



10 June 2020

FOLLOW-ON PLACEMENT REVISED & LINDEN PROJECT UPDATE

- Placement issue price increased from 1 cent to 1.7 cents
- Quantum to be raised increased from \$1.8m to \$3.1m
- Funding will be used to expand Anova's Big Springs exploration activities and re-pay the existing shareholder loan facility, making Anova debt-free
- Appointment of Patrick Keogh to manage Second Fortune Gold Mine strategy

Revised Follow-On Placement

Anova Metals Limited (**ASX:AWV**) (**Anova** or the **Company**) is pleased to announce that it has reached an agreement with Au Xingao Investment Pty Ltd, a subsidiary of Hong Kong Xinhua Investment Co. Ltd (**Xingao** or the **Cornerstone Investor**) to revise the pricing of the Follow-On Placement.

Key terms of the revised Follow-On Placement are as follows:

- A placement of up to 181,767,004 New Shares to Xingao at 1.7 cents per Share to raise up to \$3,090,039, subject to the receipt of necessary regulatory (including FIRB) and shareholder approvals, such that Xingao achieves a shareholding of 30% in the Company;
- In consideration for Xingao agreeing to the revised Follow-On Placement, the Cornerstone Investor will be granted the following unlisted options (subject to shareholder approval);
 - 30m unlisted options exercisable at 2.0 cents with an expiry date of 30 June 2022;
 - 30m unlisted options exercisable at 2.5 cents with an expiry date of 30 June 2023;
 - 30m unlisted options exercisable at 3.0 cents with an expiry date of 30 June 2024; and
- Xingao agrees to a standstill and will not increase its shareholding in Anova above 30% within 12 months of the issue of Follow-On Placement Shares.

Under the previously announced Follow-On Placement it was intended that Xingao would re-finance the existing \$2.825m Twynam Loan by providing a loan of \$2.0m and the remaining \$0.825m would be repaid from Follow-On Placement proceeds. Due to the increased funding to be provided through the revised Follow-On Placement, the loan re-financing facility will no longer be required.

Anova will dispatch the notice of meeting containing a resolution to approve the Follow-On Placement as soon as possible.

Anova thanks Xingao for the significant contribution it has made towards the Re-Capitalisation of the Company. Anova is now funded to carry out its 2020 exploration program at Big Springs, Nevada which will be outlined in the June Quarterly.

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Linden Project (Second Fortune Gold Mine) Update

Mr Patrick Keogh has been appointed as consultant to progress Anova's strategy to evaluate and identify low risk development options for the Second Fortune Gold Mine. The Company expects to provide shareholders with an update on this strategy by 31 July 2020.

Mr Keogh is a mining professional with more than 15 years' experience working in the underground hard-rock mining industry. He was General Manager for FMR Investments for a period of 12 years managing Eloise Copper Mine, Gordon Sirdar Gold Mine and Greenfields Toll Mill. He held various roles with FMR in Operations, Mine Management and Business Development. His particular expertise lies in the management of mining operations, feasibility studies, contractual management and mine construction.

Cleansing Prospectus

Anova will lodge a Prospectus with the Australian Securities and Investments Commission which will have the effect under Section 708A(11)(b)(i) of the Corporations Act of removing secondary sale restrictions on the Shortfall Shares, Top-Up Placement Shares and Nil Subscription Shares that were issued on 8 May 2020.

Capitalised terms in this announcement that are not defined have the meanings given to them in the Offer Document dated 22 April 2020.

This announcement is authorised by the Board.

For further information, please contact:

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*This announcement was authorised for release
by:*

*David Palumbo
Company Secretary*