

23<sup>rd</sup> April 2021

## **QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 31 MARCH 2021**

### **CORPORATE**

Enova Mining Limited (“Enova”, “the Company”), remains focused on the development of the Charley Creek rare earth project located in central Northern Territory, Australia.

### **FINANCE**

On 12<sup>th</sup> April 2021, an additional loan arrangement amounting to \$100,000 was entered into with EMMCO Sdn. Bhd. (EMMCO, a Malaysian incorporated company). The funds will be used to support further metallurgical test work of the Cattle Creek area drill samples and on-going company operational expenses. The loan is unsecured, with interest of 15% per annum and a maturity date of 12<sup>th</sup> October 2021.

To date the total loans held between the Enova are tabulated below:

Date of Original Loan	Principal AUD\$	Flat Interest Rate per annum	Interest Applicable at Due Date AUD\$	Due Date
9 Oct. 2020	52,527.40	15%	3,907.17	8 Aug. 2021
19 Oct 2020	52,527.40	15%	3,907.17	19 Aug. 2021
12 April 2021	100,000.00	15%	7,520.55	12 Oct. 2021

Enova Director, Mr Harun Halim Rasip, is a Director and Shareholder of EMMCO.

EMMCO has given assurance that Enova will be able to roll-over the loan and will not call for settlement until Enova is in a stronger financial position.

The Company continues to investigate all available finance options, mindful of ASX and ASIC requirements. The Company is actively in discussions with investors and anticipates continued future short-term funding by way of private placements.

The Company and its Board continue to closely monitor and manage its capital to ensure adequate funds for metallurgical test work and other expense commitments are in place.

## **PROJECT DEVELOPMENT STRATEGY**

### **Background Information**

Air-core drilling at Cattle Creek in 2019 provided drilling coverage as required for both resource estimation and for metallurgical testing. In addition, the program explored new zones below alluvial sediments and at depth (generally less than 60 metres). The core program consisted of 105 vertical holes drilled to bedrock on a regular 15 (east-west) x 7 (north-south) grid with nominal dimensions of 200m x 400m per hole respectively. These holes were assayed soon after drilling. A further 34 holes were drilled as infill and twinned holes for check purposes and to provide added drill density in areas of interest. Assays for these holes were put on hold due to budget reasons.

Assay results, below the alluvium horizon, have revealed localized elevated rare earth elements (REE) and scandium (Sc) grades, at the northern extent of Cattle Creek within the respective sequence of weathered meta-sediment, saprolite and weathered bedrock horizons.

In April 2020, the Company commenced preliminary leach tests ('sighter tests') using samples now held at Brisbane Metallurgical Laboratories (BML), Brisbane. BML continues to investigate the particle size distribution and contained metals within the samples. The objective is to identify natural particle sizes in each rock type that can be targeted to pre-concentrate ore prior to leaching. Sizing tests were completed in the first quarter. Testing now focuses on leaching REE and Sc from saprolite rock types. The testing process has been slowed by COVID restrictions and a backlog of assays at the laboratories.

Further details of our tests are provided in the Project Activity section of this report.

### **Our Strategy**

Our strategy is to firstly identify and assess hydrometallurgical processes to concentrate and recover REE and Scandium from higher-grade weathered material horizons and assess the viability of derived concept options. This shall benefit the existing project concept or spawn a new project concept. This strategy seeks to benefit the project by:

1. Reducing the size/complexity of the operational concept;
2. Improving product value; and
3. Reducing project capital

For this reason, the Board decided to prioritize this investigation, placing the current large scale alluvial gravity project concept temporarily on-hold.

The Company now intends to complete the following tasks, in order of priority:

1. Complete metallurgical tests.  
Enova is narrowing work programmes, targeting high value minerals important to economic extraction. Enova is identifying and testing a combination of process techniques with consideration of practical scalability. Test work must

- be of a confidence level that confirms 'reasonable' expectations for a selected treatment process to be a commercial success;
2. Engage a consulting Metallurgist to peer-review on-going test work and confirm the conceptual design case and provide recommendations for further work. With sufficient confidence from our metallurgical tests, we expect to finalise our conceptual process flowsheet and estimate key project parameters and costs. This will allow Enova to assess the viability of this process and to ascribe economic cut-off grade(s) to resource data and move forward with supporting resource reporting work. Enova has identified process engineering consultants to review metallurgical test work to assist in the process design. The engagement of this expert is on-hold until current leach tests are further advanced;
  3. Additional drill hole assay information from selected drilling intervals from the 34 infill holes was completed during the quarter. This material is currently being used for metallurgical tests. Work updating the drilling database is on hold until funding becomes available. This data combined with the existing database will be used to update the resource block model;
  4. Continue independent technical development of the existing resource model and drill information, focusing on mineralized zones that support the project concept;
  5. With the above technical work complete, Enova can report 'significant drilling' intercept results and a technical summary of metallurgical work with a work schedule and budget estimate;
  6. Pending further funding, Enova will recommence finalizing the resource model and thereafter undertake economic pit optimization and mine planning work,
  7. Complete resource estimates and proceed with the required scoping study.

Enova will be actively seeking interest and support from 'Sophisticated Investors'. Failing this, the Company will seek public funding, by preparing an Information Memorandum and engaging an advisor to assist in raising funds.

## **PROJECT ACTIVITY**

As a recap regarding of test work completed during the first quarter of 2021; 34 infill and twinned holes that were drilled in 2019 but not assayed were brought from the project area to Brisbane Metallurgical Laboratory for use as metallurgical samples. Composites taken from selected sample intervals were sent for assay. These samples are made up from drill hole intervals passing through the enriched grade saprolite zones. We are investigating the sizing and leach character of specific rock types within the mineralized zone, such as weathered meta-sediments, weathered saprolite variants (ferruginous, mottled, pallid), clays and weathered bedrock. Saprolite is of primary interest due to large, localized zones of high-grade concentration and lower calcareous mineral content.

During Q1, Brisbane Metallurgical Laboratories (BML) completed five laboratory screening and hydro-cyclone beneficiation tests on saprolite rock types. Our sizing tests indicated non-ferruginous saprolite material upgraded, as a greater proportion of REE and Scandium (Sc) metals deported to the fine size fractions (below 100 micron). Ferruginous saprolite did not upgrade well. Repeat testing was necessary to check

upgrade consistency. Given the long-turn-around for assays, Enova decided to do less sizing tests and proceed to leach testing. Using sample products from prior beneficiation work, two sulphuric acid leach tests were completed in early February. In early March three further leach tests were completed with roasting pre-treatment. These tests included one ferruginous saprolite sample and two low-iron saprolite sample leach tests. The latter tests investigated roasting with and without sulphuric acid prior to leaching. Encouraging results from these tests were received in April. Upon analysis of the leach results we identified improvements. Repeat leach tests are in progress, with changes to the leach conditions and monitoring regime. Diagnostic leach tests will target shortening the leach time, reducing acid consumption, and reducing deleterious mineral leaching and interference. Enova are optimistic that results from tests during quarter 2 should provide some long-awaited project direction.

It is important to note that test work is slow due to COVID restrictions and the recent boom in the resource sector has slowed assay turnaround. The time taken is exacerbated by repeat tests and the need to adapt tests based on results.

The next phase of test work will be to isolate valuable metals in solution, targeting the isolation of REE and Sc in solution.

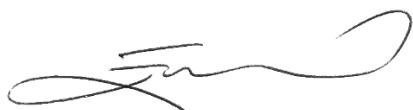
## TENEMENTS

Enova has not changed its tenement holdings since the March 2020 quarter. No tenement reductions are planned in 2021. Enova is focused on the Charley Creek project tenements to conserve finances.

Further information about Enova is available at our website [www.enovamining.com](http://www.enovamining.com).

The market will be kept apprised of developments, as required under ASX Listing Rules and in accord with continuous disclosure requirements.

**Approved for release by the Board of Enova Mining Limited**



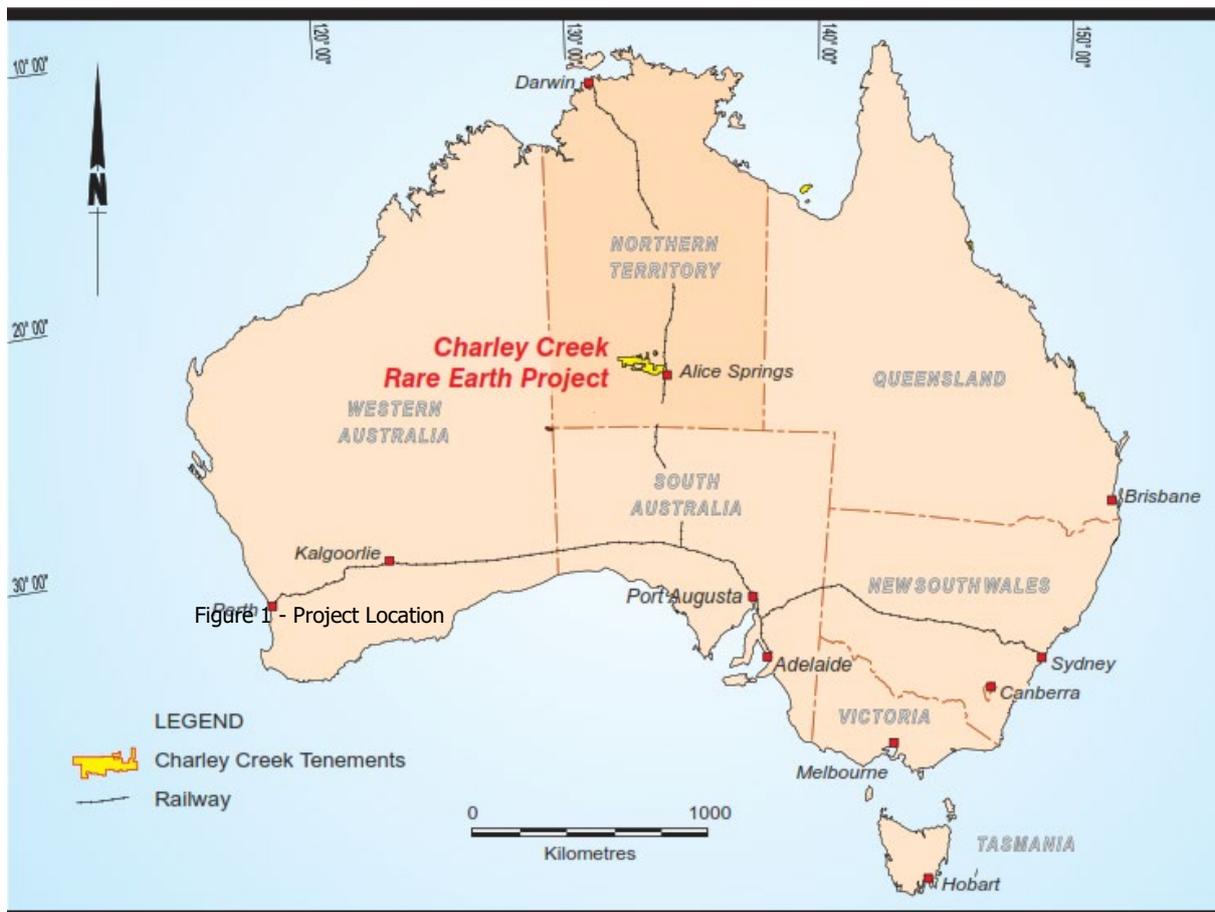
Eric Vesel,  
CEO/ Executive Director.  
**Enova Mining Limited**

### Contact details:

Eric Vesel,  
CEO/ Executive Director  
[eric@enovamining.com](mailto:eric@enovamining.com)  
+60 19 988 7931

## About the Charley Creek Project

The Charley Creek rare earth project is located 110 km W-NW of Alice Springs in the central Northern Territory, Australia (see map below, Figure 1). Enova Mining Limited, with 100% project equity, is working to re-establish a resource statement and scoping study. The project is well positioned to be a low environmental impact mine with few encumbrances. Conditions are ideal for low-cost mining, in low lying topography with dry free-dig material. Following a comprehensive drilling programme at Cattle Creek in 2019, over an area of 10 sq.km, metallurgical laboratory test-work is investigating the recovery of rare earth and scandium metals. The target final products are high purity rare earth and scandium oxide/hydroxide/carbonates, suitable for export to downstream high-purity product refiners, with potential industrial mineral by-products.



## **Disclaimer**

This ASX announcement (Announcement) has been prepared by Enova Mining Limited (“Enova” or “the Company”). It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this Announcement.

This Announcement contains summary information about Enova, its subsidiaries, and their activities, which is current as at the date of this Announcement. The information in this Announcement is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Enova.

By its very nature exploration for minerals is a high-risk business and is not suitable for certain investors. Enova’s securities are speculative. Potential investors should consult their stockbroker or financial advisor. There are many risks, both specific to Enova and of a general nature which may affect the future operating and financial performance of Enova and the value of an investment in Enova including but not limited to economic conditions, stock market fluctuations, commodity price movements, regional infrastructure constraints, timing of approvals from relevant authorities, regulatory risks, operational risks and reliance on key personnel.

Certain statements contained in this announcement, including information as to the future financial or operating performance of Enova and its projects, are forward-looking statements that: may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions; are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Enova, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and, involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Enova disclaims any intent or obligation to update publicly any forward-looking statements, whether because of new information, future events, or results or otherwise. The words ‘believe’, ‘expect’, ‘anticipate’, ‘indicate’, ‘contemplate’, ‘target’, ‘plan’, ‘intends’, ‘continue’, ‘budget’, ‘estimate’, ‘may’, ‘will’, ‘schedule’ and similar expressions identify forward-looking statements.

All forward-looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantee of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. No verification: although all reasonable care has been undertaken to ensure that the facts and opinions given in this Announcement are accurate, the information provided in this Announcement has not been independently verified.