

30 October 2015

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 30 SEPTEMBER 2015

HIGHLIGHTS

- **Pit optimisation and final mine design completed**
- **Metallurgical test work completed**
- **Engineering study and design work finalized**
- **Additional South Sammy Waste Rock Characterisation completed**
- **South Sammy mine permit applications all lodged and currently being assessed**

OPERATIONS

Big Springs Gold Project, Nevada, USA

The key activities completed during the September quarter focussed on advancing the engineering design and study work, metallurgical test work and advancement of the permit approvals to facilitate the commencement of mining operations at South Sammy. Good progress has been made on the engineering design and study work with finalisation of all design drawings and reports. Similarly good progress has been made on the permit approvals process with a large package of additional data and reporting finalised and ready for submission. The company is working closely with the relevant regulatory authorities to finalise all outstanding issues for the granting of its mining approvals.

ENGINEERING AND GEOLOGY

Metallurgical testwork

Testwork results have been received for composite samples from the four diamond core holes drilled in late 2014 within the proposed 601 open pit mining area at South Sammy. The testwork procedure was designed by Hazen Research, Inc, Anova and its metallurgical consultant to best replicate to the process at the Jerritt Canyon toll treating facility.

The initial results received from Hazen confirm historical recoveries for the 601 open pit. Further metallurgical test work is proposed to be undertaken at the Jerritt Canyon facility prior to commencement of operations.

Three further representative composites from the North Sammy 303 and Thumb Shoots plus the South Sammy 701 Zone were created from historical core and analysed using the same procedure. The results again confirm the historical recoveries for the North Sammy zones of mineralisation.

Pit optimisation and design

During the quarter, Anova's specialist mining consultants updated the open pit optimisation utilising the updated revised block model and geotechnical parameters. Once Anova's team have reviewed the results, a refined pit design will be completed in preparation for mining. This final mine design will be subject to current negotiations with Jerritt Canyon to restructure the existing tolling arrangement to increase the ore tonnages supplied to Jerritt Canyon.

PERMITTING

Anova has continued to progress permitting program for the Big Springs Gold Project during the quarter. The majority of activities have been focussed on revising and expanding the level of engineering design plus undertaking additional geochemical test work as requested by NDEP. The company has worked closely with its consultants and the NDEP and USFS to ensure that additional information requested is provided in a timely manner and meets the requirements of the relevant agency. The permitting timeframe has been extended due to these extra requests however the company is endeavouring to finalise the process and gain its approvals to operate as expeditiously as possible.

During the quarter Anova and its engineering consultants completed the designs of all mining related infrastructure, including comprehensive design of the site stormwater management structures, infrastructure pad, road systems and waste disposal areas. The updated designs incorporate results of additional basin-specific infiltration testing completed in the June quarter. The use of the updated infiltration rates has led to a reduction in the overall size of water management features, which will lower construction costs and bond requirements.

Further to a request by NDEP, detailed engineering drawings of all mining related infrastructure has been completed. The engineering design report is currently being updated and scheduled for completion in October 2015. The deliverables from the study will be submitted to NDEP and USFS as soon as they are available.

During the quarter, Anova also completed supplementary geochemical characterization work that was requested by NDEP. Results from the test work have been compiled and a report has been prepared that will be submitted to NDEP shortly.

Preparation of the draft Environmental Assessment for the project is ongoing. All baseline studies for the South Sammy Project have now been completed.

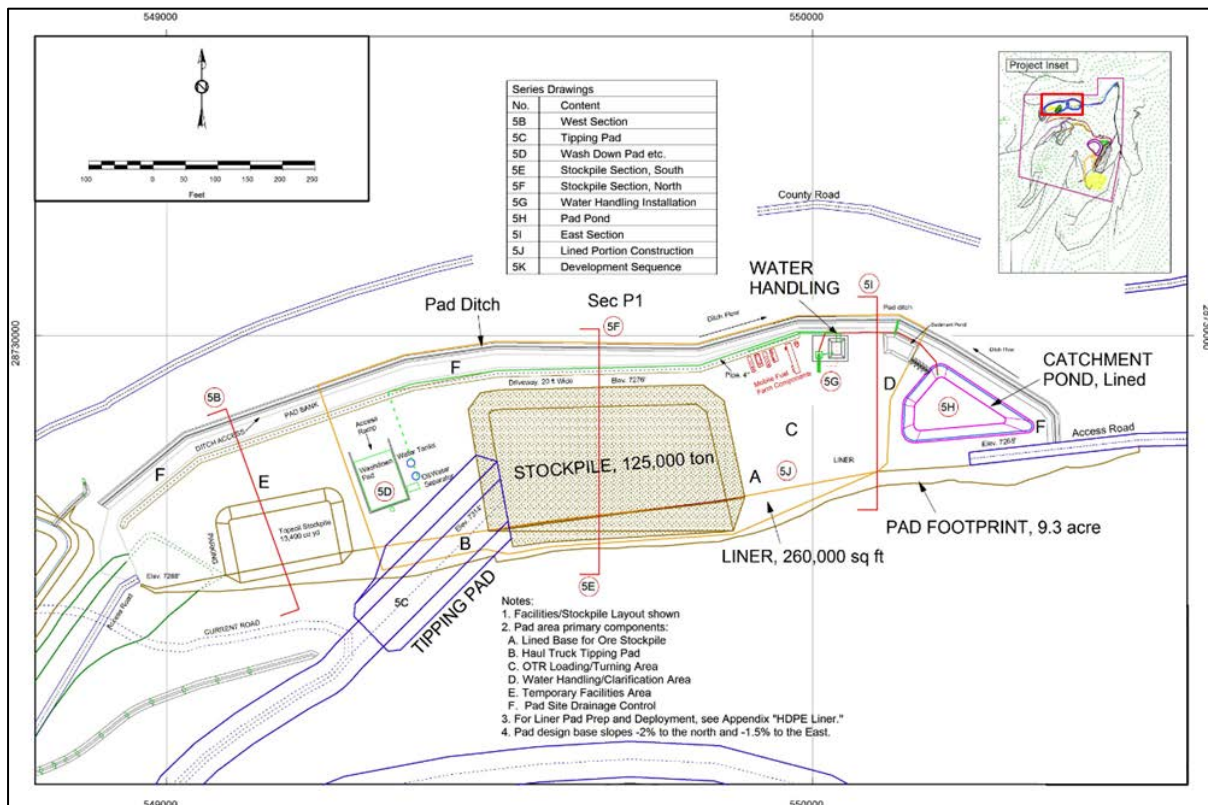


Figure 1: Overview of features on the Infrastructure Pad.

EXPLORATION

During the quarter, Anova continued to review the extensive exploration database it received when it acquired the Big Springs project, including 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.

With the primary focus being permitting and infill drilling at the proposed initial mining area at the 601 Deposit and the Thumb and 303 Shoots at North Sammy, there has been no opportunity to conduct exploration work at Big Springs. As such, when 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 prospectivity of the Big Springs Project (350,000oz produced, 1 Moz in resource, limited exploration since mine closure in 1993) and opportunity for significant further ounces to be identified through systematic exploration work.

Anova's continued review of the exploration data package during the past year has identified a number of additional targets as highlighted in the following diagrams. In particular, the potential extension of the North Sammy shoots, beneath 601 and 701 at South Sammy and at lower Mac Ridge where limited historical drilling into surface geochemistry anomalies have intersected significant gold mineralisation.

Anova has a list of exploration targets prioritised ready for future work programmes.

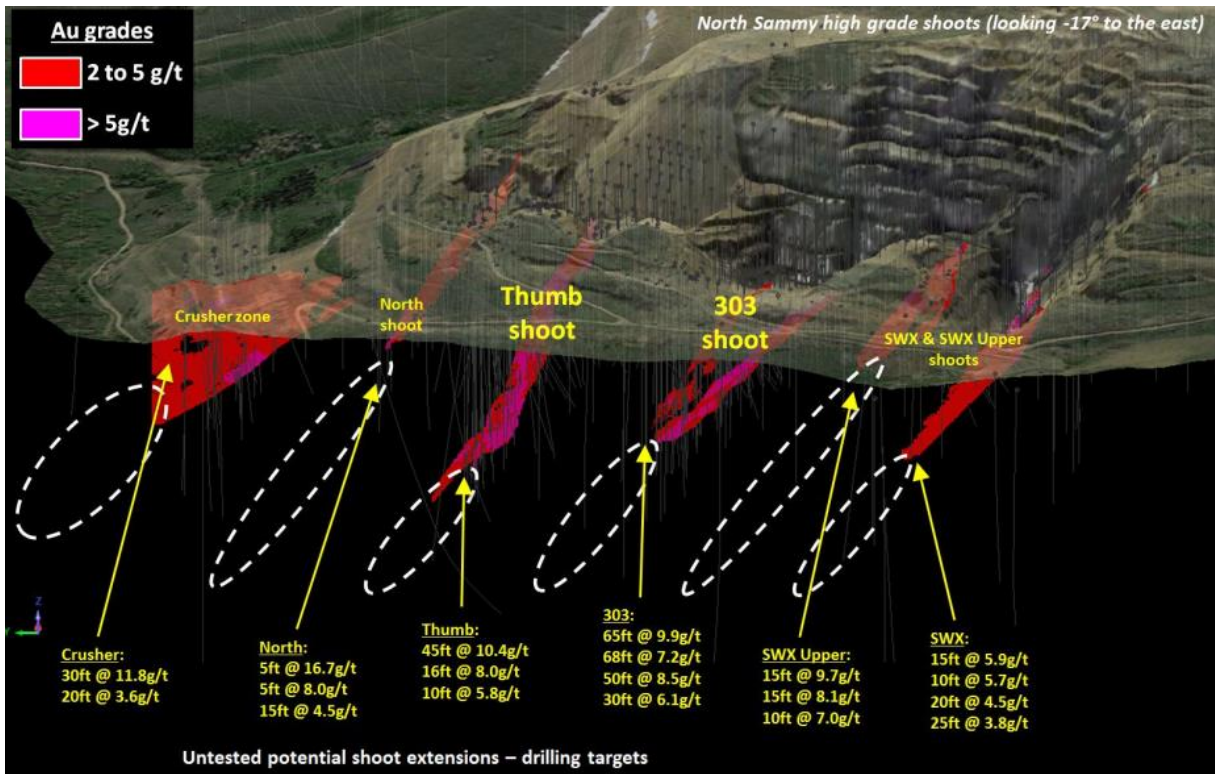


Figure 2: Potential extensions of the North Sammy shoots

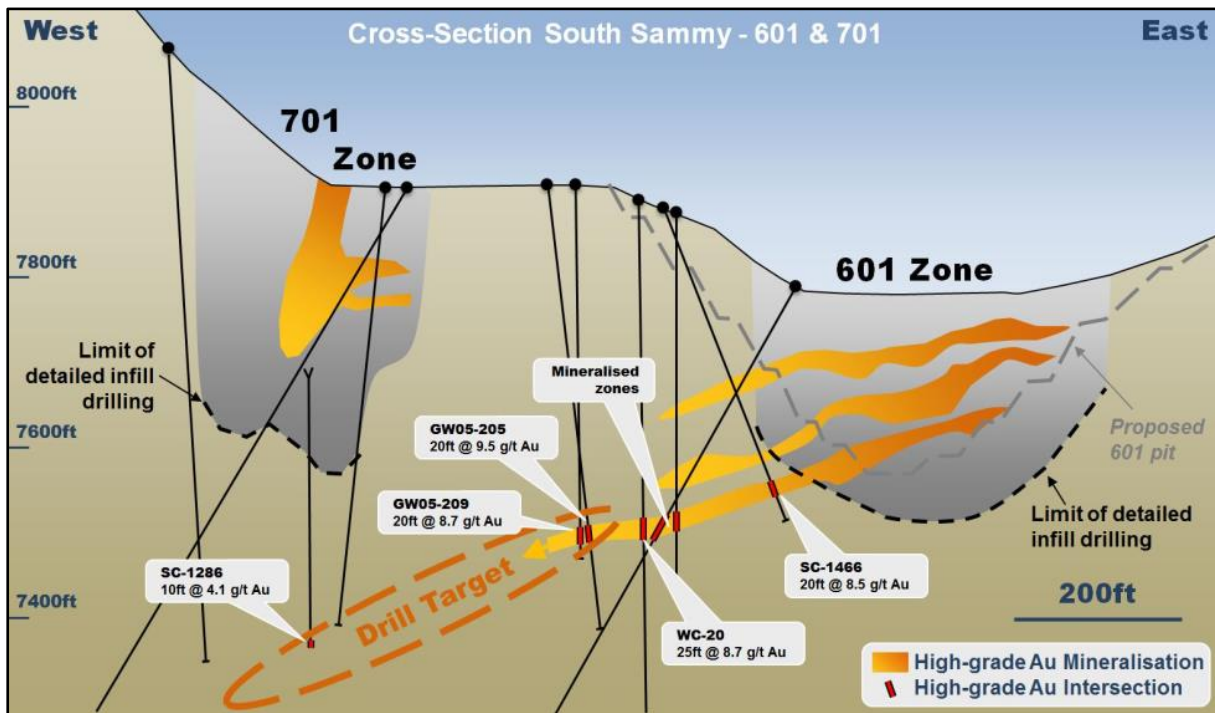


Figure 3: Drill target beneath the 601 and 701 Zones at South Sammy

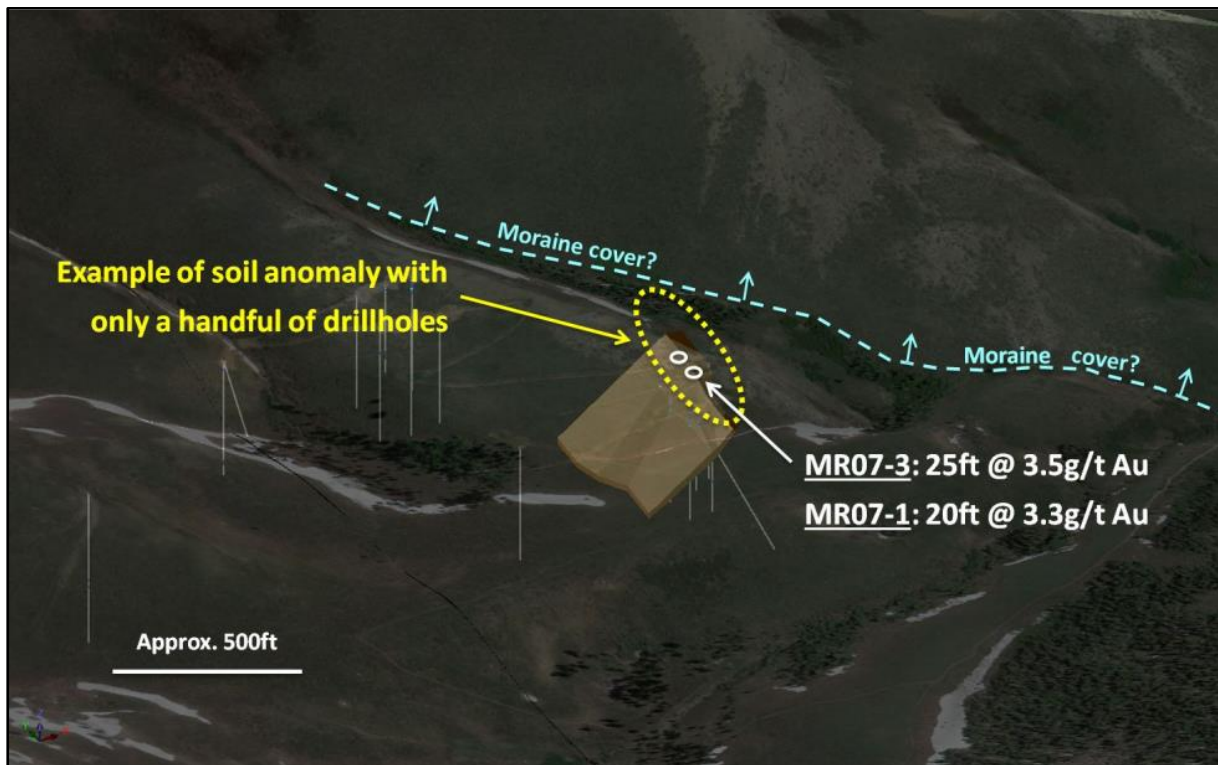


Figure 4: Historical drilling and surface geochemistry drill target at lower Mac Ridge

CORPORATE

As at 30 September 2015, the Company's cash balance was \$0.88m.

Subsequent to the quarter end the Company a capital raising of \$0.5m (before costs) by the issue of 11,200,000 shares at 4.5 cents per share to sophisticated and professional investors.

The Company will hold its Annual General Meeting on 19 November at 10.00am.

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	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

Anova Metals Limited

ABN

20 147 678 779

Quarter ended ("current quarter")

30 SEPTEMBER 2015

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	(417)	(417)
(b) development	-	-
(c) production	-	-
(d) administration	(326)	(326)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	3
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	(740)	(740)
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)	(740)	(740)

1.13	Total operating and investing cash flows (carried forward)	(740)	(740)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.*	144	144
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	144	144
Net increase (decrease) in cash held			
		(596)	(596)
1.20	Cash at beginning of quarter/year to date	1,473	1,473
1.21	Exchange rate adjustments to item 1.20	7	7
1.22	Cash at end of quarter	884	884

* Shares issued subsequent to quarter end.

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	174
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$58k – director remuneration 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	251
4.2 Development	-
4.3 Production	-
4.4 Administration	229
Total	480

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	884	1,473
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
Total: Cash at end of quarter (item 1.22)	884	1,473

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	313,684,272	313,684,272	Fully Paid	Fully Paid
7.4 Changes during quarter				
(a) Increases through issue of new shares	-	-	-	-
(b) Increases through exercise of options	-	-	-	-
7.5 +Convertible debt securities	-	-	-	-
7.6 Changes during quarter				
(a) Increases	-	-	-	-
(b) Decreases	-	-	-	-
7.7 Options/Rights			Exercise Price	Expiry Date
Unquoted options	2,000,000	-	10.4 cents	31/12/2016
	4,000,000	-	12.1 cents	31/12/2016
	19,875,000	-	5 cents	30/11/2016
Unquoted rights	4,250,000	-	-	5/12/2017
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Performance Shares	-	-	-	-
7.12 Changes during quarter				
(a) Expired during quarter	-	-	-	-
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: 30 October 2015

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.