

31 January 2014

**ASX:AWV**

Anova Metals Limited  
ABN 20 147 678 779

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

**Management**  
John Hasleby – VP USA  
Bruce McLarty – General  
Manager Operations  
Lauritz Barnes – Study Manager  
(Mining and Resources)  
Steven Jackson – Co. Secretary

For further information,  
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Executive Director

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## Highlights

- Hydrogeological drilling programme at 601 pit completed
- Mine planning for 601 pit well advanced
- Mine permit application for 601 pit and 701 underground due for lodgement early Feb
- Geotechnical review completed
- Metallurgical testwork commenced
- Toll treatment negotiations progressing well
- Contractor quotes being sought for first phase of mining

## 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 with details of the work undertaken during the quarter outlined below.

A drilling programme for the 601 pit area was completed in early December. Preliminary pump testing of selected drill holes was possible – however, more extensive testing will follow in Q2 2014 to provide the required additional hydrogeological data for mine planning and permitting purposes.

An exploration drilling Plan of Operations lodged with the lead regulator (US Forest Service) in the previous quarter is progressing through the approval process. This planned drilling is designed to target potential extensions of existing ore bodies at North and South Sammy and Beadle Creek. Drilling is expected to be undertaken in the June Quarter 2014.

A Plan of Operations for mining of the 601 pit is in final stages of preparation and will be lodged in the first week of February. This plan involves the open cut mining of the 601 pit (Figures 1 to 3) followed by underground mining of deeper sections of the 601 and 701 orebodies. 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 this year (2014) with mine operations planned for late in the fourth quarter 2014.

In preparation for mining, a number of additional work programmes are progressing. A programme of collecting detailed bulk density data on historical and new (November 2013) drill core is near completion with data analysis to follow. An initial geotechnical assessment of the proposed 601 mining area has been completed and metallurgical studies on new drill core (also from the 601 area) has commenced. This work will continue into Q1, 2014.

Mining contractor rates for both the open cut and underground operations are being sourced from contractors with relevant experience operating in the Carlin region. The township of Elko 80 kms to the south is the regional mining services supply base for many of the mines located in the Carlin district.

Negotiations with parties to toll treat the ore have progressed well with the aim to have an agreement finalised in the first quarter 2014.

## **CORPORATE**

The Company held its Annual General Meeting on 29 November. All resolutions put to shareholders were carried unanimously on a show of hands. Anova Chairman, Mr Jon Parker, resigned at the conclusion of the meeting, the final step in the corporate restructure that the company initiated in the prior quarter. Mr Mal James has taken over the role of Non-Executive Chairman.

As at 31 December, the Company's cash balance was \$1.34 million.

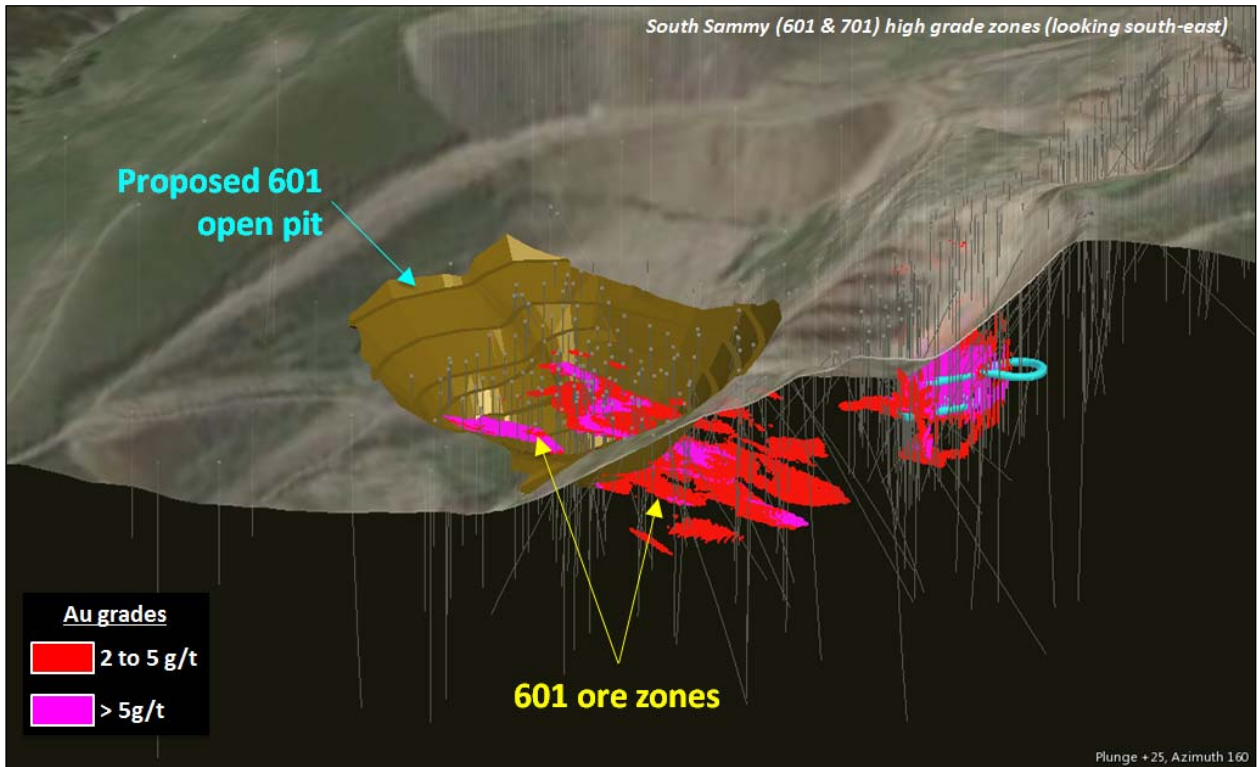


Figure 1: Oblique view of proposed 601 pit design.



Figure 2: View of planned 601 pit position at Big Springs site.

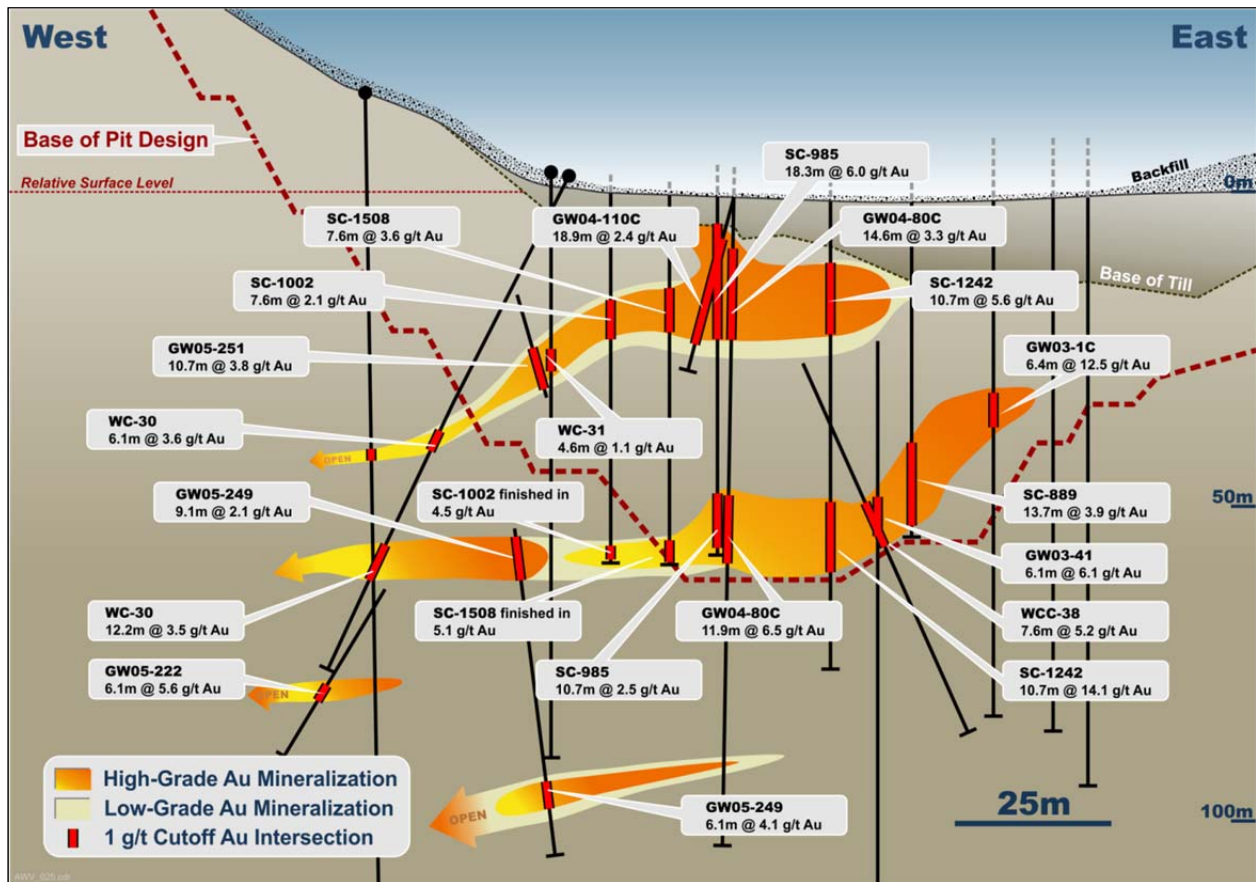


Figure 3: East-west cross-section through proposed 601 pit design showing drillhole intersections.

### 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.

## Tenement Schedule

All claims are 100% held.

Project Name	Prospect	Location	Mining Claim Name
Big Springs	Big Springs	USA	NDEEP-31, NDEEP-32
Big Springs	Big Springs	USA	TT-108 to TT-157, TT-163, TT-164, TT-185, TT-187, TT-189 to TT-204, TT-220 to TT-267, TT-327 to TT-344
Big Springs	Dorsey Creek	USA	NDEEP-18, NDEEP-19, NDEEP-35, NDEEP-36, NDEEP-52, NDEEP-53
Big Springs	Dorsey Creek	USA	TT-158 to TT-162, TT-169 to TT-184, TT-186, TT-188, TT-275 to TT-277, TT-290, TT-291, TT-297 to TT-301, TT-305 to TT-311
Big Springs	Golden Dome	USA	DOME-1 to DOME-51
Big Springs	Golden Dome	USA	GD-52 to GD-61, GD-63, GD-67 to GD-76, GD-79 to GD-90, GD-92 to GD-136, GD-139 to GD-154, GD-157, GD-164 to GD-173, GD-176, GD-181, GD-182, GD-185, GD-186, GD-189, GD-190, GD-193, GD-194, GD-197 to GD-199, GD-201, GD-203, GD-205, GD-207, GD-209, GD-211, GD-213, GD-215, GD-217, GD-219, GD-221, GD-223, GD-225, GD-265 to GD-286, GD-297 to GD-318, GD-381 to GD-428
Big Springs	Golden Dome	USA	MP-14, MP-16, MP-18, MP-41, MP-43, MP-45, MP-47, MP-49 to MP-54
Big Springs	Golden Dome	USA	NDEEP-1 to NDEEP-16, NDEEP-44 to NDEEP-90
Big Springs	Jack Creek	USA	JAK-14, JAK-16, JAK-18, JAK-20 to JAK-38, JAK-99 to JAK-116, JAK-170, JAK-172, JAK-174, JAK-176, JAK-178 to JAK-186
Big Springs	Mac Ridge	USA	BS-500 to BS-550, BS-557 to BS-579
Big Springs	Mac Ridge	USA	MR-500 to MR-524, MR-526, MR-528, MR-530 to MR-537
Big Springs	Mac Ridge	USA	NDEEP-33, NDEEP-34
Big Springs	Mac Ridge	USA	TT-205 to TT-219

**Private lands, which include all minerals, subject to a 2% NSR royalty to Ellison Minerals, Inc. Per below:**

Township 42 North, Range 54 East (148.552 Hectares):

Section 7 - Lot 4 (SW $\frac{1}{4}$  SW $\frac{1}{4}$ ); SE $\frac{1}{4}$  SW $\frac{1}{4}$ ; NE $\frac{1}{4}$  SE $\frac{1}{4}$

Section 8 - N  $\frac{1}{2}$  SW $\frac{1}{4}$

Section 31 - Lot 2 (SW $\frac{1}{4}$  NW $\frac{1}{4}$ ); Lot 4 (SW $\frac{1}{4}$  SW $\frac{1}{4}$ ); NE $\frac{1}{4}$  SW $\frac{1}{4}$ ; SW $\frac{1}{4}$  SE $\frac{1}{4}$

**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>31 DEC 2013</b>
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**Consolidated statement of cash flows**

Cash flows related to operating activities	Current quarter \$'000	Year to date (6 months) \$'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration and evaluation	(407)	(764)
(b) development	-	-
(c) production	-	-
(d) administration	(371)	(906)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	13	30
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>(765)</b>	<b>(1,640)</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)
1.9 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>-</b>	<b>(1)</b>
1.13 <b>Total operating and investing cash flows (carried forward)</b>	<b>(765)</b>	<b>(1,641)</b>

1.13	<b>Total operating and investing cash flows (carried forward)</b>	<b>(765)</b>	<b>(1,641)</b>
	<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>-</b>	<b>-</b>
	<b>Net increase (decrease) in cash held</b>	<b>(765)</b>	<b>(1,641)</b>
1.20	Cash at beginning of quarter/year to date	2,086	2,984
1.21	Exchange rate adjustments to item 1.20	19	(2)
1.22	<b>Cash at end of quarter</b>	<b>1,340</b>	<b>1,340</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	250
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$134k – director remuneration payments, including redundancy payments

\$116k – 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	437
4.2 Development	-
4.3 Production	-
4.4 Administration	248
<b>Total</b>	<b>685</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	340	1,071
5.2 Deposits at call	1,000	1,015
5.3 Bank overdraft	-	-
<b>Total: Cash at end of quarter (item 1.22)</b>	<b>1,340</b>	<b>2,086</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 January 2014

**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.