



14 April 2020

REVISED RE-CAPTITALISATION TO INJECT A FURTHER \$6.9 MILLION

- **Revised Entitlements Offer** priced at \$0.007 to raise approx. \$3.2m
- **Follow-On Placement to Cornerstone Investor** priced at \$0.01 to raise approx. \$1.7m
- **Cornerstone Investor to advance \$2m to re-finance the existing Twynam Loan**

Anova Metals Limited (**ASX:AWV**) (**Anova** or the **Company**) is pleased to announce a revised Re-Capitalisation that will inject \$6.9 million into the Company on top of the existing \$500,000 already raised.

As the Company advised on 9 April 2020 the entitlement offer which was made under an Offer Document dated 11 March 2020 (**Original Entitlement Offer**) has been withdrawn and all application money received under the Original Entitlement Offer will be refunded to eligible shareholders as soon as practicable.

Revised Entitlement Offer

Anova is offering eligible shareholders the opportunity to acquire fully paid ordinary shares in the Company (**New Shares**) through a non-renounceable offer of two (2) shares for every three (3) shares held by eligible shareholders on the Record Date 17 April 2020 at an issue price of \$0.007 per New Share to raise up to approximately \$3.2 million (before costs) (**Entitlement Offer**).

The revised pricing is provided as an incentive to eligible shareholders to participate in the Entitlement Offer and is consistent with the significantly changed market conditions since the launch of the Original Entitlement Offer. The ratio of New Shares offered under the Entitlement Offer has been increased from the Original Entitlement Offer to ensure that the total amount raised under the Entitlement Offer meets Anova's recapitalisation objectives.

The Lead Manager has been engaged to exclusively place any shortfall from the Entitlements Offer, within three (3) months of the Closing Date. In the event that the Entitlement Offer shortfall is less than \$1.75 million, Anova will conduct a placement (**Top-Up Placement**) so that the aggregate of the shortfall taken up by clients of the Lead Manager and the Top-Placement is \$1.75 million. If any New Shares are required to be issued under the Top-Up Placement and this number exceeds the Company's capacity under Listing Rule 7.1, shareholder approval will be sought. Please see the Timetable section below for key dates in relation to Entitlement Offer.

Strong support for the equity raising has continued from a number of institutional and sophisticated investors, with Conditional Firm Commitments of \$1.75 million received, including Au Xingao Investment Pty Ltd, a subsidiary of Hong Kong Xinhua Investment Co. Ltd (**Xingao** or the **Cornerstone Investor**). Xingao has committed to subscribe for a minimum of \$1.3 million of the shortfall from the Entitlement Offer (and/or the Top-Up Placement), to commit additional funds in the Follow-On Placement (defined below) and to provide the Xingao Loan (defined below). The Cornerstone Investor confirms that it has received all necessary Chinese approvals to participate in the re-capitalisation of the Company as outlined in this announcement. The Cornerstone Investor's participation in the

+61 8 6465 5500

www.anovametals.com.au

info@anovametals.com.au

Suite 1, 245 Churchill Avenue Subiaco WA 6008

ABN 20 147 678 779

Follow-On Placement and Revised Xingao Loan is subject to receipt of the other necessary approvals described below.

Argonaut Securities Pty Ltd has been appointed Lead Manager to the Entitlement Offer and Follow-On Placement. Argonaut Capital Limited is acting as arranger of the Revised Xingao Loan.

Placement

Upon completion of the Entitlement Offer, Anova will conduct a placement of approximately 21.4 million New Shares at nil consideration to the investors that participated in the placement announced 28 February 2020 (**Placement**). The New Shares are being issued at nil consideration to ensure that the effective price of shares issued to these investors is \$0.007 in order to be aligned with the revised Entitlement Offer issue price.

The issue of 4.3 million New Shares to the Anova's new Managing Director, Dr. Mingyan Wang under the Placement is subject to shareholder approval. Anova will seek this shareholder approval in a general meeting of shareholders to be held within 60 days of the Closing Date of the Entitlement Offer (**General Meeting**) (see timetable below).

Follow-On Placement

Anova is pleased to announce that it has received a conditional firm commitment to conduct a placement to the Cornerstone Investor of the number of New Shares required to give the Cornerstone Investor a relevant interest of 30% of the Company's shares on issue (**Follow-On Placement**). The Follow-On Placement will be conducted at the issue price of \$0.01 per share and is subject to completion of the Entitlement Offer and the receipt of necessary regulatory (including FIRB) and shareholder approvals. It is expected that the Follow-On Placement will raise approximately \$1.7 million. It is intended that funds from the Follow-On Placement will be used to reduce down the balance of the Twynam Loan to \$2 million with the balance for advancing the Company's resource projects and general working capital.

Revised Loan

Anova has entered into revised Loan Facility Term Sheet with Xingao for \$2 million (**Xingao Loan**), replacing the proposed loan announced 28 February 2020.

Completion of the Xingao Loan is subject to the execution of formal documentation including security documentation and receipt of shareholder and FIRB approval for the Follow-On Placement.

Proposed terms of the Revised Xingao Loan include:

- **Principal:** \$2,000,000
- **Maturity Date:** 31 March 2023;
- **Interest:** 9% per annum payable upon on repayment of the Loan;
- **Fee:** 26,000,000 options exercisable at \$0.02 with an expiry date of 28 February 2023 to be issued subject to any necessary shareholder approval;
- **Security:** Secured over all of the assets of Anova Metals Ltd and Big Springs Project Pty Ltd with excluded collateral being: the Linden (including the Second Fortune Gold Mine) and Malcolm Gold Projects in Western Australia and various associated dumps, tailings and battery sands; and

- **Purpose:** Proceeds of the Loan will be used to partially repay the existing loan with Twynam Agricultural Group Pty Ltd (**Twynam Loan**) that is due to mature in September 2020.

Other

The Lead Manager will also have the right to appoint another director (who will be a non-executive director), subject to placing at least \$1.75m from the shortfall of the Entitlement Offer (and/or the Top-Up Placement). At that time, Mr Alasdair Cooke and Mr Bill Fry will resign as directors of Anova.

Use of Funds

The funds raised under the Entitlement Offer and Follow-On Placement, will be used principally for the evaluation of the Company's existing projects, identification of new opportunities, payment of approximately \$1.0m of duty to the Office of State Revenue for the stamp duty on Anova's acquisition of Exterra Resources, payment of \$0.8 million of the Twynam Loan, working capital and to meet Entitlement Offer & Follow-On Placement expenses.

Entitlement Offer Timetable

The timetable for the Entitlement Offer in accordance with Appendix 7A paragraph 2 of the Listing Rules is as follows:

Event	Date
Announcement of Entitlement Offer, Placement & Follow-On Placement	14 April 2020
Record Date for Entitlement Offer	17 April 2020
Despatch of Offer Document and Entitlement Offer Opening Date	22 April 2020
Entitlement Offer Closing Date	1 May 2020
Announcement of results of offer, notify Lead Manager and ASX of shortfall (if any)	6 May 2020
Settlement date for New Shares issued under the Entitlement Offer and Placement	8 May 2020
Commence Trading of New Shares issued under the Entitlement Offer on ASX	11 May 2020
Placement, Shortfall Placement and/or Top-Up Placement Timetable, Follow-On Placement¹	
Satisfaction of Firm Commitment Conditions	BB-0
Completion of bookbuild (BB) for any Placement and Shortfall Placement (and/or Top-Up Placement, if applicable)	Wednesday, 6 May 2020
Announce results of Bookbuild (in relation to allocation of shares that do not require Shareholder Approval)	Friday, 8 May 2020
Settlement of Shortfall (and/or Top-Up Placement, if applicable), Settlement of Placement (unconditional Placement Shares only)	Friday, 8 May 2020

Commence trading on ASX of Shortfall Shares (and/or Top-Up Placement Shares, if applicable)	Friday, 8 May 2020
Firm Commitments obtained for Follow-On Placement	Monday, 11 May 2020
General Meeting held for approval of conditional Placement Shares and Follow-On Placement Shares	Within 60 days of the Closing Date
Settlement of balance of Placement Shares and Follow-On Placement Shares	Within 5 days of the date of Shareholder approval at General Meeting

1. The Lead Manager has been engaged to exclusively place any shortfall from the Entitlement Offer, within three (3) months of the Closing Date

Subject to the Listing Rules, the above dates may be changed without notice.

The Entitlement Offer will be made to the Company's shareholders with a registered address in Australia or New Zealand on the Record Date (**Eligible Shareholders**).

Shareholders may view all the Company's ASX announcements, including those relating to the Entitlement Offer, on the ASX's website at www.asx.com.au or alternatively on the Company's website at www.anovametals.com.au.

It is anticipated that the Entitlement Offer Document offering New Shares for subscription will be mailed to Eligible Shareholders on 22 April 2020 and will be available on the ASX and Company's website on this day.

Application will be made to ASX for official quotation of the New Shares. No shareholder approval is required for the Entitlement Offer.

Overseas Shareholders

The offer is only made to Eligible Shareholders (shareholders with a registered address in Australia or New Zealand at the Record Date). Therefore, if you are a shareholder with a registered address other than Australia or New Zealand, no offer will be made to you. In making this decision, the directors have taken into account the small number of overseas shareholders and the costs and administrative complexity of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

If you have any questions please do not hesitate to contact the Company.

Yours faithfully

Bill Fry
Executive Director
Anova Metals Limited

For further information, please contact:

Bill Fry
Executive Director
Tel: + 61 8 6465 5500
Email: bill@anovametals.com

This announcement was authorised for release by:

Steven Jackson
Company Secretary

Annexure 1 – Effect on Capital Structure

Assuming that no Options are exercised before the Record Date, the effect of the Entitlement Offer, the issue of Shortfall Shares, Top-Up Placement Shares and Nil Subscription Shares on the Company's issued share capital on Anova's issued share capital at Minimum Subscription and Full Subscription is shown in the following table:

Shares	Minimum Subscription	Full Subscription
Existing Shares	689,132,275	689,132,275
New Shares issued under Entitlements Offer	0	459,421,517
Sub-Total	689,132,275	1,148,553,792
Shortfall Shares issued to Committed Investors ¹	250,000,000	0
Top-Up Placement ²	0	250,000,000
Nil Subscription Shares to unrelated parties ³	17,142,857	17,142,857
Total	956,275,132⁴	1,415,696,649⁴

Notes:

1. For the purposes of this table, the assumption is Shortfall Shares will only be subscribed for by the Committed Investors.
2. The Top-Up Placement is to be undertaken so that the Committed Investors subscribe for 250,000,000 Shares (\$1,750,000) in total when added to the Shortfall Shares subscribed for by the Committed Investors.
3. Subject to Shareholder approval, the Company will issue 4,285,714 Nil Subscription Shares to Joe Wang, a related party.
4. Following the Offer and any Top-Up Placement, the Company will undertake a placement of Shares to Xingao at 1 cent each to take the voting power of Xingao to 19.99% and will, subject to Shareholder approval and FIRB Approval, undertake a placement of Shares at 1 cent each to take the voting power of Xingao to 30%.

* Additionally, 65,000,000 incentive options (1.1 cent exercise price and 31 March 2022 expiry date) will be issued to the Lead Manager (or its nominees). Additionally, subject to any necessary shareholder approval, 26,000,000 options (2.0 cent exercise price and 28 February 2023 expiry date) will be issued to Xingao in consideration for providing the Revised Xingao Loan.