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29 October 2020

**ASX ANNOUNCEMENT**

# QUARTERLY ACTIVITIES REPORT

## FOR PERIOD ENDED 30 SEPTEMBER 2020

## HIGHLIGHTS:

- 1540 unique ground stations of gravity survey completed to cover the entire Big Springs Gold Project (**Big Springs**).
- Mineralisation control elements were well recognised from the gravity interpretation; three key target groups were outlined along the NNE structures and the intersection between NNE/WNW faults.
- Satellite hyperspectral imaging study to pick up Carlin-type gold mineralisation related alteration completed; robust consistency between known mineralisation and hyperspectral imaging signals.
- A number of previously identified targets reaffirmed by the gravity and hyperspectral imaging studies, along with the identification of new, high-priority targets.
- Big Springs 2020 diamond drilling program commenced; first drill program since 2017.
- Comprises 10 holes for 1,590 metres at North Sammy and 3 holes for 418 metres at South Sammy; includes a combination of infill, resource extension and exploration target drilling.
- Divestment of the Second Fortune Gold Project in Western Australia completed for A$9M in staged payments plus royalties.
- Twynam loan facility repaid in full.
- Cash of A$7.3M and zero debt (excluding usual creditor balances) at 30 September 2020.

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Anova Metals Limited (ASX: AWV) (**Anova** or the **Company**) provides its quarterly activities report for the quarter ended 30 September 2020.

**Commenting on the activities of the quarter, Anova Managing Director, Mingyan Wang, said:**

*"The September 2020 quarter was a transformational one for Anova. We completed our fund raising endeavours, divested the Second Fortune gold mine for A$9 million and NSR royalty, repaid all debt and geared our energies towards maximising the outstanding potential of the Big Springs Project in Nevada.*

*"Drilling is now underway at Big Springs. This is the first drill program at the project since 2017 and includes the testing of several new high-potential exploration targets. We look forward to reporting results as they become available.*

*"The significant geophysical programs of recent months at Big Springs have provided us with a wealth of additional data and understanding. The current drill program is set to further supplement this knowledge base. Comprehensive interpretation of all this information over coming months is planned to deliver a further refined, high-priority list of targets at Big Springs. These targets are planned to be aggressively drill tested during 2021."*

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## Big Springs Gold Project, Nevada, USA

### Ground Gravity Survey

A ground gravity survey to cover the entire tenement base of Big Springs has been completed. This program comprised 1540 unique stations, including 94 remote stations designed to provide valuable larger scale data.

The NNE directed mineralisation control structures at North Sammy, South Sammy, and Beadles Creek were well recognised (see Figure 1). Interactions between NNE and WNW structures controlling gold mineralisation is more typical at Mac Ridge and the southern end at South Sammy (see Figure 1).

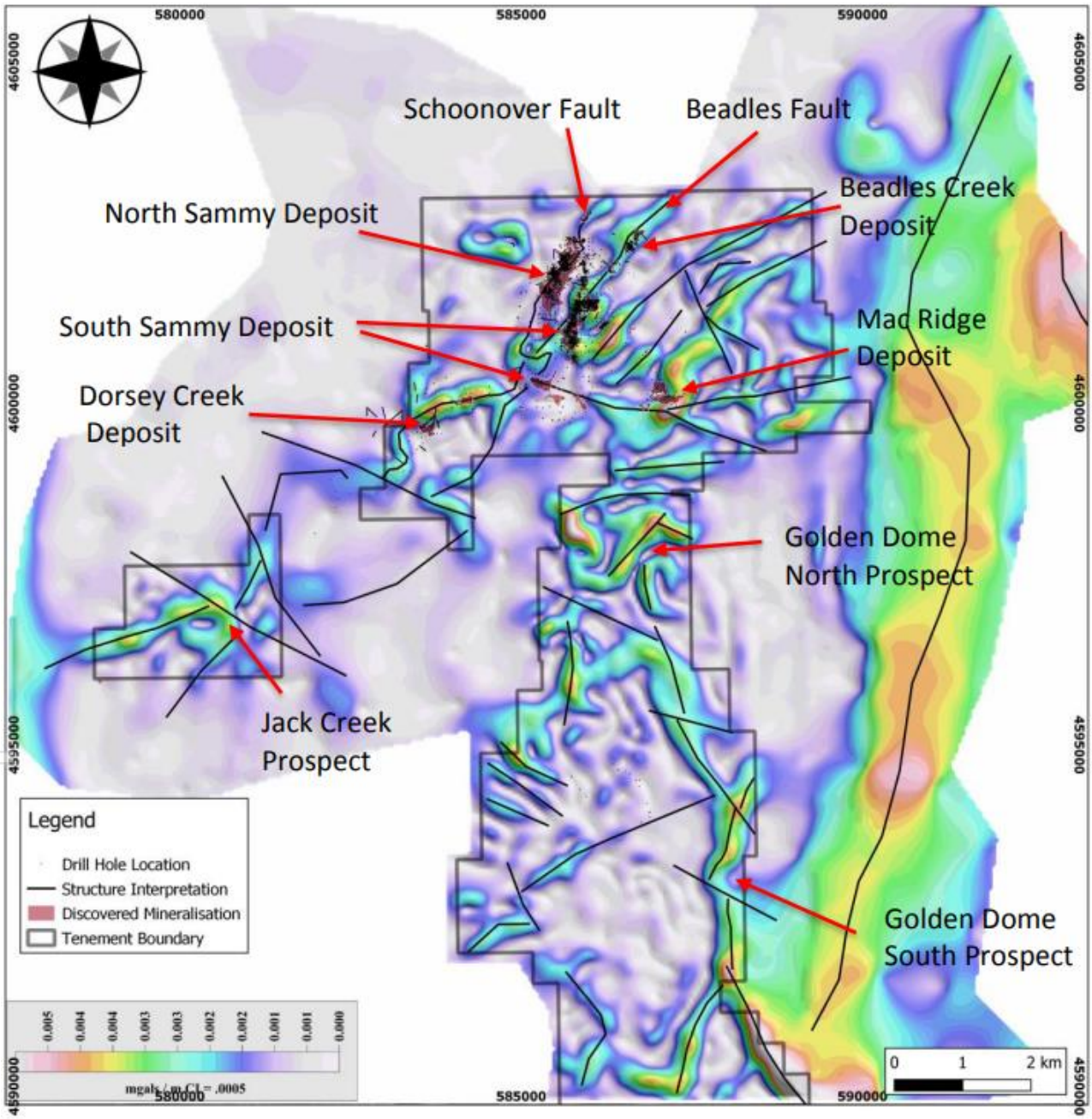



***Figure 1: Residual Horizontal Gradient Gravity map with structural interpretation***

Three major groups of targets were identified from initial interpretation. These target groups comprise:

1. Extension to both directions of the Schoonover and Beadles Faults, such as the north extension of North Sammy and Beadles Creek deposits, and Dorsey Creek deposit south extension (Targets 1, 4 and 5 in Figure 2).
2. Parallel structures of Beadles Fault toward east, such as Mac Ridge North Prospect (Targets 2 and 3 in Figure 2).
3. Intersections between NNE and WNW structures, such as Jacks Creek and Golden Dome prospects (Targets 6, 7 and 8 in Figure 2).

Further potential targets have also been identified at Golden Dome North and Mac Ridge along embayment in the Hanson Creek Formation, which hosts the majority of gold mineralisation at the proximate Jerritt Canyon operation.

Strong consistency has been observed between the targets identified from the ground gravity study and the satellite hyperspectral imaging results (see next section).

Anova is set to undertake further detailed interpretation of both the gravity and hyperspectral data. This is to be completed in parallel with further historical data review and the results of the current magnetic survey work, which is nearing completion. The combined data review and interpretation is planned to deliver a high-priority list of targets at Big Springs to be aggressively drill tested during 2021.

For further detail on the gravity survey and key results, refer to Anova ASX release dated 12 October 2020, *Big Springs Gravity Survey Outlines New Targets*.

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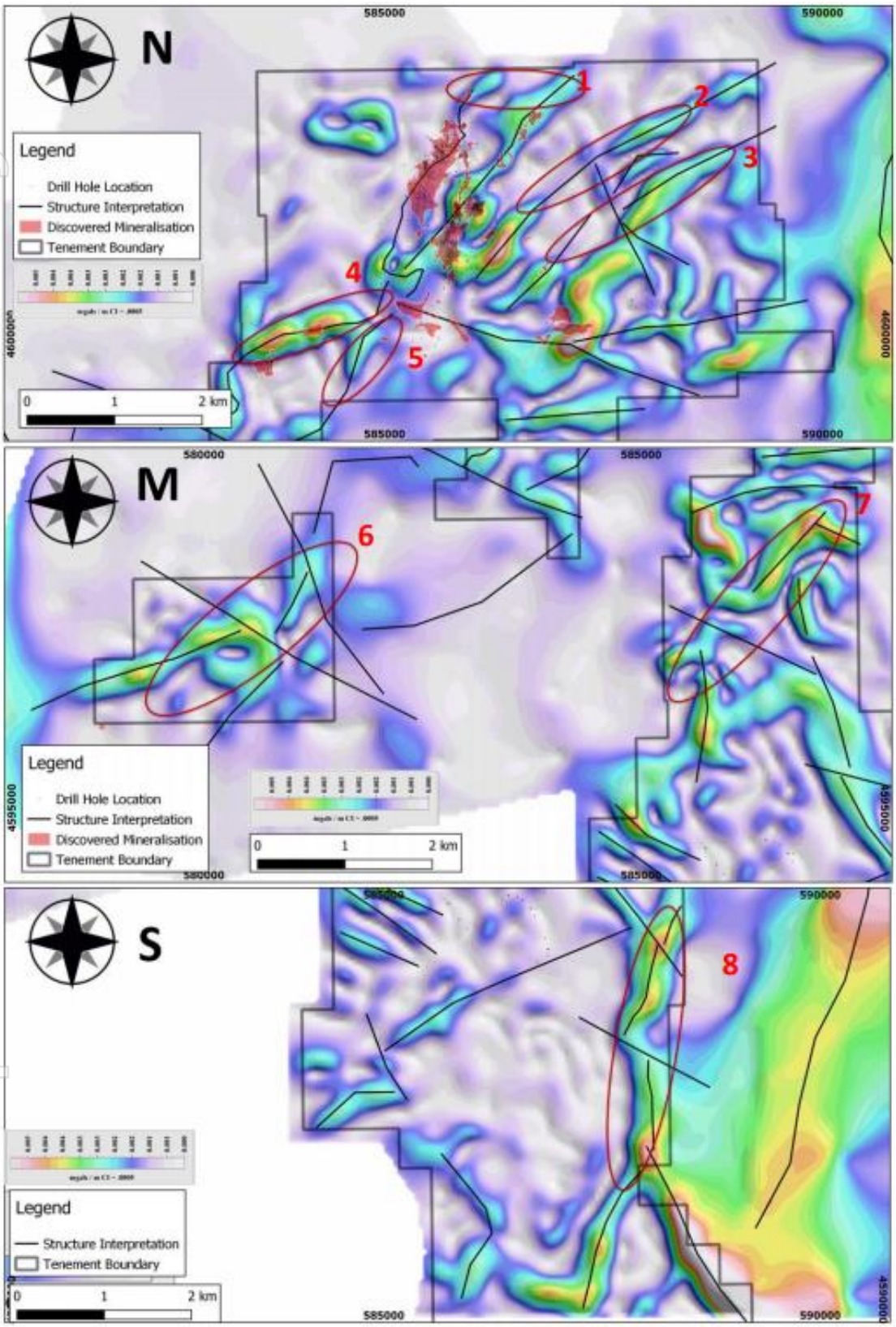


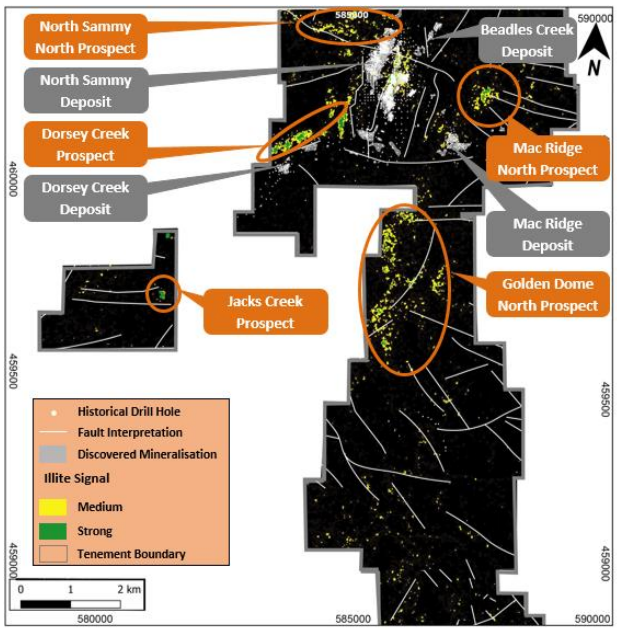

***Figure 2: Preliminary targets identified from gravity data; Target 1: North Extension of North Sammy and Beadles Creek deposits; Targets 2 and 3: Mac Ridge North prospects for parallel structures to Schoonover fault; Targets 4 and 5: South Extension of South Sammy deposit along Schoonover and Beadles faults; Target 6: Jacks Creek prospect; Targets 7 and 8: Golden Dome North and Golden Dome South prospects***

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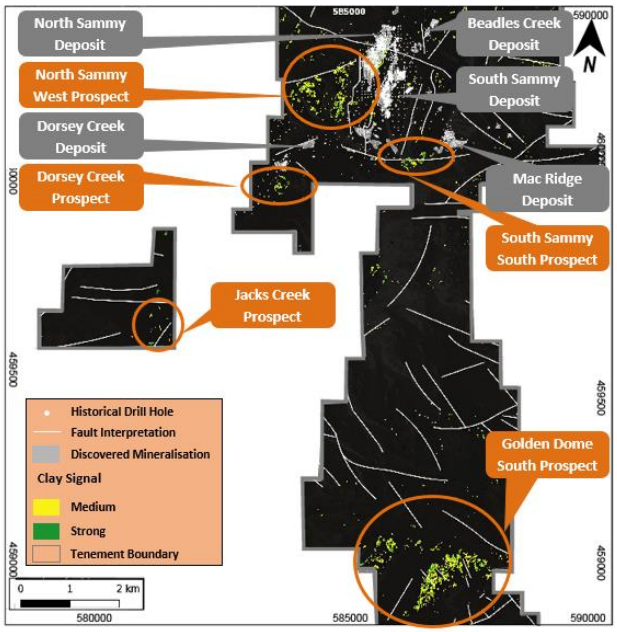
## Hyperspectral Imaging

A satellite hyperspectral imaging study covering the entire Big Springs tenement base was completed during the quarter. This was designed to identify the Carlin style gold mineralisation alteration signals at Big Springs.

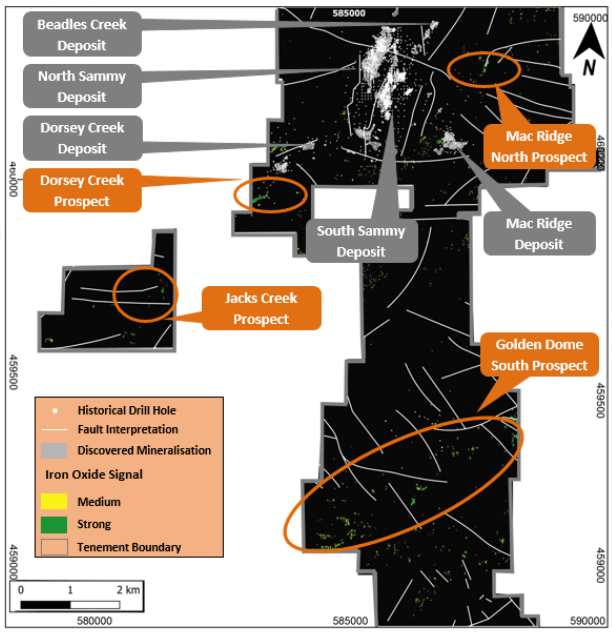
Intense signals of illite, clay minerals, iron oxide, and silicon (silicification alteration) were outlined. The hyperspectral results successfully recognised areas of know mineralisation, providing confidence in the effectiveness of the survey. A number of previously identified targets based on historic information like Mac Ridge North, Golden Dome North and Dorsey Creek prospects have been reaffirmed by the survey. New targets have also been identified such as Jacks Creek and Golden Dome South prospects.



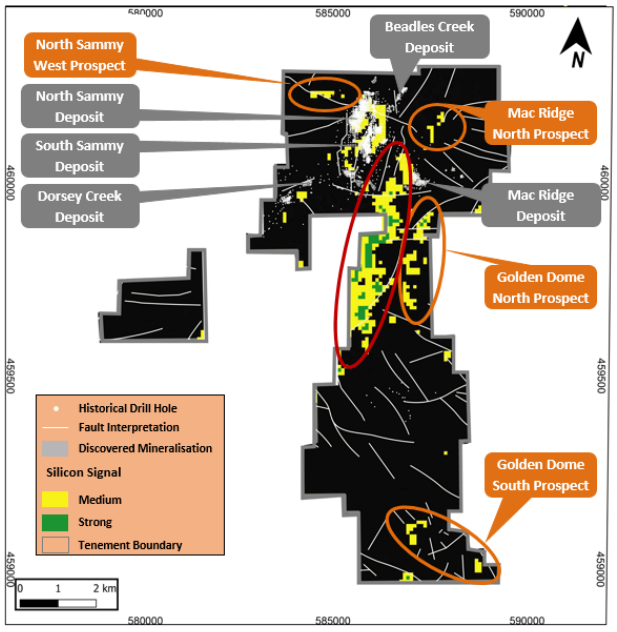

*Consistency has been found at South Sammy Deposit and Beadles Creek Deposit between discovered mineralisation and illite signal*




*Consistency has been found at North Sammy Deposit and South Sammy Deposit between discovered mineralisation and clay signal*




*Consistency has been found at North Sammy Deposit, South Sammy Deposit and Mac Ridge Deposit between discovered mineralisation and iron oxide signal*




*Consistency has been found at North Sammy Deposit, South Sammy Deposit and Mac Ridge Deposit between discovered mineralisation and silicon signal (red circle highlight is believed to be quartzite layer outcrop)*

***Figure 3: Hyperspectral Imaging showing signals of Illite, Clay, Iron Oxide, and Silicon***

For further detail on the hyperspectral imaging study and key results, refer to Anova ASX release dated 9 October 2020, *New Hyperspectral Imaging Targets Identified At Big Springs*.

## Diamond Drilling at North Sammy and South Sammy

The 2020 diamond drilling program at Big Springs commenced on 19 October (see Figure 4).

Drilling is planned to comprise a total 13 holes for approximately 2,000m. This includes 10 holes for 1,590 metres at North Sammy and 3 holes for 418 metres at South Sammy. This is the first drilling program at Big Springs since 2017.

The drilling campaign includes a combination of infill, resource extension and exploration targets. Planned drill locations comprise North Sammy's Crusher Zone, North Shoot, and SWX shoot and South Sammy's 401 deposit. Exploration drill targets include potential depth extensions associated with mineralisation along the Schoonover Fault and Argillic Fault structures at North Sammy's North Shoot (see Figure 5).



***Figure 4: Diamond rig setting up on the drill pad for hole ZBF003 at South Sammy***

For further detail on the 2020 drilling program at Big Springs, refer to Anova ASX release dated 19 October 2020, *2020 Drilling Program Commences At Big Springs*.

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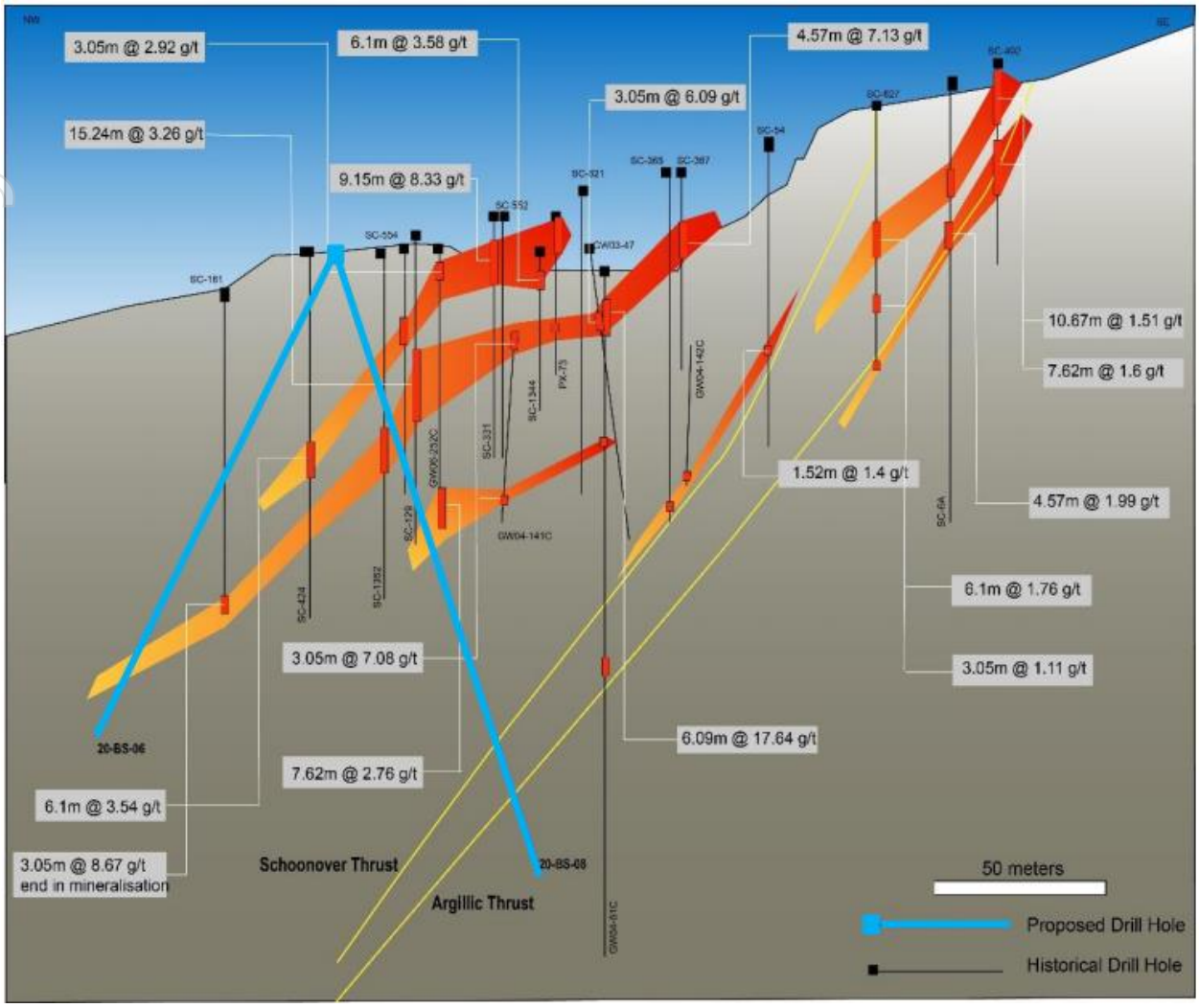



***Figure 5: Proposed drill holes at North Sammy's North Shoot; designed to test for mineralisation extensions for the main lode and also the mineralisation associated with Schoonover and Argillic Fault structures***

## Drone Magnetic Survey and Field Mapping

The 700 linear kilometre drone magnetic survey has been completed, and data processing for target identification is underway. The key outcomes from this data processing are planned to be released upon completion.

Field mapping of selected priority areas is underway by a contracted geologist. These areas include Mac Ridge, North Sammy and Beadles Creek North Extension, Dorsey Creek, and Golden Dome North.

Anova is set to undertake further detailed interpretation of the received geophysical survey data and historical information. This is to be completed in parallel with the results of the nearing completion magnetic work, field mapping, and the drilling program. The combined data review and interpretation is planned to deliver a priority pipeline of targets at Big Springs to be aggressively drill tested in 2021.

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## Corporate

### Securities Issued

Following shareholder approval obtained on 4 August 2020, the Company issued the following securities during the quarter:

- 4,285,714 ordinary shares to Dr Mingyan Wang pursuant to Resolution 4 of the Notice of Meeting dated 3 July 2020;
- 48,704,610 options exercisable at A1.1 cents on or before 31 March 2022 pursuant to Resolution 6 of the Notice of Meeting dated 3 July 2020;
- 181,767,004 ordinary shares at A1.7 cents per share to Au Xingao Investment Pty Ltd to raise A$3.09M before costs, pursuant to Resolution 7 of the Notice of Meeting dated 3 July 2020;
- 90,000,000 unlisted options in 3 series to Au Xingao Investment Pty Ltd pursuant to Resolution 8 of the Notice of Meeting dated 3 July 2020.

### Divestment of Second Fortune

In August 2020, Anova announced the divestment of the Second Fortune Gold Mine (and greater Linden Gold Project) (**Second Fortune**) for A$9M, comprised of:

- A$5M upfront cash consideration;
- A$2M deferred cash consideration is payable by 29 March 2022;
- A$2M deferred cash consideration is payable by 29 September 2022;
- an NSR of 1.5% on each ounce of gold produced from the Linden Gold Project after a total of 75,000 cumulative ounces of gold have been produced from the Project; following total royalty payments of A$1M, the NSR will reduce to 1% on every ounce of gold produced.

Settlement of the divestment of Second Fortune was completed on 29 September 2020.

For further detail on the sale of Second Fortune, refer to Anova ASX release dated 26 August 2020, *Anova to Sell the Second Fortune Gold Mine for $9 Million*.

In July 2020, the Company also announced the divestment of the Malcolm Gold Project for cash consideration of A$100,000, plus a 5% NSR royalty on the first 5,000 ounces of gold recovered from the Project, with the royalty rate reducing to 1.5% thereafter.

### Strong Financial Position

At 30 September 2020, Anova held cash of A$7.3M and zero debt (excluding usual creditor balances).

The Twynam Facility of A$2.825M was repaid in full during the quarter and all encumbrances over the secured assets were released.

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## ASX Additional Information

**ASX Listing Rule 5.3.1:** Exploration and Evaluation Expenditure during the Quarter was A$855,000, associated with tenement compliance costs, payment of historical creditors, field mapping and geophysical and hyperspectral surveys. Details of the exploration activity during the Quarter are set out in this report.

**ASX Listing Rule 5.3.2:** There were no substantive mining production and development activities during the Quarter.

**ASX Listing Rule 5.3.5:** Payments to related parties of the Company and their associates during the Quarter totalled A$475,000. The Company advises that this relates to non-executive director's fees and executive directors' salaries (A$139,000), corporate advisory and capital raising fees (A$83,000) and settlement of prior period costs associated with the provision of services including a fully provisioned office, administration and technical staff (A$253,000).

**This announcement has been authorised for release by:** Mingyan Wang, Managing Director

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## About the Big Springs Gold Project

The Big Springs Gold Project is a Carlin-style gold deposit located 80 km north of Elko in northeast Nevada, USA. Big Springs produced 386,000 ounces of gold between 1987 and 1993, ceasing production due to low gold prices. It is located in proximity to multiple +10 Moz resource Carlin-style gold projects within the region, including the producing Jerritt Canyon Gold Mine which is 20km south of Big Springs (see Figure 6). Big Springs has Measured, Indicated and Inferred Mineral Resources of 16 Mt at 2.0 g/t Au for 1.03 Moz (refer Table 1 and Anova ASX release dated 26 June 2014), over 50 km$^2$ of highly prospective ground. The high-grade portion of the Mineral Resources, reported at a cut-off grade of 2.5 g/t gold, contains 3.1 Mt at 4.2 g/t for 415 koz. Big Springs is fully permitted for Stage 1 mining operations.

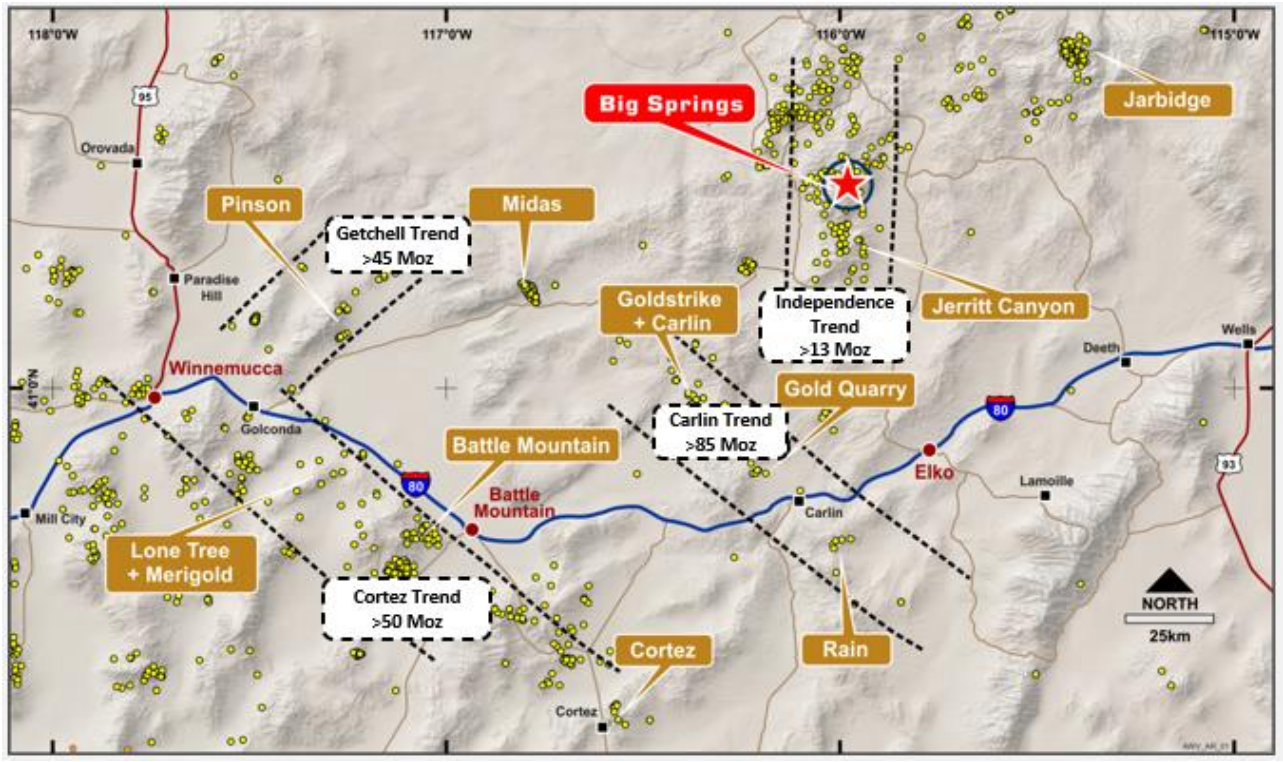



***Figure 6: Location of Big Springs Project, Nevada USA***

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***Table 1: Mineral Resources***

| | Measured | | | Indicated | | | Inferred | | | Combined | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Project** | **kT** | **Grade** | **Koz** | **kT** | **Grade** | **Koz** | **kT** | **Grade** | **Koz** | **kT** | **Grade** | **Koz** |
| **Big Springs (JORC 2012)** | | | | | | | | | | | | |
| North Sammy | 346 | 7.0 | 77.9 | 615 | 3.1 | 62.2 | 498 | 2.8 | 44.1 | 1,458 | 3.9 | 184.1 |
| North Sammy Contact | | | | 443 | 2.3 | 32.4 | 864 | 1.4 | 39.3 | 1,307 | 1.7 | 71.8 |
| South Sammy | 295 | 4.0 | 38.2 | 3,586 | 2.1 | 239.9 | 3,721 | 1.3 | 159 | 7,602 | 1.8 | 437.2 |
| Beadles Creek | | | | 119 | 2.2 | 8.2 | 2,583 | 2.3 | 193.5 | 2,702 | 2.3 | 201.7 |
| Mac Ridge | | | | | | | 1,887 | 1.3 | 81.1 | 1,887 | 1.3 | 81.1 |
| Dorsey Creek | | | | | | | 278 | 1.4 | 12.9 | 278 | 1.4 | 12.9 |
| Briens Fault | | | | | | | 799 | 1.6 | 40.5 | 799 | 1.6 | 40.5 |
| **Big Springs Sub-Total** | **641** | **5.6** | **116.1** | **4,762** | **2.2** | **343.3** | **10,630** | **1.7** | **570.4** | **16,032** | **2.0** | **1,029.9** |

*Note: Appropriate rounding applied*

The information in this announcement that relates to the mineral resources for the Company's Big Springs Project was first reported by the Company in its resource announcement ("Resource Announcement") dated 26 June 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Resource Announcement, and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the Resource Announcement continue to apply and have not materially changed.

**Competent Person Statement**

The information in this report that relates to Exploration Result for the Big Springs Project is based on information compiled by Dr. Geoffrey Xue. Dr. Xue is a full time employee of Anova and 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. Dr. Xue consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

The information in this report that relates to Mineral Resources for the Big Springs Project is based on information compiled by Mr Lauritz Barnes, Principal Consultant Geologist – Trepanier Pty Ltd. Mr Barnes is a shareholder of Anova. 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.

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