
- Mine permit application for 601 pit to be lodged in November
- \$2.1m cash on hand

## OPERATIONS

### Big Springs Gold Project, Nevada, USA

Operations at Big Springs continued to progress well through the Quarter. Plans for the initial first phase of mining operations are well advanced as are plans for drilling several high priority exploration targets. Details of the work undertaken are outlined below.

A hydrogeological model of the areas to potentially be mined has been developed and areas requiring further information identified. A drilling program for the 601 pit area has commenced with drilling expected to be completed by mid-November. Pump testing of selected drill holes will immediately follow to provide the required additional hydrogeological data for mine planning and permitting purposes.

A Plan of Operations has been prepared and lodged with the lead regulator (US Forest Service) seeking approval to commence an exploration drilling program at North and South Sammy and Beadles. This program is designed to target potential extensions of existing ore bodies. Drilling is expected to be undertaken in the June Quarter 2014.

In preparation for mining, a number of additional work programs are in progress including collection of bulk density data plus planning of geotechnical and metallurgical studies on new 601 area drill core, historical drill core and existing open pits. This work will be undertaken over the next six months.

A Plan of Operations for mining of the 601 pit is in final stages of preparation and is expected to be lodged in late November. This plan involves the open cut mining of the 601 pit followed by underground mining of deeper sections of the orebody. Requisite baseline flora and fauna surveys have been completed and waste rock characterisation study work is underway. The approval for this Plan of Operations is expected next year with mine operations planned for late next year.

Discussions have commenced with parties in relation to toll milling of ore to be extracted from Big Springs. These discussions will be furthered upon finalisation of the mine schedules for the first phase of operations.

## **CORPORATE**

During the Quarter the company initiated a corporate restructure to reduce fixed overheads whilst preserving development options and work programs. As a result three full time positions including that of Managing Director were made redundant and the Company's Brisbane office was closed.

Mr Alasdair Cooke was appointed Non-Executive Director and Mr Bill Fry became an Executive Director of the company.

Mr Steven Jackson was appointed Company Secretary and the registered office of Anova Metals was shifted to Perth.

As at 30 September, the Company's cash balance was \$2.1 million.



Figure 1: Oblique view of proposed site layout for mining of the current 601 pit design.

**Competent Person Statement**

The information in this report that relates to Exploration Results is based on information compiled by Mr Lauritz Barnes, Principal Consultant Geologist – Trepanier Pty Ltd. Mr Barnes is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Barnes consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Mr Lauritz Barnes, Principal Consultant Geologist – Trepanier Pty Ltd. Mr Barnes is a shareholder of Anova Metals. Mr Barnes is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Barnes consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

**Appendix 5B**  
**Mining exploration entity quarterly report**

Name of entity

<b>Anova Metals Limited</b>
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ABN

<b>20 147 678 779</b>
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Quarter ended ("current quarter")

<b>30 SEPT 2013</b>
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**Consolidated statement of cash flows**

Cash flows related to operating activities	Current quarter \$'000	Year to date (3 months) \$'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration and evaluation	(358)	(358)
(b) development	-	-
(c) production	-	-
(d) administration	(535)	(535)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	17
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(876)</b>	<b>(876)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1)	(1)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(1)</b>	<b>(1)</b>
1.13 <b>Total operating and investing cash flows (carried forward)</b>	<b>(877)</b>	<b>(877)</b>

1.13	<b>Total operating and investing cash flows (carried forward)</b>	(877)	(877)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Cost of the Issue	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	<b>(877)</b>	<b>(877)</b>
1.20	Cash at beginning of quarter/year to date	2,984	2,984
1.21	Exchange rate adjustments to item 1.20	(21)	(21)
1.22	<b>Cash at end of quarter</b>	<b>2,086</b>	<b>2,086</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$'000
1.23	Aggregate amount of payments to the parties included in item 1.2	386
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$295k – director remuneration payments, including redundancy payments

\$91k – payments for administrative staff, technical staff and provision of a fully serviced office

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

**Financing facilities available**

		Amount available \$'000	Amount used \$'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

		\$'000
4.1	Exploration and evaluation	938
4.2	Development	-
4.3	Production	-
4.4	Administration	245
<b>Total</b>		<b>1,183</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$'000	Previous quarter \$'000
5.1	Cash on hand and at bank	1,071	84
5.2	Deposits at call	1,015	2,900
5.3	Bank overdraft	-	-
<b>Total: Cash at end of quarter (item 1.22)</b>		<b>2,086</b>	<b>2,984</b>

**Changes in interests in mining tenements**

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-	-



**Issued and quoted securities at end of current quarter**

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 <b>+Ordinary securities</b>	168,413,269	168,413,269	Fully Paid	Fully Paid
7.4 Changes during quarter				
(a) Increases through issue of new shares	-	-	-	-
(b) Decreases	-	-	-	-
7.5 <b>+Convertible debt securities</b>	-	-	-	-
7.6 Changes during quarter				
(a) Increases	-	-	-	-
(b) Decreases	-	-	-	-
7.7 <b>Options/Rights</b>			Exercise Price	Expiry Date
Unquoted options	3,000,000	-	25 cents	11/05/2014
	3,000,000	-	25 cents	30/06/2014
	2,500,000	-	30 cents	30/06/2014
	750,000	-	30 cents	08/06/2016
	1,000,000	-	30 cents	31/12/2014
	2,000,000	-	10.4 cents	31/12/2016
	4,000,000	-	12.1 cents	31/12/2016
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 <b>Performance Shares</b>	28,000,000	-	-	-
7.12 Changes during quarter				
(a) Increases	-	-	-	-
(b) Decreases	-	-	-	-
7.13 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.14 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



**Mr Steven Jackson**

Company Secretary

Date: 31 October 2013

**Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.