

28 October 2016

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 30 SEPTEMBER 2016

HIGHLIGHTS

- **\$9.3m raised in Placement and Share Purchase Plan**
- **Exploration and geotechnical drilling program commenced at Big Springs**
- **Environmental Assessment – Interagency consultation being finalised. Draft decision to follow.**

CORPORATE

Placement

In August, the Company completed a placement raising \$7.1 (before costs) by issuing 54,615,385 new fully paid ordinary shares at an issue price of 13 cents per share to sophisticated and professional investors. The placement, which was conducted at a 10.3% discount to the last closing price, was conducted utilising the Company's 15% placement capacity under ASX Listing Rule 7.1.

Bell Potter Securities Limited acted as the sole Lead Manager and Bookrunner to the Placement. Additionally, Tectonic Advisory Partners LLC (acting through Ecoban Securities Corporation) coordinated US investor participation.

Share Purchase Plan

In conjunction with the placement, the Company also conducted a Share Purchase Plan for existing eligible shareholders to enable them to purchase up to \$15,000 of new shares at the same price as the placement. The Share Purchase Plan was capped at a maximum of \$2m and close to \$3m in valid applications were received. The Board elected to expand the target to \$2.17m and all applications received the first \$3,000 of their entitlement, with applications between \$3,000 and \$15,000 being scaled back on a pro-rata basis.

Funds from both the Placement and Share Purchase Plan will be used to accelerate exploration programs at the Company's 100% owned Big Springs Project located in Nevada, USA.

As at 30 September 2016, the Company's cash balance was \$9.7m.

OPERATIONS

DRILLING

Big Springs Gold Project, Nevada, USA

During the quarter Anova initiated a drilling program at its 100% owned Big Springs Project in Nevada, USA. Two diamond drill rigs were mobilized to site and commenced drilling in September 2016. Drilling is being conducted at the Beadles Creek Prospect, as well as the South Sammy and North Sammy deposits.



Image 1: Geotechnical drilling at North Sammy - Big Springs Project, Nevada.

The drill program is aimed at increasing the Company's resource base by adding accessible ounces to the Company's resource inventory (refer to ASX Announcement - 16 August 2016) and to provide further geotechnical information for planned underground development.

Core from the initial holes completed have been processed and submitted to the laboratory for geochemical analysis. Assay results are imminent and will be announced shortly.



Image 2: Exploration drilling at Beadles Creek - Big Springs Project, Nevada.

In addition to the current drilling, authorised under previously submitted Exploration Plans of Operations, Anova is planning to conduct further project development and resource definition drilling at the Big Springs Project in 2017. The Mine Plan of Operations, once approved, will authorise further project development and resource definition drilling within the Mine Project Area (see Permitting section below for status). Drilling will focus on testing the down plunge potential at the North Sammy shoots, in particular the North and 303 shoots. The remaining North Sammy shoots are also highly prospective with a number of them tested to very shallow depths (SWX Upper only to 65m, North to 90m, Crusher to 130m and SWX to 150m). Deep downhole drilled intersections on each North Sammy shoot are illustrated in Figures 2 to 4, with highlights including:

- 303 – 19.8m at 9.9g/t Au
- Thumb - 13.7m at 10.4g/t Au
- Crusher - 9.1m at 11.8g/t Au
- SWX Upper – 4.6m at 9.7g/t Au
- SWX - 4.6m at 5.9g/t Au
- North – 1.5m at 16.7g/t Au

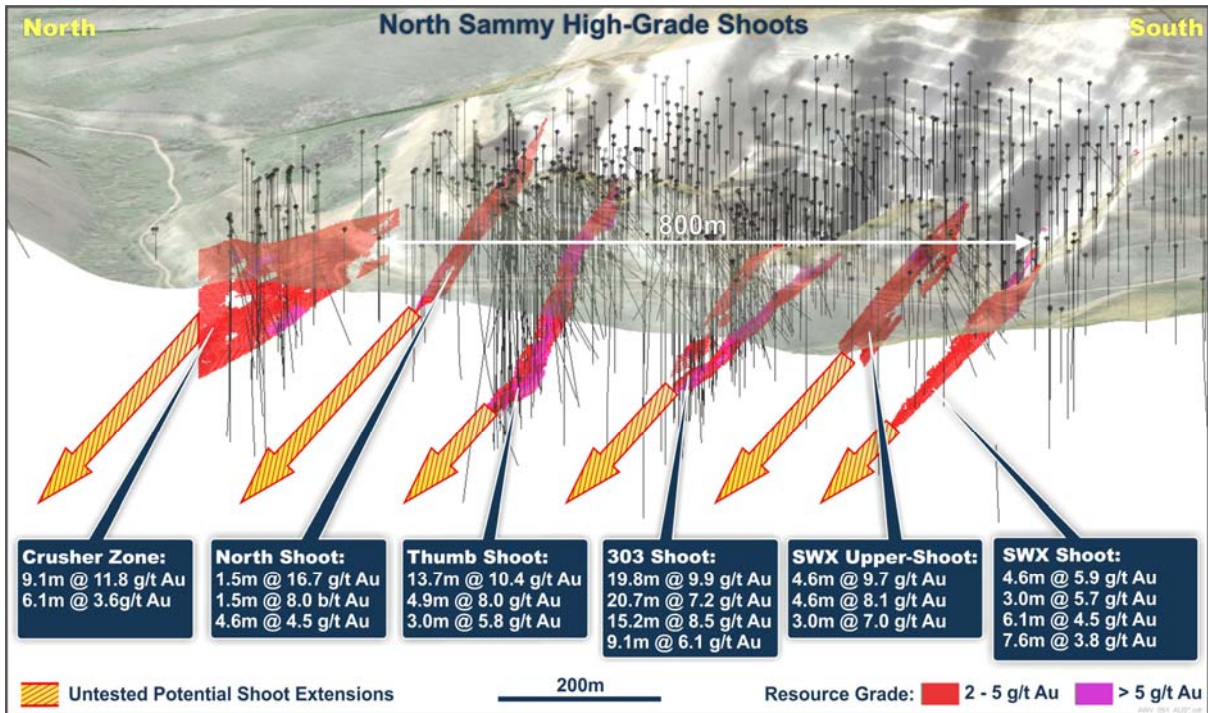


Figure 1: North Sammy potential shoot extensions – drilling targets

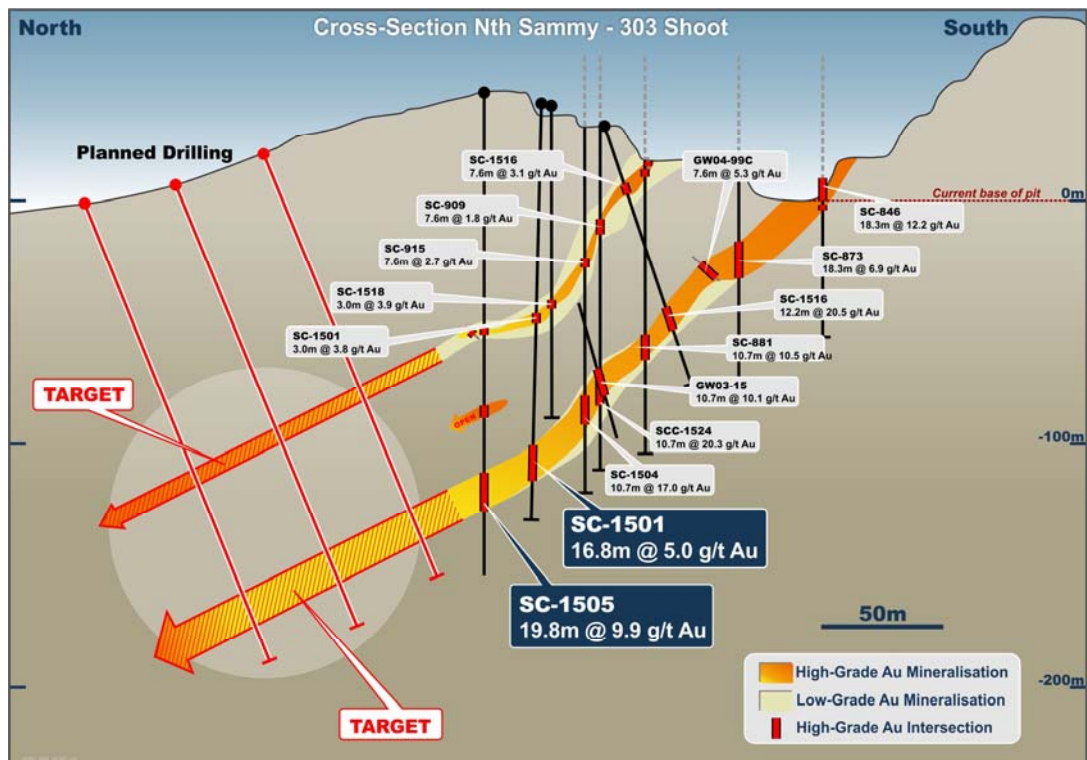


Figure 2: North Sammy potential 303-shoot extension – drilling target

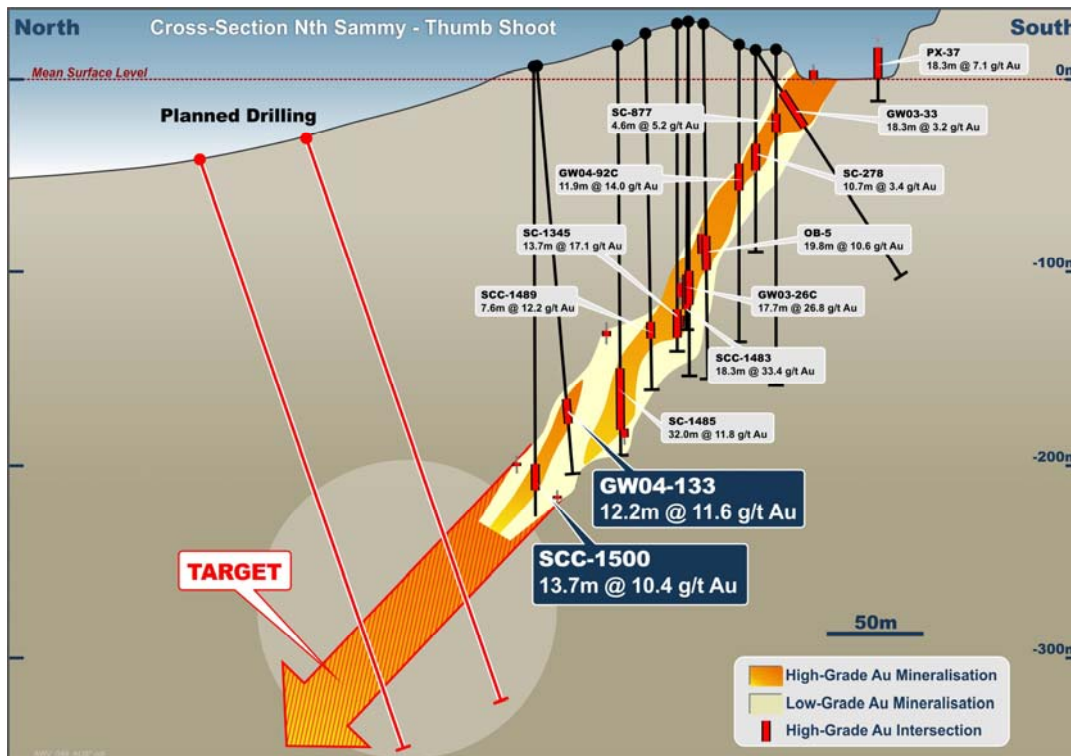


Figure 3: North Sammy potential Thumb shoot extension – drilling target

PERMITTING

Mine Plan of Operations & Environmental Assessment

The Mine Plan of Operations (“Mine Plan”) is the key planning document required by the United States Forest Service (“USFS”) for projects on USFS administered lands. An amended Mine Plan was submitted to the USFS in March 2016 and Anova was subsequently notified by USFS that the Plan had been deemed “complete.”

Preparation of the Environmental Assessment (“EA”) for the Mine Plan was significantly advanced during the quarter with the USFS commencing the National Environmental Policy Act (“NEPA”) required interagency consultation with the United States Fish and Wildlife Service (“USFWS”). Anova and its consultants responded to requests from USFWS for clarification and supplementary information at the end of the quarter. Subsequent to the end of the quarter, Anova was advised that USFWS is drafting its letter of concurrence, which will be provided to USFS once completed. Upon receipt USFS will finalize and publish its draft decision.

Nevada Reclamation Permit

The Nevada State Reclamation Permit (“NRP”) application document reflects the USFS Plan of Operations and includes the Reclamation Cost Estimate (“RCE”). A revised application reflecting the finalised Plan of Operations was submitted to the Nevada Division of Environmental Protection (“NDEP”) during the previous quarter.

Following a review and subsequent site visit by NDEP staff, Anova received a request from NDEP to make a minor modification to the RCE. Anova’s Environmental Consultant is in the process of modifying the RCE which will be submitted early in the next quarter.

Miscellaneous Permits

During the quarter Anova acquired the necessary approvals for its proposed Mine Project from the NDEP Bureau of Air Pollution Control in the form of a Class II Air Quality Operating Permit. Anova also initiated a Nationwide 44 Permit Application which will enable installation of culvert at the Water Canyon Creek crossing, part of the proposed Truck Access Road.

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 and oil and gas exploration entity quarterly report

Name of entity

Anova Metals Limited

ABN

20 147 678 779

Quarter ended ("current quarter")

30 SEPTEMBER 2016

Consolidated statement of cash flows

1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for:		
	(a) exploration & evaluation	(480)	(480)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(184)	(184)
	(e) administration and corporate costs	(181)	(181)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	10	10
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(835)	(835)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(40)	(40)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(40)	(40)

	Current quarter \$'000	Year to date (3 months) \$'000
	-	-
	(480)	(480)
	-	-
	-	-
	(184)	(184)
	(181)	(181)
	-	-
	10	10
	-	-
	-	-
	-	-
	-	-
	(835)	(835)
	(40)	(40)
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	(40)	(40)

	Current quarter \$'000	Year to date (3 months) \$'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	9,957	9,957
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(539)	(539)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	9,418	9,418
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,287	1,287
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(835)	(835)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(40)	(40)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	9,418	9,418
4.5 Effect of movement in exchange rates on cash held	(98)	(98)
4.6 Cash and cash equivalents at end of quarter	9,733	9,733

	Current quarter \$'000	Previous quarter \$'000
Reconciliation of cash and cash equivalents		
5. at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	5,148	59
5.2 Call deposits	4,586	1,288
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,733	1,287

	Current quarter \$'000
6. Payments to directors of the entity and their associates	
6.1 Aggregate amount of payments to these parties included in item 1.2	82
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Payment of director fees	

	Current quarter \$'000
7. Payments to related entities of the entity and their associates	
7.1 Aggregate amount of payments to these parties included in item 1.2	131
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
Payment for administration and technical staff and provision of a fully serviced office	

Financing facilities available

8. Add notes as necessary for an understanding of the position
- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)
- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Total facility amount at quarter end \$'000	Amount drawn at quarter end \$'000
-	-
-	-
-	-

9. Estimated cash outflows for next quarter

- 9.1 Exploration and evaluation
- 9.2 Development
- 9.3 Production
- 9.4 Staff costs
- 9.5 Administration and corporate costs
- 9.6 Other (provide details if material)
- 9.7 Total estimated cash outflows**

\$'000
1,250
-
-
180
150
-
1,580

10. Changes in tenements (items 2.1(b) and 2.2(b) above)

- 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced
- 10.2 Interests in mining tenements and petroleum tenements acquired or increased

Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
-	-	-	-
-	-	-	-

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.



Mr Steven Jackson
Company Secretary
Date: 28 October 2016

Notes

- 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.