



anova
metals limited

ABN 20 147 678 779

Interim Financial Report
for the half-year ended
31 December 2021

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The Directors of the Company present their report on the consolidated entity consisting of Anova Metals Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

The Directors of the Company at all times during or since the end of the half-year are:

Edward Rigg – Non-Executive Chairman

Mingyan (Joe) Wang – Managing Director

Amanda Buckingham – Non-Executive Director (appointed 14 October 2021)

John Davis – Non-Executive Director (resigned 18 November 2021)

Directors were in office for the entire period unless otherwise stated.

Review of Operations

The Big Springs Gold Project is a Carlin-style gold deposit located 80km north of Elko in north-east Nevada, United States. It produced approximately 386 koz of gold between 1987 and 1993, ceasing production due to the relatively low prevailing gold prices at that time. It is located in close proximity to multiple +10 Moz Carlin-style gold deposits in the region, including the producing Jerritt Canyon gold mine approximately 20 km to the south of Big Springs.

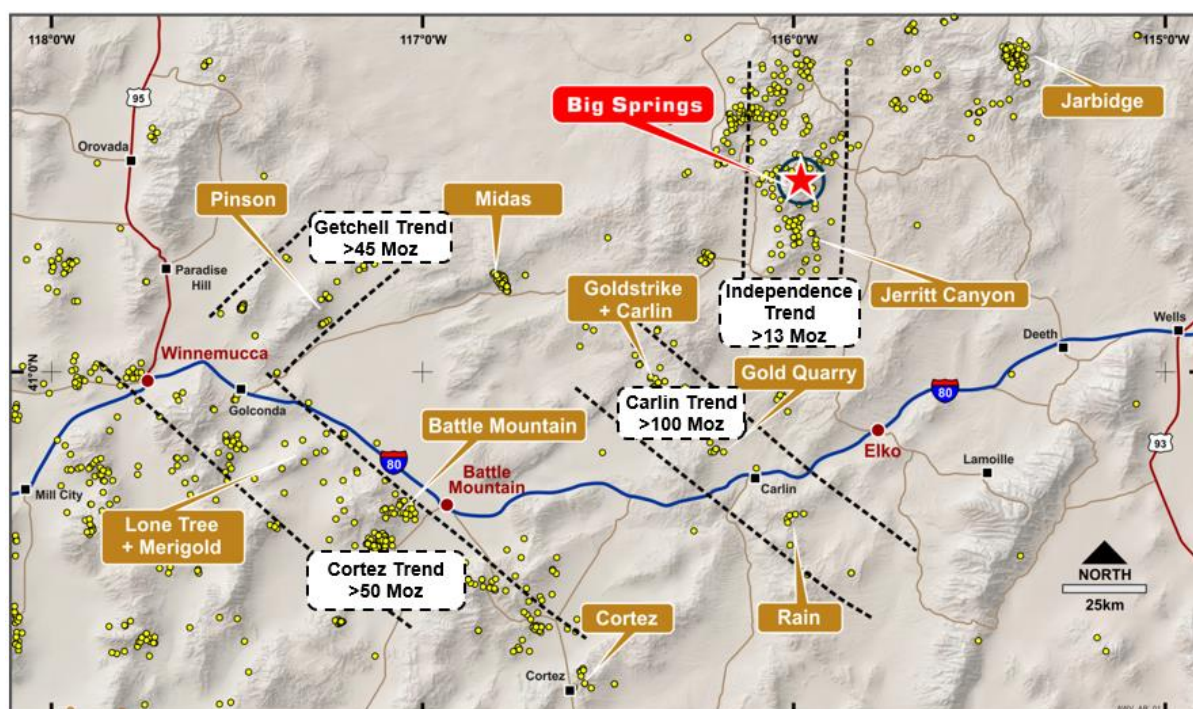


Figure 1: Location of Big Springs Project, Nevada, US.

The Big Springs Project currently has Measured, Indicated and Inferred Mineral Resources totalling **16 Mt at 2.0 g/t Au for 1.03 Moz gold** (refer Table 1 and Anova ASX release dated 26 June 2014). This resource base is located over 58 sq km of highly prospective ground. At an increased cut-off grade of 2.5 g/t gold, the high grade component of the Big Springs resource is 3.1 Mt at 4.2 g/t Au for 415 koz gold.

2021 RC Drilling Program

The Big Springs RC drilling program of 2021 was completed before Christmas (Figure 2), with 15 holes drilled for a total of 2,620 metres (Figure 2 and 3). The majority of this program was designed to test new district-level targets identified in the comprehensive targeting study undertaken across Big Springs earlier in the year, such as the Crusher Zone South and Beadles Creek Fault. One hole designed to continue the discovery at the 401 deposit in the 2020 drilling program (with an intercept of 10.85m @ 3.96g/t Au); was also finished (see AWW announcement dated 25 January 2021).

Mapping conducted at Crusher Zone South identified gold mineralisation related alteration such as jarosite alteration and FeOx alteration. Gravity data processing indicates a significant structural intersection in the vicinity of the favourable gold host-rock, Unit D, located south of the Crusher Zone. In a similar geological setting, the Crusher Zone deposit is characterised by drill-intervals of 12.19m @ 17.87g/t Au and 10.67m @ 11.93g/t Au. The 2021 drilling program is the first to explore this target. Five holes were completed at Crusher Zone South. Intense Carlin-style gold mineralisation indicators were observed, including strong sulphide alteration, quartz veins, and argillic alteration.

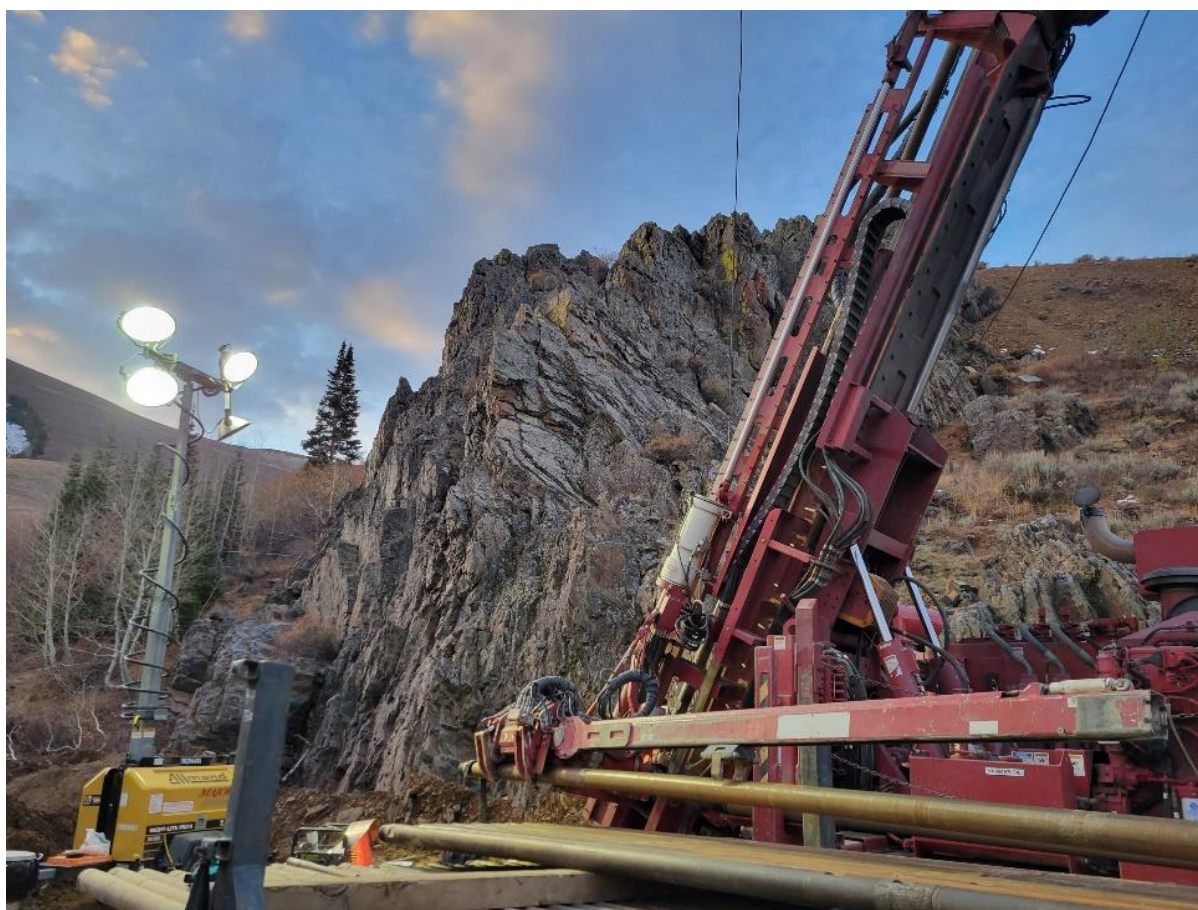


Figure 2: Commencement of RC drilling at Big Springs

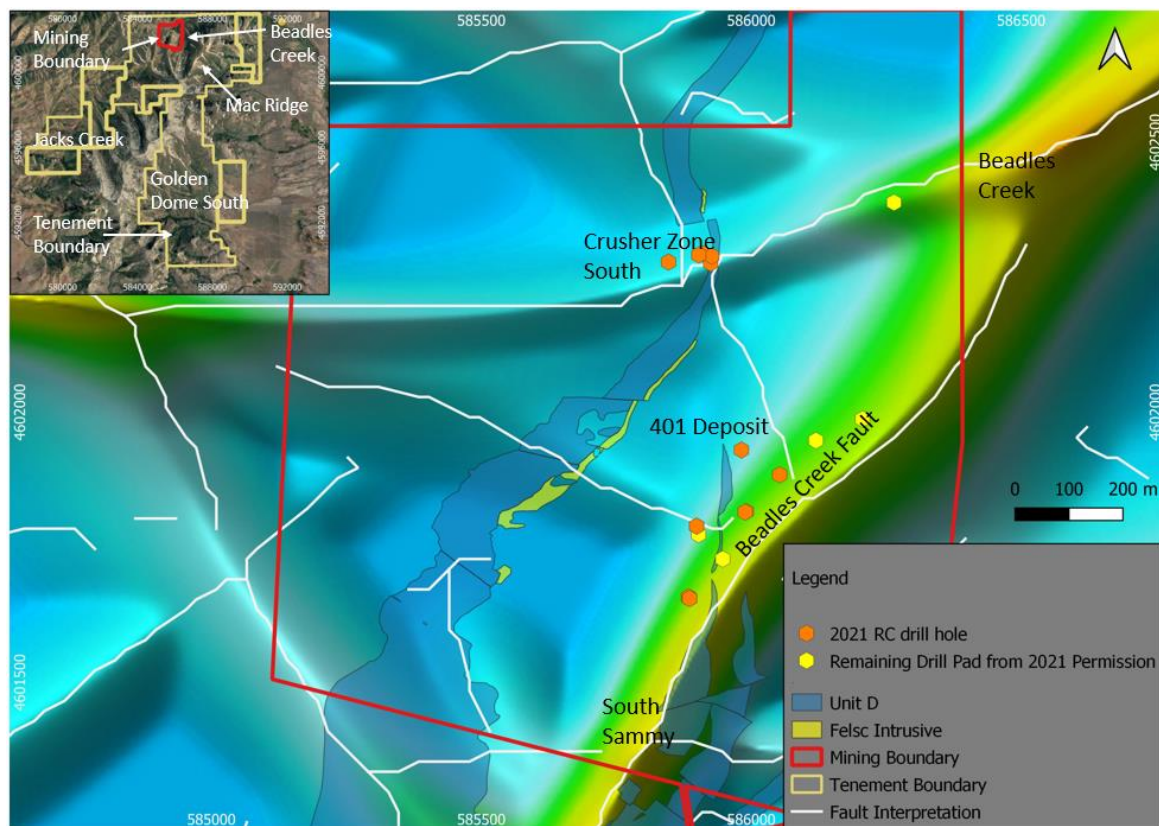


Figure 3: Plan view of the drilling program design in 2021

Soil Sampling Results

Approximately 5,500 samples were collected over an area of approximately 17 km², including new claims secured recently (refer AWW announcement dated 16 August 2021). Three key areas were explored with this soil sampling program – Mac Ridge North, Jacks Creek and Golden Dome South. Approximately 2,151 samples were collected from Mac Ridge North, 1,892 from Jacks Creek and 1,457 from Golden Dome South.

Anomalies are identified from assay results, and typically located along the faults and intersections between faults that were identified from gravity studies.

At Mac Ridge, over 5 specific gold-in-soil anomalies of +30 ppb Au were returned, with a peak assayed gold content from this area of 470 ppb (see Figure 4). The potential for gold mineralisation at Beadles Creek to extend further north along the Beadles Creek fault is evidenced by the gold-in-soil anomalies identified (Figure 4). A significant gold-in-soil anomaly was also discovered along the EW fault which is subparallel to the fault that controls the development of the Mac Ridge gold deposit. The location of gold deposition previously delineated at both Mac Ridge and Beadles Creek overlaps significantly with historical gold-in-soil anomalies, demonstrating the clear gold mineralisation potential apparent at Mac Ridge North.

Gold-in-soil anomalies identified at Jacks Creek are located along the extension of the Beadles Creek Fault from South Sammy into Dorsey Creek and Jacks Creek, with a peak assayed gold content of 171 ppb (see Figure 5). Significant anomalies were also discovered along the secondary fault derived from the Beadles Creek Fault, which is consistent with historical soil sampling programs. No drilling programs have previously been undertaken at Jacks Creek.

At Golden Dome South, significant gold-in-soil anomalies have been returned along the east-west faults identified from gravity data analysis (Figure 6). Historical drilling at Golden Dome South returned an interval of 6.1m @ 2.79 g/t Au, which is consistent with the location of a significant historical soil anomaly (Figure 7). These most recent anomalies are concentrated in the southern zone of the Golden Dome South area and include multiple samples of both 20-30 ppb Au and +30 ppb Au.

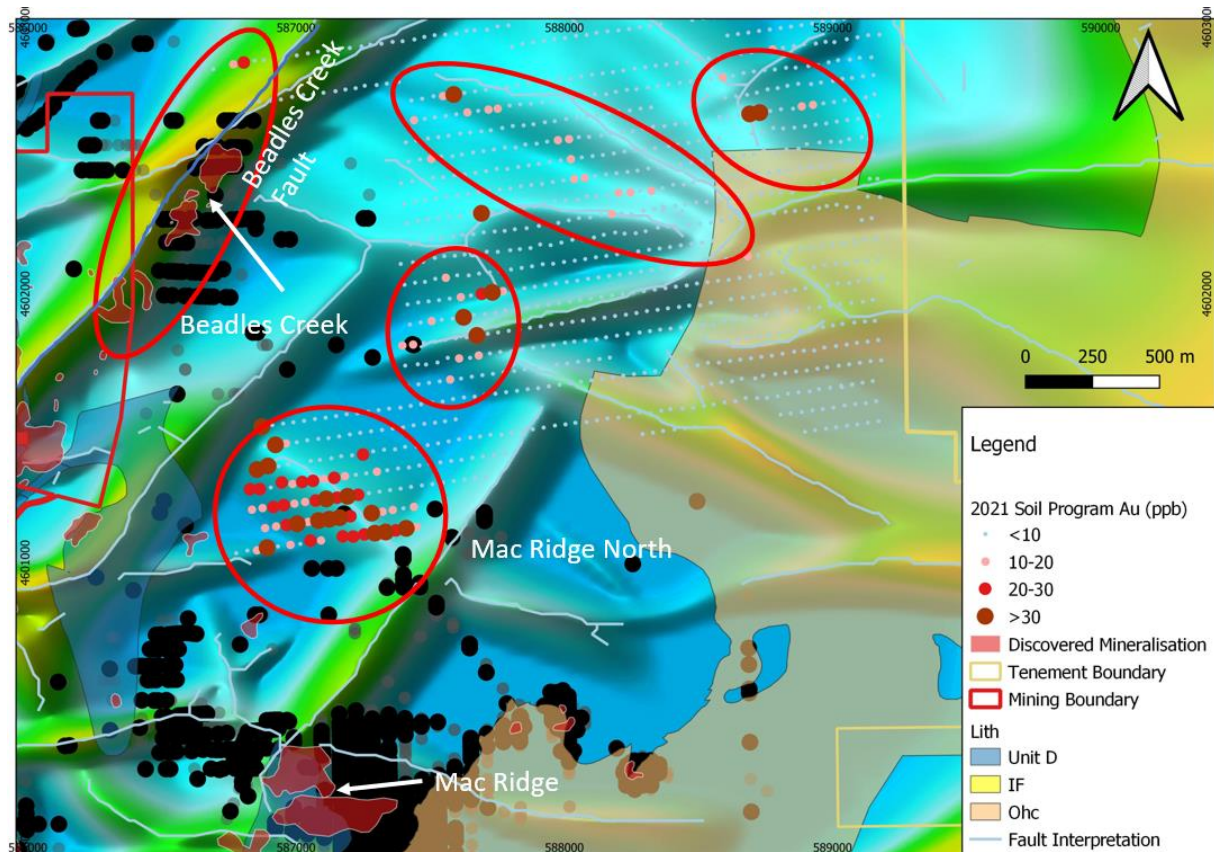


Figure 4: Soil samples at Mac Ridge North

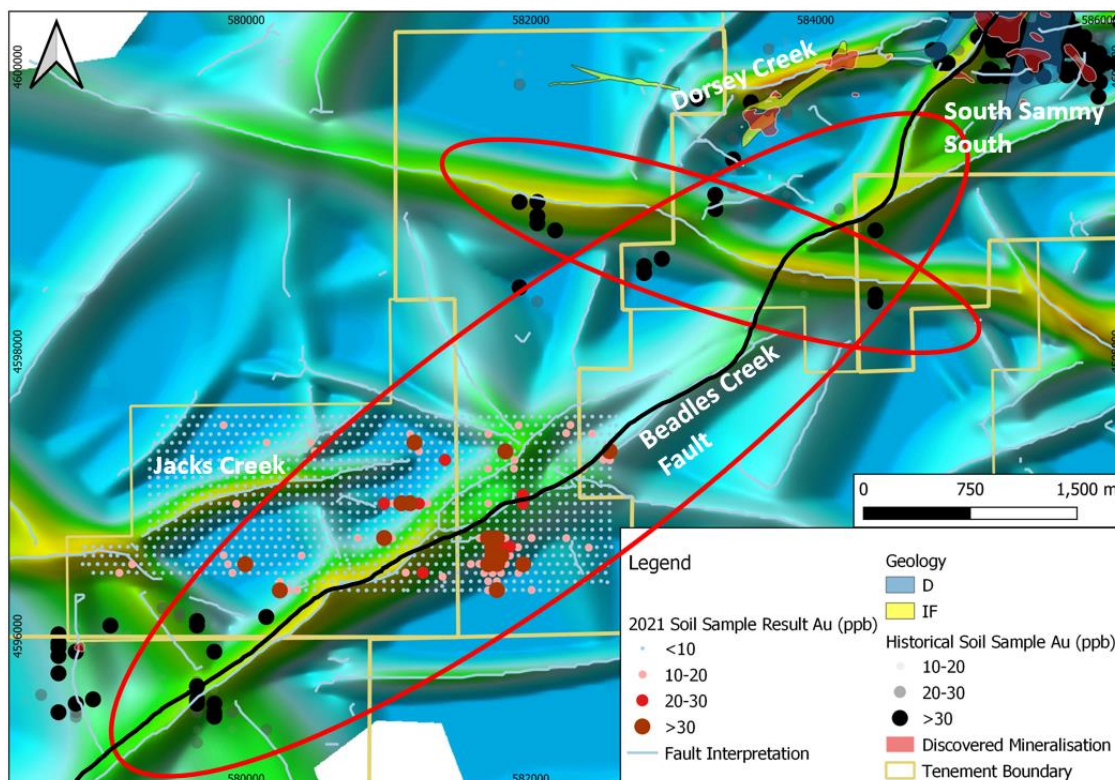


Figure 5: Soil sampling result at Jacks Creek

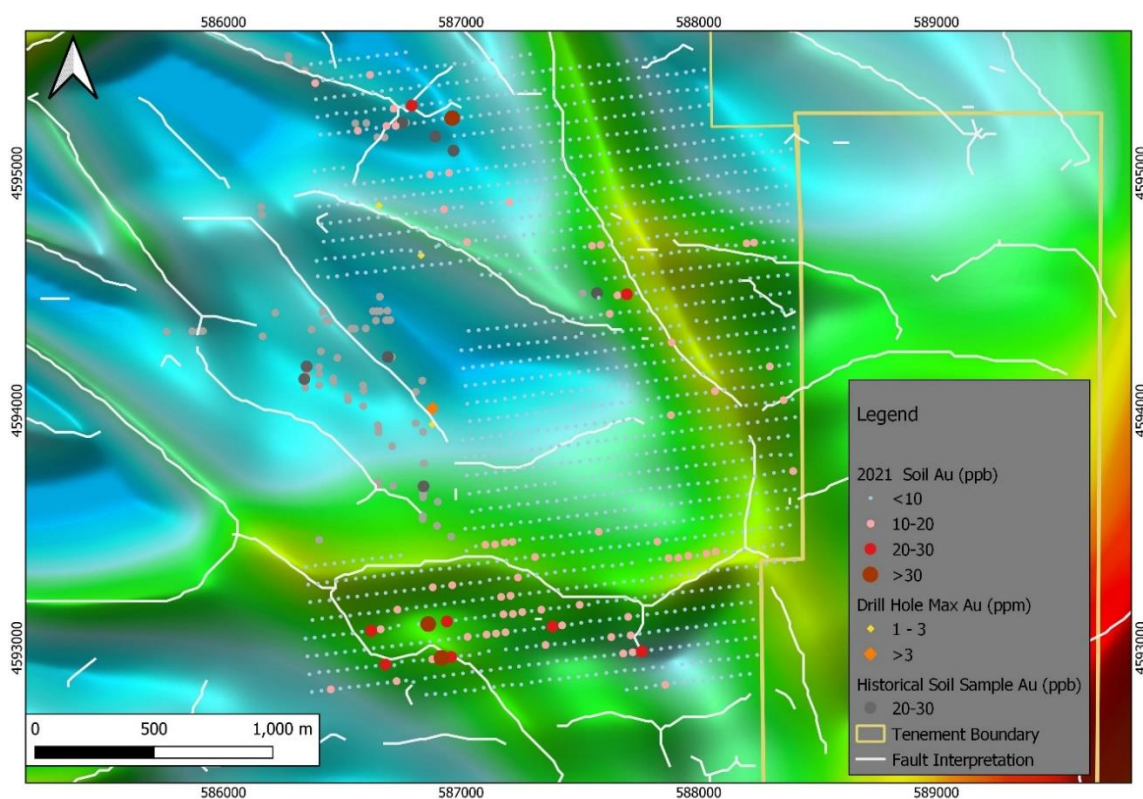


Figure 6: New gold-in-soil anomalies identified in the southern zone of Golden Dome South

New Mining Claims Pegging

The Company pegged and secured another 240 mining claims surrounding the existing land package. This brings the total prospecting land package held by Anova at Big Springs to 81 km² (see Figure 7). The new claims comprise four areas:

1. The largest area is the connecting zone between Dorsey Creek and Jack's Creek along the interpreted Schoonover fault zone, which controls gold mineralisation at North Sammy.
2. The zones east from the Mac Ridge North prospect.
3. Area toward east of Golden Dome South prospect. Golden Dome South prospect is adjacent to the Jerritt Canyon gold project, which has contentiously produced ~10 Moz of gold since 1980s. Golden Dome mineralisation has been approved by historical drilling programs (see AWV release dated 27 May 2021).
4. The zone east of Dorsey Creek toward Golden Dome North, which was along the E-W direction fault and covers part of district target in high priority.

Historical soil samples and rock chip samples have picked up strong Au anomalies west of Dorsey Creek and south of Jack's Creek, which are consistent with district targets and structure intersections interpreted from the gravity survey. Silicification alteration is identified from field mapping within the new claims west of Dorsey Creek, which is consistent with the soil abnormalities along the E-W.

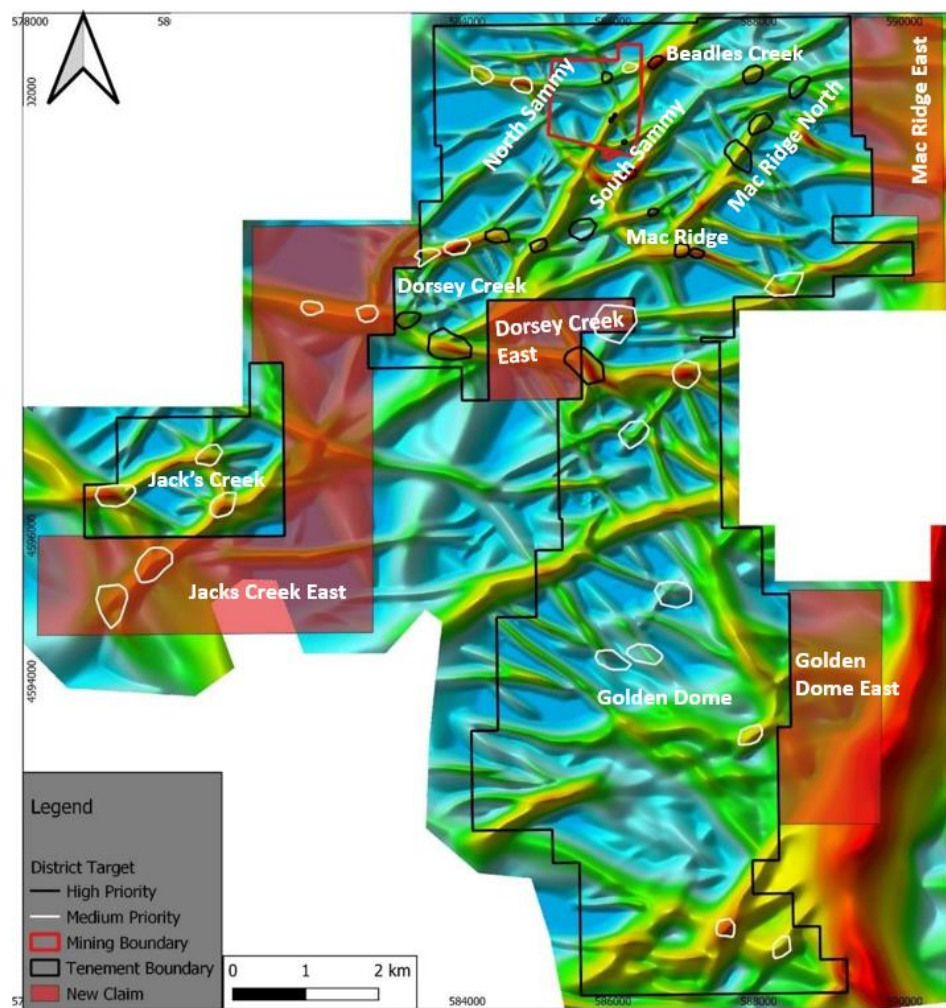


Figure 7: New Mining Claims pegged at Big Springs with layers of district targets identified.

Mining Permit Extension

A five-year renewal of the existing mining permit at Big Springs Gold Project was received. Based on the submitted Environmental Assessment and a Finding of No Significant Impact, the United States Forest Service has issued the Final Decision Notice approving the renewal of the Company's Plan of Operations and Mining Proposal. This approval follows a final public comment and objection period, in which no objections were received. The scope of the renewed mining permit is substantively unchanged and covers potential open pit and underground mining operations at the 601 and 701 deposits at Big Springs, in accordance with the detailed Plan of Operations. While Anova remains focussed on aggressive exploration and resource growth across its entire Big Springs tenure, the mining permit renewal maintains the Company's optionality with respect to accelerating first production and cashflow.

Expanded Plan of Operation Application and Regional Exploration Programs in 2022

With the assistance of a local consultant, Anova is in the process of applying for a long-term expanded Plan of Operation (POO). The expanded POO is over 3,600 Ha, which is more than 50 times the size of the area where Anova is currently permitted to conduct drilling activities.

As part of the POO application process, biology and cultural surveys were completed at Big Springs. With the approval of expanded POO at Big Springs, the Company will be fully permitted to conduct extensive exploration on 19 high priority district targets according to the comprehensive targeting study (See Figure 8), and those gold anomalies from the recently completed large-scale soil sampling programs.

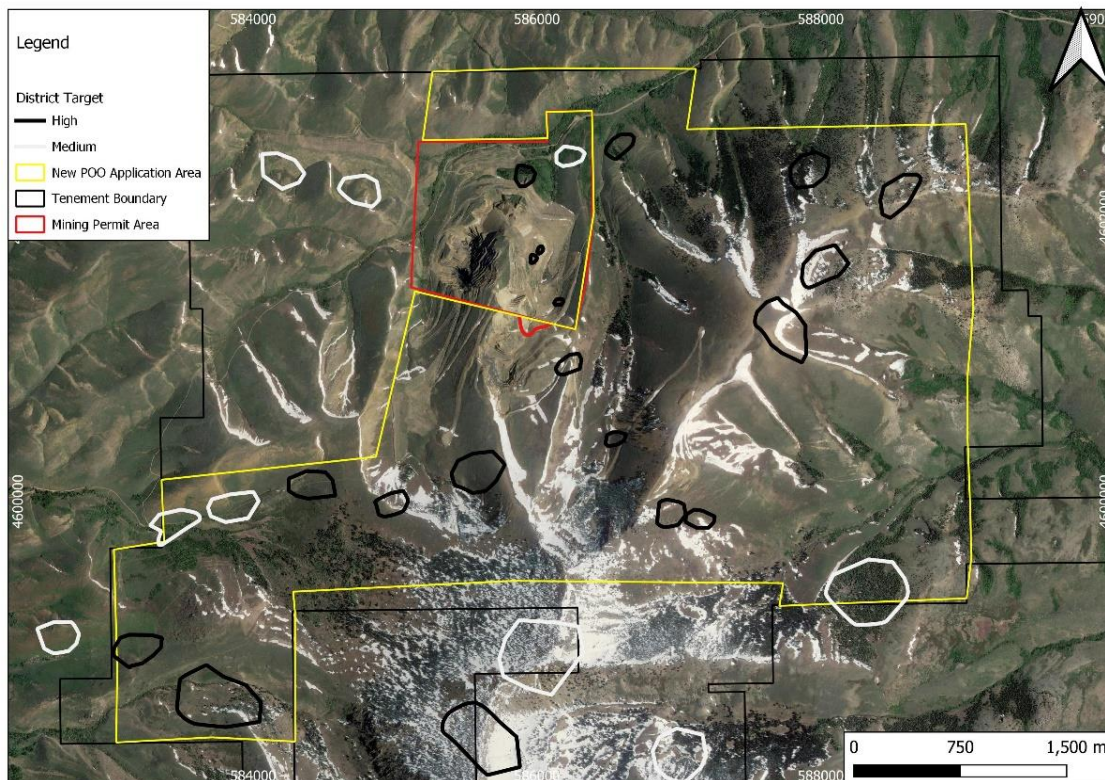


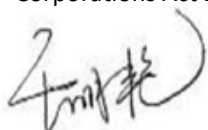
Figure 8: Expanded POO Application with an area of >3600ha covering the high priority targets

Before the expanded POO is permitted, various exploration approaches will be applied on ground to test and refine those high priority targets. Surface mapping and trenching are planned in 2022 to identify surface expression of gold mineralisation, which will provide guidance for drilling program design. Geophysics, such as Induced Polarization (IP), will be conducted to detect the depth extension and geometry of potential mineralisation. After the granting of the expanded POO, extensive drilling activities will be conducted to test those refined targets.

Auditor's Independence Declaration

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 review of the interim financial report. This Independence Declaration is set out on page 22 and forms part of this Directors' report for the half-year ended 31 December 2021.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Mingyan Wang
Managing Director
Perth, 15 March 2022

- 1 In the opinion of the Directors of Anova Metals Limited:
- a. The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - i. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - ii. Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b. there are reasonable grounds to believe that Anova Metals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors, made pursuant to s303(5) of the Corporations Act 2001.



Mingyan Wang
Managing Director
Perth, 15 March 2022

ANOVA METALS LIMITED
Condensed Consolidated Statement of Profit or Loss & Other Comprehensive Income
For the half-year ended 31 December 2021

	Note	31-Dec-21	31-Dec-20
		\$	\$
Interest income		308	711
Gain on revaluation of equity instruments at FVTPL		359,089	143,049
Other income		3,000	54,056
Employee benefits expenses		(335,132)	(344,545)
Exploration expensed as incurred		(1,964,723)	(1,310,350)
Depreciation expenses		(3,438)	(3,925)
Administration and corporate expenses		(280,028)	(347,999)
Share-based payment expense	7	(152,996)	(86,543)
Loss from continuing operations before income tax		(2,373,920)	(1,895,546)
Income tax benefit / (expense)		-	-
Loss from continuing operations for the period		(2,373,920)	(1,895,546)
Discontinued operations after income tax			
Loss from discontinued operations after income tax	2	-	(690,218)
Loss for the period		(2,373,920)	(2,585,764)
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation		52,119	(870,720)
Other comprehensive income/(loss) for the period		52,119	(870,720)
Total comprehensive loss for the period		(2,321,801)	(3,456,484)
Basic and diluted loss per share (cents per share) – continuing	3	(0.17)	(0.14)
Basic and diluted loss per share (cents per share) – discontinued	3	-	(0.05)
Basic and diluted loss per share (cents per share)	3	(0.17)	(0.19)

The condensed consolidated statement of profit or loss & other comprehensive income is to be read in conjunction with the accompanying notes.

ANOVA METALS LIMITED
Condensed Consolidated Statement of Financial Position
As at 31 December 2021

	Note	31-Dec-21 \$	30-Jun-21 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents		5,229,886	7,397,537
Trade and other receivables		13,405	16,855
Other financial assets		607,959	250,336
Other assets		29,115	60,789
Total current assets		5,880,365	3,522,509
<i>Non-current Assets</i>			
Other financial assets		486,732	470,845
Plant and equipment		9,713	13,151
Exploration and evaluation expenditure	5	11,022,353	10,788,233
Total non-current assets		11,518,798	11,272,229
Total assets		17,399,163	18,997,747
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables		762,541	203,622
Rehabilitation provision		47,498	47,549
Total current liabilities		810,039	251,171
<i>Non-current Liabilities</i>			
Rehabilitation provision		298,759	287,406
Total non-current liabilities		298,759	287,406
Total liabilities		1,108,798	538,577
Net assets		16,290,365	18,459,170
Equity			
Issued capital	6	67,471,353	67,471,353
Reserves		3,411,002	3,205,887
Accumulated losses		(54,591,990)	(52,218,070)
Total equity		16,290,365	18,459,170

The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes.

ANOVA METALS LIMITED
Condensed Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2021

	Issued capital	Foreign currency translation reserve	Share- based payments reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	67,471,353	2,118,774	1,087,113	(52,218,070)	18,459,170
Loss for the period	-	-	-	(2,373,920)	(2,373,920)
Other comprehensive income, net of tax	-	52,119	-	-	52,119
Total comprehensive loss for the period	-	52,119	-	(2,373,920)	(2,321,801)
Ordinary shares issued, net of costs	-	-	-	-	-
Performance rights expense	-	-	152,996	-	152,996
Balance at 31 December 2021	67,471,353	2,170,893	1,240,109	(54,591,990)	16,290,365

Balance at 1 July 2020	64,484,490	2,833,533	553,018	(48,041,102)	19,829,939
Loss for the period	-	-	-	(2,585,764)	(2,585,764)
Other comprehensive loss, net of tax	-	(870,720)	-	-	(870,720)
Total comprehensive loss for the period	-	(870,720)	-	(2,585,764)	(3,456,484)
Ordinary shares issued, net of costs	2,993,743	-	-	-	2,993,743
Performance rights expense	-	-	86,543	-	86,543
Balance at 31 December 2020	67,478,233	1,962,813	639,561	(50,626,866)	19,453,741

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

ANOVA METALS LIMITED**Condensed Consolidated Statement of Cash Flows**

For the half-year ended 31 December 2021

	31-Dec-21 \$	31-Dec-20 \$
Cash flows from operating activities		
Interest received	308	711
Payments to suppliers and employees	(343,333)	(353,611)
Payment for exploration and evaluation expenditure	(1,824,626)	(1,743,423)
Payment for stamp duty	-	(1,038,673)
Financing costs	-	(27,089)
Net cash (used in) operating activities	(2,167,651)	(3,162,085)
Cash flows from investing activities		
Proceeds from the sale of subsidiary, net of cash held	-	8,358,595
Proceeds from the sale of tenements	-	100,000
Payment for financial assets	-	(286,083)
Net cash provided by investing activities	-	8,172,512
Cash flows from financing activities		
Proceeds from the issue of shares	-	3,090,040
Payment for share issue costs	-	(96,297)
Repayment of borrowings	-	(2,825,000)
Net cash provided by financing activities	-	168,743
Net (decrease)/ increase in cash and cash equivalents	(2,167,651)	5,179,170
Cash and cash equivalents at beginning of the period	7,397,537	3,402,564
Effect of exchange rates on cash holdings in foreign currencies	-	(7,718)
Cash and cash equivalents at end of the period	5,229,886	8,574,016

The condensed consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

1. Statement of Significant Accounting Policies**a) Basis of preparation**

These condensed interim consolidated financial statements (the interim financial statements) are general purpose financial statements and have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 *Interim Financial Reporting*.

The interim financial statements comprise the condensed interim financial statements for the Group. For the purposes of preparing the interim financial statements, the Company is a for-profit entity and the half-year has been treated as a discrete reporting period.

The interim financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended that these interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2021 and any public announcements made by Anova Metals Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year, except for the impact of the new Standards and Interpretations effective 1 July 2021 disclosed in section 1(b). These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The interim financial statements have been prepared on a historical cost basis, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair value of the consideration given in exchange for assets.

The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

b) Adoption of new and revised standards*Standards and Interpretations applicable to 31 December 2021*

In the half-year ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2021. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company.

Standards and Interpretations in issue not yet effective

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet effective for the half-year ended 31 December 2021. There is no material impact of the proposed Standards and Interpretations in issue not yet adopted by the Company.

c) Statement of compliance

The interim financial statements were authorised for issue on 15 March 2022. The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

d) Significant accounting estimates and judgements

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2021.

2. Discontinued Operations

On 26 August 2020, Anova Metals Limited announced that it had reached agreement to sell Anova Metals Australia Pty Ltd to Linden Gold Alliance Pty Ltd for \$9 million in cash and a net smelter royalty as follows:

- \$0.5 million received upon execution of the Share Sale Agreement (SSA);
- \$4.5 million payable upon completion of the proposed transaction;
- \$2.0 million payable 18-months after completion of the proposed transaction;
- \$2.0 million payable 24-months after completion of the proposed transaction; and
- NSR of 1.5% on each ounce of gold produced from the Linden Gold Project after a total of 75,000 cumulative ounces of gold have been produced from the Project, capped at a total royalty payable of \$1 million. Following total royalty payments of \$1 million, the NSR will reduce to a 1.00% NSR on every ounce of gold produced.

Settlement of the Anova Metals Australia Pty Ltd sale occurred on 29 September 2020, following receipt of \$4.5 million, in addition to the previously received \$0.5 million.

On 24 December 2020, the Company agreed to accept early repayment of the deferred consideration and received \$3.5 million as consideration for discharging LGA's obligation to pay deferred consideration of \$4 million which was to be paid in two instalments of \$2 million, payable by 29 March 2022 and 29 September 2022 respectively.

The financial performance of the discontinued operation, which is included in the loss from discontinued operations per the statement of profit or loss and comprehensive income, is as follows:

	31-Dec-21	31-Dec-20
	\$	\$
<i>Financial performance information</i>		
Other income	-	109,500
Exploration expensed as incurred	-	(125,605)
Finance costs	-	(27,089)
Administration expenses	-	(2,289)
Loss before income tax	-	(45,483)
Income tax expense	-	-
Loss after income tax	-	(45,483)
Loss on disposal of assets and liabilities on loss of control of subsidiary before income tax	-	(144,735)
Loss on early settlement of deferred consideration	-	(500,000)
Income tax expense	-	-
Loss on disposal of assets and liabilities on loss of control of subsidiary after income tax	-	(644,735)
Total loss after tax attributable to the discontinued operation	-	(690,218)

ANOVA METALS LIMITED**Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2021**

The cash flow of the discontinued operation, which is included in the statement of cash flows, is as follows:

	31-Dec-21	31-Dec-20
	\$	\$
<i>Cash flow information</i>		
Net cash used in operating activities	-	(119,219)
Net cash from investing activities	-	100,000
Net increase in cash and cash equivalents from discontinued operations	-	(19,219)

Carrying amounts of assets and liabilities disposed:

	31-Dec-20
	\$
Loss on disposal of assets and liabilities on loss of control of Subsidiary reconciled as follows:	
Gross consideration	9,000,000
Transaction costs	(129,520)
Consideration	8,870,480
Assets/(liabilities) disposed:	
Cash	11,885
Trade and other receivables	15,215
Plant and equipment	520,466
Mine properties	10,244,686
Trade and other payables	(11,885)
Rehabilitation provision	(1,765,152)
Net assets	9,015,215
Loss on disposal	(144,735)

3. Loss per share

	31-Dec-21	31-Dec-20
	\$	\$
Basic and diluted earnings per share		
Basic and diluted loss per share (cents per share) – continuing	(0.17)	(0.14)
Basic and diluted loss per share (cents per share) – discontinued	-	(0.05)
Basic and diluted loss per share (cents per share) – total	(0.17)	(0.19)
Earnings		
	\$	\$
Loss from continuing operations	(2,373,920)	(1,895,546)
Loss from discontinued operations	-	(690,218)
Total loss from operations	(2,373,920)	(2,585,764)
Weighted average number of ordinary shares		
	No.	No.
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	1,433,094,200	1,353,759,966

4. 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.

The Company operates across one industry being gold exploration in two geographic segments, Western Australian (until disposal of Anova Metals Australia Pty Ltd on 29 September 2020) and the United States. The unallocated column refers to corporate costs and cash management.

Period ended 31 December 2021	Western Australia \$	United States \$	Unallocated \$	Consolidated \$
Segment revenue	-	-	-	-
Segment (loss) after tax	-	(1,978,471)	(395,449)	(2,373,920)
Segment assets	-	11,521,533	5,877,630	17,399,163
Segment liabilities	-	978,325	130,473	1,108,798
Period ended 31 December 2020	Western Australia \$	United States \$	Unallocated \$	Consolidated \$
Segment revenue	-	-	-	-
Segment (loss) after tax	(690,218)	(1,320,139)	(575,407)	(2,585,764)
Segment assets	-	11,288,481	8,901,971	20,190,452
Segment liabilities	-	539,407	197,304	736,711

5. Exploration and evaluation expenditure

	Half-Year to 31-Dec-21	Year to 30-Jun-21
	\$	\$
Exploration and evaluation phase		
Balance at beginning of the period	10,788,233	11,423,963
Foreign currency movements	234,120	(635,730)
Balance at end of the period	11,022,353	10,788,233

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

6. Issued capital

	Half-Year to 31-Dec-21	Year to 30-Jun-21
	\$	\$
1,433,094,200 (30 June: 1,433,094,200) fully paid ordinary shares	67,471,353	67,471,353
	67,471,353	67,471,353

	Half-Year to 31-Dec-21		Year to 30-Jun-21	
	No.	\$	No.	\$
Fully paid ordinary shares				
Balance at beginning of the period	1,433,094,200	67,471,353	1,247,041,482	64,484,490
Placements	-	-	186,052,718	3,090,039
Share issue costs	-	-	-	(103,176)
Balance at end of the period	1,433,094,200	67,471,353	1,422,094,200	67,471,353

7. Options and performance rights

	Half-Year to 31-Dec-21	Year to 30-Jun-21
	No.	No.
Balance at beginning of the period	193,875,000	18,192,870
Issued (i)	-	176,204,610
Exercised	-	-
Lapsed	-	(522,480)
Balance at end of the period	193,875,000	193,875,000

- (i) There were no options and performance rights issued during the half-year ended 31 December 2021. During the year ended 30 June 2021, the following options and performance rights were issued:

- 48,704,610 lead manager options exercisable at 1.1 cents on or before 31 March 2022 were issued on 7 August 2020.
- 90,000,000 unlisted options in 3 series to Au Xingao Investment Pty Ltd granted on 4 August 2020 as consideration for increasing the share placement price completed during the half-year ended 31 December 2020 from 1c to 1.7c per share. These options were free attaching options and are not share based payments. As a result, no valuation of these options is required to be undertaken.

- 18,750,000 Class A Performance Rights and 18,750,000 Class B Performance Rights in total to Mingyan Wang and Geoffrey Xue were granted on 27 November 2020. The Class A Performance Rights will vest upon both the Share Price Condition and Service Condition being satisfied. Class B Performance Rights will vest upon both the Share Price Condition and Operational Condition being satisfied:
 - **Share price condition:** During the term commencing on and from the Grant Date and expiring on 31 July 2023, the Company's share price closing above \$0.03 per share for 10 consecutive trading days.
 - **Service condition:** Remain continuously employed by the Company until 31 July 2021.
 - **Operational Condition:** The Company announcing a 1.5Moz JORC compliant resource at the Big Springs Project on or prior to 31 July 2023 and whilst an employee of the Company.

The value for both the Class A and Class B Performance Rights was calculated by an external consultant to be \$0.026 per Right, resulting in a total valuation of \$975,000. The valuation has been based on a Hoadley pricing model with the factoring inputs:

Share price on grant date	\$0.028
Volatility	75%
Expiry date	31 July 2023
Risk-free interest rate	0.103%
Expected dividend yield	Nil

The share based payment expense has been recognised on pro-rata basis over the vesting period, resulting in an expense of \$152,996 for half-year ended 31 December 2021 (2020: \$86,543).

8. Contingent assets and liabilities

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

9. Events occurring after the reporting period

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations, results or the state of affairs of the consolidated entity in future financial years.

10. Fair values of financial assets and liabilities

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data. All of the Group's financial instruments were valued using the Level 2 valuation technique.

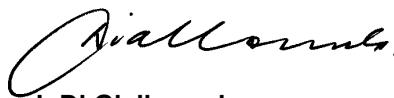
As at 31 December 2021, the fair values of the Group's financial assets and liabilities approximate their carrying values due to their short term nature.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Anova Metals Limited for the half-year ended 31 December 2021, 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 review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
15 March 2022


L Di Giallonardo
Partner

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Anova Metals Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Anova Metals Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss & other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Anova Metals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
15 March 2022



L Di Giallonardo
Partner