

31 October 2014

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 30 SEPT 2014

HIGHLIGHTS

- Toll Treatment Agreement executed
- Exploration permit received in October
- Exploration drill programme preparation underway
- Mine permitting - public comment process completed
- Metallurgical test work commenced
- North Sammy underground design work advancing

OPERATIONS

Big Springs Gold Project, Nevada, USA

Big Springs activities during the September quarter continued to focus on the proposed first phase of mining operations (601 open Pit and 601/701 underground). Mine permitting, mine planning, geotechnical and hydrogeological study work continued throughout the quarter. Underground mining of 601 was added to the mine plan after a review by underground mining contractors concluded there was economic zones of ore immediately below the 601 pit that could be mined.

North Sammy underground mine planning advanced through the quarter with input from mining contractors on mining techniques and design work. Hydrogeological study work also continued in preparation for a drilling programme planned for November this year.

Toll treatment negotiations with Veris Gold Corp. to treat ore through its Jerritt Canyon process facility were successfully concluded during the quarter. The completion of this tolling agreement is an important milestone for the company as it provides the ability to proceed quickly to production. Key terms of the agreement provide for the delivery of up to 1,000 tons per day of ore, which will be processed in 25,000 ton lots. The Jerritt Canyon facility is located 42km's from Big Springs.

Exploration plans for a drilling programme to commence in November this year have been finalised. The programme will incorporate infill and exploration drilling plus a small programme of geotechnical and hydrogeological drilling. Permit approvals for the exploration programme were received in early October and drilling contractors have been selected to undertake the programme.

The conceptual mine layout for the first phase of mining operations is shown below in Figure 1 along with descriptions of the activities undertaken at each deposit during the quarter.



Figure 1: Conceptual mine layout for phase 1 of operations

601 Open Pit – Stage 1

Permitting activities for the quarter concentrated on responding to requests for further information from the regulator US Forestry Services (USFS). The formal plan of operations was submitted for public comment and received two responses during the comment period. Activities for the next quarter will focus finalising the waste dump location, water pollution control permit and the reclamation permit.

Preparation for infill, metallurgical sampling and additional geotechnical drilling at 601 has been completed. Site access and drill pads have been prepared along with the installation of safety berms and signage. Drilling will commence early November and is expected to take 3 weeks to complete.

An initial metallurgical test work sample has been prepared using 601 ore. This sample has been delivered to a laboratory in Reno for processing. The results of this test work will be available next quarter. Further test work will be conducted on core sample drilled in the planned drill programme.

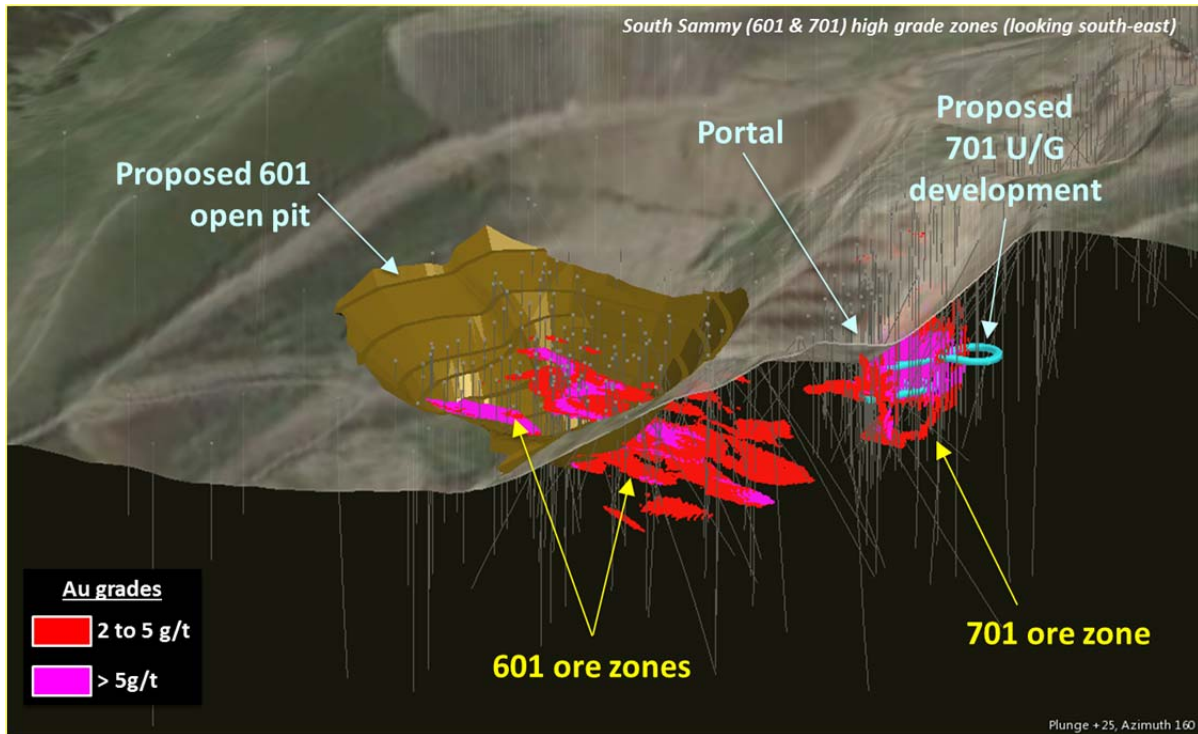


Figure 2: Oblique view of proposed 601 open pit & 701 underground design

701 Underground Mine – Stage 2

Mining contractors undertook further work on the mine design during the quarter. These designs will be reviewed by Anova's mine engineering consultant during the coming quarter.

Permitting for two geotechnical drill holes has been approved and drilling will commence in mid November.

North Sammy – Stage 3

Mine designs have been received from several mining contractors and will be reviewed by Anova's mine engineering consultant during the coming quarter. Detailed cost analysis will also be undertaken for incorporation into the financial model for the underground operations.

Drilling will be undertaken in early November as part of a hydrogeology programme necessary to finalise the Plan of Operations. This will incorporate two pump testing wells plus two observation wells for the purposes of evaluating aquifer characteristics and dewatering requirements.

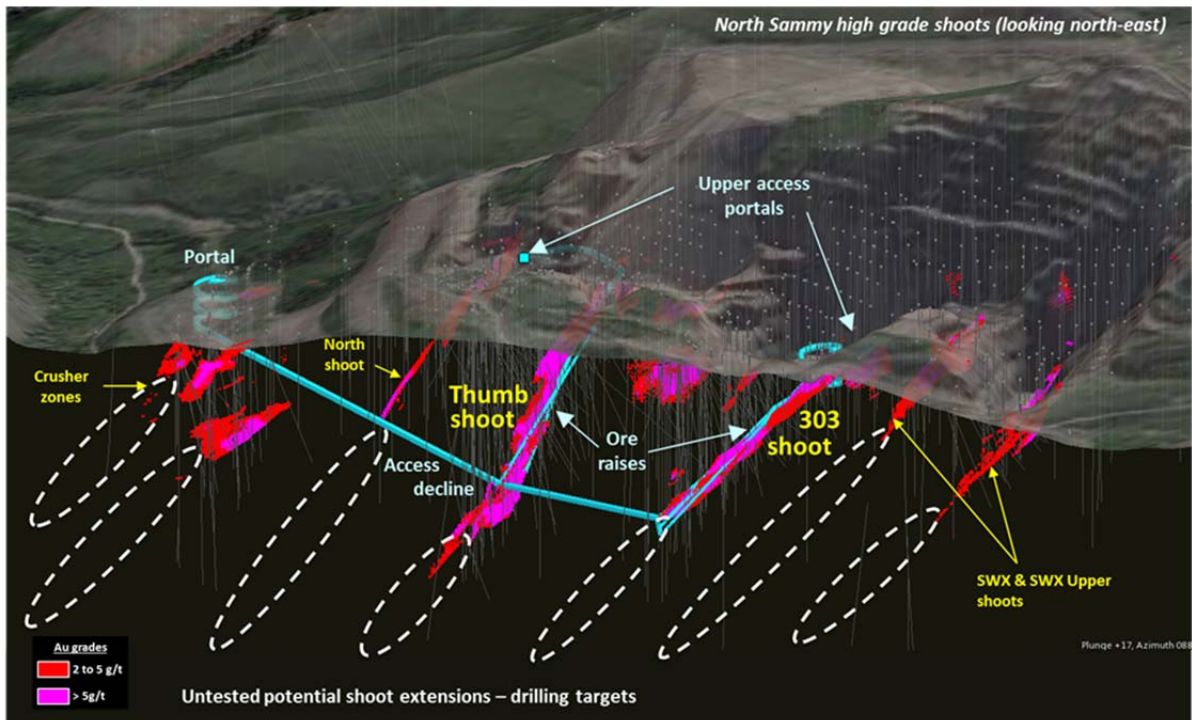


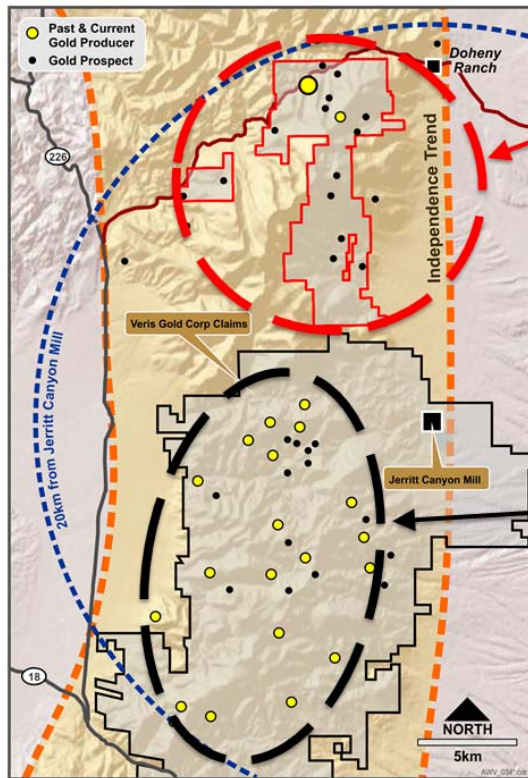
Figure 3: Oblique view of proposed North Sammy underground design

Exploration

A brownfields exploration drilling programme has been planned and will be undertaken in Q4 this year. The programme has been designed to test targets associated with the North and South Sammy zones.

When Anova acquired the Big Springs project, the data package received included information relating to exploration within the tenement area. Data received included surface geochemistry (rock chip, soils and stream sediment samples), geological and structural mapping, geophysics (magnetics, electro-magnetics, radiometrics and limited IP) plus limited drilling away from the historically mined areas.

When the prospectivity of the Big Springs Project (350,000oz produced, 1 Moz in resource, limited exploration since mine closure in 1993) is compared to the Jerritt Canyon area immediately to the south (11 Moz identified, 8 MOZ produced, continuous exploration since the 1980's), it highlights the opportunity for significant further ounces to be identified through systematic exploration work.



Big Springs

- Previously mined, 350,000 oz produced
- 1 Moz in resource
- Limited exploration since 1993

Jerritt Canyon mine (neighbour)

- 20 km south of Big Springs (42 km by road)
- 11 Moz discovered
- 8 Moz Au produced since 1981
- 20+ years production history
- 30+ years continuous exploration

Figure 4: Comparison of Big Springs Project with its neighbour, Jerritt Canyon Mine

Anova’s initial limited review of the exploration data package has immediately identified a number of highly prospective targets, in particular those identified by the surface soil geochemistry grid that covers areas immediately adjacent to the historically mined areas at North and South Sammy and Mac Ridge.

Further detailed analysis of the entire exploration data package (including the main Big Springs area plus Dorsey Creek, Jack Creek and Golden Dome) is planned for the coming quarters to run alongside the brownfields drilling and permitting activities described above. Exploration targets identified will be prioritised and work programmes planned for the 2015 field season.

CORPORATE

As at 30 September, the Company's cash balance was \$525,000.

The company announced in October that it has received firm commitments for a capital raising of \$1,690,000 at 4 cents per share from sophisticated and professional investors. The first tranche for proceeds of \$1,312,106 was issued on 24 October 2014 and the second tranche to raise \$377,894, including \$200,000 to a related party, will be issued subject to shareholder approval.

The funds will be used primarily for drilling and permitting programmes at Anova's 100% owned Big Springs Project in Nevada, USA. Drilling will commence immediately at South Sammy with planned drilling at North Sammy to be undertaken in mid-November.

The company is also in discussions with strategic investor groups seeking an interest in the Company as it progresses towards production next year.

The Company will hold its Annual General Meeting on 28 November 2014.

Competent Person Statement

The information in this report that relates to Exploration Results and 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 Australian Institute of Geoscientists 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 his 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	DOMES-1 to DOMES-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

Anova Metals Limited

ABN

20 147 678 779

Quarter ended ("current quarter")

30 SEPTEMBER 2014

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		
(a) exploration and evaluation	(531)	(531)
(b) development	-	-
(c) production	-	-
(d) administration	(444)	(444)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(970)	(970)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
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)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(970)	(970)

1.13	Total operating and investing cash flows (carried forward)	(970)	(970)
	Cash flows related to financing activities		
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)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(970)	(970)
1.20	Cash at beginning of quarter/year to date	1,481	1,481
1.21	Exchange rate adjustments to item 1.20	14	14
1.22	Cash at end of quarter	525	525

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	202
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$75k – director remuneration payments.

\$127k – 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	650
4.2 Development	-
4.3 Production	-
4.4 Administration	250
Total	900

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	325	981
5.2 Deposits at call	200	500
5.3 Bank overdraft	-	-
Total: Cash at end of quarter (item 1.22)	525	1,481

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 Preference ⁺securities	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 ⁺Ordinary securities	220,184,269	220,184,269	Fully Paid	Fully Paid
7.4 Changes during quarter				
(a) Increases through issue of new shares	-	-	-	-
(b) Decreases through buy-backs	-	-	-	-
7.5 ⁺Convertible debt securities	-	-	-	-
7.6 Changes during quarter				
(a) Increases	-	-	-	-
(b) Decreases	-	-	-	-
7.7 Options/Rights			Exercise Price	Expiry Date
Unquoted options	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
	1,500,000	-	5 cents	31/01/2015
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Performance Shares	15,000,000	-	-	-
7.12 Changes during quarter				
(a) Increases	-	-	-	-
(b) Decreases	-	-	-	-
7.13 Debentures <i>(totals only)</i>	-	-		
7.14 Unsecured notes <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 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.