anova metals limited

ABN 20 147 678 779

ANNUAL REPORT

30 JUNE 2020

Contents

Corporate Directory

Directors	Mr Edward Rigg Non-Executive Chairman Mr Mingyan Wang Managing Director Mr John Davis Non-Executive Director
Company Secretary	Mr David Palumbo
Principal Place of Business	Level 3 3-5 Bennett Street East Perth WA 6004 Ph: +61 8 6465 5500
Registered Office	Level 11 216 St Georges Terrace Perth WA 6000 Ph: +61 8 9481 0389
Share Registry	Link Market Services Level 12, QV1 Building 250 St Georges Terrace Perth WA 6000 Ph: +61 1300 554 474
Securities Exchange Listing	Anova Metals Limited shares are listed on the Australian Securities Exchange (ASX: AWV)
Auditor	HLB Mann Judd Level 4, 130 Stirling Street Perth WA 6000 Ph: +61 8 9227 7500
Website	www.anovametals.com.au

The Directors present their report together with the financial report of Anova Metals Limited ("the Company" or "AWV") and its controlled entities ("Group" or "Consolidated Entity"), for the financial year ended 30 June 2020.

1. Directors and Company Secretary

The Directors and Company Secretary in office at any time during or since the end of the financial year are:

Mr Edward Rigg, Non-Executive Chairman (appointed 14 May 2020)
Mr Mingyan Wang, Managing Director (appointed 4 March 2020)
Mr John Davis, Non-Executive Director
Mr Malcolm James, Former Non-Executive Chairman (resigned 14 May 2020)
Mr Gregory (Bill) Fry, Former Executive Director (resigned 8 May 2020)
Mr Alasdair Cooke, Former Executive Director (resigned 8 May 2020)
Mr Geoffrey Laing, Former Executive Director (resigned 30 September 2019)
Mr David Palumbo, Company Secretary (appointed joint on 4 May 2020 then sole on 25 May 2020)
Mr Steven Jackson, Former Company Secretary (became joint on 4 May 2020 then resigned 25 May 2020)

Directors and Company Secretary

Mr Edward Rigg | Non-Executive Chairman

Mr Rigg has extensive experience in the execution of M&A and capital raisings for both public and private companies and is an active originator of domestic and cross border transactions for small cap through to large multinational entities and SOE's predominantly in the metals and mining and energy sectors. He is a co-founder of Argonaut, an integrated investment house with offices in Perth and Hong Kong. Prior to establishing Argonaut, Eddie was an Executive Director, Investment Banking of CIBC World Markets, a global investment bank. Eddie is a 40under40 and City of Perth Business Award winner.

Other current listed directorships
n/a

Special responsibilities
Chairman

Former listed directorships in the last three years
n/a

Interests in shares and options
1,000,000 ordinary shares
55,000,000 options exercisable at 1.1c on or before 31 March 2022

Mr Mingyan Wang | Managing Director

Dr. Wang has over 20 years' experience in the mining and resources industry specialising in identifying projects, exploration, management and business development. Dr. Wang is currently a founding director of Global Lithium Resources Pty Ltd and former Managing Director of ASX listed Abra Mining Ltd. He also held senior management positions in other large mining companies such as China Minmetals Corporation where he was the Project Lead – Geology & Mining in Las Bambas Copper-Gold mine in Peru. Dr. Wang has been in Australia for more than 10 years and has extensive experience in the mining and resources section in Australia, China and Peru.

Other current listed directorships
n/a

Special responsibilities
n/a

Former listed directorships in the last three years
n/a

Interests in shares and options
14,285,714 ordinary shares

Mr John Davis |Non-Executive Director

Mr Davis is a Geologist with more than 30 years of experience in mineral exploration and development in Australia and Southern Africa, including gold, base metals and rare metals. He has extensive experience in the gold sector, from regional exploration, resource development to production, including as Exploration Manager/Chief Geologist for Metana Minerals NL. He was founding managing director of Jabiru Metals Ltd, where he played a key role in the discovery of the Jaguar base metal deposit, and a Technical Director of Monarch Gold Mining Co Ltd.

Other current listed directorships
n/a

Special responsibilities
n/a

Former listed directorships in the last three years
Exterra Resources Limited (ASX:EXC)

Interests in shares and options
416,667 Ordinary Shares
750,000 Unlisted Options exercisable at $0.20 by 28 November 2021

Mr Malcolm James | Former Non-Executive Chairman

Mr James is a business graduate of RMIT University (Melbourne) with over 30 years of experience in merchant banking, engineering, manufacturing, mining, energy, financing, philanthropic and social ventures. Over the past 25 years he has had active roles in identifying, exploring, financing and developing a number of significant natural resource and energy projects in Australia, the former Soviet Union, the Middle East, Africa, Asia, South America and the USA. Mr James has held executive and non-executive board positions on several Australian and London listed companies, business associations, sporting and not-for profit organisations. He has been directly involved in over A$2 billion of equity and debt financing and was a founding director of MRJ Advisors (formerly Resource & Capital Management) – a boutique resource and capital management firm that was responsible for the identification, financing and listing of several projects/companies on the Australian and London Securities Exchanges.

Other current listed directorships
n/a

Special responsibilities
n/a

Former listed directorships in the last three years
Affinity Energy Ltd (ASX:AEB)
Vimy Resources Ltd (ASX:VMY)
Moko Social Media Ltd (ASX:MKB)

Interests in shares and options (at resignation)
558,191 ordinary shares

Mr Gregory Fry | Former Executive Director
Mr Fry has more than 20 years corporate experience in the mining and resources industry, specialising in accounting, management, business development and general corporate activities. He has vast experience in project evaluation and development, project funding, management, finance and operations. Over the past 15 years, Mr Fry has been a Director of several private and public companies with activities ranging from funds management, minerals exploration, mining and quarrying.

Other current listed directorships
African Energy Resources Limited (ASX:AFR)
EVE Investments Limited (ASX:EVE)

Special responsibilities
n/a

Former listed directorships in the last three years
Exterra Resources Limited (ASX:EXC)

Interests in shares and options (at resignation)
9,333,333 ordinary shares

Mr Alasdair Cooke | Former Executive Director
Mr Cooke is a qualified geologist and has been involved throughout his career in mineral exploration and corporate development, including 8 years spent with BHP Minerals Business Development Group and over 20 years managing public resource companies.

Mr Cooke is a founding partner of the Mitchell River Group, which over the past 20 years has established a number of successful mining projects and resources companies, developing greenfield mines in Australia, Africa and South America.

Other current listed directorships
African Energy Resources Limited (ASX:AFR)
Caravel Minerals Limited (ASX:CVV)
EVE Investments Limited (ASX:EVE)

Special responsibilities
n/a

Former listed directorships in the last three years
n/a

Interests in shares and options (at resignation)
45,387,307 ordinary shares

Mr Geoffrey Laing | Former Executive Director
Mr Laing is a Chemical Engineer with over 20 years' experience in the mining sector across a variety of commodities, including gold, in Australia, Southern Africa and South America. Mr Laing has experience in project funding and mine development through to production. Previously, as Managing Director and GM Corporate and Project Development for Exco Resources Ltd, Mr Laing was instrumental in the successful development and divestment of the Cloncurry Copper Project in North Queensland and the highly successful White Dam Gold Mine in South Australia.

Other current listed directorships
Aurora Minerals Ltd (ASX:ARM)
Peninsula Mines Limited (ASX:PSM)

Special responsibilities
n/a

Former listed directorships in the last three years
Exterra Resources Limited (ASX:EXC)

Interests in shares and options (at resignation)
187,500 ordinary shares

No unlisted options or performance rights were granted to directors of the company and entities it controlled as part of their remuneration during or since the financial year.

Mr David Palumbo | Company Secretary
Mr David Palumbo from Mining Corporate Pty Ltd is a Chartered Accountant and Graduate of the Australian Institute of Company Directors with over fourteen years' experience across company secretarial, corporate advisory and the financial management and reporting of ASX listed companies. Mr Palumbo currently acts as Company Secretary for a number of ASX listed companies and serves on the Board of Krakatoa Resources Limited (ASX: KTA) and Kaiser Reef Limited (ASX: KAU).

Mr Steven Jackson | Former Company Secretary
Mr Jackson graduated from the University of Western Australia in 2008 with a Bachelor of Economics having majored in International Business Economics and Money and Banking.

2. Principal Activities
The principal activity of the Company is mining and mineral exploration and evaluation in the Australia and United States of America.

3. Operating Results
The operating profit of the Group attributable to equity holders of the Company for the financial year ended 30 June 2020 amounted to $2,770,866 (2019: loss of $6,910,894).

4. Significant changes in the state of affairs
In the opinion of the Directors, other than as stated under Review of Operations, and Significant Events After the Balance Date, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review and subsequent to the financial year end.

5. Review of Operations

Big Springs Project, USA

In May 2020, Anova announced its renewed strategy to rapidly advance exploration at Big Springs. Anova's new management team, led by Dr Mingyan (Joe) Wang and Mr Edward Rigg, outlined the Company's dual strategy to further define and expand Big Springs' existing high-grade resources whilst also pursuing new discoveries.

In August 2020, Anova announced its Big Springs 2020 Exploration Program. The 2020 Exploration Program is comprised of:

(1) three geophysical surveys being a gravity survey; aeromagnetic survey; and hyperspectral imaging;
(2) a 13-hole (~1,900m) diamond drilling campaign;
(3) geological field mapping; and
(4) the ongoing review of historical data utilising modern interpretive techniques, including the reprocessing of a 2004 induced polarisation (IP) survey.

Anova will overlay the gravity survey, magnetic survey, hyperspectral imaging and reprocessed IP, together with field mapping to generate and rank targets to guide a substantial drill program in 2021.

Geophysical Surveys

Anova has undertaken to complete three geophysical surveys to enhance the Company's understanding of the key structural and lithological relationships that influence controls on mineralisation at Big Springs. The surveys have been designed to identify areas to extend known mineralisation and identify areas prospective for new discoveries, particularly in areas that have not been previously tested due to moraine surface coverage. These will be the first geophysical surveys carried out at Big Springs since 2004.

Each of the surveys will cover the entire Big Springs tenement package with the gravity survey to also collect data outside of the tenement area in public locations. At 30 September 2020, the gravity survey is complete and data has been collected from 1540 gravity stations which were recorded on 200 metre centres. Anova is currently reviewing the data generated from the gravity survey. The aeromagnetic will fly 700 linear kilometres by drone at ~45 meters above ground level with 100 metre line spacings. The aeromagnetic survey is expected to be completed by early October. Data has been received for the hyperspectral imaging study with the interpretation of results expected to be complete in October 2020.

Drilling Program

In October 2020, Anova will commence a 13-hole (~1,900m) diamond drill campaign at North and South Sammy. The planned holes are designed to test for down dip resource extensions and to confirm historical drill results. This will be the first drill program undertaken at Big Springs since 2017.

Field Mapping and Historic Data Review

Anova has commenced field geology mapping of three regional targets being Mac Ridge East, Golden Dome and Dorsey Creek, to improve the geological understanding of these areas. The Company has also continued to review and compile available historic geological, geochemical and geophysical data for Big Springs. The ongoing review has identified several targets that will be followed up as part of Anova's renewed focus on exploration.

Western Australia Projects

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

- $5 million upfront cash consideration;
- $2 million deferred cash consideration is payable by 29 March 2022;
- $2 million 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$1 million, 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.

In July 2020, Anova 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.

Corporate

Company Recapitalisation

In May 2020, Anova completed a completed a non-renounceable Entitlement Offer and Top-Up Placement to raise a total of $3.8 million through the issue of 540.8 million shares at 0.7 cents per share. In September 2020, the Company announced the Completion of the Follow-On Placement to Au Xingao Investment Pty Ltd, a subsidiary of Hong Kong Xinhu Investment Co. Ltd, to raise $3.09 million via the issue of 181.8 million shares at 1.7 cents per share.

Board and Management Changes

Following the successful completion of the Entitlement Offer and Top Up Placement, the following board and management changes took place:

- On 4 March 2020, Dr. Mingyan (Joe) Wang was appointed as the Managing Director after the completion of initial placement
- On 8 May 2020, directors Alasdair Cooke and Bill Fry resigned
- On 14 May 2020, director Malcolm James resigned
- On 14 May 2020, Edward Rigg was appointed as a director and Non-executive Chairman
- On 25 May 2020, David Palumbo was appointed as sole Company Secretary with the resignation of Steven Jackson

Full Repayment of Loan

In September 2020, Anova announced the full repayment of the outstanding balance of A$2.825 million under the shareholder loan with Twynam Agricultural Group Pty Ltd.

6. Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

7. Significant events after the balance date

Following shareholder approval obtained on 4 August 2020, the Company has issued the following securities subsequent to year-end:

- 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 1.1 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 1.7 cents per share to Au Xingao Investment Pty Ltd to raise $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;

Subsequent to year end, the Twynam Facility of $2,825,000 was paid in full and all encumbrances over the secured assets were released.

On 26 August 2020, Anova announced that it had reached an agreement to divest its subsidiary, Anova Metals Australia Pty Ltd, which owns the assets and tenements which make up the Linden Gold Project (including the Second Fortune Gold Mine) to Linden Gold Alliance Pty Ltd (**LGA**) in exchange for $9 million in cash and a Net Smelter Return Royalty (NSR), comprising:

- $0.5 million in upfront cash consideration received upon execution of the Share Sale Agreement on 26 August 2020;
- $4.5 million in upfront cash consideration received upon completion of the divestment on 29 September 2020;
- $2 million deferred cash consideration is payable by 29 March 2022;
- $2 million 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$1 million, the NSR will reduce to 1% on every ounce of gold produced.

On 30 September 2020, the Company announced completion of the Anova Metals Australia Pty Ltd transaction following receipt of $4.5 million from LGA.

In July 2020, Anova 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.

There are no other matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

8. Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Therefore, this information has not been presented in this report.

9. Directors' Meetings

The number of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

	Board of Directors		Remuneration Committee		Audit Committee	
	Present	Held	Present	Held	Present	Held
Edward Rigg	1	1	-	-	-	-
Mingyan Wang	2	2	-	-	-	-
Malcolm James	3	3	-	-	1	1
Gregory (Bill) Fry	3	3	-	-	-	-
Alasdair Cooke	3	3	-	-	1	1
Geoffrey Laing	1	1	-	-	-	-
John Davis	4	4	-	-	1	1

10. Interests in the shares, options, and performance rights of the Company

At the date of this report, share, options, and performance rights granted to Directors of the Company

	Shares	Options
Edward Rigg	1,000,000	55,000,000
Mingyan Wang	14,285,714	-
John Davis	416,667	750,000
	15,702,381	55,750,000

11. Unissued shares under option or rights

At the date of this report unissued ordinary shares or interests of the Company under option or rights are:

Class	Number	Grant date	Expiry date	Exercise price (cents)
Unlisted options	1,375,000	4-Oct-17	28-Nov-21	20.0
Unlisted options	522,480	25-Oct-17	25-Oct-20	8.0
Unlisted options	65,000,000	14-Apr-20	31-Mar-22	1.1
Unlisted options	30,000,000	18-Sep-20	30-Jun-22	2.0
Unlisted options	30,000,000	18-Sep-20	30-Jun-23	2.5
Unlisted options	30,000,000	18-Sep-20	30-Jun-24	3.0
	156,897,480			

12. Remuneration report

The Remuneration Report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel of the Company for the financial year ended 30 June 2020 and is included on page 8.

13. Indemnification and insurance of Directors and Officers of the Company

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they be may be held personally liable, except when there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

14. Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 27 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

15. Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 13 and forms part of this Directors' report for the year ended 30 June 2020.

16. Corporate Governance Statement

The Company's Corporate Governance Statement for the year ended 30 June 2020 can be accessed from the Company's website at: http://anovametals.com.au/corporate/corporate-governance.

17. Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

18. Remuneration Report – Audited

This Remuneration Report outlines the remuneration arrangements which were in place during the year and remain in place as at the date of this report, for the Directors and key management personnel of Anova Metals Limited.

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

Key management personnel details
Mr Edward Rigg, Non-Executive Chairman (appointed 14 May 2020)
Mr Mingyan Wang, Managing Director (appointed 4 March 2020)
Mr John Davis, Non-Executive Director
Mr Malcolm James, Former Non-Executive Chairman (resigned 14 May 2020)
Mr Gregory (Bill) Fry, Former Executive Director (resigned 8 May 2020)
Mr Alasdair Cooke, Former Executive Director (resigned 8 May 2020)
Mr Geoffrey Laing, Former Executive Director (resigned 30 September 2019)

Principles of compensation

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms with market practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

The Group has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to programme participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives. As executives gain seniority with the group, the balance of this mix shifts to a higher proportion of ''at risk'' rewards. Currently no remuneration consultants are used by the Company in formulating remuneration policies.

Role of the Remuneration Committee

The Remuneration Committee is a committee of the Board. It is primarily responsible for making recommendations to the Board on:

- Non-Executive Director Fees;
- remuneration levels of Executive Directors and other key management personnel;
- the over-arching executive remuneration framework and operation of the incentive plan; and
- key performance indicators and performance hurdles for the executive team.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

The Corporate Governance Statement provides further information on the role of the Board.

Non-Executive Directors' remuneration

The Company's Non-Executive Directors receive fees (including statutory superannuation) for their services and the reimbursement of reasonable expenses. The fees paid to the Company's non-executive Directors reflect the demands on, and responsibilities of these Directors. They do not receive any retirement benefits (other than compulsory superannuation). The Board decides annually the level of fees to be paid to non-Executive Directors with reference to market standards.

Non-Executive Directors may also receive share options where this is considered appropriate by the Board as a whole and with regard to the stage of the Company's development. Such options vest across the life of the option and are primarily designed to provide an incentive to non-Executive Directors to remain with the Company.

A Non-Executive Directors' fee pool limit of $300,000 per annum was approved by the Directors in 2010.

Executive pay

An executive's total remuneration comprises the following two components:

- base pay and benefits, including superannuation; and
- equity (being share options granted at the discretion of the Board and ordinary shares issued under the Company's Long-Term Incentive Scheme).

Base pay

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion. Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion. There is no guaranteed base pay increases included in any executives' contracts.

Long-term incentives

Long-term incentives are provided to certain Non-Executive Directors and executives under the Company's Share Option Plan and the Company's Long Term Incentive Scheme.

Share trading policy

The trading of shares issued to participants under the Company's employee option plan is subject to, and conditional upon, compliance with the Company's employee share trading policy. Executives are prohibited from entering into and hedging arrangements over unvested options under the Company's employee option plan. The Company would consider a breach of this policy as gross misconduct which may lead to disciplinary action and potential dismissal.

Service contracts
The Company had Service Agreements in place with the following executives during the year. Details of the agreements are listed below:

Name	Term of Agreement	Base Salary inc Super	Termination Benefit	Short-Term Incentives	Long-Term Incentives
Gregory (Bill) Fry	Commenced 1 October 2017	$120,000	3 months base salary	n/a	n/a
Alasdair Cooke	Commenced 1 October 2017	$100,000	3 months base salary	n/a	n/a
Geoffrey Laing	Commenced 1 October 2017	$50,000	3 months base salary	n/a	n/a
Mingyan Wang	Commenced 4 March 2020	$250,000	3 months base salary	Up to 30% of base salary	25m Long Term Incentives (**LTIs**)*

*LTIs to be issued with vesting conditions to reflect share price performance and project milestones. The full details of the LTIs will be subject to shareholder approval

Note: Over the period 1 December 2018 to 28 February 2020, the Company suspended director fees as cost saving program to reduce the Company's overheads.

Letters of Appointment
The Company currently had Letters of Appointment in place with the following non-executive directors during the year. Details of the agreements are listed below:

Name	Term of Appointment	Annual Director Fee
Edward Rigg	Commenced 14 May 2020	$60,000
John Davis (i)	Commenced 1 October 2017	$40,000
Malcolm James	Commenced 29 November 2013	$60,000

(i) Mr Davis also has an additional consulting agreement with the Company for $10,000 per annum based on 1 day per week of service. A consulting rate of $1,200 per day is applicable above this time commitment.

Director and Key Management Personnel remuneration
Details of the remuneration of the Directors and other key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) are set out in the following tables.

Details of remuneration
The following tables set out remuneration paid to Directors and other key management personnel of the Consolidated Entity during the year.

	Short-term employee benefits	Post-employment	Share based payments	Total	Performance Related
	Salary & fees	Superannuation			
2020	**$**	**$**	**$**	**$**	**%**
Edward Rigg	10,000	-	-	10,000	-
Mingyan Wang	74,639	7,091		81,730	-
Gregory (Bill) Fry	22,581[1]	-	-	22,581	-
Malcolm James	11,240	1,068	-	12,308	-
Alasdair Cooke	18,817[1]	-	-	18,817	-
Geoffrey Lang	-[2]	-	-	-	-
John Davis	64,067[3]	-	-	64,067	-
Total	**201,344**	**8,159**	**-**	**209,503**	**-**

[1]Director fees for the period 1 March 2020 to resignation on 8 May 2020. Termination was agreed with no notice period penalty.
[2]Resigned on 30 September 2019. Termination was agreed with no notice period penalty.
[3]Director fees for the period 1 March to 30 June 2020 plus consulting fees of $50,734 pursuant to the consulting agreement

	Short-term employee benefits Salary & fees	Post-employment Superannuation	Share based payments	Total	Performance Related
2019	**$**	**$**	**$**	**$**	**%**
Gregory (Bill) Fry	45,662	4,338	-	50,000	-
Malcolm James	22,831	2,169	-	25,000	-
Alasdair Cooke	41,667	-	-	41,667	-
Geoffrey Lang	20,833	-	-	20,833	-
John Davis	30,436	-	-	30,436	-
Total	**161,429**	**6,507**	**-**	**167,936**	**-**

At the end of the year the following liabilities were arising from the above transactions:

Directors	2020 $	2019 $
Edward Rigg	5,000	-
Mingyan Wang	-	-
Gregory (Bill) Fry	-	50,000
Malcolm James	-	30,000
Alasdair Cooke	-	66,667
Geoffrey Lang	-	29,167
John Davis	37,511	45,370
Total	**42,511**	**221,204**

Voting and comments made at the Company's 2019 Annual General Meeting
The Company received 99.21% of "yes" votes on its remuneration report for the 2019 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Options/Performance Rights
Granted as compensation
No options or performance rights were granted as compensation during the year.

Exercised
10 options with an exercise price of $0.043 per option were exercised during the year.

Lapsed during the year
No options or performance rights lapsed during the year.

Key management personnel equity holdings

Shares	Balance at 1 July 2019	Purchased / (sold)	Balance on resignation	Balance at 30 June 2020
Edward Rigg	-	1,000,000	-	1,000,000
Mingyan Wang	-	10,000,000	-	10,000,000
Gregory (Bill) Fry	5,600,000	3,733,333	(9,333,333)	-
Malcolm James	558,191	-	(558,191)	-
Alasdair Cooke	28,783,992	16,603,315	(45,387,307)	-
Geoffrey Lang	187,500	-	(187,500)	-
John Davis	250,000	166,667	-	416,667
	35,379,683	31,503,315	(55,466,331)	11,416,667

Unlisted Options	Balance at 1 July 2019 or on appointment	Issued during the year	Expired during the year	Vested and exercisable at 30 June 2020
Edward Rigg	16,295,390	-	-	16,295,390
Mingyan Wang	-	-	-	-
Gregory (Bill) Fry	195,313	-	(195,313)	-
Malcolm James	-	-	-	-
Alasdair Cooke	3,926,993	-	(3,926,993)	-
Geoffrey Lang	5,402,999	-	(5,402,999)	-
John Davis	3,250,000	-	(2,500,000)	750,000
	29,070,695	-	(12,025,305)	17,045,390

Loans to key management personnel
There were no loans made to key management personnel during the year ended 30 June 2020 (2019: nil).

Other transactions with key management personnel

The terms and conditions of the transactions with Directors and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis. The following transactions occurred with parties related to Directors:

	Charges from:		Charges to:	
	2020 $	2019 $	2020 $	2019 $
Mitchell River Group Pty Ltd	197,117	115,341	-	-
Provision of a fully serviced office, admin and technical staff				
EVE Investments Limited	34	-	-	178
Recharge of costs				
Omniblend Innovation Pty Ltd	-	-	-	34
Recharge of costs				
Hartree Pty Ltd	6,351	-	-	-
Recharge of costs				
Argonaut Capital Ltd				
Corporate Advisory Fees	10,000	-	-	-

Assets and liabilities arising from the above transactions

	2020 $	2019 $
Trade receivables	-	-
Trade payables	242,776	236,376

This is the end of the audited remuneration report.

On behalf of the Board of
Anova Metals Limited

Dated at Perth this 30 September 2020.
Signed in accordance with a resolution of the Directors.

Mingyan Wang
Managing Director

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Anova Metals Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 September 2020

D I Buckley
Partner

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	2020 $	2019 $
Revenue	2	-	2,807,581
Cost of goods sold	3	-	(2,782,858)
Gross profit		**-**	**24,723**
Interest income	2	554	2,107
Other income	2	343,263	11,977
Director and employee benefits expense		(252,558)	(271,752)
Exploration expensed as incurred		(844,977)	(723,104)
Depreciation expense		(5,247)	(7,609)
Finance costs		(292,076)	(496,833)
Administration and corporate expenses		(180,451)	(239,143)
Occupancy expenses		(113,192)	(128,701)
Share-based payments reversal / (expense)		-	63,086
Foreign exchange gain / (loss)		2	(658)
Scheme of arrangement transaction costs		(50,808)	-
Exploration expenditure impaired	12	(25,000)	(1,637,711)
Mine development impairment reversal / (expense)	13	4,194,881	(3,943,288)
Loss on sale of assets		(3,525)	(300,137)
Profit / (Loss) before income tax		2,770,866	(7,647,043)
Income tax benefit	4	-	736,149
Profit / (Loss) for the year		2,770,866	(6,910,894)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences of foreign operations		148,155	388,042
Total comprehensive Profit / (Loss) for the year		2,919,021	(6,522,852)
Profit / (Loss) per share:			
Basic (cents per share)	6	0.38	(1.09)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Note	2020 $	Restated * 2019 $
Assets			
Current Assets			
Cash and cash equivalents	*7*	3,402,564	1,092,260
Trade and other receivables	*8*	51,981	37,552
Other assets	*9*	67,964	63,788
Total current assets		3,522,509	1,193,600
Non-current Assets			
Other financial assets	*10*	432,688	424,158
Plant and equipment	*11*	545,120	586,313
Exploration and evaluation expenditure	*12*	11,423,963	11,475,469
Mine properties	*13*	10,244,686	5,908,845
Total non-current assets		22,646,457	18,394,785
Total assets		26,168,966	19,588,385
Liabilities			
Current Liabilities			
Trade and other payables	*14*	1,464,527	1,711,436
Borrowings	*15*	2,825,000	-
Rehabilitation provision	*16*	40,761	35,628
Total current liabilities		4,330,288	1,747,064
Non-current Liabilities			
Borrowings	*15*	-	3,000,000
Rehabilitation provision	*16*	2,008,739	1,834,407
Total non-current liabilities		2,008,739	4,834,407
Total liabilities		6,339,027	6,581,471
Net assets		19,829,939	13,006,914
Equity			
Issued capital	*17*	64,484,490	60,716,986
Reserves	*18*	3,386,551	3,656,109
Accumulated losses		(48,041,102)	(51,366,181)
Total equity attributable to shareholders of the Company		19,829,939	13,006,914

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

** Refer to Note 20*

Consolidated Statement of Changes in Equity

	Notes	Issued capital	Foreign currency translation reserve	Share-based payments reserve	Accumulated losses	Total equity
		$	$	$	$	$
Balance as at 1 July 2019 (restated)		60,716,986	2,685,378	970,731	(51,366,181)	13,006,914
Profit for the year		-	-	-	2,770,866	2,770,866
Other comprehensive income	*18*	-	148,155	-	-	148,155
Total comprehensive income / (loss) for the year		-	148,155	-	2,770,866	2,919,021
Share issue net of issue costs	*17*	3,767,504	-	-	-	3,767,504
Recognition of share-based payments	*18*	-	-	136,500	-	136,500
Reversal of share-based payments expense on expiry	*18*	-	-	(554,213)	554,213	-
Balance at 30 June 2020		64,484,490	2,833,533	553,018	(48,041,102)	19,829,939
Balance as at 1 July 2018		60,448,614	2,297,336	1,028,764	(43,276,761)	20,497,953
Prior year error	*20*				(1,266,655)	(1,266,655)
Balance as at 1 July 2018 (restated)		60,448,614	2,297,336	1,028,764	(44,543,416)	19,231,298
Loss for the year		-	-	-	(6,910,894)	(6,910,894)
Other comprehensive income	*18*	-	388,042	-	-	388,042
Total comprehensive income / (loss) for the year		-	388,042	-	(6,910,894)	(6,522,852)
Share issue net of issue costs	*17*	268,372	-	-	-	268,372
Recognition of share-based payments	*18*	-	-	30,096	-	30,096
Reversal of share-based payments expense on expiry	*18*	-	-	(88,129)	88,129	-
Balance at 30 June 2019 (restated)		60,716,986	2,685,378	970,731	(51,366,181)	13,006,914

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers		-	2,807,581
Payments to suppliers and employees		(766,013)	(2,901,072)
Payment for exploration and evaluation expenditure		(815,348)	(756,253)
Payments / (refunds) for exploration bonds		-	166,441
Interest received		554	2,345
Research and development tax incentive		-	500,489
Finance costs		(292,076)	(355,839)
Net cash used in operating activities	*7*	(1,872,883)	(536,308)
Cash flows from investing activities			
Payment for property plant and equipment		(20,462)	-
Proceeds from the sale of property, plant and equipment		52,500	579,985
Proceeds from the sale of tenements		425,000	259,537
Net cash provided by / (used in) investing activities		457,038	839,522
Cash flows from financing activities			
Proceeds from the issue of share capital		4,285,365	225,000
Payment for share issue costs		(381,361)	(4,441)
Repayment of borrowings		(175,000)	-
Net cash provided by financing activities		3,729,004	220,559
Net increase / (decrease) in cash and cash equivalents		2,313,159	523,773
Cash and cash equivalents at beginning of year		1,092,260	567,660
Effect of exchange rates on cash holdings in foreign currencies		(2,855)	827
Cash and cash equivalents at end of year	*7*	3,402,564	1,092,260

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Statement of significant accounting policies

a) Basis of preparation

Anova Metals Limited (the "Company") is a listed public company incorporated in Australia and operating in Australia and the United States of America. The entity's principal activities are the exploration, evaluation, development and mining of mineral resources.

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of Anova Metals Limited and its subsidiaries (together referred to as the "Group") for the financial year ended 30 June 2020. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for equity investments which have been measured at fair value. Historical cost is based on the fair values of the consideration given in exchange for goods and services. The financial statements are presented in Australian dollars.

b) Adoption of new and revised standards

In the year ended 30 June 2020, the Group has reviewed all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting year.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The Group notes that as at 30 June 2020 it has no leases in place which would be brought to account under AASB 16. Other than that noted above, no change is required to Group accounting policies.

The Group has also reviewed all standards and interpretations that have recently been issued or amended but are not yet mandatory for the year ended 30 June 2020. As a result of the review, the Directors have determined that there is no material impact and therefore no change is required to Group accounting polices.

c) Statement of compliance

The consolidated financial report was authorised for issue by the Directors on 30 September 2020.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

d) Significant accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with employees and consultants, where the fair value of services could not be estimated, by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model, utilising the assumptions detailed in Note 19.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Business combinations

Management uses valuation techniques in determining the fair values of the various elements of a business combination. Particularly, the fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability.

Fair value of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Mine development expenditure carried forward
The recoverability of the carrying amount of mine development expenditure carried forward has been reviewed by the Directors. In conducting the review, the recoverable amount has been assessed by reference to the higher of "fair value less costs to sell" and "value in use". In determining value in use, future cash flows are based on:

- Estimates of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- Estimated production and sales levels;
- Estimate future commodity prices;
- Future costs of production;
- Future capital expenditure; and/or
- Future exchange rates

Variations to expected future cash flows, and timing thereof, could result in significant changes to the impairment test results, which in turn could impact future financial results.

Mine rehabilitation provision
The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Ore reserve and resource estimates
The Group estimates its ore reserves and mineral resources based on information compiled by Competent Persons (as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves [the JORC Code]). Reserves determined in this way are taken into account in the calculation of depreciation, amortisation, impairment, deferred mining costs, rehabilitation and environmental expenditure.

In estimating the remaining life of the mine for the purposes of amortisation and depreciation calculations, due regard is given, not only to remaining recoverable metals contained in proved and probable ore reserves, but also to limitations which could arise from the potential for changes in technology, demand, and other issues which are inherently difficult to estimate over a lengthy time frame.

Where a change in estimated recoverable metals contained in proved and probable ore reserves is made, depreciation and amortisation are accounted for prospectively.

The determination of ore reserves and remaining mine life affects the carrying value of a number of the Group's assets and liabilities including deferred mining costs and the provision for rehabilitation.

Units-of-production depreciation
Estimated recoverable reserves are used in determining the depreciation and/or amortisation of mine specific assets. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure.

Exploration and evaluation expenditure
The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

The determination of a Joint Ore Reserves Committee (JORC) resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

Landholder duty
The Group has made an estimate in relation to the landholder duty payable on the acquisition of Exterra Resources, this amount is included as an accrued payable in trade and other payables. The Office of State Revenue (WA) has yet to make a determination of the landholder duty that is payable.

Impairment
In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

e) Going concern
Notwithstanding the fact that the Group, has a working capital deficit of $807,779, and a net cash outflow from operating activities amounting to $1,872,883, the Directors are of the opinion that the Company is a going concern for the following reasons:

- The Company has raised $3.09m following year end with the Follow-On Placement with Xingao (refer to note 23)
- The Company has sold its subsidiary, Anova Metals Australia Pty Ltd, which holds the Linden Gold Project (including the Second Fortune Mine) for $9m, of which $5m has been received to date (refer to note 23).

f) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights if an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

g) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's controlled entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is Anova Metals Limited's functional and presentation currency, as well as the functional currency of Big Springs Project Pty Ltd. The functional currency of Anova Metals (USA) LLC is US dollars.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement;
- income and expenses for each statement of comprehensive income are translated at the average exchange rates (unless it is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.
Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

h) Revenue recognition

The Group primarily generates revenue from the sale of gold and silver bullion. The Group delivers dore bars to refiners, who convert the product into investment grade bullion for a fee, which is subsequently sold to the refinery. Revenue from the sale of these goods is recognised when control over the inventory has transferred to the customer.

Control is generally considered to have passed when:

- physical possession and inventory risk is transferred (including via a third-party transport provider arranged by the refinery);
- payment terms for the sale of goods can be clearly identified through the sale of metal credits received or receivable for the transfer of control of the asset;
- the Group can determine with sufficient accuracy the metal content of the goods delivered; and
- the refiner has no practical ability to reject the product where it is within contractually specified limits.

Where economic inflows arise from other by-products, for example from the presence of other valuable metals, these amounts are credited to the costs of producing the primary products to the extent the amounts generated are not considered significant.

i) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

j) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

k) Segment reporting

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the Company's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

Management currently identifies the Group's industry as being gold exploration, development and mining and its geographic segments as being Western Australian and the United States. The unallocated column refers to corporate costs and cash management.

l) Earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand; cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

n) Trade and other receivables

Trade and other receivables are initially recorded at fair value and then are subsequently measured at amortised cost.

o) Financial assets

Classification and measurement

Except for certain trade receivables the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under AASB 9 financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

Debt instruments: Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The measurement categories into which the Group classifies its debt instruments are as follows:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment

The group assesses on a forward looking basis the expected credit losses (ECLs) associated with its financial assets carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

p) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred may be accumulated in respect of each identifiable area of interest. Exploration and evaluation costs, excluding the cost of acquiring areas of interest, are expensed as incurred. Acquisition costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

i. such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
ii. exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated acquisition costs in respect of areas of interest which are abandoned are written off in full against profit or loss in the year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward acquisition costs in relation to that area of interest.

Notwithstanding the fact that a decision not to abandon an area of interest has been made, based on the above, the exploration and evaluation expenditure in relation to an area may still be written off if considered appropriate to do so.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within plant and equipment.

q) Mine and development properties

Mine and development properties

Mine and development properties represents the acquisition cost and/or accumulated exploration, evaluation and development expenditure in respect of areas of interest in which production has commenced. Mine development costs are deferred until commercial production commences. When commercial production is achieved mine development is transferred to mine properties, at which time it is amortised on a unit of production basis over the total estimated resources related to this area of interest.

Development expenditure is capitalised as either a tangible or intangible asset depending on the nature of the costs incurred.

Development expenditure includes the following:

- Reclassified exploration and evaluation assets;
- Direct costs of construction including plant and equipment and related infrastructure costs;
- Pre-production waste removal costs; and
- An appropriate allocation of overheads and borrowing costs incurred during the construction phase.

Pre-production waste removal costs incurred in the development of a mine before production commences are capitalised as part of the mine development costs, which are subsequently amortised over the life of the open pit resource, once transferred to mine properties.

The Group applies the units of production method for amortisation of its mine properties, which results in an amortisation charge proportional to the depletion of the anticipated remaining life and profile of mine production. These calculations require the use of estimates and assumptions in relation to reserves and resources, metallurgy and the complexity of future capital development requirements. These estimates and assumptions are reviewed annually, changes to these estimates and assumptions may impact the amortisation charge in the income statement and asset carrying values, which would be adjusted if appropriate on a prospective basis.

Production waste removal

Production waste removal costs are accumulated and deferred on the statement of financial position as part of the total of mine properties and mine development. These costs include the costs of drilling, blasting, loading and haulage of waste rock from the open pit or underground to the waste pile. The costs are predominantly in the nature of payments to mining, blasting and other contracting companies or costs of internal labour and materials used in the process. These costs are amortised on a units-of production basis in accordance with the amortisation policy set out for mine development above.

Amortisation of production waste removal costs is included in cost of goods sold in profit or loss. Cash spent on waste removal is included in cash flows from investing activities in the statement of cash flows. As waste removal activities are an integral part of the mining operation, the deferred pre-production waste asset is grouped with the other assets at the mine site or other level which represents the lowest level of separately identifiable cash flows in order to assess recoverable amount.

Reserves and resources

Resources are estimates of the amount of gold that can be economically extracted from the Group's mine properties. In order to calculate resources, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, future capital requirements short and long-term commodity prices and exchange rates.

Estimating the quantity and/or grade of resources requires the size, shape and depth of ore bodies to be determined by analysing geological data. This process may require complex and difficult geological judgments and calculations to interpret the data.

The Group determines and reports ore resources under the Australian Code of Reporting of Exploration Results, Mineral Resource and Ore Reserves December 2012, (the JORC Code). The JORC Code requires the use of reasonable assumptions to calculate resources. Due to the fact that economic assumptions used to estimate resources change from period to period, and geological data is generated during the course of operations, estimates of resources may change from period to period. Changes in reported resources may affect the Group's financial results and financial position in a number of ways, including:

- Asset carrying values may be impacted due to changes in estimates of future cash flows;
- Amortisation charged in the income statement may change where such charges are calculated using the units of production basis;
- Decommissioning, site restoration and environmental provisions may change due to changes in estimated resources after expectations about the timing or costs of these activities change; and,
- Recognition of deferred tax assets, including tax losses.

r) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting year.

The following estimated useful lives are used in the calculation of depreciation:

Class of fixed asset	Depreciation rate
Mining plant & equipment	Lesser of expected life of item, or life of operation
Land and buildings	10%
Motor vehicles	25%

s) Trade and other payables

Trade payables and other accounts payable are carried at amortised cost. Amounts are presented as current liabilities unless payment is not due within 12 months.

Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefits obligations are presented as payables.

t) Financial instruments issued by the Company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

u) Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received, and the amount of the receivable can be measured reliably.

Long service leave

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Provisions for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the balance date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each balance date.

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the year, in which case the amount is included in the cost of production for the year. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

v) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

w) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

x) Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

y) Share-based payments

Share-based compensation benefits are provided to employees and consultants. Information relating to these benefits is provided in note 19.

The fair value of options granted is recognised as an employee benefits expense or within the appropriate expense category for consultants, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are satisfied.

At the end of each period, the entity revised its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The cost of these equity-settled transactions with employees and consultants, where the fair value of services in not readily determinable, is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by the use of a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Anova Metals Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

z) Parent entity financial information

The financial information for the parent entity, Anova Metals Limited, disclosed in note 26 has been prepared on the same basis as the consolidated financial statements.

2. Revenue

Revenue
Revenue from gold bullion sales is brought to account when control has passed and the significant risks and rewards of ownership have transferred to the buyer and selling prices are known or can be reasonably estimated.

	2020 $	2019 $
Gold sales	-	2,802,707
Silver sales	-	4,874
	-	2,807,581

The Group placed the Second Fortune Gold Mine at the Linden Gold Project on care and maintenance In August 2018.

Interest
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

	2020 $	2019 $
Interest received	554	2,107

Other income

	2020 $	2019 $
Disposal of tenements	250,000	11,977
Other income	93,263	-
	343,263	11,977

3. Cost of goods sold

	2020 $	2019 $
Depreciation of mine properties and equipment	-	82,192
Production costs	-	2,700,666
	-	2,782,858

The Group placed the Second Fortune Gold Mine at the Linden Gold Project on care and maintenance in August 2018.

4. Income tax

	2020 $	2019 $
Income tax expense/(benefit):		
Current tax expense / (benefit)	-	(379,426)
Deferred tax expense / (benefit)	-	(356,723)
	-	(736,149)
Reconciliation of income tax expense to prima facie tax payable:		
Profit / (Loss) before income tax	2,770,866	(7,647,043)
Income tax expense / benefit calculated at 27.5% (2019: 27.5%)	761,988	(2,102,937)
Expenses that are not deductible in determining taxable profit	48,232	(58,877)
Changes in unrecognised temporary differences	(1,385,862)	778,110
Impact of reduction in future corporate tax rate	111,816	
Unused tax losses and tax offsets not recognised as deferred tax assets	463,826	1,026,981
Research and development tax concession	-	(379,426)
Income tax expense/(benefit):	-	(736,149)
The applicable average weighted tax rates are as follows:	0%	0%
The following deferred tax balances have not been recognised at 25% (2019:27.5%):		
Deferred tax assets		
Carried forward domestic revenue losses	8,804,082	7,513,342
Capital losses (domestic)	89,334	98,267
Carried forward foreign revenue losses (at 27.6% foreign rate)	2,285,026	1,954,263
Business related costs	260,794	269,294
Rehabilitation provision	512,375	166,533
Tenement acquisition costs	15,496	18,750
Other temporary differences	16,627	15,865
	11,983,734	10,036,314
Deferred tax liabilities		
Exploration and mine properties (Australia)	2,561,172	2,738,572
Exploration and mine properties (Foreign)	2,090,524	2,049,540
Prepayments	16,922	14,405
Unrealised foreign exchange gain	-	3
	4,668,618	4,802,520

The tax benefits of the above deferred tax assets will only be obtained if: (a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised; (b) the Company continues to comply with the conditions for deductibility imposed by law; and (c) no changes in income tax legislation adversely affect the Company in utilising the benefits.

Change in future corporate tax rate: There has been a legislated change in the corporate tax rate that will apply to future income years. The impact of this reduction in the corporate tax rate has been reflected in the unrecognised deferred tax positions and the prima face income tax reconciliation above.

5. Segment information

Year ended 30 June 2020	Western Australia $	United States $	Unallocated $	Consolidated $
Total segment revenue (i)	59,802	48	283,967	343,817
Segment net gain / (loss) after tax	3,669,524	(404,269)	(494,389)	2,770,866
Segment assets	10,810,612	11,940,699	3,417,655	26,168,966
Segment liabilities	4,645,146	289,867	1,404,014	6,339,027

Year ended 30 June 2019	Western Australia $	United States $	Unallocated $	Consolidated $
Total segment revenue (i)	2,807,581	-	14,084	2,821,665
Segment net gain / (loss) after tax	(5,071,533)	(323,336)	(1,516,025)	(6,910,894)
Segment assets	7,094,905	11,858,765	634,715	19,588,385
Segment liabilities	4,676,067	331,370	1,574,234	6,581,471

(i) Segment revenue represent revenue generated from external customers. There were no inter-segment revenues in the current period.

6. Loss per share

Basic loss per share is calculated as net loss attributable to members of the parent, adjusted to exclude any costs of servicing, divided by the weighted average number of ordinary shares.

	2020 $	2019 $
Basic profit / (loss) per share	0.38	(1.09)

	2020 $	2019 $
Profit /(Loss) for the year	2,770,866	(6,910,894)

	No.	No.
Weighted average number of shares for the purposes of basic loss per share	736,308,131	634,871,145

7. Cash and cash equivalents

	2020 $	2019 $
Cash at bank	3,402,564	1,092,260
	3,402,564	1,092,260

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Reconciliation of loss after income tax to net cash outflow from operating activities

	2020 $	2019 $
Cash flows from operating activities		
Profit / (loss) for the year	2,770,866	(6,910,894)
Adjustments for:		
Depreciation and amortisation expense	5,247	89,802
Impairment expense / (reversal)	(4,169,881)	5,580,999
Rehabilitation provision	-	(33,149)
Loss / (gain) on sale of fixed assets / tenements	(246,475)	300,137
Equity-settled share-based payments	-	77,909
Foreign exchange gain / loss	32,874	658
Change in operating assets & liabilities		
(Increase)/decrease in trade and other receivables	(14,429)	778,449
(Increase)/decrease in prepayments	(4,176)	89,751
(Increase)/decrease in stocks and WIP	-	2,089,022
(Decrease)/increase in trade and other payables	(246,909)	(2,242,269)
(Decrease)/increase in deferred tax liabilities	-	(356,723)
Net cash used in operating activities	(1,872,883)	(536,308)

Changes in liabilities arising from financing activities

	Secured loan facilities $
Net liability as at 1 July 2018	3,000,000
Loan provided by Twynam Agricultural	3,000,000
Loan to financing syndicate extinguished	(3,000,000)
Net liability at 30 June 2019	3,000,000
Net liability as at 1 July 2019	3,000,000
Loan repayment to Twynam Agricultural	(175,000)
Net liability at 30 June 2020	2,825,000

8. Trade and other receivables

	2020 $	2019 $
GST receivable	50,771	22,308
Other debtors	1,210	15,244
	51,981	37,552

No trade and other receivables are past due and not impaired.

9. Other assets

	2020 $	2019 $
Prepayments	67,964	63,788
	67,964	63,788

10. Non-current other financial assets

	2020 $	2019 $
Term deposits – Rehabilitation Bonds for the Big Springs Project	432,688	424,158
	432,688	424,158

Term deposits are made for periods greater or equal to 12-months and earn interest at the respective term deposit rates.

11. Plant and equipment

	Land and buildings $	Plant and equipment $	Motor vehicles $	Total $
Cost	104,215	764,973	31,920	901,108
Accumulated depreciation	(86,049)	(249,084)	(20,855)	(355,988)
Carrying value at 30 June 2020	18,166	515,889	11,065	545,120
Cost	104,215	800,535	31,589	936,339
Accumulated depreciation	(86,049)	(247,567)	(16,410)	(350,026)
Carrying value at 30 June 2019	18,166	552,968	15,179	586,313

	Land and buildings $	Plant and equipment $	Motor vehicles $	Total $
30 June 2020				
Carrying value as at 1 July 2019	18,166	552,968	15,179	586,313
Additions	-	20,462	-	20,462
Disposals	-	(56,025)	-	(56,025)
Exchange differences	-	-	(383)	(383)
Depreciation expense	-	(1,516)	(3,731)	(5,247)
Carrying value as at 30 June 2020	18,166	515,889	11,065	545,120
30 June 2019				
Carrying value as at 1 July 2018	47,117	1,457,526	44,633	1,549,276
Additions	-	-	-	-
Disposals	-	(856,192)	(16,932)	(873,124)
Exchange differences	-	-	(37)	(37)
Depreciation expense	(28,951)	(48,366)	(12,485)	(89,802)
Carrying value as at 30 June 2019	18,166	552,968	15,179	586,313

Plant and equipment are pledged as security for a loan as disclosed in note 15.

12. Exploration and evaluation expenditure

	2020 $	2019 $
Balance at the beginning of the year	11,475,469	12,992,897
Additions	-	-
Impairment (i), (ii)	(25,000)	(1,637,711)
Sale (i), (iii)	(175,000)	(256,613)
Exchange differences	148,494	376,896
Carrying amount at 30 June	11,423,963	11,475,469

(i) The Devon Tenements were sold for $175,000 upon Matsa exercising its option (see ASX release 14 November 2018).

(ii) An assessment of the carrying value of the Group's exploration projects was conducted in the prior period. The carrying value of the Devon and Zelica Projects have been reduced to the option exercise and sale value under the respective agreements with Matsa Resources Limited for these two Projects (see ASX release 14 November 2018). Due to a lack of planned expenditure the remaining Linden exploration area has been impaired to nil.

(iii) The Zelica Project was sold to Matsa Resources for consideration of $150,000 in the prior period. Fee lands held in the US which were considered non-core were sold for approximately $106,000.

The ultimate recoupment of costs carried forward in respect of areas of interest still in the exploration and evaluation phases is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

13. Mine and development properties

	2020 $	2019 $
Mine properties and development at cost	11,875,985	7,540,144
Less: Accumulated amortisation	(1,631,299)	(1,631,299)
Carrying amount at 30 June	10,244,686	5,908,845

Reconciliation of movement in mine properties and development

	2020 $	2019 $
At cost		
Balance at the beginning of the year	7,540,144	11,933,947
Additions	140,960	-
Impairment reversal (i)	4,194,881	-
Impairment (ii)	-	(4,393,803)
Carrying amount at 30 June	11,875,985	7,540,144
Accumulated amortisation		
Balance at the beginning of the year	(1,631,299)	(2,081,814)
Impairment (ii)	-	450,515
Carrying amount at 30 June	(1,631,299)	(1,631,299)

Mine properties and development will be recouped through the successful production and sale of gold from the respective properties.

(i) In the financial year ended 30 June 2020, the Company changed its basis for the recoverable amount of the Second Fortune Mine from value in use to fair value less costs to sell. The change of basis to fair value less costs to sell was considered the most accurate method for reporting the recoverable amount of the Second Fortune Mine due to being placed on care and maintenance in August 2018 and the subsequent to year end sale of Anova Metals Australia Pty Ltd for $9m cash plus a royalty (see note 28). In accordance with AASB 136, the Company has reversed $4,191,881 of the previous impairment losses recognised to increase the Second Fortune Mine to its deemed recoverable value at 30 June 2020.

(ii) In the financial year ended 30 June 2019, the carrying amount of the relevant cash generating unit was compared with the recoverable amount using value in use. Value-in-use is estimated based on discounted cash flows over the life of mine. For calculation purposes, management prepared cash flow projections for a 2-year period based off key assumptions from the 2017 feasibility study on the Second Fortune Project prepared by Exterra Resources. To test sensitivity of the value in use amount on the remaining mine life cash flows, management prepared a scenario with a higher discount rate of 12%, compared to 8% in the feasibility study as well as a 7% reduction in gold grade. Contingencies and re-start costs have been added to production cost estimates as well as the gold price assumption being adjusted A$2,000/oz. The scenario highlighted sensitivity to these factors and management were of the opinion it was prudent to recognise an impairment to the lower recoverable value in this scenario based on the risk profile of the project. Accordingly, an impairment of $3,943,288 has been recognised.

Mine properties and development are pledged as security for a loan as disclosed in note 15.

14. Trade and other payables

	2020 $	2019 $
Trade and other creditors	1,405,546	1,707,206
Payroll liabilities	58,981	4,230
	1,464,527	1,711,436

Trade payables are non-interest bearing and are normally settled on 30 day terms.

15. Borrowings

	2020 $	2019 $
Facility - Twynam Agricultural Group Pty Ltd	2,825,000	3,000,000
Current	2,825,000	-
Non-current	-	3,000,000

On 4 September 2018 the Company announced that its wholly owned subsidiary Anova Metals Australia Pty Ltd had entered into a Facility Agreement (“Facility”) with Twynam Agricultural Group Pty Ltd.

Key facility terms include:

- Interest rate of 10% per annum, payable monthly.
- Maturity date being the earlier of 24 months from drawdown or sale of the Big Springs Project.
- 50,000,000 unlisted options over Anova shares, exercisable at 4.5 cents per share by 30 June 2020.
- Secured over all the assets of Anova Metals Australia Pty Ltd, Anova Metals Ltd and Big Springs Project Pty Ltd (owner of the Big Springs Project).
- Minimum interest over the facility term of $300,000.

Subsequent to year end, the Facility of $2,825,000 was paid in full (refer to note 28) and all encumbrances over the assets were released.

16. Rehabilitation and restoration provision

	2020 $	2019 $
Balance at the beginning of the year (i)	1,870,035	1,890,160
Additions	179,465	-
Incurred / (reduction)	-	(20,125)
Carrying amount at 30 June	2,049,500	1,870,035
Current	40,761	35,628
Non-current	2,008,739	1,834,407

The provision for restoration and rehabilitation relates to the estimated cost of rehabilitation work to be carried out in relation to the removal of facilities, closure of sites and restoring the affected areas. The provision represents the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

(i) An error of $1,266,655 in the provision for restoration and rehabilitation at 30 June 2018 has increased the balance at the beginning of the year ended 30 June 2019 from $635,505 to $1,890,160. Refer to note 20 for further details.

17. Issued capital

	2020 $	2019 $
1,247,041,482 (2019: 639,132,275) fully paid ordinary shares	64,484,490	60,716,986

Ordinary shares
Ordinary shares entitle the holder to one vote per share and to participate in dividends and the proceeds on winding up of the Company in the proportion to the number and amount paid on the shares held.

Movement in share capital

	2020		2019	
	No.	$	No.	$
Fully paid ordinary shares				
Balance at beginning of year	639,132,275	60,716,986	626,319,775	60,448,614
Entitlement issue	459,421,517	3,215,950		
Placements	148,487,680	1,069,414	10,000,000	225,000
Option exercise	10	-		
Facilitation fee paid in equity	-	-	2,812,500	47,813
Share issue costs	-	(517,860)	-	(4,441)
Balance at end of year	1,247,041,482	64,484,490	639,132,275	60,716,986

As at 30 June 2020, the Company has 18,192,870 (2019: 81,938,728) options on issue, convertible on a 1:1 basis. Options issued by the Company carry no rights to dividends and no voting rights.

18. Reserves

	2020 $	2019 $
Share-based payments reserve	553,018	970,731
Foreign currency translation reserve	2,833,533	2,685,378
	3,386,551	3,656,109
Reconciliation of movement in reserves		
Share-based payments reserve		
Balance at the beginning of the year	970,731	1,028,764
Consideration issued under the Scheme of Arrangement	-	-
Reversal of share-based payments expense on expiry	-	(63,086)
Options issued	136,500	93,182
Transfer of historic share-based payment expenses to accumulated losses	(554,213)	(88,129)
Balance at 30 June	553,018	970,731
Foreign currency translation reserve		
Balance at the beginning of the year	2,685,378	2,297,336
Effect of translation of foreign currency operations to group presentation currency	148,155	388,042
Balance at 30 June	2,833,533	2,685,378

Share-based payments reserve
The share-based payments reserve arose on the grant of incentive options to employees and/or consultants, see note 19.

Foreign currency translation reserve
The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the Consolidated Entity.

19. Share-based payments

Options

The following share-based payment arrangements were in existence during the current and prior year:

Class	Number	Grant date	Expiry date	Exercise price (cents)	Fair value at grant date
Unlisted options – Twynam Facility Options	50,000,000	4-Sep-18	30-Jun-20	4.5	93,182
Unlisted options – Lead Manager Options (i)	65,000,000	14-Apr-20	31-Mar-22	1.1	136,500

(i) 65,000,000 options were granted under the Lead Management Agreement dated 14 April 2020. As at 30 June 2020, a total of 16,295,390 options had been issued with the remaining 48,704,610 options issued subsequent to year end (refer to note 28).

The fair value of the equity-settled share options granted during the current and prior year was estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

Inputs into the model	Issue 1
Grant Date	4-Sep-18
Grant date share price (cents)	1.61
Exercise price (cents)	4.5
Expected volatility	72%
Option life	1.82
Dividend yield	0%
Risk-free interest rate	1.50%

Inputs into the model	Issue 2
Grant Date	14-Apr-20
Grant date share price (cents)	0.7
Exercise price (cents)	1.1
Expected volatility	80%
Option life	1.96
Dividend yield	0%
Risk-free interest rate	0.3%

The fair value of the options granted during the year is $136,500. (2019: $93,182). The value is based on the underlying share price on the date of issue, the likelihood of vesting conditions being met, and, the options being exercised. At each reporting date the likelihood of each class of options vesting is reviewed by management and the share-based payment adjusted accordingly.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value

The following is a summary of movements in options during the year.

	2020		2019	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance at beginning of year	81,938,728	0.08	43,506,166	0.13
Granted during the year	16,295,390	0.011	50,000,000	0.045
Exercised during the year	(10)	0.043	-	-
Lapsed during the year	(80,041,238)	0.08	(11,567,438)	0.10
Balance at end of year	18,192,870	0.03	81,938,728	0.08
Exercisable at end of year	18,192,870	0.03	81,938,728	0.08

The options outstanding at the end of the year had an average remaining contractual life of 1.2 years (2019: 0.8 years).

20. Prior year error

During the year, an under provision was discovered in relation to the provision for restoration and rehabilitation at the Second Fortune Mine for the year ended 30 June 2018 and as a result the comparative amounts for the year ended 30 June 2019 required restatement.

Due to the error relating to the year ended 30 June 2018, there were no changes required to any line items in the Statement of profit or loss and other comprehensive income for the year ended 30 June 2019.

The following table summarises the changes required to each line item in the statement of financial position for the year ended 30 June 2019.

Statement of Financial Position		**Consolidated**	
As at 30 June 2019	**Previous**	**Error**	**Restated**
	$	**$**	**$**
Rehabilitation provision – non-current	567,752	1,266,655	1,834,407
Total non-current liabilities	3,567,752	1,266,655	4,834,407
TOTAL LIABILITIES	5,314,816	1,266,655	6,581,471
NET ASSETS	14,273,569	(1,266,655)	13,006,914
Accumulated losses	(50,099,526)	(1,266,655)	(51,366,181)
TOTAL EQUITY	14,273,569	(1,266,655)	13,006,914

21. Financial Instruments

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Interest rate risk;
- Foreign currency risk management; and
- Capital management.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this note and the financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Liquidity risk management is the responsibility of the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities and identifying when further capital raising initiatives may be required.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. Financial assets are based on the undiscounted contractual maturities including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different year. Financial liabilities are based on undiscounted cash flows on the earliest date on which the Group can be required to pay, including both interest and principal cash flows.

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total
	$	$	$	$	$	$
2020						
Financial assets						
Non-interest bearing	51,981	-	-	-	-	51,981
Variable interest rate	3,402,564	-	-	-	-	3,402,564
Fixed interest rate	-	-	-	432,688	-	432,688
	3,454,545	-	-	432,688	-	3,887,233
Financial liabilities						
Fixed interest rate	2,825,000	-	-	-	-	2,825,000
Non-interest bearing	425,854	-	1,038,673	-	-	1,464,527
	3,250,854	-	1,038,673	-	-	4,289,527

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total
2019						
Financial assets						
Non-interest bearing	37,552	-	-	-	-	37,552
Variable interest rate	1,092,260	-	-	-	-	1,092,260
Fixed interest rate	-	-	-	424,158	-	424,158
	1,129,812	-	-	424,158	-	1,553,970
Financial liabilities						
Fixed interest rate	-	-	-	3,025,890	-	3,025,890
Non-interest bearing	35,609	(46,274)	1,719,185	-	-	1,708,520
	35,609	(46,274)	1,719,185	3,025,890	-	4,734,410

Interest rate risk management

Although some of the Group's assets are subject to variable interest rate risk, it is not dependent on this income. Interest income is only incidental to the Group's operations and operating cash flows.

Foreign currency risk management

The Group operates internationally and is exposed to foreign exchange risk arising from exposures to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	2020 $	2019 $
Cash	71,547	142,751
Trade receivables	-	-
Prepayments	11,635	11,406
Other assets	432,688	424,158
Trade payables	5,519	65,674

Foreign currency sensitivity analysis

The Group is exposed to US Dollar (USD) currency fluctuations.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the USD. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates a decrease in profit or loss and other equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

	FX exchange rate increase by 10%		FX exchange rate decrease by 10%	
	2020 $	2019 $	2020 $	2019 $
Profit or loss	(46,396)	(58,544)	(46,396)	71,554
Equity	46,396	58,544	46,396	(71,554)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the Group consists of equity only, comprising issued capital and reserves, net of accumulated losses. The Group's policy is to use capital market issues to meet the funding requirements of the Group.

The Group is not subject to externally imposed capital requirements.

Fair value of financial assets and liabilities

AASB 7 - Financial Instruments: Requires disclosure of the fair values of financial assets and liabilities categorised by the following levels:
Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has no financial assets or liabilities at 30 June 2020 which have been measured at fair value using any of the above measurements.

Unless otherwise stated, the carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in notes 1 and 26. The carrying amount of financial assets and financial liabilities is assumed to approximate their fair value due to their short-term nature.

22. Contingent assets and liabilities

There were no contingent liabilities or contingent assets at 30 June 2020 (2019: nil).

23. Capital and other commitments

	2020 $	2019 $
Renewal fees for Big Springs claims (payable within 12 months)	170,323	179,195
Advance net smelter royalty payments (payable within 12 months)	84,532	86,453
Minimum tenement expenditure (within 12 months) (i)	-	465,400
	254,855	731,048

(i) The Linden Gold Project was sold subsequent to year end.

24. Related parties

Key management personnel compensation
Details of key management personnel compensation are disclosed in the Remuneration Report which forms part of the Directors' Report and has been audited. The aggregate compensation of the key management personnel which has been paid or is payable is summarised below:

	2020 $	2019 $
Short-term employee benefits	201,344	161,429
Post-employment benefits	8,159	6,507
Share based payments	-	-
	209,503	167,936

As at 30 June 2020, $42,511 (2019: $221,204) was payable to key management personnel for outstanding fees.

Key management personnel transactions

	Charges from:		Charges to:	
	2020 $	2019 $	2020 $	2019 $
Mitchell River Group Pty Ltd	197,117	115,341	-	-
Provision of a fully serviced office, admin and technical staff				
EVE Investments Limited	34	-	-	178
Recharge of costs				
Omniblend Innovation Pty Ltd	-	-	-	34
Recharge of costs				
Hartree Pty Ltd	6,351	-	-	-
Recharge of costs				
Argonaut Capital Ltd				
Corporate Advisory Fees	10,000	-	-	-

Assets and liabilities arising from the above transactions

	2020 $	2019 $
Trade receivables	-	-
Trade payables	242,776	236,376

The terms and conditions of the transactions with related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-related parties on an arm's length basis. The amounts outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties. See the remuneration report for further details on these transactions.

Exercise of options by key management personnel
No options were exercised by key management personnel in the period.

25. Interests in Subsidiaries

The consolidated financial statements include the financial statements of Anova Metals Limited and the subsidiaries listed in the following table:

	Country of incorporation	Ownership interest 2020	Ownership interest 2019
Direct subsidiaries of the parent			
Big Springs Project Pty Ltd	Australia	100%	100%
Anova Metals Australia Pty Ltd	Australia	100%	100%
Indirect subsidiaries			
(Direct subsidiaries of Big Springs Project Pty Ltd)	USA	100%	100%
Anova Metals USA LLC			

Anova Metals Limited, incorporated in Australia, is the ultimate parent entity of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and not disclosed in this note.

26. Parent company disclosures

	2020 $	2019 $
Current assets	3,393,867	633,635
Non-current assets	16,058,715	15,214,168
Total Assets	19,452,582	15,847,803
Current Liabilities	1,404,014	1,574,234
Non-current liabilities	-	-
Total Liabilities	1,404,014	1,574,234
Contributed equity	64,484,490	60,716,985
Reserves	553,019	970,732
Accumulated losses	(46,988,941)	(47,414,148)
Total Equity	18,248,568	14,273,569
Loss for the year	(129,006)	(6,522,852)
Total comprehensive loss for the year	(129,006)	(6,522,852)

No guarantees were entered into by the parent company during the year (2019: nil).

At 30 June 2020, the parent company had no contingent liabilities (2019: nil).

27. Remuneration of auditor

	2020 $	2019 $
Audit or review of the financial report	37,007	76,510
	37,007	76,510

28. Significant events after the balance date

Following shareholder approval obtained on 4 August 2020, the Company has issued the following securities subsequent to year-end:

- 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 1.1 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 1.7 cents per share to Au Xingao Investment Pty Ltd to raise $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;

Subsequent to year end, the Twynam Facility of $2,825,000 was paid in full and all encumbrances over the secured assets were released.

On 26 August 2020, Anova announced that it had reached an agreement to divest its subsidiary, Anova Metals Australia Pty Ltd, which owns the assets and tenements which make up the Linden Gold Project (including the Second Fortune Gold Mine) to Linden Gold Alliance Pty Ltd (**LGA**) in exchange for $9 million in cash and a Net Smelter Return Royalty (NSR), comprising:

- $0.5 million in upfront cash consideration received upon execution of the Share Sale Agreement on 26 August 2020;
- $4.5 million in upfront cash consideration received upon completion of the divestment on 29 September 2020;
- $2 million deferred cash consideration is payable by 29 March 2022;
- $2 million 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$1 million, the NSR will reduce to 1% on every ounce of gold produced.

On 30 September 2020, the Company announced completion of the Anova Metals Australia Pty Ltd transaction following receipt of $4.5 million from LGA.

In July 2020, Anova 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.

There are no other matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

The Directors of the Company declare that:

1 The financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and accompanying notes, are in accordance with the *Corporations Act* 2001; and

(a) comply with *Australian Accounting Standards*, the *Corporations Regulations* 2001, professional reporting requirements and other mandatory requirements; and

(b) give a true and fair view of the financial position as at 30 June 2020 and of its performance for the year ended on that date of the Consolidated Entity.

2 In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3 In the Directors' opinion, the financial statements and notes are prepared in accordance with *International Financial Reporting Standards* and interpretations adopted by the International Accounting Standards Board, as described in note 1.

4 The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act* 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:

Mingyan Wang
Managing Director

Perth
30 September 2020

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INDEPENDENT AUDITOR'S REPORT
To the members of Anova Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Anova Metals Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Reversal of impairment Note 13 in the financial statements	
During the year the Group changed it basis of assessing the recoverable amount of its Second Fortune Gold Mine from value in use to fair value less costs to sell. As at balance date the asset was not available for immediate sale in its present condition and therefore did not qualify as held for sale, however management had a reasonable basis to assess its fair value. Subsequent to year end, a sale agreement was entered into for the sale of the Second Fortune Gold Mine in exchange for $9 million in cash and a Net Smelter Return Royalty. In accordance with AASB 136 *Impairment of Assets* management reversed previous impairment to the assets recoverable amount. We considered this to be a key audit matter due to its importance to the users' understanding of the financial statements, and the degree of audit effort directed towards this key audit matter.	Our audit procedures included but were not limited to: • We obtained evidence of the recoverable amount of the Second Fortune Gold Mine at balance date; • We analysed management's assessment that the asset did not meet the criteria in AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* to be classified as such. • We recalculated management's impairment reversal and ensured that it was in accordance with AASB 136 *Impairment of Assets*. • We ensured that the Company had rights to tenure over the Second Fortune Gold Mine. • We assessed the appropriateness of the disclosures included in the financial report.
Exploration and evaluation expenditure Note 12 in the financial statements	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the consolidated entity capitalises acquisition costs and then expenses further exploration and evaluation expenditure as incurred. The cost model is applied after recognition. We planned our work to address the audit risk that the capitalised expenditure might no longer meet the recognition criteria of the standard. Our audit focussed on the consolidated entity's assessment of the carrying amount of the capitalised exploration and evaluation asset. We considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. We considered this to be a key audit matter due to its size and importance to the users' understanding of the financial report.	Our audit procedures included but were not limited to: • We obtained an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation; • We considered the Directors' assessment of potential indicators of impairment in addition to making our own assessment; • We obtained evidence that the Consolidated entity has current rights to tenure of its areas of interest; • We considered the nature and extent of planned ongoing activities; and • We assessed the appropriateness of the disclosures in the financial report.

Provision for rehabilitation
Note 16 in the financial statements

The Group has rehabilitation provisions of $2,049,500 as at 30 June 2020. The Group has obligations to restore the area on which it has conducted exploration and mining activities. The provision is for the expected future costs associated with the rehabilitation activities. The rehabilitation provision was a key audit matter due to the significant judgement involved in estimating costs which are planned to be incurred in future years and the related timing of incurring those costs.	Our audit procedures included but were not limited to: • We considered the procedures employed by the Group, including assessing management's expert, for the calculation of the rehabilitation provision for each of the areas of interest; • We considered provision movements during the year to ensure that they were consistent with our understanding of the Group's activities during the year; and • We assessed the appropriateness of the disclosures included in the relevant notes to the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Anova Metals Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
30 September 2020

Buckley

D I Buckley
Partner

The following additional information is required by the ASX Limited in respect of listed public companies and was applicable at 28 September 2020.

1. Shareholder and Option holder information

a. Number of Shareholders and Option Holders

Shares

As at 28 September 2020, there were 1,173 shareholders holding a total of 1,433,094,200 fully paid ordinary shares.

Options

As at 28 September 2020, there were:

- 522,380 Unquoted Options exercisable at $0.08 on or before 25 October 2020 held by 1 holder;
- 1,375,000 Unquoted Options exercisable at $0.20 on or before 28 November 2021 held by 3 holders;
- 65,000,000 Unquoted Options exercisable at $0.011 on or before 31 March 2022 held by 2 holders;
- 30,000,000 Unquoted Options exercisable at $0.02 on or before 30 June 2022 held by 1 holder;
- 30,000,000 Unquoted Options exercisable at $0.025 on or before 30 June 2023 held by 1 holder;
- 30,000,000 Unquoted Options exercisable at $0.03 on or before 30 June 2024 held by 1 holder;

b. Distribution of Equity Securities

Fully paid ordinary shares	**Number (as at 28 September 2020)**	
Category (size of holding)	**Shareholders**	**Ordinary Shares**
1 – 1,000	140	21,449
1,001 – 5,000	42	126,169
5,001 – 10,000	43	310,351
10,001 – 100,000	529	24,264,643
100,001 – and over	419	1,408,371,588
	1,173	**1,433,094,200**

The number of shareholdings held in less than marketable parcels is 288 shareholders amounting to 1,341,051 shares.

c. The names of substantial shareholders listed in the company's register as at 28 September 2020 are:

Shareholder	**Ordinary Shares**	**%Held of Total Ordinary Shares**
Au Xingao Investment Pty Ltd	429,928,257	30.00%

d. Voting Rights

The voting rights attached to the ordinary shares are as follows:

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. 20 Largest Shareholders as at 28 September 2020 — Ordinary Shares

		Number of Ordinary Fully Paid Shares Held	**% Held of Issued Ordinary Capital**
1.	AU XINGAO INVESTMENT PTY LTD	429,928,257	30.00
2.	MCCUSKER HOLDINGS PTY LTD	63,457,836	4.43
3.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	62,263,036	4.34
4.	JETOSEA PTY LTD	59,053,542	4.12
5.	LOMACOTT PTY LTD <THE KEOGH SUPER FUND A/C>	45,000,000	3.14
6.	TWYNAM INVESTMENTS PTY LTD	32,330,990	2.26
7.	STEPHENS GROUP SUPER FUND PTY LTD <STEPHENS GROUP S/F A/C>	32,281,745	2.25
8.	BPM CAPITAL LIMITED	30,000,000	2.09
9.	MR JOHN CAMPBELL SMYTH <SMYTH SUPER FUND A/C>	21,000,000	1.47
10.	DEFENDER EQUITIES PTY LTD <DEFENDER AUS OPPORTUN FD A/C>	20,200,000	1.41
11.	MS YAN WU	19,047,619	1.33
12.	DEFENDER EQUITIES PTY LTD <DEFENDER AUS OPPORTUN FD A/C>	18,500,000	1.29
13.	PANGU INVESTMENTS PTY LTD <LI & ZHOU FAMILY A/C>	18,500,000	1.29
14.	THE STEPHENS GROUP SUPER FUND PTY LTD <THE STEPHENS GROUP SUPER A/C>	17,718,254	1.24
15.	SFN HOLDINGS PTY LTD	16,666,667	1.16
16.	MR MINGYAN WANG	14,285,714	1.00
17.	WOODVILLE SUPER PTY LIMITED <WOODVILLE AVE SUPER FUND A/C>	13,850,000	0.97
18.	MANNING CAPITAL HOLDINGS PTY LTD <MANNING CAPITAL HOLDINGS A/C>	12,625,000	0.88
19.	DARLEY PTY LIMITED <DJW INVESTMENT A/C>	12,300,000	0.86
20.	BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	12,086,694	0.84
		951,095,354	**66.37**

2. The name of the company secretary is David Palumbo.

3. The address of the principal registered office in Australia is:
Level 11, 216 St Georges Terrace Perth WA 6000

4. Registers of securities are held at the following address:
Link Market Services, Level 12, QV1 Building 250 St Georges Terrace Perth WA 6000

5. Stock Exchange Listing
Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the ASX Limited.

Tenements held at 30 September 2020:

Nevada, USA		
Tenement reference	**Location**	**Percentage Held**
NDEEP-31, NDEEP-32	Big Springs	100%
TT-108 to TT-157, TT-163, TT-164, TT-185, TT-187, TT-189 to TT-204, TT-220 to TT-267, TT-327 to TT-344	Big Springs	100%
AM1 to AM-8	Big Springs	100%
NDEEP-18, NDEEP-19, NDEEP-35, NDEEP-36, NDEEP-52, NDEEP-53	Dorsey Creek	100%
TT-158 to TT-162, TT-169 to TT-184, TT-186, TT-188, TT-275 to TT-277, TT-290, TT-291, TT-297 to TT-301, TT-305 to TT-311	Dorsey Creek	100%
DOME-1 to DOME-51	Golden Dome	100%
GD-52 to GD-61, GD-63, GD-67 to GD-76, GD-79 to GD-87, GD89 to GD-90, GD-92 to GD-136, GD-139 to GD-154, GD-157, GD-164 to GD-173, GD-176, GD-181, GD-182, GD-185, GD-186, GD-189, GD-190, GD-193, GD-194, GD-197 to GD-199, GD-201, GD-203, GD-205, GD-207, GD-209, GD-211, GD-213, GD-215, GD-217, GD-219, GD-221, GD-223, GD-225, GD-265 to GD-286, GD-297 to GD-318, GD-381 to GD-428	Golden Dome	100%
MP-14, MP-16, MP-18, MP-41, MP-43, MP-45, MP-47, MP-49 to MP-54	Golden Dome	100%
NDEEP-1 to NDEEP-16, NDEEP-44 to NDEEP-53, NDEEP-61 to NDEEP-90	Golden Dome	100%
JAK-14, JAK-16, JAK-18, JAK-20 to JAK-38, JAK-99 to JAK-116, JAK-170, JAK-172, JAK-174, JAK-176, JAK-178 to JAK-186	Jack Creek	100%
BS-500 to BS-550, BS-557 to BS-579	Mac Ridge	100%
MR-500 to MR-524, MR-526, MR-528, MR-530 to MR-537	Mac Ridge	100%
NDEEP-33, NDEEP-34	Mac Ridge	100%
TT-205 to TT-219	Mac Ridge	100%