NOVO RESOURCES CORP.

(TSX: NVO; OTCQX: NSRPF)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

(Expressed in Canadian Dollars)

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

	Note	March 31, 2022 $'000	December 31, 2021 $'000
ASSETS			
Current assets			
Cash		21,783	32,345
Short-term investments		155	108
Inventory	3	10,199	9,646
Receivables	4	5,188	6,127
Prepaid expenses and deposits		889	1,159
Non curret asset classified as held for sale - marketable security	5	113,850	-
Total current assets		152,064	49,385
Non-current assets			
Property, plant and equipment	7	74,732	74,337
Right of use assets	8	23,123	25,778
Mine development assets	9	4,515	6,968
Exploration and evaluation assets	6	151,192	149,928
Gold specimens		77	77
Marketable securities	5	21,314	156,209
Total non-current assets		274,953	413,297
Total assets		427,017	462,682
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	11	18,813	19,805
Credit facility	13	12,496	6,339
Lease liabilities	12	11,015	12,453
Sumitomo funding liability	15	3,575	5,780
Sumitomo written call option	15	1,102	1,083
Total current liabilities		47,001	45,460
Non-current liabilities			
Lease liabilities	12	17,677	18,530
Credit facility	13	31,392	37,384
Derivative liability	13	50	378
Rehabilitation provision	14	35,721	36,342
Deferred tax liability		7,824	10,326
Total non-current liabilities		92,664	102,960
Total liabilities		139,665	148,420
SHAREHOLDERS' EQUITY			
Share capital	16	388,781	388,781
Reserves	16	58,737	57,445
Accumulated other comprehensive gain	16	10,703	25,972
Accumulated deficit		(170,869)	(157,936)
Total shareholders' equity		287,352	314,262
Total shareholders' equity and liabilities		427,017	462,682

These condensed interim consolidated financial statements are authorized for issue by the Board of Directors on May 13, 2022. They are signed on the Company's behalf by:

"Ross Hamilton"	*"Michael Barrett"*
Ross Hamilton	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 Profit or Loss and Other Comprehensive Income / (Loss)
(Unaudited)

		Three months ended March 31	
		2022 $'000	2021 *restated Note 2* $'000
Revenue	17	31,875	7,718
Cost of goods sold	18	(37,375)	(7,718)
Gross loss from mine operations		(5,500)	-
General administration	19	(4,001)	(7,645)
Exploration expenditure	20	(4,038)	(2,848)
Profit on disposal of exploration asset	6	-	14,940
(Loss) / income from operations		(13,539)	4,447
Other income / (expenses) , net	22	670	(1,903)
Finance items			
Finance income	23	10	9
Finance costs	23	(74)	(1,433)
Net (loss) / income for the period before tax		(12,933)	1,120
Income tax (expense) / benefit		-	-
Net (loss) / income for the period after tax		(12,933)	1,120
Other comprehensive income / (loss)			
Change in fair value of marketable securities, net of tax - not to be reclassified to profit or loss in subsequent periods	16	(18,698)	(2,684)
Foreign exchange on translation of subsidiaries - to be reclassified to profit or loss in subsequent periods	16	3,429	(965)
Total other comprehensive loss		(15,269)	(3,649)
Comprehensive loss for the period		(28,202)	(2,529)
Weighted average number of common shares outstanding		245,939,504	231,144,281
Basic and diluted (loss)/ profit per common share ($ per share)		(0.05)	0.00

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 three months ended March 31, 2022 and 2021
(Unaudited)

	Note	Number of Shares (unrounded)	Share Capital Amount $'000	Treasury Shares $'000	Option Reserve $'000	Warrant Reserve $'000	Comet Well Deferred Consideration Reserve $'000	Fair value reserve of financial assets at FVTOCI $'000	Foreign currency translation reserve $'000	Accumulated Deficit $'000	Shareholders' Equity $'000
Balance – December 31, 2020 as previously reported		230,353,507	347,166	(2,571)	31,137	16,293	3,354	6,028	5,557	(77,525)	**329,439**
Change in accounting policy - adopted in 2021	2	-	-	-	-	-	-	-	(5,258)	(79,707)	**(84,965)**
Balance – December 31, 2020 restated		**230,353,507**	**347,166**	**(2,571)**	**31,137**	**16,293**	**3,354**	**6,028**	**299**	**(157,232)**	**244,474**
Other comprehensive loss for the period		-	-	-	-	-	-	(2,684)	(5,257)	-	**(7,941)**
Profit for the period		-	-	-	-	-	-	-	-	1,120	**1,120**
Comprehensive loss for the period		-	-	-	-	-	-	(2,684)	(5,257)	1,120	**(6,821)**
Share-based payments	16 & 19	-	-	-	4,328	-	-	-	-	-	**4,328**
Queens project share issuance	6	584,215	1,875	-	-	-	-	-	-	-	**1,875**
Comet Well share issuance	6	1,198,395	3,354	-	-	-	(3,354)	-	-	-	**-**
Movement in treasury shares - Investment in associate	10	-	-	6	-	-	-	-	-	-	**6**
Balance – March 31, 2021		**232,136,117**	**352,395**	**(2,565)**	**35,465**	**16,293**	**-**	**3,344**	**(4,958)**	**(156,112)**	**243,862**
Balance – December 31, 2021		**245,939,504**	**388,781**	-	**41,152**	**16,293**	-	**40,369**	**(14,397)**	**(157,936)**	**314,262**
Other comprehensive profit / (loss) for the period		-	-	-	-	-	-	(18,698)	3,429	-	**(15,269)**
Loss for the period		-	-	-	-	-	-	-	-	(12,933)	**(12,933)**
Comprehensive loss for the period		-	-	-	-	-	-	(18,698)	3,429	(12,933)	**(28,202)**
Share-based payments	16 & 19	-	-	-	1,292	-	-	-	-	-	**1,292**
Balance – March 31, 2022		**245,939,504**	**388,781**	**-**	**42,444**	**16,293**	**-**	**21,671**	**(10,968)**	**(170,869)**	**287,352**

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)

		Three months ended March 31	
	Note	2022 $'000	2021 *restated Note 2* $'000
Operating activities			
Net (loss) / profit for the period		**(12,933)**	**1,120**
Adjustments:			
Finance income	23	(10)	(9)
Finance costs	23	(496)	1,403
Depreciation - fixed assets	7	4,931	389
Depreciation - right of use assets	8	3,058	3,032
Foreign exchange		1,442	(3,773)
Share-based payments	19	1,292	4,328
Share of (profit) / loss in associate	10	-	966
Profit on sale of tenements	6	-	(14,940)
Change in fair value of marketable securities	5	70	1,166
Total adjustments		10,287	(7,438)
Changes in non-cash operating working capital:			
Accounts payable and accrued liabilities		(594)	4,276
Prepaid expenses and deposits		269	(107)
Receivables		939	(1,899)
Inventory		(553)	(2,303)
		61	(33)
Interest income		10	9
Interest paid	13	(1,139)	(996)
Net cash used in operating activities		**(3,714)**	**(7,338)**
Investing activities			
Purchase of property, plant and equipment	7	(4,064)	(1,896)
Payments for mine development	9	(73)	(15,203)
Proceeds from sale of exploration assets	6	-	9,592
Proceeds from sale of marketable securities	5	-	393
Net cash used in investing activities		**(4,137)**	**(7,114)**
Financing activities			
Payment of Comet Well deferred consideration	6	-	(2,946)
Payment of principal portion of lease liabilities	12	(2,786)	(2,208)
Net cash used in financing activities		**(2,786)**	**(5,154)**
Net change in cash		(10,637)	(19,606)
Effect of exchange rate changes on cash		75	(84)
Cash, beginning of the period		32,345	40,494
Cash, end of the period		**21,783**	**20,804**

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

1. NATURE OF OPERATIONS

Novo Resources Corp. (individually, or collectively with its subsidiaries, as applicable, 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 common shares trade on the Toronto Stock Exchange (the "TSX") under the ticker symbol "NVO" and in the United States on the OTC market's OTCQX International Exchange under the symbol "NSRPF".

The Company is engaged primarily in the business of evaluating, acquiring, exploring, developing, and mining natural resource properties with a focus on gold, particularly the Beatons Creek conglomerate gold project (the "Beatons Creek Project"). The Company's registered 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, 46 Ventnor Avenue, 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. 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 December 31, 2021.

New and amended Accounting Standards and Interpretations adopted by the Company

All new and amended accounting standards and interpretations effective from January 1, 2022 have been adopted with no impact on the Company during the period.

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 quantities 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 disclosed below within this note.

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 are referred to as "AUD", and United States dollars are referred to as "USD", in these interim consolidated financial statements.

Change in accounting policy – exploration and evaluation assets

As more fully disclosed in the Company's annual consolidated financial statements for the year ended December 31, 2021 the Company adopted a voluntary change in its accounting policy for exploration and evaluation expenditures during the year ended December 31, 2021 and has applied the change retrospectively. As a result, balances of comparative periods have been restated. Under the new policy, the Company recognizes these expenditures as exploration and evaluation costs in the condensed interim consolidated statements of profit or loss and other comprehensive income in the period incurred until management concludes the technical feasibility and commercial viability of a mineral deposit has been established. Costs that represent the acquisition of rights to explore a mineral deposit continue to be capitalized. Prior to December 31, 2021, the Company's policy was to capitalize all exploration and evaluation expenditures as exploration and evaluation assets.

Impact of the change in accounting policy

The Company reclassified all post-acquisition exploration and evaluation expenditures that were (i) capitalized as exploration and evaluation assets, and (ii) included in mine development assets in the statement of financial position, to exploration and evaluation expenditure in the statements of profit and loss and other comprehensive income. Initial acquisition costs of the Beatons Creek Project were unaffected by the change in accounting policy. Other than acquisition costs, all capitalized amounts for exploration and evaluation assets associated with the Company's other projects were retrospectively expensed.

All Australian research and development tax incentive credits associated with exploration costs that were offset against exploration and evaluation assets have been reclassified to profit and loss in accordance with the Company's stated accounting policy.

The adjustment arising from the reclassification of post-acquisition exploration and evaluation expenditure has been translated into the presentation currency of the Company in accordance with the Company's stated accounting policy for foreign currencies using the relevant average exchange rates. As a result of the change in accounting policy, cash outflows relating to post acquisitions exploration and evaluation expenditure have been reclassified from investing to operating activities in the condensed interim consolidated statement of cash flows.

The impact of the change in accounting policy on the Consolidated Statement of Financial Position at December 31, 2021 was disclosed in the Company's annual consolidated financial statements for the year then ended. As a result of the accounting policy change, the Company recorded the following adjustments to specific account balances, in the condensed interim Statement of Profit or Loss and Other Comprehensive Income/Loss.

Condensed interim consolidated statements of profit or loss and other comprehensive income / (loss)

	For the period ended March 31, 2022		
	Balances before change in accounting policy $'000	Policy change adjustment $'000	Restated balance $'000
Exploration expenditure	-	(4,038)	(4,038)
Net loss for the period before tax	(8,895)	(4,038)	(12,933)
Net loss for the period after tax	(8,895)	(4,038)	(12,933)
Other comprehensive income / (loss) - foreign exchange on translation of subsidiaries	3,347	82	3,429
Comprehensive profit / (loss for the period)	(24,246)	(3,956)	(28,202)
Basic and diluted profit / (loss) per common share ($ per share)	(0.05)	(0.00)	(0.05)

	For the period ended March 31, 2021		
	Previously reported $'000	Policy change adjustment $'000	Restated balance $'000
Exploration expenditure	-	(2,848)	(2,848)
Impairment of exploration and evaluation assets	(1,372)	1,372	-
Profit on disposal of exploration asset	14,067	873	14,940
Net profit for the period before tax	1,723	(603)	1,120
Net profit for the period after tax	1,723	(603)	1,120
Other comprehensive income / (loss) - foreign exchange on translation of subsidiaries	(9,003)	8,038	(965)
Comprehensive profit / (loss for the period)	(9,964)	7,435	(2,529)
Basic and diluted profit / (loss) per common share ($ per share)	0.01	(0.01)	0.00

Condensed interim consolidated statements of cash flows

	For the period ended March 31, 2021		
	Previously reported $'000	Policy change adjustment $'000	Restated balance $'000
Net cash used in operating activities	(1,417)	(5,921)	(7,338)
Net cash(generated from) / used in investing activities	(13,035)	5,921	(7,114)

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 March 31, 2022, 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 Pty Ltd ("Millennium")	New South Wales, Australia	100%

Going concern

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

For the three-month period ended March 31, 2022, the Company reported operating cash outflows of $3,714,000 (March 31, 2021: $7,338,000) and investing cash outflows of $4,137,000 (March 31, 2021: $7,114,000). The Company had cash on hand and short-term investments of $86,959,000 at May 13, 2022 and $21,938,000 at March 31, 2022.

Since December 31, 2021, the Company has continued to develop its Beatons Creek Project and advance its exploration efforts across the Pilbara and Victoria. The Company has prepared a cash flow forecast demonstrating that the Company will have access to sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing these condensed interim consolidated financial statements.

Based on the cash flow forecast and revenue, operating cost assumptions, exploration costs, and capital expenditures, along with forecast commodity prices, foreign exchange rates, and the ability to further realize marketable securities, the Company's directors are satisfied that the going concern basis of preparation is appropriate.

Critical elements to managing the Company's cash flows and achieving the forecast cash flows, positive cash balance, and forecast covenant compliance under the Credit Facility (as defined below, and as amended or waived) include achieving forecast gold production at forecast operating costs, managing forecast capital expenditure, determining forecast discretionary exploration expenditure, and realising additional liquidity from the potential to dispose of certain of the Company's assets at favourable prices, in acceptable timeframes, if required, and to the extent permitted under the Credit Facility.

If the Company does not meet its cash flow forecast, it may need to rely on a number of additional options, including obtaining additional waivers or rescheduling of repayments under the Credit Facility, securing additional funding, refinancing the Credit Facility with other parties or by raising further capital from equity markets, or a combination of these options. The Company had available liquidity of $99,136,000 at March 31, 2022. Refer to the Company's Management's Discussion and Analysis for the three-month period ended March 31, 2022 for further details.

Subsequent to period end, the Company increased its cash reserves through the sale of 8.25 million New Found shares (see Note 27).

The conditions above indicate a material uncertainty that may cast doubt about the Company's ability to continue as a going concern and, therefore, whether it will be able to realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the condensed interim consolidated financial statements. The condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

3. INVENTORY

	March 31, 2022 $'000	December 31, 2021 $'000
Consumables	5,444	4,126
Gold in circuit	1,434	788
Stockpiles	3,321	4,732
Total	**10,199**	**9,646**

During the period ended March 31, 2022, the Company recorded net realizable value adjustments, recognized in cost of goods sold, of $230,000 (year ended December 31, 2021 - $2,723,000).

4. RECEIVABLES

	March 31, 2022 $'000	December 31, 2021 $'000
Canadian GST receivable	62	49
Australian GST receivable	5,053	5,568
Other receivables at amortized cost	73	510
Total	**5,188**	**6,127**

(Expressed in Canadian Dollars, unless stated otherwise)

5. MARKETABLE SECURITIES

Calidus Resources Limited – (ASX: CAI)

On April 1, 2021, Calidus Resources Limited ("Calidus") issued 13,333,333 shares to the Company in relation to the Blue Spec sale (see note 6). During the year ended December 31, 2021, the Company sold all of its 18,471,870 Calidus shares for gross proceeds of AUD $10,550,000 ($9,858,000).

Elementum 3D Inc. – (unlisted)

During the year ended December 31, 2021, Elementum 3D, Inc. ("E3D") conducted a financing at USD $8 per unit. Each unit was comprised of one common share and one-half-of one common share purchase warrant exercisable at US$11 for a period of 5 years from the date of issue. The value allocated to the half warrant based on a Black Scholes valuation is USD $1.73, resulting in a fair value of USD $6.27 per E3D common share. The valuation has been performed by an independent valuer, and the following assumptions were used in the warrant valuation:

	Assumptions
Exercise price	USD $11.00
Risk-free interest rate	1.51%
Expected stock price volatility	82%
Expected dividend yield	0.00%
Expected life of warrants	5 years

Although the Company did not participate in this financing, the Company recognized the increased price as an appropriate indicator of E3D's fair value and revalued its holdings. As at March 31, 2022 the Company held 2,076,560 common shares of E3D which represents a 12.41% undiluted interest. The Company has recognized its investment in E3D at fair value, being USD $6.27 (2021: USD $6.27) per E3D common share.

American Pacific Mining Corp. – (CSE: USGD)

During the year ended December 31, 2021, the Company sold all of its 266,666 common shares of American Pacific Mining Corp. ("APM") for gross proceeds of $91,000.

Essential Metals Limited – (ASX: ESS)

During the year ended December 31, 2021, the Company sold all of its 4,450,000 ordinary shares of Essential Metals for gross proceeds of AUD $402,000 ($378,000).

Kalamazoo Resources Limited – (ASX: KZR)

The Company holds 10,000,000 ordinary shares of ASX-listed Kalamazoo Resources Limited ("Kalamazoo") which represent a 6.89% undiluted interest in Kalamazoo as at March 31, 2022.

The Kalamazoo ordinary shares have been accounted for as marketable securities, so they have initially been recognized at fair value and subsequently remeasured at fair value through other comprehensive income / loss ("FVTOCI").

GBM Resources Limited – (ASX: GBZ)

The Company holds 11,363,637 ordinary shares (the “GBM Shares”) of ASX-listed GBM Resources Limited (“GBM”), 4,545,454 ordinary share purchase warrants exercisable to purchase one ordinary share of GBM at AUD $0.096 and expiring on April 6, 2023, and an additional 1,136,362 listed ordinary share purchase warrants exercisable to purchase one ordinary share of GBM at AUD $0.11 and expiring on July 6, 2023 (collectively, the “GBM Warrants”). The GBM Shares represent a 2.12% undiluted interest in GBM as at March 31,2022.

The GBM 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 and have therefore been initially recognized at fair value and subsequently remeasured at FVTPL.

New Found Gold Corp. – (TSX-V: NFG)

The Company holds 15,000,000 common shares of New Found Gold Corp. (“New Found”) which were originally accounted for as marketable securities, so they were initially recognized at fair value and subsequently remeasured at FVTOCI. In 2020, the Company obtained significant influence over New Found , and the New Found investment became an equity-accounted investment and was therefore subsequently recognized as an investment in associate.

On September 17, 2021 the Company ceased to exercise significant influence over New Found, and the investment in New Found was derecognized as an investment in associate and recognized as a marketable security at fair value, and will be subsequently remeasured at FVTOCI. The discontinuation of equity accounting of New Found resulted in a gain through profit and loss of $85,636,000 during the year ended December 31, 2021. The fair value of the investment in New Found, based on the December 31, 2021 closing price of $8.98 on the TSX-V, is $134,700,000. The fair value was determined using level 1 inputs in the fair value hierarchy.

The Company had committed to a plan to sell its shares in New Found as at March 31, 2022 and subsequent to March 31, 2022 agreed to sell all of its shares in New Found. Refer to note 27.

As at March 31, 2022

FVTOCI	Number of shares Closing balance	Opening Fair Value $'000	Foreign Exchange $'000	Gains / (Losses) $'000	Closing Fair Value $'000
Elementum 3D Inc. Common Shares	2,076,560	16,507	-	(237)	16,270
New Found Gold Corp Common Shares	15,000,000	134,700	-	(20,850)	113,850
Kalamazoo Resources Limited Ordinary Shares	10,000,000	3,498	54	(321)	3,231
GBM Resources Ltd Ordinary Shares	11,363,637	1,203	24	209	1,436
		155,908	78	(21,199)	134,787

As at March 31, 2022

FVTPL	Number of shares Closing balance	Opening Fair Value $'000	Foreign Exchange $'000	Gains / (Losses) $'000	Closing Fair Value $'000
GBM Resources Ltd Warrants/Options	5,681,818	301	6	70	377
		301	6	70	377
			Total marketable securities - current		113,850
			Total marketable securities - non current		21,314

As at December 31, 2021

FVTOCI	Number of shares Closing balance	Opening Fair Value $'000	Additions / (Disposals) $'000	Transfer to investment in associate $'000	Foreign Exchange $'000	Gains / (Losses) $'000	Closing Fair Value $'000
Calidus Resources Limited Ordinary Shares	-	2,552	(4,834)	-	(188)	2,470	-
American Pacific Mining Corp. Common Shares	-	47	(92)	-	-	45	-
Elementum 3D Inc. Common Shares	2,076,560	6,610	-	-	84	9,813	16,507
Essential Metals Limited Ordinary shares	-	358	(393)	-	(1)	36	-
Kalamazoo Resources Limited Ordinary Shares	15,000,000	-	-	107,250	-	27,450	134,700
New Found Gold Corp Common Shares	10,000,000	5,852	-	-	(329)	(2,025)	3,498
GBM Resources Ltd Ordinary Shares	11,363,637	1,564	-	-	(94)	(267)	1,203
		16,983	(5,319)	107,250	(528)	37,522	155,908

As at December 31, 2021

FVTPL	Number of shares Closing balance	Opening Fair Value $'000	Additions $'000	Foreign Exchange $'000	Unrealised Gains / (Losses) $'000	Closing Fair Value $'000
Kalamazoo Resources Limited Warrants/Options	-	1,271	-	(54)	(1,217)	-
GBM Resources Ltd Warrants/Options	5,681,818	516	-	(29)	(186)	301
		1,787	-	(83)	(1,403)	301
					Total marketable securities - non current	156,209

6. EXPLORATION AND EVALUATION ASSETS

Royalties

In addition to any specific royalty rights described below, a 2.5% gross royalty is payable to the State of Western Australia on any gold and silver sold by the Company on any mineral property in Western Australia.

Concurrently with the acquisition of Millennium Minerals Limited ("Millennium") in 2020, Novo has also agreed to pay to IMC Resources Gold Holdings Pte Ltd, Heritas Capital Management (Australia) Pty Ltd, and IMC Resources Ltd (collectively, "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.

East Pilbara

Beatons Creek Project

The Company signed agreements with Aboriginal groups who have title to the ground comprising the Beatons Creek Project during the year ended January 31, 2018. A gross royalty totaling 2.75% is payable to these groups on any gold and silver produced from the Beatons Creek Project.

Millennium Property

Pursuant to the acquisition of Millennium, the Company acquired control over 106 granted tenements including one general purpose lease, 11 miscellaneous licences, 62 mining leases, and 32 prospecting licences.

Talga Projects

A 1.5% net smelter returns royalty is payable on any minerals extracted from the Talga Talga and Mosquito Creek projects in a commercial mining operation.

Blue Spec Project

On March 22, 2021 the Company signed amended binding terms sheets with Calidus regarding the sale of M46/115 and M46/244 (the "Calidus Blue Spec Tenements") which comprise the greater Blue Spec project (the "Blue Spec Project"). The resulting transactions and revised terms were as follows:

- Calidus paid an additional AUD $5,000,000 ($4,891,000) to the Company on January 28, 2021 in exchange for an additional 25% in the Calidus Blue Spec Tenements (aggregate payment in addition to payments made in 2020 – AUD $7,700,000); and

- Calidus paid an additional AUD $5,000,000 ($4,810,000) to the Company on March 29, 2021 (aggregate payment – AUD $12,700,000) and issued 13,333,333 ordinary shares of Calidus (the "Calidus Shares") on April 1, 2021 to complete the acquisition of the Calidus Blue Spec Tenements.

A 2% net smelter returns royalty over all production from tenements comprising 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. Insofar as these royalty obligations pertain to the Calidus Blue Spec Tenements, the Company has transferred these royalty obligations to Calidus.

Paleo-Placer Property

8,431 common shares (the “Additional Consideration Shares”) will be issued to Mark Gareth Creasy and entities controlled by him (collectively, the “Creasy Group”) once Australian Foreign Investment Review Board (“FIRB”) approval has been obtained for a binding term sheet with the Creasy Group pursuant to which Novo would consolidate 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 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 June 30, 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. As at March 31, 2022 the Company is still assessing this transaction.

Calidus’ Warrawoona Project

The Company holds a 1% net smelter returns gold royalty over Calidus’ Warrawoona project in Western Australia.

West Pilbara

Bellary Dome Pty Ltd (“Bellary Dome”)

The Company holds an option to acquire the gold rights (the “Option”) in exploration licence 47/3555 (the “Bellary Tenement”) located in the Southern Pilbara region of Western Australia from Bellary Dome, which it extended for 12 months (the “Option Period”) during the year ended December 31, 2021 by paying Bellary Dome AUD $25,000 ($23,000). At any time during the Option Period, the Company may exercise its Option and earn a 100% gold rights interest in the Bellary 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 Bellary Tenement.

The Company can extend the Option Period for another 12 months from the expiry of the Option Period by paying Bellary Dome AUD $50,000, and another 12 months from the date of expiry of any extended Option Period by paying Bellary Dome an additional AUD $100,000.

Comet Well Property

On February 4, 2021, AUD $3,000,000 ($2,946,000) in aggregate was 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 1,198,395 common shares (the “Subsequent Consideration Shares”) were issued to Gardner and Smith with a fair value of $3,354,000.

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 Johnathon and Zoe Campbell (“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 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 volume-weighted average closing price ("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, therefore no amount has been accrued for the Discovery Bonus.

The royalty agreement between the Company and Campbell entitles Campbell to a 0.5% net smelter returns royalty on gold (the "Campbell Royalty") extracted by the Company on the Comet Well Project. 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 date the TSX-V approved the Discovery Bonus. 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.

Artemis Resources Limited Joint Operation

On March 23, 2020, the Company dissolved its 50:50 joint operation with Artemis (the "Dissolution") 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. For both transactions, as the Company determined that it could not reliably measure the fair value of the asset obtained, the shares issued were fair valued based on their trading price at the date of the respective transactions.
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.

De Grey Mining Ltd. ("De Grey") and Farno McMahon Heads of Agreement

During the year ended December 31, 2021, De Grey earned an aggregate 75% interest in tenement E47/2502. The Company retains a 100% interest in alluvial rights over E47/2502 to a depth of three metres below surface.

Victoria, Australia

Malmsbury Project

The Company has the right to increase its 50% interest in GBM's Malmsbury gold project (the "Malmsbury Project") and earn an additional 10% interest 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 also negotiated 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 March 22, 2021, the Company exercised an option to acquire a 50% interest in Kalamazoo's Queens gold project (the "Queens Project") and issued 584,215 Novo common shares to Kalamazoo at a fair value of $3.21 for total consideration of $1,875,000.

Novo now has the right to increase its 50% interest and earn an additional 20% interest and form a joint arrangement 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"), with a minimum expenditure of AUD $250,000 during the first year, AUD $1,000,000 in 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.
The Company and Kalamazoo also agreed to amend the timing of the Queens Earn-In Amount on March 22, 2021. During the Queens Earn-In Period, the Company would be required to incur AUD $75,000 during the first year, AUD $1,000,000 during each of the second, third, and fourth years, and AUD $1,925,000 during the fifth and final year to earn the additional 20% interest. 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%.

Nevada, USA Region

Tuscarora Property

APM granted to Novo a 0.5% net smelter returns royalty which APM can repurchase for USD $500,000 at any time. APM also assumed all of Novo's royalty obligations under its original option agreement underlying the Tuscarora project between Novo and Nevada Select Royalty, Inc.

Recoverability of exploration and evaluation assets

The amounts shown as exploration and evaluation assets represent acquisition costs to date, net of amounts written off and costs recovered, 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.

Exploration and evaluation assets	March 31, 2022 $'000	December 31, 2021 $'000
Opening balance	149,928	146,687
Acquisitions		
East Pilbara	-	4,224
Victoria	-	7,215
West Pilbara	-	23
Movement in rehabiltation provision	(1,055)	1,933
Impairment	-	(177)
Foreign exchange	2,319	(9,977)
Closing balance	**151,192**	149,928

7. PROPERTY, PLANT, AND EQUIPMENT

Gross carrying amount at cost	Buildings $'000	Office Furniture and Equipment $'000	Mining Equipment $'000	Dams,Pipelines & Borefields $'000	Exploration Camp $'000	Vehicles $'000	Leasehold Improvement $'000	Capital WIP $'000	Critical Spares $'000	Total $'000
Opening balance - January 1, 2022	**4,772**	**620**	**80,444**	**10,946**	**662**	**381**	**175**	**3,424**	**1,705**	103,129
Additions	-	-	-	-	-	-	-	4,064	-	4,064
Transfers from capital WIP	-	114	2,381	1,178	-	-	-	(3,673)	-	-
Foreign exchange	82	13	1,438	213	11	7	3	69	30	1,866
Closing balance	**4,854**	**747**	**84,263**	**12,337**	**673**	**388**	**178**	**3,884**	**1,735**	**109,059**

Accumulated Depreciation and Impairment	Buildings $'000	Office Furniture and Equipment $'000	Mining Equipment $'000	Dams,Pipelines & Borefields $'000	Exploration Camp $'000	Vehicles $'000	Leasehold Improvement $'000	Capital WIP $'000	Critical Spares $'000	Total $'000
Opening balance - January 1, 2022	(1,964)	(312)	(23,121)	(2,895)	(260)	(218)	(22)	-	-	(28,792)
Depreciation	(195)	(48)	(3,957)	(674)	(30)	(17)	(10)	-	-	(4,931)
Foreign exchange	(37)	(6)	(487)	(64)	(5)	(4)	(1)	-	-	(604)
Closing balance	**(2,196)**	**(366)**	**(27,565)**	**(3,633)**	**(295)**	**(239)**	**(33)**	**-**	**-**	**(34,327)**
Balance as at December 31, 2021	**2,808**	**308**	**57,323**	**8,051**	**402**	**163**	**153**	**3,424**	**1,705**	**74,337**
Balance as at March 31, 2022	**2,658**	**381**	**56,698**	**8,704**	**378**	**149**	**145**	**3,884**	**1,735**	**74,732**

Gross carrying amount at cost	Buildings $'000	Office Furniture and Equipment $'000	Mining Equipment $'000	Dams,Pipelines & Borefields $'000	Exploration Camp $'000	Vehicles $'000	Leasehold Improvement $'000	Capital WIP $'000	Critical Spares $'000	Total $'000
Opening balance - January 1, 2021	**5,099**	**604**	**76,168**	**396**	**697**	**393**	**-**	**7,906**	**1,822**	93,085
Additions	-	-	28	586	-	-	-	16,151	-	16,765
Transfers from Capital WIP	-	58	9,340	10,261	375	14	179	(20,227)	-	-
Disposals	-	-	-	-	(365)	-	-	-	-	(365)
Foreign exchange	(327)	(42)	(5,092)	(297)	(45)	(26)	(4)	(406)	(117)	(6,356)
Closing balance	**4,772**	**620**	**80,444**	**10,946**	**662**	**381**	**175**	**3,424**	**1,705**	**103,129**

Accumulated Depreciation and Impairment	Buildings $'000	Office Furniture and Equipment $'000	Mining Equipment $'000	Dams,Pipelines & Borefields $'000	Exploration Camp $'000	Vehicles $'000	Leasehold Improvement $'000	Capital WIP $'000	Critical Spares $'000	Total $'000
Opening balance - January 1, 2021	(270)	(66)	(488)	(21)	(343)	(117)	-	-	-	(1,305)
Depreciation	(814)	(164)	(4,184)	(290)	(156)	(69)	(23)	-	-	(5,700)
Disposals	-	-	-	-	298	-	-	-	-	298
Impairment	(938)	(92)	(19,010)	(2,653)	(80)	(42)	-	-	-	(22,815)
Foreign exchange	58	10	561	69	21	10	1	-	-	730
Closing balance	**(1,964)**	**(312)**	**(23,121)**	**(2,895)**	**(260)**	**(218)**	**(22)**	**-**	**-**	**(28,792)**
Balance as at December 31, 2020	**4,829**	**538**	**75,680**	**375**	**354**	**276**	**-**	**7,906**	**1,822**	**91,780**
Balance as at December 31, 2021	**2,808**	**308**	**57,323**	**8,051**	**402**	**163**	**153**	**3,424**	**1,705**	**74,337**

Refer to note 13 for details of encumbrances on property, plant and equipment.
Refer to note 21 for details of impairment.

8. RIGHT OF USE ASSETS

Gross carrying amount at cost	Properties $'000	Mining Equipment $'000	Total $'000
Opening balance - January 1, 2022	1,288	32,888	34,176
Foreign exchange	22	568	590
Closing balance	**1,310**	**33,456**	**34,766**

Accumulated Depreciation and Impairment	Properties $'000	Mining Equipment $'000	Total $'000
Opening balance - January 1, 2022	(310)	(8,088)	(8,398)
Depreciation	(100)	(2,958)	(3,058)
Foreign exchange	20	(207)	(187)
Closing balance	**(390)**	**(11,253)**	**(11,643)**
Balance as at December 31, 2021	**978**	**24,800**	**25,778**
Balance as at March 31, 2022	**920**	**22,203**	**23,123**

Gross carrying amount at cost	Properties $'000	Mining Equipment $'000	Total $'000
Opening balance - January 1, 2021	700	40,507	41,207
Additions	1,318	12,702	14,020
Disposals	(637)	(1,205)	(1,842)
Lease modification	-	(16,639)	(16,639)
Foreign exchange	(93)	(2,477)	(2,570)
Closing balance	**1,288**	**32,888**	**34,176**

Accumulated Depreciation and Impairment	Properties $'000	Mining Equipment $'000	Total $'000
Opening balance - January 1, 2021	(506)	(1,465)	(1,971)
Depreciation	(417)	(12,613)	(13,030)
Disposals	637	742	1,379
Impairment	-	(4,657)	(4,657)
Lease modification	-	9,655	9,655
Foreign exchange	(24)	250	226
Closing balance	**(310)**	**(8,088)**	**(8,398)**
Balance as at December 31, 2020	**194**	**39,042**	**39,236**
Balance as at December 31, 2021	**978**	**24,800**	**25,778**

The Company's mining contract for the Beatons Creek Project includes various items of mining equipment which have been accounted for as a lease. The lease term of the mining equipment is for three years with an option to extend, which was taken into account in the calculation. The contract was modified, and certain mining equipment was demobilized during the year ended December 31, 2021. As at December 31, 2021 the right of use asset relating to mining equipment was partially impaired – refer to note 21.

The Company's on-site laboratory and sample preparation services include various items of laboratory equipment which have been accounted for as a lease. The term of the laboratory equipment is for three years with an option to extend, which has not been taken into account in the calculation.

The Company also leases office space and properties in Western Australia, to support exploration and operations. The Company applies the recognition exemption for the lease of assets with lease terms of 12 months or less.

9. MINE DEVELOPMENT ASSET

Gross carrying amount at cost	Mine Development Asset $'000
Opening balance - January 1, 2022	27,635
Additions	73
Changes in rehabilitation provision	(313)
Foreign exchange	472
Closing balance	**27,867**

Accumulated Depreciation and Impairment	Mine Development Asset $'000
Opening balance - January 1, 2022	(20,667)
Depreciation	(2,282)
Foreign exchange	(403)
Closing balance	**(23,352)**
Balance as at December 31, 2021	**6,968**
Balance as at March 31, 2022	**4,515**

Gross carrying amount at cost	Mine Development Asset $'000
Opening balance - January 1, 2021	12,820
Additions	8,670
Changes in rehabilitation provision	7,331
Foreign exchange	(1,186)
Closing balance	**27,635**

Accumulated Depreciation and Impairment	Mine Development Asset $'000
Opening balance - January 1, 2021	-
Depreciation	(1,717)
Impairment	(19,433)
Foreign exchange	483
Closing balance	**(20,667)**
Balance as at December 31, 2020	**12,820**
Balance as at December 31, 2021	**6,968**

Refer to note 21 for details of impairment.

10. INVESTMENT IN ASSOCIATE

Novo's interest in New Found was accounted for using the equity method up until September 17, 2021 when the Company ceased to exercise significant influence over New Found. The Company's investment in New Found was derecognized as an investment in associate and recognized as marketable securities at fair value and was subsequently remeasured at FVTOCI. Refer to note 5.

New Found is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties with a focus on gold properties located in the Provinces of Newfoundland and Labrador and Ontario, Canada.

The fair value of the investment on the date of derecognition was $107,250,000 based on New Found's September 17, 2021 closing price of $7.15 on the TSX Venture Exchange (the "TSX-V").

The following table illustrates the movement of Novo's investment in New Found for the period to September 17, 2021:

	December 31, 2021 $'000
Investment in associate	-
Movement in investment in associate	
Net carrying amount at the beginning of the year	15,091
Value of interest in New Found - June 17, 2020	-
Treasury shares	91
Share of profit / (loss) from operations of associate	3,951
Derecognition of investment - September 17, 2021	(19,133)
Net carrying amount at period end	-

The Company agreed to sell its shares in New Found subsequent to March 31, 2022. Refer to note 27.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2022 $'000	December 31, 2021 $'000
Trade and other payables	1,979	3,247
Accrued expenses	12,506	12,731
Accrued expenses - Millennium acquisition stamp duty	2,961	2,911
Employee entitlements	1,367	916
Total	**18,813**	**19,805**

The Millennium acquisition stamp duty accrual totals AUD$3,350,000.

12. LEASE LIABILITIES

	March 31, 2022 $'000	December 31, 2021 $'000
Opening balance	30,983	40,211
Additions	-	14,000
Disposals	-	(46)
Accretion of interest	569	3,093
Lease modification	-	(8,896)
Payments	(3,355)	(14,982)
Foreign exchange	495	(2,397)
Closing balance	**28,692**	**30,983**
Current	11,015	12,453
Non current	17,677	18,530
Expense relating to short term and low value assets	15	250
Variable lease payments (included in cost of sales)	486	1,998

13. LOANS AND BORROWINGS

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 Lending") to fund the refurbishment of production infrastructure acquired pursuant to the acquisition of Millennium 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. 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 Lending, b) a blocked account agreement in favour of Sprott Lending on Conglomerate Gold Exploration (B.V.I.) Ltd.'s bank account, c) contractual assignments to Sprott Lending 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 Lending, 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 March 31, 2022 the Company is in compliance with all conditions and covenants in the Credit Facility, as amended or waived.

Pursuant to the terms of the Credit Facility, the Company was able 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 ("Sprott Tranche 2") available to be drawn until March 31, 2021, at Novo's sole discretion, upon delivery of a pre-feasibility study acceptable to Sprott Lending on the Company's Beatons Creek Project and the satisfaction of certain other conditions (the "Sprott Tranche 2 Conditions").

On April 7, 2021 the Company amended certain terms of this Credit Facility. The amendment terms included Sprott Tranche 2 being amended to a total USD $15,000,000 and extended until September 30, 2021 ("Amended Sprott Tranche 2").

Interest accrues 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, the principal is repayable 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.

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, and less transaction costs, for net cash proceeds of USD $30,509,000 ($39,932,000). 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.

On April 8, 2021, pursuant to the Amended Sprott Tranche 2, the Company drew down an additional USD $5,000,000, subject to the 2% issue discount. Net cash proceeds totalled USD $4,893,000 ($6,153,000). The remaining USD $10,000,000 of the Amended Sprott Tranche 2 expired undrawn on September 30, 2021.

The first draw down of the Credit Facility was initially measured at its fair value of USD $26,806,000 ($35,359,000). The effective interest rate on the first tranche was approximately 19% per annum, and the Company has paid USD $900,000, ($1,139,000) of interest payable in cash as at March 31, 2022 (USD $3,528,000 ($4,405,000) as at December 31, 2021). Interest has been expensed as an operating cost through profit and loss.

The subsequent USD $5,000,000 draw down was initially measured at its fair value of USD $4,802,000 ($6,040,000) excluding the derivative liability. The 2% discount of USD $100,000 ($125,790) was included in determining the amortized cost and the calculation of the effective interest rate of 10% per annum. The Company paid total transaction costs of USD $107,000 ($135,000).

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 Lending 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 is fair valued with changes in fair value recorded as a gain or loss in the condensed interim consolidated statement of profit or loss and other comprehensive income ("OCI"). At March 31, 2022, the fair value of the derivative USD $40,000 ($50,000) (December 31, 2021 - USD $298,000 ($378,000)).

	Credit Facility $'000	Derivative liability $'000	Total $'000
Opening balance January 1, 2022	43,723	378	44,101
Interest and accretion	1,942	-	1,942
Payment of interest	(1,139)	-	(1,139)
Derivative liability change in fair value	-	(327)	(327)
Foreign exchange gain (loss)	(638)	(1)	(639)
Closing balance - March 31, 2022	**43,888**	**50**	**43,938**
Current	**12,496**	**-**	12,496
Non current	**31,392**	**50**	31,442

	Credit Facility $'000	Derivative liability $'000	Total $'000
Opening balance January 1, 2021	34,899	984	35,883
Fair value on initial recognition (additional draw down)	6,040	113	6,153
Interest and accretion	7,266	-	7,266
Payment of interest	(4,405)	-	(4,405)
Derivative liability change in fair value	-	(710)	(710)
Foreign exchange gain (loss)	(77)	(9)	(86)
Closing balance - December 31, 2021	**43,723**	**378**	**44,101**
Current	**6,339**	**-**	6,339
Non current	**37,384**	**378**	37,762

14. PROVISION FOR CLOSURE AND RECLAMATION

The Company recognized a rehabilitation provision on the acquisition of Millennium and the Beatons Creek Project. The Company has calculated the present value of the closure and reclamation provision at March 31, 2022 using a discount rate of 2.50% and inflation rate of 2.00%. The Company has estimated that payments will be made between 2026 and 2036.

Sensitivity analysis was performed to evaluate the difference by extending and shortening the timeframe by 2 years which provided a net present value of $35,811,000 and $35,227,000, respectively.

	March 31, 2022 $'000	December 31, 2021 $'000
Opening balance	36,342	28,615
Accretion on discounted obligation	145	473
Change in estimate	(1,368)	9,310
Foreign Exchange	602	(2,056)
Closing balance	**35,721**	**36,342**

15. SUMITOMO FUNDING LIABILITY & CALL OPTION

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 December 31, 2021, Sumitomo has funded AUD $7,256,000 (CAD $6,863,000); US$ 5,000,000) to advance the Project. No further funding was received for the year ended December 31, 2021 and the period ended March 31, 2022.

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 ("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") subject to Sumitomo having funded US$5 million in respect for the exploration phase of the project.

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 Sumitomo's funding contributions, which includes certain adjustments including for any notional share of exploration 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 (the "Reimbursement Payment Amount").

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 15% discounted VWAP of the Company at the time of conversion (determined with reference to the EFA requirements and TSX 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.

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).

Sumitomo funding liability	March 31, 2022 $'000	December 31, 2021 $'000
Opening balance	5,780	6,071
Sumitomo liability change in FVTPL	(2,258)	(89)
Reimbursement option adjustment	-	183
Foreign exchange	53	(385)
Closing balance	**3,575**	**5,780**

Sumitomo written call option	March 31, 2022 $'000	December 31, 2021 $'000
Opening balance	1,083	1,157
Foreign exchange	19	(74)
Closing balance	**1,102**	**1,083**

Sumitomo elected to exercise its Reimbursement Option subsequent to March 31, 2022. Refer to note 27.

16. CAPITAL AND RESERVES

Authorized

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

(Expressed in Canadian Dollars, unless stated otherwise)

Shares issued

During the period ended March 31, 2022 and the year ended December 31, 2021, shares were issued pursuant to a brokered private placement and mineral property transactions as follows:

a) On May 4, 2021 the Company closed a marketed private placement of special warrants ("Special Warrants") totalling $26.4 million (the "Offering"). The Company issued 10,353,000 Special Warrants at a price of $2.55 per Special Warrant. Each Special Warrant converted into one unit of the Company (each a "Special Warrant Unit") without payment of additional consideration on May 31, 2021 due to the Company obtaining a receipt from the British Columbia Securities Commission, as principal regulator, for final short form prospectuses qualifying the Special Warrant Units underlying the Subscription Receipts on May 31, 2021. Each Special Warrant Unit consists of one common share of the Company (each, a "Special Warrant Unit Share") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"), with each Warrant being exercisable to acquire one common share of the Company at an exercise price of $3.00 per Warrant Share until May 4, 2024.

   The Special Warrants issued were initially recognized as financial liabilities at fair through profit and loss. The financial liability was valued on May 4, 2021 by valuing the underlying components into which the special warrants convert i.e. a Special Warrant Unit comprised of one common share and one-half of one Warrant. Transaction costs of $1,759,000 were expensed in the statement of profit or loss. The Company used its share price of $2.29 to value the 10,353,000 shares and used the Black-Scholes option pricing model to value 5,176,500 Warrants using the assumptions detailed below. On May 31, 2021, when the Special Warrants converted into Special Warrant Units of the Company, the fair value of $31,027,000 was transferred to equity along with accompanying share issue costs of $59,000.

	Fair value of special warrants May 4, 2021	Fair value of special warrants May 31, 2021 transferred to equity
Share price	$2.29	$2.42
Exercise price	$3	$3
Dividend yield	0.00%	0.00%
Expected volatility	83.01%	83.31%
Expected option life	3 years	2.93 years

b) Refer to note 5 and 6 for shares issued to acquire marketable securities and exploration and evaluation assets.

Warrants

The continuity of warrants is as follows:

	March 31, 2022		December 31, 2021	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance, beginning of the period	24,681,218	4.11	19,504,718	4.40
Granted	-	-	5,176,500	3.00
Balance, end of the period	24,681,218	4.11	24,681,218	4.11

Full share equivalent warrants outstanding and exercisable as at March 31, 2022:

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
May 4, 2024	3.00	5,176,500
		24,681,218

(Expressed in Canadian Dollars, unless stated otherwise)

Full share equivalent warrants outstanding and exercisable as at December 31, 2021:

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
May 4, 2024	3.00	5,176,500
		24,681,218

Share option plan

Pursuant to the Company's 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 Toronto Sock Exchange.

6,410,000 options have fully vested as at December 31, 2021. 4,660,000 of these stock options vested on May 20, 2021, the date on which the Company's projects in aggregate produced their 10,000th ounce of gold. 5,190,000 stock options vested on March 31, 2022, on the date on which any of the Company's projects in aggregate produce their 60,000th ounce of gold. 3,000,000 stock options vest equally over a 3-year period commencing November 2022.

The continuity of stock options is as follows:

	March 31, 2022		December 31, 2021	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Options outstanding, beginning of period	14,600,000	3.18	15,085,000	3.31
Granted	-	-	3,000,000	1.89
Exercised	-	-	(1,875,000)	(1.05)
Expired/cancelled	(70,000)	(4.31)	(1,610,000)	(4.46)
Options outstanding, end of period	14,530,000	3.18	14,600,000	3.18

The options outstanding and exercisable at March 31, 2022 were as follows:

Outstanding Options			Exercisable Options	
Number Outstanding	Weighted Average Exercise Price $	Weighted Average Remaining Contractual Life	Number Exercisable	Weighted Average Exercise Price $
1,750,000	0.95	0.18	-	0.95
1,775,000	1.57	0.30	1,775,000	1.57
1,750,000	7.70	0.56	1,750,000	7.70
800,000	3.47	0.84	800,000	3.47
285,000	4.60	1.18	285,000	4.60
5,170,000	3.57	2.83	5,170,000	3.57
3,000,000	1.89	4.65	-	1.90
14,530,000	3.18	2.16	9,780,000	3.51

The options outstanding and exercisable at December 31, 2021 were as follows:

Outstanding Options			Exercisable Options	
Number Outstanding	Weighted Average Exercise Price $	Weighted Average Remaining Contractual Life	Number Exercisable	Weighted Average Exercise Price $
1,750,000	0.95	0.43	1,750,000	0.95
1,775,000	1.57	0.55	1,775,000	1.57
1,750,000	7.70	0.80	1,750,000	7.70
800,000	3.47	1.08	800,000	3.47
335,000	4.60	1.43	335,000	4.60
5,190,000	3.57	3.07	-	3.57
3,000,000	1.89	4.90	-	1.90
14,600,000	3.18	2.40	6,410,000	3.47

For the period ended March 31, 2022, the total share-based payment expense was $1,292,000 (year ended December 31, 2021: $10,015,000).

Loss per share

As the Company has made a loss for the period ended March 31, 2022, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future. Since the end of the period, no further options have been issued and no options have been exercised.

Nature and purpose of reserves

The option reserve is used to recognize 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, if any.

The Comet Well deferred consideration reserve was used to recognize the value of the Subsequent Consideration Shares. See note 6 for further details.

The foreign currency translation reserve is used to recognize exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The reserve of financial assets at FVTOCI is used to recognize movements in fair value of investments where an irrevocable election has been made at initial acquisition to present fair value movements in OCI.

A reconciliation of the Company's annual movement in accumulated OCI is as follows:

	Movement in FVTOCI $'000	Foreign exchange on translation of subsidiaries $'000	Total $'000
Balance as at December 31, 2020 restated	**6,028**	**299**	**6,327**
APM Shares	45	-	45
Calidus shares	2,470	-	2,470
E3D shares	9,813	-	9,813
Essential Metals	36	-	36
Kalamazoo shares	(2,025)	-	(2,025)
GBM shares	(267)	-	(267)
New Found shares	27,450	-	27,450
Deferred tax on marketable securities	(3,181)	-	(3,181)
Foreign exchange on translation of subsidiaries	-	(14,696)	(14,696)
Total	34,341	(14,696)	19,645
Balance as at December 31, 2021	**40,369**	**(14,397)**	**25,972**
E3D shares	(237)	-	(237)
Kalamazoo shares	(321)	-	(321)
GBM shares	209	-	209
New Found shares	(20,850)	-	(20,850)
Deferred tax on marketable securities	2,501	-	2,501
Foreign exchange on translation of subsidiaries	-	3,429	3,429
Total	(18,698)	3,429	(15,269)
Balance as at March 31, 2022	**21,671**	**(10,968)**	**10,703**

17. REVENUE

	March 31, 2022 $'000	March 31, 2021 $'000
Revenue from contracts with customers earned during mine development		
Gold sales	-	7,699
Silver sales	-	19
Revenue from contracts with customers earned after mine development		
Gold sales	31,821	-
Silver sales	54	-
Total	**31,875**	7,718

18. COST OF SALES

	March 31, 2022 $'000	March 31, 2021 $'000
Costs of sales incurred during mine development		
Cost of sales (including royalties)	-	7,718
Costs of sales incurred after mine development		
Cost of production	27,086	-
Depreciation & depletion	7,104	-
Royalties	2,235	-
Treatment and refining charges	106	-
Changes in inventory	844	-
Total	**37,375**	7,718

19. GENERAL ADMINISTRATION

	March 31, 2022 $'000	March 31, 2021 $'000
Accounting and audit	180	50
Consulting services	293	114
Insurance	218	226
Legal fees	67	67
Office and general	753	1,196
Share based payments	1,292	4,328
Wages and salaries	1,198	1,664
Total	**4,001**	**7,645**

20. EXPLORATION EXPENDITURE

	March 31, 2022 $'000	March 31, 2021 $'000
Field work	3,672	2,162
Office and general	32	381
Tenement administration	334	305
Total	**4,038**	**2,848**

(Expressed in Canadian Dollars, unless stated otherwise)

21. IMPAIRMENT OF NON-CURRENT ASSETS

Each asset or CGU is evaluated at each reporting period to determine whether there are any indications of impairment. If any such indications of impairment exist, a formal estimate of the recoverable amount is performed.

The following indicators of potential impairment were identified in the period ended March 31, 2022:

(i) the current uncertainty regarding the timing of the receipt of the requisite approvals for the Fresh component of the Beatons Creek Project mineral resource, and
(ii) current indications that the Oxide component of the Beatons Creek Project's estimated economically recoverable mineral resource is not achieving forecast production due to high head grade variability.

Variable head grades compared to forecast are due to previous reliance on wide-spaced grade control drilling which resulted in lower accuracy of the modelled high-nugget effects in the Beatons Creek Oxide mineral resource, combined with higher mining dilution associated with more complex mining areas. A revised mining approach with continued closer-spaced grade control drilling has been implemented to mitigate this risk to the extent possible.

The recoverable amount of the CGU is based on a fair value less costs of disposal ("FVLCD") analysis which models the projected discounted cash flows expected to be derived from the Beatons Creek Project. The post-tax nominal discount rate used in the current estimate of recoverable amount is 8.62%. In addition, a 35% adjustment was applied to the currently anticipated production volume of the Fresh component of the Beatons Creek Project to reflect estimated economic recoverability from a mineral resource estimate which includes inferred mineral resources.

The recoverable amount of the CGU was assessed at March 31, 2022, and no further impairment has been recognised.

Assumptions

The projected cash flows used in the FVLCD analysis are affected by changes in assumptions for the $/oz Au resource multiple, gold price, foreign exchange rates, production volume, and discount rates.

The table below summarises the key assumptions used:

Details	2022	2023	2024	2025	Long-Term
Level 2					
Gold price (US$/oz)	$1,789	$1,731	$1,715	$1,705	$1,615
Foreign exchange rate (USD/AUD)	1.38	1.37	1.37	1.36	1.36
$/oz Au resource multiple	$34	$34	$34	$34	$34
Level 3					
Gold recoveries (%)	92%	92%	92%	92%	92%
Discount rate (post-tax)	8.62%	8.62%	8.62%	8.62%	8.62%
Mineral resource modifying factor	35%	35%	35%	35%	35%

The determination of FVLCD was considered to be a level 3 fair value measurement as it is derived from valuation techniques that include inputs that are not based on observable market data. Any variation in these key assumptions may result in further impairment or lead to a reversal of impairment in future periods.

22. OTHER INCOME / (EXPENSES), NET

	March 31, 2022 $'000	March 31, 2021 $'000
Change in fair value of GBM and Kalamazoo warrants	70	(1,166)
Foreign exchange gain	582	223
Other income	18	6
Share of loss of associate (New Found) (*Note 10*)	-	(966)
Total	**670**	**(1,903)**

23. FINANCE ITEMS

	March 31, 2022 $'000	March 31, 2021 $'000
Interest income on bank deposits	10	9
Finance income	**10**	**9**
Deferred consideration accretion expense	-	2
Derivative liability change in fair value	(327)	(221)
Lease interest expense	570	30
Rehabilitation provision accretion expense	146	68
Sprott debt facility interest	1,944	1,646
Sumitomo liability change in fair value	(2,259)	(92)
Finance costs	**74**	**1,433**

24. RELATED PARTY DISCLOSURES

Key Management Personnel Disclosures

During the periods ended March 31, 2022 and 2021, the following amounts were incurred with respect to the key management and directors of the Company:

	March 31, 2022 $'000	March 31, 2021 $'000
Consulting services - short term employee benefits	45	45
Wages and salaries - short term employee benefits	415	388
Share-based payments	871	1,667
Total	**1,331**	**2,100**

25. FINANCIAL INSTRUMENTS

a) Fair value

The Company's financial instruments include cash, short-term investments, other receivables, marketable securities, accounts payable, lease liabilities and accrued liabilities, the Sumitomo funding liability, the Credit Facility, the derivative liability). The fair value hierarchy 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 unobservable market data.

The recorded amounts of cash, short-term investments, other receivables and accounts payable and accrued liabilities approximate their respective fair values due to their short-term nature. 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 was initially recognized at fair value and is subsequently measured at amortized cost using the effective interest method. The derivative liability was initially recognized at fair value and is subsequently measured in its entirety at FVTPL.

Financial Instruments carried at fair value:

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

- The marketable securities balance for the GBM Warrants is measured using Level 2 inputs. The fair values of the GBM Warrants have been determined using a Black-Scholes option pricing model.

- The marketable securities balance held in E3D is measured using Level 3 inputs. The value of the shares held in E3D was determined using the fair value of USD $6.27 which represents the price at which E3D raised funds. Refer to note 5.

- The Sumitomo funding liability balance is measured using Level 3 inputs. At March 31, 2022, 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 of $1.06 and accompanying volatility of 80.13%, various interest rates (including AUD risk-free rates of 0.220% and US 3MLIBOR of 0.860%), and the Company's estimated credit rating presented the contractual value that the Company would repay if Sumitomo were to exercise their Reimbursement Option (see note 15). The fair value of the liability at December 31, 2021 represented the contractual value that the Company would repay if Sumitomo were to exercise their Reimbursement Option.

- 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.

	Fair Value Hierarchy			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at March 31, 2022				
Financial assets at Fair Value				
Marketable Securities	118,517	377	16,270	135,164
Financial Liabilities at Fair Value				
Sumitomo funding liability	-	-	3,575	3,575
Derivative liability	-	-	50	50
Total March 31, 2022	**118,517**	**377**	**19,895**	**138,789**
As at December 31, 2021				
Financial assets at Fair Value				
Marketable Securities	139,401	301	16,507	156,209
Financial Liabilities at Fair Value				
Sumitomo funding liability	-	-	5,780	5,780
Derivative liability	-	-	378	378
Total December 31, 2021	**139,401**	**301**	**22,665**	**162,367**

	March 31, 2022 $'000	December 31, 2021 $'000
Reconciliation of the fair value measurement of Level 3 unlisted investments		
Opening balance	16,423	6,610
Remeasurement recognised through other comprehensive income	(237)	9,813
Closing balance	**16,186**	**16,423**
Reconciliation of the fair value measurement of Level 3 financial liabilities		
Opening balance	6,158	7,055
Purchases	-	-
Remeasurement recognised through profit and loss	(2,586)	(710)
Foreign currency translation adjustment	53	(187)
Closing balance	**3,625**	**6,158**

Financial instruments carried at amortized cost:

- The Credit Facility is measured using Level 3 inputs. The carrying value of the Credit Facility was recognized using the effective interest rate method and was adjusted by the value of the derivative liability.

  The fair value of the Credit Facility is shown in the table below:

	Carrying Value		Fair Value	
	March 31, 2022 $'000	December 31, 2021 $'000	March 31, 2022 $'000	December 31, 2021 $'000
Credit facility	43,888	43,723	45,728	44,212

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 year.

26. SEGMENT INFORMATION

Each of the Company's reportable operating segments consists of mining and exploration operations and are reported in a manner consistent with internal reporting used to assess the performance of each segment and make decisions about resources to be allocated to the segments. On this basis the Company's reportable segments are as follows:

- mining operations, which include the Company's development, production and administration in relation to the Beatons Creek Project; and
- exploration operations.

The information reported below as at and for the period ended March 31, 2022 and the period ended March 31, 2021 is based on the information provided to the Chief Executive Officer.

March 31, 2022	Mining operations $'000	Exploration operations $'000	Unallocated $'000	Total $'000
Revenue	31,875	-	-	31,875
Segment result - net loss for the period before tax	(6,929)	(3,211)	(2,793)	(12,933)
Total assets	204,860	76,139	146,018	427,017
Total liabilities	78,879	8,755	52,032	139,666

March 31, 2021	Mining operations $'000	Exploration operations $'000	Unallocated $'000	Total $'000
Revenue	7,718	-	-	7,718
Segment result - net loss for the period before tax	(1,231)	9,426	(7,075)	1,120
Total assets	239,274	86,705	38,626	364,605
Total liabilities	71,725	12,889	36,126	120,740

27. SUBSEQUENT EVENTS

a) On April 12, 2022, the Company agreed to sell its 15 million New Found shares to a corporation controlled by Eric Sprott for gross proceeds of approximately C$125.9 million pursuant to arm's length negotiations.

   The first tranche of the Transaction totals 8.25 million New Found shares at C$8.35 per share for gross proceeds of C$68.9 million and completed on April 27, 2022.

   The second tranche of the Transaction totals 6.75 million New Found shares at C$8.45 per share for gross proceeds of C$57.0 million and is scheduled to settle on August 5, 2022 ("Tranche 2"). The New Found shares representing Tranche 2 are subject to escrow provisions. The consent of the TSX-V, on which New Found's common shares trade, to the transfer of the Tranche 2 shares within escrow has been obtained. Tranche 2 pricing is subject to section 4.2 of National Instrument 62-104 *Take-Over Bids and Issuer Bids*.

   Pursuant to the "Credit Facility", Sprott Lending has consented to the Transaction and has advised Novo that it will not require repayment of the Credit Facility in full until settlement of Tranche 2. This will result in Novo being debt-free upon completion of the Transaction. Concurrently, the minimum unrestricted cash balance covenant in the Credit Facility has been increased to US$25.0 million.

b) On April 21, 2022, Sumitomo exercised the Reimbursement Option under the EFA. Novo exercised the Share Payment Option under the EFA and issued 3,382,550 common shares to Sumitomo, all of which are subject to orderly sale restrictions and a 12-month hold period expiring on April 21, 2023. The EFA was completed as a result of Sumitomo's exercise of the Reimbursement Option.