NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
July 31, 2013

BACKGROUND

The following management discussion and analysis of the results of operations and financial condition ("MD&A"), prepared as of September 30, 2013, should be read in conjunction with the unaudited condensed interim consolidated financial statements of Novo Resources Corp. (the "Company" or "Novo") for the six-month period ended July 31, 2013, as well as the audited annual consolidated financial statements for the year ended January 31, 2013, and accompanying notes thereto. The condensed interim 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., Beatons Creek Gold Pty Ltd. and Grant's Hill Gold Pty Ltd.

During the six-month period ended July 31, 2013, 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.

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, Australian 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 AND OVERALL PERFORMANCE

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'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."

The Company has entered into a farm-in and joint 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”).

On June 26, 2012, the Company entered into a sale and purchase agreement (the “Sale and Purchase Agreement”) with Welcome Stranger Mining Ltd. (“Welcome Stranger”) for the prospecting license, mining information and title transfer of the P46/1806 tenement.

On July 16, 2012, the Company entered into four farm-in and joint venture agreements (each a “JVA”) with the Creasy Group ("Creasy") of Western Australia whereby Nullagine Gold Pty Ltd. (“Nullagine Gold”), is entitled to earn a 70% interest (as to gold and minerals associated with and normally mined with gold, being “Gold Rights”) in the prospecting, exploration and mining tenements and applications related to Creasy's 100% controlled Pilbara Paleo-Placer project. On September 7, 2012, the Company entered into a deed of variation agreement to recognize one addition tenement with respect to the JVAs. In total this project covers 33 tenements or applications for tenements (the "Properties") in the Nullagine embayment and Marble Bar sub-basin located in Western Australia.

On August 14, 2012, the Company’s shares commenced trading in the United States on the OTC market’s prestigious tier, OTCQX International under the symbol of “NSRPF”.

On December 12, 2012, the Company completed a brokered private placement, raising $3,767,010 by the issuance of 5,795,400 units at a price of $0.65 per unit. Each unit consists of one (1) common share and one (1) common share purchase warrant. Each warrant entitles the holder thereof to purchase one (1) additional common share of the Company at a price of $0.90 per share for a period of two (2) years from the closing date of the private placement. The warrants are subject to an accelerated expiry whereby if, at any time following the expiry of the statutory hold period, the volume weighted average trading price of the Company’s common shares is equal to or exceeds $1.20 for any 20 consecutive trading days, the Company can choose to give notice to the warrant holders that the warrants will expire on the 31st calendar day following the date of notice.

On April 11, 2013, the Company entered into a sale and purchase agreement with Talga Resources Limited (“Talga Resources”). As consideration for the prospecting licence and title transfer of the P46/1748 and P46/1749 tenements, the Company paid AUD$40,000 plus GST to Talga Resources.

Total current assets amount to $4,155,196 (January 31, 2013 - $5,776,507). The decrease in total current assets is mainly due to the Company’s expenditures on the Beatons Creek Tenements, Paleo-Placer Project and Grant’s Hill Property. Non-current assets at July 31, 2013, totaled $5,827,475 (January 31, 2013 - $6,357,882). The decrease in non-current assets is mainly due to the impairment of the Company’s marketable securities.

During the six-month period ended July 31, 2013, the Company reported a net loss of $1,623,080 (July 31, 2012 – $896,541) ($0.04 basic and diluted loss per share) (July 31, 2012 - $0.03 basic and diluted loss per share). The increase in net loss is mainly due to the impairment of the Company’s marketable securities and the realized loss on sale of marketable securities.

RESULTS OF OPERATIONS

Current Quarter

During the three month period ended July 31, 2013, the Company incurred a net loss of $558,425 compared to a net loss of $414,855 for the three months period ended July 31, 2012. The net loss in the three months period ended July 31, 2013 relates primarily to operating loss of $275,242 (July 31, 2012 -

$417,320) and non-operating loss of $283,183 (July 31, 2012 – gain of $2,465). The operating loss was mainly due to consulting fees of $73,281 (July 31, 2012 - $73,297) 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 $5,470 (July 31, 2012 - $128,543) related to legal services and geological activities investigating properties for future exploration potential; legal fees of $43,666 (July 31, 2012 - $25,148) related to corporate matters; share-based payments of $19,864 (July 31, 2012 - $107,869) related to the issuance of stock options; accounting fees of $57,391 (July 31, 2012 - $8,994) related to the previous year's financial statement audit and tax return services; insurance expense of $8,438 (July 31, 2013 - $8,306) related to directors' and officers' liability insurance coverage, transfer agent fees of $2,679 (July 31, 2012 - $1,799) related to transfer agent services; filing fees of $9,611 (July 31, 2012 - $9,966) related to the CNSX's monthly listing fees; wages and salaries of $33,283 (July 31, 2012 - $25,014) were related to employee payroll; and other general office and administrative expenses of $16,213 (July 31, 2012 - $21,300) were mainly related to general and administrative expenses. The residual balance of $5,346 (July 31, 2012 - $7,084) is comprised of advertising and promotion, depreciation, meals and entertainment, professional development, rent and travel expenses. During the three month period ended July 31, 2013, non-operating items includes interest income of $12,719 (July 31, 2012 - $9,172). Other non-operating items include: foreign exchange losses of $72 (July 31, 2012 - $6,707) related to the exploration expenditures and acquisition costs during the period that are denominated in Australian dollars and United States dollars; a realized loss on the sale of marketable securities of $296,781 (July 31, 2012 - $nil); and an impairment of marketable securities of $951 (July 31, 2012 - $nil) related to the fair value of the common shares of Evolving Gold Corp., Pinetree Capital Ltd., Prosperity Goldfields Corp. and Euromax Resources Ltd and the sale of Pinetree's common shares.

During the three months period ended July 31, 2013, the Company recognized an unrealized holding loss of $895,528 (July 31, 2012 - $374,575) in other comprehensive income on the marketable securities (common shares) designated as available-for-sale instruments and the unrealized holding loss of $895,528 has been recorded as an impairment in income statements. The Company also recognized foreign exchange loss on translation of subsidiaries of $692,652 in other comprehensive income.

During the period from incorporation on October 28, 2009 to July 31, 2013, 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.

Year-to-Date

During the six month period ended July 31, 2013, the Company incurred a net loss of $1,623,080 compared to a net loss of $896,541 for the six month period ended July 31, 2012. The net loss in the six month period ended July 31, 2013 relates primarily to operating loss of $457,306 (July 31, 2012 - $908,395) and non-operating losses of $1,165,774 (July 31, 2012 – $11,854). The operating loss was mainly due to consulting fees of $154,742 (July 31, 2012 - $154,450) related to administration, geological, corporate communication, investor relations, computer services and management services provided by directors, officers and consultants of the Company; project investigations of $5,573 (July 31, 2012 - $200,232) related to legal services and geological activities investigating properties for future exploration potential; legal fees of $58,152 (July 31, 2011 - $45,417) related to corporate matters; share-based payments of $10,772 (July 31, 2012 - $320,664) related to the issuance of stock options; accounting fees of $87,531 (July 31, 2012 - $44,020) related to the previous year's financial statement audit and tax return services; insurance expense of $14,026 (July 31, 2012 - $14,473) related to directors' and officers' liability insurance coverage, transfer agent fees of $6,757 (July 31, 2012 - $4,671) related to transfer agent services; filing fees of $15,707 (July 31, 2012 - $11,066) related to the CNSX's monthly listing fees; wages and salaries of $63,119 (July 31, 2012 - $49,580) were related to employee payroll; and other general office and administrative expenses of $24,457 (July 31, 2012 - $43,647) were mainly related to general and administrative expenses. The residual balance of $16,470 (July 31, 2012 - $20,175) is comprised of advertising and promotion, depreciation, meals and entertainment, professional development, rent and travel expenses. During the six month period ended July 31, 2013, non-operating items includes interest income of $26,607 (July 31, 2012 - $19,505). Other non-operating items include foreign exchange losses of $72 (July 31, 2012 - $7,651) related to the exploration expenditures and acquisition costs during the period that are denominated in Australian dollars and general operating expenditures for opening the Company's US office that are denominated in US dollars; a realized loss on the sale of marketable securities of $296,781 (July 31, 2012 - $nil); and an impairment of marketable securities of $895,528 (July 31, 2012 - $nil) related to the fair value of the common shares of Evolving Gold Corp., Pinetree Capital Ltd., Prosperity Goldfields Corp. and Euromax Resources Ltd and the sale of Pinetree's common shares.

During the six month period ended July 31, 2013 the Company recognized an unrealized holding loss of $907,292 (July 31, 2012 - $492,308) in other comprehensive income on the marketable securities (common shares) designated as available-for-sale instruments and the unrealized holding loss of $895,528 has been recorded as an impairment in income statements. The Company also recognized foreign exchange loss on translation of subsidiaries of $691,439 in other comprehensive income.

During the period from incorporation on October 28, 2009 to July 31, 2013, 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 October 31, 2011 to July 31, 2013, are prepared in accordance with IFRS.

	2nd Quarter 2014 July 31, 2013	**1st Quarter 2014 April 30, 2013**	**4th Quarter 2013 January 31, 2013**	**3rd Quarter 2013 October 31, 2012**	**2nd Quarter 2013 July 31, 2012**	**1st Quarter 2013 April 30, 2012**	**4th Quarter 2012 January 31, 2012**	**3rd Quarter 2012 October 31, 2011**
Net Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income Gain/(Loss)	(558,425)	(1,064,655)	(1,186,083)	(279,570)	(414,855)	(474,352)	(130,164)	(171,818)
Basic and Diluted Loss Per Share	($0.01)	($0.03)	($0.03)	($0.01)	($0.01)	($0.02)	($0.05)	($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 July 31, 2013, the major expenses of the Company were consulting fees of $73,281, accounting and audit fees of $57,391, legal fees of $43,666, wages and salaries of $33,283, share-based payments of $19,864, and general office and administrative expenses of $16,213. During the three months period ended July 31, 2013, operating expenses were mitigated by non-operating items such as interest income of $12,719.

MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

Millennium Property

On August 2, 2011 (the "Effective Date"), the Company and Beatons Creek Gold Pty Ltd. ("Beatons Creek"), a subsidiary of 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 July 31, 2013, the Company has completed the following 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 (Completed)
August 2, 2013	-	$500,000 AUD (Completed)
Total	1,293,875 shares (Issued)	$1,000,000 AUD (Completed)

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.

Paleo-Placer Project

The Company, Conglomerate Gold Exploration Pty Ltd ("CGE"), and Nullagine Gold Pty Ltd ("Nullagine Gold"), entered into four farm-in and joint venture agreements (the "JVA") dated July 16, 2012 and one deed of variation dated September 7, 2012 with Witx Pty Ltd, Mark Gareth Creasy, Whim Creek Mining Pty Ltd, and Tantalumx Pty Ltd. (collectively the "Creasy Group") of Western Australia. As consideration for the farm-in right to acquire a 70% interest in all gold rights, the Company must spend AUD$1 million on exploration expenditure across the Paleo-Placer Property. The Company will solely fund all expenditures on the Paleo-Placer Property.

CGE will reimburse past exploration expenditure on the Paleo-Placer Property incurred by the Creasy

Group, as verified by CGE, up to a maximum of AUD$5.5 million. The reimbursement is contingent on CGE achieving a listing on a recognized stock exchange (an “IPO”) within 4 years of the execution of the JVA’s. The reimbursement will be paid from net funds raised in an IPO (if completed) and subsequent funding rounds (if completed), capped at 10% of net funds from each round, until the verified expenditure is reimbursed. If CGE has not achieved an IPO within 4 years, the Paleo-Placer Property will be returned to 100% ownership by the Creasy Group at no cost, unless otherwise agreed. If a mining decision is made under any of the JVA’s following a bankable feasibility study but the Creasy Group elects not to participate in mining, its interest in relation to that mining area and the underlying ground will be transferred to Nullagine Gold and converted to a 1% net smelter royalty.

The Company, Conglomerate Gold Exploration (B.V.I.) Ltd (“CGE BVI”), and CGE have also entered into a CGE Shareholders Agreement and a CGE Share Issue Agreement with Yandal Investments Pty Ltd and Mark Gareth Creasy (collectively “Creasy”). Novo initially controls 63.33% of the issued shares in CGE and Creasy controls 36.67%. CGE is entitled to spend (via Nullagine Gold and Beatons Creek Gold) up to a further AUD$3.5 million in aggregate on the Paleo-Placer Property and the Beatons Creek tenements to increase its shareholding in CGE to 81% (and reducing Creasy’s interest to 19%), subject to a maximum included expenditure on Beatons Creek tenements of AUD$2 million. Creasy is obliged to use its best endeavours to negotiate a right for Nullagine Gold to participate in an existing adjacent joint venture to which Creasy is a party, including bringing certain ground within that joint venture. In return, Creasy’s and one other party’s interests under that joint venture with respect to exploration expenditure will be free carried by Nullagine Gold and CGE will reimburse AUD$125,000 to Creasy. If CGE achieves an IPO it will also issue AUD$50,000 of shares in CGE to a former tenement holder. If Creasy does not satisfy the obligation prior to an IPO of CGE (if completed) then Creasy will forfeit 23.3% of its shareholding in CGE. Prior to an IPO of CGE (if completed) that 23.3% of CGE shares shall have no voting or dividend rights. If the obligation is satisfied then the ground within that joint venture will be included within the minimum expenditure commitments and additional expenditure entitlements referred above.

The Company has entered into loan agreements with its subsidiaries to fund their obligations under the JVA’s. The Company is entitled to be reimbursed up to AUD$500,000 for IPO related costs of CGE (if completed) and stamp duty costs of Nullagine Gold.

Grant’s Hill Property

On June 26, 2012, the Company entered into a sale and purchase agreement with Welcome Stranger Mining Ltd. (“Welcome Stranger”). As consideration for the prospecting licence, mining information and title transfer of the P46/1806 tenement, the Company paid AUD$60,000 plus GST to Welcome Stranger.

On April 11, 2013, the Company entered into a sale and purchase agreement with Talga Resources Limited (“Talga Resources”). As consideration for the prospecting licence and title transfer of the P46/1748 and P46/1749 tenements, the Company paid AUD$40,000 plus GST to Talga Resources.

	Beatons Creek $	Grant's Hill $	Paleo-Placer $	Total $
Balance, January 31, 2013	3,385,948	66,131	1,026,468	4,478,547
Acquisition Costs	-	36,864	690	37,554
Exploration Expenditures:				
Drilling	155,466	36,047	129,776	321,289
Feasibility Study	72,363	-	-	72,363
Field Work	60,726	19,395	115,266	195,387
Fuel	3,038	964	7,160	11,162
Geology	22,495	5,688	65,139	93,322
Legal	3,438	-	54,100	57,538
Meals & Travel	49,264	18,312	93,580	161,156
Office and General	38,995	12,654	29,900	81,549
Reports, Data and Analysis	31,058	24,738	174,502	230,298
Rock Samples	50,747	18,726	27,619	97,092
Tenement Administration	5,530	2,331	55,588	63,449
Foreign Exchange	(391,237)	(7,641)	(118,606)	(517,484)
	101,883	131,214	634,024	867,121
Balance, July 31, 2013	**3,487,831**	**234,209**	**1,661,182**	**5,383,222**

	Beatons Creek $	Grant's Hill $	Paleo-Placer $	Total $
Balance, January 31, 2012	933,822	-	-	933,822
Acquisition Costs	-	62,520	288,806	351,326
Exploration Expenditures:				
Drilling	1,045,598	-	209,032	1,254,630
Feasibility Study	23,250	-	-	23,250
Field Work	222,219	469	110,242	332,930
Fuel	5,527	-	5,320	10,847
Geology	162,127	-	125,572	287,699
Legal	23,473	-	26,833	50,306
Meals & Travel	133,645	-	60,321	193,966
Office and General	73,026	-	33,701	106,727
Reports, Data and Analysis	151,916	1,250	70,742	223,908
Rock Samples	597,390	-	42,205	639,595
Tenement Administration	10,352	1,892	53,694	65,938
Foreign Exchange	3,603	-	-	3,603
	2,452,126	3,611	737,662	3,193,399
Balance, January 31, 2013	**3,385,948**	**66,131**	**1,026,468**	**4,478,547**

Exploration Highlights

Beatons Creek Tenements

On May 1, 2013, Novo Resources announced the first ever National Instrument (NI) 43-101 compliant resource estimate for its Beatons Creek Gold Project, Western Australia. This resource estimate is based on 16,107 meters of reverse circulation (RC) drilling and 478 meters of diamond core drilling completed in 2011-13. The effective date of this resource estimate is April 30, 2013.

Highlights:

- Inferred resource of 421,000 troy ounces gold contained in 8.9 million tonnes at a grade of 1.47 grams gold per tonne.

- This inferred resource was defined by 16,107 meters of vertical RC drilling. Specific gravity measurements were taken from core samples from eight recently completed diamond drill holes totalling 478 meters. Costs related to drilling total approximately $2.5 million making the cost of discovery about $6/troy ounce gold.

- Most of this resource is contained within two shallow, sub-horizontal gold-bearing conglomerate horizons (reefs) displaying strong lateral continuity.

- Mineralization remains open to the north, west and south into the basin. There is a good potential for expanding this resource through further drilling given the strong sub-surface continuity of these reefs as demonstrated by drilling coupled with the Company's recent success in tracing their surface expression along the northern and northwestern perimeter of the basin (*see news release dated January 24, 2013*).

- This inferred resource enables undertaking of a preliminary economic assessment planned for later this year. It is expected that upgrading this resource to the indicated category can be accomplished by drilling approximately 3,710 meters more infill RC holes. Doing so would enable advancement toward a prefeasibility study.

Beatons Creek NI 43-101 resource estimate is summarized below:

Classification	Au Cut-off (grams per tonne)	Tonnage (million metric tonnes)	Au Grade (grams per tonne)	Contained Au (troy ounces)
Inferred	0.20	9.2	1.44	424,000
	0.30	9.2	1.44	424,000
	0.50	8.9	1.47	421,000
	0.60	8.6	1.5	415,000
	0.80	7.1	1.67	381,000
	1.00	5.5	1.89	334,000
	1.50	3.0	2.43	236,000
	2.00	1.6	3.02	160,000
	2.50	0.9	3.71	106,000
	3.00	0.6	4.22	78,000

1 troy ounce = 31.1035 grams

Mineral resources were estimated by Ordinary Kriging (OK), Inverse Distance Squared (ID2) and Nearest Neighbor (NN) methods. The OK estimation was selected as the preferred method and a cut-off grade of 0.5 g/t Au was applied. Mineralization is currently defined in 3 domains containing 23 individual mineralised bodies, all of which are considered to be primary in origin, despite the shallow weathering profile.

The majority of assays used for the estimate were determined using LeachWELL® methodology, which was statistically determined to be the most reliable method for the nuggety gold distribution in this deposit. Acceptable statistical verification and comparisons of LeachWELL® assays with equivalent Screen Fire Assays and Fire Assays supported this assessment. Assays were not capped but higher values were given a restricted search range. All resource blocks in the block model were estimated in one pass with any blocks that were estimated flagged as Inferred Resources, based on the variography and Quantitative Kriging Neighborhood Analyses.

[Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category. The mineral resources in this news release were estimated using current Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards, definitions and guidelines.]

Patrick Huxtable of Tetra Tech, Perth, Australia, has prepared the Mineral Resource Estimate for the Beatons Creek Gold Project, and is independent of Novo Resources Corporation for purposes of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Mr. Huxtable (RPGeo MAIG) is a Qualified Person as defined by NI 43-101.

Now that this resource has been modeled, the Issuer will be expanding it through further drilling. Gold-bearing reefs have been mapped and sampled along strike of this resource to evaluate where future drilling will focus. In June, 2013, the Issuer received approvals for over 200 new reverse circulation drill sites, and in July, an approximately 4,000 meter program commenced. The first 1,500 meters of this program were completed by the third week in August, at which time, drilling ceased for a temporary break so that initial analyses could return and be evaluated. The remaining 2,500 meters of this program will be drilled in October, 2013.

During the month of June, the issuer completed extensive prospecting and sampling activities on tenement E46/797, part of the Creasy Group JVA, in areas immediately adjacent to the gold-bearing reefs mentioned in the previous paragraph. Analyses from samples returned as high as 3 grams per tonne gold and extend these reefs for a distance of over a kilometer into this previously unexplored area.

Pilbara Paleo-Placer Project

At Marble Bar, the Issuer has followed up several stream sediment anomalies to discover outcropping conglomerates in multiple locations. Sampling of some of these conglomerates has returned anomalous gold grades up to 4 grams per tonne. The Issuer completed a $350,000 work program between May and August, 2013 to follow up on this early success. Work included prospecting, mapping and sampling as well as approximately 1,100 meters of reverse circulation drilling testing stratigraphy in parts of the east side of the basin. At an area in the northwest part of the basin called Contact Creek, outcrop samples of conglomerates grading as high as 15.96 grams per tonne gold were collected. While tracing this gold-bearing reef northward, the Issuer discovered two kilometers of additional strike in an area it calls North Contact Creek. Samples collected here contain as much 9.26 grams per tonne gold. In light of this new discovery, the company plans to continue to prospect for continuations of this reef as it tracks along the margin of the basin to the northeast. This reef is the first truly continuously mineralized gold-bearing reef found to date in the Marble Bar sub-basin.

FINANCING ACTIVITIES

During fiscal 2013:

(a) On December 12, 2012, the Company completed a brokered private placement of 5,795,400 units at a price of $0.65 per unit for gross proceeds of $3,767,010. 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 $0.90 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 $486,437, which included 334,524 broker's warrants. The broker's warrants were granted to the broker of the private placement with an exercise price of $0.65 and expire in 2 years. The broker's warrants were valued at fair value of $162,869. The fair value of these warrants was $0.49 per share where the exercise price is $0.65 and the fair value of each warrant granted is calculated using the Black-Scholes option pricing model assuming a risk-free interest rate of 1.09%, a dividend yield of $Nil, an expected volatility of 123% and an average expected life of 2 years. The average remaining contractual life in years is 1.62. As of July 31, 2013, 334,524 of the broker's warrants remain outstanding.

LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2013, the Company had cash and cash equivalents balance of $3,984,225 compared to $5,293,833 as at January 31, 2013. The Company had working capital as at July 31, 2013, of $3,708,546 compared to working capital of $5,477,480 as at January 31, 2013. The decrease in working capital is mainly due to the Company's expenditures on the Beatons Creek Tenements, Paleo-Placer Project and Grant's Hill Property.

Cash used in operating activities during the six month period ended July 31, 2013, was $842,746 (July 31, 2012 - $536,905). The increase over the period relates mainly to increases in accounting and audit, legal fees, wages and salaries and receivables.

Cash used for investing activities during the six month period ended July 31, 2013 was $483,032 (July 31, 2012 - $1,763,739). The Company's principal investing activity is the acquisition and exploration of its resource property. During the six month period ended July 31, 2013, the Company incurred $713,251 (July 31, 2012 - $763,739) on its resource property.

Cash provided by financing activities during the six month period ended July 31, 2012 was $16,170 (July 31, 2012 - $17,269), which is related to options and warrants exercised.

As at the date of this MD&A, the contractual obligation of the Company are the Millennium Agreement and the JVA's. Reference should be made to the section titled: Exploration and Evaluation Assets.

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 period.

(a) *Key Management Personnel Disclosures*

During the periods ended July 31, 2013 and 2012, the following amounts were incurred with respect to the Chief Executive Officer, the Chief Financial Officer and directors of the Company:

	July 31, 2013 $	July 31, 2012 $
Consulting services	84,000	75,250
Wages and salaries	14,115	40,771
Wages and salaries included in exploration and evaluation assets	68,816	40,434
Share-based payments	22,959	164,541
	189,890	320,996

(b) *Other Related Party Disclosures*

During the periods ended July 31, 2013 and 2012, the following amounts were incurred with respect to a corporation controlled by the Chief Financial Officer:

	July 31, 2013 $	July 31, 2012 $
Consulting services	60,000	60,000
	60,000	60,000

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 six month period ended July 31, 2013.

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.

A detailed summary of all the Company's critical accounting estimates is included in Note 2 – Significant Accounting Policies to the July 31, 2013, condensed interim consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES

A detailed summary of all the Company's changes in accounting policies is included in Note 2 – Significant Accounting Policies to the July 31, 2013, condensed interim consolidated financial statements.

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.

Marketable securities (warrants) are measured using Level 3 inputs. The fair values of marketable securities (warrants) are based on management`s assessment of realizable value.

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.

At July 31, 2013 and January 31, 2013 the Company's Australian and US dollar denominated monetary assets and monetary liabilities are as follows:

Australian Monetary assets	July 31, 2013	January 31, 2013
Cash and cash equivalents	488,468	7,218
Accounts payable and accrued liabilities	452,566	241,229

US Monetary assets	July 31, 2013	January 31, 2013
Cash and cash equivalents	25,229	14,732
Accounts payable and accrued liabilities	13,863	12,371

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 July 31, 2013, 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 the date of this MD&A

Share capital

As at the date of this MD&A, the Company has 50,386,610 issued and outstanding common shares.

Fully diluted securities

Type of Security	Number	Exercise Price	Expiry Date
Stock options	250,000	$0.20	June 10, 2020
Stock options	275,000	$0.20	August 12, 2020
Stock options	1,252,500	$0.45	February 20, 2017
Total	**1,777,500**		
Share purchase warrants	6,096,200	$0.60	November 30, 2013
Share purchase warrants	5,795,400	$0.90	December 12, 2014
Share purchase warrants	334,524	$0.65	December 12, 2014
Total	**12,226,124**		

ADDITIONAL DISCLOSURE FOR JUNIOR ISSUERS

The Company has incurred the following material cost components:

	Period ended July 31, 2013	Period ended July 31, 2012
	$	$
Accounting Fee	87,531	44,020
Consulting Fee	154,742	154,450
Legal Fees	58,152	45,417
Office & General	24,457	43,647
Project Investigation	5,573	200,232
Share-based Payment	10,772	320,664
Wages & Salaries	63,119	49,580
Exploration and Evaluation Assets	5,383,222	1,732,968

During the six month period ended July 31, 2013 $87,531 (July 31, 2012 - $44,020) in accounting fees was paid in relation to the previous year's financial statement audit.

During the six month period ended July 31, 2013, consulting fees totalling $154,742 (July 31, 2012 - $154,450) 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 six month period ended July 31, 2013 totalling $58,152 (July 31, 2012 - $45,417) were related to general corporate affairs.

General office administrative expenses during the six month period ended July 31, 2013 totaling $24,457 (July 31, 2012 - $43,647) were mainly related to the purchase of geological computer software and general office supplies.

During the six month period ended July 31, 2013, $5,573 (July 31, 2012 - $200,232) in project investigation was paid in relation to geological filing fees and geological activities provided for investigating properties for future exploration potential.

During the six month period ended July 31, 2013 $10,772 in share-based payments was expensed (July 31, 2012 - $320,664), a non-cash charge, are the estimated fair value of the stock options vested in the period. The Company used the Black-Scholes option pricing model for all fair value calculations.

During the six month period ended July 31, 2013 $63,119 (July 31, 2012 - $49,580) in wages and salaries was paid to employees for providing management, geological and administrative services to the Company.

During the six month period ended July 31, 2013, exploration and evaluation assets totalling $5,383,222 (July 31, 2012 - $1,732,968) was related to the Millennium, Paleo-Placer and Grant's Hill property. Reference should be made to the section titled: Mineral Properties and Deferred Exploration expenditures.

The Company has capitalized the following exploration and development costs:

	Beatons Creek $	Grant's Hill $	Paleo-Placer $	Total $
Balance, January 31, 2013	3,385,948	66,131	1,026,468	4,478,547
Acquisition Costs	-	36,864	690	37,554
Exploration Expenditures:				
Drilling	155,466	36,047	129,776	321,289
Feasibility Study	72,363	-	-	72,363
Field Work	60,726	19,395	115,266	195,387
Fuel	3,038	964	7,160	11,162
Geology	22,495	5,688	65,139	93,322
Legal	3,438	-	54,100	57,538
Meals & Travel	49,264	18,312	93,580	161,156
Office and General	38,995	12,654	29,900	81,549
Reports, Data and Analysis	31,058	24,738	174,502	230,298
Rock Samples	50,747	18,726	27,619	97,092
Tenement Administration	5,530	2,331	55,588	63,449
Foreign Exchange	(391,237)	(7,641)	(118,606)	(517,484)
	101,883	131,214	634,024	867,121
Balance, July 31, 2013	**3,487,831**	**234,209**	**1,661,182**	**5,383,222**

As at the six month period ended July 31, 2013, the Company capitalized exploration and development costs of $5,383,222 (July 31, 2012 - $1,732,968). Reference should be made to the section titled: Exploration and Evaluation Assets.

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.