

AUGUST 15, 2022

NOVO REPORTS Q2 2022 FINANCIAL RESULTS

VANCOUVER, BC - Novo Resources Corp. (“Novo” or the “Company”) (TSX: NVO, NVO.WT & NVO.WT.A) (OTCQX: NSRPF) reports its financial results for the six-month period ended June 30, 2022. All amounts are expressed in Canadian dollars, unless otherwise noted.

This news release should be read together with Novo’s management’s discussion and analysis (the “**MD&A**”) and condensed interim consolidated financial statements (the “**Financial Statements**”) for the six-month period ended June 30, 2022 (“**H1 2022**”) which are available under Novo’s profile on SEDAR (www.sedar.com). The three-month period ended June 30, 2022 is referred to as “**Q2 2022**” in this news release.

Q2 2022 Highlights

- Revenue of \$29.7 million from the sale of 12,378 ounces of gold from the Company’s Beatons Creek gold project (the “**Beatons Creek Project**”) in Q2 2022 at an average realized price¹ of \$2,400 / A\$2,635 / US\$1,880 per ounce, and revenue of \$61.6 million from the sale of 25,742 ounces of gold in H1 2022 in line with revised guidance² and at an average realized price¹ of \$2,394 / A\$2,618 / US\$1,883
- Cash and cash equivalents of \$74.9 million as at June 30, 2022
- Aggregate investment portfolio balance of \$57.9 million³, which included Novo’s remaining 6.75 million shares of New Found Gold Corp. (TSXV: NFG) (“**New Found**”) with a fair value of \$38.9 million (\$5.77 per share) as at June 30, 2022
- Novo sold 8.25 million shares of New Found at \$8.35 per share for gross proceeds of \$68.9 million during Q2 2022 (“**Tranche 1**”), and completed the sale of its remaining 6.75 million shares of New Found at \$8.45 per share for gross proceeds of \$57.0 million subsequent to June 30, 2022⁴ (“**Tranche 2**”). A financial asset totaling \$16.3 million was recognized as at June 30, 2022 and represents the Tranche 2 forward contract at the agreed price of \$8.45 per New Found share
- Continuing focus on high-priority exploration targets, with exploration spend of \$11.4 million in Q2 2022 and \$15.3 million in H1 2022, including \$4.6 million on the Beatons Creek Project Fresh drill-out and feasibility study⁵ which is expected to be completed in late 2022
- \$0.4 million was invested in capital projects during Q2 2022, and \$2.3 million was invested in capital projects in H1 2022
- Earnings before interest, taxes, depreciation and amortization (“**EBITDA**”)¹ of \$(3.5) million and adjusted EBITDA¹ of \$(21.8) million in Q2 2022, and EBITDA¹ of \$(6.3) million and adjusted EBITDA¹ of \$(25.3) million in H1 2022
- Total cash costs¹ of \$2,598 / A\$2,852 / US\$2,035 per ounce sold and all-in sustaining costs (“**AISC**”)¹ of \$3,198 / A\$3,510 / US\$2,505 per ounce sold in Q2 2022, and total cash costs¹ of \$2,307 / A\$2,523 / US\$1,815 per ounce sold and AISC¹ of \$2,930 / A\$3,204 / US\$2,304 per ounce sold in H1 2022
- Conversion of Sumitomo Corporation’s notional interest in Novo’s Egina project in the Pilbara region of Western Australia to an equity stake in Novo comprised of 3,382,550 Novo common shares representing a 1.36% shareholder on the date of issuance, with all shares subject to orderly sale restrictions and a twelve-month contractual hold period expiring on April 21, 2023⁶
- Production to pause at the Beatons Creek Project and the Golden Eagle processing facility (“**Golden Eagle Plant**”), with mining of the Oxide mineral resource ending in Q3 2022 followed by a phased wind-down of operational activities finishing by the end of October 2022⁷

¹ Non-IFRS measure; the definitions and reconciliations of these measures are included under “Non-IFRS Measures” below.

² Refer to the Company’s news release dated [May 24, 2022](#).

³ Novo’s ability to dispose of its investments is subject to certain thresholds under the Spratt Facility (as defined below). Please refer to the MD&A which is available under Novo’s profile on SEDAR at www.sedar.com. Novo’s investment in New Found Gold Corp., which is included in the June 30, 2022 balance, was 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 comprised of one common share and one-half of one common share purchase warrant. Except for its investment in E3D and warrant holdings, the fair value of Novo’s investments is based on closing prices of its investments and relevant foreign exchange rates as at June 30, 2022.

⁴ Refer to the Company’s news release dated [April 12, 2022](#), [April 27, 2022](#), and [August 5, 2022](#).

⁵ Refer to the Company’s news release dated [June 14, 2022](#).

⁶ Refer to the Company’s news release dated [April 21, 2022](#).

⁷ Refer to the Company’s news release dated [June 14, 2022](#).

Financial Highlights

<i>In thousands of CAD, except where noted</i>		For the three months ended		For the six months ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Gold sold	<i>Oz Au</i>	12,378	13,958	25,742	17,456
Average realized price ¹	<i>\$/oz</i>	2,400	2,270	2,394	2,259
Average realized price ¹	<i>AUD\$/oz</i>	2,635	2,401	2,618	2,348
Average realized price ¹	<i>USD\$/oz</i>	1,880	1,849	1,883	1,811
Total revenue	<i>\$</i>	29,685	31,704	61,560	39,422
Cost of goods sold	<i>\$</i>	(42,524)	(31,704)	(79,899)	(39,422)
General and exploration expenditure	<i>\$</i>	(14,904)	(9,697)	(22,943)	(5,248)
Other income, net	<i>\$</i>	18,283	2,915	18,953	1,006
Finance items	<i>\$</i>	(7,157)	(9,738)	(7,220)	(11,164)
Income tax expense	<i>\$</i>	(2,198)	-	(2,198)	-
Net loss for the period after tax	<i>\$</i>	(18,815)	(16,520)	(31,747)	(15,406)
Basic and diluted profit / (loss) per common share	<i>\$/share</i>	(0.08)	(0.07)	(0.13)	(0.07)
EBITDA ¹	<i>\$</i>	(3,534)	(3,099)	(6,321)	2,862
Adjusted EBITDA ¹	<i>\$</i>	(21,817)	(6,014)	(25,274)	1,856
Adjusted loss ¹	<i>\$</i>	(37,098)	(19,244)	(50,700)	(31,161)
Adjusted loss per common share ¹	<i>\$/share</i>	(0.15)	(0.08)	(0.20)	(0.13)
Total cash costs ¹	<i>\$/oz</i>	2,598	2,003	2,307	1,846
Total cash costs ¹	<i>AUD\$/oz</i>	2,852	2,118	2,523	1,919
Total cash costs ¹	<i>USD\$/oz</i>	2,035	1,631	1,815	1,481
AISC ¹	<i>\$/oz</i>	3,198	2,604	2,930	2,771
AISC ¹	<i>AUD\$/oz</i>	3,510	2,753	3,204	2,880
AISC ¹	<i>USD\$/oz</i>	2,505	2,120	2,304	2,222

Novo generated revenue of \$29.7 million in Q2 2022 from the sale of 12,378 ounces of gold at an average realized price¹ of \$2,400 / A\$2,852 / US\$1,880 per ounce, and \$61.6 million in H1 2022 from the sale of 25,742 ounces of gold at an average realized price¹ of \$2,394 / A\$2,523 / US\$1,883 per ounce in Q2 2022.

398,830 tonnes of mineralized material were processed through the Golden Eagle Plant in Q2 2022 equating to an annual processing rate of approximately 1.6 million tonnes per annum, and 793,212 tonnes of mineralized material were processed in H1 2022.

Processed material had an average head grade of 1.02 g/t Au with average recovery of 93.5% resulting in 12,610 ounces of gold produced in Q2 2022, and an average head grade of 1.09 g/t Au with average recovery of 92.5% resulting in 25,988 ounces of gold produced⁸ in H1 2022.

The Company generated a net loss of \$(18.8) million or \$(0.08) per share in Q2 2022 and a net loss of \$(31.7) million or \$(0.13) per share in H1 2022.

EBITDA¹ totaled \$(3.5) million in Q2 2022 (\$(6.3) million in H1 2022), and adjusted EBITDA¹ totaled \$(21.8) million in Q2 2022 (\$(25.3) million in H1 2022).

Total cash costs¹ were \$2,598 / A\$2,852 / US\$2,035 in Q2 2022 (\$2,307 / A\$2,523 / US\$ 1,815 in H1 2022), and AISC¹ was \$3,198 / A\$3,510 / US\$2,505 in Q2 2022 (\$2,930 / A\$3,204 / US\$2,304 in H1 2022). Total cash costs¹ and AISC¹ are heavily influenced by the number of ounces of gold sold and are higher than anticipated due to, among other things, a lower production base than originally forecast.

Adjusted earnings (losses)¹ were \$(37.1) million or \$(0.15) per share in Q2 2022 and \$(50.7) million or \$(0.20) per share in H1 2022. Adjustments to net earnings (losses) for the period include minor non-operational income, non-cash foreign exchange gains, and non-cash gains resulting from the movement in the fair value of certain marketable securities.

⁸ Refer to the Company's news release dated [July 6, 2022](#).

The Company is committed to aggressively advancing its highly prospective exploration portfolio and devoted \$11.4 million to such efforts in H1 2022. In addition, the Company is advancing the Beatons Creek project Fresh feasibility study and incurred \$4.6 million through H1 2022, with an expected completion date in Q4 2022⁵.

Financial Position

<i>In thousands of CAD, except where noted</i>	June 30, 2022 \$'000	December 31, 2021 \$'000	December 31, 2020 \$'000
Cash	74,737	32,345	40,494
Short-term investments	147	108	195
Working capital ¹	62,565	3,925	14,071
Credit Facility adjusted working capital (USD) ¹	96,025	23,332	25,089
Marketable securities ¹	57,905	156,209	18,770
Available liquidity ¹	144,225	102,868	59,623
Total assets	385,322	462,682	456,408
Current liabilities excluding current portion of financial liabilities	18,454	19,805	12,083
Non-current liabilities excluding non-current portion of financial liabilities	33,248	36,342	28,615
Financial liabilities (current and non-current)	74,781	75,608	86,271
Total liabilities	132,795	148,420	126,969
Shareholders' equity	252,527	314,262	329,439

The Company held cash and cash equivalents of \$74.9 million as at June 30, 2022, with a working capital¹ balance of \$62.6 million. Tranche 1 settled for gross proceeds \$68.9 million during Q2 2022. The Company's remaining 6.75 million shares, which represent a 4.02% undiluted stake in New Found, were classified as a current financial asset as at June 30, 2022 pursuant to Tranche 2 sale plans which settled in August 2022 and provided Novo with additional gross proceeds of \$57.0 million³.

During Q2 2022, Sumitomo Corporation of Tokyo, Japan elected to convert its interest under the farmin and joint venture arrangement (the "**Agreement**") over the Company's Egina project, and Novo elected to reimburse Sumitomo through the issuance of 3,382,550 common shares⁹ with a fair value of \$3.2 million based on the Company's closing price on April 21, 2022 of \$0.96 as compared to Sumitomo's aggregate funding of A\$7.8 million (approximately \$7.2 million) through April 21, 2022.

Tax payable of \$1.5 million represents the estimated capital gains tax payable in Canada on Tranche 1 after application of Novo's available Canadian tax losses. Deferred tax liabilities represent the Company's estimate of capital gains tax payable on the fair value of the Company's marketable securities. Approximately \$6.4 million of this deferred tax liability relates to the capital gains tax payable on Tranche 2 and will be reclassified to tax payable during Q3 2022. The Company is in the process of determining its aggregate capital gains tax liability and intends to apply available tax losses in order to decrease any amount payable.

Sprott Resource Lending Corp. ("**Sprott**"), Novo's senior secured lender, waived any event of default which was triggered by Novo's recent operational pause at the Beatons Creek Project⁷ in anticipation of full repayment of the US\$40 million (currently approximately C\$51.1 million) senior secured credit facility (the "**Sprott Facility**") subsequent to completion of Tranche 2. Repayment of the Sprott Facility was completed on August 12, 2022¹⁰.

Outlook

The Company expects to produce 9 – 11 koz Au from the Beatons Creek Project in Q3 2022, with drawdown of inventory expected to add an additional 1 koz Au in Q4 2022 as Phase One Oxide operations at the Beatons Creek Project wind down through October 2022¹¹. This forecast is subject to the Company's ability to manage the impact to operations from COVID-19.

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⁹ Refer to the Company's news release dated [April 21, 2022](#).

¹⁰ Refer to the Company's news release dated [August 12, 2022](#).

¹¹ Refer to the Company's news release dated [June 14, 2022](#).

Non-IFRS Measures

Certain non-IFRS measures have been included in this news release. The Company believes that these measures, in addition to measures prepared in accordance with International Financial Reporting Standards (“IFRS”), provide readers with an improved ability to evaluate its underlying performance and to compare it to information reported by other companies. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to similar measures presented by other companies.

Average Realized Price

The Company uses the average realized price per ounce of gold sold to better understand the gold price and, once applicable, cash margin realized throughout a period.

Average realized price is calculated as revenue from contracts with customers plus treatment and refinery charges included in dore revenue less silver revenue divided by gold ounces sold.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Financial Statements and MD&A.

<i>In thousands of CAD, except where noted</i>		For the three months ended		For the six months ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Revenue from contracts with customers	\$	29,685	31,704	61,560	39,422
Treatment and refining charges	\$	69	51	175	98
Less: Silver revenue (Note 17 of the Financial Statements)	\$	(43)	(70)	(97)	(89)
Gold revenue	\$	29,711	31,685	61,638	39,431
Gold sold	oz	12,378	13,958	25,742	17,456
Average realized price	\$/oz	2,400	2,270	2,394	2,259
Foreign exchange rate	CAD:AUD	1.0976	1.0575	1.0935	1.0396
Average realized price	AUD\$/oz	2,635	2,401	2,618	2,348
Foreign exchange rate	CAD:USD	0.7834	0.8144	0.7865	0.8019
Average realized price	USD\$/oz	1,880	1,849	1,883	1,811

Total Cash Costs

The Company reports total cash costs on a per gold ounce sold basis. In addition to measures prepared in accordance with IFRS, such as revenue, the Company believes this information can be used to evaluate its performance and ability to generate operating earnings and cash flow from its mining operations. The Company uses this metric to monitor operating cost performance.

Total cash costs include cost of sales such as mining, processing, mine general and administrative costs, royalties, selling costs, and changes in inventories less non-cash depreciation and depletion, write-down of inventories and site share-based payments where applicable, and silver revenue divided by gold ounces sold to arrive at total cash costs per ounce of gold sold.

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The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Financial Statements and MD&A.

<i>In thousands of CAD, except where noted</i>		For the three months ended		For the six months ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Gold sold	<i>Oz Au</i>	12,378	13,958	25,742	17,456
Total cash cost reconciliation					
Cost of sales	\$	42,524	31,704	79,899	39,422
Less: Depreciation and depletion*	\$	(10,322)	(3,683)	(20,404)	(7,104)
Less: Silver Revenue (Note 17 of the Financial Statements)	\$	(43)	(70)	(97)	(89)
Total cash costs	\$	32,159	27,951	59,398	32,229
Cash costs per oz of gold sold	<i>\$/oz</i>	2,598	2,003	2,307	1,846
Foreign exchange rate	<i>CAD:AUD</i>	1.0976	1.0575	1.0935	1.0396
Cash costs per oz of gold sold	<i>AUD\$/oz</i>	2,852	2,118	2,523	1,919
Foreign exchange rate	<i>CAD:USD</i>	0.7834	0.8144	0.7865	0.8019
Cash costs per oz of gold sold	<i>USD\$/oz</i>	2,035	1,631	1,815	1,481

*Depreciation and depletion are reconciled to aggregate depreciation and depletion in the operating adjustments in the condensed interim consolidated statements of cash flows in the Financial Statements.

All-in Sustaining Costs

The Company believes that AISC more fully defines the total costs associated with producing gold. AISC is calculated based on the definitions published by the World Gold Council (“WGC”). The WGC is not a regulatory organization. The Company calculates AISC as the sum of total cash costs (as described above), sustaining capital expenditures (excluding significant projects considered expansionary in nature), accretion on decommissioning and restoration provisions, treatment and refinery charges, payments on lease obligations, site share-based payments where applicable, and corporate administrative costs less any share-based payments directly attributable to exploration and non-operating payments on lease obligations, all divided by gold ounces sold during the period to arrive at a per ounce amount.

Other companies may calculate this measure differently as a result of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus expansion capital.

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The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Financial Statements and MD&A.

In thousands of CAD, except where noted		For the three months ended		For the six months ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Gold sold	Oz Au	12,378	13,958	25,742	17,456
All-in sustaining cost reconciliation					
Total cash costs	\$	32,159	27,951	59,398	32,229
Sustaining capital expenditures	\$	807	-	2,693	-
Accretion on rehabilitation provision (Note 21 of the Financial Statements)	\$	218	113	363	182
Treatment and refinery charges	\$	69	51	175	98
Payments on lease obligations (Note 13 of the Financial Statements)	\$	2,895	2,698	5,681	4,905
Less: non-operating payments on lease obligations*	\$	(119)	(156)	(231)	(310)
Site share-based compensation	\$	-	-	-	-
Corporate administrative costs (Note 19 of the Financial Statements)	\$	3,553	7,409	7,554	15,052
Less: exploration share-based payments**	\$	-	(1,724)	(213)	(3,792)
Total all-in sustaining costs	\$	39,582	36,342	75,420	48,364
AISC per oz of gold sold	\$/oz	3,198	2,604	2,930	2,771
Foreign exchange rate	CAD:AUD	1.0976	1.0575	1.0935	1.0396
AISC per oz of gold sold	AUD\$/oz	3,510	2,753	3,204	2,880
Foreign exchange rate	CAD:USD	0.7834	0.8144	0.7865	0.8019
AISC per oz of gold sold	USD\$/oz	2,505	2,120	2,304	2,222

*The non-operating payments on lease obligations adjustment includes lease amounts which are not directly related to the Company's operations at the Beatons Creek Project. This figure is not separately disclosed in the Financial Statements.

**Share-based payment expenses directly attributable to the Company's exploration staff are excluded from the calculation of AISC. This figure is not separately disclosed in the Financial Statements and is a subset of the share-based payments expense outlined in Note 19 of the Financial Statements.

EBITDA

The Company uses EBITDA to better understand its ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures.

EBITDA is defined as net earnings before interest and finance expense/income, current and deferred income tax expenses and depreciation and depletion. EBITDA is also adjusted for non-recurring transactions such as the change in fair value of derivative instruments, foreign exchanges gains and losses, gains and losses on the disposal of assets, impairment, and other income.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Financial Statements and MD&A.

In thousands of CAD, except where noted	For the three months ended		For the six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	\$'000	\$'000	\$'000	\$'000
Net (loss) / profit for the period	(18,815)	(16,520)	(31,747)	(15,406)
Interest and finance expense	7,340	9,750	7,413	11,184
Interest and finance income	(183)	(12)	(193)	(20)
Current income tax expense / (income)	(2,198)	-	(2,198)	-
Deferred income tax expense	-	-	-	-
Depreciation and depletion*	10,322	3,683	20,404	7,104
EBITDA	(3,534)	(3,099)	(6,321)	2,862
Other (income) / expenses (Note 22 of the Financial Statements)	(18,283)	(2,915)	(18,953)	(1,006)
Adjusted EBITDA	(21,817)	(6,014)	(25,274)	1,856

*Depreciation and depletion is reconciled to aggregate depreciation and depletion in the operating adjustments in the consolidated statements of cash flows in the Financial Statements.

Adjusted Earnings and Adjusted Basic and Diluted Earnings per Share

The Company uses adjusted earnings and adjusted basic and diluted earnings per share to measure its underlying operating and financial performance.

Adjusted earnings are defined as net earnings adjusted to exclude specific items that are significant, but not reflective of the Company's underlying operations, including: foreign exchange (gain) loss, (gain) loss on financial instruments at fair value, impairment, and non-recurring gains and losses on treatment of marketable securities, sale of exploration and evaluation assets, and associated tax impacts. Adjusted basic and diluted earnings per share are calculated using the weighted average number of shares outstanding under the basic and diluted method of earnings per share as determined under IFRS.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Financial Statements and MD&A.

<i>In thousands of CAD, except where noted</i>	For the three months ended		For the six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Basic weighted average shares outstanding	248,541,466	236,525,772	248,293,389	233,849,893
Adjusted earnings and adjusted basic earnings per share reconciliation				
Net loss for the period	\$ (18,815)	(16,520)	(31,747)	(15,406)
<i>Adjusted for:</i>				
Other income (Note 22 of the Financial Statements)	\$ (18,283)	(2,915)	(18,953)	(1,006)
Profit on disposal of exploration asset	\$ -	191	-	(14,749)
Adjusted earnings	\$ (37,098)	(19,244)	(50,700)	(31,161)
Adjusted basic earnings per share	<i>\$/share</i> (0.15)	(0.08)	(0.20)	(0.13)

Available Liquidity

The Company believes that available liquidity provides an accurate measure of the Company's ability to liquidate assets in order to satisfy its liabilities. The Company uses this metric to help monitor its risk profile.

Available liquidity includes cash, short-term investments, and assets which are readily saleable within the next 12 months, including gold in circuit and stockpiles, receivables, marketable securities (to the extent that an established market exists for such marketable securities, they are free of any long-term trading restrictions, and sufficient historical volume exists to liquidate holdings within 12 months), and gold specimens. The market value of certain marketable securities has been used in the calculation of available liquidity which may not reconcile to the accounting treatment of such marketable securities. Refer to the MD&A and Notes 6 and 11 of the Financial Statements.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Financial Statements and MD&A.

	June 30, 2022	December 31, 2021
	\$'000	\$'000
Cash	74,737	32,345
Short-term investments	147	108
Gold in circuit	1,013	788
Stockpiles	6,569	4,732
Receivables	4,418	6,127
Marketable securities	40,987	58,691
Financial asset	16,281	-
Gold specimens	73	77
Available liquidity	144,225	102,868

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	June 30, 2022			Adjusted value
	# of shares	Share price	Foreign exchange	\$'000
Kalamazoo Resources Limited Ordinary Shares	10,000,000	\$0.16	0.889	1,422
GBM Resources Ltd Ordinary Shares	11,363,637	\$0.06	0.889	617
New Found Gold Corp Common Shares *	6,750,000	\$5.77	1	38,948
				40,987

	December 31, 2021			Adjusted value
	# of shares	Share price	Foreign exchange	\$'000
Kalamazoo Resources Limited Ordinary Shares	10,000,000	\$0.38	0.942	3,579
GBM Resources Ltd Ordinary Shares	11,363,637	\$0.12	0.942	1,232
New Found Gold Corp Common Shares *	6,000,000	\$8.98	1	53,880
				58,691

*The December 31, 2021 figure represents the number of free-trading New Found common shares. The June 30, 2022 figure represents the Company's remaining New Found shares which were committed to be sold pursuant to Tranche 2 which completed on August 5, 2022.

Working Capital

Working capital is defined as current assets less current liabilities and is used to monitor the Company's liquidity.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Financial Statements and MD&A.

	June 30, 2022	December 31, 2021
	\$'000	\$'000
Current assets	148,388	49,385
Current liabilities	85,823	45,460
Working capital	62,565	3,925

Sprott Facility Adjusted Working Capital

Sprott Facility adjusted working capital is a derivation of working capital with a series of adjustments as permitted pursuant to the Sprott Facility. The Company uses Sprott Facility adjusted working capital to monitor its compliance against certain covenants within the Sprott Facility.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Financial Statements and MD&A.

		June 30, 2022	December 31, 2021
		\$'000	\$'000
<i>In thousands of CAD, except where noted</i>			
Working capital	\$	62,565	3,925
Credit Facility (current)	\$	51,544	6,339
Lease liabilities (current)	\$	7,987	12,453
Sumitomo funding liability	\$	-	5,780
Sumitomo written call option	\$	-	1,083
Sprott Facility working capital	\$	122,096	29,580
Foreign exchange rate	CAD:USD	0.7865	0.7888
Sprott Facility working capital	USD\$	96,029	23,332

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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, 2021¹² only indicates that the Beatons Creek project was operating at anticipated and sustainable levels and it does not indicate that economic results will be realized.

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.

On Behalf of the Board of Directors,

Novo Resources Corp.

"Michael Spreadborough"

Michael Spreadborough

Executive Co-Chairman & 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 the Beatons Creek Project feasibility study is expected to be completed in Q4 2022, that mining of the Oxide mineral resource is expected to end in Q3 2022 followed by a phased wind-down of operational activities finishing by the end of October 2022, and the production forecast for the remainder of 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 the MD&A 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.

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