NOVO RESOURCES CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
July 31, 2016

This interim Management Discussion and Analysis – Quarterly Highlights ("Interim MD&A") has been prepared as of September 29, 2016. This Interim MD&A updates disclosure previously provided in our annual MD&A, up to the date of this Interim MD&A, and should be read in conjunction with our unaudited interim consolidated financial statements for the period ended July 31, 2016 (the "Interim Financial Statements"), the audited consolidated financial statements for the year ended January 31, 2016 (the "Audited Financial Statements") and the annual MD&A for the year ended January 31, 2016 (the "Annual MD&A").

The Interim Financial Statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars unless otherwise noted. Our accounting policies are described in note 2 of our Audited Financial Statements. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Caution on Forward-Looking Information

This MD&A may include forward-looking statements and forward-looking information, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements and forward-looking information addresses future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

FINANCIAL POSITION AND LIQUIDTY

Review of Financial Results

	2nd Quarter 2017 July 31, 2016	1st Quarter 2017 April 30, 2016	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
Net Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income Gain/(Loss)	(771,147)	(678,157)	(430,540)	(459,785)	266,127	166,548	518,352	(332,879)
Basic and Diluted Gain (Loss) Per Share	($0.01)	($0.01)	($0.01)	($0.01)	$0.01	$0.00	$0.01	($0.01)

Overall, accretion expenses, consulting services, interest expenses, legal fees, office and general expenses, transfer agent and filing fees, foreign exchange gains and losses, and gold right convertible debenture financing expenses were the major components that caused variances in net losses from quarter to quarter.

During the quarter month period ended July 31, 2016, the major expenses of the Company were accounting and audit fees of $102,547 (July 31, 2015 – $43,808), accretion expense of $97,245 (July 31, 2015 - $nil), consulting services of $75,398 (July 31, 2015 - $80,683), insurance expenses of $14,417 (July 31, 2015 - $8,219), interest expenses of $nil (July 31, 2015 - $50,082), legal fees of $19,865 (July 31, 2015 - $41,629), meals and travel expenses of $17,414 (July 31, 2015 - $17,164), office and general expenses of $98,095 (July 31, 2015 - $45,207), transfer agent and filing fees of $25,777 (July 31, 2015 - $63,971), and wages and salaries of $88,598 (July 31, 2015 - $67,878). During the quarter ended July 31, 2016, operating expenses were mitigated by non-operating items such as interest and other income of

$11,526 (July 31, 2015 – ($6,694)), impairment of marketable securities of $nil (July 31, 2015 – ($1,988)), foreign exchange gains of $15,916 (July 31, 2015 – losses of $312,647), a share of losses in an associate of $nil (July 31, 2015 - $16,155), a realized gain on the sale of marketable securities of $2,267 (July 31, 2015 - $nil), a gold right convertible debenture financing expense of $261,500 (July 31, 2015 - $nil), a gain on the sale of a mineral property of $nil (July 31, 2015 – ($307)), and a gain on settlement of debt of $nil (July 31, 2015 - $1,120,618)..

Operating Activities

Cash provided by operating activities during the period ended July 31, 2016, was $178,618 (July 31, 2015 – cash used of $1,460,889). The increase over the period relates mainly to a one-time transaction of shares to be issued as a reimbursement for a third party's expenditures on the Company's mineral property and non-cash expenses associated with the gold right convertible debenture. Please see Notes 8 and 17 of the Company's Interim Financial Statements for more details.

Investing Activities

Cash used for investing activities during the period ended July 31, 2016, was $3,266,022 (July 31, 2015 - $5,575,747). The Company's principal investing activity is the acquisition and exploration of its resource properties. During the quarter ended July 31, 2016, the Company incurred $3,331,811 (July 31, 2015 - $5,610,708) on its resource properties. Please see Note 8 of the Company's Interim Financial Statements for more details.

Financing Activities

Cash provided by financing activities during the period ended July 31, 2016 was $6,536,440 (July 31, 2015 - $6,919,891), which is related to a non-brokered private placement and the gold right convertible debenture financing. Please see Notes 10 and 17 of the Company's Interim Financial Statements for more details.

Cash Resources and Going Concerns

At July 31, 2016, the Company had $4,824,581 in cash and working capital of $1,902,982. To continue to maintain the Company's mineral properties in the future, the Company will have to raise additional cash or form strategic partnerships; however, there cannot be any certainty that additional financing can be raised or that strategic partnerships can be found.

OPERATIONS

Exploration and Evaluation Assets

The Company's exploration and evaluation assets are comprised of the following:

NOVO RESOURCES CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
July 31, 2016

	Beatons Creek $	Grant's Hill $	Paleo-Placer $	Tuscarora $	Blue Spec $	Talga $	Two Creeks $	Mt. Hayes $	Total $
Balance, January 31, 2016	**13,096,272**	**1,257,986**	**9,739,074**	**122,644**	**927,636**	**325,127**	-	-	**25,468,739**
Acquisition Costs	83	-	-	-	-	-	10,023	27,659	37,765
Exploration Expenditures:									
Drilling	6,242	-	-	-	11,082	-	-	372	17,696
Feasibility Study	269,906	12,997	-	-	-	-	-	-	282,903
Field Work	204,956	803	5,350	92	50,197	-	-	1,180	262,578
Fuel	80,137	-	183	-	2,012	-	-	791	83,123
Geology	539,783	9,772	60,115	10,684	26,907	-	3,595	42,459	693,315
Legal	33,523	4,856	7,427	-	-	-	5,275	1,336	52,416
Meals and Travel	263,520	16,629	1,040	3,015	13,990	654	-	11,612	310,460
Office and General	41,439	-	1,877	-	326	-	-	178	43,820
Reports, Data and Analysis	140,925	-	-	-	42,582	391	2,654	17,518	204,070
Rock Samples	144,635	(622)	(258)	-	7,966	654	-	-	152,375
Tenement Administration	44,662	7,033	131,131	-	34,855	18,801	-	-	236,482
Foreign Exchange	(63,608)	(5,939)	(45,979)	(9,050)	1,080	(998)	8,922	68	(115,504)
	1,706,120	45,529	160,886	4,741	190,997	19,502	20,446	75,514	2,223,734
Balance, July 31, 2016	**14,802,475**	**1,303,515**	**9,899,960**	**127,385**	**1,118,633**	**344,629**	**30,469**	**103,173**	**27,730,238**

NOVO RESOURCES CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
July 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)
	3,343,875	487,215	3,937,562	79,485	200,321	58,303	8,106,761
Balance, January 31, 2016	**13,096,272**	**1,257,986**	**9,739,074**	**122,644**	**927,636**	**325,127**	**25,468,739**

Gold Right Convertible Debenture

The Company closed a gold right convertible debenture financing (collectively the "Debentures" and each a "Debenture") on March 10, 2016, raising gross proceeds of $2,071,300. The proceeds from the debentures was to be used for a trial mining operation at the Company's Beatons Creek project in Western Australia.

Each Debenture issued has a principal amount of CAD $1,100. The Debentures will not bear interest and will mature on January 12, 2017. The Company may repay, in whole or in part, the Debentures at any time prior to the maturity date. Each Debenture is convertible into common shares of the Company, at any time at the option of the holder, at $0.67 per share (the "Equity Conversion Right").

Of the cash raised, $1,400,300 is held in Canadian funds and the remainder is held in Australian funds. Given the requirement to revalue the Company's foreign cash holdings at each period end, the cash amount reported by the Company is subject to shifts in the Canadian-Australian foreign exchange rate. In addition, the Company has agreed to certain restrictive covenants on the cash received from the Debentures, one of which requires the Company to obtain bulk sampling permits before gaining access to the proceeds raised from the Debentures. As at July 31, 2016, the bulk sampling permits had been obtained and, as such, the amount raised was available for use by the Company.

Additionally, each Debenture will also convey a gold redemption right (the "Gold Redemption Right") whereby the Company will have the right, prior to January 2, 2017, to give the Debenture holders notice that it intends to repay them in gold produced from the Company's Beatons Creek project at a redemption price of CAD $1,100 per ounce of gold, provided that the Company had produced at least 2,000 ounces of gold from its Beatons Creek project (the "Threshold Production Amount") on or before December 15, 2016.

If the Company reaches or exceeds the Threshold Production Amount on or before December 15, 2016, but has not provided the Debenture holders with a notice to exercise the Gold Redemption Right by January 2, 2017, the Debenture holders will have the right to give the Company notice of exercise of the Gold Redemption Right, the Equity Conversion Right, or that they require repayment of the Debenture principal in cash.

The Company has designated the Debentures as compound financial liability instrument carried at fair value through profit and loss. The host contract does not bear any interest, so management has estimated a benchmark interest rate of 15% for similar debt. On initial recognition, the Company recorded a debt discount of $244,233. Included in the discount were transaction costs of $11,514. For subsequent measurement, the host contract is amortized over the period of the loan and for the period ended July 31, 2016, a financing expense from the accretion of the debt was recorded of $126,482 (July 31, 2015 - $nil).

For the embedded derivative portion of the financial liability, on initial recognition, the Company determined that the fair value was not approximated by the transaction value because the Gold Redemption Right of $1,100 per ounce was significantly below fair market value for the future price of gold in December 2016 of CAD $1,694. After taking into consideration a probability of production threshold being met at the time of issuance and the present value of the difference between the futures price and the redemption right, the Company recorded a fair value of $702,428. For subsequent measurement, the fair value of the embedded derivative is determined using the same method by considering a management estimate of the probability of the production threshold being met and applying it to the present value of the difference between the futures price and the redemption right. As at July 31, 2016, the December 2016 gold futures price increased and after applying management's probability, the value of the derivative increased resulting in a loss of $261,500. The net effect for the period ended July 31, 2016 is $5,300.

The host contract and the embedded derivative combined on the consolidated statement of comprehensive loss for a total of $492,869 for the period ending July 31, 2016.

		As at July 31, 2016
Face value of the convertible debt	$	2,071,300
Debt discount		(117,751)
Debt fair valued at amortized cost	$	1,953,549
Fair value adjustment		725,588
Carrying amount	**$**	**2,679,137**

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.

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.

EXPLORATION

Bulk Sampling at Beatons Creek Project

On July 29, 2016, the Company commenced its bulk sampling program at its 100%-controlled Beatons Creek gold project in Western Australia. This bulk sampling exercise will provide refined data concerning mining techniques, costs, methods of grade control, mining dilution and grade reconciliation, information critical to help the Company complete its preliminary economic assessment. While sampling was initially expected to take approximately 5-6 weeks, stripping of overburden is occurring faster than anticipated. Novo believes it can complete sampling in significantly less time and at a reduced cost.

On August 10, 2016, the Company received all outstanding approvals to undertake trial processing of 30,000 tonnes of mineralized conglomerates currently being extracted as part of its bulk sampling exercise. Novo plans to commence processing soon after sampling is complete. Processing equipment has been mobilized to site and is currently being installed in preparation. All waste rock had been stripped from the sampling areas and mineralized conglomerates were being extracted and stockpiled.

On September 6, 2016, the Company commenced processing of the 30,000 tonne bulk sample. Processing is expected to take approximately two to three months.

Results of Bulk Sampling

Most of the material from the 30,000 tonne bulk sample came from one conglomerate horizon (“reef”); however, about 500 tonnes were extracted from a second reef about two meters stratigraphically below. Although the initial plan was to extract 10,000 tonnes of reef from each of three pits, it was recognized that grade blocks in the reef that was mined displayed a similar range, 1.5-5.0 gpt, to that expected from the three pits, 1.9-5.0 gpt. Therefore, Novo considers the material that was extracted to be similarly representative. By taking sample from one pit, extraction took three weeks rather than the planned six, and costs were significantly reduced. Results of trial bulk sampling were very encouraging. Findings include the following:

- Both waste and reef, proved to be “free-digging.” No drilling and blasting was needed. Material was extracted utilizing a D9 bulldozer and 80 tonne excavator and hauled utilizing 40 tonne articulated trucks;

- Nearly 75,000 tonnes of waste and 30,000 tonnes of reef was moved, a ratio of 2.5- to-1. Given the large size, geometry and position of the pit within the resource area, Novo considers this a reasonable trial of potential future extraction of reef at Beatons Creek. Cost of delivering each tonne of reef to the run-of-mine (“ROM”) pad came in less than AU$10/tonne inclusive of site and road preparation, stripping, and extraction of reef.

- The top and bottom of the reef horizon proved to be readily visually identifiable based on large boulder size and abundance of oxidized detrital (“buckshot”) pyrite. Exploratory trenches were dug into the pit floor as waste was removed allowing for a precise determination of the top and bottom of the reef while mining.

- The excavator operator was readily able to feel the contrast between overlying waste material and the top of the boulder-rich reef while stripping. While excavating reef, similar contrast was noted with the underlying sandstone proving much softer than the reef. These observations are very important because it indicates that excavator operators can use hardness as a guide for future mining.

- Minimal (<10%) dilution was incurred.

- The reef proved to be continuous and predictable across the entire bench. Thickness ranged from about 0.4-2.0 meters. In places, bowllike depressions were encountered at the base of the reef where it would rapidly thicken.

- Locally, the reef appeared to be comprised of two or three closely stacked sub-reefs. Interbedded sandstone partings up to 0.5 m thick sometimes occurred between such sub-reefs. A bright white sandstone marked the base of the reef making footwall determination easy.

- No offsetting faults were encountered removing concern that the reef might be dislocated and difficult to follow.

- Reef appeared consistently mineralized with similar amounts of buckshot pyrite across the entire bench. Small samples were routinely collected, crushed and panned, all yielding visible gold grains. A determination of gold grades will come from data gathered during trial processing.

Bulk Sample Processing

Over the three weeks since receiving approvals to commence processing on August 10, 2016, Novo has installed and begun operating its trial processing equipment. Processing is expected to take two to three months. Novo is utilizing a stateof-the-art Rubble Master RM100GO! horizontal impact crusher to crush mineralized conglomerate before gravity gold extraction. The advantage of this crusher is that it can take raw material and crush to sub-3 mm size in one step. Novo recognizes that further crushing will be required to achieve optimal liberation in any future commercial scale operation, but for the purposes of trial processing, the product produced by the RM100GO! is suitable to liberate coarse gold. Crushed rock is fed by conveyor into Novo's IGR3000 gravity plant where it is mixed with water in a rotating scrubber, screened, then fed into two Falcon centrifugal concentrators. Discharge is captured in a newly built tailings pond. No chemicals are used in processing. Concentrates will be treated offsite in a secure location. Samples of the crushed feed material as well as the tailings will be routinely collected to monitor grade and enable Novo to calculate head grades. Given that coarse gold is abundant, this data will be critical to reconciling with predicted grades. Given that processing will likely last into November, 2016, it will be near calendar year-end before all data has been returned and Novo can present results to the public.

LeachWell assay results from 33 bench samples collected while excavating were received on September 28, 2016. Grades range from 0.62 to 11.54 gpt Au and average 2.78 gpt Au. Samples were taken according to Novo's costean sampling protocol in which 50 kg of representative gold-bearing conglomerate were collected, in this case, from small trenches dug into the pre-stripped target horizon prior to extraction. The resource block model of this area estimated grades ranging from about 0.5 to just under 5.0 gpt Au and averaging 1.65 gpt Au, all in the indicated category (please refer to the technical report entitled "NI 43-101 Technical Resource Report, Beatons Creek Gold Project, Pilbara Region, Australia" prepared by Arnand van Heerden (PGeo, SACNASP, MAusIMM) of Tetra Tech which was filed under Novo's profile on SEDAR on October 13, 2015). Novo decided to extract its 30,000 tonne bulk sample from this location because resource blocks display a wide range of grades, and because the overall grade of this bench was predicted to be somewhat lower than that of the greater oxide resource. Because of the high nugget effect at Beatons Creek, and because it has been suspected that reverse circulation drilling significantly underrepresents grades, Novo wanted to test an area with lower grade material to better understand its impact. It is worth noting that of 33 bench samples, four report grades lower than nearby resource blocks whereas 29 report grades similar or better than nearby resource blocks.

Novo is currently processing its 30,000 tonne sample of mineralized conglomerate. During processing, coarse gold particles are recovered and samples of tailings are collected such that a more refined estimation of grade can be attained. Results from this exercise are expected late this year.

Bench samples discussed above were collected under the supervision of Dr. Quinton Hennigh, Novo's Chief Executive Officer, President and Director. Samples were taken through thoroughly oxidized gold-bearing reef material, are representative and can be considered bulk samples given their large size (~50 kg). Samples were submitted to Genalysis Laboratories, Perth, WA for analysis. Preparation entails crushing the entire sample to -2 mm and pulverizing a 9 kg split to P80 -100 microns. A three kg split of pulverized material is subjected to the LeachWell technique, an accelerated CN leach (6 hour leach time) then subjected to analysis by mass spectrometry.

Alluvial Processing

Novo is seeking permits to extract 30,000 tonnes of alluvial material from various creeks and drainages across the Beatons Creek property. Pending permit approval, Novo hopes to extract and treat this material following processing of the trial bulk sample. Novo thinks there could be appreciable gold in gravels found in many of the creeks draining away from exposed gold-bearing reefs and hopes to demonstrate this with such a batch test.

Blue Spec

Permits for exploration drilling at the Company's Blue Spec project were lodged in late June, 2016 and have since been approved, clearing the way for this program to move forward. The Company plans to commence an aggressive first phase drilling program at its Blue Spec project. Drilling will test: 1) extensions of high-grade gold-antimony veins immediately adjacent to the Blue Spec and Gold Spec shoots, 2) a 1.4 km corridor between these two shoots, 3) areas where high-grade surface samples were recently collected immediately west of Gold Spec, and 4) multiple new high-grade targets along the Blue Spec shear zone (please refer to the Company's news release dated June 1, 2016, for further information). Drilling in and around the Blue Spec and Gold Spec area will focus on identifying new mineralization within 450 meters of surface. Although historic drilling indicates high grade gold-antimony mineralization is open at depths of over 750 meters, Novo thinks the potential is high to discover shallower zones that might be more amenable to mine development. Reverse circulation drilling will test targets shallower than 250 meters. Targets between 250 and 450 meters will be tested by drilling a reverse circulation pre-collar hole and completing it with diamond core. A total of 10,000 meters of combined reverse circulation and diamond core drilling is planned and expected to take approximately 3-4 months.

Tuscarora

Novo decided to undertake a first round drill program at its Tuscarora gold project in north central Nevada, USA. The Tuscarora project comprises 24 unpatented BLM lode mining claims approximately 50 miles north of Elko, Nevada. Veins in the district project under alluvium that underlies Novo's claims. Drilling conducted by Newcrest Mining in the mid-1990's discovered a +1 km extension of the north-northwest trending high-grade Navajo vein. Novo recently completed a 4,775 foot (1,455 m) reverse circulation drill program at Tuscarora. Eight holes tested the Navajo vein extension, a one km long pediment-covered vein target situated along the south-southeast extension of the Navajo vein, the most prolific past-producing vein in the Tuscarora mining district. The Tuscarora district encompasses an extensive Eocene volcanic rock-hosted epithermal Au-Ag vein system.

The Company also filed a technical report prepared pursuant to National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") for its Tuscarora gold project. The independent technical report, entitled "NI 43-101 Technical Report on the Tuscarora Project, Elko County, Nevada, USA" (the "Technical Report"), with an effective date of February 22, 2016 and an issue date of February 23, 2016, was prepared for Novo by Darren W. Lindsay (B.Sc.(hons), P.Geo.) of North Vancouver, BC, Canada. Mr. Lindsay is a qualified person as defined under NI 43- 101. The Technical Report is available under the Company's profile on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com (filing date: August 16, 2016) and on the Company's website at www.novoresources.com.

In mid-September, 2016, results from the first two reverse circulation ("RC") holes intersected the targeted Navajo vein extension. Hole 16TSRC-002 encountered 74.18 gpt Au over 3.05 m including 143.50 gpt Au over 1.52 m, and hole 16TSRC-001 encountered 5.96 gpt Au over 3.05 m including 7.20 gpt Au over 1.52 m. True vein widths are estimated to be about half the interval lengths reported above.

Significant Results from First Two RC Holes at Tuscarora

Hole Number	From (ft)	To (ft)	Length (ft)	Au (opt)	From (m)	To (m)	Length (m)	Au (gpt)
16TSRC-001	290	305	15	0.039	88.41	92.99	4.57	1.21
	550	**560**	**10**	**0.192**	**167.68**	**170.73**	**3.05**	**5.96**
*	**555**	**560**	**5**	**0.232**	**169.21**	**170.73**	**1.52**	**7.20**
16TSRC-002	500	515	15	0.029	152.44	157.01	4.57	0.90
	520	**530**	**10**	**2.385**	**158.54**	**161.59**	**3.05**	**74.18**
including	**525**	**530**	**5**	**4.614**	**160.06**	**161.59**	**1.52**	**143.50**
	530	555	25	0.022	161.59	169.21	7.62	0.69
	600	610	10	0.035	182.93	185.98	3.05	1.09
	620	645	25	0.055	189.02	196.65	7.62	1.70
including	625	630	5	0.145	190.55	192.07	1.52	4.51

** Initial fire assay reported >10 gpt Au. Reported number is a repeat fire assay.*

Due to the presence of coarse gold, all significant samples to be re-run by bulk CN leach. Results will be reported when available.

Holes 16TSRC-001 and 16TSRC-002 were drilled from the same drill pad at different inclinations, -60 and -55 degrees, respectively, to better ascertain the dip of the northnorthwest striking Navajo vein extension. The vein appears to dip at about 70 degrees to the west in this location. Based upon data from historic drilling near this area, the mineralized vein is believed to extend upwards to the base of overburden at about 62 m below surface and remains open along strike and at depth. Results from additional holes drilled north and south of this location should provide further resolution about the strike and dip of the vein.

Talga Talga Project

In late August, 2016, the Company entered into an agreement to purchase the Talga Talga, Warrawoona, and Mosquito Creek projects (each a "Talga Project" and, collectively, the "Talga Projects") from Talga Resources Ltd. ("Talga"), an Australian Stock Exchange listed company. The Company acquired the Talga Projects by issuing 765,115 common shares to Talga in lieu of cash payments.

The Talga Talga project is comprised of seven mining and prospecting licenses covering about 5 sq km in an area 22 km NE of the town of Marble Bar, Western Australia. Gold mineralization is hosted by some of the oldest rocks on Earth, greenstone dating to about 3.2 to 3.6 billion years before present. Greenstone was intruded by granite at around 3.0 to 3.2 billion years ago, and collectively, the granite-greenstone assemblage forms the core of the Pilbara craton. Gold at Talga Talga is believed to have been deposited very early, likely before 3.2 billion years, making this one of the oldest gold systems on Earth. In comparison, gold mineralization at Beatons Creek and Mosquito Creek where Novo is conducting ongoing development and exploration, is several hundred million years younger than at Talga Talga. Interestingly, much of Talga Talga's gold occurs as electrum, a natural gold-silver alloy.

Talga Talga is widely regarded as a coarse gold system. Early prospecting and mining beginning in the late 1800's resulted in discovery of numerous gold specimens ranging from tens to hundreds of oz gold. Using metal detectors, modern prospectors have continued to discover large alluvial gold nuggets at Talga Talga in recent decades. One lode source, the McPhee's Reward quartzcarbonate vein, has traditionally been regarded at the principal source for much of this coarse alluvial gold.

Recognizing potential for other lode sources, Novo decided to focus exploration on a NE-trending shear zone that bounds a metasedimentary chert horizon and adjacent metavolcanic rocks. Several very old prospect pits are evident along this zone. Eleven spot rock chip samples of particular note returned high-grade assays between 14.18 and 200.70 gpt Au. Mineralization appears related to brecciation and quartz-carbonate alteration and is accompanied by minor sulfide, mostly pyrite. Visible gold is evident in all of these samples. Novo thinks this zone is an important source of coarse alluvial gold on the property and suspects it continues along strike to the NE and SW. Further exploration will be undertaken later this year.

In late September, 2016, the Company identified a significant high-grade gold zone at the Talga Talga gold project. Spot rock chip samples collected along and around a concordant shear zone between a metasedimentary chert horizon and adjacent metavolcanic rocks have returned gold grades ranging from 0.01-200.7 grams per tonne gold. This gold-bearing shear zone trends NE and dips at about 40 degrees to the NW. To date, samples have been collected along 400 meters of strike, and the zone remains open to the NE and SW.

ADDITIONAL DISCLOSURE

Related Party Transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the year.

(a) *Key Management Personnel Disclosures*

During the periods ended July 31, 2016 and 2015, the following amounts were incurred with respect to the key management and directors of the Company:

	July 31, 2016 $	July 31, 2015 $
Consulting services	79,000	73,000
Wages and salaries	66663	60,355
Wages and salaries included in exploration and evaluation assets	194,630	40,429
	340,293	173,784

(b) *Other Related Party Disclosures*

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

	July 31, 2016 $	July 31, 2015 $
Consulting services	60,000	60,000
	60,000	60,000

Outstanding Share Data

Unlimited number of common voting shares without nominal or par value. All issued common shares are fully paid. As of September 29, 2016, the following common shares and stock options were issued and outstanding:

	Number of Shares	Exercise $	Expiry Date
Common Shares	89,666,295	-	-
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
Stock Options	3,975,000	0.94	August 15, 2021
Warrants	2,498,077	0.80	July 10, 2017
Warrants	480,000	0.80	July 17, 2017
Warrants	96,160	0.80	July 24, 2017
Warrants	3,927,884	0.85	March 8, 2018
Warrants	1,662,471	1.25	July 26, 2018
Warrants	4,956,216	1.25	August 12, 2018
Gold RightConvertible Debenture	3,091,493	0.67	January 12, 2017
Fully Diluted	**111,603,596**		

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Corporation's general and administrative expenses and mineral property costs is provided in the Interim Financial Statements and related notes that are available on the SEDAR website www.sedar.com.