

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

This interim Management Discussion and Analysis – Quarterly Highlights (“Interim MD&A”) has been prepared as of December 30, 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 October 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

	3rd	2nd	1st	4th	3rd	2nd	1st	4th
	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter
	2017	2017	2017	2016	2016	2016	2016	2015
	October 31,	July 31,	April 30,	January	October	July 31,	April 30,	January
	2016	2016	2016	31, 2016	31,	2015	2015	31, 2015
					2015			
Net Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income	(4,384,514)	(771,147)	(678,157)	(430,540)	(459,785)	266,127	166,548	518,352
Gain/(Loss)								
Basic and Diluted								
Gain (Loss) Per Share	(\$0.05)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	\$0.01	\$0.00	\$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 ended October 31, 2016, the major expenses of the Company were accounting and audit fees of \$49,724 (October 31, 2015 – \$12,149), accretion expense of \$117,751 (October 31, 2015 - \$nil), consulting services of \$98,426 (October 31, 2015 - \$76,086), insurance expenses of \$22,855 (October 31, 2015 - \$8,240), interest expenses of \$nil (October 31, 2015 - \$36,391), legal fees of \$19,447 (October 31, 2015 - \$58,757), meals and travel expenses of \$9,384 (October 31, 2015 - \$10,346), office and general expenses of \$72,628 (October 31, 2015 - \$118,653), share-based payments of \$2,070,063 (October 31, 2015 - \$nil), transfer agent and filing fees of \$48,135 (October 31, 2015 - \$12,704), and wages and salaries of \$146,278 (October 31, 2015 - \$81,937). During the quarter

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ended October 31, 2016, operating expenses were mitigated by non-operating items such as interest and other income of \$366 (October 31, 2015 – 14,453), impairment of marketable securities of \$nil (October 31, 2015 – (\$496)), foreign exchange gains of \$8,449 (October 31, 2015 – \$14,646), a share of losses in an associate of \$nil (October 31, 2015 - \$26,657), a gold right convertible debenture financing expense of \$81,588 (October 31, 2015 - \$nil), a loss on the sale of a mineral property of \$nil (October 31, 2015 – \$253), and a loss on issuance of shares for mineral property of \$370,920 (October 31, 2015 - \$46,754).

Operating Activities

Cash provided by operating activities during the period ended October 31, 2016, was \$1,753,794 (October 31, 2015 – cash used of \$2,322,844). 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 and share-based payments. Please see Notes 8, 10, and 17 of the Company's Interim Financial Statements for more details.

Investing Activities

Cash used for investing activities during the period ended October 31, 2016, was \$8,831,531 (October 31, 2015 - \$7,399,368). The Company's principal investing activity is the acquisition and exploration of its resource properties. During the quarter ended October 31, 2016, the Company incurred \$8,968,630 (October 31, 2015 - \$7,120,317) 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 October 31, 2016 was \$10,479,467 (October 31, 2015 - \$2,198,351), which is related to a non-brokered private placement financing net of share issuance costs. Please see Notes 10 and 17 of the Company's Interim Financial Statements for more details.

Cash Resources and Going Concerns

At October 31, 2016, the Company had \$4,777,275 in cash and working capital of \$4,043,937. 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:

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	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	315,482	-	-	100,523	-	784,266	520,522	28,485	1,749,278
Exploration Expenditures:									
Drilling	617,244	-	-	127,111	21,515	-	-	4,668	770,538
Feasibility Study	277,970	13,385	-	-	-	-	-	-	291,355
Field Work	909,507	827	6,612	792	71,807	-	-	1,216	990,761
Fuel	195,119	-	189	-	2,072	-	-	815	198,195
Geology	1,367,558	10,520	62,366	47,053	27,925	-	11,680	37,320	1,564,422
Legal	70,735	5,001	10,819	-	-	-	6,212	1,434	94,201
Meals and Travel	1,220,300	25,537	1,071	8,631	24,181	673	-	11,959	1,292,352
Office and General	131,295	-	2,835	-	336	-	-	184	134,650
Reports, Data and Analysis	209,008	-	-	2,104	67,085	403	3,599	19,621	301,820
Rock Samples	189,615	-	-	30,191	53,735	673	-	-	274,214
Tenement Administration	113,174	8,808	203,758	7,287	38,779	28,976	-	-	400,782
Foreign Exchange	325,740	31,465	243,599	(5,897)	41,423	8,685	345	70	645,430
	5,627,265	95,543	531,249	217,272	348,858	39,410	21,836	77,287	6,958,720
Balance, October 31, 2016	19,039,019	1,353,529	10,270,323	440,439	1,276,494	1,148,803	542,358	105,772	34,176,737

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	Beatons Creek	Grant's Hill	Paleo-Placer	Tuscarora	Blue Spec	Talga	Total
	\$	\$	\$	\$	\$	\$	\$
Balance, January 31, 2015	5,748,718	770,771	5,666,836	14,999	-	-	12,201,324
Acquisition Costs	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

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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 was held in Canadian funds and the remainder was 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 October 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 October 31, 2016, a financing expense from the accretion of the debt was recorded of \$411,281 (October 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. During the period ended October 31, 2016, all outstanding convertible debentures were converted into common shares of the Company. As a result, the Company recorded a charge to share capital of \$2,715,300 and recognized a financing expense for the period ended October 31, 2016 of \$411,281 (October 31, 2015 - \$nil) and an accretion expense of \$244,233 (October 31, 2015 - \$nil).

Change in non-controlling interests

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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

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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.

Gravity processing activities were completed at Beatons Creek in mid-November, 2016. Novo implemented a rigorous system of collecting feed and tailings samples for assay in order to accurately determine grade. Samples have been sent to Genalysis Laboratory, Perth, for analysis. Gold concentrates are being shipped to a refiner in Kalgoorlie, WA, where they will be processed and smelted into a dore bar. Results are expected to return within a few weeks at which time Novo will discuss results.

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, bowl-like 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

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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 state-of-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

In late September, the Company announced its plans to complete up to 20,000 meters of reverse circulation ("RC") drilling and up to 5,000 meters of diamond core drilling at Blue Spec and other nearby gold projects. Drilling will test:

- extensions of high-grade gold-antimony veins immediately adjacent to the Blue Spec and Gold Spec deposits

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- for blind mineralized shoots within the 1.4 km long corridor between the Blue Spec and Gold Spec deposits
- areas west of the Gold Spec deposit where high-grade surface samples have recently been collected
- five high-grade targets situated along the Blue Spec shear zone east of the Blue Spec deposit
- the Magic Mountain and Mt Hays prospects on the Mt Hays property - gold-bearing conglomerate horizons at Contact Creek and Virgin Creek in the Marble Bar Basin
- a newly discovered high grade gold zone at Novo's recently acquired Talga Talga project

Novo contracted Topdrill Ltd of Kalgoorlie, Western Australia to provide a truck mounted RC drill and a diamond core drill. These two drills will test areas in the vicinity of the Blue Spec and Gold Spec deposits. Topdrill's truck mounted RC drill commenced drilling on September 30th and the core rig is expected on site approximately one week later.

Castle Drilling Ltd of Albany, Western Australia was contracted to provide a track mounted RC drill that is expected on site in early October. This drill will be utilized to test more distal targets along the Blue Spec shear zone, Mt Hays, Marble Bar and Talga Talga.

By mid-October, seven RC holes had been completed and three RC precollar holes had been drilled. One of the three precollar holes, 16BSDH004, has been extended to its targeted depth by diamond core drilling. Coring will extend the other two precollar holes, 16BSDH002 and 16BSDH003, next. Samples from all recent holes were submitted to Genalysis Laboratory in Perth for assay within the week.

The diamond core tail from hole 16BSDH004 intersected the eastern edge of the Blue Spec zone at a vertical depth of approximately 440 m. Upon entering the Blue Spec shear zone, quartz vein with abundant stibnite, an antimony sulfide, was encountered over a 1.5 m interval of core. Several spots of visible gold up to 2 mm are evident within the stibnite. Quartz veining with variable amounts of pyrite continue approximately 3 m beyond the stibnite-rich intercept.

Hole 16BSDH004 is important because it suggests the high grade Blue Spec zone plunges at about 45 degrees to the east as Novo's model predicts. The nearest historic drill hole, BSD034 located approximately 50 m west, intersected 44.0 gpt Au over a core length of 1.1 m. Historic hole BSD0027, approximately 90 m above 16BSDH004, intersected 62.7 gpt Au over a core length of 1.2 m.

RC holes 16BSDH001, 16BSDH005, and 16BSDH006 tested areas west of the Blue Spec deposit at depths up to about 250 m. Each hole encountered quartz vein material and variable amounts of associated sulfide mineralization over hole lengths of 1-3 m. Similarly, RC holes 16BSDH007, 16BSDH008, and 16BSDH009 tested areas east of the Blue Spec deposit to depths up to about 220 m. Each successfully intersected the Blue Spec shear zone with variable amounts of quartz veining and associated sulfides.

RC hole 16BSDH010 is the first hole drilled in the vicinity of the Gold Spec deposit. At a vertical depth of approximately 200 m along the eastern margin of the deposit, this hole encountered two meters of quartz vein material with sulfide mineralization including stibnite. The nearest historic drill hole, GSI007 located approximately 20 m west, encountered 20.1 gpt Au over a down hole length of 2 m.

Precollar hole 16BSDH002 targets the Blue Spec deposit immediately below mine workings in an area where there is a gap in drilling. Precollar hole 16BSDH003 is targeted to test the Blue Spec shear zone at a depth of approximately 350 m below holes 16BSDH001, 16BSDH005, and 16BSDH006. Core tails of both 16BSDH002 and 16BSDH003 was completed over the next few days.

In early November, 2016, the Company announced first assay results from recent drilling at its 100% controlled Blue Spec gold-antimony project, Western Australia. Hole 16BSDH004, a south-oriented diamond core hole drilled at -65 degrees, encountered 82.3 gpt Au and 3.1% Sb over 1.8 meters within a broader interval of 59.1 gpt Au and 2.2% Sb

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over 2.55 meters along the eastern fringe of the Blue Spec deposit. True width of the vein is approximately half the length of reported intervals.

The high-grade intercept in hole 16BSDH004 is similar in grade and thickness to nearby historic drill intercepts and indicates the high-grade Blue Spec deposit is open where it plunges steeply east. Further step out holes are currently being drilled to target this area.

Significant Drill Results from
Blue Spec

Hole Number	From (m)	To (m)	Length (m)	Au (gpt)	Sb (%)
16BSDH001	239.00	246.00	7.00	2.8	Minor
including	240.00	243.00	3.00	4.2	"
including	240.00	241.00	1.00	5.5	"
	261.00	263.00	2.00	3.7	"
including	261.00	262.00	1.00	6.0	"
16BSDH004	482.45	485.00	2.55	59.1	2.2
including	483.20	485.00	1.80	82.3	3.1

Hole 16BSDH001, a south-oriented reverse circulation (“RC”) hole drilled at -60 degrees, encountered two significant gold zones along the western fringe of the Blue Spec deposit. An intercept from the Blue Spec lode includes 4.2 gpt Au over 3.00 meters within 2.8 gpt Au over 7.00 meters. A second interval of 6.0 gpt Au over 1.00 meter appears to be from a splay zone paralleling the Blue Spec deposit to the south. True width of these veins is approximately half the length of reported intervals.

Core was photographed, sawn and sampled by Novo staff. Core and RC samples were submitted to Genalysis Laboratory in Perth, Australia. All samples were analyzed utilizing a 50 g pulp subjected to fire assay with an atomic absorption finish. Overlimit samples (>10 gpt Au) were re-analyzed by fire assay with a gravimetric finish. Sb was analyzed by ICP-MS following three acid digestion.

Novo currently has three drill rigs operating at Blue Spec, a truck mounted reverse circulation (“RC”) drill and a diamond core drill that are focusing on targets in the immediate vicinity of the historic Blue Spec and Gold Spec mines, and a track mounted RC drill testing distal targets along the Blue Spec shear zone.

In mid-November, 2016, the Company announced that several RC holes testing extensions of the Gold Spec deposit have encountered notable mineralization including quartz-pyrite veins, some with appreciable stibnite, an antimony sulfide. One hole in particular, 16BSDH034, drilled about 80 m down plunge on the Gold Spec shoot, encountered several meters displaying significant stibnite. Due to a backlog of assays at the laboratory, Novo has recently prioritized assays from select intervals and expects results for several important holes within a week.

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Three additional holes have recently been completed immediately east of the Blue Spec high grade zone where hole 16BSDH004 encountered 59.1 grams per tonne gold over 2.55 meters. A fourth hole is currently being drilled in this area. Additionally, five holes have been completed between the Blue Spec and Gold Spec deposits and several holes have been completed in areas where historic drilling suggests additional gold zones may be present along the Blue Spec shear zone.

At present, the track mounted RC rig has drilled six new targets along the greater Blue Spec shear zone including Magic Mountain and Mt. Hays. Two more targets remain to be drilled. Novo plans to cease all drilling activities at Blue Spec over the next couple weeks due to increasing summer temperatures. Further drilling will be undertaken once assays have returned and data can be assessed.

In late November, 2016, the Company announced further drill results. Hole 16BSDH034, a south-oriented hole drilled at -65 degrees, encountered 5.8 gpt Au over 31 meters, including a narrower high grade interval of 35.0 gpt Au over 4 meters, at a depth of approximately 50 meters below the Gold Spec high-grade and about 400 meters below surface. Repeat assays returned 6.9 gpt Au and 43.3 gpt Au from the longer and shorter intervals, respectively. True width of the vein is uncertain because there is a significant northward rotation within the mineralized zone in this area, but it is probably around 25-35% of the reported drill intercept length.

Significant Drill Results from
Blue Spec

Hole Number	From (m)	To (m)	Length (m)	Au (gpt)	Sb (%)	Au repeat (gpt)
16BSDH010	202.0	203.0	1.0	1.1	Minor	N/A
16BSDH012	211.0	213.0	2.0	15.2	"	13.6
including	212.0	213.0	1.0	29.1	"	25.2
16BSDH013	No significant values					
16BSDH027	233.0	237.0	4.0	40.8	2.52	35.4
including	234.0	235.0	1.0	151.5	8.53	129.3
16BSDH028	No significant values					
16BSDH034	376.0	407.0	31.0	5.8	Minor	6.9
including	389.0	393.0	4.0	35.0	"	43.3
including	390.0	391.0	1.0	47.3	"	77.4

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At a depth of about 200 m, holes 16BSDH012 and 16BSDH027 tested the east and west sides of the Gold Spec high-grade shoot, respectively. Both holes were drilled from north to south at -60 degrees. Hole 16BSDH012 encountered 15.2 gpt Au over 2 meters and hole 16BSDH027 encountered 40.8 gpt Au over 4 meters including 151.5 gpt Au over 1 meter. Hole 16BSDH027 was the only hole to encounter appreciable antimony, 2.52% Sb and 8.53% Sb for the longer and shorter intervals, respectively. True width of the vein is approximately half the length of reported intervals.

Hole 16BSDH028, drilled from north to south at -70 degrees, failed to intersect significant mineralization although it passed only a few meters east of an historic hole that encountered 254 gpt Au over 0.7 meters. This hole may have encountered a post-mineral offsetting fault, may not have actually reached the target or may have hit a void spot within the mineralized envelope. Given the robust intercept in hole 16BSDH034 just 50 meters below, it is clear that more drilling is needed to understand this area.

Hole 16BSDH010 clipped the eastern margin of the mineralized envelope and hole 16BSDH013 was drilled well to the east of the Gold Spec zone.

Collectively, the results of the six holes discussed in this news release indicate the Gold Spec shoot plunges steeply to the west and is open at depth. Given the nearby Blue Spec high-grade shoot persists to nearly 800 meters depth where it remains open, it is quite possible that the Gold Spec zone might expand similarly deeply.

Tuscarora

Novo recently completed a 4,775 foot (1,455 m) reverse circulation drill program at its 100% controlled Tuscarora gold project in Nevada. 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.

In the Company's news release dated September 13, 2016, Novo announced first assay results from this program including an intercept of 143.5 gpt Au over 1.5 m in hole 16TSRC-002. New results include 21.50 gpt Au over 1.5 m in hole 16TSRC-006 and 1.72 gpt Au over 35.1 m including 7.37 gpt Au over 3.1 m in hole 16TSRC-010.

Results for new drill holes are summarized below and in a nearby table.

- Hole 16TSRC-003 appears to have overshot the vein and passed through alluvium above the projected trace of the vein. Nonetheless, this hole encountered several significant gold intercepts including 0.96 gpt Au over 16.8 m.

- Hole 16TSRC-004, drilled from the same pad as 16TSRC-003, intersected 5.20 gpt Au over 1.5 m across the Navajo vein extension in a position immediately below the alluvium-bedrock interface.

- Hole 16TSRC-005, similar to hole 16TSRC-003, appears to have overshot the targeted vein. Nonetheless, this hole encountered two significant gold intercepts including 0.89 gpt Au over 7.6 m.

- Hole 16TSRC-006, the southern most hole, encountered 21.50 gpt Au over 1.5 m.

- Holes 16TSRC-007 and 16TSRC-009 were lost in bad ground conditions and hole 16TSRC-008 deviated below the targeted vein.

- Hole 16TSRC-010, drilled from the same pad as 16TSRC-005, encountered 1.72 gpt Au over 35.1 m including a vein interval of 7.37 gpt Au over 3.1 m.

Drill samples were submitted to Inspectorate Laboratory in Reno, Nevada. All samples were analyzed by 30 g fire assay with an atomic absorption finish. Overlimit samples (>10 gpt Au) were re-analyzed by fire assay with a gravimetric finish. Due to the coarse nature of gold particles, significant gold-bearing intervals will subsequently be analyzed using bulk cyanide leach.

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Significant Results from 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	88.4	93.0	4.6	1.21	
	550	560	10	0.192	167.7	170.7	3.1	5.96	
	555	560	5	0.232	169.2	170.7	1.5	7.20	
16TSRC-002	500	515	15	0.029	152.4	157.0	4.6	0.90	
	520	530	10	2.385	158.5	161.6	3.1	74.18	
	<i>including</i>	525	530	5	4.614	160.1	161.6	1.5	143.50
	530	555	25	0.022	161.6	169.2	7.6	0.69	
	600	610	10	0.035	182.9	186.0	3.1	1.09	
	620	645	25	0.055	189.0	196.7	7.6	1.70	
	<i>including</i>	625	630	5	0.145	190.6	192.1	1.5	4.51
16TSRC-003	240	245	5	0.040	73.2	74.7	1.5	1.25	
	320	375	55	0.023	97.6	114.3	16.8	0.73	
	385	440	55	0.031	117.4	134.1	16.8	0.96	
	<i>including</i>	390	395	5	0.100	118.9	120.4	1.5	3.11
16TSRC-004	205	245	40	0.048	62.5	74.7	12.2	1.50	
	<i>including</i>	205	210	5	0.167	62.5	64.0	1.5	5.20
16TSRC-005	330	355	25	0.029	100.6	108.2	7.6	0.89	
	395	400	5	0.068	120.4	122.0	1.5	2.10	
16TSRC-006	505	510	5	0.691	154.0	155.5	1.5	21.50	
	655	660	5	0.065	199.7	201.2	1.5	2.03	
16TSRC-007	<i>Hole lost due to bad ground conditions</i>								
16TSRC-008	<i>Hole deviated from target</i>								
16TSRC-009	<i>Hole lost due to bad ground conditions</i>								
16TSRC-010	135	160	25	0.038	41.2	48.8	7.6	1.18	
	265	380	115	0.055	80.8	115.9	35.1	1.72	
	<i>including</i>	280	290	10	0.237	85.4	88.4	3.1	7.37

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	425	435	10	0.077	129.6	132.6	3.1	2.40
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Due to the presence of coarse gold, all significant samples to be re-run by bulk CN leach. Results will be reported when available.

Mt. Hayes Project

In mid-October, the Company extended its option on the Mt. Hayes property by two years by paying AUD \$50,000 in cash and by issuing 195,365 common shares to Red Dog Prospecting Pty Ltd. The shares will be subject to trading restrictions expiring on April 7, 2017

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 October 31, 2016 and 2015, the following amounts were incurred with respect to the key management and directors of the Company:

	October 31, 2016	October 31, 2015
	\$	\$
Consulting services	126,000	112,000
Wages and salaries	113,536	71,288
Wages and salaries included in exploration and evaluation assets	270,568	82,092
Share-based payments	1,432,963	-
	1,943,067	265,380

(b) *Other Related Party Disclosures*

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

	October 31, 2016	October 31, 2015
	\$	\$
Consulting services	90,000	90,000
	90,000	90,000

Outstanding Share Data

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Unlimited number of common voting shares without nominal or par value. All issued common shares are fully paid. As of December 30, 2016, the following common shares and stock options were issued and outstanding:

	Number of Shares	Exercise \$	Expiry Date
Common Shares	93,029,820	-	-
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	2,448,077	0.80	July 10, 2017
Warrants	470,000	0.80	July 17, 2017
Warrants	96,160	0.80	July 24, 2017
Warrants	3,911,217	0.85	March 8, 2018
Warrants	1,662,471	1.25	July 26, 2018
Warrants	4,956,216	1.25	August 12, 2018
Fully Diluted	111,798,961		

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.