

July 6, 2022

NULLAGINE GOLD PRODUCTION UPDATE

KEY POINTS

- No lost-time injuries were recorded during Q2 2022 or H1 2022
- Q2 2022 production of 12,610 oz Au, which totals 25,988 oz Au for H1 2022 and is in line with revised guidance¹
- Q2 2022 revenue of C\$29.7 million (A\$32.6 million)² from the sale of 12,378 oz Au
- Q3 2022 production forecast of 9 – 11 koz Au, with drawdown of inventory expected to add an additional 1 koz Au in Q4 2022 as Phase One Oxide operations at Beatons Creek wind down through October 2022¹
- Cash balance as at June 30, 2022 of C\$74.8 million², which will support ongoing and extensive exploration programs and completion of resource and extension drilling at the Beatons Creek Fresh mineral resource¹
- Novo still awaiting a response from the Western Australian Environmental Protection Authority on requisite approval pathway to commence Phase Two operations of the Fresh mineral resource at Beatons Creek¹
- Beatons Creek Fresh mineral resource feasibility study progressing as planned and expected to be completed in Q4 2022³

Table 1: Key Operational and Financial Figures²

		Q4 2021	Q1 2022	Q2 2022
Mining	(tonnes)	434,133	395,824	421,981
Processing	(tonnes)	395,310	394,382	398,830
Grade	(g/t Au)	1.16	1.15	1.02
Recovery	(%)	91.5%	91.4%	93.5%
Gold Production	(oz Au)	12,833	13,378	12,610
Revenue	(C\$M)	\$29.9	\$31.9	\$29.7
Cash and Cash Equivalents	(C\$M)	\$32.5	\$22.0	\$74.8

VANCOUVER, BC - Novo Resources Corp. (“Novo” or the “Company”) (TSX: NVO, NVO.WT & NVO.WT.A) (OTCQX: NSRPF) provides a 2022 second quarter (“Q2 2022”) operational update from the Beatons Creek gold project (“Beatons Creek”) and the Golden Eagle processing facility (“Golden Eagle Plant”), located in Nullagine, Western Australia.

“Q2 2022 and H1 2022 have been critical periods for Novo,” commented Mr. Mike Spreadborough, Novo’s Executive Co-Chairman, Acting CEO, and director. “Despite operational setbacks with the Golden Eagle Plant in late May⁴ and the decision to pause operations at Beatons Creek, our safety and operational performance has been excellent, which is a credit to our operations team. As outlined in our recent operations update¹, we have a detailed growth plan in place and are focused on delivering the feasibility study in Q4 2022, continuing aggressive exploration, and working with government on the approvals to restart Beatons Creek.”

BEATONS CREEK PROJECT

Safety and COVID-19 Update

During Q2 2022 and H1 2022, Novo did not record any lost time injuries.

The Company is still experiencing impacts from COVID-19, particularly with respect to its workforce; mandatory isolation for positive personnel and close contacts is temporarily impacting staffing levels for the

¹ Refer to the Company’s news release dated [June 14, 2022](#).

² These financial figures are unaudited and may differ from final results due to foreign exchange and rounding differences.

³ Refer to the Company’s news release dated [June 14, 2022](#).

⁴ Refer to the Company’s news release dated [May 24, 2022](#).

Company and its contractors. Supply chain issues are resulting in elevated production costs, particularly with respect to fuel and other consumables, however best efforts have been made to mitigate the impacts of the pandemic through the adoption of sound risk management processes. The Company intends to manage such impacts throughout remaining operations at Beatons Creek but remains cautious that they may also affect other aspects of the Company's business, including exploration activities.

Operations

422 kt of mineralized material were mined from the Edwards and Gold Crown areas of Beatons Creek (*refer to Figure 1 and Figure 2 below*). Backfilling of the Grant's Hill pit will be completed in compliance with environmental requirements during the pause in operations¹ (*refer to Figure 3 below*).



Figure 1: Gold Crown mining areas (Looking North).



Figure 2: Edwards mining area (looking South-East).



Figure 3: Grant's Hill pit with requisite backfilling complete.

The Golden Eagle Plant processed 399 kt in Q2 2022, with an average head grade of 1.02 g/t Au.

Gold production totalled 12,610 ounces and recovery rates of approximately 93.5% were achieved in Q2 2022.

The Company expects to produce 9 – 11 koz Au in Q3 2022 and an additional 1 koz Au via the drawdown of inventory through October 2022¹, assuming the Company's ability to manage any impact to operations from COVID-19.

Novo Financial Position

Novo's cash balance as at June 30, 2022 was C\$74.8 million².

In addition to its existing cash reserves, the Company has an investment portfolio with a fair value of approximately C\$58 million as at June 30, 2022⁵. This includes the Company's 6.75 million remaining shares of New Found Gold Corp. which the Company has agreed to sell to Eric Sprott, the closing of which is scheduled to occur in August 2022⁶.

Q2 2022 gold sales totalled 12,378 ounces of gold and 1,502 ounces of silver for gross revenue of C\$29.7 million (A\$32.6 million)². 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.

QP STATEMENT

Dr. Quinton Hennigh (P.Geol.) 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 Beatons Creek 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. Production has not achieved forecast to date. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee 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 its declaration of commercial production effective October 1, 2021⁷ only indicates that Beatons Creek was 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 Project while exploring and developing its prospective land package covering approximately 11,000 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.

⁵ 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 three months ended March 31, 2022, 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\$8.00 per unit. 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 June 30, 2022.

⁶ Refer to the Company's news release dated [April 12, 2022](#) and [April 27, 2022](#), as well as the Company's management discussion and analysis for the three-month period ended March 31, 2022 which is available on the Company's profile on SEDAR at www.sedar.com.

⁷ Refer to the Company's news release dated [October 12, 2021](#).

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, that Novo will produce 9 – 11 koz Au in Q3 2022 and an additional 1 koz Au in Q4 2022 from the drawdown of inventory, that Novo's cash balance will support on-going exploration programs and completion of resource and extension drilling at the Beatons Creek Fresh mineral resource, that the feasibility study is expected to be completed in Q4 2022, that Novo intends to manage the impacts of COVID-19 throughout remaining operations at Beatons Creek, and that Novo expects to complete the sale of its 6.75 million shares in New Found Gold Corp. to Eric Sprott in August 2022. 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 three-month period ended March 31, 2022, 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.