

ASX ANNOUNCEMENT

ASX: ENV

28th April 2023



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QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 28 MARCH 2023

HIGHLIGHTS

- **Funding progress for the development of Cattle Creek alluvial and leach projects**
- **Development continues on the Charley Creek rare-earth project**
- **Proof of concept gravity separation test work for rare earths and industrial minerals planned**
- **Continued demand for secure critical mineral supply**

CORPORATE

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

Enova’s Strategy

Enova’s purpose and objective is to substantiate the strategic value of the Charley Creek project by validating its mineral resources and establishing technical support proving economic extraction of these rare earth minerals.

Enova plans to solidify the process treatment plant concept so the resource potential of Cattle Creek can be announced in 2023. Our proposed work programme to obtain bulk samples for metallurgic testing will allow Enova to move forward to the next two stages of development. Large scale “proof of concept” gravity mineral separation testing of alluvial sands is a major milestone for Enova and will de-risk the project’s stage 1 development. Further, process engineering of the saprolite/clay hosted mineralised is ongoing and underpins stage 2 development. These test programs are supported by multiple years of successful historical test work and will optimise the conditions and parameters required for economic extraction and commercialisation of the Charley Creek rare earth project.

critical metals for a sustainable future

FINANCE

Company finances have been impacted by financial headwinds due to unexpected expenses and work programme price increases. In October 2022, funding of \$332,000 was received primarily for the metallurgical drilling programme, completion of the resource and administration. The main financial increases are:

1. drilling work delayed three months awaiting drilling permits,
2. drilling programme delays due to poor site access.
3. additional funds needed to re-establish roads due to flooding.
4. higher than expected drilling cost estimates, and
5. extended work schedule which prolongs administration costs expenditures.

The Company has focused on raising further funds for the development work, with capital raising commencing late March with a focus on European investors. Investment funding is being sought for the alluvial and saprolite leach projects. The Company still looks forward to materially advancing the project this year.

The federal government offered a Critical Minerals Grant of \$30M to eligible Companies closing on 20th February 2023. The grant is particularly suited to small companies and Enova's application seeks funding to allow Enova to complete an integrated gravity concentration and leaching project Scoping Study. We are hopeful and await the outcome of our application. The Grant will match private funding for approved expenditures.

PROJECT DEVELOPMENTS

Background

The original 2013 Scoping Study for the Charley Creek project targeted upper horizons of alluvial sands containing valuable heavy minerals, amenable to the low-cost gravity separation for the recovery of concentrate bearing **rare earth minerals** (monazite and xenotime) and **industrial minerals** (ilmenite, rutile and zircon).

Following the 2019 drilling campaign at Cattle Creek, the Company identified new zones of mineralization and target metals for extraction. Below the alluvial horizons are saprolite/sands/clays that are concentrated in the finer size fractions to produce high-grade concentrates of **scandium, aluminum and rare earth metals**. Enova investigated new process techniques for the economic extraction of metals from different rock types.

In 2020, Enova commenced acid leach test work of the saprolite/clays. By late 2021, test work had successfully lowered acid consumption of this material to levels considered economically viable. More test work is required to validate both beneficiation and acid leach processes. A combination of gravity heavy mineral separation and leach processing operations at Cattle Creek address the recovery of a broad spectrum of rare earth minerals, scandium, aluminum and other metals from different rock-types in the same area.

Strategic Direction

Significant operational cost savings are possible with both process plants incorporated in a unified operation:

- an alluvial processing operation removes overburden to exposes saprolite for the leaching operation,
- alluvial and saprolite mining operations can be concurrent, sharing an equipment fleet, supervision and management costs,
- the leach process circuit requires low-cost sulphuric acid. An acid plant located at the mine will generate abundant acid, heat and power, enough power for the mine site, screening and leach operations but also enough for gravity separation plant and tailings disposal system,
- trucks transporting sulphur to site to produce acid can backhaul bulk products such as industrial metal concentrates, alumina to port, thereby eliminating the transport costs for lower value bulk products, and
- economies of scale lower unit costs of overheads and services through sharing.

To assess and validate these process methods, two separate test programmes are required:

1. Alluvial Sands Processing

Further drilling is required at Cattle Creek to recover bulk samples needed for gravity separation metallurgical test work. The objective is to update the existing Scoping Study. Completing the “proof of concept” test programme will support the next stage of studies.

Target minerals: **rare earth minerals (monazite and xenotime) and industrial minerals (ilmenite, rutile and zircon).**

2. Saprolite/Clays Processing

Saprolite samples will also be recovered from the drilling programme for use in large scale beneficiation tests, to confirm the expected metal recovery in the fine size fractions. These upgraded samples will provide surplus quantities of samples needed for tests to validate previous leach tests completed in late 2021. New tests will also investigate the separation of metals in leach solution. Our rationale is further explained below.

Target minerals: **scandium, aluminum and rare earth metals.**

Metallurgical Work Rationale

Bulk samples of fresh alluvium from the Cattle Creek area are needed to complete larger scale validation tests (+10 tonne test sample) for the gravity separation circuit. Testing will also investigate improved recovery by light grinding of the gangue. Large scale testing is required to establish steady state circuit conditions and a ensure a

representative sample of the orebody is tested. This will unequivocally confirm the gravity separation parameters and allow our current Scoping Study (last updated in 2018) to be updated. Significant quantities of concentrate can be generated for magnetic separation analysis, mineral quality assessment and solvent extraction tests to separate rare earth metals.

Drilling at Cattle Creek in 2019 identified horizons of the saprolite/clay underlaying the alluvial sands. Extensive laboratory leach test work was completed over an 18-month period, starting in 2020, to extract scandium and rare earth metals. Repeat leach tests, targeting REEs, scandium and aluminum, must be conducted using optimized size product from beneficiation tests. Further work is planned for 2023.

This work will form the technical basis of support for the JORC 2012 RPEEE requirements to complete the resource estimate for publication. Enova recognizes that repeating metallurgical test work delays the project schedule. However, this test work is necessary for project confidence, as it will improve our design estimates and allow further project potential to be realised. This work reduces the test work expected for the Pre-Feasibility Study stage.

The Company will continue to update the market on the timing of the work programme and the Cattle Creek resource statement as activities progress.

PROJECT ACTIVITY

Field work was delayed waiting for permission to drill on traditional landowner land at Cattle Creek. Permission was received from the Central Land Council (CLC) on the 20th December 2022. The Company secured a suitable drilling contractor capable of drilling large diameter holes for bulk sampling, using a Caldwell bucket drill. This provides excellent sample quality for bulk alluvial testing. Less sample locations will be tested compared to air-core drilling. This will reduce the number of sample locations for saprolite material. Enova's management team visited the site in early February, in preparation for commencing work mid-February. The access road was waterlogged and needed time to dry-out. In mid-March, the road was graded. A revised budget for the work schedule indicated that insufficient funds were available to comfortably complete the programme.

As previously reported, over 600 infill drill samples in Brisbane await assay processing. These samples will be used to produce homogenized samples for hydro-metallurgical testing and provide added information to our drill database. Despite the recent fund raise, this work is suspended until further funding becomes available.

INVESTOR HUB

Enova Mining is committed to ensuring our investors remain informed and heard, which is why we have launched a dedicated interactive Investor Hub.

For existing and prospective shareholders, the Investor Hub is our interactive location for all announcements and the latest updates. You can engage directly with our team by asking questions and adding comments.

We encourage investors to [sign up](#) for exclusive corporate access events and opportunities.

Head to <https://announcements.enovamining.com> for more information.

TENEMENTS

There has been no change in tenement holdings since the March 2020 quarter and no tenement reductions are planned in 2023. Enova's tenement holdings are provided in the following table:

Tenement Holdings (period ending March 2023)

Tenement	Name / Location	Group	Owner	AREA (Sub-blocks)	AREA (Km2)
EL 24281	Charley Creek	GR086 Charley Creek 1	CNPL 100%	37	116.60
EL 25230	Cockroach Dam	GR086 Charley Creek 1	CNPL 100%	102	289.00
EL 27358	Hamilton Downs	GR086 Charley Creek 1	CNPL 100%	8	25.17
EL 31947	Cloughs Dam	GR086 Charley Creek 1	CNPL 100%	20	59.57
		Charley Creek 1		167	490.34
EL 28434	Hamilton Homestead	GR339 Charley Creek 2	CNPL 56.28% / EMR 43.72%	4	12.08
EL 29789	Mulga Bore	GR339 Charley Creek 2	CNPL 56.28% / EMR 43.72%	4	12.61
		Charley Creek 2		8	24.69
		TOTAL OF ALL TENEMENTS		175	515.03

Crossland Nickel Pty Ltd (CNPL) - Wholly owned by Enova
Essential Mining Resources Pty. Ltd. (EMR) - Wholly owned by Enova

Further information about Enova is available at our website www.enovamining.com.

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

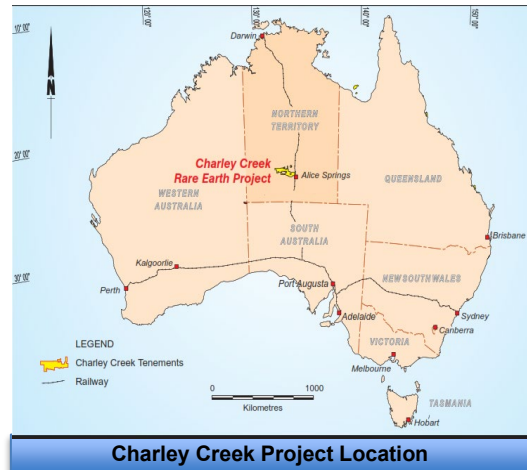


Eric Vesel,
CEO/ Executive Director.
Enova Mining Limited

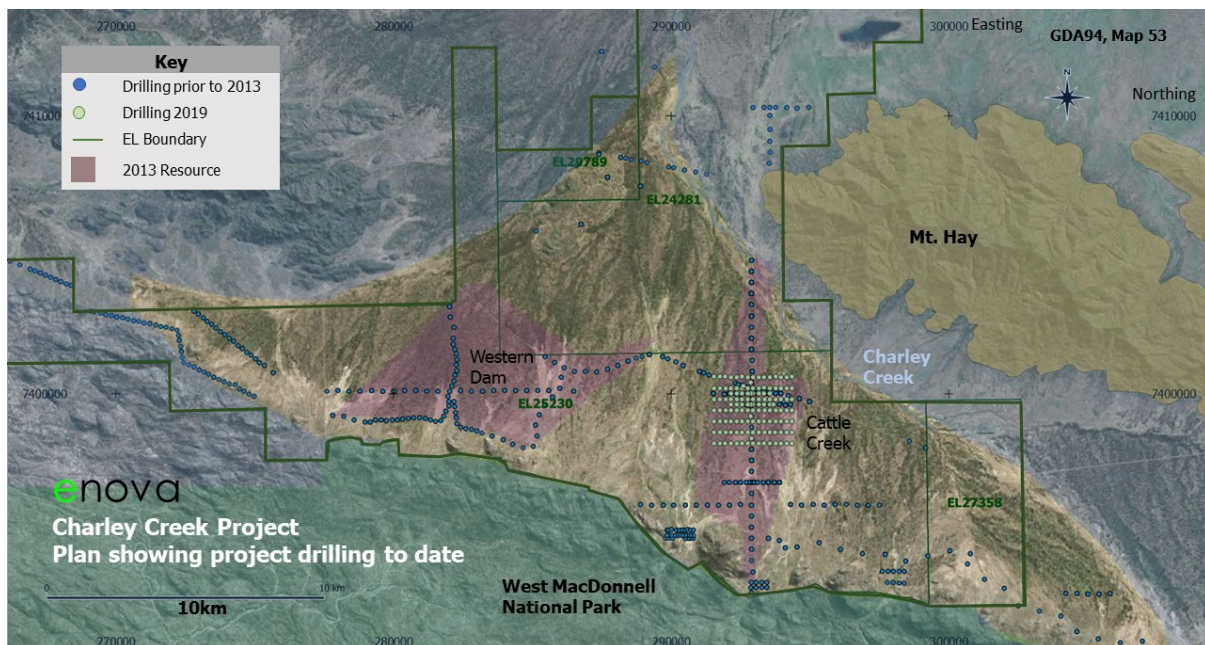
Contact details:
eric@enovamining.com

About the Charley Creek Project

The Charley Creek project located 110 km W-NW of Alice Springs in the central Northern Territory, Australia is fully owned by Enova Mining Limited (Enova). Enova is working to re-establish our resource statement and scoping study for the Charley Creek region completed in April 2013. The region is well positioned with close access to the services of Alice Springs and on a property of few encumbrances. Conditions are ideal for low-cost mining, situated in low-laying topography with dry free-dig mining material. Enova's vision is to host sustainable mining operations of low environmental impact. Several areas of mineralization are identified with mining potential, as defined by our [Resource and Scoping Study announcement of April 2013](#). Please click the link to view the study.



Since this study, Enova has refined this work by identifying operational improvements and technological advances to benefit the project. Based on expert resource advice, increased drill coverage is needed for an updated resource to comply with JORC 2012 reporting requirements. In 2019, a 139-hole air-core drilling programme, totaling 3,680 lineal metres was completed at Cattle Creek. Work focused on delineating orebodies within an area of 10 sq.km. This drilling intersected concentrations of minerals below the alluvial coverage which are of economic interest. Our objective is to establish Cattle Creek as our flagship project, as a template for other near-by projects or expansion opportunities within Charley Creek. Cattle Creek is just one of several areas within the Charley Creek alluvial outflow area. The project site plan below illustrates the breadth of areas previously reported as resources at Charley Creek in 2013 (coloured pink) in comparison to our more recent drilling at Cattle Creek.



The 2019 drilling provides a much higher resolution of information, as a result identifying several new domains of mineralization (in alluvial and weathered in-situ rock types) with concentrations of rare earths, scandium, aluminum and other industrial metals. Using samples from the drilling, extensive metallurgical laboratory test-work was undertaken during 2020/2021 to investigate methods of metal extraction. Two industry standard process techniques were investigated appropriate to each type of mineralisation:

1. size beneficiation of alluvial sands followed by gravity separation for heavy mineral concentration, and
2. size beneficiation of the weathered rock/clay, below the alluvial coverage, followed by roasting and acid leach.

Our project concept has evolved from using gravity separation (spiral separators) targeting lower value rare earth minerals concentrates, such as monazite/xenotime to also extracting higher value processed rare earth products and other metals below the alluvium horizon. In 2021, Enova established beneficiation and leaching techniques for the extraction of rare earth, scandium and other metal by-products. In 2023, Enova will finalise both the alluvial process streams, by using further large scale laboratory tests to validate earlier tests which will allow a commercial process to be defined. Further funding is required to continue leach test work for saprolite/clay materials. Our targeted final products are high-purity rare earth oxide product groups, scandium oxide and alumina (HPA). Several other industrial mineral by-products which may also be recoverable but at this stage it not the focus of our project model.

At the completion of this treatment process technical work, Enova will be able to complete the Reasonable Prospects of Eventual Economic Extraction (RPEEE) as required for JORC 2012 compliant resource reporting.

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 based on 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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Enova Mining Limited

ABN

Quarter ended ("current quarter")

64 087 595 980

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(55)	(55)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(58)	(58)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (GST & Workers Compensation Insurance Refund)	5	5
1.9 Net cash from / (used in) operating activities	(107)	(107)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation		
(e) investments		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) 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		

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
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		

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	225	225
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(107)	(107)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	118	118

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	118	225
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)	118	225

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	NIL
6.2	Aggregate amount of payments to related parties and their associates included in item 2	NIL

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end	Amount drawn at quarter end
		\$A'000	\$A'000
7.1	Loan facilities	0	0
7.2	Credit standby arrangements	0	0
7.3	Other (please specify)	0	0
7.4	Total financing facilities	0	0
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	No additional finances were raised during this quarter.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(107)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(107)
8.4	Cash and cash equivalents at quarter end (item 4.6)	118
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	118
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.10
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: The Company will manage the cashflow to ensure the available funds will be sufficient to continue business.	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: The Company is in the progress of raising funds from sophisticated investors. The Company has submitted an application for the allocation of funds from a \$30M Critical Mineral Grant. The Company awaits determination from the approving panel.	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company has reduced development expenditures to stretch funding allowing sufficient time to meet with investors and organise finances.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

28th April 2023

Date:

By the Disclosure Committee for the Board of Directors of Enova Mining Limited

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.