NOVO RESOURCES CORP.

(TSX: NVO; OTCQX: NSRPF)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("**MD&A**") of the results of operations and financial condition of Novo Resources Corp. (the "**Company**" or "**Novo**"), prepared as of November 11, 2022, should be read in conjunction with the condensed interim consolidated financial statements of Novo for the nine months ended September 30, 2022 (the "**Q3 Financial Statements**") and accompanying notes thereto. The Q3 Financial Statements are prepared in accordance with IAS 34 *Interim Financial Reporting* ("**IAS 34**") as issued by the International Accounting Standards Board ("**IASB**"). This MD&A includes the results of the Company's subsidiaries, Novo Resources (USA) Corp., Conglomerate Gold Exploration (B.V.I.) Ltd., Karratha Gold Exploration (B.V.I.) Ltd., Conglomerate Gold Exploration Pty. Ltd., Nullagine Gold Pty. Ltd., Beatons Creek Gold Pty. Ltd., Grant's Hill Gold Pty. Ltd., Karratha Gold Pty. Ltd., Rocklea Gold Pty. Ltd., Meentheena Gold Pty. Ltd., Farno-McMahon Pty. Ltd., and Millennium Minerals Pty. Ltd. ("**Millennium**").

In this MD&A:

"**Fiscal 2022**" means the fiscal year ending December 31, 2022.

"Q1 2022" means the three-month period ended March 31, 2022.

"Q2 2022" means the three-month period ended June 30, 2022.

"Q3 2022" means the three-month period ended September 30, 2022.

"**YTD 2022**" means the nine-month period ended September 30, 2022.

"**Q2 2021**" means the three-month period ended June 30, 2021.

"**Q3 2021**" means the three-month period ended September 30, 2021.

"**YTD 2021**" means the nine-month period ended September 30, 2021.

All amounts are expressed in Canadian dollars unless otherwise stated, and all values are rounded to the nearest thousand dollars ($'000), unless otherwise noted. Additional information relating to the Company, including the Company's annual information form for the year ended December 31, 2021, is available under the Company's profile on SEDAR at www.sedar.com.

Certain non-IFRS financial performance measures are included in this MD&A. The Company believes that these measures, in addition to measures prepared in accordance with IFRS, provide readers with an improved ability to evaluate the Company's underlying performance and compare its results to other companies. These 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 issuers. The non-IFRS financial performance measures included in this MD&A are average realized price, total cash costs, all-in sustaining costs ("**AISC**"), earnings before interest, taxes, depreciation and amortization ("**EBITDA**"), free cash flow, adjusted earnings and adjusted basic and diluted earnings per share, available liquidity, working capital, and Credit Facility (as defined below) adjusted working capital. Refer to the *Non-IFRS Measures* section for further details and reconciliations of such non-IFRS measures.

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

In this MD&A, the terms 'Mineral Resource', 'Indicated Mineral Resource', 'Inferred Mineral Resource' and 'Feasibility Study' have the meanings given in the 2014 Canadian Institute of Mining, Metallurgy and Petroleum CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by CIM Council (the "**2014 CIM Definition Standards**").

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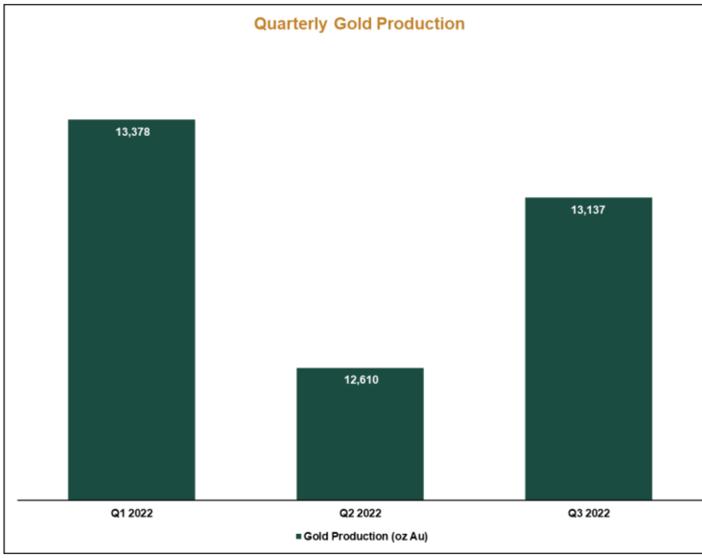
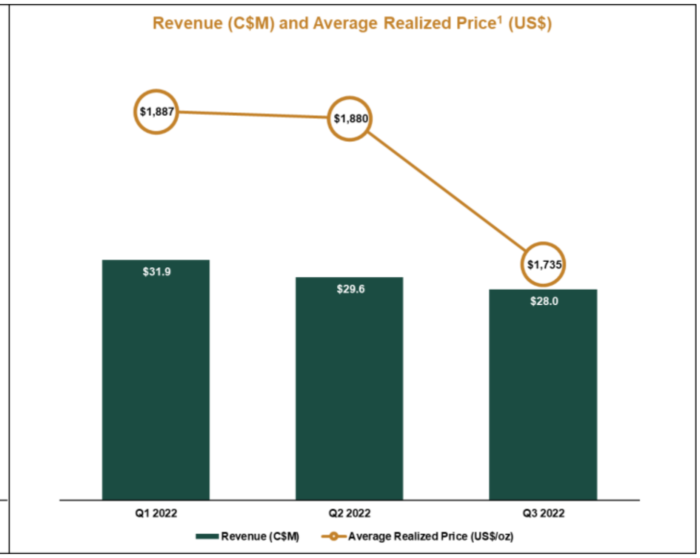
FINANCIAL AND OPERATING HIGHLIGHTS





Q3 2022 Summary

- No lost time injuries were recorded at the Beatons Creek gold project in the Nullagine region of Western Australia (the "**Beatons Creek Project**") or across the Company's exploration properties through Q3 2022.
- Nullagine gold project ("**NGP**") exploration efforts continued through Q3 2022, with ongoing reverse circulation ("**RC**") drilling of the Beatons Creek Project Project Fresh mineralization.
- Oxide production has been completed at the Beatons Creek Project and the Golden Eagle processing facility ("**Golden Eagle Plant**"), with mining of the Oxide mineral resource ending in August 2022 followed by a phased wind-down of operational activities which was completed by the end of October 2022[2].
- 405,071 tonnes of mineralized material were processed through the Company's Golden Eagle Plant during the last quarter of operations, which represented a decrease from 451,343 tonnes in Q3 2021 and a minor increase from 398,830 tonnes in Q2 2022.
- Average head grade was 1.03 g/t Au, which represented a decrease from 1.34 g/t Au in Q3 2021 and a minor increase from 1.02 g/t Au in Q2 2022.
- Gold recoveries averaged 90.74%, which is a decrease from 93.78% achieved during Q3 2021 and 93.48% achieved in Q2 2022.
- 13,137 ounces of gold were produced, which represented a decrease in gold production from 18,144 ounces in Q3 2021 and an increase from 12,610 ounces in Q2 2022.
- Revenue of $28.0 million was generated from the sale of 12,426 ounces of gold at an average realized price[1] of $2,255 / A$2,528 / US$1,728, which represented a decrease from revenue of $43.0 million in Q3 2021 and revenue of $29.7 million in Q2 2022.
- EBITDA[1] was $(52.0) million, and adjusted EBITDA[1] was $(7.9) million.
- Adjusted earnings[1] (losses) of $(16.5) million or $(0.07) per share compared to adjusted earnings / (losses)[1] of $(11.1) million or $(0.05) per share in Q3 2021 and $(37.1) million or $(0.15) per share in Q2 2022.

1 Refer to Non-IFRS Measures on page 33 below.
2 Refer to the Company's news release dated [June 14, 2022](#).

- Total cash costs[1] of $2,224 / A$2,494 / US$1,704 per ounce of gold compared to $1,558 / A$1,683 / US$1,236 per ounce in Q3 2021 and $2,598 / A$2,852 / US$2,035 per ounce in Q2 2022.
- AISC[1] of $2,991 / A$3,353 / US$2,292 per ounce of gold compared to $2,034 / A$2,198 / US$1,615 per ounce in Q3 2021 and $3,198 / A$3,510 / US$2,505 per ounce in Q2 2022.
- Recognition of a non-cash impairment charge of $48.3 million due to uncertainty regarding the timing of the receipt of the Fresh mining approvals and results of the updated Mineral Resource estimate on the Beatons Creek Project which affect its current economic status
- Repayment and discharge of all security interests associated with the Company's senior secured US$40 million credit facility (the "**Credit Facility**") with Sprott Resource Lending Corp. ("**Sprott Lending**") without prepayment penalties[3]
- Cash and cash equivalents totaled $65.3 million as at September 30, 2022, up from $32.5 million as at December 31, 2021 and down from $74.9 million as at June 30, 2022 subsequent to the sale of the first tranche of shares of New Found Gold Corp. (TSXV: NFG) ("**New Found**") held by the Company (refer to *Significant Business Developments & Outlook – Sale of New Found Gold Corp. Shares* below).
- Aggregate current and non-current marketable securities totaled $20.6 million as at September 30, 2022, down from $57.9 million as at June 30, 2022 as a result of the sale of the second tranche of the Company's New Found shares (refer to *Significant Business Developments & Outlook – Sale of New Found Gold Corp. Shares* below).

YTD 2022 Summary

- No lost time injuries were recorded at the Beatons Creek Project or across the Company's exploration properties through YTD 2022.
- 1,198,283 tonnes of mineralized material were processed through the Company's Golden Eagle Plant, which represented a significant increase from 967,224 tonnes in YTD 2021.
- Average head grade was 1.07 g/t Au, which represented a decrease from 1.29 g/t Au in YTD 2021.
- Gold recoveries averaged 91.98%, which was slightly lower than recoveries of 93.56% achieved during YTD 2021.
- 39,125 ounces of gold were produced, which represented an increase in gold production from 36,531 ounces in YTD 2021 subsequent to the Company's inaugural gold pour in February 2021[4].
- Revenue of $89.5 million was generated from the sale of 38,168 ounces of gold at an average realized price[1] of $2,347 / A$2,588 / US$1,830, which represented an increase from revenue of $82.4 million from the sale of 36,209 ounces of gold in YTD 2021.
- EBITDA[1] was $(58.6) million, and adjusted EBITDA[1] was $(33.4) million.
- Adjusted earnings[1]/(losses) of $(65.0) million or $(0.26) per share compared to adjusted earnings / (losses)[1] of $(42.2) million or $(0.18) per share in YTD 2021.
- Total cash costs[1] of $2,288 / A$2,522 / US$1,784 per ounce of gold compared to $1,710 / A$1,800 / US$1,367 per ounce in YTD 2021.
- AISC[1] of $2,955 / A$3,257 / US$2,303 per ounce of gold compared to $2,457 / A$2,587 / US$1,963 per ounce in YTD 2021.

3 Refer to the Company's news release dated August 12, 2022.
4 Refer to the Company's news release dated February 16, 2021.

OVERVIEW OF NOVO

The Company was incorporated on October 28, 2009 pursuant to the *Business Corporations Act* (British Columbia) as Galliard Resources Corp. On June 27, 2011, the Company changed its name from Galliard Resources Corp. to Novo Resources Corp. The Company's common shares trade on the Toronto Stock Exchange (the "**TSX**") under the ticker symbol "NVO" and in the United States on the OTC Market Group's OTCQX International Exchange under the symbol "NSRPF".

The Company is engaged primarily in the business of evaluating, acquiring, exploring, developing, and mining natural resource properties with a focus on gold and battery metals. The Company holds approximately 10,500 sq km of land in the Pilbara region of Western Australia and has an extensive exploration program designed to aggressively advance its targets. The Company has exploration joint venture interests in Victoria, Australia, and also holds equity investments in a number of companies. The Company's head office is located at Suite 1100, 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5, Canada. The Company's operational office is located at Level 1, 46 Ventnor Avenue, West Perth, Western Australia, 6005, Australia.

SIGNIFICANT BUSINESS DEVELOPMENTS & OUTLOOK

Beatons Creek Project

During Q3 2022, the Company processed 405,071 tonnes of mineralized material at a grade of 1.03 g/t Au for total production of 13,137 ounces of gold from the Beatons Creek Project[5]. Q3 2022 represented the final quarter of operations of the Oxide component of the Beatons Creek Project, as announced in June 2022[2]. Oxide mining completed in August, and most processing Oxide operations completed in September 2022 as the Beatons Creek Project was transitioned to care and maintenance.

On November 2, 2022[6], the Company announced an updated Mineral Resource estimate (the "**2022 MRE**") for the Beatons Creek Project. The 2022 MRE incorporates extensive reverse circulation ("**RC**") drilling completed between January 2020 and May 2022. The effective date of the 2022 MRE is June 30, 2022. A technical report (as defined in NI 43-101) in respect of the 2022 MRE will be filed under the Company's SEDAR profile upon its completion.

Key Points

- The 2022 MRE for the Beatons Creek Project reports an Indicated Mineral Resource of 3.05 million tonnes at 2.4 g/t Au for 234,000 oz Au, and an Inferred Mineral Resource of 0.83 million tonnes at 1.6 g/t Au for 42,000 oz Au, reported above a 0.5 g/t Au cut-off within an optimized open pit shell, which complies with the principles of Reasonable Prospects of Eventual Economic Extraction ("**RPEEE**").
- The 2022 MRE (illustrated by mineralization area in Figure 2) reports decreases in both open pit tonnes and ounces, driven by revised mineralization wireframes which are based on a recent

5 Refer to the Company's news release dated October 11, 2022.
6 Refer to the Company's news release dated November 2, 2022.

close-spaced (10 m by 10 m and 20 m by 20 m) RC drilling program, along with mining depletion, compared to the 2019 Mineral Resource estimate[7] (the "**2019 MRE**").

- Mineralization remains open to the north-west, with additional resource development drilling underway.
- The Beatons Creek Project is being transitioned into care and maintenance due to current uncertain economic and regulatory conditions, and the Feasibility Study has been deferred as a result.

Beatons Creek Grant's Hill area

2022 Mineral Resource Estimate

The 2022 MRE for the Beatons Creek Project (with an effective date of June 30, 2022 and which supersedes the PEA) has delivered an Indicated Mineral Resource of 3.05 million tonnes at 2.4 g/t Au for 234,000 oz Au, and an additional Inferred Mineral Resource of 0.83 million tonnes at 1.6 g/t Au for 42,000 oz Au as follows (Tables 1-3; Figures 2 and 3):

Table 1. Total Mineral Resources: optimized open pit oxide and fresh

Classification	Cut-off Grade (g/t Au)	Tonnes (t)	Grade (g/t Au)	Troy Ounces Au
Indicated	0.5	3,050,000	2.4	234,000
Inferred	0.5	830,000	1.6	42,000

Table 2. Optimized open pit oxide Mineral Resources

Classification	Cut-off Grade (g/t Au)	Tonnes (t)	Grade (g/t Au)	Troy Ounces Au
Indicated	0.5	815,000	1.3	33,000
Inferred	0.5	445,000	1.3	18,000

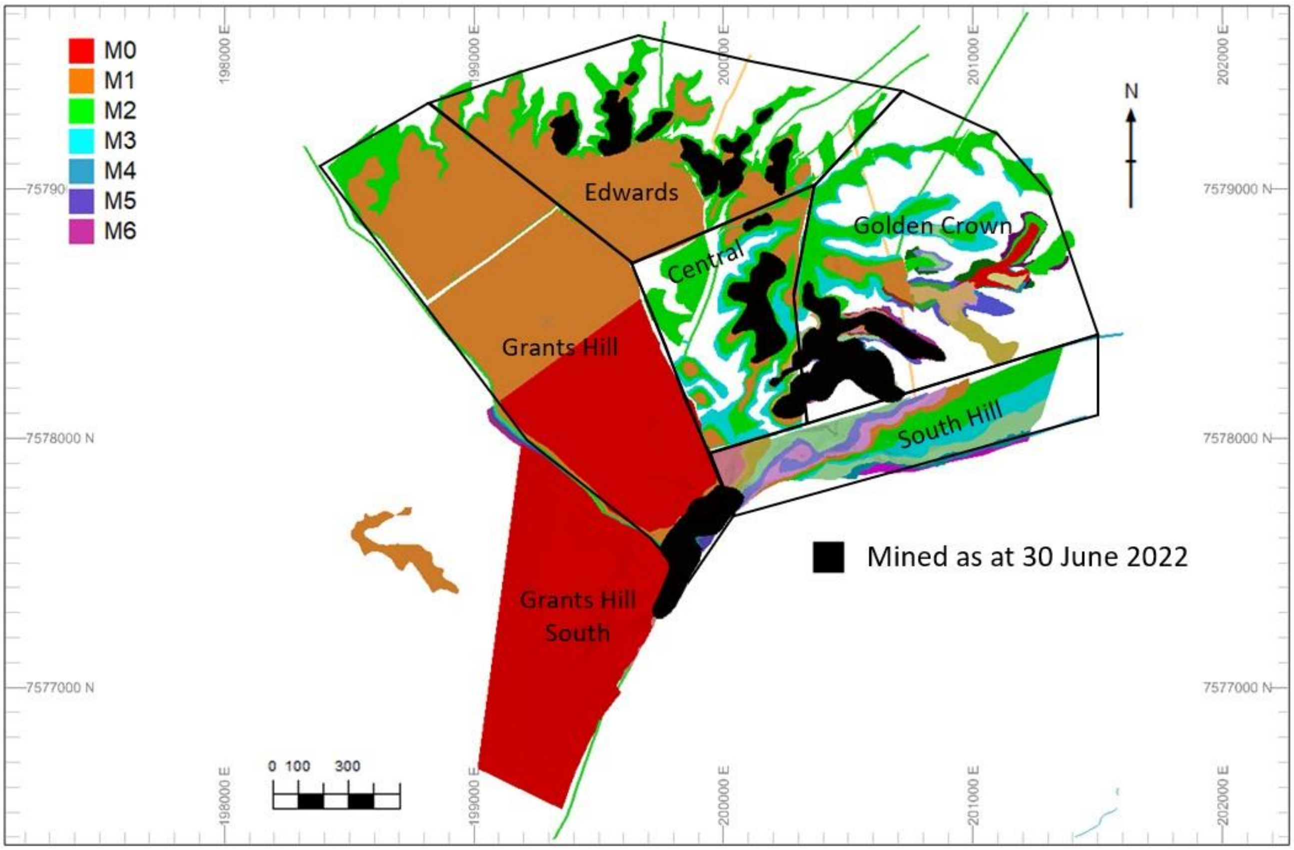
Table 3. Optimized open pit fresh Mineral Resources

Classification	Cut-off Grade (g/t Au)	Tonnes (t)	Grade (g/t Au)	Troy Ounces Au
Indicated	0.5	2,240,000	2.8	201,000
Inferred	0.5	385,000	1.9	24,000

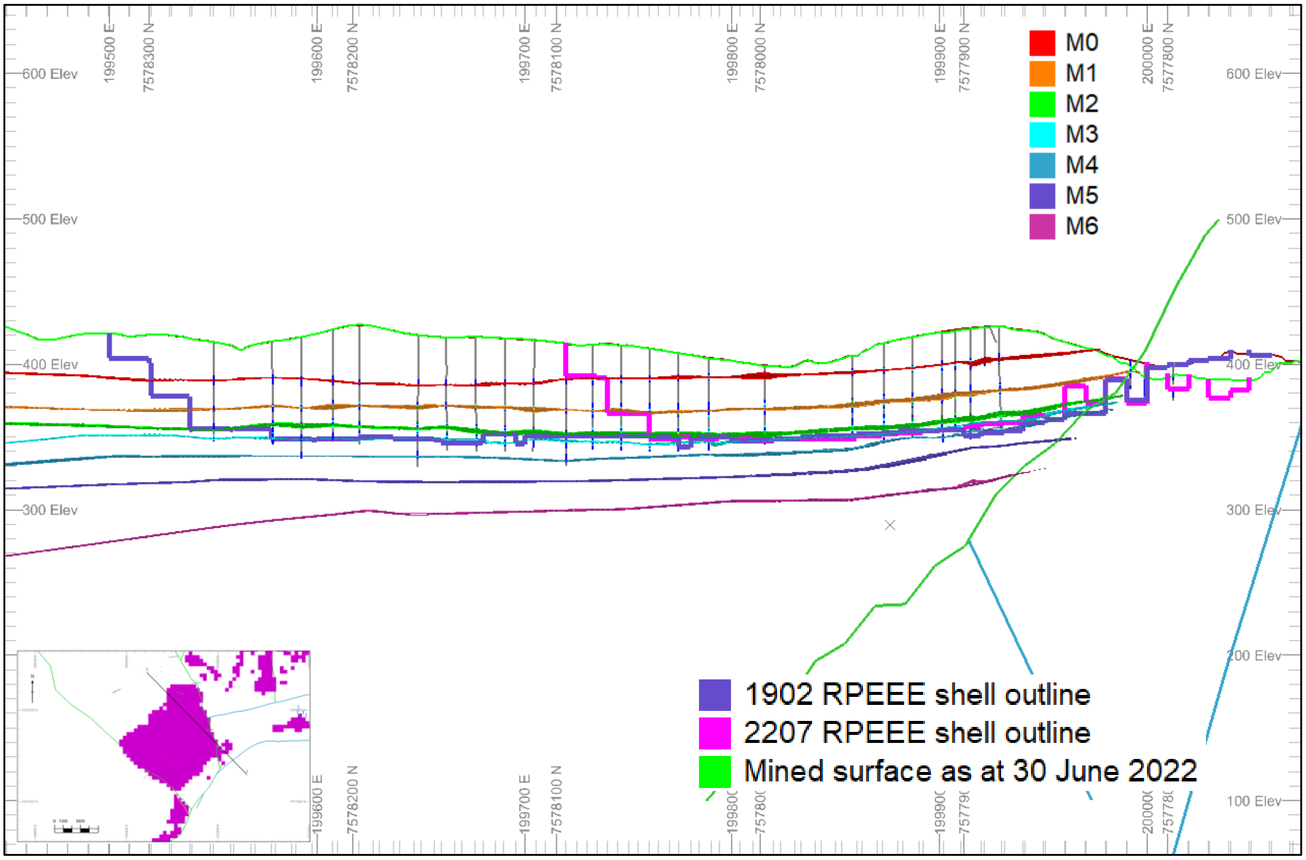
*7 Refer to the Company's news release dated April 30, 2021 and the report titled "Preliminary Economic Assessment on the Beatons Creek Gold Project, Western Australia" with an effective date of February 5, 2021 and an issue date of April 30, 2021 (the "**PEA**"). **Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability**.*

Notes:

1. Open pit Mineral Resources contain oxide and fresh mineralization within a Whittle optimized shell and constrained within a mineralized wireframe. A cut-off grade of 0.5 g/t Au was applied.
2. The pit shell was generated with the following parameters:
   (a) A$2,600 / troy ounce (US$1,690 / troy ounce) of gold;
   (b) Nominal process rate of 1.6 Mtpa for fresh mineralization with a recovery of 91%; and process rate of 1.8 Mtpa for oxide mineralization with a recovery of 93%;
   (c) Bulk densities applied: oxide mineralization 2.50 t/m^3 (oxide waste 2.50 t/m^3) and fresh mineralization 2.80 t/m^3 (fresh waste 2.75 t/m^3);
   (d) A$5.15 / tonne (US$3.35 / tonne) mining cost for oxide and A$5.45 / tonne (US$3.54 / tonne) for fresh;
   (e) A$37.47 / tonne (US$24.36 / tonne) oxide and A$38.37 / tonne (US$24.94 / tonne) fresh processing cost (incl. G&A);
   (f) 25% dilution and 5% mineralization loss;
   (g) Royalties of 5.25%;
   (h) Discount factor of 6%; and
   (i) A$ to US$ foreign exchange rate of 0.65:1.



Beatons Creek 2022 MRE plan showing extents of mineralization and mined areas to June 2022



Cross-section through the Grant's Hill pit (pink = 2022 RPEEE shell; blue = 2019 RPEEE shell). Inset shows the Grant's Hill 2022 RPEEE shell and location of the cross-section

The 2022 MRE was reported within a Whittle optimized pit shell to satisfy the requirement for RPEEE criteria described in the 2014 CIM Definition Standards. The RPEEE test is important to demonstrate the robustness of a Mineral Resource estimate. As disclosed above, the input parameters for the Whittle optimization are:

- A$2,600 / troy ounce (US$1,690 / troy ounce) of gold;
- Nominal process rate of 1.6 Mtpa for fresh mineralization with a recovery of 91%; and process rate of 1.8 Mtpa for oxide mineralization with a recovery of 93%;
- Bulk density applied: oxide mineralization 2.50 t/m3 (oxide waste 2.50 t/m3) and fresh mineralization 2.80 t/m3 (fresh waste 2.75 t/m3);
- A$5.15 / tonne (US$3.35 / tonne) mining cost for oxide and A$5.45 / tonne (US$3.54 / tonne) for fresh;
- A$37.47 / tonne (US$24.36 / tonne) oxide and A$38.37 / tonne (US$24.94 / tonne) fresh processing cost (incl. G&A);
- 25% dilution and 5% mineralization loss;
- Royalties of 5.25%;
- Discount factor of 6%; and
- A$ to US$ foreign exchange rate of 0.65:1.

Mining costs are based on a conventional open pit truck/excavator mining fleet and actual contract rates scaled to planned future production, including the backfill requirement to cover any exposed fresh material to meet expected environmental obligations imposed as part of the approvals process. Mining dilution and loss factors are derived based on the style of mineralization and mining methods. Processing and G&A costs are based on real processing costs at the Company's Golden Eagle plant ("**Golden Eagle Plant**") averaged over a 12-month historical period. The oxide and fresh mineralization metallurgical recoveries are based on actual Golden Eagle Plant performance, and plant trials and test work, respectively. Royalties payable include, but are not limited to, the Western Australia State gross gold royalty of 2.5% and gross Native Title royalties totalling 2.75%.

Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability; it is uncertain if applying economic modifying factors will convert Indicated Mineral Resources to Mineral Reserves. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues; however, no such issues are known at this time.

The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an Indicated or Measured Mineral Resources.

Feasibility Study Update

As a result of numerous regulatory and economic factors including, but not limited to, the status of the Beatons Creek Fresh Project mining approvals submission[8], the current inflated cost environment in the mining industry, a tight Western Australian labour market, and COVID-19 related supply challenges, Novo has decided to defer completion of its Feasibility Study while it continues to review additional data from the Beatons Creek Project and optimize the project. Importantly, the Company intends to incorporate assay results from RC drilling which occurred after May 2022 into an additional Mineral Resource update.

The Company is awaiting an update from the Western Australian Office of the Appeals Convenor regarding a reply to the appeal received from a third party in response to the Western Australian Environmental Protection Authority's ("**EPA**") decision to not assess the Company's proposed Phase Two Beatons Creek Fresh operations submission[9] (the "**Submission**"). The Company advises that the Appeals Convenor process may be protracted which may ultimately cause final approval of the Submission to be delayed.

As a result of the above factors, including the 2022 MRE, the Company is transitioning the Beatons Creek Project into care and maintenance until it has more certainty around the timing of approval of the Submission and completion of the Feasibility Study.

Qualified Person Disclosure

Ms. Janice Graham, MAIG, has undertaken the 2022 MRE for the Beatons Creek Project; she is independent of the Company for the purposes of NI 43-101. Ms. Graham is a Qualified Person as defined by NI 43-101.

Dr. Simon Dominy, FAusIMM(CP) FAIG(RPGeo) FGS(CGeol), has overseen the 2022 MRE for the Beatons Creek Project; he is not independent of the Company for the purposes of NI 43-101. Dr. Dominy is a Qualified Person as defined by NI 43-101.

8 Refer to the Company's news release dated October 11, 2022.
9 Refer to the Company's news release dated August 8, 2022.

Mr. Jeremy Ison, FAusIMM, has contributed to the 2022 MRE for the Beatons Creek Project; he is independent of the Company for the purposes of NI 43-101. Mr. Ison is a Qualified Person as defined by NI 43-101.

Mr. Royce McAuslane, FAusIMM, has contributed to the 2022 MRE for the Beatons Creek Project; he is independent of the Company for the purposes of NI 43-101. Mr. McAuslane is a Qualified Person as defined by NI 43-101.

Ms. Graham, Dr. Dominy, Mr. Ison, and Mr. McAuslane are preparing a NI 43-101 Technical Report (as defined in NI 43-101) in respect of the 2022 MRE, which the Company is obligated under NI 43-101 to file on SEDAR by December 17, 2022.

The 2022 MRE was peer reviewed by Mr. Ian Glacken, FAusIMM(CP) FAIG, an Executive Consultant at Snowden Optiro. Mr. Glacken has endorsed the estimation approach and classification. In addition, the 2022 MRE was audited by Mr. Danny Kentwell, FAusIMM, a Principal Consultant of SRK Consulting. Mr. Kentwell has endorsed the estimation approach and classification. Both Mr. Glacken and Mr. Kentwell are independent of the Company for the purposes of NI 43-101.

Cautionary Note to U.S. Readers Regarding Estimates of Inferred, Indicated and Measured Resources

This MD&A uses the terms "Indicated" Mineral Resources and "Inferred" Mineral Resources. The Company advises U.S. investors that while these terms are recognized and required by Canadian securities administrators, they are not recognized by the U.S. Securities and Exchange Commission (the "**SEC**"). The estimation of "Indicated" Mineral Resources involves greater uncertainty as to their existence and economic feasibility than the estimation of Proven and Probable Mineral Reserves. The estimation of "Inferred" Resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of Mineral Resources. It cannot be assumed that all or any part of an "Inferred" or "Indicated" Mineral Resource will ever be upgraded to a higher category.

Under Canadian rules, estimates of "Inferred Mineral Resources" may not form the basis of Feasibility Studies, Pre-feasibility Studies or other economic studies, except in prescribed cases, such as in a Preliminary Economic Assessment under certain circumstances. The SEC normally only permits issuers to report mineralization that does not constitute "Mineral Reserves" as in-place tonnage and grade without reference to unit measures. Under U.S. standards, mineralization may not be classified as a "Mineral Reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. U.S. investors are cautioned not to assume that any part or all of an "Indicated" or "Inferred" Mineral Resource exists or is economically or legally mineable. Information concerning descriptions of mineralization and resources contained herein may not be comparable to information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

Impairment of the Beatons Creek Project

Each asset or cash generating unit ("**CGU**") is evaluated at each reporting period to determine whether there are any indications of impairment. If any such indications of impairment exist, a formal estimate of the recoverable amount is performed.

The following indicators of potential impairment were identified in the period ended September 30, 2022:

(i) the Company's market capitalisation has decreased below the Company's net asset value,

(ii) the current uncertainty regarding the timing of the receipt of the requisite approvals for the Fresh component of the Beatons Creek Project mineral resource, particularly since the Western Australian Environmental Protection Agency's decision to not assess the Company's proposed Beatons Creek Project Fresh operations submission ("Fresh Submission") was appealed by a third party, and

(iii) in addition to the November 2022 updated mineral resource estimate, the currently inflated cost environment in the mining industry, a tight Western Australian labour market and COVID-19 related supply challenges, which indicate that the economic performance of the Fresh component of the Beatons Creek Project may be worse than expected.

Based on certain factors mentioned above, the Company determined that the Beatons Creek Project should be placed on care and maintenance until further clarity is available on the status of the Fresh Submission approvals and economic conditions become more favourable. Considering these conditions existed at September 30, 2022, the Company has determined that the Beatons Creek Project should be assessed for impairment at this date.

The recoverable amount of the CGU was based on a fair value less costs of disposal ("FVLCD") analysis which models the projected discounted cash flows expected to be derived from the Beatons Creek Project. The post tax nominal discount rate used in the current estimate of recoverable amount was 10.55%.

The following impairment charge was recognized during the period ended September 30, 2022 to record the assets in the CGU at their estimated recoverable amount:

Details	Carrying value $'000	Impairment loss $'000	Foreign exchange $'000	Recoverable amount $'000
Mine development asset [1]	3,391	-	-	3,391
Property, plant and equipment	59,785	(48,255)	1,004	12,534
Inventory [2]	5,437	-	-	5,437
Total	**68,613 -**	**48,255**	**1,004**	21,362

1) Mine development asset valued using the $/oz Au resource multiple (refer to Note 9 of the Q3 Financial Statements)
2) Inventory carried at net realizable value (refer to Note 3 of the Q3 Financial Statements)

Assumptions

The projected cash flows used in the FVLCD analysis are affected by changes in assumptions for the $/oz Au resource multiple, gold price, foreign exchange rates, production volume and discount rates. The table below summarises the key assumptions used:

Details	2022	2023	2024	2025	Long-Term
Level 2					
Gold price (US$/oz)	$1,789	$1,794	$1,754	$1,733	$1,648
Foreign exchange rate (USD/AUD)	1.34	1.42	1.40	1.39	1.39
$/oz Au resource multiple	$34	$34	$34	$34	$34
Level 3					
Gold recoveries (%)	92%	92%	92%	92%	92%
Discount rate (post-tax)	10.55%	10.55%	10.55%	10.55%	10.55%

The determination of FVLCD is considered to be a level 3 fair value measurement as it is derived from valuation techniques that include inputs that are not based on observable market data. Any variation in these key assumptions may result in further impairment or lead to a reversal of impairment in future periods.

Sensitivity analysis

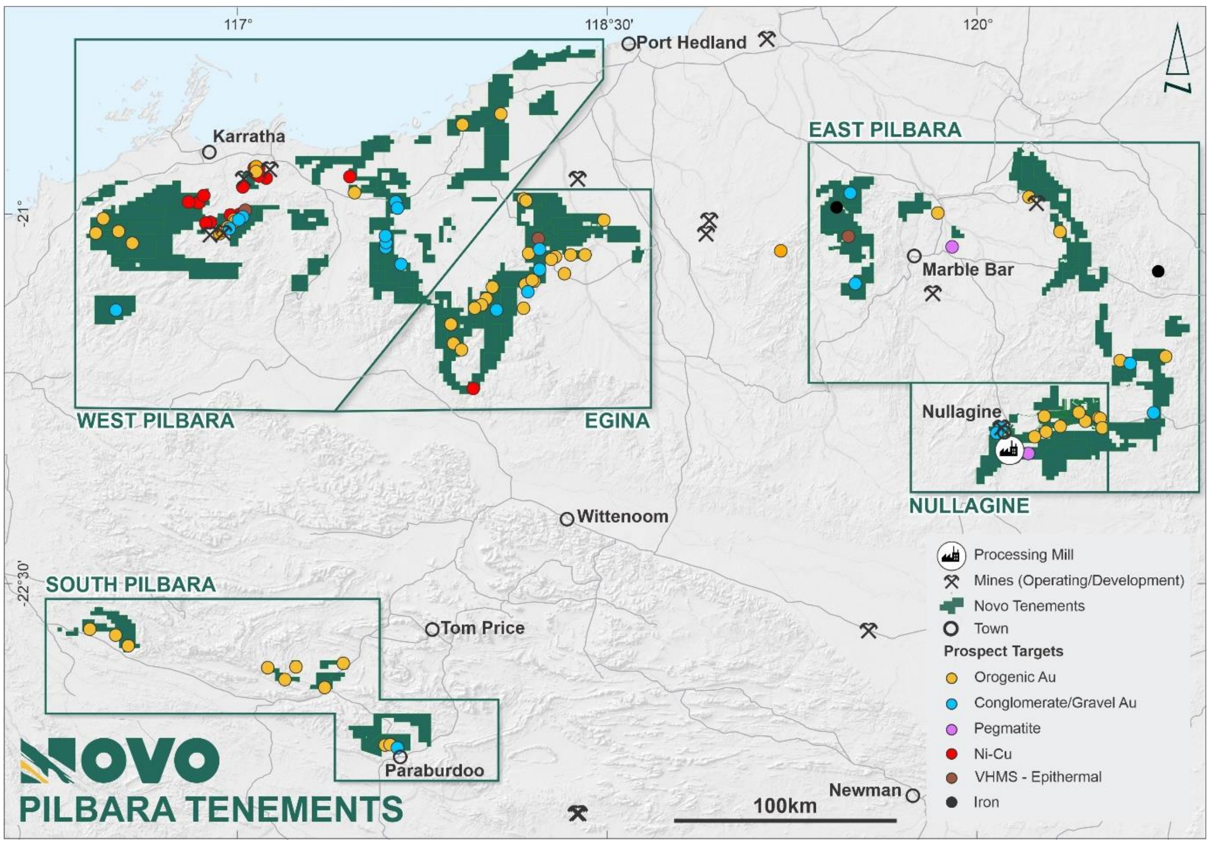
It was estimated that a change in key assumptions, in isolation would have had the following approximate impact on the recoverable amount as at September 30, 2022:

Details	Increase / (decrease) in recoverable amount $'000	
+/- 5% change in gold price (US$/oz)	11,297	-
+/- 5% change in operating costs	-	8,762
+/- 1% change in discount rate	303	-

The sensitivity analysis has been limited to nil as the assets have been written down to their individual recoverable amounts

Exploration Program Update Q3 2022[10]

Both RC and aircore ("**AC**") drilling were conducted at Novo's Pilbara projects in Q3 2022 focussing on the Purdy's North and Becher areas in the West Pilbara project. Review of Q2 2022 RC drilling to test Oxide potential in the NGP is ongoing as results are returned. Regional reconnaissance programs testing both orogenic gold and conglomerate targets continued in the East Pilbara project, focussing on the Elsie district at Nullagine and the Strattons/Bamboo Projects northeast of Marble Bar.



Novo's Pilbara landholding, project areas and priority prospects

RC drilling commenced at the Purdy's North Area during the first week of August 2022 at the Morto Lago and Morto Lago North copper-gold targets testing priority mineralised quartz vein swarms at surface with significant rock chip gold assay results (up to 6.63 g/t Au). The drilling intersected several zones of quartz-sulphide veins with up to 24 m downhole thickness, however assays from the first half of the program (Morto Lago only) did not present any favourable results. A total of 4,634 m in 45 holes

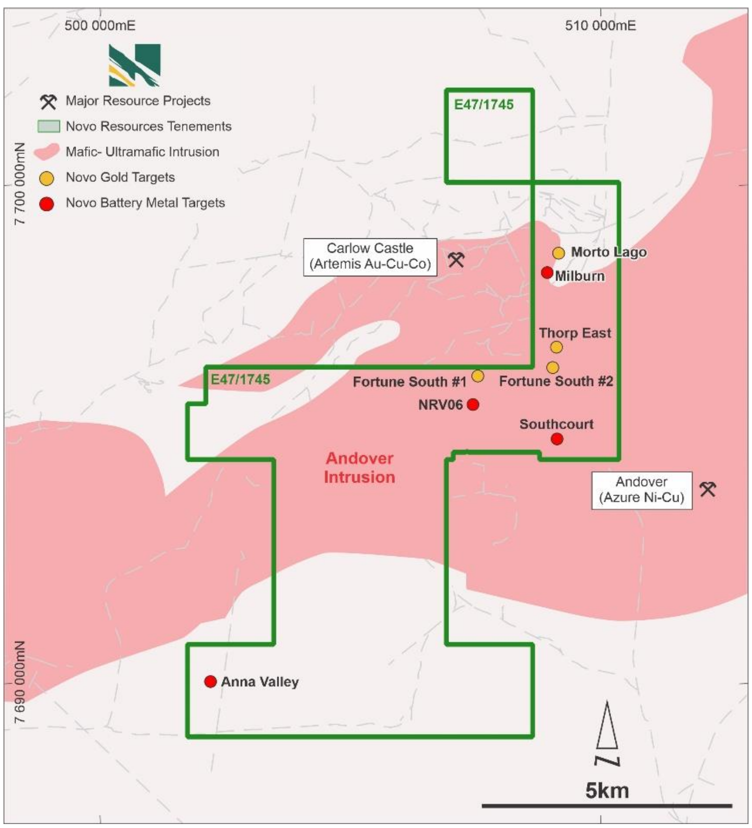
10 Refer to the Company's public disclosure record for further details.

were drilled with pXRF data acquired across all holes. Several zones of quartz veining and silica-sericite alteration were identified during the program. The best intercept to date from Morto Lago is 3 m @ 3.35 g/t Au from 9 m in hole KC329.

RC drilling was also conducted at Milburn in September 2022 and was completed in mid-September 2022. A total of 14 RC holes for 1,705 m were completed, testing the Milburn electro-magnetic ("**EM**") nickel-copper-gold target. Drilling has intersected zones of stringer chalcopyrite-pentlandite-pyrrhotite including pXRF results of 17 m @ 0.37% Cu and 0.20% Ni from 60 m (KC360) including 8 m at 0.55% Cu and 0.26% Ni from 68 m. All assays are awaited at the end of Q3 2022.

One line of scout RC drilling with 3 holes for 420 m testing an additional geophysical target was also completed at Bushmill on E47/3443 during September 2022. One of the Bushmill holes intersected a few metres of apparent massive sulphide mineralisation. However, the latter is dominated by Zn-rich pXRF results. RC drilling at Southcourt and NRV06 have been initiated at the end of September 2022, with 4 holes for 770 m completed to date. Downhole EM geophysics work has been planned for a series of targeted drillholes in Q4 2022 and drill planning at the 47K and 48K targets (tenement E47/3443) is now complete with analysis of results ongoing.

Extensive aeromagnetic/radiometric surveys have been completed on high priority areas across both West and East Pilbara projects in readiness for drill targeting. In addition, detailed ground gravity surveys were completed across the Becher Area at Egina and additional parts of the Mosquito Basin in the NGP.



Location of the Purdy's North tenement E47/1745, showing priority prospects and geological interpretation

AC drilling commenced at Egina in the Becher Area in early September 2022 testing the Irving Shear Zone in the first instance. At month-end some 7,910 m in 309 holes (26 m average hole depth) was completed for the program.

Typical AC drilling line on the Irvine Shear at the Becher area (E47/3673)

Review of Q2 2022 RC drilling to test oxide potential in the NGP is ongoing as results are returned. As part of the new district-scale approach in the Mosquito Creek Basin, the following programs are planned or have commenced:

- a high-resolution ground gravity geophysical survey to aid in basin architecture understanding is progressing well to date;
- AC drill planning (2023) for programs testing trends and concepts under cover is underway; and
- soil sampling programs on the central and eastern Sayshell trend planned for 2022 depending on weather for the remainder of the year.

In addition, a diamond drilling program was completed at the 50%-owned Malmsbury project in Victoria at the Company's joint venture with ASX-listed GBM Resources Ltd. (ASX:GBZ). Results from the last 2 holes in the program are awaited. Historical data review and 3D modelling are now underway in readiness for the next tranche of diamond drilling in H1 2023. A series of geophysical surveys for use in drill hole targeting are expected to be completed in Q4 2022.

Sale of New Found Gold Corp. Shares

In April 2022, the Company agreed to sell its 15 million shares in New Found to a corporation controlled by Eric Sprott for gross proceeds of $125.9 million pursuant to arm's length negotiations (the "**New Found Transaction**")[11].

The first tranche of the New Found Transaction, which completed on April 27, 2022, consisted of 8.25 million New Found shares at $8.35 per share for gross proceeds of $68.9 million ("**Tranche 1**")[11]. The price per share payable under Tranche 1 represented an 8.7% premium to New Found's closing price

11 Refer to the Company's news releases dated April 12, 2022, April 27, 2022, and August 8, 2022.

and a 10.1% premium to New Found's 10-day volume-weighted average price ("**VWAP**"), both immediately prior to the date of announcement of the New Found Transaction.

The second tranche of the New Found Transaction, which completed on August 5, 2022, consisted of 6.75 million New Found shares at $8.45 per share for gross proceeds of $57.0 million ("**Tranche 2**")[11]. The price per share payable under Tranche 2 represented a 10.0% premium to New Found's closing price and an 11.5% premium to New Found's 10-day VWAP, both immediately prior to the date of announcement of the New Found Transaction.

Repayment of Sprott Lending Credit Facility

On August 12, 2022, subsequent to the completion of the New Found Transaction, the Company completed repayment and discharge of all security interests associated with the Credit Facility with Sprott Lending.

The Company paid an aggregate amount of US$40,144,029 ($51,316,000) to Sprott Lending in satisfaction of all amounts outstanding, including all accrued interest, on the Credit Facility. No early repayment penalties were paid.

SUSTAINABILITY

The Company has committed to releasing an inaugural sustainability statement in 2022 which will outline the Company's performance to date and plans to continue to operate in a safe and environmentally and socially responsible manner.

Health and Safety

The health and safety of the Company's employees, contractors, and communities in which Novo operates is paramount. The Company's 12-month trailing TRIFR was 15.4 as the Company continues to enhance its health and safety protocols, behaviours, and culture, particularly during the operational wind-down at the Beatons Creek Project.

The Company has executed memorandums of understanding and mutual aid agreements with nearby operations and the West Australian Department of Fire and Emergency Services and continues to grow its internal emergency response capabilities. The Company also completed a mental health survey for its employees and contractors and is in the process of analyzing its results.

COVID-19 continues to impact the Company's cost profile. While mandatory COVID-19 isolation requirements were eased by the Australian government effective October 14, 2022, supply chain issues are resulting in elevated costs, particularly with respect to fuel and other consumables. Best efforts have been made to mitigate the impacts of the pandemic through the adoption of sound risk management processes but remains cautious that they may affect all aspects of the Company's business, including exploration activities. Refer to *Risks Related to the Company – COVID-19 and Labour and Employment Matters*.

Environment

The Company works closely with the West Australian regulatory bodies, particularly the Department of Mines, Industry Regulation and Safety ("**DMIRS**"), the Department of Water and Environmental Regulation ("**DWER**"), and the EPA, in order to promote compliance with requisite regulations. Subsequent to the acquisition of Millennium[12], the Company expended significant efforts interfacing with DMIRS and DWER to re-establish lasting and constructive relationships with these departments. The Company recognizes the importance of environmental stewardship, particularly given the Beatons Creek Project's proximity to the township of Nullagine and Millennium's historical rehabilitation liabilities, and prioritizes environmental endeavours, including water stewardship.

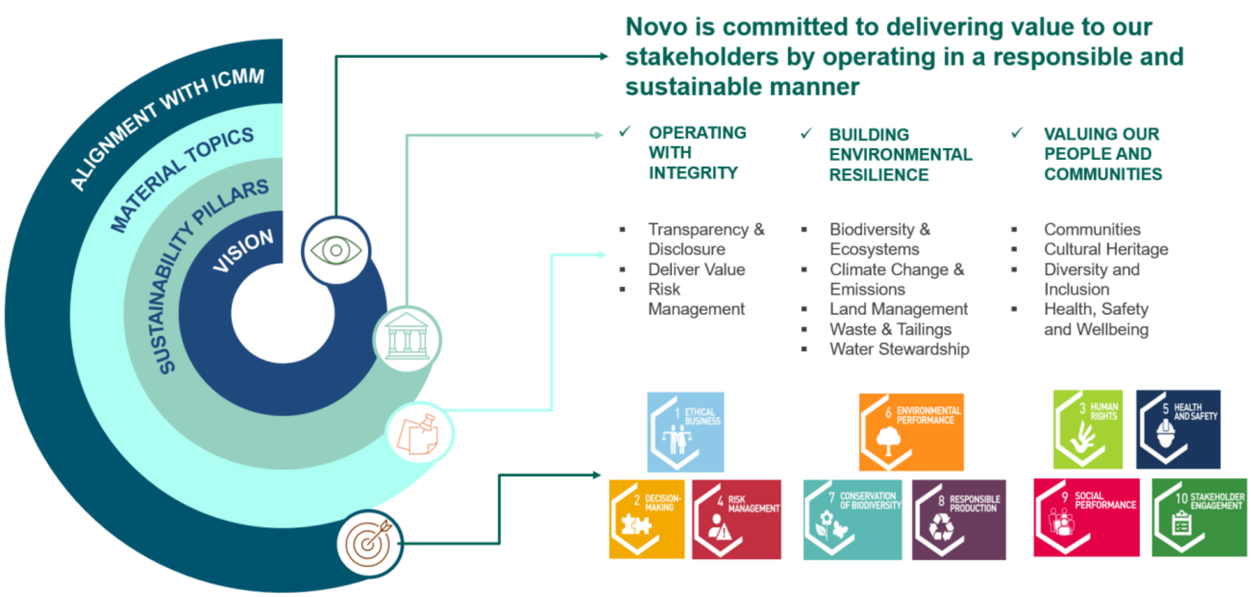
Refer to *Significant Business Developments & Outlook – Beatons Creek Project – Feasibility Study Update* for details regarding the status of the Submission.

Community

As a committed corporate citizen of the Pilbara region of Western Australia, the Company values its relationships with the Aboriginal communities and local residents, and communities surrounding the Company's projects. Novo works closely with the nine Aboriginal Groups who hold interests in the Company's vast Pilbara-wide tenure holdings. Novo has also entered into agreements with Aboriginal Groups who have title to the ground comprising the Beatons Creek Project which include commitments to local employment, community support, and royalties.

The Beatons Creek Project and a number of exploration tenements are located adjacent to the small town of Nullagine. The Company remains committed to ensuring a safe and orderly operation and has implemented policies to ensure any impact to the town of Nullagine is minimized, including noise and air quality monitoring.

The Company also endeavours to invest in its communities outside the parameters of its contractual obligations, including providing support to community, cultural, education, and sport initiatives.



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12 Refer to the Company's news releases dated August 4, 2020, and September 8, 2020.

OPERATING RESULTS

		For the three months ended September 30, 2022	For the three months ended September 30, 2021	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
Mineralized Material Milled	**t**	**405,071**	451,343	**1,198,283**	967,224
Grade	**g/t Au**	**1.03**	1.34	**1.07**	1.29
Recovery	**%**	**90.74%**	93.78%	**91.98%**	93.56%
Gold Produced	**Oz Au**	**13,137**	18,144	**39,125**	36,531

Mining and Processing

Prior to completion of Oxide mining in late August 2022 at the Beatons Creek Project, efforts were focused on the Edwards and Golden Crown areas. 193,173 tonnes of mineralized material were mined, which represents a decrease from the 477,616 tonnes of mineralized material mined during Q3 2021 as operations wound down and the Beatons Creek Project transitioned to care and maintenance. A total of 1,049 m of grade control drilling was also completed, targeting the Edwards Central and South Hill areas of the Beatons Creek Project, as well as a further 19,449 m targeting Grant's Hill, Edwards, and South Hill Fresh mineralization.

Prior to completion of Oxide material processing in late September 2022, 405,071 tonnes of mineralized material, equivalent to a throughput rate of approximately 4,403 tonnes per day, were processed during Q3 2022. This represents a decrease over Q3 2021 during which 451,343, tonnes of mineralized material were processed, but an increase over the 398,830 tonnes of mineralized material processed during Q2 2022. Oxide operations at the Golden Eagle Plant were wound down through the latter half of September 2022 and the Beatons Creek Project was transitioned to care and maintenance.

Mill feed grade averaged 1.03 g/t Au during Q3 2022 compared to 1.34 g/t Au during Q3 2021 and 1.02 g/t Au during Q2 2022.

Gold recovery for Q3 2022 averaged 90.74% compared to 93.78% for Q3 2021 and 93.48% for Q2 2022. YTD 2022 recovery was 91.98%, representing a decrease from 93.56% achieved YTD 2021.

Gold and Silver Production

During Q3 2022, the Beatons Creek Project produced 13,137 ounces of gold and 1,681 ounces of silver as compared to 18,144 ounces of gold and 2,398 ounces of silver during Q3 2021 and 12,610 ounces of gold and 1,502 ounces of silver during Q2 2022.

FINANCIAL RESULTS

The following table contains quarterly information derived from the Q3 Financial Statements.

In thousands of CAD, except where noted		For the three months ended September 30, 2022	For the three months ended September 30, 2021	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
Gold sold	Oz Au	**12,426**	18,753	**38,168**	36,209
Average realized price[1]	$/oz	**2,255**	2,295	**2,347**	2,278
Average realized price[1]	AUD$/oz	**2,528**	2,480	**2,588**	2,398
Average realized price[1]	USD$/oz	**1,728**	1,822	**1,830**	1,820
Total revenue	$	**27,987**	42,964	**89,547**	82,386
Cost of goods sold	$	**(32,261)**	(33,577)	**(112,161)**	(72,999)
General and exploration expenditure	$	**(11,378)**	(9,964)	**(34,319)**	(15,213)
Impairment of non-current assets	$	**(48,255)**	-	**(48,255)**	-
Other income, net	$	**4,067**	87,688	**23,021**	88,694
Finance items	$	**(873)**	(2,777)	**(8,093)**	(13,940)
Income tax expense	$	**1,602**	(7,884)	**(596)**	(7,884)
Net loss for the period after tax	$	**(59,111)**	76,450	**(90,856)**	61,044
Basic and diluted loss per common share	$/share	**(0.24)**	0.31	**(0.37)**	0.26
EBITDA[1]	$	**(52,049)**	91,402	**(58,653)**	93,789
Adjusted EBITDA[1]	$	**(7,861)**	3,714	**(33,419)**	5,095
Adjusted earnings[1]	$	**(16,525)**	(3,194)	**(65,026)**	(34,355)
Adjusted earnings per common share[1]	$/share	**(0.07)**	(0.01)	**(0.26)**	(0.14)
Total cash costs[1]	$/oz	**2,224**	1,558	**2,288**	1,710
Total cash costs[1]	AUD$/oz	**2,494**	1,683	**2,522**	1,800
Total cash costs[1]	USD$/oz	**1,704**	1,236	**1,784**	1,367
AISC[1]	$/oz	**2,991**	2,034	**2,955**	2,457
AISC[1]	AUD$/oz	**3,353**	2,198	**3,257**	2,587
AISC[1]	USD$/oz	**2,292**	1,615	**2,303**	1,963

Three Months Ended September 30, 2022 Compared to Three Months Ended September 30, 2021

Q3 2022 net loss after tax was $59,111,000 (Q3 2021 – income of $76,450,000), caused by a loss from operations, additional exploration, general administration expenditures and a non-cash impairment charge recognized due to current uncertainty regarding the timing of receipt of Fresh mining approvals, current economic status of the Beatons Creek Project, and results of the 2022 MRE. Refer to *Significant Business Developments & Outlooks – Impairment of the Beatons Creek Project*. The Company began processing in early February 2021[4], was still ramping up operations through to September 30, 2021, and did not declare that the Beatons Creek Project had achieved commercial production until October 1, 2021[13].

Gold and Sales Revenue

The Company generated revenue of $27,987,000 in Q3 2022 which represented a decrease of $14,977,000 as compared to Q3 2021 revenue of $42,964,000. The decrease was primarily due to the decrease in gold ounces produced and sold in the current quarter.

The Company sold 12,426 ounces of gold in Q3 2022 (Q3 2021 – 18,753 ounces) at an average realized price[1] of $2,255 (AUD $2,528 / USD $1,728) per ounce generating $27,953,000 in revenue from contracts with customers. The Company sold 18,753 ounces of gold in Q3 2021 at an average realized price[1] of $2,295 (AUD $2,480 / USD $1,822) per ounce generating $42,890,000 in revenue from contracts with customers.

13 Refer to the Company's news release dated October 12, 2021.

The average gold price during Q3 2022 according to the World Gold Council was $2,297 per ounce (AUD $2,600/ USD $1,672) (Q3 2021 – $2,208 (AUD $2,413 / USD $1,743)).

The Company sold 1,681 ounces of silver during Q3 2022 (Q3 2021 – 2,396 ounces) generating $34,000 in additional revenue (Q3 2021 - $74,000).

Cost of Sales

Total cost of sales in Q3 2022 was $32,261,000 compared to $33,577,000 in Q3 2021.

Cost of sales in Q3 2022 included production costs, depreciation, depletion, royalties, and changes in inventories, reflecting the difference between produced and sold ounces. Depletion from the Beatons Creek Project was recognized on the remaining ounces in the Oxide production profile[5] and does not include any expense related to recoverable ounces from the Fresh production profile.

Cost of sales in Q3 2021 included expenditures incurred during the development phase of the Beatons Creek Project relating to both commissioning the mine and the production of inventory. In determining the costs to be allocated to inventory sold during the period, consideration was given to the estimated mining and processing costs per tonne expected to be achieved when the Beatons Creek Project was operating in a manner as intended by management. Cost of sales included production costs, royalties and selling costs, and changes in inventories, reflecting the difference between produced and sold ounces. Depreciation and depletion of the Beatons Creek Project was not charged as the Beatons Creek Project had not yet achieved commercial production. The Company declared that the Beatons Creek Project had achieved commercial production on October 1, 2021[13].

Royalties in Q3 2022 were $1,901,000, representing a 42% decrease over royalties in Q3 2021 of $3,270,000. The decrease in royalty expense resulted from a decrease in revenues from the Beatons Creek Project.

All production costs were incurred in Australian dollars. The average foreign exchange rate was AUD $0.8921 to CAD $1.00 during Q3 2022 (Q3 2021 – AUD $0.9255 to CAD $1.00).

Other Expenses

General administration costs in Q3 2022 were $3,205,000 as compared to $4,926,000 in Q3 2021. The decrease was primarily due to a decrease in share-based payments and general non-operational cash costs including wages and salaries. Share based payments were higher in Q3 2021 due to the expense associated with certain incentive stock options granted to employees and non-employees with production milestone-based vesting conditions.

Exploration expenditures in Q3 2022 totalled $8,173,000 (Q3 2021 - $4,878,000) and were recognized in line with the accounting policy to expense exploration expenditures (refer to Note 2 of the Q3 Financial Statements). While the Beatons Creek Project Fresh feasibility study has been deferred until the first half of 2023, drilling to support the feasibility study continued during Q3 2022 and included in the above amount is $1,698,000 (Q3 2021 - $nil) incurred through Q3 2022.

A non-cash impairment of non-current assets which comprise the Beatons Creek project CGU totalled $48,255,000 in Q3 2022 (Q3 2021 – nil). Refer to "*Significant Business Developments & Outlook – Impairment of the Beatons Creek Project*" above.

Other Income / expenses

Other income recognized during Q3 2022 totalled income of $4,067,000 and relates primarily to a $3,767,000 non-cash gain on the derivative asset held at fair value through profit and loss which was recognized in relation to the New Found Transaction and represents the difference between New Found's actual share price on the date of settlement of Tranche 2 (August 5, 2022) and the price of the forward contract on June 30, 2022, adjusted for risk factors (refer to Note 5 of the Q3 Financial Statements). Other income also includes a non-cash $123,000 foreign exchange gain, other cash income of $172,000, and a non-cash $5,000 gain from the increase in the value of the warrants held in GBM Resources Ltd. ("**GBM**") and 1342980 BC Ltd. ("**134 BC**"). Other income for Q3 2021 totalled $87,688,000 relating primarily to the non-cash discontinuation of equity accounting of the investment in New Found which was recognized through profit or loss subsequent to the Company's loss of significant influence over New Found on September 17, 2021 pursuant to IAS 28 *Investment in Associates and Joint Ventures*. Other income also included the non-cash share of profit from the Company's investment in New Found of $2,372,000 pursuant to the accounting treatment of the investment as an investment in associate until September 17, 2021, and other cash income of $535,000, offset by a non-cash foreign exchange loss of $837,000 and a non-cash decrease in the value of the warrants held in GBM and Kalamazoo Resources Limited ("**Kalamazoo**") of $18,000.

Finance Items

The Company incurred interest and finance costs of $1,155,000 during Q3 2022 (Q3 2021 - $2,821,000), including a net $300,000 non-cash expense (Q3 2021 – non-cash expense of $52,000) relating to rehabilitation provision accretion expense and the change in fair value of the derivative liability embedded within the Credit Facility.

Interest and finance costs also included $648,000 (Q3 2021 - $1,903,000) of cash interest relating to the Credit Facility. On August 12, 2022, the Company completed repayment of the Credit Facility. Refer to *Significant Business Developments & Outlook – Repayment of Sprott Lending Credit Facility* and note 12 of the Q3 Financial Statements.

Interest and finance costs further included non-cash interest expenses of $207,000 (Q3 2021 - $866,000) related to leases recognized pursuant to IFRS 16 *Leases* ("**IFRS 16**"). The Company recognizes lease liabilities and corresponding right-of-use assets pursuant to IFRS 16 where the Company has the right to use assets underlying certain arrangements. Refer to Notes 8 and 11 of the Q3 Financial Statements.

Other Comprehensive Loss

During Q3 2022, non-cash loss of $351,000 (Q3 2021 – non-cash income of $8,685,000) represented movement in the fair value of the Company's marketable securities. The Company's portfolio consists of holdings in a number of listed and unlisted entities, including GBM, Kalamazoo, Elementum 3D, Inc. ("**E3D**"), and 134 BC. Refer to Note 5 of the Q3 Financial Statements.

During Q3 2022, the Company also recognized non-cash gains of $530,000 (Q3 2021 – losses of $7,384,000) pertaining to the foreign exchange impact of the translation of subsidiary financial information. The Company's Australian subsidiaries, which incur most of the Company's operational expenditure, have an Australian dollar functional currency. Gains or losses are recognized upon translation of income and expenses and assets and liabilities denominated by the Company's

Australian subsidiaries in Australian dollars into the Company's Canadian dollar presentation currency. Refer to *Cost of Sales* above for foreign exchange rate movement across the relevant periods.

Nine Months Ended September 30, 2022 Compared to Nine Months Ended September 30, 2021

Net loss after tax for YTD 2022 was $90,856,000 (YTD 2021 – net income of $61,044,000) caused by a loss from operations, additional exploration, general administration expenditures, and a non-cash impairment charge recognized due to current uncertainty regarding the timing of receipt of Fresh mining approvals, current economic status of the Beatons Creek Project, and results of the 2022 MRE. Refer to *Significant Business Developments & Outlooks – Impairment of the Beatons Creek Project*.

Gold and Sales Revenue

The Company generated revenue of $89,547,000 in YTD 2022 (YTD 2021 - $82,386,000) which represented an increase in revenue of $7,161,000 as a result of increased gold production and sales at a higher average realized price[1].

The Company sold 38,168 ounces of gold at an average realized price[1] of $2,347 (AUD $2,588 / USD $1,830) per ounce generating $89,416,000 in revenue from contracts with customers in YTD 2022. The Company sold 36,209 ounces of gold at an average realized price[1] of $2,278 (AUD $2,398 / USD $1,820) per ounce generating $82,223,000 in revenue from contracts with customers in YTD 2021. The average gold price[1] during YTD 2022 according to the World Gold Council was $2,357 (AUD $2,610 / USD $1,810) per ounce (YTD 2021 – $2,172 (AUD $2,327 / USD $1,732)).

The Company sold 4,962 ounces of silver in YTD 2022 (YTD 2021 – 5,068 ounces) generating $131,000 in additional revenue (YTD 2021 - $163,000).

Cost of Sales

Total cost of sales in YTD 2022 was $112,161,000 compared to $72,999,000 in YTD 2021. Refer to *Financial Results - Three Months Ended September 30, 2022 Compared to Three Months Ended September 30, 2021 – Cost of Sales* regarding recognition and classification of cost of sales prior to the declaration of commercial production.

Royalties in YTD 2022 were $6,360,000, representing a 9% increase over royalties in YTD 2021 of $5,837,000. The increase in royalty expense resulted from an increase in revenues from the Beatons Creek Project.

All production costs were incurred in Australian dollars. The average foreign exchange rate was AUD $0.9071 to CAD $1.00 during YTD 2022 (YTD 2021 – AUD $0.9498 to CAD $1.00).

Other Expenses

General administration costs in YTD 2022 were $10,757,000 as compared to $19,979,000 in YTD 2021. The decrease was primarily due to a decrease in non-cash share-based payment expenses, insurance expenses, and general non-operational cash costs. Share-based payments were higher in YTD 2021 due to the acceleration of the expense associated with certain incentive stock options granted to employees and non-employees with production milestone-based vesting conditions. A number of the Company's outstanding incentive stock options vested fully once the Company produced 10,000 ounces of gold from any project which occurred during Q2 2021 and resulted in an accelerate expenses recognition profile. An additional batch of incentive stock options vested fully during Q1 2022 as the Company achieved aggregate production of 60,000 ounces of gold.

Exploration expenditures in YTD 2022 totalled $23,562,000 (YTD 2021 - $9,823,000) and were recognized in line with the accounting policy to expense exploration expenditures. While the Beatons Creek Project Fresh feasibility study has been deferred until the first half of 2023, drilling to support the feasibility study continued during YTD 2022 and included in the above amount is $6,298,000 (September 30, 2021 - $nil) incurred in YTD 2022.

Impairment of non-current assets in YTD 2022 totaled $48,255,000 (YTD 2021 – $nil). Refer to *Financial Results - Three Months Ended September 30, 2022 Compared to Three Months Ended September 30, 2021 – Other Expenses* regarding details of the impairment.

Other Income

Other income recognized during 2022 totalled $23,021,000 and relates to a non-cash $309,000 foreign exchange loss and a non-cash $215,000 loss from the decrease in the value of the warrants held in GBM and 134 BC. Refer to *Financial Results - Three months ended September 30, 2022 compared to three months ended September 30, 2021 – Other Income/expenses* regarding recognition of the treatment of the $22,275,000 non-cash gain on the derivative asset related to the New Found Transaction. Other income during YTD 2021 period totalled income of $88,694,000 related mainly to the non-cash gain of $89,587,000 related to the discontinuation of equity accounting of the Company's investment in New Found, and other cash income of $775,000, offset by a non-cash foreign exchange loss of $276,000 and a non-cash decrease in the value of the warrants held in GBM and Kalamazoo of $1,392,000.

Finance Items

The Company incurred interest and finance costs of $8,568,000 during YTD 2022 (YTD 2021 - $14,005,000), including $680,000 of non-cash expense (YTD 2021 – $335,000) relating to rehabilitation provision accretion expense and a non-cash gain of $378,000 (YTD 2021 - $389,000) relating to the change in fair value of the derivative liability embedded within the Credit Facility.

Interest and finance costs also included cash interest and non-cash accreted interest of $9,993,000 (YTD 2021 - $5,345,000) related to the Credit Facility during YTD 2022. Refer to *Financial Results - Three months ended September 30, 2022 Compared to Three Months Ended September 30, 2021 – Finance Items* for further details regarding the Credit Facility.

The Company further recognized a non-cash gain of $2,942,000 (YTD 2021 – $90,000) on the change in fair value of the Sumitomo liability and subsequent settlement. On April 21, 2022, Sumitomo made a final contribution of $335,000 and subsequently exercised its reimbursement option under the Egina fam-in agreement ("**EFA**").

In response, Novo exercised its right to settle the liability via the issuance of common shares and issued 3,382,550 common shares to Sumitomo with a fair value of $0.94 per share for gross consideration of $3,180,000. All of the common shares issued to Sumitomo are subject to orderly sale restrictions and a 12-month contractual hold period expiring on April 21, 2023. As a result of Sumitomo's exercise of its reimbursement option and Novo's exercise of its right to settle via the issuance of common shares, the EFA was completed and Sumitomo's rights thereunder were extinguished. The Company recognized a gain through profit and loss of the difference between the fair value of the Share Payment Option and the remaining financial liability. Refer to Note 14 of the Q3 Financial Statements.

Interest and finance costs during YTD 2021 also included one-time finance costs of $6,386,000 related to the brokered financing of special warrants for gross proceeds of $26.4 million[14] (the "**Offering**"). The special warrants issued pursuant to the Offering were initially recognized as financial liabilities at fair value through profit and loss pursuant to IAS 32 Financial Instruments, and associated transaction costs were also expensed through profit and loss pursuant to IFRS 9 *Financial Instruments*. $1,759,000 represents cash transaction costs incurred and includes the Offering lead agent's 6% financing fee, and the remaining $4,627,000 represents the non-cash movement in fair value of the special warrants between the date of issuance on May 4, 2021 and the date of conversion into units of the Company on May 31, 2021.

Other Comprehensive Loss

During YTD 2022, non-cash losses of $29,244,000 (YTD 2021 – non-cash gains of $6,704,000) represent movement in the fair value of the Company's marketable securities. Refer to *Financial Results - Three Months Ended September 30, 2022 Compared to Three Months Ended September 30, 2021 – Other Comprehensive Loss* and Note 5 of the Q3 Financial Statements.

During YTD 2022, the Company also recognized non-cash losses of $5,492,000 (YTD 2021 – non-cash losses of $16,553,000) pertaining to the foreign exchange impact of the translation of subsidiary financial information. The Company's Australian subsidiaries, which incur most of the Company's operational expenditure, have an Australian dollar functional currency. Gains or losses are recognized upon translation of income and expenses and assets and liabilities denominated by the Company's Australian subsidiaries in Australian dollars into the Company's Canadian dollar presentation currency. Refer to *Cost of Sales* above for foreign exchange rate movement across the relevant periods.

LIQUIDITY AND CAPITAL RESOURCES

In thousands of CAD, except where noted	September 30, 2022 $'000	December 31, 2021 $'000	December 31, 2020 $'000	January 31, 2020 $'000
Cash	**65,153**	32,345	40,494	28,703
Short-term investments	**147**	108	195	88
Working capital[1]	**46,448**	3,925	14,071	26,051
Marketable securities	**20,569**	156,209	18,770	14,457
Available liquidity[1]	**71,741**	102,868	59,623	42,501
Total assets	**267,041**	462,682	456,408	158,049
Current liabilities excluding current portion of financial liabilities	**19,492**	19,805	12,083	1,082
Non-current liabilities excluding non-current portion of financial liabilities	**37,032**	36,342	28,615	-
Financial liabilities (current and non-current)	**16,458**	75,608	86,271	8,565
Total liabilities	**72,982**	148,420	126,969	9,647
Shareholders' equity	**194,059**	314,262	329,439	148,402

Available liquidity[1] totalled $71,741,000 as at September 30, 2022 (December 31, 2021 - $102,868,000) and represented the value of the Company's realizable assets. The Company's available liquidity[1] has decreased since December 31, 2021 due to the completion of the New Found Transaction and associated cash inflow as well as repayment of the Credit Facility.

The Company's working capital position increased significantly since December 31, 2021 as a result of the completion of the New Found Transaction, repayment of the Credit Facility, and settlement of the Sumitomo liability pursuant to the EFA. *Refer to Significant Business Developments & Outlook*.

14 Refer to the Company's news release dated May 4, 2021.

	For the three months ended		For the nine months ended	
	September 30, 2022 $'000	September 30, 2021 $'000	September 30, 2022 $'000	September 30, 2021 $'000
Cash flow information				
Cash (used in) / generated from operations	**(10,301)**	8,018	**(28,156)**	(8,616)
Cash used in / (generated from) investing activities	**56,928**	(6,925)	**122,734**	(8,075)
Cash (used in) / generated from financing activities	**(56,211)**	(3,228)	**(61,550)**	20,202
Change in cash	**(9,584)**	(2,135)	**33,028**	3,511
Free cash flow[1]	**(10,367)**	296	**(31,303)**	(27,542)

The Company used $10,301,000 (September 30, 2021 – generated $8,018,000) from operating cash flows in Q3 2022. The increase in cash outflows relates primarily to a net loss generated during the period which did not cover additional general and administration and exploration expenditure.

The Company used $28,156,000 (YTD 2021 - $8,616,000) from operating cash flows during YTD 2022. The increase in cash outflows relates primarily to the treatment of cost of sales prior to the declaration of commercial production and certain non-cash adjustments such as share based payments, depreciation, and finance costs. Refer to *Financial Results - Three Months Ended September 30, 2022 Compared to Three Months Ended September 30, 2021 – Cost of Sales* regarding recognition and classification of cost of sales prior to the declaration of commercial production.

During Q3, 2022, the Company generated $56,928,000 from investing activities (Q3 2021 – used 6,925,000) which included capital expenditures of $66,000 (Q3, 2021 - $6,960,000) relating to the further development of the Beatons Creek Project. Investing cashflows in Q3 2022 also included cash proceeds of $57,038,000 (Q3 2021 - $1,252,000) received from the sale of Tranche 2 of the New Found Transaction (refer to Note 5 of the Q3 Financial Statements). The Company invested $44,000 (Q3 2021: $455,000) in exploration and evaluation assets in Q3 2022.

During YTD 2022 the Company generated $122,734,000 from investing activities (YTD 2021 – outflows of $8,075,000). This included capital expenditures for the period of $2,388,000 (YTD 2021 - $10,528,000) and $759,000 (YTD 2021 - $8,398,000) for development of the Beatons Creek Project. These cash outflows were offset by cash proceeds of $125,925,000 received from the New Found Transaction. During YTD 2021 cash outflows were offset by cash proceeds of $9,310,000 received from the sale of a part of the Company's Blue Spec Project to Calidus Resources Limited and $2,237,000 received from the sale of marketable securities. The Company invested $44,000 (YTD 2021 - $696,000) in exploration and evaluation assets during YTD 2022.

During YTD 2022 and YTD 2021, the Company experienced $56,211,000 ($3,228,000) in financing cash outflows, $5,101,000 ($4,358,000) relating to the principal portion of lease liabilities incurred pursuant to IFRS 16. The remaining investing outflows for Q3 2022 totaling $51,110,000 relates to the repayment of the Credit Facility. During Q3 2021, $1,130,000 was received pursuant to the exercise of stock options.

During YTD 2022 and YTD 2021, the Company experienced outflows of $61,550,000 and inflows $20,202,000 in financing cashflows, respectively. $10,782,000 (YTD 2021 - $11,131,000) related to the principal portion of lease liabilities incurred pursuant to IFRS 16. The remaining investing outflows during YTD 2022 totalled $51,110,000 related to the repayment of the Credit Facility and the $342,000 final contribution from Sumitomo pursuant to the EFA. The remaining investing inflows for YTD 2021 totalled $34,655,000 and were primarily due to funds received from the Offering and the Credit Facility amendment in April 2021[15]. The investing inflows for YTD 2021 were partially offset by a one-time payment of the Comet Well deferred consideration totaling $2,946,000 (AUD $3,000,000)[16].

Free cash flow[1] for Q3 2022 comprised outflows of $10,367,000 (Q3 2021 – inflows of $296,000). Free cash flow[1] for YTD 2022 comprised of outflows of $31,303,000 (YTD 2021 – outflows of $27,542,000). In addition to operating at a loss, the Company reallocated its investing cash flows to capital projects and exploration activities.

SELECTED FINANCIAL INFORMATION

Management is responsible for the Q3 Financial Statements referred to in this MD&A and provides officers' disclosure certifications filed with the securities regulators of the Canadian jurisdictions in which Novo is a reporting issuer. Although the Company's audit committee reviews the Q3 Financial Statements and MD&A and makes recommendations to the Board, the Board has final approval of the Q3 Financial Statements and MD&A.

SUMMARY OF QUARTERLY RESULTS

The following information is derived from and should be read in conjunction with the Q3 Financial Statements and the condensed interim consolidated financial statements for each of the past eight quarters which have been prepared in accordance with IFRS applicable to interim financial reporting including IAS 34.

		3rd Quarter 2022 September 30, 2022	2nd Quarter 2022 June 30, 2022	1st Quarter 2022 March 31, 2022	4th Quarter 2021 December 31, 2021	3rd Quarter 2021 September 30, 2021	2nd Quarter 2021 June 30, 2021	1st Quarter 2021 March 31, 2021	4th Quarter 2020 December 31, 2020
Revenue	*$'000*	**27,987**	29,685	31,875	112,243	42,964	31,704	7,718	-
Net Profit / (Loss)	*$'000*	**(60,713)**	(19,617)	(12,933)	3,076	84,334	(16,520)	1,723	(3,826)
Basic and Diluted Income (Loss)	*$/share*	**(0.24)**	(0.08)	(0.05)	(0.02)	0.31	(0.07)	0.05	(0.02)

The Company's operating and financial results are primarily driven by gold production and revenue, the average realized price[1] of gold, foreign exchange rates, non-operating expenses, and other income. Significant changes in any of these factors directly impact the Company's revenue and earnings.

CASH RESOURCES AND GOING CONCERN

The Q3 Financial Statements have been prepared on a going concern basis, which contemplates continuity of ongoing business activities, including ongoing exploration commitments and Beatons Creek Project commitments, and the realization of assets and settlement of liabilities in the normal course of business.

For the nine-month period ended September 30, 2022, the Company reported operating cash outflows of $28,156,000 (September 30, 2021: $8,616,000) and investing cash inflows of $122,734,000 (September 30, 2021: outflows $8,075,000). The Company had cash on hand and short-term investments of $65,300,000 at September 30, 2022 and $57,813,000 at November 15, 2022.

The Company has prepared a cash flow forecast demonstrating that the Company will have access to sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing these condensed interim consolidated financial statements.

The directors will continue to manage the Company's activities with due regard to current and future funding requirements and have identified a range of options to ensure sufficient funding is available,

15 Refer to the Company's news release dated April 9, 2021.
16 Refer to the Company's news release dated February 4, 2021.

including the timing and amount of expenditure which is at the discretion of the directors. In addition, the directors may choose to secure additional funding by raising capital from equity markets or other sources should market conditions present favourable terms.

The directors are satisfied that the Company has sufficient funding resources in order to meet its committed expenditure for at least the next 12 months and hence prepare these condensed interim consolidated financial statements on a going concern basis.

CONTRACTUAL OBLIGATIONS

As at September 30 2022, the following contractual obligations were outstanding:

As at September 30, 2022	Within 1 year $'000	Within 1-2 years $'000	Within 2-3 years $'000	Within 3+ years $'000	Total $'000
Trade and other payables	13,079	-	-	-	**13,079**
Provisions	6,413	-	-	-	**6,413**
Leases	5,058	4,047	229	-	**9,334**

OFF-BALANCE SHEET TRANSACTIONS

There are currently no off-balance sheet arrangements which have, or are reasonably likely to have, a current or future effect on the financial performance or the financial condition of the Company.

CONTINGENCIES

From time to time, the Company is involved in various claims, litigation and other matters in the ordinary course and conduct of business. Some of these pending matters may take a number of years to resolve.

While it is not possible to determine the ultimate outcome of such actions at this time, and inherent uncertainties exist in predicting such outcomes, it is the Company's belief that the ultimate resolution of any such current actions is not reasonably likely to have a material adverse effect on its consolidated financial position or results of operations.

RELATED PARTY TRANSACTIONS

During Q3 2022 and the nine months ended September 30 2022, the following amounts were incurred with related parties in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties:

		For the three months ended		For the nine months ended	
Name	Nature of Compensation	September 30, 2022 $'000	September 30, 2021 $'000	September 30, 2022 $'000	September 30, 2021 $'000
Non Executive Co-Chairman & Director	Salary / Director fees	**29**	53	**88**	240
Executive Co-Chairman & Director	Salary	**111**	87	**340**	87
Former CEO & Director	Salary	-	104	**212**	321
CFO & Corporate Secretary	Salary	**62**	84	**217**	259
VP, Corporate Communications	Consulting	**45**	45	**135**	135
Independent Directors	Director Fees	**60**	59	**180**	243
Total		**307**	**432**	**1,172**	**1,285**

Details of these compensation arrangements are outlined in the Company's most recently filed Form 51-102F5 Information Circular (filed under the Company's profile on SEDAR at www.sedar.com on June 1, 2022).

From time to time, Novo's board of directors (the "**Board**") incentivizes the Company's management, employees, and consultants by issuing incentive stock options. Amounts outlined in the table above represent such portion of the Company's share-based payment expenses which relate to incentive stock options granted to the Company's management and Board, namely the non-executive co-chairman/director, the executive co-chairman/director, an independent director, the chief financial officer/corporate secretary, and the vice president, corporate communications. The Company's methodology for calculating the fair value of share-based payments is outlined in note 2 of the December 31, 2021 audited financial statements. Share-based payments relating to these key management personnel and directors totaled $1,788,000 during Q3 2022 (Q3 2021 - $3,619,000).

CRITICAL ACCOUNTING ESTIMATES

The accounting policies and methods of application applied by the Company are outlined in the Q3 Financial Statements (refer to Note 2).

Accounting policies adopted during the period for new transactions and events

Change in accounting policy – exploration and evaluation assets

As fully disclosed in the Company's consolidated audited financial statements for the years ended December 31, 2021 and 2020, the Company adopted a voluntary change to its accounting policy for exploration and evaluation expenditures in the last quarter of the year ended December 31, 2021 and has applied the change retrospectively. As a result, balances of comparative periods have been restated.

Under the new policy, the Company recognizes these expenditures as exploration and evaluation costs in the condensed interim consolidated statements of profit or loss and other comprehensive income in the period incurred until management concludes the technical feasibility and commercial viability of a mineral deposit has been established. Costs that represent the acquisition of rights to explore a mineral deposit continue to be capitalized. Prior to December 31, 2021, the Company's policy was to capitalize all exploration and evaluation expenditures as exploration and evaluation assets.

Impact of the change in accounting policy

The Company reclassified all post-acquisition exploration and evaluation expenditures that were (i) capitalized as exploration and evaluation assets, and (ii) included in mine development assets in the statement of financial position, to exploration and evaluation expenditures in the statements of profit and loss and other comprehensive income or loss. Initial acquisition costs of the Beatons Creek Project were unaffected by the change in accounting policy.
Other than acquisition costs, all capitalized amounts for exploration and evaluation assets associated with the Company's other projects were retrospectively expensed.

All Australian research and development tax incentive credits associated with exploration costs that were offset against exploration and evaluation assets have been reclassified to profit and loss in accordance with the Company's stated accounting policy.

The adjustment arising from the reclassification of post-acquisition exploration and evaluation expenditures has been translated into the presentation currency of the Company in accordance with the Company's stated accounting policy for foreign currencies using the relevant average exchange rates. As a result of the change in accounting policy, cash outflows relating to post acquisitions exploration and evaluation expenditures have been reclassified from investing to operating activities in the condensed interim consolidated statement of cash flows.

As a result of the accounting policy change, the Company recorded the following adjustments to specific account balances, increasing (decreasing) amounts previously recognized in the condensed interim consolidated financial statements. The impact of the change in accounting policy on the consolidated statement of financial position at December 31, 2021 was disclosed in the Company's annual consolidated financial statements for the year then ended.

Condensed interim consolidated statements of profit or loss and other comprehensive income / (loss)

	For the nine months period ended September 30, 2022		
	Balance prior to effects of restatement $'000	Policy change adjustment $'000	Restated balance $'000
Exploration expenditure	-	(23,562)	(23,562)
Net loss for the period before tax	(66,698)	(23,562)	(90,260)
Net loss for the period after tax	(66,698)	(23,562)	(90,260)
Other comprehensive loss - foreign exchange on translation of subsidiaries	(5,979)	487	(5,492)
Comprehensive loss for the period	(102,517)	(23,075)	(125,592)
Basic and diluted loss per common share ($ per share)	(0.37)	(0.00)	(0.37)

	For the nine months period ended September 30, 2021		
	Previously reported $'000	Policy change adjustment $'000	Restated balance $'000
Exploration expenditure	-	(9,823)	(9,823)
Impairment of exploration and evaluation assets	(3,931)	3,931	-
Profit on disposal of exploration asset	13,747	842	14,589
Net profit for the period before tax	73,978	(5,050)	68,928
Net profit for the period after tax	66,094	(5,050)	61,044
Other comprehensive income / (loss) - foreign exchange on translation of subsidiaries	(23,000)	6,447	(16,553)
Comprehensive profit / (loss for the period)	49,798	1,397	51,195
Basic and diluted (loss per common share ($ per share)	0.28	(0.02)	0.26

Condensed interim consolidated statements of cash flows

	For the nine months period ended September 30, 2021		
	Previously reported $'000	Policy change adjustment $'000	Restated balance $'000
Net cash used in operating activities	9,834	(18,450)	(8,616)
Net cash(generated from) / used in investing activities	(26,525)	18,450	(8,075)

FINANCIAL INSTRUMENTS

a) Fair value

The Company's financial instruments include cash, short-term investments, other receivables, marketable securities, accounts payable, provisions, lease liabilities, and accrued liabilities. Prior to September 30, 2022, the Company's financial instruments also included, the Sumitomo funding liability, the Credit Facility, and the derivative liability. The fair value hierarchy reflects the significance of inputs in making fair value measurements as follows:

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

- Level 3 - applies to assets or liabilities for which there is unobservable market data.

The recorded amounts of cash, short-term investments, other receivables, and accounts payable and accrued liabilities approximate their respective fair values due to their short-term nature. The Sumitomo funding liability and its related embedded derivatives was measured in their entirety as at fair value through profit or loss ("**FVTPL**"), except to the extent that the change in fair value was attributable to changes in credit risk of the Sumitomo funding liability in which case it was presented in other comprehensive income ("**OCI**"). The Credit Facility was initially recognized at fair value and was subsequently measured at amortized cost using the effective interest method. The Credit Facility was repaid in full on August 11, 2022 (refer to note 12 of the Q3 Financial Statements). The derivative liability was initially recognized at fair value and was subsequently measured in its entirety at FVTPL.

Financial Instruments carried at fair value include:

- The marketable securities for listed shares are measured using Level 1 inputs. The fair values of marketable securities are measured at the closing market price obtained from the Australian Securities Exchange.

- The marketable securities balance for the GBM Warrants is measured using Level 2 inputs. The fair values of the GBM Warrants have been determined using a Black-Scholes option pricing model.

- The marketable securities balance held in E3D is measured using Level 3 inputs. The value of the shares held in E3D was determined using the fair value of USD $6.27 which represents the price at which E3D raised funds. Refer to Note 5 of the Q3 Financial Statements.

- The Sumitomo funding liability balance was measured using Level 3 inputs. The fair value of the liability at December 31, 2021 represented the contractual value that the Company would repay if Sumitomo were to exercise their Reimbursement Option.

- The embedded derivative associated with the Credit Facility was measured using Level 3 inputs. The fair value of the derivative was determined by using a Black 76 model including accretion due to the passage of time, agreed repayment schedules, required interest payments, changes in the applicable interest rate (US three-month LIBOR or 1%), and changes in the Company's credit spread.

	Fair Value Hierarchy			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at September 30, 2022				
Financial assets at Fair Value				
Marketable securities	2,160	16	18,393	20,569
Total September 30, 2022	**2,160**	**16**	**18,393**	**20,569**
As at December 31, 2021				
Financial assets at Fair Value				
Marketable Securities	139,401	301	16,507	156,209
Financial Liabilities at Fair Value				
Sumitomo funding liability	-	-	5,780	5,780
Derivative liability	-	-	378	378
Total December 31, 2021	**139,401**	**301**	**22,665**	**162,367**

	September 30, 2022 $'000	December 31, 2021 $'000
Reconciliation of the fair value measurement of Level 3 unlisted investments		
Opening balance	16,507	6,610
Additions	192	
Remeasurement recognised through other comprehensive income	1,694	9,897
Remeasurement recognised through profit and loss	-	-
Closing balance	**18,393**	**16,507**
Reconciliation of the fair value measurement of Level 3 financial liabilities		
Opening balance	6,158	7,055
Purchases	-	-
Settlement	(3,180)	
Remeasurement recognised through profit and loss	(3,320)	(710)
Foreign currency translation adjustment	342	(187)
Closing balance	**-**	**6,158**

There were no transfers between levels or changes in the valuation techniques and processes or inputs for determining fair value for financial instruments during the year.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management formally assessed the effectiveness of the Company's internal control over financial reporting as at September 30, 2022, and continues to do so on an on-going basis. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework (also known as "**COSO 2013**").

Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable, not absolute, assurance with respect to financial statement preparation and presentation.

There have been no significant changes in the Company's internal controls during the period ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value ("**Common Shares**"). All issued Common Shares are fully paid and non-assessable. As of November 11, 2022 the following Common Shares, Common Share purchase warrants ("**Warrants**"), and stock options were issued and outstanding:

	Number of shares	Exercise Price (C$)	Expiry date
Common Shares	249,322,054	-	-
Stock Options	1,500,000	0.95	April 14, 2023
Stock Options	150,000	1.57	April 14, 2023
Stock Options	300,000	7.70	April 14, 2023
Stock Options	650,000	3.47	January 30, 2023
Stock Options	285,000	4.60	June 5, 2023
Stock Options	4,865,000	3.57	January 6, 2025
Stock Options	3,000,000	1.89	November 6, 2026
Warrants	8,596,184	4.40	August 27, 2023
Warrants	8,853,427	4.40	September 7, 2023
Warrants	726,812	4.40	September 9, 2023
Warrants	1,328,295	4.40	September 14, 2023
Warrants	5,176,500	3.00	May 4, 2024
Fully Diluted	**284,753,272**		

NON-IFRS MEASURES

Certain non-IFRS measures have been included in this MD&A. The Company believes that these measures, in addition to measures prepared in accordance with 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 issuers. Refer to *Significant Business Developments & Outlook* for the treatment of depreciation and depletion costs prior and subsequent to the declaration of commercial production.

Non-IFRS measures for Q3 2021 are not necessarily indicative of ongoing performance considering the Company had only recently commenced operations and had not yet declared commercial production.

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 Q3 Financial Statements.

In thousands of CAD, except where noted		For the three months ended September 30, 2022	For the three months ended September 30, 2021	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
Revenue from contracts with customers	$	**27,987**	42,964	**89,547**	82,386
Treatment and refining charges	$	**69**	155	**173**	253
Less: Silver revenue *(Note 16)*	$	**(34)**	(74)	**(131)**	(163)
Gold revenue	$	**28,022**	43,045	**89,589**	82,476
Gold sold	oz	**12,426**	18,753	**38,168**	36,209
Average realized price	$/oz	**2,255**	**2,295**	**2,347**	**2,278**
Foreign exchange rate	CAD:AUD	**1.1210**	1.0805	**1.1024**	1.0529
Average realized price	AUD$/oz	**2,528**	**2,480**	**2,588**	**2,398**
Foreign exchange rate	CAD:USD	**0.7662**	0.7937	**0.7795**	0.7992
Average realized price	USD$/oz	**1,728**	**1,822**	**1,830**	**1,820**

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.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Q3 Financial Statements.

In thousands of CAD, except where noted		For the three months ended September 30, 2022	For the three months ended September 30, 2021	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
Gold sold	Oz Au	**12,426**	18,753	**38,168**	36,209
Total cash cost reconciliation					
Cost of sales	$	**32,261**	33,577	**112,161**	72,999
Less: Depreciation and depletion*	$	**(4,587)**	(4,291)	**(24,706)**	(10,921)
Less: Silver Revenue *(Note 16)*	$	**(34)**	(74)	**(131)**	(163)
Less: Site share-based compensation	$	**-**	-	**-**	-
Total cash costs	$	**27,640**	29,212	**87,324**	61,915
Cash costs per oz of gold sold	$/oz	**2,224**	**1,558**	**2,288**	**1,710**
Foreign exchange rate	CAD:AUD	**1.1210**	1.0805	**1.1024**	1.0529
Cash costs per oz of gold sold	AUD$/oz	**2,494**	**1,683**	**2,522**	**1,800**
Foreign exchange rate	CAD:USD	**0.7662**	0.7937	**0.7795**	0.7992
Cash costs per oz of gold sold	USD$/oz	**1,704**	**1,236**	**1,784**	**1,367**

**Depreciation and depletion are reconciled to aggregate depreciation in the operating adjustments in the condensed interim consolidated statements of cash flows in the Q3 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.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Q3 Financial Statements.

In thousands of CAD, except where noted		For the three months ended		For the nine months ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Gold sold	*Oz Au*	**12,426**	18,753	**38,168**	36,209
All-in sustaining cost reconciliation					
Total cash costs	*$*	**27,640**	29,212	**87,324**	61,915
Sustaining capital expenditures	*$*	**949**	-	**3,620**	-
Accretion on rehabilitation provision *(Note 13)*	*$*	**317**	153	**680**	335
Treatment and refinery charges	*$*	**69**	155	**173**	253
Payments on lease obligations *(Note 11)*	*$*	**5,101**	4,358	**10,782**	11,313
Less: non-operating payments on lease obligations*	*$*	**(116)**	(193)	**(347)**	(1,042)
Site share-based compensation	*$*	**-**	-	**-**	-
Corporate administrative costs *(Note 18)*	*$*	**3,205**	4,926	**10,757**	19,979
Less: exploration share-based payments**		**-**	(458)	**(213)**	(3,793)
Total all-in sustaining costs	*$*	**37,165**	38,153	**112,776**	88,960
AISC per oz of gold sold	*$/oz*	**2,991**	**2,034**	**2,955**	**2,457**
Foreign exchange rate	*CAD:AUD*	**1.1210**	1.0805	**1.1024**	1.0529
AISC per oz of gold sold	*AUD$/oz*	**3,353**	**2,198**	**3,257**	**2,587**
Foreign exchange rate	*CAD:USD*	**0.7662**	0.7937	**0.7795**	0.7992
AISC per oz of gold sold	*USD$/oz*	**2,292**	**1,615**	**2,303**	**1,963**

**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 Q3 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 Q3 Financial Statements and is a subset of the share-based payments expense outlined in Note 18 of the Q3 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, interest and finance income, current income tax expense, deferred income tax expense, 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 Q3 Financial Statements.

In thousands of CAD, except where noted	For the three months ended		For the nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	$'000	$'000	$'000	$'000
Net (loss) / profit for the period	**(59,111)**	76,450	**(90,856)**	61,044
Interest and finance expense	**1,155**	2,821	**8,568**	14,005
Interest and finance income	**(282)**	(44)	**(475)**	(65)
Current income tax expense / (income)	**1,602**	7,884	**(596)**	7,884
Deferred income tax expense	**-**	-	**-**	-
Depreciation and depletion	**4,587**	4,291	**24,706**	10,921
EBITDA	**(52,049)**	91,402	**(58,653)**	93,789
Other (income) / expenses *(Note 21)*	**(4,067)**	(87,688)	**(23,021)**	(88,694)
Impairment of non current assets *(Note 20)*	**48,255**	-	**48,255**	-
Adjusted EBITDA	**(7,861)**	3,714	**(33,419)**	5,095

**Depreciation and depletion are reconciled to aggregate depreciation in the operating adjustments in the condensed interim consolidated statements of cash flows in the Q3 Financial Statements.*

Free cash flow

The Company uses free cash flow as an indicator of the cash generated from its operations before consideration of how those activities are financed.

Free cash flow is calculated as cash generated from operating activities less cash used in investing activities. Free cash flow is also adjusted for non-operating transactions including the sale of marketable securities.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Q3 Financial Statements.

In thousands of CAD, except where noted	For the three months ended September 30, 2022 $'000	September 30, 2021 $'000	For the nine months ended September 30, 2022 $'000	September 30, 2021 $'000
Cash used in operations	**(10,301)**	8,018	**(28,156)**	(8,616)
Cash used in investing activities	56,928	(6,925)	122,734	(8,075)
Less: proceeds from sale of marketable securities	57,038	1,252	125,925	2,237
Less: proceeds from sale of exploration assets	-	-	-	9,310
Add: acquisition of exploration and evaluation assets	(44)	(455)	(44)	(696)
Adjusted cash used in investing activities	**(66)**	**(7,722)**	**(3,147)**	**(18,926)**
Free cash flow	**(10,367)**	296	**(31,303)**	(27,542)

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 (gains) losses, (gains) losses on financial instruments at fair value, impairment, and non-recurring gains and losses on treatment of marketable securities, sale of E&E 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 Q3 Financial Statements.

In thousands of CAD, except where noted		For the three months ended September 30, 2022	September 30, 2021	For the nine months ended September 30, 2022	September 30, 2021
Basic weighted average shares outstanding		**249,322,054**	245,455,157	**248,293,389**	237,760,824
Adjusted earning and adjusted basic earnings per shares reconciliation					
Net earnings / (loss) for the period	*$*	**(59,111)**	76,450	**(90,856)**	61,044
Adjusted for:					
Other (income) / expenses *(Note 21)*	*$*	**(4,067)**	(87,688)	**(23,021)**	(88,694)
Impairment of non current assets (*Note 20*)	*$*	**48,255**	-	**48,255**	-
Profit on disposal of exploration asset	*$*	**-**	160	**-**	(14,589)
Income tax expense / (benefit)	*$*	**(1,602)**	7,884	**596**	7,884
Adjusted earnings	*$*	**(16,525)**	(3,194)	**(65,026)**	(34,355)
Adjusted basic earnings per share	*$*	**(0.07)**	(0.01)	**(0.26)**	(0.14)

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 Notes 3,4 and 5 of the Q3 Financial Statements.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Q3 Financial Statements.

	September 30, 2022 $'000	December 31, 2021 $'000	December 31, 2020 $'000	January 31, 2020 $'000
Cash	**65,153**	32,345	40,494	28,703
Short-term investments	**147**	108	195	88
Gold in circuit	**165**	788	3	-
Stockpiles	**-**	4,732	565	-
Receivables	**4,019**	6,127	1,806	6,657
Marketable securities	**2,160**	58,691	16,477	6,979
Gold specimens	**97**	77	83	74
Available liquidity	**71,741**	**102,868**	**59,623**	**42,501**

	September 30, 2022			
	# of shares	Share price	Foreign exchange	Adjusted value $'000
Kalamazoo Resources Limited Ordinary Shares	10,000,000	$0.20	0.888	**1,777**
GBM Resources Ltd Ordinary Shares	11,363,637	$0.04	0.888	**383**
				2,160

	December 31, 2021			
	# of shares	Share price	Foreign exchange	Adjusted value $'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 held by the Company at the time.*

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 Q3 Financial Statements.

	September 30, 2022 $'000	December 31, 2021 $'000
Current assets	**76,158**	49,385
Current liabilities	**29,710**	45,460
Working capital	**46,448**	3,925

CAUTION ON FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of Canadian securities laws. Forward-looking information in this MD&A includes, but is not limited to, the Company's care and maintenance plans at its Beatons Creek Project; timing of receipt of Fresh approvals pursuant to the Submission; that the Company expects to make a final investment decision regarding mining of the Beatons Creek Fresh mineral resource post receipt of results of the deferred Feasibility Study; the value of certain Company assets, in particular the fair value of marketable securities held by the Company; the Company's planned production from, and further potential of, the Company's mineral properties; the Company's planned exploration activities; the Company's ability to raise additional funds; the future price of minerals, particularly gold; the estimation of mineral resources; the realization of mineral resource estimates; capital expenditures; success of exploration activities; exploration and development issues; currency exchange rates; government regulation of exploration, development, and mining operations; and social and environmental risks. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on numerous factors including but not limited to assumptions underlying mineral resource estimates and the realization of such estimates. Capital and development cost estimates are based on extensive research of the Company, purchase orders placed by the Company to date, recent estimates of development and operating costs and other factors. Forward-looking information is characterized by words such as "plan", "expect", "budget", "target", "schedule", "estimate", "forecast", "project", "intend", "believe", "anticipate" and other similar words or statements that certain events or conditions "may", "could", "would", "might", or "will" occur or be achieved. Forward-looking information is based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information.

Such factors include: the timing of receipt of Fresh approvals; the fluctuating price of gold; reliance on third parties to provide technical services and information, particularly with respect to assay turnaround timeframes; success of exploration, development and operations activities; health, safety and environmental risks; variations in the estimation of mineral resources; uncertainty relating to mineral resources; the potential of cost overruns; risks relating to government regulation; the impact of Australian laws regarding foreign investment; access to additional capital; volatility in the market price of the Company's securities; liquidity risk; risks relating to native title and Aboriginal heritage; risks relating to the construction and development of new operations; the availability of adequate infrastructure; the availability of adequate energy sources; seasonality and unanticipated weather conditions; limitations on insurance coverage; the prevalence of competition within the industry; currency exchange rates (such as the United States dollar and the Australian dollar versus the Canadian dollar); risks associated with foreign tax regimes; risks relating to potential litigation; risks relating to the dependence of the Company on outside parties and key management personnel; and risks in the event of a potential conflict of interest.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward looking statements. The assumptions referred to above and described in greater detail under *Risks Related to the Company* should be considered carefully by readers.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this MD&A (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements. The Company does not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada. If the Company 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.

RISKS RELATED TO THE COMPANY

The operations of the Company are subject to significant uncertainty due to the high-risk nature of its business. The following risks could materially affect the Company's financial condition and/or future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Dependence on Principal Exploration Stage Projects

The Company currently carries out exploration activities on several mineral properties. These properties may never develop into commercially viable deposits, which would have a material adverse effect on the Company's potential mineral resource production, profitability, financial performance and results of operations.

Dependence on Future Financing

Although the Company believes that it currently has access to sufficient funding for its planned operations, there can be no assurance that the Company will have the funds required to carry out all of its business plans or that those expenditures will prove profitable. Obtaining additional financing would be subject to a number of factors, including market prices for minerals and commodities, investor acceptance of the Company's properties and investor sentiment. These factors may make the timing, amount, terms or conditions of additional financing unavailable to the Company. The most likely source of future funds presently available to the Company is through equity or debt financings. Any sale of share capital will result in dilution to existing shareholders.

Exploration of Natural Resource Properties

While the discovery of a commercially viable deposit may result in substantial rewards, few mineral properties that are explored are ultimately developed into producing mines. There is no assurance that any of the claims the Company will explore or acquire will contain commercially exploitable reserves of minerals. Exploration for natural resources is a speculative venture involving substantial risk. Even a combination of careful evaluation, experience and knowledge may not eliminate such risk.

Hazards such as unusual or unexpected geological formations, formation pressures, cyclones, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability of the Company to obtain suitable machinery, equipment or labour due to industry disruptions or general shortages are all risks involved with the conduct of exploration programs and the operation of mines. While appropriate precautions to mitigate these risks have been taken or are planned to be taken, operations are subject to hazards such as equipment failure or failure of structures which may result in environmental pollution and consequent liability. Even though the Company intends to maintain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Permitting and License Risks

In the ordinary course of business, the Company will be required to obtain and renew governmental licences or permits for ongoing exploration, as well as the development, construction and commencement of mining at any of the Company's mineral resource properties. Obtaining or renewing the necessary governmental licences or permits is a complex and time-consuming process involving numerous jurisdictions, public hearings, and costly permitting and other legal undertakings on the part of the Company.

In Australia, as with many jurisdictions, there are various federal, state and local laws governing land, power and water use, the protection of the environment, development, occupational health and safety, waste disposal and appropriate handling of toxic substances. Such operations and exploration activities are also subject to substantial regulation under these laws by governmental agencies and require the Company to obtain permits from various governmental agencies.

Exploration generally requires one form of permit while development and production operations require numerous additional permits. There can be no assurance that all permits which the Company may require for future exploration or development will be obtainable at all or on reasonable terms. In addition, future changes in applicable laws or regulations could result in changes in legal requirements or in the terms of existing permits applicable to the Company or its properties. This could have a negative effect on the Company's exploration activities or the Company's ability to develop and operate its properties.

The duration and success of the Company's efforts to obtain and renew licences or permits are contingent upon many variables not within the Company's control, including the interpretation of applicable requirements implemented by the licensing authority, delays in processing of the Company's permitting submissions, and a lack of available resources within regulatory departments to review the Company's permitting submissions in a timely manner. The Company may not be able (and no assurances can be given with respect to its ability) to obtain or renew licences or permits that are necessary to conduct operations at the Company's property interests, including, without limitation, exploitation, operations, and environmental licences. Also, the cost to obtain or renew licences or permits may exceed what the Company believes can be recovered from its property interests if they are put into production. Any unexpected refusals of required licences or permits or delays or costs associated with the licensing or permitting process could prevent or delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or other remedial actions.

The Company also cannot be certain what conditions will be attached to such permits and licences or whether the Company will be able to fulfil such conditions. Further, any additional future laws and regulations, changes to existing laws and regulations (including, but not restricted to, the imposition of higher licence fees, mining royalties or taxes) or more stringent enforcement or restrictive interpretation of current laws and regulations by governmental authorities, or of rulings or clearances obtained from such governmental authorities, could cause additional expenditures (including capital expenditures) to be incurred or impose restrictions on, or suspensions of, the Company's operations and cause delays in the development of its properties.

Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damage to or destruction of properties and injury to persons resulting from the environmental, health and safety impacts of the Company's past and current operations, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The occurrence of any of these factors may have a material adverse effect on the Company's business, results of operations and financial condition and the price of the Common Shares.

Native Title and Aboriginal Heritage

Native title claims and Aboriginal heritage issues, including access to tenure, may affect the ability of the Company to pursue exploration, development and mining on Australian properties. Although to date the Company has been able to negotiate commercially reasonable and acceptable arrangements with Aboriginal title claimants, Aboriginal title holders, and land owners where the Company operates, including heritage agreements to access tenements for exploration efforts, there can be no assurance that claims will not be lodged in the future, including upon expiry of current tenure, which may impact the Company's ability to effectively operate in relevant geographic areas or at all. The resolution of native title and Aboriginal heritage issues is an integral part of exploration and mining operations in Australia and the Company is committed to actively managing any issues that may arise. However, in view of the inherent legal and factual uncertainties relating to such issues, no assurance can be given that material adverse consequences will not arise. The Company is currently reviewing the potential impact of the newly introduced Australian Aboriginal Cultural Heritage Act 2021 on its exploration and development activities.

There can be no assurance that access to tenure which the Company may require for future exploration, operation, or possible future development will be obtainable in a timely manner or at all or on reasonable terms. The Company also cannot be certain what conditions will be attached to such access or whether the Company will be able to fulfil conditions required by the relevant Aboriginal title claimants. Further, any additional future laws and regulations regarding Aboriginal title, changes to existing laws and regulations regarding Aboriginal title (including, but not restricted to, the imposition of higher licence fees or mining royalties) or more stringent enforcement or restrictive interpretation of current laws and regulations by governmental authorities and Aboriginal title claimants regarding Aboriginal title, or of rulings or clearances obtained from such Aboriginal title claimants, could cause additional expenditures (including capital expenditures) to be incurred or impose restrictions on, or suspensions of, the Company's operations and cause delays in the development of its properties. Moreover, these laws and regulations regarding Aboriginal title may allow Aboriginal title claimants and private parties to bring lawsuits based upon damage to or destruction of properties and injury to persons resulting from the environmental, health and safety impacts of the Company's past and current operations, and could lead to the imposition of substantial fines, penalties or other civil sanctions. The occurrence of any of these factors may have a material adverse effect on the Company's business, results of operations and financial condition and the price of the Common Shares.

Development, Operations, and Care and Maintenance of Projects

The Company's operations are subject to all of the risks normally encountered in the exploration, development, and retention of projects on care and maintenance, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions, any of which could result in damage to tenure, assets, and other facilities, personal injury or loss of life and damage to property, and environmental damage, all of which may result in possible legal liability. Exploration, development, and care and maintenance operations are also subject to hazards such as fire, rock falls and other geomechanical issues, equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability. Project on care and maintenance, such as the NGP, are subject to security risks if not properly maintained. The occurrence of any of these events could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Uncertainty in the Estimation of Mineral Resources and Mineral Reserves

Mineral resources that are not mineral reserves do not have demonstrated economic viability. The Company's publicly disclosed mineral resource figures contained in this MD&A are estimates only and no assurance can be given that these will ever be upgraded to higher categories of mineral resources or to mineral reserves. Even if mineral reserves are established in the future, there is no assurance that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral reserves will be mined or processed profitably. Actual mineral resources may not conform to geological, metallurgical or other expectations, and the volume and grade of mineralized material recovered may differ from estimated levels. There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation.

Short-term operating factors relating to the Company's mineral resources (and mineral reserves if ever established in the future), such as the need for orderly development of the mineralized material or the processing of new or different mineralized material grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of mineral resource estimates from time to time or may render the Company's mineral resource uneconomic to exploit. Mineral resource data is not indicative of future results of operations. If the Company's actual mineral resources (and mineral reserves if ever established in the future) are less than current estimates or if the Company fails to develop its mineral resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected.

Evaluation of mineral resources occurs from time to time and estimates of mineral resources (and mineral reserves if ever established in the future) may change depending on further geological interpretation, drilling results and metal prices, which could have a negative effect on the Company's operations. The category of inferred mineral resource is the least reliable mineral resource category and is subject to the most variability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to an indicated or measured mineral resource category as a result of continued exploration. There is no certainty that any mineral resources (or mineral reserves, if any) identified on any of the Company's properties will in fact be realized or will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. Until a deposit is actually mined and processed, the quantity of mineral resources (or mineral reserves, if any) and grade must be considered as estimates only and the Company may ultimately never realize production on any of its properties.

Nullagine Gold Project Development

The historical decision by the Company to produce at the Beatons Creek Project was not based on a pre-feasibility or feasibility study and no mineral reserves demonstrating economic and technical viability have been defined for the project. As a result, there was 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. The Beatons Creek Project was transitioned to care and maintenance in Q3 2022. The Feasibility Study on the Beatons Creek Project has been deferred to the first half of 2023. The results of this Feasibility Study are likely to be impacted by the current inflated cost environment in the mining industry, a tight Western Australian labour market, COVID-19 related supply challenges, and delays with approval of the Submission and conditions that may be imposed by such approvals. In addition, the transition to care and maintenance may trigger obligations to partially or wholly rehabilitate and remediate the Beatons Creek Project and/or the NGP which may not be included in future mine plans which are the subject of the Feasibility Study or other assessments currently being conducted by the Company.

The Feasibility Study and exploration efforts at the NGP may not encounter deposits which contain commercially exploitable reserves of minerals.

The Company is awaiting an update from the Western Australian Office of the Appeals Convenor regarding a reply to the appeal received in response to the Western Australian Environmental Protection Authority's ("**EPA**") decision to not assess the Company's proposed Phase Two Beatons Creek Project Fresh operations submission[17] (the "**Submission**"). The Company advises that the Appeals Convenor process may be protracted which may ultimately cause final approval of the Submission to be delayed.

Negative Operating Cash Flow

The Company has generally incurred losses since inception and may continue to incur losses as it proceeds with exploration and development of its mineral properties. The Company's efforts to date have been focused on acquiring and exploring its mineral properties. All but one of the Company's properties are in the exploration stage and none have mineral reserves.

Dependence on Key Management Personnel

The Company is dependent upon a number of key management personnel. The Company's ability to manage its operating, development, exploration and financing activities will depend in large part on the efforts of these individuals. As the Company's business grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff for

17 Refer to the Company's news release dated August 8, 2022.

operations. The Company faces intense competition for qualified personnel, and there can be no assurance that the Company will be able to attract and retain such personnel, particularly considering the current demand for labour in Western Australia and COVID-19 related international and inter-state travel restrictions. The loss of the services of one or more key employees or consultants or the failure to attract and retain new personnel could have a material adverse effect on the Company's ability to manage and expand the Company's business.

Labour and Employment Matters

The Company's operations are dependent upon the efforts of its employees and the Company's operations would be adversely affected if it fails to maintain satisfactory labour relations. Factors such as work slowdowns or stoppages caused by high turnover, loss of key staff, and difficulties in recruiting qualified geologists and other personnel and hiring and training new geologists and other personnel could materially adversely affect the Company's business. This would have a negative effect on the Company's business and results of operations, which might result in the Company not meeting its business objectives.

Western Australia is continuing to experience a surge in mining activity and operations, which has created significant demand for trained geologic, mining, and support staff. While the Company has sufficient skilled staff to carry on operations and there are currently no material labour shortages with the Company operating near its budgeted staffing levels, the Company may not be able to retain its staff. Loss of staff may have a material adverse effect on the Company's business, results of operations and financial condition.

In addition, relations between the Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in whose jurisdictions the Company carries on business. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations and financial condition.

Previous Work on the Egina, Beatons Creek, and Karratha Properties May Give Rise to Environmental Liabilities

There can be no assurance that historic (prior to the Company's ownership) activities on the Egina, Beatons Creek, and Karratha Properties, as well as on tenements held by Millennium, were conducted in full compliance with the various government and environmental regulations required under the Australian mining regime.

To the extent that any of the activities were not in compliance with applicable environmental laws, regulations and permitting requirements, enforcement actions thereunder, including orders of regulatory or judicial authorities, may be taken against the Company as a result of its interest in the Egina, Beatons Creek, and Karratha Properties, and on tenements held by Millennium. Any such actions or orders may cause increases in expenses, capital expenditures or production costs or reduction in levels of production, or require abandonment or delays.

Reclamation and Closure Costs

In the context of environmental permits, including the approval of reclamation plans, the Company must comply with standards, laws and regulations that may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the regulatory authority. The reclamation liability on any of the Company's properties will be calculated based on current laws and regulations and the expected future costs to be incurred in reclaiming, restoring and closing its exploration or operating mine sites. The Company may incur costs associated with reclamation activities, which may materially exceed the provisions established by the Company for the activities. In addition, possible additional future regulatory requirements may require additional reclamation requirements creating uncertainties related to future reclamation costs. Should the Company be unable to post required financial assurance related to an environmental remediation obligation, the Company might be prohibited from starting planned operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect. Furthermore, changes to the amount of financial assurance that the Company is required to post, as well as the nature of the collateral to be provided, could significantly increase the Company's costs, making the maintenance and development of new mines less economically feasible.

Although the Company has currently made provisions for its reclamation obligations at the Beatons Creek Gold Project and NGP and is assessing provisions for the reclamation obligations from other properties, there is no assurance that these provisions will be adequate in the future. The provision required is expected to increase. There can be no guarantee that the Company will have sufficient capital resources to cover the costs of reclamation when they become due and payable. The Company is currently engaged in discussions with DMIRS and DWER in Western Australia, with respect to its closure plan for the NGP, to account for any future changes to the site through production. Only an initial amount of required reclamation work has been completed as at the date hereof.

Failure to provide regulatory authorities with the required information could potentially result in the closure of the Company's operations, which could result in a material adverse effect on its operating results and financial condition.

Market Price of Securities

Over the last several years, the securities of many resource companies have experienced a high level of price and volume volatility and wide fluctuations in market price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of the Company include macroeconomic developments locally and globally and market perceptions of the attractiveness of particular industries. There can be no assurance that continued fluctuations in market prices will not occur.

As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the Company's long-term value. In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm profitability and the reputation of the Company.

A decline in the Company's market capitalization may require the Company to further write-down the carrying value of the Company's assets.

Uncertainty in Global Markets and Economic Conditions

There remains considerable volatility in global markets and economic conditions together with the volatility in the price of gold and in the availability and price of critical supplies, including fuel. This continues to generate uncertainty for the mining sector worldwide.

As discussed above, the Company has and will continue to rely on the capital markets for necessary capital expenditures.

As a result, the business, financial condition and operations of the Company could be adversely affected by: (i) continued disruption and volatility in financial markets; (ii) continued capital and liquidity concerns regarding financial institutions generally and hindering the Company's counterparties specifically; (iii) limitations resulting from governmental action in an effort to stabilize or provide additional regulation of the financial system; or (iv) recessionary conditions that are deeper or last longer than currently anticipated.

Water Supply, Management and Availability Challenges

The Company acknowledges the right to clean, safe water and recognizes that access to a reliable water supply is critical to the hygiene, livelihood and environmental health of Novo's host communities. The Company aims to balance its operational water needs to ensure the effective operation of its exploration projects with those of the local Pilbara and Victorian communities and ecosystems. Protecting the quality and quantity of water available to host communities and other users in its catchments is a key component of Novo's sustainability strategy which is expected to be reported upon in Fiscal 2022. Water is a critical input to Novo's mining operations, and the increasing pressure on water resources around the globe due to user demand and climate change requires the Company to consider current and future conditions in its management of water. Water scarcity is an inherent risk in the Pilbara, and rainfall can vary greatly from year to year. Novo's operations in this region face challenges related to limited supply, increased demand, and impacted water in various forms. Conversely, excessive rainfall or flooding may also result in operational difficulties, including geotechnical instability and flooding, increased dewatering demands, and additional water management requirements.

The Company's approach to management of water-related risks is based on a commitment to responsible water use, including assessing, managing and monitoring water risks and controls. Operating facilities and procedures have been designed to mitigate environmental and social impacts, including managing the quality and quantity of the water the Company uses and returns to the environment.

Nature and Climatic Conditions

The Company has properties located in Western Australia, Australia. Typically, the Western Australian's tropical wet season is from the end of November to the end of March. During the wet season, the properties may be subject to unpredictable weather conditions such as cyclones, heavy rains, strong winds and flash flooding. During the summer, the properties may be subject to unpredictable weather conditions such as extended dry periods and bush fires. The Company has undertaken several steps to minimize the effects of the wet and dry seasons on its operations including planning exploration and mining activities around said seasons. Nonetheless, no assurance can be given that the unpredictable weather conditions will not adversely affect exploration activities.

Furthermore, the occurrence of physical climate change events may result in substantial costs to respond to the event and/or recover from the event, and to prevent recurrent damage, through either the modification of, or addition to, existing infrastructure at the Company's operations. The scientific community has predicted an increase, over time, in the frequency and severity of extraordinary or catastrophic natural phenomena as a result of climate change. The Company can provide no assurance that it will be able to predict, respond to, measure, monitor or manage the risks posed as a result.

The Company's mining and processing operations are, in some instances, energy intensive. The Company acknowledges climate change is an international and community concern. Legislation and regulations relating to emission levels and energy efficiency are becoming more rigorous and may result in increased costs at its operations. In addition, as climate change is increasingly perceived as an international and community concern, stakeholders may increase demands for emissions reductions and call-upon mining companies to better manage their consumption of climate-relevant resources. While the Company takes measures to manage the use of energy, such regulatory requirements may have an adverse impact on the Company.

Physical climate change events, and the trend toward more stringent regulations aimed at reducing the effects of climate change, could impact the Company's decisions to pursue future opportunities, or maintain existing operations, which could have an adverse effect on its business and future operations.

The Company can provide no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risks of climate change will not have an adverse effect on its operations and profitability.

COVID-19

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020.

The outbreak and the response of various governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and financial markets worldwide, including the Company's operations and the operations of the companies in which the Company has invested. Restrictions on travel and the limited ability to have meetings with personnel, vendors and service providers have had, and may continue to have, an adverse effect on the Company's operations. The scale and duration of these developments remain uncertain as at the date of this MD&A, but they may have an impact on the Company's future cash flows. The Company notes that the value of certain assets, in particular the fair value of marketable securities recorded in the statement of financial position in the Company's Q2 Financial Statements, determined by reference to fair or market values at September 30, 2022, may have materially changed by the date of this MD&A.

The COVID-19 pandemic, including without limitation, the occurrence of new variants of the virus, has also caused, and is likely to continue to cause, severe economic, market and other disruptions worldwide. It is not possible to estimate the impact of the outbreak's near-term and longer-term effects or governments' varying efforts to combat the outbreak and support businesses.

There can be no assurance that conditions in the global financial markets will not continue to deteriorate as a result of the pandemic, or that the Company's access to capital and other sources of funding will not become constrained, all of which could adversely affect the availability and terms of any future financings the Company undertakes.

Since openings its borders to domestic and international travellers in March 2022, Western Australia has experienced community spread of COVID which is affecting the Company's workforce and operations. While mandatory isolation requirements for COVID-positive personnel have been lifted in Australia effective October 14, 2022, absenteeism related to COVID is still affecting staffing levels for the Company and its contractors, and supply chain issues are causing costs of production to increase, particularly with respect to fuel and other consumables. There can be no assurance that such conditions could adversely affect the Company's ability to operate in a safe manner.

Currency Fluctuations

Currency fluctuations may affect the Company's capital costs and the costs that the Company incurs at its operations. Gold is sold throughout the world based principally on a United States dollar price, but most of the Company's operating and capital expenses are incurred in Australian and Canadian dollars and the Company recognizes revenues in Australian dollars. Changes in these foreign currencies could materially and adversely affect the Company's profitability, results of operations and financial position.

The Company's ESG practices and reporting may be considered inadequate which may impact its reputation and/or ability to obtain financing

In the last several years, the importance of environmental, social and governance ("**ESG**") performance requirements, standards, and disclosure and reporting of material items has increased significantly across all stakeholder groups. While the Company is advancing its ESG strategy and intends to issue its inaugural sustainability statement in 2022, there is no assurance that the Company will be able to adequately address all ESG related expectations of priority stakeholders.

ESG factors, including climate change, are increasingly becoming a metric for institutional shareholders to review and assess the performance of the Company and a significant factor in investment decisions. The Company is advancing its strategy and framework to manage and monitor ESG matters at its operations and to ensure proper and complete reporting thereof. However, there are no assurances that the Company's efforts will be sufficient or meet all or any of the standards and frameworks set by various ESG analysts or institutional or other investors, or that the Company's efforts will accurately be reported on, which can adversely impact the Company's reputation and valuation. In addition, the Company's ability to obtain future financing or access capital may be impacted by its practices in respect of, and reporting on, ESG matters and the evaluation of the Company's practices by third party rating agencies on ESG matters.

Acquisitions and Integration

From time to time, the Company examines opportunities to acquire additional assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Company has committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant and may include risk of future prosecution against which the Company may have limited legal defense options. In the event that the Company chooses to raise debt capital to finance any such acquisition, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisition, existing shareholders may experience dilution. Alternatively, the Company may choose to finance any such acquisition with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Disclosure and Internal Controls

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Disclosure controls and procedures are designed to ensure that the information required to be disclosed by the Company in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to the Company's management, as appropriate, to allow timely decisions regarding required actions. The Company has invested resources to document and analyze its system of disclosure controls and its internal control over financial reporting. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Company's failure to satisfy the requirements of applicable Canadian securities laws on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm its business and negatively impact the trading price of the Common Shares. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations.

Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Legal proceedings arise from time to time in the course of the Company's business. Such litigation may be brought against the Company or one or more of its subsidiaries in the future from time to time or the Company or one or more of its subsidiaries may be subject to another form of litigation. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, should a claim be brought against the Company, the process of defending such claims could take away from management time and effort and the resolution of any particular legal proceeding to which the Company or one or more of its subsidiaries may become subject could have a material adverse effect on the Company's financial position and results of operations.

Information Technology

The Company is reliant on the continuous and uninterrupted operations of its information technology ("**IT**") systems. User access and security of all IT systems are critical elements to the operations of the Company. The Company's operations depend, in part, on how well the Company and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft.

The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect the reputation, operations or financial performance of the Company.

The Company's IT systems could be compromised by unauthorized parties attempting to extract business sensitive, confidential or personal information, corrupting information or disrupting business processes or by inadvertent or intentional actions on the part of the Company's employees or vendors. A cyber security incident resulting in a security breach or failure to identify a security threat, could disrupt business and could result in the loss of business sensitive, confidential or personal information or other assets, as well as litigation, regulatory enforcement, violation of privacy and security laws and regulations and remediation costs.

Although, to date, the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Obligations as a Public Company

The Company's business is subject to evolving corporate governance and public disclosure regulations that may from time to time increase both the Company's compliance costs and the risk of non-compliance, which could adversely impact the price of the Common Shares.

The Company is subject to changing securities laws and to rules and regulations promulgated by a number of governmental and self-regulated organizations having jurisdiction over the Company including, but not limited to, the TSX, the OTCQX, and the International Accounting Standards Board. These laws and regulations continue to evolve in scope and complexity creating many new requirements. The Company's efforts to comply with the same could result in increased general and administration expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Community Relations

The Company's relationships with the communities in which it operates and other stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of exploration and mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Company, its operations or extractive industries generally, could have an adverse effect on the Company and may impact relationships with the communities in which the Company operates and other stakeholders.

While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk. Further, damage to the Company's reputation can be the result of the perceived or actual occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easy for individuals and groups to communicate and share opinions and views in regards to the Company and its activities, whether true or not. While the Company strives to uphold and maintain a positive image and reputation, the Company does not ultimately have control over how it is perceived by others. Reputation loss may lead to increased challenges in developing, maintaining community relations and advancing its projects and decreased investor confidence, all of which may have a material adverse impact on the financial performance and growth of the Company.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including: adverse environmental conditions; industrial accidents; unusual or unexpected geological conditions; ground failures; changes in the regulatory environment; and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties and associated infrastructure, personal injury or death, environmental damage to the Company's properties or the properties of others, monetary losses and possible legal liability.

The businesses and properties of the Company are insured against loss or damage, subject to a number of limitations and qualifications. Such insurance will not cover all the potential risks associated with an exploration company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration is not generally available to the Company or to other companies in the exploration industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that it may not be insured against or that the Company may elect not to insure against because of premium costs or other reasons. The Company may suffer a material adverse effect on its business, results of operations, and financial position if it incurs a material loss related to any significant event that is not covered, or adequately covered, by its insurance policies.

Price of Gold

The Company's long-term viability depends, in large part, upon the market price of gold. Metal prices fluctuate widely and are affected by numerous factors beyond the Company's control, including global and regional supply and demand for industrial products containing metals generally; changes in global or regional investment or consumption patterns; increased production due to new mine developments and improved mining and production methods; decreased production due to mine closures; interest rates and interest rate expectation; expectations with respect to the rate of inflation or deflation; currency rate fluctuations; availability and costs of metal substitutes; global or regional political or economic conditions; and sales by central banks, holders, speculators and other producers of metals in response to any of the above factors.

There can be no assurance that metal prices will remain at current levels or that such prices will improve. A decrease in the market prices could adversely affect the economic viability of the NGP and other projects as well as its ability to finance the exploration and development of additional properties, which would have a material adverse effect on the Company's results of operations, cash flows and financial position. A decline in metal prices may require the Company to write-down mineral resource estimates (or mineral reserve estimates if ever established in the future), which could result in material write-downs of investments in mineral properties.

Joint Ventures

The Company is and will be subject to the risks normally associated with the conduct of joint ventures, which include disagreements as to how to develop, operate and finance a project, inequality of bargaining power, incompatible strategic and economic objectives and possible litigation between the participants regarding joint venture matters. These matters may have an adverse effect on the Company's ability to realize the full economic benefits of its interest in the property that is the subject of a joint venture, which could affect its results of operations and financial condition as well as the price of the Company's Common Shares.

Danger of Exploration and Development Activities

Exploration and development activities involve various types of risks and hazards, including but not limited to:

- environmental hazards;
- industrial accidents;
- metallurgical and other processing problems;
- unusual or unexpected rock formations;
- structural cave-ins or slides;
- flooding and fires; and
- periodic interruptions due to inclement or hazardous weather conditions.

These risks could result in damage to, or destruction of, mineral properties or other properties; personal injury; environmental damage; delays in activities; monetary losses; and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from production, is not generally available to the Company or to other companies within the mining industry. The Company may suffer a material adverse impact on its business if it incurs losses related to any significant events that are not covered by its insurance policies.

Exploration and Mining Tenements May be Subject to Forfeiture

The Australian title registration system provides for application for forfeiture of exploration and mining licences where there is, or has been, non-compliance with the prescribed royalties, rents or expenditure conditions. Forfeiture may occur in one of a number of ways.

A third party may file a plaint (an application for forfeiture) with the mining warden, who may (in the case of prospecting or miscellaneous licences) elect to forfeit the tenement or impose a fine not exceeding AUD $10,000 for non-compliance with expenditure conditions and not exceeding AUD $50,000 in any other case, or (in the case of exploration licences, mining and general purpose leases) make a recommendation to the Minister for Mines and Petroleum; Energy; Industrial Relations (the "**Minister**") for or against forfeiture.

In the latter case, the Minister may decide to forfeit the tenement, impose a fine not exceeding AUD $50,000 per tenement, or impose no penalty. A tenement may not be forfeited or recommended for forfeiture unless non-compliance is of sufficient gravity to justify forfeiture. Alternatively, the Minister may himself institute forfeiture measures where non-compliance has occurred (or impose a fine not exceeding AUD $50,000 per tenement which, if unpaid, results in deemed forfeiture).

Government Regulation

The Company's business, mining operations and exploration and development activities are subject to extensive federal, territorial and local laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection of the environment, reclamation, historic and cultural resource preservation, mine safety and occupational health, control of toxic substances, reporting and other matters. Although the Company believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, new rules and regulations may be enacted and existing rules and regulations may be applied in a manner that could limit or curtail production or development of the Company's properties. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations.

Competition

The mining industry is intensely competitive in all of its phases and the Company competes with many companies possessing greater financial and technical resources than itself. Competition in the precious metals mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but also conduct refining and marketing operations on a global basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration and success in the future.

Enforcement of Civil Liabilities

Substantially all of the Company's assets are located outside of Canada and certain of the directors and officers of the Company are or may be resident outside of Canada. As a result, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Company or the Company's directors and officers residing outside of Canada.

No Cash Dividends on Common Shares

Shareholders should not anticipate receiving cash dividends on the Common Shares. The Company has never declared or paid any cash dividends or distributions on the Common Shares. It is currently expected that the Company will retain future earnings, if any, to support operations and to finance explorations and therefore not pay any cash dividends on the Common Shares in the foreseeable future.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict.

The Company expects that any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard.

In addition, each of the Company's directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest or which are governed by the procedures set forth in the *Business Corporations Act* (British Columbia) and any other applicable law.

Tax Matters

The Company's taxes are affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Company's filing position, application of tax incentives or similar "holidays" or benefits were to be challenged for any reason, this could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company is subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively affect the Company's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Company's business. There is no assurance that the Company's current financial condition will not be materially adversely affected in the future due to such changes.

Foreign Mining Tax Regimes

Mining tax regimes in foreign jurisdictions are subject to differing interpretations and are subject to constant change. The Company's interpretation of taxation law as applied to its transactions and activities may not coincide with that of the tax authorities. As a result, transactions may be challenged by tax authorities and the Company's operations may be assessed, which could result in significant additional taxes, penalties and interest. In addition, proposed changes to mining tax regimes in foreign jurisdictions could result in significant additional taxes payable by the Company, which would have a negative impact on the financial results of Novo.