



26 August 2020

ANOVA TO SELL THE SECOND FORTUNE GOLD MINE FOR \$9 MILLION

Anova Metals Limited (ASX:AWV) (**Anova** or the **Company**) is pleased to advise that it has reached an agreement to divest the Second Fortune Gold Mine (and the greater Linden Gold Project) to the Linden Gold Alliance Pty Ltd (**Linden Gold Alliance**).

The proposed transaction would see Anova divest its wholly owned subsidiary that owns the assets and tenements which make up the Linden Gold Project (including the Second Fortune Gold Mine) to Linden in exchange for \$9 million in cash and a Net Smelter Return Royalty (**NSR**), comprising:

- \$0.5 million received upon execution of the Share Sale Agreement (**SSA**), which has already been received by Anova;
- \$4.5 million payable upon completion of the proposed transaction, expected to be on or before 29 September 2020;
- \$2.0 million payable 18-months after completion of the proposed transaction;
- \$2.0 million payable 24-months after completion of the proposed transaction; and
- 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, capped at a total royalty payable of \$1 million. Following total royalty payments of \$1 million, the NSR will reduce to a 1.00% NSR on every ounce of gold produced.

Linden Gold Alliance is a company controlled by key stakeholders associated with Mako Mining Pty Ltd (**Mako**) and MTM Group (**MTM**). Mako was established in 2011 and has performed specialist underground contract mining operations at several prominent mines in Western Australia. MTM was established in 1999 and is a mine services group specialising in mine site establishment and maintenance.

Prior to entry into the SSA, Anova satisfied itself that the purchaser had sufficient available cash resources to fund its commitments to pay the deposit, which has been paid and is non-refundable. Anova has also been advised that Linden Gold Alliance will be funded by its shareholders to pay the purchase consideration at settlement and Anova is satisfied that such funding is available for these purposes.

Anova Managing Director Dr. Mingyan (Joe) Wang said “the sale of Second Fortune represented an opportunity to crystallise value from an asset which had become non-core to Anova and to use the proceeds to advance the Company’s exploration of its Big Springs Project in Nevada, USA. We have some exciting work ahead of us in Nevada where we believe we can create significant shareholder value.”

“While the Linden Gold Project is a quality asset, the re-development and operation of the Second Fortune Gold Mine does not align with Anova’s skill-set and strategy to focus on, and rapidly add value, to the Big Springs Gold Project in Nevada. Linden Gold Alliance is aiming to bring Second Fortune back into production utilising its shareholders experience in mine site establishment and the underground mining of narrow vein orebodies”.

Notwithstanding the divestment of Anova’s last Australian based gold project, the Company may still consider future acquisitions that suit the exploration and project advancement expertise of its management team.

For further information, please contact:
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This announcement was authorised for release by:
The Board of Directors of Anova Metals Limited

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