



11 March 2020

OFFER DOCUMENT

Anova Metals Limited (**ASX:AWV**) (**Anova** or the **Company**) is pleased to advise that the Offer Document for the entitlement offer announced on 2 March 2020 has today been dispatched to eligible shareholders in accordance with the entitlement offer timetable.

The Company is offering eligible shareholders the opportunity to acquire New Shares through a non-renounceable offer of one (1) share for every two (2) shares held by eligible shareholders on the Record Date (Friday, 6 March 2020) at the issue price of \$0.01 per New Share to raise up to approximately \$3.45m (before costs).

A copy of the Offer Document is enclosed.

This announcement was authorised for release by:

*Steven Jackson
Company Secretary*

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ABN 20 147 678 779

ANOVA METALS LIMITED
ACN 147 678 779

ENTITLEMENTS OFFER
OFFER DOCUMENT

Non-renounceable pro-rata entitlement to 1 New Share for every 2 Shares held at an issue price of 1 cent per New Share to raise up to approximately \$3,445,661

Offer closes at 5.00pm AEDT on 6 April 2020

This Offer Document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required to make an informed decision regarding, or about the rights attaching to, the New Shares.

You should read the entire document before deciding whether to accept the offer of New Shares. If you have any questions about the Offer or the action you should take, you should speak to your professional adviser.

IMPORTANT NOTICE

This Offer Document has been prepared by Anova Metals Limited and is issued pursuant to the requirements of section 708AA of the Corporations Act, as modified, for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Document is dated 11 March 2020 and was lodged with ASX on this date.

This document is not a prospectus under the Corporations Act and has not been lodged with ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required by an investor in order to make an informed investment decision regarding, or about the rights attaching to, New Shares. Nevertheless this document contains important information and requires your immediate attention. It should be read in its entirety. If you are in any doubt as to how to deal with this Offer Document, you should consult your professional adviser as soon as possible.

Information about the Company

The Company is listed on ASX, and our Shares are granted official quotation by ASX. In preparing this Offer Document, we have had regard to the fact that we are a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult. Information about the Company is publicly available and can be obtained from ASIC and ASX. This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company. You should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to subscribe for New Shares.

Not investment or financial product advice

The information in this document is not investment or financial product advice, does not purport to contain all the information that you require in evaluating a possible acquisition of New Shares in the Company and has been prepared without taking into account the investment objectives, financial situation, tax position and needs of you or any particular investor.

Before deciding whether to apply for New Shares, you should conduct your own independent review, investigation and analysis of the Company and New Shares in light of your personal circumstances (including financial and taxation issues). You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

Overseas shareholders

The Company has reviewed the register of Shareholders of the Company and has determined that this document will only be sent to Shareholders with a registered address in Australia or New Zealand on the Record Date. This document may not be distributed and does not constitute an offer in any other jurisdiction unless otherwise determined by the Company.

Disclaimer of representatives

No person is authorised to give any information or to make any representation, in connection with the Entitlements Offer that is not contained in this Offer Document. Any information or representation that is not in this Offer Document may not be relied on as having been authorised by the Company or its related bodies corporate in connection with the Entitlements Offer.

Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on the investment made pursuant to this Offer Document.

Financial data

All dollar values are in Australian dollars (\$).

Defined terms

Terms used in this Offer Document are defined in the Glossary. The words "we", "our" and "us" refer to the Company. The words "you" or "your" refer to Shareholders.

CORPORATE DIRECTORY

DIRECTORS

Current Directors

Mr Malcolm James
Dr Mingyan (Joe) Wang
Mr John Davis
Mr Gregory (Bill) Fry*
Mr Alasdair Cooke*

COMPANY SECRETARY

Mr Steven Jackson

REGISTERED OFFICE

Suite 1, 245 Churchill Avenue
Subiaco, Western Australia, 6008

Tel: +61 8 6465 5500
Email: info@anovametals.com.au
Website: www.anovametals.com.au

SOLICITORS

Fairweather Corporate Lawyers
595 Stirling Highway
Cottesloe, Western Australia, 6011

LEAD MANAGER

Argonaut Securities Pty Limited
Level 30, Allendale Square
77 St Georges Terrace
Perth, Western Australia, 6000

SHARE REGISTRY**

Link Market Services Limited
1A Homebush Bay Drive
Rhodes, New South Wales, 2138

Tel: 1300 554 474

* It is intended that Gregory (Bill) Fry and Alasdair Cooke will resign as Directors upon the Lead Manager placing at least \$2,000,000 of Shortfall Shares and/or Top-Up Placement Shares.

** The name of the Share Registry is included for information purposes only. It has not been involved in the preparation of this Offer Document.

TABLE OF CONTENTS

| | |
|---|----|
| CORPORATE DIRECTORY | 3 |
| 1. KEY INFORMATION | 5 |
| 2. TIMETABLE | 8 |
| 3. DETAILS OF THE ENTITLEMENTS OFFER..... | 9 |
| 4. EFFECT OF ENTITLEMENTS OFFER ON CONTROL AND DIRECTORS' INTERESTS | 16 |
| 5. RISK FACTORS | 17 |
| 6. ACTION REQUIRED BY SHAREHOLDERS..... | 21 |
| 7. GLOSSARY..... | 24 |

1. **KEY INFORMATION**

SUMMARY OF ENTITLEMENTS OFFER

| | |
|---|--|
| Offer | 1 New Share for every 2 Shares held on the Record Date. See Section 3.1. |
| Issue Price | 1 cent per New Share. See Section 3.1. |
| Number of New Shares to be issued | Up to approximately 344,566,138 New Shares will be issued at Full Subscription. See Section 3.3. |
| Funds raised | Up to approximately \$3,445,661 will be raised by the Entitlements Offer at Full Subscription. The precise amount of funds that will be raised is not known and will vary depending on the number of Shares applied for under the Entitlements Offer. See Section 3.1. |
| No Minimum Subscription | There is no minimum subscription under the Offer. See Section 3.7. |
| Use of funds | Funds (including existing funds and Placement funds) are intended to be used: (a) for evaluation and exploration of the Big Springs Project; (b) for evaluation and assessment of development options at the Second Fortune Project; (c) for identifying new opportunities; (d) to pay related party creditors; (e) for general working capital; and (f) to pay the costs of the Offer process. The table in Section 3.2 sets out the proposed application of funds assuming different scenarios. See Section 3.2. |
| Placement preceding the Entitlements Offer | The Company has undertaken the Placement preceding the Entitlements Offer. The Placement was to Institutional Investors. The Placement was at the Issue Price and raised \$500,000 before costs. The Placement settled before the Record Date so the placees are eligible to participate in the Entitlements Offer. The Lead Manager arranged for the Placement for the Company. See Section 3.1. |

SUMMARY OF ENTITLEMENTS OFFER

Not underwritten

The Entitlements Offer is not underwritten.
See Section 3.8.

Lead Manager arrangements to the Entitlements Offer

The Company has appointed the Lead Manager under the Lead Management Agreement as the exclusive and sole lead manager to manage the Entitlements Offer and to place any Shortfall or Top-Up Placement Shares on a reasonable endeavours basis. Any New Shares not applied for by Eligible Shareholders under the Entitlements Offer will form the Shortfall.

The material terms of the Lead Management Agreement are summarised in Section 3.9.

The Lead Manager is not a related party and is not a current Shareholder.

See Section 3.9.

Conditional firm commitments and possible Top-Up Placement

The Lead Manager has received conditional firm commitments for Shortfall Shares from Committed Investors totalling \$2,000,000. The largest commitment is by Xingao for \$1,550,548.

The 2 conditions to all the conditional firm commitments are the agreement to formal loan documentation in respect of a re-financing loan and a foreign exchange approval from the People's Republic of China. These conditions are set out in more detail in Section 3.1.

Once the conditions to the commitments are satisfied, the Company will complete the placement of Shortfall to the Committed Investors. In the event that there is insufficient Shortfall to complete the placement of \$2,000,000 to the Committed Investors, the Company has agreed to conduct a further placement of Shares on a "top-up" basis after the conclusion of the Entitlements Offer so that the aggregate of the Shortfall and the Top-Up Placement is \$2,000,000.

Any top-up placement will be managed by the Lead Manager.

The Company intends to use its placement capacity under Listing Rule 7.1 to issue any Top-Up Placement Shares. In the event that any Top-Up Placement Shares cannot be issued under the Company's placement capacity, the Company will seek Shareholder approval prior to the issue of the Top-Up Placement Shares.

See Section 3.1.

Entitlement to participate in Entitlements Offer

All Eligible Shareholders on the Record Date are entitled to participate in the Entitlements Offer.

Option holders are not entitled to participate in the Offer unless they exercise their Options before the Record Date.

See Section 3.4.

SUMMARY OF ENTITLEMENTS OFFER

Shortfall

The Lead Manager has received conditional firm commitments for Shortfall Shares from the Committed Investors totalling \$2,000,000 (or 200,000,000 Shares).

The Company has agreed with the Lead Manager that Shortfall priorities will be as follows:

- (a) first priority to Committed Investors (up to \$2,000,000);
- (b) second priority to any other Institutional Investors of the Lead Manager; and
- (c) third priority to parties at the discretion of the Directors in consultation with the Lead Manager. Any such parties are intended to be Institutional Investors.

By reason of the above, Shortfall Shares will not be issued to Eligible Shareholders other than if an Eligible Shareholder is an Institutional Investor referred to above.

See Section 3.10.

Risks

The Entitlements Offer should be considered highly speculative as the Company is a gold exploration and development company. The 2 current major projects in the Company's portfolio are the Big Springs Project in Nevada, USA and the Second Fortune Project in Western Australia. Some of the specific risks to an investment in the Company are future capital needs, repayment of a secured loan facility, development and mining, exploration risk, gold price volatility and reliance on key personnel risk.

See Section 5.

The potential effect of the Entitlements Offer on control of the Company

The Company is of the view that the Entitlements Offer will not materially affect the control of the Company. By reason of existing shareholdings in the Company and the structure of the Entitlements Offer, no Shareholder can increase their voting power beyond 20% by reason of the Entitlements Offer.

The Company will not issue any New Shares by reason of Shortfall to Eligible Shareholders or others so they can increase their voting power beyond 20%.

In the event that the placement of Shortfall completes to the Committed Investors, the party with the highest voting power will be Xingao. The maximum voting power that Xingao can obtain is approximately 18.37% assuming the only New Shares issued under the Entitlements Offer are Shortfall Shares to Xingao (representing a sum of \$1,550,548 or 155,054,762 New Shares).

See Section 4.1.

2. TIMETABLE

| Event | Date |
|--|---------------|
| Pro-rata Offer announced | 2 March 2020 |
| Shares quoted on an "ex" basis (date from which the Shares commence trading without the entitlement to participate in the Offer). | 5 March 2020 |
| Record Date (date for identifying Shareholders entitled to participate in the Offer). | 6 March 2020 |
| Offer Document with Entitlement Form sent to Eligible Shareholders | 11 March 2020 |
| Offer opens | 11 March 2020 |
| Closing Date (last date for lodgement of Entitlement Forms and Application Money) | 6 April 2020 |
| Trading of New Shares commences on a deferred settlement basis | 7 April 2020 |
| Company to notify ASX of the results of the Offer | 7 April 2020 |
| Issue of New Shares and end of deferred settlement trading | 15 April 2020 |

The timetable outlined above is indicative only and subject to change. The Directors reserve the right to vary these dates including the Closing Date, subject to the Listing Rules and the Corporations Act. The Directors also reserve the right not to proceed with the whole or part of the Entitlements Offer at any time prior to the issue of New Shares. In that event, the Application Money will be returned without interest.

3. DETAILS OF THE ENTITLEMENTS OFFER

3.1 The Entitlements Offer and fundraising overview

As announced on 2 March 2020, the Company has undertaken the Placement by which 50,000,000 Shares were issued at 1 cent per Share.

By the Entitlements Offer, Eligible Shareholders (including placees under the Placement) are invited to participate in a non-renounceable pro-rata entitlements offer on the basis of 1 New Share for every 2 Shares (1:2) held as at the Record Date (5.00pm AEDT on 6 March 2020), at an issue price of 1 cent per New Share.

The Company currently has 689,132,275 Shares (including Shares issued under the Placement) and 56,397,480 unlisted Options. Based on the current capital structure of the Company, up to approximately 344,566,138 New Shares will be issued under the Offer at Full Subscription to raise up to \$3,445,661 (before the costs of the issue). If any of the Options are exercised before the Record Date then the number of New Shares that may be issued under the Offer could increase.

The New Shares will rank equally in all respects with existing Shares.

The Company has appointed the Lead Manager as the exclusive and sole lead manager to manage the Entitlements Offer and to place any Shortfall or Top-Up Placement Shares on a reasonable endeavours basis. The Lead Manager has received conditional firm commitments for Shortfall from Institutional Investors totalling \$2,000,000 (Committed Investors). The largest commitment is by Xingao for \$1,550,548. As announced on 2 March 2020, the Company has entered into a loan facility term sheet with Xingao for \$2,825,000 by which Xingao will loan funds to the Company to repay the existing loan facility of \$2,825,000.

The conditional firm commitments and the loan facility term sheet are conditional upon:

- (a) agreement to formal loan and security documentation for the loan facility prior to the Closing Date of this Offer; and
- (b) Xingao as the cornerstone investor obtaining State Administration Foreign Exchange (**SAFE**) approval in the Peoples Republic of China to facilitate its funding of its commitment to Shortfall and/or Top-Up Placement Shares (of \$1,550,548) and the provision of the loan (of \$2,825,000).

Once the conditions to the commitments are satisfied, the Company will complete the placement of Shortfall to the Committed Investors. In the event that there is insufficient Shortfall to complete the placement to the Committed Investors, the Company has agreed to conduct a further placement of Shares on a "*top-up basis*" after the conclusion of the Entitlements Offer so that the aggregate of the Shortfall and the Top-Up Placement is \$2,000,000.

The Company intends to use its placement capacity under Listing Rule 7.1 to issue any Top-Up Placement Shares. In the event that any Top-Up Placement Shares cannot be issued under the Company's placement capacity, the Company will seek Shareholder approval prior to the issue of the Top-Up Placement Shares.

Upon the placement by the Lead Manager of at least \$2,000,000 of Shortfall Shares and/or Top-Up Placement Shares, it is intended that Bill Fry and Alasdair Cooke will resign as Directors so that the Board will consist of:

Mr Malcolm James (Non-Executive Chairman)
Dr Mingyan (Joe) Wang (Managing Director)
Mr John Davis (Non-Executive Director)

At this time, the Lead Manager will have a right to appoint a further non-executive Director.

3.2 Purpose and use of proceeds

The Company has current funds of approximately \$760,000 at 3 March 2020 including \$500,000 raised by the Placement (before costs). The Offer will increase our cash reserves by up to \$3,445,661 at Full Subscription (before costs).

The table below sets out the proposed application of existing funds (including Placement funds) and funds raised under the Offer assuming different scenarios.

| Funds Available | No funds raised (\$0) | \$2,000,000 raised (\$2,000,000) | Full Subscription (\$3,445,661) |
|--------------------------------------|------------------------------|---|--|
| Current cash on hand at 3 March 2020 | 760,000 | 760,000 | 760,000 |
| Funds raised under the Offer | 0 | 2,000,000 | 3,445,661 |
| Total funds available | \$760,000 | \$2,760,000 | \$4,205,661 |

| Use of Funds | Amount (\$) | Amount (\$) | Amount (\$) |
|--|--------------------|--------------------|--------------------|
| Evaluation and exploration of the Big Springs Project | 200,000 | 350,000 | 1,235,000 |
| Evaluation and assessment of development options at the Second Fortune Project | 100,000 | 200,000 | 300,000 |
| Identification of new opportunities | 50,000 | 100,000 | 150,000 |
| Related party creditors | 0 | 420,000 | 420,000 |
| General working capital ¹ | 302,000 | 1,543,150 | 1,950,661 |
| Cash costs of the Offer ² | 108,000 | 146,850 | 150,000 |
| Total | \$760,000 | \$2,760,000 | \$4,205,661 |

Notes:

1. General working capital includes corporate administration and operating costs and may be applied to payment of landholder duty, directors' fees, ASX and share registry fees, legal, tax, audit and corporate advisory fees, insurance and travel costs. Payment of landholder duty on the Exterra Resources Scheme of Arrangement is being assessed and may be in the vicinity of \$1,000,000. Any landholder duty is intended to be paid in full if \$2,000,000 or more is raised by the Offer.
2. Cash costs of the Offer include fees to the Lead Manager and legal, share registry, printing and ASX expenses. The cash costs to the Lead Manager is a 2% management fee of the value of all New Shares offered (\$68,913), which fee is subject to the Lead Manager procuring applications for at least \$2,000,000 Shortfall Shares and/or Top-Up Placement Shares. It is assumed that the Lead Manager places 200,000,000 Shortfall Shares both at the \$2,000,000 raised column above and the Full Subscription column. A 1.5% lead manager fee on the value of these Shortfall Shares is \$30,000 and is included in the cash costs of the Offer.
3. As funds are raised up to \$2,000,000, the net funds after costs are intended to be applied first to general working capital (up to \$1,241,150), then payment of related party creditors (up to \$420,000) and thereafter to the remaining intended use of funds items pro-rata to the amounts that are provided where no funds are raised. As funds are raised beyond \$2,000,000, the net funds after costs are intended to be applied to evaluation and exploration of the Big Springs Project, evaluation and assessment of development options at the Second Fortune Project, identification of new opportunities and general working capital pro-rata to these intended use of funds items that are provided where \$2,000,000 is raised.
4. A Top-Up Placement may occur where Full Subscription occurs and there is insufficient Shortfall for the Committed Investors to subscribe for \$2,000,000. The Top-Up Placement could be for up to \$2,000,000. In the event of a Top-Up Placement, additional net funds available, after a 5% fundraising fee to the Lead Manager, are intended to be applied to the evaluation and

exploration of the Big Springs Project and evaluation and assessment of development options at the Second Fortune Project pro-rata to the intended use of funds at Full Subscription.

5. This table is a statement of our proposed application of the funds raised as at the date of this Offer Document. As with any budget, unexpected events and new circumstances have the potential to affect our decisions and we reserve the right to vary the way the funds are applied.

3.3

Capital structure

The effect of the Offer on the Company's issued share capital assuming different scenarios and that no Options are exercised before the Record Date is shown in the following table:

| Shares | No funds raised | \$2,000,000 raised | Full Subscription |
|---|--------------------|--------------------|-----------------------|
| Existing Shares (including Placement) | 689,132,275 | 689,132,275 | 689,132,275 |
| New Shares issued under Entitlements Offer | 0 | 200,000,000 | 344,566,138 |
| Total Shares on issue after completion of the Entitlements Offer | 689,132,275 | 889,132,275 | 1,033,698,413* |

* In the event of a Top-Up Placement, further Shares will be issued as set out in Section 3.1.

In addition to Shares, the Company has on issue or will issue the following Options:

- (a) 4,500,000 existing unlisted Options (exercise price 4.3 cents and expiry date 19 June 2020);
- (b) 50,000,000 existing unlisted Options (exercise price 4.5 cents and expiry date 30 June 2020);
- (c) 522,480 existing unlisted Options (exercise price 8 cents and expiry date 25 October 2020); and
- (d) 1,375,000 existing unlisted Options (exercise price 20 cents and expiry date 28 November 2021).
- (e) 50,000,000 Incentive Options – unlisted (exercise price 1.5 cents and expiry date 31 March 2022) to be issued to the Lead Manager as part of consideration for its role as Lead Manager. See Section 3.9.
- (f) 20,000,000 Loan Facility Options – unlisted (exercise price 2.5 cents and expiry date 28 February 2023) proposed to be issued to Xingao or its nominees subject to any necessary Shareholder approval. See ASX announcement of 2 March 2020.

3.4

Eligible Shareholders

The Entitlements Offer is available to all Shareholders whose registered address on the Record Date is situated in Australia or New Zealand. As a non-renounceable offer, Eligible Shareholders may not sell or otherwise dispose of their rights to apply for New Shares under the Offer.

The holders of Options are not eligible to participate in the Entitlements Offer unless they exercise their Options before the Record Date.

3.5

Entitlements

Only Eligible Shareholders may apply for New Shares under the Offer. The Entitlement to participate will be determined on the Record Date. The number of New Shares to which you are entitled is shown on the personalised Entitlement Form which accompanies this Offer Document. Fractional Entitlements will be rounded up to the nearest whole number.

You are encouraged to apply for New Shares as early as possible. To apply for the New Shares under the Offer, you must complete your Entitlement Form and lodge it together with payment for the New Shares by no later than the Closing Date. Please see Section 6 of this Offer Document for further information regarding the acceptance of the Offer.

The Offer will lapse if you do not accept your Entitlement by the Closing Date.

3.6 **Closing Date**

We will accept applications from the Opening Date until 5pm (AEDT) on 6 April 2020 or such other date as the Directors may determine, subject to the requirements of the Corporations Act and the Listing Rules.

3.7 **No Minimum Subscription**

There is no minimum subscription under the Offer.

3.8 **Not Underwritten**

The Entitlements Offer is not underwritten.

3.9 **Lead Manager**

The Company has appointed the Lead Manager under the Lead Management Agreement as the exclusive and sole lead manager to manage the Entitlements Offer and to place any Shortfall or Top-Up Placement Shares on a reasonable endeavours basis. Any New Shares not applied for by Eligible Shareholders under the Entitlements Offer will form the Shortfall.

The Lead Manager is not a related party and is not a current Shareholder.

Under the agreement the Lead Manager is to use its reasonable endeavours to place the Shortfall after receiving notice from the Company as to the number of Shortfall Shares.

The Company is required to make the Offer in accordance with all relevant regulatory requirements and the Company has given various representations and warranties to the Lead Manager, which are customary for an agreement of this kind.

The Lead Manager has discretion to terminate its obligations under the agreement on the occurrence of a number of events, which may occur before the issue of the Shortfall. The termination events are customary for an agreement of this kind or an underwriting agreement style of document. The more significant termination events include the S&P/ASX All Ordinaries Index or S&P/ASX Small Resources Index falling more than 10% from the date of the agreement and remaining at that level for a period of 3 consecutive business days and where a material adverse change occurs in respect of the Company or its assets which the Lead Manager reasonably believes could have a material adverse effect on the price of the Shares or the ability of the Lead Manager to effect settlement.

The relevant fees payable by the Company to the Lead Manager are:

- (a) a 2% management fee of the value of all New Shares offered at the Full Subscription amount (\$68,913 fee). This is payable on completion of the Entitlements Offer and is subject to the Lead Manager procuring applications for at least 200,000,000 Shortfall Shares and/or Top-Up Placement Shares;
- (b) the issue of 50,000,000 Incentive Options, subject to any necessary Shareholder approval;
- (c) a 1.5% lead manager fee on the value of the first 200,000,000 Shortfall Shares issued to the Committed Investors (a \$30,000 fee) and thereafter a 5% lead manager fee on the value of any additional Shortfall Shares issued, which fees are payable upon issue of the relevant Shortfall Shares; and

- (d) a 5% fee on the value of any Top-Up Placement Shares issued, which fee is payable upon the issue of the Top-Up Placement Shares.

The Company will reimburse the Lead Manager for all reasonable out-of-pocket expenses relating to its role.

The Lead Manager has a right to appoint a non-executive Director upon the Lead Manager placing at least \$2,000,000 of Shortfall Shares and/or Top-Up Placement Shares. At this time, it is intended that Bill Fry and Alasdair Cooke will resign as Directors.

3.10 **Shortfall**

Any New Shares not applied for by Eligible Shareholders under the Entitlements Offer will form the Shortfall.

The Lead Manager has received conditional firm commitments for Shortfall Shares from the Committed Investors totalling \$2,000,000 (or 200,000,000 Shares).

The Company has agreed with the Lead Manager that Shortfall priorities will be as follows:

- (a) first priority to Committed Investors (up to \$2,000,000);
- (b) second priority to any other Institutional Investors of the Lead Manager who commit to receive Shortfall Shares prior to the Closing Date; and
- (c) third priority to parties at the discretion of the Directors in consultation with the Lead Manager. Any such parties are intended to be Institutional Investors.

By reason of the above, Shortfall Shares will not be issued to Eligible Shareholders other than if an Eligible Shareholder is an Institutional Investor referred to above.

The Company will not issue Shortfall Shares so that a person's voting power in the Company may exceed 20%.

Shortfall Shares will be issued at the same price as the New Shares offered under the Entitlements Offer. The offer of Shortfall Shares is an offer under this Offer Document.

Directors and related parties will not participate in the issue of Shortfall Shares.

3.11 **Incentive Options and Loan Facility Options**

The terms of the Incentive Options to be issued to the Lead Manager or its nominees are:

- (a) Each Option will be issued with a subscription price of \$0.00001.
- (b) Each Option entitles the holder to one Share (fully paid ordinary share).
- (c) The exercise price of the Options is 1.5 cents per Option.
- (d) The Options are exercisable at any time prior to 5.00 pm AEDT on 31 March 2022 ("Expiry Date").
- (e) The Options are freely transferable.
- (f) The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("Notice of Exercise"). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
- (g) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares. The Company will apply for the Shares to be admitted to quotation.

- For personal use only
- (h) There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised (except for a bonus issue). The Company will ensure that the Option holder will be notified of a proposed issue after the issue is announced. This will give an Option holder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
 - (i) If there is a bonus issue ("Bonus Issue") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
 - (j) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option holder are to be changed in a manner consistent with the Listing Rules.

The terms of the Loan Facility Options to be issued to Xingao or its nominees in consideration for re-financing the existing loan facility are:

- (a) Each Option entitles the holder to one Share (fully paid ordinary share).
- (b) The exercise price of the Options is 2.5 cents per Option.
- (c) The Options are exercisable at any time prior to 5.00 pm AEDT on 28 February 2023 ("Expiry Date").
- (d) The Options are freely transferable. The Options are not intended to be quoted.
- (e) The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("Notice of Exercise"). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
- (f) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares. The Company will apply for the Shares to be admitted to quotation.
- (g) There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised (except for a bonus issue). The Company will ensure that the Option holder will be notified of a proposed issue after the issue is announced. This will give an Option holder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (h) If there is a bonus issue ("Bonus Issue") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.

- (i) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option holder are to be changed in a manner consistent with the Listing Rules.

3.12 Continuous Disclosure Obligations

The Company is a "*disclosing entity*" (as defined in Section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website www.anovametals.com.au or the ASX www.asx.com.au.

4. EFFECT OF ENTITLEMENTS OFFER ON CONTROL AND DIRECTORS' INTERESTS

4.1 Effect on Control

The effect of the Entitlements Offer on the control of the Company, and the consequences of that effect, will depend upon a number of factors, including the level of take up from Eligible Shareholders and the issue of the Placement Shares. The primary consequences will be as follows:

- (a) If all Eligible Shareholders as at the Record Date take up their full Entitlement, the Entitlements Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company subject only to changes resulting from Excluded Shareholders being unable to participate in the Entitlements Offer. However, in the event that Eligible Shareholders take up their full Entitlement and 200,000,000 Top-Up Placement Shares are issued, dilution of Eligible Shareholders will be 16.21%.
- (b) In the more likely event that not all Eligible Shareholders subscribe for their full Entitlement (ie there is a Shortfall), Eligible Shareholders who do not subscribe for their full Entitlement under the Entitlements Offer and Excluded Shareholders unable to participate in the Entitlements Offer will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement. The extent of the dilution will depend on the degree to which Eligible Shareholders take up their Entitlement. The maximum dilution if you do not take up your Entitlement will approach 33.33% if nearly all Eligible Shareholders other than you take up their full Entitlement.
- (c) By reason of existing shareholdings in the Company and the structure of the Entitlements Offer, no Shareholder can increase their voting power beyond 20% by the Entitlements Offer. The Company will not issue any New Shares under the Shortfall so a party can increase their voting power beyond 20%.
- (d) The Lead Manager has received conditional firm commitments for Shortfall Shares and Top-Up Placement Shares from the Committed Investors. The largest commitment is from Xingao (\$1,550,548 or 155,054,762 Shares). The maximum voting power that Xingao can obtain is approximately 18.37% assuming the only New Shares issued under the Entitlements Offer are Shortfall Shares to Xingao.

By reason of the above, the Company is of the view that the Entitlements Offer will not materially affect the control of the Company.

4.2 Directors' Interests

The relevant interest of each of the Directors in the securities of the Company as at the date of this Offer Document is set out in the table below.

| Director | Shares | Options |
|-----------------------------|------------|------------------------|
| Malcolm James | 558,191 | 0 |
| Joe Wang | 10,000,000 | 0 |
| John Davis | 250,000 | 3,250,000 ¹ |
| Bill Fry ² | 5,600,000 | 0 |
| Alasdair Cooke ² | 28,783,992 | 0 |

Notes:

1. 2,500,000 of the Options have an exercise price of 4.3 cents and an expiry date of 19 June 2020 and 750,000 of the Options have an exercise price of 20 cents and an expiry date of 28 November 2021.
2. It is intended that Bill Fry and Alasdair Cooke will resign as Directors upon the Lead Manager

placing at least \$2,000,000 of Shares.

5. RISK FACTORS

5.1 Introduction

Applicants should be aware that an investment in the Company is highly speculative. The Company is a gold exploration and development company. The 2 current major projects of the Company are the Big Springs Project in Nevada, USA and the Second Fortune Project in the Shire of Menzies in Western Australia. Both Projects feature JORC Code Resources and have been the subject of historic mining.

The activities of the Company are subject to various risks that may impact on the future performance of the Company. The following is a non-exhaustive list of the risks that may have a material effect on the financial position and performance of the Company and the value of its securities.

The specific risks below are some of the risks to the Company of a specific nature by reason of its gold project development focus and its 2 major projects. The general investment risks below are some of the risks to the Company of a general economic nature.

5.2 Specific risks

Future capital needs and additional funding

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of Projects (existing and future), the results of exploration, development and mining activities, the price of commodities and stock market and industry conditions.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

The Company will need to raise moneys to repay a secured loan facility. Refer to the risk below.

Repayment of a secured loan facility

On 4 September 2018, the Company announced a wholly owned subsidiary of the Company entered into a loan facility agreement with Twynam Agricultural Group Pty Ltd. Under the agreement, the Company subsidiary drew down the full facility of \$3,000,000. The facility features a repayment date of 3 September 2020, an interest rate of 10% per annum payable monthly and the securing of outstanding moneys over the assets and undertakings of the Company group.

At the date of this Offer Document, the principal loan sum of \$2,825,000 is outstanding. As announced on 3 March 2020, the Company entered into a loan facility term sheet with Xingao for \$2,825,000 by which Xingao will loan these funds to the Company to repay the existing loan facility of \$2,825,000. The loan facility term sheet is conditional upon agreement to formal loan and security documentation for the loan facility prior to the Closing Date of this Offer and Xingao obtaining SAFE approval to facilitate its funding.

The terms of the facility include a maturity date of 31 March 2023, an interest rate of 9% per annum payable on repayment of the loan and security over all the assets of the Company and a relevant subsidiary but excluding assets associated with the Second Fortune Project and the Malcolm Gold Project.

Subject to any necessary Shareholder approval, the Company will issue Xingao or its nominees with 20,000,000 Loan Facility Options (2.5 cent exercise price and 28 February 2023 expiry date), the full terms of which are set out in Section 3.12.

In the event that the Company does not refinance or extend the repayment date, the Company will need to raise further moneys to pay the outstanding sum.

In the event of default of the loan, the lender has rights to enforce payment including a right of sale over the secured assets. Any default may impact on the Company's ability to continue as a going concern.

Development and mining

Future development or recommencement of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, failure to acquire and/or delineate economically recoverable ore bodies, unfavourable geological conditions, failing to receive the necessary approvals from all relevant authorities and parties, unseasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, risk of access to the required level of funding and contracting risk from any third parties providing essential services.

In the event that the Company commences or recommences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions and other accidents.

Exploration

The Company may undertake further exploration at its current Projects (including the Big Springs Project) or on future Projects. Exploration is a high risk undertaking.

There can be no assurance of success from the Company's exploration activities.

Gold price volatility

The Company is seeking to develop projects that are reliant on the price of gold.

The gold price (as with commodity prices) fluctuates and is affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for gold, forward selling by producers and production cost levels, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's project development, exploration and production plans and activities, together with the ability to fund those plans and activities.

Reliance on key personnel

The Company's success largely depends on the core competencies of its Directors and any management and their familiarisation with, and ability to operate in, the resource industry.

Resource and reserve estimates

Mineral Resource and Ore Reserve estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource and reserve estimates are inherently imprecise and rely to some extent on interpretations made.

Additionally, resource and reserve estimates may change over time as new information becomes available. If the Company encounters mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

Title

All of the tenements or licences in which the Company has or may earn an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each tenement or licence is usually at the discretion of the relevant government authority.

Additionally, tenements or licences are subject to a number of specific legislative conditions including payment of rent and, in some cases, meeting minimum annual expenditure commitments. The inability to meet these conditions could affect the standing of a tenement or licence or restrict its ability to be renewed.

If a tenement or licence expires, is not renewed or granted, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement or licence.

Foreign exchange risk

The Big Springs Project is in the USA and any gold produced will be sold in United States dollars.

Thereby, the Company is exposed to the fluctuations of the United States dollar against the Australian dollar.

Native title and land access

The Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is a significant uncertainty associated with native title in Australia and this may impact upon the Company's operations and future plans in Australia.

It is important to note that the existence of a native title claim is not an indication that native title in fact exists to the land covered by the claim, as this is a matter ultimately determined by the Federal Court. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner) or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Company must also comply with Aboriginal heritage legislation requirements in Australia which require heritage survey work to be undertaken ahead of the commencement of mining operations.

Environmental

The Company's Projects are subject to various laws and regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws and regulations determine these requirements. As with all resource projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly, any further mine development or mining. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, the Company may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

Insurance

The Company may maintain insurance within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, it is not always possible to cost-effectively insure against all risks associated with such activities. The Company may decide not to take out insurance against certain risks as a result of high premiums or for other reasons. Should liabilities arise on uninsured risks, the Company's business, financial condition and results of operations and the market price of the Shares may be materially adversely affected.

Future acquisitions

The Company may make acquisitions of or significant investments in other resource projects or resource companies. Any such transactions would be accompanied by risks commonly encountered in making such acquisitions.

Climate Change Regulation

Mining of mineral resources is relatively energy intensive and is dependent on the consumption of fossil fuels. Increased regulation and government policy designed to mitigate climate change may adversely affect the Company's cost of operations and adversely impact the financial performance of the Company.

5.3 General investment risks

Securities investments and share market conditions

There are risks associated with any securities investment. The trading prices of securities trade fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for gold and resource exploration and development companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

Economic risk

Changes in Australia, USA and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

Legislative

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

6. ACTION REQUIRED BY SHAREHOLDERS

6.1 Acceptance of Offer

The number of New Shares to which you are entitled is shown on the Entitlement Form accompanying this Offer Document. If you are an Eligible Shareholder, you may:

- Take up your Entitlement in full or in part; or
- Allow your Entitlement to lapse.

Acceptance of the Offer must not exceed the Entitlement as shown on the Entitlement Form. The Directors reserve the right to reject any applications for New Shares that are not made in accordance with the terms of this Offer Document or the instructions on the Entitlement Form. Fractional Entitlements to Shares will be rounded up.

Shortfall Shares will not be offered to Eligible Shareholders due to commitments for Shortfall having been received by the Lead Manager. See Section 3.10.

6.2 Taking up your Entitlement in full or in part

If you wish to accept your Entitlement in full or in part either:

- Complete the Entitlement Form for the number of New Shares you wish to take up in accordance with the instructions on the form. Return your completed form, together with the Application Money to the Company's share registry (see Section 6.5 below). It must be received by no later than the Closing Date.

OR

- Make a payment for each New Share you wish to apply for by BPAY in accordance with the instructions on the Entitlement Form by no later than the Closing Date.

6.3 Allowing your Entitlement to lapse

If you do not wish to take up any of your Entitlement under the Offer, then you do not need to take any action. If you do nothing then your Entitlement will lapse. The New Shares not subscribed for will form part of the Shortfall.

Although you will continue to own the same number of Shares, your percentage shareholding in the Company will be diluted.

6.4 Payment for New Shares

The issue price of 1 cent per New Share is payable in full on application.

All payments are to be made in Australian currency by cheque or by BPAY.

Cheques should be drawn on an Australian branch of a financial institution, made payable to "Anova Metals Limited" and crossed "Not Negotiable".

BPAY payments should be made in accordance with the instructions on the Entitlement Form using the BPAY Biller Code and Customer Reference Number shown on the form. You are not required to return the Entitlement Form if you use BPAY to pay the Application Money. You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment. You should take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by the Closing Date. The Customer Reference Number is used to identify your holding. If you have multiple holdings you will receive multiple Customer Reference Numbers. You must use the Customer Reference Number shown on

each Entitlement Form to pay for each holding separately. If you pay by BPAY and do not pay your full Entitlement, your remaining Entitlement will lapse. Your completed BPAY acceptance, once paid, cannot be withdrawn. We do not accept any responsibility for incorrectly completed BPAY payments.

6.5 Address details and enquiries

Completed Entitlement Forms and cheques for the Application Money (if not paying by BPAY) should be mailed to the postal address or delivered by hand to the delivery address set out below by no later than the Closing Date:

Postal address:

Anova Metals Limited
c/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Delivery address:

Anova Metals Limited
c/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

You should ensure that your Entitlement Form (and Application Money) is sent early to ensure that they arrive at the postal or delivery address specified above by the Closing Date. If we receive your Entitlement Form after the Closing Date, the Directors may, at their discretion, accept or reject your Application. If we reject your Application, we will refund your Application Money in full without interest.

If you have any questions about the Entitlements Offer or how to complete your Entitlement Form, please contact the Company Secretary.

6.6 Issue of New Shares and quotation on ASX

New Shares under the Entitlements Offer will be issued as soon as practicable after the Closing Date. It is expected that New Shares will be allotted and that transaction confirmation statements will be sent to you on approximately 15 April 2020. However, if the Closing Date is extended then the date for allotment and posting may also be extended.

Application for official quotation by ASX of the New Shares offered under this Offer Document has been made. If permission for quotation is not granted by ASX, the New Shares will not be allotted and Application Money will be refunded (without interest) as soon as practicable.

It is your responsibility to confirm your holdings before trading in New Shares. Any person who sells New Shares before receiving confirmation of their holding will do so at their own risk. The Company and the share registry disclaim all responsibility to any person who trades in New Shares before receiving their confirmation statement.

Application Money will be held in trust in a separate bank account on behalf of each Eligible Shareholder until the New Shares are issued. If necessary, Application Money will be refunded as soon as reasonably practicable, without interest. Interest earned on the Application Money will be retained by the Company, regardless of whether New Shares are issued under the Offer.

The Directors may at any time decide to withdraw this Offer Document and the offers made under the Entitlements Offer, in which case the Company will return all Application Money (without interest) as soon as practicable.

6.7 Excluded Shareholders

The Offer under the Entitlements Offer is not extended to Excluded Shareholders (any Shareholder whose registered address on the Record Date is situated outside Australia or New Zealand). The Entitlements Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

In making this decision, the Directors have taken into account the small number of Excluded Shareholders and the cost and administrative complexity of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand.

This Offer Document has not been registered, filed with or approved by any New Zealand regulatory authority. This Offer Document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Eligible Shareholders holding Shares on behalf of persons who are resident outside Australia or New Zealand (including nominees, custodians and trustees) are responsible for ensuring that any dealing with their Entitlement and any New Shares issued do not breach the laws and regulations in the relevant overseas jurisdiction, and should seek independent professional advice and observe any applicable restrictions relating to the taking up of Entitlement or the distribution of this Offer Document or the Entitlement Form.

The making of an Application (whether by the return of a duly completed Entitlement Form or the making of a BPAY payment or otherwise) will constitute a representation that there has been no breach of such laws or regulations. Shareholders who are nominees, custodians or trustees are therefore advised to seek independent advice as to how they should proceed.

6.8 **Taxation**

There may be taxation implications in relation to the Entitlements Offer and subscribing for New Shares. These taxation implications vary depending on your individual circumstances.

You should seek and rely on your own taxation advice regarding an investment in the Company. Neither the Company nor any of its officers, employees, agents and advisers accepts any liability or responsibility with respect to the taxation consequences connected with the Entitlements Offer or the New Shares.

7. GLOSSARY

Where the following terms are used in this Offer Document they have the following meanings:

| | |
|-----------------------------|--|
| AEDT | Australian Eastern Daylight Time. |
| Applicant | A person who makes an Application. |
| Application | An application to subscribe for New Shares under this Offer Document. |
| Application Money | Money payable by Eligible Shareholders in respect of New Shares applied for under this Offer Document. |
| Argonaut Capital | Argonaut Capital Limited (ACN 099 761 547). |
| ASIC | Australian Securities and Investments Commission. |
| ASX | ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as applicable. |
| Board | The board of directors of the Company. |
| Closing Date | The last day for payment and return of Entitlement Forms, being 5.00pm (AEDT) on 6 April 2020 or, subject to the Listing Rules, such other date as may be determined by the Directors. |
| Committed Investors | The Institutional Investors referred to in Section 3.1 which have provided conditional firm commitments for Shortfall. |
| Company | Anova Metals Limited (ACN 147 678 779). |
| Constitution | The constitution of the Company. |
| Corporations Act | Corporations Act 2001 (Cth). |
| Director | A director of the Company. |
| Eligible Shareholder | Shareholders with a registered address in Australia or New Zealand as at the Record Date. |
| Entitlement | The number of New Shares that an Eligible Shareholder may apply for under the Offer, as determined by the number of Shares held on the Record Date. |
| Entitlement Form | The entitlement and acceptance form accompanying this Offer Document. |
| Entitlements Offer | The pro-rata non-renounceable offer conducted pursuant to this Offer Document under which up to approximately 344,566,138 New Shares will be offered to Eligible Shareholders on the basis of 1 New Share for every 2 Shares held at the Record Date at the Issue Price. |
| Excluded Shareholder | A Shareholder whose registered address is not in Australia or New Zealand. |
| Full Subscription | The maximum amount to be raised under the Offer being the sum of \$3,445,661 assuming no existing Options are exercised. |

| | |
|----------------------------------|---|
| Incentive Options | An Option with an exercise price of 1.5 cents and an expiry date of 31 March 2022, the full terms of which are set out in Section 3.11. |
| Institutional Investor | A sophisticated, professional or other investor who is exempt from or outside the disclosure requirements under Chapter 6D of the Corporations Act. |
| Issue Price | 1 cent per New Share. |
| JORC Code | The 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. |
| Lead Management Agreement | Lead management agreement between Argonaut Capital, Lead Manager and Company summarised in Section 3.9. |
| Lead Manager | Argonaut Securities Pty Limited (ACN 108 330 650). |
| Listing Rules | The official listing rules of ASX, as amended or waived by ASX from time to time. |
| Loan Facility Options | An Option with an exercise price of 2.5 cents and an expiry date of 28 February 2023, the full terms of which are set out in Section 3.11. |
| New Share | A Share to be issued under this Offer Document. |
| Offer | The offer to Eligible Shareholders of New Shares under the Entitlements Offer. |
| Offer Document | This offer document. |
| Option | An option to acquire a Share. |
| Placement | The placement of 50,000,000 Shares at the Issue Price to Institutional Investors to raise \$500,000 before costs. |
| Record Date | 5.00pm (AEDT) on 6 March 2020. |
| Share | A fully paid ordinary share in the Company. |
| Shareholder | A registered holder of Shares. |
| Shortfall | The number of New Shares not applied for under the Entitlements Offer before the Closing Date. |
| Top-Up Placement | A placement at the Issue Price to Committed Investors which may occur on the terms set out in Section 3.1. |
| Top-Up Placement Shares | A Share issued under the Top-Up Placement. |
| USA | United States of America. |
| Xingao | Au Xingao Investment Pty Ltd. |
| \$ or dollars | Australian dollars. |