

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
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BACKGROUND

The following management discussion and analysis of the results of operations and financial condition (“MD&A”), prepared as of December 30, 2015, should be read in conjunction with the unaudited condensed interim consolidated financial statements of Novo Resources Corp. (the “Company” or “Novo”) for the period ended October 31, 2015 as well as the audited consolidated financial statements for the year ended January 31, 2015, 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 period ended October 31, 2015, 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 May 27, 2015, the Company listed on the TSX Venture Exchange (the “TSX-V”). The Company de-listed from the CSE on May 29, 2015. The Company’s common shares still trade under the ticker symbol “NVO”.

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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."

On January 23, 2015, the Company entered into a definitive agreement (the "Definitive Agreement") at arm's length with the Creasy Group which supersedes the aforementioned Terms Sheet. The Company requested and Creasy Group agreed to certain modifications to the Terms Sheet (as described below) to be reflected in the Definitive Agreement, resulting in the Company reducing its exploration commitments, thus allowing it to aggressively explore the Beatons Creek Tenements and quickly advance Beatons Creek toward development and/or to pursue other opportunities to consolidate its position in the Nullagine district.

Under the Definitive Agreement, Creasy Group will receive a total of 9,200,000 of the Company's common shares in exchange for the Creasy CGE Shares (the "CGE Share Exchange"), making the Issuer the 100% owner of CGE. This includes a total of 7,060,466 common shares of the Issuer that will be delivered to Creasy Group at the initial closing following receipt of regulatory approvals (which are expected in the ordinary course).

Approximately 23.3% of the Creasy CGE Shares that are currently in escrow will be subsequently exchanged, subject to the satisfaction of the applicable escrow conditions, for 2,139,534 common shares of the Company.

CGE has earned a 70% interest in the gold rights relating to the Nullagine and Marble Bar properties under the JVA's. Nullagine Gold will now become a 70% registered holder of those properties. Accordingly, upon receipt of the regulatory approvals referred to above, the Company will have a secure, fully-vested 70% interest in and to gold rights on those tenements.

The Company has also agreed to enter into a new joint venture with the Creasy Group - the Callina Creek joint venture - on the same terms as the existing JVA's. The new joint venture covers a tenement staked by Nullagine Gold and adjacent to the Company's existing Whim Creek Mining JVA with the Creasy Group.

The Company will also issue common shares (the "N and MB Expense Reimbursement Shares") in reimbursement of exploration expenses incurred by the Creasy Group in connection with the Nullagine and Marble Bar properties (the "Reimbursement"). The Terms Sheet specified the issue of N and MB Expense Reimbursement Shares totalling 5,000,000 of the Company's common shares. However, after offsetting exploration expenses incurred by the Company on the 103 Pilbara tenements (the subject of the Terms Sheet) between signing of the Terms Sheet and the Definitive Agreement, only 3,931,111 Expense Reimbursement Shares will be issued, bringing the total common shares of the Company issuable to Creasy Group to close out the CGE Share Exchange and the Reimbursement to 13,131,111 common shares of the Company. Assuming all of these common shares of the Company are issued, Creasy Group will be the Company's second largest shareholder.

On March 4, 2015, the Government of Western Australia Department of Mines and Petroleum granted prospecting licences P46/1821 and P46/1822 to Grant's Hill Gold Pty Ltd.

On March 26, 2015, the Company signed a sale and purchase agreement (the "Purchase Agreement") with Millennium to secure the Company's right to a 70% interest in the Beatons Creek Tenements covering the Beatons Creek gold-bearing conglomerates and to purchase the remaining 30% interest from Millennium for a purchase price of AU\$3.8 million. Pursuant to the Purchase Agreement, Millennium agreed to waive the need for a bankable feasibility study by August 2016 and, as a result, the Company satisfied the conditions of the Farm-in Agreement and was entitled to a 70% interest in the Beatons Creek Tenements as to gold rights upon completion of the transactions under the Purchase Agreement. The Purchase Agreement also provided that Millennium would sell to the Company the remaining 30% in the

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Beatons Creek Tenements as to gold rights, together with all other rights in the Beatons Creek Tenements held by Millennium.

Transfer of the Beatons Creek Tenements was subject to receipt of approval of the Minister of the Crown in the right of the State of Western Australia. This approval was received on March 31, 2015 and as a result, the Farm-in agreement between the Company and Millennium has come to an end and the Company now holds a 100% interest in the Beatons Creek Tenements.

On March 26, 2015, the Company entered into loan agreement with its banking institution for an aggregate amount of \$5,000,000. The loan matures on October 31, 2015, bears an interest rate of prime + 1.15%, and is secured by the Company's USD short-term investments totaling USD \$5,000,000. Interest is paid on a monthly basis. During the period ended October 31, 2015, the Company paid \$106,199 (October 31, 2014 - \$nil) in interest related to the loan.

On June 29, 2015, the Company reached the first of two contemplated completion milestones with the Creasy Group under the Definitive Agreement. Settlement was completed and announced on July 28, 2015. Under this initial completion milestone, Novo acquired the 330 Creasy CGE Shares in exchange for 7,060,466 Novo common shares. Novo also issued the N and MB Expense Reimbursement Shares. A non-cash gain on settlement of the debt of \$1,120,618 was recorded based on the difference between the deemed price per share as per the Definitive Agreement and the market value of the Company's common shares on the date of issuance. In total, 10,991,577 common shares have been issued by Novo to Creasy Group pursuant to the Definitive Agreement. In addition, the Company transferred a 30% interest in tenement E45/4169 to the Creasy Group. A gain on sale of mineral property of \$46,090 was recorded in the Other Items section of the Company's Condensed Interim Consolidated Statements of Comprehensive Income (Loss) based on the difference between the consideration received for the 30% interest in tenement E45/4169 and the carrying value of the tenement on the Company's books at the time of transfer.

The Creasy Group still holds the conditional right to receive the issuance of the remaining 100 Creasy CGE Shares in exchange for 2,139,534 Novo common shares upon Novo and Creasy Group entering into a binding agreement regarding other tenements in the Nullagine region. A news release will be issued if and when this second completion milestone under the Definitive Agreement occurs.

On August 12, 2015, the Company entered into an option agreement with Talga Resources Ltd. , an Australian Stock Exchange listed company, for the right to explore its Talga Talga, Warrawoona, and Mosquito Creek projects (each a "Talga Project" and, collectively, the "Talga Projects"). A payment of AUD \$50,000 was made to Talga Resources for an initial option period of 4 months. The option period can be extended to the second anniversary of this agreement by making a second payment of AUD \$200,000 four months after the date of signing of the option agreement. The Company has the right to then purchase at any time until the second anniversary any of the Talga Projects for AU\$250,000 per Talga Project.

On August 17, 2015, the Company, through its Australian subsidiary, Beatons Creek Gold Pty Ltd, entered into an agreement (the "Agreement") to purchase the Blue Spec Au-Sb Project ("Blue Spec Project") from Northwest Resources Limited ("Northwest"), an Australian Stock Exchange listed company. Completion of the sale is conditional on Northwest shareholder approval, Australian Foreign Investment Review Board approval, TSX Venture Exchange approval and obtaining other third party consents and Ministerial approval as may be required. The purchase price for the project is cash payments totaling AUD \$350,000 and 485,394 common shares of Novo (the "Consideration Shares"). The Consideration Shares will be subject to a statutory hold period expiring four months from the date of issuance.

On September 9, 2015, the Company secured an IGR 3000 gold recovery plant from Mineworx Technologies, Inc. for USD \$248,000. Novo will be shipping the plant from its current location in the US to Australia over the next two months. Plans are being developed to use the plant for trial processing of

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gold-bearing conglomerates as part of its evaluation of the potential economics of the Beatons Creek Gold Project. Novo is currently evaluating several means of comminuting material to be fed into the gold plant and will have a system developed prior to arrival of the IGR 3000. Permitting of a trial mining and processing operation is currently underway. The IGR 3000 is a production scale plant built by iCON Gold Recovery Corporation based out of Langley, British Columbia, and employs two Falcon “high G” centrifugal gravity concentrators as a primary means of recovering gold. Falcon concentrators are used extensively in gold mines around the world to treat gravity recoverable gold ores. Plant capacity varies depending on the material being treated, but can process on the order of 30-50 tonnes per hour collecting gold in a low mass concentrate. This plant is nearly new having less than 100 hours use.

Total current assets amount to \$3,031,870 (January 31, 2015 - \$10,482,364). The decrease in total current assets is mainly due to a decrease in cash, most of which was spent on the Company’s mineral properties. Non-current assets at October 31, 2015, totaled \$23,459,252 (January 31, 2015 - \$12,367,067). The increase in non-current assets is mainly due to the Company’s expenditures on its mineral properties.

During the nine-month period ended October 31, 2015, the Company reported a net loss of \$27,110 (\$0.00 basic and diluted loss per share) (October 31, 2014 – loss of \$892,452) (October 31, 2014 – loss of \$0.02 basic and diluted loss per share). The loss stems from the Company’s operational expenditures, but is offset by a foreign exchange gain on the Company’s cash holdings denominated in U.S. dollars, as well as two one-time gains that relate to the Company’s mineral property (please see the Mineral Properties And Deferred Exploration Expenditures section below).

RESULTS OF OPERATIONS

Current Quarter

During the three-month period ended October 31, 2015, the Company recorded a net loss of \$459,785 compared to a net loss of \$332,879 for the three-month period ended October 31, 2014. The net loss in the three-month period ended October 31, 2015, relates primarily to an operating loss before other items of \$414,724 (October 31, 2014 - \$360,012) and other items losses of \$45,061 (October 31, 2014 – gains of \$27,133). The operating loss before other items was mainly due to general office and administrative expenses of \$118,653 (October 31, 2014 – \$124,578) mainly related to general and administrative expenses but also including advertising and promotion, computer & internet expenses, project investigation, telephone expenses, depreciation, professional development, and rent expenses; wages and salaries of \$81,937 (October 31, 2014 – \$73,764) related to employee payroll; consulting fees of \$76,086 (October 31, 2014 – \$83,195) related to administration, corporate communication, investor relations, computer services and management services provided by directors, officers and consultants of the Company; legal fees of \$58,757 (October 31, 2014 - \$14,137) related to corporate matters; interest expense of \$36,391 (October 31, 2014 - \$nil) related to the short-term loan (see Note 13 of the Company’s condensed interim consolidated financial statements); transfer agent and filing fees of \$12,704 (October 31, 2014 - \$11,711) related to transfer agent fees, the monthly maintenance fees charged by the Canadian Securities Exchange, and fees associated with the Company’s listing on the TSX-V; accounting fees of \$12,149 (October 31, 2014 – \$16,199) related to the previous year’s financial statement audit and tax return services; meals and travel expenses of \$10,346 (October 31, 2014 - \$8,917) related to meals and entertainment and business-related travel expenses; insurance expenses of \$8,240 (October 31, 2014 - \$6,753); and a small, one-time gain on the write-down of mineral property expense of \$539 (October 31, 2014 – loss of \$20,758) relating to the Company’s Paleo-Placer property (see Note 8 of the Company’s condensed interim consolidated financial statements).

During the three-month period ended October 31, 2015, other items include interest income of \$14,453 (October 31, 2014 – \$35,332); impairment of marketable securities of \$496 (October 31– \$8,199) related to the decrease in fair value of the common shares of Evolving Gold Corp., Northern Empire Resources Corp., and Euromax Resources Ltd.; a foreign exchange gain of \$14,646 (October 31, 2014 - \$nil) related

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to the Company's conversion of most of its U.S.-denominated cash holdings into Canadian funds; a share of losses in an associate of \$26,657 (October 31, 2014 - \$nil); a realized loss on the sale of mineral property of \$253 (October 31, 2014 - \$nil); and a one-time loss on the issuance of shares for a mineral property of \$46,754 (October 31, 2014 - \$nil) relating to the Company's Blue Spec property (see Note 8 of the Company's condensed interim consolidated financial statements).

During the three-month period ended October 31, 2015, the Company recognized an unrealized holding loss of \$11,300 (October 31, 2014 - gain of \$4,416) in other comprehensive income on marketable securities (common shares) designated as available-for-sale instruments. The Company also recognized foreign exchange losses on the translation of subsidiaries of \$498,813 (October 31, 2014 - \$225,449) in other comprehensive income.

Year to Date

During the nine-month period ended October 31, 2015, the Company incurred a net loss of \$27,110 compared to a net loss of \$892,452 for the nine-month period ended October 31, 2014. The net loss in the nine-month period ended October 31, 2015, relates primarily to an operating loss before other items of \$1,317,335 (October 31, 2014 - \$894,783) and other items gains of \$1,290,225 (October 31, 2014 - \$2,331). The operating loss before other items was mainly due to consulting fees of \$279,712 (October 31, 2014 - \$231,976) related to administration, corporate communication, investor relations, computer services and management services provided by directors, officers and consultants of the Company; general office and administrative expenses of \$228,836 (October 31, 2014 - \$201,177) mainly related to general and administrative expenses but also including advertising and promotion, computer & internet expenses, project investigation, telephone expenses, depreciation, professional development, and rent expenses; wages and salaries of \$226,099 (October 31, 2014 - \$209,411) related to employee payroll; legal fees of \$121,574 (October 31, 2014 - \$71,545) related to corporate matters; accounting fees of \$107,666 (October 31, 2014 - \$76,337) related to the previous year's financial statement audit and tax return services; interest expense of \$106,199 (October 31, 2014 - \$nil) related to the short term loan (see Note 13 of the Company's condensed interim consolidated financial statements); a one-time write-down of mineral property expense of \$97,520 (October 31, 2014 - \$20,758) relating to the Company's Paleo-Placer property (see Note 8 of the Company's condensed interim consolidated financial statements); transfer agent and filing fees of \$89,794 (October 31, 2014 - \$37,661) related to transfer agent fees, the monthly maintenance fees charged by the Canadian Securities Exchange, and fees associated with the Company's listing on the TSX-V; meals and travel expenses of \$35,781 (October 31, 2014 - \$23,032) related to meals and entertainment and business-related travel expenses; and insurance expenses of \$24,154 (October 31, 2014 - \$22,886).

During the nine-month period ended October 31, 2015, other items include interest income of \$49,414 (October 31, 2014 - \$94,850); impairment of marketable securities of \$6,459 (October 31, 2014 - \$92,519) related to the decrease in fair value of the common shares of Evolving Gold Corp., Northern Empire Resources Corp., and Euromax Resources Ltd.; a foreign exchange gain of \$181,763 (October 31, 2014 - \$nil) related to the Company's conversion of most of its U.S.-denominated cash holdings into Canadian funds; a share of losses in an associate of \$54,194 (October 31, 2014 - \$nil); a realized gain on the sale of mineral property of \$45,837 (October 31, 2014 - \$nil) (see Note 8 of the Company's condensed interim consolidated financial statements); a one-time gain on the settlement of debt of \$1,120,618 (October 31, 2014 - \$nil) relating to the Company's Paleo-Placer property (see Note 8 of the Company's condensed interim consolidated financial statements); and one-time loss on the issuance of shares for a mineral property of \$46,754 (October 31, 2014 - \$nil) relating to the Company's Blue Spec property (see Note 8 of the Company's condensed interim consolidated financial statements).

During the nine-month period ended October 31, 2015, the Company recognized an unrealized holding gain of \$29,481 (October 31, 2014 - \$36,800) in other comprehensive income on marketable securities (common shares) designated as available-for-sale instruments. The Company also recognized foreign exchange losses on the translation of subsidiaries of \$1,191,804 (October 31, 2014 - gains of \$41,822) in

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other comprehensive income

During the period from incorporation on October 28, 2009 to October 31, 2015, 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, 2013, to October 31, 2015, are prepared in accordance with IFRS.

	3rd Quarter 2016 October 31, 2015	2nd Quarter 2016 July 31, 2015	1st Quarter 2016 April 30, 2015	4th Quarter 2015 January 31, 2015	3rd Quarter 2015 October 31, 2014	2nd Quarter 2015 July 31, 2014	1st Quarter 2015 April 30, 2014	4th Quarter 2014 January 31, 2014
Net Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income Gain/(Loss)	(459,785)	266,127	166,548	518,352	(332,879)	(247,367)	(312,206)	(210,670)
Basic and Diluted Gain (Loss) Per Share	(\$0.01)	\$0.01	\$0.00	\$0.01	(\$0.01)	(\$0.00)	(\$0.01)	(\$0.00)

Overall, office and general expenses, accounting fees, consulting fees, interest expenses, impairment of marketable securities, foreign exchanges gains/losses, and wages and salaries were the major components that caused variances in net losses from quarter to quarter while foreign exchange and one-time gains associated with the Company's mineral properties were the major components that caused variances in the net gains from quarter to quarter.

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 tenements comprising mining leases 46/9, 46/10 and 46/11 (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

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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 October 31, 2015, the Company has completed the following requirements to fulfill its obligations under the Millennium Agreement:

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

On March 26, 2015, the Company signed a sale and purchase agreement (the "Purchase Agreement") with Millennium to secure the Company's right to a 70% interest in the Beatons Creek Tenements covering the Beatons Creek gold-bearing conglomerates and to purchase the remaining 30% interest from Millennium for a purchase price of AU\$3.8 million. Pursuant to the Purchase Agreement, Millennium agreed to waive the need for a bankable feasibility study by August 2016 and, as a result, the Company satisfied the conditions of the Farm-in Agreement and was entitled to a 70% interest in the Beatons Creek Tenements as to gold rights upon completion of the transactions under the Purchase

Agreement. The Purchase Agreement also provided that Millennium would sell to the Company the remaining 30% in the Beatons Creek Tenements as to gold rights, together with all other rights in the Beatons Creek Tenements held by Millennium.

Transfer of the Beatons Creek Tenements was subject to receipt of approval of the Minister of the Crown in the right of the State of Western Australia. This approval was received on March 31, 2015 and as a result, the Farm-in agreement between the Company and Millennium has come to an end and the Company now holds a 100% interest in the Beatons Creek Tenements through an indirect subsidiary.

Talga Project

On August 12, 2015, the Company, through its Australian subsidiary, Beatons Creek Gold Pty Ltd, entered into an option agreement with Talga Resources Ltd., an Australian Stock Exchange listed company, for the right to explore its Talga Talga, Warrawoona, and Mosquito Creek projects (each a "Talga Project" and, collectively, the "Talga Projects"). A payment of AUD \$50,000 was made to Talga Resources for an initial option period of 4 months. The option period can be extended to the second anniversary of this agreement by making a second payment of AUD \$200,000 four months after the date of signing of the option agreement. The Company has the right to then purchase at any time until the second anniversary any of the Talga Projects for AU\$250,000 per Talga Project. As at October 31, 2015, the Company had paid AUD \$50,000 to Talga Resources.

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Blue Spec Project

On August 17, 2015, the Company, through its Australian subsidiary, Beatons Creek Gold Pty Ltd, entered into an agreement (the "Agreement") to purchase the Blue Spec Au-Sb Project ("Blue Spec Project") from Northwest Resources Limited ("Northwest"), an Australian Stock Exchange listed company.

Completion of the sale was conditional on Northwest shareholder approval, Australian Foreign Investment Review Board approval, TSX Venture Exchange approval and obtaining other third party consents and Ministerial approval as may be required, all of which were received on or before October 5, 2015. The purchase price for the project includes cash payments totaling AUD \$350,000 and the issuance of 485,394 common shares of Novo (the "Consideration Shares"). The Consideration Shares will be subject to a statutory hold period expiring four months from the date of issuance. As at October 31, 2015, the Company has made cash payments totaling AUD \$250,000 and issued the Consideration Shares to Northwest. A loss of \$46,754 was recorded upon the issuance of the Consideration Shares, and it accounted for the difference between the fair value of the Consideration Shares on the date of issuance and the implicit value derived from the Agreement.

The Blue Spec Project encompasses approximately 125 square kilometres and is situated approximately 20 kilometres due east of Novo's Beatons Creek Project near the town of Nullagine, Western Australia. Gold mineralization is of orogenic lode vein style and is hosted by an east-west trending shear zone extending approximately 20 kilometres along the length of the properties. Multiple gold-bearing quartz veins occupying steeply plunging shoots occur along this shear zone, which are accompanied by significant amounts of stibnite, a Sb-sulfide mineral.

Paleo-Placer Property

The Company, 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 was required to spend AUD\$1 million on exploration expenditure across the Paleo-Placer Property, which has been completed. 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 if 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

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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.

Binding Terms Sheet

On March 4, 2014, the Company signed a binding terms sheet (the "Terms Sheet") with 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").

Share Exchange and Settlement Agreement

On January 23, 2015, the Company entered into a definitive agreement (the "Definitive Agreement") at arm's length with the Creasy Group which supersedes the aforementioned Terms Sheet. The Company requested and Creasy Group agreed to certain modifications to the Terms Sheet (as described below) to be reflected in the Definitive Agreement, resulting in the Company reducing its exploration commitments, thus allowing it to aggressively explore the Beatons Creek Tenements and quickly advance Beatons

Creek toward development and/or to pursue other opportunities to consolidate its position in the Nullagine district.

Under the Definitive Agreement, Creasy Group will receive a total of 9,200,000 of the Company's common shares in exchange for the Creasy CGE Shares (the "CGE Share Exchange"), making the Issuer the 100% owner of CGE. This includes a total of 7,060,466 common shares of the Issuer (6,646,047 issued on March 4, 2014 and currently in escrow) that will be delivered to Creasy Group at the initial closing following receipt of regulatory approvals (which are expected in the ordinary course).

Approximately 23.3% of the Creasy CGE Shares that are currently in escrow will be subsequently exchanged, subject to the satisfaction of the applicable escrow conditions, for 2,139,534 common shares of the Company.

CGE has earned a 70% interest in the gold rights relating to the Nullagine and Marble Bar properties under the JVA's. Nullagine Gold will now become a 70% registered holder of those properties. Accordingly, upon receipt of the regulatory approvals referred to above, the Company will have a secure, fully-vested 70% interest in and to gold rights on those tenements.

The Company has also agreed to enter into a new joint venture with the Creasy Group - the Callina Creek joint venture - on the same terms as the existing JVA's. The new joint venture covers a tenement staked by Nullagine Gold and adjacent to the Company's existing Whim Creek Mining JVA with the Creasy Group.

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The Company will also issue common shares (the “N and MB Expense Reimbursement Shares”) in reimbursement of exploration expenses incurred by the Creasy Group in connection with the Nullagine and Marble Bar properties (the “Reimbursement”). The Terms Sheet specified the issue of N and MB Expense Reimbursement Shares totalling 5,000,000 of the Company’s common shares. However, after offsetting exploration expenses incurred by the Company on the 103 Pilbara tenements (the subject of the Terms Sheet) between signing of the Terms Sheet and the Definitive Agreement, only 3,931,111 Expense Reimbursement Shares will be issued, bringing the total common shares of the Company issuable to Creasy Group to close out the CGE Share Exchange and the Reimbursement to 13,131,111 common shares of the Company. Assuming all of these common shares of the Company are issued, Creasy Group will be the Company’s second largest shareholder.

On June 29, 2015, the Company reached the first of two contemplated completion milestones with the Creasy Group under the Definitive Agreement. Settlement was completed and announced on July 28, 2015. Under this initial completion milestone, Novo acquired the 330 Creasy CGE Shares in exchange for 7,060,466 Novo common shares. Novo also issued the N and MB Expense Reimbursement Shares. A non-cash gain on settlement of the debt of \$1,120,618 was recorded based on the difference between the deemed price per share as per the Definitive Agreement and the market value of the Company’s common shares on the date of issuance. In total, 10,991,577 common shares have been issued by Novo to Creasy Group pursuant to the Definitive Agreement. In addition, the Company transferred a 30% interest in tenement E45/4169 to the Creasy Group. A gain on sale of mineral property of \$46,090 was recorded in the Other Items section of the Company’s Condensed Interim Consolidated Statements of Comprehensive Income (Loss) based on the difference between the consideration received for the 30% interest in tenement E45/4169 and the carrying value of the tenement on the Company’s books at the time of transfer.

The Creasy Group still holds the conditional right to receive the issuance of the remaining 100 Creasy CGE Shares in exchange for 2,139,534 Novo common shares upon Novo and Creasy Group entering into a binding agreement regarding other tenements in the Nullagine region. A news release will be issued if and when this second completion milestone under the Definitive Agreement occurs.

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.

On March 4, 2015, the Government of Western Australia Department of Mines and Petroleum granted prospecting licences P46/1821 and P46/1822 to Grant’s Hill Gold Pty Ltd.

On July 15, 2014, the Government of Western Australia Department of Mines and Petroleum granted exploration licence E45/4194 to Grant’s Hill Gold Pty Ltd.

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.

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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.

On September 17, 2014, the Company terminated the Sunday Silence Property Letter Agreement and returned the mineral claims to Mr. Smith. The Company subsequently wrote off the exploration and evaluation assets relating to the Sunday Silence Property.

Tuscarora Property

On November 7, 2014, Novo USA signed an Exploration Lease and Option to Purchase Agreement (the “Tuscarora Agreement”) with Nevada Eagle LLC (“Nevada West”) and Platoro West Incorporated (“Platoro”) to acquire an undivided 100% interest in and to the Tuscarora Property (the “Tuscarora Property”), subject to a net smelter return on gold ranging from 2-4% based on the average daily price per troy ounce of gold from the New York Commodity Exchange during the period of production, and 2.5% on all other minerals. The Tuscarora Property, located in Elko County, Nevada, USA, is comprised of 23 unpatented lode claims.

The Company has the following future requirements to fulfill its obligations under the Tuscarora Agreement:

Date	Cash Payments
Upon signing of the Tuscarora Agreement	\$ 5,000 USD (Paid)
November 7, 2015	20,000 USD (Paid)
November 7, 2016	75,000 USD
Total	\$ 100,000 USD

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	Beatons Creek	Grant's Hill	Paleo-Placer	Tuscarora	Blue Spec	Talga	Total
	\$	\$	\$	\$	\$	\$	\$
Balance, January 31, 2015	5,748,718	770,771	5,666,836	14,999	-	-	12,201,324
Acquisition Costs	3,546,160	-	126,248	-	559,794	16,826	4,249,028
Exploration Expenditures:							
Drilling	220,897	117,837	144,050	-	-	-	482,784
Feasibility Study	17,022	23,199	7,733	-	-	-	47,954
Field Work	75,101	37,532	1,108,863	-	1,380	1,431	1,224,307
Fuel	50,644	9,257	8,248	-	-	582	68,731
Geology	129,507	84,284	113,890	53,242	3,958	6,412	391,293
Legal	75,621	-	237,188	-	-	-	312,809
Meals and Travel	115,608	34,882	257,129	262	6,162	4,153	418,196
Office and General	27,612	9,981	93,345	6	56	-	131,000
Reports, Data and Analysis	518,109	103,447	715,057	-	23,884	30,126	1,390,623
Rock Samples	633,074	40,134	47,870	2,770	-	-	723,848
Tenement Administration	12,128	11,518	938,426	5,791	8,259	1,441	977,563
Foreign Exchange	729,047	(42,013)	(308,889)	431	1	1	378,578
	2,604,370	430,058	3,362,910	62,502	43,700	44,146	6,547,686
Balance, October 31, 2015	11,899,248	1,200,829	9,155,994	77,501	603,494	60,972	22,998,038

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	Beatons Creek \$	Grant's Hill \$	Paleo- Placer \$	Sunday Silence \$	Tuscarora \$	Total \$
Balance, January 31, 2014	3,910,324	341,198	2,399,337	16,679	-	6,667,538
Acquisition Costs	-	-	74,025	-	6,359	80,384
Exploration Expenditures:						
Drilling	304,347	77,251	153,899	-	-	535,497
Feasibility Study	-	-	-	-	-	-
Field Work	156,588	37,790	739,662	175	236	934,451
Fuel	10,530	1,773	7,886	-	-	20,189
Geology	183,828	74,401	98,448	-	-	356,677
Legal	28,159	8,027	239,451	-	-	275,637
Meals and Travel	203,002	52,322	316,059	998	784	573,165
Office and General	90,072	24,978	117,631	98	-	232,779
Reports, Data and Analysis	480,170	79,913	802,376	3,708	-	1,366,167
Rock Samples	255,124	63,101	104,438	-	-	422,663
Tenement Administration	76,055	8,926	576,598	-	7,620	669,199
Foreign Exchange	50,519	1,091	37,026	(578)	-	88,058
Write-down of Mineral	-	-	-	-	-	-
Property	-	-	-	(21,080)	-	(21,080)
	1,838,394	429,573	3,193,474	(16,679)	8,640	5,453,402
Balance, January 31, 2015	5,748,718	770,771	5,666,836	-	14,999	12,201,324

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Exploration Highlights

Beatons Creek Project

Please see the above Mineral Properties and Deferred Exploration Expenditures section for disclosure relating to the Millennium Property, specifically the Company's purchase of a 100% interest in the Beatons Creek Tenements.

New Beatons Creek Resource Estimate

On September 16, 2015, Novo Resources announced a robust near-surface resource estimate (the "2015 Resource Estimate") for its Beatons Creek Gold Project, Western Australia. This 2015 Resource Estimate is based on multiple campaigns of reverse circulation ("RC") drilling and trench ("costean") sampling conducted between 2011 and 2015. The effective date of the 2015 Resource Estimate is September 15, 2015. A technical report in respect of the 2015 Resource Estimate will be filed under the Company's SEDAR profile at www.sedar.com by October 31, 2015.

Highlights:

- Near-surface measured and indicated resources of 3.337 M tonnes grading 2.7 gpt Au containing 292 thousand troy oz Au and 2.668 M tonnes grading 2.4 gpt Au containing 203 thousand troy oz Au (see *Table 1-1 below*).
- Also reported are underground measured and indicated resources including 55 K tonnes grading 4.2 gpt Au containing 7 thousand troy oz Au and inferred resources including 369 K tonnes grading 4.7 gpt Au containing 56 thousand troy oz Au (see *Table 1-2 below*).
- In contrast to the previously announced inferred resource for the Beatons Creek Gold Project (refer to the Company's news release dated May 1, 2013), the 2015 Resource Estimate also encompasses a newly drilled, mostly oxide target area situated north of the previously stated resource.
- The 2015 Resource Estimate is built around a tightly constrained wireframe model. Assays used to calculate grades include large mass RC and costean samples collected by Novo during the 2014-2015 drilling and sampling campaigns.
- Grades of the 2015 Resource Estimate are nearly twice those reported for the previous resource, a reflection of the focus on quality taken by Novo. Also, the 2015 Resource Estimate includes a majority of ounces in the higher quality measured and indicated categories.
- The near-surface oxide fraction of the 2015 Resource Estimate will be subjected to a preliminary economic assessment due first quarter, 2016 with the intention of quantifying capital and operating costs of a modest sized, gravity-only gold project.

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

Table 1-1: Near Surface Mineral Resources¹

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/T	Troy Ounces³ Au (x1000)
Measured	0.5	515	3.1	51
Indicated	0.5	2,822	2.7	241
Measured + Indicated	0.5	3,337	2.7	292
Inferred	0.5	2,668	2.4	203

Table 1-2: Underground Mineral Resources²

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/T	Troy Ounces Au (x1000)
Measured	2.0	-	-	-
Indicated	2.0	55	4.2	7
Measured + Indicated	2.0	55	4.2	7
Inferred	2.0	369	4.7	56

Table 1-3: Global Mineral Resources (Near Surface and Underground)

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/T	Troy Ounces Au (x1000)
Measured	0.5, 2.0	515	3.1	51
Indicated	0.5, 2.0	2,877	2.7	249
Measured + Indicated	0.5, 2.0	3,392	2.7	299
Inferred	0.5, 2.0	3,037	2.7	259

Notes:

1. Near surface mineral resources contain oxide and sulphide material within an optimized shell and within a mineralized wireframe.
2. Underground mineral resources contain sulphide resources outside of an optimized shell and within a mineralized wireframe.
3. One troy ounce is equal to 31.1034768 grams.

Resource Modeling

Mineral resources comprising the 2015 Resource Estimate were estimated by multiple pass Ordinary Kriging (OK) method within modeled reef domains. Mineral resources are currently defined in seven reef domains, each divided into oxide and sulphide mineral type by a shallow weathering profile.

The majority of assays used for the 2015 Resource Estimate were determined using LeachWELL® methodology, which was statistically determined to be the most reliable method. Assays were capped at 25 Au g/T prior to compositing and were statistically evaluated on a reef domain and mineral type basis.

With regards to mineral resources that are not mineral reserves and do not have demonstrated economic viability, it is uncertain if applying economic modifying factors will convert measured and indicated mineral

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resources to reserves. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. However, no issues are known at this time. 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.

Arnand van Heerden of Tetra Tech, Golden, Colorado, has coordinated the 2015 Resource Estimate for the Beatons Creek Gold Project, and is independent of Novo Resources Corp. for purposes of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Mr. van Heerden (PGeo, SACNASP, MAusIMM) is a Qualified Person as defined by NI 43-101.

Mr. van Heerden is preparing a technical report in respect of the 2015 Resource Estimate, which the Company is obligated under NI 43-101 to file on SEDAR within 45 days of the date this news release was disseminated.

Fast-Tracking Beatons Creek toward Production

With the announcement of the 2015 Resource Estimate, the Company continues its plans to fast-track Beatons Creek toward production. Novo has recently settled on a conceptual mine site layout with only shallow oxidized conglomerates being considered in this mine plan. The Company is contemplating mining at a rate of approximately 1,500 tonnes per day. Based on very encouraging gravity recoverable gold test work announced in a news release dated October 14, 2015, the Company is looking at a recovering gold entirely via gravity processing. In a news release dated December 17, 2015, Novo announced it is working with DRA Pacific Ltd, West Perth, to undertake prefeasibility level work on the project.

A mill site has been chosen in a location central to the targeted oxide mineralization and a proposed valley tailings storage facility (a "TSF") is situated about one kilometer northwest of the mill. Lodging and office arrangements are available in Nullagine, thus eliminating the need to build a camp. The Nullagine power station is situated near the main access to site. It is anticipated that, with certain electrical upgrades, power from this plant is potentially available for mine use. Electrical needs will potentially fall at approximately 1 Mw.

All environmental studies have been completed and reported for permitting purposes. Metallurgical testing is now complete and provides the basis for a flow sheet for gravity processing. In a news release dated November 19, 2015, Novo announced it has recently contracted an engineer to inspect components comprising the newly acquired Blue Spec gold mill, part of the Blue Spec project. Although this mill dates to the mid-1980's, the jaw crusher and cone crusher were determined to be in good condition and potentially compatible with the Beatons Creek milling scenario. Both have adequate throughput to meet the scope of the Beatons Creek project.

Novo has also identified numerous new and used mill components across Western Australia that are available at modest prices. Novo has been looking at a spectrum of equipment potentially compatible with the Beatons Creek milling scenario to determine the best low-cost alternative to constructing a mill.

Mining Concept

Novo has begun to evaluate cost effective mining techniques for its upcoming preliminary economic assessment of shallow, oxidized, gold-bearing conglomerates. Conventional mining requires drilling and blasting, both of which contribute much to overall mining costs. Recent earthworks conducted as part of

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Novo's drilling and trenching program have provided valuable insight into the behaviour of rock at Beatons Creek. Due to the soft, heavily weathered nature of these rocks and the tendency for matrix material to break away from boulder clasts, it appears that drilling and blasting will not be required. This could prove to be a significant cost savings.

Due to the hilly topography at Beatons Creek, it is envisioned that overburden material can be disposed of in low areas adjacent to mining sites. This will eliminate the need to haul waste material, another potential savings to overall mining costs.

Using simple equipment such as an excavator with a flat edged bucket, gold bearing conglomerates can be selectively mined thus reducing dilution and, thus, helping maintain higher grades. Costs of this type of mining are anticipated to be low.

Test Mining

Novo is planning to seek permits to undertake test scale mining and processing starting around March, 2016. In an effort to streamline its efforts, the Company secured an IGR 3000 gold recovery plant from Mineworx Technologies, Inc. in September 2015. This plant arrived in Perth in early December, 2015, and plans are being developed to use it for trial processing of gold-bearing conglomerates from the Beatons Creek Gold Project. Novo is currently evaluating several means of comminuting material to be fed into the gold plant.

The IGR 3000 is a production scale plant built by iCON Gold Recovery Corporation based out of Langley, British Columbia, and employs two Falcon "high G" centrifugal gravity concentrators as a primary means of recovering gold. Falcon concentrators are used extensively in gold mines around the world to treat gravity recoverable gold ores. Plant capacity varies depending on the material being treated, but can process on the order of 30-50 tonnes per hour collecting gold in a low mass concentrate. This plant is nearly new having less than 100 hours use.

Acquisition of Blue Spec Project

In August, 2015, the Company, through its Australian subsidiary, Beatons Creek Gold Pty Ltd, entered into an agreement (the "Agreement") to purchase the Blue Spec Au-Sb Project ("Blue Spec Project") from Northwest Resources Limited ("Northwest"), an Australian Stock Exchange listed company. The purchase price for the project was cash payments totaling AUD \$350,000 and 485,394 common shares of Novo (the "Consideration Shares"). Consideration Shares are subject to a statutory hold period expiring four months from the date of issuance. This purchase was completed on October 5, 2015.

The Blue Spec Project encompasses approximately 125 square kilometres and is situated approximately 20 kilometres due east of the Beatons Creek Project near the town of Nullagine, Western Australia. Gold mineralization is of orogenic lode vein style and is hosted by an east-west trending shear zone extending approximately 20 kilometres along the length of the properties. Multiple gold-bearing quartz veins occupying steeply plunging shoots occur along this shear zone, which are accompanied by significant amounts of stibnite, a Sb-sulfide mineral.

Two high grade shoots, the Blue Spec and Gold Spec deposits, host Indicated Resources of 151,000 tonnes at 21.7 gpt Au (105,300 oz) and 1.7% Sb and Inferred Resources of 264,000 tonnes at 13.3 gpt Au (112,600 oz) and 1.0% Sb. This historical estimate, disclosed in Northwest's news release of September 30, 2013 and in the mineral resource statement issued by Northwest on the same date (the "Northwest Disclosure Documents"), are stated to have been reported in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves (2012 JORC Code), which are consistent with sections 1.2 and 1.3 of NI 43-101. For the key

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assumptions, parameters, and methods used to prepare these estimates, please refer to the Northwest Disclosure Documents which are available on Northwest's website (www.nw-resources.com.au). These are the most updated estimates and data available regarding the Blue Spec and Gold Spec deposits and, as such, no work needs to be done at this point in time to upgrade or verify the estimates. Novo is unaware of the existence of any technical report prepared in connection with the technical information contained in the Northwest Disclosure Documents. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. Novo is not treating the historical estimate as current mineral resources or mineral reserves.

In October and November 2015, Novo undertook a comprehensive review of the Blue Spec project with a focus on exploration potential. Findings from this study conclude:

- Drilling has not closed off mineralized shoots at either of the historic Blue Spec and Golden Spec mines (see Figures 1 and 2 below). In fact, each of these shoots is open to the east, west and at depth. Importantly, the 900 meter gap between these two mines (Golden Spec to the west and Blue Spec to the east) remains largely untested below depths of around 100 meters. See the table below for historic drill intercepts from multiple zones across the project including the Blue Spec and Golden Spec zones.
- Splay zones coming off of the Blue Spec and Golden Spec veins have not been fully tested. Although drill holes targeting the main veins were largely successful at hitting those structures, many of these holes stopped short of testing nearby, sub-parallel splays. Also, some holes appear to have been selectively assayed, so it is also possible that core from splay structures was never sampled.
- Near surface mineralization is evident in numerous locations along the 20 km strike of the Blue Spec shear zone. Numerous shallow (<150 m depth) drill intercepts from the Green Spec, Red Spec and Orange Spec zones reported in the table below illustrate this. In addition to shallow potential, it is worth noting that these three zones are also open at depth.
- Four historic surface rock chip samples taken from outcrop and subcrop in areas ranging between 600 and 1,300 m west of the Golden Spec deposit display high grades (from east to west: 86.9 gpt Au w/ no Sb assay; 78.3 gpt Au/0.67% Sb; 143.8 gpt Au/0.56% Sb; 22.5 gpt Au/1.21% Sb). These samples suggest high-grade vein targets may present in this area.
- Previous rock chip sampling efforts appear to have lacked focus. Through mapping, Novo has identified structural zones and has undertaken detailed sampling. Results are expected in early 2016.

Based on the conclusions of this initial review, Novo sees considerable potential for expanding known zones and discovering new high-grade shoots.

Option of Talga Projects

Also in August 2015, the Company entered into an option agreement with Talga Resources Ltd. , an Australian Stock Exchange listed company, for the right to explore its Talga Talga, Warrawoona, and Mosquito Creek projects (each a "Talga Project" and, collectively, the "Talga Projects"). A payment of AUD \$50,000 was made to Talga Resources for an initial option period of 4 months. Novo made a further payment of AUD\$50,000 on December 10, 2015. The option period can be extended to the second anniversary of this agreement by making a third payment of AUD \$150,000 on or before February 29, 2016. The Company has the right to then purchase at any time until the second anniversary any of the Talga Projects for AU\$250,000 per Talga Project.

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Creasy Definitive Agreement

Please see the above Mineral Properties and Deferred Exploration Expenditures section for disclosure relating to the Creasy Definitive Agreement.

Marble Bar Project

During BLEG follow up exploration in August and September, 2014, a new gold-bearing conglomerate was discovered near Virgin Creek in the Marble Bar sub-basin. This conglomerate is part of the Hardy Formation, outcrops for approximately 600 meters on strike, is shallowly dipping, and up to 2 m thick. Screen metallic fire assay results from a suite of 20 spot rock chip samples grade between 0.02-5.44 gpt Au. The Company has differed further work at Marble Bar to conserve cash for use at the Beatons Creek project.

FINANCING ACTIVITIES

During the period ended October 31, 2015, and the year ended January 31, 2015, shares were issued to settle a debt, as part of the Definitive Agreement, and pursuant to a non-brokered private placement.

- a) On April 22, 2015, the Company issued 70,422 common shares at \$0.71 per share to settle a \$50,000 debt payable for financial advisory services.
- b) Please see the above Mineral Properties and Deferred Exploration Expenditures section for a detailed description of the 10,991,577 common shares of the Company issued to the Creasy Group on June 29, 2015.
- c) On July 10, 2015, the Company closed the first of three tranches (the "First Tranche") of a non-brokered private placement of 2,498,077 units (each a "Unit") at a price of \$0.52 per unit for gross proceeds of \$1,299,000. Each Unit consists of one common share and one common share purchase warrant (each a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional common share of the Company at a price of \$0.80 per share (the "Warrant Terms") for a period of 24 months from the closing date of the First Tranche. The Warrants are subject to an accelerated expiry (the "Accelerated Expiry Clause") whereby, starting one year from the date of issue of the Warrants, if the daily high trading price of Novo's common shares exceeds \$1.20 for a period of 20 consecutive trading days, Novo may provide notice of early expiry and the Warrants will expire 30 days thereafter. As part of the non-brokered private placement, the Company incurred share issuance costs of \$70,189, which included 9,900 finder's warrants (each a "Finder's Warrant"). The Finder's Warrants were granted to a finder and, apart from being non-transferable, are subject to the same terms as the Warrants. 9,000 Finder's Warrants were issued upon closing of the First Tranche, and were valued at a fair value of \$1,365. The fair value of each Finder's Warrant was \$0.15 per share whereas the exercise price is \$0.80. The fair value was calculated using the Black-Scholes option pricing model assuming a risk-free interest rate of 0.49%, a dividend yield of \$nil, an expected volatility of 82.45% and an average expected life of 2 years. The average remaining contractual life of the Finder's Warrants is 2 years. As of October 31, 2015, all Finder's Warrants issued in the First Tranche remain outstanding.
- d) On July 17, 2015, the Company closed the second of three tranches (the "Second Tranche") of a non-brokered private placement of 480,000 Units at a price of \$0.52 per unit for gross proceeds of \$249,600. Each Unit consists of one common share and one Warrant. Each Warrant is subject to the Warrant Terms for a period of 24 months from the closing date of the Second Tranche. The Warrants issued in the Second Tranche are also subject to the Accelerated Expiry Clause. 900 Finder's Warrants were issued upon closing of the Second Tranche, and were valued at a fair value of \$112. The fair value of each Finder's Warrant was \$0.12 per share whereas the exercise price is \$0.80. The fair value was calculated using the Black-Scholes option pricing model

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assuming a risk-free interest rate of 0.41%, a dividend yield of \$nil, an expected volatility of 82.53% and an average expected life of 2 years. The average remaining contractual life of the Finder's Warrants is 2 years. As of October 31, 2015, all Finder's Warrants issued in the Second Tranche remain outstanding.

- e) On July 24, 2015, the Company closed the final tranche (the "Final Tranche") of a non-brokered private placement of 846,160 Units at a price of \$0.52 per unit for gross proceeds of \$440,003. Each Unit consists of one common share and one Warrant. Each Warrant is subject to the Warrant Terms for a period of 24 months from the closing date of the Final Tranche. The Warrants issued in the Final Tranche are also subject to the Accelerated Expiry Clause.
- f) The non-brokered private placement raised gross proceeds of \$1,988,603 through the issuance of 3,824,237 Units.
- g) Please see the above Mineral Properties and Deferred Exploration Expenditures section for a detailed description of the 485,394 common shares of the Company issued to Northwest Resources on October 2, 2015.

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2015, the Company had a cash and cash equivalents balance of \$2,634,733 compared to \$10,158,594 as at January 31, 2015. The Company had working capital as at October 31, 2015, of \$2,545,688 compared to working capital of \$10,173,534 as at January 31, 2015. The decrease in working capital is mainly due to the Company's expenditures on its mineral properties.

Cash used by operating activities during the period ended October 31, 2015, was \$2,322,844 (October 31, 2014 - \$929,382). The increase over the period relates mainly to a one-time transaction of shares to be issued as a reimbursement for a third party's expenditures on the Company's mineral property and large foreign-exchange adjustments. Please see the Mineral Properties and Deferred Exploration Expenditures section above for more details.

Cash used for investing activities during the period ended October 31, 2015, was \$7,399,368 (October 31, 2014 - \$3,081,090). The Company's principal investing activity is the acquisition and exploration of its resource properties. During the nine-month period ended October 31, 2015, the Company incurred \$7,120,317 (October 31, 2014 - \$3,175,940) on its resource properties. Please see the Mineral Properties and Deferred Exploration Expenditures section above for more details.

Cash provided by financing activities during the nine-month period ended October 31, 2015 was \$2,198,351 (October 31, 2014 - \$5,367,732), which is related to a non-brokered private placement. Reference should be made to the section titled Financing Activities above and Note 13 of the Company's condensed interim consolidated financial statements for more details.

As at the date of this MD&A, the contractual obligations of the Company are the JVA's, the Share Exchange and Settlement Agreement signed between the Company and the Creasy Group, the agreement with Northwest Resources Limited, and the agreement with Talga Resources Ltd. Reference should be made to the section titled: Mineral Properties and Deferred Exploration Expenditures and Note 8 of the Company's condensed interim consolidated financial statements for more details.

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.

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CHANGE IN NON-CONTROLLING INTERESTS

On June 29, 2015, pursuant to the Definitive Agreement (as defined above in the Mineral Properties And Deferred Exploration Expenditures section), the Company reached the first of two contemplated completion milestones with the Creasy Group (as defined above in the Mineral Properties And Deferred Exploration Expenditures section) under the Definitive Agreement. Settlement was finalized and announced on July 28, 2015. Under this initial completion milestone, Novo acquired the 330 Creasy CGE Shares (as defined above in the Mineral Properties And Deferred Exploration Expenditures section) in exchange for 7,060,466 Novo common shares.

The following table shows the continuity of the Company's interest in Conglomerate Gold Exploration Pty Ltd. ("CGE") for the period from July 16, 2012, to June 29, 2015:

July 16, 2012	\$	-
Less: loss attributable to CGE		(64,492)
Balance, January 31, 2013		(64,492)
Less: loss attributable to CGE		(40,425)
Balance, January 31, 2014		(104,917)
Less: loss attributable to CGE		(65,333)
Balance, January 31, 2015		(170,250)
Less: loss attributable to CGE		(40,854)
Balance, June 29, 2015	\$	(211,104)

With this issuance of 7,060,466 Novo common shares, the Company acquired the remaining 36.67% of CGE. As such, CGE became a wholly-owned subsidiary of Novo. The financial statement balances of CGE were as follows as at January 31, 2015, and June 29, 2015, being the date the Company acquired a 100% interest in CGE:

	June 29, 2015	January 31, 2015
	\$	\$
Total current assets	1,356,497	770,182
Total assets	21,097,393	12,217,703
Total current liabilities	458,041	274,689
Total liabilities	23,212,319**	13,492,747**
Net loss	(211,104)	(170,250)

**These amounts include inter-company balances that are removed upon consolidation.

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 year.

(a) *Key Management Personnel Disclosures*

During the periods ended October 31, 2015 and 2014, the following amounts were incurred with respect to the key management and directors of the Company:

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	October 31, 2015	October 31, 2014
	\$	\$
Consulting services	112,000	126,000
Wages and salaries	71,288	83,308
Wages and salaries included in exploration and evaluation assets	82,092	49,046
	265,380	258,354

(b) Other Related Party Disclosures

During the periods ended October 31, 2015 and 2014, the following amounts were incurred with respect to consulting services provided by a corporation controlled by the Chief Financial Officer:

	October 31, 2015	October 31, 2014
	\$	\$
Consulting services	90,000	90,000
	90,000	90,000

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 condensed interim consolidated financial statements for the nine-month period ended October 31, 2015.

CRITICAL ACCOUNTING ESTIMATES

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as at fair value through profit or loss ("FVTPL"), loans and receivables, and available-for-sale that have been measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The areas involving a higher degree of judgment of complexity or where assumptions and estimates are significant to the financial statements are disclosed below in Note 2.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized during the period in which the estimate is revised if the revision affects only that period or during the period of the revision and further periods if the review affects both current and future periods.

A detailed summary of all the Company's critical accounting estimates is included in Note 2 – Significant Accounting Policies to the October 31, 2015, 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 October 31, 2015, condensed interim consolidated financial statements.

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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 – applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 – applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 – applies to assets or liabilities for which there 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 during the year.

a) 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.

b) 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 October 31 and January 31, 2015, the Company's Australian and US dollar denominated

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monetary assets and monetary liabilities are as follows:

Australian Monetary assets (\$ AUD)	October 31, 2015		January 31, 2015	
Cash and cash equivalents	\$	39,319	\$	647,183
Accounts payable and accrued liabilities	\$	478,553	\$	275,729
US Monetary assets (\$USD)	October 31, 2015		January 31, 2015	
Cash and cash equivalents	\$	52,471	\$	5,017,479
Accounts payable and accrued liabilities	\$	5,458	\$	23,152

The exposure to foreign exchange rate risk is as follows:

Australian Monetary assets	10% Fluctuation			
	AUD	Impact (AUD)	CAD	
Cash and cash equivalents	\$ 39,319	\$ 3,932	\$	3,669
Accounts payable and accrued liabilities	\$ 478,553	\$ 47,855	\$	44,659
US Monetary assets	USD	Impact (USD)	CAD	
Cash and cash equivalents	\$ 52,471	\$ 5,247	\$	6,865
Accounts payable and accrued liabilities	\$ 5,458	\$ 546	\$	714

c) 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.

d) 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 October 31, 2015, the Company owns common shares included in marketable securities. By holding these marketable securities, the Company is inherently exposed to various risk factors including market price risk.

e) 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 GIC's 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.

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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 77,148,428 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	910,000	\$0.45	February 20, 2017
Total	1,260,000		

Type of Security	Number	Exercise Price	Expiry Date
Warrants	2,507,077	\$0.80	July 10, 2017
Warrants	480,900	\$0.80	July 17, 2017
Warrants	846,160	\$0.80	July 24, 2017
Total	3,834,137		

ADDITIONAL DISCLOSURE FOR JUNIOR ISSUERS

The Company has incurred the following material cost components:

	Nine-Month Period Ended October 31, 2015	Nine-Month Period Ended October 31, 2014
	\$	\$
Accounting Fee	107,666	76,337
Consulting Fee	279,712	231,976
Office & General	228,836	201,177
Interest Expense	106,199	-
Wages & Salaries	226,099	209,411
Exploration and Evaluation Assets	22,998,038	10,765,445

During the nine-month period ended October 31, 2015, \$107,666 (October 31, 2014 - \$76,337) 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 nine-month period ended October 31, 2015, consulting fees totalling \$279,712 (October 31, 2014 - \$231,976) were mainly paid to directors, officers and consultants of the Company to provide 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.

General office administrative expenses during the nine-month period ended October 31 2015, totaling \$228,836 (October 31, 2014 - \$201,177), were mainly related to general office supplies, advertising and

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promotion, filing fees, computer & internet expenses, project investigation, telephone expenses, depreciation, professional development, and rent expenses.

Interest expenses during the nine-month period ended October 31, 2015, of \$106,199 (October 31, 2014 - \$nil) related to a short-term loan. Please see Note 13 – Short Term Loan in the Company's accompanying financial statements for more details.

During the nine-month period ended October 31, 2015, \$226,099 (October 31, 2014 - \$209,411) in wages and salaries were paid to employees for providing management, geological and administrative services to the Company.

During nine-month period ended October 31, 2015, exploration and evaluation assets totalling \$22,998,038 (October 31, 2014 - \$10,765,445) related to the Millennium, Paleo-Placer, Tuscarora, and Grant's Hill properties. Reference should be made to the section titled: Mineral Properties and Deferred Exploration expenditures.

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 undercapitalization, 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

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