



31 January 2018

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 31 DECEMBER 2017

HIGHLIGHTS

- Scheme of Arrangement with Exterra Resources Completed in Early October
- Second Fortune Commencement of Mining
 - Mining contractor mobilised on 12 November
 - Portal development complete and decline advancing to Level 1
 - Mine services and surface infrastructure complete
 - Infill drilling into first of planned mining levels confirms Main Vein grades and thicknesses
 - Underwater survey of historic levels and stopes confirms knowledge of previous mining activity
- Exploration Drilling Program Conducted at Big Springs Project

CORPORATE

Scheme of Arrangement

During the quarter Anova Metals Limited ("**Company**" or "**Anova**") (ASX: A WV) and Exterra Resources Limited ("**Exterra**") (ASX: EXC) completed a Scheme of Arrangement ("**Scheme**") whereby Anova would acquire all of the issued capital of Exterra. In early October 172,594,404 Anova shares were issued to Exterra shareholders on a 1:2 ratio. Existing Anova shareholders hold approximately 72.4% of the shares in the merged entity and Exterra shareholders hold approximately 27.6%. Exterra directors Mr Geoff Laing and Mr John Davis were appointed as an Executive Director and Non-Executive Director respectively of Anova.

The merged entity holds an outstanding portfolio of production, development and exploration projects under the guidance of an experienced and proven management team. The Board believes that the combination of Anova's strong balance sheet and the near term production potential of the Linden Gold Project provides a compelling position for the ongoing growth of the company.

Cash Position

As at 31 December 2017, the Company's cash balance was \$4.4m.

SECOND FORTUNE

Commencement of mining operations at Second Fortune

GBF Mining mobilised to Second Fortune on 12 November ahead of commencing the portal development. The construction of the mine portal and installation of surface mine services (Figures 1 to 3) were completed by mid-December and significant progress has been made on the decline development which has advanced ~215m to a vertical depth of ~27m (Figures 4 to 6).

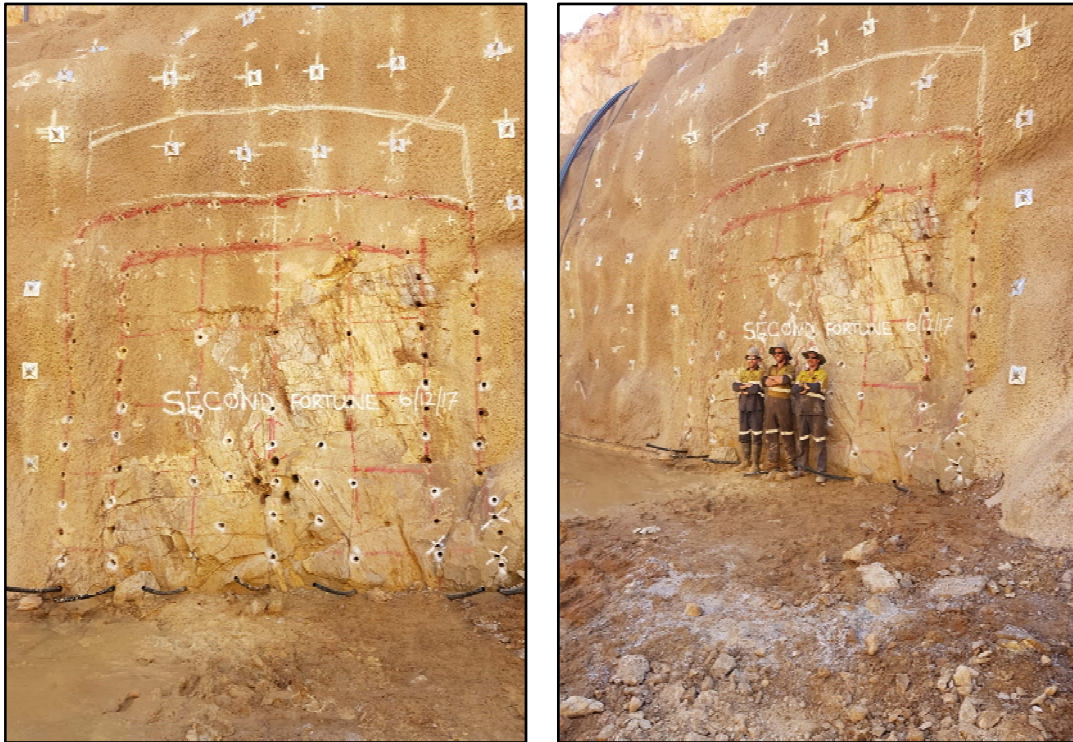
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Figures 1 & 2: Mine portal after being bored out, GBF staff in front of the bored out mining portal.



Figure 3: Mine portal opening after completion of boggging.



Figure 4: Charging the portal opening.



Figure 5: Current underground decline face.

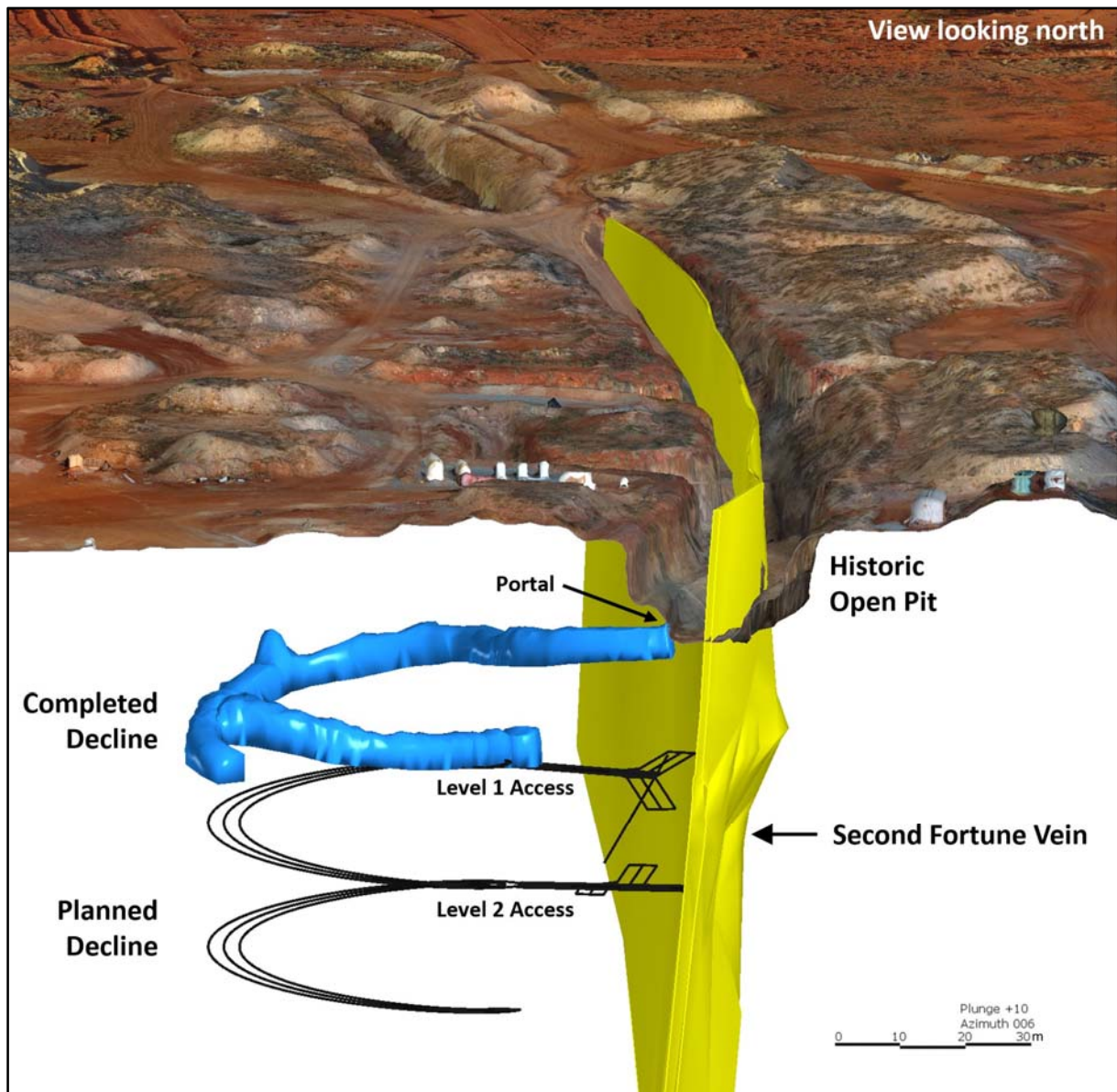


Figure 6: Decline progress as at 27 January 2018

Mine Dewatering

Dewatering of the historic workings is steadily progressing and will be completed in line with planned underground development.

RC infill drilling programme and underwater drone survey

In preparation for mine development a reverse circulation (RC) drilling program has been completed to test the grades and vein thickness in the first mining levels. Holes were designed to intercept the planned stopes immediately below previous mine workings. Results were consistent with expected grades and thickness. To ensure surveys of the underground voids were consistent with present plans an underwater drone survey was conducted to inspect shafts and mine voids. Video imagery and depth logs from the drone confirmed there were no unexpected mining voids and plans were consistent with those in use (Figure 7).



Figure 7: Underwater drone survey - Main Vein exposed in crown pillar of the Level 1 stopes (width approximately 0.75m wide).

Site Works

The establishment of surface infrastructure has been continuing over the last few months. Accommodation facilities to support the expanded staffing levels during mining are now complete as well as mine offices, upgraded ablutions, change rooms, laundry and kitchen (Figure 8). Magazines and water services are now complete, and workshops are nearing completion.



Figure 8: New camp facilities.

Sale of The Grass Flat Project

During the Quarter, Anova agreed terms for the sale of the Grass Flat Project, located 200km North of Southern Cross, to a private mining group (Buyer), with settlement completed post the end of the Quarter.

The Grass Flat Project was deemed to be a non-core asset with Anova's focus in Western Australia being the development of the Second Fortune underground gold mine at the Linden Gold project, located 230km NNE of Kalgoorlie.

The terms of the sale include:

1. \$50,000 cash at Settlement (received).
2. A 2.5% Net Smelter Return on any metals produced from the project.
3. Shares to the value of \$300,000 on admission of the Buyer or any parent company of the Buyer to the ASX or other stock exchange or a company who is listed on a stock exchange being entitled to own the project.

BIG SPRINGS

Permitting

During the quarter aquifer testing was successfully completed on all monitoring wells located at the Big Springs Project. The results are currently being processed by Anova's hydrogeological consultant and will be used in the development of the site wide numerical hydrogeological model to be commenced in the next quarter. The hydrogeological model will form an integral part of the regulatory approvals for the North Sammy Underground Project.

Exploration

During the quarter Anova completed an exploration drilling program designed to follow up on the excellent results returned at South Sammy and Beadles Creek during the 2016 drilling campaign (Refer to the Company's December 2016 Quarterly Report for details of the 2016 program).

The drilling at Beadles Creek was designed to test for shallow up-dip extensions of the high grade zone intersected during the 2016 drilling campaign. Anova successfully completed seven holes for a total of 1,230 metres at the prospect, with all holes intersecting the structurally controlled Beadles Creek shoot up-dip to the east. The best results were returned from **AWVBC17-010** where 9.1m @ 4.7 g/t Au, including 4.6m @ 8.1 g/t Au was intersected (Figure 9), and **AWVBC17-008** which returned **4.6m @ 4.1 g/t Au, including 1.5m @ 6.6 g/t Au** (Figure 10). Mineralisation at Beadles Creek remains open in all directions.

Drilling at South Sammy consisted of three holes for 612 metres. One hole (AWV17-063) was drilled to test for southern extensions to the high grade zone intersected in AWV16-061 in 2016, while two holes (AWV17-064 and AWV17-065) were drilled to test for additional stacked mineralized zones that Anova could access through the proposed 601 underground operation for which the Company received regulatory approval in January 2017.

The best results from the South Sammy program were in **AWV17-063** where three stacked zones were intersected, returning a best intercept of **6.1m @ 4.1 g/t Au from 82.3m**. **AWV17-064** and **AWV17-065** intersected mineralized intervals in the target area including **3.0 m @ 3.7 g/t Au from 198.1m** (AWV17-064) and **4.6m @ 3.6 g/t Au from 152m** (AWV17-065).

Table 1 summarises collar and survey information for all holes completed during the 2017 campaign, while Table 2 summarises drilling intercepts for the 2017 drilling campaign.

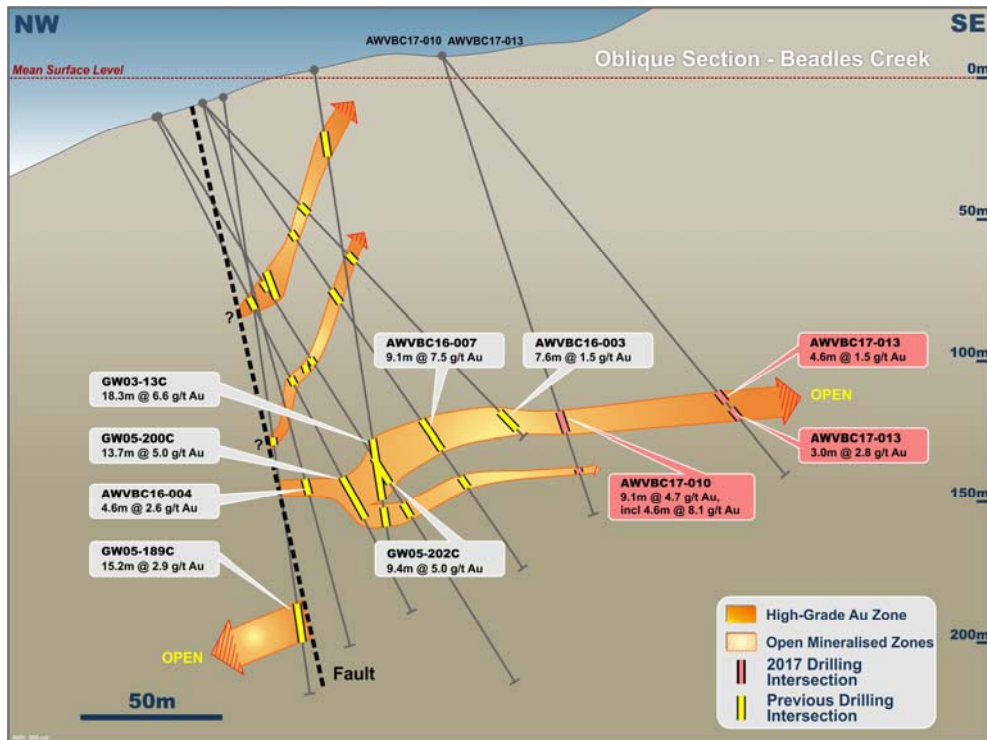


Figure 9: Oblique Section showing 2017 drilling results at the Beadles Creek Prospect.

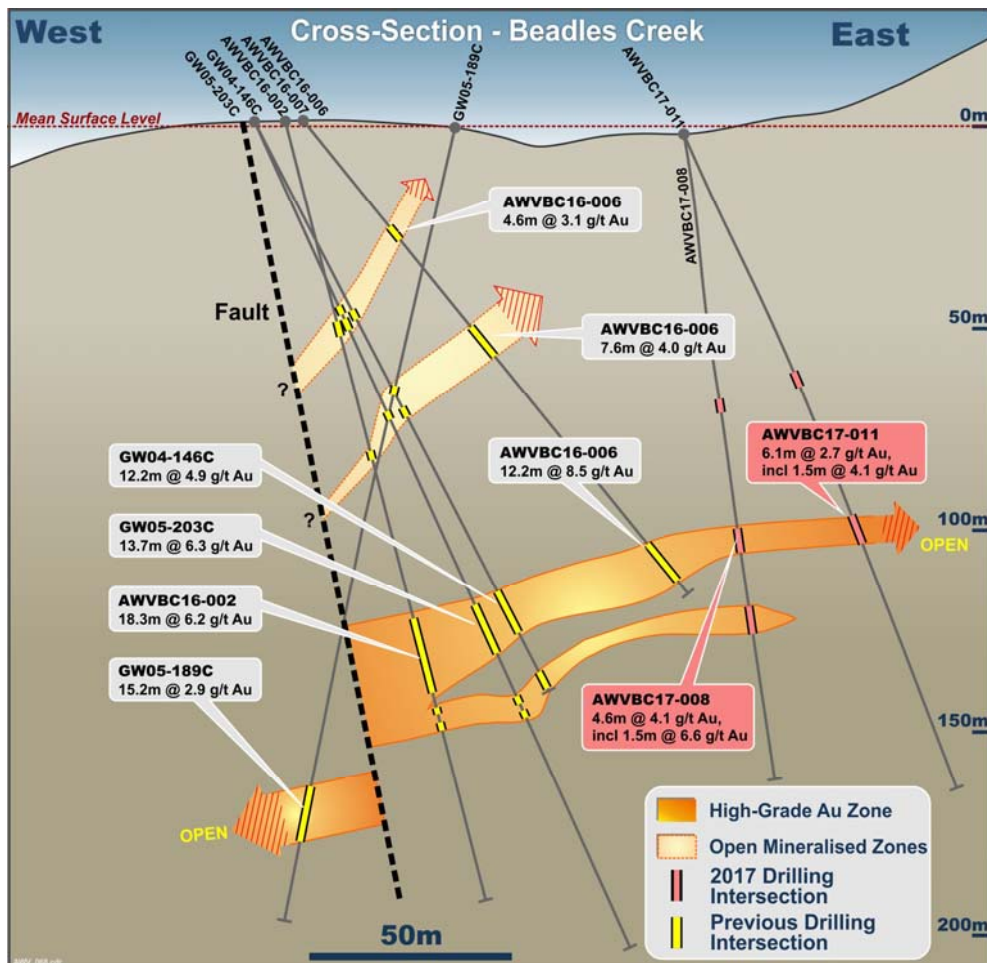


Figure 10: East-West Section showing 2017 drilling results at the Beadles Creek– (4,602,300mN- UTM Zone 11N, NAD83).

Mining

Anova and Jerritt Canyon Gold LLC are in ongoing discussions regarding the terms of a tolling agreement. During the quarter updated mine designs for South Sammy and North Sammy were completed by Small Mine Development LLC, the underground mining contractor at Jerritt Canyon. The designs were reviewed by Anova and minor modifications were requested. The updated designs are anticipated to be completed shortly and will once finalised be forwarded to Jerritt Canyon's technical team for review of tonnages, grade and scheduling of ore.

EVENTS POST QUARTER END

Mining Finance

Anova's wholly owned subsidiary Anova Metals Australia Pty Ltd entered into a Facility Agreement ("Facility") with a loan syndicate co-ordinated by agent and security trustee, MSQ Holdings Pty Ltd. The Facility will provide Anova with the ability to drawdown \$3m in February to meet expenditure requirements at the Second Fortune Gold Project and for working capital. The Facility is subject to standard terms of a Facility of its size and nature and prior to drawdown the Company must, amongst other things, execute satisfactory tolling and haulage agreements for ore from Second Fortune and issue the unlisted options mentioned below.

Key facility terms include:

- 5% upfront facility fee.
- Interest rate of 15% per annum, payable monthly.
- 7,500,000 unlisted options over Anova shares, exercisable at 10 cents per share by 31 December 2018.
- Secured over all the assets of Anova Metals Australia Pty Ltd, Anova Metals Ltd and Big Springs Project Pty Ltd (owner of the Big Springs Project).

Toll Milling Agreement

Anova entered into a Toll Milling Agreement with Eastern Goldfields Milling Services Pty Ltd, a wholly owned subsidiary of Maximus Resources Ltd (ASX:MXR) for the processing of ore from Anova's Second Fortune Gold Project in WA.

Under the terms of the agreement ore from the Second Fortune Gold Project will be processed at the Burbanks Gold Processing Facility ("Burbanks"). Burbanks is located approximately 270kms from the Second Fortune Gold Project and is readily accessible via road.

Anova's ore will be treated on a campaign basis with fees payable to Maximus for the processing comprising a Fixed Cost for tonnage and an allowance for variable costs based on performance of the ore in the mill. Anova has also agreed to pay a partial pre-payment of processing costs to secure priority for the milling of 40,000 tonnes of ore. The pre-payment is secured and will be deducted from costs of ore processed.

Mineral Resources

| Project | Measured | | | Indicated | | | Inferred | | | Combined | | |
|---|------------|------------|--------------|--------------|------------|--------------|---------------|------------|--------------|---------------|------------|----------------|
| | kT | Grade | Koz | kT | Grade | Koz | kT | Grade | Koz | kT | Grade | Koz |
| Big Springs | 641 | 5.6 | 116.1 | 4,762 | 2.2 | 343.3 | 10,630 | 1.7 | 570.4 | 16,032 | 2.0 | 1,029.9 |
| Second Fortune (Linden) | | | | | | | | | | | | |
| Main Lode (JORC 2012) | - | - | - | 211.8 | 9.8 | 66.7 | 35.4 | 8.0 | 9.1 | 247.2 | 9.5 | 75.8 |
| Hangingwall Lode (JORC 2004) ^{1,2} | - | - | - | | | | 58.2 | 8.2 | 15.3 | 58.2 | 8.2 | 15.3 |
| Footwall Lode (JORC 2004) ^{1,2} | - | - | - | 18.5 | 8.9 | 5.4 | 52.9 | 7.4 | 12.5 | 71.4 | 7.8 | 17.9 |
| West Lode (JORC 2004) ^{1,2} | - | - | - | 4.2 | 4.2 | 0.6 | 107.2 | 6.1 | 21.0 | 111.4 | 6.0 | 21.6 |
| Second Fortune Sub-Total | - | - | - | 234.5 | 9.6 | 72.7 | 253.7 | 7.1 | 57.9 | 488.2 | 8.3 | 130.6 |
| Zelica (JORC 2004)¹ | - | - | - | 358.2 | 1.7 | 19.0 | 212.6 | 1.6 | 11.0 | 570.8 | 1.6 | 30.0 |
| Malcolm (JORC 2004)¹ | - | - | - | - | - | - | 142.2 | 8.3 | 37.9 | 142.2 | 8.3 | 37.9 |
| Combined Total of Mineral Resources | 641 | 5.6 | 116.1 | 5,355 | 2.5 | 435.0 | 11,238 | 1.9 | 677.2 | 17,233 | 2.2 | 1,228.4 |

Note: Appropriate rounding applied

1. Mineral Resource has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.
2. Second Fortune other veins - 4.0 g/t Au lower cut-off (minor rounding variations may occur)

Ore Reserves

| Project | Proved | | | Probable | | | Combined | | |
|---------------------------------------|--------|-------|-----|----------|-------|------|----------|-------|------|
| | kT | Grade | Koz | kT | Grade | Koz | kT | Grade | Koz |
| Second Fortune | - | - | - | 339.0 | 6.0 | 65.0 | 339.0 | 6.0 | 65.0 |
| Combined Total of Ore Reserves | - | - | - | 339.0 | 6.0 | 65.0 | 339.0 | 6.0 | 65.0 |

Competent Person Statement – Big Springs Project

The information in this report that relates to Exploration Results and Mineral Resources for the Big Springs Project is based on and fairly represents information compiled by Mr Andrew McDonald, a full-time employee of Anova Metals Ltd, and Mr Lauritz Barnes (Principal Consultant Geologist, Trepanier Pty Ltd). Mr McDonald and Mr Barnes are shareholders of Anova Metals. Mr McDonald and Mr Barnes are members of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr McDonald and Mr Barnes consent to the inclusion in this report of the matters based on information in the form and context in which it appears.

Competent Person Statement – Second Fortune (Linden) Project

The information in this report that relates to Exploration Results and overall supervision and direction of Mineral Resources (including database compilation, sampling processes, geological and mineralisation interpretation, project parameters and costs) is based on and fairly represents, information and supporting documentation compiled under the overall supervision and direction of John Davis (Member of the Australasian Institute of Mining and Metallurgy and the AIG). Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Davis consents to the inclusion in the release of the statements based on their information in the form and context in which they appear.

Information in this report that relates to estimation, depletion and reporting of Second Fortune Main Lode Mineral Resources is based on and fairly represents, information and supporting documentation compiled by Mike Job who is a Member of the Australasian Institute of Mining and Metallurgy and at the time, a full time employee of QG Consulting Pty Ltd. Job has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Job consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Ore Reserves has been compiled by Mr Andrew Gasmier, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Gasmier is employed full time by Mining Plus. Mr Gasmier has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Gasmier consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Person Statement – Zelica Project

The information in this report that relates to Mineral Resources for the Zelica Project is based on and fairly represents information and supporting documentation compiled under the overall supervision and direction of John Davis (Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists). Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. **The information was prepared and disclosed under the JORC Code 2004. It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.** Mr Davis consents to the inclusion in the release of the statements based on their information in the form and context in which they appear.

Information in this report that relates to the Zelica Mineral Resources is based on information compiled by Don Maclean (Member of the Australian Institute of Geoscientists). Mr Maclean, at the time of estimation, was a principal consultant for Ravensgate Mining Industry Consultants Pty Ltd. Mr Maclean has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Maclean consents to the inclusion in the report of the statements based on his information in the form and context in which they appear.

Competent Person Statement – Malcolm Project

The information in this report that relates to Mineral Resources for the Malcolm Project is based on and fairly represents information and supporting documentation compiled under the overall supervision and direction of John Davis (Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists). Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. **The information was prepared and disclosed under the JORC Code 2004. It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.** Mr Davis consents to the inclusion in the release of the statements based on their information in the form and context in which they appear.

Table 1: 2017 Drill Hole Collar Details (UTMN Zone 11, NAD83 datum)

| Hole ID | Easting (m) | Northing (m) | Elev. (m) | Depth (m) | Dip | Azimuth | Hole Type |
|-------------|-------------|--------------|-----------|-----------|-----|---------|-----------|
| AWVBC17-008 | 586660 | 4602320 | 2276 | 175 | -72 | 150 | DDH |
| AWVBC17-009 | 586660 | 4602320 | 2276 | 169 | -73 | 105 | DDH |
| AWVBC17-010 | 586660 | 4602320 | 2276 | 161 | -64 | 172 | DDH |
| AWVBC17-011 | 586660 | 4602320 | 2276 | 190 | -62 | 131 | DDH |
| AWVBC17-012 | 586660 | 4602320 | 2276 | 184 | -58 | 155 | DDH |
| AWVBC17-013 | 586660 | 4602320 | 2276 | 182 | -45 | 150 | DDH |
| AWVBC17-014 | 586660 | 4602320 | 2276 | 169 | -50 | 171 | DDH |
| AWV17-063 | 585967 | 4601396 | 2402 | 198 | -80 | 180 | DDH |
| AWV17-064 | 585967 | 4601396 | 2402 | 210 | -70 | 122 | DDH |
| AWV17-065 | 586042 | 4601371 | 2391 | 204 | -80 | 85 | DDH |

Table 2: Big Springs 2017 drilling Intersection (>1.0 g/t Au)

| Hole ID | From (m) | To (m) | Interval (m) | Au Grade (g/t) |
|-------------|--------------|--------------|--------------|----------------|
| AWVBC17-008 | 82.3 | 85.3 | 3.0 | 1.2 |
| | 91.4 | 93.0 | 1.5 | 1.9 |
| | 100.6 | 102.1 | 1.5 | 2.0 |
| | 106.7 | 108.2 | 1.5 | 1.1 |
| | 114.3 | 118.9 | 4.6 | 4.1 |
| | 114.3 | 115.8 | 1.5 | 6.6 |
| | 125.0 | 126.5 | 1.5 | 2.1 |
| | 132.6 | 135.6 | 3.0 | 1.1 |
| AWVBC17-009 | 137.2 | 140.2 | 3.0 | 2.5 |
| | 44.2 | 45.7 | 1.5 | 1.1 |
| | 74.7 | 76.2 | 1.5 | 1.2 |
| | 88.4 | 89.9 | 1.5 | 1.3 |
| | 93.0 | 96.0 | 3.0 | 4.3 |
| AWVBC17-010 | 118.9 | 120.4 | 1.5 | 1.7 |
| | 89.9 | 91.4 | 1.5 | 1.0 |
| | 120.4 | 129.5 | 9.1 | 4.7 |
| | 125.0 | 129.5 | 4.6 | 8.1 |
| | 143.3 | 144.8 | 1.5 | 2.0 |
| AWVBC17-011 | 158.5 | 160.0 | 1.5 | 1.4 |
| | 82.3 | 85.3 | 3.0 | 1.3 |
| | 103.6 | 105.2 | 1.5 | 2.3 |
| | 109.7 | 111.3 | 1.5 | 2.2 |
| | 120.4 | 126.5 | 6.1 | 2.7 |
| AWVBC17-012 | 123.4 | 125.0 | 1.5 | 4.1 |
| | 161.5 | 163.1 | 1.5 | 1.5 |
| | 94.5 | 96 | 1.5 | 1.6 |
| | 143.3 | 147.8 | 4.6 | 1.5 |
| | 153.9 | 157.0 | 3.0 | 2.8 |
| AWVBC17-014 | 70.1 | 71.6 | 1.5 | 1.3 |
| | 129.5 | 131.1 | 1.5 | 1.2 |
| | 157.0 | 163.1 | 6.1 | 2.1 |
| | 157.0 | 158.5 | 1.5 | 4.2 |
| | 54.9 | 56.4 | 1.5 | 2.2 |
| AWV17-063 | 74.7 | 76.2 | 1.5 | 1.8 |
| | 82.3 | 88.4 | 6.1 | 4.1 |
| | 79.2 | 80.8 | 1.5 | 1.5 |
| AWV17-064 | 96.1 | 97.5 | 1.5 | 1.0 |
| | 198.1 | 201.2 | 3.0 | 3.7 |
| | 9.1 | 12.2 | 3.0 | 1.2 |
| AWV17-065 | 65.5 | 67.1 | 1.5 | 1.0 |
| | 73.2 | 74.7 | 1.5 | 1.2 |
| | 105.2 | 108.2 | 3.0 | 3.0 |
| | 144.8 | 147.8 | 3.0 | 2.1 |
| | 152.4 | 157.0 | 4.6 | 3.6 |

TENEMENT SCHEDULE

| Western Australia | | |
|--|--------------|-----------------|
| Tenement reference | Location | Percentage Held |
| E39/1232 | Linden | 100% |
| E39/1539 | Linden | 100% |
| E39/1754 | Linden | 100% |
| E39/1977 | Linden | 100% |
| L39/0012 | Linden | 100% |
| L39/0013 | Linden | 100% |
| L39/0014 | Linden | 100% |
| L39/0230 | Linden | 100% |
| M39/0255 | Linden | 100% |
| M39/0386 | Linden | 100% |
| M39/0387 | Linden | 100% |
| M39/0500 | Linden | 90% |
| M39/0629 | Linden | 100% |
| M39/0649 | Linden | 100% |
| M39/0650 | Linden | 100% |
| M39/0780 | Linden | 100% |
| M39/0781 | Linden | 100% |
| M39/0794 | Linden | 100% |
| P39/5599 | Linden | 100% |
| E39/1897 | Zelica | 100% |
| M39/1101 | Zelica | 100% |
| M37/1164 | Malcolm | 100% |
| E37/1294 | Malcolm | 100% |
| P77/4351 | Grass Flat | 100% |
| P77/4352 | Grass Flat | 100% |
| P77/4353 | Grass Flat | 100% |
| P77/4354 | Grass Flat | 100% |
| P77/4355 | Grass Flat | 100% |
| P77/4454 | Grass Flat | 100% |
| E77/2355 | Grass Flat | 100% |
| E77/2365 | Grass Flat | 100% |
| E77/2430 | Grass Flat | 100% |
| E45/4766 | Moolyella | 100% |
| Nevada, USA | | |
| Tenement reference | Location | Percentage Held |
| NDEEP-31, NDEEP-32 | Big Springs | 100% |
| TT-108 to TT-157, TT-163, TT-164, TT-185, TT-187, TT-189 to TT-204, TT-220 to TT-267, TT-327 to TT-344 | Big Springs | 100% |
| NDEEP-18, NDEEP-19, NDEEP-35, NDEEP-36, NDEEP-52, NDEEP-53 | Dorsey Creek | 100% |
| TT-158 to TT-162, TT-169 to TT-184, TT-186, TT-188, TT-275 to TT-277, TT-290, TT-291, TT-297 to TT-301, TT-305 to TT-311 | Dorsey Creek | 100% |
| DOME-1 to DOME-51 | Golden Dome | 100% |
| GD-52 to GD-61, GD-63, GD-67 to GD-76, GD-79 to GD-90, GD-92 to GD-136, GD-139 to GD-154, GD-157, GD-164 to GD-173, GD-176, GD-181, GD-182, GD-185, GD-186, GD-189, GD-190, GD-193, GD-194, GD-197 to GD-199, GD-201, GD-203, GD-205, GD-207, GD-209, GD-211, GD-213, GD-215, GD-217, GD-219, GD-221, GD-223, GD-225, GD-265 to GD-286, GD-297 to GD-318, GD-381 to GD-428 | Golden Dome | 100% |
| MP-14, MP-16, MP-18, MP-41, MP-43, MP-45, MP-47, MP-49 to MP-54 | Golden Dome | 100% |
| NDEEP-1 to NDEEP-16, NDEEP-44 to NDEEP-90 | Golden Dome | 100% |
| JAK-14, JAK-16, JAK-18, JAK-20 to JAK-38, JAK-99 to JAK-116, JAK-170, JAK-172, JAK-174, JAK-176, JAK-178 to JAK-186 | Jack Creek | 100% |
| BS-500 to BS-550, BS-557 to BS-579 | Mac Ridge | 100% |
| MR-500 to MR-524, MR-526, MR-528, MR-530 to MR-537 | Mac Ridge | 100% |
| NDEEP-33, NDEEP-34 | Mac Ridge | 100% |
| TT-205 to TT-219 | Mac Ridge | 100% |

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

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

Section 7 - Lot 4 (SW¼ SW¼); SE¼ SW¼; NE¼ SE¼

Section 8 - N ½ SW¼

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

Anova Metals Limited

ABN

20 147 678 779

Quarter ended ("current quarter")

31 DEC 2017

Consolidated statement of cash flows

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

| Current quarter \$'000 | Year to date (6 months) \$'000 |
|---------------------------|--------------------------------------|
| - | - |
| (682) | (1,230) |
| (663) | (663) |
| - | - |
| (352) | (556) |
| (44) | (367) |
| - | - |
| 7 | 17 |
| - | - |
| - | - |
| - | - |
| 22 | (105) |
| (1,713) | (2,903) |
| (197) | (199) |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | (2,000) |
| - | - |
| 1,813 | 1,813 |
| 1,616 | (387) |

| | Current quarter \$'000 | Year to date (6 months) \$'000 |
|---|---------------------------|--------------------------------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of shares | - | - |
| 3.2 Proceeds from issue of convertible notes | - | - |
| 3.3 Proceeds from exercise of share options | - | - |
| 3.4 Transaction costs related to issues of shares, convertible notes or options | (28) | (28) |
| 3.5 Proceeds from borrowings | - | - |
| 3.6 Repayment of borrowings | - | - |
| 3.7 Transaction costs related to loans and borrowings | - | - |
| 3.8 Dividends paid | - | - |
| 3.9 Other (provide details if material) | - | - |
| 3.10 Net cash from / (used in) financing activities | (28) | (28) |
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of quarter/year to date | 4,432 | 7,709 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (1,713) | (2,903) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | 1,616 | (387) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | (28) | (28) |
| 4.5 Effect of movement in exchange rates on cash held | 43 | (42) |
| 4.6 Cash and cash equivalents at end of quarter | 4,350 | 4,349 |

Reconciliation of cash and cash equivalents

5. at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts
- 5.1 Bank balances
- 5.2 Call deposits
- 5.3 Bank overdrafts
- 5.4 Other (provide details)
- 5.5 **Cash and cash equivalents at end of quarter (should equal item 4.6 above)**

| Current quarter \$'000 | Previous quarter \$'000 |
|---------------------------|----------------------------|
| 2,043 | 2,819 |
| 2,307 | 1,613 |
| - | - |
| - | - |
| 4,350 | 4,432 |

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

| Current quarter \$'000 |
|---------------------------|
| 60 |
| - |

Payment of director fees

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

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

| Current quarter \$'000 |
|---------------------------|
| 48 |
| - |

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

Financing facilities available

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

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

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

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

9. Estimated cash outflows for next quarter

9.1 Exploration and evaluation

9.2 Development

9.3 Production

9.4 Staff costs

9.5 Administration and corporate costs

9.6 Other (provide details if material)

9.7 Total estimated cash outflows

| \$'000 |
|---------------|
| 325 |
| 2,300 |
| 1,700 |
| 125 |
| 325 |
| - |
| 4,775* |

*Doesn't take into account revenue from Second Fortune operations

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

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

10.2 Interests in mining tenements and petroleum tenements acquired or increased

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

Compliance statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2. This statement gives a true and fair view of the matters disclosed.



Mr Steven Jackson

Company Secretary

Date: 31 January 2018

Notes

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