NOVO RESOURCES CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
OCTOBER 31, 2020

This interim management discussion and analysis – quarterly highlights of Novo Resources Corp. ("Novo" or the "Company") for the nine-month period ended October 31, 2020 (the "Interim MD&A") has been prepared as of December 17, 2020. This Interim MD&A updates disclosure previously provided in Novo's annual management's discussion and analysis for the year ended January 31, 2020 (the "Annual MD&A"), up to the date of this Interim MD&A, and should be read in conjunction with the Company's condensed interim consolidated financial statements for the nine-month period ended October 31, 2020 (the "Interim Financial Statements"), the audited consolidated financial statements for the year ended January 31, 2020 (the "Audited Financial Statements"), and the Annual MD&A.

The Interim Financial Statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"), all amounts are expressed in Canadian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise noted. Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com.

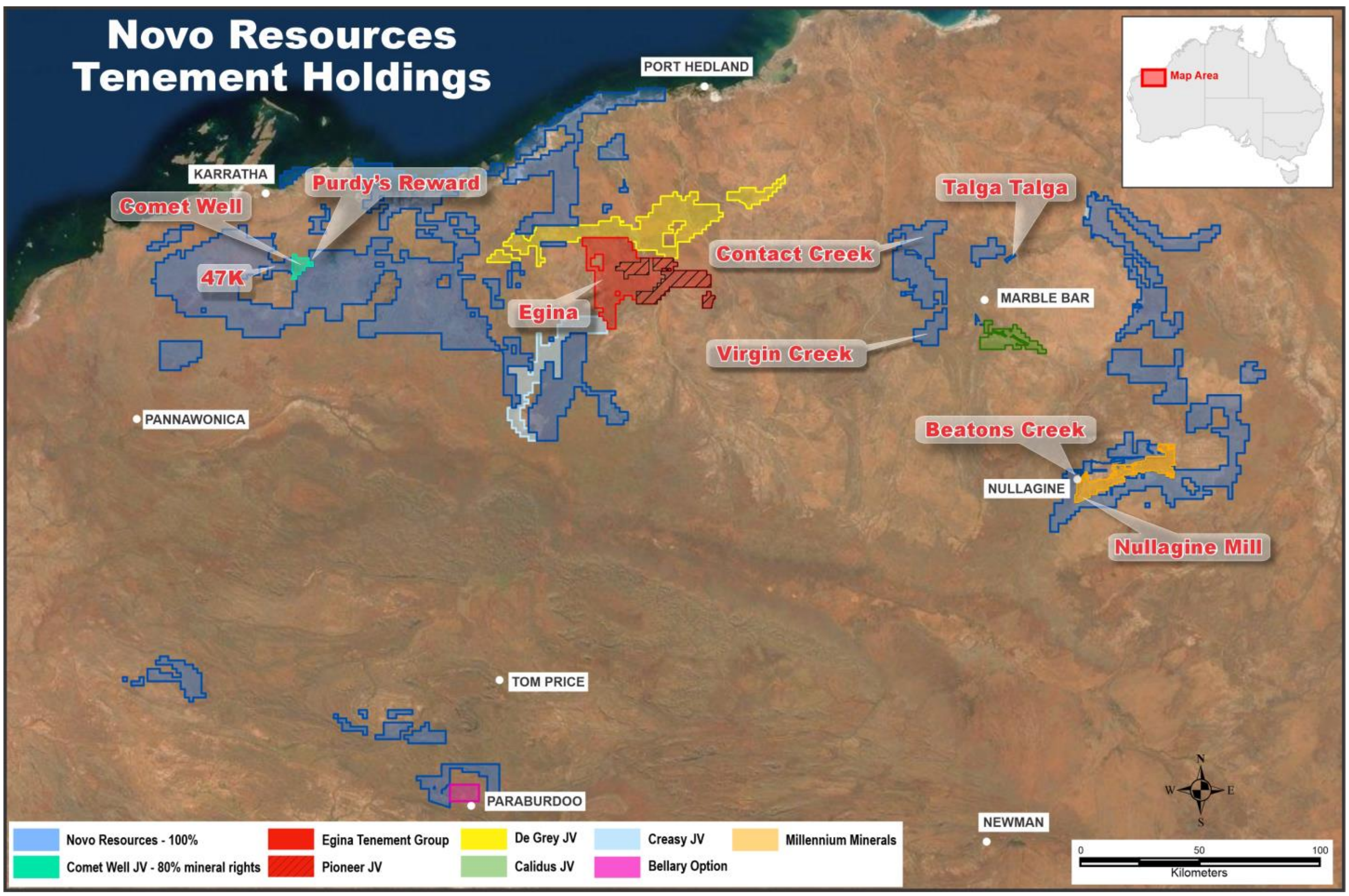
Caution on Forward-Looking Information

This Interim MD&A contains "forward-looking information" within the meaning of Canadian securities laws. Forward-looking information in this Interim MD&A includes, but is not limited to, information with respect to the anticipated impact of the novel coronavirus disease outbreak declared a pandemic by the World Health Organization on March 11, 2020 ("**COVID-19**") on the Company's business and future cash flows; the successful restart of the production infrastructure held by Millennium Minerals Ltd. ("**Millennium**") which was acquired by the Company in September 2020; the value of certain Company assets, in particular the fair value of marketable securities held by the Company; the Company's planned production from, and further potential of, the Company's properties; the Company's ability to raise additional funds; the future price of minerals, particularly gold; the estimation of mineral resources; the realization of mineral resource estimates; capital expenditures; success of exploration activities; exploration and development issues; currency exchange rates; government regulation of exploration, development and mining operations; and environmental risks. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral resource estimates and the realization of such estimates and the ability to successfully restart Millennium's production infrastructure. Capital and operating cost estimates are based on extensive research of the Company, purchase orders placed by the Company to date, recent estimates of exploration and development costs and other factors. Forward-looking information is characterized by words such as "plan", "expect", "budget", "target", "schedule", "estimate", "forecast", "project", "intend", "believe", "anticipate" and other similar words or statements that certain events or conditions "may", "could", "would", "might", or "will" occur or be achieved. Forward-looking information is based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include: risks relating to the ongoing COVID-19 pandemic and measures intended to prevent its spread; the fluctuating price of gold; success of exploration, development and operations activities including the ability to successfully restart Millennium's production infrastructure; the ability to comply with and maintain its credit facility in good standing; health, safety and environmental risks; risks relating to foreign operations and expropriation or nationalization of exploration and development operations; variations in the estimation of mineral resources; uncertainty relating to mineral resources; the potential of development and cost overruns; risks relating to government regulation; the impact of Australian laws regarding foreign investment; access to additional capital; volatility in the market price of the Company's securities; liquidity risk; risks relating to native title and Aboriginal heritage; risks relating to the development of new exploration assets; risks relating to the construction and development of new operations; the availability of adequate infrastructure; the availability of adequate energy sources; seasonality and unanticipated weather conditions; limitations on insurance coverage; the prevalence of competition within the exploration and mining industry; currency exchange rates (such as the United States dollar and the Australian dollar versus the Canadian dollar); risks associated with foreign tax regimes; risks relating to potential litigation; risks relating to the dependence of the Company on outside parties and key management personnel; risks in the event of a potential conflict of interest; as well as those risk factors discussed or referred to herein and in the Company's annual information form (for the year ended January 31, 2020) dated July 30, 2020 which is available under the Company's profile on the SEDAR website at www.sedar.com.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof, to reflect the occurrence of unanticipated events, other than as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company's expected financial and operational performance and results as at and for the periods ended on the dates presented in this Interim MD&A and may not be appropriate for other purposes.

Highlights

The Company currently holds 14,000km^2 of mineral tenure in Western Australia as outlined in figure 1 below. The Company intends to continue to evaluate its tenure package and focus its efforts on the most prospective tenure throughout 2021.



*(**Figure 1:** Map of Novo's current Pilbara tenure.)*

The Pilbara's wet season generally runs from December to March of each year. The first significant rainfall event of 2020 occurred in early December and left many areas of the Pilbara flooded. In order to ensure the safety of its exploration teams, the Company has implemented plans to decrease its presence at its Egina and Karratha projects until Q1 2021 while maintaining appropriate caretaking and safety measures. During this time, exploration teams will collate and analyze data gathered during the 2020 field season and prepare exploration plans for the 2021 field season.

Egina Highlights

The Company has completed a successful field season at its Egina project, continuing with its program of mobile alluvial Knudson sampling and bulk sampling of prospective horizons. Novo have heritage cleared and explored an expanded footprint during the 2020 field season, including works on E47/2502, M47/560, and E47/3321 and E47/3318. E47/3321 and E47/3318 are subject to a farm-in and joint venture arrangement with Sumitomo Corporation of Tokyo, Japan ("**Sumitomo**"), and ASX-listed Essential Metals Limited (formerly Pioneer Resources Limited) ("**Essential**"). The Company recently completed its farm-in obligations and is preparing exploration plans for the 2021 field season in conjunction with Sumitomo and Essential.

Karratha Highlights

The Steinert KSS mechanical sorter ordered by the Company in June 2020 has been delivered to Steinert's test facility. Orders have been placed for all long lead items (feeder hopper, feeder conveyor, discharge conveyors). The Company intents to conduct field-based mechanical sorting trials of up to 30,000 tonnes of material at the Comet Well and Purdy's Reward projects in April 2021. Commencement of the trial is subject to receipt of requisite approvals from the Department of Mines, Industry Regulation, and Safety and the Department of Water and Environmental Regulation. The Company has already received approval from the Ngarluma Aboriginal Corporation.

Field test work will be designed to better understand gold grades, the extent and location of mineralized conglomerate units, evaluate mechanical sorter gold recovery at production throughput rates and of various sorted size fractions, and provide critical input concerning operational costs. The Company intends to use this information to advance development plans for its Pilbara projects.

Development Highlights

Since the Company's acquisition of Millennium and its production infrastructure on September 7, 2020, the Company has focused its efforts on restoring and refurbishing the Millennium production infrastructure in order to advance its Beatons Creek project into production. GR Engineering Services' AUD$8.3 million processing facility ("**Golden Eagle Mill**") refurbishment engagement continues on time and on budget and is approximately 50% complete as at November 30, 2020. Power was restored to the site in late September 2020 via the in-situ KPS power plant in order to facilitate refurbishment activities and camp utilization.
Concurrently with the refurbishment of the Golden Eagle Mill and the Millennium infrastructure, the Company has been progressing site development of its Beatons Creek conglomerate gold project ("**Beatons Creek**"). Initial site establishment works continue as the Company advances its flagship Beatons Creek project towards production, as does high-density grade control drilling to test the first three months of planned operational areas. Iron Mine Contracting Pty Ltd ("**IMCPL**"), the primary mining contractor, have mobilized initial equipment to Beatons Creek in anticipation of additional required site establishment works.

Australian Aboriginal Heritage Act Section 18 removal and relocation of Aboriginal artefacts from around the Grant's Hill area has been completed successfully under the supervision of custodians of the land at Beatons Creek.

The Company anticipates completion of the refurbishment and development works on time and on budget despite inevitable weather-related delays. In anticipation of such events, the Company has included a two-week off-site buffer over the holiday period designed to provide flexibility around timing of critical works. The Company does not currently anticipate deviating from this plan but will continue to monitor weather and prepare appropriate responses to any delays.

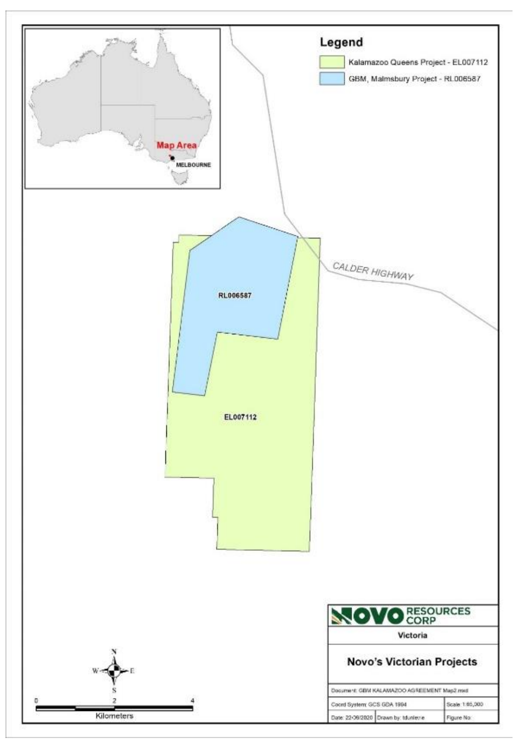
Nullagine Gold Project Exploration

Subsequent to completion of the acquisition of Millennium and adjacent tenure from the Creasy Group, the Company continues to explore and expand its interpretation of the Beatons Creek conglomerate gold system via an extensive sampling and mapping program with a renewed focus on the western side of the Grant's Hill fault at Beatons Creek. Further mapping and rock sampling have confirmed a new conglomerate discovery located approximately 2kms to the south-west of the current Beatons Creek conglomerate gold resource (the "**Beatons Creek Resource**") (please see the Company's report titled "Amended and Restated NI 43-101 Technical Report: Mineral Resource Update, Beatons Creek Conglomerate Gold Project, Pilbara Region, Western Australia" dated October 22, 2020 (effective date February 28, 2019)). The prospect, designated 'Skyfall,' has been confirmed as a younger depositional cycle in the Nullagine gold project. The mineralization is located within easy trucking distance to the recently acquired Golden Eagle Mill, providing further extensions to the Beatons Creek conglomerate gold system. The Company has also identified a series of highly prospective oxide gold targets within the broader Nullagine Gold Project and Millennium tenure. Please see the Company's news releases dated November 5, 2020 and December 15, 2020 for further details.

Other Exploration Highlights

The Company remains focused on expanding its influence over high-quality gold deposits. In September 2020, the Company exercised its option to earn an initial 50% interest (the "**Malmsbury Interest**") in the Malmsbury Project from GBM Resources Limited ("**GBM**") (ASX: GBZ). Transfer of the Malmsbury Interest to Novo is subject to approval from the Victorian Department of Jobs, Precincts and Regions and the Australian Foreign Investment Review Board (the "**Malmsbury Conditions**").

The Company has also been granted an option to acquire an initial 50% interest (the "**Queens Options**") in the Queens Project (the "**Queens Project**") from Kalamazoo Resources Limited ("**Kalamazoo**"). Novo is currently conducting due diligence on the Queens Project and has until March 22, 2021 to exercise the Queens Option. See figure 2 below for a map of the Queens Project and the Malmsbury Project in Victoria, Australia.



*(**Figure 2:** Map showing GBM's Malmsbury Project in relation to Kalamazoo's Queens Project.)*

The Company also revised terms of the sale (the "**Transaction**") of a portion of its Blue Spec project comprising mining leases 46/115 and 46/244 and related mining information (the "**Subject Blue Spec Tenements**") in Western Australia to ASX-listed Calidus Resources Limited ("**Calidus**"). The Company has executed an amended terms sheet (the "**Amended Terms Sheet**") and agreed to a revised transaction structure and payment schedule with Calidus as follows:

- Calidus will pay AUD $2.5 million to the Company by November 30, 2020 (paid) in exchange for a 10% interest in the Subject Blue Spec Tenements;
- Calidus has the right to acquire an additional 10% interest in the Subject Blue Spec Tenements by paying the Company an additional AUD $2.5 million (the "**Second Payment**") by January 31, 2021;
- At Calidus' sole discretion, Calidus can increase the Second Payment to AUD $5 million in exchange for an additional 15% interest in the Subject Blue Spec Tenements (the "**Second Bonus Payment**") (for an aggregate 25% interest);
- In order to acquire the remaining interest in the Subject Blue Spec Tenements, Calidus must pay the Company the remaining AUD $11.8 million or AUD $14.3 million (either being the "**Remaining Payment**") of the total agreed purchase price of AUD $19.5 million by March 31, 2021;
- If Calidus exercises its right to make the Second Bonus Payment, AUD $1.5 million of the Remaining Payment of A$11.8 million can be satisfied by the issuance of ordinary shares of Calidus at a 15-day trailing volume weighted average price prior to the date of issuance, subject to Calidus shareholder approval;
- If Calidus does not make the Second Bonus Payment, the Remaining Payment must be made in cash for the full AUD $14.3 million; and
- If Calidus fails to complete the Transaction in full by March 31, 2021, Novo will have an 18-month option to repurchase any residual interest in the Subject Blue Spec Tenements held by Calidus for 50% of the aggregate consideration paid by Calidus for that interest.

Calidus paid a non-refundable AUD $200,000 deposit to the Company on September 22, 2020.

The Transaction remains subject to the satisfaction of certain conditions precedent including the execution of various deeds of assignment between the Company, Calidus, and relevant third parties, and customary regulatory approvals for transactions of this nature.

Corporate Highlights

On October 27, 2020, receipts were issued for the Company's final short form prospectuses (the "**Prospectuses**") qualifying the distribution of an aggregate 17,192,379 units (the "**Qualified Units**") of the Company issuable pursuant to the automatic conversion of 17,192,379 previously issued subscription receipts (the "Subscription Receipts") of the Company.

The Subscription Receipts were issued on a private placement basis pursuant to prospectus exemptions on August 27, 2020 at a price of $3.25 per Subscription Receipt for gross proceeds of approximately $56 million in conjunction with the Company's acquisition of Millennium.

Each Qualified Unit was comprised of one common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a "**Conversion Warrant**"), with each Warrant exercisable into one common share of the Company at an exercise price of $4.40 per share until August 27, 2023. All Subscription Receipts automatically converted, without any further payment or action on the part of the holders, into Qualified Units on October 30, 2020.

On November 10, 2020, 7,476,687 of the Conversion Warrants were confirmed eligible for trading on the TSX Venture Exchange under the symbol "NVO.WT".

COVID-19

Other than an approximate six-week suspension of exploration activities to ensure the safety of the Company's employees and contractors, the Company has not experienced a significant impact to its business to date despite the COVID-19 pandemic. The outbreak and the response of governments in dealing with the pandemic, however, is still

affecting general activity levels within the community and the economy. The scale and duration of these developments remain uncertain as at the date of this report, but they may have an impact on the Company's future cash flows. The Company notes that travel options for site-based staff are limited but the Company has plans in place to manage intermittent travel disruptions and continue exploration activities while maintaining the safety of its staff, including the use of cost-effective charter flights to and from Nullagine.
It is not possible at this time to estimate the impact of the outbreak's near-term and longer-term effects or governments' varying efforts to combat the outbreak and support businesses.

During the brief exploration hiatus, the Company's staff worked diligently to collate and interpret data from its vast tenement holdings. The Company plans to use these data interpretations to guide the 2020 and 2021 exploration and development programs.

Dr. Quinton Hennigh, P. Geo., the Company's President, Chairman, and a Director, and a qualified person as defined by National Instrument 43-101, has approved the technical contents of this Interim MD&A.

FINANCIAL POSITION AND LIQUIDITY

Review of Financial Results

	3rd Quarter 2021 October 31, 2020	2nd Quarter 2021 July 31, 2020	1st Quarter 2021 April 30, 2020	4th Quarter 2020 January 31, 2020	3rd Quarter 2020 October 31, 2019	2nd Quarter 2020 July 31, 2019	1st Quarter 2020 April 30, 2019	4th Quarter 2019 January 31, 2019
Revenue	-	-	-	-	-	-	-	-
Net Loss $'000	(8,159)	(3,824)	(3,927)	(5,952)	(2,249)	(934)	(2,827)	(2,526)
Basic and Diluted Loss Per Share	($0.03)	($0.02)	($0.02)	($0.03)	($0.01)	($0.01)	($0.02)	($0.02)

Overall, net loss for the period reflected an increase in general business activities which support the Company's expanding program to bulk sample the most prospective areas of its extensive 14,000km^2 landholdings. Share-based payments, wages and salaries, office and general, share of loss of associate and unrealized gain on marketable securities were the major components that caused variances in net losses from quarter to quarter.

During the quarter ended October 31, 2020, the major expenses of the Company were accounting and audit fees, consulting services, insurance expenses, legal fees, meal and travel expenses, office and general expenses, transfer agent and filing fees, wages and salaries and the lease interest expenses totaling $2,575,000 (October 31, 2019 - $1,850,000). In addition, non-cash share-based payments expenses of $1,939,000 (October 31, 2019 - $635,000) and finance expense of $626,000 were incurred during the quarter ended October 31, 2020. Share-based payment expenses increased because of the new batch of incentive stock options issued in January 2020.

During the quarter ended October 31, 2020, operating expenses were offset by non-operating items such as interest and other income, unrealized gain on marketable securities and foreign exchange of $3,033,000 (October 31, 2019 – $248,000). Further adjustment account for deferred consideration accretion expenses, rehabilitation provision accretion expense, credit facility accretion expense $646,000 and recognition of the share of loss of associate of $2,178,000 (October 31, 2019 –$nil).

Operating Activities

Cash used in operating activities during the nine-month period ended October 31, 2020 was $10,375,000 (October 31, 2019 –$5,120,000). Material adjustments for non-cash items included impairment of the Company's mineral property balance mostly due to the dissolution of the Artemis joint operation (see note 8 of the Interim Financial Statements), share-based payments, and foreign exchange derived from financial instruments held in currency different than the Company's functional currency.

Investing Activities

Cash used by investing activities during the nine-month period ended October 31, 2020, was $68,156,000 (October 31, 2019 – $16,201,000). The Company's principal investing activity was the acquisition of Millennium and exploration and development of its mineral properties. During the quarter ended October 31, 2020, the Company incurred $7,501,000 (October 31, 2019 – $16,692,000) on its mineral properties and $60,651 (October 31, 2019 - $nil) on the acquisition of Millennium. Please see note 8 and 10 of the Interim Financial Statements for more details.

Financing Activities

Cash provided by financing activities during the nine-month period ended October 31, 2020 was $100,724,000 (October 31, 2019 - $16,167,000), which relates to cash received from debt and equity financings, stock option exercises, and funding received from Sumitomo Corporation under the Egina farmin agreement. Please see notes 8, 12 and 14 of the Interim Financial Statements for more details.

Cash Resources and Going Concern

At October 31, 2020, the Company had cash of $50,782,000 and an additional $187,000 in short-term investments. Working capital as at October 31, 2020 was $37,654,000. To further explore the Company's mineral properties and ultimately fully develop them into large-scale mining operations with processing plants, the Company may need to raise additional cash or form strategic partnerships.

OPERATIONS

Exploration and Evaluation Assets

The Company's exploration and evaluation assets are comprised of the following:

		US Region	Karratha & Egina Region					
	Beatons Creek $'000	Tuscarora $'000	Comet Well $'000	Artemis $'000	Pioneer $'000	Farno McMahon $'000	Granted tenements $'000	Total $'000
Balance, January 31, 2020	46,452	27	21,463	17,531	629	14,430	5,702	106,234
Acquisition Costs	94,173	-	394	5,024	-	150	2,047	101,788
Exploration Expenditures:								
Drilling	39	-	-	-	-	-	-	39
Field Work	2,047	-	197	132	255	2,694	861	6,186
Fuel	12	-	-	-	5	137	15	169
Geology	838	-	10	7	27	108	135	1,125
Legal	28	-	16	33	-	52	59	188
Meals & Travel	123	-	11	6	29	342	103	614
Office and General	160	-	3	-	(7)	(49)	(91)	16
Reports, Data and Analysis	21	-	-	10	-	-	-	31
Rock Samples	231	-	54	16	6	512	133	952
Earthworks	6	-	-	-	92	458	40	596
Native Title	225	-	3	4	42	123	17	414
Tenement Administration	260	-	9	84	36	270	879	1,538
Foreign Exchange Difference	4,040	-	658	588	33	568	283	6,170
Option Payments Received	-	(12)	-	-	-	-	-	(12)
Fuel Tax rebate	(119)	-	-	-	-	-	-	(119)
Artemis contribution	-	-	-	(79)	-	-	-	(79)
Impairment	-	-	-	(1,558)	-	-	(312)	(1,870)
	7,911	(12)	961	(757)	518	5,215	2,122	15,958
Balance, October 31, 2020	148,536	15	22,818	21,798	1,147	19,795	9,871	223,980

	Beatons Creek Region	US Region	Karratha and Egina Region					
		Tuscarora	Comet Well	Artemis	Pioneer	Farno-McMahon (Egina)	Granted Tenements	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance, January 31, 2019	47,063	84	25,939	19,321	641	7,365	3,695	104,108
Acquisition Costs	-	-	(248)	-	-	3,134	-	2,886
Exploration Expenditure:								
Drilling	130	-	13	-	-	345	-	488
Field Work	176	-	79	38	5	1,859	1,223	3,380
Fuel	26	-	17	-	-	286	1	330
Geology	3,287	-	30	38	-	905	98	4,358
Legal	146	-	31	10	15	51	12	265
Meals & Travel	387	-	54	(16)	-	919	411	1,755
Office and General	174	-	15	1	-	305	62	557
Reports, Data and Analysis	391	-	95	-	12	68	(54)	512
Rock Samples	1,036	-	451	28	-	393	244	2,152
Native Title	206	-	-	-	10	69	14	299
Tenement Administration	467	-	-	37	4	88	523	1,119
Foreign Exchange Difference	(4,487)	1	(2,239)	(1,414)	(58)	(1,357)	(527)	(10,081)
Option Payments Received	-	(58)		-	-	-	-	(58)
Artemis contribution	-	-	-	(512)	-	-	-	(512)
Research and Development Refund	-	-	(2,774)	-	-	-	-	(2,774)
Impairment	(2,550)	-	-	-	-	-	-	(2,550)
	(611)	(57)	(4,228)	(1,790)	(12)	3,931	2,007	(760)
Balance, January 31, 2020	**46,452**	**27**	**21,463**	**17,531**	**629**	**14,430**	**5,702**	**106,234**

ADDITIONAL DISCLOSURE

Related Party Transactions

Key Management Personnel Disclosures

During the periods ended October 31, 2020 and 2019, the following amounts were incurred in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties:

	3 Months ended October 31, 2020 $'000	3 Months ended October 31, 2019 $'000	9 Months ended October 31, 2020 $'000	9 Months ended October 31, 2019 $'000
Fees for consulting services paid to the Company's VP, Corporate Communications	45	45	135	135
Wages and Salaries paid to the Company's Chairman	93	91	280	274
Wages and Salaries paid to the Company's Chief Executive Officer	75	75	224	225
Wages and Salareis paid to the Company's Chief Financial Officer	74	73	220	214
Directors' fees paid to the Company's independent directors	29	44	86	132
Share-based payments relating to incentive stock options issued to the Company's Chief Executive Officer, Chief Financial Officer, VP, Corporate Communications and directors	1,154	197	2,278	584
	1,470	525	3,223	1,564

The Company pays its VP, Corporate Communications a cash consulting fee of $15,000 per month. Consulting services totaled $120,000 for the nine-month period ended October 31, 2020 (October 31, 2019 - $120,000) and $45,000 for the quarter ended October 31, 2020 (October 31, 2019 - $45,000).

The Company pays annual cash salaries to its Chairman/President/Director, Chief Executive Officer/Director, and Chief Financial Officer/Corporate Secretary, and directors' fees to two independent directors. Details of these salary arrangements are outlined in the Company's Form 51-102F6V Statement of Executive Compensation (most recently filed on SEDAR on July 30, 2020). Wages and salaries for the aforementioned key management personnel and directors totaled $810,000 for the nine-month period ended October 31, 2020 (October 31, 2019 – $845,000) and $271,000 for the quarter ended October 31, 2020 (October 31, 2019 - $283,000).

From time to time, the Company's board of directors incentivizes the Company's management, employees, and consultants by issuing incentive stock options. Amounts outlined in the table above represent such portion of the Company's share-based payment expenses which relate to incentive stock options granted to the Company's management and board of directors, namely the Chairman/President/Director, three independent directors, the Chief Executive Officer/Director, the Chief Financial Officer/Corporate Secretary, and the VP, Corporate Communications. The Company's methodology for calculating the fair value of share-based payments is outlined in note 2 of the Audited Financial Statements and the "share-based payments" section of the Company's Annual MD&A. Share-based payments relating to these key management personnel and directors totaled $2,278,000 for the nine-month period ended October 31, 2020 (October 31, 2019 - $584,000) and $1,154,000 for the quarter ended October 31, 2020 (October 31, 2019 - $197,000).

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares without par value (the "**Common Shares**"). All issued Common Shares are fully paid and non-assessable. As of December 17, 2020 the following Common Shares, Common Share purchase warrants (the "**Warrants**"), and stock options were issued and outstanding:

	Number of Shares	Exercise Price ($)	Expiry Date
Common Shares	230,353,507	-	-
Stock Options	1,600,000	0.94	August 15, 2021
Stock Options	1,750,000	0.95	June 5, 2022
Stock Options	2,125,000	1.57	July 18, 2022
Stock Options	2,125,000	7.70	October 20, 2022
Stock Options	950,000	3.47	January 30, 2023
Stock Options	410,000	4.60	June 5, 2023
Stock Options	6,125,000	3.57	January 6, 2025
Warrants	8,596,184	4.40	August 27, 2023
Warrants	8,853,427	4.40	September 7, 2023
Warrants	726,812	4.40	September 9, 2023
Warrants	1,328,295	4.40	September 14, 2023
Fully Diluted	**264,943,225**		

Additional Disclosure for Venture Issuers without Significant Revenue
Additional disclosure concerning the Company's general and administrative expenses and mineral property costs is provided in the Interim Financial Statements and related notes that are available under the Company's profile on the SEDAR website www.sedar.com.

Risk Factors

The operations of the Company are subject to significant uncertainty due to the high-risk nature of its business, which is the exploration, development and operation of mining properties. The following risk factors could materially affect the Company's financial condition and/or future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

COVID-19

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020.

Other than an approximate six-week suspension of exploration activities, the Company has not experienced a significant impact on its business to date; however, there is no assurance that this will continue given the ongoing global situation The outbreak and the response of various governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and financial markets worldwide, including Novo's operations and the operations of the companies in which Novo has invested. Restrictions on travel and the limited ability to have meetings with personnel, vendors and service providers may have an adverse effect on the Company's operations. The scale and duration of these developments remain uncertain as at the date of this Interim MD&A, but they may have an impact on the Company's future cash flows. The Company notes that the value of certain assets, in particular the fair value of marketable securities recorded in the statement of financial position in the Interim Financial Statements and the Audited Financial Statements, determined by reference to fair or market values at October 31, 2020 and January 31, 2020, respectively, may have materially changed by the date of this Interim MD&A.

The COVID-19 pandemic has also caused, and is likely to continue to cause, severe economic, market and other disruptions worldwide. It is not possible to estimate the impact of the outbreak's near-term and longer-term effects or governments' varying efforts to combat the outbreak and support businesses. There can be no assurance that conditions in the global financial markets will not continue to deteriorate as a result of the pandemic, or that the Company's access to capital and other sources of funding will not become constrained, all of which could adversely affect the availability and terms of any future financings the Company undertakes.

Dependence on Future Financing

Although the Company believes that it currently has sufficient funding to restart the production infrastructure of Millennium and its planned operations at its Beatons Creek project and other properties, there can be no assurance that the Company will have the funds required to carry out all of its business plans or that those expenditures will prove profitable. Obtaining additional financing would be subject to a number of factors, including market prices for minerals and commodities, investor acceptance of the Company's properties and investor sentiment. These factors may make the timing, amount, terms or conditions of additional financing unavailable to the Company. The most likely source of future funds presently available to the Company is through equity or debt financings. Any sale of share capital will result in dilution to existing shareholders.

Risks Related to the Credit Facility and Indebtedness

The Credit Facility has usual and customary covenants to keep the facility in good standing, including, but not limited to, repayment of the principal advanced thereunder and accrued interest, maintenance and provision of regular and up-to-date financial reports, compliance with all applicable laws and applicable securities legislation, obligation to provide notice of material events, and obligation to maintain secured assets and insurance thereon. The Credit Facility also contains restrictive covenants that will limit the Company's ability to engage in activities that may be in the Company's long-term best interest. If the Company defaults in respect of its obligations under the Credit Facility, it may lose the shares of certain of its international subsidiaries (which are pledged as collateral under the Credit Facility) and other property securing its obligations under the Credit Facility, which would have a material effect on the Company's operations. The Company has currently drawn down on the first tranche under the Credit Facility. To the extent the Company draws down the additional amounts under the second tranche or incurs other additional debt, the risks related to the Company's indebtedness could increase.

The Company's level of indebtedness and the terms thereof will have several important effects on its future operations, including, without limitation, that it:

- will require the Company to dedicate a portion of its cash flow from operations, if any, and under the terms of the Credit Facility other proceeds from divestitures, financings and insurance claims, to the payment of principal and interest on the Company's outstanding indebtedness, thereby reducing the funds available to it for operations and any future business opportunities;
- could increase the Company's vulnerability to adverse changes in general economic and industry conditions, as well as to competitive pressure;

- could decrease the Company's flexibility in planning for and reacting to changes in the industry in which it competes and place the Company at a disadvantage compared to other, less leveraged competitors; and

- depending on the levels of its outstanding debt, could increase the Company's cost of borrowing and/or limit the Company's ability to obtain additional financing for working capital, capital expenditures, general corporate and other purposes or require the Company to make other divestitures.

The Company's ability to make payments of principal and interest on its indebtedness depends upon the Company's financial condition, operating performance and expected future revenues, will be subject to prevailing economic conditions, competitive conditions, changes in the applicable interest rate, industry cycles and financial, business, legislative, regulatory and other factors affecting its operations, many of which are beyond the Company's control. If the Company's revenues are insufficient to, or the Company cannot raise sufficient funds to, meet its debt service and other obligations in the future, the Company could face substantial liquidity problems and may be required, among other things, to:

- reduce or delay investments and other capital expenditures;

- obtain additional financing in the debt or equity markets;

- refinance or restructure all or a portion of its indebtedness; and/or

- sell selected assets.

The Company cannot provide assurance that such measures will be sufficient to enable the Company to service its debt. In addition, any such financing, refinancing or sale of assets might not be available on economically favourable terms or at all. Any of the foregoing may have a material and adverse effect on the Company's financial condition and results of operations. See "The Company – Acquisition of Millennium Minerals Limited – Credit Facility.

Dependence on Key Management Personnel

The Company is dependent upon a number of key management personnel. The Company's ability to manage its operating, development, exploration and financing activities will depend in large part on the efforts of these individuals. As the Company's business grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff for operations. The Company faces intense competition for qualified personnel, and there can be no assurance that the Company will be able to attract and retain such personnel. The loss of the services of one or more key employees or consultants or the failure to attract and retain new personnel could have a material adverse effect on the Company's ability to manage and expand the Company's business.

Obligations as a Public Company

The Company's business is subject to evolving corporate governance and public disclosure regulations that may from time to time increase both the Company's compliance costs and the risk of non-compliance, which could adversely impact the price of the Common Shares.

The Company is subject to changing securities laws and to rules and regulations promulgated by a number of governmental and self-regulated organizations having jurisdiction over the Company, including, but not limited to, the TSX Venture Exchange and the International Accounting Standards Board. These laws, rules and regulations continue to evolve in scope and complexity creating many new requirements. The Company's efforts to comply with the same could result in increased general and administration expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Acquisitions and Integration

From time to time, the Company examines opportunities to acquire additional assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Company has committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that the Company chooses to raise debt capital to finance any such acquisition, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisition, existing shareholders may experience dilution. Alternatively, the Company may choose to finance any such acquisition with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

On September 7, 2020, the Company completed the acquisition of Millennium (the "**Acquisition**") which involves the integration of a corporation that previously operated independently, and such integration is still in the early stages. An important factor in the success of the Acquisition will be the ability of the new management team to integrate all or part of the operations, systems, technologies and continuing personnel of Millennium and to realize the anticipated opportunities and synergies. There can be no assurance that the business integration will be successful initially or on the timeline anticipated by the Company. While the Company conducted due diligence on Millennium and its operations, there are risks inherent in any acquisition. Specifically, there could be unknown or undisclosed risks or liabilities of Millennium which could materially and adversely affect the Company's financial performance and results of operations. The success of the Acquisition will depend, in part, on the ability of the Company to realize the anticipated benefits, including cost savings and operational efficiencies, specifically in successfully achieving restart of the Millennium Assets and utilizing such project infrastructure in connection with the Beatons Creek Project, which cannot be assured. There can be no assurance that the Company and Millennium will not incur additional material costs in subsequent quarters to reflect additional costs associated with the Acquisition or that that the benefits expected from the Acquisition will be realized.

Market Price of Securities

Over the last several years, junior securities markets have experienced a high level of price and volume volatility, and the market price of securities of many resource companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of the Company include macroeconomic developments locally and globally and market perceptions of the attractiveness of particular industries. There can be no assurance that continued fluctuations in mineral prices will not occur.

As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the Company's long-term value. In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm profitability and the reputation of the Company.

The Speculative Nature of the Exploration of Natural Resource Properties

While the discovery of a commercially viable ore body may result in substantial rewards, few mineral properties that are explored are ultimately developed into producing mines. There is no assurance that any of the claims the Company will explore or acquire will contain commercially exploitable reserves of minerals. Exploration for natural resources is a speculative venture involving substantial risk. Even a combination of careful evaluation, experience and knowledge may not eliminate such risk. Hazards such as unusual or unexpected geological formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability of the Company to obtain suitable machinery, equipment or labour are all risks involved with the conduct of exploration programs and the operation of mines. While appropriate precautions to mitigate these risks have been taken or are planned to be taken, operations are subject to hazards such as equipment failure or failure of structures which may result in environmental pollution and consequent liability. Even though the Company intends to maintain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Previous Work on the Company's Properties May Give Rise to Environmental Liabilities

There can be no assurance that historic (prior to the Company's ownership) activities on the Company's properties was conducted in full compliance with the various government and environmental regulations required under the Australian mining regime. To the extent that any of the activities were not in compliance with applicable environmental laws, regulations and permitting requirements, enforcement actions thereunder, including orders of regulatory or judicial authorities, may be taken against the Company as a result of its interest in the properties. Any such actions or orders may cause increases in expenses, capital expenditures or production costs or reduction in levels of production, or require abandonment or delays.

Reclamation Costs

In the context of environmental permits, including the approval of reclamation plans, the Company must comply with standards, laws and regulations that may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the regulatory authority. The reclamation liability on any of the Company's properties will be calculated based on current laws and regulations and the expected future costs to be incurred in reclaiming, restoring and closing its exploration or operating mine sites. The Company may incur costs associated with reclamation activities, which may materially exceed the provisions established by the Company for the activities. In addition, possible additional future regulatory requirements may require additional reclamation requirements creating uncertainties related to future reclamation costs. Should the Company be unable to post required financial assurance related to an environmental remediation obligation, the Company might be prohibited from starting planned operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect. Furthermore, changes to the amount of financial assurance that the Company is required to post, as well as the nature of the collateral to be provided, could significantly increase the Company's costs, making the maintenance and development of new mines less economically feasible.

Although Millennium has currently made provisions for certain of its reclamation obligations and the Company is assessing provisions for the reclamation obligations of its other subsidiaries, there is no assurance that these provisions will be adequate in the future. The provision required is expected to increase significantly through negotiation with regulatory authorities as the Beatons Creek Project advances through permitting. There can be no guarantee that the Company will have sufficient capital resources to cover the costs of reclamation when they become due and payable.

The Company is currently engaged in discussions with the Department of Mines, Industry Regulation, and Safety and the Department of Water and Environmental Regulation, in Western Australia, with respect to its closure plan for the Beatons Creek Project and an amendment to its closure plan for the Millennium Assets, to account for any future changes to the site through construction and ultimately through production. This amount has not yet been determined as at the date hereof.
Failure to provide regulatory authorities with the required information could potentially result in the closure of the Company's operations, which could result in a material adverse effect on its operating results and financial condition.

Nature and Climatic Conditions

The Company has properties located in Western Australia, Australia. Typically, the Western Australian's tropical wet season is from the end of November to the end of March. During the wet season, the properties may be subject to unpredictable weather conditions such as cyclones, heavy rains, strong winds and flash flooding. The Company has undertaken several steps to minimize the effects of the wet season on its operations including planning exploration and mining activities around the wet season. Nonetheless, no assurance can be given that the unpredictable weather conditions will not adversely affect exploration activities. In particular, bulk sampling and exploration activities may be suspended due to poor ground conditions.

Information Technology

The Company is reliant on the continuous and uninterrupted operations of its information technology ("**IT**") systems. User access and security of all IT systems are critical elements to the operations of the Company. The Company's operations depend, in part, on how well the Company and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect the reputation, operations or financial performance of the Company.

The Company's IT systems could be compromised by unauthorized parties attempting to extract business sensitive, confidential or personal information, corrupting information or disrupting business processes or by inadvertent or intentional actions on the part of the Company's employees or vendors. A cyber security incident resulting in a security breach or failure to identify a security threat, could disrupt business and could result in the loss of business sensitive, confidential or personal information or other assets, as well as litigation, regulatory enforcement, violation of privacy and security laws and regulations and remediation costs.

Although, to date, the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including: adverse environmental conditions; industrial accidents; unusual or unexpected geological conditions; ground failures; changes in the regulatory environment; and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties, personal injury or death, environmental damage to the Company's properties or the properties of others, monetary losses and possible legal liability.

The businesses and properties of the Company are insured against loss or damage, subject to a number of limitations and qualifications. Such insurance will not cover all the potential risks associated with an exploration company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration is not generally available to the Company or to other companies in the exploration industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that it may not be insured against or that the Company may elect not to insure against because of premium costs or other reasons. The Company may suffer a material adverse effect on its business, results of operations, and financial position if it incurs a material loss related to any significant event that is not covered, or adequately covered, by its insurance policies.

Dependence on Principal Exploration Stage Projects

The operations of the Company are currently dependent upon the Egina, Karratha, and Beatons Creek Projects. These projects may never develop into commercially viable ore bodies, which would have a material adverse effect on the Company's potential mineral resource production, profitability, financial performance and results of operation.

Previous Work on the Egina, Beatons Creek, and Karratha Properties May Give Rise to Environmental Liabilities

There can be no assurance that historic (prior to the Company's ownership) activities on the Egina, Beatons Creek, and Karratha Properties was conducted in full compliance with the various government and environmental regulations required under the Australian mining regime. To the extent that any of the activities were not in compliance with applicable environmental laws, regulations and permitting requirements, enforcement actions thereunder, including orders of regulatory or judicial authorities, may be taken against the Company as a result of its interest in the Egina, Beatons Creek, and Karratha Properties. Any such actions or orders may cause increases in expenses, capital expenditures or production costs or reduction in levels of production, or require abandonment or delays.

Negative Operating Cashflow

The Company has incurred losses since inception and expects to continue to incur losses as it proceeds with exploration and development of its mineral properties. The Company's efforts to date have been focused on acquiring and exploring its mineral properties. These properties are in the exploration stage and do not have mineral reserves. The Company does not anticipate that it will earn any revenue from operations or other means unless and until at least one of its properties is placed into production or is sold to a third party. It is possible that neither of these events will occur.

Uncertainty in Global Markets and Economic Conditions

There remains considerable volatility in global markets and economic conditions together with the volatility in the price of gold. This continues to generate uncertainty for the mining sector worldwide and there has been a decrease in access to capital for exploration and development activities.

As discussed above, the Company has and will continue to rely on the capital markets for necessary capital expenditures. As a result, the business, financial condition and operations of the Company could be adversely affected by: (i) continued disruption and volatility in financial markets; (ii) continued capital and liquidity concerns regarding financial institutions generally and hindering the Company's counterparties specifically; (iii) limitations resulting from governmental action in an effort to stabilize or provide additional regulation of the financial system; or (iv) recessionary conditions that are deeper or last longer than currently anticipated.

Price of Gold

The Company's profitability and long-term viability depend, in large part, upon the market price of gold. Metal prices fluctuate widely and are affected by numerous factors beyond the Company's control, including global and regional supply and demand for industrial products containing metals generally; changes in global or regional investment or consumption patterns; increased production due to new mine developments and improved mining and production methods; decreased production due to mine closures; interest rates and interest rate expectation; expectations with respect to the rate of inflation or deflation; currency rate fluctuations; availability and costs of metal substitutes; global or regional political or economic conditions; and sales by central banks, holders, speculators and other producers of metals in response to any of the above factors.

There can be no assurance that metal prices will remain at current levels or that such prices will improve. A decrease in the market prices could adversely affect the profitability of the Company's existing mines and projects as well as its ability to finance the exploration and development of additional properties, which would have a material adverse effect on the Company's results of operations, cash flows and financial position. A decline in metal prices may require the Company to write-down mineral resource estimates (or mineral reserve estimates if ever established in the future), which could result in material write-downs of investments in mining properties. Further, if revenue from metal sales declines, the Company may experience liquidity difficulties. Its cash flow from mining operations may be insufficient to meet its operating needs, and as a result the Company could be forced to discontinue production and could lose its interest in, or be forced to sell, some or all of its properties.

Joint Ventures

The Company is and will be subject to the risks normally associated with the conduct of joint ventures, which include disagreements as to how to develop, operate and finance a project, inequality of bargaining power, incompatible strategic and economic objectives and possible litigation between the participants regarding joint venture matters. These matters may have an adverse effect on the Company's ability to realize the full economic benefits of its interest in the property that is the subject of a joint venture, which could affect its results of operations and financial condition as well as the price of the Company's Common Shares.

Permits

The Company's current and anticipated future operations, including further exploration and development activities and commencement of production on the Company's properties, require permits from various governmental authorities. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits, including the amount and timing of financial assurance obligations required, could have a material adverse impact on the Company. Any changes or delays to the Egina, Beatons Creek, and Karratha Properties will cause the Company additional expense. There can be no assurance that any such additional permits that the Company requires will be obtainable on reasonable terms, or at all. Further, there may be appeals of issued permits which may delay and/or prevent construction or operation during the appeal process and there can be no assurance that an appeal would be resolved in a timely manner or in the Company's favour.

Danger of Exploration and Development Activities

Exploration and development activities involve various types of risks and hazards, including:

- environmental hazards;
- industrial accidents;
- metallurgical and other processing problems;
- unusual or unexpected rock formations;
- structural cave-ins or slides;
- flooding and fires; and
- periodic interruptions due to inclement or hazardous weather conditions.

These risks could result in damage to, or destruction of, mineral properties or other properties; personal injury; environmental damage; delays in activities; monetary losses; and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from production, is not generally available to the Company or to other companies within the mining industry. The Company may suffer a material adverse impact on its business if it incurs losses related to any significant events that are not covered by its insurance policies.

Exploration and Mining Tenements May be Subject to Forfeiture

The Australian title registration system provides for application for forfeiture of exploration and mining licences where there is, or has been, non-compliance with the prescribed royalties, rents or expenditure conditions. Forfeiture may occur in one of a number of ways. A third party may file a plaint (an application for forfeiture) with the mining warden, who may (in the case of prospecting or miscellaneous licences) elect to forfeit the tenement or impose a fine not exceeding AUD $10,000 for non-compliance with expenditure conditions and not exceeding AUD $50,000 in any other case, or (in the case of exploration licences, mining and general purpose leases) make a recommendation to the Minister for Mines and Petroleum; Energy; Industrial Relations (the "Minister") for or against forfeiture.

In the latter case, the Minister may decide to forfeit the tenement, impose a fine not exceeding AUD $50,000 per tenement, or impose no penalty. A tenement may not be forfeited or recommended for forfeiture unless non-compliance is of sufficient gravity to justify forfeiture. Alternatively, the Minister may himself institute forfeiture measures where non-compliance has occurred (or impose a fine not exceeding AUD $50,000 per tenement which, if unpaid, results in deemed forfeiture).

Uncertainty in the Estimation of Mineral Resources and Mineral Reserves

Mineral resources that are not mineral reserves do not have demonstrated economic viability. The Company's publicly disclosed mineral resource figures are estimates only and no assurance can be given that these will ever be upgraded to higher categories of mineral resources or to mineral reserves. Even if mineral reserves are established in the future, there is no assurance that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral reserves will be mined or processed profitably. Actual mineral resources may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may differ from estimated levels. There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of mineral reserve estimates from time to time or may render the Company's mineral reserves uneconomic to exploit. Mineral reserve data is not indicative of future results of operations.

If the Company's actual mineral resources (and mineral reserves if ever established in the future) are less than current estimates or if the Company fails to develop its mineral resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected. Evaluation of mineral resources occurs from time to time and estimates of mineral resources (and mineral reserves if ever established in the future) may change depending on further geological interpretation, drilling results and metal prices, which could have a negative effect on the Company's operations. The category of inferred mineral resource is the least reliable mineral resource category and is subject to the most variability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to an indicated or measured mineral resource category as a result of continued exploration. There is no certainty that any mineral resources (or mineral reserves, if any) identified on any of the Company's properties will in fact be realized or will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. Until a deposit is actually mined and processed, the quantity of mineral resources (or mineral reserves, if any) and grade must be considered as estimates only and the Company may ultimately never realize production on any of its properties.

Government Regulation

The Company's business, mining operations and exploration and development activities are subject to extensive federal, territorial and local laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection of the environment, reclamation, historic and cultural resource preservation, mine safety and occupational health, control of toxic substances, reporting and other matters. Although the Company believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, new rules and regulations may be enacted and existing rules and regulations may be applied in a manner that could limit or curtail production or development of the Company's properties. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations.

Community Relations

The Company's relationships with the communities in which it operates and other stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of exploration activities on the environment and on communities impacted by such activities. Publicity adverse to the Company, its operations or extractive industries generally, could have an adverse effect on the Company and may impact relationships with the communities in which Novo operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk. Further, damage to the Company's reputation can be the result of the perceived or actual occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easy for individuals and groups to communicate and share opinions and views in regards to the Company and its activities, whether true or not. While the Company strives to uphold and maintain a positive image and reputation, the Company does not ultimately have control over how it is perceived by others. Reputation loss may lead to increased challenges in developing, maintaining community relations and advancing its projects and decreased investor confidence, all of which may have a material adverse impact on the financial performance and growth of the Company.

Native Title and Aboriginal Heritage

Native title claims and Aboriginal heritage issues may affect the ability of the Company to pursue exploration, development and mining on Australian properties. The resolution of native title and Aboriginal heritage issues is an integral part of exploration and mining operations in Australia and the Company is committed to managing any issues that may arise effectively. However, in view of the inherent legal and factual uncertainties relating to such issues, no assurance can be given that material adverse consequences will not arise.

Competition

The mining industry is intensely competitive in all of its phases and the Company competes with many companies possessing greater financial and technical resources than itself. Competition in the precious metals mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but also conduct refining and marketing operations on a global basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration and success in the future.

Currency Fluctuations

Currency fluctuations may affect the Company's capital costs and the costs that the Company incurs at its operations. Gold is sold throughout the world based principally on a United States dollar price, but most of the Company's operating and capital expenses are incurred in Australian and Canadian dollars. Changes in these foreign currencies could materially and adversely affect the Company's profitability, results of operations and financial position.

Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Legal proceedings may arise from time to time in the course of the Company's business. Such litigation may be brought against the Company or one or more of its subsidiaries in the future from time to time or the Company or one or more of its subsidiaries may be subject to another form of litigation. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. As of the date hereof, no claims have been brought against the Company, nor has the Company received an indication that any claims are forthcoming. However, due to the inherent uncertainty of the litigation process, should a claim be brought against the Company, the process of defending such claims could take away from management time and effort and the resolution of any particular legal proceeding to which the Company or one or more of its subsidiaries may become subject could have a material adverse effect on the Company's financial position and results of operations.

Enforcement of Civil Liabilities.

Substantially all of the Company's assets are located outside of Canada and certain of the directors and officers of the Company are or may be resident outside of Canada. As a result, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Company or the Company's directors and officers residing outside of Canada.

No Cash Dividends on Common Shares.

Shareholders should not anticipate receiving cash dividends on the Common Shares. The Company has never declared or paid any cash dividends or distributions on the Common Shares. It is currently expected that the Company will retain future earnings, if any, to support operations and to finance explorations and therefore not pay any cash dividends on the Common Shares in the foreseeable future.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. The Company expects that any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard. In addition, each of the Company's directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest or which are governed by the procedures set forth in the *Business Corporations Act* (British Columbia) and any other applicable law.