

AUGUST 8, 2022

NOVO COMPLETES SECOND AND FINAL TRANCHE OF SALE OF NEW FOUND GOLD SHARES FOR C\$57.0 MILLION

VANCOUVER, BC - Novo Resources Corp. (“Novo” or the “Company”) (TSX: NVO, NVO.WT & NVO.WT.A) (OTCQX: NSRPF) is pleased to advise that it has closed the second and final tranche of its previously announced sale of 15 million shares (the “Transaction”) of New Found Gold Corp. (“New Found”)¹. In the second tranche, Novo sold a total of 6.75 million escrowed New Found shares to a corporation controlled by Eric Sprott (“Sprott”) at C\$8.45 per share for gross proceeds of approximately C\$57.0 million (“Tranche 2”). Inclusive of the gross proceeds raised from the sale of 8.25 million New Found shares sold to Sprott at C\$8.35 per share in the first tranche¹, gross proceeds of approximately C\$125.9 million have been raised from the Transaction.

Novo’s consolidated unaudited cash position is currently approximately C\$126.4 million. After-tax proceeds from the Transaction will continue to be used to provide Novo with the flexibility to aggressively advance its exploration programs across the Pilbara and Victoria, Australia, while expediting a feasibility study on the Fresh component of the Company’s Beatons Creek project in Nullagine, Western Australia² (“Beatons Creek”).

Sprott Resource Lending Corp., Novo’s senior secured lender, waived any event of default which was triggered by Novo’s recent operational pause at its Beatons Creek project in Western Australia³ in anticipation of full repayment of the US\$40 million (currently approximately C\$51.4 million) senior secured credit facility (the “Credit Facility”) in August 2022 subsequent to completion of the Transaction. Novo will use the net proceeds from Tranche 2, in part, to repay the Credit Facility in full and will provide an update once repayment has been made leaving Novo free of long-term debt.

Update on Beatons Creek Fresh Approval

The Company also advises that the Western Australian Environmental Protection Authority’s (“EPA”) decision to not assess the Company’s submission regarding the Fresh mineralization component of Beatons Creek⁴ has been appealed by a local proponent who is seeking to address a limited number of questions relating to potential impacts to groundwater in the Nullagine area. The Company has all technical information readily available to confidently address these questions and is preparing a response to this appeal and expects to resolve it in due course. Importantly, in the case of an appeal against a decision by the EPA to not assess a proposal, the original decision not to assess stands until the appeal is determined. As such, the Company will continue to engage with the Western Australian Department of Mines, Industry Regulation and Safety (“DMIRS”) to seek approval to mine the Beatons Creek Fresh mineral resource and expects to make a final investment decision post receipt of results of the feasibility study³.

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.

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.

¹ Refer to the Company’s news releases dated [April 12, 2022](#) and [April 27, 2022](#).

² Refer to the Company’s news release dated [June 14, 2022](#).

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

⁴ Refer to the Company’s news release dated [July 11, 2022](#).

CAUTIONARY STATEMENT

The decision by the Company to produce at the Beatons Creek 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. 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, 2021⁵ only indicates that Beatons Creek was operating at anticipated and sustainable levels and it does not indicate that economic results will be realized.

On Behalf of the Board of Directors,

Novo Resources Corp.

"Michael Spreadborough"

Michael Spreadborough

Executive Co-Chairman and Acting CEO

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 use proceeds from Tranche 2 to repay the Credit Facility, will continue to use net proceeds from the Transaction to provide Novo with the flexibility to aggressively advance exploration efforts across the Pilbara and Victoria while expediting a feasibility study on the Fresh component of the Company's Beatons Creek project in Nullagine, Western Australia, that the Company expects to resolve the appeal to the EPA's decision in due course, and that the Company will continue to engage with DMIRS to seek approval to mine the Beatons Creek Fresh mineral resource and expects to make a final investment decision post receipt of results of the feasibility study. 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.

⁵ Refer to the Company's news release dated [October 12, 2021](#).