

Nova Minerals Limited  
(Formerly Quantum Resources Limited)

ACN 006 690 348

INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2017

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## **Activities Report**

Dear Shareholder

### **THOMPSON BROS. LITHIUM PROJECT – MANITOBA, CANADA**

Nova Minerals Limited 100% subsidiary, Manitoba Minerals Pty Ltd (“**MMPL**”), holds the rights to earn up to a 80% ownership interest in the Thompson Bros. Lithium Property in Wekusko Lake, Manitoba (the “**Project**”) from Ashburton Ventures Inc. (“**ABR**”), by financing ABR’s commitments under an Option Agreement with the current holder of the Project, Strider Resources Ltd (“**SRL**”).

#### **About the Thompson Bros. Lithium Project**

The Thompson Bros. Lithium Project is located 20 kilometres east of the mining community of Snow Lake, Manitoba. The main highway between Thompson and Flin Flon and rail connecting Winnipeg and the seaport of Churchill both pass 40 km south of the property.

The project consists of 18 contiguous claims covering 1829 hectares and is adjacent to Far Resources (CSE:FAT) Zoro Lithium Property, host to several lithium bearing pegmatite dykes with numerous high grade intersections. Manitoba is consistently ranked one of the top mining jurisdictions in the world and electricity costs are amongst the lowest in North America.

The Thompson Bros. Lithium Project contains a historical (NON-JORC COMPLIANT) resource estimate of 4,305,000 tonnes of 1.3% Li<sub>2</sub>O, open at depth and along strike. These estimates are historical estimates and are not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the historical estimates as mineral resources and/or reserves in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code.

#### **Exploration Update**

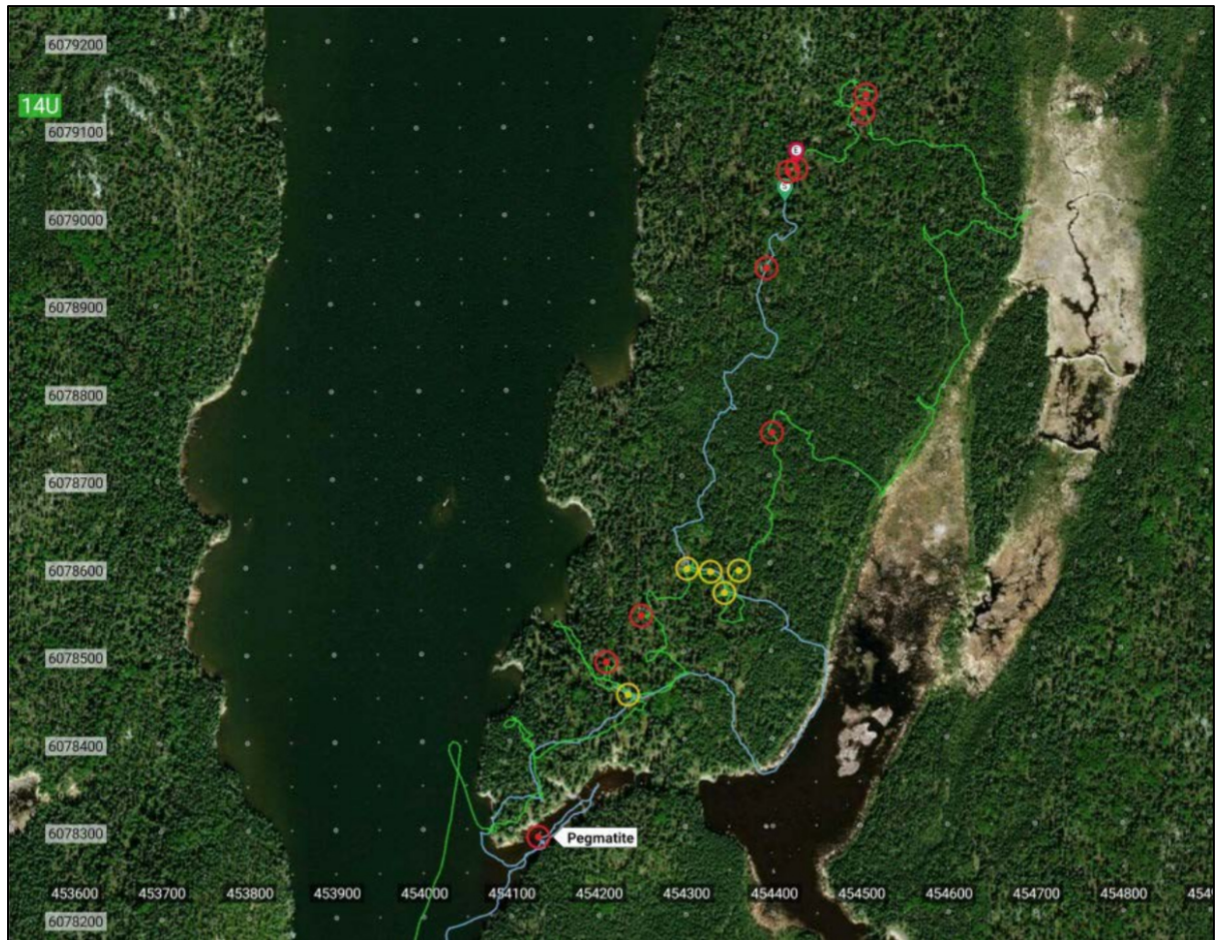
Assay results from the remaining three holes drilled during the previous 2017 winter season were announced on 5 September 2017. Highlights included the following intersections within the three holes:

- Hole TBL003 from 160.42 to 181.5metres (21.08 metre interval) of 1.74% Li<sub>2</sub>O
- Hole TBL004 from 33.48 to 54.63 metres (21.15 metre interval) of 1.55% Li<sub>2</sub>O
- Hole TBL005 from 139.59 to 146.1 metres (6.51 metre interval) of 1.28% Li<sub>2</sub>O

Refer to the announcement for complete assay data, maps and JORC compliance information.

Non-Executive director and geologist; Mr Olaf Frederickson has visited the project twice since the June 2017 activities report for reconnaissance and project familiarisation in August followed by a visit in October 2017 to initialise a fieldwork program of geochemical soil sampling over the majority of the leases. The August visit confirmed project access by boat across Wekusko Lake was feasible in the summer months and also identified additional lithium bearing pegmatite as reported in the ASX Company Update dated 23 August 2017.

Activities Report



**Figure 1: Plan showing August traverse path and location of pegmatite outcrop (red circles) and float (yellow circles)**



**Figure 2: Photos of lithium bearing pegmatite and scale of outcrop**



## **Activities Report**

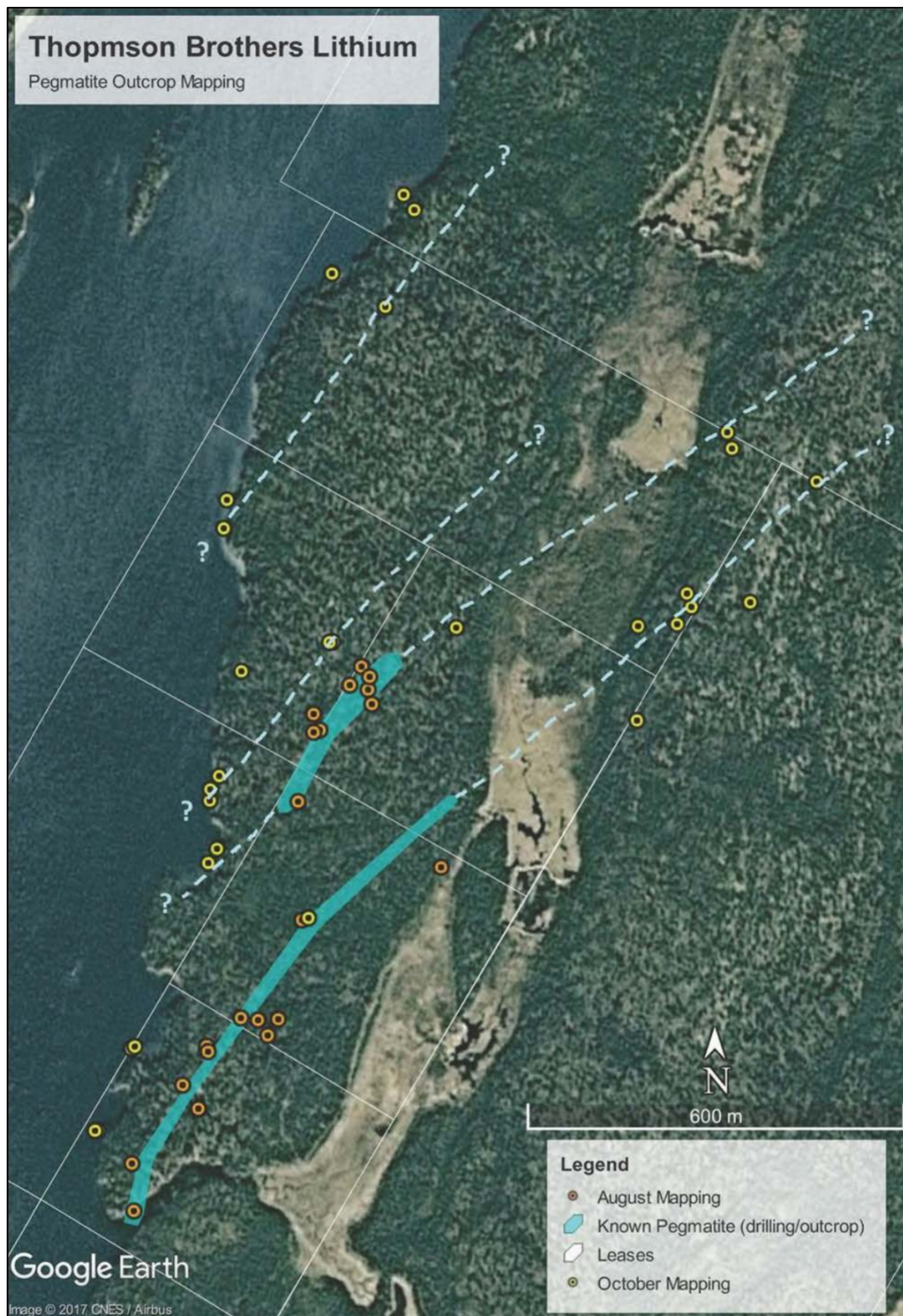
In lieu of trying to continue the drilling program started by Dahrouge geological contractors over the area of known pegmatite, it was decided to conduct a geochemical soil sampling program over the remainder of the tenement area with the aim of identifying additional drill targets as well as extensions to the known deposits.

Mr Frederickson's second visit initiated this program with the help of two locally employed field technicians. As of the date of drafting this activity report, approximately 900 samples had been taken out of a planned 1750 with approximately 170 samples being inaccessible due to swamp. Some additional samples were collected, but the majority of the remaining samples could not be taken due to weather and accessibility. The main access across Wekusko Lake was expected to start freezing over around the 1<sup>st</sup> of November 2017 at which point the remainder of the sampling program would be abandoned if not completed. Following completion, the samples are to be sorted and freighted to the ALS lab in Yellowknife (Northwest Territories) for analysis.

As well as progressing with the planned soil sampling, any pegmatite outcrop or float discovered was recorded and compiled onto the maps shown in Figures 3 and 4. Points shown in orange are outcrop or float rocks identified during the August site visit and the points shown in yellow represent outcrop or float identified during the October mapping works. As can be seen, there is a significant number of pegmatite occurrences, many of which appear to be extensions of the known lithium bearing pegmatites in the area as well as potentially new pegmatite discoveries. In the very northern lease, there were significant widths (~150m) of pegmatite dyke intersected outcropping along the lakes edge striking in a southerly direction. At this point, it is uncertain if these bear any relationship to the pegmatites in the south although they are very encouraging for follow up work in the future.

The Company was pleased with the progress to date and excited by the potential suggested by the additional pegmatite outcrops identified in the recent field work.

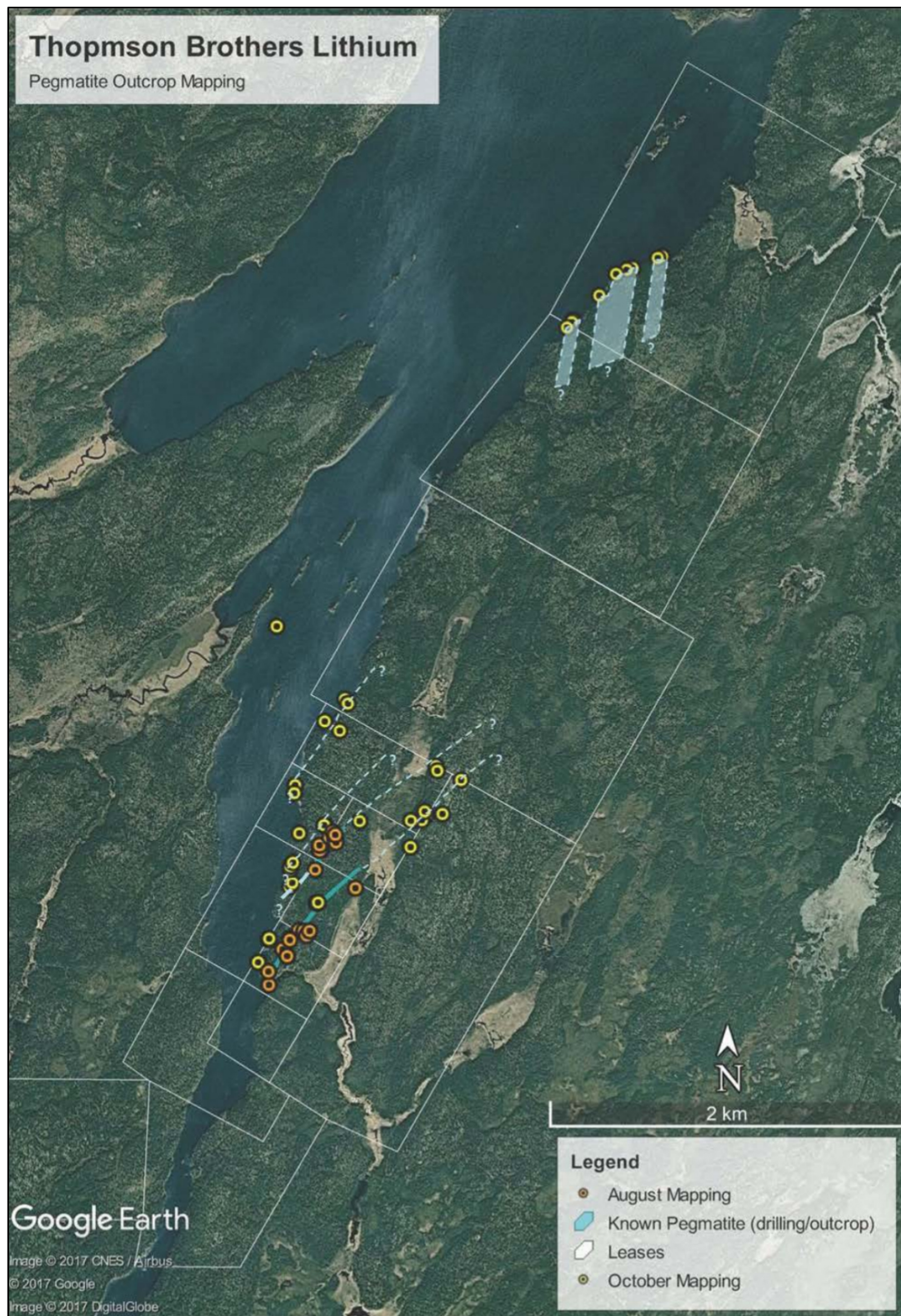
Activities Report



**Figure 3: Southern outcrop map with possible known deposit extensions and new discoveries**



Activities Report



**Figure 4: Outcrop map showing all tenements and northern outcropping pegmatite**

## **Activities Report**

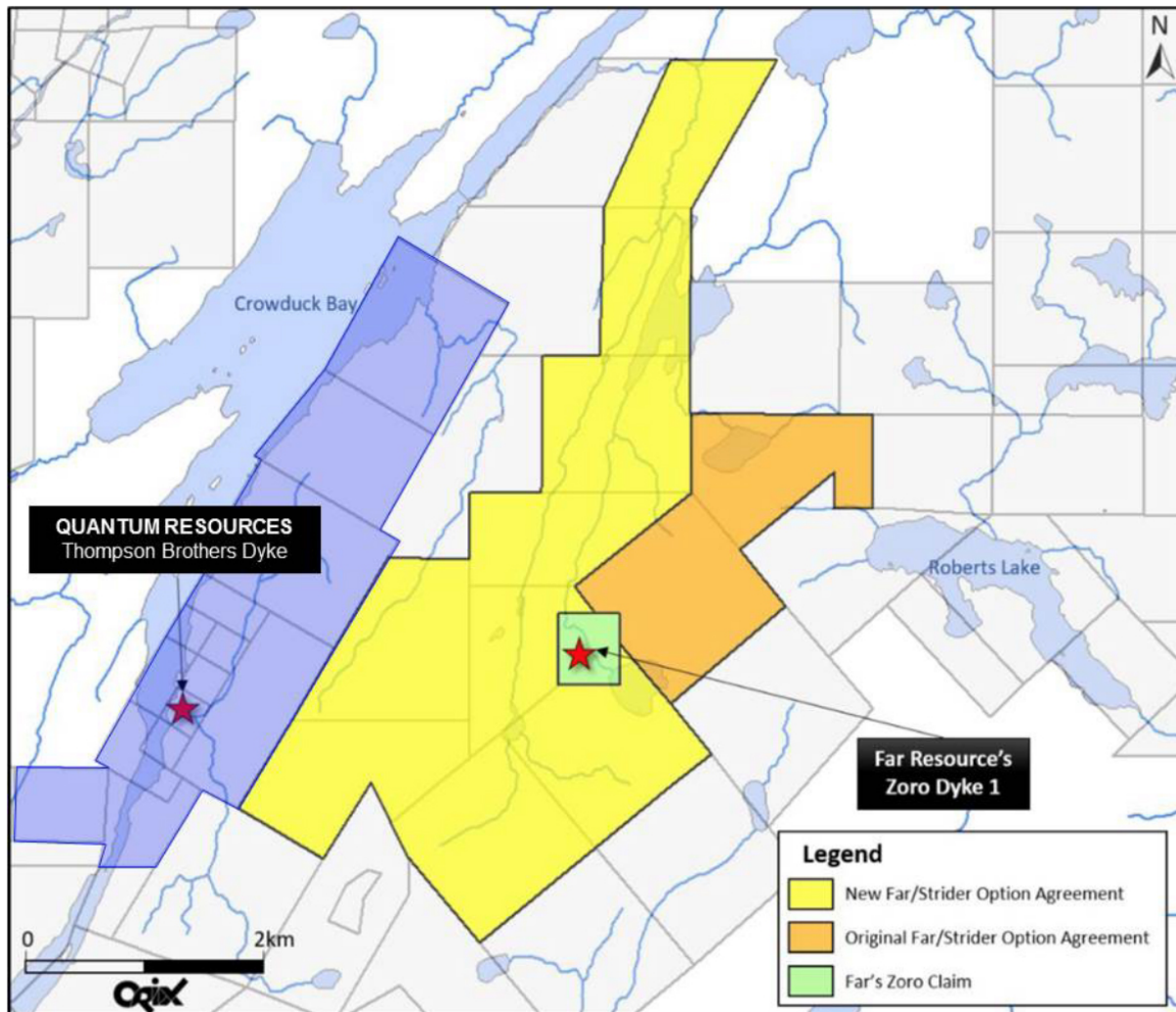
Stage 1 geochemical soil sampling program commenced at Thompson Brothers Lithium Project over the remainder of the tenements on 02 October 2017, following on from the recent drilling successes and very encouraging results received during the previous quarter. From the location of the known pegmatite intersections (historic and recent), the group of tenements extends a further 5 km north along strike and an additional 1.8 km south. These areas are largely untested due to their remote location and lack of access particularly during the summer months due to the significant amount of standing water throughout the area. The program took approximately 4 weeks to complete and samples were shipped to ALS in Vancouver.

The majority of planned stage 1 geochemical sampling was completed in early November as announced on 08 November 2017. A total of 978 samples were taken with a number of samples missed due to lack of access related to swamp or no soil profile to sample. All samples were compiled and freighted to the ALS lab in Yellowknife, Northwest Territories (then forwarded to ALS in Vancouver) for low level multi element analysis. There were also two lines in the centre of the program that were not sampled due to difficult access from the lake combined with poor weather conditions such that they were deferred for another day. Unfortunately the season changed before the field crew were able to return to complete the lines and they were left incomplete.

On 27 November 2017, the Company entered into a strategic Memorandum of Understanding ('MOU') with Far Resources (FAR.CSE) under which the two parties agreed to work together. Both companies also agreed to share data and information in respect to their neighbouring projects with the view of a fast-track approach to unlock the regions Lithium resources. The MOU with FAR formed a pivotal event for the two companies and in particular, may serve to unlock the Manitoba region as a potentially major hard rock lithium-producer. Clear synergies between the two projects will likely benefit through economies of scale. The document outlines the broad terms and principles upon which Quantum and Far Resources can confidently discuss unlocking the Manitoba region in the midst of the insatiable demand for Lithium.



## Activities Report



**Figure 5: Nova and Far Resources combined project area**

All samples taken during Stage 1 geochemical soil sampling program were delivered to the ALS lab and were being assayed.

In mid-December 2017, Nova senior management travelled to Canada and met with both FAR Resources and Ashburton Ventures Inc to explore how best to unlock the world class Manitoba district. The Company is pleased to confirm that negotiations were continuing further to the MOU announced on 27 November 2017 in determining the structure for the most optimal approach to develop the region and create significant value for Nova shareholders. The Company is also very pleased to confirm that the Thompson Bros. lithium project is strategically placed within proximity to market, with direct rail access 34km from our project running through to Nemaska Lithium's (TSE: NMX) proposed downstream Hydromethydroxide Plant and within trucking distance to LG Chem Michigan Inc. and Tesla Nevada mega-battery plants (Figure 6).

## Activities Report



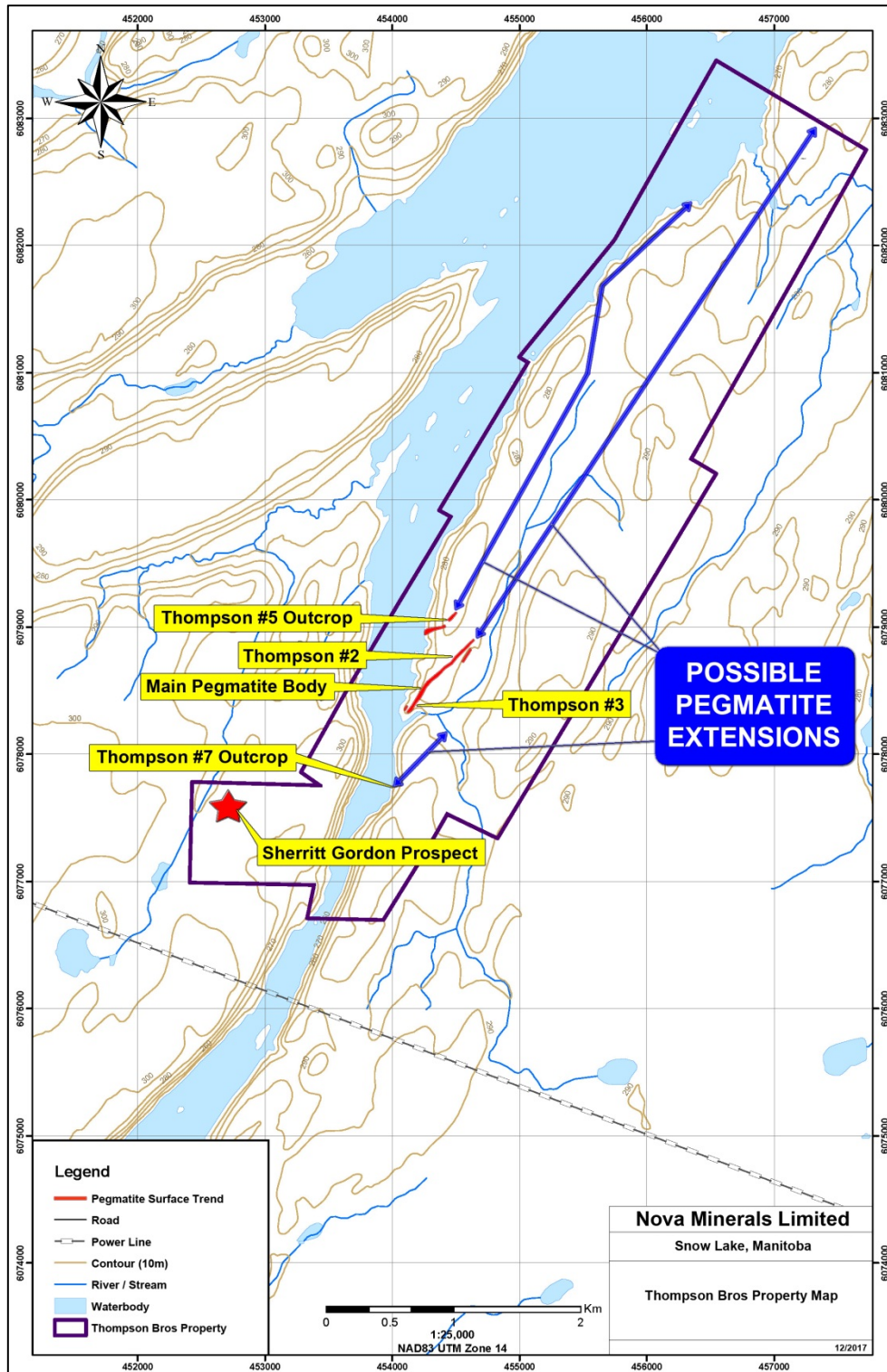
**Figure 6: Thompson Brothers lithium project proximity to market**

On 22 December 2017, the company announced that building upon the successful results from previous drilling programs, a new comprehensive 5,000-meter drill program commenced in late January 2018 at the Thompson Brothers Lithium Project. The new drill program will be focused on aggressively testing the extensions of the pegmatite outcrops identified along strike and to the north and northwest (Figure 7).

The Company signed an agreement with a highly credentialed local drill contractor and consultant to carry out the exploration-drilling program. The agreement provides for the drilling of diamond drill holes for a total of an initial 5,000 metres program (Figure 8). The drill holes were planned to define the extension of the mineralised system to the north and the parallel northwest structure. The program 'subject to final approvals' was expected to commence in January 2018. The company was also pleased to have appointed Mr Dale Schultz P.Geo, an experienced local geologist to further strengthen the technical team to accelerate on ground exploration activities. Mr Schultz will manage and implement this upcoming exploration program and further ground works planned.

The samples from the Stage 1 geochemical soil sampling program were still with the lab with results going through the final review process.

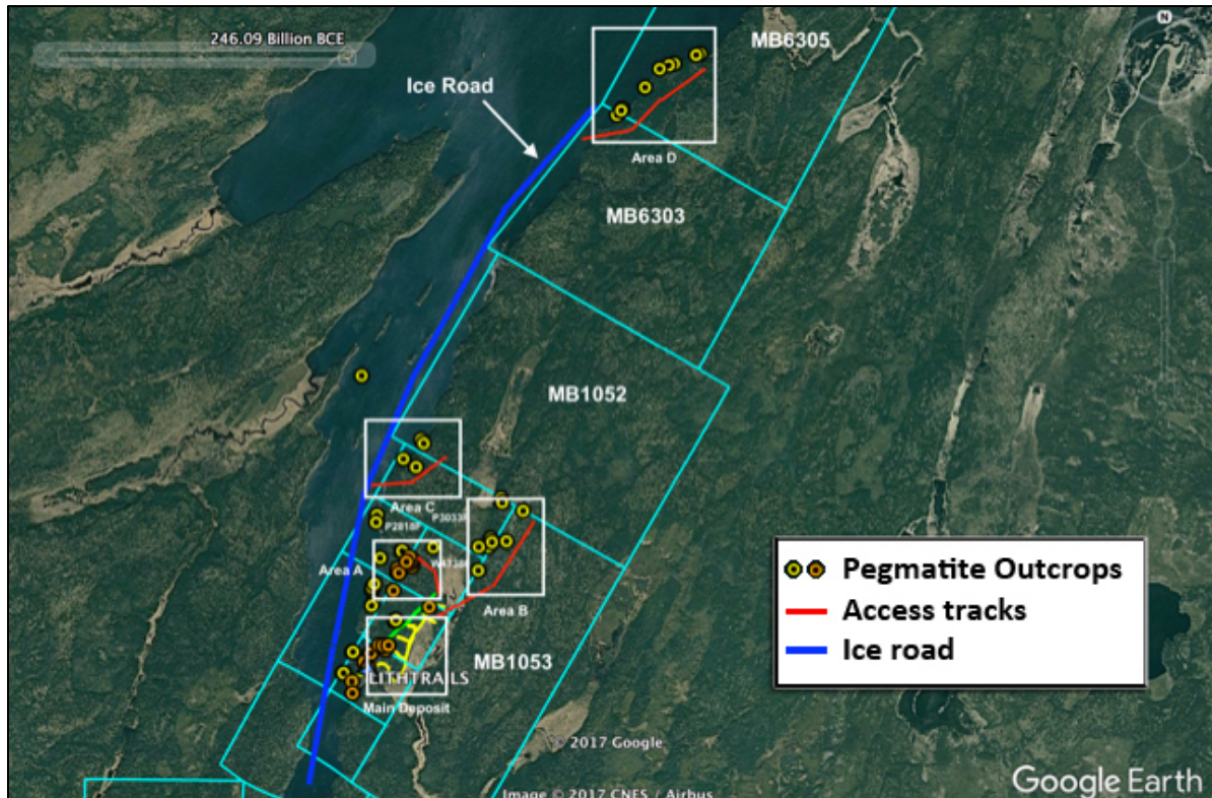
## Activities Report



**Figure 7: Pegmatites open at strike**



## Activities Report



**Figure 8: Proposed Drill Hole Locations**

The Company remains highly confident in its ability to develop a world-class integrated lithium operation in the Manitoba district. The location of the Project gives it key competitive strengths over other potential lithium locations worldwide:

- ✓ High quality spodumene project strategically located in North America
- ✓ Proximity to major downstream lithium processing facilities
- ✓ Proximity to major US battery customers (GM, BMW, Nissan, Mercedes, Tesla, etc.)
- ✓ Closely located to established low cost power infrastructure, within 1km
- ✓ Strong, large and low cost local workforce with experience in lithium sector
- ✓ Proximity to major transportation infrastructure including 11km to highway, 34km to rail and 11km from airport
- ✓ Manitoba is a mining and development friendly state

Directors are investigating options to extract value from the Thompson Bros. Lithium Project.



## **Activities Report**

### **Exploration Update on the Thompson Bros. Lithium Project – 19 January 2018**

The Company is pleased to announce an update to the exploration drilling program on the Thompson Bros. Lithium project as at 29 January 2018.

As safety first is paramount to Nova Minerals operation with maintaining the highest efficiencies, one of the global ice road construction leaders have been consulting to Nova Minerals and working together with our locally based professional geological team, project managers, ice road construction and drill contractors on site to assess the ice road and make recommendations in maintaining the highest integrity of the access route through the ongoing exploration program (Figure 9).

Drilling rig and support equipment has been transported to the first drilling site and the Thompson Brothers Lithium Project exploration drill program has now commenced with the aim to potentially extend the resource footprint and define an initial resource estimate in accordance with NI 43-101 standards (Figure 10).



**Figure 9: Thompson Bros. Lithium Project ice road access route being tested for integrity to haul drilling rig and ancillary support equipment**

## **Activities Report**



**Figure 10: Commencement of drilling on the Thompson Bros. Lithium Project**

### **ALASKAN PROJECT JV**

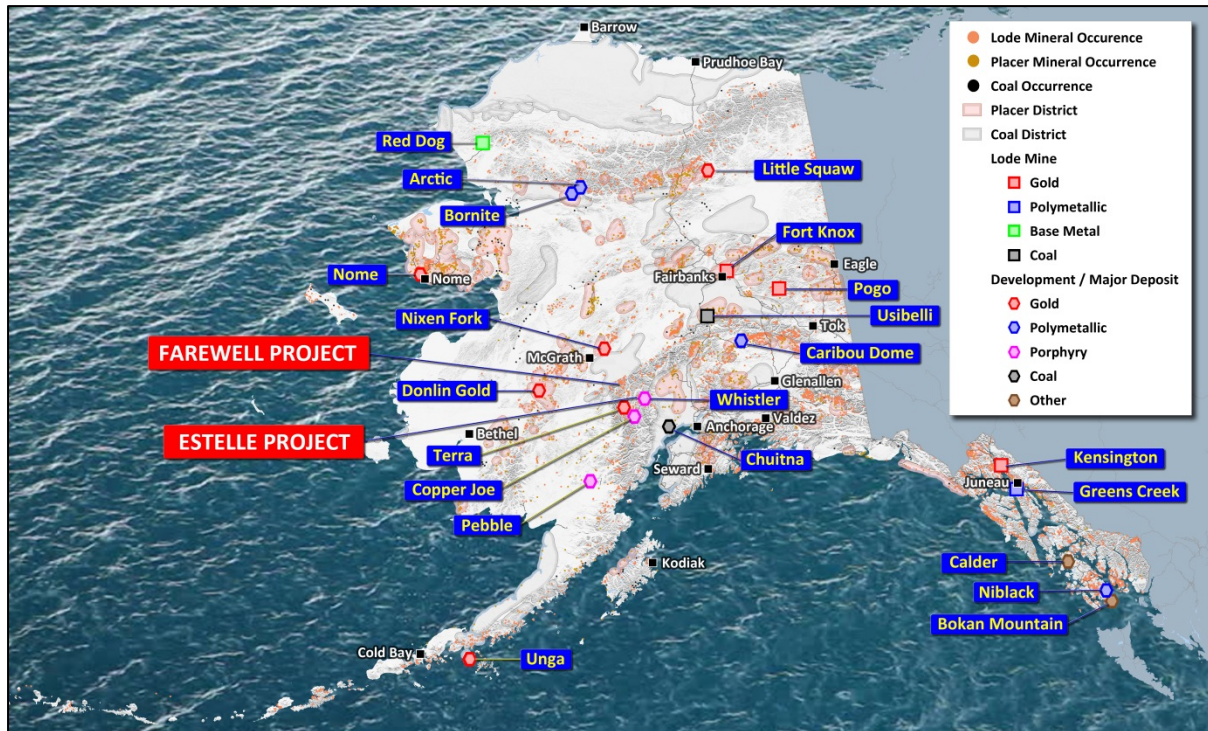
The Company requested a trading halt on 14 November 2017 and subsequently went into voluntary suspension on 16 November 2017 with relation to an agreement to farm-in and joint venture into a major portfolio of Alaskan exploration projects.

The Alaskan Project portfolio comprises of five distinct exploration projects, with a total portfolio licence area of 192.3km<sup>2</sup> and strong potential for gold, silver, zinc, nickel, copper, cobalt and rare earths under a joint venture arrangement (Joint Venture) with AK Minerals Pty Ltd (AKM), an Australian proprietary company. AKM is the ultimate owner of the Alaskan Projects through its Alaskan subsidiary, AK Custom Mining LLC (AKCM).

The proposed Joint Venture gives the Company access to a large exploration portfolio with diversified mineral exposure in highly prospective geological terrains in Alaska, in line with its Manitoba Thompson Bros lithium project and North America focus.

The Alaskan Projects range from more advanced exploration projects with ore grade drill intersections to brownfield tenements. The most advanced projects are the Estelle gold project, a district scale high tonnage, gold, copper, silver project, the Chip-Loy nickel, cobalt, copper project, the Bowser creek silver, zinc, lead project which the US government has spent in excess of \$7m on this project historically and Windy Fork REE project.

## Activities Report



**Figure 11: Location map of AKM's projects**

### Alaskan Project portfolio:

Project	Area (km <sup>2</sup> )	AKM Interest	Commodity Target
Estelle	112.02	100%	District-scale Au, Ag, Cu
Bowser Creek	12.95	100%	Polymetallic Ag, Zn, Pb, Cu
Chip Loy / Roberts	27.19	100%	Ni, Cu, Co, Cu, Ag±Au massive sulphides
Windy Fork	16.83	100%	REE (Ce, La, Y)
Ozzna Creek	23.31	100%	Ag, Au, Cu, Pb, Zn, Mo

**Table 1: AKM projects, land area and commodity targets**

The Company has entered into a binding terms sheet with AKM. The terms of the Option and the proposed Joint Venture are as follows:

- Option – Nova will pay AKM a non-refundable Option fee of \$50,000. The Option period is 3 months, however this can be extended at Nova's request for up to a further 3 months. During the Option period, NVA will undertake extensive due diligence investigations of AKM and the Projects. If Nova proceeds to exercise the Option, it must pay an Option exercise fee to AKM of \$105,000 (representing reimbursement of historic expenditure on the Projects by AKM).
- Stage 1 (30% interest) – Nova will earn an initial 30% initial interest in a new entity (Newco) to be interposed between AKM and AKCM through spending \$300,000 on exploration over the first 12 months from the date of exercise of the Option.

## **Activities Report**

Funds spent by Nova in undertaking its due diligence investigations will count towards Stage 1 expenditure. In addition, on exercise of the Option, AKM will have the right to appoint up to two directors to the board of Quantum.

- (c) Stage 2 (51% interest) – Nova will earn a further 21% interest in Newco through spending an additional \$1million on exploration over the first 2 years from the date of exercise of the Option. If Nova does not satisfy the Stage 2 expenditure requirement in full, it must relinquish its 30% interest in Newco.
- (d) Stage 3 (70% interest) – Nova will acquire a further 19% interest in Newco through spending an additional \$2 million on exploration in years 3 and 4 from the date of the exercise of the Option. If Nova does not satisfy its Stage 3 expenditure in full, it will maintain its 51% interest.
- (e) Free Carry – Nova will continue to fund the Projects through to completion of a bankable feasibility study, at which point if AKM decides not to contribute proportionately, its interest in Newco will dilute by an industry standard formula, to a minimum 15% and a 2% net smelter royalty.

The parties formalised the terms of the proposed Joint Venture under a formal farm-in and joint venture agreement to be negotiated and finalised prior to any exercise of the Option. Nova has an exclusive and binding option agreement regarding the formation of a JV with AK Minerals Pty Ltd ("AKM").

### **STATUS OF ALASKAN PROJECTS JV**

The current status of the Alaskan Project JV, as at the date of this report, is as follows. For further information including appropriate disclosures, please refer to Nova ASX announcements on **20 November 2017**, **23 November 2017** and **18 December 2017**.

Subsequent to the Alaskan Projects JV announced on 20 November 2017, a due diligence update was announced on 23 November 2017 and included a review of historic data. The Company was in the process of conducting technical and legal due diligence, and was satisfied with the progress of the ongoing work. Project due diligence had been extensive, detailed, and uncovered multiple targets from data reviewed.

On 18 December 2017, the Company announced the execution of a definitive Joint Venture Agreement with AK Minerals Pty Ltd (further to the announcement made on 20 November 2017). The Alaskan project portfolio exposes Nova to earning up to an 85% interest in the Alaskan projects to highly prospective ground in south-west Alaska, one of the most exciting mining jurisdictions globally, with no dilution to existing share structure.

The Alaskan projects are located in the south-west of the State, which is a mineral-rich region that has attracted the attention of some of the largest mining companies and mine finders in the world including Anglo American, Barrick Gold, BHP Billiton, Freeport-McMoRan, Newmont Mining, Teck Resources, Sumitomo Metal Mining, Kinross and Rio Tinto. Nova MD, Avi Kimelman commented, "We are excited about the Alaskan Project JV as it is an important part of our strategy to diversify and build our exposure in large scale multi-commodity and battery minerals projects."

AKCM (AUST) PTY LTD (**AKCM JV**) was incorporated in Australia on 18 December 2017 to serve as the incorporated joint venture company between Nova and AKM. Ownership of AKCM (the Alaskan incorporated LLC that holds 100% ownership in the Alaskan Projects) is in the process of being transferred from AKCM to AKCM JV. We anticipate the transfer to be completed within the next week.



## **Activities Report**

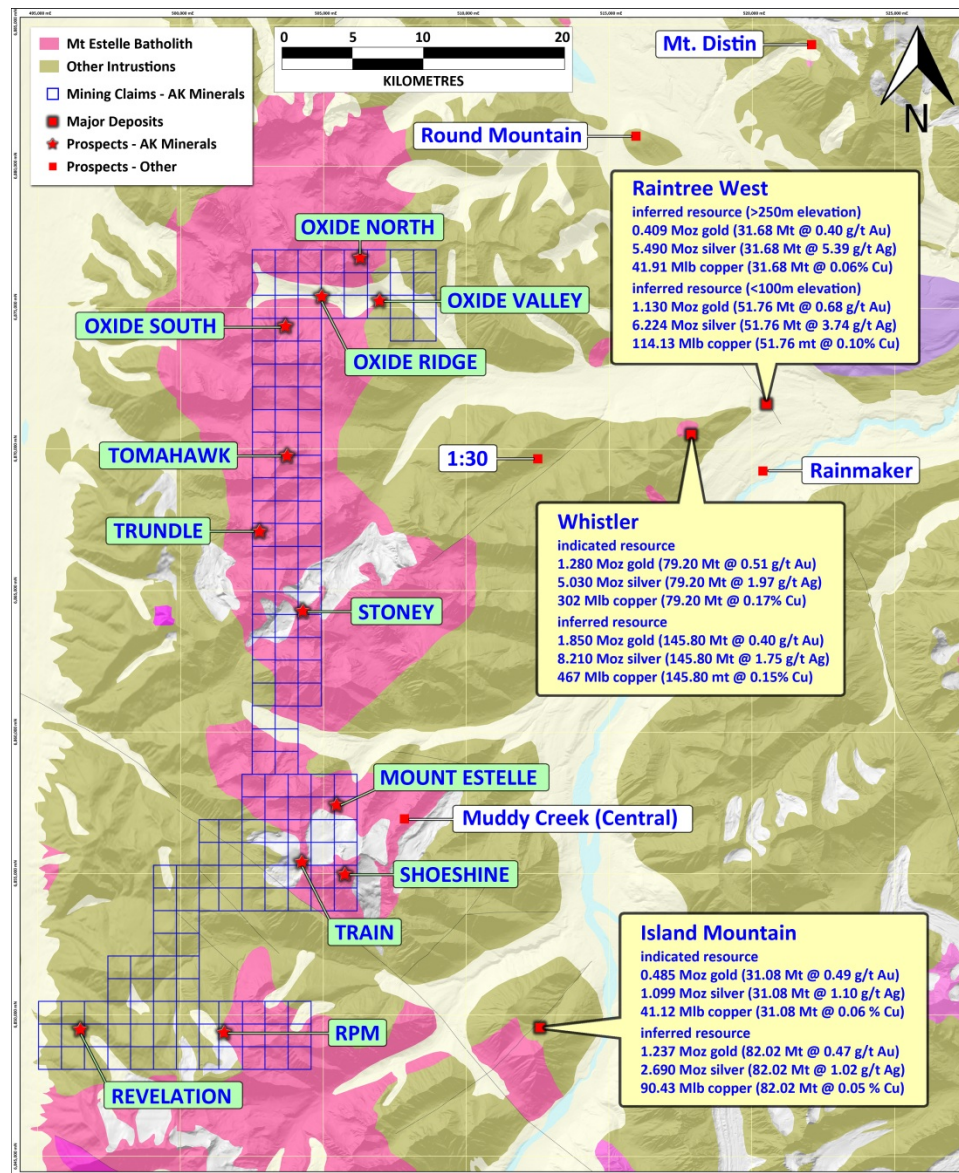
### **ESTELLE GOLD PROJECT (District-scale Au, Ag, Cu)**

#### **Highlights (as at the date of this report)**

- District-scale Gold-copper porphyry project - Chasing an elephant in elephant country.
- Project located on Giant plutonic gold systems .
- High-grade gold occurrences over the entire project area; a robust gold system.
- Historic exploration only scratched the surface.
- Proposed gas pipeline passes by property and near the Beluga gas power station
- Adjacent to Gold mining Inc. 6.3Moz Au, 28.7Moz Ag, 480kt Cu Whistler project Source: [http://www.goldmining.com/\\_resources/reports/Whistler-2016-Technical-Report.pdf](http://www.goldmining.com/_resources/reports/Whistler-2016-Technical-Report.pdf) and in the same assemblage of rocks that hosts Northern Dynasty's giant Pebble copper-gold-molybdenum-silver deposit (70Moz Au, 3.4b lb Mo, 344Moz Ag) Source: <https://www.northerndynastyminerals.com/pebble-project/reserves-resources/>
- Multiple walk up drill targets to be targeted to define a resource under JORC code.
- Exploration target between 1.1 Moz and 2.2 Moz gold on the Oxide prospect which represents a small zone of the total project area

The Estelle Gold Project is comprised of one-hundred and seventy-three (173) unpatented mining claims located on State of Alaska public lands. There are multiple prospects within the project area; Oxide (Oxide Ridge, Oxide Valley, Oxide North and Oxide South); Stoney (Stoney, Tomahawk, Kid and Trundle); Mount Estelle (Mount Estelle, Shoeshine and Train); and Emerald (RPM and Revelation). The Estelle Gold project is located approximately 110 miles northwest of Anchorage and approximately 112 miles southeast of McGrath; within the Seward Meridian and partially within the Talkeetna A-6, Tyonek D8, and Lime Hills D-1 USGS 63,360 Quadrangles.

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**Figure 12: Estelle project location and prospects**

The rocks in the area of the Oxide prospects are Jurassic and Cretaceous marine sedimentary rocks that are intruded by the 65-66 Ma granodiorite of Mount Estelle (Reed and Nelson, 1980). The granodiorite at this prospect has a leucocratic equigranular phase and a porphyritic phase with potassium feldspar phenocrysts up to 10 mm in size (Cominco American Incorporated, unpublished report). As described by Cominco American, chalcopyrite, pyrrhotite, arsenopyrite, molybdenite and pyrite occur as joint coatings, in veins, and as disseminations adjacent to northwest-striking mineralized joint sets.

The Stoney, Trundle, Kid and Tomahawk prospects are located on the northern side of Mt Stoney. These prospects are located on the Yentna trend of Late Cretaceous/early Tertiary composite plutons described by Reed and Nelson (1980).

All other prospects are located within and adjacent to the Mount Estelle pluton (Reed and Elliott, 1970). In the central part of the pluton, a biotite-hornblende-quartz monzonite intrudes Mesozoic

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marine sedimentary rocks of the Kahiltna terrane. It is described as a high-grade, polymetallic vein occurrence located near a strong, circular magnetic high pointing to the possibility of nearby porphyry mineralisation. Native gold occurs with chalcopyrite, pyrite, arsenopyrite, and pyrrhotite associated with sericite, carbonate and chlorite alteration in sheeted joints, stockwork veinlets, and circular structures that range from 1 inch to more than 15 feet in diameter (Millholland, 1995; Crowe and others, 1991; Crowe and Millholland, 1990). These structures are in the felsic and intermediate phases of the pluton. Gold associated with pyrrhotite, chalcopyrite, pentlandite and molybdenite also occurs in ultramafic rocks on the south side of the pluton.

### Estelle Gold project (Oxide Target) Technical discussion

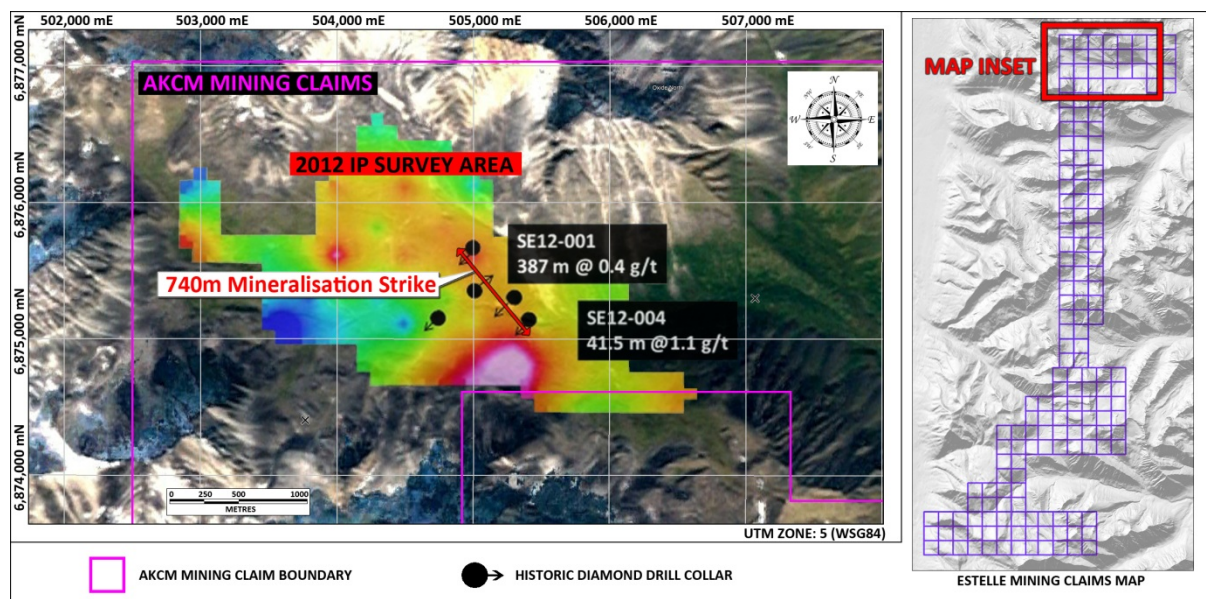
An Exploration Target was defined on a very small area of the Estelle gold project Oxide prospect of:

**Lower end:** 57.72 Mt using an average grade of 0.6 g/t Au provides an exploration target of 1.11 Moz Au

**Higher end:** 121.21 Mt using an average grade of 0.6 g/t Au provides an exploration target of 2.33 Moz Au

The grade of mineralisation, appears to increase to the southeast. Hole SE12-004, the southeastern-most hole drilled, intersected gold mineralisation throughout the majority of the hole with a highlight intercept of 41.45 meters grading 1.14 grams gold per tonne. An induced polarization survey conducted in 2012 revealed a chargeability high corresponding with the drilled mineralized trend. The highest chargeability occurs southeast of drill hole SE12-004 providing a vector to possible higher-grade mineralisation to the southeast and is a priority drill target.

Assay results for copper, silver, molybdenum and other minerals were never made public by previous explorers.



**Figure 13: Estelle Project - Oxide prospect exploration target area**

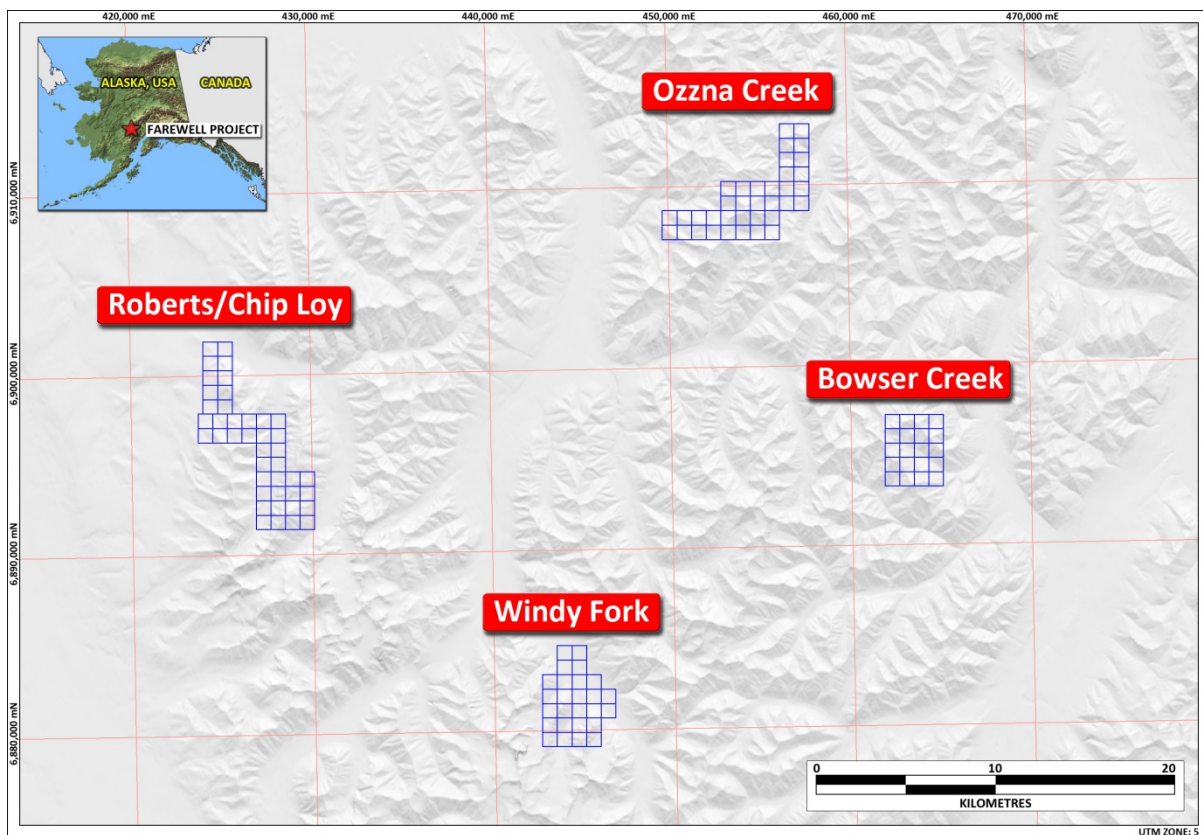


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There has been insufficient exploration drilling to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target was estimated in order to provide the market with an assessment of the potential scale of the Estelle gold project using the historic Exploration Results.

### **FAREWELL TERRANE**

The Farewell Terrane is comprised of four projects; Bowser Creek; Chip-Loy/Roberts; Windy Fork; and Ozzna Creek, all centered within a radius of approximately 10 miles. The projects are located between 60 and 80 miles southeast of McGrath and 148 to 160 miles northeast of Anchorage; within the Seward Meridian, McGrath A-2, A-3 and B-2 USGS 63,360 Quadrangles and wholly within the McGrath Mining District.



**Figure 14: Farewell project locations**

**Chip-Loy/Roberts Project (Nickel, Copper, Cobalt, Gold, Silver, PGE's)**



## **Activities Report**

### **Highlights**

- Chip-channel samples from the Chip-Loy deposit contain a number of historical disseminated and massive Ni, Co, Cu sulfide sampling (Smith and Albanese, 1985; Bundtzen, Roberts, and others, 1982)
- Drilling planned to understand the extent and expand on the known Massive sulphide Ni, Co, Cu mineralisation

The Chip-Loy/Roberts prospect is comprised of forty-two (42) unpatented mining claims located on State of Alaska public lands wholly within the McGrath A-3 Quadrangle. The prospects (Chip-Loy and Roberts) are described separately, although geophysical data suggests the Roberts prospect is part of a belt of similar deposits that includes the Chip-Loy prospect.

### Chip-Loy (Nickel, Cobalt, Copper)

The Chip-Loy massive sulphide Ni-Cu-Co prospect was first discovered and staked by prospectors Ed Chipp and Robert Loy in the early 1960s. Since then numerous geologists from industry and government have visited and sampled it. It is located adjacent to Straight Creek, one of the headwater tributaries of the Middle Fork of the Kuskokwim River. It consists of an irregular, steeply dipping layer of massive to disseminated, nickelian pyrrhotite accompanied by other sulfides in an elongate, composite, diabase intrusion. The diabase, which ranges from gabbro to diorite, has been described as a pipe in plan view or as a dike. The intrusion trends in a northeast direction and cuts mid-Silurian Terra Cotta Mountains Sandstone, a formation of the Dillinger subterrane, a continental margin assemblage of Lower Paleozoic age and has been assigned as early Tertiary age (Bundtzen 1999a).

### Chip Loy/Roberts Technical discussion

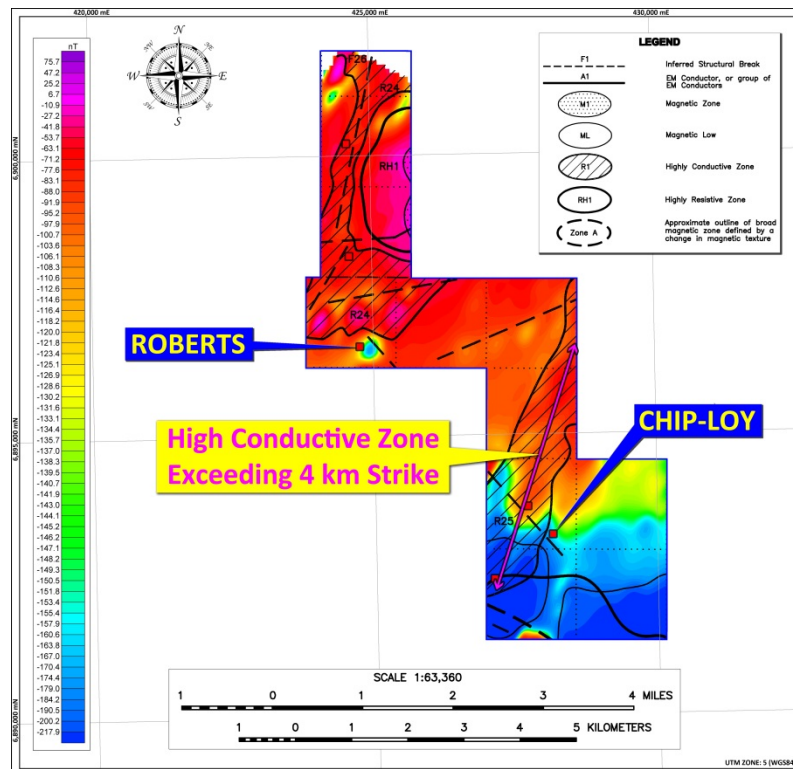
The Chip-Loy deposit contains disseminated to massive sulfides, mainly pyrrhotite and chalcopyrite, with minor cubanite and sphalerite, and trace galena, bravoite, violarite, tetradymite ( $\text{Bi}_2\text{Te}_2\text{S}$ ), and undetermined Co-Ni-Fe arsenides (Herreid, 1968; Gilbert and Solie, 1983; Bundtzen and others, 1985). This style of deposit has many features in common with various aspects of Canadian deposits such as Thompson, Raglan, Voisey's Bay and most notably the Australian Fraser Range based Nova-Bollinger discovery by Sirius Resources in 2012.

<http://www.igo.com.au/irm/content/nova-project.aspx?RID=503>

[https://mrdata.usgs.gov/ardf/show-ardf.php?ardf\\_num=MG032](https://mrdata.usgs.gov/ardf/show-ardf.php?ardf_num=MG032)

Figure 15 shows the magnetic anomaly imagery overlain with other geological and geophysical targets including Resistivity/IP and EM Conductors. The Chip-Loy prospect lies at the contact of a magnetic high and magnetic low zone adjacent to a southeast-northwest trending fault extending into the Roberts prospect. Chip-Loy is also located adjacent to a large highly conductive zone (R25) extending in excess of 4 km in a southwest-northeast trend within the project tenure. A similar high conductive zone (R24) is located north of the Roberts PGE prospect zone located within a magnetic high anomaly.

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**Figure 15: magnetic anomaly imagery overlain with other geological targets including Resistivity/IP and EM Conductors**

### Roberts (Nickel, Copper, Cobalt, Platinum Group Elements)

The Roberts prospect is in a differentiated, mafic-ultramafic sill that cuts silty limestone and shale of the Late Cambrian to Early Ordovician, Lyman Hills Formation, the oldest facies of the Dillinger subterrane (Bundtzen, Harris, and Gilbert, 1997). The sill is undated, but believed to be correlative with Late Triassic feeders in the Tatina River Volcanics, a subdivision of the Middle Devonian to Lower Jurassic Mystic subterrane (Bundtzen, Harris, and Gilbert, 1997; T.K. Bundtzen and G.M. Laird, written communication, 1998). The mineralisation at the Roberts prospect is mainly disseminated and network-style sulfides with a notable content of platinum group elements (PGE) in the lower and middle part of the sill.

### **Windy Fork Project (REE's)**

#### **Highlights**

- Cerium enriched REE placer gravels concentrations occur throughout large areas of the project area.
- Systematic surface sampling of the placer deposit was completed by Barker (1991) during 1988.
- Target drilling of REE placer gravels to define a resource under JORC code.
- Bulk test sampling and trial mining planned of REE placer gravels.

The Windy Fork prospect is comprised of twenty-six (26) unpatented mining claims located on State of Alaska public lands wholly within the McGrath A-3 Quadrangle.

## **Activities Report**

The Windy Fork Placer occurrence is located at the confluence of the Windy Fork of the Kuskokwim River and two unnamed, north flowing tributaries draining the Windy Fork pluton (Gilbert and others, 1988). Systematic surface sampling of the placer deposit was completed by Barker (1991) during a cooperative strategic mineral assessment of the McGrath quadrangle with the Alaska Division of Geological and Geophysical Surveys.

The Windy Fork prospect is a significant accumulation of REE minerals, ilmenite, zircon, and other heavy minerals liberated from the peralkaline Windy Fork composite pluton and concentrated in a high energy glaciofluvial placer deposit (Solie, 1983; Gilbert and others, 1988; Barker, 1991; Bundtzen, Harris, and Gilbert, 1997). Although the Windy Fork pluton contains riebeckite granite, biotite granite, and pyroxene syenite phases; its average chemical composition is that of peralkaline granite (Solie, 1983). The Windy Fork pluton is radioactive and scintillometer readings taken along traverses across the intrusion range from 650-to-800 cps, about 3 times the average background for granitic rocks. High energy glaciofluvial gravels with significant heavy mineral concentrations have accumulated in an elliptical, one square kilometer area near the confluence of Windy Fork and two second order tributary streams that dissect the Windy Fork pluton (Gilbert and others, 1988). Stream bed and fan deposits contain abundant chevkinite, eudialyte, ilmenite, monazite, tscheffkinite, and zircon and minor to trace allanite, cassiterite, and thorite (Barker, 1991). Natural streaks of black sand rich in magnetite and ilmenite are very common in bedload environments. Monazite and zircon are easily identified in the field.

### **Bowser Creek Project (Silver-Zinc-Lead)**

#### **Highlights**

- During a heavy metals investigation of the southern Alaska Range in 1967 a U.S. Geological Survey Team discovered occurrences of lead, zinc and silver of potential economic significance.
- The reported cost of this government project was \$7 million, and the Bowser Creek exposures were considered to be the 'find' of the summer.
- Multiple walk up drill targets to be targeted to define a resource under JORC code.

The Bowser Creek prospect is comprised of twenty (20) unpatented mining claims located on State of Alaska public lands wholly within the McGrath A-2 Quadrangle. There are three targeted prospects – Bowser Creek Headwaters; Bowser Creek Main and Bowser Creek Northeast, all located along Bowser Creek up to the headwaters.

During a heavy metals investigation of the southern Alaska Range in 1967 a U.S. Geological Survey Team discovered occurrences of lead, zinc and silver of potential economic significance. The Bowser Creek prospects were subsequently discovered during regional geological mapping and mineral investigations conducted in the southern Alaska Range by the U.S. Geological Survey and published in Reed and Elliott (1968, C 559 and 596) and Reed and Lanphere (1972).

The reported cost of this government project was \$7 million, and the Bowser Creek exposures were considered to be the 'find' of the summer.

The Bowser Creek prospects consists of disseminated to massive, sulfide mineralisation in discrete, northwest trending, steeply dipping, quartz-carbonate veins and vein breccias cutting quartz porphyry of the Bowser Creek composite pluton. The quartz porphyry phase, which has been radiometrically, dated 60.4 Ma; it intrudes the Early to mid-Paleozoic Dillinger subterrane (Bundtzen and others, 1988; Bundtzen, Harris, and Gilbert, 1997).

## **Activities Report**

A prospect map has been published by Bundtzen and others (1988). Sulfide minerals include massive sphalerite and pyrrhotite, with lesser amounts of galena, chalcopyrite, and arsenopyrite. Pyrrhotite and arsenopyrite clearly crosscut previously deposited galena, sphalerite, and pyrite.

### **Ozzna Creek Project (Gold, Silver, Zinc, Copper, Lead)**

#### **Highlights**

- The Ozzna creek prospect consists of base metal sulfide veins and replacement deposits within an extensive quartz-sericite-pyrite halo rimming a 450 meter wide, rugged, quartz monzonite breccia pipe, which forms the core of a distinctive, precipitous, 7,205-foot –high (2,197 m) peak.
- Historic data to be reviewed
- Drill testing to unlock a new base metals province.

The Ozzna Creek Project is comprised of thirty-six (36) unpatented mining claims located on State of Alaska public lands wholly within the McGrath B-2 Quadrangle. There are several prospects within the project area whereby they form part of a widespread polymetallic mineral belt, the Farewell Mineral belt and were one of several in a block of claims, known collectively as the BMP project, prospected by International Tower Hill Mines, Ltd., (2008).

The Ozzna Creek prospect is located on a west-flowing tributary of the Windy Fork of the Kuskokwim River. It consists of base metal sulfide veins and replacement deposits in an extensive quartz-sericite-pyrite halo rimming a 450-meter-wide, quartz monzonite breccia pipe. The pipe forms the core of a distinctive, precipitous, 7,205-foot -high peak. A biotite separate from the quartz monzonite pipe gave a K-Ar age of 58 Ma. (Solie and others, 1991). A pronounced magnetic high rims the edge of the breccia pipe (Rob Kell, written communication, 1983). (The magnetic anomaly that rims the quartz monzonite breccia pipe is similar to geophysical features found in porphyry copper systems throughout the North American Cordillera.)

#### **TELFER PROJECT**

Due to reduction of the Telfer Project tenure (Exploration Licence 45/2401) to two (2) graticule blocks (624.74 Ha) from compulsory partial relinquishments and low prospective nature of the remaining tenement, the project tenure was allowed to expire on 18 December 2017. No exploration drilling was conducted on the project throughout the life of the tenement and there are no mineral resources (current or historic) defined within the project.

#### **TANAMI (OFFICER HILLS JV) PROJECT**

(Nova 100%, Newmont Option to earn up to 70%)

The Officer Hill JV Project (Exploration Licence 23150) is located in Northern Territory within the Tanami geological province, which hosts world class orogenic gold deposits including the Granites gold deposits and the operating Callie Gold Mine owned by Newmont Mining. The Company holds a single Exploration Licence located 34 kilometres southwest of the Callie Gold Mine, which at the end of 2013 had 3.01 million ounces of gold reserves. The licence was granted on 29 July 2013 for a period of six years. Exploration Licence 21350 was granted on 29th July 2013. Newmont is earning a 70% interest by spending \$500,000 on exploration to 28th July 2018. Newmont recently advised Nova the following activities completed during the previous Quarter ended 30 September 2017.



## **Activities Report**

Following the completion of heritage surveys in the June quarter, exploration activities during the September quarter aimed to delineate the geochemical footprint of the Officer Hill mineralised system. Work completed during the reporting period included an extensive geochemical survey utilising Newmont's proprietary Deep Sensing Geochemistry (DSG) technique in conjunction with a regolith map for the project area.

### **SUMMARY**

The DSG results have not been received at the end of the reporting period and will be assessed during the subsequent reporting period. Future work programs will be determined on the assessment and interpretation of these pending DSG sample results, with the current drillhole database being reviewed and validated to identify potential drill ready opportunities.

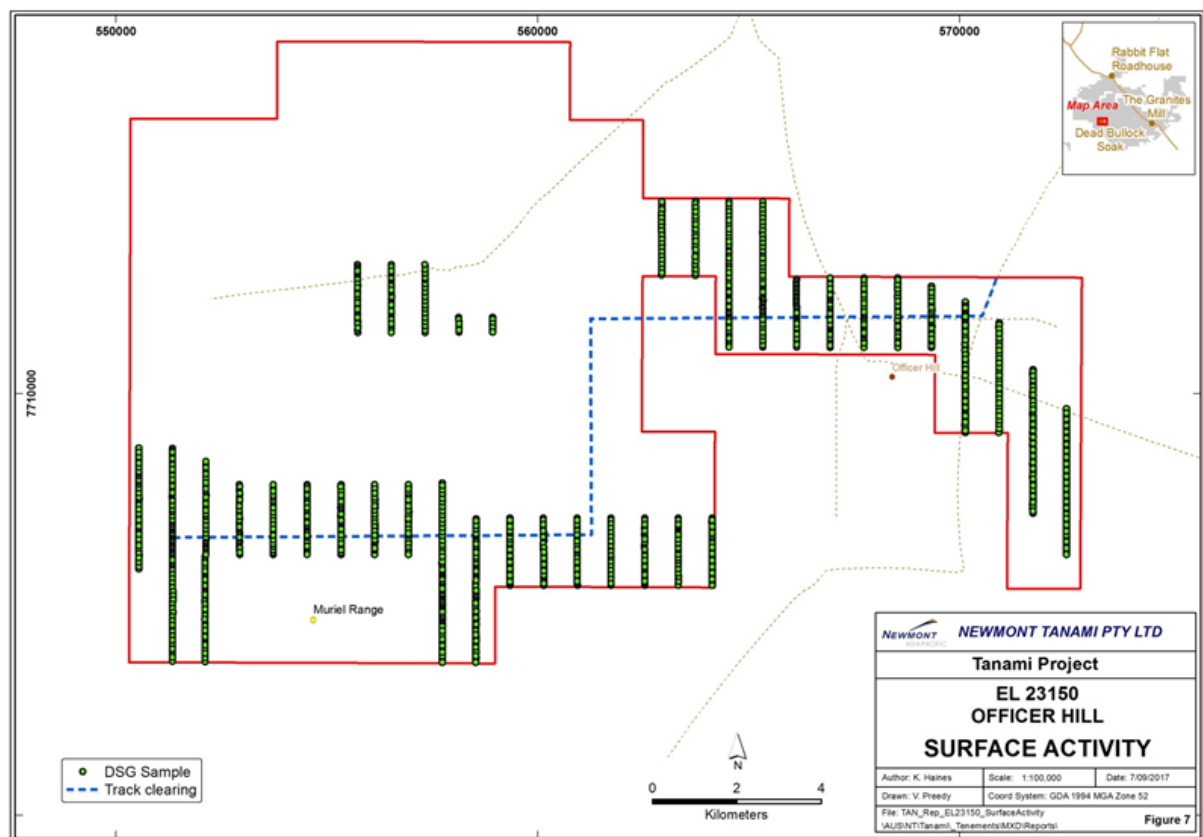
### **WORK COMPLETED**

Field work completed during the September quarter consisted of the collection of 199 DSG soil samples, which completed the program for the year, following on from the June Quarter where 1,214 samples were collected in April, 164 samples in May and 54 samples in June, for a total of 1,631 samples.

Surface sampling over the area of interest consisted of the collection of a DSG sample, which is a Newmont proprietary sampling and analytical technique involving the collection of multiple sample media at each sampling site. DSG samples were collected along north-south trending traverses across the five priority targets at a nominal sample spacing of 800 x 50m (Figure 16). Access tracks were developed throughout the project area to aid in the collection of the samples.

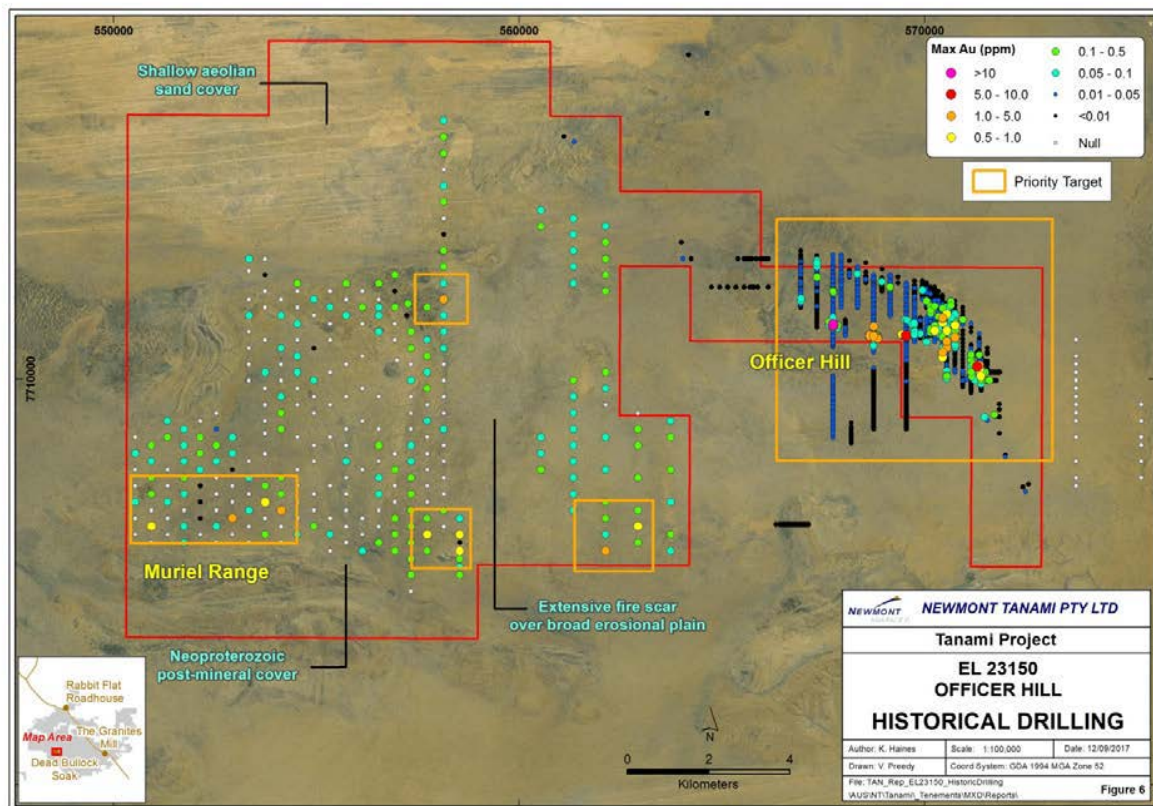
Selected DSG lines were extended across the Muriel Range, covering the three most southern priority targets (Figure 17), to assess an apparent 12km long, east-west striking, 1.5ppm Au anomaly defined within historic RAB drilling. DSG sampling extended west of the most eastern priority target to assess the potential for mineralisation associated with abundant outcropping quartz veins directly along strike of known mineralisation. Figure 18 shows an updated regolith interpretation of the Officer Hill project.

## Activities Report

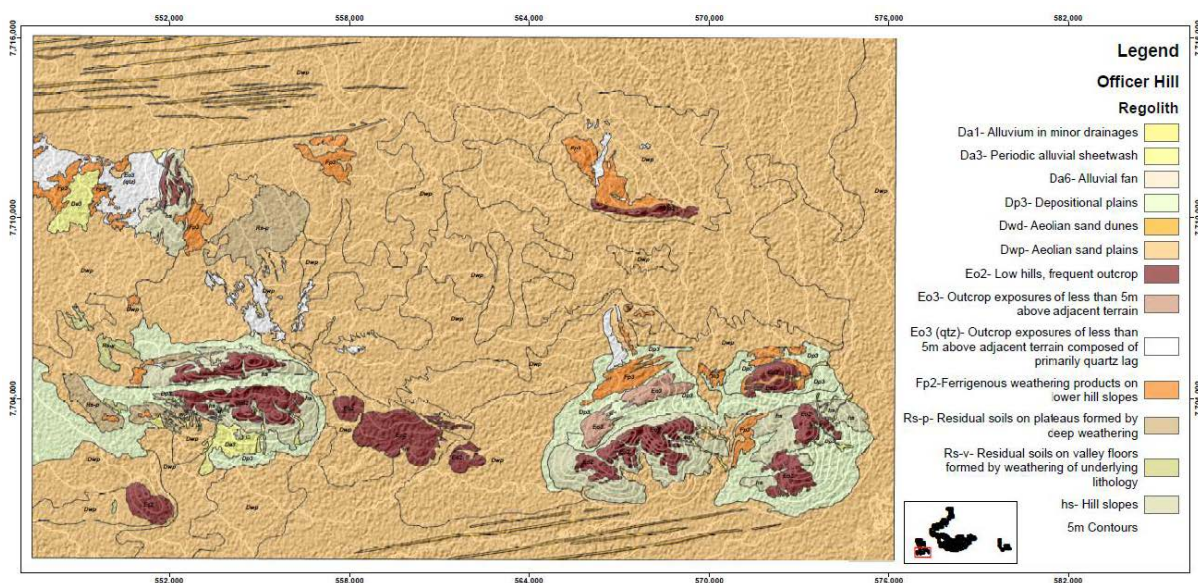


**Figure 16: Surface Activity for the Officer Hill project (EL 23150)**

## Activities Report



**Figure 17: Map showing the location and results of previous drilling on EL 23150, with priority targets for follow-up highlighted. Some broad regolith features identified in the evaluation are annotated (adapted from Baggott, 2016)**



**Figure 18: Updated regolith interpretation of the Officer Hill Prospect area**



## **Activities Report**

### **LAND MANAGEMENT**

An application was made to the Department of Primary Industry and Resources on 4th July requesting to waive the requirement to reduce the license area of EL23150 by 50%, pursuant to Section 29 of the Mineral Title Act. The request was approved on 25th August 2017.

### **JOINT VENTURE EXPENDITURE**

Newmont advised that expenditure was \$25,406 for the September Quarter and \$6,518 for the December Quarter with total committed expenditure \$256,641 on the JV as at 31 December 2017.

### **PROPOSED EXPLORATION DECEMBER QUARTER**

During the December Quarter, the assessment of the DSG results will be carried out with work programs planned accordingly and integrated into a Mining Management Plan and Exploration Works Program to be submitted to the Department of Primary Industry and Resources and the Central Land Council, respectively. A proposal to carry out a gravity survey over the project area will be compiled, with the aim of carrying out the survey at the beginning of the 2018 exploration campaign when access allows, following on from the wet season. The validation of the drillhole database will also continue during the quarter.

Newmont is in the process of compiling the December Quarterly update; a market update will be announced in due course.

### **HIGH PURITY ALUMINA – HALCYON ACQUISITION**

NVA entered into a binding term sheet with Halcyon Resources Pty Ltd to acquire 100% of Halcyon shares subject to successful due diligence and shareholder approval.

During the due diligence period, NVA engaged a number of specialist consultants to investigate all aspects of the project involving geological, metallurgical, process engineering, financial and marketing in order to be fully informed before making a decision to proceed. In conclusion, the board felt the project has merit however the financial parameters involved with both pilot testing and full scale production in particular preclude proceeding with the acquisition in its original form.

The Company instead negotiated to maintain a 26.3% interest in Halcyon and the HPA project for a total of \$55,000. This investment will be done with no dilution to existing shareholders and allow the company to retain significant exposure to future development of the project. Nova has the right to appoint one director to Halcyon.

## Activities Report

### NOVA'S TENEMENT HOLDINGS AS AT 31 DECEMBER 2017

PROJECT	TENEMENT NUMBER	COMPANY'S BENEFICIAL INTEREST	CURRENT AREA (KM <sup>2</sup> )	CURRENT HOLDER	COUNTRY / STATE
<b>Tanami (Officer Hill)</b>	EL23150	100%*	206.08 Km <sup>2</sup>	NOVA	Australia / NT

\*Nova 100%, Newmont Option to earn up to 70% under a farm out arrangement.

In addition:

- a) MMPL, a 100% owned subsidiary of Nova, holds rights to earn up to an 80% ownership interest in the Thompson Brothers Lithium Property in Wekusko Lake, Manitoba, Canada.
- b) Nova holds rights to earn up to 85% ownership interest in AKCM JV, an incorporated JV Company that holds 100% interest in the Alaskan Projects.

## **Directors' Report**

Nova Minerals Limited (**ASX: NVA**) (**Nova** or **Company**) is an Australian company with interests in a portfolio of mineral projects at exploration stage with focus on North America (Canada and Alaska, USA) and one joint venture project located in Australia that are prospective for lithium, gold, nickel, cobalt and other precious metals, base metals and REE's.

### **CHANGE OF COMPANY NAME AND ISSUER CODE**

On 14 December 2017, Quantum Resources Limited (ASX: QUR) changed its name to Nova Minerals Limited and advised the new ASX issuer code NVA.

### **ANNUAL GENERAL MEETING**

On 29 November 2017 the Company announced the withdrawal of Resolutions 7 and 8 (being the proposal to issue performance rights to Directors) under the 2017 Notice of Annual General Meeting. The Board will reassess a fair and equitable remunerative securities package for each Director in due course. All other resolutions were to be considered at the AGM.

The Company held its AGM on 30 November 2017 at 11.00am at level 17, 500 Collins Street, Melbourne, VIC, 3000. All resolutions were passed on a unanimous show of hands.

### **TRADING HALT, SUSPENSION AND REINSTATEMENT OF TRADING**

The Company requested a trading halt on 14 November 2017 and subsequently went into voluntary suspension on 16 November 2017 with relation to an agreement to farm-in and joint venture into a major portfolio of Alaskan exploration projects. The Company was reinstated quotation on 20 November 2017. For further information, refer to Alaska JV Projects section in this document.

### **DIRECTOR RETIREMENT AND APPOINTMENTS**

On 19 December 2017, the Company announced the retirement of Mr Eli Bernstein as a Director and appointment of Mr Simens and Mr Fry as Directors of the Company.

### **SECURITIES ON ISSUE AT THE DATE OF THIS REPORT**

<b>CLASS OF SECURITIES</b>	<b>NO. OF SECURITIES ON ISSUE</b>
<b>Total fully paid ordinary shares (NVA)</b>	<b>711,891,788</b>
<b>Listed options exercisable at \$0.0325 each on or before 31 August 2020 (NVAO)</b>	<b>169,490,272</b>
<b>Unlisted options exercisable at \$0.0325 each on or before 17 November 2018 (NVAAA)</b>	<b>42,000,000</b>
<b>Unlisted options exercisable at \$0.02 each on or before 31 August 2019 (NVAAC)</b>	<b>7,500,000</b>

The Directors of Nova Minerals ('the company' or '**Nova**') present their report on the consolidated entity ('the group'), consisting of Nova Minerals Limited (Formerly Quantum Resources Limited) and the entities it controlled at the end of, and during the financial half year ended 31 December 2017 (**Half Year**).



## **Directors' Report**

### **Directors**

The Directors of the consolidated entity at any time during or since the Half Year are:

Mr Avi Kimelman	Managing Director and CEO
Mr Louie Simens	Non-Executive Director (appointed 19 December 2017)
Mr Dennis Fry	Non-Executive Director (appointed 19 December 2017)
Mr Olaf Frederickson	Non-Executive Director
Eliahu Bernstein	Non-Executive Chairman (retired 19 December 2017)

### **Review and Results of Operations**

The principal activity of the Consolidated Entity during the financial half year was mineral exploration. The Company is a progressive explorer with projects in Western Australia and the Northern Territory. The projects are all located on granted titles and are prospective for gold and base metals. In addition to the Australian assets, the Company acquired the rights to earn an interest of up to 80% in the Thompson Brothers Lithium Project in Manitoba, Canada; and the rights to earn up to 85% in the Alaskan Projects joint venture in Alaska, USA. As an exploration company, Nova does not have an ongoing source of revenue. Its revenue stream is normally from ad-hoc tenement disposals, and interest received on cash in bank.

The results of operations for the Half Year were a loss of \$531,775 (2016: \$911,773). Exploration expenditure written off during the half year was \$0 (2016: \$10,992).

Administration expenses for the six months ended 31 December 2017 were \$368,238 (2016: \$312,796). At 31 December 2017, the Consolidated Entity had cash at bank of \$3,367,389 (June 2017: \$1,111,765).

### **Events During the Half Year**

On 18 September 2017, the Company's announcement that it has received commitments from professional and sophisticated investor to place 29,000,000 fully paid ordinary shares at an issue price of \$0.0055 per share to raise \$159,500 before associated costs

In December 2017, the Consolidated Entity advised that it had executed a joint venture agreement with the rights to earn an interest in up to 85% of the Alaskan Projects in Alaska, USA.

The Company held its AGM on 30 November 2017 at 11.00am at level 17, 500 Collins Street, Melbourne, VIC, 3000.

On 20 November 2017, the Company announcement that it has received commitments from professional and sophisticated investor clients of Baker Young Stockbrokers and SA Capital Pty Ltd and other parties identified by the Company, none of whom are related parties of the Company, for a placement of 136,214,286 fully paid ordinary shares at an issue price of \$0.014 (1.4 cents) per share, to raise approximately \$1.9 million before costs (**Placement**). Each placement share was proposed to be issued together with a one for one free attaching listed option, ASX:NVAO, with an exercise price of \$0.0325 (3.25 cents) and expiring on 31 August 2020.

The Placement commitments were subject to the Company receiving shareholder approval for the ratification of previous share issues (resolutions 4 and 5) and for a new issue of shares (resolution 10) at its upcoming AGM scheduled on 30 November 2017.

## **Directors' Report**

On 30 November 2017 the Company requested a trading halt in relation to the proposed Placement announced on 20 November 2017. Subsequently, on 04 December 2017 the Company announced a restructure to the proposed Placement previously announced on 20 November 2017. The Placement was repriced up to accelerate development work on the Thompson Bros. Lithium Project. The Company received firm commitments and strong support to raise capital on much better terms and in place of the Placement announced on 20 November 2017 from professional and sophisticated investor.

Clients of Baker Young Stockbrokers and SA Capital Pty Ltd and other parties identified by the Company, none of whom are related parties of the Company, completed a placement of 156,957,144 shares at an issue price of 2.05 cents (\$0.0205) per share. The placement was proposed to raise \$3,217,621 before associated costs and the funds raised will be allocated toward the further development of the Company's exciting Thompson Bros Lithium Project and its suite of Alaskan exploration assets. The placement comprises of the issue of 100M shares approved by shareholders at the recent 2017 AGM.

52,720,001 shares pursuant to ASX Listing Rule 7.1A and 4,237,143 shares pursuant to ASX Listing Rule 7.1. In addition shareholder approval was secured so that for each 4 shares subscribed under the placement, the placement provides for 5 free attaching options exercisable at 3.25 cents (\$0.0325) on or before 31 August 2020 (ASX:QURO) (ASX:NVAO). These options are subject to shareholder approval at a forthcoming general meeting. Mr Avi Kimelman proposed to take up \$102,000 (4,975,610 shares) of the placement approved at the recent 2017 AGM to further align his interest with Quantum shareholders. The issue of the attaching options under the placement to Mr Kimelman will be subject to shareholder approval.

A cleansing notice pursuant to Section 708A(5)(e) of the Corporations Act and Listing Rule 3.10.5A disclosure.

The Company issued 5,000,000 fully paid ordinary shares to Mr Olaf Frederickson (and his related parties) on 19 December 2017, approved by shareholders at the 2017 AGM.

## **SUBSEQUENT EVENTS TO BALANCE DATE**

Subsequent to the December quarter, on 19 January 2018 total of 10,000,000 unlisted options were exercised at 3.25 cents per option raising a further \$325,000.

A Notice of General Meeting will be held on 28 February 2018 as announced on 30 January 2018.

Other than the matters listed above, no other matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Consolidated Entity, the result of those operations or the state of affairs of the Consolidated Entity in subsequent financial periods.

## **Auditors Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Signed in accordance with a resolution of the Directors:



Avrohom Kimelman

Non-Executive Chairman

Dated at Melbourne this 16<sup>th</sup> March 2018

**DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF NOVA MINERALS LIMITED**

As lead auditor for the review of Nova Minerals Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Nova Minerals Limited and the entities it controlled during the period.



James Mooney  
Partner

**BDO East Coast Partnership**

Melbourne, 16 March 2018



**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the half year ended 31 December 2017**

	<b>Note</b>	<b>2017</b> <b>\$</b>	<b>2016</b> <b>\$</b>
<b>Revenue</b>		-	9
<b>Expenses</b>			
Exploration Costs		-	(10,992)
Contractors & Consultants	2	(163,381)	(147,759)
Administration Expenses		(368,238)	(312,796)
Share Based Payments	7	-	(440,185)
Finance Expense		(156)	(50)
<b>Loss before income tax expense</b>		<b>(531,775)</b>	<b>(911,773)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the half-year</b>		<b>(531,775)</b>	<b>(911,773)</b>
Movement of fair value of available for sale investments		5,263	129,617
<b>Total comprehensive income for the half - year attributable to the owners of Quantum Resources Limited</b>		<b>(526,512)</b>	<b>(782,556)</b>
<i>Items that may be reclassified to profit and loss in the future</i>			
Loss for the half-year attributable to owners of Quantum Resources Limited		(531,775)	(911,773)
Total comprehensive income for the half-year attributable to owners of Quantum Resources Limited		(526,512)	(782,556)
Basic loss per share (cents per share)		(0.18)	(0.36)
Diluted loss per share (cents per share)		(0.18)	(0.36)

The accompanying notes form part of these half year financial statements.

**Consolidated Statement of Financial Position**  
**As at 31 December 2017**

	<i>Note</i>	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
<b>Assets</b>			
<i>Current Assets</i>			
Cash and cash equivalents		3,367,389	1,111,765
Trade & other receivables	4	321,747	45,598
Other financial assets	9	83,094	25,260
<b>Total current assets</b>		<b>3,772,230</b>	<b>1,182,623</b>
<i>Non-current Assets</i>			
Exploration and evaluation expenditure	3	3,163,011	2,804,546
<b>Total non-current assets</b>		<b>3,163,011</b>	<b>2,804,546</b>
<b>Total assets</b>		<b>6,935,241</b>	<b>3,987,169</b>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Trade and other payables		276,525	87,085
<b>Total current liabilities</b>		<b>276,525</b>	<b>87,085</b>
<b>Total liabilities</b>		<b>276,525</b>	<b>87,085</b>
<b>Net Asset</b>		<b>6,658,716</b>	<b>3,900,084</b>
<b>Equity</b>			
Issued capital	5	67,139,271	63,854,127
Equity Reserves	6	804,448	799,185
Accumulated losses		(61,285,003)	(60,753,228)
<b>Total Equity</b>		<b>6,658,716</b>	<b>3,900,084</b>

The accompanying notes form part of these half year financial statements.

**Consolidated Statement of Changes in Equity**  
**For the half year ended 31 December 2017**

	NOTE	Issued Capital \$	Reserves \$	Accumulated losses \$	Total equity/ (deficiency) \$
<b>Balance at 1 July 2016</b>		59,014,227	100,000	(59,115,272)	(1,045)
Loss for the period		-	-	(911,773)	(911,773)
Other comprehensive income for the period, net of tax		-	129,217	-	129,217
Total comprehensive income for the period, net of tax		-	129,217	(911,773)	(782,556)
<b>Transactions with owners in their capacity as owners</b>					
Shares issued for acquisition	8	2,000,000			2,000,000
Shares issued for services		20,000	-	-	20,000
Shares issued for conversion of convertible notes		400,000	-	-	-
Issue of shares		969,230	-	-	1,369,230
Share based payment		-	300,000	-	300,000
Share option		-	420,185	-	420,185
Share issue expense		(10,353)	-	-	(10,353)
<b>Balance at 31 December 2016</b>		<b>62,393,104</b>	<b>949,402</b>	<b>(60,027,045)</b>	<b>3,315,461</b>
<b>Balance at 1 July 2017</b>		63,854,127	799,185	(60,753,228)	(3,900,084)
Loss for the period		-	-	(531,775)	(531,775)
Other comprehensive income for the period, net of tax		-	5,263	-	5,263
Total comprehensive income for the period, net of tax		-	5,263	(531,775)	(531,775)
<b>Transactions with owners in their capacity as owners</b>					
Shares issued for acquisition		-	-	-	-
Shares issued for services		-	-	-	-
Shares issued for conversion of convertible notes		-	-	-	-
Issue of shares		3,479,871	-	-	3,479,871
Share based payment		-	-	-	-
Share option		-	-	-	-
Share issue expense		(194,727)	-	-	(194,727)
<b>Balance at 31 December 2017</b>		<b>67,139,271</b>	<b>804,448</b>	<b>(61,285,003)</b>	<b>6,658,716</b>

The accompanying notes form part of these half year financial statements.

**Consolidated Statement of Cash Flows**  
**for the half year ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees (inclusive of GST)	(486,011)	(422,849)
Interest Received	-	7
Bank Charges	(146)	(50)
Refunds received	14,588	22,324
<b>Net cash used in operating activities</b>	<b>(471,569)</b>	<b>(400,568)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration expenditure	(214,340)	(16,653)
Halycon Resources Investment	(28,580)	-
Loan to other entity	(43,650)	-
Ak Minerals Option Payment	(55,000)	-
Payments for available for sale financial asset	-	(127,681)
<b>Net cash as used in investing activities</b>	<b>(341,570)</b>	<b>(144,335)</b>
<b>Cash flows from financing activities</b>		
Proceeds from Issue of Shares	3,261,126	1,364,562
Capital Raising Costs (inclusive of GST)	(192,363)	-
<b>Net cash provided by financing activities</b>	<b>3,068,763</b>	<b>1,364,562</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,255,624</b>	<b>819,659</b>
<b>Cash and cash equivalents at 1 July</b>	<b>1,111,765</b>	<b>70,814</b>
<b>Cash and cash equivalents at 31 December</b>	<b>3,367,389</b>	<b>890,473</b>

The accompanying notes form part of these half year financial statements.



**1. Basis of preparation**

Nova Minerals Limited (the 'consolidated entity') is a group domiciled in Australia. These interim financial statements were approved by the Directors on the date of this financial report.

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards (AASBs) including AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

Except as described below, these interim financial statements have been prepared by a for profit entity on the basis of accounting policies and methods of computation consistent with those applied in the 30 June 2017 annual financial statements contained within the Annual Report of the Company.

The half year financial report does not include notes of the type normally included in the annual financial report and shall be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

***Historical cost convention***

The financial statements have been prepared under the historical cost convention.

**Going concern**

The Consolidated Entity incurred a loss after tax for the half year ended 31 December 2017 of \$531,775 and had net cash outflows from operating activities of \$471,569. The ability of the consolidated entity to continue as a going concern is dependent upon the company achieving its working capital forecasts. The financial statements have been prepared on the basis that the Consolidated Entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- As at 31 December 2017 the Consolidated Entity had cash and cash equivalents of \$3,367,380 and net assets \$6,658,716.
- Subsequent to the December quarter, on 19 January 2019 total of 10,000,000 unlisted options were exercised at 3.25 cents per option raising a further \$325,000.
- The Board is confident of raising further capital through equity if necessary.
- The Directors have prepared budgets which demonstrate that, based on the above factors the Consolidated Entity has sufficient funds available to meet its commitments for at least twelve months from the date of signing this report.

***New, revised or amending Accounting Standards and Interpretations adopted***

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

**2. Contractors and Consultants**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Corporate overheads	163,381	147,759
	<b>163,381</b>	<b>147,759</b>

**3. Exploration and evaluation expenditure**

	<b>31 December 2017</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of period	2,805,835	-
Acquisition of Manitoba Minerals Pty Ltd	-	2,391,289
Expenditure incurred during the period	357,176	413,257
Amount written off during the period	-	(14,926)
<b>Carrying amount at end of period</b>	<b>3,163,011</b>	<b>2,804,546</b>

The ultimate recovery is dependent upon various factors including the discovery and/or acquisition of economically recoverable reserves, access to adequate capital for project development and maintaining rights to the interest. For further information on the asset acquisition please refer to note 8.

**4. Receivables & Other Asset**

	<b>31 December 2017</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
Receivables	53,683	25,598
Prepayment (a)	-	20,000
Placement Funds (b)	224,414	-
Loans (C)	43,650	-
<b>Total</b>	<b>321,747</b>	<b>45,598</b>

(a) The balance relates to a \$20,000 prepayment made which forms part of the cost of acquiring shares in Halycon Resources Pty Ltd which will be completed subsequent to year end;

(b) The \$224,414 relates to funds not yet received for the December Placement

(c) The balance relates to \$43,650 loaned to MG Gold Pty Ltd.

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**5 Issued Capital**

	<b>31 December 2017</b>		<b>30 June 2017</b>	
	<b>\$</b>		<b>\$</b>	
	67,139,271		63,854,127	
	<b>67,139,271</b>		<b>63,854,127</b>	

<b>Ordinary share capital</b>	<b>31 December 2017</b>		<b>30 June 2017</b>	
	<b>\$</b>		<b>\$</b>	
	No.	\$	No.	\$
At the beginning of the period	510,934,644	63,854,127	189,139,826	59,014,227
Shares issued during the period				
- Shares issued for cash	190,957,144	3,479,871	184,187,885	2,322,879
- Shares issued for services (note 8)	-	-	15,106,933	197,711
Shares issued to advisors	-	-	2,500,000	60,000
- Shares issued for conversion of convertible notes	-	-	20,000,000	400,000
- Shares issued for acquisition (note 9)	-	-	100,000,000	2,000,000
Share issue costs	-	(194,727)	-	(140,690)
<b>At the end of the period</b>	<b>701,891,788</b>	<b>67,139,271</b>	<b>510,934,644</b>	<b>63,854,127</b>

Holders of ordinary shares are entitled to one vote per share at shareholder meetings. In the event of winding up of the Company, ordinary shareholders are fully entitled to any proceeds of liquidation subject to prior entitlement.

## **6 Equity Reserves**

The reserves are used to record the value of equity instruments issued to advisors and key management personnel as part of compensation for their services. Details of the share based payments are in Note 8.

	<b>31 Dec 2017 \$</b>	<b>30 June 2017 \$</b>
Share Based Payment (1)	240,000	300,000
Transfer to issued shares (2)	-	(60,000)
Available for sale Reserve (Note 9)	5,263	-
Option Reserve (3) / (note 7)	559,185	559,185
	<b>804,448</b>	<b>799,185</b>

- (1) The reserve is used to record the value of 2.5 million NVA shares per year for 5 years issued to Bull Run Capital Inc. upon, or before, the annual anniversary of the execution of the Option (i.e. a total of up to 12.5 million NVA shares) under the terms of its arrangement with Bull Run Capital. If Nova Minerals withdraws from the project and elects not to pursue its earn-in rights its obligation to issue any unissued tranches of shares to Bull Run shall terminate.

The shares to be issued to Bull Run Capital have been valued in accordance with the requirements of AASB2 Share Based Payments. The shares have been valued using the spot rate of \$0.024 per share being the fair value of the shares at the date of settlement and completion of the service.

- (2) The Transfer to issue shares is used to record the reclassification of 2.5 Million NVA shares, \$60,000 from Share Based Payment to issued shares as per agreement with Bull Run.
- (3) The value of options issued to directors and advisors as part of compensation for their services. Details of the share based payments are in Note 7.



**7 Share Based Payments**

	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
Issued Shares (1)	-	20,000
Issued Shares (2)	-	50,000
Issued Shares (3)	-	30,000
Issued Shares (4)	-	39,000
Options Granted (see below)	-	459,185
	<b>-</b>	<b>598,185</b>

**Issued Shares**

- (1) On the 23 December 2016 1,250,000 NVA shares were issued to advisers in lieu of fees. The issue price was \$0.016 per share giving rise to a transactional value of \$20,000.
- (2) On the 2 March 2017 5,000,000 NVA Shares and 2,500,000 free attaching options were issued to advisors in lieu of fees of \$55,000. The issue price was \$0.011 per share giving rise to a transactional value of services a value of \$55,000 including GST.
- (3) On the 24 April 2017 3,000,000 NVA Shares were issued to advisors in lieu of fees. The last trading market price for the day was \$0.013 per share giving rise to a transactional value of services a value of \$39,000
- (4) On the 24 April 2017 2,500,000 NVA Shares were issued to advisors in lieu of fees. The issue price was \$0.012 per share giving rise to a transactional value of services a value of \$30,000.

**8 Asset Acquisition**

**Summary of acquisition**

On 6th of October 2016, Nova Minerals Limited (formerly Quantum Resources Limited) acquired 100% of the issued shares of Manitoba Mining Pty Ltd through the issue of 100,000,000 shares at \$0.02. Manitoba Mining Pty Ltd is an unlisted private company that was incorporated in Australia. Manitoba Mining Pty Ltd holds the rights to earn up to a 95% interest in the Thompson Brothers Lithium Project through its agreement with Ashburton Ventures Inc a company incorporated in Canada.

As the transaction was not deemed a business acquisition, the transaction must be accounted for as an asset acquisition.

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

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The fair value of the assets acquired at the date of acquisition and share based payments are outlined as follows:

	<b>6 October 2016 \$AUD</b>
Purchase consideration	
Shares in lieu of cash	2,000,000
Total purchase consideration	<u><b>2,000,000</b></u>
	<b>Fair Value</b>
Cash at Bank	1,000
Deferred exploration expenditure	2,001,289
Trade creditors	(2,289)
Net Identifiable assets acquired	<u><b>2,000,000</b></u>
Net assets acquired	<u><b>2,000,000</b></u>

The excess allocated to exploration and evaluation expenditure is attributable to the value of the interest in the project held by Strider Resources Limited. It will not be deductible for tax purposes.

**9 Other financial assets**

	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
Available for sale investments	30,523	25,260
Investment in Halycon	52,570	-
<b>Total</b>	<u><b>83,094</b></u>	<u><b>25,260</b></u>

**Reconciliation**

Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:

	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
Opening balance	\$	\$
Additions	25,260	-
Movement in fair value	-	127,681
	5,263	(102,421)
<b>Closing fair value</b>	<u><b>30,523</b></u>	<u><b>25,260</b></u>

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As part of the agreement with Manitoba Minerals Pty Ltd, Nova acquired 2,500,000 shares in Ashburton Ventures Inc. These shares were Consolidated effective January 26, 2017, on a 1 to 10 basis the number of shares currently held are 250,000. These shares have been classified as available for sale as they will be transferred to Strider Resources Limited under the terms of the agreement between Manitoba Minerals Pty Ltd and Ashburton Ventures Inc. Nova are only obligated to transfer the shares to Strider should they continue to take up the option in respect of the agreement with Manitoba Minerals Pty Ltd. The 250,000 shares are due to be transferred within 12 months

**10 Fair value measurement***Fair value hierarchy*

The following tables detail the Consolidated Entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Available for sale investments	30,523	-	-	30,523
Total assets	30,523	-	-	30,523

Assets and liabilities held for sale are measured at fair value on a non-recurring basis. There were no transfers between levels during the financial half-year.

**11 Controlled entities**

<b>Subsidiary Entities Consolidated</b>	<b>Country of Incorporation</b>	<b>Class of Shares</b>	<b>Percentage Owned 2016</b>	<b>Percentage Owned 2015</b>
Manitoba Mining Pty Ltd	Australia	Ordinary	100%	-

**12 Segment reporting**

Operating segment information is disclosed on the same basis as information used for internal reporting purposes by the board of Directors. At regular intervals, the board is provided with management information for the Consolidated Entity's cash position, the carrying values of exploration permits and a cash forecast for the next twelve months of operation. On this basis, no segment information is included in these financial statements.

**13 Contingent liabilities**

There are no contingent liabilities at 31 December 2017.

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**Notes to the Consolidated Interim Financial Statements****14 Commitments**

Under the terms of the agreement with Manitoba Mining Pty Ltd and Ashburton Ventures Inc, Nova Minerals has the following commitments at 31 December 2017

	<b>31 December 2017</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
No later than 12 Months	93,991	48,114
Between 12 months and 5 years	305,470	408,968
Later than 5 years	-	-
	<b>399,461</b>	<b>457,082</b>

The above amounts are denoted in AUD translated from Canadian dollars at the closing rate at 31 December 2017.

Nova has a working capital commitment of \$1,465,130 (\$1.5 Million Canadian Dollars) over a 60 month period. There is no set schedule in relation to the spend.

Nova under the terms of the agreement with AK Minerals Pty Ltd, Nova Minerals has a working capital commitment in the Joint Venture Vehicle AKCM (Aust) Pty Ltd, of \$3,300,000 to earn up to 70%. There is no set schedule in relation to the spend

**15 Subsequent events**

Subsequent to the December quarter, on 19 January 2018 total of 10,000,000 unlisted options were exercised at 3.25 cents per option raising a further \$325,000.

A Notice of General Meeting was held on 28 February 2018 as announced on 30 January 2018.

Other than the matters listed above, no other matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Consolidated Entity, the result of those operations or the state of affairs of the Consolidated Entity in subsequent financial periods.



**Nova Minerals Limited**  
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**Directors' Declaration**

In the opinion of the Directors of Nova Minerals Limited (the 'Company'):

1. the financial statements and notes, set out on pages 33 to 44, are in accordance with the Corporations Act 2001, including:
  - (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and of its performance, for the half year ended on that date; and
  - (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Avrohom Kimelman

Non-Executive Chairman

Dated at Melbourne this 16<sup>th</sup> March 2018.

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nova Minerals Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Nova Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### **BDO East Coast Partnership**

A handwritten signature in black ink, appearing to read 'James Mooney', is written over a faint, stylized 'BDO' logo.

**James Mooney**  
**Partner**

Melbourne, 16 March 2018