

Novo Provides Exploration Update From Purdy's Reward

VANCOUVER, British Columbia, Dec. 21, 2017 -- **Novo Resources Corp.** ("Novo" or the "Company") (TSX-V:NVO) (OTCQX:NSRPF) is pleased to provide an update on exploration activities at Purdy's Reward, a farm-in and joint venture Novo has with ASX-listed Artemis Resources Limited ("Artemis") and part of Novo's greater Karratha gold project, Western Australia. Recent events include:

- Completion of 3,294 meters of scout diamond drilling in 69 holes testing approximately 1,550 m strike along the targeted conglomerate sequence.
- Initial 3D modeling of lithologies.
- Study of *in situ* gold mineralization confirming Purdy's Reward is a coarse gold system.
- Undertaking an assessment of appropriate sample size.
- Receipt of first bulk sample results including 15.7 gpt Au from a 304 kg sample of basal conglomerate from Trench 1 and 17.7 gpt Au from a 371 kg sample of basal conglomerate from Trench 2.

Scout Diamond Drilling and 3D Modeling

The 2017 diamond core drill program concluded on December 15 with a total of 3,294 meters drilled in 69 holes. Most drill holes fall within a 1,550 m long northeast-trending corridor up to 500 meters wide. In addition, a line of three step-out holes was completed approximately 300 m southeast of this corridor, the first test of continuity of strata into the basin.

Upon completion of initial lithological logging of all diamond core, a first-pass 3D computer model illustrating lithology was constructed from this data (please access this model via the following link: http://www.novoresources.com/resources/17M12D17_Purdys_Reward_Exploration_Model.lfview; LeapFrog Viewer is necessary to view the model and can be accessed here: <http://www.leapfrog3d.com/products/leapfrog-viewer/downloads>).

Continuity of the conglomerate sequence appears strong within the targeted drilling corridor. With the exception of three paleo-topographic highs, areas where basement gabbro intrusive rocks form islands in the southwest part of the target area, the conglomerate sequence forms a continuous sheet-like unit at the base of the Fortescue Group. The conglomerate sequence dips at about 4-7 degrees southeast.

A northeast-trending normal fault down-drops strata southeast of the targeted drilling corridor. Three step-out holes, 17PDD065, 17DD067 and 17PDD069, drilled in this area all intercept the targeted conglomerate sequence thus confirming continuation of these rocks into the greater Fortescue Basin. Timing of faulting is uncertain. It may have been active while the basin was forming or after deposition of strata. Interestingly, some conglomerate beds intercepted in these deeper holes display increasing quartz clast content and local concentrations of detrital pyrite, a potential indication the system is evolving further from the paleo-shoreline.

Novo considers the results of the scout diamond drilling program significant for the following reasons:

- Continuity of the conglomerate sequence has been firmly established. Although paleo-islands are present, these are considered localized.
- Data indicates Purdy's Reward is a near-shore fluvial depositional environment periodically reworked by marine processes.
- The system appears to evolve as it extends into the basin, a potential indication other favorable depositional environments may be present nearby.

In Situ Gold – Discussion:

Over the past several weeks, Novo personnel have extracted numerous samples of *in situ* gold mineralization from trenches excavated at Purdy's Reward. Each sample was washed and waste rock material was removed to expose gold particles for study. A discussion of findings is presented below:

- Virtually all gold occurs as coarse nuggets within conglomerate matrix (*Figure 1*). Most nuggets are rounded and flattened consistent with primary alluvial transport and deposition. All display frosty surface textures imparted by the matrix in which they occur. As mentioned in the Company's news release dated November 24, 2017, chlorite-rich shale clasts are commonly spatially associated with gold nuggets.
- Overgrowths of chlorite, a clay mineral, surround each nugget. Chlorite appears to replace sandy matrix, and in some cases, the gold nugget itself.
- A 1-3 mm halo of fine gold particles is observed around most nuggets and may originate from late-stage chemical remobilization of gold from the nugget.
- Occasionally, concentrated clusters of fine gold particles are observed surrounding a few ragged remnants of coarser gold. Such remnants are thought to be nuggets that have undergone significant chemical remobilization and re-precipitation as fine gold.

- Gold discussed above is not supergene. Such gold is observed in fresh rock just the same as in partially oxidized rock.
- Gold nugget purities range from approximately 87% to nearly 100% with most toward the higher end of this range. Silver and lesser copper and mercury make up impurities. Basement lode gold deposits may be a source of nuggets with purities at the low end of this range, but a source for higher purity nuggets remains elusive. Novo thinks such gold could possibly be derived from recycling of earlier gold-bearing sedimentary deposits.

Assessing Appropriate Bulk Sample Size:

Given the overwhelming indications that Purdy's Reward is an extremely coarse gold system, Novo is undertaking a comprehensive size analysis of gold distribution in a 3-tonne sample collected from Trench 1. Independent coarse gold expert Dr. Simon Dominy is directing this work, and its completion is expected in January 2018.

Data from this analysis will help determine, going forward, the:

- appropriate sample size, and
- appropriate methods of analyzing the large samples to obtain results that can be relied upon for grade determination.

Current indications are that samples weighing 250-400 kg may be of insufficient size to accurately reflect grade. Samples weighing several tonnes may be required. On completion of this work, metallurgy sampling and assaying will be accelerated.

Early Au Results:

Novo has received Au results from Nagrom (*please refer to the Company's news release dated August 31, 2017 for a discussion of assay protocols*) for three trench bulk samples (*see Figures 2 and 3 for sample locations*):

- Commissioning Sample 1 ("CS-001"), a 304 kg bulk sample collected from the basal conglomerate and footwall rocks in Trench 1. This sample was determined to have a calculated head grade of 15.7 gpt Au (Note, the mass of sorted concentrate generated by the Steinert sorting machine was high from this sample, 83 kgs, therefore a sub-set of 10, 1-kg samples of concentrate was analyzed to generate a weighted average concentrate grade.)
- KX083, a 371 kg bulk sample collected from the basal conglomerate and footwall rocks in Trench 2, was determined to have a calculated head grade of 17.7 gpt Au.
- KX078, a 356 kg bulk sample collected from conglomerate 40 cm above the basal contact, was determined to have a calculated head grade of 1.3 gpt Au.

A photograph of jigged concentrate extracted from KX083 is shown in *Figure 4* and clearly illustrates the challenge coarse gold poses at Purdy's Reward. A small number of coarse nuggets contain most of the mass of gold and therefore heavily influence the resulting grade. As discussed above, Novo believes larger bulk samples may be required than the 371 kgs that were collected for sample KX083. Part of Novo's multi-pronged approach to exploring Purdy's Reward has been a component of scout diamond drilling to assess the depth and thickness of targeted gold-bearing conglomerates (*please refer to the Company's news release dated August 31, 2017 for further details*). Novo recognized early on that diamond core samples are of insufficient size to accurately assess nuggety gold mineralization at Purdy's Reward. Therefore, Novo planned to utilize large diameter drilling to generate bulk samples for Au assay. In the Company's news release dated November 24, 2017, Novo discussed its attempt at large diameter drilling and how it was unsuccessful at generating samples of consistent size and integrity. Novo has since shifted its efforts to bulk sampling trenches for meaningful Au assays.

In spite of being of inadequate size for meaningful gold analyses, Novo cut, sampled and submitted diamond core for multi-element and 1-kg cyanide leach analysis. Cyanide leach results from the mafic conglomerate sequence from holes 17PPD001, 17PPD003 and 17PPD004 (*see Figures 2 and 3 for locations*) returned anomalous level gold results (0.03 ppm Au from 0-4 m, 0.04 ppm Au from 3-6 m and 0.01 ppm Au from 12.5-15 m, respectively). No significant gold values were encountered in hole 17PPD002 which went straight into basement rocks at the top of the hole.

Novo does not consider these results surprising given the nuggety nature of gold mineralization at Purdy's Reward. Given the small diameter of diamond drill holes (8.5 cm diameter), the odds of encountering gold nuggets is small. Notably, these four drill holes are in close proximity to bulk sample sites containing appreciable gold as discussed above. Current assay data from bulk samples and diamond core collectively demonstrate the need for large samples to assess gold grades at Purdy's Reward (*please refer to a news release dated November 24, 2017 for further details*).

Quality Control and Quality Assurance:

Novo staff, under the supervision of Dr. Quinton Hennigh, Novo's President and Chairman, collected bulk samples and drill samples discussed in this news release. Bulk samples were submitted to Nagrom Metallurgical Laboratory in Perth, Australia, where they were processed according to procedures detailed in Novo's news release dated August 31, 2017. Diamond drill core was sawn and sampled by Novo personnel and submitted to Genalysis Laboratories, Perth, WA for multi-element and cyanide leach analysis. Preparation entailed crushing the entire sample to -2 mm, pulverizing a subsample split and subjecting a 1-kg charge to the LeachWell technique, an accelerated CN leach (6 hour leach time). Au analysis of the resulting solution is done by mass spectrometry.

Dr. Quinton Hennigh, the Company's, President and Chairman and a Qualified Person as defined by National Instrument 43-

101, has approved the technical contents of this news release.

About Novo Resources Corp.

Novo's focus is to explore and develop gold projects in the Pilbara region of Western Australia, and Novo has built up a significant land package covering approximately 12,000 sq km. Novo also controls a 100% interest in approximately 2 sq km covering much of the Tuscarora Au-Ag vein district, Nevada. For more information, please contact Leo Karabelas at (416) 543-3120 or e-mail leo@novoresources.com

On Behalf of the Board of Directors,

Novo Resources Corp.

"Quinton Hennigh"

Quinton Hennigh

President and Chairman

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Photos accompanying this announcement are available at

<http://www.globenewswire.com/NewsRoom/AttachmentNg/b0485aa0-7a25-464e-a4fd-62e872eeb2a3>

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