

NOVA MINERALS LTD

Equity Research

15th June 2020

SPECULATIVE BUY

Price Target >\$0.200
Share Price \$0.053

52-Week Range	\$0.018 - \$0.071
NVA Shares Outstanding	1,074m
NVAO Listed Options (3.25¢, 31 Aug 20)	445m
Unquoted Options (7¢, 2 Jun 2022)	18m
Unquoted Options (4¢, 19 Sep 2022)	61m
Unquoted Options (5.6¢, 28 Nov 2022)	1.5m
Class A Performance Rights	12m
Class B Performance Rights	24m
Market Capitalisation	\$56.9m
Cash (31 Mar 2020)	\$3.9m
Enterprise Value	\$53.0m

Assuming all NVAO options converting by August:

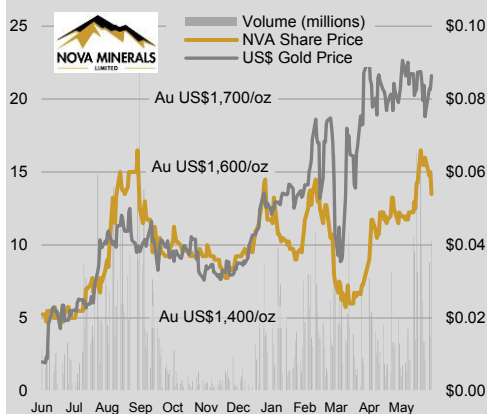
Market Capitalisation	\$80.5m
Additional Cash	\$14.5m

Investments:

1. NVA invested A\$413,325 as a convertible note in Torian Resources (ASX:TNR). On conversion, NVA would have a 19.9% interest in TNR.
2. NVA owns 73.8% of Snow Lake Resources Ltd

Major Shareholders:

JP Morgan Nominees	5.2%
Louie Simens	3.6%
Avi Kimelman	3.5%
Top 5 shareholders	17.7%



Nova Minerals Limited (NVA.ASX | NVA.AF.OTC | QM3.FSE) is a mineral resource company based in Australia with a current focus on exploration and development in the Tintina Gold Province in Alaska. The Estelle Gold Project (85% NVA) shows strong similarities with adjacent high margin gold mines such as Eagle (Victoria Gold Corporation VGCX.TSX) and Fort Knox (Kinross Gold Corporation K.TSX).

Initiation of Coverage: Don't Mind the Grade

When it can be that Big and Highly Profitable

Tintina Gold Belt: The Estelle Gold project is located in a world-class district within the premier Tintina Gold Belt (Alaska) that hosts >220 Moz in mostly bulk tonnage, low grade but high margin deposits.

Geological Model: Estelle is a near-surface Intrusion Related Gold System (IRGS) deposit. The Tintina Gold Belt contains a number of IRGS deposits with low grade multi-million ounces gold mineral resources:

- Fort Knox (5.6 Moz @ 0.3 g/t Au resource) operated by Kinross (K.TSX, market capitalisation \$11bn) 8.0 Moz produced 1997-2019
- Golden Summit (2.9 Moz @ 0.7 g/t Au) explored and developed by Freegold Ventures (FVL.TSX, \$140m)
- Eagle (5.3 Moz @ 0.6 g/t Au) operated by Victoria Gold Corporation (VGCX.TSX, \$820m)

Other types of deposits include very large porphyry copper – gold – silver deposits such as Casino (17.8 Moz @ 0.2 g/t Au, Pebble (106 Moz @ 0.3 g/t Au) and Whistler (6.4 Moz @ 0.5 g/t Au).

Mineral Resource Growth: The maiden mineral resource at Korbel is only a start. At 0.18 g/t Au cut-off, it amounts to 181 Mt at 0.43 g/t Au for 2.5 million ounces. The Korbel mineral resource can easily double by drilling adjacent blocks with identical geophysical signature, likely offset by faulting. The growth of the mineral resource at Korbel is seen as a function of drilling metres. Then Korbel is only one of 15 identified prospects in the Estelle property.

Mining Scenario: With a current average drilling depth of less than 100m, the deposit is shallow and amenable to open pit with a low strip ratio. Preliminary leach recoveries averaging 76% are in line with peer heap leach projects.

Potential Economics: In December 2019, VGCX.TSX released the results of its feasibility study for the Eagle deposit: 2P reserves 3.15 Moz @ 0.66 g/t Au, strip ratio 0.9:1, recovery 76.9%, production 210,000oz p.a. at AISC US\$774/oz, capex US\$365m, NPV_{5%} US\$756m using US\$1,300/oz gold price. Eagle started production in Sep 2019 (first gold pour). In time, NVA could produce similar results for Korbel or some other newly discovered deposits on the Estelle property.

Funding: Beyond the exiting cash, the NVAO listed options with an exercise price of 3.25 cents, expiring 31st August 2020 are well in-the-money and should bring close to \$14 million additional cash to NVA.

Exploration Momentum: With about \$3m cash and \$14m expected from the options conversion, NVA has the opportunity to build momentum in its exploration programs. In addition, NVA aims to setup an all-year round camp removing any seasonality in its exploration efforts and news flow.

News flow: We anticipate several share price catalysts including results from drilling programs at Korbel and two other prospects, geophysical and geochemical surveys, mineral resource estimates and an overall acceleration of exploration results with the potential for new discoveries, some of which could be at a much higher gold grade.

Valuation: While it is still early days for NVA, we can see a relatively low risk high growth potential for the value of the company. Subject to further likely exploration success, our price target is supported by the current market value of peers.

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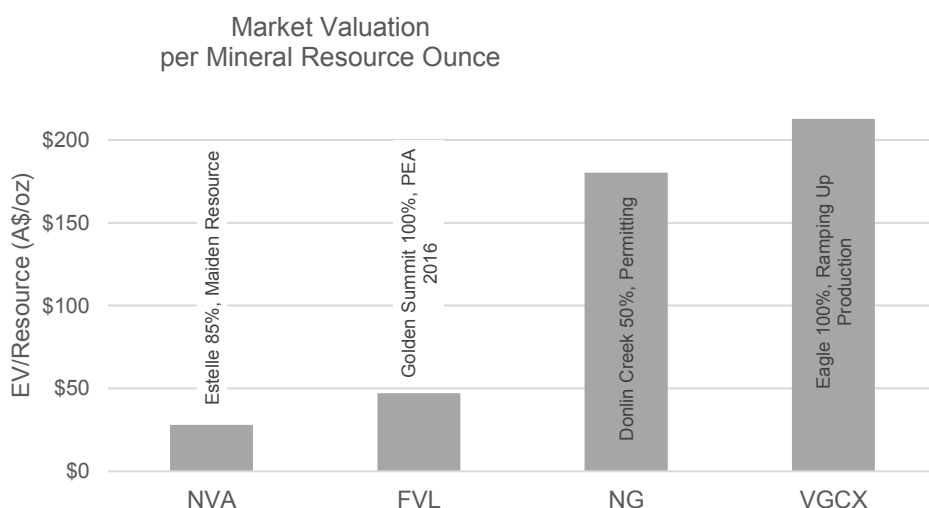
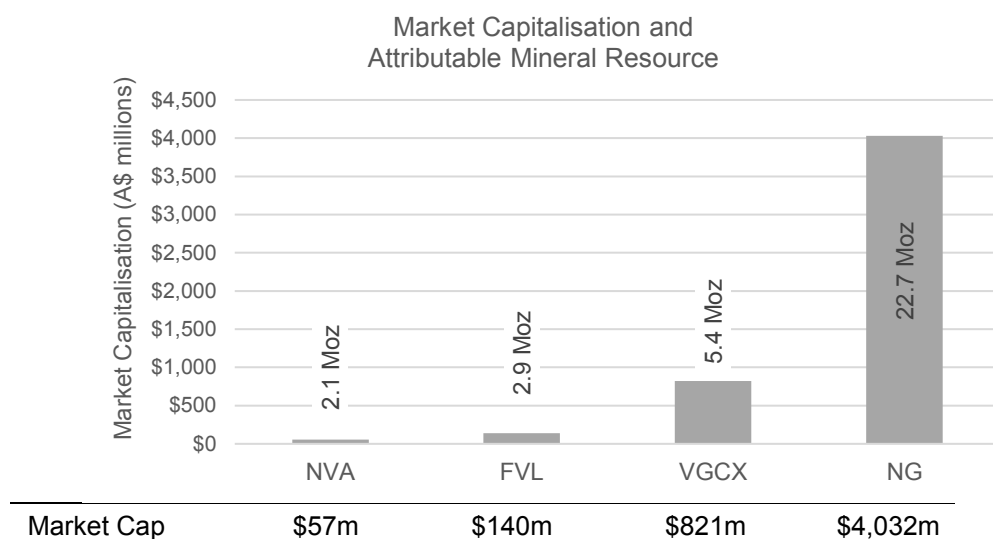
1. NVA Valuation

We see Nova Minerals valuation closely linked to mineral resource growth and progress of development studies.

The following charts focus on closely comparable companies:

- One flagship asset (except Nova Gold)
- Same jurisdiction
- Same belt
- Similar geology
- Similar mineralisation
- Expected similar project economics

Figure 1.1 – NVA Comparative Analysis



Source: Evolution Capital Advisors. Notes: NVA = Nova Resources, VGCX = Victoria Gold Corp, FVL = Freegold Ventures, NG = Nova Gold Resources, EV = Enterprise Value

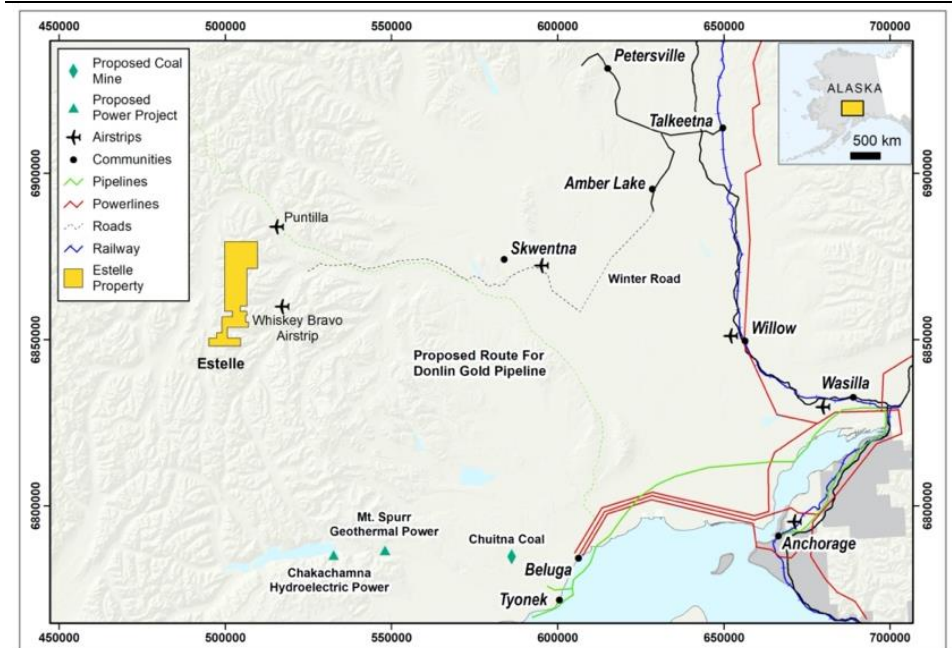
NVA market valuation should increase substantially with the delineation of additional resources and the progress of development studies. Over the next 12 months, NVA has the opportunity to at least double the mineral resource at Korbel (and increase its confidence level), delineate additional resources at RPM, and discover some new deposits while confirming the project economics.

2. Estelle Project

Location and Infrastructure

The Estelle Gold project is located approximately 110 miles (177km) northwest of Anchorage, Alaska's biggest city, which is prosperous and provides all the essential services and a large labour force. Access is via snow road or by air. The Whiskey Bravo airstrip is compliant with DC3 aircraft. To further note Nova Minerals and the Alaska Industrial Development Export Authority (AIDEA) have approved a resolution authorizing an agreement to advance studies of the West Susitna Access Road, which would provide surface access to the resource-rich area of Alaska where Nova's Estelle gold project is located.

Figure 2.1 - Estelle Project Location



Source: NVA

Water is available throughout the property and permits are in place for five years. Those permits are easily renewable and expandable.

There are multiple options to access power:

- Chakachamna hydro power plant
- Mt. Spurr geothermal project
- Beluga power plant
- Possibly a proposed geothermal power plant 20km from Korbel
- Possibly the LNG Donlin Gold pipeline

The mining property is made of 346 State Mining claims covering 220 km². There are no native titles over the project area.

Jurisdiction

Mineral resource projects are integral to the State economy, with a strong and time-tested community support and a government encouraging foreign investment in the mineral sector. The permitting process is well-defined. Alaska is ranked fourth on the Investment Attractiveness Index published by the Fraser Institute (1st Western Australia, 2nd Finland, 3rd Nevada).

Easy access to critical infrastructure

Tier-1 pro-mining jurisdiction

No native titles over the project area

Alaska ranked 4th on the Investment Attractiveness Index

The taxation regime includes 1 3% State royalty based on net income from production as well as a mine license tax after 3-year grace period after production starts: US\$4,000 + 7% of taxable income over US\$100,000.

Gold in Alaska

Gold was first found in the Kenai River back in 1848 by Russian explorers. Mining never took off until around 1870 when gold was found around the area of Juneau. Soon after that discovery gold was found in both the Fairbanks area and there was the world famous Nome gold rush. Today Alaska has the second most amount of active mines in the USA, second only to Nevada. It is estimated that there is close to 200 active mining operations in the state. Most of these operations are smaller placer operations along with other hard rock shows. There are however some very large mines run by major mining companies. Some of these mines are the largest deposits globally.

Ownership

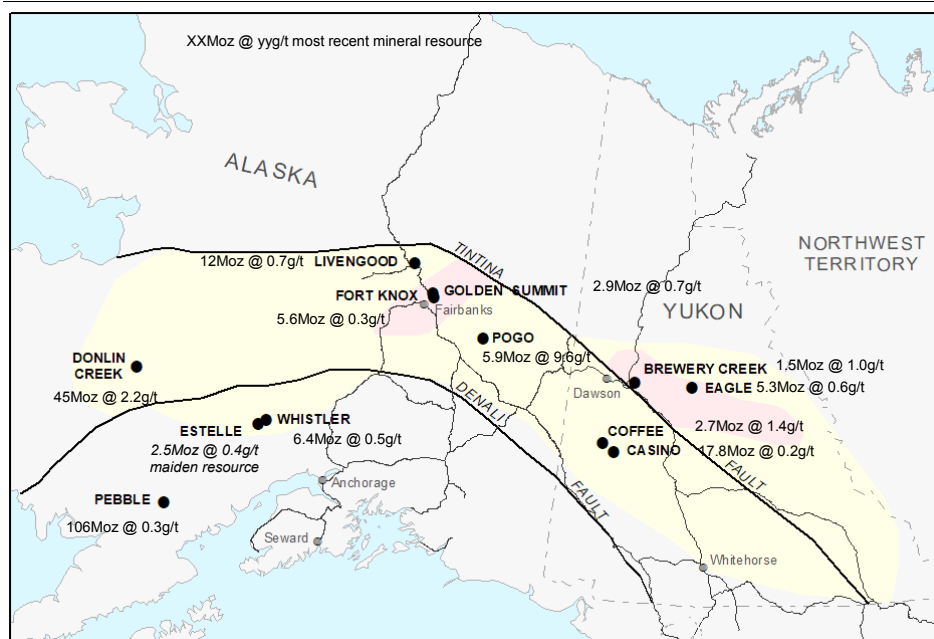
Nova Minerals Ltd (formerly Quantum Resources Limited) entered into a farm-in agreement in November 2017 with AK Minerals Pty Ltd (AKM), an Australian proprietary company. AKM owns the Estelle project through its Alaskan subsidiary, AK Custom Mining LLC. After spending \$3.3 million on exploration to earn 70% of the Estelle project, AKM has now diluted its interest to a minimum of 15% and a 2% net smelter royalty.

3. Geological District and Deposits

Geology

The Estelle Gold project is located in a world-class district within the premier Tintina Gold Belt that hosts >220 Moz in mostly bulk tonnage low grade but high margin deposits.

Figure 3.1 - Estelle Project Location



Source: NVA

Tintina Gold Belt hosting 220 Moz gold

Mostly bulk tonnage, low grade, high margin deposits

Multi-million ounces deposits are the norm

Geological Model

Estelle is a near-surface Intrusion Related Gold System (IRGS) deposit. The Tintina Gold Belt contains a number of IRGS deposits with low grade multi-million ounces:

IRGS deposit type

Project located in giant plutonic gold systems

Large mining province attracting majors and large mid-caps looking for long life, low cost mines in a safe and stable jurisdiction

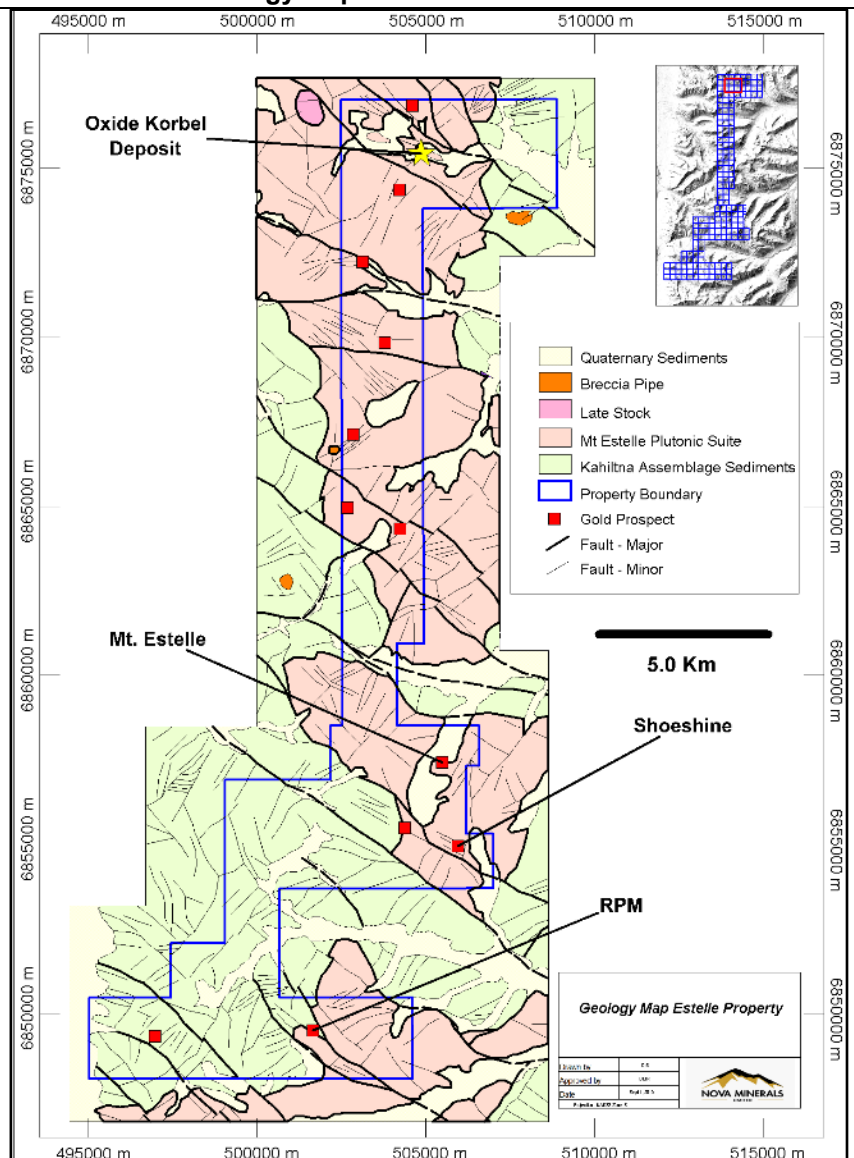
- Fort Knox operated by Kinross (K.TSX, \$11bn) 8 Moz produced 1997-2019
- Golden Summit developed by Freegold Ventures (FVL.TSX, \$140m)
- Donlin Creek developed (permitting stage) 50/50 by Nova Gold (NG.TSX, \$4bn) and Barrick Gold (ABX.TSX, \$62bn)
- Eagle (Dublin Gulch) operated by Victoria Gold Corporation (VGCX.TSX, \$820m), started production in Sep 2019
- Brewery Creek developed by Golden Predator Mining (GPY.TSX, \$44m)

Other types of deposits include very large porphyry copper – gold – silver – (molybdenum) deposits such as Casino, Pebble and Whistler.

Beyond Korbel, 14 targets have been defined at Estelle through geology, mapping, geochemistry, geophysics or historical drilling

At RPM, SE12-008 hole intersected 177m @ 0.79 g/t Au including 120m @ 1.02 g/t Au

Figure 3.2 - Estelle Geology Map



Source: NVA

Mineralisation

The mineralization is characterized by a conjugate sets of sub-centimetre scale, commonly sheeted quartz veins.

The mineralized bodies are similar in grade, style of mineralization, deposit type and tonnage potential to the Fort Knox and Eagle deposits which are also located in the Tintina Gold Belt. A direct correlation between gold grade and vein density at Estelle is similarly reported at the Fort Knox (5.6 Moz) and Eagle (5.3 Moz).

Figure 3.3 – Estelle Mineralisation Veins vs. Peers



Source: NVA

4. Korbé Deposit

Geology

Based on mapping data, the main host rock type for the mineralization at Korbé consists dominantly of granite. Cracking and jointing is filled with quartz and other minerals in stacked veining and stockwork that are generally less than 8cm and mostly less than 15cm thick.

Gold mineralisation occurs as native gold in isolated grains or in association with sulphides: arsenopyrite, pyrite and pyrrhotite.

The main geologic characteristics of the Korbé deposit are remarkably similar to those of the Fort Knox and Dublin Gulch gold deposits which are also located in the Tintina Gold Belt.

Mineral Resource

In September 2019, NVA reported a JORC compliant maiden gold resource of 2.5 million ounces for the Korbé deposit.

Table 4.1 - Inferred Mineral Resource – Korbé Deposit

Cut-off Grade	Tonnes	Grade	Au Ounces
0.10	225 Mt	0.37	2.7 Moz
0.15	205 Mt	0.70	2.6 Moz
0.18	181 Mt	0.43	2.5 Moz
0.20	170 Mt	0.45	2.4 Moz
0.30	97 Mt	0.59	1.8 Moz
0.40	67 Mt	0.70	1.5 Moz
0.50	47 Mt	0.82	1.2 Moz

Source: NVA

The Korbé mineral resource estimate was prepared using cut-off grades ranging from 0.10 to 0.50 g/t Au. Similar deposits types to Korbé include the Fort Knox and Dublin Gulch Eagle deposits which have cut-off grades between 0.10 – 0.15 g/t Au (Table 4.2). It is suggested that 0.10 to 0.20g/t

Au is an appropriate cut-off grade to evaluate the future economics of this project.

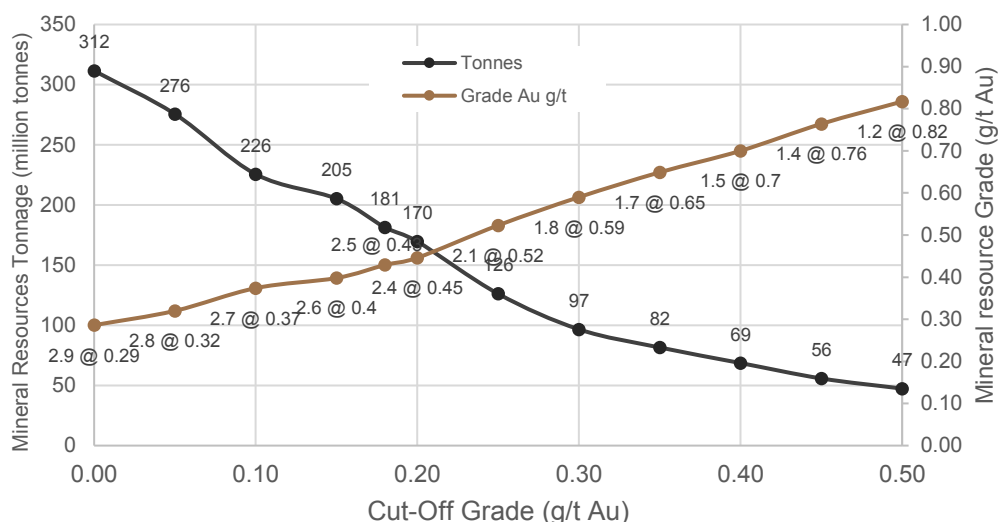
Table 4.2 – Bulk Density and Cut-off Grades of Comparable Deposits

	Fort Knox	Dublin Gulch/ Eagle
Cut-off Grade	0.10	0.15
Density	2.65	2.66

Source: NVA

A rock density of 2.68 was selected for the resource estimate. This estimate for dry bulk density compares favourably for that used in similar deposits types such as Fort Knox and Dublin Gulch.

Figure 4.1 – Estelle Mineral Resource Grade Tonnage Curves



Source: NVA, Evolution Capital Advisors. Read "2.9 @ 0.29" as "2.9 Moz at 0.29 g/t Au"

The mineral resource starts from less than 2m from surface.

Metallurgy

A total of 25 samples were part of a gold cyanidation analysis. The first AuCN analysis was by ALS method AA13, a basic tube leach test utilizing a 30g sample size with a 2 hour leach time, AAS finish. The second AuCN analysis was by ALS method AA14, a more representative bottle roll leach test utilizing a 1kg sample size with a 12 hour leach time, AAS finish. As expected, the 12 hour bottle roll test showed significantly increased recoveries across the board, establishing a clear positive correlation between leach retention time and recovery. Furthermore, the 12 hour bottle roll result provides the most representative data to date reflecting how the Korbel Gold Deposit mineralized material will perform in any future heap leach mining operation scenario.

Summary of initial metallurgical testing

	AuFA Fire Assay	AuCN AA13	AuCN AA14	Au Recovery	Au Recovery
Sample Size		30 g	1 kg		
Leach Time		2 hours	12 hours	2 hours	12 hours
Average of 25 Samples	1.23	0.77	0.91	63.1%	76.8%

Source: NVA

This result is similar to the recoveries reported at Fort Knox (79%), Eagle (76.9%) and Golden Summit (80%).

Mining Scenario

Considering the size and geometry of the deposit, mining development will consist of a bulk open pit, with a low strip ratio, followed by heap leaching.

5. Exploration Targets

Exploration Tools

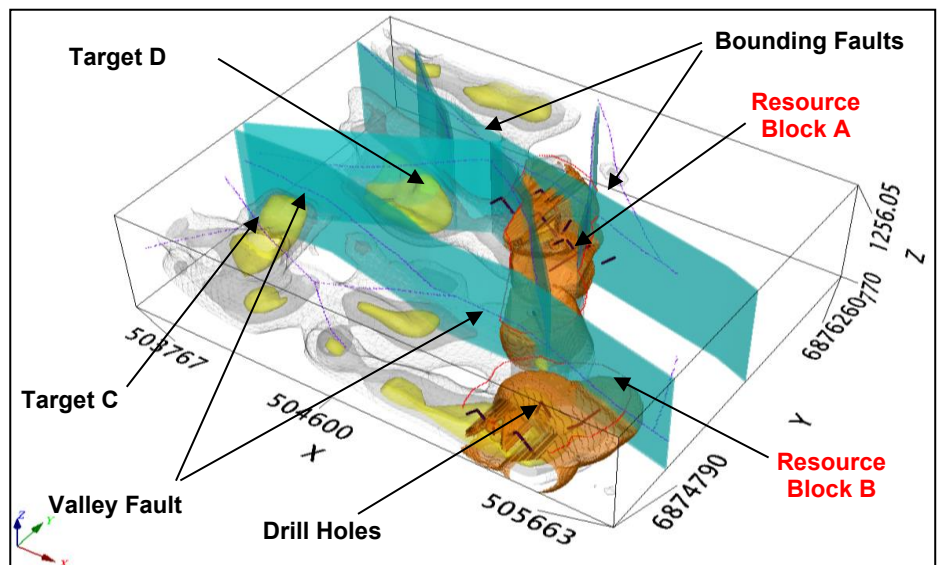
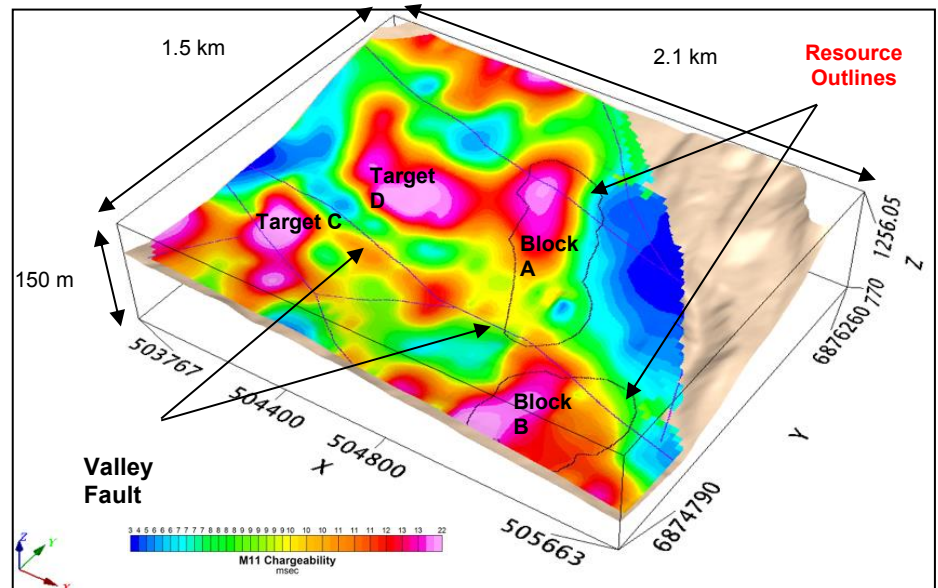
Geophysical surveys such as Induced Polarisation and chargeability are most suited to identify and delineate potential mineralisation.

Targets C & D

Resource Blocks A & B are both enveloped by the chargeability anomalies that defined the drill targets. Targets C & D have both larger and stronger chargeability anomalies that have not been drill tested to date.

Figure 5.1 – Chargeability Model and Mineral Resource

Targets C & D could easily double the maiden mineral resource



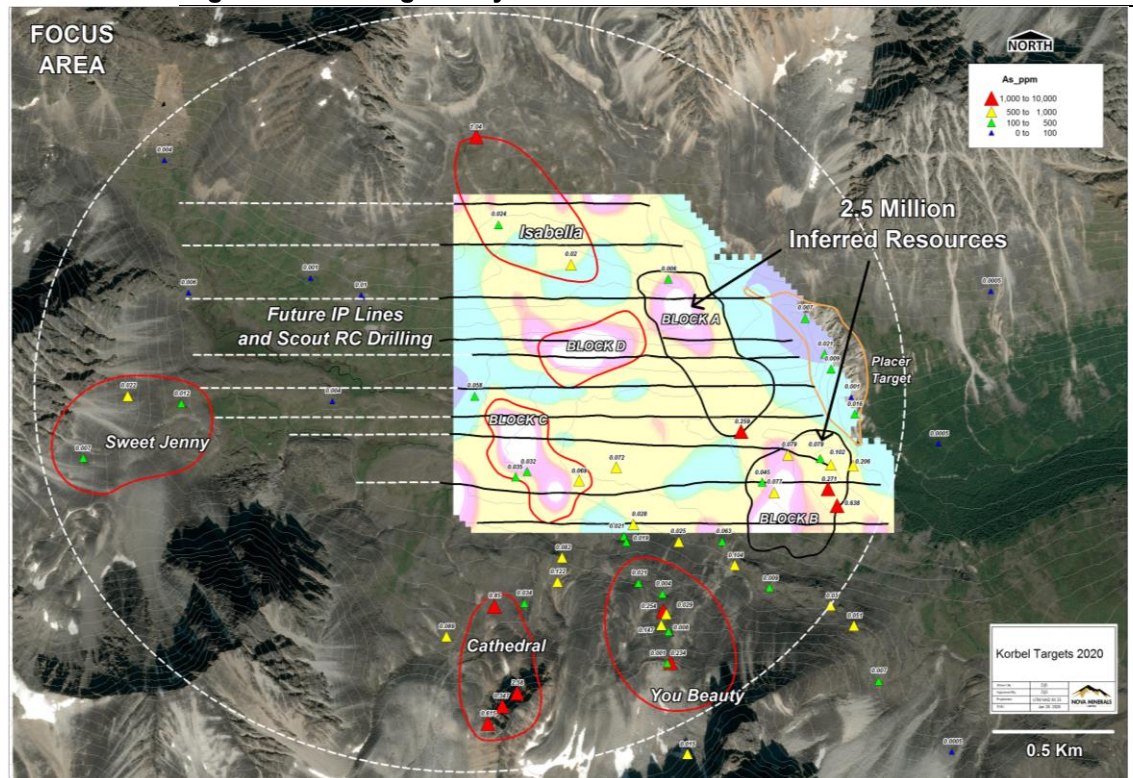
Source: NVA

5,000m of exploration is scheduled for Targets C and D as part of the 2020 exploration program.

Targets in the surroundings of Korbel

Figure 5.2 displays some of the targets in the surroundings of the maiden mineral resource estimated at Korbel.

Figure 5.2 – Chargeability Model and Mineral Resource



Source: NVA

Beyond Block C and Block D identified by geophysics and supported by some geochemical samples, four other targets: Cathedral, Isabella, You Beauty and Sweet Jenny have been identified through geochemical surveys. Those are also part of the 2020 drilling program.

Targets at Depth

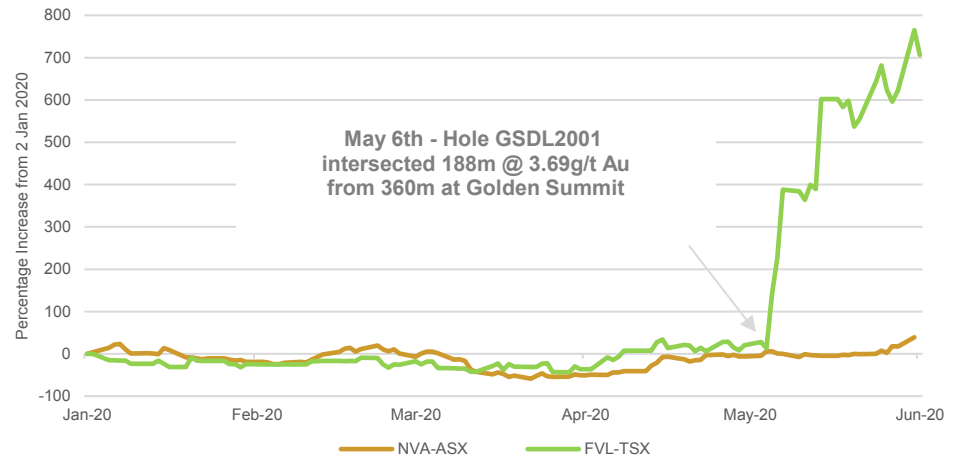
Induced polarisation/chargeability results show that the mineralisation is present to at least 300m below surface and remains open.

Historical deep drilling results confirms continuous mineralisation beyond 400m depth.

The current program will test down to 500m level.

Could NVA potentially replicate the recent drilling success announced by Freegold Ventures (TSX:FVL) at their Golden Summit project: 188m @ 3.69 g/t gold from 360m downhole?

Figure 5.3 – Recent Share Price Performance of FVL and NVA



Source: NVA

RPM

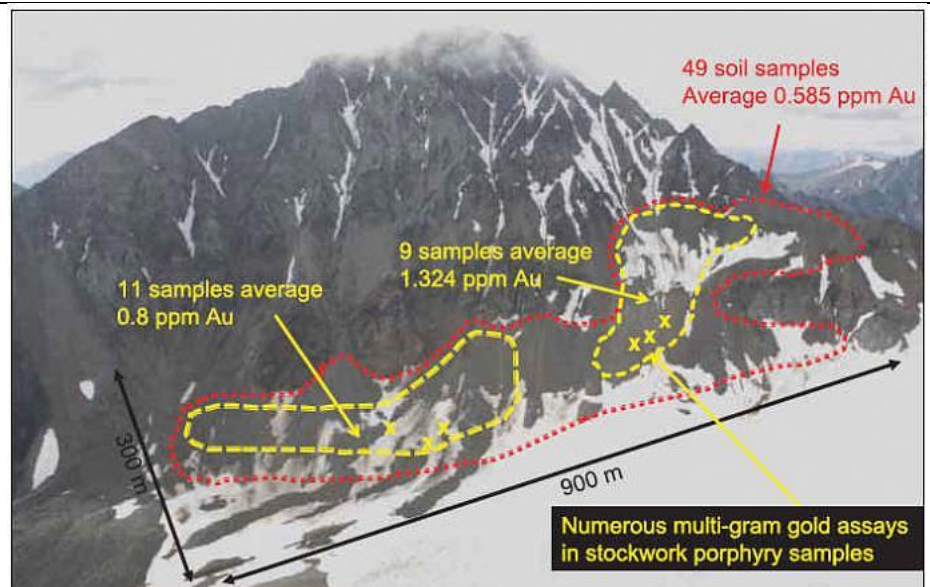
Historical exploration drilling completed by Millrock Resources Inc. in 2012 across the Estelle prospects include diamond drill hole SE12-008 at the RPM prospect. This hole was re-sampled by Nova as part of the 2019 field program. The hole intercepted 177.4m at 0.79 g/t Au from 4.3m, including 120.4m at 1.02 g/t Au from 26m.

The 2020 exploration program includes 5,000m of drilling at RPM.

Shoeshine

At Shoeshine, previous operator Millrock Resources Inc. collected and assayed a number of rock and soil samples with the results summarised in Figure 5.4.

Figure 5.4 – Rock and soil samples collected at Shoeshine prospect



Source: NVA

6. Potential Project Economics

The table below summarises the key metrics expected or recorded at projects and mines developed or operated in the region. Cowal has been added to provide an additional point of comparison in the Australian context.

Key Metrics of Peer Projects and Mines

Operator		VGC TSX	FVL TSX	Kinross TSX	NST ASX	EVN ASX
Project	Unit	Eagle	Golden Summit	Fort Knox + Gilmore	Pogo	Cowal, NSW
Reference		FS	PEA	FS	AR	AR
Date		Dec-19	May-16	Jun-18	Jun-19	Jun-19
Gold Price	US\$/oz	1,300	1,300	1,400	1,262	A\$1,765
Mine Life	Years	13	24	12		12
Reserves	Moz	3.15	2.66	3.37	1.47	3.88
Grade	g/t	0.66	0.44 (ox)	0.37	8.1	0.85
Strip Ratio	w:o	0.9	0.9 (ox)	1.2	UG	n/a
Recovery	%	76.9	80	79	89	80
Production	oz	210,000	96,000	205,000	183,555	251,500
AISC	US\$/oz	774	n/a	1,005	1,108	647
Initial Capex	US\$m	365	88	100	n/a	n/a
NPV 5%	US\$m	756	188	348	n/a	n/a
IRR	%	n/a	20	34	n/a	n/a

Source: Evolution Capital Advisors. VGCX = Victoria Gold Corp, FVL = Freegold Ventures, NST = Northern Star Resources, EVN = Evolution Mining. FS = Feasibility Study, AR = Annual Report, ox = oxide, UG = underground, AISC = All-In Sustaining Cost

Korbel or other deposits at Estelle are likely to display similar project parameters and economics to Eagle

Actually economics returns are significantly higher at current gold prices

It is not so much about the grade, but rather the full set of physical and financial parameters delivering the project economics.

Low grade, bulk mining projects can deliver long life, low cost, low risk mining operations appreciated by majors and mid-caps or can be a company maker.

7. Directors & Management Team

The interest of Directors are closely aligned with those of the company.

Interest of Directors

Director	Holding Entity	Shares	Options	Rights
Louie Simens	SL Investors	35,551,389	18,333,494	
	Danche Simen	3,173,886	1,884,943	
	Kikceto Pty Ltd		20,000,000	15,000,000 ¹
	sub-total	38,725,275	40,218,437	15,000,000
Avi Kimelman	Kushkush Investments	30,700,000	52,391,875	15,000,000 ¹
	Advent Management	6,710,096	913,461	
	sub-total	37,410,096	53,305,336	15,000,000
Chris Gerteisen	Christopher Gerteisen	1,000,000	5,000,000	
	AJ Holdings Intl			6,000,000 ²
Avi Geller	Leonite Capital LLC	9,430,769	14,615,385	
Total		86,566,140	113,139,158	36,000,000

Source: NVA. Performance rights: ¹ 5m Class A + 10m Class B; ² 2m Class A + 4m Class B

Interests of Directors are aligned with those from the company

Class A Performance Rights convert to fully paid ordinary shares upon the delineation of an Inferred Mineral Resources of at least 5 Moz ounces of gold with average grade of not less than 0.4 g/t for not less than 388 Mt.

Class B Performance Rights convert to fully paid ordinary shares upon the delineation of an Inferred Mineral Resources of at least 10 Moz ounces of gold with average grade of not less than 0.4 g/t for not less than 776 Mt.

Avi Kimelman, Executive Chairman

Avi Kimelman is the Managing Director and founder of Carraway Corporate, a corporate advisory business. Avi has been a director of a number of publicly listed and unlisted companies in industries including mining exploration and production, property development and investment, technology and education. Mr Kimelman has directly assisted companies in significant capital raisings, mergers and acquisitions, initial public offerings and reverse takeovers. Mr Kimelman is currently Executive Chairman of Nova Minerals Limited and serves as Non-Executive Chairman of Cohiba Minerals Limited (CHK).

Christopher Gerteisen

Mr. Christopher Gerteisen as General Manager controls all aspects of the Estelle Gold project while implementing efficiencies and savings to keep cost per discovery ounce well below industry average. Mr Gerteisen has over 20 years of experience as a professional geologist with an extensive record of managing and advancing complex and challenging resource projects across North America, Australia, and Asia.

His work experience spans Greenfields from discovery through to production stage and other projects with a focus on commodities including gold and copper. He worked as a geologist on the Carlin Trend in Nevada and on exploration in Alaska with Newmont. He has held senior positions within several projects throughout the goldfields of Western Australia.

As a research geologist with Newmont he worked on the Batu Hijau porphyry Cu-Au deposit in Indonesia. Most recently, through his technical contributions and management skills, Mr. Gerteisen played a significant role in the successful start-up, operations, and exploration which resulted in further mine-life extending discoveries at several prominent projects in the Australasian region, including Oxiana's Sepon and PanAust's Phu Bia in Laos. Mr. Gerteisen holds a BSc. Geology from the University of Idaho and a MSc. Economic Geology from the Western Australia School of Mines. He is a dual USA and Australia Citizen based in Alaska and a member of the Australian Institute of Geoscientists.

Louie Simens, Executive Director

Louie Simens has more than decade of experience in micro-cap equities and startup investing, including experience in corporate restructuring, due diligence, and mergers and acquisitions. Prior to entering the junior resources sector, he has owned and operated a successful civil and building construction business, where he gained extensive knowledge of corporate governance and project management. Mr Simens understands the fundamental parameters, strategic drivers and market requirements for growth within the junior resources sector.

Avi Geller, Non-Executive Director

Avi Geller has extensive investment experience and a deep knowledge of corporate finance, including capital markets, venture capital, hybrid, debt and private equity. He served as Chief Investment Officer of Leonite Capital, a family office he co-founded focusing on real estate and capital markets. Mr. Geller also serves as a director of the real estate company Parkit Enterprise Inc (TSX-V: PKT | OTCQX: PKTEF) and the events and technology company Dealflow Financial Products. He previously served as chairman of Axios Mobile Assets.

Dale Schultz, Technical Lead and Chief Geologist

Dale Schultz has over 30 years of experience in the mining and exploration industry in North and South America. He has a M.Sc. from the University of Saskatchewan and is a registered Professional Geoscientist in the provinces of Manitoba and Saskatchewan. Over the years, Mr. Schultz has been the Qualified Person (QP) for a number of projects including Solex Resources' Pilunani and Macusani projects in Peru, Channel Resources' El Mozo project in Central Ecuador, Aurelians' Bonza-Penus resource campaign on the Condor Project in Central Ecuador, Majescors' Douvray porphyry copper-gold project in Haiti, and spent time at Battle Mountains' Kori Kollo mine in Bolivia. Mr. Schultz has also extensive experience in a number of other gold mining operations in Canada, and brings with him invaluable experience ranging from initial exploration stages through to underground and open pit mine production of large gold systems.

Brian Youngs, Head of Exploration and Logistics

Brian Youngs heads exploration and logistics at Nova. He is a Certified Technician with the Ontario Association of Certified Engineering Technicians and Technologists and a member of the Canadian Institute of Mining, Metallurgy and Petroleum. Mr Youngs completed with Honors a diploma in Mining Engineering Technician and post-diploma in Geographic Information Systems (Applications Specialist Program). He has a robust understanding of geology, mineralogy and mineral processing and was awarded for excellence in the subject of Geology.

Michael Melamed, CFO

Michael is a chartered accountant who has worked in top tier accounting firms and banks, Michael brings to the Company over 20 years of extensive experience in accounting, corporate advisory, M&A, corporate restructuring and acts as a CFO for several listed and unlisted entities. Michael brings to the Company his extensive network and business opportunities.

Since joining Nova, Michael has held several positions within the Finance function. Michael has a strong background in financial reporting, business processes, M&A and investor relations. Michael is a Member of Institute of Chartered Accountants, Australia and has a Bachelor of Business (Accounting & Finance) from the University of Technology, Sydney (UTS).

8. Investment Risks

NVA is exposed to a number of risks including:

- **Geological risk:** the actual characteristics of an ore deposit may differ significantly from initial interpretations.
- **Resource risk:** all resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate.
- **Commodity price risk:** the revenues NVA will derive through the sale of gold doré expose the potential income to metal price risk. The price of gold fluctuate and are affected by many factors beyond the control of NVA. Such factors include supply and

demand fluctuations, technological advancements and macro-economic factors.

- **Exchange Rate risk:** The revenue NVA derives from the sale of metal products exposes the potential income to exchange rate risk. International prices of gold and silver as well most of the costs base are denominated in United States dollars, whereas the financial reporting currency of NVA is the Australian dollar, exposing the company to the fluctuations and volatility of the rate of exchange between the USD and the AUD as determined by international markets.
- **Mining risk:** A reduction in mine production would result in reduced revenue.
- **Processing risks:** A reduction in plant throughput would result in reduced revenue. In all processing plants, some metal is lost rather than reporting to the valuable product. If the recovery of metal is less than forecast, then revenue will be reduced.
- **Operational cost risk:** an increase in operating costs will reduce the profitability and free cash generation of the project.
- **Management and labour risk:** an experienced and skilled management team is essential to the successful development and operation of mining projects.

Evolution Capital Advisors Pty Ltd

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