

28 April 2017

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 31 MARCH 2017

HIGHLIGHTS

- Regulatory approvals received for the 601 and 701 Open Pit and Underground Operation.
- Mine implementation planning advancing.
- North Sammy environmental approvals initiated.
- Initial 2017 exploration program announced.

OPERATIONS

PERMITTING

601/701 Open Pit and Underground

During the quarter Anova Metals Limited (**ASX: AWV, "Anova Metals or Company"**) achieved a significant milestone with the United States Forest Service ("USFS") issuing the environmental approval for the 601 and 701 Open Pit and Underground Operations. Anova Metals received the USFS Decision Notice on the back of the project's Environmental Assessment completed by USFS in 2016 and the subsequent Finding of No Significant Impact that was assigned to the project. The Company's Plan of Operations and mining proposal was approved following a final public comment and objection period, in which no objections were offered.

Over the period Anova Metals, USFS and the Nevada Division of Environmental Protection ("NDEP") finalised the Reclamation Cost Estimate ("RCE") for the Project. NDEP will issue its Decision Letter in the following quarter and will grant the Nevada State Reclamation Permit once Anova Metals has posted the required environmental bond.

During the quarter, Anova Metals also applied for and obtained a Nationwide Permit 14 from the US Army Corps of Engineers which allows for the construction of a minor culvert crossing that will provide access for haulage trucks.

North Sammy Underground

Following completion of the regulatory approvals for the 601/701 Open Pit and Underground Operation, Anova Metals initiated permitting for the North Sammy underground mine. Preliminary site, infrastructure and mine design has been completed by the Company's engineering consultant and forms the basis for underground regulatory approvals. The key environmental consultants have

been engaged and groundwater modelling and a dewatering plan will be commenced in the next quarter.

MINING

Following the successful conclusion of permitting for the Project, Anova Metals and Jerritt Canyon LLC commenced discussions to revise the terms of the tolling agreement. Modelling completed by the Company shows improvements to the previous agreement are likely to provide significant benefit to both parties. As part of the ongoing discussions, Anova Metals delivered core from the recently completed drilling program to Jerritt Canyon LLC for metallurgical test work, which is currently in progress.

Geotechnical data collected as part of last year's drilling program and detailed topographical survey data captured prior to commencement of the snow season, have been incorporated by the Company's engineering consultant into updated mine designs. Final revisions to the mine design will be made once the tolling agreement is concluded to reflect any changes in the terms of the agreement.

During the quarter Anova has advanced mine implementation planning with a view of commencing site works towards the middle of the year, subject to the board approving the final mine plan. The project site is currently covered by thick accumulations of snow due to the above average snowfall experienced in the district during the current season, with access likely to be hampered until late into the next quarter. The Company's preferred contractors for both open pit and underground mining have been decided with both in the process of preparing final costings.

EXPLORATION

Following the end of the quarter, Anova Metals announced its proposed initial 2017 exploration program. A proposed 22-hole diamond drilling program has been designed to follow up on the excellent results returned at South Sammy and Beadles Creek during the 2016 drilling campaign (Refer to the Company's December 2016 Quarterly Report for details of the 2016 program), and to drill test two new targets in close proximity to the permitted 601 and 701 mining area (Figure 1).

In addition, the Company is planning to conduct soil and stream sediment surveys in the highly prospective area east of Beadles Creek where previous exploration appears to be limited to minor stream sediment sampling collected in the early 1980s.

Due to the above average snow season, access to site is currently limited with the geochemical sampling program expected to commence in June 2017, while drilling is expected to commence in July 2017 once regulatory and final board approvals for the programs have been received.

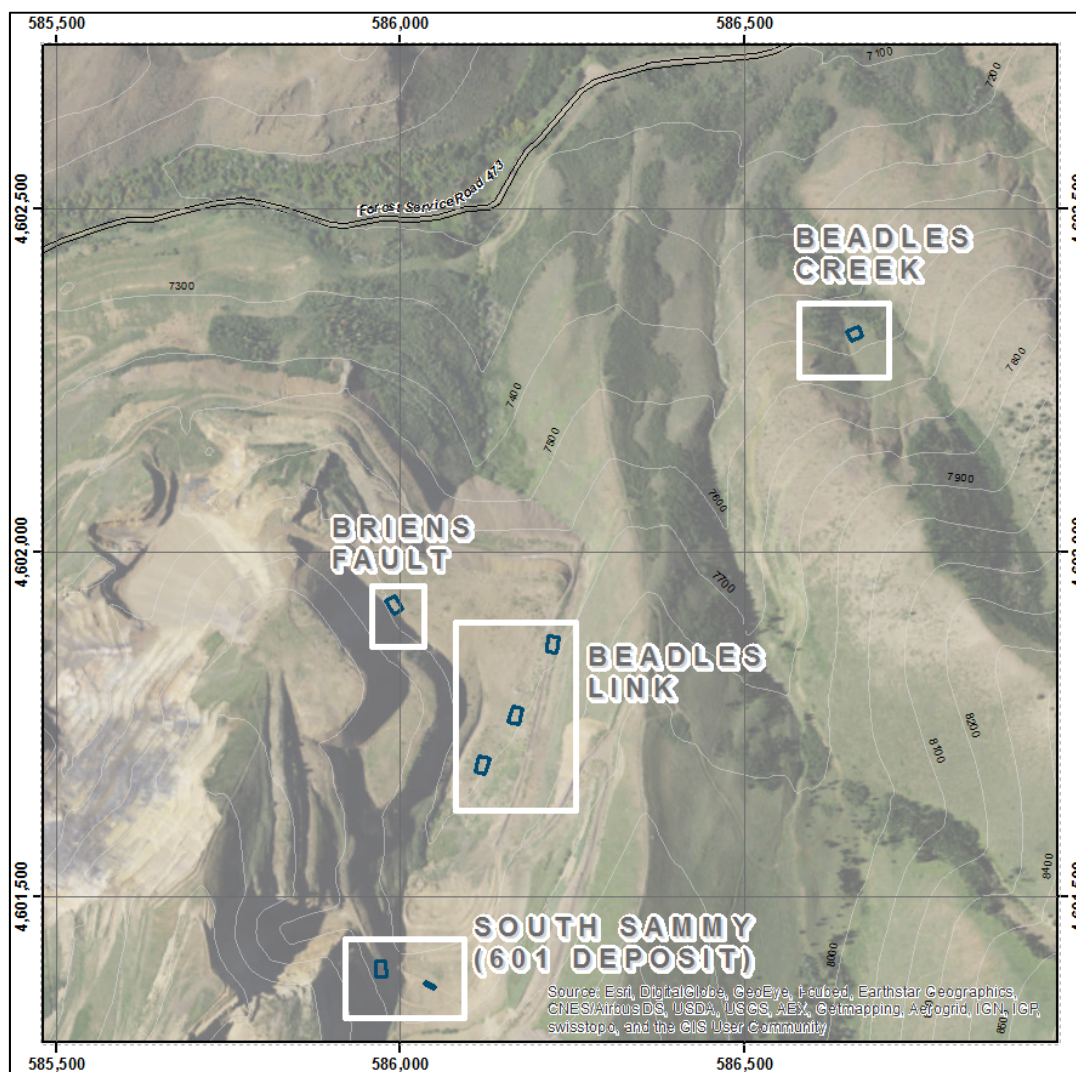


Figure 1: Big Springs 2017 Drilling Targets

South Sammy

In 2016, Anova completed five holes for a total of 880 metres at the 601 Deposit. Highlights from the program included AWW16-055 which passed through six separate mineralised zones. The shallowest intersection in AWW16-055 (**4.6m @ 9.6 g/t Au from 59.4m**) extended a known mineralised horizon approximately 15 metres to the east, but at higher grades than previously encountered (Figure 2). Furthermore, the three deepest intersections in AWW16-055 either extended, or were outside the extent of known mineralised horizons.

The final hole of the 2016 campaign, AWW16-061 was drilled to test the horizontal continuation of the mineralised horizons intersected in AWW16-055. AWW16-061 successfully drilled through five of the six previously intersected stacked mineralised horizons, the most significant of which returned a standout result of **10.7m @ 30.9 g/t Au from 112.7m**, including **3.0m @ 60.4 g/t Au from 118.9m**. This exceptional intercept extended a high-grade zone intersected in AWW16-055 (**4.6m @ 5.8 g/t Au**)

to the south. The majority of historical holes have not extended deep enough to test the limits of this high-grade zone.

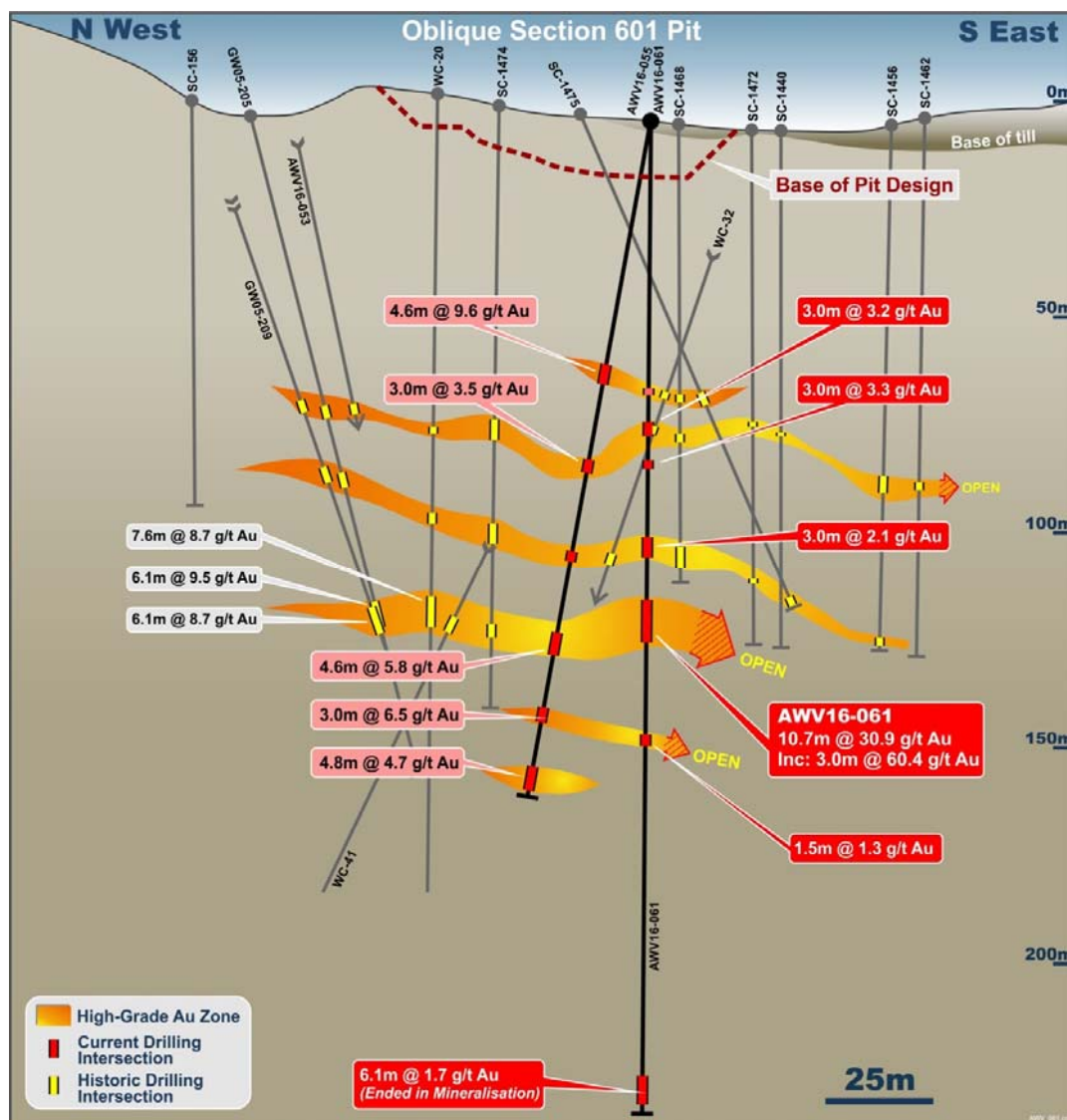


Figure 2: Cross Section through South Sammy 601 Deposit (oriented NW-SE).

Anova is planning to drill five holes for approximately 1,000m to test the extent of the high-grade zone identified at the 601 Deposit during the 2016 campaign (Figure 3). This initial program will test an area of approximately 10,000 square metres potentially adding high grade ounces that Anova could access through the proposed 601 underground operation for which the Company received Regulatory Approval in January 2017.

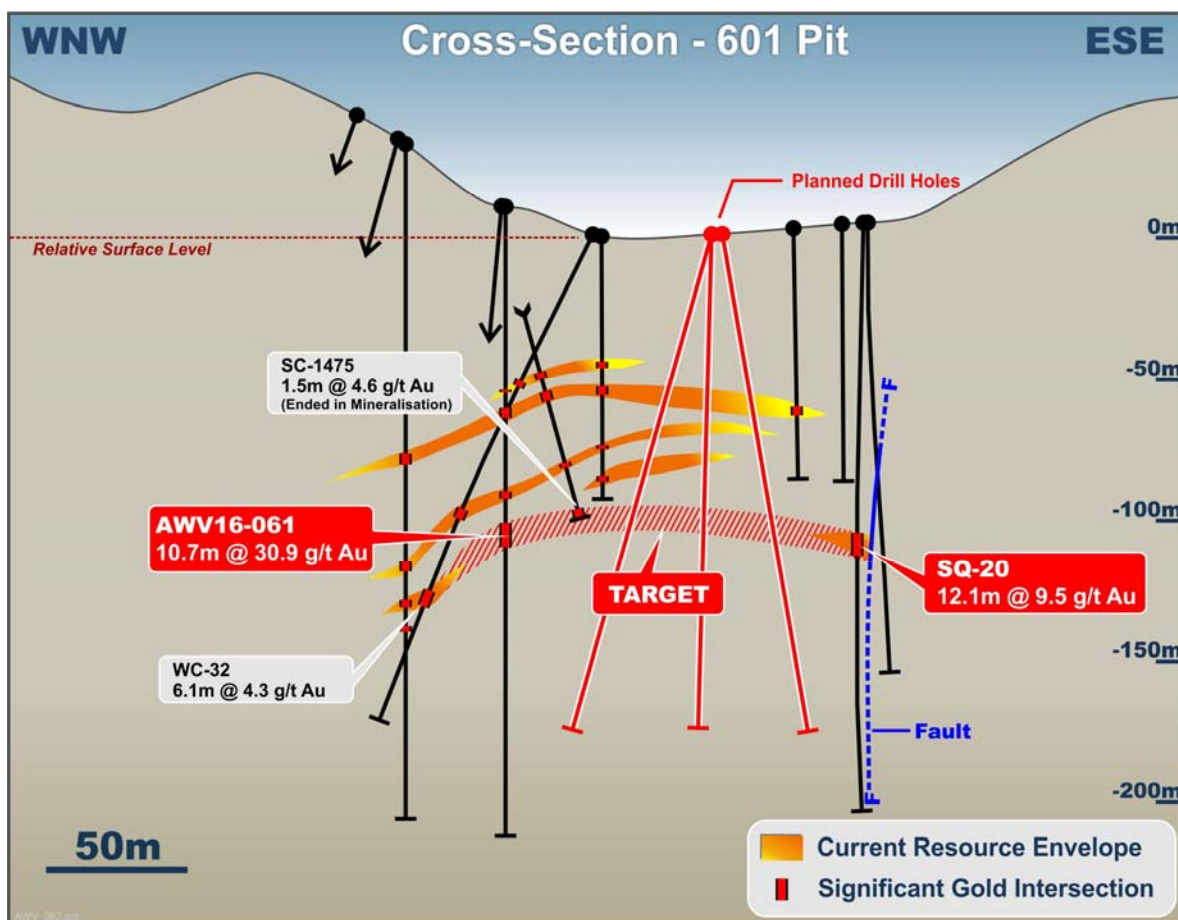


Figure 3: Cross-section through the Southern Margin of 601 Deposit (oriented WNW-ESE).

Beadles Creek

Anova commenced its first drilling campaign at Beadles Creek in September 2016. The initial program was designed to test for up-dip and down-dip extensions of the high-grade mineralised Beadles Creek shoot. The shoot was successfully intersected in all seven holes drilled, four of which tested for up-dip extension and three testing for down-dip extensions.

Drill hole **AWVBC16-006** (Figure 4) was drilled to test for up-dip extensions and intersected the mineralised zone at a downhole depth of approximately 149m, returning a high-grade intersection of **12.2m @ 8.5g/t Au**. Furthermore, AWWBC16-006 intersected two shallower zones that have also been noted in previous drilling, but at higher grades than encountered in previous holes (**7.6m @ 4.0 g/t Au** and **4.6m @ 3.1 g/t Au**).

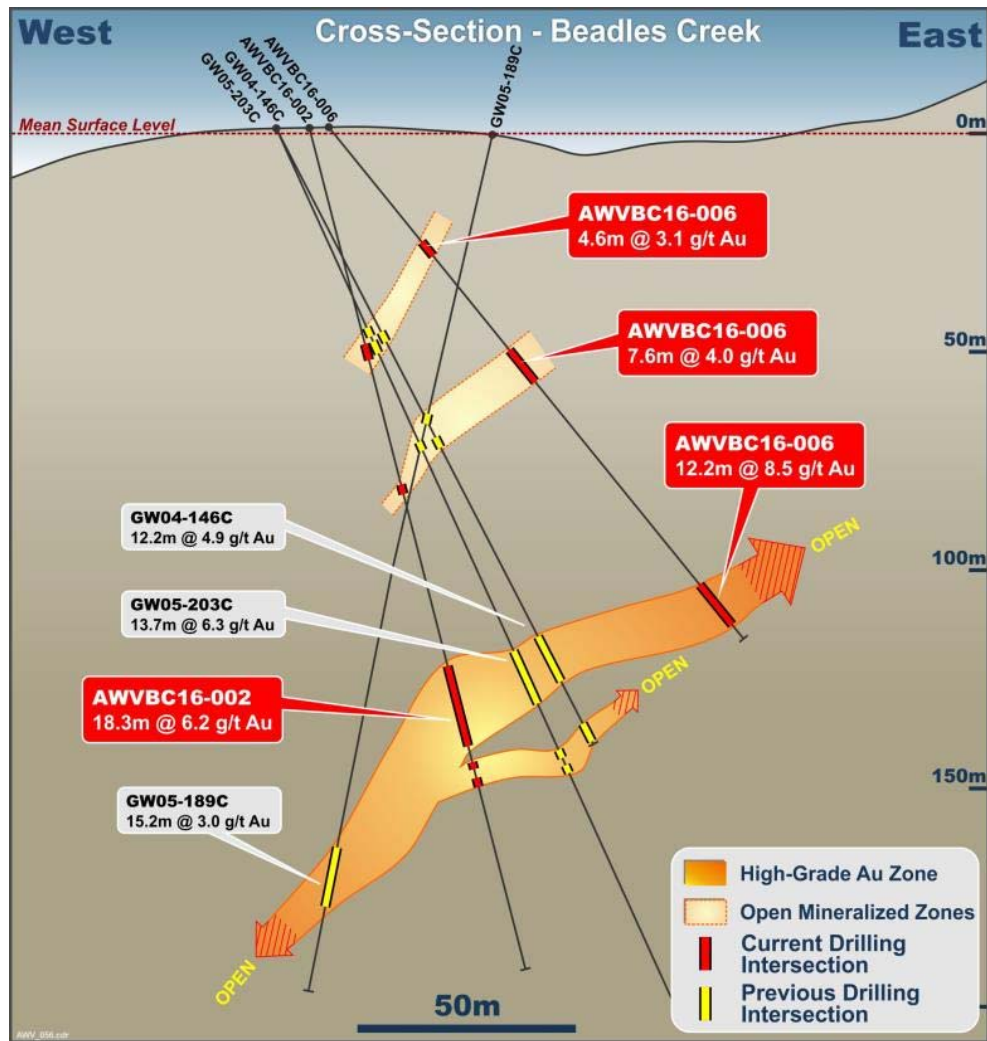


Figure 4: Cross-section through Beadles Creek mineralised zones at 6,602,300m N (UTM Zone 11N, NAD83). Entire lengths of drill holes have been projected onto section.

The last hole completed at Beadles Creek for 2016 was designed to test for up-dip extensions of the high-grade shoot further south of where AWWBC16-006 demonstrated the up-dip continuity of the Beadles Creek high-grade zone. **AWVBC16-007** returned a best intersection of **9.1m @ 7.5 g/t Au** from 134.1m, including **4.6m @ 10.9 g/t Au** from 134.1m located within a broader mineralised envelope of 13.7m grading 5.5 g/t Au. The best down-dip intersection at Beadles Creek was in **AWVBC16-002** where **18.3m @ 6.2 g/t Au** from 140.2m was returned.

Anova is planning to relocate the drilling platform constructed during the 2016 campaign approximately 100 metres to the East (Figure 5). From this position the Company is planning to drill multiple holes targeting up-dip and strike extensions of the Beadles Creek shoot intersected in its 2016 program. The initial program is expected to consist of seven holes for approximately 1,250 metres.

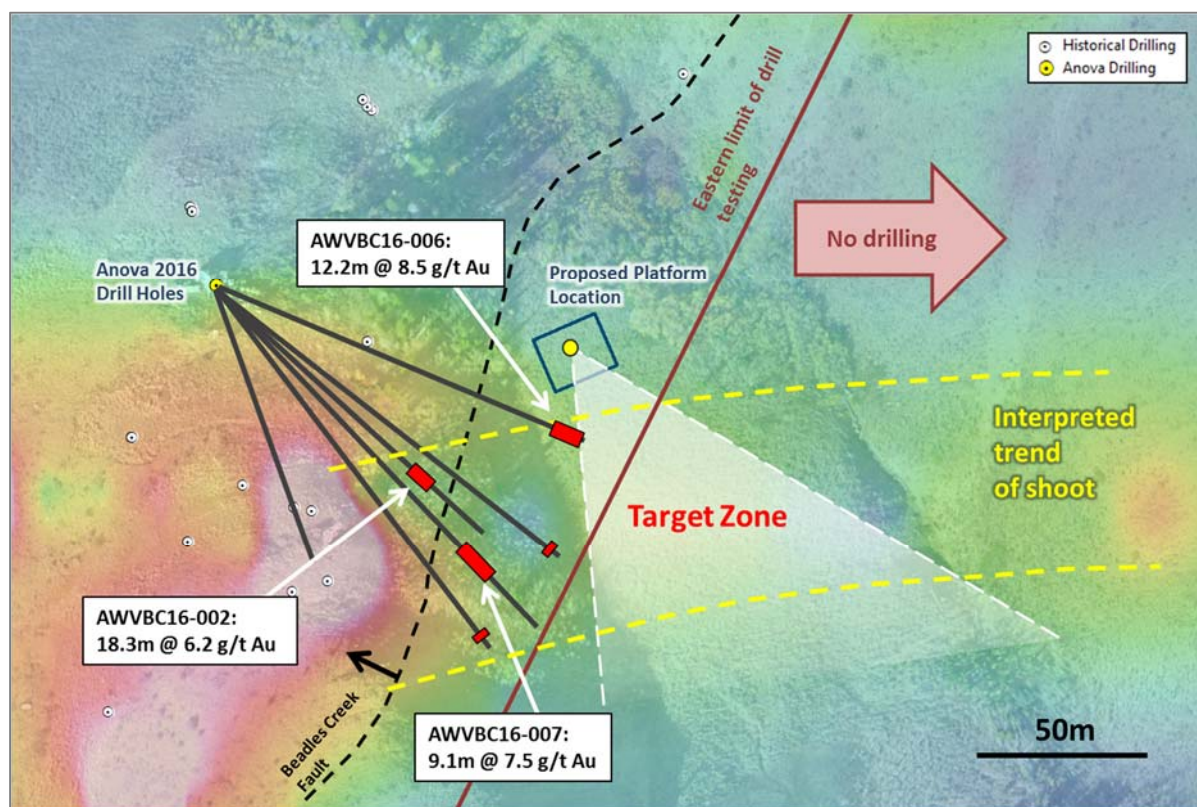


Figure 5: Plan view of Beadles Creek Prospect showing 2016 Anova drill hole traces and 2017 drilling target zone. Aerial photography is shaded with gold-in-soil anomalism.

Beadles Link

The Beadles Fault has been recognised as one of the major conduits for gold-bearing fluid movement at Big Springs. The Beadles Fault is obscured by Quaternary glacial till, but has been intersected in multiple drill holes, most recently at the Beadles Creek prospect. Drilling by previous operators intersected gold mineralisation approximately 300 metres south of the Beadles Creek prospect along the interpreted strike of the Fault. Historic intercepts in this area include **10.7m @ 3.4 g/t Au**, **19.8m @ 3.1 g/t Au** (incl. **3.0m @ 10.0 g/t Au**) and **4.6m @ 5.7 g/t Au**.

Anova intends to evaluate the area immediately south of the historical intercepts by drilling 6 holes for a total of 1,000m. Drilling at this target, referred to as the Beadles Link prospect, will be conducted from three readily accessible drill sites that will test approximately 500m strike extent of the interpreted Beadles Fault (Figure 6).

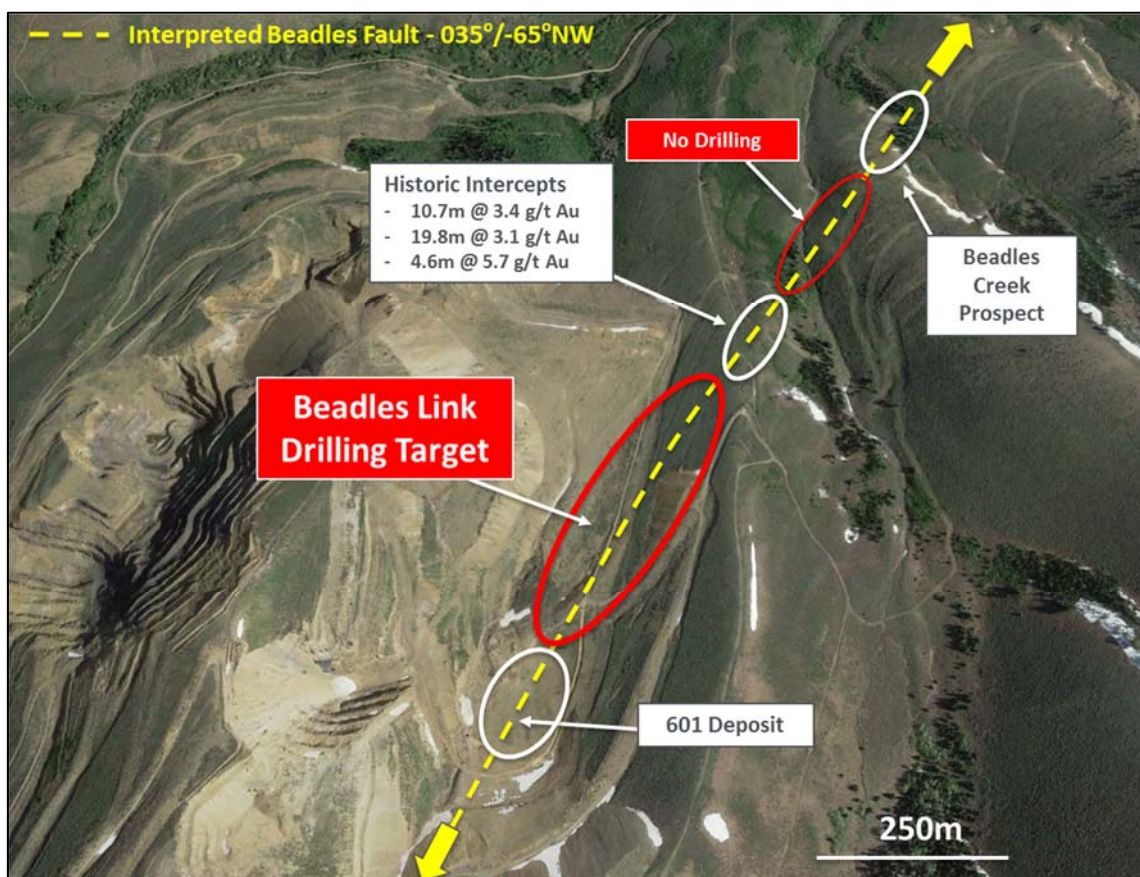


Figure 6: Beadles Link Drilling Target

Briens Fault

The NNE-SSW trending near-vertical Briens Fault straddles numerous deposits at Big Springs and is believed to have played a critical role in the emplacement of gold mineralisation. The vast majority of historical drill holes at Big Spring were drilled vertically and as a result a number of vertical to sub-vertical structures, including Briens Fault, remain untested.

In 2003 and 2004, a previous operator (Gateway Gold Limited) drilled four angled holes targeting the Briens Fault below the previously mined shallow 401 Pit. All four holes intersected the target zone and associated gold mineralisation. Results included **6.1m @ 8.9 g/t Au** in GW04-71C and **3.3m @ 4.5 g/t Au** in GW04-131C. Mineralisation remains open down-dip and along strike. Anova intends to follow up on these results through an initial program of four angled drill holes for a total of 600m (Figure 7).

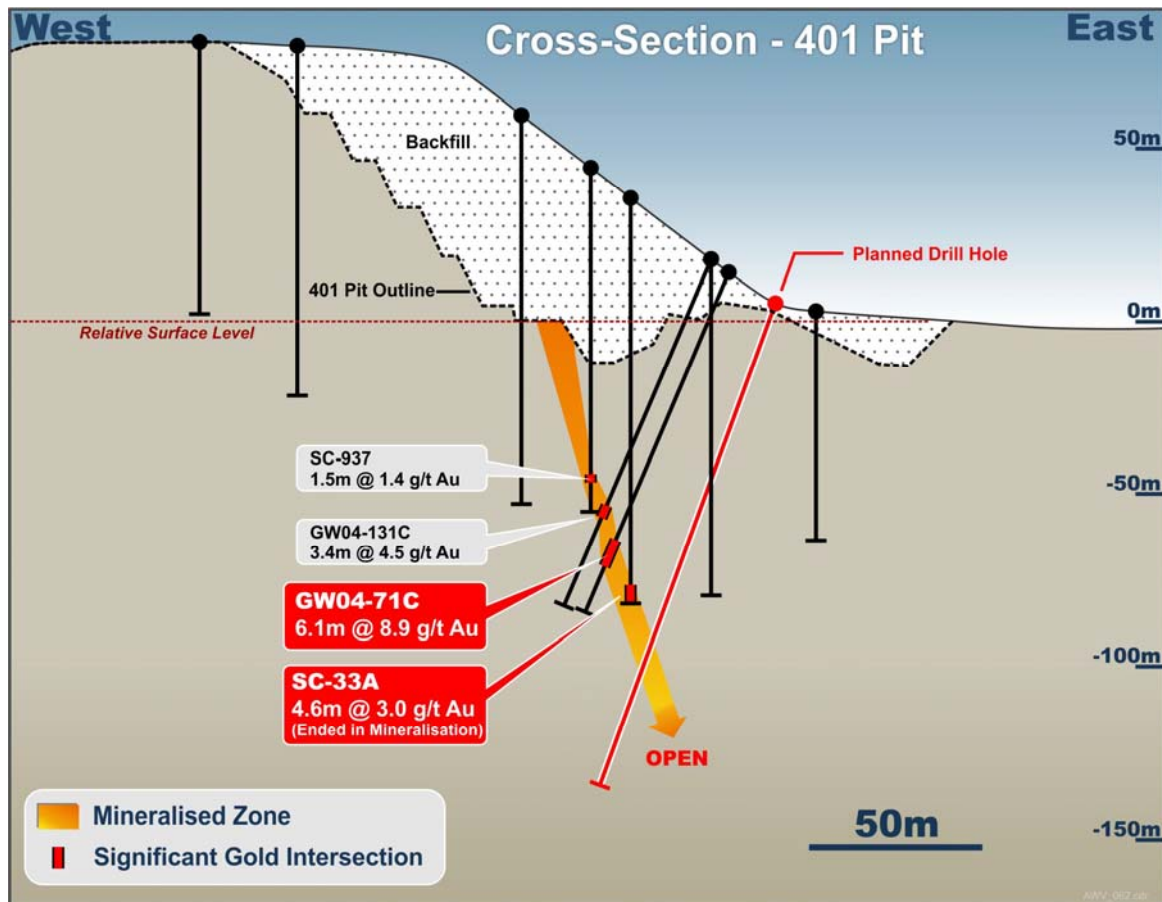


Figure 7: East-West Cross Section showing the Briens Fault Target

Regional Exploration

All historic surface geochemical data including soil, rock chip and stream sediment samples have been compiled into a database and preliminary evaluation has commenced. Initial evaluation of the dataset shows that large positions within the Big Springs tenement package may not have been effectively sampled. Of particular interest is the northeast quadrant of the project tenure where no effective historic sampling is believed to have occurred.

Geological mapping undertaken while Big Springs was in production, during the early 1990s, reveals that this northeast quadrant of the project is underlain by highly prospective lower plate rocks. Calcareous lithologies assigned to the Hanson Creek Formation have been mapped throughout this un-sampled area along with the Roberts Mountain Thrust which forms an upper contact with the Schoonover/Overlap Sequence. This contact position is one of the primary structural-stratigraphic controls where many of the major Carlin-type gold deposits in Nevada occur. This includes the Jerritt Canyon mineralisation located only 20km south of Big Springs where over 8 million ounces of gold has been produced. A surface geochemical program is in preparation to evaluate these Lower Plate targets.

CORPORATE

Independent Investment Research released an equity research note on the Company in early February, the report is accessible on the Company's website.

During the quarter 1,500,000 performance rights converted into ordinary shares upon meeting of the vesting hurdle.

As at 31 March 2017, the Company's cash balance was \$8m.

Competent Person Statement

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

TENEMENT SCHEDULE

All claims are 100% held.

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

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

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

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

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

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

Anova Metals Limited

ABN

20 147 678 779

Quarter ended ("current quarter")

31 MARCH 2017

Consolidated statement of cash flows

1. **Cash flows from operating activities**
 - 1.1 Receipts from customers
 - 1.2 Payments for:
 - (a) exploration & evaluation
 - (b) development
 - (c) production
 - (d) staff costs
 - (e) administration and corporate costs
 - 1.3 Dividends received (see note 3)
 - 1.4 Interest received
 - 1.5 Interest and other costs of finance paid
 - 1.6 Income taxes paid
 - 1.7 Research and development refunds
 - 1.8 Other (provide details if material)
 - 1.9 **Net cash from / (used in) operating activities**
2. **Cash flows from investing activities**
 - 2.1 Payments to acquire:
 - (a) property, plant and equipment
 - (b) tenements (see item 10)
 - (c) investments
 - (d) other non-current assets
 - 2.2 Proceeds from disposal of:
 - (a) property, plant and equipment
 - (b) tenements (see item 10)
 - (c) investments
 - (d) other non-current assets
 - 2.3 Cash flows from loans to other entities
 - 2.4 Dividends received (see note 3)
 - 2.5 Other (provide details if material)
 - 2.6 **Net cash from / (used in) investing activities**

Current quarter \$'000	Year to date (9 months) \$'000
-	-
(353)	(1,929)
-	-
-	-
(174)	(550)
(153)	(483)
-	-
18	36
-	-
-	-
-	-
-	-
(662)	(2,926)
-	(41)
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	(41)

	Current quarter \$'000	Year to date (9 months) \$'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	9,957
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	343
3.4 Transaction costs related to issues of shares, convertible notes or options	(2)	(547)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(2)	9,753
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	8,877	1,287
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(662)	(2,926)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(41)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(2)	9,753
4.5 Effect of movement in exchange rates on cash held	(214)	(74)
4.6 Cash and cash equivalents at end of quarter	8,000	8,000

Reconciliation of cash and cash equivalents

	Current quarter \$'000	Previous quarter \$'000
5. at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	3,500	4,280
5.2 Call deposits	4,500	4,597
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,000	8,877

6. Payments to directors of the entity and their associates

	Current quarter \$'000
6.1 Aggregate amount of payments to these parties included in item 1.2	28
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Payment of director fees	

7. Payments to related entities of the entity and their associates

	Current quarter \$'000
7.1 Aggregate amount of payments to these parties included in item 1.2	95
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Payment for administration and technical staff and provision of a fully serviced office

Financing facilities available

8. Add notes as necessary for an understanding of the position

- 8.1 Loan facilities

- 8.2 Credit standby arrangements

- 8.3 Other (please specify)

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Total facility amount at quarter end \$'000	Amount drawn at quarter end \$'000
-	-
-	-
-	-

9. **Estimated cash outflows for next quarter**

- 9.1 Exploration and evaluation

- 9.2 Development

- 9.3 Production

- 9.4 Staff costs

- 9.5 Administration and corporate costs

- 9.6 Other (provide details if material)

- 9.7 **Total estimated cash outflows**

\$'000
280
-
-
180
150
-
610

10. **Changes in tenements (items 2.1(b) and 2.2(b) above)**


- 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced

- 10.2 Interests in mining tenements and petroleum tenements acquired or increased

Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
-	-	-	-
-	-	-	-

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.



Mr Steven Jackson

Company Secretary

Date: 28 April 2017

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.