

29 January 2015

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 31 DECEMBER 2015

HIGHLIGHTS

- Review of updated pit optimisation undertaken
- Metallurgical testwork report received confirming historical recoveries
- Additional geotechnical testwork conducted
- Continuation of project permitting requirements

OPERATIONS

Big Springs Gold Project, Nevada, USA

In the December quarter, the Company focussed on a review of the pit optimisation work undertaken and advancing the engineering design and study work. This included metallurgical testwork, geotechnical testwork, site works and refinement of the hydrogeology model. The Company continues to work closely with all relevant regulatory authorities to progress the mining approval process.

ENGINEERING AND GEOLOGY

Mine and site design

During the quarter, Anova and their mining consultants reviewed the updated open pit optimisation. Surface and groundwater management requirements were integrated into a refined pit design and this was used to provide material volumes for the site detailed engineering design and permitting requirements. This final mine design will be subject to current negotiations with Jerritt Canyon to restructure the existing tolling arrangement to increase the ore tonnages supplied to Jerritt Canyon.

Description and reporting of the detailed site design work was a major focus of the quarter. This feeds into the permitting requirements (described below) and will be used in future negotiations with mining contractors.

Further quotes were also obtained for ore transport to the Jerritt Canyon toll treating facility.

Metallurgical testwork

The planned testwork program conducted at Hazen Research, Inc, to best replicate to the process at the Jerritt Canyon toll treating facility is complete, results were analysed and a report compiled summarising Anova's testwork completed to date.

The results confirmed historical recoveries for the 601 open pit, the North Sammy 303 and Thumb Shoots plus the South Sammy 701 Zone. Further metallurgical test work is proposed to be undertaken at the Jerritt Canyon facility prior to commencement of operations.

Geotechnical

Additional samples from the 701 zones were submitted for geomechanical testwork, including:

- triaxial compression tests
- unconfined compression tests; and
- direct shear tests

Results have been received and are being incorporated into the geotechnical model and the analysis added to the summary geotechnical report.

Hydrogeology

Analysis of the results of the pump testing from late 2014 and early 2015 plus historic pump testing information was initiated for the North Sammy area. Refinement of the detailed hydrogeology model has been started and will continue into 2016 and will form part of a Plan of Operations for North Sammy underground.

Site works

Site reclamation work was completed as per the requirements of exploration drilling plan of operations and the site was prepared for winter.

PERMITTING

Anova has continued to progress the permitting program for the Big Springs Gold Project during the quarter.

Detailed engineering was completed during the quarter and an updated engineering design report was finalised. Based on the revised engineering, a revised Water Pollution Control Permit application was completed and a submitted to the Nevada Division of Environmental Protection (“NDEP”). Outputs from the engineering study were also incorporated into a revised Plan of Operations which will be finalised and submitted to the United States Forest Service (“USFS”) early in the first quarter of 2016. A re-estimation of the project closure cost and bonding requirements was commenced during the quarter and will be submitted to NDEP when the Plan of Operations is finalised.

A macroinvertebrate study was undertaken during the quarter as required by the Administrative Order on Consent and a draft report was received prior to quarter end. The results of this study appear positive. No other quarterly monitoring activities were completed due to weather related site access issues.

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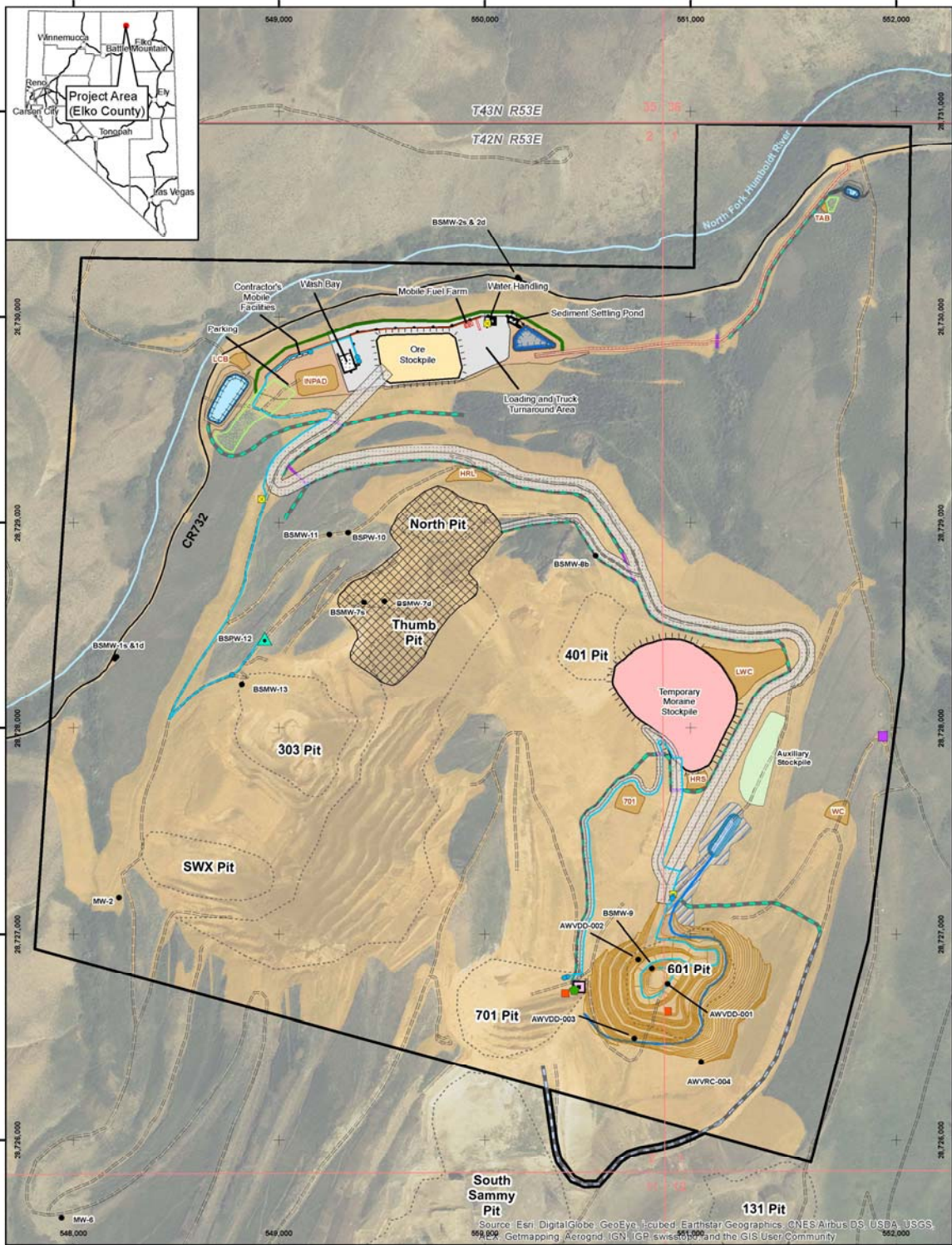


Figure 1: Updated site infrastructure plan

CORPORATE

As at 31 December 2015, the Company's cash balance was \$0.6m.

The Company completed a capital raising of \$0.5m (before costs) by the issue of 11,200,000 shares at 4.5 cents per share to sophisticated and professional investors in early October.

The Company held its Annual General Meeting on 19 November, all resolutions were passed on a show of hands.

Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Lauritz Barnes, Principal Consultant Geologist – Trepanier Pty Ltd. Mr Barnes is a shareholder of Anova Metals. Mr Barnes is a member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Barnes consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

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TENEMENT SCHEDULE

All claims are 100% held.

Project Name	Prospect	Location	Mining Claim Name
Big Springs	Big Springs	USA	NDEEP-31, NDEEP-32
Big Springs	Big Springs	USA	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	Dorsey Creek	USA	NDEEP-18, NDEEP-19, NDEEP-35, NDEEP-36, NDEEP-52, NDEEP-53
Big Springs	Dorsey Creek	USA	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
Big Springs	Golden Dome	USA	DOME-1 to DOME-51
Big Springs	Golden Dome	USA	GD-52 to GD-61, GD-63, GD-67 to GD-76, GD-79 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
Big Springs	Golden Dome	USA	MP-14, MP-16, MP-18, MP-41, MP-43, MP-45, MP-47, MP-49 to MP-54
Big Springs	Golden Dome	USA	NDEEP-1 to NDEEP-16, NDEEP-44 to NDEEP-90
Big Springs	Jack Creek	USA	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
Big Springs	Mac Ridge	USA	BS-500 to BS-550, BS-557 to BS-579
Big Springs	Mac Ridge	USA	MR-500 to MR-524, MR-526, MR-528, MR-530 to MR-537
Big Springs	Mac Ridge	USA	NDEEP-33, NDEEP-34
Big Springs	Mac Ridge	USA	TT-205 to TT-219

Private lands, which include all minerals, subject to a 2% NSR royalty to Ellison Minerals, Inc. Per below:

Township 42 North, Range 54 East (148.552 Hectares):

Section 7 - Lot 4 (SW $\frac{1}{4}$ SW $\frac{1}{4}$); SE $\frac{1}{4}$ SW $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 8 - N $\frac{1}{2}$ SW $\frac{1}{4}$

Section 31 - Lot 2 (SW $\frac{1}{4}$ NW $\frac{1}{4}$); Lot 4 (SW $\frac{1}{4}$ SW $\frac{1}{4}$); NE $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$

Appendix 5B
Mining exploration entity quarterly report

Name of entity

Anova Metals Limited

ABN

20 147 678 779

Quarter ended ("current quarter")

31 DECEMBER 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$'000	Year to date (6 months) \$'000
1.1 Receipts from product sales and related debtors	-	-
1.2		
(a) exploration and evaluation	(344)	(761)
(b) development	-	-
(c) production	-	-
(d) administration	(307)	(633)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(648)	(1,388)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(648)	(1,388)

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1.13	Total operating and investing cash flows (carried forward)	(648)	(1,388)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.*	360	504
1.15	Cost of the Issue	(33)	(33)
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	327	471
	Net increase (decrease) in cash held	(321)	(917)
1.20	Cash at beginning of quarter/year to date	884	1,473
1.21	Exchange rate adjustments to item 1.20	(4)	3
1.22	Cash at end of quarter	559	559

* Shares issued subsequent to quarter end.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$'000
1.23 Aggregate amount of payments to the parties included in item 1.2	138
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$58k – director remuneration payments.

\$81k – payments for administrative staff, technical staff and provision of a fully serviced office

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

	Amount available \$'000	Amount used \$'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

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Estimated cash outflows for next quarter

	\$'000
4.1 Exploration and evaluation	122
4.2 Development	-
4.3 Production	-
4.4 Administration	165
Total	287

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$'000	Previous quarter \$'000
5.1 Cash on hand and at bank	84	884
5.2 Deposits at call	475	-
5.3 Bank overdraft	-	-
Total: Cash at end of quarter (item 1.22)	559	884

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

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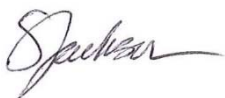
Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 + Ordinary securities	324,884,273	324,884,273	Fully Paid	Fully Paid
7.4 Changes during quarter				
(a) Increases through issue of new shares	11,200,001	11,200,001	4.5 cents	4.5 cents
(b) Increases through exercise of options	-	-	-	-
7.5 + Convertible debt securities	-	-	-	-
7.6 Changes during quarter				
(a) Increases	-	-	-	-
(b) Decreases	-	-	-	-
7.7 Options/Rights			Exercise Price	Expiry Date
Unquoted options	2,000,000	-	10.4 cents	31/12/2016
	4,000,000	-	12.1 cents	31/12/2016
	19,875,000	-	5 cents	30/11/2016
Unquoted rights	4,250,000	-	-	5/12/2017
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Performance Shares	-	-	-	-
7.12 Changes during quarter				
(a) Expired during quarter	-	-	-	-
7.13 Debentures (totals only)	-	-		
7.14 Unsecured notes (totals only)	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Mr Steven Jackson
Company Secretary
Date: 29 January 2016

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.