ANOVA
METALS LIMITED

ANNUAL REPORT 2016

www.anovametals.com.au

CORPORATE DIRECTORY

DIRECTORS

Mr Malcolm James
Non-Executive Chairman

Mr Gregory (Bill) Fry
Executive Director

Mr Alasdair Cooke
Non-Executive Director

COMPANY SECRETARY

Mr Steven Jackson

REGISTERED OFFICE IN AUSTRALIA

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Subiaco WA 6008
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SHARE REGISTRY

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Perth WA 6000
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STOCK 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

SOLICITORS

Fairweather Corporate Lawyers
595 Stirling Highway
Cottesloe WA 6011

BANKERS

Westpac Banking Corporation
Level 6, 109 St Georges Terrace
Perth WA 6000

WEBSITE

www.anovametals.com.au

ANOVA METALS LIMITED

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CHAIRMAN'S LETTER

The 2016 financial year and the few months since have seen our Company focussed on two major areas.

The first has been the continued progress of the Big Springs Project in Nevada towards production and the second has been ensuring the financial position of the Company.

In both areas significant progress has been made, and whilst the objective of commercial production is still to be achieved, the Company is putting in every effort to conclude the approvals process that has delayed production.

During the year the management team has focussed on providing the relevant authorities with updated information. In the four major components of permitting all required and requested information has been provided by the Company and importantly in all areas there have been no adverse objections or comments.

As a result of the detailed work by management the Company is confident that the necessary approvals (further detailed in the Review of Operations) will be issued in the coming months.

On the corporate front the Company has worked through the difficult market conditions of 2015 and has been able to secure additional capital during, and subsequent to, the year in review.

It is pleasing that the efforts of the Company have been recognised by the investment community. This has clearly been reflected in the Company's share price increasing some 300% to the date of this report.

With the Big Springs permitting approval process coming to a successful end in the coming months, and a healthy financial position, the Company is looking forward to the coming year with excitement and enthusiasm.

The Board and executive team will continue to build value for shareholders and the benefits that flow from production revenue and an expanded project base.

Once again I must, on behalf of the Board, express our sincere appreciation to the management and project teams, both in Perth and Nevada, for their continued (and very successful) efforts to add value for all stakeholders.

Yours sincerely

MALCOLM JAMES
Non-Executive Chairman

HIGHLIGHTS

1. **Mine permitting well advanced**
   - Water Pollution Control permit received.
   - Plan of Operations deemed complete
   - Awaiting final environmental approval

2. **Metallurgical test work completed**

3. **Mining and geotechnical studies for open pit mining at 601 completed**

4. **Key drilling targets defined for North and South Sammy and Beadles Creek**

5. **Drilling permits received and drill rigs mobilised**

6. **Company fully funded for commencement of mining at 601 and exploration programs for the next 12 months**

REVIEW OF OPERATIONS

PERMITTING

During the year the Company made substantial progress towards obtaining final regulatory approval that will allow mining to commence at Big Springs. Activities have been focussed on:

- Water Pollution Control Permit
- Mine Plan of Operations & Environmental Assessment
- Nevada Reclamation Permit
- Exploration Plan of Operations

The permitting timeframe was extended due to extra information requests however the Company has endeavoured to finalise the process and gain its approvals to operate as expeditiously as possible. The status of the major components of permitting are discussed below.

WATER POLLUTION CONTROL PERMIT

Following feedback from the Nevada Division of Environmental Protection ("NDEP") in Q2 2015, Anova revised and expanded the level of engineering design to all mining related infrastructure, including comprehensive design of the site stormwater management structures, infrastructure pad, road systems and waste disposal areas. The updated designs incorporate results of additional basin-specific infiltration testing completed in the June 2015 quarter. The use of the updated infiltration rates led to a reduction in the overall size of water management features, allowing for lower construction costs and bond requirements. The Company also completed additional geochemical testwork as requested by NDEP.

The updated engineering design report was completed and incorporated into a revised Water Pollution Control Permit application submitted to the NDEP Q4 2015.

In February 2016, the Company received notification from the NDEP of its decision to issue a draft Water Pollution Control Permit for the Project. The Notice of Proposed Action was advertised on 23 February 2016 and the statutory 30-day public comment period concluded in on 24 March 2016. Significantly, no public comments or objections were received and the permit was subsequently granted at the end of the quarter.

MINE PLAN OF OPERATIONS & ENVIRONMENTAL ASSESSMENT

The Mine Plan of Operations ("Mine Plan") is the key planning document required by the United States Forest Service ("USFS") for projects on Forest Service administered lands. The Mine Plan provides extensive detail on the proposed project, how it will be operated, its potential impact on the environment and the plan for closure and reclamation. The Mine Plan is effectively a referral document for assessment of a project through the National Environmental Policy Act ("NEPA") process. USFS published a Notice of Proposed Action under the NEPA process in October 2014 and limited public comment was received.

An updated Mine Plan, including the outputs from the detailed engineering study, was finalised and submitted to the USFS early in the first quarter of 2016 and development plans were submitted to USFS in February 2016. A review was completed by USFS personnel which resulted in further minor design modifications. An ammended Mine Plan was submitted to the USFS in March 2016 and Anova was subsequently notified by USFS that the Plan has been deemed "complete."

Preparation of the Environmental Assessment ("EA") for the Mine Plan was advanced with a number of USFS staff and consultants committed to completing the various specialist reports that are at the core of the EA. All specialist reports were delivered to USFS for final review during Q2 2016. The findings of the specialist reports were incorporated into the EA, forming the basis of USFS's draft decision on the proposed Mine Plan.

The USFS consulted with the US Fish and Wildlife Service ("USFWS") as required under the NEPA process in parallel with completing the EA. The company has been working closely with the USFS and its consultants to ensure all requests for further information are dealt with in a timely manner. As far as the company is aware all information required for completion of the EA and preparation of the draft decision has been provided by the company and subject to completion of the USFWS consultation, a draft decision is expected to be issued by the USFS shortly. The EA is the last stage in the mining approvals process.

The Mine Plan, once approved, will authorise project development and resource definition drilling within the Mine Project Area. Drilling targets are discussed below in the Exploration section.

NEVADA RECLAMATION PERMIT

The Nevada State Reclamation Permit ("NRP") application document reflects the USFS Plan of Operations and includes the Reclamation Cost Estimate ("RCE").

Anova was assigned a new permit writer in February 2016 due to staff turnover at NDEP and a site visit was subsequently completed. Anova was advised of one minor modification to the RCE which was updated and resubmitted.

EXPLORATION PLAN OF OPERATIONS

The Company prepared and submitted an Exploration Plan of Operations ("Exploration Plan") with USFS to enable drilling to commence at the priority Beadles Creek target. In June 2016 Anova received notification from USFS that the Exploration Plan had been approved. The Exploration Plan has been provided to the Reclamation Branch of the Nevada Division of Environmental Protection to finalise calculation of the environmental bond.

Approval to drill test the priority resource development targets that fall within the Mine Plan of Operations boundary, is being obtained as part of the Big Springs Mining Project approvals.

ENGINEERING AND GEOLOGY PIT OPTIMISATION AND MINE DESIGN

The Company's specialist mining consultants updated the open pit optimisation utilising the updated 601 block model and geotechnical parameters. A refined pit design will be completed in preparation for mining. Further quotes were also obtained for ore transport to the Jerritt Canyon toll treating facility.

REVIEW OF OPERATIONS (continued)

METALLURGICAL TESTWORK

A testwork program was conducted at Hazen Research, results were received for composite samples from the four diamond core holes drilled in late 2014 within the proposed 601 open pit mining area at South Sammy. The results received from Hazen confirm historical recoveries for the 601 open pit.

Three further representative composites from the North Sammy, 303 and Thumb Shoots plus the South Sammy 701 Zone were created from historical core and analysed using the same procedure. The results again confirm the historical recoveries for the North Sammy zones of mineralisation.

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 received were 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 will continue into late 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.

EXPLORATION

During the year, the Company continued to review the extensive exploration database it received when it acquired the Big Springs project to generate drilling targets.

With the primary focus being permitting and infill drilling at the proposed initial mining area at the 601 Deposit, there has been no opportunity to conduct wider exploration work at Big Springs. The Jerritt Canyon area immediately to the south of the Big Springs Project (11 Moz identified, 8 Moz produced, continuous exploration since the 1980's), highlights the prospectivity of the Big Springs Project area (350,000oz produced, 1 Moz in resource, limited exploration since mine closure in 1993) and opportunity for significant further ounces to be identified through systematic exploration work.

However, with the permitting nearing completion and a decision to commence mining at the 601 Deposit soon to be made by the Company, the emphasis is shifting to initiating exploration work at Big Springs.

The initial exploration focus will be high grade resource extension targets to look to expand the Big Springs resource. Immediate high priority targets planned to be tested include:

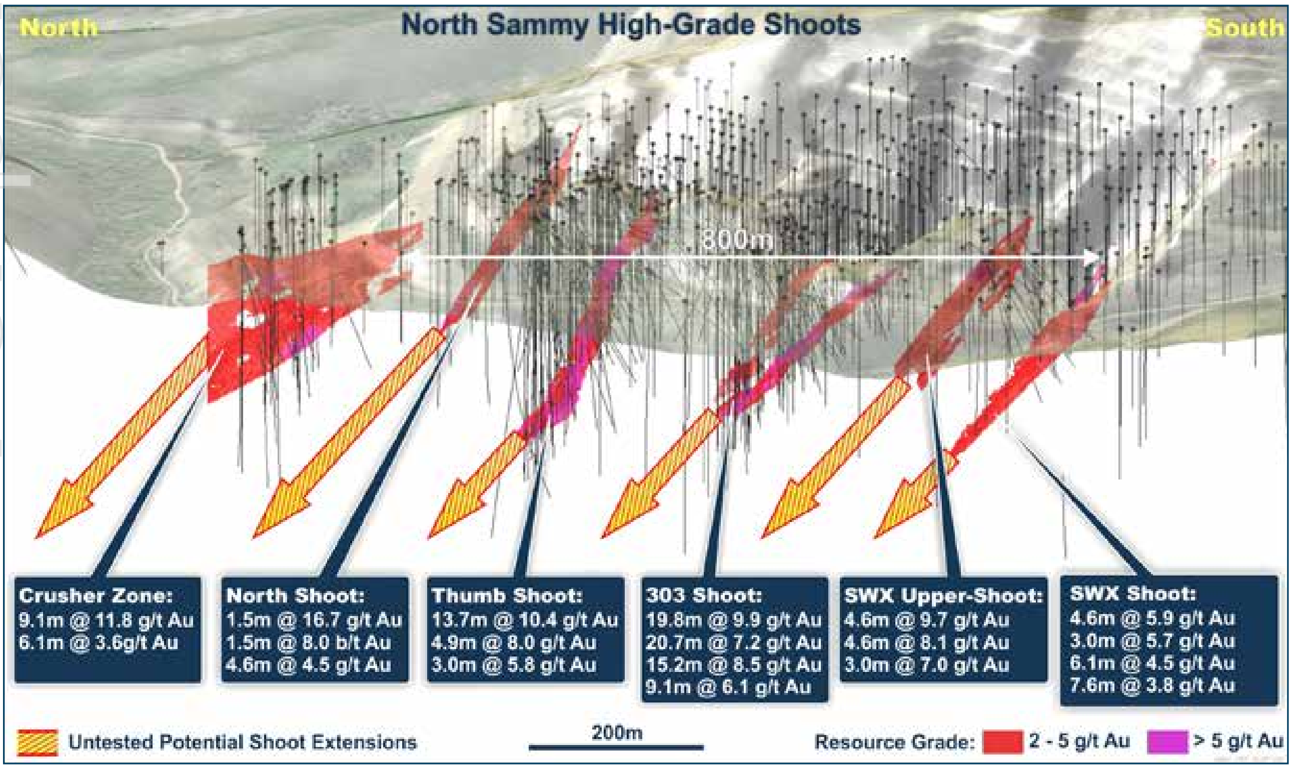
- North Sammy – potential down plunge extensions of existing shoots
- South Sammy – potential down plunge extensions the 601 and 701 zones
- Beadles Creek – up-dip and down-dip of high grade zone

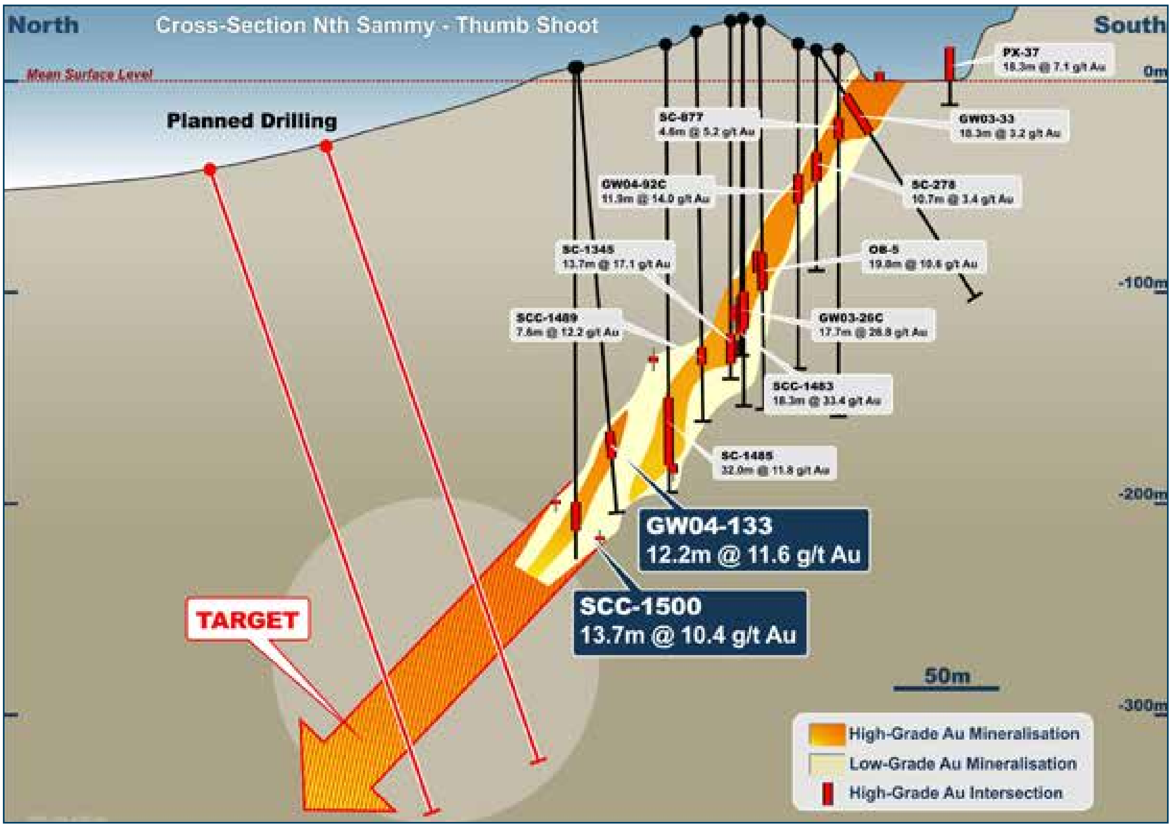
NORTH SAMMY
POTENTIAL DOWN PLUNGE EXTENSIONS OF EXISTING SHOOTS

Some of the highest grade mineralised zones at Big Springs are the North Sammy shoots, in particular both the 303 and Thumb shoots. The other shoots are also highly prospective with a number of them tested to very shallow depths (SWX Upper only to 65m, North to 90m, Crusher to 130m and SWX to 150m). The deepest downhole drilled intersection highlights on each North Sammy shoots include:

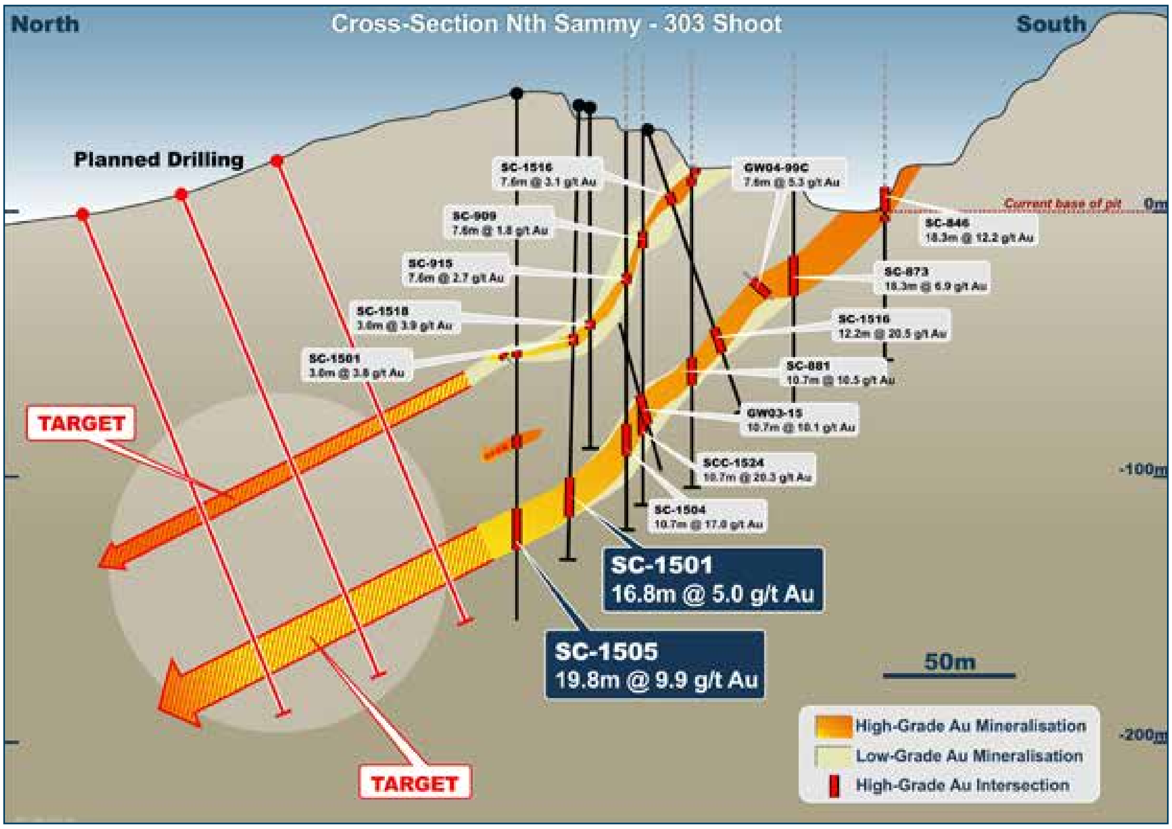
- 303 – 19.8m at 9.9g/t Au
- Thumb - 13.7m at 10.4g/t Au
- Crusher - 9.1m at 11.8g/t Au
- SWX Upper – 4.6m at 9.7g/t Au
- SWX - 4.6m at 5.9g/t Au
- North – 1.5m at 16.7g/t Au

The Company plans to test each of these with a number of down-dip drillholes. In addition, 6 diamond core holes are planned into the known resource zones for geotechnical analysis and to obtain additional metallurgical samples. This information will assist in refining the underground mine planning.

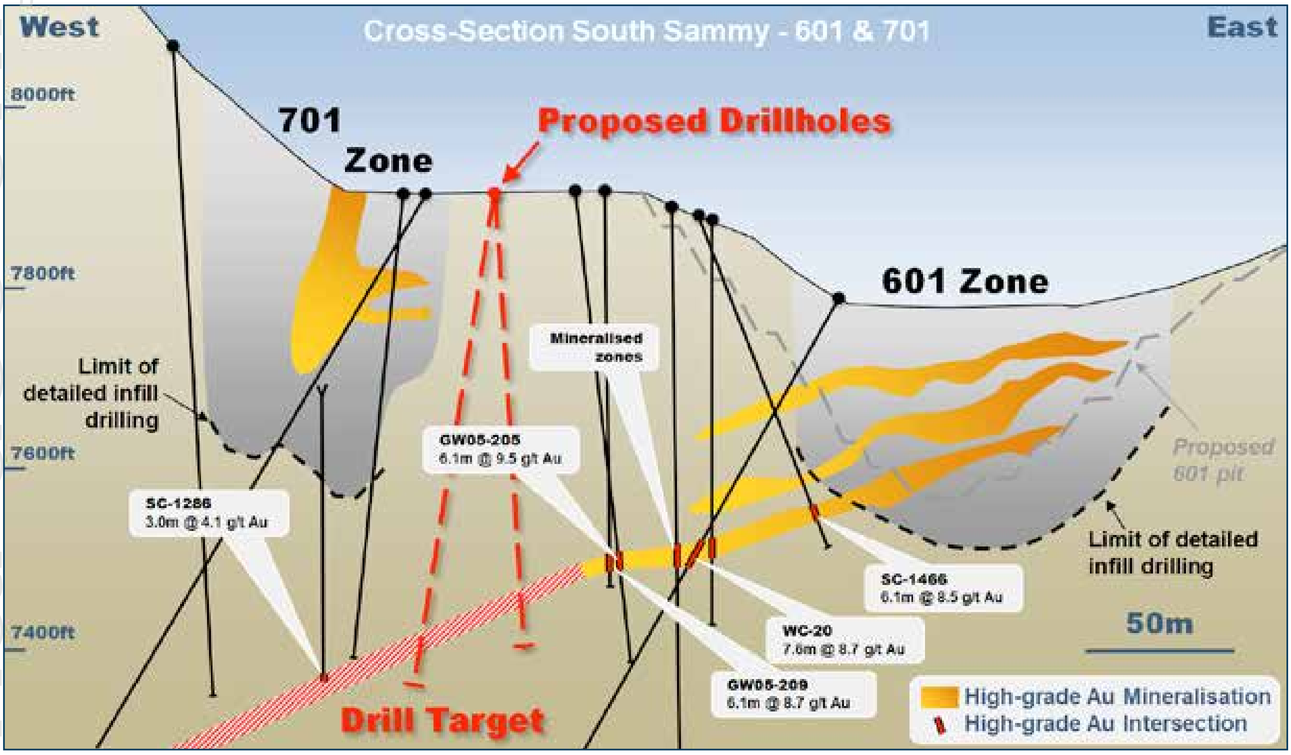


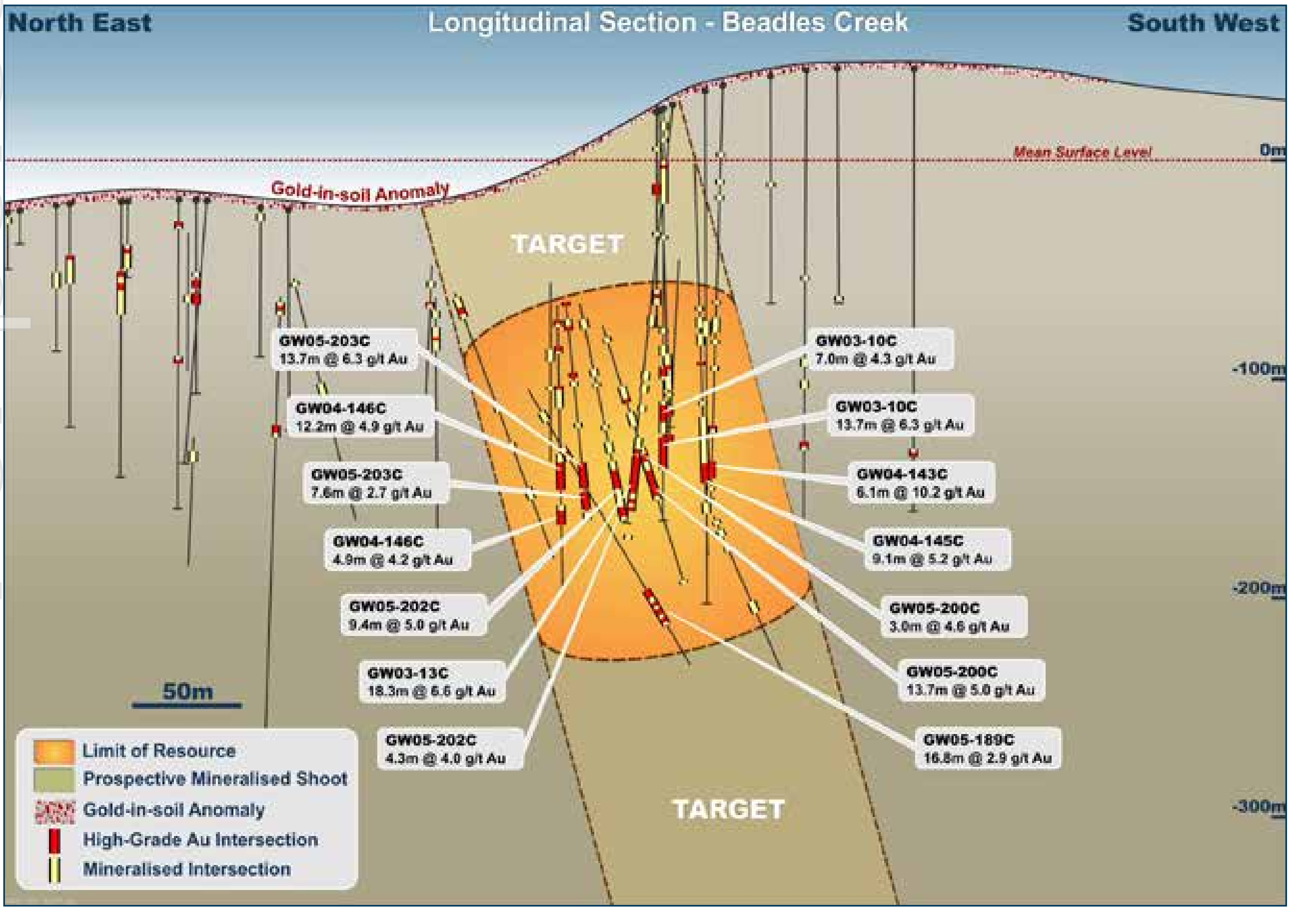


North
Cross-Section Nth Sammy - Thumb Shoot
South
Mean Surface Level
Planned Drilling
PX-37
18.3m @ 7.1 g/t Au
0m
SC-877
4.6m @ 5.2 g/t Au
GW03-33
18.3m @ 3.2 g/t Au
GW04-92C
11.3m @ 14.0 g/t Au
SC-278
10.7m @ 3.4 g/t Au
SC-1345
13.7m @ 17.1 g/t Au
OB-5
19.8m @ 10.6 g/t Au
-100m
SCC-1489
7.6m @ 12.2 g/t Au
GW03-26C
17.7m @ 26.8 g/t Au
SCC-1483
18.3m @ 33.4 g/t Au
SC-1485
32.0m @ 11.8 g/t Au
-200m
GW04-133
12.2m @ 11.6 g/t Au
SCC-1500
13.7m @ 10.4 g/t Au
TARGET
50m
-300m
High-Grade Au Mineralisation
Low-Grade Au Mineralisation
High-Grade Au Intersection



North
Cross-Section Nth Sammy - 303 Shoot
South
Planned Drilling
SC-1516
7.6m @ 3.1 g/t Au
GW04-99C
7.6m @ 5.3 g/t Au
Current base of pit
0m
SC-909
7.6m @ 1.8 g/t Au
SC-846
18.3m @ 12.2 g/t Au
SC-915
7.6m @ 2.7 g/t Au
SC-873
18.3m @ 6.9 g/t Au
SC-1518
3.0m @ 3.9 g/t Au
SC-1516
12.2m @ 20.5 g/t Au
SC-1501
3.0m @ 3.8 g/t Au
SC-881
10.7m @ 10.5 g/t Au
TARGET
GW03-15
10.7m @ 10.1 g/t Au
SCC-1524
10.7m @ 20.3 g/t Au
-100m
SC-1504
10.7m @ 17.0 g/t Au
SC-1501
16.8m @ 5.0 g/t Au
SC-1505
19.8m @ 9.9 g/t Au
50m
High-Grade Au Mineralisation
Low-Grade Au Mineralisation
High-Grade Au Intersection
-200m
TARGET


West
Cross-Section South Sammy - 601 & 701
East
8000ft
7800ft
7600ft
7400ft
701 Zone
Proposed Drillholes
601 Zone
Mineralised zones
Limit of detailed infill drilling
GW05-205
6.1m @ 9.5 g/t Au
SC-1286
3.0m @ 4.1 g/t Au
Proposed 601 pit
Limit of detailed infill drilling
SC-1466
6.1m @ 8.5 g/t Au
WC-20
7.6m @ 8.7 g/t Au
50m
GW05-209
6.1m @ 8.7 g/t Au
Drill Target
High-grade Au Mineralisation
High-grade Au Intersection


North East
Longitudinal Section - Beadles Creek
South West
Mean Surface Level
0m
Gold-in-soil Anomaly
TARGET
GW05-203C
13.7m @ 6.3 g/t Au
GW03-10C
7.0m @ 4.3 g/t Au
-100m
GW04-146C
12.2m @ 4.9 g/t Au
GW03-10C
13.7m @ 6.3 g/t Au
GW05-203C
7.6m @ 2.7 g/t Au
GW04-143C
6.1m @ 10.2 g/t Au
GW04-146C
4.9m @ 4.2 g/t Au
GW04-145C
9.1m @ 5.2 g/t Au
-200m
GW05-202C
9.4m @ 5.0 g/t Au
GW05-200C
3.0m @ 4.6 g/t Au
50m
GW03-13C
18.3m @ 6.6 g/t Au
GW05-200C
13.7m @ 5.0 g/t Au
GW05-202C
4.3m @ 4.0 g/t Au
GW05-189C
16.8m @ 2.9 g/t Au
Limit of Resource
Prospective Mineralised Shoot
Gold-in-soil Anomaly
High-Grade Au Intersection
Mineralised Intersection
TARGET
-300m

SOUTH SAMMY
POTENTIAL DOWN PLUNGE EXTENSIONS 601 ZONE

An immediate high priority target to be tested at South Sammy are the down-plunge extensions to the proposed underground mining zones below the planned 601 open pit. The deepest drilled intersections (virtually true thickness) into this target include:

- 6.1m @ 9.5g/t Au; and
- 6.1m @ 8.7g/t Au

Anova plans to test this zone with 4-6 holes.

BEADLES CREEK
UP-DIP AND DOWN-DIP OF HIGH GRADE ZONE

A key part of the Big Springs resource at Beadles Creek is highlighted by a number of holes that intersect what appears to be a thicker high grade shoot. These downhole intersections include:

- 6.1m @ 10.2g/t Au;
- 18.3m @ 6.6g/t Au;
- 13.7m @ 6.3g/t Au;
- 13.7m @ 6.3g/t Au;
- 13.7m @ 5.0g/t Au;
- 9.1m @ 5.2g/t Au;
- 9.4m @ 5.0g/t Au;
- 12.2m @ 4.9g/t Au;

At surface above these intersections is a significant gold-in-soil geochemical anomaly. Between the defined Beadles Creek resource margins at depth (including these drillhole intersections) and the surface geochemical anomaly is approximately 75-100m of untested vertical extent. The zone is also open down-dip. Anova plans to test both these up-dip and down-dip zones with up to eight drillholes.

SOUTH SAMMY TO BEADLES CREEK
BEADLES CREEK STRUCTURAL CORRIDOR TARGET

Between the South Sammy (601 Zone) and Beadles Creek prospects (that form part of the Big Springs resource) is 800m of strike of the mineralised Beadles Creek structural corridor which is covered by up to 70m of glacial moraine cover. As such, any surface geochemical anomaly is masked. Previous drilling has sparsely intersected this target zone at poor drilling angles (all vertical holes), with key downhole intersections including:

- 19.8m @ 3.1g/t Au
  (including 3.0m @ 10.0g/t Au);
- 4.6m @ 5.7g/t Au;
- 10.7m @ 3.4g/t Au;
- 7.6m @ 3.2g/t Au;
- 1.5m @ 6.9g/t Au;
- 1.5m @ 5.5g/t Au

Anova plans a systematic grid drilling approach to test this zone at more appropriate angles to assist in understanding the geology and its relationship to the mineralisation.

DORSEY CREEK
POTENTIAL DOWN DIP EXTENSION

Whilst the existing zone at Dorsey Creek zone is not particularly high grade, the deepest intersections drilled to date are actually quite shallow and the zone is open at depth. These intersections include:

- 21.3m @ 1.6g/t Au; and
- 7.6m @ 1.9g/t Au
  (including 1.5m @ 4.7g/t Au);

FURTHER TARGET GENERATION

Anova continues to review and generate exploration targets utilising its extensive exploration database, including surface geochemistry (rock chip, soils and stream sediment samples), geological and structural mapping, geophysics (magnetics, electro-magnetics, radiometrics and limited IP) plus limited drilling away from the historically mined areas.

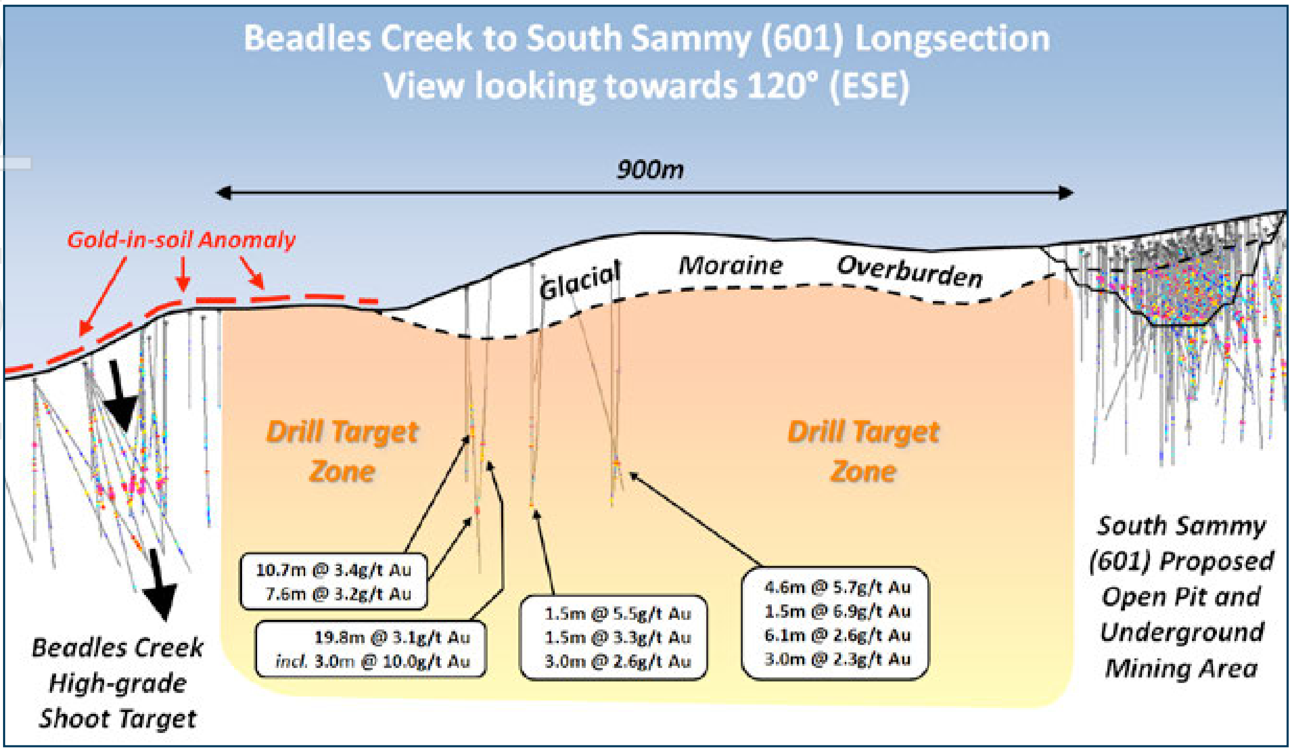
In addition to the abovementioned high priority targets, detailed review and planning for follow up exploration work are focussed on known significant mineralised intersections in the broadly spaced historic drilling away from the defined resource zones. These include:

- 700m south-south-west of South Sammy - Hole SC-1236
  - From 59.4m – 77.7m @ 2.1g/t Au (includes 6.1m @ 6.8g/t Au and 6.1m @ 5.7g/t Au)
- 950m south of South Sammy - Hole DC-30 (Figure 8)
  - From 32m – 70.1m @ 0.7g/t Au (includes 6.1m @ 1.9g/t Au)
- Lower Mac Ridge - Hole BC-48 - 7.6m @ 3.5g/t Au (from 9.1m)
- North-east of Beadles Creek - Hole BC-48 – 3.0m @ 3.4g/t Au (from 41.1m)

CORPORATE

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 in early October 2015. An additional raising was completed in March 2016 of $1.5m (before costs) by the issue of 33,333,335 shares at 4.5 cents per share.

In August 2016, the Company conducted a raising of $7.1m at 13 cents per share. A Share Purchase Plan conducted in August and September 2016 on the same terms also raised $2.17m from existing shareholders. Funds from these raisings will be utilised to ramp up exploration activities at the Company's Big Springs Project.



ANNUAL STATEMENT OF MINERAL RESOURCES

DEPOSIT	RESOURCE CATEGORY	CUT-OFF (G/T AU)	TONNES (KT)	GRADE (G/T AU)	CONTAINED GOLD (OUNCES)
NORTH SAMMY	Measured	1.0	346	7.0	77,900
	Indicated	1.0	615	3.1	62,200
	Inferred	1.0	498	2.8	44,100
	Sub-total	**1.0**	**1,458**	**3.9**	**184,100**
NORTH SAMMY CONTACT	Measured	0.8	-	-	-
	Indicated	0.8	443	2.3	32,400
	Inferred	0.8	864	1.4	39,300
	Sub-total	**0.8**	**1,307**	**1.7**	**71,800**
SOUTH SAMMY	Measured	0.8	295	4.0	38,200
	Indicated	0.8	3,586	2.1	239,900
	Inferred	0.8	3,721	1.3	159,000
	Sub-total	**0.8**	**7,602**	**1.8**	**437,200**
BEADLES CREEK	Measured	1.0	-	-	-
	Indicated	1.0	119	2.2	8,200
	Inferred	1.0	2,583	2.3	193,500
	Sub-total	**1.0**	**2,702**	**2.3**	**201,700**
MAC RIDGE	Measured	0.8	-	-	-
	Indicated	0.8	-	-	-
	Inferred	0.8	1,887	1.3	81,100
	Sub-total	**0.8**	**1,887**	**1.3**	**81,100**
DORSEY CREEK	Measured	0.8	-	-	-
	Indicated	0.8	-	-	-
	Inferred	0.8	278	1.4	12,900
	Sub-total	**0.8**	**278**	**1.4**	**12,900**
BRIENS FAULT	Measured	1.0	-	-	-
	Indicated	1.0	-	-	-
	Inferred	1.0	799	1.6	40,500
	Sub-total	**1.0**	**799**	**1.6**	**40,500**
TOTAL	**Measured**		**641**	**5.7**	**116,100**
	Indicated		**4,762**	**2.2**	**343,300**
	Inferred		**10,630**	**1.7**	**570,400**
	Total		**16,032**	**2.0**	**1,029,900**

Note: Appropriate rounding applied

The statement of mineral resources for Big Springs project was prepared in 2014 and has not been updated in the period. A summary of the governance and internal controls applicable to Anova Metal's Mineral Resources and Ore Reserves processes are as follows:

- Review and validation of drilling and sampling methodology and data spacing, geological logging, data collection and storage, sampling and analytical quality control;
- Geological interpretation – review of known and interpreted structure, lithology and weathering controls;
- Estimation methodology – relevant to mineralisation style and proposed mining methodology;
- Comparison of estimation results with previous mineral resource models, and with results using alternate modelling methodologies;
- Statistical and visual validation of block model against raw composite data; and
- Use of Competent Persons in the preparation of JORC Mineral Resources updates.

TENEMENT SCHEDULE

PROJECT NAME	PROSPECT	CLAIMANT	MINING CLAIM NAME
Big Springs	Big Springs	Anova Metals USA LLC	NDEEP-31, NDEEP-32
Big Springs	Big Springs	Anova Metals USA LLC	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	Anova Metals USA LLC	NDEEP-18, NDEEP-19, NDEEP-35, NDEEP-36, NDEEP-52, NDEEP-53
Big Springs	Dorsey Creek	Anova Metals USA LLC	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	Anova Metals USA LLC	DOME-1 to DOME-51
Big Springs	Golden Dome	Anova Metals USA LLC	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	Anova Metals USA LLC	MP-14, MP-16, MP-18, MP-41, MP-43, MP-45, MP-47, MP-49 to MP-54
Big Springs	Golden Dome	Anova Metals USA LLC	NDEEP-1 to NDEEP-16, NDEEP-44 to NDEEP-90
Big Springs	Jack Creek	Anova Metals USA LLC	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	Anova Metals USA LLC	BS-500 to BS-550, BS-557 to BS-579
Big Springs	Mac Ridge	Anova Metals USA LLC	MR-500 to MR-524, MR-526, MR-528, MR-530 to MR-537
Big Springs	Mac Ridge	Anova Metals USA LLC	NDEEP-33, NDEEP-34
Big Springs	Mac Ridge	Anova Metals USA LLC	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 (SW¼ SW¼); SE¼ SW¼; NE¼ SE¼

Section 8 - N ½ SW¼

Section 31 - Lot 2 (SW¼ NW¼); Lot 4 (SW¼ SW¼); NE¼ SW¼; SW¼ SE¼

ANOVA METALS LIMITED

FINANCIAL REPORT
30 June 2016

DIRECTORS' REPORT

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 2016.

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 Malcolm James, Non-Executive Chairman
Mr Gregory (Bill) Fry, Executive Director
Mr Alasdair Cooke, Non-Executive Director
Mr Steven Jackson, Company Secretary

Directors' Meetings

	Board of Directors*		Remuneration Committee		Audit Committee	
	Present	Held	Present	Held	Present	Held
Malcolm James	6	6	1	1	2	2
Gregory (Bill) Fry	6	6	-	-	-	-
Alasdair Cooke	6	6	1	1	2	2

** Includes meetings by circular resolution.*

Directors and Company Secretary

Malcolm James B.Bus, FAICD, MAusIMM | 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
Algae.Tec Ltd
Vimy Resources Ltd

Special responsibilities
Chairman
Chairman of the audit and remuneration committees

Former listed directorships in the last three years
Triton Minerals Ltd

Interests in shares and options
558,191 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 Alasdair Cooke BSc (Hons) | Non-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 15 years managing public resource companies.

Mr Cooke is a founding partner of the Mitchell River Group, which over the past 15 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
EVE Investments Limited

Special responsibilities
Member of the remuneration committee

Former listed directorships in the last three years
n/a

Interests in shares and options
24,889,299 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 Gregory Fry | 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
EVE Investments Limited

Special responsibilities
Member of the audit committee

Former listed directorships in the last three years
n/a

Interests in shares and options
5,600,000 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 Steven Jackson BEc CPA | Company Secretary
The company secretary is Mr Steven Jackson BEc CPA. 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. Mr Jackson was appointed to the position of Company Secretary on 11 September 2013.

2. Review of Operations

Anova Metals Limited is a mineral exploration company which listed on the ASX in 2011. The Company's focus is on the Big Springs Project in Nevada, USA.

Big Springs Project, Nevada, USA
Big Springs is a Carlin-style gold deposit located in an established gold mining region, 80km north of Elko in north eastern Nevada, USA. The Project's gold deposits exhibit many of the characteristics of Carlin-type deposits and comprise five separate zones. The Project was mined by Freeport McMoRan between 1987 and 1993 producing 386,000 ounces of gold from several open pits. Mining at the Project ceased in 1993 due to low gold prices. From 2002, the then owners of the Project, Gateway Gold Corp (Gateway) completed exploration work on the Project including 311 RC and diamond drillholes. This work was combined with pre-existing drill data to produce a combined database with over 2,400 drill holes. In addition to the complex of known deposits, the Project also comprises more than 50 km^2 of highly prospective stratigraphy which contains significant, untested, gold-in-soil geochemical anomalies as well as a number of geophysical targets that remain to be drill tested.

Permitting
During the year the Company made substantial progress towards obtaining final regulatory approval that will allow mining to commence at Big Springs. Activities have been focussed on:

- Water Pollution Control Permit
- Mine Plan of Operations & Environmental Assessment
- Nevada Reclamation Permit
- Exploration Plan of Operations

The permitting timeframe was extended due to extra information requests however the Company has endeavoured to finalise the process and gain its approvals to operate as expeditiously as possible. The status of the major components of permitting are discussed below.

Water Pollution Control Permit
Following feedback from the Nevada Division of Environmental Protection ("NDEP") in Q2 2015, Anova revised and expanded the level of engineering designs of all mining related infrastructure, including comprehensive design of the site stormwater management structures, infrastructure pad, road systems and waste disposal areas. The updated designs incorporate results of additional basin-specific infiltration testing completed in the June 2015 quarter. The use of the updated infiltration rates led to a reduction in the overall size of water management features, allowing for lower construction costs and bond requirements. The Company also completed additional geochemical testwork as requested by NDEP.

The updated engineering design report was completed and incorporated into a revised Water Pollution Control Permit application submitted to the NDEP Q4 2015.

In February 2016, the Company received notification from the NDEP of its decision to issue a draft Water Pollution Control Permit for the Project. The Notice of Proposed Action was advertised on 23 February 2016 and the statutory 30-day public comment period concluded in on 24 March 2016. Significantly, no public comments or objections were received and the permit was subsequently granted at the end of the quarter.

Mine Plan of Operations & Environmental Assessment
The Mine Plan of Operations ("Mine Plan") is the key planning document required by the United States Forest Service ("USFS") for projects on Forest Service administered lands. The Mine Plan provides extensive detail on the proposed project, how it will be operated, its potential impact on the environment and the plan for closure and reclamation. The Mine Plan is effectively a referral document for assessment of a project through the National Environmental Policy Act ("NEPA") process. USFS published a Notice of Proposed Action under the NEPA process in October 2014 and limited public comment was received.

An updated Mine Plan, including the outputs from the detailed engineering study, was finalised and submitted to the USFS early in the first quarter of 2016 and development plans were submitted to USFS in February 2016. A review was completed by USFS personnel which resulted in further minor design modifications. An ammended Mine Plan was submitted to the USFS in March 2016 and Anova was subsequently notified by USFS that the Plan has been deemed "complete."

Preparation of the Environmental Assessment ("EA") for the Mine Plan was advanced with a number of USFS staff and consultants committed to completing the various specialist reports that are at the core of the EA. All specialist reports were delivered to USFS for final review during Q2 2016. The findings of the specialist reports were incorporated into the EA, forming the basis of USFS's draft decision on the proposed Mine Plan. The USFS consulted with the US Fish and Wildlife Service ("USFWS") as required under the NEPA process in parallel with completing the EA. The company has been working closely with the USFS and its consultants to ensure all requests for further information are dealt with in a timely manner. As far as the company is aware all information required for completion of the EA and preparation of the draft decision has been provided by the company and subject to completion of the USFWS consultation, a draft decision is expected to be issued by the USFS shortly. The EA is the last stage in the mining approvals process.

The Mine Plan, once approved, will authorise project development and resource definition drilling within the Mine Project Area. Drilling targets are discussed below in the Exploration section.

Nevada Reclamation Permit
The Nevada State Reclamation Permit ("NRP") application document reflects the USFS Plan of Operations and includes the Reclamation Cost Estimate ("RCE").

Anova was assigned a new permit writer in February 2016 due to staff turnover at NDEP and a site visit was subsequently completed. Anova was advised of one minor modification to the RCE which was updated and resubmitted.

Exploration Plan of Operations
The Company prepared and submitted an Exploration Plan of Operations ("Exploration Plan") with USFS to enable drilling to commence at the priority Beadles Creek target. In June 2016 Anova received notification from USFS that the Exploration Plan had been approved. The Exploration Plan has been provided to the Reclamation Branch of the Nevada Division of Environmental Protection to finalise calculation of the environmental bond.

Approval to drill test the priority resource development targets that fall within the Mine Plan of Operations boundary, is being obtained as part of the Big Springs Mining Project approvals.

Engineering and Geology
Pit optimisation and mine design
The Company's specialist mining consultants updated the open pit optimisation utilising the updated 601 block model and geotechnical parameters. A refined pit design will be completed in preparation for mining. Further quotes were also obtained for ore transport to the Jerritt Canyon toll treating facility.

Metallurgical testwork
A testwork program was conducted at Hazen Research, results were received for composite samples from the four diamond core holes drilled in late 2014 within the proposed 601 open pit mining area at South Sammy. The results received from Hazen confirm historical recoveries for the 601 open pit.

Three further representative composites from the North Sammy, 303 and Thumb Shoots plus the South Sammy 701 Zone were created from historical core and analysed using the same procedure. The results again confirm the historical recoveries for the North Sammy zones of mineralisation.
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 received were 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 will continue into late 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.

Exploration
During the year, the Company continued to review the extensive exploration database it received when it acquired the Big Springs project, including surface geochemistry (rock chip, soils and stream sediment samples), geological and structural mapping, geophysics (magnetics, electro-magnetics, radiometrics and limited IP) plus limited drilling away from the historically mined areas.

With the primary focus being permitting and infill drilling at the proposed initial mining area at the 601 Deposit, there has been no opportunity to conduct wider exploration work at Big Springs. The Jerritt Canyon area immediately to the south of the Big Springs Project (11 Moz identified, 8 Moz produced, continuous exploration since the 1980's), highlights the prospectivity of the Big Springs Project area (350,000oz produced, 1 Moz in resource, limited exploration since mine closure in 1993) and opportunity for significant further ounces to be identified through systematic exploration work.

However, with the permitting nearing completion and a decision to commence mining at the 601 Deposit soon to be made by the Company, the emphasis is shifting to initiating exploration work at Big Springs.

The initial exploration focus will be high grade resource extension targets to look to expand the Big Springs resource. Immediate high priority targets planned to be tested include:

- North Sammy – potential down plunge extensions of existing shoots
- South Sammy – potential down plunge extensions the 601 and 701 zones
- Beadles Creek – up-dip and down-dip of high grade zone

North Sammy – potential down plunge extensions of existing shoots
Some of the highest grade mineralised zones at Big Springs are the North Sammy shoots, in particular both the 303 and Thumb shoots. The other shoots are also highly prospective with a number of them tested to very shallow depths (SWX Upper only to 65m, North to 90m, Crusher to 130m and SWX to 150m). The deepest downhole drilled intersection highlights on each North Sammy shoots include:

- 303 – 19.8m at 9.9g/t Au
- Thumb - 13.7m at 10.4g/t Au
- Crusher - 9.1m at 11.8g/t Au
- SWX Upper – 4.6m at 9.7g/t Au
- SWX - 4.6m at 5.9g/t Au
- North – 1.5m at 16.7g/t Au

The Company plans to test each of these with a number of down-dip drillholes. In addition, 6 diamond core holes are planned into the known resource zones for geotechnical analysis and to obtain additional metallurgical samples. This information will assist in refining the underground mine planning.

South Sammy – potential down plunge extensions 601 zone
An immediate high priority target to be tested at South Sammy are the down-plunge extensions to the proposed underground mining zones below the planned 601 open pit. The deepest drilled intersections (virtually true thickness) into this target include:

- 6.1m @ 9.5g/t Au; and
- 6.1m @ 8.7g/t Au

Approximately 150 down-plunge, a historic hole ended potentially as it entered the target zone with an intersection of 3m @ 4.1g/t. Anova plans to test this zone with 4-6 holes.

Beadles Creek – up-dip and down-dip of high grade zone
A key part of the Big Springs resource at Beadles Creek is highlighted by a number of holes that intersect what appears to be a thicker high grade shoot. These downhole intersections include:

- 6.1m @ 10.2g/t Au;
- 18.3m @ 6.6g/t Au;
- 13.7m @ 6.3g/t Au;
- 13.7m @ 6.3g/t Au;
- 13.7m @ 5.0g/t Au;
- 9.1m @ 5.2g/t Au;
- 9.4m @ 5.0g/t Au;
- 12.2m @ 4.9g/t Au;

At surface above these intersections is a significant gold-in-soil geochemical anomaly. Between the defined Beadles Creek resource margins at depth (including these drillhole intersections) and the surface geochemical anomaly is approximately 75-100m of untested vertical extent. The zone is also open down-dip. Anova plans to test both these up-dip and down-dip zones with up to eight drillholes.

South Sammy to Beadles Creek – Beadles Creek structural corridor target
Between the South Sammy (601 Zone) and Beadles Creek prospects (that form part of the Big Springs resource) is 800m of strike of the mineralised Beadles Creek structural corridor which is covered by up to 70m of glacial moraine cover. As such, any surface geochemical anomaly is masked. Previous drilling has sparsely intersected this target zone at poor drilling angles (all vertical holes), with key downhole intersections including:

- 19.8m @ 3.1g/t Au (including 3.0m @ 10.0g/t Au);
- 4.6m @ 5.7g/t Au;
- 10.7m @ 3.4g/t Au;
- 7.6m @ 3.2g/t Au;
- 1.5m @ 6.9g/t Au;
- 1.5m @ 5.5g/t Au

Anova plans a systematic grid drilling approach to test this zone at more appropriate angles to assist in understanding the geology and its relationship to the mineralisation.

Dorsey Creek – potential down dip extension
Whilst the existing zone at Dorsey Creek zone is not particularly high grade, the deepest intersections drilled to date are actually quite shallow and the zone is open at depth. These intersections include:

- 21.3m @ 1.6g/t Au; and
- 7.6m @ 1.9g/t Au (including 1.5m @ 4.7g/t Au);

Further target generation
Anova continues to review and generate exploration targets utilising the extensive exploration database it received when it acquired the Big Springs project, including surface geochemistry (rock chip, soils and stream sediment samples), geological and structural mapping, geophysics (magnetics, electro-magnetics, radiometrics and limited IP) plus limited drilling away from the historically mined areas.

In addition to the abovementioned high priority targets, detailed review and planning for follow up exploration work are focussed on known significant mineralised intersections in the broadly spaced historic drilling away from the defined resource zones. These include:

- 700m south-south-west of South Sammy - Hole SC-1236
    - From 59.4m – 77.7m @ 2.1g/t Au (includes 6.1m @ 6.8g/t Au and 6.1m @ 5.7g/t Au)
- 950m south of South Sammy - Hole DC-30 (Figure 8)
    - From 32m – 70.1m @ 0.7g/t Au (includes 6.1m @ 1.9g/t Au)
- Lower Mac Ridge - Hole BC-48 - 7.6m @ 3.5g/t Au (from 9.1m)
- North-east of Beadles Creek - Hole BC-48 – 3.0m @ 3.4g/t Au (from 41.1m)

Corporate
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 in early October 2015. An additional raising was completed in March 2016 of $1.5m (before costs) by the issue of 33,333,335 shares at 4.5 cents per share.

In August 2016, the Company conducted a raising of $7.1m at 13 cents per share. A Share Purchase Plan conducted in August and September 2016 on the same terms also raised $2.17m from existing shareholders. Funds from these raisings will be utilised to ramp up exploration activities at the Company's Big Springs Project.

Competent Person Statement
The information in this report that relates to 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 Australasian Institute of Mining and Metallurgy 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.

3. 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

Directors

Mr Malcolm James, Non-Executive Chairman
Mr Gregory (Bill) Fry, Executive Director
Mr Alasdair Cooke, Non-Executive Director

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 program 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' fees

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. This pool is currently utilised to the level of $160,000 per annum. The fees currently paid to Non-Executive Directors are $60,000 per annum for the Non-Executive Chairman and $40,000 per annum for the Non-Executive Directors.

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 currently has Service Agreements in place with the following Key Management Personnel. Details of the agreements are listed below.

Name	Term of Agreement	Base Salary inc Super	Termination Benefit
Gregory (Bill) Fry	On-going commencing 1 October 2010	$120,000	3 months base salary, excl. gross misconduct
Alasdair Cooke (i)	On-going commencing 1 October 2010	$100,000	1 months base salary, excl. gross misconduct

(i) Contract includes $60,000 for consulting fees in addition to Non-Executive Director fee.

Voting and comments made at the Company's 2015 Annual General Meeting
The Company received more than 99% of "yes" votes on its remuneration report for the 2015 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

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		Share based
	Salary & fees	Superannuation	payments	Total	payments
2016	**$**	**$**	**$**	**$**	**%**
Directors					
Gregory Fry	109,589	10,411	-	120,000	-
Malcolm James	54,795	5,205	5,040	65,040	8%
Alasdair Cooke	100,000	-	-	100,000	-
Total	**264,384**	**15,616**	**5,040**	**285,040**	**2%**
2015	**$**	**$**	**$**	**$**	**%**
Directors					
Gregory Fry	120,000	-	-	120,000	-
Malcolm James	54,795	5,205	10,960	70,960	15%
Alasdair Cooke	100,000	-	-	100,000	-
Total	**274,795**	**5,205**	**10,960**	**290,960**	**4%**

The Group currently has no performance based remuneration built into Director or key management personnel packages; the total remuneration shown in the table above is fixed.

Share-based compensation
For details on the valuation of rights, including models and assumptions used, see note 24.

Details of performance rights granted as compensation for the current financial year
Terms and conditions of share-based plans in existence affecting key management personnel during the financial year or future financial years

Director	Grant date	Grant date fair value $	Exercise price $	Expiry date	Vesting date
Malcolm James	27-Nov-14	8,000	n/a	30-Jun-16	30-Jun-16

There have been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date.

Performance rights granted and exercised to key management personnel as part of their remuneration during the current financial year

Director	Rights exercised Number	Shares issued Number	Fair value of rights granted at grant date $	Value of rights at exercise date $
Malcolm James	500,000	500,000	16,000	-

Equity instrument held by key management personnel

(i) Share holdings

	Balance at 1 July 2015	Purchased / sold	Conversion of performance rights	Balance at 30 June 2016
Gregory Fry	7,500,000	(1,900,000)	-	5,600,000
Malcolm James	-	-	500,000	500,000
Alasdair Cooke	22,389,299	2,500,000	-	24,889,299
	29,889,299	600,000	500,000	30,989,299

(ii) Option holdings

	Balance at 1 July 2015	Exercised	Balance at 30 June 2016	Vested during the year	Vested and exercisable at 30 June 2016
Gregory Fry	-	-	-	-	-
Malcolm James	-	-	-	-	-
Alasdair Cooke (i)	2,500,000	(2,500,000)	-	-	-
	2,500,000	(2,500,000)	-	-	-

(i) Placement options

(iii) Performance right holdings

	Balance at 1 July 2015	Exercised	Balance at 30 June 2016	Vested during the year	Vested and exercisable at 30 June 2016
Gregory Fry	-	-	-	-	-
Malcolm James	500,000	(500,000)	-	250,000	-
Alasdair Cooke	-	-	-	-	-
	500,000	(500,000)	-	250,000	-

Loans to key management personnel
There were no loans made to key management personnel during the year ended 30 June 2016 (2015: 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 Alasdair Cooke and Gregory Fry:

	Charges from:		Charges to:	
	2016 $	2015 $	2016 $	2015 $
Mitchell River Group Pty Ltd	282,456	377,654	18	-
Provision of a fully serviced office, admin and technical staff				
EVE Investments Limited	2,935	45,034	-	311
Recharge of costs				
African Energy Resources Ltd	7,576	50	3,272	7,733
Recharge of costs				
Aurora Uranium Ltd	49,173	-	2,145	-
Recharge of costs				

Assets and liabilities arising from the above transactions

	2016 $	2015 $
Trade receivables	2,152	-
Trade payables	68,715	77,233

Exercise of options by key management personnel

Mr Alasdair Cooke exercised 2,500,000 at an exercise price of $0.05. No options were exercised by key management personnel in the prior period.

This is the end of the audited remuneration report.

4. Principal Activities

The principal activity of the Company is mineral exploration and evaluation in the United States of America. There were no significant changes in the nature of the Group's principal activities during the financial year.

5. Operating Results

The operating loss of the Group attributable to equity holders of the Company for the financial year ended 30 June 2016 amounted to $2,206,504 (2015: $3,688,149).

6. 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.

7. 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.

8. Matters Subsequent to Reporting Date

In August 2016, the Company conducted a raising of $7.1m by issuing 54,615,385 shares at 13 cents per share. A Share Purchase Plan was conducted in August and September 2016 on the same terms also raised $2.17m from existing shareholders and resulted in 16,692,299 shares being issued. Funds from these raisings will be utilised to ramp up exploration activities at the Company's Big Springs Project. Since the end of the financial year 10,625,000 five cent options have been exercised, with the Company receiving proceeds of $531,250 before costs.

There are no other matters or circumstances that have arisen since the end of the financial year which 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.

9. Likely Developments and Expected Results of Operations

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

10. Significant Changes in State of Affairs

In the opinion of the Directors, other than as stated under Review of Operations, and Matters Subsequent to Reporting 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.

11. Corporate Governance Statement

The Company's Corporate Governance Statement for the year ended 30 June 2016 can be accessed from the Company's website at http://anovametals.com.au/corporate/corporate-governance.

12. Environmental Regulations

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes there are adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply.

The Group is not subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

13. Unlisted Options and Performance Rights

Unissued ordinary shares of Anova Metals Limited under unlisted option or performance right at the date of this report are as follows:

Class	Number	Grant date	Expiry date	Exercise price (cents)
Share options	2,000,000	16-Jan-13	31-Dec-16	10.4
Share options	4,000,000	16-Jan-13	31-Dec-16	12.1
Share options	5,812,500	5-Dec-14	30-Nov-16	5
Performance rights	3,750,000	27-Nov-14	27-Nov-17	n/a
	15,562,500			

Option and right holders do not have any right, by virtue of the option or right, to participate in any share issue of the Company.

Details of ordinary shares issued by the Company during or since the end of the financial year as a result of the exercise of an option or right are:

Exercise Date	Shares issued	Amount paid
2-Mar-16	250,000	-
6-Apr-16	937,500	46,875
30-Jun-16	250,000	-
30-Jun-16	2,500,000	125,000
11-Jul-16	2,500,000	125,000
17-Aug-16	6,250,000	312,500
18-Aug-16	1,875,000	93,750
	14,562,500	703,125

14. Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

During the year and the comparative period no fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms.

15. Lead Auditor's Independence Declaration under Section 307c of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 14 and forms part of the Directors' Report for the year ended 30 June 2016.

16. Insurance of Officers

During the financial year, Anova Metals Limited paid a premium of $18,870 (2015: $14,776) to insure the directors and secretary of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

On behalf of the Board of
Anova Metals Limited

Dated at Perth this 28th day of September 2016.
Signed in accordance with a resolution of the Directors.

Gregory William Fry
Executive Director

DIRECTORS' DECLARATION

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 2016 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:

Gregory William Fry
Executive Director

Perth
28th September 2016

AUDITOR'S INDEPENDENCE DECLARATION

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Anova Metals Limited for the year ended 30 June 2016, 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
28 September 2016

D I Buckley
Partner

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HLB Mann Judd

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INDEPENDENT AUDITOR'S REPORT

To the members of Anova Metals Limited

Report on the Financial Report

We have audited the accompanying financial report of Anova Metals Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2016, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation of the financial report that gives a true and fair view 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 company's and its controlled entities' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

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

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

HLB Mann Judd

Auditor's opinion

In our opinion:

(a) the financial report of Anova Metals Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2016 and its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. 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.

Auditor's opinion

In our opinion, the Remuneration Report of Anova Metals Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

D Buckley

D I Buckley
Partner

Perth, Western Australia
28 September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Note	2016 $	2015 $
Revenue	*6*	16,240	21,182
Consultant and employee benefits expenses		(805,472)	(931,425)
Exploration expensed as incurred		(990,006)	(2,308,576)
Administration expenses		(256,278)	(186,670)
Share-based payment expenses		(29,856)	(75,271)
Occupancy expenses		(141,175)	(207,389)
Foreign exchange gain / (loss)		43	-
Loss before income tax		(2,206,504)	(3,688,149)
Income tax expense	*11*	-	-
Loss for the year		(2,206,504)	(3,688,149)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences of foreign operations		235,112	1,390,278
Total comprehensive loss for the year		(1,971,392)	(2,297,871)
Loss per share:			
Basic (cents per share)	*12*	(0.66)	(1.40)

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

As as 30 June 2015

	Note	2016 $	2015 $
Assets			
Current Assets			
Cash and cash equivalents	*7*	1,287,493	1,473,092
Trade and other receivables	*8*	15,460	21,482
Prepayments		21,124	17,889
Total current assets		1,324,077	1,512,463
Non-current Assets			
Plant and equipment	*13*	2,849	5,331
Exploration and evaluation expenditure	*14*	10,974,219	10,752,627
Other assets	*9*	437,742	423,120
Total non-current assets		11,414,810	11,181,078
Total assets		12,738,887	12,693,541
Liabilities			
Current Liabilities			
Trade and other payables	*10*	347,469	396,086
Total current liabilities		347,469	396,086
Total liabilities		347,469	396,086
Net assets		12,391,418	12,297,455
Equity			
Issued capital	*15*	34,947,123	32,895,624
Reserves	*16*	2,425,128	2,176,160
Accumulated losses		(24,980,833)	(22,774,329)
Total equity attributable to shareholders of the Company		12,391,418	12,297,455

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

		Issued capital	Foreign currency translation reserve	Share-based payments reserve	Accumulated losses	Total equity
		$	$	$	$	$
Balance as at 1 July 2014		29,315,219	484,611	1,412,821	(19,118,001)	12,094,650
Loss for the year		-	-	-	(3,688,149)	(3,688,149)
Other comprehensive income	*16*	-	1,390,278		-	1,390,278
Total comprehensive loss for the year		-	1,390,278	-	(3,688,149)	(2,297,871)
Share issue net of issue costs	*15*	3,580,405	-	-	-	3,580,405
Conversion of performance shares	*15*	-	-	-	-	-
Recognition of share-based payments	*16*	-	-	75,271	-	75,271
Reversal of capitalised share-based payments	*16*	-	-	(1,155,000)	-	(1,155,000)
Transfer of historic share-based payment expenses to accumulated losses	*16*	-	-	(31,821)	31,821	-
Balance at 30 June 2015		32,895,624	1,874,889	301,271	(22,774,329)	12,297,455
Balance as at 1 July 2015		32,895,624	1,874,889	301,271	(22,774,329)	12,297,455
Loss for the year		-	-	-	(2,206,504)	(2,206,504)
Other comprehensive income	*16*	-	235,112		-	235,112
Total comprehensive loss for the year		-	235,112	-	(2,206,504)	(1,971,392)
Share issue net of issue costs	*15*	2,035,499	-	-	-	2,035,499
Conversion of performance shares	*14*	-	-	-	-	-
Recognition of share-based payments	*16*	-	-	29,856	-	29,856
Reversal of capitalised share-based payments	*15*	-	-	-	-	-
Transfer of historic share-based payment expenses to issued capital	*16*	16,000	-	(16,000)	-	-
Balance at 30 June 2016		34,947,123	2,110,001	315,127	(24,980,833)	12,391,418

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Cash paid to suppliers and employees		(1,256,577)	(1,326,634)
Payment for exploration and evaluation expenditure		(990,006)	(2,308,576)
Interest received		14,196	19,076
Net cash used in operating activities	25	(2,232,387)	(3,616,134)
Cash flows from investing activities			
Payment for plant and equipment		-	(5,201)
Net cash used in investing activities		-	(5,201)
Cash flows from financing activities			
Proceeds from the issue of share capital		2,175,875	3,752,500
Payment for share issue costs		(140,376)	(172,095)
Net cash provided by financing activities		2,035,499	3,580,405
Net decrease in cash and cash equivalents		(196,888)	(40,930)
Cash and cash equivalents at beginning of year		1,473,092	1,480,590
Effect of exchange rates on cash holdings in foreign currencies		11,289	33,432
Cash and cash equivalents at end of year		1,287,493	1,473,092

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

Anova Metals Limited (the "Company") is a listed public company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2016 comprises the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial report was authorised for issue by the Directors on 28 September 2016.

1. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Anova Metals Limited is a for-profit entity for the purposes of preparing the financial statements.

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

a) New and amended standards adopted by the Group

(i) Standards and Interpretations applicable to 30 June 2016

In the year ended 30 June 2016, 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 current annual reporting period. 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 and, therefore, no material change is necessary to Group accounting policies.

(ii) Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2016. 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 Group and, therefore, no change is necessary to Group accounting policies.

b) Historical cost convention

The financial statements have been prepared under the historical cost convention.

c) Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

d) Going concern

The Group has a working capital surplus of $976,608 at balance date and incurred a loss from continuing operations of $1,971,392 as well as a cash outflow from operating activities from continuing operations of $2,232,387 for the year ended 30 June 2016. The ability of the Group to continue as a going concern is principally dependent upon raising additional capital to fund exploration expenditure, other principal activities and working capital as well as managing the expenditure it incurs. Subsequent to the end of the year the Company conducted a placement and share purchase plan collectively raising $9.3m before costs. The Company has also received an additional $0.5m through exercise of unlisted options. The Directors believe that the Group will be able to manage its expenditure and has sufficient funding for its operations in the 12 months from the date this financial report is signed.

2. Summary of significant accounting policies

a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Anova Metals Limited ("Company" or "Parent Entity") at 30 June 2016. Anova Metals Limited and its subsidiaries together are referred to in these financial statements as the Group or the Consolidated Entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Anova Metals Limited.

c) 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.

d) Revenue recognition
Interest revenue
Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

e) Income tax
Current tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax
Deferred tax is provided on all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year
Current and deferred tax is recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

f) Business combinations
The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values 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 asset or liability resulting from a 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 consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value 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.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

g) 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.

h) 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.

i) Receivables
Trade and other receivables are recorded at amounts due less any allowance for doubtful debts.

j) Financial assets
Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity investments', 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Investments in subsidiaries are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost price, net of transaction costs.

k) 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.

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.

l) 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 diminishing value 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 (%)
Office furniture & equipment	20%
Exploration equipment	20%
Computer Equipment	20%

m) 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.

n) Payables
Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

o) 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.

p) 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.

q) Employee benefits
(i) Short-term obligations
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.

(ii) Other long-term employee benefit obligations
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.

(iii) Share-based payments
Share-based compensation benefits are provided to employees. Information relating to these benefits is provided in note 24.

The fair value of options granted is recognised as an employee benefits expense 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.

r) 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.

s) 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.

t) Goods and services tax
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. 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.

u) 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.

v) New accounting standards and interpretations
Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods and have not been adopted by the Group. The Directors have determined that there is no material impact of the new and revised standards and interpretations on the Group, therefore, no change is necessary to Group accounting policies.

3. Critical accounting judgements and key sources of estimation uncertainty
Judgements made by management in the application of AIFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant note to the financial statements.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment
The Company assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Share-based payments
The Company measures the cost of equity settled transactions with consultants and employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black & Scholes model using various assumptions, as discussed in note 24.

4. Financial risk management
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 $
2016						
Financial assets						
Non-interest bearing	15,460	-	-	-	-	15,460
Variable interest rate	1,287,493	-	-	-	-	1,287,493
Fixed interest rate	-	-	31,829	-	-	31,829
	1,302,953	-	31,829	-	-	1,334,782
Financial liabilities						
Non-interest bearing	347,469	-	-	-	-	347,469
	347,469	-	-	-	-	347,469
2015						
Financial assets						
Non-interest bearing	21,482	-	-	-	-	21,482
Variable interest rate	1,473,092	-	-	-	-	1,473,092
Fixed interest rate	-	-	30,990	-	-	30,990
	1,494,574	-	30,990	-	-	1,525,564
Financial liabilities						
Non-interest bearing	396,087	-	-	-	-	396,087
	396,087	-	-	-	-	396,087

Interest rate risk management
Although some of the Group's assets are subject to 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:

	2016 $	2015 $
Cash	15,583	335,161
Trade payables	234,081	247,391

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 an increase 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.

	2016 $	2015 $
Profit or loss	21,850	(8,777)
Equity	(21,850)	8,777

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 2016 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 note 1. The carrying amount of trade payables is assumed to approximate their fair value due to their short term nature.

5. Segment information
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.

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being gold exploration and one geographical segment, namely the United States. The revenues and results of this segment are those of the Group as a whole and are set out in the consolidated statement of profit or loss and other comprehensive Income. The segment assets and liabilities of this segment are those of the Group and are set out in the consolidated statement of financial position.

6. Revenue from continuing operations

	2016 $	2015 $
Interest received	16,240	21,182
	16,240	21,182

7. Cash and cash equivalents

	2016 $	2015 $
Cash at bank	59,244	1,473,092
Term deposits	1,228,249	-
	1,287,493	1,473,092

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

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

8. Trade and other receivables

	2016 $	2015 $
GST receivable	12,985	21,482
Other debtors	2,475	-
	15,460	21,482

9. Non-current assets

	2016 $	2015 $
Term deposits	31,829	30,990
Security deposits	405,913	392,130
	437,742	423,120

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

10. Current liabilities

	2016 $	2015 $
Trade creditors	319,714	356,675
Payroll liabilities	27,755	39,411
	347,469	396,086

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

11. Income taxes

	2016 $	2015 $
Income tax expense:		
Current tax	-	-
Deferred tax	-	-
	-	-
Reconciliation of income tax expense to prima facie tax payable:		
Loss before income tax	(2,206,504)	(3,688,149)
Income tax benefit calculated at 28.5% (2015: 30%)	(628,854)	(1,106,445)
Effect of expenses that are not deductible in determining taxable profit	8,771	19,668
Effect of changes in unrecognised temporary differences	(18,192)	(75,685)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	638,275	1,162,462
	-	-
Unrecognised deferred tax assets arising on timing differences and losses		
Carried forward revenue losses	3,200,934	3,003,074
Carried forward foreign revenue losses	1,573,136	1,350,251
Capital raising costs	49,180	40,080
Other temporary differences	10,783	14,480
	4,834,033	4,407,885
Unrecognised deferred tax liabilities arising on timing differences and losses		
Prepayments	559	657
Accrued interest income	438	57
	997	714

The tax rate used in the above reconciliation is the corporate tax rate of 28.5% (2015: 30%) payable by Australian corporate entities on taxable profits under Australian tax law.

12. Loss per share

	2016	2015
	$	$
Basic loss per share	(0.66)	(1.40)
	$	$
Loss for the period	(2,206,504)	(3,688,149)
	No.	No.
Weighted average number of shares for the purposes of basic loss per share	333,197,938	264,217,400

13. Plant and equipment

	2016 $	2015 $
Carrying amount at 30 June	2,849	5,331
Reconciliation of movement in plant and equipment		
At cost		
Balance at the beginning of the year	8,894	24,539
Additions	-	5,201
Disposals	-	(21,339)
Exchange differences	129	493
Carrying amount at 30 June	9,023	8,894

	2016 $	2015 $
Accumulated depreciation		
Balance at the beginning of the year	(3,563)	(16,284)
Depreciation charge for the year	(2,608)	(8,585)
Disposals	-	21,339
Exchange differences	(3)	(33)
Carrying amount at 30 June	(6,174)	(3,563)

14. Exploration and evaluation expenditure

	2016 $	2015 $
Balance at the beginning of the year	10,752,627	10,615,174
Adjustments to prior year acquisition costs	-	(1,155,000)
Exchange differences	221,592	1,292,453
Carrying amount at 30 June	10,974,219	10,752,627

During the prior year 15,000,000 performance shares which were issued as consideration for the acquisition of the Big Springs Project expired before being converted into shares. The share-based payment expense related to the issue of these performance shares has been reversed.

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.

15. Issued capital

	2016 $	2015 $
362,155,108 (2015: 313,684,272) fully paid ordinary shares	34,931,123	32,895,624

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

	2016		2015	
	No.	$	No.	$
Fully paid ordinary shares				
Balance at beginning of year	313,684,272	32,895,624	220,184,269	29,315,219
Placements	44,533,336	2,004,000	92,250,003	3,690,000
Conversion of unlisted options	3,437,500	171,875	1,250,000	62,500
Conversion of performance rights	500,000	16,000	-	-
Share issue costs	-	(140,376)	-	(172,095)
Balance at end of year	362,155,108	34,947,123	313,684,272	32,895,624

As at 30 June 2016, the Company has 22,437,500 unlisted share options on issue, 6,000,000 of which are incentive options and 16,437,500 are placement free attaching options. Options are exercisable on a 1:1 basis for 22,437,500 shares at an exercise price of between 5 cents and 12.1 cents. The options will expire between 30 November 2016 and 31 December 2016, see note 24. Options issued by the Company carry no rights to dividends and no voting rights.

As at 30 June 2016, the Company has 3,750,000 performance rights on issue, exercisable on a 1:1 basis for 3,750,000 shares. The performance rights have various vesting hurdles and expire by 27 November 2017, see note 24. Performance rights issued by the Company carry no rights to dividends and no voting rights.

16. Reserves

	2016 $	2015 $
Share-based payments reserve		
Balance at the beginning of the year	301,271	1,412,821
Recognition of share-based payments expense	29,856	75,271
Reversal of capitalised share-based payments	-	(1,155,000)
Transfer of historic share-based payment expenses to issued capital	(16,000)	-
Transfer of historic share-based payment expenses to accumulated losses	-	(31,821)
Balance at 30 June	315,127	301,271
Foreign currency translation reserve		
Balance at the beginning of the year	1,874,889	484,611
Effect of translation of foreign currency operations to group presentation currency	235,112	1,390,278
Balance at 30 June	2,110,001	1,874,889

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2016

Share-based payments reserve
The share-based payments reserve arose on the grant of incentive options and performance rights to employees, see note 24.

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.

17. Dividends
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.

18. Remuneration of auditor

	2016 $	2015 $
Audit or review of the financial report	31,500	28,500
	31,500	28,500

19. Contingent assets and liabilities
There were no contingent liabilities or contingent assets at 30 June 2016 (2015: nil).

20. Capital and other commitments

	2016 $	2015 $
Renewal fees for Big Springs tenements (payable within 12 months)	146,698	142,095
Advance net smelter royalty payments (payable within 12 months)	82,264	79,814
	228,962	221,909

21. Events occurring after reporting date
In August 2016, the Company conducted a raising of $7.1m by issuing 54,615,385 shares at 13 cents per share. A Share Purchase Plan was conducted in August and September 2016 on the same terms also raised $2.17m from existing shareholders and resulted in 16,692,299 shares being issued. Funds from these raisings will be utilised to ramp up exploration activities at the Company's Big Springs Project. Since the end of the financial year 10,625,000 five cent options have been exercised, with the Company receiving proceeds of $531,250 before costs.

There are no other matters or circumstances that have arisen since the end of the financial year which 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.

22. Related parties
a) 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 is summarised below:

	2016 $	2015 $
Short-term employee benefits	264,384	274,795
Post-employment benefits	15,616	5,205
Share based payments	5,040	10,960
	285,040	290,960

b) Key management personnel transactions

	Charges from:		Charges to:	
	2016 $	2015 $	2016 $	2015 $
Mitchell River Group Pty Ltd Provision of a fully serviced office, admin and technical staff	282,456	377,654	18	-
EVE Investments Limited Recharge of costs	2,935	45,034	-	311
African Energy Resources Ltd Recharge of costs	7,576	50	3,272	7,733
Aurora Uranium Ltd Recharge of costs	49,173	-	2,145	-

c) Exercise of options by key management personnel
Mr Alasdair Cooke exercised 2,500,000 at an exercise price of $0.05. No options were exercised by key management personnel in the prior period.

23. Interests in Subsidiaries

a) Transactions with 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 2016	Ownership interest 2015
Direct subsidiaries of the parent			
Big Springs Project Pty Ltd	Australia	100%	100%
Indirect subsidiaries			
(Direct subsidiaries of Big Springs Project Pty Ltd) Anova Metals USA LLC	USA	100%	100%

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. Details of transactions between the Group and other related entities are disclosed below.

b) Trading transactions

The following balances were outstanding at the end of the reporting period.

	2016 $	2015 $
Trade receivables	2,152	-
Trade payables	68,715	77,233

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.

24. Share-based payments

a) Options/Performance Rights

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	2,000,000	16-Jan-13	31-Dec-16	10.4	78,000
Unlisted options	4,000,000	16-Jan-13	31-Dec-16	12.1	148,000
Placement attaching options	21,125,000	28-Nov-14	30-Nov-16	5	-
Performance rights	500,000	27-Nov-14	30-Jun-16	n/a	16,000
Performance rights	3,750,000	27-Nov-14	27-Nov-17	n/a	120,000

The Anova Performance Rights Plan and Employee Option Plan are designed to provide long-term incentives for senior managers and above (including directors) to deliver long-term shareholder returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Performance rights are granted for nil consideration and nil consideration is required to convert the right into an ordinary share when vested. Options are granted for no consideration, to convert the option into an ordinary share when vested an exercise price is required to be paid to the Company. Performance rights and options granted under the plans carry no dividend or voting rights. When vested, each performance right or option is convertible into one ordinary share. Performance rights and options may be exercised at any time from the date of vesting to the date of their expiry.

The fair value of the performance rights granted during the year is nil. (2015: nil). The value is based on the underlying share price on the date of issue and likelihood of the performance right hurdle being met. At each reporting date the likelihood of each performance right hurdle is reviewed by management and the share-based payment adjusted accordingly. The fair value of performance rights vested during the year is $29,856 (2015: $75,271).

Placement attaching options were issued to participants of the November 2014 capital raising for nil consideration. To convert the option into an ordinary share when vested an exercise price is required to be paid to the Company and each option is convertible into one ordinary share.

	2016		2015	
	Number of options / rights	Weighted average exercise price $	Number of options / rights	Weighted average exercise price $
Balance at beginning of year	30,125,000	0.06	8,500,000	0.12
Granted during the year	-	-	25,375,000	0.04
Exercised during the year	(3,937,500)	(0.05)	(1,250,000)	-
Lapsed during the year	-	-	(2,500,000)	(0.15)
Balance at end of year	26,187,500	0.06	30,125,000	0.06
Exercisable at end of year	26,187,500	0.06	30,125,000	0.06

There has been no alteration of the terms and conditions of the above share-based payment arrangement since grant date.

The following performance rights and options were exercised during the year.

	Number	Exercise date	Share price on exercise date (cents)
2016			
Performance rights	250,000	30-Jun-16	12.50
Unlisted 5c options	2,500,000	30-Jun-16	12.50
Unlisted 5c options	937,500	6-Apr-16	7.20
Performance rights	250,000	2-Mar-16	5.30
	3,937,500		

	Number	Exercise date	Share price on exercise date (cents)
2015			
Unlisted 5c options	1,250,000	6-Mar-15	5.10
	1,250,000		

Balance at end of the year
The options and performance rights outstanding at the end of the year had a weighted average remaining contractual life of 0.6 years (2015: 1.6 years).

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

	2016	2015
Cash flows from operating activities	$	$
Loss for the year	(2,206,504)	(3,688,149)
Adjustments for:		
Depreciation and amortisation expense	2,608	8,585
Equity-settled share-based payment expenses	29,856	75,271
Foreign exchange gain / loss	(43)	-
Change in operating assets & liabilities		
(Increase)/decrease in trade and other receivables	3,978	55,898
(Increase)/decrease in prepayments	(3,235)	10,955
(Decrease)/increase in trade and other payables	(59,047)	(78,694)
Net cash used in operating activities	(2,232,387)	(3,616,134)

26. Parent company disclosures

	2016 $	2015 $
Current assets	1,308,494	1,177,302
Non-current assets	11,196,312	11,268,849
Total Assets	12,504,806	12,446,151
Current Liabilities	113,388	148,696
Total Liabilities	113,388	148,696
Contributed equity	34,947,123	32,895,624
Reserves	315,127	301,271
Accumulated losses	(22,870,832)	(20,899,441)
Total Equity	12,391,418	12,297,454
Loss for the year	(1,971,391)	(2,297,871)
Total comprehensive loss for the year	(1,971,391)	(2,297,871)

No guarantees were entered into by the parent company during the year (2015: nil).

At 30 June 2016 the parent company had no commitments (30 June 2015: nil).

At 30 June 2016 the parent company had no contingent liabilities (30 June 2015: nil).

ADDITIONAL SHAREHOLDER INFORMATION

For the year ended 30 June 2016

1. Exchange Listing

Anova Metals Limited shares are listed on the Australian Securities Exchange. The Company's ASX code is AWV.

2. Substantial Shareholders (Holding Not Less Than 5%)

The following substantial shareholders have lodged relevant disclosures with the Company.

Name of Shareholder	Number of shares held	% held
Trepanier Pty Ltd <Bayje Trust>	21,416,600	9.73
Phoenix Gold Fund Ltd	18,750,000	8.92
Mr Alasdair Campbell Cooke	15,601,799	7.53

3. Class of Shares and Voting Rights

At 28 September 2016, there were 1,824 holders of 444,087,792 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

a. each shareholder entitled to vote may vote in person or by proxy, attorney or representative;

b. on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

c. on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited)."

4. Distribution of Shareholders

Range	Securities	No of holders	%
100,001 and Over	416,367,807	320	93.76
10,001 to 100,000	24,799,050	664	5.58
5,001 to 10,000	1,930,841	261	0.43
1,001 to 5,000	890,146	277	0.20
1 to 1,000	99,948	302	0.02
Total	444,087,792	1,824	100.00
Unmarketable Parcels	307,140	416	0.07

5. Unquoted Securities as at 28 September 2016

Securities	Number on issue	Number of holders	Holders with more than 20%	Number held
Unlisted options exercisable at 10.4 cents on or before 31/12/2016	2,000,000	2	N/A	N/A
Unlisted options exercisable at 12.1 cents on or before 31/12/2016	4,000,000	2	N/A	N/A
Unlisted options exercisable at 5 cents on or before 30/11/2016	5,812,000	2	Mr David Metford HSBC Custody Nominees (Australia) Limited	3,000,000 2,812,500
Performance Rights	3,750,000	2	N/A	N/A

6. Listing of 20 Largest Shareholders as at 28 September 2016

Rank	Name	Number of shares held	% IC
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	55,007,305	12.39
2	MR REX SEAGER HARBOUR	22,200,000	5.00
3	LOMACOTT PTY LTD <THE KEOGH SUPER FUND A/C>	19,500,000	4.39
4	GREGORACH PTY LTD	13,322,010	3.00
5	MR JOHN CAMPBELL SMYTH <SMYTH SUPER FUND A/C>	12,200,000	2.75
6	CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	9,065,788	2.04
7	MITCHELL RIVER GROUP PTY LTD	7,500,000	1.69
8	MR DAVID GEORGE METFORD <STL SUPER FUND A/C>	7,441,295	1.68
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	7,431,617	1.67
10	HARTREE PTY LTD	6,972,564	1.57
11	MR ALASDAIR CAMPBELL COOKE	6,875,000	1.55
12	LAURITZ ALEXANDER BARNES & CHARLES FRAZER TABEART <TERRA METALLICA>	6,222,623	1.40
13	SINO PORTFOLIO INTERNATIONAL LIMITED	5,935,121	1.34
14	DARLEY PTY LIMITED <DJW INVESTMENT A/C>	5,500,495	1.24
15	BPM COMMODITIES LIMITED	5,500,000	1.24
16	LUJETA PTY LTD <MARGARET A/C>	5,384,615	1.21
17	GOLDRICH HOLDINGS PTY LTD	5,307,692	1.20
18	ALPHA CAPITAL	5,000,000	1.13
19	BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	5,000,000	1.13
20	LAGUNA BAY CAPITAL PTY LTD <LAGUNA BAY CAP TRADING A/C>	5,000,000	1.13
	Total	**216,366,125**	**48.72**

7. Other Information

There is no current on-market buyback of the Company's securities and the Company does not have any securities on that issue that are subject to escrow restriction.

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