

MARCH 31, 2022

NOVO REPORTS 2021 FINANCIAL RESULTS

VANCOUVER, BC - Novo Resources Corp. (“**Novo**” or the “**Company**”) (TSX: NVO, NVO.WT & NVO.WT.A) (OTCQX: NSRPF) is pleased to announce its financial results for the three and twelve-month periods ended December 31, 2021. All amounts are expressed in Canadian dollars, unless otherwise noted.

This news release should be read together with Novo’s management’s discussion and analysis (the “**Annual MD&A**”) and audited consolidated financial statements (the “**Audited Financial Statements**”) for the year ended December 31, 2021 (“**Fiscal 2021**”) and the eleven-month transitional period ended December 31, 2020 (“**Fiscal 2020**”) which are available under Novo’s profile on SEDAR (www.sedar.com). The fourth quarter of Fiscal 2021 is referred to as “**Q4 2021**” in this news release.

Highlights

- Revenue of \$112.2 million from the sale of 49,232 ounces of gold from the Company’s Beatons Creek gold project (the “**Beatons Creek Project**”) in Fiscal 2021 (\$29.9 million from the sale of 13,023 ounces in Q4 2021) at an average realized price¹ of \$2,281 / A\$2,421 / US\$1,819 per ounce (\$2,294 / A\$2,498 / US\$1,821 per ounce for Q4 2021) subsequent to Novo’s inaugural gold pour on February 16, 2021²
- Cash and cash equivalents of \$32.5 million as at December 31, 2021
- Investment portfolio balance of \$156.2 million³ as at December 31, 2021, including a 9.13% undiluted stake in New Found Gold Corp. (TSXV: NFG) (“**New Found**”)
- Continuing focus on high-priority exploration targets, with exploration spend of \$12.1 million in Fiscal 2021 (\$12.3 million in Fiscal 2020)
- Earnings before interest, taxes, depreciation and amortization (“**EBITDA**”)⁴ of \$41.7 million in Fiscal 2021 (\$49.8 million for Q4 2021) and adjusted EBITDA⁴ of \$(2.4) million in Fiscal 2021 (\$(5.2) million for Q4 2021)
- Total cash costs¹ of \$1,865 / A\$1,980 / US\$1,488 per ounce sold in Fiscal 2021 (\$2,296 / A\$2,501 / US\$1,822 in Q4 2021) and all-in sustaining costs (“**AISC**”)¹ of \$2,637 / A\$2,799 / US\$2,104 per ounce sold in Fiscal 2021 (\$3,143 / A\$3,423 / US\$2,494 per ounce sold in Q4 2021)
- Recognition of a one-time non-cash gain of \$85.6 million in Fiscal 2021 as a result of the accounting treatment (discontinuation of equity accounting; see below) for the Company’s investment in New Found
- Recognition of a non-cash impairment charge of \$46.9 million in Q4 2021 due to uncertainty regarding the timing of the receipt of the Fresh mining approvals and Beatons Creek Project operational performance to date against forecast
- Completion of final payment of AUD\$3 million for the Comet Well project near Karratha, Western Australia in February 2021⁴
- Amendment of senior secured credit facility with Sprott Private Resource Lending II (Collector), LP (the “**Sprott Facility**”) and draw-down of additional USD\$5 million in April 2021⁵
- Completion of sale of part of the Company’s Blue Spec project near Nullagine, Western Australia to Calidus Resources Ltd. (ASX: CAL) (“**Calidus**”) in April 2021 for gross aggregate consideration of AUD\$12.5 million cash (AUD\$2.5 million received in Fiscal 2020) plus 13,333,333 ordinary shares of Calidus⁶, all of which were sold in Q4 2021 (along with some pre-existing Calidus shares) for gross proceeds of AUD\$8.7 million
- Completion of \$26.4 million brokered private placement of special warrants in May 2021⁷

¹ Non-IFRS measure; the definitions and reconciliations of these measures are included under “Non-IFRS Measures” below.

² Refer to the Company’s news release dated [February 16, 2021](#).

³ Novo’s ability to dispose of its investments is subject to certain thresholds under the Sprott Facility. Please refer to the Annual MD&A which is available under Novo’s profile on SEDAR at www.sedar.com. Novo’s investment in New Found Gold Corp. is subject to escrow requirements pursuant to National Instrument 46-201 Escrow for Initial Public Offerings. The value of Novo’s holdings in Elementum 3D, Inc. (“**E3D**”) is based on E3D’s most recent financing price of US\$8.00 per unit comprised of one common share and one-half of one common share purchase warrant. Except for its investment in E3D and warrant holdings, the fair value of Novo’s investments is based on closing prices of its investments and relevant foreign exchanges rate as at December 31, 2021.

⁴ Refer to the Company’s news release dated [February 4, 2021](#).

⁵ Refer to the Company’s news release dated [April 9, 2021](#).

⁶ Refer to the Company’s news release dated [March 23, 2021](#).

⁷ Refer to the Company’s news release dated [May 4, 2021](#).

Also refer to the Company's Q4 2021 operational update⁸ and comprehensive exploration update⁹. The Company will provide further operations and exploration updates during April 2022.

Financial Highlights

In thousands of CAD, except where noted		For the three months ended December 31, 2021	For the three months ended December 31, 2020	For the year ended December 31, 2021	For the 11-month period ended December 31, 2020
Gold sold	Oz Au	13,023	-	49,232	-
Average realized price ¹	\$/oz	2,294	-	2,281	-
Average realized price ¹	AUD\$/oz	2,498	-	2,421	-
Average realized price ¹	USD\$/oz	1,821	-	1,819	-
Total revenue	\$	29,857	-	112,243	-
Cost of goods sold	\$	(37,769)	-	(110,767)	-
Net loss from operations	\$	(5,084)	(10,640)	(22,740)	(26,804)
Impairment of non current assets	\$	(46,905)	-	(46,905)	-
Other income, net	\$	2,253	574	90,947	398
Finance items	\$	(2,395)	(503)	(16,337)	(2,173)
Income tax expense (benefit)	\$	739	-	(7,145)	778
Net loss for the period after tax	\$	(59,304)	(10,569)	(704)	(27,801)
Basic and diluted loss per common share	\$/share	(0.24)	(0.05)	(0.00)	(0.14)
EBITDA ¹	\$	(49,839)	(8,598)	41,508	(24,209)
Adjusted EBITDA ¹	\$	(5,187)	(9,172)	(2,534)	(24,607)
Adjusted earnings ¹	\$	(16,116)	(11,143)	(52,073)	(28,199)
Adjusted earnings per common share ¹	\$/share	(0.07)	(0.05)	(0.22)	(0.14)
Total cash costs ¹	\$/oz	2,296	-	1,865	-
Total cash costs ¹	AUD\$/oz	2,501	-	1,980	-
Total cash costs ¹	USD\$/oz	1,822	-	1,488	-
AISC ¹	\$/oz	3,143	-	2,637	-
AISC ¹	AUD\$/oz	3,423	-	2,799	-
AISC ¹	USD\$/oz	2,494	-	2,104	-

The Company did not have any revenue-generating operations prior to its inaugural gold pour on February 16, 2021².

Novo generated revenue of \$112.2 million from the sale of 49,232 ounces of gold at an average realized price¹ of \$2,281 / A\$2,421 / US\$1,819 per ounce in Fiscal 2021. Approximately 1,362,534 tonnes of mineralized material were processed through the Golden Eagle processing facility (the "Golden Eagle Plant") in Fiscal 2021 subsequent to the Company's inaugural gold pour², equating to an annual processing rate of approximately 1.6 million tonnes per annum. Processed material had an average head grade of 1.25 g/t Au with average recovery of 93.0%⁸ resulting in 49,364 ounces of gold produced in Fiscal 2021⁸.

Revenue for Q4 2021 was \$29.9 million from the sale of 13,023 ounces of gold at an average realized price¹ of \$2,294 / A\$2,498 / US\$1,821 per ounce. Processing rates were affected by a number of unscheduled short-term mill shuts during Q4 2021, including a longer shut in early November 2021 which accompanied significant crusher maintenance¹⁰. Approximately 395,000 tonnes of mineralized material were processed through the Golden Eagle Plant in Q4 2021 at an average head grade of 1.16 g/t Au and average recovery of 91.5%⁸. The Company produced 12,833 ounces of gold and sold 13,023 ounces of gold in Q4 2021⁸.

The Company generated a net loss of \$(0.7) million or \$(0.00) per share in Fiscal 2021, and a net loss of \$(59.3) million or \$(0.24) per share in Q4 2021.

EBITDA¹ totaled \$41.5 million in Fiscal 2021 (\$49.8) million in Q4 2021, and adjusted EBITDA¹ totaled \$(2.5) million in Fiscal 2021 (\$(5.2) million in Q4 2021).

Total cash costs¹ were \$1,865 / A\$1,980 / US\$1,488 in Fiscal 2021 (\$2,296 / A\$2,501 / US\$1,822 in Q4 2021). AISC¹ was \$2,637 / A\$2,799 / US\$2,104 in Fiscal 2021 (\$3,143 / A\$3,423 / US\$2,494 in Q4 2021). Total cash costs¹ and AISC¹ are heavily influenced by the number of ounces of gold sold and are higher than anticipated due to, among other things, a lower production base than forecast.

Adjusted earnings (losses)¹ were \$(52.0) million or \$(0.22) per share in Fiscal 2021, and \$(16.1) million or \$(0.07) per share in Q4 2021. Non-cash adjustments include a gain recognized on the discontinuation of equity accounting for the

⁸ Refer to the Company's news release dated [January 14, 2022](#).

⁹ Refer to the Company's news release dated [January 28, 2022](#).

¹⁰ Refer to the Company's news releases dated [November 1, 2021](#), and [November 5, 2021](#).

Company's investment in New Found, impairment related to the Beatons Creek Project, and income tax expenses related to the movement in fair value of the Company's investment portfolio.

The Company recognized a non-cash impairment expense of \$46.9 million related to the Company's Beatons Creek Project in Q4 2021 due to current uncertainty regarding the timing of the receipt of the Fresh mining approvals and Beatons Creek Project operational performance to December 31, 2021 against forecast.

The Company is committed to aggressively advancing its highly prospective exploration portfolio and devoted \$12.1 million to such efforts in Fiscal 2021.

Financial Position

<i>In thousands of CAD, except where noted</i>	December 31, 2021 \$'000	December 31, 2020 \$'000	January 31, 2020 \$'000
Cash	32,345	40,494	28,703
Short-term investments	108	195	88
Working capital ¹	3,925	14,071	26,051
Credit Facility adjusted working capital (USD) ¹	18,332	25,089	-
Marketable securities ¹	156,209	18,770	14,457
Available liquidity ¹	102,868	59,623	42,501
Total assets	462,682	456,408	158,049
Current liabilities excluding current portion of financial liabilities	19,805	12,083	1,082
Non-current liabilities excluding non-current portion of financial liabilities	36,342	28,615	-
Financial liabilities (current and non-current)	75,608	86,271	8,565
Total liabilities	148,420	126,969	9,647
Shareholders' equity	314,262	329,439	148,402

The Company held cash and cash equivalents of \$32.5 million as at December 31, 2021, with a working capital¹ balance of \$3.9 million. The Company's investment portfolio balance grew by 732% from December 31, 2020 to \$156.2 million³ and includes the Company's 9.13% undiluted investment in New Found (currently worth approximately \$114.75 million) along with the Company's undiluted 12.6% investment (pre-financing) in unlisted Elementum 3D Inc. ("E3D"). The Company revalued its holdings in E3D in Q4 2021 from \$6.6 million to \$16.5 million based on E3D's ongoing financing at USD\$8.00 per unit.

During Fiscal 2020, the Company determined that it exercised significant influence over New Found pursuant to IAS 28 *Investment in Associates and Joint Ventures*. On September 17, 2021, immediately subsequent to New Found's most recent annual general meeting, Novo determined that it had ceased to exercise significant influence over New Found, discontinued equity accounting, and recognized its retained interest in New Found as a marketable security at fair value resulting in a non-cash one-time gain of \$85.6 million based on the difference between New Found's fair value using its share price on the date of derecognition (\$7.15) and the carrying value of the investment using the equity accounting method, with certain adjustments.

The Sprott Facility remains fully drawn at USD\$40 million. Interest accrues on the outstanding principal amount of the Sprott Facility at a rate of 8% per annum plus the greater of (i) US three-month LIBOR and (ii) 1.00%. All interest is payable in cash on a monthly basis. Principal is repayable commencing December 2022 and quarterly thereafter until September 2024 in eight equal instalments. The availability of the Sprott Facility is subject to certain conditions and covenants, including the maintenance of minimum unrestricted cash and working capital balances after certain adjustments. As at December 31, 2021 and the date of this news release, the Company is in compliance with Sprott Facility conditions and covenants, as amended or waived.

Outlook

The Company reiterates its previous production forecast for the first half of 2022 of 27 koz – 33 koz Au¹¹, which remains influenced by close-spaced drilling and mine-to-mill reconciliation efforts and assumes receipt of requisite approvals. The Company will provide an operations performance and approvals update following completion of the first quarter of 2022.

¹¹ Refer to the Company's news releases dated [December 13, 2021](#), and [January 14, 2022](#).

Non-IFRS Measures

Certain non-IFRS measures have been included in this news release. The Company believes that these measures, in addition to measures prepared in accordance with International Financial Reporting Standards (“IFRS”), provide readers with an improved ability to evaluate its underlying performance and to compare it to information reported by other companies. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to similar measures presented by other companies.

Non-IFRS measures for Fiscal 2021 are not necessarily indicative of ongoing performance considering the Company was still ramping up operations through to September 30, 2021 and declared commercial production effective October 1, 2021¹².

Average Realized Price

The Company uses the average realized price per ounce of gold sold to better understand the gold price and, once applicable, cash margin realized throughout a period.

Average realized price is calculated as revenue from contracts with customers plus treatment and refinery charges included in dore revenue less silver revenue divided by gold ounces sold.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Annual MD&A and Audited Financial Statements.

In thousands of CAD, except where noted		For the three months ended December 31, 2021	For the three months ended December 31, 2020	For the year ended December 31, 2021	For the period ended December 31, 2020
Revenue from contracts with customers	\$	29,857	-	112,243	-
Treatment and refining charges	\$	72	-	255	-
Less: Silver revenue (Note 18)	\$	(52)	-	(215)	-
Gold revenue	\$	29,877	-	112,283	-
Gold sold	oz	13,023	-	49,232	-
Average realized price	\$/oz	2,294	-	2,281	-
Foreign exchange rate	CAD:AUD	1.0890	-	1.0616	-
Average realized price	AUD\$/oz	2,498	-	2,421	-
Foreign exchange rate	CAD:USD	0.7936	-	0.7978	-
Average realized price	USD\$/oz	1,821	-	1,819	-

Total Cash Costs

The Company reports total cash costs on a per gold ounce sold basis. In addition to measures prepared in accordance with IFRS, such as revenue, the Company believes this information can be used to evaluate its performance and ability to generate operating earnings and cash flow from its mining operations. The Company uses this metric to monitor operating cost performance.

Total cash costs include cost of sales such as mining, processing, mine general and administrative costs, royalties, selling costs, and changes in inventories less non-cash depreciation and depletion, write-down of inventories and site share-based payments where applicable, and silver revenue divided by gold ounces sold to arrive at total cash costs per ounce of gold sold. Refer to the Annual MD&A for the treatment of depreciation and depletion costs prior and subsequent to the declaration of commercial production.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Annual MD&A and Audited Financial Statements.

¹² Refer to the Company's news release dated [October 12, 2021](#).

In thousands of CAD, except where noted		For the three months ended December 31, 2021	For the three months ended December 31, 2020	For the year ended December 31, 2021	For the period ended December 31, 2020
Gold sold	Oz Au	13,023	-	49,232	-
Total cash cost reconciliation					
Cost of sales	\$	37,768	-	110,767	-
Less: Depreciation and depletion*	\$	(7,809)	-	(18,730)	-
Less: Silver Revenue (Note 18)	\$	(52)	-	(215)	-
Less: Site share-based compensation	\$	-	-	-	-
Total cash costs	\$	29,907	-	91,822	-
Cash costs per oz of gold sold	\$/oz	2,296	-	1,865	-
Foreign exchange rate	CAD:AUD	1.0890	-	1.0616	-
Cash costs per oz of gold sold	AUD\$/oz	2,501	-	1,980	-
Foreign exchange rate	CAD:USD	0.7936	-	0.7978	-
Cash costs per oz of gold sold	USD\$/oz	1,822	-	1,488	-

*Depreciation and depletion are reconciled to aggregate depreciation and depletion in the operating adjustments in the consolidated statements of cash flows in the Audited Financial Statements.

All-in Sustaining Costs

The Company believes that AISC more fully defines the total costs associated with producing gold. AISC is calculated based on the definitions published by the World Gold Council ("WGC"). The WGC is not a regulatory organization. The Company calculates AISC as the sum of total cash costs (as described above), sustaining capital expenditures (excluding significant projects considered expansionary in nature), accretion on decommissioning and restoration provisions, treatment and refinery charges, payments on lease obligations, site share-based payments where applicable, and corporate administrative costs less any share-based payments directly attributable to exploration and non-operating payments on lease obligations, all divided by gold ounces sold during the period to arrive at a per ounce amount.

Other companies may calculate this measure differently as a result of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus expansion capital. Refer to the Annual MD&A for the treatment of depreciation and depletion costs prior and subsequent to the declaration of commercial production.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Annual MD&A and Audited Financial Statements.

In thousands of CAD, except where noted		For the three months ended December 31, 2021	For the three months ended December 31, 2020	For the year ended December 31, 2021	For the period ended December 31, 2020
Gold sold	Oz Au	13,023	-	49,232	-
All-in sustaining cost reconciliation					
Total cash costs	\$	29,907	-	91,822	-
Sustaining capital expenditures	\$	5,448	-	5,448	-
Accretion on rehabilitation provision (Note 24)	\$	138	-	473	-
Treatment and refinery charges	\$	72	-	255	-
Payments on lease obligations (Note 13)	\$	576	-	11,889	-
Less: non-operating payments on lease obligations*	\$	(113)	-	(1,155)	-
Site share-based compensation	\$	-	-	-	-
Corporate administrative costs (Note 20)	\$	5,115	-	25,094	-
Less: exploration share-based payments**	\$	(211)	-	(4,005)	-
Total all-in sustaining costs	\$	40,932	-	129,821	-
AISC per oz of gold sold	\$/oz	3,143	-	2,637	-
Foreign exchange rate	CAD:AUD	1.0890	-	1.0616	-
AISC per oz of gold sold	AUD\$/oz	3,423	-	2,799	-
Foreign exchange rate	CAD:USD	0.7936	-	0.7978	-
AISC per oz of gold sold	USD\$/oz	2,494	-	2,104	-

*The non-operating payments on lease obligations adjustment includes lease amounts which are not directly related to the Company's operations at the Beatons Creek Project. This figure is not separately disclosed in the Audited Financial Statements.

**Share-based payment expenses directly attributable to the Company's exploration staff are excluded from the calculation of AISC. This figure is not separately disclosed in the Audited Financial Statements and is a subset of the share-based payments expense outlined in Note 20 of the Audited Financial Statements.

EBITDA

The Company uses EBITDA to better understand its ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures.

EBITDA is defined as net earnings before interest and finance expense, interest and finance income, current income tax expense, deferred income tax expense, depreciation and depletion. EBITDA is also adjusted for non-recurring transactions such as the change in fair value of derivative instruments, foreign exchanges gains and losses, gains and losses on the disposal of assets, impairment, and other income. Refer to the Annual MD&A for the treatment of depreciation and depletion costs prior and subsequent to the declaration of commercial production.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Annual MD&A and Audited Financial Statements.

<i>In thousands of CAD, except where noted</i>	For the three months ended December 31, 2021 \$'000	For the three months ended December 31, 2020 \$'000	For the year ended December 31, 2021 \$'000	For the period ended December 31, 2020 \$'000
Net loss for the period	(59,304)	(10,569)	(704)	(27,801)
Interest and finance expense	2,422	483	16,428	2,311
Interest and finance income	(27)	(21)	(91)	(138)
Current income tax expense / (income)	(739)	-	7,145	(778)
Deferred income tax expense	-	-	-	-
Depreciation and depletion	7,809	1,509	18,730	2,197
EBITDA	(49,839)	(8,598)	41,508	(24,209)
Other (income) / expenses (Note 23)	(2,253)	(574)	(90,947)	(398)
Impairment of non current assets (Note 22)	46,905	-	46,905	-
Adjusted EBITDA	(5,187)	(9,172)	(2,534)	(24,607)

*Depreciation and depletion is reconciled to aggregate depreciation and depletion in the operating adjustments in the consolidated statements of cash flows in the Audited Financial Statements.

Adjusted Earnings and Adjusted Basic and Diluted Earnings per Share

The Company uses adjusted earnings and adjusted basic and diluted earnings per share to measure its underlying operating and financial performance.

Adjusted earnings are defined as net earnings adjusted to exclude specific items that are significant, but not reflective of the Company's underlying operations, including: foreign exchange (gain) loss, (gain) loss on financial instruments at fair value, impairment, and non-recurring gains and losses on treatment of marketable securities, sale of E&E assets, and associated tax impacts. Adjusted basic and diluted earnings per share are calculated using the weighted average number of shares outstanding under the basic and diluted method of earnings per share as determined under IFRS. Refer to the Annual MD&A for the treatment of depreciation and depletion costs prior and subsequent to the declaration of commercial production.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Annual MD&A and Audited Financial Statements.

<i>In thousands of CAD, except where noted</i>		For the three months ended December 31, 2021	For the three months ended December 31, 2020	For the year ended December 31, 2021	For the period ended December 31, 2020
Basic weighted average shares outstanding		245,939,504	230,353,507	239,822,300	198,880,088
Adjusted earning and adjusted basic earnings per shares reconciliation					
Net earnings / (loss) for the period	\$	(59,304)	(10,569)	(704)	(27,801)
Adjusted for:					
Other (income) / expenses (Note 23)	\$	(2,253)	(574)	(90,947)	(398)
(Loss) / Profit on disposal of exploration asset (Note 6)	\$	(725)	-	(14,472)	2,517
Impairment of mine development asset (Note 22)	\$	46,905	-	46,905	-
Income tax expense / (benefit)	\$	(739)	-	7,145	(778)
Adjusted earnings	\$	(16,116)	(11,143)	(52,073)	(28,199)
Adjusted basic earnings per share	\$/share	(0.07)	(0.05)	(0.22)	(0.14)

Available Liquidity

The Company believes that available liquidity provides an accurate measure of the Company's ability to liquidate assets in order to satisfy its liabilities. The Company uses this metric to help monitor its risk profile.

Available liquidity includes cash, short-term investments, and assets which are readily saleable within the next 12 months, including gold in circuit and stockpiles, receivables, marketable securities (to the extent that an established market exists for such marketable securities, they are free of any long-term trading restrictions, and sufficient historical volume exists to liquidate holdings within 12 months), and gold specimens. The market value of certain marketable securities has been used in the calculation of available liquidity which may not reconcile to the accounting treatment of such marketable securities. Refer to the Annual MD&A and Notes 5 and 11 of the Audited Financial Statements.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Annual MD&A and Audited Financial Statements.

	December 31, 2021	December 31, 2020	January 31, 2020	January 31, 2019
	\$'000	\$'000	\$'000	\$'000
Cash	32,345	40,494	28,703	42,832
Short-term investments	108	195	88	93
Gold in circuit	788	3	-	-
Stockpiles	4,732	565	-	-
Receivables	6,127	1,806	6,657	1,160
Marketable securities	58,691	16,477	6,979	1,336
Gold specimens	77	83	74	159
Available liquidity	102,868	59,623	42,501	45,580

	December 31, 2021			
	# of shares	Share price	Foreign exchange	Adjusted value \$'000
Kalamazoo Resources Limited Ordinary Shares	10,000,000	\$0.38	0.942	3,579
GBM Resources Ltd Ordinary Shares	11,363,637	\$0.12	0.942	1,232
New Found Gold Corp Common Shares *	6,000,000	\$8.98	1	53,880
				58,691

*Some of the Company's New Found shares remain subject to escrow restrictions pursuant to National Instrument 46-201 Escrow for Initial Public Offerings. As at December 31, 2021, 6,000,000 of the Company's 15,000,000 New Found shares had been released from escrow. The Company's remaining 9,000,000 New Found shares will be released from escrow semi-annually, with 2,250,000 New Found Shares being released in February and August of each year. As at March 31, 2022, 8,250,000 New Found Shares had been released from escrow.

	December 31, 2020			
	# of shares	Share price	Foreign exchange	Adjusted value \$'000
Calidus Resources Limited Ordinary Shares	5,138,537	\$0.51	0.9835	2,552
American Pacific Mining Corp. Common Shares	266,666	\$0.18	1	47
Essential Metals Limited Ordinary shares	4,450,000	\$0.08	0.9835	358
Kalamazoo Resources Limited Ordinary Shares	10,000,000	\$0.60	0.9835	5,852
GBM Resources Ltd Ordinary Shares	11,363,637	\$0.14	0.9835	1,564
New Found Gold Corp Common Shares *	1,500,000	\$4.07	1	6,105
				16,477

*As at December 31, 2020, 1,500,000 of the Company's 15,000,000 New Found shares had been released from escrow. Refer to the preceding table for further details.

	January 31, 2020			
	# of shares	Share price	Foreign exchange	Adjusted value \$'000
Calidus Resources Limited Ordinary Shares	5,658,537	\$0.26	0.8860	1,309
Kalamazoo Resources Limited Ordinary Shares	10,000,000	\$0.64	0.8860	5,670
American Pacific Mining Corp. Common Shares	533,332	\$0.06	1	32
Essential Metals Limited Ordinary shares	50,000,000	\$0.01	0.8860	576
				6,979

	January 31, 2019			
	# of shares	Share price	Foreign exchange	Adjusted value \$'000
Calidus Resources Limited Ordinary Shares	56,585,366	\$0.02	0.9561	1,302
American Pacific Mining Corp. Common Shares	266,666	\$0.13	1	33
Essential Metals Limited Ordinary shares	50,000,000	\$0.02	0.9561	813
				<u>1,336</u>

Working Capital

Working capital is defined as current assets less current liabilities and is used to monitor the Company's liquidity.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Annual MD&A and Audited Financial Statements.

	December 31, 2021 \$'000	December 31, 2020 \$'000
Current assets	49,385	46,976
Current liabilities	45,460	32,905
Working capital	3,925	14,071

Sprott Facility Adjusted Working Capital

Sprott Facility adjusted working capital is a derivation of working capital with a series of adjustments as permitted pursuant to the Sprott Facility. The Company uses Sprott Facility adjusted working capital to monitor its compliance against certain covenants within the Sprott Facility.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Annual MD&A and Audited Financial Statements.

In thousands of CAD, except where noted		December 31, 2021 \$'000	December 31, 2020 \$'000
Working capital	\$	3,925	14,071
Credit Facility (current)	\$	6,339	-
Lease liabilities (current)	\$	12,453	10,645
Sumitomo funding liability	\$	5,780	6,071
Sumitomo written call option	\$	1,083	1,157
Sprott Facility working capital	\$	29,580	31,944
Foreign exchange rate	CAD:USD	0.7888	0.7854
Sprott Facility working capital	USD\$	23,332	25,089

CAUTIONARY STATEMENT

The decision by the Company to produce at the Beatons Creek Project was not based on a feasibility study of mineral reserves demonstrating economic and technical viability and, as a result, there is an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit. Production has not achieved forecast to date. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on the Company's cash flow and future profitability.

The Company cautions that its declaration of commercial production effective October 1, 2021¹² only indicates that the Beatons Creek project was operating at anticipated and sustainable levels and it does not indicate that economic results will be realized.

QP STATEMENT

Dr. Quinton Hennigh (P.Geo.) is the qualified person, as defined under National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, responsible for, and having reviewed and approved, the technical information contained in this news release. Dr. Hennigh is the non-executive co-chairman and a director of Novo.

ABOUT NOVO

Novo operates its flagship Beatons Creek Project while exploring and developing its prospective land package covering approximately 12,500 square kilometres in the Pilbara region of Western Australia. In addition to the Company's primary focus, Novo seeks to leverage its internal geological expertise to deliver value-accretive opportunities to its shareholders. For more information, please contact Leo Karabelas at (416) 543-3120 or e-mail leo@novoresources.com.

On Behalf of the Board of Directors,

Novo Resources Corp.

"Michael Spreadborough"

Michael Spreadborough

Executive Co-Chairman

Forward-looking information

Some statements in this news release contain forward-looking information (within the meaning of Canadian securities legislation) including, without limitation, production forecast for the first half of 2022. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, without limitation, customary risks of the resource industry and the risk factors identified in the Annual MD&A which is available under Novo's profile on SEDAR at www.sedar.com. Forward-looking statements speak only as of the date those statements are made. Except as required by applicable law, Novo assumes no obligation to update or to publicly announce the results of any change to any forward-looking statement contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. If Novo updates any forward-looking statement(s), no inference should be drawn that the Company will make additional updates with respect to those or other forward-looking statements.