

## Appendix 5B

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

Name of entity:

**Nova Minerals Limited (ASX: NVA)**

ABN 84 006 690 348

Quarter ended ("Current quarter")

**30 June 2020**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(352)	(1,533)
(f) Legal, Audit, ASX, ASX, Share Registry Fees	(91)	(483)
1.3 Dividends received (see note 3)		
1.4 Interest received	23	23
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other		
(a) GST & Payroll Tax	19	29
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(402)</b>	<b>(1,966)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) Entities		
(b) tenements	-	(249)
(c) property, plant and equipment	(116)	(816)
(d) exploration & evaluation (if capitalised)	(2,554)	(4,069)
(e) investments		

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities	80	-
2.4	Dividends received (see note 3)		
2.5	Convertible Note - Torian Resources (ASX: TNR)**	(413)	(413)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3,003)</b>	<b>(5,547)</b>

\*\* On 2 July 2020, Nova announced that it has elected to convert the secured convertible notes (Notes) it holds in Torian Resources Limited [ASX:TNR] (Torian) (which was the subject of its ASX release dated 26 March 2020).

Nova has agreed to convert all of the Notes, which have a face value of \$413,325, into 91,850,000 fully paid ordinary shares in Torian at the conversion price of \$0.0045 per share. The conversion includes various conditions detailed in the ASX release dated 2 July 2020.

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	90	7,220
3.2	Proceeds from prepayment facility	2,000	2,000
3.3	Proceeds from exercise of options	1,620	1,830
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other		
	(a) Capital raising costs	-	(313)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,710</b>	<b>10,737</b>

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,909	1,031
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(402)	(1,966)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,003)	(5,547)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,710	10,737
4.5	Effect of movement in exchange rates on cash held	(17)	(58)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,197</b>	<b>4,197</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	4,197	3,909
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,197</b>	<b>3,909</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

122

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

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

7. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Prepayment Facility*	2,000	2,000
7.4 <b>Total financing facilities</b>	<b>2,000</b>	<b>2,000</b>

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

*\* On the 28/5/2020 Nova Minerals Limited executed an agreement with Collins St Asset Management Pty Ltd ('CSVF' or 'Investor'), for an investment of A\$2 million (with an additional loan of up to A\$4 million subject to terms agreed upon by the parties) ('Funding Agreement'). The initial funding commitment will be CSVF's A\$2 million investment is provided by way of a prepayment which is repayable by the Company within 120 days, or otherwise is convertible to shares or repayable in accordance with the terms set out below in Appendix 1 on page 6.*

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(402)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,554)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(2,956)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	4,197
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	4,197
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>1.3</b>

*Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.*

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

8.8.2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Yes. The Company has 436m Listed Options (ASX: NVAO) exercisable at 3.25c and expiring 31 August 2020. (Outstanding - \$14.1m). Multiple parties have expressed an interest to underwrite all or part of the Options that are not exercised by 31 August 2020. The Company has also been approached by various investor groups and brokerage houses who have an interest in supporting the Company. The Company will review these options.

The Company believes that with the current cash on hand and funds received from the exercise of the Listed Options (ASX: NVAO), the Company will have sufficient funds to meet its on-going exploration and working capital commitments.

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

Answer: Yes, on the basis that further Listed Options are exercised before their expiry date, the Company will have access to further funds, which will be more than sufficient to continue to meet the business objectives.

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

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....16 July 2020.....

Authorised by: ....**By the CFO and the Board**.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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## APPENDIX 1

Key Terms of Funding Facility between Nova Minerals Limited (ASX:NVA) and Collins St Asset Management Pty Ltd ATF Collins St Value Fund (CSVF):

- A\$2,000,000 to be made available immediately, which will be deemed to constitute a prepayment facility with a face value of \$2,200,000 repayable or convertible to shares in accordance with the terms below. Funds to be applied to advance the Company's current drilling programs.
- An additional prepayment facility of up to A\$4,000,000 may be made available subject to terms agreed upon by the parties.
- Nova Minerals has the right to repay the face value of the loan at any time within 120 days, provided that the minimum repayment amount is not less than \$550,000 on each occasion ("Repayment Period").
- If Nova Minerals has not repaid the loan within the Repayment Period:
  - The Investor will have the right to convert all or some of the outstanding face value of the loan to Nova Minerals' shares at an issue price per share of \$0.07 (subject to shareholder approval if required).
  - If the Investor does not exercise the right above, the parties have agreed to seek to negotiate an alternative repayment option. However, in the absence of an agreement, any amount of the outstanding face value not converted will be increased by 5% and will be repaid by the Company in equal monthly instalments over a period of 6 months through the issue of Nova Minerals' shares at an issue price which is the lower of: (a) \$0.07; or (b) a 20% discount to the lowest 5 day VWAP (for any period of 5 consecutive days, but excluding days where there are no trades of the ordinary shares of the Company) during the immediately preceding month (in each case subject to shareholder approval, if required).
  - In consideration of CSVF's entry into the arrangement, the Company will issue CSVF 4,300,000 shares and 18,000,000 options with an expiry date of two years and an exercise price of \$0.07. These shares and options will be issued without shareholder approval under ASX Listing Rule 7.1.
  - The prepayment facility otherwise contains terms which are typical to similar financing arrangements including: anti-dilution provisions in the event of bonus issues; rights of first refusal to participate in future financing up to 25%; warranties and undertakings by the Company which limit further financing and other significant or material corporate action subject to exceptions; typical events of default (including liquidity events) which may accelerate repayment or conversion rights if triggered and result in default interest; and provisions which require cash payments in the event that issues on conversion would result in a breach of takeovers laws.