

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

BACKGROUND

The following management discussion and analysis of the results of operations and financial condition (“MD&A”), prepared as of June 26, 2012, should be read in conjunction with the unaudited condensed interim consolidated financial statements of Novo Resources Corp. (the “Company” or “Novo”), formerly known as Galliard Resources Corp., for the three months period ended April 30, 2012, as well as the unaudited condensed interim consolidated financial statements for the three months period ended April 30, 2011, and accompanying notes thereto. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) and this discussion includes the results of the Company’s subsidiaries, Novo Resources (USA) Corp., Conglomerate Gold Exploration (B.V.I.) Ltd., Conglomerate Gold Exploration Pty Ltd., Nullagine Gold Pty Ltd. and Beatons Creek Gold Pty Ltd.

During the three months period ended April 30, 2012, the Company’s critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian dollars unless noted otherwise.

As of January 1, 2011, the Company adopted IFRS and the following disclosure, and associated condensed consolidated interim financial statements, are presented in accordance with the International Accounting Standard 34, Interim Financial Reporting.

CAUTIONARY NOTE REGARDING FORWARDING LOOKING STATEMENTS

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, and U.S. dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Company’s actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company.

Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

DESCRIPTION OF BUSINESS

Novo Resources Corp. was incorporated on October 28, 2009 pursuant to the provision of the *Business Corporations Act* (British Columbia). The Company is engaged primarily in the business of evaluating, acquiring and exploring natural resource properties. The Company has entered into a farm-in and joint

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

venture agreement (the "Millennium Agreement") on August 2, 2011 with Millennium Minerals Ltd. ("Millennium") that provides the Company with the exclusive right to earn a 70% interest (as to gold and minerals associated with and normally mined with gold) in the tenements comprising Mining Leases 46/9, 46/10 and 46/11 covering the Beatons Creek conglomerates located in Western Australia (the "Beatons Creek Tenements").

The Company's common shares commenced trading on the Canadian National Stock Exchange ("CNSX") on June 14, 2010.

On June 27, 2011, the Company changed its name from Galliard Resources Corp. to Novo Resources Corp. On June 29, 2011, the Company's common shares began trading under the new symbol "NVO."

OVERALL PERFORMANCE

The following discussion of the Company's financial performance is based on the unaudited condensed interim consolidated financial statements for the three months period ended April 30, 2012 and the audited financial statements for the year ended January 31, 2012.

The statement of financial position as at April 30, 2012 indicates a cash and cash equivalents balance of \$3,445,290 (January 31, 2012 - \$5,141,201), HST receivable of \$52,101 (January 31, 2012 - \$36,219) and prepaid expenses and deposits of \$11,687 (January 31, 2012 - \$19,351). Total current assets amount to \$3,509,078 (January 31, 2012 - \$5,196,771). The decrease in total current assets is mainly due to the purchase of marketable securities and for payments of various operating expenses during the three months period ended, including consulting fees related to geological, corporate communications, investor relations and management services provided by directors, officers and consultants of the Company, project investigations, mineral property, legal fees related to the Company's general corporate matters, audit fees related to the Company's annual audit, general office and administrative expenses and wages and salaries related to management, geological and administrative services provided to the Company.

Non-current assets at April 30, 2012 totaled \$5,006,228 (January 31, 2012 - \$3,739,477) and is comprised of marketable securities of \$3,685,173 (January 31, 2012 - \$2,795,572), equipment of \$9,579 (January 31, 2012 - \$10,083) and exploration and evaluation assets of \$1,311,476 (January 31, 2012 - \$933,822). The increase in non-current assets is mainly due to the purchase of marketable securities and increases in exploration expenditures on the Beatons Creek Tenements.

Current liabilities at April 30, 2012 totaled \$99,209 (January 31, 2012 - \$143,660). Shareholders' equity is comprised of share capital of \$8,758,837 (January 31, 2012 - \$8,754,431), share option and warrant reserves of \$349,200 (January 31, 2012 - \$138,012), accumulated other comprehensive income of \$188,517 (January 31, 2012 - \$306,250) and a deficit of \$880,457 (January 31, 2012 - \$406,105). The decrease in shareholders' equity is mainly due to increased operating expenses incurred by the Company during the three months period ended April 30, 2012.

Working capital, which is current assets less current liabilities, is \$3,409,869 at April 30, 2012 compared to \$5,053,111 at January 31, 2012. The decrease in working capital is mainly due to increased operating expenses incurred by the Company and from the purchase of marketable securities during the three months period ended April 30, 2012.

During the three months period ended April 30, 2012, the Company reported a net loss of \$474,352 (April 30, 2011 – a net loss of \$309,208) (\$0.02 basic and diluted loss per share) (April 30, 2011 - \$0.02 basic and diluted loss per share). Losses for the three months period ended April 30, 2012 represent operating expenses of \$491,074 (April 30, 2011 - \$216,080) and non-operating items (income) of \$16,722 (April 30, 2011 – (losses) \$93,128). Operating expenses for the three months period ended April 30, 2012, mainly include consulting fees of \$81,153 (April 30, 2011 - \$55,116), project investigations of \$71,689 (April 30,

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

2011 - \$105,043), legal fees of \$20,269 (April 30, 2011 - \$15,641), accounting fees of \$35,026 (April 30, 2011 - \$20,806); insurance expense of \$6,167 (April 30, 2011 - \$Nil); wages and salaries of \$24,566 (April 30, 2011 - \$2,218); rent expense of \$2,819 (April 30, 2011 - \$Nil); professional development of \$2,805 (April 30, 2011 - \$1,300); share-based payments of \$212,795 (April 30, 2011 - \$Nil); depreciation expense of \$504 (April 30, 2011 - \$Nil); filing fees of \$1,100 (April 30, 2011 - \$7,132); transfer agent fees of \$2,872 (April 30, 2011 - \$4,147); travel expenses of \$5,603 (April 30, 2011 - \$1,061); meals and entertainment of \$1,360 (April 30, 2011 - \$1,516); and office and miscellaneous of \$22,346 (April 30, 2011 - \$2,100). The operating expenses were mitigated by non-operating items which includes: interest income of \$10,333 (April 30, 2011 - \$6,235); foreign exchange losses of \$945 (April 30, 2011 - \$Nil); and unrealized holding gains on marketable securities (warrants) of \$7,334 (April 30, 2011 - \$Nil).

As at April 30, 2012, the Company has no earnings and therefore finances exploration activities by the issuance of its common shares. The key determinants of the Company's operating results are the following:

- (a) the state of capital markets, which affects the ability of the Company to finance its exploration activities; and
- (b) the write-down and abandonment of mineral properties should exploration results provide further information that does not support the underlying value of such properties.

RESULTS OF OPERATIONS

Current Quarter & Year-to-Date

During the three months period ended April 30, 2012, the Company incurred a net loss of \$474,352 compared to a net loss of \$309,208 for the three months period ended April 30, 2011. The net income in the three months period ended April 30, 2012 relates primarily to operating loss of \$491,074 (April 30, 2011 - \$216,080) and non-operating items (income) of \$16,722 (April 30, 2011 - (losses) \$93,128). The operating loss was mainly due to consulting fees of \$81,153 (April 30, 2011 - \$55,116) related to administration, geological, corporate communication, investor relations, computer services and management services provided by directors, officers and consultants of the Company; project investigation of \$71,689 (April 30, 2011 - \$105,043) related to legal services and geological activities investigating properties for future exploration potential; legal fees of \$20,269 (April 30, 2011 - \$15,641) related to corporate matters; share-based payments of \$212,795 (April 30, 2011 - \$Nil) related to the issuance of stock options; accounting fees of \$35,026 (April 30, 2011 - \$20,806) related to the previous year's financial statement audit and tax return services; insurance expense of \$6,167 (April 30, 2011 - \$Nil) related to directors' and officers' liability insurance coverage, transfer agent fees of \$2,872 (April 30, 2011 - \$4,147) related to transfer agent services; filing fees of \$1,100 (April 30, 2011 - \$7,132) related to the CNSX's monthly listing fees; wages and salaries of \$24,566 (April 30, 2011 - \$2,218) were related to employee payroll; and other general office and administrative expenses of \$22,346 (April 30, 2011 - \$2,100) were mainly related to general and administrative expenses. The residual balance of \$13,091 (April 30, 2011 - \$3,877) is comprised of depreciation, meals and entertainment, professional development, rent and travel expenses. During the three months period ended April 30, 2012, operating expenses were mitigated by non-operating items which includes interest income of \$10,333 (April 30, 2011 - \$6,235). Other non-operating items include: foreign exchange losses of \$945 (April 30, 2011 - \$Nil) related to the exploration expenditures and acquisition costs during the period that are denominated in Australian dollars and general operating expenditures for opening the US office that are denominated in US dollars; and an unrealized holding gain on marketable securities (warrants) of \$7,334 (April 30, 2011 - \$Nil) related to the fair value of the 7,000,000 non-transferable share purchase warrants of EurOmax Resources Ltd. and the purchase of 833,333 share purchase warrants of Prosperity Goldfields Corp.

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

During the three months period ended April 30, 2012 the Company recognized an unrealized holding loss of \$117,733 (April 30, 2011 - \$Nil) in other comprehensive gain on the marketable securities (common shares) designated as available-for-sale instruments.

During the period from incorporation on October 28, 2009 to April 30, 2012, there were no operating revenues as the Company was still in the acquisition and exploration stage.

Due to the Company being in its early stage of development, management foresees further increases in the Company's expenses during the coming year resulting from its exploration activities. These expenses are contingent upon the Company's ability to fund these projects through private placements and other forms of financing. In the event that the Company does not receive the required funding, management will review all on-going expenditures and take appropriate actions to remedy the funding shortage.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Company for the eight most recently quarters of operation. This information is derived from unaudited quarterly financial statements prepared by management. The financial data for the quarters ended from July 31, 2010 to January 31, 2011 are prepared in accordance with Canadian Generally Accepted Accounting Principles. The financial data for the quarters ended from April 30, 2011 to April 30, 2012 are prepared in accordance with IFRS.

	1 st Quarter 2013 April 30, 2012	4 th Quarter 2012 January 31, 2012	3 rd Quarter 2012 October 31, 2011	2 nd Quarter 2012 July 31, 2011	1 st Quarter 2012 April 30, 2011	4 th Quarter 2011 January 31, 2011	3 rd Quarter 2011 October 31, 2010	2 nd Quarter 2011 July 31, 2010
Net Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income Gain/(Loss)	(474,352)	775,408	(171,818)	(281,906)	(309,208)	(89,024)	(245,848)	(67,871)
Basic and Diluted Loss Per Share	(\$0.02)	(\$0.00)	(\$0.01)	(\$0.02)	(\$0.02)	(\$0.01)	(\$0.03)	(\$0.01)

Overall, accounting fees, consulting fees, project investigation, share-based payments, legal fees, wages and salaries and general office and administrative expenses were the major components that caused variances in net loss from quarter to quarter. During the three months period ended April 30, 2012, the major expenses of the Company were the accounting and audit fees of \$35,026, consulting fees of \$81,153, project investigation of \$71,689, legal fees of \$20,269, wages and salaries of \$24,566, share-based payments of \$212,795 and general office and administrative expenses of \$22,346. During the three months period ended April 30, 2012, operating expenses were mitigated by non-operating items which includes: interest income of \$10,333 and unrealized holding gains on marketable securities (warrants) of \$7,334.

MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

Enterprise Property

On July 16, 2011, the Company terminated the Enterprise Property option agreement and returned the mineral claims to the Optionor. As a condition to terminate the option agreement, the Company paid \$35,274 to the Optionor. The Company wrote off the exploration and evaluation assets relating to the

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

Enterprise Property.

Millennium Property

On August 2, 2011, the Company entered into a farm-in and joint venture agreement (the “Millennium Agreement”) with Millennium Minerals Ltd. (“Millennium”). As consideration for the farm-in right to earn the 70% interest in and to the Beatons Creek Tenements, the Company issued 1,293,875 common shares to Millennium. In order to earn a 70% interest in the Beatons Creek Tenements, the Company must issue to Millennium such number of common shares of the Company having a value of AUD\$500,000, incur expenditures on the Beatons Creek Tenements of not less than AUD\$1,000,000 by the second anniversary of the effective date, including not less than AUD\$500,000 by the first anniversary of the effective date, and procuring (at its cost) a bankable feasibility study in respect of the gold rights before the fifth anniversary of the effective Date. The Company will solely fund all expenditures on the Beatons Creek Tenements required under the Mining Act 1978 (Western Australia) in relation to gold rights, and Millennium will not be required to fund any such expenditures on the Beatons Creek Tenements during the farm-in period. Millennium will bear costs associated with exploring for and recovering minerals other than gold.

As at April 30, 2012, the Company has the following future requirements to fulfill its obligation under the Millennium Agreement:

Date	Shares	Exploration Expenditures
Upon signing of the Millennium Agreement	1,293,875 shares (Issued)	-
August 2, 2012	-	\$500,000 AUD
August 2, 2013	-	\$500,000 AUD
Total	1,293,875 shares (Issued)	\$1,000,000 AUD

On December 16, 2011, the Company and Millennium entered into a tribute agreement (the “Tribute Agreement”) with Gravity Gold Pty Ltd. (“Gravity Gold”) by which Gravity Gold is entitled to produce gold from alluvial deposits at the Beatons Creek Tenements. Gravity Gold will pay a 10% production royalty to the Company on all gold production. The Tribute Agreement has a maximum term of three years. The Company is focused on exploring for the bedrock source of this alluvial gold mineralization, and any activities conducted by Gravity Gold during mining of alluvial deposits will not interfere with the Company’s exploration efforts.

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

The exploration and evaluation assets are comprised as follows:

	Beatons Creek	Enterprise	Total
	\$	\$	\$
Balance, January 31, 2011	-	99,363	99,363
Acquisition Costs	520,274	-	520,274
	520,274	-	520,274
Exploration Expenditures:			
Data Processing	16,959	-	16,959
Distillate	215	-	215
Drilling	241,416	-	241,416
Field Supplies	8,503	-	8,503
General Administration	5,880	-	5,880
Geological Services	52,369	-	52,369
Maps	620	-	620
Miscellaneous	956	-	956
Project Supervision	32,666	-	32,666
Rock Samples	12,124	-	12,124
Surveying	7,294	-	7,294
Tenements	9,175	-	9,175
Travel & Accomodation	25,371	-	25,371
	413,548	-	413,548
Option agreement termination payment		35,274	35,274
Impairment of exploration and evaluation assets	-	(134,637)	(134,637)
Balance, January 31, 2012	933,822	-	933,822
Acquisition Costs	-	-	-
Exploration Expenditures:			
Accomodation & Messing	13,780	-	13,780
Field Supplies	7,941	-	7,941
Courier	62	-	62
Data Processing	40,986	-	40,986
Distillate	1,702	-	1,702
Drill site preparation	9,213	-	9,213
Drilling	148,497	-	148,497
Field Staff	44,861	-	44,861
Freight	8,546	-	8,546
Geology	(6,074)	-	(6,074)
Maps	496	-	496
Project Supervision	37,639	-	37,639
Rock Samples/Laboratory	46,330	-	46,330
Telephone	1,581	-	1,581
Tenement Administration	1,273	-	1,273
Tenements	3,899	-	3,899
Travel Local	5,101	-	5,101
Unleaded	68	-	68
Vehicle Hire	11,753	-	11,753
	377,654	-	377,654
Balance, April 30, 2012	1,311,476	-	1,311,476

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

Exploration Highlights

The Company has completed 43 reverse circulation drill holes totaling approximately 5,200 meters in an area roughly 800 meters north-south and 800 meters east-west. The holes range from 50-220 meters deep and target a series of shallowly dipping, gold-bearing conglomerate reefs proximal to outcrops of such reefs that have been exploited by numerous historic mine workings. Drilling was completed in early March, 2012. Assays from four-meter composites from the first sixteen drill holes were announced in a news release dated February 14, 2012. Delivery of one meter split samples was delayed due to staffing issues. These were delivered in incremental batches to the lab in Perth beginning in late April through mid-June and are presently being analyzed. Results from all one meter samples are expected by mid-July at which time, the Company will determine what follow-up work will be required.

FINANCING ACTIVITIES

During fiscal 2012:

- (a) On November 30, 2011, the Company completed a non-brokered private placement of 14,782,500 units at a price of \$0.40 per unit for gross proceeds of \$5,913,500. Each unit consists of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.60 per share for a period of 2 years from the closing date of the private placement. As part of the private placement, the Company incurred share issuance costs of \$1,544.

During fiscal 2013:

- (a) During the period ended April 30, 2012, a total of 13,991 IPO agent's share purchase warrants were exercised at a price of \$0.20 for gross proceeds of \$2,799. A total of \$1,607 of the reserve balance was reversed and credited to the share capital account.

LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2012, the Company had cash and cash equivalents balance of \$3,445,290 compared to \$5,141,201 as at January 31, 2012. The Company had working capital as at April 30, 2012 of \$3,409,869 compared to working capital of \$5,053,111 as at January 31, 2012. The decrease in working capital is mainly due to the purchase of marketable securities and increased operating expenses incurred by the Company during the three months period ended April 30, 2012.

Cash used in operating activities during the three months period ended April 30, 2012, was \$239,962 (April 30, 2011 - \$174,939), the increase over the period relates mainly to increases in consulting services, accounting and audit, legal fees, property investigations, wages and salaries and general office and administrative expenses.

Cash used for investing activities during the three months period ended April 30, 2012 was \$1,458,748 (April 30, 2011 - \$Nil). The Company's principal investing activity is the acquisition and exploration of its resource property. During the three months period ended April 30, 2012, the Company incurred \$458,748 (April 30, 2011 - \$Nil) on its resource property. During the three months period ended April 30, 2012, the Company acquired, from a securities purchase agreement, 1,987,527 common shares and 833,333 share purchase warrants of Prosperity Goldfields Corp., for a total investment of \$1,000,000.

Cash provided by financing activities during the three months period ended April 30, 2012 was \$2,799 (April 30, 2011 - \$19,363). During the three months period ended April 30, 2012, the Company issued common shares upon the exercise of share purchase warrants for gross proceeds of \$2,799.

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

As at the date of this MD&A, the contractual obligation of the Company is the Millennium Agreement. Reference should be made to the section titled: Mineral Properties and Deferred Exploration Expenditures

Going Concern

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. In order to continue as a going concern and to meet its corporate objectives, which primarily consist of exploration work on its mineral property, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control.

OFF BALANCE SHEET TRANSACTIONS

There are currently no off balance sheet arrangements which could have a material effect on current or future results of operations, or the financial condition of the Company.

RELATED PARTY TRANSACTIONS

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Key Management Personnel Disclosures*

During the period ended April 30, 2012 and 2011, the following amounts were incurred with respect to the Chief Executive Officer, the Chief Financial Officer and directors of the Company:

	April 30, 2012	April 30, 2011
	\$	\$
Consulting services	33,250	18,000
Wages and salaries	40,369	-
Wages and salaries included in exploration and evaluation assets	20,126	-
Share-based payments	114,378	-
	<u>208,123</u>	<u>18,000</u>

As at April 30, 2012, \$14,500 (January 31, 2012 - \$Nil) remained unpaid.

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

(b) *Other Related Party Disclosures*

During the period ended April 30, 2012 and 2011, the following amounts were incurred with respect to a corporation controlled by the Chief Financial Officer:

	April 30, 2012	April 30, 2011
	\$	\$
Consulting services	30,000	30,000
Share-based payments	-	-
	30,000	30,000

As at April 30, 2012, \$Nil (January 31, 2012 - \$Nil) remained unpaid.

PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the unaudited condensed interim consolidated financial statements for the three months period ended April 30, 2012.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- (a) the recoverability of exploration and evaluation assets in the consolidated statements of financial position.

The Company is in the exploration stage with respect to its investment in exploration and evaluation assets and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral properties and crediting all proceeds received against the cost of the related properties. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment, or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount, but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets.

All capitalized exploration and evaluation assets are is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that the exploration and evaluation asset is not expected to be recovered, it is charged to the results of operations.

- (b) the inputs used in accounting for share-based payment expense in the statements of comprehensive income (loss).

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees the fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the options granted at the date the Company receives the goods or the services using the Black-Scholes option pricing model.

- (c) the inputs used in accounting for the fair value of agent's warrants reported as share issuance cost.

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

warrants. Any fair value attributed to the warrants is recorded in the warrant reserve.

- (d) the inputs used to measure the fair value of marketable securities (warrants) that are not traded in an active market.

Investments in shares of companies over which the Company exercises neither control nor significant influence are designated as available-for-sale and recorded at fair value. Fair values are determined by reference to quoted market prices at the reporting date. Unrealized gains and losses on available-for-sale investments are recognized in other comprehensive income. When available-for-sale investments are sold, the cumulative fair value adjustments previously recorded in other comprehensive income are recognized in the income (loss) as gain or loss on marketable securities.

Investments in warrants of companies over which the Company exercises neither control nor significant influence are designated as derivatives despite the fact they are generally held for long-term investment purposes. Warrants are recorded at fair value, with fair values determined by a Black-Scholes option pricing model at the statement of financial position date. Unrealized gains and losses on warrants are recognized in income (loss) as holding gain or loss on marketable securities (warrants).

The Company may purchase an investment in shares and warrants of a company as a unit. A unit typically comprises a certain number of common shares and shares purchase warrants. The Company has adopted a residual value method with respect to the measurement of common shares and share purchase warrants purchased as a unit. The fair value of the common shares is determined by the closing quoted bid price at the date of purchase. The balance, if any, is allocated to the attached share purchase warrants.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value

The Company's financial instruments include cash and cash equivalents, marketable securities (warrants and common shares), and accounts payable and accrued liabilities. IFRS 7 establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs in making fair value measurements as follows:

- Level 1 – applied 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 are unobservable market data.

The recorded amounts of accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature.

Cash and cash equivalents and marketable securities (common shares) are measured using Level 1 inputs. The fair values of marketable securities (common shares) are measured at the closing market price obtained from the exchange.

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

Marketable securities (warrants) are measured using Level 2 inputs. The fair values of marketable securities (warrants) are measured using a Black-Scholes model based on assumptions that are supported by observable current market conditions.

The fair value of financial instruments at April 30, 2012 and January 31, 2012 are summarized in the following table.

	April 30, 2012		January 31, 2012	
	Carrying value \$	Fair value \$	Carrying value \$	Fair value \$
Financial assets				
<i>Fair value through profit and loss</i>				
Cash and cash equivalents	3,445,290	3,445,290	5,141,201	5,141,201
Marketable securities (warrants)	912,906	912,906	905,572	905,572
<i>Available-for-sale</i>				
Marketable securities (shares)	2,772,267	2,772,267	1,890,000	1,890,000
Financial liabilities				
<i>Other financial liabilities</i>				
Accounts payable and accrued liabilities	99,209	99,209	143,660	143,660

b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

c) Foreign Exchange Rate Risk

The Company has operations in Canada and Australia subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian, Australian and the United States dollar, and the fluctuation of the Canadian dollar in relation to these other currencies will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian dollar, US dollar, and the Australian dollar.

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

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

At April 30, 2012 and January 31, 2012 the Company's Australian and US dollar denominated monetary assets and monetary liabilities are as follows:

Australian Monetary assets	April 30, 2012	January 31, 2012
Cash and cash equivalents	807	938
Accounts payable	-	127,664

US Monetary assets	April 30, 2012	January 31, 2012
Cash and cash equivalents	60,274	151,091
Accounts payable	1,863	293

The exposure to foreign exchange rate risk is considered minimal.

d) Liquidity Risk

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. All of the Company's financial liabilities are classified as current and the Company has a practice of paying their outstanding payables within 30 days.

e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and evaluation activities is subject to risks associated with fluctuations in the market price of commodities.

As at April 30, 2012, the Company owns common shares and share purchase warrants included in marketable securities. By holding these marketable securities, the Company is inherently exposed to various risk factors including market price risk.

f) Interest Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash at banks and GICs carried at floating interest rates with reference to the market. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates.

The exposure to interest rates for the Company is considered minimal. The Company has no interest bearing borrowings.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following information relates to share data of the Company as at April 30, 2012.

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

Share capital

As at April 30, 2012, the Company had one class of share capital, being common shares without par value, of 31,213,984 were issued and outstanding.

As at the date of this MD&A, the Company has 31,286,339 issued and outstanding common shares.

Warrants

On June 10, 2010, the Company issued 160,000 Agent's warrants in accordance with the agency agreement dated April 15, 2010 (the "Agency Agreement"). The Agent's warrants were granted to the agent with an exercise price of \$0.20 and expire June 9, 2012. As at April 30, 2012, 87,609 Agent's warrants have been exercised and 72,391 Agent's warrant remain outstanding. At the date of this MD&A, 159,964 of the Agent's warrants have been exercised and 36 Agent's warrants have expired without exercising.

On January 10, 2011, the Company issued 3,285,000 warrants in accordance with the non-brokered private placement. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.50 per share for a period of two (2) years from the closing date of the private placement. As at April 30, 2012 and the date of this MD&A, no warrants from the non-brokered private placement have been exercised and 3,285,000 warrants remain outstanding.

On November 30, 2011, the Company issued 14,782,500 warrants in accordance with the non-brokered private placement. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.60 per share for a period of two (2) years from the closing date of the private placement. As at April 30, 2012 and the date of this MD&A, no warrants from the non-brokered private placement have been exercised and 14,782,500 warrants remain outstanding.

Options

On August 6, 2010, the Company granted 500,000 stock options to directors and officers of the Company whereby the option holders can purchase common shares at \$0.20 per share. The options vest immediately and will expire on June 10, 2020. Each option entitles the holder to acquire one common share of the Company.

On August 13, 2010, the Company granted an additional 300,000 stock options to directors, officers, and consultants of the Company whereby the option holders can purchase common shares at \$0.20. The options vest immediately and will expire ten years from the grant date. Each option entitles the holder to acquire one common share of the Company.

On June 1, 2011, the Company granted 150,000 stock options to an investor relations consultant of the Company whereby the option holder can purchase common shares at \$0.48 per share. The options will vest 25% on the date of grant, 25% every three months thereafter and will expire one year from the grant date. Each option entitles the holder to acquire one common share of the Company.

On, February 20, 2012, the Company granted 1,310,000 stock options to certain directors, officers and consultants. The options are exercisable on or before February 20, 2017 at an exercise price of \$0.45 per share. All of the options shall vest as to one-quarter of the options at the date of grant, one-quarter of the options six months following the date of the grant, one-quarter of the options twelve months following the date of grant, and one-quarter of the options eighteen months following the date of grant.

As at April 30, 2012, 100,000 stock options have been exercised, 150,000 stock options have expired without exercise and there were 2,010,000 options outstanding.

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

At the date of this MD&A, 100,000 stock options have been exercised, 150,000 stock options have expired without exercise and there are 2,010,000 options outstanding.

ADDITIONAL DISCLOSURE FOR JUNIOR ISSUERS

The Company has incurred the following material cost components:

	Period ended April 30, 2012	Period ended April 30, 2011
	\$	\$
Accounting Fee	35,026	20,806
Consulting Fee	81,153	55,116
Legal Fees	20,269	15,641
Office & General	22,346	2,100
Project Investigation	71,689	105,043
Share-based Payment	212,795	-
Exploration and Evaluation Assets	1,311,476	-
Wages & Salaries	24,566	2,218

During the three months period ended April 30, 2012 \$35,026 (April 30, 2011 - \$20,806) in accounting fees was paid in relation to the previous year's financial statement audit.

During the three months period ended April 30, 2012, consulting fees totalling \$81,153 (April 30, 2011 - \$55,116) were mainly paid to directors, officers and consultants of the Company to provide geological, corporate communication, administrative, investor relations, computer services and management services to the Company. The transactions were conducted in the normal course of operations, on commercial terms established and agreed to by the related parties, and were recorded at the exchange amount.

Legal fees during the three months period ended April 30, 2012 totalling \$20,269 (April 30, 2011 - \$15,641) were related to general corporate affairs.

General office administrative expenses during the three months period ended April 30, 2012 totaling \$22,346 (April 30, 2011 - \$2,100) were mainly related to the purchase of computer equipment for the US office in Colorado, USA and employee benefits.

During the three months period ended April 30, 2012 \$71,689 (April 30, 2011 - \$105,043) in project investigation was paid in relation to legal services and geological activities provided for investigating properties for future exploration potential.

During the three months period ended April 30, 2012 \$212,795 in share-based payments was expensed (April 30, 2011 - \$Nil), a non-cash charge, are the estimated fair value of the stock options granted in the period. The Company used the Black-Scholes option pricing model for all fair value calculations.

During the three months period ended April 30, 2012 \$24,566 (April 30, 2011 - \$2,218) in wages and salaries was paid to employees for providing management, geological and administrative services to the Company.

During the three months period ended April 30, 2012, exploration and evaluation assets totalling \$1,311,476 (April 30, 2011 - \$Nil) was related to the Millennium property. Reference should be made to the section titled: Mineral Properties and Deferred Exploration expenditures.

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

The Company has capitalized the following exploration and development costs:

	Beatons Creek	Enterprise	Total
	\$	\$	\$
Balance, January 31, 2011	-	99,363	99,363
Acquisition Costs	520,274	-	520,274
	520,274	-	520,274
Exploration Expenditures:			
Data Processing	16,959	-	16,959
Distillate	215	-	215
Drilling	241,416	-	241,416
Field Supplies	8,503	-	8,503
General Administration	5,880	-	5,880
Geological Services	52,369	-	52,369
Maps	620	-	620
Miscellaneous	956	-	956
Project Supervision	32,666	-	32,666
Rock Samples	12,124	-	12,124
Surveying	7,294	-	7,294
Tenements	9,175	-	9,175
Travel & Accomodation	25,371	-	25,371
	413,548	-	413,548
Option agreement termination payment		35,274	35,274
Impairment of exploration and evaluation assets	-	(134,637)	(134,637)
Balance, January 31, 2012	933,822	-	933,822
Acquisition Costs	-	-	-
Exploration Expenditures:			
Accomodation & Messing	13,780	-	13,780
Field Supplies	7,941	-	7,941
Courier	62	-	62
Data Processing	40,986	-	40,986
Distillate	1,702	-	1,702
Drill site preparation	9,213	-	9,213
Drilling	148,497	-	148,497
Field Staff	44,861	-	44,861
Freight	8,546	-	8,546
Geology	(6,074)	-	(6,074)
Maps	496	-	496
Project Supervision	37,639	-	37,639
Rock Samples/Laboratory	46,330	-	46,330
Telephone	1,581	-	1,581
Tenement Administration	1,273	-	1,273
Tenements	3,899	-	3,899
Travel Local	5,101	-	5,101
Unleaded	68	-	68
Vehicle Hire	11,753	-	11,753
	377,654	-	377,654
Balance, April 30, 2012	1,311,476	-	1,311,476

NOVO RESOURCES CORP.
(FORMERLY GALLIARD RESOURCES CORP.)
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
April 30, 2012

As at the three months period ended April 30, 2012, the Company capitalized exploration and development costs of \$1,311,476 (April 30, 2011 - \$Nil).

On July 16, 2011, the Company terminated the Enterprise Property option agreement and returned the mineral claims to the Optionor. As a condition to terminate the option agreement, the Company paid \$35,274 to the Optionor. The Company wrote off the exploration and evaluation assets relating to the Enterprise Property.

RISK AND UNCERTAINTIES

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to new and developing enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

The Company competes with other junior mineral exploration companies, some of which have greater financial resources and technical facilities. The business of mineral exploration and extraction involves a high degree of risks and few properties that are explored are ultimately developed into production. In addition to specific risks disclosed throughout this discussion, other risks facing the Company include reliance on third parties, environmental and insurance risks, statutory and regulatory requirements, metal prices and foreign currency fluctuations, share price volatility and title risks.

ADDITIONAL INFORMATION

Additional information about the Company is available for viewing on SEDAR at www.sedar.com.