NOVO RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

For the nine months ended October 31, 2020 and 2019

(Expressed in Canadian Dollars)

Novo Resources Corp.
(Expressed in Canadian Dollars)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited)

	Note	October 31, 2020 $'000	January 31, 2020 $'000
ASSETS			
Current assets			
Cash	3, 10	50,782	28,703
Short-term investments	4	187	88
Inventory	5, 10	3,591	-
Receivables	6	1,944	6,657
Prepaid expenses and deposits	10	741	250
Total current assets		57,245	35,698
Non-current assets			
Property, plant and equipment	9, 10	84,587	1,586
Investment in associate	11	17,322	-
Exploration and evaluation assets	8, 10	223,980	106,234
Gold specimens		79	74
Marketable securities	7	20,338	14,457
Total non-current assets		346,306	122,351
Total assets		403,551	158,049
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	8,796	1,082
Lease liabilities		974	187
Sumitomo funding liability	8, 17	5,656	4,519
Sumitomo written call option	8, 17	2,341	1,341
Deferred consideration for mineral property	8	2,797	2,518
Total current liabilities		20,564	9,647
Non-current liabilities			
Credit Facility	12, 17	36,062	-
Derivative Liability	12, 17	1,116	-
Rehabilitation Provision	10, 13	26,994	-
Total non-current liabilities		64,172	-
Total liabilities		84,736	9,647
SHAREHOLDERS' EQUITY			
Share capital	14	347,166	190,698
Reserves	14	46,213	24,224
Comet Well deferred consideration reserve	8	3,354	3,354
Accumulated other comprehensive loss	14	(1,907)	(9,774)
Accumulated deficit		(76,011)	(60,100)
Total shareholders' equity		318,815	148,402
Total shareholders' equity and liabilities		403,551	158,049

These condensed interim consolidated financial statements are authorized for issue by the Board of Directors on December 17, 2020. They are signed on the Company's behalf by:

"Akiko Levinson" — Akiko Levinson

"Michael Barrett" — Michael Barrett

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Novo Resources Corp.
(Expressed in Canadian Dollars)
Condensed Interim Consolidated Statements of Comprehensive Loss
(Unaudited)

		Three months ended October 31,		Nine months ended October 31,	
	Note	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Expenses					
Accounting and audit		202	96	549	335
Consulting services		259	246	931	367
Insurance		75	158	145	245
Legal fees		(349)	56	219	308
Meal and travel expenses		164	132	213	256
Office and general		657	625	2,053	1,744
Share-based payments	14, 15	1,939	635	5,845	1,849
Transfer agent and filing fees		61	28	296	158
Wages and salaries	15	1,400	436	2,934	1,905
Impairment of mineral property	8	29	-	1,870	-
Lease interest expense		106	73	185	208
Sumitomo liability change in fair value	8	13	-	861	(6)
Loss before other items		(4,556)	(2,485)	(16,101)	(7,369)
Other items					
Interest and other income		483	249	684	621
Finance expense		(626)	-	(625)	-
Foreign exchange		(153)	(1)	(169)	1
Share of loss of associate		(2,118)	-	(2,178)	-
Deferred consideration accretion expense	8	(32)	(12)	(132)	(146)
Rehabilitation provision accretion expense	13	(152)	-	(152)	-
Credit facility accretion expense	12	(363)	-	(363)	
Unrealised gain through P&L - GBM & KZR warrant	7	(642)	-	2,347	-
		(3,603)	236	(588)	476
Net loss for the period before tax		(8,159)	(2,249)	(16,689)	(6,893)
Income tax benefit		-	-	778	880
Net loss for the period after tax		(8,159)	(2,249)	(15,911)	(6,013)
Other comprehensive gain/ (loss)					
Change in fair value of marketable securities, net of tax - not to be reclassified to profit or loss in subsequent periods	7,8	(37)	(444)	4,749	1,167
Foreign exchange on translation of subsidiaries - to be reclassified to profit or loss in subsequent periods		(6,696)	371	3,119	(6,066)
		(6,733)	(73)	7,868	(4,899)
Comprehensive loss for the period		(14,892)	(2,322)	(8,043)	(10,912)
Weighted average number of common shares outstanding		202,795,778	178,862,983	201,545,869	175,308,568
Basic and diluted loss per common share		(0.04)	(0.01)	(0.08)	(0.03)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Novo Resources Corp.
(Expressed in Canadian Dollars)
Condensed Interim Consolidated Statements of Changes in Equity
For the nine-month periods ended October 31, 2020 and 2019
(Unaudited)

	Note	Number of Shares (unrounded)	Share Capital Amount $'000	Option Reserve $'000	Warrant Reserve $'000	Comet Well Deferred Consideration Reserve $'000	Accumulated Other Comprehensive (Loss) / Gain $'000	Accumulated Deficit $'000	Shareholders' Equity $'000
Balance – January 31, 2019		163,883,048	176,286	22,044	20	3,354	(4,319)	(48,138)	149,247
Stock Option Exercise		510,000	1,384	(583)	-	-	-	-	801
Share based payments		-	-	1,849	-	-	-	-	1,849
Warrant excercises		14,477,000	13,028	-	-	-	-	-	13,028
Other comprehensive loss for the period		-	-	-	-	-	(4,899)	-	(4,899)
Loss for the year		-	-	-	-	-	-	(6,012)	(6,012)
Balance – October 31, 2019		178,870,048	190,698	23,310	20	3,354	(9,218)	(54,150)	154,014
Balance – January 31, 2020		178,870,048	190,698	24,205	19	3,354	(9,774)	(60,100)	148,402
Stock Option Exercise	14	300,000	301	(130)	-	-	-	-	171
Share-based compensation	14, 15	-	-	5,845	-	-	-	-	5,845
Acquisition of New Found Gold Corp. shares	7, 11	6,944,444	16,736	-	-	-	-	-	16,736
Acquisition of Purdy's Reward and 47K	8	2,100,000	3,381	-	-	-	-	-	3,381
Acquisition of GBM Resources Ltd. shares and warrants	8	197,907	601	-	-	-	-	-	601
Acquisition of Mt. Elsie project	8	324,506	1,292	-	-	-	-	-	1,292
Millennium acquisition	8, 10	20,363,447	67,943	-	15,135	-	-	-	83,078
Sprott Private Lending financing share issuance	12, 14	1,453,624	4,997	-	1,139	-	-	-	6,136
Creasy share issuance	8	2,582,269	8,909	-	-	-	-	-	8,909
Kalamazoo option share issuance	8	24,883	85	-	-	-	-	-	85
Subscription receipt financing	14	17,192,379	55,875	-	-	-	-	-	55,875
Share issue cost	14	-	(3,652)						(3,652)
Other comprehensive loss for the year		-	-	-	-	-	7,867	-	7,867
Loss for the period		-	-	-	-	-	-	(15,911)	(15,911)
Balance – October 31, 2020		230,353,507	347,166	29,920	16,293	3,354	(1,907)	(76,011)	318,815

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Novo Resources Corp.
(Expressed in Canadian Dollars)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)

	Nine months ending October 31,	
	2020	**2019**
	$'000	**$'000**
Operating activities		
Net loss for the period	(15,911)	(6,012)
Adjustments:		
Interest income	(125)	(621)
Impairment expense	1,870	-
Depreciation - fixed assets	451	561
Depreciation - right of use assets	228	-
Foreign exchange	(8,687)	(1,002)
Share-based payment	5,845	1,849
Share of losses in associate	2,178	
Change in fair value of marketable securites	(2,347)	146
Deferred consideration accretion expense	132	-
Closure provision accretion expense	152	-
Debt facility accretion expense	363	-
Change in fair value of Sumitomo funding liability	861	-
Total adjustments	921	933
Changes in non-cash operating w orking capital:		
Accounts payable and accrued liabilities	6,739	(550)
Prepaid expenses and deposits	(492)	(18)
Receivables	(1,631)	527
	4,616	(41)
Net cash used in operating activities	**(10,374)**	**(5,120)**
Investing activities		
Interest and other income	125	621
Acquisition of Millennium	(60,651)	-
Purchase of equipment	(129)	(222)
Sale of gold samples	-	92
Expenditures on exploration and evaluation assets	(7,501)	(16,692)
Net cash used in investing activities	**(68,156)**	**(16,201)**
Financing activities		
Credit facility	39,932	-
Issuance of share capital	61,043	13,830
Share issuance cost	(3,652)	
Lease payment	(323)	-
Sumitomo funding	3,724	2,334
Net cash from financing activities	**100,724**	**16,167**
Net change in cash	**22,194**	**(5,154)**
Effect of exchange rate changes on cash	(115)	(232)
Cash, beginning of the period	28,703	42,832
Cash, end of the period	**50,782**	**37,446**

Supplemental cash flow information (Note 16)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS

Novo Resources Corp. (the "Company" or "Novo") was incorporated on October 28, 2009 pursuant to the provisions of the *Business Corporations Act* (British Columbia) as Galliard Resources Corp. On June 27, 2011, the Company changed its name from Galliard Resources Corp. to Novo Resources Corp. The Company's shares trade on the TSX Venture Exchange (the "TSX-V") under the ticker symbol "NVO" and in the United States on the OTC market's OTCQX International Exchange under the symbol "NSRPF".

The Company and its subsidiaries are engaged primarily in the business of evaluating, acquiring and exploring natural resource properties with a focus on gold. The Company's head office is located at Suite 2900, 595 Burrard Street, Vancouver, British Columbia, V7X 1J5, Canada. The Company's operational office and corporate staff are located at Level 1, 680 Murray Street, West Perth, Western Australia, 6005, Australia.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). The accounting policies adopted are consistent with those disclosed in the Company's most recent annual consolidated financial statements, except as noted below. These condensed interim consolidated financial statements do not include all of the information and note disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements and therefore should be read in conjunction with the Company's annual consolidated financial statements for the year ended January 31, 2020.

Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value.

These condensed interim consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated. Share amounts are not rounded.

The preparation of condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity or where assumptions and estimates are significant to the financial statements are consistent with those described in the Company's annual consolidated financial statements for the year ended January 31, 2020, other than those disclosed below.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized during the period in which the estimate is revised if the revision affects only that period or during the period of the revision and further periods if the review affects both current and future periods.

Australian dollars will be referred to as "AUD", and United States dollars will be referred to as "USD" in these condensed interim consolidated financial statements.

Accounting policies adopted during the period for new transactions and events

Financial instruments – derivatives

Derivatives are classified as fair value through profit or loss ("FVTPL") and initially recognized at their fair value on the date the derivative contract is entered into and transaction costs are expensed. Derivatives are subsequently re-measured at their fair value at each statement of financial position date with changes in fair value recognized through profit and loss. Fair values for derivative instruments are determined using valuation techniques, with assumptions based on market conditions existing at the statement of financial position date or settlement date of the derivative.

Derivatives embedded in debt instruments or non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts.

Inventory

Inventories comprise raw materials, stores, consumables, and work-in-process inventory (stockpiled ore and gold in circuit). Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and less applicable variable selling expenses. Cost includes expenditure incurred in acquiring and bringing the inventories into their present location and condition and is determined on the basis of weighted average costs.

Additional judgements

Equity-accounted investments

Equity-accounted investments include an interest in an entity in which Novo holds less then 20% voting power, but Novo has determined that it has significant influence. This includes New Found Gold Corp ("New Found") (see notes 7 and 11 for further details). Novo's significant influence is mainly due to Novo having representation on the investee's board of directors, participation in policy-making processes, interchange of managerial personnel, and provision of essential technical information.

Determining if an acquisition is a business combination or an asset acquisition

As required by IFRS 3 Business Combinations ("IFRS 3"), the Company is required to determine whether the acquisition of Millennium Minerals Limited ("Millennium") should be accounted for as a business combination or an asset acquisition. Under IFRS 3, the components of a business must include inputs and processes applied to those inputs that have the ability to create outputs. Management has determined that the acquisition of Millennium did not include all the necessary components of a business. Accordingly, the acquisition of Millennium has been recorded as an asset acquisition, consisting of Millennium's working capital, property, plant, and equipment, exploration and evaluation assets, and current and non-current liabilities.

Estimates and assumptions

Decommissioning, restoration and similar liabilities

Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation costs. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations, and are measured at the present value of discounted cash flows for the estimated liabilities. Carrying value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration and similar liabilities that may occur upon decommissioning of certain of the Company's assets. Such estimates are subject to change based on changes in laws and regulations and interpretations by regulatory authorities.

Fair value of derivatives

The valuation of the Company's derivative financial instruments requires the use of valuation techniques. Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates result in changes in the fair value of these instruments and a corresponding change in the amount recognized in net income (loss).

Going concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and settlement of liabilities in the ordinary course of business.

In September 2020, the Company completed the acquisition of Millennium, which was financed through private placements raising gross proceeds of $56,000,000 as well as senior secured debt of USD $60,000,000, of which USD $35,000,000 has been drawn to date. See notes 10, 12, and 14 for further details.

The Company had cash on hand of $43,621,000 at December 17, 2020 and $50,787,000 at October 31, 2020 (January 31, 2020 - $28,703,000). The Company's cash flow forecast reflects that the Company has sufficient funding to meet its planned expenditure for at least the next 12 months. The directors have also identified a range of options to mitigate any delays in the timing of commencement of operations and possible project over-spend to ensure that sufficient funding is available, including the timing of the expenditure which is largely at the discretion of the directors and the ability to draw on other available funding resources.

The directors are satisfied that the Company has sufficient funding resources in order to meet its committed expenditure for at least the next 12 months and hence prepare these condensed interim consolidated financial statements on a going concern basis.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries listed below. Control is established by having power over the acquiree, exposure or rights to variable returns from its involvement with the acquiree, and the ability to use its power over the acquiree to affect the amount of the acquiror's returns. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

As at October 31, 2020, the subsidiaries of the Company were as follows:

Company Name	Area of Incorporation	% of Interest
Novo Resources (USA) Corp.	Nevada, USA	100%
Conglomerate Gold Exploration (B.V.I.) Ltd.	Tortola, British Virgin Islands	100%
Karratha Gold Exploration (B.V.I.) Ltd.	Tortola, British Virgin Islands	100%
Conglomerate Gold Exploration Pty Ltd ("CGE")	Western Australia, Australia	100%
Nullagine Gold Pty Ltd ("Nullagine Gold")	Western Australia, Australia	100%
Beatons Creek Gold Pty Ltd	Western Australia, Australia	100%
Grant's Hill Gold Pty Ltd	Western Australia, Australia	100%
Karratha Gold Pty Ltd ("Karratha Gold")	Western Australia, Australia	100%
Rocklea Gold Pty Ltd	Western Australia, Australia	100%
Meentheena Gold Pty Ltd ("Meentheena")	Western Australia, Australia	100%
Farno-McMahon Pty Ltd ("Farno")	South Australia, Australia	100%
Millennium Minerals Limited ("Millennium")	New South Wales, Australia	100%

New and amended accounting standards and interpretations adopted by the Company

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended January 31, 2020, except for the adoption of new and amended accounting standards and interpretations effective as of January 1, 2020. Other than the adoption of the amendment to IFRS 3 (see below), the adoption of the new and amended accounting standards and interpretations had no impact on the Company. The Company has not early adopted any other accounting standard, interpretation or amendment that has been issued but is not yet effective. The Company has applied, for the first time, the amendment IFRS 3 from February 1, 2020. In accordance with the transitional provisions of IFRS 3, the amendment was applied prospectively, and comparatives were not restated. The new definition of a business was applied to the Millennium acquisition during the period which resulted in that transaction being classified as an asset acquisition.

3. CASH IN TRANSIT

On October 30, 2020, a cash transfer of $4,728,000 was in transit from Novo to CGE. This amount is included in the cash balance reflected in the condensed interim consolidated statement of position as at October 31, 2020.

4. SHORT-TERM INVESTMENTS

Short-term investments are fixed term deposits held at the bank with a maturity of more than three months but no more than one year and are cashable at any time or locked for a period of no more than six months.

As at October 31, 2020, the Company had five short-term investments at amortised cost totalling $187,000 of principal (January 31, 2020 – three short-term investments totalling $88,000).

$35,000 is held in a short-term investment denominated in Canadian dollars, and the remaining $152,000 is held in four short-term investments denominated in Australian dollars. The Canadian short-term investment is due on February 16, 2021 and has an annual yield of prime less 2.7% with a floor rate of 0.25% (0.25% as at October 31, 2020), while the Australian short-term investments are broken down as follows:

October 31, 2020 $	Due Date	Annual Yield
19,000	June 21, 2021	0.65%
38,000	July 21, 2021	0.85%
79,000	May 21, 2021	0.40%
17,000	December 21, 2020	0.40%
34,000	June 21, 2021	0.25%
187,000		

Amounts which mature are re-invested in similar investments along with their interest component.

5. Inventory

	October 31, 2020 $'000	January 31, 2020 $'000
Consumables	2,945	-
Gold in circuit	7	-
Ore Stockpiles	639	-
	3,591	-

6. RECEIVABLES

	Note	October 31, 2020 $'000	January 31, 2020 $'000
Canadian GST Receivable		158	48
Australian GST Receivable		1,786	530
Sumitomo Funding Receivable	8	-	3,281
Research and Development Refund Receivable		-	2,798
Total Receivables		**1,944**	**6,657**

7. MARKETABLE SECURITIES

Calidus Resources Limited – (ASX: CAI)

On October 30, 2017, the Company participated in Calidus Resources Limited's ("Calidus") private placement by purchasing 36,585,366 ordinary shares at AUD $0.041 per share for gross consideration of AUD $1,500,000 ($1,490,000). The Company received Calidus' shares upon closing of the private placement on November 6, 2017. Calidus also issued to Novo 20,000,000 fully paid ordinary shares at a fair value of AUD $820,000 ($814,000) or AUD $0.041 per share as a reimbursement for expenditures incurred by the Company on certain tenements in the Marble Bar region of Western Australia which is subject to a binding term sheet between Novo and Calidus (see note 8 for more details). These shares are subsequently remeasured at fair value through other comprehensive income/loss ("FVTOCI"). Such revaluations are updated on a quarterly basis.

On November 27, 2019, Calidus completed a 10:1 consolidation of its outstanding ordinary shares. At that date the Company held 5,658,537 ordinary shares of Calidus.

On June 2, 2020 the Company sold 250,000 Calidus shares at AUD$0.5105 per share for gross proceeds of AUD $127,625. On June 4, 2020, the Company sold an additional 270,000 Calidus shares at AUD$0.4598 per share for gross proceeds of AUD $124,138. Following the sales, the Company still holds 5,138,537 ordinary shares in Calidus which represents 1.91% of Calidus' issued and outstanding ordinary shares as at October 31, 2020.

Elementum 3D Inc. – (unlisted)

On November 18, 2014, the Company participated in Elementum 3D Inc.'s ("E3D") inaugural financing and purchased 2,000,000 common shares of E3D, an unlisted private company based in Erie, Colorado. E3D is an additive manufacturing research and development company which specializes in the creation of advanced metals, composites, and ceramics. On March 7, 2018, the Company participated in E3D's rights offering financing. Through this rights offering financing, the Company purchased 76,560 additional common shares of E3D at a price of USD $1.68 per common share. As a result of other share issuances during the rights offering financing, the Company's ownership in E3D was diluted to 14.87%. As a result of this and other factors, the Company determined that it could no longer exert significant influence over E3D and thus E3D no longer met the definition of an associate. As such, the Company's 2,076,560 common shares of E3D have been accounted for as marketable securities from the date E3D ceased to be an associate.

The Company recognized a fair value gain on derecognition of associate in the condensed interim consolidated statement of comprehensive loss with subsequent fair value changes in this investment remeasured at FVTOCI.

During the year ended January 31, 2020, E3D conducted a financing at USD $2.50 per common share. Although the Company did not participate in this financing, the Company recognized the increased price as a fair indicator of E3D's fair value and revalued its holdings. As at October 31, 2020, the Company's ownership in E3D is 12.57% (January 31, 2020 – 12.60%).

American Pacific Mining Corp. – (CSE: USGD)

On March 6, 2018, American Pacific Mining Corp. ("APM") issued 266,666 common shares to Novo at a fair value of $0.38 per share for total consideration of $101,000. On March 8, 2019 APM issued an additional 266,666 common shares at $0.22 per share for a total consideration of $59,000. On March 4, 2020, APM issued the final tranche of 266,667 common shares to Novo at a fair value of $0.045 per share for total consideration of $12,000 (see note 8 for more details). The APM shares have been accounted for as marketable securities, so they have initially been recognized at fair value and subsequently remeasured at FVTOCI.

On April 17, 2020, APM completed a 3:1 consolidation of its outstanding common shares. The Company now holds 266,666 common shares of APM which represents 0.41% of APM's issued and outstanding common shares as at October 31, 2020.

Essential Metals Limited (ASX: ESS) (Previously - Pioneer Resources Limited – (ASX: PIO))

On September 17, 2018 Essential Metals Pty Ltd ("Essential Metals") issued 50,000,000 common shares to Novo at a fair value of AUD $0.02 per share for total consideration of AUD $1,000,000 ($931,000) (see note 8 for more details). On July 8, 2020 Essential Metals completed a 10:1 consolidation of its outstanding ordinary shares. The Company now holds 5,000,000 ordinary shares of Essential Metals which represents 3.31% of Essential Metals' issued and outstanding ordinary shares as at October 31, 2020. The Essential Metals shares have been accounted for as marketable securities, so they have initially been recognized at fair value and subsequently remeasured at FVTOCI.

Kalamazoo Resources Limited – (ASX: KZR)

On January 14, 2020, the Company participated in Kalamazoo Resources Limited's ("Kalamazoo") private placement (the "Kalamazoo Financing") by purchasing 10,000,000 units (each a "Kalamazoo Unit") at AUD $0.40 per Kalamazoo Unit for gross consideration of AUD $4,000,000 ($3,544,000).

Each Kalamazoo Unit was comprised of one Kalamazoo ordinary share and one whole unlisted option (each a "Kalamazoo Warrant"). The Company received the Kalamazoo ordinary shares upon closing of the Kalamazoo Financing on January 17, 2020 which represent 7.64% of Kalamazoo's issued and outstanding ordinary shares as at October 31, 2020.

Each Kalamazoo Warrant entitles the Company to purchase one additional ordinary share of Kalamazoo at a price of AUD $0.80 per share. The issue of the Kalamazoo Warrants was subject to Kalamazoo shareholder approval which was obtained on February 24, 2020. The Kalamazoo Warrants were issued on February 25, 2020 and expire on August 24, 2021.

The Kalamazoo ordinary shares have been accounted for as marketable securities, so they have initially been recognized at fair value and subsequently remeasured at FVTOCI.

The Kalamazoo Warrants qualify as derivatives pursuant to IFRS 9 *Financial Instruments* ("IFRS 9") and have therefore been initially recognized at fair value and subsequently remeasured at FVTPL.

GBM Resources Limited – (ASX: GBZ)

On March 30, 2020, the Company subscribed for 9,090,909 units (each a "GBM Unit") of ASX-listed GBM Resources Limited ("GBM") (the "GBM Subscription"). The GBM Subscription was subject to approval of the TSX-V and other customary regulatory approvals for transactions of this nature, all of which were received by April 6, 2020.

The GBM Units were paid for by the issuance of 197,907 common shares of Novo with a fair value of $366,000 based on the closing price of the Company's common shares on the TSX-V on April 6, 2020 of $1.85. However, pursuant to IFRS 9, IAS 32 *Financial Instruments – Presentation*, and IAS 28 *Investments in Associates and Joint Ventures*, any consideration paid or received for an equity instrument is added directly to equity. As such, the fair value of the GBM ordinary shares and the GBM Warrants (defined below) were added directly to the Company's equity. Each GBM Unit is comprised of one ordinary share of GBM and one-half-of-one ordinary share purchase warrant (each a "GBM Warrant"). Each whole GBM Warrant is exercisable to purchase one ordinary share of GBM at AUD $0.11 and expires on April 6, 2023. Immediately subsequent to the issuance of the GBM Units, Novo owned approximately 4.13% of the issued and outstanding ordinary shares of GBM.

On July 6, 2020, the Company subscribed for 2,272,728 ordinary fully paid ordinary shares at a cost of AUD $0.055 and 1,136,364 listed options at AUD $0.11 pursuant to GBM's rights offering financing. As part of this rights offering financing, the exercise price of the GBM Warrants was repriced to AUD $0.105. The Company now holds a total of 11,363,637 ordinary shares and 5,681,818 warrants which represents 2.84% of GBM's issued and outstanding ordinary shares as at October 31, 2020.

The GBM ordinary shares have been accounted for as marketable securities and have therefore been initially recognized at fair value and will be subsequently remeasured at FVTOCI.

The GBM Warrants qualify as derivatives pursuant to IFRS 9 and have therefore been initially recognized at fair value and subsequently remeasured at FVTPL.

New Found Gold Corp. – (TSX-V: NFG)

On March 2, 2020, the Company subscribed for 15,000,000 common shares (the "New Found Shares") of New Found Gold Corp. ("New Found"), a Canadian private exploration company at the time, in exchange for 6,944,444 common shares of the Company (the "Novo Shares") based on the closing price of the Company's common shares on the TSX-V on February 28, 2020. The issuance of the Novo Shares in return for the New Found Shares was subject to TSX-V approval which was provided on March 6, 2020. As such, the Novo Shares were issued on March 6, 2020, at a fair value of $2.41 per share for total consideration of $16,736,000. Subsequent to April 30, 2020, New Found raised significant funds at a price of $1.50 per share. Although the Company did not participate in this financing, the Company recognized the increased price as a fair indicator of New Found's fair value at April 30, 2020 and revalued its holdings at that date. New Found listed on the TSX-V on August 11, 2020. As at October 31, 2020, the Novo Shares represented 10.48% of New Found's issued and outstanding common shares.

The New Found shares were accounted for as marketable securities, so they were initially recognized at fair value and subsequently remeasured at FVTOCI.

On June 17, 2020 the Company obtained significant influence over New Found through the appointment of Dr. Quinton Hennigh, Novo's Chairman, President, and a director, to the board of New Found. The New Found investment became an equity-accounted investment and is therefore subsequently recognised as an investment in associate. Refer to note 11 for further details.

	As at October 31, 2020							
FVTOCI	**Number**	**Opening Fair Value $'000**	**Additions (Disposals) $'000**	**Transfer to investment in associate $'000**	**Foreign Exchange $'000**	**Accumulated Unrealised Gains / (Losses) $'000**	**Closing Fair Value $'000**
Calidus Resources Limited Ordinary Shares	5,138,537	1,309	(198)	-	299	1,431	2,841
American Pacific Mining Corp. Common Shares	266,666	32	12	-	-	12	56
Elementum 3D Inc. Common Shares	2,076,560	6,870	-	-	-	44	6,914
Essential Metals Limited Ordinary shares	5,000,000	576	-	-	32	(166)	442
Kalamazoo Resources Limited Ordinary Shares	10,000,000	5,670	-	-	325	(92)	5,903
New Found Gold Corp Common Shares	15,000,000	-	16,736	(19,500)	-	2,764	-
GBM Resources Ltd Ordinary Shares	11,363,637	-	643	-	(614)	1,622	1,651
		14,457	17,193	(19,500)	42	5,615	17,807

	As at October 31, 2020					
FVTPL	**Number**	**Opening Fair Value $'000**	**Additions (Disposals) $'000**	**Foreign Exchange $'000**	**Accumulated Unrealised Gains / (Losses) $'000**	**Closing Fair Value $'000**
Kalamazoo Resources Limited Warrants/Options	10,000,000	-	1,964	136	(138)	1,962
GBM Resources Ltd Warrants/Options	5,681,818	-	225	(83)	427	569
		-	2,189	53	289	2,531

	As at January 31, 2020					
FVTOCI	**Number**	**Opening Fair Value $'000**	**Additions (Disposals) $'000**	**Foreign Exchange $'000**	**Accumulated Unrealised Gains / (Losses) $'000**	**Closing Fair Value $'000**
Calidus Resources Limited Ordinary Shares	56,585,366	1,301	-	562	(554)	1,309
American Pacific Mining Corp. Common Shares	533,332	33	-	127	(128)	32
Elementum 3D Inc. Common Shares	2,076,560	4,585	-	881	1,404	6,870
Pioneer Resources Limited Ordinary Shares	50,000,000	813	-	90	(327)	576
Kalamazoo Resources Limited Ordinary Shares	10,000,000	-	3,544	(77)	2,203	5,670
		6,732	3,544	1,583	2,598	14,457

8. EXPLORATION AND EVALUATION ASSETS

Beatons Creek Region

Beatons Creek Property

The Company signed agreements with Aboriginal groups who have title to the ground comprising the Beatons Creek property during the year ended January 31, 2018. In aggregate, the Company has paid AUD $650,000 ($576,000) and a further AUD $600,000 is due once a decision has been made to develop the Beatons Creek property for mining. In addition, a production royalty totaling 2.75% is payable on any gold and silver produced from the Beatons Creek property.

A 2.5% royalty is payable to the State of Western Australia on any gold produced by the Company on the Beatons Creek property.

Millennium Property

Pursuant to the acquisition of Millennium (see note 10 below for further details), the Company acquired control over 106 granted tenements including one general purpose lease, 11 miscellaneous licences, 62 mining leases, and 32 prospecting licences (collectively, the “Millennium Tenements”). A 2.5% royalty is also payable to the State of Western Australia on any gold produced by the Company from the Millennium Tenements.

Talga Talga Project

A 1.5% net smelter returns royalty is payable on any minerals extracted from the Talga Talga project in a commercial mining operation. A 2.5% royalty is also payable to the State of Western Australia on any gold produced by the Company on the Talga Talga project.

Blue Spec Project

On September 19, 2020, the Company signed a binding terms sheet with Calidus to sell tenements M46/115 and M46/244 (the “Calidus Blue Spec Tenements”), both of which are included in the Blue Spec project, for AUD $19,500,000 ($18,779,000). Calidus paid a non-refundable deposit of AUD $200,000 ($193,000) to the Company on September 22, 2020 (see note 20 below for further details).

During the year ended January 31, 2020, five prospecting tenements included in the Blue Spec project expired. The Company recorded an impairment expense of AUD $2,537,000 ($2,329,000).

A 2% net smelter returns royalty over all production from tenements comprising the Blue Spec Au-Sb Project (the “Blue Spec Project”) is payable to RSI (WA Gold) Pty Ltd. under a royalty agreement entered into by Northwest Resources Limited (“Northwest”), the prior owner of the Blue Spec Project.

A net smelter returns royalty over all production from certain tenements comprising the Blue Spec Project is payable to St. Barbara Limited under a royalty agreement Northwest was bound by when it owned the Blue Spec Project. The Company assumed the obligations under the 2015 purchase agreement with Northwest. The royalty is equal to 3.75% of the gross proceeds of sale of 75% of all gold, silver and other minerals produced from the Blue Spec Project.

A 2.5% royalty is payable to the State of Western Australia on any gold produced by the Company on the Blue Spec Project.

Paleo-Placer Property

During the year ended January 31, 2020, one of the tenements comprising the Paleo-Placer property expired so the Company recorded an impairment expense of AUD $149,000 ($136,000).

On June 15, 2020 the Company entered into a binding term sheet with the Mark Gareth Creasy and entities controlled by him (collectively, the "Creasy Group") pursuant to which Novo will consolidated sole ownership of 510km² of existing tenure and acquire ownership of an additional 2,390km² of highly prospective new tenure in the Pilbara region of Western Australia (the "Creasy Transaction").

The Creasy Transaction is comprised of the following elements:

- acquisition of Creasy Group's residual interest in 20 tenements comprising 510km² currently subject to joint arrangements between the Company and the Creasy Group pursuant to which the Company currently holds a 70% of all mineral rights (the "Original JV Tenements"). Upon completion of the transaction, Novo will hold 100% ownership in these tenements;
- acquisition of 100% ownership (including rights to all minerals) in 55 tenements comprising an additional 1,865km² of new tenure for Novo, subject to the Creasy Group retaining limited prospecting rights on one tenement comprising 25km²; and
- acquisition of a 70% interest in 3 tenements comprising an additional 525km² of new tenure for the Company and entry into joint arrangements over these tenements, pursuant to which Novo will hold a 70% interest in rights to all minerals and Creasy Group will hold the other 30%.

Upon completion of the Creasy Transaction, the Company and the Creasy Group will terminate agreements which pertain to the Original JV Tenements and historical transactions between the Company and the Creasy Group.

As consideration for the Creasy Transaction, the Company issued to the Creasy Group 2,582,269 common shares (the "Consideration Shares") at a fair value of $3.45 per Consideration Share for gross consideration of $8,909,000. An additional 8,431 common shares (the "Additional Consideration Shares") will be issued to Creasy once Australian Foreign Investment Review Board ("FIRB") approval has been obtained. The Additional Consideration Shares will be subject to a statutory hold period expiring four months from the date of issuance. If FIRB approval is not obtained by February 13, 2021, or such later date as agreed by the Company and the Creasy Group, either the Company or the Creasy Group may terminate this portion of the Creasy Transaction.

The Consideration Shares have been accounted for as an equity-settled share-based payment under the requirements of IFRS 2 *Share Based Payments* ("IFRS 2"). As an equity-settled share-based payment, the consideration payable was recognised directly in equity without subsequent remeasurement. The transaction was recognised and measured with reference to the fair value of the equity instruments granted at the date control of the asset was obtained, estimated to be $8,909,000 as the Company determined that it could not reliably measure the fair value of the asset obtained.

A 2.5% royalty is payable to the State of Western Australia on any gold produced by the Company on the tenements subject to the Creasy Transaction.

Calidus Resources Limited

On September 19, 2017, the Company signed a binding term sheet with Calidus, an ASX-listed entity, granting Calidus the right to earn a 70% interest in and to certain Novo tenements surrounding Calidus' Warrawoona project in Western Australia (the "Novo Tenements"). The Novo Tenements are comprised of four exploration licences and three prospecting licences.

Calidus completed its due diligence and satisfied or waived all conditions precedent. Calidus issued to Novo 20,000,000 fully paid ordinary shares at a fair value of AUD $820,000 ($814,000) or AUD $0.041 per share.

In order to earn a 70% interest in and to the Novo Tenements, Calidus must incur exploration expenditure of AUD $2,000,000 over three years. If Calidus earns its 70% interest, Novo and Calidus will then be subject to a fund or dilute obligation whereby any interest below 10% will automatically convert into a 1% net smelter returns royalty. On May 31, 2019, Calidus provided notice to the Company that it had earned its 70% interest in and to the Novo Tenements. The Company is currently discussing joint operation plans with Calidus.

During the year ended January 31, 2020, one of the Novo Tenements reached the end of its term and expired. The Company recorded an impairment expense of AUD $131,000 ($120,000).

Mt Elsie project

On June 11, 2020, the Company entered into a binding term sheet to acquire three exploration licences (the "Mt Elsie Project") comprising an area of approximately 19km² located 75km north-east of the town of Nullagine, Western Australia and adjacent to numerous Novo wholly-owned tenements. The Company issued an aggregate 324,506 common shares (the "Elsie Consideration Shares") at a fair value of $3.98 per Elsie Consideration Share for gross consideration of $1,292,000 and paid AUD $100,000 in cash to the vendors of the Mt. Elsie Project. The Consideration Shares are subject to a statutory hold period expiring on November 11, 2020.

Karratha Region

Bellary Dome Pty Ltd ("Bellary Dome")

On June 12, 2020 the Company entered into an option agreement (the "Option Agreement") with Bellary Dome for the option to acquire the gold rights in exploration licence 47/3555 (the "Tenement") located in the Southern Pilbara region of Western Australia. The Option was conditional upon the removal of a caveat currently registered against the Tenement by a non-arm's length party to Bellary Dome and subsequent registration of the Tenement in Bellary Dome's name, all of which were satisfied on July 31, 2020. The Company paid AUD $25,000 ($24,000) to Bellary Dome for an initial option period of 12 months. At any time during the Option Period, the Company may exercise its Option and earn a 100% gold rights interest in the Tenement by paying Bellary Dome AUD $1,000,000 and granting Bellary Dome a 2% gross overriding royalty on all gold derived from future production by the Company from the Tenement.

Before the expiry of the Option Period, the Company may extend the Option Period to 24 months from the date of satisfaction of the Conditions by paying Bellary Dome AUD $25,000, 36 months from the date of satisfaction of the Conditions by paying Bellary Dome AUD $50,000, or 48 months from the date of satisfaction of the Conditions by paying Bellary Dome AUD $100,000.

Comet Well Property

On January 25, 2021, AUD $3,000,000 in aggregate is required to be paid to Gardner Mining Pty Ltd ("Gardner") and Bradley Adam Smith ("Smith"), the Company's Comet Well project (the "Comet Well Project") joint operation partners, and AUD $3,000,000-worth of Novo's common shares (the "Subsequent Consideration Shares") is required to be issued to Gardner and Smith, with the number of Subsequent Consideration Shares to be calculated based on Novo's then prevailing 5-day trailing volume-weighted average price ("VWAP").

The Subsequent Consideration Shares will be subject to a statutory hold period expiring four months from the date of issuance.

The AUD $3,000,000 cash consideration was recognized as a current liability in the Company's condensed interim consolidated statement of financial position considering it is due within 12 months. On initial recognition, the cash consideration payable was discounted to reflect its present value. The liability is carried at amortised cost and is being accreted to its face value over the period to maturity. The carrying value of the cash consideration payable recognised as a current liability at October 31, 2020 is $2,797,000 (AUD $2,964,000) (January 31, 2020 - $2,518,000 (AUD $2,842,000)).

The Subsequent Consideration Shares have been accounted for as an equity-settled share-based payment under the requirements of IFRS 2 *Share Based Payments* ("IFRS 2"). As an equity-settled share-based payment, the consideration payable was recognised directly in equity without subsequent remeasurement. The transaction was recognised and measured with reference to the fair value of the equity instruments granted at the date control of the asset was obtained, estimated to be $3,354,000 as the Company determined that it could not reliably measure the fair value of the asset obtained.

A bonus (the "Discovery Bonus") of AUD $1,000,000 payable in cash and/or Novo common shares (at Campbell's option) is required to be paid to Campbell if Novo publishes measured, indicated, or inferred gold resources of at least 250,000 ounces on the Comet Well Project (the "Comet Well Technical Report"). As at the date of these condensed interim consolidated financial statements resources have not been defined on the Comet Well Project.

If the Discovery Bonus is to be paid in the Company's common shares, the shares will be priced at the Company's then 5-day trailing VWAP and will be subject to a statutory hold period expiring four months from the date of issuance. The Company has not published a Comet Well Technical Report so no amount has been accrued for the Discovery Bonus.

The royalty agreement between the Company and Jonathon and Zoe Campbell ("Campbell") entitles Campbell to a 1% net smelter returns royalty on gold (the "Campbell Royalty") extracted by the Company on the Tenements. On July 27, 2018, the Company purchased one-half of the Campbell Royalty by agreeing to pay $1,000,000 upon receipt of TSX-V approval (the "Approval Date") (paid on August 1, 2018), an additional $250,000 on the six-month anniversary of the Approval Date (paid on January 25, 2019), and an additional $500,000 (paid on July 26, 2019) on the 12-month anniversary of the Approval Date. The Company also issued 138,946 common shares on July 26, 2018, at a fair value of $588,000 based on the closing price of the Company's common shares on the TSX-V on July 26, 2018 of $4.23. The Company also agreed to pay Campbell a sub-royalty, in cash or satisfied by the issuance of common shares at the Company's discretion, based on either (i) resource reports being announced by the Company in compliance with either National Instrument 43-101 or the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves for the Comet Well property, demonstrating Measured Mineral Resources or Indicated Mineral Resources of gold, or a combination thereof (together, the "Announced Resources"), or (ii) if there are no Announced Resources but the Comet Well property is being mined by the Company, gold produced by the Company ("Mined Resources"), as follows:

- For Announced Resources and/or Mined Resources up to 5,000,000 ounces of gold, Novo shall make a payment of $0.50 per ounce; and

- For Announced Resources and/or Mined Resources over 5,000,000 ounces of gold, Novo shall make a payment of $1.00 per ounce.

If applicable, any sub-royalty will be paid quarterly, and the obligation to pay the sub-royalty expires on the tenth anniversary of the Approval Date. The sub-royalty is only payable once in respect of Announced Resources that may subsequently become Mined Resources. If a sub-royalty is paid in common shares issued by the Company, the issue price will be determined by reference to the VWAP of the Company's shares for the last 20 trading days of the relevant quarter.

The first farm-in and joint operation agreement (the "Novo Farm-in Agreement") signed between the Company and Gardner and Smith entitles the Company to earn an 80% interest in the Tenements once certain regulatory approvals are obtained and the Company incurs AUD $4,000,000 in expenditures within three years of the Tenements being granted by the Australian Department of Mines, Industry Regulation and Safety ("DMIRS"). Concurrently, the Company signed a farm-in and joint operation agreement (the "Gardner and Smith Farm-in Agreement") with Gardner and Smith which entitle Gardner and Smith to earn an aggregate 20% interest in the Tenement by incurring AUD $50,000 in aggregate within two years of the Tenements being granted by the DMIRS.

As such, if the Company earns into the Tenements and Gardner and Smith earn into the Tenements, the Company will hold an 80% interest in the Tenements and Gardner and Smith will hold a 20% interest in the Tenements. The Company provided Gardner and Smith with confirmation of farm-in completion on May 28, 2018.

Pursuant to the Novo Farm-in Agreement, the Company will free carry Gardner and Smith with respect to joint operation expenditures until a decision to mine is made, at which point any non-contributing entity's interest in the joint operation will dilute at a pre-determined ratio. If Gardner's and Smith's interests in the joint operation are reduced to below 5%, Gardner and Smith will be deemed to have withdrawn from the joint operation and their interest will convert to an aggregate 1.0% net smelter returns royalty payable on any gold which is capable of being sold or otherwise disposed of. If the Company's interest in the joint operation is reduced to below 5%, the Company will be deemed to have withdrawn from the joint operation and its interest will convert to an aggregate 4% net smelter returns royalty payable on any gold which is capable of being sold or otherwise disposed of.

Pursuant to the Gardner and Smith Farm-in Agreement, the Company will free carry Gardner and Smith with respect to joint operation expenditures until a decision to mine is made, at which point any non-contributing entity's interest in the joint operation will dilute at a pre-determined ratio. If Gardner's and Smith's interests in the joint operation are reduced to below 5%, Gardner and Smith will be deemed to have withdrawn from the joint operation and their interests will convert to a 0.5% net smelter returns royalty payable on any gold which is capable of being sold or otherwise disposed of. If the Company's interest in the joint operation is reduced to below 5%, the Company will be deemed to have withdrawn from the joint operation and its interest will convert to a 4% net smelter returns royalty payable on any gold which is capable of being sold or otherwise disposed of.

Artemis Resources Limited

Effective November 27, 2017, a 50:50 unincorporated joint operation was deemed to be formed between the Company and Artemis Resources Ltd.'s ("Artemis") subsidiaries over gold (and other minerals necessarily mined with gold) in conglomerate and/or paleo placer style mineralization in Artemis' tenements within 100km of the City of Karratha, including at Purdy's Reward (the "Gold Rights"). The Company managed the joint operations and Artemis and the Company contributed to further exploration and mining of the Gold Rights on a 50:50 basis. If the Company or Artemis elected not to contribute to the joint operation pursuant to a budget approved by the joint operation management committee, the non-contributing entity's interest in the joint operation would dilute at a ratio of 0.1% for every AUD $50,000 overspent by the contributing entity. If a non-contributing entity's interest in the joint operation was reduced to below 5%, the non-contributing entity would be deemed to have withdrawn from the joint operation and its interest will convert to a 0.5% net smelter returns royalty payable on any gold subject to the Gold Rights which is capable of being sold or otherwise disposed of.

During the year ended January 31, 2020, Artemis contributed AUD $512,000 ($454,000) to the joint operation.

On March 23, 2020, the Company dissolved the 50:50 joint operation with Artemis and acquired a 100% interest in exploration licenses E47/1745 ("Purdy's Reward") and E47/3443 ("47K"). As consideration for the transaction, the Company issued 1,640,000 common shares at a fair value of $1.61 per share based on the Company's closing price on the TSX-V on March 23, 2020 for total consideration of $2,640,000, and paid AUD $820,000 ($680,000) to Artemis. The Company also issued 360,000 common shares at a fair value of $1.61 per share for total consideration of $580,000, paid AUD $180,000 ($151,000), and granted a 1% net smelter returns royalty to Sorrento Resources Pty Ltd, one of Artemis' joint venture partners on the 47K project.

A finder's fee comprised of 100,000 common shares of the Company, issued at a fair value of $1.61 per share for total consideration of $161,000, and a cash payment of AUD $50,000 ($42,000) was paid to Battle Mountain Pty Ltd in respect of the transaction.

As part of the transaction Novo returned 26 tenements to Artemis and recognised an impairment of AUD $1,776,000 ($1,508,000) relating to expenditure incurred on these tenements.

<u>Egina Region</u>

Sumitomo Farm-In and Joint Operation

Egina Farmin Arrangement ("EFA")

On June 7, 2019, the Company entered into the Egina Farmin Agreement ("EFA") to advance its Egina project (the "Project") located near Port Hedland in WA.

Under the EFA, Sumitomo Corporation and its wholly owned Australian subsidiary (together, "Sumitomo") will contribute up to USD $29.66 million funding to the Project over a 3-year earning period, subject to specific milestones and activity taking place. As at October 31, 2020, Sumitomo has funded AUD $7,256,000 ($6,800,000) to advance the Project.

At any time during the 3-year earning period and upon termination of the funding period, Sumitomo may elect to either:

- acquire up to 40% participating interest in the Farmin Assets if Sumitomo makes an election to establish a joint arrangement with the Company (the "Farmin Option"); or
- exercise their Reimbursement Option, resulting in Novo reimbursing Sumitomo's funding contribution in either cash ("Cash Payment Option") or a variable number of shares ("Share Payment Option").

Exercising the Farmin Option extinguishes the obligation of the Company to repay Sumitomo any funding contributions previously provided.

The Reimbursement Option is calculated with reference to the Reimbursement Payment Amount, which includes adjustments for any notional share of Product that Sumitomo has earned over the earning period and, in the case of the Cash Payment Option, accrued interest on the principal outstanding calculated with reference to the London Interbank Offered Rate ("LIBOR") from the date the funding was obtained.

Payment by Novo common shares under the Share Payment Option is subject to specific requirements outlined in the EFA and below. The number of shares to be issued is determined by dividing the Reimbursement Payment Amount by a prescribed issue price.

The prescribed issue price is the higher of:

1. The Company's closing share price of $2 as at June 7, 2019 (the date of the EFA); or
2. The discounted VWAP of the Company at the time of conversion (determined with reference to the EFA requirements and TSX-V listing policies).

The Company has a financial liability with respect to the Reimbursement Option as it has an unavoidable contractual obligation to reimburse Sumitomo the full Reimbursement Payment Amount in either cash or a variable number of shares and the Reimbursement Option is at Sumitomo's discretion at all times.

As a result of the unique features and characteristics of the EFA, the Company has elected to designate the financial liability and related embedded derivatives in their entirety at FVTPL. In these circumstances, changes in the fair value of the entire hybrid financial instrument are recognised through profit or loss, except to the extent that the change in fair value is attributable to changes in credit risk of that liability (in which case it is presented in other comprehensive income).

In addition to the financial liability, the EFA has also resulted in a written call Option, under which the Company has an obligation to sell a portion of its interest in the Farmin Assets if the counterparty exercises the option. The written call option is a contract to sell a non-financial item, being the physical delivery of a participating interest in the Farmin Assets and is therefore outside the scope of IFRS 9.

The written call option was initially measured at cost, determined as the residual amount of the consideration received after deducting the fair value of the financial liability (including embedded derivatives).

De Grey Mining Ltd. Letter of Intent

On June 28, 2019, the Company entered into a binding letter of intent (the "LOI") with De Grey Mining Ltd. ("De Grey"), an ASX-listed entity, in order to significantly broaden its exposure to the gold-bearing lag gravel deposits adjacent and believed to be synonymous with the Company's Egina gold project.

Novo has secured the right to explore De Grey's tenements for gold-bearing lag gravel deposits for an initial three-year period (the "Initial Period") by paying AUD $1,000,000, of which AUD $300,000 will be held in escrow by Novo until De Grey acquires Indee Gold Pty Ltd ("Indee Gold") (as at October 31, 2020, the Company has paid AUD $1,000,000 ($907,000) to De Grey under the LOI).

Prior to the expiry of the Initial Period, Novo can elect to extend its exploration rights for an additional two years (the "Second Period") by paying an additional AUD $1,000,000 (the "Second Payment"), AUD $300,000 of which will also be kept in escrow by Novo until De Grey acquires Indee Gold. Novo can elect to continue to extend its exploration rights beyond the Second Period in two year increments by paying an additional AUD $1 million per extension period, subject to the successful submission of a mining lease application or De Grey's waiver of this condition.

De Grey acquired Indee Gold on August 23, 2019.

If a mining lease is granted to Novo on the De Grey tenements, Novo will be deemed to have acquired an 80% interest in the relevant tenements (or portions thereof) which comprise the mining lease area (the "Joint Arrangement") by giving notice to De Grey and making a one-time payment of AUD $2,000,000. If the Joint Arrangement is established during the Initial Period, Novo will also be required to pay the Second Payment.

De Grey remains the primary tenement holder and will have precedence at all stages of exploration and mining for bedrock mineralisation while Novo holds rights for exploration and mining for gold-bearing lag gravel deposits. Certain tenements held by De Grey are excluded, including granted mining and miscellaneous leases, existing De Grey resources with a 300 metre buffer, any future mining leases granted over the existing De Grey resources, De Grey's conglomerate gold excursion areas, and minor areas of existing gravel rights on De Grey's tenure which are currently retained by third parties.

De Grey and Farno McMahon Heads of Agreement

On July 28, 2017 (prior to the Company's acquisition of Farno), Farno enterted into a joint arrangement heads of agreement with De Grey (the "HoA"). Pursuant to the HoA, De Grey was granted an exclusive right to earn up to a 75% interest in E47/2502 which is part of the Company's Egina gold project. Regardless of De Grey's ultimate interest in E47/2502, Farno will retain alluvial rights to a maximum depth of three metres below surface.

The terms of the HoA state that De Grey can earn a 30% interest in E47/2502 by incurring AUD $1,000,000 in valid exploration expenditure by December 13, 2019, and an additional 45% (for an aggregate 75% interest) by incurring an additional AUD $1,000,000 in valid exploration expenditure by December 13, 2020.

On January 28, 2020, De Grey provided the Company with a notice that it had earned a 30% interest in E47/2502 by incurring at least AUD $1,000,000 in valid exploration expenditure.

New Frontier Resources Pty Ltd Purchase

On May 25, 2019, the Company purchased a 60% interest in tenement E47/3812 from New Frontier Resources Pty Ltd ("New Frontier") for AUD $2,000,000 ($1,809,000). A joint operation was formed whereby New Frontier will be free-carried to a decision to mine.

Victoria, Australia

Malmsbury Project

On March 30, 2020, the Company was granted an option (the "Malmsbury Option") and an additional earn-in right to acquire up to an aggregate 60% interest in GBM's Malmsbury gold project (the "Malmsbury Project") located in the Bendigo zone of Australia's Victorian goldfields, with the possibility of the interest being increased to 75% interest, as described below. The Malmsbury Option was subject to approval of the TSX-V and other customary regulatory approvals for transactions of this nature, all of which were received by April 6, 2020.

Novo had a six-month period (the "Malmsbury Initial Period") to confirm social license to explore the Malmsbury Project and conduct other due diligence while awaiting the grant of the Malmsbury Project Retention Licence RL6587 to GBM. At any time during the Malmsbury Initial Period, Novo had the right to exercise the Malmsbury Option to earn a 50% interest in the Malmsbury Project by issuing 1,575,387 common shares to GBM (the "GBM Option Shares"), which will be subject to a statutory hold period of four months from the date of issuance, and reimbursing GBM for validly incurred and documented exploration expenditures on the Malmsbury Project during the Malmsbury Initial Period of up to AUD $250,000 (the "GBM Reimbursable Amount"), with such reimbursed amount being credited against the Malmsbury Earn-In Amount (defined below). On September 24, 2020, the Company exercised the Malmsbury Option. The Company will issue the GBM Option Shares to GBM, pay the GBM Reimbursable Amount, and commence the Malmsbury Earn-In Period upon receipt of approval from FIRB and the Victorian Department of Jobs, Precincts, and Regions.

If Novo exercises the Malmsbury Option, it will have the right to earn an additional 10% interest in the Malmsbury Project and form a joint venture with GBM by incurring AUD $5,000,000 in exploration expenditure (the "Malmsbury Earn-In Amount") over a four-year period (the "Malmsbury Earn-In Period"), as to a minimum of AUD $1,000,000 during the first year, and AUD $1,250,000 in each subsequent year, of the Malmsbury Earn-In Period. Any expenditure incurred during any year of the Malmsbury Earn-In Period which surpasses the minimum required amount will be credited against the subsequent year's commitment. If Novo does not satisfy the Malmsbury Earn-In Amount during the Malmsbury Earn-In Period, Novo's interest in the Malmsbury Project will decrease to 49%.

However, following satisfaction by Novo of the Malmsbury Earn-In Amount during the Malmsbury Earn-In Period, and delivery to GBM of written notice of its election to increase its interest in the Malmsbury Project to an aggregate 60% interest and initiate a joint venture with GBM (the "Malmsbury Joint Venture Date"), GBM will be required to elect to (i) retain its 40% interest in the Malmsbury Project by contributing to 40% of exploration and development expenditure incurred subsequent to the Malmsbury Joint Venture Date, or (ii) dilute its interest in the Malmsbury Project to 25% upon delivery by Novo of a preliminary economic assessment (the "Malmsbury PEA") disclosing at least a 1 million ounce gold resource, of which at least 60% must be in the Indicated classification, within 3 years from the Malmsbury Joint Venture Date. In such case, Novo will pay all development expenditure incurred commencing from the Malmsbury Joint Venture Date, but if a decision to mine is made, GBM will reimburse Novo as to 25% of any such development expenditure from a maximum of 80% of Malmsbury Project cash flows.

Novo and GBM will negotiate a royalty arrangement whereby, subsequent to a decision to mine, GBM will be entitled to receive a maximum 2.5% net smelter returns royalty (the "Maximum Royalty"). The Malmsbury Project is encumbered by certain pre-existing royalties; where such an encumbrance is present, GBM will only be entitled to an adjusted royalty, being the Maximum Royalty less any pre-existing royalty amount.

Queens Project

On September 22, 2020, the Company was granted an option (the "Queens Option") and an additional earn-in right to acquire up to an aggregate 50% interest in Kalamazoo's Queens gold project (the "Queens Project") located in the Bendigo zone of Australia's Victorian goldfields, with the possibility of the interest being increased to 80% interest, as described below. The Queens Option was subject to approval of the TSX-V and other customary regulatory approvals for transactions of this nature, all of which were received by September 28, 2020.

Novo was granted a six-month period (the "Queens Initial Period") to conduct due diligence on the Queens Project by issuing 24,883 common shares of the Company (the "Queens Due Diligence Shares") to Kalamazoo on September 28, 2020 at a fair value of $3.87 per share for gross consideration of $96,000. The Queens Due Diligence Shares are subject to a statutory hold period expiring on January 29, 2021. At any time during the Queens Initial Period, Novo will have the right to exercise the Queens Option to earn a 50% interest in the Queens Project by issuing AUD $2,000,000-worth of the Company's common shares to Kalamazoo (the "Kalamazoo Option Shares"), which will be subject to a statutory hold period of four months from the date of issuance, at a deemed price per Kalamazoo Option Share equal to the volume-weighted average closing price of the Company's common shares for the five trading days immediately prior to the Company's exercise of the Queens Option.

If Novo exercises the Queens Option, it will have the right to earn an additional 20% interest in the Queens Project and form a joint venture with Kalamazoo by incurring AUD $5,000,000 in exploration expenditure (the "Queens Earn-In Amount") over a five-year period (the "Queens Earn-In Period"), as to a minimum of AUD $250,000 during the first year, AUD $1,000,000 during each of the second, third, and fourth years, and AUD $1,750,000 during the fifth and final year of the Queens Earn-In Period. Any expenditure incurred during any year of the Queens Earn-In Period which surpasses the minimum required amount will be credited against the subsequent year's commitment.

If Novo satisfies the Queens Earn-In Amount by the expiry of the Queens Earn-In Period, it will have 30 days to elect to either (i) earn an additional 10% in the Queens Project by delivering a preliminary economic assessment (the "Queens PEA") which must include a minimum 1 million ounces of gold of which at least 60% must be comprised of indicated mineral resources within three years of the Company's election (the "Queens PEA Conditions"), or (ii) maintain its 70% interest in the Queens Project. If the Company elects to maintain its 70% interest in the Queens Project, Kalamazoo must elect to either (i) contribute to 30% of exploration expenditure, or (ii) automatically convert to a 2% net smelter returns gold royalty.

If the Company elects to complete the Queens PEA but fails to satisfy the Queens PEA Conditions, Novo will retain a 70% interest in the Queens Project and Kalamazoo can elect to contribute to 30% of exploration expenditure or dilute at a rate of 1% for every AUD$100,000 not contributed. If Kalamazoo's interest dilutes below 10%, Kalamazoo's interest will automatically convert to a 2% net smelter returns gold royalty.

If Novo does not satisfy the Queens Earn-In Amount during the Queens Earn-In Period, Novo's interest in the Queens Project will decrease to 49%.

<u>Nevada, USA Region</u>

Tuscarora Property

On November 6, 2017, the Company signed an option agreement with APM whereby APM has the option to acquire the Company's interest in the Tuscarora property in Nevada, USA.

APM listed on the Canadian Securities Exchange on March 8, 2018 (the "Listing Date"). Pursuant to the option agreement, APM will pay to Novo $375,000 in three equal annual instalments by January 31 of each year. APM will also issue $200,000 worth of APM common shares in three equal annual instalments on the anniversary of the Listing Date. Beginning on the first anniversary of the Listing Date, APM will also be required to incur annual expenditures of USD $100,000 on the Tuscarora Project. APM will grant to Novo a 0.5% net smelter returns royalty (the "Tuscarora NSR") which APM can repurchase for USD $500,000 at any time. APM will also assume all of Novo's royalty obligations under its original option agreement underlying the Tuscarora Project between Novo and Nevada Select Royalty, Inc. On January 24, 2018, APM paid $125,000 to Novo. On March 8, 2018, APM issued 266,666 common shares to Novo at a fair value of $0.38 per share for total consideration of $102,000. On January 29, 2019, APM paid $125,000 to Novo. On March 8, 2019, APM issued 266,666 common shares to Novo at a fair value of $0.22 per share for total consideration of $59,000. On March 4, 2020, APM issued the final tranche of 266,667 common shares to Novo at a fair value of $0.045 per share for total consideration of $12,000.

On December 18, 2019, the Company signed an amending and acknowledgement agreement with APM (the "Amending APM Agreement") whereby the third and final cash payment of $125,000 was increased to $150,000 and delayed until January 31, 2021. The Amending APM Agreement also ratified an expanded area over which the Tuscarora NSR applies and confirmed APM's obligation to cover annual Tuscarora claim maintenance fees.

The exploration and evaluation assets are comprised of the following:

		US Region	Karratha & Egina Region					
	Beatons Creek	Tuscarora	Comet Well	Artemis	Pioneer	Farno McMahon	Granted tenements	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'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
Earthw orks	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**

Recoverability of exploration and evaluation assets

The amounts shown as exploration and evaluation assets represent net costs to date, less amounts amortized and/or written off and refunds or option payments received, and do not necessarily represent present or future values. The recoverability of these amounts from future exploration and any additional amounts required to place the exploration and evaluation assets into commercial production are dependent upon certain factors. These factors include the existence of mineral deposits sufficient for commercial production and the Company's ability to obtain the required additional financing necessary to develop its exploration and evaluation assets.

9. PROPERTY, PLANT, AND EQUIPMENT

Cost	Property $'000	Office Furniture and Equipment $'000	Mining Equipment $'000	Exploration Camp $'000	Vehicles $'000	Capital WIP $'000	Critical Spares $'1000	Total $'000
Balance as at January 31, 2019	-	10	920	392	184	-	-	1,506
Additions	477	58	393	235	71	-	-	1,234
Foreign Exchange differences	13	2	25	17	5	-	-	62
Disposals	18	-	(373)	-	(83)	-	-	(438)
Balance as at January 31, 2020	508	70	965	644	177	-	-	2,364
Additions	5,385	515	72,512	58	203	3,237	1,736	83,646
Foreign Exchange differences	(142)	(9)	207	(39)	1	-	-	18
Disposals	(112)	-	-	-	(6)	-	-	(118)
Balance as at October 31,2020	5,639	576	73,684	663	375	3,237	1,736	85,910

Accumulated Depreciation	Property $'000	Office Furniture and Equipment $'000	Mining Equipment $'000	Exploration Camp $'000	Vehicles $'000	Capital WIP $'000	Critical Spares $'1000	Total $'000
Balance as at January 31, 2019	-	10	52	124	38	-	-	224
Foreign Exchange differences	(30)	(2)	(18)	(33)	(14)	-	-	(97)
Depreciation	257	4	198	174	86	-	-	719
Disposals	17	-	(85)	-	-	-	-	(68)
Balance as at January 31, 2020	244	12	147	265	110	-	-	778
Foreign Exchange differences	(101)	(13)	67	(62)	(22)	-	-	(131)
Depreciation	203	90	172	166	48	-	-	679
Disposals	-	-	-	-	(3)	-	-	(3)
Balance as at October 31, 2020	346	89	386	369	133	-	-	1,323

Balance as at January 31, 2020	264	58	818	379	67	-	-	1,586
Balance as at October 31, 2020	5,293	487	73,298	294	242	3,237	1,736	84,587

(Expressed in Canadian Dollars, unless stated otherwise)

Right of use assets

Included in the above disclosure is $263,000 of Property and $711,000 of Mining equipment held as right of use assets.

10. ACQUISITION OF MILLENNIUM MINERALS LIMITED

On August 4, 2020, the Company signed arm's length agreements (the "Agreements") to acquire all of the outstanding shares of privately held Millennium from IMC Resources Gold Holdings Pte Ltd, Heritas Capital Management (Australia) Pty Ltd, and IMC Resources Ltd (collectively, "IMC") (the "Millennium Acquisition"). The Millennium Acquisition completed on September 7, 2020 (the "Completion Date").

Pursuant to the Agreements and on the Completion Date, Novo acquired all of the outstanding ordinary shares of Millennium on a cash and debt free basis (except as described below) in exchange for the issuance to IMC of 17,706,856 Novo units (each an "Acquisition Consideration Unit").

Each Acquisition Consideration Unit is comprised of one Novo common share (an "Acquisition Share") and one-half of one transferable Acquisition Share purchase warrant (each an "Acquisition Consideration Warrant"), with each whole Acquisition Consideration Warrant entitling the holder to acquire one Acquisition Share at a price of $4.40 until September 7, 2023. On September 14, 2020, as contemplated by the Agreements, Millennium settled all debts owing to IMC by repaying a cash component of AUD $60,000,000 ($57,210,000) (the "IMC Cash Debt Repayment") and issuing 2,656,591 Units to IMC (each a "Debt Consideration Unit"). Each Debt Consideration Unit is comprised of one common share of Novo (each a "Debt Share") and one-half of one transferable Debt Share purchase warrant (each a "Debt Consideration Warrant"), with each whole Debt Consideration Warrant entitling the holder to acquire one Debt Share at a price of $4.40 until September 14, 2023. The Company did not have all requisite approvals to effect the IMC Cash Debt Repayment and issue the Debt Consideration Units until September 14, 2020. However, the issuance of the Acquisition Consideration Units and the Debt Consideration Units is treated as a single transaction for the purposes of the Millennium Acquisition.

The Acquisition Shares and the Debt Repayment Shares were issued at a fair value of $67,943,000. The Acquisition Consideration Warrants and Debt Consideration Warrants were valued at $15,134,000 using the Black Scholes option pricing model with the following assumptions:

Assumptions	
Exercise price	$ 4.40
Risk-free interest rate	0.25%
Expected stock price volatility	80.00%
Expected dividend yield	0.00%
Expected life of warrants	3 years

The Acquisition Consideration Units and Debt Consideration Units issued to IMC, and the securities underlying the Acquisition Consideration Units and Debt Consideration Units, are subject to statutory and TSX-V hold periods expiring on January 8 and January 15, 2021; a further contractual hold period will apply to half of the Acquisition Consideration Units and Debt Consideration Units issued to IMC, increasing the hold period for those securities to 12 months.

Novo has also agreed to pay to IMC deferred consideration in the form of a fee on future gold production equal to 2% of all gold revenue generated by Novo up to the later of cumulative gold production of 600,000 ounces or cumulative payments of AUD $20,000,000 having been made to IMC. Pursuant to the Company's accounting policy, as at the Completion date, no obligation for the cash component of contingent consideration payable based on the future performance of the asset acquired and actions of the Company is recognized.

The acquisition of Millennium has been accounted for as an asset acquisition as Millennium is not considered to be a business when applying the guidance within IFRS 3. The issuance of the Acquisition Consideration Units and the Debt Consideration Units has been treated as an equity-settled share-based payment pursuant to IFRS 2 and measured at the fair value of the consideration issued as the fair value of the assets acquired includes early-stage exploration assets, the fair value of which cannot be reliably estimated. As a result, the fair value of the Acquisition Consideration Units and Debt Consideration Units needs to be measured and attributed to the assets and liabilities acquired.

Assets acquired, and liabilities assumed

The identifiable assets and liabilities of Millennium as at the Completion date were:

Assets	**$'000**
Cash & receivables & prepayments	167
Inventory	3,714
Plant, property & equipment	79,906
Exploration & evaluation assets	87,225
Liabilities	
Rehabilitation provision	(27,308)
Payables	(673)
Net assets acquired	**143,031**
Cost of acquisition	
Cash settlement of loan payable	57,210
Transaction costs	2,393
Shares issued	67,943
Warrants issued	15,134
Working capital adjustment	351
	143,031

11. INVESTMENT IN ASSOCIATE

Recognition and measurement

Novo's investments in its associates, being entities in which Novo has significant influence and are neither subsidiaries nor jointly controlled assets, are accounted for using the equity method. Under this method, the investment in associate is carried in the balance sheet at cost plus any post-acquisition changes in Novo's share of the net assets of the associate.

After application of the equity method, Novo determines whether it is necessary to recognise any additional impairment loss with respect to Novo's investment. The condensed interim consolidated statement of comprehensive gain / (loss) reflects Novo's share of the results of the associate. Unrealized gains and losses resulting from transactions between Novo and the associate are eliminated to the extent of the interest in the associate.

Where there has been a change recognised directly in the equity of the associate, Novo recognises its share of any changes and discloses this in the condensed interim consolidated statement of comprehensive gain / (loss).

Where the reporting dates of the associate and Novo vary, Novo uses the associate's financial results and adjusts for any significant events considering there is less than three months' difference between the associates filing timeline and Novo's. The accounting policies of the associate are consistent with those used by Novo.

As at October 31, 2020, Novo has a 10.48% interest in New Found. Novo's interest in New Found is accounted for using the equity method in the condensed interim consolidated financial statements. The fair value of Novo's interest, determined by reference to New Found's share price in New Found's previous capital raise was $19,500,000 at the date significant influence was obtained.

The fair value of the investment in New Found, based on the October 31, 2020 closing price is $67,200,000.

The following table illustrates the summarised financial information of Novo's investment in New Found.

	October 31, 2020 $'000
Investment in associate	19,500
Movement in investment in associate	
Net carrying amount at the beginning of the year	-
Value of interest in New Found - June 17, 2020	19,500
Share of loss from operations of associate	(2,178)
Net carrying amount at October 31, 2020	17,322

	October 31, 2020 $'000
Summarised statement of financial position	
Current assets	73,670
Non-current assets*	93,665
Current liabilities	(2,047)
Non-current liabilities	-
Net assets	165,288
Novo's share of New Found's net assets	**17,322**
**Non-current assets adjusted to reflect fair value of Novo's investment*	
Summarised statement of comprehensive income/loss	
Income for the period	(7,029)
Adjustment for unrealised gain on investment	(7,163)
Adjusted loss for the period	(14,192)
Novo's share of the adjusted loss through July 31, 2020 at 14.9%	(60)
Novo's share of the adjusted loss through October 31, 2020 at 10.48%	(899)
Impact of dilution	(1,219)
Novo's share of the adjusted loss through October 31, 2020 at 10.48%	**(2,178)**

12. LOANS AND BORROWINGS

	Credit Facility $'000	Derivative liability $'000	Total $'000
Loans and borrowings February 1, 2020	-	-	-
Fair value on initial recognition	35,359	1,105	36,464
Interest and accretion	989	-	989
Foreign exchange gain (loss)	(286)	11	(275)
Loans and borrowings at October 31, 2020	**36,062**	**1,116**	**37,178**
Current	-	-	-
Loans and borrowing non-current	**36,062**	**1,116**	**37,178**

On September 4, 2020 the Company closed an USD $60,000,000 financing package (the “Credit Facility”) with Sprott Resource Lending Corp. and Sprott Private Resource Lending II (Collector), LP (collectively, “Sprott”) to fund the refurbishment of production infrastructure acquired pursuant to the Millennium Acquisition (see note 10 for further details) and the development of the Company’s Beatons Creek project.

The Company incurred $2,724,000 of debt advisory, legal and due diligence fees in conjunction with arranging the Credit Facility. Upon close of the Credit Facility, these transaction costs were attributed to the Credit Facility and included in deferred charges. These amounts have been included in the respective effective interest rate calculations for the Credit Facility, measured at amortized cost.

Security provided for the Credit Facility includes: a) general security in favour of Sprott, b) a blocked account agreement in favour of Sprott on Conglomerate Gold Exploration (B.V.I.) Ltd.’s bank account, c) contractual assignments to Sprott of certain contractual obligations with the Company and Conglomerate Gold Exploration (B.V.I.) Ltd., d) a debenture of Conglomerate Gold Exploration (B.V.I.) Ltd. charging all of its assets in favour of Sprott, e) an equitable mortgage of Conglomerate Gold Exploration (B.V.I.) Ltd. over its shares in CGE, and f) mining mortgages over mineral tenure held by Beatons Creek Gold Pty Ltd, Nullagine Gold, and Millennium.

The availability of the Credit Facility is subject to certain conditions and covenants, including the maintenance of minimum unrestricted cash and working capital balances. At October 31, 2020 the Company is in compliance with the covenants.

Pursuant to the terms of the Credit Facility, the Company may borrow up to USD $60,000,000 in two tranches, with the first USD $35,000,000 available immediately and the remaining USD $25,000,000 available to be drawn until March 31, 2021, at Novo’s sole discretion, upon delivery of a pre-feasibility study acceptable to Sprott on the Company’s Beatons Creek gold project and the satisfaction of certain other conditions (the “Sprott Tranche 2 Conditions”). Interest will accrue on the outstanding principal amount of the Credit Facility at a rate of 8% plus the greater of (i) US three-month LIBOR and (ii) 1.00% per annum. All interest is payable in cash on a monthly basis. In addition, principal is payable commencing on December 31, 2022 and quarterly thereafter until September 4, 2024 in eight equal instalments.

The Credit Facility matures on September 4, 2024. The Credit Facility is accounted for as a financial liability subsequently measured at amortized cost under IFRS 9.

On September 8, 2020, the Company drew down the initial USD $35,000,000 tranche, subject to an “original issue discount” of 12.286% of the initial advance, which represents interest paid in advance, for net cash proceeds of USD $30,509,000 ($39,932,000). Subject to the satisfaction of the Sprott Tranche 2 Conditions and Novo’s decision to draw additional funds under the Credit Facility at its sole discretion, any subsequent drawdown can be made in minimum amounts of USD $5,000,000 per draw down, subject to a 2% issue discount at the time of draw and satisfaction of customary conditions precedent.

Pursuant to the Credit Facility, on September 9, 2020, the Company issued 1,453,624 Sprott Units to Sprott in payment of additional interest due on the initial advance (see note 14 for further details).

The first draw of the Credit Facility was initially measured at its fair value of USD $26,806,000 ($35,359,000). The original issue discount of USD $4,300,000 ($5,628,000), and any other future interest rate compensation arrangements, have been included in the determination of the amortized cost of the Credit Facility and are incorporated into the calculation of the effective interest rate method. The effective interest rate on the first tranche is approximately 19% per annum, and the Company has paid USD $472,500 ($626,000) of interest payable in cash as at October 31, 2020. Interest has been expensed as an operating cost through profit and loss.

The floating interest rate floor of 1% over the base rate and the Company's ability to prepay the outstanding principal balance in whole or in part have been determined to be a single compound embedded derivative that is not closely related to the Credit Facility, and is bifurcated and accounted for separately. If the Company elects to prepay the outstanding principal balance in whole or in part, the Company shall pay to Sprott such amount that comprises the difference between the amount of interest that would have accrued and been payable to the second anniversary of any drawdown and interest that has accrued and been paid as at the date of the prepayment on the amount of principal being repaid. At each reporting period, the derivative will be fair valued with changes in fair value recorded as a gain or loss in the statement of profit or loss. At October 31, 2020, the fair value of the derivative was USD $838,000 ($1,116,000).

13. PROVISION FOR CLOSURE AND RECLAMATION

The Company has recognized a liability relating to the acquisition of Millennium and has determined that no significant closure and reclamation liabilities exist in connection with the activities on its other properties. The Company has calculated the present value of the closure and reclamation provision at October 31, 2020 using a pre-tax discount rate of 0.82% and inflation rate of 2.00%. The Company has estimated that payments will be made between 2024 and 2036.

	Nine months ended October 31, 2020	Year Ended January 31, 2020
	$'000	$'000
Balance, beginning of the period	-	-
Increase in closure provision resulting from asset acquisition	27,308	-
Accretion on discounted obligation	152	-
Foreign Exchange	(466)	-
Balance, end of the period	**26,994**	**-**

14. CAPITAL AND RESERVES

Authorized

Unlimited number of common voting shares without nominal or par value. All issued common shares are fully paid.

Shares Issued

During the period ended October 31, 2020, and the year ended January 31, 2020, shares were issued pursuant to brokered and non-brokered private placements as follows:

a) On August 27, 2020, the Company closed a private placement of subscription receipts (the "Subscription Receipts"). Gross proceeds of approximately $50,975,000 were raised from a brokered component (the "Brokered Offering") and gross proceeds of approximately $4,900,000 were raised from a non-brokered component (the "Non-Brokered Offering"). In aggregate, the Company issued 17,192,379 Subscription Receipts at a price of $3.25 per Subscription Receipt, raising gross proceeds of $55,875,000 (collectively, the "Offering").

   The Subscription Receipts were issued pursuant to a subscription receipt agreement (the "Subscription Receipt Agreement") entered into by the Company, Clarus Securities Inc. and Stifel GMP as lead agents of the Brokered Offering (the "Agents"), and Olympia Trust Company as subscription receipt agent. Pursuant to the Subscription Receipt Agreement, the proceeds from the Offering except for 50% of the Agents' cash commission and all of the Agents' expenses (the "Escrowed Funds") were held in escrow pending satisfaction of certain conditions including, amongst others, (a) the satisfaction or waiver of each of the conditions precedent to the Millennium Acquisition other than the completion of financings to raise the funds required to pay the IMC Cash Debt Repayment which was completed concurrently with the release of the Escrowed Funds; and (b) the receipt of all required regulatory (including TSX-V) approvals in connection with the Millennium Acquisition and the Offering ("Escrow Release Conditions"). The Escrow Release Conditions were satisfied on September 7, 2020.

   As a result of the Escrow Release Conditions being satisfied and the Company obtaining a receipt from the British Columbia Securities Commission, as principal regulator, for final short form prospectuses qualifying the Units (as defined below) underlying the Subscription Receipts on October 27, 2020, each Subscription Receipt was automatically exchanged for one unit of Novo (a "Unit"). Each Unit was comprised of one common share of Novo (a "Share") and one-half of one Share purchase warrant (a "Warrant"), with each whole Warrant entitling the holder thereof to acquire one Share at a price of $4.40 until August 27, 2023. The Company incurred share issuance costs of $3,651,000 in conjunction with the Offering.

b) On September 9, 2020, in conjunction with the Credit Facility, Sprott subscribed for 1,453,624 units (the "Sprott Units") at a price of $3.25 per Sprott Unit for gross proceeds of $4,724,000 (approximately USD $3,600,000) (the "Sprott Private Placement"). Each Sprott Unit is comprised of one Share and one-half of one transferable Share purchase warrant (each a "Sprott Warrant"), with each whole Sprott Warrant entitling Sprott to acquire one Share at a price of $4.40 until September 9, 2023. The Sprott Units and their underlying securities are subject to a statutory four-month hold period expiring on January 10, 2021.

(Expressed in Canadian Dollars, unless stated otherwise)

Warrants

The continuity of warrants is as follows:

	October 31, 2020		January 31, 2020	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of the period	14,000,000	$ 3.41	28,477,000	$ 2.93
Granted	19,504,718	$ 4.40	-	-
Cancelled/Expired	(14,000,000)	$ (6.00)	-	-
Exercised	-	$ -	(14,477,000)	$ (1.01)
Balance, end of the period	19,504,718	$ 4.40	14,000,000	$ 3.41

Full share equivalent warrants outstanding and exercisable as of October 31, 2020:

Expiry Date	Price per share $	Warrants Outstanding
August 27, 2023	4.40	8,596,184
September 7, 2023	4.40	8,853,427
September 9, 2023	4.40	726,812
September 14, 2023	4.40	1,328,295
		19,504,718

Full share equivalent warrants outstanding and exercisable as of January 31, 2020:

Expiry Date	Price per share $	Warrants Outstanding
September 6, 2020	6.00	14,000,000
		14,000,000

Share option plan

Pursuant to the Company’s stock option plan (the “Plan”), the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of each option (“Option”) shall not be less than the closing price of the common shares on the trading day immediately preceding the day on which the Option is granted, less any discount permitted by the TSX-V.

The continuity of stock options is as follows:

	October 31, 2020		January 31, 2020	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of the period	15,825,000	$3.37	12,415,000	$3.21
Granted	-	-	6,165,000	$3.57
Exercised	(300,000)	($1.57)	(510,000)	($1.57)
Expired/Cancelled	(440,000)	($7.22)	(2,245,000)	($3.40)
Balance, end of the period	**15,085,000**	**$3.31**	**15,825,000**	**$3.37**

(Expressed in Canadian Dollars, unless stated otherwise)

The options outstanding and exercisable at October 31, 2020 are as follows:

Outstanding Options			Exercisable Options	
Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number Exercisable	Weighted Average Exercise Price
1,600,000	0.94	0.79	900,000	0.94
1,750,000	0.95	0.59	250,000	0.95
2,125,000	1.57	0.71	1,450,000	1.57
2,125,000	7.70	1.97	1,700,000	7.70
950,000	3.47	2.25	-	3.47
410,000	4.60	2.59	-	4.60
6,125,000	3.57	4.24	-	3.57
15,085,000	$ 3.31	2.46	4,300,000	$ 3.83

The options outstanding and exercisable at January 31, 2020 were as follows:

Outstanding Options			Exercisable Options	
Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number Exercisable	Weighted Average Exercise Price
150,000	$0.20	0.36	150,000	$0.20
1,750,000	$0.94	1.54	1,050,000	$0.94
1,750,000	$0.95	1.35	250,000	$0.95
2,125,000	$1.57	1.46	1,450,000	$1.57
2,125,000	$7.70	2.72	1,700,000	$7.70
400,000	$7.94	2.77	400,000	$7.94
950,000	$3.47	3.00	-	$3.47
410,000	$4.60	3.35	-	$4.60
6,165,000	$3.57	4.99	-	$3.57
15,825,000	**$3.37**	**3.17**	**5,000,000**	**$3.96**

For the period ended October 31, 2020, the total share-based payment expense was $5,845,000 (October 31, 2019 - $1,849,000).

The Company used the Black-Scholes option pricing model to estimate the fair value of the options at the grant date using the following assumptions:

	For the period ended October 31, 2020	**For the period ended January 31, 2020**
Average Share price	$3.25	$2.74
Risk-free interest rate	0.40%	1.29% - 2.11%
Dividend yield	0.00%	0.00%
Expected volatility	72.74% - 91.81%	74.43% - 101.65%
Expected option life	3.57 – 5 years	3.57 – 5 years

Share-based payment transactions with performance-based vesting conditions are measured at the fair value of the options granted at the date of issuance. Management adjusts the cumulative share-based payment expense periodically, based on the number of options expected to vest under the vesting conditions.

The option reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

The warrant reserve is used to recognize the value of equity-settled call options provided as compensation to financing underwriters.

The Comet Well Deferred Consideration reserve is used to recognize the value of the Subsequent Consideration Shares. See note 8 for further details.

A reconciliation of the Company's annual movement in accumulated other comprehensive loss is as follows:

	Movement in FVTOCI $'000	Foreign exchange on translation of subsidiaries $'000	Total $'000
Balance as at January 31, 2019	**(1,077)**	**(3,242)**	**(4,319)**
APM shares	(60)	-	(60)
Calidus shares	104	-	104
E3D shares	1,404	-	1,404
Pioneer shares	(183)	-	(183)
Kalamazoo shares	2,203	-	2,203
Foreign exchange on translation of subsidiaries	-	(8,923)	(8,923)
Total	3,468	(8,923)	(5,455)
Balance as at January 31, 2020	**2,391**	**(12,165)**	**(9,774)**
APM Shares	12	-	12
Calidus shares	1,431	-	1,431
E3D shares	(43)	-	(43)
Pioneer shares	(166)	-	(166)
Kalamazoo shares	(92)	-	(92)
New Found shares	2,764	-	2,764
New Found shares deferred tax	(778)	-	(778)
GBM shares	1,620	-	1,620
Foreign exchange on translation of subsidiaries	-	3,119	3,119
Total	4,748	3,119	7,867
Balance as at October 31, 2020	**7,139**	**(9,046)**	**(1,907)**

15. RELATED PARTY DISCLOSURES

Key Management Personnel Disclosures

During the periods ended October 31, 2020 and 2019, the following amounts were incurred with respect to the key management and directors of the Company:

	9 Months ended October 31, 2020 $'000	3 Months ended October 31, 2020 $'000	9 Months ended October 31, 2019 $'000	3 Months ended October 31, 2019 $'000
Consulting services - short term employee benefits	135	45	135	45
Wages and salaries - short term employee benefits	822	284	846	288
Share-based payments	2,278	1,154	584	197
	3,235	1,483	1,565	530

16. SUPPLEMENTAL CASH FLOW INFORMATION

During the periods ended October 31, 2020 and 2019, non-cash activities conducted by the Company related to the movement of mineral property expenditures in accounts payable:

	October 31, 2020 $'000	October 31, 2019 $'000
Operating activities		
Increase / (decrease) in accounts payable and accrued liabilities	(2,085)	(2,201)
Investing activities		
(Deductions to) / additions in exploration and evaluation assets	(2,085)	2,201
Issuance of shares for marketable securities	22,010	-
Issuance of shares for mineral properties	8,994	-
Financing activities		
Increase / (decrease) in Sumitomo funding liability	(3,409)	-

17. FINANCIAL INSTRUMENTS

a) Fair value

The Company's financial instruments include cash, short-term investments, marketable securities, accounts payable, accrued liabilities and loans and borrowings, the Sumitomo funding liability, and the cash component of the deferred consideration for mineral property. The fair value hierarchy for financial instruments reflects the significance of inputs in making fair value measurements as follows:

- Level 1 – applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 – applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 – applies to assets or liabilities for which there is no observable market data.

For assets and liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The recorded amounts of cash, short-term investments, accounts payable and accrued liabilities approximate their respective fair values due to their short-term nature. The cash component of the deferred consideration was initially recognized at fair value and is subsequently measured at amortized cost. The Sumitomo funding liability and its related embedded derivatives are measured in their entirety as at FVTPL, except to the extent that the change in fair value is attributable to changes in credit risk of the Sumitomo funding liability in which case it is presented in other comprehensive income. The Credit Facility and its related embedded derivative are measured in their entirety as at FVTPL.

Financial instruments carried at fair value:

- The marketable securities balance for listed securities is measured using Level 1 inputs. The fair value of marketable securities is measured at the closing market price obtained from the Canadian Securities Exchange and the Australian Securities Exchange.

- The marketable securities balances held in E3D are measured using Level 3 inputs. The value of the shares held in E3D was determined using the last financing price of USD $2.50 used by E3D to raise funds for its operations. Changes to E3D's fair value per share can significantly affect the fair value estimates.

- The Sumitomo funding liability balance was measured using Level 3 inputs. The fair value of the liability was determined using a Binomial Option Pricing Model and a Monte Carlo simulation including the Company's share price and accompanying volatility as at each valuation date, various interest rates (including risk-free rates and six-month LIBOR), and the Company's credit rating. Changes to the aforementioned inputs can significantly affect the fair value estimate of the Sumitomo funding liability.

- The embedded derivative associated with the Credit Facility was measured using Level 3 inputs. The fair value of the derivative was determined by using a Black 76 model including accretion due to the passage of time, agreed repayment schedules, required interest payments, changes in the applicable interest rate (US three-month LIBOR or 1%), and changes in the Company's credit spread.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at October 31, 2020				
Financial assets at Fair Value				
Marketable Securities	13,424	-	6,914	20,338
Financial Liabilities at Fair Value				
Sumitomo funding liability	-	-	5,656	5,656
Derivative liability	-	-	1,116	1,116
As at January 31, 2020				
Financial assets at fair value				
Marketable securities	7,587	-	6,870	14,457
Financial liabilities at fair value				
Sumitomo funding liability	-	-	4,519	4,519

There were no transfers between levels or changes in the valuation techniques and processes or inputs for determining fair value for financial instruments during the period.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial close. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, short-term investments, and the Sumitomo funding liability to the extent of any changes in credit risk associated with the Company. The Company limits its exposure to credit loss by placing its cash and short-term investments with high credit quality financial institutions. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses.

c) Foreign exchange rate risk

The Company operates internationally and is exposed to foreign exchange risk, primarily the United States and Australian dollars. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant Company subsidiary. The following table represents the impact of a +/- 10% change in the USD/CAD exchange rate on financial assets and liabilities denominated in US dollars for the period ended October 31, 2020:

		10% Fluctuation	
US net monetary assets	**USD $'000**	**Impact (USD) $'000**	**Impact (CAD) $'000**
Credit facility at amortised cost	27,078	2,708	3,606
Derivative liability at fair value	838	84	112

The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

d) Liquidity Risk

Liquidity risk is the risk that the Company cannot meet its obligations as they fall due. Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. The Company's cash and cash equivalents are invested in business accounts and term deposits which are available on demand. The Company manages liquidity risk by preparing and maintaining cash forecasts, which illustrate cash spent to date and its cash needs over the short term and over repayment dates into the future as it pertains to the Credit Facility. At October 31, 2020, the Company had cash of $50,782,000 (January 31, 2020 - $28,703,000) and short-term investments of $187,000 (January 31, 2020 - $88,000) to settle current liabilities of $20,564,000 (January 31, 2020 - $9,647,000). The Company has a practice of paying its outstanding payables within 30 days. The deferred consideration for mineral property is due on January 25, 2021. The Sumitomo funding liability represents the approximate value that the Company would repay if Sumitomo were to exercise their Reimbursement Option (see note 8 Exploration and Evaluation Assets for further details).

e) Price Risk

The Company is exposed to price risk with respect to commodity prices and its marketable securities. The Company's ability to raise capital is subject to risks associated with fluctuations in the market, including commodity prices. The Company's ability to recognize gains on liquidation of its marketable securities is subject to risks associated with fluctuations in the market prices of its marketable securities.

f) Interest Rate Risk

Interest rate risk is the risk that the future cash flows or fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash at bank and term deposits carried at floating interest rates with reference to the market. The Company also has some exposure to interest rate risk with respect to the fair value of the Sumitomo funding liability. However, the Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates.

The Company is exposed to cash flow interest rate risk due to the floating rate interest on the Credit Facility. For the period ended October 31, 2020, US 3-month LIBOR rate would need to increase by approximately 80 basis points before any additional interest would become payable on the Credit Facility.

18. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company defines capital that it manages as share capital and cash and short-term investments.

The Company manages the capital structure and adjusts it in light of changes in economic conditions, foreign exchange rates, and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares and acquire or dispose of assets.

The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short term maturities, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration and development plans and operations through its current operating period.

Other than as disclosed in note 12 in respect of Loans and Borrowings, the Company is not subject to externally imposed capital requirements.

19. SEGMENT INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. The Company's non-current assets are located in the following countries:

	As at October 31, 2020			
	Australia $'000	USA $'000	Canada $'000	Total $'000
Property, plant and equipment	84,587	-	-	84,587
Exploration and evaluation assets	223,965	15	-	223,980
Gold Specimens	79	-	-	79
Investment in Associate	-	-	17,322	17,322
Marketable securities	13,368	-	6,970	20,338
	321,999	15	24,292	346,306

	As at January 31, 2020			
	Australia $'000	USA $'000	Canada $'000	Total $'000
Property, plant and equipment	1,583	1	2	1,586
Exploration and evaluation assets	106,207	27	-	106,234
Gold Specimens	74	-	-	74
Marketable securities	7,555	-	6,902	14,457
	115,419	28	6,904	122,351

20. SUBSEQUENT EVENTS

a) On November 25, 2020, the Company signed an amended bindings terms sheet with Calidus regarding the sale of the Calidus Blue Spec Tenements revising payment terms as follows:

- Calidus will pay AUD $2,500,000 to the Company by November 30, 2020 in exchange for a 10% interest in the Calidus Blue Spec Tenements (paid November 27, 2020);Calidus has the right to acquire an additional 10% interest in the Calidus Blue Spec Tenements by paying the Company an additional AUD $2,500,000 (the "Second Payment") by January 31, 2021;
- At Calidus' sole discretion, Calidus can increase the Second Payment to AUD $5,000,000 in exchange for an additional 15% interest in the Calidus Blue Spec Tenements (the "Second Bonus Payment") (for an aggregate 25% interest);
- In order to acquire the remaining interest in the Calidus Blue Spec Tenements, Calidus must pay the Company the remaining AUD $11,800,000 or A$14,300,000 (either being the "Remaining Payment") of the total agreed purchase price of AUD $19,500,000 by March 31, 2021;
- If Calidus exercises its right to make the Second Bonus Payment, AUD $1,500,000 of the Remaining Payment of AUD $11,800,000 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 $14,300,000; and
- If Calidus fails to complete the transaction in full by March 31, 2021, the Company will have an 18-month option to repurchase any residual interest in the Calidus Blue Spec Tenements held by Calidus for 50% of the aggregate consideration paid by Calidus for that interest.