

October 12, 2021

NULLAGINE GOLD PROJECT PRODUCTION UPDATE

KEY POINTS

- No lost time injuries at the Beatons Creek conglomerate gold project through Q3 2021 (“**Beatons Creek**”)
- Minimal COVID-19 pandemic-related operational disruptions
- Gold production of 18,144 oz Au in Q3 2021 (vs 14,890 oz Au in Q2 2021)
 - Mining and milling targeted rates achieved
 - Head grades have been lower than forecast due to previous reliance on wide-spaced grade control drilling which results in lower accuracy of the modelled Beatons Creek oxide mineral resource
 - Higher mining dilution associated with the more complex mining areas of Beatons Creek also a contributing factor
 - Continued progression of closer spaced grade control drilling combined with rapid assay turnaround is providing more certainty for forecasting Beatons Creek oxide mineralization grade, with the backlog of assays being mostly resolved through Q3 2021
- Commencement of oxide mining study, focused on further optimizing production and profitability of mining of the Beatons Creek oxide resource
- Batch test processing of Beatons Creek fresh mineralization confirmed processing throughputs and recovery with good grade prediction
- Strong financial position
 - Q3 2021 revenue of C\$43 million (A\$45.8 million) from the sale of 18,753 oz Au at an average realized gold price of A\$2,483
 - Quarter-end cash balance of C\$44.1 million
 - Investment portfolio fair value of approximately C\$135 million¹

		Q2 2021	Q3 2021	Change
Gold Production	(oz Au)	14,890	18,144	+22%
Mining	(tonnes)	477,000	478,000	-
Processing	(tonnes)	366,000	451,000	+23%
Revenue	(C\$M)	C\$31.7	C\$43	+36%
Cash Position	(C\$M)	C\$46.0M	C\$44.1M	(\$1.9M)

Key Q3 Operational and Financial Performance

¹ This value excludes the fair value of warrants held in GBM Resources Ltd. Novo's ability to dispose of its investments is subject to certain thresholds pursuant to its senior secured credit facility with Sprott Private Resource Lending II (Collector), LP. Please refer to the Company's management discussion and analysis for the 11-month fiscal year ended December 31, 2020, which is available under Novo's profile on SEDAR at www.sedar.com. Novo's investment in New Found Gold Corp. is subject to escrow requirements pursuant to National Instrument 46-201 Escrow for Initial Public Offerings. The value of Novo's holdings in Elementum 3D, Inc. (“E3D”) is based on E3D's most recent financing price of US\$2.50 per share. Except for its investment in E3D, the fair value of Novo's investments is based on closing prices of its investments and relevant foreign exchanges rate as at September 30, 2021.

VANCOUVER, BC - Novo Resources Corp. (“Novo” or the “Company”) (TSX: NVO, NVO.WT & NVO.WT.A) (OTCQX: NSRPF) provides a Q3 2021 operational update from Beatons Creek, located in Nullagine, Western Australia.

Commenting on Q3 2021 operational performance, Novo’s Executive Co-Chairman Mr. Mike Spreadborough said, “The ramp up of operations since February has proceeded well, with both mining and processing achieving target rates. However, gold production fell short of expectations. We saw lower head grade than forecast as a result of lower accuracy in the grade control grade estimate. This was due to the current predominant wide-spaced grade control drilling at the high-nugget Beatons Creek oxide mineralization combined with higher mining dilution from the more complex mining areas.

We have found that closer spaced drilling is providing more certainty for mine forecasting and we are continuing to progress the completion of this drilling. The rapid assay turnaround provided by the Chrysos PhotonAssay technology through Intertek is allowing for this data to be used to mine more selectively.

To incorporate all of the learnings from this unique mining at Beatons Creek into future mine planning, we have initiated an oxide mining study. We are confident that the outcomes of the review, when delivered later this year, will result in a plan which will further optimize production levels and profitability of the oxide resource.

Importantly, Novo remains in a very strong financial position to optimize production results and maximize value from Beatons Creek and, importantly, our exploration activities are being accelerated.”

NULLAGINE GOLD PROJECT

Safety and COVID Update

Safety is a core value, with continuous focus on safety outcomes. Over the past 12 months through Q3 2021, the lost time injury frequency rate remained zero. The Company continues to experience minimal COVID-19 pandemic-related operational disruptions.

Operations

Mining rates at Beatons Creek stabilized throughout Q3 2021, with 478 kt of mineralized material mined from the Beatons Creek deposit compared to 477 kt in Q2 2021.

The Company’s Golden Eagle processing plant (“**Golden Eagle Plant**”) processed 451 kt of mineralized material in Q3 2021, representing a 23% increase over Q2 2021 throughput of 366 kt.

Since the start of commissioning of Beatons Creek in February 2021 (*refer to the Company’s news release dated [February 3, 2021](#)*) based on the Beatons Creek mineral resource, Novo targeted a throughput rate of 1.8 Mtpa to match the capacity of the Golden Eagle Plant. This milestone was achieved in Q3 2021.

Production in Q3 2021 totalled 18,144 ounces of gold, representing a 22% increase over Q2 2021 production of 14,890 ounces of gold. Recovery rates were approximately 94% throughout Q2 and Q3 2021.

The Q3 2021 head grade was 1.34 g/t Au, a slight increase from a Q2 2021 head grade of 1.30 g/t Au². However, the head grade has been relatively variable throughout Q2 and Q3 2021, which reflects the high-nugget content of the conglomerate Beatons Creek gold deposit and necessary mine sequencing. Additional high-grade Beatons Creek oxide material assisted to increase July 2021 head grade to 1.94 g/t Au.

The lower head grades compared to forecast is due to previous reliance on wide spaced grade control drilling which results in lower accuracy of the modelled high-nugget effects in the Beatons Creek oxide mineral resource combined with higher mining dilution associated with more complex mining areas.

In order to provide greater certainty in grade forecasting for mine planning, the Company continues to progress its Beatons Creek grade control drilling program at a spacing of 10 m x 10 m. Analysis confirms that

² Refer to the Company’s management’s discussion and analysis for the six-month period ended June 30, 2021, available on the Company’s website at www.novoresources.com and under the Company’s profile on SEDAR at www.sedar.com.

this level of grade control drilling provides improved reconciliation between the resource model grade and the actual grade mined.

The operation previously relied on wide-spaced grade control drilling due to slow assay turnaround. The use of the Chryso PhotonAssay technology through Intertek Testing Services (Australia) Pty Ltd (“**Intertek**”) has allowed rapid assay turnaround allowing for this data to be used to mine more selectively. This assay technique is a necessity given the high-nugget nature of the Beatons Creek conglomerate gold mineralization. This rapid assay turnaround is necessary to support the use of closer-spaced grade control drilling.

In July 2021, a test package of approximately 43 kt of Beatons Creek fresh mineralization was processed at an average head grade of 1.83 g/t Au confirming processing throughputs and recovery with good grade prediction. This data will be used to optimize fresh mining in the future. The most recently announced Beatons Creek mineral resource estimate includes a fresh component comprising approximately 65% of the global estimate (refer to the Company’s news release dated [April 30, 2021](#) and the report titled “Preliminary Economic Assessment on the Beatons Creek Gold Project, Western Australia” with an effective date of February 5, 2021 and an issue date of April 30, 2021). **Mineral resources that are not mineral reserves do not have demonstrated economic viability.**

To further optimize the Beatons Creek oxide mineralization mine plan, Novo has initiated an oxide mining study which will focus on increased grade control drilling to improve the accuracy of resource modelling, mining approaches, cut-off grade sensitivities, and costs in order to enhance production and profitability of the Beatons Creek oxide resource component of the Nullagine Gold Project. The Company intends to provide an update on this review once complete in Q4 2021.

The Company’s processing and mining rates stabilized sufficiently throughout Q3 2021 to enable Novo to declare commercial production² effective October 1, 2021. Of particular importance is that the Golden Eagle Plant has met its performance parameters.

Novo Financial Position

Novo’s strong financial position allows the Company to address operational requirements while leveraging the value of its strategic investment portfolio.

Q3 2021 gold sales totalled 18,753 ounces of gold and 2,399 ounces of silver, representing a 34% increase over Q2 2021 gold sales of 13,958 ounces.

Q3 2021 gross revenue grew by 36% from Q2 2021 to C\$43 million (A\$45.8 million).

The Company experienced a Q3 2021 average realized gold price of A\$2,483 compared to a Q2 2021 average realized gold price of A\$2,401². Novo sells its gold in Australian dollars to ABC Refinery of Sydney, Australia and continues to enjoy strong gold price performance in Australian dollar terms.

Novo’s cash and working capital positions remain strong, with cash reserves of C\$44.1 million as at September 30, 2021 as compared to C\$46.3 million as at June 30, 2021 while spending approximately C\$6 million on exploration during Q3 2021.

In addition to its cash reserves, the Company’s strategic portfolio of investments held a fair value of approximately C\$135 million¹ as at September 30, 2021, including its 9.5% investment in New Found Gold Corp. (TSXV: NFG) which was worth approximately C\$116 million¹.

QP STATEMENT

Dr. Quinton Hennigh (P.Geo.) is the qualified person, as defined under National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, responsible for, and having reviewed and approved, the technical information contained in this news release. Dr. Hennigh is the non-executive co-chairman and a director of Novo.

CAUTIONARY STATEMENT

The decision by the Company to produce at the Nullagine Gold Project was not based on a feasibility study of mineral reserves demonstrating economic and technical viability and, as a result, there is an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that that anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on the Company's cash flow and future profitability.

The Company cautions that the declaration of commercial production only indicates that the Nullagine Gold Project is operating at anticipated and sustainable levels and it does not indicate that economic results will be realized.

ABOUT NOVO

Novo operates its flagship Beatons Creek gold project while exploring and developing its prospective land package covering approximately 13,250 square kilometres in the Pilbara region of Western Australia. In addition to the Company's primary focus, Novo seeks to leverage its internal geological expertise to deliver value-accretive opportunities to its shareholders. 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.

"Michael Spreadborough"

Michael Spreadborough

Executive Co-Chairman

Forward-looking information

Some statements in this news release contain forward-looking information (within the meaning of Canadian securities legislation) including, without limitation, planned mining and processing activities; that grade control drilling may control variability of the Nullagine Gold Project's head grade and provide for greater certainty for mine planning efforts; that the strategic operational review, which is scheduled to be completed in Q4 2021, may optimize production and profitability of the oxide resource component of the Nullagine Gold Project; the declaration of commercial production (which only indicates that the Nullagine Gold Project is operating at anticipated and sustainable levels and does not indicate that economic results will be realized); and that Novo's strong financial position allows the Company to address the operational variabilities mentioned in this news release while leveraging the value of its strategic portfolio. 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 resource industry and the risk factors identified in Novo's management's discussion and analysis for the six-month period ended June 30, 2021, which is available under Novo's profile on SEDAR at www.sedar.com. Forward-looking statements speak only as of the date those statements are made. Except as required by applicable law, Novo assumes no obligation to update or to publicly announce the results of any change to any forward-looking statement contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. If Novo updates any forward-looking statement(s), no inference should be drawn that the Company will make additional updates with respect to those or other forward-looking statements.