Form 51-102F3
Material Change Report

Item 1. **Name and Address of Company**

Novo Resources Corp. (the "**Company**")
1075 West Georgia St., Suite 1980
Vancouver, BC, V6E 3C9

Item 2. **Date of Material Change**

January 14, 2016

Item 3. **News Release**

News release dated January 14, 2016 was disseminated through TheNewswire.ca.

Item 4. **Summary of Material Change**

The Company announced that it intends to undertake a non-brokered convertible debenture financing.

Item 5.1 **Full Description of Material Change**

The Company announced that that it intends to undertake a non-brokered convertible debenture financing (the "**Debentures**") to raise approximately $2 million, subject to approval of the TSX Venture Exchange. The proceeds will be used to pursue the Company's trial mining plans at its Beatons Creek project in Western Australia. Each Debenture will be issued in the principal amount of CAD $1,100. The Debentures will not bear interest and will mature on January 12, 2017. The Company may repay, in whole or in part, the Debentures at any time prior to the maturity date. Each Debenture is convertible into common shares of the Company at $0.67 per common share (the "**Equity Conversion Right**").

Each Debenture will also convey a gold redemption right (the "**Gold Redemption Right**") whereby the Company will have the right, prior to January 2, 2017, to give the Debenture holders notice that it intends to repay them with gold produced from the Company's Beatons Creek project at a redemption price of CAD $1,100 per ounce (a 30% discount on the current market price of gold in CAD $) of gold provided that the Company has produced at least 2,500 ounces of gold from its Beatons Creek project (the "**Threshold Production Amount**"). Permit applications for a 30,000 tonne trial mine were submitted to regulators on December 1, 2015, and approvals are expected by late first quarter, 2016 (*please see the Company's news release dated December 17, 2015, for more details*).

If the Company reaches or exceeds the Threshold Production Amount before December 15, 2016 but has not provided the Debenture holders with notice to exercise the Gold Redemption Right by January 2, 2017, the Debenture holders will have the right to give the Company notice of exercise of the Gold Redemption Right, the Equity Conversion Right, or that they require repayment of the Debenture principal in cash.

If the Company does not reach the Threshold Production Amount before December 15, 2016, the Debenture holders will have the right to exercise the Equity Conversion Right or require the repayment of the Debenture principal in cash.

If a Debenture holder has not given the Company notice of its election by the Maturity Date, the Debenture principal will be repaid in cash.

The Debentures and any shares issued in connection with a conversion of the Debentures will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities law legislation.

Item 5.2 **Disclosure of Restructuring Transactions**

Not applicable.

Item 6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

If this Report is being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102, state the reasons for such reliance.

Not applicable.

Item 7. **Omitted Information**

Not applicable

Item 8. **Executive Officer**

Herrick Lau, Chief Financial Officer
Telephone: 604 688 9588

Item 9. **Date of Report**

January 14, 2016