

Anova Metals Limited
ACN 147 678 779



PROSPECTUS

For the following offers of Options (**Options Offers**):

1. up to 4,500,000 Class A Options to Class A Offerees (or their nominees) (**Class A Option Offer**);
2. up to 4,687,502 Class B Options to Class B Offerees (or their nominees) (**Class B Option Offer**);
3. up to 2,500,000 Class C Options to Class C Offerees (or their nominees) (**Class C Option Offer**);
4. up to 1,250,000 Class D Options to Class D Offerees (or their nominees) (**Class D Option Offer**);
5. up to 1,250,000 Class E Options to Class E Offerees (or their nominees) (**Class E Option Offer**);
6. up to 8,926,873 Class F Options to Class F Offerees (or their nominees) (**Class F Option Offer**);
7. up to 8,926,873 Class G Options to Class G Offerees (or their nominees) (**Class G Option Offer**);
8. up to 500,000 Class H Options to Class H Offerees (or their nominees) (**Class H Option Offer**);
and
9. up to 1,375,000 Class I Options to Class I Offerees (or their nominee) (**Class I Option Offer**).

The Options Offers open on 21 August 2017 and close at 5.00pm (WST) on 5 October 2017.

Refer to Section 1 of this Prospectus for more information in respect of the Options Offers.

The offer and issue of the Anova Options offered pursuant to this Prospectus are conditional on the Scheme to effect a merger between Anova Metals Limited and Exterra Resources Limited becoming Effective.

IMPORTANT NOTICE

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. Please read the instructions in this document and on the accompanying Application Forms regarding acceptance of each Offer. If you do not understand this document, you should consult your professional adviser. The Securities offered by this Prospectus should be considered as a speculative investment.

Important information

General

This Prospectus is dated 18 August 2017 and was lodged with the Australian Securities and Investment Commission (**ASIC**) on the same date. Neither ASIC nor ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange (**ASX**) takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is a transaction specific prospectus for an offer of options to subscribe for continuously quoted securities (as defined in the Corporations Act), prepared in accordance with section 713 of the Corporations Act. In preparing this Prospectus, regard has been had to the fact that the Company is a 'disclosing entity' for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers.

Offer Securities will not be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Electronic prospectus

This Prospectus may be viewed in electronic form at www.anovametals.com.au by Australian investors only. The electronic version of this Prospectus is provided for information purposes only. A paper copy of the Prospectus may be obtained free of charge on request during an Offer Period by contacting the Company. The information on the Company's website does not form part of this Prospectus.

Risk factors

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the assumptions underlying the prospective financial information and the risk factors that could affect the performance of the Company. Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest.

Applications

Applications for Offer Securities by eligible participants may only be made on an Application Form attached to or accompanying the Prospectus. Please read the instructions in this Prospectus and on the accompanying Application Forms regarding the acceptance of an Offer. By returning an Application Form, lodging an Application Form with your stockbroker or otherwise arranging for payment for Offer Securities in accordance with the instructions on the Application Form, an Applicant will be taken to acknowledge that they have received and read this Prospectus, have acted in accordance with the terms of the Offer to which the application applies and agreed to all of the terms and conditions as detailed in this Prospectus.

Applicants from overseas

This Prospectus does not make any offer to investors who reside outside of Australia, Hong Kong, Ireland or the People's Republic of China. The distribution of this Prospectus and the Application Forms (including electronic copies) outside Australia may be restricted by law. This Prospectus does not, and is not intended to, constitute an offer or invitation in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. If you come into possession of these documents, you should observe such restrictions and should seek your own advice about such restrictions. Please refer to Section 1.12 for further information.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including the ASX website at www.asx.com.au). The contents of any website or filing with ASIC or ASX by the Company are not incorporated into this Prospectus and do not constitute part of an Offer unless otherwise expressly stated. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest the Company or subscribe for Offer Securities.

The Company has not authorised any person to give any information or make any representation in connection with an Offer which is not contained in this Prospectus. Any such extraneous information or representation may not be relied upon.

Forward-looking statements

This Prospectus includes forward-looking statements that have been based on current expectations about future acts, events and circumstances, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, except during an Offer Period and otherwise as required by law, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

Meaning of terms

Capitalised terms and certain other terms used in this Prospectus are defined in the Glossary in Section 8.

Currency

References to “\$”, “A\$”, “AUD”, or “dollar” are references to Australian currency, unless otherwise stated.

Time

References to time relate to the time in Perth, Western Australia, unless otherwise stated.

For personal use only

Corporate Directory

Directors

Malcolm James
(Non-Executive Chairman)

Bill Fry
(Executive Director)

Alasdair Cooke
(Non-Executive Director)

Proposed Directors*

Geoff Laing
(Executive Director)

John Davis
(Non-Executive Director)

Company Secretary

Steven Jackson

Registered Office and Principal Office

Suite 1
245 Churchill Avenue
Subiaco, Western Australia 6008

Telephone: +61 8 6465 5500
Facsimile: +61 8 6465 5599
Email: info@anovametals.com.au

ASX Code

AWV

Website

www.anovametals.com.au

Solicitors to the Offers

Jackson McDonald
Level 17, 225 St Georges Terrace
Perth, Western Australia 6000

Telephone: +61 8 9426 6611
Facsimile: +61 8 9321 2002

Securities Registry*

Link Market Services Limited
Level 12
QV1 Building
250 St Georges Terrace
Perth, Western Australia 6000

Telephone: +61 1300 554 474
Facsimile: +61 2 9287 0303

Auditor*

HLB Mann Judd Chartered Accountants
(WA Partnership)
Level 4, 130 Stirling Street
Perth, Western Australia 6000

Telephone: +61 8 9227 7500
Facsimile: +61 8 9227 7533

*Included for information purposes only. This entity has not been involved in the preparation of this Prospectus.

*Appointment conditional on Scheme becoming Effective.

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Key Offer Information

Indicative Timetable

| Event | Target Date |
|-----------------------------------|---|
| Lodgement of Prospectus with ASIC | Friday, 18 August 2017 |
| Opening Date of the Offers | Monday, 21 August 2017 |
| Closing Date of the Offers | 5.00pm (WST) on Thursday, 5 October 2017 |
| Issue of Offer Securities | Friday, 6 October 2017 |
| Despatch of Holding Statements | Monday, 9 October 2017 |

Note: These dates are indicative only and subject to change. The Company may vary these dates without notice, including whether to close an Offer early, extend an Offer, or accept late Applications, either generally or in particular cases, without notification. Investors who wish to submit an Application and subscribe for Offer Securities under an Offer are encouraged to do so as soon as possible after the Offers open.

Key Offer Details

| Item | Details |
|--|---------------------------|
| Price per Option under the Options Offers | Nil |
| Cash proceeds of the Options Offers (before costs) | Nil |
| Options offered under the Options Offers: | |
| <i>Class A Option Offer</i> | 4,500,000 Class A Options |
| <i>Class B Option Offer</i> | 4,687,502 Class B Options |
| <i>Class C Option Offer</i> | 2,500,000 Class C Options |
| <i>Class D Option Offer</i> | 1,250,000 Class D Options |
| <i>Class E Option Offer</i> | 1,250,000 Class E Options |
| <i>Class F Option Offer</i> | 8,926,873 Class F Options |
| <i>Class G Option Offer</i> | 8,926,873 Class G Options |
| <i>Class H Option Offer</i> | 500,000 Class H Options |
| <i>Class I Option Offer</i> | 1,375,000 Class I Options |

Notes: The figures in the table above assume full subscription under each Offer.

1. Details of the Offers

1.1 Options Offers

This Prospectus invites the holders of Exterra Options to acquire Anova Options in consideration for the Exterra Optionholder agreeing to cancel their Exterra Options, on the terms of the various Offers set out in this Prospectus.

The Offer to each class of Exterra Optionholders is described in the following table:

| Offer Description | Persons entitled to participate in this Offer | Number of Anova Options offered in consideration for cancellation of Exterra Options | Maximum number of Anova Options to be issued under the Offer | Terms of Anova Options |
|-----------------------------|--|---|---|--|
| Class A Option Offer | Holders of Exterra Options with an exercise price of \$0.0215 and expiry date of 19 June 2020 | One Anova Option for every two Exterra Options cancelled | 4,500,000 | Exercise price of \$0.043, expiry date 19 June 2020 and on the terms set out in Annexure A |
| Class B Option Offer | Holders of Exterra Options with an exercise price of \$0.06 and expiry date of 1 July 2019 | One Anova Option for every two Exterra Options cancelled | 4,687,502 | Exercise price of \$0.12, expiry date 1 July 2019 and on the terms set out in Annexure B |
| Class C Option Offer | Holders of Exterra Options with an exercise price of \$0.06 and expiry date of 4 July 2018 | One Anova Option for every two Exterra Options cancelled | 2,500,000 | Exercise price of \$0.12, expiry date 4 July 2018 and on the terms set out in Annexure C |
| Class D Option Offer | Holders of Exterra Options with an exercise price of \$0.10 and expiry date of 26 August 2019 | One Anova Option for every two Exterra Options cancelled | 1,250,000 | Exercise price of \$0.20, expiry date 26 August 2019 and on the terms set out in Annexure D |
| Class E Option Offer | Holders of Exterra Options with an exercise price of \$0.125 and expiry date of 26 August 2019 | One Anova Option for every two Exterra Options cancelled | 1,250,000 | Exercise price of \$0.25, expiry date 26 August 2019 and on the terms set out in Annexure E |

| Offer Description | Persons entitled to participate in this Offer | Number of Anova Options offered in consideration for cancellation of Exterra Options | Maximum number of Anova Options to be issued under the Offer | Terms of Anova Options |
|-----------------------------|---|---|---|--|
| Class F Option Offer | Holders of Exterra Options with an exercise price of \$0.06 and expiry date of 29 July 2019 | One Anova Option for every two Exterra Options cancelled | 8,926,873 | Exercise price of \$0.12, expiry date 29 July 2019 and on the terms set out in Annexure F |
| Class G Option Offer | Holders of Exterra Options with an exercise price of \$0.08 and expiry date of 29 July 2019 | One Anova Option for every two Exterra Options cancelled | 8,926,873 | Exercise price of \$0.16, expiry date 29 July 2019 and on the terms set out in Annexure G |
| Class H Option Offer | Holders of Exterra Options with an exercise price of \$0.10 and expiry date of 1 December 2019 | One Anova Option for every two Exterra Options cancelled | 500,000 | Exercise price of \$0.20, expiry date 1 December 2019 and on the terms set out in Annexure H |
| Class I Option Offer | Holders of Exterra Options with an exercise price of \$0.10 and expiry date of 28 November 2021 | One Anova Option for every two Exterra Options cancelled | 1,375,000 | Exercise price of \$0.20, expiry date 28 November 2021 and on the terms set out in Annexure I |

Each Anova Option issued entitles the holder to acquire one Anova Share on exercise of the Anova Option on or before the expiry date of the Anova Option and otherwise on the terms and conditions set out in an Annexure to this Prospectus.

The Options Offers are made to those persons who hold any of the Exterra Options described in the table above.

The number of Anova Options offered to each Offeree is equivalent to the number of Exterra Options held by a given Offeree, divided by two, and all fractional entitlements will be rounded up to the nearest whole number. For example, if a Class A Offeree holds 1,000,001 Exterra Options, their offer under the Class A Option Offer in this Prospectus will be for 500,001 Class A Options. The number of Anova Options which a given Offeree is offered under this Prospectus will be set out on the Application Form accompanying this Prospectus.

1.2 Identity of Offerees

The offerees of the Options Offers are the holders of Exterra Options described in Section 1.1 above.

1.3 Conditions

The Options Offers are each conditional upon the Scheme becoming Effective. If the Scheme becomes Effective, the Anova Options will be issued on the Implementation Date. Please refer to Section 2.1 for further information regarding the Scheme.

1.4 Minimum subscription

The Options Offers are not subject to any minimum subscription condition or requirement.

1.5 Underwriting

The Options Offers are not underwritten.

1.6 Purpose of Offers

The primary purposes of the Options Offers is for:

- (a) the Company to fulfil its obligation under the Merger Implementation Agreement to issue, subject to satisfaction of the Conditions Precedent set out in Section 2.1 below, the Offer Securities to the Offerees or their nominees, in consideration for the cancellation of their Exterra Options; and
- (b) provide Exterra Optionholders the opportunity to acquire Anova Options in exchange for the cancellation of their Exterra Options.

By this Prospectus, the Offer Securities will be issued with disclosure under Chapter 6D of the Corporations Act. Accordingly, neither the Offer Securities nor the Shares issued on their exercise will be subject to secondary trading restrictions.

1.7 Timetable

The Options Offers will open for receipt of Applications on **Monday, 21 August 2017** and will close at **5.00pm (WST) on Thursday, 5 October 2017**.

The Directors reserve the right to extend the Offer Periods or close an Offer prior to the Closing Date for that Offer, subject to the requirements of the Corporations Act and the Listing Rules.

The full indicative timetable for the Offers is set out in the Key Offer Information section on page 1 of this Prospectus.

1.8 Applications for Offer Securities

An Application for Offer Securities may only be submitted with respect to any Options Offer by the Offeree(s) of that Options Offer (or their nominee(s)), and must be made using the corresponding Application Form that accompanies this Prospectus.

The relevant Application Form must be completed and returned to the Company Secretary, Steven Jackson, by email to StevenJ@anovametals.com, in accordance with the instructions set out on the back of the form, before the Closing Date for the relevant Options Offer.

An original, completed and lodged Application Form constitutes a binding and irrevocable offer to subscribe for the number of Options specified in that Application Form. The Application Form does not need to be signed to be valid.

If an Application Form is not completed correctly, it may be treated by the Company as valid at its discretion. The Directors' decision as to whether to treat such an Application Form as valid and how to construe, amend or complete a form is final.

1.9 Issue of Offer Securities

The Offer Securities offered under each Offer are expected to be issued on the date specified in the Key Offer Information section on page 1 of this Prospectus, and in any event as soon as practicable following the Closing Date for the relevant Offer.

The sale by an Applicant of any Offer Securities prior to the receipt of a Holding Statement is at the Applicant's own risk.

1.10 ASX quotation

The Company does not intend to apply for Official Quotation on ASX of the Options issued pursuant to this Prospectus.

1.11 Withdrawal

The Directors may decide to withdraw this Prospectus or an Offer at any time before issue of any Offer Securities.

1.12 Applicants outside of Australia

This Prospectus does not constitute an offer of Offer Securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offers.

It is the responsibility of any Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to their Application, and any such Applicant should consult their professional adviser as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be issued Offer Securities. Return of a duly completed Application Form will constitute a representation and warranty by an Applicant that there has not been any breach of such regulations.

The Company has not taken any action to register or qualify the Offer Securities or an Offer, or otherwise to permit a public offering of the Offer Securities, in any jurisdiction outside Australia.

Prospective investors located outside Australia are advised that the information contained within this Prospectus has not been prepared with regard to matters that may be of particular concern to them. Accordingly, prospective investors located outside Australia should consult with their own legal, financial and tax advisors concerning the information contained within the Prospectus and as to the suitability of an investment in the Offer Securities in their particular circumstances.

(a) Notice to investors in Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Options Offers, and in particular the Class B Option Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

(b) Notice to investors in the People's Republic of China

The information in this document does not constitute a public offer of Offer Securities, whether by way of sale or subscription, in the People's Republic of China (excluding, for the purposes of this paragraph only, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The Offer Securities may not be offered or sold directly or indirectly in the People's Republic of China to legal or natural persons other than directly to "qualified domestic institutional investors".

(c) Notice to investors in Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations. This document has not been filed with or approved by any regulatory authority as the information has not been prepared in the context of a public offering of

securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (**Prospectus Regulations**). The Offer Securities have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to “qualified investors” as defined in Regulation 2(l) of the Prospectus Regulations.

1.13 CHESS and issuer sponsorship

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**), operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Rules. The Company operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of its Securities.

Under CHESS, the Company does not issue certificates to the holders of Securities. Instead, the Company provides holders with a Holding Statement (similar to a bank account statement) that sets out the number of Offer Securities allotted and issued to them under this Prospectus.

This holding statement also advises investors of either their Holder Identification Number (**HIN**) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (**SRN**) in the case of a holding on the issuer sponsored sub-register.

A statement is routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time; however, a charge may be incurred for additional statements.

1.14 Taxation implications

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for Offer Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions for potential Applicants.

Neither the Company nor any of its advisers or officers accept any responsibility or liability for any taxation consequences to potential Applicants in relation to an Offer. Potential Applicants should, therefore, consult their own tax adviser in connection with the taxation implications of the Offers.

1.15 Privacy disclosure

The Company collects information about each Applicant from the Application Forms for the purpose of processing the Application and, if the Applicant is successful, for the purposes of administering the Applicant's Security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement.

The Company and the Securities Registry may disclose an Applicant's personal information for purposes related to the Applicant's investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act (**Privacy Act**):

- (a) the Securities Registry for ongoing administration of the Company's register;
- (b) the Company's related bodies corporate (as that term is defined in the Corporations Act), agents, contractors and third party service providers, as well as to ASX, ASIC and other regulatory authorities (including the Australian Taxation Office); and
- (c) the printers and the mailing house for the purposes of preparing and distributing Holding Statements and for the handling of mail.

If an Applicant becomes a Security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the Securities held) in its public register. This information must remain in the Company's register

even if that person ceases to be a Security holder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Security holders) and compliance by the Company with legal and regulatory requirements.

If an Applicant does not provide the information required on the Application Form, the Company may not be able to accept or process their Application.

Under the Privacy Act, a person may request access to their personal information held by (or on behalf of) the Company or the Securities Registry. An Applicant can request access to their personal information by writing to the Company through the Securities Registry.

1.16 Enquiries

This Prospectus provides information for potential investors in the Company and should be read in its entirety.

If after reading this Prospectus you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or financial advisor.

2. Purpose and effect of the Offers

2.1 Background – proposed merger of Anova and Exterra

On 8 June 2017, Anova and Exterra Resources Limited (**Exterra**) announced that they had entered into the Merger Implementation Agreement in relation to a proposed transaction which, if implemented, will result in Anova acquiring all of the issued shares in Exterra by way of a scheme of arrangement (**Scheme**).

If the Scheme proceeds:

- (a) all Exterra Shares will be transferred to Anova;
- (b) all Exterra Shareholders as at the Record Date (whether or not they voted for or against the Scheme), other than Ineligible Foreign Shareholders or Electing Small Shareholders, will receive one New Anova Share for every two Exterra Shares they hold as at the Record Date (**Scheme Consideration**); and
- (c) Exterra will be de-listed from ASX and will become a wholly-owned subsidiary of Anova.

The Scheme is subject to a number of conditions precedent in addition to the requisite majorities of Exterra Shareholders approving the Scheme Resolution (**Conditions Precedent**), including the following:

- (a) the Court approving the Scheme;
- (b) no temporary restraining order, preliminary or permanent injunction or other order preventing the Scheme being in effect at 8.00am on the Second Court Date;
- (c) no Exterra Material Adverse Change or Anova Material Adverse Change occurring;
- (d) no Exterra Prescribed Event or Anova Prescribed Event occurring;
- (e) before 8.00am on the Second Court Date, binding agreements having been entered into in relation to a sufficient number of Exterra Options to permit Anova to compulsorily acquire any remaining Exterra Options; and
- (f) the aggregate of Anova's cash assets and receivables, less any trade creditors, being above \$5,500,000 as at 8.00am on the Second Court Date.

The Scheme will not proceed unless all the Conditions Precedent are satisfied or waived in accordance with the Merger Implementation Agreement. Further information regarding the Conditions Precedent to the Scheme are set out in Section 9.2 of the Scheme Booklet, announced to ASX on 14 August 2017.

A copy of the Scheme Booklet is available free of charge on Anova's website at www.anovametals.com.au (refer to "ASX Announcements" in the "Investor Centre" tab on the website).

As at the date of this Prospectus, Anova is not aware of any circumstances which would cause the Conditions Precedent not to be satisfied.

2.2 Options Offers

Under the Merger Implementation Agreement, Exterra and Anova agreed to use their reasonable endeavours to procure that each Exterra Optionholder enter into a deed for the cancellation of their Exterra Options in exchange for the grant of Anova Options at a ratio of one Anova Option for every two Exterra Options held.

The cancellation of Exterra Options and issue of Anova Options is subject to the Scheme becoming Effective and is to take effect on the Implementation Date.

Exterra will procure the cancellation of all of the Exterra Options on issue immediately prior to the Implementation Date. Exterra has obtained a waiver from ASX to permit the Exterra Options to be cancelled for consideration without requiring separate Exterra Shareholder approval.

In exchange for the cancellation of the Exterra Options, Anova is required to offer and issue the Anova Options to holders of Exterra Options on the following terms:

| Exterra Options | | | | Anova Options | | | |
|-----------------|-------------------|----------------|------------------|---------------|-------------------|----------------|------------------|
| Tranche | Number | Exercise price | Expiry date | Class | Number | Exercise price | Expiry date |
| 1 | 9,000,000 | \$0.0215 | 19 June 2020 | A | 4,500,000 | \$0.043 | 19 June 2020 |
| 2 | 9,375,000 | \$0.06 | 1 July 2019 | B | 4,687,502 | \$0.12 | 1 July 2019 |
| 3 | 5,000,000 | \$0.06 | 4 July 2018 | C | 2,500,000 | \$0.12 | 4 July 2018 |
| 4 | 2,500,000 | \$0.10 | 26 August 2019 | D | 1,250,000 | \$0.20 | 26 August 2019 |
| 5 | 2,500,000 | \$0.125 | 26 August 2019 | E | 1,250,000 | \$0.25 | 26 August 2019 |
| 6 | 17,853,737 | \$0.06 | 29 July 2019 | F | 8,926,873 | \$0.12 | 29 July 2019 |
| 7 | 17,853,737 | \$0.08 | 29 July 2019 | G | 8,926,873 | \$0.16 | 29 July 2019 |
| 8 | 1,000,000 | \$0.10 | 1 December 2019 | H | 500,000 | \$0.20 | 1 December 2019 |
| 9 | 2,750,000 | \$0.10 | 28 November 2021 | I | 1,375,000 | \$0.20 | 28 November 2021 |
| Total | 67,832,474 | | | | 33,916,248 | | |

The offer of the Anova Options under this Prospectus will have the effect that all Anova Options will be issued with disclosure under Chapter 6D of the Corporations Act. Accordingly, neither the Anova Options issued under this Prospectus nor the Shares issued on their exercise will be subject to secondary trading restrictions.

2.3 Use of funds

The Company will not raise any funds under any of the Options Offers. Any funds raised on exercise of Options (up to \$4,493,024.68) will be applied by the Company to its general working capital requirements at that time.

2.4 Capital structure

If all Options that have been agreed to be issued by the Company are issued, and all Offer Securities are subscribed for, the capital structure of the Company is expected to be as follows.

| Security type | Number | Percentage of total |
|--|-------------|---------------------|
| Shares | | |
| Shares on issue at the Prospectus Date | 453,400,292 | 72.4% |
| Shares to be issued under Prospectus | Nil | Nil |
| Shares to be issued pursuant to the Scheme | 172,594,353 | 27.6% |

| Security type | Number | Percentage of total |
|---|--------------------|---------------------|
| Total Shares following the Implementation Date and completion of the Options Offers | 625,994,645 | 100% |
| Options – unquoted | | |
| Options on issue at the Prospectus Date | Nil | Nil |
| Options on issue following Implementation Date | 33,916,248 | 100% |
| Total Options on issue following the Implementation Date and completion of the Options Offers | 33,916,248 | 100% |
| Performance rights | | |
| Performance Rights on issue at the Prospectus Date | 2,250,000 | 100% |
| Performance Rights to be issued under Prospectus | Nil | Nil |
| Total Performance Rights on issue following the Implementation Date and completion of the Options Offers | 2,250,000 | 100% |

Notes: The figures in the table assume:

- (a) additional Securities are not issued after the Prospectus Date; and
- (b) the Offers close fully subscribed.

2.5 Effect on control

The shareholding interests of existing Shareholders may be diluted if the Options issued under the Options Offers are exercised, as this would result in up to 33,916,248 new Shares being issued if full subscription under that offer is reached.

Assuming the Company does not issue any other Shares, this represents a dilutive effect of approximately 5.4%, assuming that the Scheme becomes Effective, the Scheme Consideration is issued, and the Company does not issue any other additional Shares.

Accordingly, the Options Offers (and subsequent issue of Shares on exercise of the Options) should not have a material impact upon the control of the Company.

2.6 Substantial holdings

A “substantial holding” is defined under section 9 of the Corporations Act to mean a relevant interest in 5% or more of the voting shares of a company.

The table below sets out the Shareholders with a substantial holding as at the Prospectus Date. None of these substantial Shareholders will acquire any Anova Options under the Options Offers.

| Name | Number of Shares | Percentage interest |
|---------------------------|------------------|---------------------|
| Phoenix Gold Fund Limited | 27,986,111 | 6.17% |
| Lujeta Pty Ltd | 25,000,000 | 5.51% |
| Alasdair Campbell Cooke | 24,889,299 | 5.49% |

2.7 Effect on financial position of the Company

The Company will not raise any funds from the Offers and so they will not have a material effect on the Company's financial position.

However, the Scheme will have a material effect on the Company's financial position. Refer to the following Sections of the Scheme Booklet (announced to ASX on 14 August 2017) for information regarding the financial position of the Company:

- (a) Section 5.4 of the Scheme Booklet, for the Company's consolidated statements of financial position, income and cash flows for the half year ended 31 December 2016 and the years ended 30 June 2016 and 30 June 2015; and
- (b) Section 6.6 of the Scheme Booklet, for a pro forma consolidated statement of financial position of the Merged Group as at 31 May 2017.

A copy of the Scheme Booklet is available free of charge on Anova's website at www.anovametals.com.au (refer to "ASX Announcements" in the "Investor Centre" tab on the website).

3. Risk Factors

3.1 Introduction

Activities in the Company and its controlled entities, as in any business, are subject to risks which may impact on the Company's future performance. There can be no guarantee that the Company will achieve its stated objectives.

Potential investors should read the entire Prospectus and review announcements made by the Company to ASX (at www.asx.com.au under the code AWV) in order to gain an appreciation of the Company, its activities, operations, financial position and prospects.

An investment in the Company's Securities should be considered speculative. Securities carry no guarantee with respect to the payment of any dividends, returns of capital or the market value of those Securities.

As set out in Section 2.1 above, the Company has entered into the Merger Implementation Agreement in relation to a proposed transaction which, if implemented, will result in the Company acquiring all of the issued shares in Exterra by way of a scheme of arrangement.

As set out in Section 1.3 above, the issue of Offer Securities offered under this Prospectus is subject to the Scheme becoming Effective. Consequently, if any Offer Securities are issued, they will be Securities in the Merged Group. As such, the risks applicable to an investment in Offer Securities include risks specific to the Merged Group, in addition to the risks of a general nature that are applicable to any investment in securities.

The risks set out below have been identified as being key risks specific to an investment in the Merged Group. Additional risks relevant to an investment in Securities are set out in Section 7 of the Scheme Booklet (announced to ASX on 14 August 2017).

Investors should consider both the risks set out below and the risks set out in Section 7 of the Scheme Booklet (announced to ASX on 14 August 2017), as all of these risks have the potential to have a significant adverse impact on the Merged Group and may affect the Merged Group's financial position, prospects and price of its listed securities.

A copy of the Scheme Booklet is available free of charge on Anova's website at www.anovametals.com.au (refer to "ASX Announcements" in the "Investor Centre" tab on the website).

3.2 Operating risks for the Merged Group

(a) Development

Further exploration may result in changes to estimates of the size and confidence levels of Mineral Resources or Ore Reserves and the estimated costs of recovering gold from the projects, affecting the economics of the Merged Group's Second Fortune Gold Mine and Big Springs Project.

There is a risk that circumstances (including unforeseen circumstances) may cause a delay to project development, exploration milestones or other operating factors, resulting in the receipt of revenue at a later date than expected or not at all. Additionally, the development of the Second Fortune Gold Mine and the Big Springs Project may exceed the currently envisaged timeframe or cost for a variety of reasons outside of the control of the Merged Group.

Although the rewards can be substantial, there is no guarantee that future exploration on tenements for which the Merged Group has exploration permits or licences will lead to a commercial discovery, or if there is such a discovery, that the Merged Group will be able to develop it economically. Future developments are dependent on whether mining leases can be obtained to recover gold from current or future development and exploration projects. Factors affecting the ability to obtain those mining leases include

native title in Western Australia, impacts on the environment and objects from people and entities with interests located close to the proposed mining leases.

Development of any future Mineral Resources will also be dependent on the exploration and appraisal programs gaining all necessary approvals by government authorities

(b) **Operations**

The operations of the Merged Group may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, access arrangements, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, problems with the road network and ore haulage operations, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, and plant and equipment and contracting risk from third parties providing services essential to the production.

Specifically, in relation to production:

- (i) the Merged Group's operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions and other accidents;
- (ii) assumptions in the mining models may prove to be wrong including because of changes in economic circumstances or fluctuations in the unitary parameters referred to above.

Accordingly, for these and other reasons, no assurances can be given that the Merged Group will achieve commercial viability through the development and/or mining of its projects. Until the Merged Group can realise value from its projects, it is likely to incur on-going operating losses.

(c) **Production and capital costs**

The Merged Group's business operations and financial condition may vary with fluctuations in production and capital costs. The Merged Group's main production expenses are expected to be contractor costs, materials (including fuel, explosives and mining consumables), personnel costs and energy. The Merged Group will be incurring expenditures in both US and Australian dollars.

Changes in the costs of the Merged Group's mining and processing operations as well as its capital costs could occur as a result of unforeseen events, including international and local economic and political events (including movement in exchange rates), and could result in changes in Ore Reserve estimates. Many of these factors may be beyond the Merged Group's control. In addition, some of the capital cost estimates are based on conceptual engineering design and there may be a material change to the estimates once final engineering has been completed. In past resource cycles, operating and capital costs have tended to increase as commodity prices have increased. Thus, the Merged Group may be faced with higher than currently expected operating and capital costs in the future.

(d) **Financing risks**

Existing funds will not be sufficient for expenditure that might be required for the development of the Second Fortune Gold Mine and the Big Springs Project.

The Merged Group will require additional funds in addition to current cash reserves to fund exploration and mine development activities, which it intends to partially source from operating revenue. The Merged Group will need to raise debt or equity funds in the future. There is no assurance that the Merged Group will be able to obtain additional debt or equity funding when required, or that the terms associated with that funding will be acceptable to the Merged Group and this may have a material adverse effect on the Merged Group.

In general, the Merged Group's funding requirements depend on numerous factors including the Merged Group's ability to generate income from its mine development project, future exploration and work programs, meeting its future obligations and the acquisition of new projects.

The Merged Group's ability to raise further capital, either equity or debt, within an acceptable time, of sufficient quantum and on terms acceptable to the Merged Group will vary according to a number of factors, including:

- (i) prospectivity of projects (existing and/or future);
- (ii) the results of exploration, development and mining;
- (iii) stock market and industry conditions; and
- (iv) the price of relevant commodities and exchange rates.

Additional equity financing, if available, may be dilutive to shareholders and at lower prices than the current market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Merged Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its proposed operations or anticipated expansion.

(e) **Geology and estimation of Mineral Resources and Ore Reserves**

The quantity of gold (in terms of both ore tonnages and gold grade) that the Merged Group recovers may be less than expected. The Mineral Resource and Ore Reserve estimates of the Merged Group, are stated in accordance with the JORC Code 2012, or where indicated the JORC Code 2004, and are expressions of judgement based on knowledge, experience and industry practice. There are risks associated with such estimates. Mineral Resource and Ore Reserve estimates are necessarily imprecise and depend to some extent on interpretations and geological assumptions, gold prices, cost assumptions, and statistical inferences which may ultimately prove to have been unreliable.

Consequently, Ore Reserve and Mineral Resource estimates are often regularly revised based on actual production experience or new information and could therefore be expected to change. Furthermore, should the Merged Group encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, Ore Reserve and Mineral Resource estimates may have to be adjusted and mining plans may have to be altered in a way that might adversely affect the Merged Group's operations. Moreover, a decline in the price of gold, stabilisation at a price lower than recent levels, increases in production costs, decreases in recovery rates or changes in applicable laws and regulations, including environment, permitting, title or tax regulations, that are adverse to the Merged Group, may mean the quantity of gold that the Merged Group can feasibly extract may be significantly lower than the Ore Reserve and Mineral Resource estimates indicated in this Prospectus. If it is determined that mining of certain of the Merged Group's Ore Reserves has become uneconomic, this may ultimately lead to a reduction in the Merged Group's aggregate Ore Reserves.

If the Merged Group's actual Mineral Resources and Ore Reserves are less than current estimates, the Merged Group's prospects, value, business, results of operations and financial condition may be materially adversely affected.

(f) **Licences, permits and environment**

Mining companies must obtain numerous permits issued by various governmental agencies and regulatory bodies that impose strict regulations on various environmental and safety matters in connection with gold mining. The permitting rules are complex and may change over time, making the Merged Group's ability to comply with the applicable requirements more difficult or even impossible, thereby precluding continuing or future mining operations. Private individuals and the public have certain rights to comment upon and otherwise engage in the permitting process, including through court intervention. Accordingly, the permits the Merged Group needs may not be issued, maintained or renewed, may not be issued or renewed in a timely fashion, or may involve requirements that restrict the Merged Group's ability to conduct its mining operations. Another factor affecting future developments is successfully obtaining the grant of mining leases to recover gold from current or future exploration projects. No assurance can be given that current or future development and exploration will lead to mining operations.

Environmental regulation of mining activities imposes significant obligations on mining companies in relation to pollution control during mining operations and rehabilitation on completion of them. Further, whilst the Merged Group has provided or will provide environmental bonds to the relevant regulatory bodies in respect of the anticipated cost of rehabilitation, actual rehabilitation costs may exceed the amount of the bonds provided and the Merged Group may be required to expend more money than anticipated to complete rehabilitation of its projects.

Changes to environmental regulation or circumstances beyond the control of the Merged Group, such as drought or flood, may impact on the cost of meeting the Merged Group's environmental obligations. Environmental and safety legislation may change in a manner that may require standards in addition to those now in effect, and a heightened degree of responsibility for companies and their directors and employees. There may also be unforeseen environmental liabilities resulting from gold production related activities, which may be costly to remedy. In particular, the acceptable level of pollution and the potential abandonment costs and obligations for which the Merged Group may become liable as a result of its activities may be impossible to assess against the current legal framework.

(g) **Shortage of skilled labour and industrial action**

A shortage of skilled labour in the mining industry in Australia or the USA could result in the Merged Group having insufficient employees or contractors to operate its business, which could adversely affect the Merged Group's business, results of operations and financial condition. Similarly, industrial action by the Merged Group's (future) employees or mining contractors' employees could disrupt operations (e.g. employees covered by industrial agreements may take protected industrial action (e.g. strike) once these agreements pass their normal expiry date).

The Merged Group will depend on a large number of contracted personnel, including those supplied by the Mitchell River Group. There is a risk that contracted personnel fail to perform their contractual obligations and that the Merged Group is unable to find suitable replacement contractors. While the situation is normal for the mining and exploration industry, problems caused by third parties may arise which have the potential to impact on the performance of the Merged Group.

(h) **Dependence on key personnel supplied by the Mitchell River Group**

The loss of key personnel and the failure to recruit sufficiently qualified staff could affect the Merged Group's future performance. Both Exterra and Anova have entered into contracts with the Mitchell River Group for the supply of key personnel whose expertise and experience in the mining industry are important to the continued development and operation of its mining interests.

Due to the personnel of the Mitchell River Group having intimate knowledge of the Merged Group's mineral assets, their industry specific experience and the important role they have taken in developing the Merged Group's mining, business and financial plans,

the Merged Group could be adversely affected if any of them ceased to actively participate in the management of the Merged Group, left the Merged Group entirely or ceased employment with the Mitchell River Group. There may be a limited number of persons with the requisite experience and skills to serve in the Merged Group's senior management positions if existing management leave the Merged Group or the Mitchell River Group.

If the Merged Group cannot attract, train and retain qualified managers, the Merged Group may be unable to successfully manage its growth or otherwise compete effectively in the Australian gold industry.

(i) **Reliance on third parties**

In addition to the 'Dependence on key personnel risk' in Section 3.2(h) above, through the Merged Group's use of contractors and other third parties for exploration, mining and other activities, it is reliant on others for the success of its current operations, development projects and exploration assets. While the situation is normal for the mining and exploration industry, problems caused by third parties may arise which have the potential to impact on the performance of the Merged Group.

(j) **Potential for director conflict**

Insofar as certain directors of the Merged Group hold similar positions with other mineral resource companies, conflicts may arise between the obligations of these directors to the Merged Group and to such other mineral resource companies.

The proposed directors and officers of the Merged Group are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Merged Group. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Merged Group. Directors and officers of the Merged Group with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

(k) **Hazardous materials**

The Merged Group's operations may substantially impact the environment or cause exposure to hazardous materials. The Merged Group will use hazardous materials and will generate hazardous waste.

The Merged Group may be subject to common law claims, natural resource damages and other damages as well as the investigation and clean-up of soil, surface water, groundwater, and other media. Such claims may arise, for example, out of current or former activities at sites that the Merged Group owns or will operate. Mining operations can also impact flows and water quality in surface water bodies and remedial measures may be required, such as lining of stream beds, to prevent or minimise such impacts.

These and other impacts that the Merged Group's operations may have on the environment, as well as exposures to hazardous substances or wastes associated with the Merged Group's operations and environmental conditions at the Merged Group's properties, could result in costs and liabilities that would have a material adverse impact on the financial position and operating results of the Merged Group.

(l) **Title**

The Merged Group's properties and mineral claims may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. Accordingly, other parties could possibly dispute the Merged Group's title to its mining rights and other interests, which if successful may have a material adverse impact on the financial position and operating results of the Merged Group.

Mining tenements in Western Australia are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Merged Group's projects located in Western Australia. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Each licence or lease in Western Australia carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Merged Group could lose title to or its interest in its Western Australia tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

The Big Springs Project consists of a number of mining claims in Nevada, USA. The mining claims are subject to Nevada legislative conditions that must be satisfied to maintain their good standing. If good title to a mining claim is lost, the Merged Group may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that mining claim.

(m) **Potential costs of reclamation are uncertain**

The Merged Group's operations are subject to reclamation plans that oblige the Merged Group to reclaim properties after a site has been mined. These obligations may represent significant future costs for the Merged Group and will be evaluated by the Merged Group Board on a regular basis.

The costs of reclamation set out in mine plans are estimates only and may not specify the actual costs required to complete reclamation activity. If these costs are significantly higher than estimates, it could have a material adverse effect on the Merged Group's results.

(n) **Third party land access**

The Merged Group's properties and mineral claims are affected by competing overlapping land interests and the Merged Group will need to enter into land access arrangements with such overlapping landholders in order to conduct its operations. Any refusal to grant such access, or delay in obtaining such access, may adversely affect the planned operations of the Merged Group.

(o) **Toll milling risks**

The Second Fortune Gold Mine and the Big Springs Project contemplate processing of mined ore through third party toll milling arrangements. Exterra has received a proposal for toll treatment but has not yet entered into an agreement to process ore from the Second Fortune Gold Mine. While Anova has identified parties who may be able to toll mill mined ore from the Big Springs Project it does not presently have an agreement to do so. The success of operations of the Merged Group (in the event of commencement of mining at the Second Fortune Gold Mine and the Big Springs Project) will be reliant in part on entering into toll treatment agreement on terms favourable to the Merged Group and upon maintaining effective relationships with the parties providing the toll treatment services.

(p) **Taxation risks**

The Merged Group may be exposed to greater than expected tax liabilities. The Merged Group will be subject to taxes in Australia and the USA and may be subject to review by USA and foreign tax authorities. There can be no assurance that taxation authorities will not seek to challenge the Merged Group's tax structure in the future.

3.3 Market and investment risks

(a) Gold prices and demand

The Merged Group's profits are expected to be derived from the production and sale of gold. In developing its mine plans, the Merged Group has made certain assumptions regarding gold prices and demand for gold. The price which the Merged Group will receive for its gold depends on numerous factors and accordingly, some or all of the Merged Group's underlying assumptions may materially change and actual gold prices and demand may differ materially to those expected by the Merged Group. Many of these factors are out of the control of the Merged Group and may have a material adverse impact on gold prices and demand. There may be limited scope for the Merged Group to limit gold price risk in its gold sales contracts.

A substantial and prolonged fall in the gold price realised by the Merged Group could result in a material deterioration in the financial performance and position of the Merged Group and may have a significant adverse effect on the price of shares in the Merged Group.

(b) Exchange rate fluctuations

Fluctuations in foreign currency exchange rates could significantly affect the Merged Group's business, financial condition, results of operations and liquidity.

The price of gold is set in international markets and is generally denominated in US dollars. The Merged Group's operating costs will be denominated in a mix of currencies, predominantly US and Australian dollars.

If the Australian dollar strengthens in value relative of the US dollar, then, all other factors being equal, the Merged Group's financial results will be adversely affected due to the resultant lower Australian dollar receipts.

The Merged Group Board will consider whether to manage exchange rate and gold price fluctuation risk through hedging arrangements. Additionally, the Merged Group may be required under the terms of any financing to enter into hedging arrangements in respect of gold price and exchange rate fluctuations.

However, there can be no assurance that the Merged Group will hedge its gold price and exchange rate exposure, that it will be able to hedge such exposure on acceptable terms in the future or that any gold price or exchange rate hedging conducted by the Merged Group will be effective or will not result in an adverse financial impact arising from an inability to benefit from a favourable movement in gold prices or exchange rates.

(c) Stock market fluctuations and economic conditions

The Options issued under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade on ASX. The value of the Options will be determined by the stock market and will be subject to a range of factors beyond the control of the Merged Group and the Merged Group Directors.

Such factors include, but are not limited to, the demand for and availability of Anova Shares, movements in domestic interest rates, exchange rates, fluctuations in the Australian and international stock markets and general domestic and economic activity. Returns from an investment in the Options may also depend on general stock market conditions as well as the performance of the Merged Group.

Changes in economic and business conditions or government policies in Australia, the USA or internationally may affect the fundamentals which underpin the projected growth of the Merged Group's target markets or its cost structure and profitability. Adverse changes in such things as the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), consumer spending and employment rates, among others, are out of the control of the Merged

Group, the directors, and the Merged Group's management and may result in material adverse impacts on the business or its operating results.

(d) **Repatriation of earnings**

Changes in legislation regarding repatriation of earnings may adversely affect the Merged Group's operations. The merged Group will conduct a part of its operations through a foreign subsidiary and holds its non-Australian assets in that subsidiary. Accordingly, any limitation on the transfer of cash or other assets between the Merged Group and its subsidiaries could restrict the Merged Group's ability to fund its operations efficiently. Any such limitations, or the perception that such limitation may exist now or in the future, could have an adverse impact on the Merged Group's valuation and stock price. Moreover, there is no assurance that USA or any other foreign country in which the Company may operate in the future will not impose restrictions on the repatriation of earnings to foreign entities.

(e) **Wars, terrorism, political and environmental events**

Events may occur within or outside Australia and/or the USA that could impact upon the world economy, the market for gold, the operations of the Merged Group, and the price of Anova Shares. These events include war, acts of terrorism, civil disturbance, political intervention and natural events such as earthquakes, floods, fires and poor weather affecting roadways, mining and transport. The Merged Group has only a limited ability to insure against some of these risks.

3.4 Legal risks

(a) **Potential losses and insurance**

The Merged Group's insurance will not cover all potential losses, liabilities and damage related to its business and certain risks are uninsured or uninsurable.

The Merged Group's business will be subject to a number of risks and hazards generally, including adverse environmental conditions and pollution, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the political or regulatory environment and natural phenomena such as inclement weather conditions, floods, earthquakes and dust storms. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Merged Group's properties or others, delays in mining, monetary losses and possible legal liability.

Although the Merged Group will maintain insurance to protect against certain risks in such amounts as the Merged Group considers to be reasonable, the insurance may not cover all the potential risks associated with the Merged Group's operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Merged Group may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to us or to other companies in the mining industry on acceptable terms. Losses from these events may cause the Merged Group to incur significant costs that could have a material adverse effect upon the Merged Group's financial performance and results of operations or otherwise affect the Merged Group's insurability and reputation in the market.

If the Merged Group incurs losses not covered or not fully covered by its insurance policies, such losses may adversely affect the Merged Group's business, operating results and financial condition.

(b) **Native title**

It is possible that, in relation to tenements in which the Merged Group has an interest or may acquire such an interest, there may be areas over which legitimate common law

native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Merged Group to obtain the consent of any relevant land owner, or to progress from the exploration phase to the development and mining phases of the operation, may be adversely affected. It is possible that there will exist on the Merged Group's Australian mining assets, areas containing sacred sites or sites of significance to Aboriginal people subject to the provisions of Australian cultural heritage legislation. As a result land within the tenements may be subject to exploration, mining or other restrictions as a result of claims of Aboriginal heritage sites or native title.

(c) **Litigation**

Like any business, the Merged Group is exposed to risks that litigation could have a material adverse effect on the Merged Group. As at the date of this Prospectus, the Merged Group is not aware of any current litigation matters that are considered material to the Merged Group's business.

3.5 Merged Group specific risks

The following risks have been identified as being key risks specific to an investment in the Merged Group. These risks have the potential to have a significant adverse impact on the Merged Group and may affect the Merged Group's financial position, prospects and price of its listed securities.

(a) **Integration risk**

The long term success of the Merged Group will depend, amongst other things, on the success of management in integrating the respective businesses and the strength of management of the Merged Group. There is no guarantee that the businesses of the Merged Group will be able to be integrated successfully within a reasonable period of time. There are risks that any integration of the businesses of Exterra and Anova may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel.

Any failure by the Merged Group to ensure implementation costs remain below those anticipated may have a material adverse effect on the financial performance and position, and prospects, of the Merged Group

(b) **Joint venture risks**

If Exterra acquires a 75% interest in the Bar Twenty Project, that project will be conducted under a joint venture with Bar Twenty Pty Ltd. Such joint venture arrangements may result in the approval of all parties to the joint venture being required for certain operational and governance decisions. This may mean that a party may have veto rights, or similar rights, which could negatively affect the Merged Group's operations or financial position in the future.

(c) **Other risks**

Additional risks and uncertainties not currently known to the Merged Group may also have a material adverse effect on the Merged Group and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting the Merged Group.

4. Rights and liabilities attached to Offer Securities

4.1 Terms and conditions of Options

The Options offered pursuant to this Prospectus are regulated by the Constitution, the Corporations Act, the Listing Rules and general law.

The full terms and conditions of the Options offered pursuant to this Prospectus are set out in the Annexures to this Prospectus, as follows:

- (a) Class A Options – Annexure A;
- (b) Class B Options – Annexure B;
- (c) Class C Options – Annexure C;
- (d) Class D Options – Annexure D;
- (e) Class E Options – Annexure E;
- (f) Class F Options – Annexure F;
- (g) Class G Options – Annexure G;
- (h) Class H Options – Annexure H; and
- (i) Class I Options – Annexure I.

4.2 Rights and liabilities attaching to Shares

If Option holders exercise their Options, the Shares issued will be fully paid ordinary shares in the capital of the Company and will rank equally with the existing Shares on issue.

Full details of the rights and liabilities attaching to the Shares are contained in the Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules, the ASX Settlement Rules and the common law. The Constitution is available for inspection free of charge at the Company's registered office and on the Company's website (www.anovametals.com.au).

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the Shares:

(a) Share capital

All issued ordinary fully paid shares in the capital of the Company rank equally in all respects.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting of members every member has one vote on a show of hands and one vote per share on a poll. The person who holds a share which is not fully paid shall be entitled to a fraction of a vote equal to that proportion of a vote that the amount paid (not credited) on the relevant share is of the total amounts paid and payable in respect of those shares (excluding amounts credited). Voting may be in person or by proxy, attorney or representative.

(c) Dividends

Subject to the rights of holders of shares issued with any special rights to dividends (at present there are none) and the Corporations Act, the profits of the Company which the Board may from time to time determine to distribute by way of dividend are to be

apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid.

(d) **Rights on winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, Shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other Shares.

(e) **Future issues of securities**

Subject to the Corporations Act and the Listing Rules, the Directors may issue unissued shares in the Company, grant to any person options or other securities with rights of conversion to shares or pre-emptive rights to any shares, at the times and on the terms that the Directors think proper, and a share may be issued with preferential or special rights.

(f) **Transfer of Shares**

Subject to the Constitution, the Corporations Act, the Listing Rules and any other applicable law of Australia, shares are freely transferable.

(g) **Meetings and Notices**

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules. Shareholders may requisition meetings in accordance with the Corporations Act.

(h) **Variation of rights attaching to Shares**

Pursuant to sections 246B to 246E of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares.

If at any time the Share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of that class.

5. Continuous disclosure documents

5.1 Continuous disclosure obligations

This is a Prospectus for the offer of options to subscribe for continuously quoted securities (as defined in the Corporations Act), and is issued pursuant to section 713 of the Corporations Act as a transaction specific prospectus. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offering Prospectus.

The Company is a “disclosing entity” for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. As a listed company, the Company is subject to the Listing Rules which require it to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of the Company’, subject to certain exceptions.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

5.2 Documents available for inspection

The Company has lodged the following announcements with ASX since the lodgement of the Company’s 2016 annual financial report to shareholders on 21 October 2016:

| Date | Description of ASX Announcement |
|-----------------|---|
| 14 August 2017 | Appendix 3B |
| 14 August 2017 | Registration of Exterra Resources Scheme Booklet |
| 14 August 2017 | EXC: Scheme Booklet and Independent Expert’s Report |
| 14 August 2017 | EXC: Registration of Scheme Booklet |
| 10 August 2017 | EXC: Court Approves Convening of Scheme Meeting |
| 8 August 2017 | Big Springs Drilling Program Commences |
| 1 August 2017 | Quarterly Activities Report & Quarterly Cashflow Report |
| 5 July 2017 | Anova Metals 2017 Drill Program Update |
| 8 June 2017 | Merger Presentation |
| 8 June 2017 | Merger with Anova Creating a Diversified Gold Company |
| 6 June 2017 | Trading Halt Request |
| 6 June 2017 | Trading Halt |
| 28 April 2017 | Quarterly Activities Report & Quarterly Cashflow Report |
| 26 April 2017 | Anova Metals Announces Initial 2017 Exploration Program |
| 21 April 2017 | LNK: Change of Perth Address for Shareholder Purposes |
| 16 March 2017 | Half Year Accounts |
| 14 March 2017 | Investor Presentation |
| 9 February 2017 | Independent Investment Research - Equity Research Note |
| 6 February 2017 | Appendix 3B |

| Date | Description of ASX Announcement |
|------------------|--|
| 1 February 2017 | Permit Approvals Received to Commence Mining at Big Springs |
| 31 January 2017 | Trading Halt |
| 31 January 2017 | Quarterly Activities Report & Quarterly Cashflow Report |
| 7 December 2016 | Big Springs Delivers Excellent Result - 10.7m at 30.9 g/t Au |
| 30 November 2016 | Appendix 3B |
| 30 November 2016 | High-grade Shallow Intersections at Beadles Creek |
| 23 November 2016 | Draft Environmental Assessment Notification Received |
| 22 November 2016 | Results of Meeting |
| 7 November 2016 | Appendix 3B |
| 3 November 2016 | High-grade Results Extend Mineralisation at Big Springs |
| 28 October 2016 | Quarterly Activities Report & Quarterly Cashflow Report |
| 21 October 2016 | Notice of Annual General Meeting/Proxy Form |
| 21 October 2016 | Appendix 4G and Corporate Governance Statement |

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

Copies of documents lodged with ASX, in relation to the Company, including the Company's corporate governance policies, may be obtained from the Company's website (www.anovametals.com.au) or at ASX's website (www.asx.com.au using ASX Code 'AWV').

The Company will provide a copy of each of the following documents, free of charge, to any person on request from the date of this Prospectus until the Closing Date of the Offers:

- (a) the annual financial report of the Company for the financial year ended 30 June 2016, being the annual financial report of the Company most recently lodged with the ASIC before the issue of this Prospectus;
- (b) the half year financial report of the Company for the half year ended 31 December 2016, being the half year financial report of the Company most recently lodged with ASIC before the issue of this Prospectus;
- (c) the Scheme Booklet; and
- (d) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in Section 5.2(a) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

6. Additional information

6.1 Material and related party contracts

Summaries of the material and related party contracts to which the Company is a party are set out in Section 10 of the Scheme Booklet (announced to ASX on 14 August 2017), as follows:

- (a) **Proposed Directors** – subject to and conditional upon the Scheme becoming Effective, the Company proposes to engage Mr Geoff Laing as an executive Director of the Company, and Mr John Davis as a non-executive Director of the Company. Refer to Scheme Booklet, Section 10.5(b);
- (b) **Loan facility** – pursuant to a loan agreement dated 5 June 2017, the Company has provided Exterra a \$2 million loan facility, with interest payable at a rate of 8% per annum. Refer to Scheme Booklet, Section 10.6(a);
- (c) **Arrangements with Mitchell River Group Pty Ltd** – employees of and consultants to the Mitchell River Group Pty Ltd have provided technical, management and administration services to Anova since 2013, including under a Facilities and Services Agreement dated 6 October 2014, as amended. Refer to Scheme Booklet, Section 10.6(c); and
- (d) **Anova Employee Incentive Plan** – the Company has adopted the “Anova Employee Incentive Plan” to provide an incentive for eligible participants to participate in the future growth of Anova and to offer Options, Performance Rights and/or Shares to assist with reward, retention, motivation and recruitment of eligible participants. Refer to Scheme Booklet, Section 10.8.

A copy of the Scheme Booklet is available free of charge on Anova’s website at www.anovametals.com.au (refer to “ASX Announcements” in the “Investor Centre” tab on the website).

6.2 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

6.3 Composition of the board of the Merged Group

If the Scheme is implemented, the board of the Merged Group will comprise five directors which will include the three current Directors and two directors nominated by Exterra, being Mr Geoff Laing and Mr John Davis. Profiles of the Directors who will comprise the board of the Merged Group are set out in Section 6.4 of the Scheme Booklet (announced to ASX on 14 August 2017).

A copy of the Scheme Booklet is available free of charge on Anova’s website at www.anovametals.com.au (refer to “ASX Announcements” in the “Investor Centre” tab on the website).

6.4 Security holding interests of Directors and Proposed Directors

At the date of this Prospectus the relevant interest of each of the Directors and Proposed Directors in the Shares and Options of the Company are as follows:

| Director | Shares | | Options | |
|---------------|----------------------|----------|---------|----------|
| | Direct | Indirect | Direct | Indirect |
| Malcolm James | 558,191 ¹ | Nil | Nil | Nil |

| | | | | |
|------------------------------------|-----------|-------------------------|-----|-----|
| Bill Fry | 3,001,000 | 2,599,000 ² | Nil | Nil |
| Alasdair Cooke | 9,786,735 | 15,102,564 ³ | Nil | Nil |
| Geoff Laing (Proposed Director) | Nil | Nil | Nil | Nil |
| John Davis (Proposed Director) | Nil | Nil | Nil | Nil |

Notes:

1. These Shares are held by Terasse (WA) Pty Ltd.
2. Bill Fry has an indirect interest in these 2,599,000 Shares as a beneficiary of the Terra Metallica Trust.
3. Alasdair Cooke has an indirect interest in 7,500,000 of these Shares as he is a director and shareholder of Mitchell River Group Pty Ltd, and an indirect interest in 7,602,564 of these Shares as he is a director and shareholder of Hartree Pty Ltd.

6.5 Remuneration of Directors

The Constitution provides that the Directors may be paid for their services as Directors, as determined by the Company prior to the first annual general meeting. Such payment, in relation to Non-Executive Directors, is to be paid by way of a fixed sum and not by a commission or percentage of operating revenue or Company profits. The sum fixed, which is currently \$300,000, may be divided amongst the Directors as they may from time to time agree or, in the absence of agreement, in equal shares.

Subject to the provisions of any contract between the Company and any Executive Director, the remuneration for Executive Directors may be fixed by the Directors from time to time.

A Director may be paid fees or other amounts as the Directors determine, where a Director performs duties or provides services outside the scope of their normal duties. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The table below sets out the remuneration of each Director for the financial years ending 30 June 2015 and 30 June 2016.

| Director | Financial year up to 30 June 2015 | Financial year up to 30 June 2016 |
|----------------|--|---|
| Bill Fry | \$120,000 | \$120,000 (comprising salary of \$109,589 and superannuation of \$10,411) |
| Malcolm James | \$70,960 (comprising salary of \$54,795, superannuation of \$5,205, and share based payments of \$10,960) | \$65,040 (comprising salary of \$54,795, superannuation of \$5,205, and share based payments of \$5,040) |
| Alasdair Cooke | \$100,000 | \$100,000 |

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

Further information relating to the remuneration of Directors can be found in the Company's 2016 Annual Report, which can be found on the Company's website (www.anovametals.com.au) or ASX announcements webpage for the Company (ASX Code: AWW).

6.6 Expenses of the Offers

The expenses of the Offers (assuming full subscription) are expected to comprise the following estimated costs.

| Expense | Amount |
|----------------------------|-----------------|
| Legal fees (including GST) | \$15,000 |
| ASIC fees | \$2,400 |
| Miscellaneous fees | \$2,000 |
| TOTALS | \$19,400 |

6.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus:

- (a) all other persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus do not have, and have not had in the 2 years before the Prospectus Date, any interest in:
 - (i) the formation or promotion of the Company;
 - (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
 - (iii) the Offers; and
- (b) amounts have not been paid or agreed to be paid (whether in cash, Securities or otherwise), and other benefit have not been given or agreed to be given, to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the Offers.

Jackson McDonald (a partnership) have acted as solicitors to the Offers, and will be paid approximately \$15,000 (plus GST) for services related to this Prospectus. Jackson McDonald has been paid or is entitled to be paid approximately \$84,000 (plus GST) for legal services provided to the Company in the period 2 years prior to the Prospectus Date.

6.8 Consents and liability statements

The following persons have given their written consent to be named in the Prospectus in the form and context in which they are named and to the inclusion of a statement or report in this Prospectus in the form and context in which it is included:

| Party | Capacity in which named | Statement or report in this Prospectus |
|--|--------------------------|--|
| Jackson McDonald (a partnership) | Solicitors to the Offers | Not applicable |
| Link Market Services Limited | Securities registry | Not applicable |
| HLB Mann Judd Chartered Accountants (WA Partnership) | Auditor | Not applicable |

Each of the parties named above as providing their consent:

- (a) did not authorise or cause the issue of this Prospectus;

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- (b) does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in this Section 6.8; and
 - (c) to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with consent of that party as specified in this Section 6.8.


7. Directors' statement

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company pursuant to a resolution of the Board by:

Mr Alasdair Cooke
Non-Executive Director



Date: 18 August 2017

8. Glossary, definitions and interpretation

The meanings of the terms used in this Prospectus are as set out below.

| | |
|---|---|
| A\$ or \$ | Australian dollars. |
| Anova Material Adverse Change | Has the meaning given in Section 11.2 of the Scheme Booklet. |
| Anova Option or Option | An unlisted option to subscribe for an Anova Share. |
| Anova Prescribed Event | Has the meaning given in Section 11.2 of the Scheme Booklet. |
| Anova Share | A fully paid ordinary share in the capital of Anova. |
| Applicant | A person who applies for Offer Securities under and in accordance with this Prospectus. |
| Application | A valid application for Offer Securities offered under this Prospectus. |
| Application Form | The Application Form or Application Forms accompanying this prospectus, for each of the Options Offers. |
| Application Moneys | Money received from an Applicant in respect of an Application. |
| ASIC | The Australian Securities and Investments Commission. |
| ASX | ASX Limited (ACN 008 624 691) trading as the 'Australian Securities Exchange'. |
| ASX Settlement | ASX Settlement Pty Limited (ACN 008 504 532). |
| ASX Settlement Rules | The settlement rules of ASX Settlement. |
| Bar Twenty Project | A farm-in and joint venture agreement with Exterra and Bar Twenty Pty Ltd over the Bar Twenty Gold Project located approximately 20km west northwest of the Second Fortune Gold Mine, announced on 4 July 2017. |
| Bar Twenty Pty Ltd | Bar Twenty Pty Ltd (ACN 614 609 219). |
| Board | The board of Directors of the Company. |
| Business Day | Has the meaning given to it in the Listing Rules. |
| CHESS | Clearing House Electronic Sub-register System operated by ASX Settlement. |
| CHESS Statement or Holding Statement | A statement of shares registered in a CHESS account. |
| Class A Offerees | Holders of Exterra Options exercisable at \$0.0215 each on or before 19 June 2020. |

| | |
|--------------------------------|---|
| Class A Options | Anova Options to be issued on terms and conditions set out in Annexure A. |
| Class A Option Offer | The offer of Class A Options to the Class A Offerees pursuant to this Prospectus. |
| Class B Offerees | Holders of Exterra Options exercisable at \$0.06 each on or before 1 July 2019. |
| Class B Options | Anova Options to be issued on terms and conditions set out in Annexure B. |
| Class B Option Offer | The offer of Class B Options to the Class B Offerees pursuant to this Prospectus. |
| Class C Offerees | Holders of Exterra Options exercisable at \$0.06 each on or before 4 July 2018. |
| Class C Options | Anova Options to be issued on terms and conditions set out in Annexure C. |
| Class C Option Offer | The offer of Class C Options to the Class C Offerees pursuant to this Prospectus. |
| Class D Option Offerees | Holders of Exterra Options exercisable at \$0.10 each on or before 26 August 2019. |
| Class D Options | Anova Options to be issued on terms and conditions set out in Annexure D. |
| Class D Option Offer | The offer of Class D Options to the Class D Offerees pursuant to this Prospectus. |
| Class E Offerees | Holders of Exterra Options exercisable at \$0.125 each on or before 26 August 2019. |
| Class E Options | Anova Options to be issued on terms and conditions set out in Annexure E. |
| Class E Option Offer | The offer of Class E Options to the Class E Offerees pursuant to this Prospectus. |
| Class F Offerees | Holders of Exterra Options exercisable at \$0.06 each on or before 29 July 2019. |
| Class F Options | Anova Options to be issued on terms and conditions set out in Annexure F. |
| Class F Option Offer | The offer of Class F Options to the Class F Offerees pursuant to this Prospectus. |
| Class G Offerees | Holders of Exterra Options exercisable at \$0.08 each on or before 29 July 2019. |
| Class G Options | Anova Options to be issued on terms and conditions set out in Annexure G. |
| Class G Option Offer | The offer of Class G Options to the Class G Offerees pursuant to this Prospectus. |

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| Class H Offerees | Holders of Exterra Options exercisable at \$0.10 each on or before 1 December 2019. |
| Class H Options | Anova Options to be issued on terms and conditions set out in Annexure H. |
| Class H Option Offer | The offer of Class H Options to the Class H Offerees pursuant to this Prospectus. |
| Class I Offerees | Holders of Exterra Options exercisable at \$0.10 each on or before 28 November 2021. |
| Class I Options | Anova Options to be issued on terms and conditions set out in Annexure I. |
| Class I Option Offer | The offer of Class I Options to the Class I Offerees pursuant to this Prospectus. |
| Closing Date | The closing date of the Offers, being 5.00pm (WST) on 5.00pm (WST) on Thursday, 5 October 2017. |
| Company or Anova | Anova Metals Limited (ACN 147 678 779). |
| Conditions Precedent | The conditions precedent to the Scheme, as summarised in Section 2.1. |
| Constitution | The constitution of the Company. |
| Corporations Act | <i>Corporations Act 2001</i> (Cth). |
| Court | The Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed in writing by Exterra and Anova. |
| Director | A director of the Company as at the date of this Prospectus. |
| Effective | The coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC. |
| Electing Small Shareholder | A Small Shareholder that has validly elected to receive cash proceeds instead of being issued the New Anova Shares to which it is entitled. |
| Executive Director | An executive Director of the Company. |
| Exterra | Exterra Resources Limited (ACN 138 222 705). |
| Exterra Material Adverse Change | Has the meaning given in Section 11.2 of the Scheme Booklet. |
| Exterra Option | An unlisted option to subscribe for an Exterra Share. |
| Exterra Optionholder | The holder of an Exterra Option. |

| | |
|--|--|
| Exterra Prescribed Event | Has the meaning given in Section 11.2 of the Scheme Booklet. |
| Exterra Share | A fully paid ordinary share in the capital of Exterra. |
| Group | The Company and its Related Bodies Corporate. |
| GST | Goods and services tax. |
| Implementation Date | The fifth Business Day following the Record Date or such other date after the Record Date agreed to in writing between Anova and Exterra. |
| Ineligible Foreign Shareholder | A Scheme Shareholder whose registered address (as shown in the register of members of Exterra as at the Record Date) is in a jurisdiction other than Australia and its external territories, New Zealand or Hong Kong, except where Anova and Exterra are reasonably satisfied that the issue of New Anova Shares in that jurisdiction under the Scheme would neither be prohibited by law nor unduly onerous. |
| JORC Code 2004 | Australasian Code for Reporting of Exploration Results, Mineral Resources and Reserves, 2004 Edition. |
| JORC Code 2012 | Australasian Code for Reporting of Exploration Results, Mineral Resources and Reserves, 2012 Edition. |
| Listing Rules | The official listing rules of ASX. |
| Material Adverse Change | Has the meaning given in Section 11.2 of the Scheme Booklet. |
| Merged Group | The combined entity consisting of Exterra and Anova. |
| Merger Implementation Agreement | The merger implementation agreement between Anova and Exterra dated 5 June 2017. |
| Mineral Resource | Has the meaning given to that term in the JORC Code 2004 or JORC Code 2012 (as applicable). |
| New Anova Shares | The Anova Shares to be issued as Scheme Consideration. |
| Non-Executive Director | A non-executive Director of the Company. |
| Offer Period | In relation to an Offer, the period commencing on the Opening Date and ending on the Closing Date for that Offer. |
| Offer Security | Means a Class A Option, Class B Option, Class C Option, Class D Option, Class E Option, Class F Option, Class G Option, Class H Option and a Class I Option, or any one or more of those Options as the context requires. |
| Offeree | The Class A Offerees, Class B Offerees, Class C Offerees, Class D Offerees, Class E Offerees, Class F Offerees, Class G Offerees, Class H Offerees, Class I Offerees, or each of them, as the context requires. |
| Offering | Has the meaning given to it in Section 2.1. |
| Offers | Each of the offers under this Prospectus. |

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|---------------------------------|--|
| Official Quotation | The admission of Securities to the official list of the ASX. |
| Opening Date | The opening date of the Offers, being Monday, 21 August 2017. |
| Option or Anova Option | An option to subscribe for a Share. |
| Options Offers | The offers of Options under this Prospectus, being the Class A Option Offer, Class B Option Offer, Class C Option Offer, Class D Option Offer, Class E Option Offer, Class F Option Offer, Class G Option Offer, Class H Option Offer, and Class I Option Offer. |
| Ore Reserve | Has the meaning given to that term in the JORC Code 2004 or JORC Code 2012 (as applicable). |
| Performance Right | A performance right which is exercisable into a Share subject to certain vesting conditions. |
| Privacy Act | <i>Privacy Act 1988</i> (Cth). |
| Proposed Director | Geoff Laing and John Davis, who are proposed to be appointed to the Board if the Scheme becomes Effective. |
| Prospectus | This document, including the Application Forms. |
| Prospectus Date | The date of lodgement of this Prospectus with ASIC, being Friday, 18 August 2017. |
| Record Date | 5.00pm (Perth time) on the fifth Business Day following the date on which the Scheme becomes Effective, or any other date agreed by the parties in writing. |
| Related Bodies Corporate | Has the meaning given to it in the Corporations Act. |
| Related Party | Has the meaning given to it in the Listing Rules. |
| Scheme | The proposed scheme of arrangement between Exterra and the Scheme Shareholders under Part 5.1 of the Corporations Act in the form set out at Annexure B of the Scheme Booklet which if implemented will give effect to the Merger between Anova and Exterra, subject to any alterations or conditions made or required by the Court under section 411(b) of the Corporations Act and approved in writing by Anova and Exterra. |
| Scheme Booklet | The scheme booklet issued by Exterra in relation to the proposed merger of Exterra and Anova registered with ASIC on Friday, 11 August 2017, and announced to ASX on Monday, 14 August 2017. A copy of the Scheme Booklet may be obtained from an office of ASIC, and free of charge from the website of ASX (www.asx.com.au) or by contacting the Company prior to the close of the Offers. |
| Scheme Consideration | One New Anova Share for every two Exterra Shares held by a Scheme Shareholder as at 5.00pm (Perth time) on the Record Date. |
| Scheme Resolution | The resolution to agree to the terms of the Scheme. |
| Scheme Shareholder | Each person who is registered as the holder of Exterra Shares as at the Record Date. |

| | |
|----------------------------|--|
| Second Court Date | The first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appeal application is heard. |
| Subsidiary | Has the meaning given to that term in the Corporations Act. |
| Section | A section of this Prospectus. |
| Securities | Has the meaning given to that term in section 761A of the Corporations Act and includes a Share, an Option and a Performance Right. |
| Securities Registry | The Company's securities registry, Link Market Services Limited Pty Ltd (ACN 083 214 537). |
| Share | A fully paid ordinary share in the capital of the Company. |
| Shareholder | The holder of a Share. |
| Small Shareholder | Means Scheme Shareholders who are entitled to receive 4,000 or fewer New Anova Shares under the Scheme. |
| WST | Western Standard Time, being the time in Perth, Western Australia. |

Annexure A

Terms and Conditions of Class A Options

The Class A Options will be issued on the following terms and conditions:

- (a) Each Class A Option entitles the holder (**Option Holder**) to subscribe for one (1) fully paid ordinary share (**Share**) in Anova Metals Limited ACN 147 678 779 (**Company**).
- (b) The exercise price of each Class A Option is \$0.043.
- (c) Each Class A Option may be exercised at any time before 5.00pm (WST) on 19 June 2020 (**Expiry Date**). Any Class A Option not exercised by the Expiry Date will automatically expire.
- (d) The Company must give the Option Holder a certificate or holding statement stating:
 - (i) the number of Class A Options issued to the Option Holder;
 - (ii) the exercise price of the Class A Options;
 - (iii) the date of issue of the Class A Options; and
 - (iv) the applicable Expiry Date.
- (e) The Class A Options are transferable. Subject to the listing rules of ASX and the Corporations Act 2001 (Cth) (**Corporations Act**), the Option Holder may transfer some or all of the Class A Options at any time before the Expiry Date by:
 - (i) any method permitted by the Corporations Act; or
 - (ii) a prescribed instrument of transfer.
- (f) An instrument of transfer of a Class A Option must be:
 - (i) in writing;
 - (ii) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
 - (iii) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
 - (iv) delivered to the Company, at the place where the Company's register of Option Holders is kept, together with the certificate (if any) of the Class A Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Class A Option, the right of the transferor to transfer that Class A Option and the proper execution of the instrument of transfer.
- (g) The Class A Options will not be listed for quotation on the securities market operated by ASX Limited known as the Australian Securities Exchange (**ASX**).
- (h) The Company will apply to ASX for official quotation of the Shares issued on exercise of the Class A Options in accordance with the listing rules of ASX.
- (i) The Option Holder is not entitled to participate in any new issue to holders of securities in the Company unless they have exercised their Class A Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the listing rules of ASX.

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- (j) If the Company makes a pro rata issue of Shares to shareholders (except a bonus issue, or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Class A Option before the record date for determining entitlements to the issue, the Exercise Price of each Class A Option will be reduced in accordance with the formula set out in ASX listing rule 6.22.2.
 - (k) If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Class A Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Class A Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Class A Option before the record date for determining entitlements to the issue.
 - (l) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Class A Options to which the Option Holder is entitled to and the exercise price) will be changed to the extent necessary to comply with the listing rules of ASX applying to a reorganisation of capital at the time of the reorganisation.
 - (m) Any calculations or adjustments which are required to be made will be made by the Company's board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
 - (n) The Company must, within a reasonable period, give to the Option Holder notice of any change to the exercise price of any Class A Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Class A Option.
 - (o) To exercise Class A Options, the Option Holder must give the Company or its share registry, at the same time:
 - (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Class A Options being exercised and Shares to be issued;
 - (ii) payment of the exercise price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
 - (iii) any certificate for the Class A Options or such other evidence of ownership that the board of the Company may determine from time to time.
 - (p) The Option Holder may only exercise Class A Options in multiples of 5,000 Class A Options unless the Option Holder exercises all Class A Options held by the Option Holder.
 - (q) Class A Options will be deemed to have been exercised on the date the exercise notice is lodged with the Directors of the Company.
 - (r) If the Option Holder exercises less than the total number of Class A Options registered in the Option Holder's name:
 - (i) the Option Holder must surrender their Class A Option certificate (if any); and
 - (ii) the Company must cancel the Class A Option certificate (if any) and issue the Option Holder a new Class A Option certificate or holding statement stating the remaining number of Class A Options held by the Option Holder.
 - (s) Within ten (10) days after receiving an application for exercise of Class A Options and payment by the Option Holder of the exercise price, the Company must issue the Option Holder the number of Shares specified in the application.

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- (t) Subject to the Company's constitution, all Shares issued on the exercise of Class A Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
 - (u) Subject to and in accordance with the listing rules of the ASX (including any waiver granted under such ASX listing rules), the board of the Company (without the necessity of obtaining the prior consent of shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add or vary) all or any provisions of the these option terms in any respect whatsoever, by an instrument in writing, provided that rights or entitlement in respect of any Option granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained.
 - (v) These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

Annexure B

Terms and Conditions of Class B Options

The Class B Options will be issued on the following terms and conditions:

- (a) Each Class B Option entitles the holder (**Option Holder**) to subscribe for one (1) fully paid ordinary share (**Share**) in Anova Metals Limited ACN 147 678 779 (**Company**).
- (b) The exercise price of each Class B Option is \$0.12.
- (c) Each Class B Option may be exercised at any time before 5.00pm (WST) on 1 July 2019 (**Expiry Date**). Any Class B Option not exercised by the Expiry Date will automatically expire.
- (d) The Company must give the Option Holder a certificate or holding statement stating:
 - (i) the number of Class B Options issued to the Option Holder;
 - (ii) the exercise price of the Class B Options;
 - (iii) the date of issue of the Class B Options; and
 - (iv) the applicable Expiry Date.
- (e) The Class B Options are transferable. Subject to the listing rules of ASX and the Corporations Act 2001 (Cth) (**Corporations Act**), the Option Holder may transfer some or all of the Class B Options at any time before the Expiry Date by:
 - (i) any method permitted by the Corporations Act; or
 - (ii) a prescribed instrument of transfer.
- (f) An instrument of transfer of a Class B Option must be:
 - (i) in writing;
 - (ii) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
 - (iii) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
 - (iv) delivered to the Company, at the place where the Company's register of Option Holders is kept, together with the certificate (if any) of the Class B Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Class B Option, the right of the transferor to transfer that Class B Option and the proper execution of the instrument of transfer.
- (g) The Class B Options will not be listed for quotation on the securities market operated by ASX Limited known as the Australian Securities Exchange (**ASX**).
- (h) The Company will apply to ASX for official quotation of the Shares issued on exercise of the Class B Options in accordance with the listing rules of ASX.
- (i) The Option Holder is not entitled to participate in any new issue to holders of securities in the Company unless they have exercised their Class B Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the listing rules of ASX.

- For personal use only
- (j) If the Company makes a pro rata issue of Shares to shareholders (except a bonus issue, or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Class B Option before the record date for determining entitlements to the issue, the Exercise Price of each Class B Option will be reduced in accordance with the formula set out in ASX listing rule 6.22.2.
 - (k) If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Class B Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Class B Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Class B Option before the record date for determining entitlements to the issue.
 - (l) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Class B Options to which the Option Holder is entitled to and the exercise price) will be changed to the extent necessary to comply with the listing rules of ASX applying to a reorganisation of capital at the time of the reorganisation.
 - (m) Any calculations or adjustments which are required to be made will be made by the Company's board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
 - (n) The Company must, within a reasonable period, give to the Option Holder notice of any change to the exercise price of any Class B Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Class B Option.
 - (o) To exercise Class B Options, the Option Holder must give the Company or its share registry, at the same time:
 - (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Class B Options being exercised and Shares to be issued;
 - (ii) payment of the exercise price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
 - (iii) any certificate for the Class B Options or such other evidence of ownership that the board of the Company may determine from time to time.
 - (p) The Option Holder may only exercise Class B Options in multiples of 5,000 Class B Options unless the Option Holder exercises all Class B Options held by the Option Holder.
 - (q) Class B Options will be deemed to have been exercised on the date the exercise notice is lodged with the Directors of the Company.
 - (r) If the Option Holder exercises less than the total number of Class B Options registered in the Option Holder's name:
 - (i) the Option Holder must surrender their Class B Option certificate (if any); and
 - (ii) the Company must cancel the Class B Option certificate (if any) and issue the Option Holder a new Class B Option certificate or holding statement stating the remaining number of Class B Options held by the Option Holder.
 - (s) Within ten (10) days after receiving an application for exercise of Class B Options and payment by the Option Holder of the exercise price, the Company must issue the Option Holder the number of Shares specified in the application.

- For personal use only
- (t) Subject to the Company's constitution, all Shares issued on the exercise of Class B Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
 - (u) Subject to and in accordance with the listing rules of the ASX (including any waiver granted under such ASX listing rules), the board of the Company (without the necessity of obtaining the prior consent of shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add or vary) all or any provisions of the these option terms in any respect whatsoever, by an instrument in writing, provided that rights or entitlement in respect of any Option granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained.
 - (v) These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

Annexure C

Terms and Conditions of Class C Options

The Class C Options will be issued on the following terms and conditions:

- (a) Each Class C Option entitles the holder (**Option Holder**) to subscribe for one (1) fully paid ordinary share (**Share**) in Anova Metals Limited ACN 147 678 779 (**Company**).
- (b) The exercise price of each Class C Option is \$0.12.
- (c) Each Class C Option may be exercised at any time before 5.00pm (WST) on 4 July 2018 (**Expiry Date**). Any Class C Option not exercised by the Expiry Date will automatically expire.
- (d) The Company must give the Option Holder a certificate or holding statement stating:
 - (i) the number of Class C Options issued to the Option Holder;
 - (ii) the exercise price of the Class C Options;
 - (iii) the date of issue of the Class C Options; and
 - (iv) the applicable Expiry Date.
- (e) The Class C Options are transferable. Subject to the listing rules of ASX and the Corporations Act 2001 (Cth) (**Corporations Act**), the Option Holder may transfer some or all of the Class C Options at any time before the Expiry Date by:
 - (i) any method permitted by the Corporations Act; or
 - (ii) a prescribed instrument of transfer.
- (f) An instrument of transfer of a Class C Option must be:
 - (i) in writing;
 - (ii) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
 - (iii) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
 - (iv) delivered to the Company, at the place where the Company's register of Option Holders is kept, together with the certificate (if any) of the Class C Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Class C Option, the right of the transferor to transfer that Class C Option and the proper execution of the instrument of transfer.
- (g) The Class C Options will not be listed for quotation on the securities market operated by ASX Limited known as the Australian Securities Exchange (**ASX**).
- (h) The Company will apply to ASX for official quotation of the Shares issued on exercise of the Class C Options in accordance with the listing rules of ASX.
- (i) The Option Holder is not entitled to participate in any new issue to holders of securities in the Company unless they have exercised their Class C Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the listing rules of ASX.

- For personal use only
- (j) If the Company makes a pro rata issue of Shares to shareholders (except a bonus issue, or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Class C Option before the record date for determining entitlements to the issue, the Exercise Price of each Class C Option will be reduced in accordance with the formula set out in ASX listing rule 6.22.2.
 - (k) If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Class C Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Class C Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Class C Option before the record date for determining entitlements to the issue.
 - (l) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Class C Options to which the Option Holder is entitled to and the exercise price) will be changed to the extent necessary to comply with the listing rules of ASX applying to a reorganisation of capital at the time of the reorganisation.
 - (m) Any calculations or adjustments which are required to be made will be made by the Company's board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
 - (n) The Company must, within a reasonable period, give to the Option Holder notice of any change to the exercise price of any Class C Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Class C Option.
 - (o) To exercise Class C Options, the Option Holder must give the Company or its share registry, at the same time:
 - (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Class C Options being exercised and Shares to be issued;
 - (ii) payment of the exercise price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
 - (iii) any certificate for the Class C Options or such other evidence of ownership that the board of the Company may determine from time to time.
 - (p) The Option Holder may only exercise Class C Options in multiples of 5,000 Class C Options unless the Option Holder exercises all Class C Options held by the Option Holder.
 - (q) Class C Options will be deemed to have been exercised on the date the exercise notice is lodged with the Directors of the Company.
 - (r) If the Option Holder exercises less than the total number of Class C Options registered in the Option Holder's name:
 - (i) the Option Holder must surrender their Class C Option certificate (if any); and
 - (ii) the Company must cancel the Class C Option certificate (if any) and issue the Option Holder a new Class C Option certificate or holding statement stating the remaining number of Class C Options held by the Option Holder.
 - (s) Within ten (10) days after receiving an application for exercise of Class C Options and payment by the Option Holder of the exercise price, the Company must issue the Option Holder the number of Shares specified in the application.

- For personal use only
- (t) Subject to the Company's constitution, all Shares issued on the exercise of Class C Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
 - (u) Subject to and in accordance with the listing rules of the ASX (including any waiver granted under such ASX listing rules), the board of the Company (without the necessity of obtaining the prior consent of shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add or vary) all or any provisions of the these option terms in any respect whatsoever, by an instrument in writing, provided that rights or entitlement in respect of any Option granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained.
 - (v) These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

Annexure D

Terms and Conditions of Class D Options

The Class D Options will be issued on the following terms and conditions:

- (a) Each Class D Option entitles the holder (**Option Holder**) to subscribe for one (1) fully paid ordinary share (**Share**) in Anova Metals Limited ACN 147 678 779 (**Company**).
- (b) The exercise price of each Class D Option is \$0.20.
- (c) Each Class D Option may be exercised at any time before 5.00pm (WST) on 26 August 2019 (**Expiry Date**). Any Class D Option not exercised by the Expiry Date will automatically expire.
- (d) The Company must give the Option Holder a certificate or holding statement stating:
 - (i) the number of Class D Options issued to the Option Holder;
 - (ii) the exercise price of the Class D Options;
 - (iii) the date of issue of the Class D Options; and
 - (iv) the applicable Expiry Date.
- (e) The Class D Options are transferable. Subject to the listing rules of ASX and the Corporations Act 2001 (Cth) (**Corporations Act**), the Option Holder may transfer some or all of the Class D Options at any time before the Expiry Date by:
 - (i) any method permitted by the Corporations Act; or
 - (ii) a prescribed instrument of transfer.
- (f) An instrument of transfer of a Class D Option must be:
 - (i) in writing;
 - (ii) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
 - (iii) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
 - (iv) delivered to the Company, at the place where the Company's register of Option Holders is kept, together with the certificate (if any) of the Class D Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Class D Option, the right of the transferor to transfer that Class D Option and the proper execution of the instrument of transfer.
- (g) The Class D Options will not be listed for quotation on the securities market operated by ASX Limited known as the Australian Securities Exchange (**ASX**).
- (h) The Company will apply to ASX for official quotation of the Shares issued on exercise of the Class D Options in accordance with the listing rules of ASX.
- (i) The Option Holder is not entitled to participate in any new issue to holders of securities in the Company unless they have exercised their Class D Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the listing rules of ASX.

- For personal use only
- (j) If the Company makes a pro rata issue of Shares to shareholders (except a bonus issue, or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Class D Option before the record date for determining entitlements to the issue, the Exercise Price of each Class D Option will be reduced in accordance with the formula set out in ASX listing rule 6.22.2.
 - (k) If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Class D Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Class D Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Class D Option before the record date for determining entitlements to the issue.
 - (l) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Class D Options to which the Option Holder is entitled to and the exercise price) will be changed to the extent necessary to comply with the listing rules of ASX applying to a reorganisation of capital at the time of the reorganisation.
 - (m) Any calculations or adjustments which are required to be made will be made by the Company's board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
 - (n) The Company must, within a reasonable period, give to the Option Holder notice of any change to the exercise price of any Class D Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Class D Option.
 - (o) To exercise Class D Options, the Option Holder must give the Company or its share registry, at the same time:
 - (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Class D Options being exercised and Shares to be issued;
 - (ii) payment of the exercise price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
 - (iii) any certificate for the Class D Options or such other evidence of ownership that the board of the Company may determine from time to time.
 - (p) The Option Holder may only exercise Class D Options in multiples of 5,000 Class D Options unless the Option Holder exercises all Class D Options held by the Option Holder.
 - (q) Class D Options will be deemed to have been exercised on the date the exercise notice is lodged with the Directors of the Company.
 - (r) If the Option Holder exercises less than the total number of Class D Options registered in the Option Holder's name:
 - (i) the Option Holder must surrender their Class D Option certificate (if any); and
 - (ii) the Company must cancel the Class D Option certificate (if any) and issue the Option Holder a new Class D Option certificate or holding statement stating the remaining number of Class D Options held by the Option Holder.
 - (s) Within ten (10) days after receiving an application for exercise of Class D Options and payment by the Option Holder of the exercise price, the Company must issue the Option Holder the number of Shares specified in the application.

- For personal use only
- (t) Subject to the Company's constitution, all Shares issued on the exercise of Class D Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
 - (u) Subject to and in accordance with the listing rules of the ASX (including any waiver granted under such ASX listing rules), the board of the Company (without the necessity of obtaining the prior consent of shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add or vary) all or any provisions of the these option terms in any respect whatsoever, by an instrument in writing, provided that rights or entitlement in respect of any Option granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained.
 - (v) These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

Annexure E

Terms and Conditions of Class E Options

The Class E Options will be issued on the following terms and conditions:

- (a) Each Class E Option entitles the holder (**Option Holder**) to subscribe for one (1) fully paid ordinary share (**Share**) in Anova Metals Limited ACN 147 678 779 (**Company**).
- (b) The exercise price of each Class E Option is \$0.25.
- (c) Each Class E Option may be exercised at any time before 5.00pm (WST) on 26 August 2019 (**Expiry Date**). Any Class E Option not exercised by the Expiry Date will automatically expire.
- (d) The Company must give the Option Holder a certificate or holding statement stating:
 - (i) the number of Class E Options issued to the Option Holder;
 - (ii) the exercise price of the Class E Options;
 - (iii) the date of issue of the Class E Options; and
 - (iv) the applicable Expiry Date.
- (e) The Class E Options are transferable. Subject to the listing rules of ASX and the Corporations Act 2001 (Cth) (**Corporations Act**), the Option Holder may transfer some or all of the Class E Options at any time before the Expiry Date by:
 - (i) any method permitted by the Corporations Act; or
 - (ii) a prescribed instrument of transfer.
- (f) An instrument of transfer of a Class E Option must be:
 - (i) in writing;
 - (ii) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
 - (iii) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
 - (iv) delivered to the Company, at the place where the Company's register of Option Holders is kept, together with the certificate (if any) of the Class E Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Class E Option, the right of the transferor to transfer that Class E Option and the proper execution of the instrument of transfer.
- (g) The Class E Options will not be listed for quotation on the securities market operated by ASX Limited known as the Australian Securities Exchange (**ASX**).
- (h) The Company will apply to ASX for official quotation of the Shares issued on exercise of the Class E Options in accordance with the listing rules of ASX.
- (i) The Option Holder is not entitled to participate in any new issue to holders of securities in the Company unless they have exercised their Class E Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the listing rules of ASX.

- (j) If the Company makes a pro rata issue of Shares to shareholders (except a bonus issue, or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Class E Option before the record date for determining entitlements to the issue, the Exercise Price of each Class E Option will be reduced in accordance with the formula set out in ASX listing rule 6.22.2.
- (k) If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Class E Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Class E Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Class E Option before the record date for determining entitlements to the issue.
- (l) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Class E Options to which the Option Holder is entitled to and the exercise price) will be changed to the extent necessary to comply with the listing rules of ASX applying to a reorganisation of capital at the time of the reorganisation.
- (m) Any calculations or adjustments which are required to be made will be made by the Company's board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
- (n) The Company must, within a reasonable period, give to the Option Holder notice of any change to the exercise price of any Class E Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Class E Option.
- (o) To exercise Class E Options, the Option Holder must give the Company or its share registry, at the same time:
- (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Class E Options being exercised and Shares to be issued;
 - (ii) payment of the exercise price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
 - (iii) any certificate for the Class E Options or such other evidence of ownership that the board of the Company may determine from time to time.
- (p) The Option Holder may only exercise Class E Options in multiples of 5,000 Class E Options unless the Option Holder exercises all Class E Options held by the Option Holder.
- (q) Class E Options will be deemed to have been exercised on the date the exercise notice is lodged with the Directors of the Company.
- (r) If the Option Holder exercises less than the total number of Class E Options registered in the Option Holder's name:
- (i) the Option Holder must surrender their Class E Option certificate (if any); and
 - (ii) the Company must cancel the Class E Option certificate (if any) and issue the Option Holder a new Class E Option certificate or holding statement stating the remaining number of Class E Options held by the Option Holder.
- (s) Within ten (10) days after receiving an application for exercise of Class E Options and payment by the Option Holder of the exercise price, the Company must issue the Option Holder the number of Shares specified in the application.

- For personal use only
- (t) Subject to the Company's constitution, all Shares issued on the exercise of Class E Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
 - (u) Subject to and in accordance with the listing rules of the ASX (including any waiver granted under such ASX listing rules), the board of the Company (without the necessity of obtaining the prior consent of shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add or vary) all or any provisions of the these option terms in any respect whatsoever, by an instrument in writing, provided that rights or entitlement in respect of any Option granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained.
 - (v) These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

Annexure F

Terms and Conditions of Class F Options

The Class F Options will be issued on the following terms and conditions:

- (a) Each Class F Option entitles the holder (**Option Holder**) to subscribe for one (1) fully paid ordinary share (**Share**) in Anova Metals Limited ACN 147 678 779 (**Company**).
- (b) The exercise price of each Class F Option is \$0.12.
- (c) Each Class F Option may be exercised at any time before 5.00pm (WST) on 29 July 2019 (**Expiry Date**). Any Class F Option not exercised by the Expiry Date will automatically expire.
- (d) The Company must give the Option Holder a certificate or holding statement stating:
 - (i) the number of Class F Options issued to the Option Holder;
 - (ii) the exercise price of the Class F Options;
 - (iii) the date of issue of the Class F Options; and
 - (iv) the applicable Expiry Date.
- (e) The Class F Options are transferable. Subject to the listing rules of ASX and the Corporations Act 2001 (Cth) (**Corporations Act**), the Option Holder may transfer some or all of the Class F Options at any time before the Expiry Date by:
 - (i) any method permitted by the Corporations Act; or
 - (ii) a prescribed instrument of transfer.
- (f) An instrument of transfer of a Class F Option must be:
 - (i) in writing;
 - (ii) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
 - (iii) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
 - (iv) delivered to the Company, at the place where the Company's register of Option Holders is kept, together with the certificate (if any) of the Class F Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Class F Option, the right of the transferor to transfer that Class F Option and the proper execution of the instrument of transfer.
- (g) The Class F Options will not be listed for quotation on the securities market operated by ASX Limited known as the Australian Securities Exchange (**ASX**).
- (h) The Company will apply to ASX for official quotation of the Shares issued on exercise of the Class F Options in accordance with the listing rules of ASX.
- (i) The Option Holder is not entitled to participate in any new issue to holders of securities in the Company unless they have exercised their Class F Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the listing rules of ASX.

- (j) If the Company makes a pro rata issue of Shares to shareholders (except a bonus issue, or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Class F Option before the record date for determining entitlements to the issue, the Exercise Price of each Class F Option will be reduced in accordance with the formula set out in ASX listing rule 6.22.2.
- (k) If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Class F Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Class F Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Class F Option before the record date for determining entitlements to the issue.
- (l) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Class F Options to which the Option Holder is entitled to and the exercise price) will be changed to the extent necessary to comply with the listing rules of ASX applying to a reorganisation of capital at the time of the reorganisation.
- (m) Any calculations or adjustments which are required to be made will be made by the Company's board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
- (n) The Company must, within a reasonable period, give to the Option Holder notice of any change to the exercise price of any Class F Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Class F Option.
- (o) To exercise Class F Options, the Option Holder must give the Company or its share registry, at the same time:
- (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Class F Options being exercised and Shares to be issued;
 - (ii) payment of the exercise price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
 - (iii) any certificate for the Class F Options or such other evidence of ownership that the board of the Company may determine from time to time.
- (p) The Option Holder may only exercise Class F Options in multiples of 5,000 Class F Options unless the Option Holder exercises all Class F Options held by the Option Holder.
- (q) Class F Options will be deemed to have been exercised on the date the exercise notice is lodged with the Directors of the Company.
- (r) If the Option Holder exercises less than the total number of Class F Options registered in the Option Holder's name:
- (i) the Option Holder must surrender their Class F Option certificate (if any); and
 - (ii) the Company must cancel the Class F Option certificate (if any) and issue the Option Holder a new Class F Option certificate or holding statement stating the remaining number of Class F Options held by the Option Holder.
- (s) Within ten (10) days after receiving an application for exercise of Class F Options and payment by the Option Holder of the exercise price, the Company must issue the Option Holder the number of Shares specified in the application.

- For personal use only
- (t) Subject to the Company's constitution, all Shares issued on the exercise of Class F Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
 - (u) Subject to and in accordance with the listing rules of the ASX (including any waiver granted under such ASX listing rules), the board of the Company (without the necessity of obtaining the prior consent of shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add or vary) all or any provisions of the these option terms in any respect whatsoever, by an instrument in writing, provided that rights or entitlement in respect of any Option granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained.
 - (v) These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

Annexure G

Terms and Conditions of Class G Options

The Class G Options will be issued on the following terms and conditions:

- (a) Each Class G Option entitles the holder (**Option Holder**) to subscribe for one (1) fully paid ordinary share (**Share**) in Anova Metals Limited ACN 147 678 779 (**Company**).
- (b) The exercise price of each Class G Option is \$0.16.
- (c) Each Class G Option may be exercised at any time before 5.00pm (WST) on 29 July 2019 (**Expiry Date**). Any Class G Option not exercised by the Expiry Date will automatically expire.
- (d) The Company must give the Option Holder a certificate or holding statement stating:
 - (i) the number of Class G Options issued to the Option Holder;
 - (ii) the exercise price of the Class G Options;
 - (iii) the date of issue of the Class G Options; and
 - (iv) the applicable Expiry Date.
- (e) The Class G Options are transferable. Subject to the listing rules of ASX and the Corporations Act 2001 (Cth) (**Corporations Act**), the Option Holder may transfer some or all of the Class G Options at any time before the Expiry Date by:
 - (i) any method permitted by the Corporations Act; or
 - (ii) a prescribed instrument of transfer.
- (f) An instrument of transfer of a Class G Option must be:
 - (i) in writing;
 - (ii) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
 - (iii) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
 - (iv) delivered to the Company, at the place where the Company's register of Option Holders is kept, together with the certificate (if any) of the Class G Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Class G Option, the right of the transferor to transfer that Class G Option and the proper execution of the instrument of transfer.
- (g) The Class G Options will not be listed for quotation on the securities market operated by ASX Limited known as the Australian Securities Exchange (**ASX**).
- (h) The Company will apply to ASX for official quotation of the Shares issued on exercise of the Class G Options in accordance with the listing rules of ASX.
- (i) The Option Holder is not entitled to participate in any new issue to holders of securities in the Company unless they have exercised their Class G Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the listing rules of ASX.

- For personal use only
- (j) If the Company makes a pro rata issue of Shares to shareholders (except a bonus issue, or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Class G Option before the record date for determining entitlements to the issue, the Exercise Price of each Class G Option will be reduced in accordance with the formula set out in ASX listing rule 6.22.2.
 - (k) If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Class G Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Class G Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Class G Option before the record date for determining entitlements to the issue.
 - (l) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Class G Options to which the Option Holder is entitled to and the exercise price) will be changed to the extent necessary to comply with the listing rules of ASX applying to a reorganisation of capital at the time of the reorganisation.
 - (m) Any calculations or adjustments which are required to be made will be made by the Company's board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
 - (n) The Company must, within a reasonable period, give to the Option Holder notice of any change to the exercise price of any Class G Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Class G Option.
 - (o) To exercise Class G Options, the Option Holder must give the Company or its share registry, at the same time:
 - (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Class G Options being exercised and Shares to be issued;
 - (ii) payment of the exercise price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
 - (iii) any certificate for the Class G Options or such other evidence of ownership that the board of the Company may determine from time to time.
 - (p) The Option Holder may only exercise Class G Options in multiples of 5,000 Class G Options unless the Option Holder exercises all Class G Options held by the Option Holder.
 - (q) Class G Options will be deemed to have been exercised on the date the exercise notice is lodged with the Directors of the Company.
 - (r) If the Option Holder exercises less than the total number of Class G Options registered in the Option Holder's name:
 - (i) the Option Holder must surrender their Class G Option certificate (if any); and
 - (ii) the Company must cancel the Class G Option certificate (if any) and issue the Option Holder a new Class G Option certificate or holding statement stating the remaining number of Class G Options held by the Option Holder.
 - (s) Within ten (10) days after receiving an application for exercise of Class G Options and payment by the Option Holder of the exercise price, the Company must issue the Option Holder the number of Shares specified in the application.

- For personal use only
- (t) Subject to the Company's constitution, all Shares issued on the exercise of Class G Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
 - (u) Subject to and in accordance with the listing rules of the ASX (including any waiver granted under such ASX listing rules), the board of the Company (without the necessity of obtaining the prior consent of shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add or vary) all or any provisions of the these option terms in any respect whatsoever, by an instrument in writing, provided that rights or entitlement in respect of any Option granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained.
 - (v) These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

Annexure H

Terms and Conditions of Class H Options

The Class H Options will be issued on the following terms and conditions:

- (a) Each Class H Option entitles the holder (**Option Holder**) to subscribe for one (1) fully paid ordinary share (**Share**) in Anova Metals Limited ACN 147 678 779 (**Company**).
- (b) The exercise price of each Class H Option is \$0.20.
- (c) Each Class H Option may be exercised at any time before 5.00pm (WST) on 1 December 2019 (**Expiry Date**). Any Class H Option not exercised by the Expiry Date will automatically expire.
- (d) The Company must give the Option Holder a certificate or holding statement stating:
 - (i) the number of Class H Options issued to the Option Holder;
 - (ii) the exercise price of the Class H Options;
 - (iii) the date of issue of the Class H Options; and
 - (iv) the applicable Expiry Date.
- (e) The Class H Options are transferable. Subject to the listing rules of ASX and the Corporations Act 2001 (Cth) (**Corporations Act**), the Option Holder may transfer some or all of the Class H Options at any time before the Expiry Date by:
 - (i) any method permitted by the Corporations Act; or
 - (ii) a prescribed instrument of transfer.
- (f) An instrument of transfer of a Class H Option must be:
 - (i) in writing;
 - (ii) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
 - (iii) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
 - (iv) delivered to the Company, at the place where the Company's register of Option Holders is kept, together with the certificate (if any) of the Class H Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Class H Option, the right of the transferor to transfer that Class H Option and the proper execution of the instrument of transfer.
- (g) The Class H Options will not be listed for quotation on the securities market operated by ASX Limited known as the Australian Securities Exchange (**ASX**).
- (h) The Company will apply to ASX for official quotation of the Shares issued on exercise of the Class H Options in accordance with the listing rules of ASX.
- (i) The Option Holder is not entitled to participate in any new issue to holders of securities in the Company unless they have exercised their Class H Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the listing rules of ASX.

- For personal use only
- (j) If the Company makes a pro rata issue of Shares to shareholders (except a bonus issue, or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Class H Option before the record date for determining entitlements to the issue, the Exercise Price of each Class H Option will be reduced in accordance with the formula set out in ASX listing rule 6.22.2.
 - (k) If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Class H Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Class H Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Class H Option before the record date for determining entitlements to the issue.
 - (l) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Class H Options to which the Option Holder is entitled to and the exercise price) will be changed to the extent necessary to comply with the listing rules of ASX applying to a reorganisation of capital at the time of the reorganisation.
 - (m) Any calculations or adjustments which are required to be made will be made by the Company's board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
 - (n) The Company must, within a reasonable period, give to the Option Holder notice of any change to the exercise price of any Class H Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Class H Option.
 - (o) To exercise Class H Options, the Option Holder must give the Company or its share registry, at the same time:
 - (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Class H Options being exercised and Shares to be issued;
 - (ii) payment of the exercise price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
 - (iii) any certificate for the Class H Options or such other evidence of ownership that the board of the Company may determine from time to time.
 - (p) The Option Holder may only exercise Class H Options in multiples of 5,000 Class H Options unless the Option Holder exercises all Class H Options held by the Option Holder.
 - (q) Class H Options will be deemed to have been exercised on the date the exercise notice is lodged with the Directors of the Company.
 - (r) If the Option Holder exercises less than the total number of Class H Options registered in the Option Holder's name:
 - (i) the Option Holder must surrender their Class H Option certificate (if any); and
 - (ii) the Company must cancel the Class H Option certificate (if any) and issue the Option Holder a new Class H Option certificate or holding statement stating the remaining number of Class H Options held by the Option Holder.
 - (s) Within ten (10) days after receiving an application for exercise of Class H Options and payment by the Option Holder of the exercise price, the Company must issue the Option Holder the number of Shares specified in the application.

- For personal use only
- (t) Subject to the Company's constitution, all Shares issued on the exercise of Class H Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
 - (u) Subject to and in accordance with the listing rules of the ASX (including any waiver granted under such ASX listing rules), the board of the Company (without the necessity of obtaining the prior consent of shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add or vary) all or any provisions of the these option terms in any respect whatsoever, by an instrument in writing, provided that rights or entitlement in respect of any Option granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained.
 - (v) These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

Annexure I

Terms and Conditions of Class I Options

The Class I Options will be issued on the following terms and conditions:

- (a) Each Class I Option entitles the holder (**Option Holder**) to subscribe for one (1) fully paid ordinary share (**Share**) in Anova Metals Limited ACN 147 678 779 (**Company**).
- (b) The exercise price of each Class I Option is \$0.20.
- (c) Each Class I Option may be exercised at any time before 5.00pm (WST) on 28 November 2021 (**Expiry Date**). Any Class I Option not exercised by the Expiry Date will automatically expire.
- (d) The Company must give the Option Holder a certificate or holding statement stating:
 - (i) the number of Class I Options issued to the Option Holder;
 - (ii) the exercise price of the Class I Options;
 - (iii) the date of issue of the Class I Options; and
 - (iv) the applicable Expiry Date.
- (e) The Class I Options are transferable. Subject to the listing rules of ASX and the Corporations Act 2001 (Cth) (**Corporations Act**), the Option Holder may transfer some or all of the Class I Options at any time before the Expiry Date by:
 - (i) any method permitted by the Corporations Act; or
 - (ii) a prescribed instrument of transfer.
- (f) An instrument of transfer of a Class I Option must be:
 - (i) in writing;
 - (ii) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
 - (iii) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
 - (iv) delivered to the Company, at the place where the Company's register of Option Holders is kept, together with the certificate (if any) of the Class I Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Class I Option, the right of the transferor to transfer that Class I Option and the proper execution of the instrument of transfer.
- (g) The Class I Options will not be listed for quotation on the securities market operated by ASX Limited known as the Australian Securities Exchange (**ASX**).
- (h) The Company will apply to ASX for official quotation of the Shares issued on exercise of the Class I Options in accordance with the listing rules of ASX.
- (i) The Option Holder is not entitled to participate in any new issue to holders of securities in the Company unless they have exercised their Class I Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the listing rules of ASX.

- (j) If the Company makes a pro rata issue of Shares to shareholders (except a bonus issue, or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Class I Option before the record date for determining entitlements to the issue, the Exercise Price of each Class I Option will be reduced in accordance with the formula set out in ASX listing rule 6.22.2.
- (k) If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Class I Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Class I Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Class I Option before the record date for determining entitlements to the issue.
- (l) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Class I Options to which the Option Holder is entitled to and the exercise price) will be changed to the extent necessary to comply with the listing rules of ASX applying to a reorganisation of capital at the time of the reorganisation.
- (m) Any calculations or adjustments which are required to be made will be made by the Company's board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
- (n) The Company must, within a reasonable period, give to the Option Holder notice of any change to the exercise price of any Class I Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Class I Option.
- (o) To exercise Class I Options, the Option Holder must give the Company or its share registry, at the same time:
- (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Class I Options being exercised and Shares to be issued;
 - (ii) payment of the exercise price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
 - (iii) any certificate for the Class I Options or such other evidence of ownership that the board of the Company may determine from time to time.
- (p) The Option Holder may only exercise Class I Options in multiples of 5,000 Class I Options unless the Option Holder exercises all Class I Options held by the Option Holder.
- (q) Class I Options will be deemed to have been exercised on the date the exercise notice is lodged with the Directors of the Company.
- (r) If the Option Holder exercises less than the total number of Class I Options registered in the Option Holder's name:
- (i) the Option Holder must surrender their Class I Option certificate (if any); and
 - (ii) the Company must cancel the Class I Option certificate (if any) and issue the Option Holder a new Class I Option certificate or holding statement stating the remaining number of Class I Options held by the Option Holder.
- (s) Within ten (10) days after receiving an application for exercise of Class I Options and payment by the Option Holder of the exercise price, the Company must issue the Option Holder the number of Shares specified in the application.

- For personal use only
- (t) Subject to the Company's constitution, all Shares issued on the exercise of Class I Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
 - (u) Subject to and in accordance with the listing rules of the ASX (including any waiver granted under such ASX listing rules), the board of the Company (without the necessity of obtaining the prior consent of shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add or vary) all or any provisions of the these option terms in any respect whatsoever, by an instrument in writing, provided that rights or entitlement in respect of any Option granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained.
 - (v) These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.