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NOVO AND SUMITOMO CORPORATION EXTEND MEMORANDUM OF UNDERSTANDING TO ADVANCE NOVO'S AUSTRALIAN PROJECTS

VANCOUVER, BC, January 7, 2019 – **Novo Resources Corp.** (TSX-V: NVO; OTCQX: NSRPF) (“Novo” or the “Company”) is pleased to announce that the Company has extended and expanded its previously announced non-binding memorandum of understanding (the “MOU”) with Sumitomo Corporation of Tokyo, Japan (“Sumitomo”) (*please refer to Novo’s news release of July 6, 2017*) with the objectives of evaluating, advancing, and developing the Company’s Australian gold projects. The MOU reflects the following intentions of the parties:

- Sumitomo will provide human resource assistance to assist Novo with the above objectives.
- Sumitomo commits to make available up to 5,000,000,000 Japanese Yen in order to accomplish the above objectives, subject to mutual agreement on development plans for a project(s) and mutual agreement on a transaction structure(s).
- Novo shall grant to Sumitomo the right to fund a project through an option to purchase an interest in a project based on a mutually agreed-upon valuation or through a subscription for Novo’s common shares at prevailing market prices subject to certain discounts (in accordance with the policies of the TSX Venture Exchange). Sumitomo will retain the sole and exclusive right to determine the final funding mechanism.
- If Sumitomo agrees to commit funds to a project and Novo agrees to receive such funding, Novo shall seek approval from its board of directors to provide Sumitomo with a right of first refusal (the “ROFR”) over the project. If granted, the ROFR shall require Novo to provide notice to Sumitomo if an offer is provided to Novo by a third party regarding the project (a “Transaction”). Novo shall deliver to Sumitomo a written offer disclosing terms at the same price and otherwise on the same terms and conditions as set out in the third party offer, and Sumitomo will have a thirty (30) day period to elect to enter into the Transaction with Novo.
- The term of this MOU will expire December 31, 2023.

“We are delighted to continue working with Sumitomo Corporation to advance Novo’s Australian projects,” commented Dr. Quinton Hennigh, Chairman, President, and director of Novo Resources Corp. “Sumitomo has a long history of working constructively with mining companies to evaluate, finance and develop mines. Novo is honoured to collaborate with Sumitomo, and we look forward to working with their highly skilled mining team as we explore opportunities to advance Novo’s Australian gold projects.”

About Novo Resources Corp.

Novo’s focus is to explore and develop gold projects in the Pilbara region of Western Australia, and Novo has built up a significant land package covering approximately 12,000 sq km with varying ownership interests. For more information, please contact Leo Karabelas at (416) 543-3120 or e-mail leo@novoresources.com

On Behalf of the Board of Directors,

Novo Resources Corp.

“Quinton Hennigh”

Quinton Hennigh
Chairman and President

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Forward-looking information

Some statements in this news release contain forward-looking information (within the meaning of Canadian securities legislation) including, without limitation, statements as to future transactions and the likelihood of receiving funding from Sumitomo. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, without limitation, customary risks of the mineral resource industry as well as the Company’s ability to successfully obtain funding from Sumitomo.