

October 7, 2024

Nova Minerals Limited - ADS (NVA - \$7.02 - Buy)

Unlocking Value From Alaska's Gold and Critical Minerals | Initiate Buy | ADS PT\$25

Key Points

Strategic Growth in Gold and Critical Minerals From Alaska's Estelle Project. Nova Minerals is an exploration and development company focused on unlocking the potential of the Estelle Project in Alaska. The company is positioned at the nexus of two lucrative markets: gold and critical minerals. With significant progress in resource definition, infrastructure development, and strategic partnerships, Nova offers a compelling investment case, particularly as global demand for both gold and critical minerals intensifies.

Estelle Project Overview: A Strategic Asset in Alaska's Gold Belt. Nova's flagship asset is the Estelle Project, a 514-square-kilometer gold and critical minerals district located in Alaska's Tintina Gold Belt. The region is known for prolific gold production, and Nova's project sits in proximity to major players like Kinross's Fort Knox and Barrick Gold's Donlin Creek. The Estelle Project currently boasts a global gold resource nearing 10 million ounces, with approximately 5 million ounces of S-K 1300 compliant pit-constrained economic resources at a US\$2,000 gold price. The project also features substantial critical mineral deposits, including antimony, silver, and copper, which are increasingly valuable in a world focused on securing supply chains for these materials.

Resource Breakdown: Gold and Critical Minerals Potential. Nova has delineated two primary gold deposits at Estelle: the bulk-tonnage Korbelt deposit in the north and the high-grade RPM deposit in the south. **The RPM deposit**, which Nova views as the jewel of the crown in the Estelle Project, currently has a high-grade core of 330,000 ounces of gold at 2.4 grams per ton, with ongoing drilling aimed at increasing this to ~500,000 ounces. Recent drill results at RPM North, included 132 meters at 10.1 grams per ton, within a wider intercept of 400 meters at 3.5 grams per ton, indicate the potential for world-class gold production. **The Korbelt deposit** is larger in scale, with 2.7 million ounces of in-pit resources. While it is a lower-grade bulk-tonnage system, Nova has identified a higher-grade ~1 million ounce feeder core that could offer direct mill feed to maximize production efficiency. Beyond gold, Nova has made significant discoveries of critical minerals, particularly **antimony**, a key material in defense and energy technologies. The Stibium prospect features massive stibnite veining with antimony concentrations of up to 60% Sb.

Infrastructure and Logistics: Strong Foundations for Growth. One of the key advantages of the Estelle Project is its location on state land, which simplifies the permitting process and minimizes bureaucratic hurdles.

Development Strategy: Phased Approach to Minimize Risk. Nova Minerals has adopted a phased development strategy, starting with the high-grade RPM deposit. This approach is designed to minimize upfront capital expenditures (CapEx) while generating early cash flow that can be reinvested into the larger project. Nova aims to begin production at RPM within the next 24 months, with an estimated CapEx of ~\$75 million. The company expects to produce ~50,000 ounces of gold annually in the initial phase, generating free cash flow of \$200–250 million over the first few years.

Summary

Nova's early focus on RPM provides a low-risk entry point for investors, with the potential for significant upside as Nova transitions to developing the larger Korbelt deposit. Korbelt, with its 2.7 million ounces of resources and additional potential at Cathedral, offers long-term scalability. Nova is also exploring the use of ore sorting technology at Korbelt to maximize the grade of material sent to the mill, potentially upgrading low-grade ore to a more economically viable level.

Rating, Price and Target

Symbol	NVA
Rating	Buy
Price	\$7.02
Price Target	\$25.00

Market Data

Market Cap (M)	\$28.5
Shares Outstanding (M)	4.1
Average Daily Volume (000s)	295.0
Total Debt (M)	\$4.8
Net Cash/Debt (\$M)	\$3.8
Dividend	NM

General: Pro forma as adjusted cash as of December 31, 2023, is USD 8.6 million. Convertible notes as of June 30, 2024 AUD 7.1 million. Ordinary shares outstanding after the offering 271,936,881. ADS-to-ordinary-share ratio of 1 to 60.

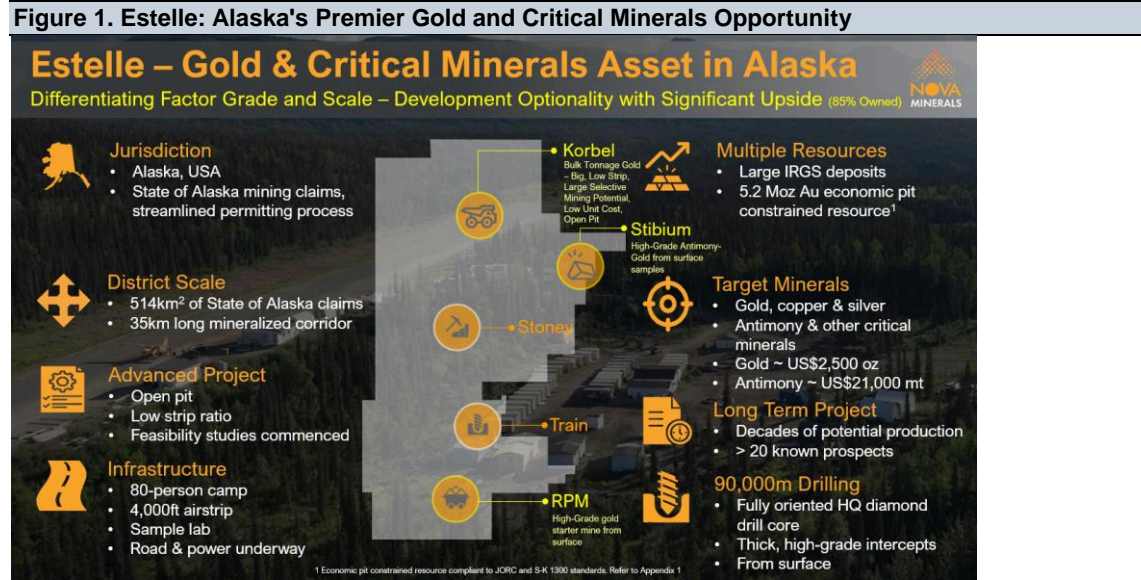
FYE Jun	2025E	2026E	2027E
FCF (M)	(0.20)	6.80	34.50
Revenue (M) (AUD)	0.0	0.0	175.0

Company Description

Nova Minerals Limited is an exploration and development company specializing in gold, antimony, and other critical minerals. The company's primary focus is advancing the Estelle Project, located 150 kilometers northwest of Anchorage, Alaska, within the prolific Tintina Gold Belt. The Estelle Project spans 514 square kilometers of state-owned mining claims and includes a 35-kilometer-long mineralized corridor with over 20 advanced gold and antimony prospects. This project already hosts two multi-million-ounce gold resources and several antimony prospects, featuring massive outcropping stibnite vein systems. Nova Minerals holds an 85% ownership stake in the project, which lies in a region known for its significant gold endowment, exceeding 220 million ounces. The area also hosts major gold mines and discoveries, such as Barrick's Donlin Creek Gold Project and Kinross Gold Corporation's Fort Knox Gold Mine, as well as historic antimony production, underscoring the region's rich mineral potential.

Nova Minerals—Strategic Growth and Exploration Opportunities at the Estelle Project

Nova Minerals continues to make significant progress in advancing the Estelle Gold and Critical Minerals District, positioning itself as a key player in gold, antimony and other critical minerals. Following its recent successful NASDAQ listing (trading under the ticker NVA), Nova has expanded its access to larger capital markets while maintaining a strong connection with its Australian shareholder base, where the company was founded.

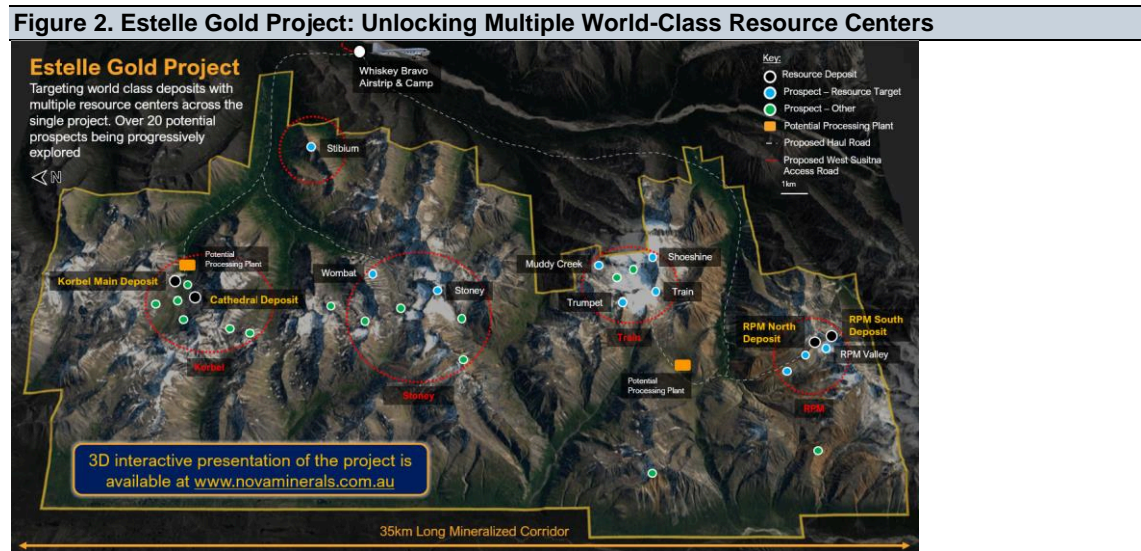


Sources: Company Reports

Estelle Project Overview: A Major Gold and Critical Minerals District

The Estelle Project in Alaska is emerging as one of North America's next major gold and critical mineral districts, covering a vast area of 514 square kilometers. The project has already defined nearly 10 million ounces of gold, of which 5.2 million ounces are pit-constrained, compliant with the U.S. S-K 1300 standards at a US\$2,000 gold price. This vast potential is spread across two primary deposits: the Korbelt bulk-tonnage system in the north and the high-grade RPM deposit in the south. Nova Minerals is laser-focused on developing the RPM deposit to begin production as soon as possible, to generate early cash flow and position the company for further expansion over the 20+ other known prospects at various stages of advancement across the district.

In addition to gold, Nova has made significant discoveries of critical minerals, including antimony, silver, and copper, which have attracted considerable interest from U.S. government agencies such as the Department of Defense (DoD). The Stibium prospect, where Nova uncovered high-grade antimony, has the potential to play a critical role in securing the U.S. supply chain for this essential material.



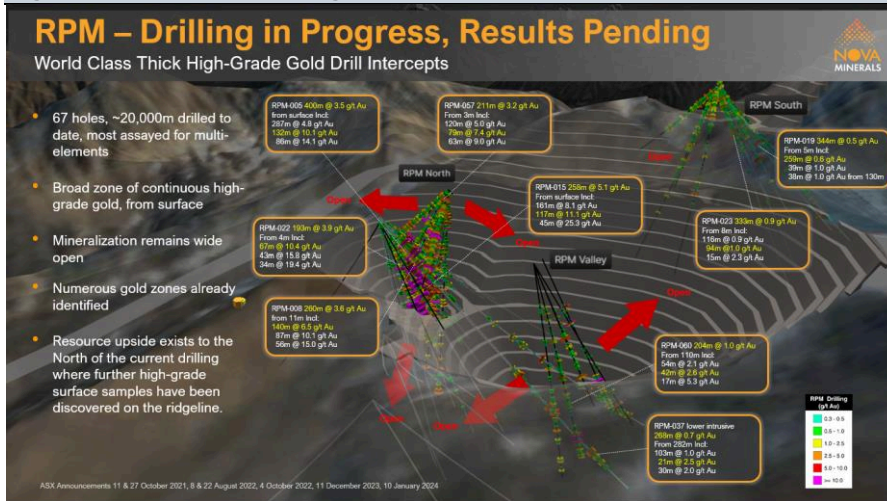
Sources: Company Reports

RPM Deposit: Fast-Track Development for Early Cash Flow

Nova's near-term focus is on the RPM deposit, which has yielded some of the most significant drill intercepts globally over the last decade. The current resource at RPM North stands at 330,000 ounces of gold at 2.4 grams per tonne, and ongoing drilling is expected to increase this to 500,000 ounces at 2 grams per tonne in the next resource update. Within this, a high-grade core of ~150,000 ounces at 5 grams per tonne offers high-margin production potential.

Nova is working toward completing a Feasibility Study (FS) for RPM to kickstart production. By targeting the high-grade core, the company expects to begin generating cash flow in the near term, allowing it to fund further development at RPM and the larger Estelle Project organically. This phased development strategy provides Nova with the flexibility to grow in alignment with market conditions while minimizing upfront capital expenditures (CapEx).

Figure 3. RPM Starter Pit: High-Grade Gold from Surface with Expansion Opportunity



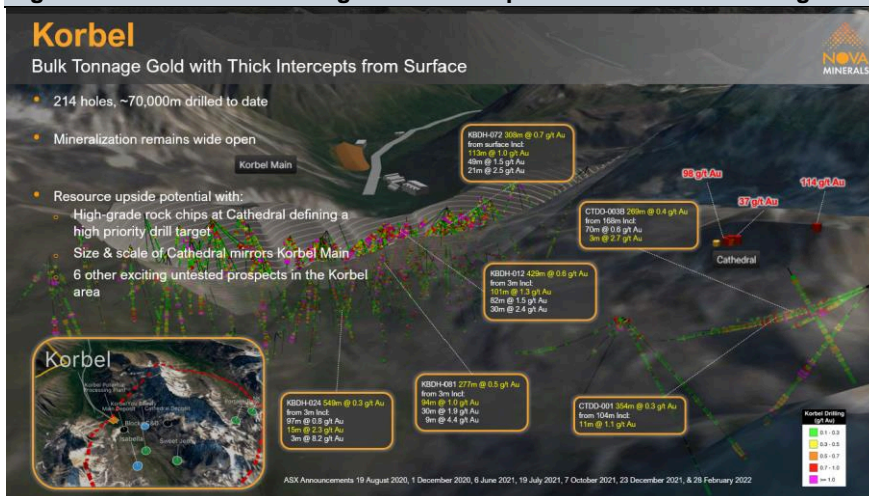
Sources: Company Reports

Korbel Deposit: Long-Term Growth and Exploration Potential

Korbel, located to the north of RPM, is a large-scale bulk-tonnage gold deposit with 2.7 million ounces of in-pit resources. The deposit features a higher-grade feeder core of approximately 1 million ounces that offers direct mill feed, while the lower-grade material will be processed using low-cost heap leaching and ore sorting technologies. Nova's ore sorting test work has shown exceptional results, with the ability to upgrade lower-grade material from 0.4–0.5 grams per tonne to 4–5 grams per tonne, significantly enhancing the project's economics.

The nearby Cathedral discovery adds another 1.3 million ounces to the resource base, further underscoring the potential of the Estelle Project. As Nova advances production at RPM, it will reinvest cash flow into expanding operations at Korbel, establishing the foundation for long-term growth.

Figure 4. Korbel: Bulk Tonnage Gold with Open Mineralization and High-Grade Intercepts

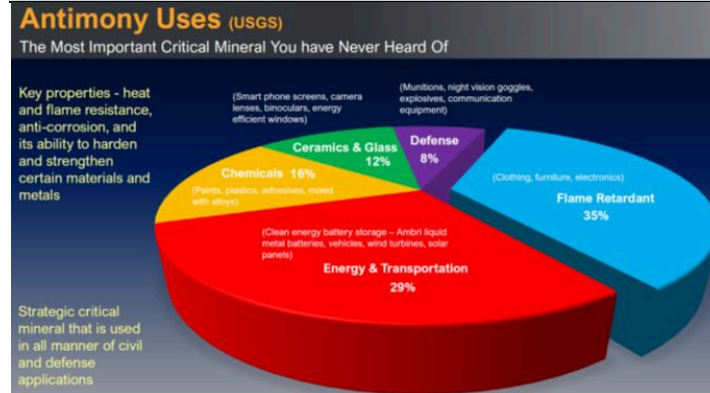


Sources: Company Reports

Antimony: A Critical Mineral with Strategic Importance

In addition to its gold assets, Nova’s significant antimony discoveries at the Stibium prospect offer a unique opportunity to supply a critical mineral that is in high demand. Antimony is essential for defense technologies, green energy applications, and clean tech industries. The U.S. is entirely dependent on imports for antimony, primarily from China and Russia, making Nova's discoveries of national strategic importance.

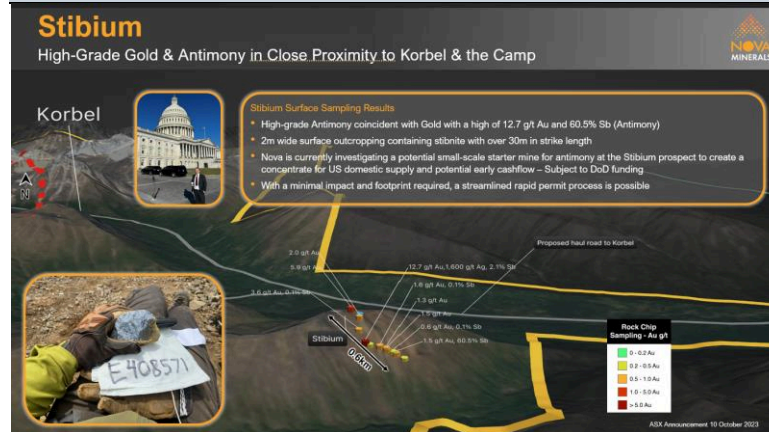
Figure 5. Antimony's Broad Industrial and Defense Applications



Sources: Company Reports

Nova is in advanced discussions and has submitted applications with U.S. agencies to potentially secure grants that would support the development of antimony production. This antimony production could provide a valuable byproduct stream for Nova, further enhancing the overall economics of the Estelle Project.

Figure 6. Stibium High-grade Gold and Antimony Project within the Estelle Project



Sources: Company Reports

Infrastructure and Power: Building the Foundations for Sustainable Growth

The Estelle Project benefits from significant existing infrastructure, including a 4,000-foot airstrip that supports year-round operations. The project’s location on state land simplifies permitting, and the Alaskan government has been supportive of the project’s development. Nova is also evaluating multiple power supply options, including a proposed natural gas pipeline, coal-fired power, and emerging micro-nuclear reactor technologies.

Nova’s focus on the RPM deposit allows it to begin production using diesel generators and a seasonal winter road, reducing the immediate need for additional infrastructure. However, the development of the West Susitna Access Road, slated to break ground next year, will provide year-round access and further enhance the project’s scalability.

Exploration Upside: Expanding Beyond RPM and Korbel

The Estelle Project’s exploration potential extends well beyond RPM and Korbel. Nova has identified over 20 additional prospects, including the Stoney and Train areas, which are characterized by high-grade gold and significant multi-element potential, including silver, copper, and antimony. These areas represent

future exploration opportunities that could yield new resources and extend the life of the Estelle Project for decades.

Financial Position and Strategic Outlook

Nova Minerals is well-capitalized, with approximately \$10 million in cash and liquid assets, including a 29.6% stake in Snow Lake Resources, a NASDAQ-listed lithium and uranium company. The company is minimizing dilution through small capital raises focused on advancing the RPM deposit to production. Once RPM is generating cash flow, Nova plans to reinvest in expanding the project and potentially pursue strategic partnerships to accelerate growth.

The company is targeting the completion of the RPM feasibility study by the end of 2025, with the goal of entering production by 2027. Nova's phased development strategy allows it to adjust to market conditions while creating long-term value for shareholders.

Figure 7. Nova Minerals' Pro Forma Balance Sheet Post Capital Infusion

<i>(AUD in thousands)</i>	December 31, 2023		
	Actual	Pro Forma	Pro Forma As Adjusted
Cash	\$ 6,228	\$ 10,188	\$ 12,610
Total assets	110,698	114,659	117,080
Total liabilities	7,949	7,949	7,949
Net assets	102,749	106,709	109,131
Accumulated profits (losses)	(59,128)	(60,974)	(61,696)
Issued capital	142,987	148,792	151,936
Reserves	11,390	11,390	11,390
Non-controlling interest	7,501	7,501	7,501

Sources: Company Reports

Risks: Market Conditions and Execution Challenges

While Nova Minerals presents a compelling investment case, there are inherent risks associated with the company's development plans. The ability to secure funding for the antimony project through US government grants and other sources is critical to unlocking the full potential of the Stibium prospect. Additionally, while the phased approach at RPM reduces upfront CapEx, any delays in permitting, infrastructure development, or strategic partnerships could impact project timelines.

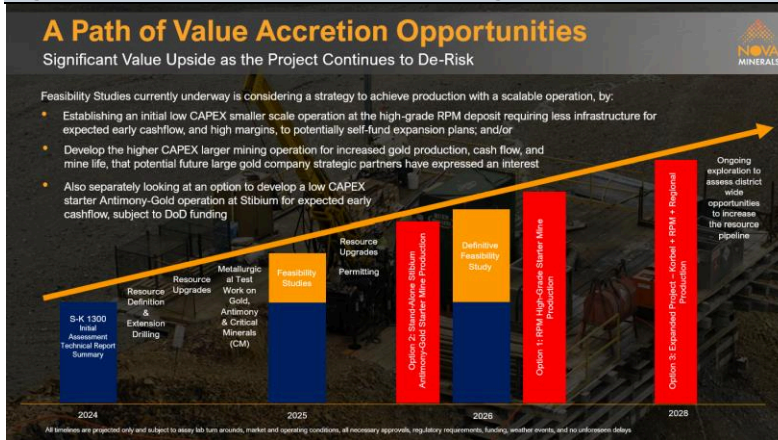
Market risks, particularly fluctuations in the price of gold and antimony, may also affect Nova's financial outcomes. The company's ability to efficiently execute its development plans and bring RPM into production within the projected timeframe will be key to realizing its value proposition.

Summary: Positioned for Growth in Gold and Critical Minerals

Nova Minerals is advancing the Estelle Project into one of North America's most promising gold and critical minerals districts. The company's focus on near-term production at RPM, combined with its longer-term potential at Korbelt, as well as the other 20+ known prospects at various stages of advancement, and other critical mineral discoveries, including the strategically important mineral antimony, positions Nova as a diversified resource company with significant growth potential.

With ongoing exploration, strategic partnerships on the horizon, and a favorable market environment for both gold and critical minerals, Nova Minerals is well-positioned to deliver substantial value to its shareholders. Investors should monitor upcoming drilling results, resource updates, and the anticipated completion of the RPM feasibility study as key milestones in Nova's path toward production.

Figure 8. A Path to Value Accretion: Strategic Phases to De-Risk and Scale Production



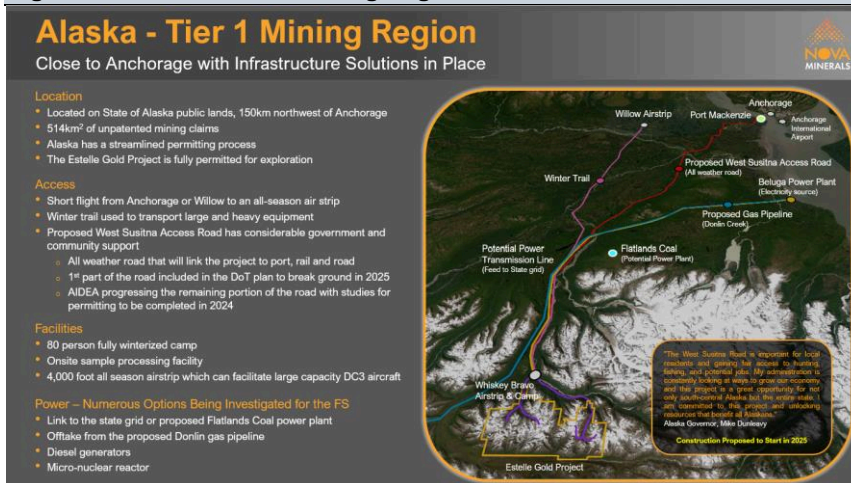
Sources: Company Reports

Nova Minerals: Strategic Growth in Gold and Critical Minerals from Alaska’s Estelle Project

Unlocking Value from Alaska’s Gold and Critical Minerals

Nova Minerals, trading under the symbol NVA on NASDAQ and ASX, and NVAAF on the OTC Pink Sheets, is an exploration and development company focused on unlocking the potential of the Estelle Project in Alaska. The company is positioned at the nexus of two lucrative markets: gold and critical minerals. With significant progress in resource definition, infrastructure development, and strategic partnerships, Nova Minerals offers a compelling investment case, particularly as global demand for both gold and critical minerals intensifies.

Figure 9. Alaska: A Tier 1 Mining Region with Infrastructure Readiness



Sources: Company Reports

Estelle Project Overview: A Strategic Asset in Alaska’s Gold Belt

Nova Minerals' flagship asset is the Estelle Project, a 514-square-kilometer gold and critical minerals district located in Alaska’s Tintina Gold Belt. The region is known for prolific gold production, and Nova’s project sits in proximity to major players like Kinross’s Fort Knox and Barrick Gold’s Donlin Creek. The Estelle Project currently boasts a global gold resource nearing 10 million ounces, with approximately 5 million ounces of S-K 1300 compliant pit-constrained economic resources at a US\$2,000 gold price. The project also features substantial critical mineral deposits, including antimony, silver, and copper, which are becoming increasingly valuable in a world focused on securing supply chains for these materials.

Resource Breakdown: Gold and Critical Minerals Potential

Nova Minerals has delineated two primary gold deposits at Estelle: the bulk-tonnage Korbel deposit in the north and the high-grade RPM deposit in the south.

The RPM deposit, which Nova views as the jewel of the crown in the Estelle Project, currently has a high-grade core of 330,000 ounces of gold at 2.4 grams per ton, with ongoing drilling aimed at increasing this to ~500,000 ounces. Recent drill results at RPM North, included 132 meters at 10.1 grams per ton, within a

wider intercept of 400 meters at 3.5 grams per ton, indicate the potential for world-class gold production. RPM South is also showing promise, with initial results yielding 350,000 ounces of gold, and further exploration is ongoing.

The Korbelt deposit is larger in scale, with 2.7 million ounces of in-pit resources. While it is a lower-grade bulk-tonnage system, Nova has identified a higher-grade ~1 million ounce feeder core that could offer direct mill feed to maximize production efficiency. Cathedral, a nearby discovery, adds another 1.3 million ounces to the resource base, highlighting the multi-million-ounce potential of the entire project.

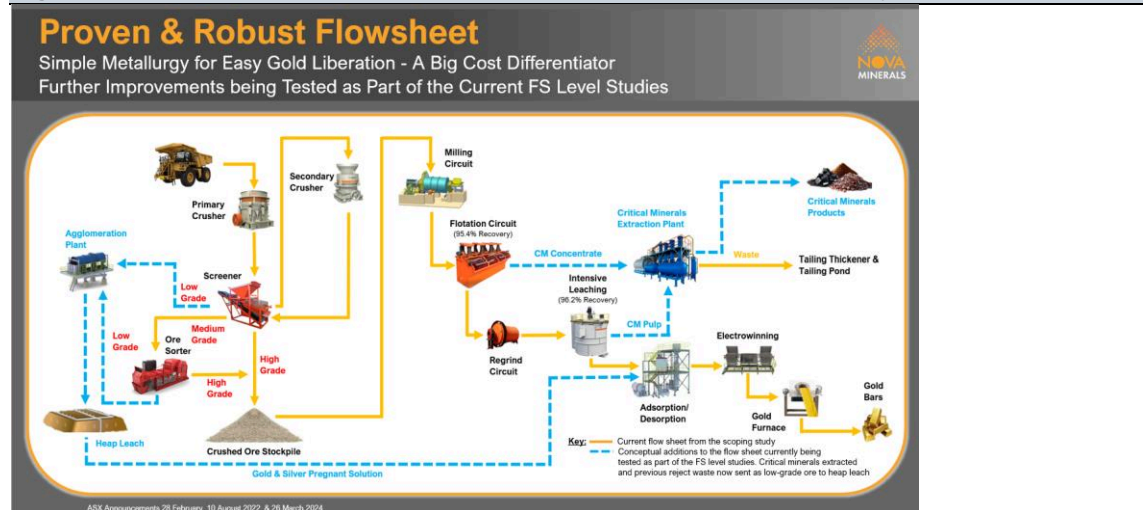
Beyond gold, Nova Minerals has made significant discoveries of critical minerals, particularly antimony, a key material in defense and energy technologies. The Stibium prospect features massive stibnite veining with antimony concentrations of up to 60% Sb. This discovery has drawn the attention of the U.S. government agencies, as the U.S. is 100% reliant on imports of antimony, primarily from China and Russia. Nova’s antimony resources could play a crucial role in securing domestic supply chains for this and other critical minerals, including bismuth, gallium, and tungsten.

Infrastructure and Logistics: Strong Foundations for Growth

One of the key advantages of the Estelle Project is its location on state land, which simplifies the permitting process and minimizes bureaucratic hurdles. Nova has already developed significant infrastructure, including an 80-person winterized camp, an onsite preparation laboratory, and a 4,000-foot airstrip that allows for year-round operations. A seasonal winter road facilitates the transportation of heavy freight, and future access will be enhanced by the state-funded West Susitna Access Road Project, an all-weather road expected to break ground in the near term. This infrastructure will provide benefits by reducing operational costs and improving logistics as the project scales.

In terms of energy, the Estelle Project has multiple options. Nova is exploring connections to a nearby gas pipeline, constructing a transmission line to a local power plant, conventional diesel generators, and even considering micro-nuclear reactors, which are gaining traction in Alaska as a cost-effective and sustainable power source. This flexibility in energy sources will allow Nova to optimize costs as it moves towards production.

Figure 10. Proven Flowsheet: Streamlined Gold Liberation for Cost Efficiency



Sources: Company Reports

Development Strategy: Phased Approach to Minimize Risk

Nova Minerals has adopted a phased development strategy, starting with the high-grade RPM deposit. This approach is designed to minimize upfront capital expenditures (CapEx) while generating early cash flow that can be reinvested into the larger project. Nova aims to begin production at RPM within the next 24 months, with an estimated CapEx of ~\$75 million. The company expects to produce ~50,000 ounces of gold annually in the initial phase, generating free cash flow of \$200–250 million over the first few years.

This early focus on RPM provides a low-risk entry point for investors, with the potential for significant upside as Nova transitions to developing the larger Korbelt deposit. Korbelt, with its 2.7 million ounces of resources and additional potential at Cathedral, offers long-term scalability. Nova is also exploring the use of ore sorting technology at Korbelt to maximize the grade of material sent to the mill, potentially upgrading low-grade ore to a more economically viable level.



Sources: Company Reports

Critical Minerals: Antimony and Strategic Partnerships

In addition to gold, Nova’s discovery of antimony at the Stibium prospect represents a significant opportunity. U.S. government agencies are working closely with Nova to potentially fast-track the development of this prospect, which is critical for munitions production and other defense technologies. Nova estimates that with grant support it could produce antimony to help secure a domestic U.S supply within 18 months. This would provide Nova with another very valuable potential near-term revenue stream. The antimony project would require a relatively low CapEx, making it an attractive near-term opportunity.

Strategically, the antimony discovery enhances Nova’s appeal to potential partners, both in the private and public sectors. The ability to produce gold alongside critical minerals positions Nova as a diversified resource player, capable of serving both commercial and national security needs.

Financial Outlook: Cash Flow and Valuation Potential

Nova Minerals’ financial outlook is anchored by its phased development strategy. Initial production at RPM is expected to generate significant cash flow, which will be reinvested into expanding the project’s scope. The overall Estelle Project has the potential to support a large-scale, multi-commodity operation with a 20-year mine life. Nova is currently undertaking a feasibility study on the RPM project, along with an economic study on the larger Estelle wide project, which with gold and antimony at record high prices, it expects will generate very positive economic results. In 2023 Nova’s independent consultants prepared an economic study in which the sensitivity analysis showed that at a US\$2,000 gold price projected a NPV of ~\$1 billion for the larger project. At current gold prices the NPV would project out to ~\$1.5 billion, with a payback period of under one year due to the high-grade nature of the RPM deposit. This report was done to JORC Standard, not U.S SK-1300 standard. With the company’s fast track smaller scale path to production strategy, our base case de risked current project value is USD 100 million. Our ADS valuation is \$25.

Nova is also in discussions with major mining companies that are interested in partnering on the larger project. These companies have the resources to scale up exploration and production significantly, potentially turning Estelle into one of North America’s premier gold and critical mineral districts.

Figure 12. Peer Group Valuation Analysis: Nova Minerals and Market Comparisons

Company	Ticker	Resource (Moz Gold only)	Market Cap (\$USD)	EV/Resource
Snowline Gold Corp	SGD	7,400,000	\$ 660,000,000	\$ 89
Rupert Resources	RUP	3,100,000	\$ 640,000,000	\$ 206
Amex Exploration	AMX	1,050,000	\$ 100,000,000	\$ 95
US Goldmining inc.	USGO	6,600,000	\$ 104,000,000	\$ 16
Newfound Gold	NFGC	-	\$ 508,000,000	
Dakota Gold Corp	DC	2,400,000	\$ 221,000,000	\$ 92
Perpetua Resources	PPTA	6,000,000	\$ 600,000,000	\$ 100
Freegold Ventures	FVL	19,700,000	\$ 400,000,000	\$ 20
Caledonia Mining Corporation Plc	CMCL	1,800,000	\$ 299,000,000	\$ 166
Nova Minerals	NVA	5,200,000	\$ 23,000,000	\$ 4

Sources: All data from publicly available information on the respective company websites as of September 9, 2024

Risks: Regulatory, Market, and Execution Challenges

While Nova Minerals presents a compelling investment opportunity, it is not without risks. The company's reliance on a phased development strategy means that early success at RPM is critical for financing further growth. Delays in permitting, infrastructure development, or regulatory approval could impact the timeline for production.

Market risks also exist, particularly fluctuations in the price of gold and critical minerals like antimony. While current prices are favorable, any significant downturn could affect the project's profitability. Additionally, competition for strategic partnerships, particularly with regard to critical minerals, may introduce delays or challenges in securing necessary funding.

Finally, the company's ability to execute its development plan, including the integration of ore sorting technology and efficient resource extraction, will be key to maximizing the value of the Estelle Project.

Summary: A Strategic Opportunity with Significant Upside

Nova Minerals offers investors a unique opportunity to gain exposure to both gold and critical minerals, two sectors with strong long-term growth prospects. The company's phased development strategy reduces initial risk while providing early cash flow to fund future expansion. The Estelle Project, with its significant gold resources and critical mineral discoveries, is positioned to become a major North American mining district.

While risks related to market conditions, regulatory approvals, and project execution remain, Nova Minerals' strong infrastructure, strategic partnerships, and diversified resource base offer a balanced investment case. With gold and antimony both at record prices, Nova is well-positioned to capitalize on favorable market dynamics. Investors seeking exposure to a growing, diversified resource company should closely monitor Nova's progress as it moves towards production and expands its exploration efforts.

Review of Operations for Nova Minerals

Statement of Profit or Loss and Other Comprehensive Income

As an exploration-focused company, Nova Minerals does not yet generate ongoing revenue from its operations. The primary source of income during the year was interest earned on cash held in the bank. Administration expenses increased from \$2.7 million in 2023 to \$3.5 million in 2024, largely due to higher legal costs, fees associated with the U.S. listing, and increased marketing expenses. Share-based payments amounted to \$780K in 2023 but decreased to \$336K in 2024. Additionally, Snow Lake Resources impairment rose from zero in 2023 to \$8.8 million in 2024 as Snow Lake like all lithium companies suffered from the decrease in the lithium spot price. The share of losses from associate companies decreased significantly, from \$6.3 million in 2023 to \$839K in 2024. Consequently, the consolidated loss after tax for Nova Minerals in 2024 amounted to \$16.4 million, compared to a loss of \$11.6 million in 2023.

Figure 13. Pre-Revenue Losses Reflecting Exploration Stage Growth

<i>(AUD in thousands) For the year ended June 30,</i>	Consolidated	
	June 30, 2024	June 30, 2023
Total revenue	\$ 9,979	\$ 6,043
Total expenses	6,410	5,528
Loss before income tax expense	(16,389)	(11,571)
Loss after income tax expense for the year	(16,389)	(11,571)
Total comprehensive loss for the year	(16,328)	(9,630)

Sources: Company Reports

Statement of Financial Position

As of June 30, 2024, Nova Minerals reported a cash balance of \$3.1 million, a significant reduction from \$19.2 million in 2023. This decrease reflects the company's continued investment in exploration and project development. Trade and other receivables dropped from \$495K in 2023 to \$329K in 2024. The company's capitalized exploration expenditure increased from \$81.1 million to \$92.1 million, primarily due to continued work on the Estelle Gold Project. Nova Minerals' total liabilities remained steady at \$8.9 million in both 2023 and 2024. As a result, the company's net assets as of June 30, 2024, totaled \$98.4 million, down from \$113.4 million in the prior year.

Figure 14. Strengthening Asset Base with Focus on Exploration and Evaluation

<i>(AUD in thousands, except per share data)</i>	June 30, 2024	June 30, 2023
Cash and cash equivalents	\$ 3,150	\$ 19,241
Total current assets	3,479	19,736
Investment in associate	7,104	16,768
Property, plant and equipment	2,616	3,025
Exploration and evaluation	92,118	81,070
Total assets	107,246	122,337
Convertible notes	1,406	1,180
Total current liabilities	3,210	3,594
Convertible notes	5,652	5,352
Total liabilities	8,862	8,947
Accumulated losses	(66,268)	(49,985)
Total equity	98,384	113,390

Sources: Company Reports

Cash Flow

During the 2024 financial year, Nova Minerals paid \$3.7 million for operating activities, compared to \$3.1 million in 2023. Payments for investing activities totaled \$13.3 million in 2024, a decrease from \$24.1 million in 2023, reflecting a more focused approach to capital expenditure. In terms of financing, the company received \$987K in 2024, a sharp decline from the \$25.2 million received in 2023. This decline in financing inflows suggests reduced external fundraising activity compared to the previous year.

Summary and Outlook

Nova Minerals remains heavily focused on exploration and development, particularly at the Estelle Gold Project. While the financial statements reflect the inherent challenges of a pre-revenue exploration company, with rising expenses and capital outflows, they also underscore the company's continued commitment to advancing its key projects. The decrease in cash and net assets, alongside rising project expenditures, reflects a period of significant investment aimed at achieving long-term growth. However, with ongoing losses and reduced cash reserves, the company may face potential challenges in securing additional funding or managing liquidity in the near term, particularly as it moves forward with its development activities. As such, the balance between maintaining liquidity and advancing key exploration projects will be crucial for the company's future success.

Figure 15. Cash Flow Progress: Prudent Management and Strategic Financial Positioning

<i>(AUD in thousands) For the year ended 30 June,</i>	Consolidated	
	June 30, 2024	June 30, 2023
Net cash used in operating activities	\$ (3,667)	\$ (3,084)
Net cash used in investing activities	(13,322)	(24,140)
Net cash from financing activities	987	25,159
Cash and cash equivalents - end of the financial year	3,150	19,241

Sources: Company Reports

Risk Overview for Nova Minerals: Key Considerations

Nova Minerals operates in a challenging environment, facing several risks that could impact its operations and financial performance. These risks are a mix of company-specific challenges and broader industry and external risks. While many of these factors are beyond Nova's control, they are critical to the company's future performance and investment potential. Here is a concise exploration of the key risks, highlighting both challenges and possible mitigations.

Company-Specific Risks**Capital Requirement**

While Nova Minerals has sufficient cash for short- to medium-term activities, further capital will be necessary for large-scale development project. Securing financing on favorable terms may be challenging. Any failure to raise funds could limit Nova's capacity to expand and develop its projects, potentially slowing growth and diluting shareholder value.

Title and Sovereign Risks

Nova's mineral claims are subject to renewal under local laws. Failure to secure renewals or comply with regulations could result in the loss of valuable assets. Furthermore, political or regulatory changes could negatively impact Nova's operations, reducing profitability.

Industry-Specific Risks

Exploration and Development Uncertainty

Mineral exploration is inherently risky, and there is no guarantee that Nova will discover economically viable resources. Costs and timelines are often subject to change, influenced by operational challenges and environmental factors. Unexpected cost increases could require additional funding, impacting the company's financial outlook.

Resource Estimates

Resource estimates are based on assumptions that can change as new data becomes available. Any significant alterations could affect Nova's development plans, potentially reducing the value of its projects

Development and Operating Costs

Developing mining operations comes with high costs and potential delays due to technical, geological, or environmental issues. Nova faces risks in securing the necessary permits, avoiding legal challenges, and controlling costs. Unforeseen expenses could lead to delays in production and require additional financing.

External Risks

Commodity Price Fluctuations

Nova's profitability depends heavily on commodity prices, especially for gold and antimony. A decline in prices could render some projects uneconomical, while rising costs for exploration services and equipment may inflate operational expenses.

Exchange Rate and Climate Risks

Operating across multiple currencies, Nova is exposed to exchange rate fluctuations, particularly between the Australian and U.S. dollar. Additionally, climate-related risks such as regulatory changes on carbon emissions or extreme weather could disrupt operations and increase costs.

Environmental and Regulatory Risks

Nova must adhere to strict environmental regulations in the jurisdictions where it operates. Any non-compliance could lead to fines or operational delays. As regulations become more stringent, operational costs may increase, impacting the company's profitability.

Summary

Nova Minerals faces a wide array of risks, from the challenges of operating internationally to uncertainties inherent in mineral exploration and fluctuating commodity prices. While these risks are significant, the company is taking proactive steps to mitigate them through strong financial management, securing necessary permits, and maintaining good relations with key stakeholders. Investors should be aware of these risks but also recognize Nova's potential for growth in the mining industry.

For additional risk considerations, please refer to the Company's SEC filings.

Figure 16. Estimated Cash Flow Projections: Path to Sustainable Gold Production

AUD in '000s. Fiscal year ending June 30,	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Opening cash balance	\$ 5,000	\$ 4,800	\$ 11,600	\$ 46,100	\$ 73,600	\$ 8,600	\$ 253,600	\$ 498,600
Financing- Bridge loan	10,000	-	(10,000)	-	-	-	-	-
Financing- Construction loan	-	100,000	(50,000)	(50,000)	-	-	-	-
Gold ounces produced	-	-	50	50	50	150	150	200
Gold sales revenue (Assumes AUD\$3,500 per ounce gold price)	-	-	175,000	175,000	175,000	525,000	525,000	700,000
Gold production costs (Assumes AUD\$1,100 per ounce yrs 1-3 & AUD\$1,600 per ounce yr 4)	-	-	55,000	55,000	55,000	240,000	240,000	320,000
Feasibility costs	2,000	1,000	4,000	2,000	-	-	-	-
Construction costs	-	75,000	-	-	160,000	-	-	-
Exploration costs	2,000	2,000	2,000	15,000	15,000	30,000	30,000	30,000
Interest payments (12% of construction costs)	1,200	10,200	12,000	18,000	-	-	-	-
General & administration costs	5,000	5,000	7,500	7,500	10,000	10,000	10,000	10,000
Net cashflows for the year	(200)	6,800	34,500	27,500	(65,000)	245,000	245,000	340,000
Closing cash balance	4,800	11,600	46,100	73,600	8,600	253,600	498,600	838,600

Sources: ThinkEquity Estimates

Figure 17. Nova Minerals Limited —Valuation Comparable, Prices as of 10/3/2024

(Amounts listed in AUD. Numbers in millions, except per share data)

Company	Stock Price	Market Value of Equity	Enterprise Value ⁽²⁾	Enterprise Value as a Multiple of:						Price as a Multiple of:		Projected EPS Growth	PEG Ratio	
				Sales			Lease Adj. EBITDA			EBIT	CY+1			CY+2
				LTM	CY+1	CY+2	LTM	CY+1	CY+2	LTM	EPS			EPS
Rupert Resources Ltd.	4.28	924.0	894.7	NM	NM	NM	NM	NM	NM	NM	NM	NM	0.0%	NM
Amex Exploration Inc.	1.24	142.9	122.9	NM	NM	NM	NM	NM	NM	NM	NM	NM	0.0%	NM
U.S. GoldMining Inc.	13.98	173.3	161.5	NM	NM	NM	NM	NM	NM	NM	NM	NM	0.0%	NM
New Found Gold Corp.	3.77	0.0	(58.9)	NM	(36.40)	NM	NM	NM	NM	NM	NM	NM	0.0%	NM
Dakota Gold Corp.	3.27	306.5	283.3	NM	NM	NM	NM	NM	NM	NM	NM	NM	0.0%	NM
Perpetua Resources Corp.	13.38	864.5	861.8	NM	NM	NM	NM	NM	NM	NM	NM	NM	0.0%	NM
Freegold Ventures Limited	1.10	505.0	498.4	NM	NM	NM	NM	NM	NM	NM	NM	NM	0.0%	NM
Caledonia Mining Corporation Plc	21.87	419.9	476.8	2.04	1.78	1.67	5.3	4.4	3.1	7.3	10.1	10.9	0.0%	NM
			High	2.04x	1.78x	1.67x	5.3x	4.4x	3.1x	7.3x	10.1x	10.9x	0.0%	0.0x
			Average	2.04	-17.31	1.67	5.3	4.4	3.1	7.3	10.1	10.9	0.0%	NM
			Median	2.04	-17.31	1.67	5.3	4.4	3.1	7.3	10.1	10.9	0.0%	NM
			Low	2.04	-36.40	1.67	5.3	4.4	3.1	7.3	10.1	10.9	0.0%	0.0
Nova Minerals Limited	0.16	37.8	49.0	NM	NM	NM	NM	NM	NM	NM	NM	NM	0.0%	NM

(1) Financial data provided by S&P Capital IQ as of 10/03/2024

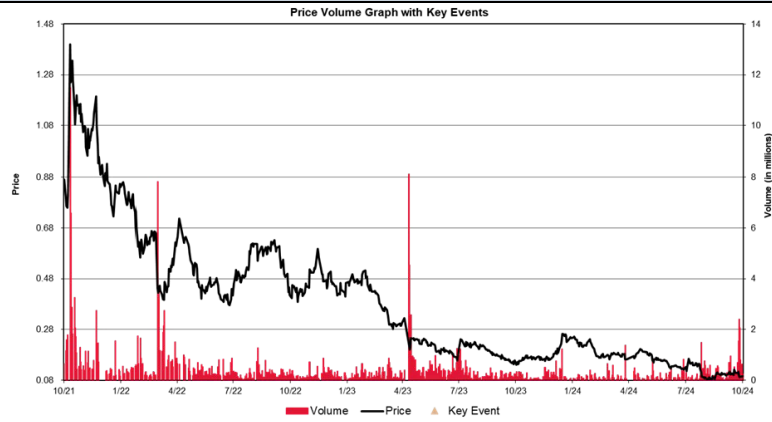
(2) Calculated as Market Value of Equity plus total debt, non-controlling interest and preferred stock, less cash & equivalents.

(3) Converted to AUD from CAD at an exchange rate of 1.079.

(4) Converted to AUD from USD at an exchange rate of 1.461.

Sources: S&P Cap IQ, Google Finance, Company Reports, and ThinkEquity Estimates

Figure 18. Nova Minerals Limited – 3-Year Price Target and Rating History



Date	Key Development
10/7/2024	Nova Minerals Limited. Initiate Buy. ADS PT \$25

Sources: S&P Cap IQ, Google Finance, Company Reports, and ThinkEquity Estimates

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ThinkEquity rating distribution by percentage (as of October 7, 2024):			
All companies under coverage:		All companies under coverage to which it has provided investment banking services in the previous 12 months:	
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Hold (2)	0.00%	Hold (2)	0%
Sell (3)	0.00%	Sell (3)	0%