

ASX ANNOUNCEMENT

ASX: ENV

31 January 2024



Enova Mining Limited
ABN: 64 087 595 980
Reg. Office: Level 26, 360 Collins Street,
Melbourne VIC 3000, Australia
Tel: +61398677199, Fax: +61398678587
Email: contact@enovamining.com
Mail: PO Box 783, Berwick, VIC 3806
www.enovamining.com

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 31 DECEMBER 2023

HIGHLIGHTS

- **Enova enters an Option Agreement to investigate Lithium and Rare Earth exploration opportunities in Brazil**
- **Completion of Due Diligence and Board Decision to proceed with acquisition of highly prospective Poços de Caldas Rare Earth & Lithium Valley Tenements in Minas Gerais Brazil. Completion of the deal is subject to shareholder approval.**
- **Enova's entry into Brazil well received, with strategic expansions likely.**
- **Cattle Creek bulk sample drilling on track for metallurgical testing to renew the Charley Creek Project Scoping Study.**
- **\$1.5m Capital Raising Completed in Q3 2023 paves way for an aggressive exploration program.**

CORPORATE

Overview

Enova Mining Limited ("Enova", "the Company") continues development of the Charley Creek rare earth project located in central Northern Territory, Australia. In addition, to our Australian project Enova entered into an Option Agreement that allows the Company to undertake preliminary due diligence to investigate lithium and rare earth exploration opportunities on tenements located in the Brazilian state of Minas Gerais. On the 10 January 2023, Enova announced its decision to proceed with the acquisition of tenements in the highly prospective Poços de Caldas Rare Earth & Brazil Lithium Valley. Completion of the transaction is subject to shareholder approval.

Enova's Strategy

Enova is working to substantiate the value of the Charley Creek project by validating its mineral resources and establishing technical support proving economic extraction

critical metals for a sustainable future

of these rare earth minerals; and consider other opportunities that are presented that the Board believes will add shareholder value. In addition, commit to an exploration programme in Minas Gerais, with low level exploration initially in Poços de Caldas to identify the Ionic Absorption Clay (IAC) rare earth potential. The Company would also commence regional reconnaissance for lithium bearing pegmatites.

Enova New Business - Brazil

Options Agreement

Enova entered into an entered into a binding option agreement (“Option Agreement”) with B Geologia E Mineração LTDA (“RTB”), Mineração Paranaí Ltda and Rafael Viola Mottin, under which it has been granted an option to acquire 100% interest of the POÇOS, JUQUIA, RESPLENDOR, CARAI, SANTO ANTÔNIO & SALINAS EAST Permits located in the state of Minas Gerais, Brazil. The Option Agreement allows the Company to undertake preliminary due diligence to investigate lithium and rare earth exploration opportunities on tenements located in the Brazilian state of Minas Gerais.

Through this Option Agreement, Enova now gains significant exposure to 45 exploration tenements situated in the mining friendly state of Minas Gerais, Brazil. These tenements are located in the world class mining district of the Poços de Caldas / Caldeira Rare Earth Complex and the Lithium Valley, with potential for Rare Earth enriched Ionic Absorption Clay (IAC) and hard rock spodumene lithium.

The tenements are situated amongst significant explorers and producers, such as large market peers such as **Sigma Lithium, Rio Tinto, Lithium Resources, Meteoric Resources** and others. This represents a significant growth opportunity for the company, allows Enova to de-risk from a one project company and take advantage of investor interest in lithium/rare earth project exploration in Brazil.

Minas Gerais State is an investor friendly state, with extremely prospective geology and a target rich area for pegmatites and IAC & fluorapatite rare earths. Brazil has a mature mining industry, low-cost base with extensive in-country exploration activities.

The Due Diligence was conducted by a team of expert geologists, specialising in lithium and rare earth associated geology and competent persons (AusIMM qualified) in this field of expertise.

On the 10 January 2023, Enova announced its decision to proceed with the acquisition of tenements in the highly prospective Poços de Caldas Rare Earth & Brazil Lithium Valley. Completion of the transaction is subject to shareholder approval. Enova plans to commence preliminary exploration work on tenements in the Poços de Caldas area in late January. Work will consist of mapping and auger sampling of potential IAC bearing REE.

Charley Creek Project Development Plan

Enova plans to re-verify existing process treatment plant test work for the alluvial sand project completed in 2012; key parameters for ASX Resource and Scoping Study announcements were released in April 2013. 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, a major milestone for Enova, will de-risk the project. In addition, we will further investigate the extraction of scandium and rare earth from saprolite/clay below the alluvial sands project. Enova would progressively advise the market as work progresses and ultimately announce a resource and scoping study update. Work will be undertaken concurrently. The alluvial and the leach project work will span 7 and 12 months respectively.

Charley Creek Project Activities Summary

During the December 2023 quarter, Enova commenced a two-year lease of a 255 sq.m warehouse in outer Melbourne for easier access to samples; for the storage of bulk bags, sample preparation and further mineral characterisation taken from recent drilling activity undertaken at the Charley Creek project.

Before dispatching the bulk samples to the metallurgical process test facility at Royal IHC Brisbane, a mineral characterisation programme will be undertaken to ensure the fit-of-the-test work method. Further work was needed to determine the best heavy mineral separation methodology for weathered meta-sediments. In mid-December 2023, samples for mineral characterisation were received in Brisbane for heavy mineral separation tests. The following samples were dispatched to Royal IHC for analysis and testing:

Alluvial:	121 samples @ total weight of 1050kg
Weathered Metasediments:	10 samples @ total weight of 84kg

This additional step is considering imperative to ensure optimal results for bulk testing. Results from this work are expected in early February 2024.

Overall, the metallurgical process recovery study provides key parameters for the Reasonable Prospects of Eventual Economic Extraction (RPEEE) study, as required for JORC 2012 compliant resource reporting.

In mid-December 2023, 425 samples generated from 34 infill holes drilled in 2019 were dispatched to Intertek Laboratories SA for sample preparation and multi-element assay. Assay results are expected in February 2024. Returned assays from the composited infill samples will be added to the resource drilling database then processed by SRK Perth. Ultimately, to be incorporated in the resource model.

FINANCE

The Company announced the completion of a \$1.5M placement on the 15 August 2023. The first tranche of funds was \$586,394 (before costs), completed on 30 August 2023, with 97.7M ordinary shares issued. The second tranche of funding was conditional upon shareholder approval. Results from the shareholder meeting were announced on the 11 October 2023. Shareholder approval of the Tranche 2 placement provides a further \$913,606 (before costs) of funds to Enova's treasury with the issue of a further 152.3M ordinary shares. Both tranches were settled. Directors did not receive fees during the quarter as it is their decision to ensure all available funds are committed to exploration activities.

The funds raised from the placement will be used for the continued development of the Charley Creek project and for working capital. Specifically, Enova would allocate \$1M in funds raised for technical development purposes. A summary of the allocation of funds is provided below:

Description of Activities	Budget (\$,000)
Resource Estimation, Mine Optimisation and RPEEE Re-establish the Charley Creek resource estimate, using information from drilling completed in 2019 and thereafter modelled by SRK Perth. Complete assaying of outstanding infill drilling samples. SRK Perth work will include updating the current model to include drilling prior to 2019, cost review of mining operations, economic mine optimization, and completing a Reasonable Prospects for Eventual Economic Extraction (RPEEE),	100
Bulk Sample Recovery from Cattle Creek Bulk sample drilling required to verify metallurgical process test work. Primarily recovering alluvial sand samples for process simulation/optimisation for heavy mineral concentrates at IHC Royal Brisbane (IHCR),	180
Bulk Testing of Heavy Mineral Concentration and Concentrate Assessment Bulk testing of mineral concentration and concentrate cleaning circuit. Generate sufficient monazite/xenotime mineral concentrate for laboratory scale cracking of concentrate for data needed for rare earth separation simulation. An assessment will be made of the associated industrial minerals in the concentrate such as zircon and tungsten minerals,	370
Saprolite/clay Extraction Tests for scandium and rare earth metals Bulk sampling would also recover saprolite samples for leach extraction/optimisation and metal refinement test work to be conducted in facilities in Kuala Lumpur Malaysia and Australia, under the supervision of a competent person(s). Extraction tests will include review of column leach potential, alkali leach and other pre-leach treatment approaches,	350
Company Administration and Company Development The balance of funds (\$400k) raised will be used for working capital for up to 12 months. This would include tenement fees, accounting, insurance and corporate fees. Technical review of new project opportunities.	400
Placement fees	100
TOTAL	1,500

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 Australian based tenement holdings since the March 2020 quarter and no tenement reductions are planned in 2024. Enova's tenement holdings are provided in the following table:

Northern Territory Tenement Holdings (period ending December 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 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

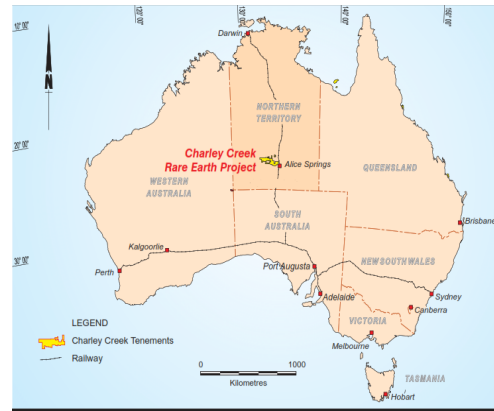


Eric Vesel,
CEO/ Executive Director.
Enova Mining Limited

Contact details:
eric@enovamining.com

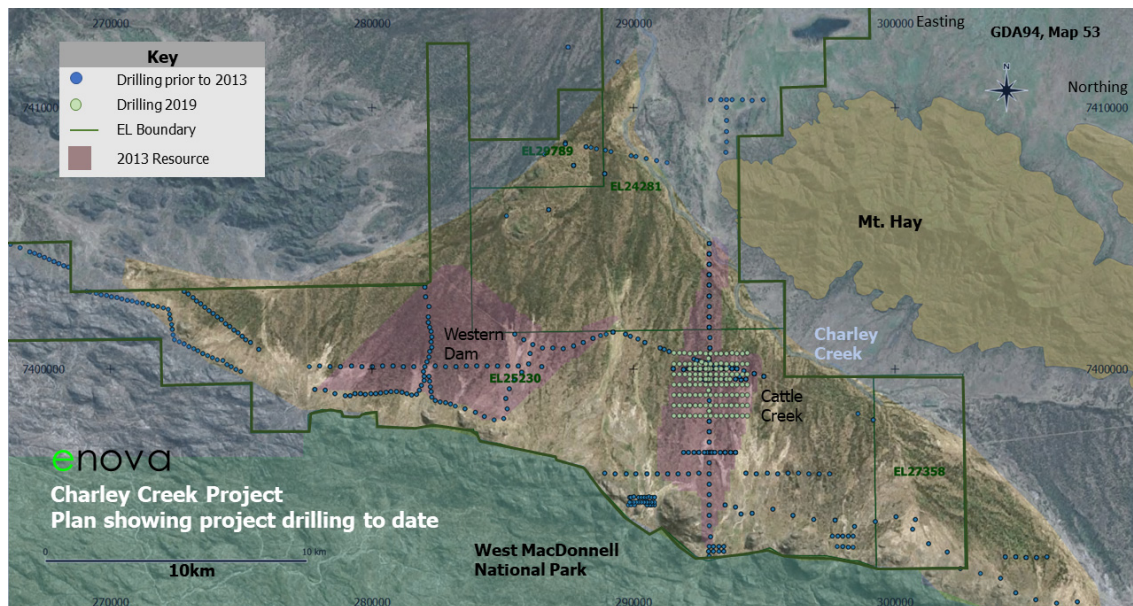
About the Charley Creek Project

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 with 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.



Charley Creek Project Location

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 completed bulk sample drilling programme using a bucket drill to obtain samples for heavy mineral separation tests. In 2024, 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. We will continue leach test work for saprolite/clay materials in 2024. 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 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 a 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 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(249)	(387)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(153)	(340)
1.3 Dividends received (see note 3)		
1.4 Interest received	8	20
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)	14	34
1.9 Net cash from / (used in) operating activities	(380)	(681)

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 (12 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)	853	1,395
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	853	1,395

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	466	225
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(380)	(681)
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)	853	1,395

Appendix 5B

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	939	939

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	939	446
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)	939	446

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 \$A'000	Amount drawn at quarter end \$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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(380)
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)	(380)
8.4 Cash and cash equivalents at quarter end (item 4.6)	939
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	939
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.47
<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:	
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:	
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:	
<i>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.</i>	

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.

31st January 2024

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.