

29th August 2022

ASX: ENV



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Share Purchase Plan (SPP) Offer to Shareholders

Market Announcement Platform
ASX Limited

On behalf of the Board of Directors of Enova Mining Limited (Enova), we would like to thank Enova shareholders for their continued support. We are writing to update you of our plans and provide an opportunity for shareholders to increase their participation in the growth of the company. Several shareholders have expressed interest in further equity participation, and we believe our shareholders should have the first right of refusal, especially for any discounted share offer. Shareholders are encouraged to learn more about the Offer on our dedicated SPP Hub – www.spp.enovamining.com.

We remain confident about our world class Charley Creek project, which possesses several mineral development opportunities. Our focus has been centred on the Cattle Creek project, where progress has been made over several technical areas in delineation drilling, orebody modelling and investigating the extraction of minerals from two sources. Significant funding is now needed to advance the project through to development where we now must confirm the process metal recovery and operational costs using laboratory scale test work.

The last few years have been difficult due to a high demand for mining laboratory services and limited funding. We did not have sufficient funds to undertake a full-scale gravity separation pilot plant study for surface alluvial sands. Our investigation of saprolite/clays has been protracted due to initial technical difficulty trying to determine the hydrometallurgical character of a new potential deposit and slow laboratory turnaround. After several years of leach testing, we are converging on a commercial solution. Our approach will be to fund dedicated programmes for pilot gravity recovery study and hydrometallurgical leach test programme which will define the optimal process to extract high value scandium, aluminium, and rare earth metals.

Funds are needed for test work and to complete technical reports which will materially upgrade the value of the project and unlock potential commercialisation opportunities. Enova Directors are focused on this outcome and in line with this objective, are not paid directors fees but are incentivised; we believe reward will come with success. With funding our planned work programme can accelerate completion of essential studies and elevate Enova's status as Australia's next generational rare earth operation.

Funding will be used for an intensive work programme to complete specific technical requirements. This work allows us to validate our operational plan with pilot scale test work and complete our resource statement. By reaching this level of maturity, Cattle Creek will clear the investment criteria required by many larger institutional investors. Our shareholder base would increase allowing Enova to expand our project interests at Charley Creek. Added funding will allow Enova to obtain recognition for its critical metal assets.

We are conducting this capital raise from shareholders to allow us to boost the Company value and allow us to raise further funds for advancing the Cattle Creek project. With success we can advance our other Charley Creek project areas through a combination of resource definition drilling, such as expanding Cattle Creek, Western Dam, Dad's Dam and Cockroach.

Our most advanced development, the Cattle Creek project, will use gravity separation to concentrate rare earth metal bearing minerals monazite and xenotime from surface alluvial sands. This will require us to drill for bulk samples of 5 to 10 tonnes for "proof of concept" testing. The completion of this work will allow the Company to complete the resource estimate for the Cattle Creek alluvial sands project.

At the same time, we intend to obtain bulk samples of 2 to 3 tonnes of saprolite and clays enriched with scandium, aluminium, and rare earths metals. The samples would be used for size beneficiation (upgrading), hydrometallurgical leach and metal extraction tests. This test work aims to validate acid leach work completed over the last two years and investigate other lixiviants. Test work will initially be undertaken in Malaysia where Enova has secured dedicated state of the art facilities and expertise to accelerate investigative work and reduce the reliance on over-stretched laboratory services and expertise from Australia. After a spectrum of tests are finalised in Malaysia, specific tests will be repeated in Perth with competent person direction and reporting.

The proposed work programme for the SPP and corresponding cost estimates are detailed below:

| Alluvial Sands Project – Gravity Separation/Concentration | AUD | Timing (months) |
|---|----------------|------------------------|
| Drilling/Sample preparation, freight and assaying | 110,000 | 2 |
| Gravity separation testing | 65,000 | 1.5 |
| Process concept engineering and costing review update | 50,000 | 2 |
| Resource model update, mine planning and reporting | 35,000 | 1 |
| Alluvial Sands | 260,000 | 7 |
| | | |
| Saprolite/Clay Project – Beneficiation and Hydrometallurgy | | |
| Sample preparation and freight | 10,000 | 2 |
| Hydrometallurgical assessment (KL) | 70,000 | 5 |
| Hydrometallurgical test work verification (AUS) | 40,000 | 1.5 |
| Engineering/Competent person review | 85,000 | 2 |
| Mine planning and reporting | 35,000 | 1.5 |
| Saprolite/Clay | 240,000 | 12 |
| | | |
| Administration (12 months) – Corp. governance, tenements | 200,000 | 12 |
| TOTAL | 700,000 | |

Expected work programme schedule

The programme completion date will depend on the commencement date for drilling. Based on successful funding from this SPP and commencement of drilling in September 2022, the completion of the alluvial sands project assessment and corresponding resource report would be expected for release during January 2023. The completion of the saprolite/clay project assessment and corresponding resource report is expected to be release in the June 2023 quarter.

SPP Offer

| | |
|--------------------------------|------------------------------------|
| Funding proposed for this SPP: | AUD 700,000 |
| <u>Share price for offer:</u> | |
| Pricing: | 5-Day VWAP at closure of SPP offer |
| Discount on issue: | 15% |

Example calculation for shares on issue for SPP

| | |
|--------------------------------------|-----------------|
| 5-Day VWAP at closure of SPP offer: | AUD 0.016/share |
| SPP discounted offer price (18.75%): | AUD 0.013/share |
| Total shares on issued for SPP: | 53,846,153 |

| | |
|--|-------------|
| Current ordinary shareholding prior to SPP | 367,215,062 |
| Ordinary shareholding after SPP | 421,061,215 |
| Dilution | 14.66% |

Free attaching options

In addition, shareholders electing to participate will be granted an unlisted option for every share successfully applied for under the SPP. The options are exercisable 24 months after date of issue at an exercise price of AUD 0.025 per option, and expiring 48 months after date of issue.

SPP Allocation to Shareholders

Share allocations are capped at AUD30,000 per shareholder. Shares will be allocated to Shareholders on first serve basis. Enova Mining has the discretion to accept oversubscriptions on the basis that ASX share issue capacity is not exceeded, which is 25% of the current ordinary shares on issue of 367,215,062, calculated to be 91,803,765 shares.

Application Instructions

Option 1

View and download via **email / post**

If you have elected to receive electronic communications via email from the registry, you will receive a **personalised URL** via email giving you direct access to the Application Form and Offer Documents.

If you have not elected to receive electronic communications via email from the registry, you will receive your personalised form and offer documents via the post.

To download your personalised form, you will need to enter your postcode if you are a shareholder

with a registered Australian address. If you are an Eligible New Zealand resident, select New Zealand from the list provided, do not enter your New Zealand postcode.

Option 2

View and download via **InvestorServe**

1. For registered users, go to www.investorserve.com.au then enter your username and password using the Registered User Access. Select 'My Portfolio' and then 'Statements/Advices' from the left hand menu.
2. For unregistered users, go to www.investorserve.com.au then 'Individual Investment Access'. Your personalised form is available under the 'Statements/Advices' menu on the left hand side of the page.
3. Once you have downloaded your personalised Application Form you will be instructed to pay for your application by BPAY®.

Note:

If paying by BPAY®, you do NOT need to complete or return the personalised application form. The BPAY® reference number will be used to match against your shareholdings. Your payment must be received by the registry before 5.00pm (AEST) on 26th September 2022.

Indicative Timetable

An indicative timetable for the SPP is set out below. The timetable remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules.

| Key Event | Date |
|---|---------------------------------|
| Record Date for Eligibility to participate in the SPP | 26 th August 2022 |
| Announcement of SPP | 29 th August 2022 |
| Dispatch of SPP documentation | 31 st August 2022 |
| SPP Closing Date | 26 th September 2022 |
| Announcement of Results of SPP | 28 th September 2022 |
| Allotment of SPP Shares and Free Attaching Options | 30 th September 2022 |

Definitions

AUD Australian Dollars
SPP Share Purchase Plan
VWAP Volume Weighted Average Pricing

Cautionary Note

The information provided in this document should not be considered investment advice. Shareholders should seek further professional expertise if unsure of the content of this document to ensure their understanding of investment risk and for explanation of the technical content.

The work programme proposed by this SPP bears inherent technical risks, which may affect the expected outcomes. The purpose of the work programme is to reduce project risk and finalise reporting, as required by ASX and JORC reporting requirements for public release.

Our new investor hub allows you to find out more about the company and ask questions.

Enova's Future

We would like to re-iterate that Charley Creek's long gestation period is not a reflection of the project strength, more so the lack of funding to reach critical mass, as it takes time, money, and expertise to establish a large-scale sustainable project. Fortunately, we have not missed the opportunity. Australia's resource industry supports the development and export of rare earth minerals which will provide Enova Mining a strong platform to create value for the company and its shareholders.

We will continue to inform the market progressively and more so as we achieve milestones significant to the Charley Creek project. The company's immediate objective is to re-establish the business model that will provide the platform to raise funds for feasibility work. The company's foundational work by way of studies and enquiries that we have built over the last few years will allow us to advance the next steps of project development. The Charley Creek project will be developed to incorporate extremely cost-effective systems and more importantly with minimal impact on the environment; two key ingredients for a viable and sustainable business.

The market will be kept appraised 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

Enova Mining Limited

CEO and Director

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Enova's Interactive Investor Hub

<https://announcements.enovamining.com/>

For any questions regarding the SPP or general comments, investors are encouraged to interact with our announcements and updates on our [Investor Hub](#). Here you can ask questions and add comments directly on announcements, which our team can directly respond to.

Forward looking statement:

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