NOVO RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

Three months ended April 30, 2018 and 2017

(Expressed in Canadian Dollars)

Novo Resources Corp.
(Expressed in Canadian Dollars)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited)

	Note	**April 30, 2018** **$**	**January 31, 2018** **$**
ASSETS			
Current assets			
Cash		51,392,985	55,600,766
Short-term investments	3	15,334,641	13,917,922
Receivables	4	576,456	1,023,581
Prepaid expenses and deposits		159,479	290,295
Total current assets		67,463,561	70,832,564
Non-current assets			
Equipment	7	952,718	993,456
Exploration and evaluation assets	6	81,427,824	77,874,116
Gold samples	6, 11	41,263	-
Marketable securities	5	6,920,816	2,134,977
Total non-current assets		89,342,621	81,002,549
Total assets		156,806,182	151,835,113
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		2,082,444	1,768,322
Total current liabilities		2,082,444	1,768,322
Non-current liabilities			
Deferred consideration for mineral property	6, 11	5,825,752	6,384,025
Total non-current liabilities		5,825,752	6,384,025
Total liabilities		7,908,196	8,152,347
SHAREHOLDERS' EQUITY			
Share capital	8	166,230,922	161,785,565
Reserves	8	17,484,462	13,760,509
Shares to be issued	8	1,140,597	1,140,597
Accumulated other comprehensive gain (loss)		2,066,997	(23,187)
Accumulated deficit		(38,024,992)	(32,980,718)
Total shareholders' equity		148,897,986	143,682,766
Total shareholders' equity and liabilities		156,806,182	151,835,113

These condensed interim consolidated financial statements are authorized for issue by the Board of Directors on June 27, 2018. They are signed on the Company’s behalf by:

“Akiko Levinson” — Akiko Levinson

“Michael Barrett” — Michael Barrett

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Novo Resources Corp.
(Expressed in Canadian Dollars)
Condensed Interim Consolidated Statements of Comprehensive Loss
(Unaudited)

	Note	Three Months Ended April 30, 2018 $	2017 $
Expenses			
Accounting and audit		60,342	79,108
Consulting services	9	74,523	104,906
Insurance		26,876	26,239
Legal fees		137,599	14,457
Meal and travel expenses		72,414	20,845
Office and general		383,605	62,243
Share-based compensation	8, 9	4,067,165	86,911
Transfer agent and filing fees		30,689	57,793
Wages and salaries	9	853,275	110,121
Loss before other items		(5,706,488)	(562,623)
Other items			
Interest and other income		165,414	228
Foreign exchange gain		11,784	8,440
Deferred consideration accretion expense		(7,168)	-
Unrealized gain on deferred consideration for mineral property	6	492,184	-
		662,214	8,668
Net loss for the period		(5,044,274)	(553,955)
Other comprehensive income (loss)			
Change in fair value of marketable securities	5	4,413,314	-
Foreign exchange on translation of subsidiaries		(2,323,130)	1,143,169
		2,090,184	1,143,169
Comprehensive gain (loss) for the period		(2,954,090)	589,214
Weighted average number of common shares outstanding		156,166,373	93,830,382
Basic and diluted loss per common share		(0.03)	(0.01)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Novo Resources Corp.
(Expressed in Canadian Dollars)
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited)

	Note	Number of Shares	Amount	Option Reserve	Warrant Reserve	Shares to be Issued	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Shareholders' Equity
			$	$	$	$	$	$	$
Balance – January 31, 2017		**93,029,820**	**50,364,696**	**3,071,262**	**66,872**	**-**	**(348,410)**	**(15,195,907)**	**37,958,513**
Stock option exercise	8	900,000	792,694	(387,694)	-	-	-	-	405,000
Share-based compensation	8	-	-	86,911	-	-	-	-	86,911
Shares to be issued	8	-	-	-	-	1,418,472	-	-	1,418,472
Other comprehensive income for the period		-	-	-	-	-	1,143,169	-	1,143,169
Loss for the period		-	-	-	-	-	-	(553,955)	(553,955)
Balance – April 30, 2017		**93,929,820**	**51,157,390**	**2,770,479**	**66,872**	**1,418,472**	**794,759**	**(15,749,862)**	**40,458,110**
Balance – January 31, 2018		**153,650,768**	**161,785,565**	**13,740,525**	**19,984**	**1,140,597**	**(23,187)**	**(32,980,718)**	**143,682,766**
Stock option exercises	8	248,334	669,966	(343,082)	-	-	-	-	326,884
Share-based compensation	8	-	-	4,067,165	-	-	-	-	4,067,165
Warrant exercises	8	4,231,982	3,775,391	-	(130)	-	-	-	3,775,261
Other comprehensive income for the period		-	-	-	-	-	2,090,184	-	2,090,184
Loss for the period		-	-	-	-	-	-	(5,044,274)	(5,044,274)
Balance – April 30, 2018		**158,131,084**	**166,230,922**	**17,464,608**	**19,854**	**1,140,597**	**2,066,997**	**(38,024,992)**	**148,897,986**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Novo Resources Corp.
(Expressed in Canadian Dollars)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended April 30,	
	2018	**2017**
	$	**$**
Operating activities		
Net loss for the year	(5,044,274)	(553,955)
Adjustments for:		
Interest and other income	(165,414)	(228)
Depreciation	25,900	-
Foreign exchange	(158,795)	(68,379)
Share-based compensation	4,067,165	86,911
Unrealized gain on deferred consideration for mineral property	(492,184)	-
Deferred consideration accretion expense	7,168	-
Total adjustments	3,283,840	18,304
	(1,760,434)	(535,651)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(197,778)	977,377
Prepaid expenses and deposits	130,816	14,733
Receivables	447,126	312,766
	380,164	1,304,876
Net cash used in operating activities	**(1,380,270)**	**769,225**
Investing activities		
Interest and other income	165,414	228
Purchase of equipment	(9,789)	-
Short-term deposits	(1,416,719)	-
Purchase of marketable securities	(163,465)	-
Purchase of gold samples	(41,263)	-
Expenditures on exploration and evaluation assets	(4,988,890)	(2,538,297)
Net cash used in investing activities	**(6,454,712)**	**(2,538,069)**
Financing activities		
Issuance of share capital	4,102,145	405,000
Shares to be issued	-	1,418,472
Net cash from financing activities	**4,102,145**	**1,823,472**
Net change in cash	(3,732,837)	54,628
Effect of exchange rate changes on cash	(474,944)	(4,517)
Cash, beginning of the period	55,600,766	1,810,131
Cash, end of the period	**51,392,985**	**1,860,242**

Supplemental cash flow information (Note 10)

1. NATURE OF OPERATIONS

Novo Resources Corp. (the "Company" or "Novo") was incorporated on October 28, 2009 pursuant to the provisions of the *Business Corporations Act* (British Columbia) as Galliard Resources Corp. On June 27, 2011, the Company changed its name from Galliard Resources Corp. to Novo Resources Corp. The Company's shares trade on the TSX Venture Exchange (the "TSX-V") under the ticker symbol "NVO" and in the United States on the OTC market's OTCQX International Exchange under the symbol "NSRPF".

The Company is engaged primarily in the business of evaluating, acquiring and exploring natural resource properties with a focus on gold. The Company's head office is located at c/o Suite 2900, 595 Burrard Street, Vancouver, BC, V7X 1J5, Canada. The Company's office and corporate staff are located at Level 1, 680 Murray Street, West Perth, WA, 6005, Australia.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretation Committee, on a basis consistent with the Company's most recent annual consolidated financial statements, except those accounting policies which have changed as a result of the adoption of new and revised standards and interpretations as described in Note 2 below. These condensed interim consolidated financial statements do not include all of the information and note disclosures required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's annual consolidated financial statements for the year ended January 31, 2018.

Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss ("FVTPL"), and fair value through other comprehensive income or loss ("FVTOCI"), that have been measured at fair value.

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, 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 or complexity or where assumptions and estimates are significant to the financial statements are disclosed within this note.

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.

Australian dollars will be referred to as "AUD" in these condensed interim consolidated financial statements, and United States dollars will be referred to as "USD" in these condensed interim consolidated financial statements.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries listed below. Control is established by having power over the acquiree, exposure or rights to variable returns from its involvement with the acquiree, and the ability to use its power over the acquiree to affect the amount of the acquiror's returns. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

(Expressed in Canadian Dollars, unless stated otherwise)

As at April 30, 2018, the subsidiaries of the Company are as follows:

Company Name	Area of Incorporation	% of Interest
Novo Resources (USA) Corp.	Nevada, USA	100%
Conglomerate Gold Exploration (B.V.I.) Ltd.	Tortola, British Virgin Islands	100%
Karratha Gold Exploration (B.V.I.) Ltd.	Tortola, British Virgin Islands	100%
Conglomerate Gold Exploration Pty. Ltd. (“CGE”)	Western Australia, Australia	100%
Nullagine Gold Pty. Ltd.	Western Australia, Australia	100%
Beatons Creek Gold Pty. Ltd.	Western Australia, Australia	100%
Grant’s Hill Gold Pty. Ltd.	Western Australia, Australia	100%
Karratha Gold Pty. Ltd.	Western Australia, Australia	100%
Rocklea Gold Pty. Ltd.	Western Australia, Australia	100%
Meentheena Gold Pty. Ltd.	Western Australia, Australia	100%

Change in accounting policies – Financial instruments

The Company has adopted all of the requirements of IFRS 9 *Financial Instruments* (“IFRS 9”) as of February 1, 2018. IFRS 9 has replaced IAS 39 *Financial Instruments: Recognition and Measurement* (“IAS 39”). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking “expected loss” impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9.

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that were recognized at the date of application. With the exception of the investment in certain marketable securities, the change did not impact the carrying value of any financial assets on transition date. For those investments in private company shares, on transition to IFRS 9, the Company recognized a fair value gain such that these instruments were re-measured at their fair value.

The following is the Company’s new accounting policy for financial instruments under IFRS 9.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, on the date of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or when the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at February 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	**Original classification (IAS 39)**	**New classification (IFRS 9)**
Cash	Amortized cost	Amortized cost
Short-term investments	Amortized cost	Amortized cost
Receivables	Amortized cost	Amortized cost
Marketable securities	Available for sale	FVTOCI
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Deferred consideration	FVTPL	FVTPL

Upon the adoption of IFRS 9, the Company made an irrevocable election to classify marketable securities through FVTOCI given they are not held for trading and are instead held as strategic investments that align with the Company's corporate objectives.

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income or loss.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within the accumulated other comprehensive income or loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net loss.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 replaced IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and related interpretations on revenue. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for annual periods beginning on or after January 1, 2018, with early application permitted. Currently, there has been no impact on the Company's condensed interim consolidated financial statements considering the Company does not currently have any contracts with customers or revenues.

Significant accounting judgments and estimates

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgments are periodically evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim consolidated financial statements within the next financial year are discussed below:

Recoverability of exploration and evaluation assets

The amounts shown as exploration and evaluation assets represent net costs to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The recoverability of these amounts and any additional amounts required to place the exploration and evaluation assets into commercial production are dependent upon certain factors. These factors include the existence of ore deposits sufficient for commercial production and the Company's ability to obtain the required additional financing necessary to develop its exploration and evaluation assets.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Share-based payments

The values of share-based payments are determined using the Black-Scholes option pricing model, the use of which requires management to apply subjective assumptions such as the expected price volatility, expected life of the option, risk free interest rates, and forfeiture rates. Changes in these input assumptions can significantly affect the fair value estimate. Performance-based vesting conditions also require subjective assumptions with respect to vesting timeframes. Changes in these input assumptions can also significantly affect the fair value estimate.

Elementum 3D

The fair value of the shares held in Elementum 3D Inc. ("E3D") was estimated using E3D's most recent financing price. A change in this input can significantly affect the fair value estimate.

New standards, interpretations and amendments

The following are accounting standards anticipated to be effective January 1, 2018 or later:

IFRS 16 *Leases*
IFRS 16 will replace IAS 17 *Leases*. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Application of the standard is mandatory for annual periods beginning on or after January 1, 2019, with early application permitted. The Company does not expect this new standard to have significant financial reporting implications, as currently any lease agreements entered into within the scope of IFRS 16 are immaterial. Mineral property leases are not within the scope of IFRS 16.

3. SHORT-TERM INVESTMENTS

Short-term investments are fixed term deposits held at the bank with a maturity of more than three months but no more than one year and are cashable at any time or locked for a period of no more than six months. As at April 30, 2018, the Company had seven short-term investments totalling $15,334,641 of principal (January 31, 2018 – five short-term investments totalling $13,917,922).

$6,357,250 is held in two short-term investments denominated in Canadian funds, and the remaining $8,977,391 is held in five short-term investments denominated in Australian funds. The Canadian short-term investments have annual yields of 0.9%, and are due on February 23 and March 10, 2019, respectively. The Australian short-term investments have annual yields of 2.35%, 2.24%, 2.20%, and 1.90% and are due on June 8, July 21, and July 28, 2018. Amounts which mature are re-invested in similar investments along with their interest component.

4. RECEIVABLES

		April 30, 2018		January 31, 2018
Canadian GST receivable	$	15,290	$	95,695
Australian GST receivable		559,821		927,886
Gold sample receivable		1,345		-
Total receivable	**$**	**576,456**	**$**	**1,023,581**

5. MARKETABLE SECURITIES

On October 30, 2017, the Company participated in Calidus Resources Limited's ("Calidus") private placement by purchasing 36,585,366 shares at AUD $0.041 per share for gross consideration of AUD $1,500,000 ($1,489,757). The Company received Calidus' shares upon closing of the private placement on November 6, 2017. Calidus also issued to Novo 20,000,000 fully paid ordinary shares at a fair value of AUD $820,000 ($814,178) or AUD $0.041 ($0.041) per share as a reimbursement for expenditures incurred by the Company on certain tenements in the Marble Bar region of Western Australia which is subject to a binding terms sheet between Novo and Calidus (see section 6 – *Exploration and Evaluation Assets* for more details).

On March 7, 2018, the Company participated in Elementum 3D Inc.'s ("E3D") (formerly known as Sinter Print Inc.) rights offering financing. E3D, an unlisted private company based in Erie, Colorado, is an additive manufacturing research and development company which specializes in the creation of advanced metals, composites, and ceramics. The Company purchased 76,560 common shares of E3D at a price of USD $1.68 per common share. The Company's ownership in E3D is approximately 14.75%. The 76,560 common shares of E3D have been accounted for as marketable securities, so they have initially been recognized at fair value and subsequently remeasured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income or loss. Novo holds an additional 2,000,000 common shares of E3D which were originally accounted for using the equity method considering Novo held 25% of E3D once the initial investment was made. E3D was treated as an associate, so Novo's share of losses in E3D was captured in the consolidated statements of comprehensive loss. In fiscal 2017, the Company's share of losses in E3D exceeded its interest in E3D. As per IAS 28 Investments in Associates, after the Company's interest is reduced to zero, additional losses are recognized by a provision (liability) only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of E3D. If E3D subsequently reports profits, the Company resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized. Since the Company has and had not incurred legal or constructive obligations or made payments on behalf of E3D, the Company's interest in E3D was reduced to zero on the Company's consolidated statement of financial position. The 2,000,000 common shares of E3D will now be recognized at fair value, with a one-time gain of $4,314,529 recognized in the consolidated interim statements of comprehensive loss on the full fair value of the E3D shares considering the value attributed to them prior to the March 7, 2018 rights offering financing was $nil.

(Expressed in Canadian Dollars, unless stated otherwise)

On March 8, 2018, American Pacific Mining Corp. ("APM") issued 266,666 common shares to Novo at a fair value of $0.38 per share for total consideration of $101,333 (see section 6 - *Exploration and Evaluation Assets* for more details).

April 30, 2018

	Number		Cost		Foreign Exchange		Accumulated Unrealized Gains (Losses)		Fair Value
Available-for-sale securities									
Calidus Resources Limited Common Shares	56,585,366	$	2,303,935	$	(61,231)	$	112,118	$	2,354,822
American Pacific Mining Corp. Common Shares	266,666		101,333		-		(13,333)		88,000
Elementum 3D Inc. Common Shares	2,076,560		$163,465		-		4,314,529		4,477,994
		$	**2,568,733**	**$**	**(61,231)**	**$**	**4,413,314**	**$**	**6,920,816**

6. EXPLORATION AND EVALUATION ASSETS

<u>Nullagine Region</u>

Beatons Creek Property

The Company signed agreements with aboriginal groups who have title to the ground comprising the Beatons Creek property during the year ended January 31, 2018. In aggregate, the Company has paid AUD $450,000 ($446,805) and a further AUD $600,000 is due once a decision has been made to develop the property for mining. In addition, a production royalty is payable, totaling 2.75% on any gold and silver produced from the Beatons Creek property.

A 2.5% royalty is payable to the State of Western Australia on any gold produced by the Company on the Beatons Creek Tenements.

Talga Projects

On September 16, 2016, the Company issued 765,115 common shares of the Company at a deemed value of $0.9673 (AUD $0.9802) per share for total consideration of AUD $750,000 ($740,096) in order to exercise its option and purchase the Talga Talga, Warrawoona, and Mosquito Creek Projects (collectively, the “Talga Projects”). The fair value of the common shares issued was $1,369,555 based on the closing price of the Company’s common shares on the TSX-V on September 16, 2016 of $1.79.

A 1.5% net smelter returns royalty is payable on any minerals extracted from the Talga Projects in a commercial mining operation. A 2.5% royalty is also payable to the State of Western Australia on any gold produced by the Company on the Talga Projects.

Blue Spec Project

A 2% net smelter return royalty over all production from tenements comprising the Blue Spec Au-Sb Project (the “Blue Spec Project”) is payable to RSI (WA Gold) Pty Ltd. under a royalty agreement entered into by Northwest Resources Limited (“Northwest”) when it owned the tenements.

A net smelter return royalty over all production from certain tenements comprising the Blue Spec Project is payable to St. Barbara Limited under a royalty agreement Northwest was bound by when it owned the tenements comprising the Blue Spec Project. The Company assumed the obligations under the 2015 purchase agreement with Northwest. The royalty is equal to 3.75% of the gross proceeds of sale of 75% of all gold, silver and other minerals produced from the tenements.

A 2.5% royalty is payable to the State of Western Australia on any gold produced by the Company on the Blue Spec Project.

Paleo-Placer Property

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 the Creasy Group entering into a binding agreement regarding other tenements in the Nullagine region. No value has been ascribed to these shares considering their issuance is contingent upon entering into the binding agreements. The 100 Creasy CGE Shares hold no voting rights and no dividend rights.

If a mining decision is made under any of the four farm-in and joint venture agreements with the Creasy Group (the “JVAs”), following a bankable feasibility study, but the Creasy Group elects not to participate in mining, its interest in relation to that mining area will be transferred to Nullagine Gold and converted to a 1% net smelter royalty.

A discovery bonus of AUD $1 million is also payable to the Creasy Group if Novo conducts commercial mining operations on a gold discovery made by the Creasy Group while exercising its prospecting rights on the JVA properties. The Creasy Group would also make a similar payment to the Company if the Creasy Group mines a non-gold discovery made by the Company.

A 2.5% royalty is payable to the State of Western Australia on any gold produced by the Company on the JVA properties.

Two Creeks Property

On April 14, 2016, the Company entered into a licence and farm-in option agreement with Mesa Minerals Limited (“Mesa”), an Australian Stock Exchange listed company, for the right to explore its Two Creeks project (the “Two Creeks Project”). The Two Creeks Project covers an area of approximately 251 sq km in an area approximately 13 km east of the Company’s Blue Spec project.

A payment of AUD $10,000 ($9,955) was made to Mesa Minerals for an initial exploration licence period set to expire on July 5, 2016. On August 11, 2016, the Company exercised its right to enter into a farm-in and joint venture agreement by issuing 491,274 common shares to Mesa (the "Consideration Shares") at a deemed price of $0.9037 per share (AUD $0.9171) for total consideration of AUD $500,000 ($442,147). The fair value of the common shares issued was $442,147 based on the closing price of the Company's common shares on the TSX-V on August 11, 2016 of $0.90. These Consideration Shares were subject to a statutory hold period that expired in February of 2017. The Company has the right to earn a 70% interest by incurring AUD $500,000 in exploration expenditures, which it has not incurred as at the date these condensed interim consolidated financial statements were approved.

If a joint venture is formed with Mesa, Mesa will have the right to dilute its joint venture interest by not contributing to the joint venture. Mesa will earn a 0.75% net smelter returns royalty per 10% of joint venture interest diluted.

A 2.5% royalty is payable to the State of Western Australia on any gold produced by the Company on the Two Creeks Project.

Mt. Hayes Property

On April 14, 2016, the Company entered into an option agreement with Red Dog Prospecting Pty Ltd ("Red Dog Prospecting"), a private Australian company, for the right to explore its Mt. Hayes project (the "Mt. Hayes Project"). The Mt. Hayes 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.

On October 7, 2016, the Company issued 195,365 common shares to Red Dog at a deemed price of $1.4889 (AUD $1.4844) per share for total consideration of AUD $290,000 ($290,870). The fair value of the common shares issued was $293,048 based on the closing price of the Company's common shares on the TSX-V on October 7, 2016 of $1.50. The Company also made a cash payment of AUD $50,000 ($50,070) in order to extend the period of exercise of the option for another two years from the date of the option agreement to April 14, 2018. The Company determined that the Mt. Hayes Project was not prospective and let the option lapse. The Company recorded an impairment expense of AUD $436,550 ($434,498) during the year ended January 31, 2018.

Calidus Resources Limited

On September 19, 2017, the Company signed a binding term sheet with Calidus Resources Limited ("Calidus"), an ASX-listed entity, granting Calidus the right to earn a 70% interest in and to certain Novo tenements surrounding Calidus' Warrawoona project in Western Australia (the "Novo Tenements"). The Novo Tenements are comprised of four exploration licences and three prospecting licences.

Calidus completed its due diligence and satisfied or waived all conditions precedent and advised that the preparation of formal earn-in and joint venture agreements is underway. Calidus issued to Novo 20,000,000 fully paid ordinary shares at a fair value of AUD $820,000 ($814,178) or AUD $0.041 ($0.041) per share.

In order to earn a 70% interest in and to the Novo Tenements, Calidus must incur exploration expenditures of AUD $2,000,000 over three years. If Calidus earns its 70% interest, Novo and Calidus will then be subject to a fund or dilute obligation whereby any interest below 10% will automatically convert into a 1% net smelter returns royalty.

Nimble Resources Pty Ltd

On November 10, 2017, the Company sold tenement E46/1035 to Nimble Resources Pty Ltd ("Nimble") for a tiered royalty on any future minerals produced from the tenement. The Company will receive a royalty of 2% on all minerals derived from ore with an average grade of at least 0.5 grams of gold per loose cubic metre of earth, and 1% on all minerals derived from ore with an average grade of less than 0.5 grams of gold per loose cubic metre of earth.

Karratha Region

Comet Well Property

On April 11, 2017, the Company entered into a binding terms sheet (the "Terms Sheet") with Jonathan and Zoe Campbell ("Campbell") to acquire the Campbells' interest in tenements 47/3597, 47/1845, 47/1846, 47/1847, and 47/3601 (collectively, the "Tenements") which comprise the Comet Well project in the Karratha region of Western Australia (the "Comet Well Project"). On August 3, 2017, the Company signed a sale and purchase agreement and a royalty agreement with Campbell, two farm-in and joint venture agreements with Gardner Mining Pty Ltd ("Gardner") and Bradley Adam Smith ("Smith"), and a settlement deed with Campbell, Gardner, and Smith (collectively, the "Definitive Agreements"). Upon execution of the Definitive Agreements, the Company had the right to earn an 80% interest, in aggregate, to the Tenements.

The aggregate cash portion of the purchase price pursuant to the Definitive Agreements is AUD $1.75 million, of which AUD $100,000 ($99,950) was paid to Campbell upon signing of the Terms Sheet and AUD $150,000 ($148,020) was paid to Campbell upon signing of the Definitive Agreements. The remaining AUD $1.5 million will be paid to Gardner and Smith. The shares portion of the purchase price consists of 1.45 million Novo common shares (the "Initial Consideration Shares") of which 450,000 Initial Consideration Shares will be issued to Campbell and 1.0 million Initial Consideration Shares will be issued to Gardner and Smith. The Initial Consideration Shares will be subject to a statutory hold period expiring four months from the date of issuance. The Initial Consideration Shares were issued on January 25, 2018, at a fair value of $4,611,000 based on the closing price of the Company's common shares on the TSX-V on January 25, 2018 of $3.18.

Three years after the signing of the Definitive Agreements, a further AUD $3.0 million in aggregate is required to be paid to Gardner and Smith and AUD $3.0 million-worth of Novo's common shares (the "Subsequent Consideration Shares") issued to Gardner and Smith, with the number of Subsequent Consideration Shares to be calculated based on Novo's then prevailing 5-day trailing volume-weighted average price ("VWAP"). The Subsequent Consideration Shares will also be subject to a statutory hold period expiring four months from the date of issuance.

The AUD $3.0 million cash consideration and the Subsequent Consideration Shares have been recognized as a long-term liability in the Company's condensed interim consolidated statement of financial position. The cash consideration has been discounted to reflect its present value with the remainder of the cash liability being recognized in accretion expense over the period to maturity. The fair value of the cash consideration as at April 30, 2018 is $2,825,221. The fair value of the Subsequent Consideration Shares has been estimated based on the number of shares to be issued using the agreed-upon terms within the Definitive Agreements, with period-end revaluations capturing any unrealized gain or loss in the fair value of the Subsequent Consideration Shares. The fair value of the Subsequent Consideration Shares as at April 30, 2018 is estimated to be $3,000,531, with an unrealized gain of $492,184 on the Consideration Shares captured in the other items of the Company's condensed interim consolidated statements of comprehensive loss. A deferred consideration accretion expense on the fair value of the cash consideration of $7,168 was also recognized in the other items of the Company's condensed interim consolidated statements of comprehensive loss.

A bonus (the "Discovery Bonus") of AUD $1.0 million payable in cash and/or Novo common shares (at Campbell's option) is required to be paid to Campbell if Novo publishes measured, indicated, or inferred gold resources of at least 250,000 ounces on the Comet Well Project (the "Comet Well Technical Report").

If the Discovery Bonus is to be paid in the Company's common shares, the shares will be priced at the Company's then 5-day trailing VWAP and will be subject to a statutory hold period expiring four months from the date of issuance. The Company has not published a Comet Well Technical Report so no amount has been accrued for the Discovery Bonus.

The royalty agreement between the Company and Campbell entitles Campbell to a 1% net smelter returns royalty on gold extracted by the Company on the Tenements.

The first farm-in and joint venture agreement (the "Novo Farm-in Agreement") signed between the Company and Gardner and Smith entitles the Company to earn an 80% interest in the Tenements once certain regulatory approvals are obtained and the Company incurs AUD $4.0 million in expenditures within three years of the Tenements being granted by the Australian Department of Mines, Industry Regulation and Safety (the "DMIRS"). Concurrently, the Company signed a farm-in and joint venture agreement (the "Gardner and Smith Farm-in Agreement") with Gardner and Smith which entitle Gardner and Smith to earn an aggregate 20% interest in the Tenement by incurring AUD $50,000 in aggregate within two years of the Tenements being granted by the DMIRS. As such, if the Company earns in to the Tenements and Gardner and Smith earn in to the Tenements, the Company will hold an 80% interest in the Tenements and Gardner and Smith will hold a 20% interest in the Tenements.

Pursuant to the Novo Farm-in Agreement, the Company will free carry Gardner and Smith with respect to joint venture expenditures until a decision to mine is made, at which point any non-contributing entity's interest in the joint venture will dilute at a pre-determined ratio. If Gardner's and Smith's interests in the joint venture are reduced to below 5%, Gardner and Smith will be deemed to have withdrawn from the joint venture and their interest will convert to an aggregate 1.0% net smelter returns royalty payable on any gold which is capable of being sold or otherwise disposed of. If the Company's interest in the joint venture is reduced to below 5%, the Company will be deemed to have withdrawn from the joint venture and its interest will convert to an aggregate 4% net smelter returns royalty payable on any gold which is capable of being sold or otherwise disposed of.

Pursuant to the Gardner and Smith Farm-in Agreement, the Company will free carry Gardner and Smith with respect to joint venture expenditures until a decision to mine is made, at which point any non-contributing entity's interest in the joint venture will dilute at a pre-determined ratio. If Gardner's and Smith's interests in the joint venture are reduced to below 5%, Gardner and Smith will be deemed to have withdrawn from the joint venture and their interests will convert to a 0.5% net smelter returns royalty payable on any gold which is capable of being sold or otherwise disposed of. If the Company's interest in the joint venture is reduced to below 5%, the Company will be deemed to have withdrawn from the joint venture and its interest will convert to a 4% net smelter returns royalty payable on any gold which is capable of being sold or otherwise disposed of.

On December 4, 2017, the Company signed a native title and heritage exploration agreement (the "Native Title Agreement") with Campbell, Gardner, Smith, and the Ngarluma Aboriginal Corporation ("NAC") which has allowed heritage surveys to commence and will allow the granting of the Tenements. Once granted, the Company will be entitled to commence exploration work on the Tenements in order to satisfy earn-in expenditures on the Novo Farm-in Agreement. The Company also issued 100,000 common shares to NAC as consideration for signing the Native Title Agreement on December 8, 2017 at a fair value of $503,000 based on the closing price of the Company's common shares on the TSX-V on December 8, 2017 of $5.03.

Artemis Resources Limited

On August 15, 2017, the Company signed definitive agreements outlining farm-in and joint venture gold rights with Artemis Resources Limited ("Artemis"). Novo will farm-in to 50% of gold (and other minerals necessarily mined with gold) in conglomerate and/or paleo placer style mineralization in Artemis' tenements within 100km of the City of Karratha, including at Purdy's Reward ("the Gold Rights"). The Gold

Rights do not include (i) gold disclosed in Artemis' existing JORC compliant Resources and Reserves at May 18, 2017 or (ii) gold which is not within conglomerate and/or paleo-placer style mineralization or (iii) minerals other than gold. Artemis' Mt Oscar tenement is excluded from the definitive agreements.

The farm-in commitment required Novo to expend AUD $2.0 million on exploration within two years of satisfying conditions precedent in the definitive agreements. The Company issued 4,000,000 common shares as consideration for the Artemis transaction on August 23, 2017, at a fair value of CAD $16,480,000 based on the closing price of the Company's common shares on the TSX-V on August 23, 2017 of $4.12.

The definitive agreements signed cover 38 tenements/tenement applications that are 100% owned by Artemis. On completion of the farm-in commitment, three 50:50 joint ventures will be formed between Novo's subsidiary, Karratha Gold Pty Ltd ("Karratha Gold") and three subsidiaries of Artemis. The joint ventures will be managed as one by Karratha Gold. Artemis and Novo will contribute to further exploration and mining of the Gold Rights on a 50:50 basis.

On November 27, 2017, the Company reached its AUD $2.0 million expenditure requirement and sent notice to such effect to Artemis. As such, effective November 27, 2017, the 50:50 joint venture was deemed to be formed between Karratha Gold and Artemis' subsidiaries. Karratha Gold manages the joint ventures and Artemis and Karratha Gold will contribute to further exploration and mining of the Gold Rights on a 50:50 basis. If Karratha Gold or Artemis elect not to contribute to the joint venture pursuant to a budget approved by the joint venture management committee, the non-contributing entity's interest in the joint venture will dilute at a ratio of 0.1% for every AUD $50,000 overspent by the contributing entity. If a non-contributing entity's interest in the joint venture is reduced to below 5%, the non-contributing entity will be deemed to have withdrawn from the joint venture and its interest will convert to a 0.5% net smelter returns royalty payable on any gold subject to the Gold Rights which is capable of being sold or otherwise disposed of.

Welcome Exploration Pty Ltd

On August 11, 2017, Novo and one of its Australian subsidiaries, Karratha Gold Pty Ltd., entered into an option agreement (the "Agreement") with Welcome Exploration Pty Ltd, a private Australian company (the "Optionor") for the option to acquire the Optionor's interest in certain tenements (the "Option") in the Karratha region of Western Australia (the "Pipeline Project"). The Pipeline Project consists of seven prospecting licences, five exploration licences, six prospecting licence applications, three exploration licence applications and a miscellaneous licence application.

An option fee payment of 500,000 Novo common shares (the "Initial Shares") was made on August 16, 2017 at a fair value of $2,500,000 based on the closing price of the Company's common shares on the TSX-V on August 16, 2017 of $5.00.

At any time within 12 months of signing of the Agreement, the Company has the right to exercise its Option and purchase the Pipeline Project outright, subject to the Optionor retaining certain rights described below, by issuing 2,500,000 Novo common shares (the "Option Exercise Shares") to the Optionor. The Option Exercise Shares will be subject to a statutory hold period expiring four months from the date of issuance. Transfer to Novo of the tenements comprising the Pipeline Project will be subject to the requisite approvals of certain Australian government authorities.

The Optionor will retain non-gold rights to the Pipeline Project and will retain a 1% gross royalty on production from the Pipeline Project if the Company exercises the Option.

100%-Owned Karratha Tenements

The Company staked approximately 8,000 square kilometres of tenements in and around the Karratha region of Western Australia under its wholly-owned subsidiaries, Meentheena Gold Pty Ltd and Rocklea Gold Pty Ltd.

Farno McMahon Option

On March 29, 2018, the Company signed an option agreement with Farno McMahon Pty Ltd ("FM") for the right to explore FM's tenements in and around the Karratha region of Western Australia for a 12-month period. The Company paid AUD $300,000 in cash for the right, AUD $277,768 ($268,824) was accounted for as property acquisition costs and AUD $22,232 ($21,516) was attributed to 400 grams of gold nuggets to be delivered by FM to the Company.

Gold Samples

During the period ended April 30, 2018, the Company purchased 820 grams of unrefined gold nuggets from various parties in the Karratha region of Western Australia, 795 of which had been delivered by April 30, 2018. The Company records the value of the gold nuggets at cost on the date of purchase as would be typical of the accounting method for gold dore by producing companies.

Nevada, USA Region

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.

On October 4, 2016, the Company paid the final option payment and acquired a 100% interest in and to the Tuscarora Property.

On November 6, 2017, the Company signed an option agreement with APM whereby APM has the option to acquire the Company's interest in the Tuscarora Property.

Upon the earlier to occur of the listing of APM's common shares on the Canadian Securities Exchange and January 31, 2018, APM will pay to Novo $375,000 in three equal annual instalments. APM will also issue $200,000 worth of APM common shares in three equal annual instalments once it lists on the Canadian Securities Exchange. Beginning on the first anniversary of APM's listing date, APM will also be required to incur annual expenditures of USD $100,000 on the Tuscarora Project. APM will grant to Novo a 0.5% net smelter returns royalty which APM can repurchase for USD $500,000 at any time. APM will also assume all of Novo's royalty obligations under its original option agreement underlying the Tuscarora Project between Novo and Nevada Select Royalty, Inc. During the year ended January 31, 2018, APM paid $125,000 to Novo. On March 8, 2018, APM issued 266,666 common shares to Novo at a fair value of $0.38 per share for total consideration of $101,333.

(Expressed in Canadian Dollars, unless stated otherwise)

The exploration and evaluation assets are comprised of the following:

	Beatons Creek Region	US Region	Karratha Region					
		Tuscarora	Comet Well	Artemis	Welcome Exploration	100%-Owned	Farno McMahon	Total
	$	$	$	$	$	$	$	$
Balance, January 31, 2018	**39,360,148**	**303,984**	**13,876,066**	**21,091,421**	**2,625,318**	**617,179**	**-**	**77,874,116**
Acquisition Costs	-	-	218,944	-	-	-	268,824	487,768
Exploration Expenditures:								
Drilling	109,482	-	-	905,936	-	-	-	1,015,418
Field Work	36,027	-	337,418	70,534	-	-	-	443,979
Fuel	33,911	-	40,705	-	-	-	-	74,616
Geology	722,315	-	125,562	-	-	-	-	847,877
Legal	952	-	2,998	10,047	-	-	-	13,997
Meals, Travel, and Vehicle/Equipment Hire	119,214	-	1,104,285	-	-	-	-	1,223,499
Office and General	81,236	-	58,950	-	-	-	-	140,186
Reports, Data and Analysis	89,113	-	163,897	74,709	-	-	-	327,719
Rock Samples	17,144	-	693,440	30,396	-	-	-	740,980
Native Title	96,780	-	-	-	-	-	-	96,780
Tenement Administration	83,176	-	101,533	3,244	-	641	-	188,594
Option Payments Received	-	(100,623)	-	-	-	-	-	(100,623)
Foreign Exchange	(995,004)	13,427	(350,781)	(533,181)	(66,365)	(15,178)	-	(1,947,082)
	394,346	(87,196)	2,278,007	561,685	(66,365)	(14,537)	-	3,065,940
Balance, April 30, 2018	**39,754,494**	**216,788**	**16,373,017**	**21,653,106**	**2,558,953**	**602,642**	**268,824**	**81,427,824**

(Expressed in Canadian Dollars, unless stated otherwise)

	Beatons Creek Region							**US Region**	**Karratha Region**				
	Beatons Creek	**Grant's Hill**	**Paleo-Placer**	**Blue Spec**	**Talga**	**Two Creeks**	**Mt. Hayes**	**Tuscarora**	**Comet Well**	**Artemis**	**Welcome Exploration**	**Meentheena**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Balance, January 31, 2017	**19,361,383**	**1,208,582**	**10,031,027**	**1,507,928**	**1,740,861**	**504,754**	**427,021**	**440,284**	**-**	**-**	**-**	**-**	**35,221,840**
Acquisition Costs	41,292	-	-	-	-	-	-	-	13,203,376	16,495,439	2,599,788	-	32,339,895
Exploration Expenditures:													
Drilling	656,131	-	12,436	17,872	-	-	-	-	-	941,973	-	-	1,628,412
Feasibility Study	172,414	-	-	-	-	-	-	-	-	-	-	-	172,414
Field Work	203,574	23,127	27,078	24,913	-	-	-	-	42,919	678,308	-	-	999,919
Fuel	71,224	493	436	-	-	-	-	-	166,310	71,569	-	-	310,032
Geology	2,027,572	115,064	5,064	55,718	536	-	-	2,213	44,023	348,843	-	-	2,599,033
Legal	118,883	-	27,040	-	5,076	3,523	-	3,725	127,726	123,856	6,951	-	416,780
Meals, Travel, and Vehicle/Equipment Hire	444,199	43,638	19,643	7,951	-	-	-	600	225,264	1,285,657	-	-	2,026,952
Office and General	234,071	24,524	5,432	479	95	-	-	-	29,572	57,525	-	-	351,698
Reports, Data and Analysis	234,919	158,729	22,325	2,660	411	-	-	-	-	453,105	16,661	433,191	1,322,001
Rock Samples	706,789	403	89,641	59,336	1,256	-	-	705	18,186	554,168	-	-	1,430,484
Native Title	357,444	89,361	-	-	-	-	-	-	-	-	-	-	446,805
Tenement Administration	187,202	403,161	148,770	16,489	3,639	-	-	5,872	18,690	80,979	1,918	183,988	1,050,708
R&D Refund	(1,199,677)	-	-	-	-	-	-	-	-	-	-	-	(1,199,677)
Option Payments Received	(814,178)	-	-	-	-	-	-	(124,513)	-	-	-	-	(938,691)
Foreign Exchange	97,942	6,118	50,770	(16,139)	5,788	2,956	7,477	(24,903)	-	-	-	-	132,009
Impairment	-	-	-	-	-	-	(434,498)	-	-	-	-	-	(434,498)
	3,498,509	864,618	408,635	169,279	16,801	6,479	(427,021)	(136,301)	672,690	4,595,983	25,530	617,179	10,312,381
Balance, January 31, 2018	**22,901,184**	**2,073,200**	**10,439,662**	**1,677,207**	**1,757,662**	**511,233**	**-**	**303,983**	**13,876,066**	**21,091,422**	**2,625,318**	**617,179**	**77,874,116**

(Expressed in Canadian Dollars, unless stated otherwise)

7. PROPERTY, PLANT, AND EQUIPMENT

	Office Furniture $	Mining Equipment $	Camp $	Vehicles $	Total $
Cost:					
Balance at January 31, 2017	10,083	508,944	-	-	519,027
Additions	-	-	401,909	225,798	627,707
Disposals	-	-	-	(62,741)	(62,741)
Balance at January 31, 2018	**10,083**	**508,944**	**401,909**	**163,057**	**1,083,993**
Additions	-	9,789	-	-	9,789
Foreign exchange differences	-	(8,939)	(11,006)	(4,682)	(24,627)
Balance at April 30, 2018	**10,083**	**509,794**	**390,903**	**158,375**	**1,069,155**

Accumulated Depreciation	Office Furniture $	Mining Equipment $	Camp $	Vehicles $	Total $
Balance at January 31, 2017	10,083	22,318	-	-	32,401
Foreign exchange differences	-	(2,598)	3,253	1,848	2,503
Depreciation	-	-	52,478	3,155	55,633
Balance at January 31, 2018	**10,083**	**19,720**	**55,731**	**5,003**	**90,537**
Depreciation	-	446	17,412	8,042	25,900
Balance at April 30, 2018	**10,083**	**20,166**	**73,143**	**13,045**	**116,437**

Carrying Value:	Office Furniture $	Mining Equipment $	Camp $	Vehicles $	Total $
Balance at January 31, 2017	**-**	**486,626**	**-**	**-**	**486,626**
Balance at January 31, 2018	**-**	**489,224**	**346,178**	**158,054**	**993,456**
Balance at April 30, 2018	**-**	**489,628**	**317,760**	**145,330**	**952,718**

8. CAPITAL AND RESERVES

Authorized

Unlimited number of common voting shares without nominal or par value. All issued common shares are fully paid.

Shares issued

During the period ended April 30, 2018 and the year ended January 31, 2018, shares were issued pursuant to non-brokered private placements and the exercise of options and warrants.

a) On September 6, 2017, the Company closed a non-brokered equity private placement (the "KL Financing") with Kirkland Lake Gold Ltd. ("KL") as a new strategic investor. The KL Financing raised gross proceeds of $56,000,000 by the issuance of 14,000,000 units (each a "KL Unit") at a price of $4.00 per KL Unit. All of the KL Units were subscribed for by KL. Each KL Unit consisted of one common share and one share purchase warrant (each a "KL Warrant"), and each KL Warrant entitles KL to purchase one additional common share of the Company at a price of $6.00 per share for a period of 36 months from the closing date. The KL Warrants are subject to an accelerated expiry whereby, starting one year from the close of the KL Financing, if the daily high trading price of Novo's common shares exceeds $12.00 for a period of 20 consecutive trading days, Novo may provide notice of early expiry and the KL Warrants will expire 30 days thereafter. As part of the KL Financing, the Company incurred share issuance costs of $6,746.

   KL will retain an anti-dilution right (the "Anti-Dilution Right") which grants KL the right (but not the obligation) to participate, on a pro rata basis, in any future financing undertaken by Novo to the extent required to allow KL to maintain the same equity ownership interest in Novo that it possessed immediately prior to announcement of a financing such that KL does not suffer any equity dilution. The Anti-Dilution Right does not apply to currently existing convertible securities, securities issued pursuant to currently existing contractual obligations, securities issued pursuant to the acquisition of mineral projects, and securities issued pursuant to direct or indirect arm's length corporate acquisitions, and it will expire if KL's ownership in Novo drops below 5%.

b) On May 4, 2017, the Company closed a brokered private placement, raising gross proceeds of $15,000,051 (the "Offering"). Pursuant to the Offering, the Company issued 22,727,350 units (the "Offering Units") at a price of $0.66 per Offering Unit. Each Offering Unit was comprised of one common share of the Company and one transferable common share purchase warrant (an "Offering Warrant"), each Offering Warrant entitling the holder thereof to acquire one common share at a price of $0.90 until May 4, 2019. 1,329,546 broker's warrants were also issued pursuant to the Offering with a fair value of $477,447. The fair value of each broker's warrant was $0.36 per share whereas the exercise price of each broker's warrant is $0.66. The fair value was calculated using the Black-Scholes option pricing model assuming a risk-free interest rate of 0.68%, a dividend yield of $nil, an expected volatility of 94.22% and an average expected life of 2 years. As part of the Offering, in addition to the broker's warrants, the Company incurred share issuance costs of $1,065,831.

Shares to be issued

The Company opted to issue 1,000,000 common shares in order to satisfy consulting services received by the Company between May 1 and August 3, 2017. As the number of shares to be issued as payment for the consulting services is fixed, it does not breach the fixed-for-fixed criteria and has been recognized within equity. The consulting services were measured using the Company's average share price during the consulting period and have been recognized in the statement of loss and comprehensive loss during the aforementioned period. The shares have not been issued as at April 30, 2018, or subsequently, so the equity component of the obligation has been recorded as shares to be issued.

$1,418,472 in subscriptions was received during the period ended April 30, 2017, pursuant to the Offering.

(Expressed in Canadian Dollars, unless stated otherwise)

Warrants

The continuity of warrants is as follows:

	April 30, 2018			January 31, 2018		
	Number		Weighted Average Exercise Price	Number		Weighted Average Exercise Price
Balance, beginning of the period	35,602,439	$	2.93	13,544,141	$	1.03
Granted	-		-	38,056,896		2.77
Cancelled/Expired	-		-	(180,000)		(0.80)
Exercised	(4,231,982)		(0.89)	(15,818,598)		(0.94)
Balance, end of the period	**31,370,457**	**$**	**3.20**	**35,602,439**	**$**	**2.93**

Full share equivalent warrants outstanding and exercisable at of April 30, 2018:

Expiry Date	Price Per Share	Warrants Outstanding
July 26, 2018	$1.25	1,206,471
August 12, 2018	$1.25	1,203,531
May 4, 2019	$0.90	14,960,455
September 6, 2020	$6.00	14,000,000
		31,370,457

Full share equivalent warrants outstanding and exercisable at of January 31, 2018:

Expiry Date	Price Per Share	Warrants Outstanding
March 8, 2018	$0.85	2,236,217
July 26, 2018	$1.25	1,206,471
August 12, 2018	$1.25	1,427,210
May 4, 2019	$0.90	16,732,541
September 6, 2020	$6.00	14,000,000
		35,602,439

Share option plan

The Company has adopted a rolling stock option plan (the “Plan”), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of each option (“Option”) shall not be less than the closing price of the common shares on the trading day immediately preceding the day on which the Option is granted, less any discount permitted by the TSX-V.

(Expressed in Canadian Dollars, unless stated otherwise)

The continuity of stock options is as follows:

	April 30, 2018			January 31, 2018		
	Number		Weighted Average Exercise Price	Number		Weighted Average Exercise Price
Balance, beginning of the period	12,550,000	$	3.07	5,025,000	$	0.94
Granted	-		-	9,800,000		3.72
Exercised	(248,334)		(1.32)	(2,025,000)		(0.68)
Expired/Cancelled	-		-	(250,000)		(2.29)
Balance, end of the period	**12,301,666**	**$**	**3.10**	**12,550,000**	**$**	**3.07**

The options outstanding and exercisable at April 30, 2018 are as follows:

Outstanding Options				Exercisable Options		
Number Outstanding		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number Exercisable		Weighted Average Exercise Price
150,000	$	0.20	2.12	150,000	$	0.20
2,650,000		0.94	3.30	2,225,000		0.94
1,750,000		0.95	3.10	166,667		0.95
3,326,666		1.57	3.22	1,550,000		1.57
2,750,000		7.70	4.48	1,466,667		7.70
400,000		7.94	4.52	133,333		7.94
1,275,000		3.47	4.76	-		-
12,301,666	**$**	**3.10**	**3.69**	**5,691,667**	**$**	**3.00**

The options outstanding and exercisable at January 31, 2018 were as follows:

Outstanding Options				Exercisable Options		
Number Outstanding		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number Exercisable		Weighted Average Exercise Price
150,000	$	0.20	2.36	150,000	$	0.20
2,750,000		0.94	3.54	2,225,000		0.94
1,750,000		0.95	3.35	166,667		0.95
3,475,000		1.57	3.46	775,000		1.57
2,750,000		7.70	4.72	733,333		7.70
400,000		7.94	4.77	133,333		7.94
1,275,000		3.47	5.00	-		-
12,550,000	**$**	**3.07**	**3.92**	**4,183,333**	**$**	**2.44**

For the period ended April 30, 2018, the total share-based payment expense was $4,067,165 (April 30, 2017 - $86,911).

(Expressed in Canadian Dollars, unless stated otherwise)

The Company used the Black-Scholes option pricing model to estimate the fair value of the options at the grant date, and period end date, using the following assumptions:

	For the three-month period ended April 30, 2018	**For the year ended January 31, 2018**
Risk-free interest rate	0.94% - 2.08%	0.63% - 2.08%
Dividend yield	0.00%	0.00%
Expected volatility	95.08% - 102.53%	95.08% - 219.12%
Expected option life	4 - 5 years	4 - 5 years

Share-based payment transactions with performance-based vesting conditions are measured at the fair value of the options granted at the date of issuance. Management adjusts the cumulative share-based payment expense periodically, based on the number of options expected to vest under the vesting conditions.

9. RELATED PARTY DISCLOSURES

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, and amounts incurred were expensed as consulting fees. The relationship with one of these entities was terminated during the period ended January 31, 2018.

(a) *Key Management Personnel Disclosures*

During the periods ended April 30, 2018 and 2017, the following amounts were incurred with respect to the key management and directors of the Company:

	April 30, 2018	**April 30, 2017**
	$	**$**
Consulting services	45,000	57,000
Wages and salaries	365,556	43,936
Wages and salaries included in exploration and evaluation assets	-	79,419
Share-based compensation	3,497,115	86,911
	3,907,671	267,266

(b) *Other Related Party Disclosures*

During the periods ended April 30, 2018 and 2017, the following amounts were incurred with respect to consulting services provided by a corporation which employed the former Chief Financial Officer:

	April 30, 2018	**April 30, 2017**
	$	**$**
Consulting services	-	30,000
	-	30,000

(Expressed in Canadian Dollars, unless stated otherwise)

10. SUPPLEMENTAL CASH FLOW INFORMATION

During the periods ended April 30, 2018 and 2017, non-cash activities conducted by the Company related to the movement of mineral property expenditures in accounts payable:

	April 30, 2018	April 30, 2017
	$	$
Operating activities		
Increase (decrease) in accounts payable and accrued liabilities	511,900	(750,929)
Investing activities		
Additions in exploration and evaluation assets	(511,900)	750,929

11. FINANCIAL INSTRUMENTS

a) Fair value

The Company's financial instruments include cash, short-term investments, interest receivable, marketable securities, accounts payable and accrued liabilities, and deferred consideration. The 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, short-term investments, interest receivable and accounts payable and accrued liabilities approximate their respective fair values due to their short-term nature. The cash deferred consideration was initially recognized at fair value and is subsequently measured at amortized cost.

Marketable securities and the share component of deferred consideration are measured using Level 1 inputs. The fair value of marketable securities are measured at the closing market price obtained from the Canadian Securities Exchange and the Australian Securities Exchange. Marketable securities held in E3D are measured using Level 2 inputs. Gold samples are measured at the closing gold price on a quarterly basis. The value of the share portion of deferred consideration has been derived from the number of shares to be issued using the five-day trailing volume-weighted average price ("VWAP") of the Company's shares per the terms of the Definitive Agreements. The share portion of the deferred consideration is revalued at each reporting period with any differences being recognized as an unrealized gain or loss through comprehensive loss.

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 short-term investments. The Company limits its exposure to credit loss by placing its cash and short-term investments with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(Expressed in Canadian Dollars, unless stated otherwise)

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 results 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 April 30, 2018 and 2017, the Company's monetary assets and monetary liabilities are as follows:

Canadian Net Monetary assets ($ CAD)		**April 30, 2018**		**April 30, 2017**
Cash and short-term investments	$	49,660.046	$	1,814,447
Accounts payable and accrued liabilities	$	92,411	$	129,063

Australian Net Monetary assets ($ AUD)		**April 30, 2018**		**April 30, 2017**
Cash and short-term investments	$	17,543,231	$	95,672
Accounts payable and accrued liabilities	$	1,835,581	$	598,321

US Net Monetary assets ($USD)		**April 30, 2018**		**April 30, 2017**
Cash	$	309,366	$	89,075
Accounts payable and accrued liabilities	$	4,590	$	8,885

The exposure to foreign exchange rate risk is as follows:

Australian Net Monetary assets		**AUD**		**10% Fluctuation Impact (AUD)**		**CAD**
Cash and short-term investments	$	17,543,231	$	1,754,323	$	1,697,834
Accounts payable and accrued liabilities	$	1,835,581	$	183,558	$	177,648

US Net Monetary assets		**USD**		**10% Fluctuation Impact (USD)**		**CAD**
Cash	$	309,366	$	30,937	$	39,710
Accounts payable and accrued liabilities	$	4,590	$	459	$	589

c) Liquidity Risk

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. Other than the deferred consideration for mineral property, all of the Company's financial liabilities are classified as current and the Company has a practice of paying its outstanding payables within 30 days. The deferred consideration for mineral property is due on January 25, 2021.

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.

(Expressed in Canadian Dollars, unless stated otherwise)

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 bank 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.

12. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company defines capital that it manages as share capital and cash and short-term investments.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares and, acquire or dispose of assets.

The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short term maturities, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period.

The Company is not subject to external capital restrictions nor were there any changes in the Company's capital management policies during the period.

13. SEGMENT INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. The Company's non-current assets are located in the following countries:

			As at April 30, 2018	
	Australia	**USA**	**Canada**	**Total**
	$	**$**	**$**	**$**
Equipment	952,718	-	-	952,718
Exploration and evaluation assets	81,211,036	216,788	-	81,427,824
Gold samples	41,263	-	-	41,263
Marketable securities	2,354,822	4,477,994	88,000	6,920,816
	84,559,839	**4,694,782**	**88,000**	**89,342,621**

(Expressed in Canadian Dollars, unless stated otherwise)

			As at January 31, 2018	
	Australia	**USA**	**Canada**	**Total**
	$	**$**	**$**	**$**
Equipment	993,456	-	-	993,456
Exploration and evaluation assets	77,570,132	303,984	-	77,874,116
Marketable securities	2,134,977	-	-	2,134,977
	80,698,565	**303,984**	**-**	**81,002,549**

14. EVENTS AFTER THE REPORTING PERIOD

a) On May 15, 2018, the Company earned its 80% interest in and to the Tenements which comprise the Comet Well Project by incurring AUD $4 million in expenditures on the Comet Well Project.

b) On June 5, 2018, the Company issued 630,000 stock options to certain employees. The options are exercisable on or before June 5, 2023 at an exercise price of $4.60 per share. The options are subject to certain vesting conditions.

c) Subsequent to April 30, 2018, 250,000 stock options and 363,000 warrants were exercised for gross proceeds of $573,950.