



30 January 2019

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 31 DECEMBER 2018

HIGHLIGHTS

- Disposal of Ore Sorter and associated equipment for \$500,000
- Haywood Securities continue to manage divestment of the Big Springs Gold Project
- Options for re-commencement of mining being considered for Second Fortune

WESTERN AUSTRALIA

During the quarter Anova sold its ore sorter and associated plant and equipment from its WA operations for \$500,000, with \$200,000 already received and the rest payable in three equal monthly instalments by March 2019.

Anova also entered into two agreements with Matsa Resources Limited (ASX:MAT) for the disposal of non-core WA tenements outside of the Second Fortune tenement area. The first agreement is a Sale and Purchase Agreement for the Zelica Project under which Anova will receive cash consideration of \$150,000. The transaction was completed in January 2019 with a variation whereby Anova will no longer receive an on-going royalty payment.

Additionally, Anova entered into a Placement and Option Deed with Matsa. Matsa subscribed for 10,000,000 ordinary shares in Anova Metals at a price of 2.25c, a premium to the share price of Anova. Anova granted Matsa an 18 month option to acquire its Devon Tenements (M39/87, M39/629, M39/500, E39/1232 and M39/386). Upon exercise of the option Matsa will be required to pay Anova \$200,000 in consideration and grant a 1% net smelter royalty on production from the Devon tenements.

The company is also considering options for re-commencing operations at Second Fortune with potential joint venture partners. Further details will be provided on these options as they develop.

BIG SPRINGS

Discussions between Anova, experienced Canadian resources advisors Haywoods Securities and potential parties continued through the quarter with proposals submitted from two separate parties late in the quarter. These are currently being considered by the company. Subsequent to quarter end further interest has been received which is being assessed. There is no certainty that the process will lead to the divestment of the Big Springs Gold Project and any agreement, once entered into, will be disclosed and be subject to any necessary regulatory approval process including any approvals required by the ASX.

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CORPORATE

During the period, the Company held its Annual General Meeting and released its 2018 Annual Report, which can be viewed on the Company's website.

A reduction of the Company's overheads and suspension of directors' fees, together with the aforementioned disposals provide the Company with sufficient financial capacity to meet the its financial obligations for several quarters.

The Company continues to undertake disposals of non-core assets and non-core tenements from the WA tenement package and will continue to keep the market updated.

Mineral Resources

Project	Measured			Indicated			Inferred			Combined		
	kT	Grade	Koz	kT	Grade	Koz	kT	Grade	Koz	kT	Grade	Koz
Big Springs (JORC 2012)	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

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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 Lauritz Barnes (Principal Consultant Geologist, Trepanier Pty Ltd). Mr Barnes is a member of both the Australasian Institute of Mining and Metallurgy and 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 Barnes consents 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 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'. 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 the Second Fortune Main Lode Mineral Resources is based on and fairly represents, information and supporting documentation compiled by Mr 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. Mr 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". Mr 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 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 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.

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%
M39/0794	Linden	100%
P39/5599	Linden	100%
E39/1897	Zelica	100%
M39/1101	Zelica	100%
L39/261	Zelica	100%
L39/270	Bar Twenty	100%
L39/271	Bar Twenty	100%
M37/1164	Malcolm	100%
E37/1294	Malcolm	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 2018

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)
 - 2.6 **Net cash from / (used in) investing activities**

Current quarter \$'000	Year to date (6 months) \$'000
83	2,808
-	-
(206)	(571)
-	-
-	(2,519)
(8)	(94)
(147)	(177)
-	-
-	1
(79)	(171)
-	-
-	121
126	136
(229)	(465)
-	-
-	-
-	-
-	-
251	251
-	-
-	-
-	-
-	-
-	-
251	251

	Current quarter \$'000	Year to date (6 months) \$'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	225	225
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	(3)	(4)
3.5 Proceeds from borrowings	-	3,000
3.6 Repayment of borrowings	-	(3,000)
3.7 Transaction costs related to loans and borrowings	(18)	(35)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	205	186
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	313	568
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(229)	(465)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	251	251
4.4 Net cash from / (used in) financing activities (item 3.10 above)	205	186
4.5 Effect of movement in exchange rates on cash held	(0)	(0)
4.6 Cash and cash equivalents at end of quarter	540	540

	Current quarter \$'000	Previous quarter \$'000
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	540	313
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)	540	313

	Current quarter \$'000
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
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	
-	

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.

Lender – Twynam Agricultural Group Pty Ltd

Interest rate of 10% per annum, payable monthly. Minimum interest over term of \$300,000

50,000,000 unlisted options over Anova shares, exercisable at 4.5 cents per share by 30 June 2020.

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).

Total facility amount at quarter end \$'000	Amount drawn at quarter end \$'000
3,000	3,000
-	-
-	-

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) – Repayment of debt (see section 8).

9.7 **Total estimated cash outflows**

\$'000
17
-
-
14
128
-
159

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

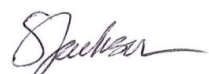
10.2 Interests in mining tenements and petroleum tenements acquired or increased

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: 30 January 2019

Notes

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