NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2014

BACKGROUND

The following management discussion and analysis of the results of operations and financial condition ("MD&A"), prepared as of May 27, 2014, should be read in conjunction with the audited consolidated financial statements of Novo Resources Corp. (the "Company" or "Novo") for the years ended January 31, 2014 and 2013 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., Beatons Creek Gold Pty. Ltd., and Grant's Hill Gold Pty. Ltd.

During the year ended January 31, 2014, 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 Securities Exchange (the "CSE") 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” and collectively the “JVA’s”) with the Creasy Group ("Creasy") of Western Australia whereby Nullagine Gold Pty. Ltd. (“Nullagine”), 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 JVA’s. 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.

On September 30, 2013, Novo Resources (USA) Corp. (“Novo USA”) signed a letter agreement (the “Letter Agreement”), with Marcus Smith (“Mr. Smith”) to acquire an undivided 100% interest in and to the Sunday Silence Property (the “Sunday Silence Property”), subject to a 3% net smelter return (“NSR”) to Mr. Smith, with an option to buy 50% of the NSR for USD$150,000 at any time. The Sunday Silence Property, located in the Churchill and Mineral Counties of Nevada, USA, is comprised of 126 unpatented mineral claims.

On March 4, 2014, the Company signed a binding terms sheet with Mark Gareth Creasy and entities controlled by him (collectively, the “Creasy Group”) pursuant to which the Company will acquire a 70% interest in 103 separate tenements and tenement applications located in the Pilbara region of Western Australia and related mining information (collectively, the “Pilbara Assets”), and will also acquire the shares of CGE not currently owned by the Company (the “Creasy CGE Shares”). The parties are now working on the definitive agreements that will replace the binding terms sheet. Except for the acquisition of a portion of the Creasy CGE Shares, completion of the transactions is subject to a number of conditions, including but not limited to the completion of due diligence investigations to the Company’s satisfaction and the receipt of all necessary regulatory approvals or consents.

The Company will issue 9 million common shares in consideration for the Pilbara Assets once definitive agreements are signed and pre-completion conditions are satisfied. In addition, a total of 8.66 million common shares of the Company will be issued in consideration for the Creasy CGE Shares, of which approximately 76.7% of the Creasy CGE Shares (which are not in escrow) will be acquired immediately in exchange for 6,646,047 of the Company's common shares, and approximately 23.3% of the Creasy CGE Shares which are currently in escrow will be subsequently acquired, subject to the satisfaction of the applicable escrow conditions, in exchange for the issue of 2,013,953 of the Company's common shares.

The Company will also issue common shares (the "Pilbara Expense Reimbursement Shares") in reimbursement of up to AUD $12 million in exploration expenses incurred by the Creasy Group in connection with the Pilbara Assets. The Pilbara Expense Reimbursement Shares will be issued at the time designated by the Creasy Group at a price not less than the closing price of the Company's shares on March 3, 2014. The Creasy Group has rights to elect to be reimbursed for those exploration expenses in cash (in part or whole) on a staged basis over time, subject to a maximum initial cash reimbursement by the Company of AUD $2 million. The reimbursement in shares or cash must be completed within four years.

The Company will also issue common shares (the "BC and MB Expense Reimbursement Shares") in reimbursement of up to AUD $5.5 million in exploration expenses incurred by the Creasy Group in connection with the Beatons Creek (Millennium) and Marble Bar (Paleo-Placer) properties. The number of shares issued will be 5.0 million common shares, to be reduced on a prorata basis if the exploration expenses are verified at an amount less than AUD $5.5 million.

Total current assets amount to $10,773,478 (January 31, 2013 - $5,776,507). The increase in total current assets is mainly due to the cash raised from the exercise of warrants issued in a private placement closed on November 30, 2011 (see the Company's news release of December 3, 2013). Non-current assets at January 31, 2014, totaled $6,815,505 (January 31, 2013 - $6,357,882). The increase in non-current assets is mainly due to the Company's expenditures on its mineral properties, but it is offset by the impairment of the Company's marketable securities.

During the year ended January 31, 2014, the Company reported a net loss of $2,244,543 (January 31, 2014 – $2,428,043) ($0.05 basic and diluted loss per share) (January 31, 2014 - $0.07 basic and diluted loss per share). The slight decrease in net loss is mainly due to the decrease in share-based payments for options granted to directors, officers and employees of the Company and the increased realized loss on sale of marketable securities.

RESULTS OF OPERATIONS

During the year ended January 31, 2014, the Company incurred a net loss of $2,244,543 compared to a net loss of $2,428,043 for the year ended January 31, 2013. The net loss in the year ended January 31, 2014, relates primarily to an operating loss of $1,019,121 (January 31, 2013 - $1,587,092) and non-operating losses of $1,225,422 (January 31, 2013 – $797,201). The operating loss was mainly due to consulting fees of $303,613 (January 31, 2013 - $297,943) related to administration, geological, corporate communication, investor relations, computer services and management services provided by directors, officers and consultants of the Company; wages and salaries of $215,084 (January 31, 2013 - $121,047) related to employee payroll; general office and administrative expenses of $166,848 (January 31, 2013 - $339,161) mainly related to general and administrative expenses but also including advertising and promotion, computer & internet expenses, project investigation, telephone expenses, depreciation, professional development, rent expenses, and foreign exchange losses; accounting fees of $122,418 (January 31, 2013 - $55,153) related to the previous year's financial statement audit and tax return services; legal fees of $92,016 (January 31, 2013 - $95,725) related to corporate matters; transfer agent and filing fees of $44,274 (January 31, 2013 - $36,293) related to transfer agent fees, the CSE's monthly listing fees, and other regulatory fees; share-based payments of $29,596 (January 31, 2013 - $583,206) related to the issuance of stock options; insurance expense of $27,260 (January 31, 2013 - $27,164) related to directors' and officers' liability insurance coverage; and meal and travel expenses of $18,012

(January 31, 2013 - $31,400) related to meals and entertainment and business-related travel expenses. During the year ended January 31, 2014, non-operating items includes interest income of $74,926 (January 31, 2013 - $32,260). Other non-operating items include a realized loss on the sale of Pinetree Captial Ltd. marketable securities of $580,522 (January 31, 2013 – gains of $12,171) and an impairment of marketable securities of $719,826 (January 31, 2013 - $841,632) related to the decrease in fair value of the common shares of Evolving Gold Corp., Prosperity Goldfields Corp., and Euromax Resources Ltd.

During the year ended January 31, 2014, the Company recognized an unrealized holding loss of $10,231 (January 31, 2013 - $1,179,868) in other comprehensive income on the marketable securities (common shares) designated as available-for-sale instruments and no unrealized holding loss has been recorded as an impairment on the statements of comprehensive loss (January 31, 2013 - $841,632). The Company also recognized foreign exchange losses on the translation of subsidiaries of $397,798 (January 31, 2013 – gains of $26,722) in other comprehensive income.

During the period from incorporation on October 28, 2009 to January 31, 2014, 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.

SELECTED ANNUAL INFORMATION

For the years ended January 31, 2014, 2013, and 2012, the consolidated financial statements have been prepared in accordance with IFRS.

Statement of Operations and Deficit Data	**Year Ended January 31, 2014**	**Year Ended January 31, 2013**	**Year Ended January 31, 2012**
Other Income (interest income only)	74,926	$32,260	$27,057
Net Loss	$(2,244,543)	$(2,428,043)	$ (893,096)
Net Loss per common share outstanding - basic and diluted	$(0.05)	$(0.07)	$(0.05)
Dividend	$Nil	$Nil	$Nil
Balance Sheet Data	**Year Ended January 31, 2014**	**Year Ended January 31, 2013**	**Year Ended January 31, 2012**
Total Assets	$17,588,983	$12,134,389	$8,030,676
Non-current Liabilities	$Nil	$Nil	$Nil
Shareholders' Equity	$17,495,584	$11,835,362	$7,887,016

<u>Net Loss</u>

The Company incurred a net loss of $2,244,543 in the fiscal year ended January 31, 2014, $2,428,043 in the fiscal year ended January 31, 2013, and net loss of $893,096 in the fiscal year ended January 31, 2012. The significant variance was mainly attributable to the impairment of marketable securities (2014 - $719,826, 2013 - $841,632, 2012 - $Nil) and share-based payments (2014 - $29,596, 2013 - $583,206, 2012 - $18,594). Explanations for the fluctuations in net losses are summarized below by separately identifying five major categories of expenses. The categories are (i) share-based payments (ii) accounting and audit fees (iii) office and general expenses, (iv) wages and salaries, and (v) impairment of marketable securities.

Share-based payments

For fiscal 2014, $29,596 in share-based payments was recorded compared to $583,206 in fiscal 2013 and $18,594 in fiscal 2012. The reason for the decrease was due to the fact that no new options were issued in fiscal 2014 and most options fully vested in fiscals 2013 and 2012.

Accounting and audit fees

During fiscal 2013, the Company recognized accounting and audit expenses of $122,418 compared to $55,153 in fiscal 2013 and $41,771 in fiscal 2012. As the Company expands its influence in Western Australia, the need for proper Australian accounting and reporting protocols has increased. The Company's growth, particularly throughout fiscals 2013 and 2014, also caused accounting fees to increase, especially for the Company's Australian subsidiaries.

Office and general expenses

For the 2014 fiscal year, $166,848 in office and general expenses was recorded compared to $339,161 in fiscal 2013 and $336,461 in fiscal 2012. Office and general expenses include administrative expenses, advertising and promotion, filing fees, computer & internet expenses, project investigation, telephone expenses, depreciation, professional development, and rent expenses. A decrease in project investigation expenses throughout fiscal 2014 was the main cause of fluctuation in office and general expenses.

Wages and salaries

During fiscal 2014, the Company recognized wage and salary expenses of $215,084 compared to $121,047 in fiscal 2013 and $19,512 in fiscal 2012. The differences can be explained by the fact that the Company signed employment agreements with three (3) key employees in late fiscal 2012 and increased the benefits available to the employees in fiscals 2013 and 2014.

Impairment of marketable securities

During fiscal 2014, the Company recognized impairment of marketable securities of $719,826 as compared to $841,632 in fiscal 2013 and $nil in fiscal 2012. The increase in fiscal 2013 can be explained by the fact that certain of the Company's investments were deemed to be impaired as at January 31, 2013, and written-off as a result. This process was repeated in fiscal 2014.

<u>Total Assets</u>

Total assets increased from $8,030,676 as at January 31, 2012, to $12,134,389 as at January 31, 2013, and $17,588,983 as at January 31, 2014. Total assets consist mainly of cash and cash equivalents and exploration and evaluation assets and increased significantly from prior years mainly due to the proceeds raised from the Company's brokered private placement which closed on December 12, 2012, proceeds from the exercise of warrants issued during the Company's private placement which closed on November 30, 2011, as well as exploration expenditures on the Company's mineral properties.

<u>Shareholders' Equity</u>

Total shareholders' equity increased from $7,887,016 as at January 31, 2012, to $11,835,362 as at January 31, 2013, and $17,495,584 as at January 31, 2014. Total shareholders' equity consisted mainly of share capital and increased significantly mainly due to the securities issued from warrant exercises from the private placements of the Company which closed on November 30, 2011 (fiscal year 2012) and December 12, 2012 (fiscal year 2013).

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 April 30, 2012, to January 31, 2014, are prepared in accordance with IFRS.

	4th Quarter 2014 January 31, 2014	3rd Quarter 2014 October 31, 2013	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
Net Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income Gain/(Loss)	(210,670)	(410,793)	(558,425)	(1,064,655)	(1,186,083)	(279,570)	(414,855)	(474,352)
Basic and Diluted Loss Per Share	($0.00)	($0.01)	($0.01)	($0.03)	($0.03)	($0.01)	($0.01)	($0.02)

Overall, office and general expenses, accounting fees, consulting fees, impairment of marketable securities, share-based payments, legal fees, and wages and salaries were the major components that caused variances in net loss from quarter to quarter.

FOURTH QUARTER

During the three month period ended January 31, 2014, the major expenses of the Company were wages and salaries of $88,486, consulting fees of $74,543, office and general expenses of $22,648, legal fees of $8,957 and insurance expenses of $7,332. During the three month period ended January 31, 2014, operating expenses were mitigated by non-operating items such as interest income of $29,521.

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 January 31, 2014, 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 Property

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. As at January 31, 2014, the Company has fulfilled its obligation to spend AUD$1 million on exploration expenditure.

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 (the "Adjacent Joint Venture") to which Creasy is a party, including bringing certain ground within that Adjacent 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 the Adjacent 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.

Sunday Silence Property

On September 30, 2013, Novo Resources (USA) Corp. ("Novo USA"), one of the Company's wholly-owned subsidiaries, signed a letter agreement (the "Letter Agreement"), with Marcus Smith ("Mr. Smith") to acquire an undivided 100% interest in and to the Sunday Silence Property (the "Sunday Silence Property"), subject to a 3% net smelter return ("NSR") to Mr. Smith, with an option to buy 50% of the NSR for USD$150,000 at any time. The Sunday Silence Property, located in the Churchill and Mineral Counties of Nevada, USA, is comprised of 124 unpatented mineral claims and an additional 12 staked lode mining claims.

As at January 31, 2014, the Company has the following future requirements to fulfill its obligation under the Letter Agreement:

Date	**Cash Payments**
Upon signing of the Letter Agreement	$10 USD(Paid)
September 30, 2014	$40,000 USD
September 30, 2015	$60,000 USD
Total	$100,010 USD

	Beatons Creek $	Grant's Hill $	Paleo-Placer $	Sunday Silence $	Total $
Balance, January 31, 2013	3,385,948	66,131	1,026,468	-	4,478,547
Acquisition Costs	-	38,880	728	11	39,619
Exploration Expenditures:					
Drilling	221,540	54,866	264,242	-	540,648
Feasibility Study	77,010	-	-	-	77,010
Field Work	83,986	27,171	174,682	5,652	291,491
Fuel	3,551	1,454	9,580	-	14,585
Geology	24,308	5,999	69,285	-	99,592
Legal	9,487	-	117,861	-	127,348
Meals & Travel	60,265	29,975	157,108	438	247,786
Office and General	63,443	23,347	71,870	-	158,660
Reports, Data and Analysis	55,559	36,730	323,868	8,374	424,531
Rock Samples	120,467	51,930	146,459	2,205	321,061
Tenement Administration	22,545	5,049	106,143	-	133,737
Foreign Exchange	(217,785)	(334)	(68,957)	(1)	(287,077)
	524,376	236,187	1,372,141	16,668	2,149,372
Balance, January 31, 2014	**3,910,324**	**341,198**	**2,399,337**	**16,679**	**6,667,538**

	Beatons Creek $	Grant's Hill $	Paleo-Placer $	Sunday Silence $	Total $
Balance, January 31, 2012	933,822	-	-	-	933,822
Acquisition Costs	-	62,250	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

Expanded Pilbara Project Tenements

On March 4, 2014, Novo announced that it signed a binding terms sheet with the Creasy Group pursuant to which Novo will acquire a 70% interest in the Pilbara Assets, and will also acquire the Creasy CGE Shares. The parties will now begin work on the definitive agreements that will replace the binding terms sheet. Except for the acquisition of a portion of the Creasy CGE Shares, completion of the transactions is subject to a number of conditions, including but not limited to the completion of due diligence investigations to Novo's satisfaction and the receipt of all necessary regulatory approvals or consents.

Tenements and tenement applications included in this binding terms sheet cover approximately 18,000 square kilometers of Archean Fortesque Formation rocks and other rock formations considered prospective for conglomeratic gold mineralization. The geology of these new tenements and tenement applications is similar to that of the Beatons Creek and Marble Bar projects where Novo has discovered multiple gold-bearing conglomerate occurrences. In addition to conglomeratic gold potential, some of these newly acquired tenements are also considered prospective for lode gold and alkaline intrusive-related gold mineralization. Novo will enter into new joint venture agreements with the Creasy Group covering the Pilbara Assets. Novo will be the manager of all the joint ventures. Creasy Group will retain a free carried 30% interest in those exploration joint ventures on substantially the same terms as the existing joint ventures between Novo and Creasy Group.

CGE, through its wholly-owned subsidiary, Nullagine, has exploration joint ventures with the Creasy Group by which Nullagine is earning a 70% interest in multiple tenements and tenement applications in Beatons Creek and Marble Bar, Western Australia.

Novo will issue 9 million common shares in consideration for the Pilbara Assets once definitive agreements are signed and pre-completion conditions are satisfied. In addition, a total of 8.66 million Novo common shares will be issued in consideration for the Creasy CGE Shares, of which approximately 76.7% of the Creasy CGE Shares (which are not in escrow) will be acquired immediately in exchange for 6,646,047 common shares of Novo, and approximately 23.3% of the Creasy CGE Shares which are currently in escrow will be subsequently acquired, subject to the satisfaction of the applicable escrow conditions, in exchange for the issue of 2,013,953 common shares of Novo.

Novo will also issue the Pilbara Expense Reimbursement Shares in reimbursement of up to AUD12 million in exploration expenses incurred by the Creasy Group in connection with the Pilbara Assets. The Pilbara Expense Reimbursement Shares will be issued at the time designated by the Creasy Group at a price not less than the closing price of Novo's shares on the trading day before the issuance of this news release. The Creasy Group has rights to elect to be reimbursed for those exploration expenses in cash (in part or whole) on a staged basis over time, subject to a maximum initial cash reimbursement by Novo of AUD$2 million. The reimbursement in shares or cash must be completed within four years.

Novo will also issue the BC and MB Expense Reimbursement Shares in reimbursement of up to AUD5.5 million in exploration expenses incurred by the Creasy Group in connection with the Beatons Creek and Marble Bar properties. BC and MB Expense Reimbursement Shares will be issued shortly after the date of this announcement. The number of shares issued will be 5.0 million shares, to be reduced on a prorata basis if the exploration expenses are verified at an amount less than AUD$5.5 million.

Novo's entire Pilbara holdings now encompass eight large tenement packages: Beatons Creek, Marble Bar, E Pilbara, Mosquito Creek, Balfour Downs, Top Camp/Croydon, Whim Creek and W Pilbara.

On March 19, 2014, Novo announced that it has decided to shift its near-term exploration focus toward effective exploration for additional gold-bearing conglomerate occurrences within prospective Fortescue Group rocks underlying the eight large tenement packages listed above.

In November, 2013, the Company engaged Newmont Exploration Pty Ltd, a subsidiary of Newmont Mining Corporation, to provide certain exploration expertise and services for the Pilbara gold project. In December, Newmont Exploration conducted a baseline sampling program at Beatons Creek using their proprietary BLEG (bulk leach extractable gold) technique, a type of stream sediment sampling with high sensitivity allowing for rapid screening of large tracts of land for the presence of outcropping gold mineralization. This survey proved highly successful in discriminating areas with outcropping gold-bearing conglomerates at Beatons Creek.

Novo and Newmont Exploration are currently undertaking extensive BLEG sampling between now and June of this year in order to quickly identify prospective areas. Prospect scale sampling and mapping later in 2014 will follow up any and all BLEG anomalies generated from this program. Should the BLEG sampling and follow-up mapping and sampling work identify any new, high priority drill targets, Novo may consider conducting first pass drilling before year-end.

Beatons Creek Project

Calendar year 2013 was a banner year for the Company. On May 1, the Company announced the first ever National Instrument (NI) 43-101 compliant resource estimate for its Beatons Creek Gold Project in Western Australia.

Resource 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 reverse circulation (RC) drilling. Specific gravity measurements were taken from core samples from eight recently completed diamond drill holes totaling 478 meters. Costs related to drilling total approximately $2.5 million making the cost of discovery about $6/troy ounce gold. The effective date of this resource estimate is April 30, 2013.
- 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.

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. 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.

[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 disclosure 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 the Company 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.

Novo is currently making plans for the 2014 Beatons Creek drill program that is expected to commence early in the third quarter of 2014 after completion of the regional BLEG program. Consideration is also being made to bulk sample some reefs in areas where they are heavily oxidized and shallow.

In a news release dated December 17, 2013, the Company announced receipt of an AUD$200,000 grant from the Western Australia Mines Department to undertake deep diamond drilling at Beatons Creek in 2014. The Company is currently making plans for this drilling which is expected to commence in the second half of 2014.

<u>Marble Bar Project</u>

At Marble Bar, the Company conducted an aggressive reconnaissance level exploration program over this sub-basin between June and August, 2013. This work followed up on stream sediment sampling conducted last year. Rock chip sampling at an area called Contact Creek at the northwestern edge of the basin has revealed what appears to be the first laterally continuous gold-bearing reef in this basin. At South Contact Creek, samples taken from approximately 800 meters of strike along this reef grade 0.16-15.96 gpt gold. At North Contact Creek, the reef was sampled in an arcuate trend approximately 2 kilometers long with samples grading between 0.03-9.26 gpt gold. In both locations, this reef ranges from

0.5-5 meters thick and dips between 20-40 degrees east to southeast. The reef remains open along strike to the north of North Contact Creek where the Company plans to resume exploration in 2014.
In a news release dated December 17, 2013, the Company announced receipt of an AUD$200,000 grant from the Western Australia Mines Department to undertake deep diamond drilling at Contact Creek in 2014. The Company is currently making plans for this drilling which is expected to commence in the second half of 2014.

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 1.12. As of January 31, 2014, 309,524 of the broker's warrants remain outstanding.

LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2014, the Company had a cash and cash equivalents balance of $10,607,297 compared to $5,293,833 as at January 31, 2013. The Company had working capital as at January 31, 2014, of $10,680,079 compared to working capital of $5,477,480 as at January 31, 2013. The increase in working capital is mainly due to the cash raised from the exercise of warrants issued in a private placement closed on November 30, 2011 (see the Company's news release of December 3, 2013).

Cash used in operating activities during the year ended January 31, 2014, was $1,121,669 (January 31, 2013 - $1,334,863). The decrease over the period relates mainly to increases in receivables, a significant decrease in share-based payments and a realized loss on the sale of marketable securities.

Cash used for investing activities during the year ended January 31, 2014, was $1,848,065 (January 31, 2013 - $3,573,452). The Company's principal investing activity is the acquisition and exploration of its resource properties. During the year ended January 31, 2014, the Company incurred $2,342,469 (January 31, 2013 - $3,456,683) on its resource properties.

Cash provided by financing activities during the year ended January 31, 2014 was $8,283,198 (January 31, 2013 - $5,060,947), which is related to options and warrants exercised.

As at the date of this MD&A, the contractual obligations of the Company are the Millennium Agreement, the JVA's, and the terms sheet signed between the Company and the Creasy Group. 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 January 31, 2014 and 2013, the following amounts were incurred with respect to the Chief Executive Officer, the Chief Financial Officer and directors of the Company:

	January 31, 2014 $	January 31, 2013 $
Consulting services	168,000	159,250
Wages and salaries	89,833	56,281
Wages and salaries included in exploration and evaluation assets	76,149	102,696
Share-based payments	26,499	251,234
	360,481	569,461

(b) *Other Related Party Disclosures*

During the periods ended January 31, 2014 and 2013, the following amounts were incurred with respect to a corporation controlled by the Chief Financial Officer:

	January 31, 2014 $	January 31, 2013 $
Consulting services	120,000	120,000
	120,000	120,000

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 consolidated financial statements for the year ended January 31, 2014.

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 January 31, 2014, 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 January 31, 2014, consolidated financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value

The Company's financial instruments include cash and cash equivalents, interest receivable, 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 cash and cash equivalents, interest receivable and accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature.

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.

The Company did not have any financial instruments in level 2. There were no transfers between Levels in the year.

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, Australia, and the United States 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 January 31, 2014 and January 31, 2013 the Company's Australian and US dollar denominated monetary assets and monetary liabilities are as follows:

Australian Monetary assets	**January 31, 2014**	**January 31, 2013**
Cash and cash equivalents	$176,237	$7,218
Accounts payable and accrued liabilities	$73,612	$241,229

US Monetary assets	**January 31, 2014**	**January 31, 2013**
Cash and cash equivalents	$17,742	$14,732
Accounts payable and accrued liabilities	$2,287	$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 January 31, 2014, 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 63,301,005 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	100,000	$0.20	August 12, 2020
Stock options	1,247,500	$0.45	February 20, 2017
Total	**1,597,500**		
Share purchase warrants	5,070,400	$0.90	December 12, 2014
Share purchase warrants	64,876	$0.65	December 12, 2014
Total	**5,135,276**		

ADDITIONAL DISCLOSURE FOR JUNIOR ISSUERS

The Company has incurred the following material cost components:

	Year ended January 31, 2014	Year ended January 31, 2013
	$	$
Accounting Fee	122,418	55,153
Consulting Fee	303,613	297,943
Legal Fees	92,016	95,725
Office & General	166,848	339,161
Share-based Payment	29,596	583,206
Wages & Salaries	215,084	121,047
Exploration and Evaluation Assets	6,667,538	4,478,547

During the year ended January 31, 2014, $122,418 (January 31, 2013 - $55,153) in accounting fees was paid in relation to the previous year's financial statement audit and tax return services in Canada, Australia and the US.

During the year ended January 31, 2014, consulting fees totalling $303,613 (January 31, 2013 - $297,943) 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 year ended January 31, 2014, totaling $92,016 (January 31, 2013 - $95,725) were related to general corporate affairs.

General office administrative expenses during the year ended January 31, 2014, totaling $166,848 (January 31, 2013 - $339,161) were mainly related to the purchase of geological computer software and general office supplies but also included advertising and promotion, filing fees, computer & internet expenses, project investigation, telephone expenses, depreciation, professional development, and rent expenses.

During the year ended January 31, 2014, $29,596 in share-based payments was expensed (January 31, 2013 - $583,206), 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 year ended January 31, 2014, $215,084 (January 31, 2013 - $121,047) in wages and salaries was paid to employees for providing management, geological and administrative services to the Company.

During the year ended January 31, 2014, exploration and evaluation assets totalling $6,667,538 (January 31, 2013 - $4,478,547) was related to the Millennium, Paleo-Placer, Grant's Hill, and Sunday Silence properties. 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** **$**	**Sunday Silence** **$**	**Total** **$**
Balance, January 31, 2013	3,385,948	66,131	1,026,468	-	4,478,547
Acquisition Costs	-	38,880	728	11	39,619
Exploration Expenditures:					
Drilling	221,540	54,866	264,242	-	540,648
Feasibility Study	77,010	-	-	-	77,010
Field Work	83,986	27,171	174,682	5,652	291,491
Fuel	3,551	1,454	9,580	-	14,585
Geology	24,308	5,999	69,285	-	99,592
Legal	9,487	-	117,861	-	127,348
Meals & Travel	60,265	29,975	157,108	438	247,786
Office and General	63,443	23,347	71,870	-	158,660
Reports, Data and Analysis	55,559	36,730	323,868	8,374	424,531
Rock Samples	120,467	51,930	146,459	2,205	321,061
Tenement Administration	22,545	5,049	106,143	-	133,737
Foreign Exchange	(217,785)	(334)	(68,957)	(1)	(287,077)
	524,376	236,187	1,372,141	16,668	2,149,372
Balance, January 31, 2014	**3,910,324**	**341,198**	**2,399,337**	**16,679**	**6,667,538**

As at the year ended January 31, 2014, the Company capitalized exploration and development costs of $6,667,538 (January 31, 2013 - $4,478,547). 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.