

16 July 2024

ASX: ENV

DIAMOND DRILLING COMMENCES AT CODA

Enova Mining Ltd (ASX: ENV) is pleased to advise that a second drilling rig has commenced work at the CODA project.

KEY HIGHLIGHTS

- Diamond drilling commenced at CODA North, additional to reverse circulation (RC) drilling operations, supporting the Maiden Drilling Program¹,
- Enova signed an agreement committing to 1,200m of diamond drilling to be completed in 2.5 months, revising the Maiden Drill Programme total drill metreage to 5,000m,
- A new RC drilling contractor commenced operations on the 8 July,
- Field sampling of exposed Patos formation strata at CODA North, East and Central tenements is complete, with samples submitted for assay and metallurgical test work. This marks the first surface geochemical exploration sampling conducted on the prospective Central and East tenements,
- The CODA rare earth (REE) project, 100% owned by Enova, consists of a combined strategic and dominant land area of 15,334 Ha or 153.3 sq.km of high grade and highly prospective IAC REE tenements situated on the Patos formation, Minas Gerais Brazil,
- The CODA project^{2,3} tenements include significant high-grade historical drilling with geological/mineralised structural continuity that could support a large-scale IAC REE system across all tenements,
- Exploration drilling at CODA is a priority, in recognition of the ease of access and open area for drilling, existing significant results, the number and area, and extent of successful holes that could translate to resource potential.

OUR OPPORTUNITY

The CODA tenements overlay the Patos geological formation, with REE enriched Ionic Absorption Clays (IAC). Significant exploration drilling results from the CODA project^{2,3} confirm the potential for REE enriched IAC in the Northern and Southern CODA tenements

¹ ASX announcement, "Maiden Drilling Program to Commence at Coda", 30 April 2024

² ASX announcement, "World Class Clay hosted rare earth grade uncovered at Coda North", 18 March 2024

³ ASX announcement, "Option to acquire potential world class district sized ionic clay rare earth project", 26 Feb.2024

where prior historical drilling has been completed. The diamond and RC drill campaign will determine the extent of the geological/mineralised structures at CODA North. All high-grade intersections identified in CODA South from a review of historical drilling results start from surface and are open in all directions including depth.

As explained in our Maiden Drilling Program announcement¹, the Phase 1 drilling campaign will continue previous exploration successes by focussing drilling close to these successful holes and extend out to delineate the extent of a potential orebody. Broader spaced scout drilling will explore undrilled and prior widely spaced drilled areas in the tenements.

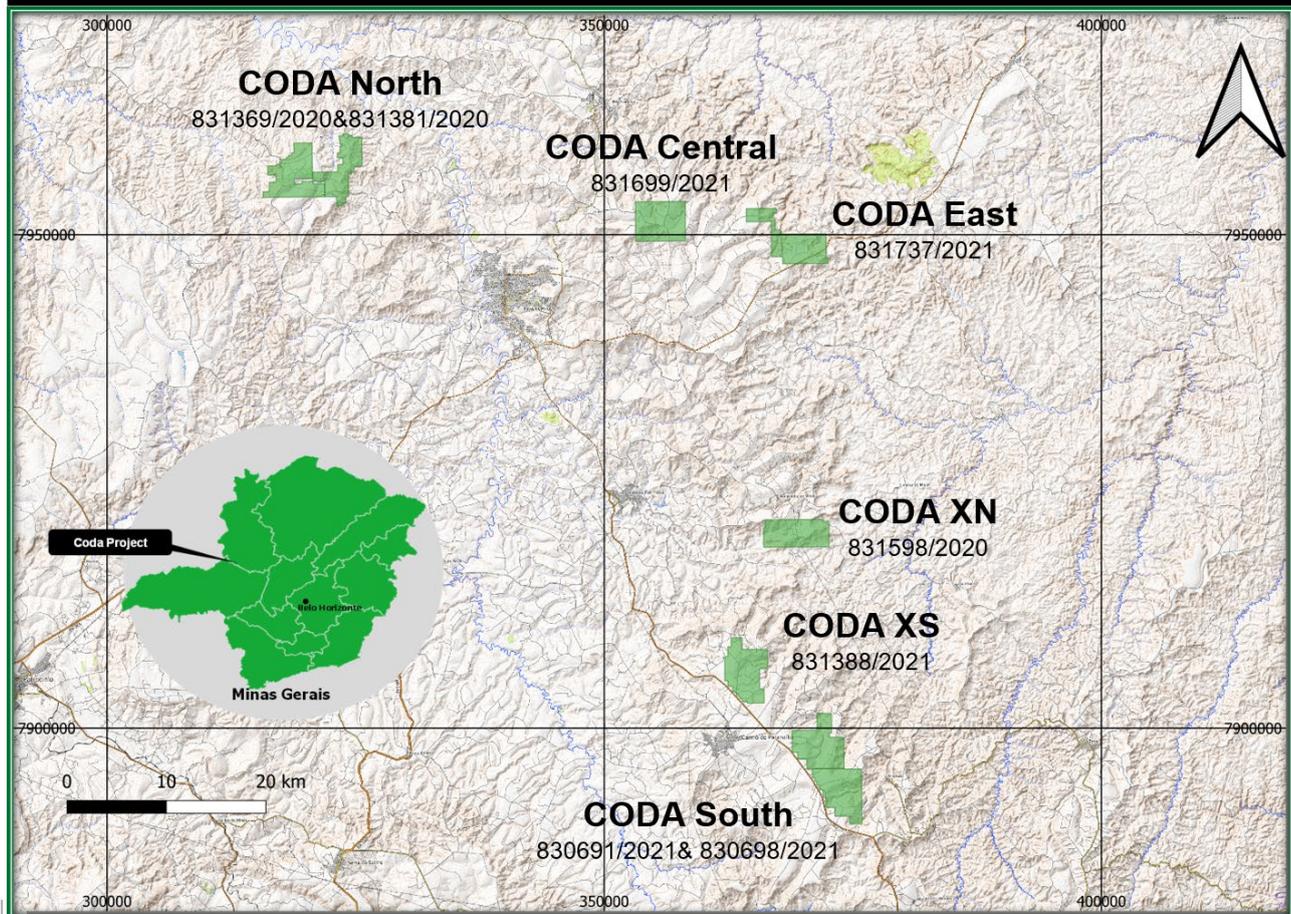
Exploration drilling at CODA is a priority given the number of existing holes with historical significant high-grade intercepts and large areas of coverage that could translate to resource potential. This potential for success, coupled with the ease of access and open areas for drilling, makes CODA an obvious exploration priority.

TENEMENT OVERVIEW

Enova is encouraged by the location and size of the tenements in relation to prospective geological features. The prospective geological unit present in the CODA project is composed of the Patos Formation which formed during the Upper Cretaceous period, when a massive volcanic event occurred in the western part of Minas Gerais state. The volcanic activity exhibited both effusive (lava flows) and explosive (pyroclastic deposits) eruptions. The predominant rock type in this formation is kamafugite, which is classified as an alkaline-ultramafic rock. High-grade rare-earth elements (REE) are also enriched in this formation.

The prospective unit consists of a horizontal bed of kamafugite, which can be up to 40 metres thick, overlain by overburden that varies from 0 to 50 metres. Weathering processes with thick clay zones are prevalent throughout this profile, leading to the accumulation of REE elements closer to the upper part of the formation. The rocks within this formation are predominantly soft and friable, with an extremely fine particle size. These characteristics are considered advantageous for the exploration of Ionic Clay REE deposits. Refer to Figure 1 (following) for the locations of the tenements at the CODA Project.

Figure 1 – The CODA REE Project (100% ENV) Minas Gerais, Brazil



The mining/extraction of REE from enriched IAC's are relatively low-cost, in comparison to production from other styles of REE deposits, with negligible levels of uranium and thorium.

MAIDEN DRILLING CAMPAIGN

Drilling progress at CODA North had been slow in soft ground conditions due to the high clay content, an excellent environment for IAC. Despite numerous attempts to improve RC drill performance, diamond drilling will be used in the more difficult clay conditions. Another contractor, experienced in drilling the Patos formation, has taken over RC drilling in areas where ground conditions are more suitable.

Diamond drilling provides the added benefit of obtaining intact core (Figure 3), allowing greater geological insight for our team. With two drill rigs operating we will accelerate the programme. Diamond drilling and difficult ground conditions for the RC drill will delay the timing of campaign completion. As previously advised¹, we remain committed to dispatching samples to the laboratory for every four to five holes completed and will provide these results to the market as they become available.

A significant advantage of exploration at CODA is easy access to broad areas of farmland and supportive landowners (Figure 2, below). At this time of year, most of the land in the area has been harvested which negates crop compensation to local landholders.



In June 2024, our exploration team completed field sampling of the exposed Patos formation strata at CODA East and Central tenements. Samples were recently submitted for assay and metallurgical test work. Results from this programme will assist to guide the drill locations.

TENEMENTS/PERMITS

The title holder of the tenements is RBM Consultoria Mineral, who filed transfer requests of the granted exploration permits to its sole owner, Rodrigo de Brito Mello. The application cannot be transferred until the permit is published, however Rodrigo and RBM Consultoria Mineral will undertake contractual obligations to transfer the title to Enova as soon as the permit is published in the official gazette. Details of the CODA tenements are provided in the following table.

Licence ID	Area (Ha)	Status	Ownership	In transference to
831369/2020	1,997.8	Granted	RBM Consultoria Mineral	Rodrigo de Brito Mello
831381/2020	1,537.6	Granted	RBM Consultoria Mineral	Rodrigo de Brito Mello
831388/2020	1,999.6	Granted	RBM Consultoria Mineral	Rodrigo de Brito Mello
831598/2020	1,807.8	Application	RBM Consultoria Mineral	Rodrigo de Brito Mello
830691/2021	1,992.8	Granted	RBM Consultoria Mineral	Rodrigo de Brito Mello
830698/2021	1,997.4	Granted	RBM Consultoria Mineral	Rodrigo de Brito Mello
830699/2021	1,999.8	Granted	RBM Consultoria Mineral	Rodrigo de Brito Mello
830737/2021	1,999.6	Granted	RBM Consultoria Mineral	Rodrigo de Brito Mello
15,332.4				

ATTRACTIVE BUSINESS ENVIRONMENT

Brazil has a developed and sophisticated mining industry, and is amongst the leading exporters of iron ore, tin, bauxite, manganese, copper, gold, rare earth and lithium. The country investment risk is low and business environment as secure, based on:

- Mining is recognised as a key economic industry in Brazil and the State of Minas Gerais.
- Progressive mining policies, seeking investment, encouraging explorers and new developments,
- Mining investment free of government mandated ownership,
- Low sovereign risk and government interference,
- Attractive cost base and sophisticated support network for the mining industry
- High level of exploration/mining technical skills and expertise in country

Our tenements are strategically located nearby to well-developed highways, infrastructure, water access, hydro-electric/wind power and proximity to regional centres, 300km north-west of Belo Horizonte in the mining friendly state of Minas Gerais.

MANAGING OUR COMMITMENTS

Enova remains committed to the development of the Charley Creek rare earth project with ongoing activities proceeding without disruption.

The Company will also continue to review projects and business opportunities as they arise.

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,
Enova Mining Limited
CEO/ Executive Director

Contact:
eric@enovamining.com

Forward-looking statements

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

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.

