

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

BACKGROUND

The following management discussion and analysis (“MD&A”) of the results of operations and financial condition, prepared as of May 27, 2016, 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, 2016 and 2015, and accompanying notes thereto. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) and this MD&A 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, 2016, 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, is 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”.

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

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 Terms Sheet as mentioned and defined in Note 8 of the Company's consolidated financial statements. 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 on the same terms as the existing JVA's. The new joint venture covers tenement E45/4169 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 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

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

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 matured and was repaid in full on October 31, 2015, bears an interest rate of prime + 1.15%, and was secured by the Company's USD short-term investments totaling USD \$5,000,000. Interest was paid on a monthly basis. During the year ended January 31, 2016, the Company paid \$106,199 (January 31, 2015 - \$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 expenditures incurred by both parties 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; the 7,060,466 Novo common shares issued to acquire the 330 Creasy CGE Shares were issued at a deemed value of CAD \$0.87 per share, and the 3,931,111 N and MB Expense Reimbursement Shares were issued at a deemed value of CAD \$0.89 per share. In addition, the Company transferred a 30% interest in tenement E45/4169 to the Creasy Group. A gain on sale of mineral property of \$46,114 was recorded in the Other Items section of the statement of comprehensive 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 AUD \$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 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. The purchase price for the project was cash payments totaling AUD \$350,000 and 485,394 common shares of Novo (the "Consideration Shares"). The Consideration Shares is 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 shipped the plant from its location in the US to Australia. Plans are being developed to use the plant for trial processing of gold-bearing conglomerates as part of its evaluation of the potential economics of the Beatons Creek Gold Project. Novo is currently evaluating

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

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 \$1,931,472 (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 January 31, 2016, totaled \$25,970,715 (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 year ended January 31, 2016, the Company reported a net loss of \$457,650 (\$0.01 basic and diluted loss per share) (January 31, 2015 – loss of \$374,100) (January 31, 2015 – loss of \$0.01 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 properties (please see the Mineral Properties And Deferred Exploration Expenditures section below). In particular, a gain on settlement of reimbursable expenditure on mineral property of \$1,120,618 was recognized based on the difference between expenditures incurred by Novo and the Creasy Group and the market value of the Company's common shares on the date of issuance.

RESULTS OF OPERATIONS

During the year ended January 31, 2016, the Company incurred a net loss of \$457,650 compared to a net loss of \$374,100 for the year ended January 31, 2015. The net loss in the year ended January 31, 2016, relates primarily to an operating loss before other items of \$1,611,118 (January 31, 2015 - \$1,154,704) and other items gains of \$1,153,468 (January 31, 2015 - \$780,604). The operating loss before other items was mainly due to consulting fees of \$368,343 (January 31, 2015 – \$306,504) related to administration, corporate communication, investor relations, computer services and management services provided by directors, officers and consultants of the Company; wages and salaries of \$316,825 (January 31, 2015– \$285,885) related to employee payroll; general office and administrative expenses of \$277,885 (January 31, 2015 – \$242,802) 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; accounting fees of \$208,974 (January 31, 2015 – \$83,686) related to the previous year's financial statement audit, tax return services, and accounting services related to Australian research and development refunds from the Australian Department of Mines and Petroleum; legal fees of \$142,664 (January 31, 2015 - \$106,157) related to corporate matters; interest expense of \$106,199 (January 31, 2015 - \$nil) related to the short term loan (see Note 13 of the Company's consolidated financial statements); transfer agent and filing fees of \$101,956 (January 31, 2015 - \$50,901) 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 \$52,541 (January 31, 2015 - \$27,374) related to meals and entertainment and business-related travel expenses; and insurance expenses of \$35,731 (January 31, 2015 - \$30,315).

During the year ended January 31, 2016, other items include interest income of \$56,534 (January 31, 2015 – \$112,268); impairment of marketable securities of \$6,459 (January 31, 2015 – \$102,519) 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 \$181,921 (January 31, 2015 - \$778,833) related to the Company's conversion of most of its U.S. denominated cash holdings into Canadian funds;

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

a share of losses in an associate of \$100,397 (January 31, 2015 - \$7,978); a realized gain on the sale of mineral property of \$46,114 (January 31, 2015 - \$nil) (see Note 8 of the Company's consolidated financial statements); a one-time gain on the settlement of debt of \$1,120,618 (January 31, 2015 - \$nil) relating to the Company's Paleo-Placer property (see Note 8 of the Company's consolidated financial statements); a one-time loss on the transfer of mineral property title of \$98,109 (January 31, 2015 - \$nil) (see Note 8 of the Company's consolidated financial statements); and one-time loss on the issuance of shares for a mineral property of \$46,754 (January 31, 2015 - \$nil) relating to the Company's Blue Spec property (see Note 8 of the Company's consolidated financial statements).

During the year ended January 31, 2016, the Company recognized an unrealized holding gain of \$28,394 (January 31, 2015 - \$16,015) in other comprehensive income on marketable securities designated as available-for-sale instruments. The Company also recognized foreign exchange gains on the translation of subsidiaries of \$389,222 (January 31, 2015 - gains of \$20,785) in other comprehensive income

During the period from incorporation on October 28, 2009 to January 31, 2016, 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, 2016, 2015, and 2014, the consolidated financial statements have been prepared in accordance with IFRS.

Statement of Operations and Deficit Data	Year Ended January 31, 2016	Year Ended January 31, 2015	Year Ended January 31, 2014
Other Income (interest income only)	\$56,534	\$112,268	\$74,926
Net Loss	\$(457,650)	\$(374,100)	\$(2,244,543)
Net Loss per common share outstanding - basic and diluted	\$(0.01)	\$(0.01)	\$(0.05)
Dividend	\$Nil	\$Nil	\$Nil
Balance Sheet Data	Year Ended January 31, 2016	Year Ended January 31, 2015	Year Ended January 31, 2014
Total Assets	\$27,902,187	\$22,849,431	\$17,588,983
Non-current Financial Liabilities	\$Nil	\$Nil	\$Nil
Shareholders' Equity	\$27,154,339	\$22,540,601	\$17,495,584

Net Loss

The Company incurred a net loss of \$457,650 in the fiscal year ended January 31, 2016, \$374,100 in the fiscal year ended January 31, 2015, and \$2,244,543 in the fiscal year ended January 31, 2014. The variance was mainly attributable to foreign exchange gains (2016 - \$181,921; 2015 - \$778,833; 2014 - \$nil), gains on settlement of debt (2016 - \$1,120,618; 2015 - \$nil; 2014 - \$nil), accounting and audit fees (2016 - \$208,974; 2015 - \$83,686; 2014 - \$122,418), share of losses in associate (2016 - \$100,397;

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

2015 - \$7,978; 2014 - \$nil), and interest expense (2016 – \$106,199; 2015 - \$nil, 2014 - \$nil). Explanations for the fluctuations in net losses are summarized below by separately identifying five major categories of expenses. The categories are (i) gain on settlement of debt (ii) accounting and audit fees (iii) foreign exchange gains, (iv) interest expense, and (v) share of losses in associate.

Gain on settlement of debt

For fiscal 2016, \$1,120,618 was recorded compared to \$nil in fiscals 2015 and 2014. The gain in fiscal 2016 was related to a one-time transaction relating to the Company's Paleo-Placer property (see Note 8 of the Company's consolidated financial statements).

Accounting and audit fees

During fiscal 2016, the Company recognized accounting and audit expenses of \$208,974 compared to \$83,686 in fiscal 2015 and \$122,418 in fiscal 2014. The need for proper Australian accounting and reporting protocols increased in fiscals 2014 and 2015 as the Company established its influence in Western Australia. The Company also pursued research and development refunds from the Australian government which are disclosed as "Australian R&D Refund" on the Company's exploration and evaluation asset tables (see Note 8 of the Company's consolidated financial statements). The Company's accountants fees were based on a percentage of the total refund received.

Foreign exchange gains

For the 2016 fiscal year, \$181,921 in foreign exchanges gains was recorded compared to gains of \$778,833 in fiscal 2015 and \$nil in fiscal 2014. The Company purchased ten short-term investments denominated in US funds with an aggregate value of USD \$5,000,000 during fiscal 2015. A significant foreign exchange gain was recorded in fiscal 2015 on the value of the US funds held by the Company due to favourable foreign exchange rates.

Interest expense

During fiscal 2016, the Company recognized interest expenses of \$106,199 compared to \$nil in fiscals 2015 and 2014. The Company initiated and settled a short term loan which is further described in Note 13 of the Company's consolidated financial statements.

Share of losses in associate

During fiscal 2016, the Company recognized a share of losses in an associate of \$100,397 as compared to \$7,978 in fiscal 2015 and \$nil in fiscal 2014. The increase in fiscals 2015 and 2016 can be explained by the fact that the Company's initial investment was made in November 2014. The associate has only incurred losses since inception and, as a result, the Company's share of losses has increased since the initial investment was made in November 2014.

Total Assets

Total assets increased from \$17,588,983 as at January 31, 2014 to \$22,849,431 as at January 31, 2015 and \$27,902,187 as at January 31, 2016. Total assets consist mainly of cash and cash equivalents and exploration and evaluation assets and increased significantly from prior years mainly due to exploration expenditures on the Company's mineral properties.

Shareholders' Equity

Total shareholders' equity increased from \$17,495,584 as at January 31, 2014 to \$22,540,601 as at January 31, 2015 and \$27,154,339 as at January 31, 2016. Total shareholders' equity consisted mainly of

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

share capital and increased significantly mainly due to the securities issued pursuant to numerous private placements and a transaction relating to the Company's Paleo-Placer property (see Note 8 of the Company's consolidated financial statements).

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Company for the eight most recent 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, 2014, to January 31, 2016, are prepared in accordance with IFRS.

	4th Quarter 2016 January 31, 2016	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
Net Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income Gain/(Loss)	(430,540)	(459,785)	266,127	166,548	518,352	(332,879)	(247,367)	(312,206)
Basic and Diluted Gain (Loss) Per Share	(\$0.01)	(\$0.01)	\$0.01	\$0.00	\$0.01	(\$0.01)	(\$0.00)	(\$0.01)

Overall, office and general expenses, accounting fees, consulting fees, interest expenses, impairment of marketable securities, foreign exchanges gains/losses, a gain on settlement of debt, 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.

FOURTH QUARTER

During the three month period ended January 31, 2016, the major expenses of the Company were accounting and audit fees of \$101,308, wages and salaries of \$90,726, consulting fees of \$88,631, office and general expenses of \$49,049, legal fees of \$21,090, and meals and travel expenses of \$16,760. During the three month period ended January 31, 2016, operating expenses were mitigated by non-operating items such as interest income of \$7,120, but were further increased by a shares of losses in an associate of \$46,203.

MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

Millennium Property

On March 26, 2015, the Company signed a sale and purchase agreement (the "Purchase Agreement") with Millennium Minerals Ltd. ("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 AUD \$3.8 million (CAD \$3,782,900). 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.

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

Transfer of the Beatons Creek Tenements was subject to receipt of approval of the Minister of the Crown 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. (“Talga Resources”), 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 (CAD \$49,775) 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 AUD \$250,000 per Talga Project.

On December 9, 2015, the Company signed a variation letter (the “Letter of Variation”) with Talga whereby the first option period was extended to the earlier of February 29, 2016, or the day the Company begins work of any kind on the Talga Projects. The Company paid Talga AUD \$50,000 (CAD \$49,775) for this extension, and this amount will be applied as a credit towards any future option payment made on the Talga Projects. Furthermore, by paying another AUD \$150,000, the Company can extend the option period to the second anniversary of this agreement. As at January 31, 2016, the Company had paid AUD \$250,000 (CAD \$248,875) to Talga Resources comprised of the original AUD \$50,000 (CAD \$49,775) payment, as well as the AUD \$50,000 (CAD \$49,775) and AUD \$150,000 (CAD \$149,325) payments delineated in the variation letter. As such, the Company has until August 11, 2017 to exercise its option and purchase any of the Talga Projects.

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 included cash payments totaling AUD \$350,000 (CAD \$348,425) 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 January 31, 2016, the Company has made cash payments totaling AUD \$350,000 (CAD \$348,425) and issued the Consideration Shares to Northwest. A loss of CAD \$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. Consideration for the Blue Spec Project totaled CAD \$673,639.

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.

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

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.

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”).

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.

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

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 expenditures incurred by both parties 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; the 7,060,466 Novo common shares issued to acquire the 330 Creasy CGE Shares were issued at a deemed value of CAD \$0.87 per share, and the 3,931,111 N and MP Expense Reimbursement Shares were issued at a deemed value of CAD \$0.89 per share. In addition, the Company transferred a 30% interest in tenement E45/4169 to the Creasy Group. A gain on sale of mineral property of \$46,114 was recorded in the Other Items section of the statement of comprehensive 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. The 100 Creasy CGE Shares hold no voting rights and no dividend rights and, as such, no value has been ascribed to the 2,139,534 Novo common shares which will potentially be issued.

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

**NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016**

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

	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
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

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

	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	4,003,679	-	134,676	28,160	727,315	266,824	5,160,654
Exploration Expenditures:							
Drilling	360,707	125,704	153,667	-	-	-	640,078
Feasibility Study	74,737	26,520	9,325	-	-	-	110,582
Field Work	194,101	41,019	1,183,941	-	30,515	1,527	1,451,103
Fuel	71,644	9,875	8,799	-	709	621	91,648
Geology	659,186	127,199	166,982	67,293	20,810	9,386	1,050,856
Legal	121,956	-	265,088	-	7,639	770	395,453
Meals and Travel	267,943	46,652	274,295	1,366	34,206	4,430	628,892
Office and General	61,490	10,953	101,537	6	1,238	-	175,224
Reports, Data and Analysis	915,047	121,715	788,480	-	74,492	32,571	1,932,305
Rock Samples	841,310	46,560	55,731	2,981	14,405	7,461	968,448
Tenement Administration	72,179	13,649	1,040,016	6,232	14,897	1,537	1,148,510
Foreign Exchange	49,508	6,638	48,803	1,607	1,410	-	107,966
Australian R&D Refund	(345,933)	(89,269)	(159,102)	-	-	-	(594,304)
	<u>3,343,875</u>	<u>487,215</u>	<u>3,937,562</u>	<u>79,485</u>	<u>200,321</u>	<u>58,303</u>	<u>8,106,761</u>
Balance, January 31, 2016	13,096,272	1,257,986	9,739,074	122,644	927,636	325,127	25,468,739

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

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 was filed under the Company's SEDAR profile at www.sedar.com on October 13, 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.

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

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

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

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.

Fast-Tracking Beatons Creek Towards Production

With the announcement of the 2015 Resource Estimate, the Company continues its plans to fast-track Beatons Creek toward production. In a meeting with the Western Australian Department of Mines and Petroleum ("DMP") in early May 2016, Novo received detailed guidance regarding additional data DMP requires for Novo's planned bulk sampling exercise at its Beatons Creek gold project. Novo's proposal encompasses processing of mined material and disposing of crushed rock tailings in an existing tailings storage pond that was once used to hold tailings from alluvial mining operations conducted on site in the 1980's. The DMP has asked Novo to provide an independent engineering report on the existing tailings dam to verify its integrity.

Novo recently had an independent engineer on site, and a report is expected to be generated within two weeks at which time it be submitted to the DMP. Novo hopes that this report as well as other information it has provided to the DMP will allow completion of the permitting process.

Given the recent success of crushing tests (please see the Company's news release dated April 13, 2016), and considering that some of the equipment used for bulk sampling may also be used for a future commercial-scale mine if one is established, Novo has decided to incorporate data from bulk sampling into its ongoing economic studies and its anticipated preliminary economic assessment. Therefore, Novo plans to complete its economic studies following completion and evaluation of its bulk sampling exercise.

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.

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

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 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. 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.
- 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.

In a news release dated January 21, 2016, the Company announced high grade gold and antimony results from rock chip samples recently collected at the Blue Spec project.

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

Gold Spec area:

Two areas of high grade gold mineralization have been identified west of the Gold Spec mine. The first area, located about 0.9 km west of Gold Spec, is defined by seven recent and historic rock chip samples collected from vein float material. Gold grades range from 22.5-143.8 gpt, and Sb ranges from 0.1-2.5%. Samples were collected over a strike length of about 100 m. Two historic reverse circulation drill holes are collared about 60 m north of these samples and were angled back at this zone, but neither hole appears to have adequately tested the area beneath these sample locations.

The second area, located about 250 meters west of Gold Spec, is highlighted by four recent and historic rock chip samples grading 5.4-86.9 gpt Au. Up to several hundred ppm Sb is also present. All samples are spot rock chips collected from subcropping vein or float material. Samples are scattered over a strike length of about 200 m. Some shallow historic reverse circulation drill holes and trenches are present in the area, but data for these is missing or sketchy.

Blue Spec area:

The location of an historic rock chip sample grading 5.3 gpt Au was identified between the Blue Spec and Red Spec areas suggesting mineralization is present between these zones. Historic drilling is sparse in this gap.

Middle Creek area:

A high grade outcrop sample was collected in the Middle Creek flood plain in an area with no previous sampling history. This sample grades 47.7 gpt Au and 2.4% Sb. Given that outcrop is very scarce in this area, the discovery of this sample site is highly significant and suggests the potential for a hidden target in this location. More sampling is needed to evaluate this possibility.

Orange Spec and Green Spec areas:

At the Orange Spec target, new rock chip samples taken from sub and outcropping veins grade 4.2-15.7 gpt Au along a zone about 50 m long. Several wide-spaced historic drill holes in this area encountered intervals of high grade gold to 15 ppm. Interestingly, Sb is below 100 ppm in most samples from this location. These new surface sample results indicate more work is needed in this location.

Sampling of outcropping veins at Green Spec returned gold grades between 2.5-38.6 gpt. Sb ranges from a few hundred ppm to 1.4%. Although a small shoot of mineralization is defined by historic drilling, more work is needed at Green Spec and along strike in both directions.

20 Mile area:

A new target has been confirmed about 500 m east of 20 Mile Creek. Recent and historic spot rock chip samples from veins grade 3.0-15.8 gpt Au. Like Orange Spec, Sb contents are low, generally less than 100 ppm. A few scattered historic drill holes have been identified nearby, but more work is clearly warranted in this location.

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

Option of Talga Projects

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 AUD \$250,000 per Talga Project.

On December 9, 2015, the Company signed a variation letter (the “Letter of Variation”) with Talga whereby the first option period was extended to the earlier of February 29, 2016, or the day the Company begins work on any kind on the Talga Projects. The Company paid Talga AUD \$50,000 for this extension, and this amount will be applied as a credit towards any future option payment made on the Talga Projects. Furthermore, by paying another AUD \$150,000, the Company can extend the option period to the second anniversary of this agreement. As at January 31, 2016, the Company had paid AUD \$250,000 to Talga Resources comprised of the original AUD \$50,000 payment, as well as the AUD \$50,000 and AUD \$150,000 payments delineated in the variation letter. As such, the Company has until August 11, 2017 to exercise its option and purchase any of the Talga Projects.

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 deferred further work at Marble Bar to conserve cash for use at the Beatons Creek project.

Two Creeks Project

On April 14, 2016, Novo entered into a license and farm-in option agreement with Mesa Minerals Limited, an Australian Stock Exchange listed company, for the right to explore its Two Creeks project (the “Two Creeks Project”). A payment of AUD \$10,000 was made to Mesa Minerals for an initial exploration license period set to expire on July 5, 2016. Novo can exercise its right to enter into a farm-in and joint venture agreement (pursuant to which Novo would have the right to earn a 70% by incurring AU\$500,000 in exploration expenditures) with Mesa Minerals on or before July 5, 2016 by issuing AU\$500,000 worth of Novo’s common shares (the “Consideration Shares”) based on Novo’s then 5-day trailing volume-weighted average price (“VWAP”). If issued, the Consideration Shares will be subject to a statutory hold period expiring four months from the date of issuance, as well as an additional two-month hold period agreed upon by the Company and Mesa Minerals.

The Two Creeks Project covers an area of approximately 251 sq km in an area approximately 13 km east of Novo’s Blue Spec Au-Sb Project. Importantly, the Two Creeks Project hosts approximately 9 km of strike along the Blue Spec shear zone, a prolific host to high grade Au-Sb veins in this region. The Two

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

Creeks Project also covers part of the Eastern Creek Goldfield, a historic mining district hosting several notable high grade gold veins. Although poorly explored, Novo thinks there is strong potential for discovery of high grade gold veins within the Two Creeks Project. Novo plans to commence reconnaissance mapping and sampling at Two Creeks immediately.

Mt. Hays Project

Also on April 14, 2016, Novo entered into an option agreement with Red Dog Prospecting Pty Ltd, a private Australian company, for the right to explore its Mt. Hays project (the "Mt. Hays Project"). A payment of AU\$25,000 was made to Red Dog Prospecting for an initial six-month option period. The Company can extend the period of exercise of the option for another two years by paying Red Dog Prospecting AU\$340,000, to be split per Novo's discretion between cash and the issuance of Novo common shares (the "First Option Shares") based on Novo's then 5-day trailing VWAP. The Company can exercise its option (Novo has the right to acquire a 90% interest in the Mt. Hays Project) by paying Red Dog Prospecting AU\$1,540,000, also to be split per Novo's discretion between cash and the issuance of Novo common shares (the "Second Option Shares") based on Novo's 5-day trailing VWAP. The First Option Shares and the Second Option Shares, if issued, will be subject to a statutory hold period expiring four months from the date of issuance, as well as an additional two-month hold period agreed upon by the Company and Red Dog Prospecting.

The Mt. Hays Project covers an area of approximately 76 sq km immediately east and adjoining the Two Creeks Project and hosts approximately 11 km of strike along the Blue Spec shear zone. Historic rock chip samples collected by Red Dog Prospecting include a high grade gold assay of 140 grams per tonne with strongly anomalous antimony. One historic reverse circulation drill hole encountered 2 meters @ 52 grams per tonne gold near the east end of the Blue Spec shear zone. Novo is not aware of whether a qualified person has verified the data disclosed in this paragraph. Several outcropping veins displaying antimony oxides have been observed across the property. In recent years, metal detectorists have found numerous gold nuggets, commonly in close proximity to such veins. Novo also plans to commence reconnaissance mapping and sampling at Mt. Hays immediately.

Consolidation of Land Holdings in the Mosquito Creek Basin

Two Creeks and Mt. Hays projects combined with Novo's 100% owned Blue Spec Au-Sb project and the Mosquito Creek project optioned from Talga Resources (please refer to the Company's news release dated August 12, 2015), gives Novo control over approximately 450 square km of this important gold field.

The Mosquito Creek Basin, measuring approximately 65 km east-west and 30 km north-south, is comprised of a thick sequence of sedimentary rocks that were deposited approximately 2.92 billion years ago before those of the Fortesque Group at Beatons Creek which were deposited approximately 2.74 billion years ago. While the Fortesque Group correlates in time with the Upper Central Rand and Ventersdorp Groups of the Witwatersrand Basin in South Africa, the Mosquito Creek Formation correlates in time with the Lower Central Rand Group. This is important because it is within this window of time, around 3.0-2.7 billion years ago, that photosynthetic life evolved and the first whiffs of oxygen it produced triggered precipitation of gold resulting in the formation of the vast accumulation of gold in the Witwatersrand Basin.

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

Although the sedimentary rocks of the Mosquito Creek Formation were deposited in a deeper water environment than those of the Lower Central Rand Group, they display strong regional gold anomalism. The Mosquito Creek Basin is one of the most prolific gold nugget sites in Australia with dozens of prospectors returning to the area every winter finding gold nuggets across the entire basin. Hundreds of historic prospects and mine shafts explore innumerable veins scattered throughout the area. Novo considers the gold in these veins to have been directly remobilized from gold-enriched sedimentary rocks of the Mosquito Creek Basin during a period of low rank metamorphism and deformation following their deposition.

Two parallel east-west trending structural zones, the Blue Spec line in the north and the Middle Creek line in the south, cross the Mosquito Creek Basin and host numerous gold deposits, mainly orogenic lodes and veins. Veins found along the Blue Spec line commonly display abundant antimony in addition to high gold grades. Stibnite is the main antimony mineral.

Both the Blue Spec and Gold Spec deposits are open along strike and down dip and associated splay zones have never been fully tested. At Blue Spec, for example, historic drill holes including BSI-011 (1.72 m @ 36.78 gpt Au), BSD0027 (1.15 m @ 62.67 gpt Au), BSD0036-W1 (2.5 m @ 157.45 gpt Au) and BSD0018-W2 (1.76 m @ 12.57 gpt Au) fall along the periphery of the current resource model and suggest immediate potential to expand this deposit through offset drilling. At Gold Spec, historic drill holes including BSD0013 (0.67 m @ 42.9 gpt Au), GSI-003 (2.1 m @ 17.09 gpt Au) and GSI-007 (2.1 m @ 20.09 gpt Au) fall along the periphery of the resource model and similarly suggest immediate potential to expand this deposit through offset drilling. True widths are approximately 80% of the reported lengths.

The Blue Spec style of gold mineralization is strikingly similar to that at the Costerfield mine in Victoria State owned and operated by Madalay Resources Ltd. Mandalay employs narrow vein mining techniques and a combination of gravity and flotation to produce gold in dore and high grade gold-antimony concentrate.

Exploration Strategy

Novo considers the Blue Spec line highly prospective for further high-grade gold-antimony discoveries. Since optioning the Two Creeks and Mt. Hays projects in mid-April 2016, Novo has had two teams of geologists undertaking reconnaissance mapping and prospecting for Blue Spec style mineralization at both these new areas as well as at Blue Spec. Sampling has been aided by the use of hand held X-ray fluorescence units that allow for real time geochemical analysis of rock samples.

Prospecting has already discovered multiple new antimony-anomalous veins along the Blue Spec structural corridor. Stibnite and yellow antimony oxides are present in many samples. While gold values are not necessarily directly correlated with antimony grades, the discovery of these new occurrences is considered encouraging. Approximately 300 surface samples have been collected and submitted for assay. Results are expected over the next few weeks.

Upon receipt of assays, Novo plans to assess newly discovered gold-antimony veins for drill testing this year. Consideration is also being given to drill test targets in the vicinity of the Blue Spec and Gold Spec deposits where Novo considers high-grade shoots may be close to surface.

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

FINANCING ACTIVITIES

During the years ended January 31, 2016 and 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 \$70,187, 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 1.44 years. As of January 31, 2016, 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 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 1.46 years. As of January 31, 2016, 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.

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

- 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 January 31, 2016, the Company had a cash and cash equivalents balance of \$1,375,545 compared to \$10,158,594 as at January 31, 2015. The Company had working capital as at January 31, 2016, of \$1,183,624 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 January 31, 2016, was \$1,043,660 (January 31, 2015 - \$1,258,935). The decrease 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 January 31, 2016, was \$9,594,910 (January 31, 2015 - \$5,350,918). The Company's principal investing activity is the acquisition and exploration of its resource properties. During the year ended January 31, 2016, the Company incurred \$9,234,472 (January 31, 2015 - \$5,349,338) 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 year ended January 31, 2016 was \$1,863,694 (January 31, 2015 - \$5,382,317), 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 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 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.

CHANGE IN NON-CONTROLLING INTERESTS

On June 29, 2015, pursuant to the Definitive Agreement (as defined below in Note 8), the Company reached the first of two contemplated completion milestones with the Creasy Group (as defined below in Note 8) 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 (defined below in section 8) in exchange for 7,060,466 Novo common shares. 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.

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

The following table shows the continuity of the Company's interest in 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)
Elimination of non-controlling interest (Note 8)		211,104
Balance, June 29, 2015		-

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	(111,410)	(790,698)

**These amounts include inter-company balances of \$22,754,278 (January 31, 2015 - \$13,218,058) 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 years ended January 31, 2016 and 2015, the following amounts were incurred with respect to the key management and directors of the Company:

	January 31, 2016	January 31, 2015
	\$	\$
Consulting services	151,000	164,000
Wages and salaries	26,404	111,764
Wages and salaries included in exploration and evaluation assets	180,614	66,148
	358,018	341,912

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

(b) *Other Related Party Disclosures*

During the years ended January 31, 2016 and 2015, the following amounts were incurred with respect to consulting services provided by a corporation controlled by the Chief Financial Officer:

	January 31, 2016	January 31, 2015
	\$	\$
Consulting services	120,000	120,000
Geological services	-	370,773
	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, 2016.

CRITICAL ACCOUNTING ESTIMATES

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 in Note 2 of the Company's consolidated financial statements for the year ended January 31, 2016.

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 January 31, 2016, 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, 2016, 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, and accounts payable and accrued liabilities. IFRS 7 Financial Instruments: Disclosure ("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.

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

- 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 are measured using Level 1 inputs. The fair values of marketable securities are measured at the closing market price obtained from the exchange.

The Company did not have any financial instruments in level 2. There were no transfers between levels during the period.

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 and is 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, 2016 and 2015, the Company's Australian and US dollar denominated monetary assets and monetary liabilities are as follows:

Australian Monetary assets (\$ AUD)	January 31, 2016		January 31, 2015	
Cash and cash equivalents	\$	555,914	\$	647,183
Accounts payable and accrued liabilities	\$	695,195	\$	275,729
US Monetary assets (\$USD)	January 31, 2016		January 31, 2015	
Cash and cash equivalents	\$	23,335	\$	5,017,479
Accounts payable and accrued liabilities	\$	16,829	\$	23,152

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

The exposure to foreign exchange rate risk is as follows:

Australian Monetary assets		10% Fluctuation		
	AUD	Impact	(AUD)	CAD
Cash and cash equivalents	\$ 555,914	\$ 55,591		\$ 55,341
Accounts payable and accrued liabilities	\$ 695,195	\$ 69,520		\$ 69,207

US Monetary assets		10% Fluctuation		
	USD	Impact	(USD)	CAD
Cash and cash equivalents	\$ 23,335	\$ 2,334		\$ 3,286
Accounts payable and accrued liabilities	\$ 16,829	\$ 1,683		\$ 2,370

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 January 31, 2016, 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.

The exposure to interest rates for the Company is considered minimal.

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 81,086,312 issued and outstanding common shares.

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

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	900,000	\$0.45	February 20, 2017
Total	1,250,000		

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
Warrants	3,927,884	\$0.85	March 8, 2018
Total	7,762,021		

Type of Security	Number	Exercise Price	Expiry Date
Convertible Debenture	3,091,493	\$0.67	January 12, 2017
Total	3,091,493		

ADDITIONAL DISCLOSURE FOR JUNIOR ISSUERS

The Company has incurred the following material cost components:

	Year Ended January 31, 2016	Year Ended January 31, 2015
	\$	\$
Accounting Fee	208,974	83,686
Consulting Fee	368,343	306,504
Office & General	277,885	242,802
Interest Expense	106,199	-
Wages & Salaries	316,825	285,885
Exploration and Evaluation Assets	25,468,739	12,201,324

During the year ended January 31, 2016, \$208,974 (January 31, 2015 - \$83,686) in accounting fees was paid in relation to the previous year's financial statement audit, tax return services, and research and development refunds in Canada, Australia, and the US.

During the year ended January 31, 2016, consulting fees totalling \$368,343 (January 31, 2015 - \$306,504) 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 year ended January 31, 2016, totalling \$277,885 (January 31, 2015 - \$242,802), were mainly related to general office supplies, advertising and promotion, filing fees, computer & internet expenses, project investigation, telephone expenses, depreciation, professional development, and rent expenses.

NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JANUARY 31, 2016

Interest expenses during the year ended January 31, 2016, of \$106,199 (January 31, 2015 - \$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 year ended January 31, 2016, \$316,825 (January 31, 2015 - \$285,885) in wages and salaries were paid to employees for providing management, geological and administrative services to the Company.

During the year ended January 31, 2016, exploration and evaluation assets totalling \$25,468,739 (January 31, 2015 - \$12,201,324) related to the Millennium, Paleo-Placer, Tuscarora, Grant's Hill, Blue Spec, and Talga 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 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.