NOVO RESOURCES CORP.

(TSX: NVO; ASX: NVO; OTCQX: NSRPF)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2024

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**"), dated as of May 8 2024, should be read in conjunction with the condensed interim consolidated financial statements of Novo for the three months ended March 31, 2024 (the "**Q1 Financial Statements**") and accompanying notes thereto. The Q1 Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting ("**IAS**") 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.

In this MD&A:

"Q2 2024" means the three-month period ending June 30, 2024.

"Q1 2024" means the three-month period ended March 31, 2024.

"Q4 2023" means the three-month period ended December 31, 2023.

"Q1 2023" means the three-month period ended March 31, 2023.

All amounts are expressed in Canadian dollars unless otherwise stated. Additional information relating to the Company, including the Company's annual information form for the year ended December 31, 2023, is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Certain non-IFRS financial performance measures[1] 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 available liquidity and working capital. Refer to *Non-IFRS Measures* for further details and reconciliations of such non-IFRS measures.

Mrs. Karen (Kas) DE Luca (MAIG.) is the qualified person, as defined under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and the Competent Person as described by the JORC Code 2012. She is responsible for, and has reviewed and approved, the technical information contained in this MD&A in the form and context in which it is included unless indicated otherwise. Mrs De Luca is Novo's General Manager Exploration.

1 Refer to Non-IFRS Measures on page 23.

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FINANCIAL AND OPERATING HIGHLIGHTS

Q1 2024 Summary

- No significant safety, environment, or community incidents were recorded during Q1 2024.
- The Company focused its exploration efforts on field exploration in both the Pilbara and Victoria with drilling continuing at Belltopper.
- Cash and cash equivalents totalled $14,623,000 as at March 31, 2024, down from $30,705,000 as at March 31, 2023 and up from $11,762,000 as at December 31, 2023.
- Non-current marketable securities totalled $42,095,000 as at March 31, 2024, up from $25,506,000 as at March 31, 2023 and up from $34,395,000 as at December 31, 2023. The increase was mainly as a result of the increase in the value of the Company's investment in San Cristobal Mining Inc ("**SCM**") (refer to Note 4 of the Q1 Financial Statements).

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 registered as a foreign company with the Australian Securities & Investments Commission on January 13, 2023. 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's common shares settled in the form of a CHESS depositary interest (the "**CDIs**") commenced trading on the ASX under the symbol "NVO" on September 11, 2023.

The Company is engaged primarily in the business of evaluating, acquiring, exploring, and developing natural resource properties with a focus on gold. The Company holds approximately 7,000 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 tenure in Victoria, Australia, and also holds equity investments in a number of companies.

SIGNIFICANT BUSINESS DEVELOPMENTS & OUTLOOK

Board and Leadership Renewal

On March 25, 2024, Ms. Karen O'Neill was appointed as a director of the Company, and on March 26, 2024, Mr. Michael Barrett resigned as a director of the Company.

Following the appointment of a new CEO, it is proposed that the current Executive Co-Chairman and acting CEO, Mr. Mike Spreadborough, will move to the role of non-executive chairman. As part of this process, it is also proposed that current non-executive co-chairman, Dr. Quinton Hennigh, will move to the role of non-executive director.

Exploration Program Update Q1 2024

Field exploration programs recommenced in both Victoria and the Pilbara during Q1 2024, although in the Pilbara work was restricted to reconnaissance and preparation for drill programs scheduled in Q2 2024, due to inclement weather late in the quarter. No field work was completed by De Grey Mining at the Becher Project, part of the Egina farm-in and joint venture agreement (Egina JV). No field work was completed in the East Pilbara during the quarter; however, preparation for reconnaissance exploration work in Q2 2024 commenced. Diamond drilling continued to completion late in Q1 2024 at Belltopper in Victoria testing several newly identified, high priority structural and geophysical targets.

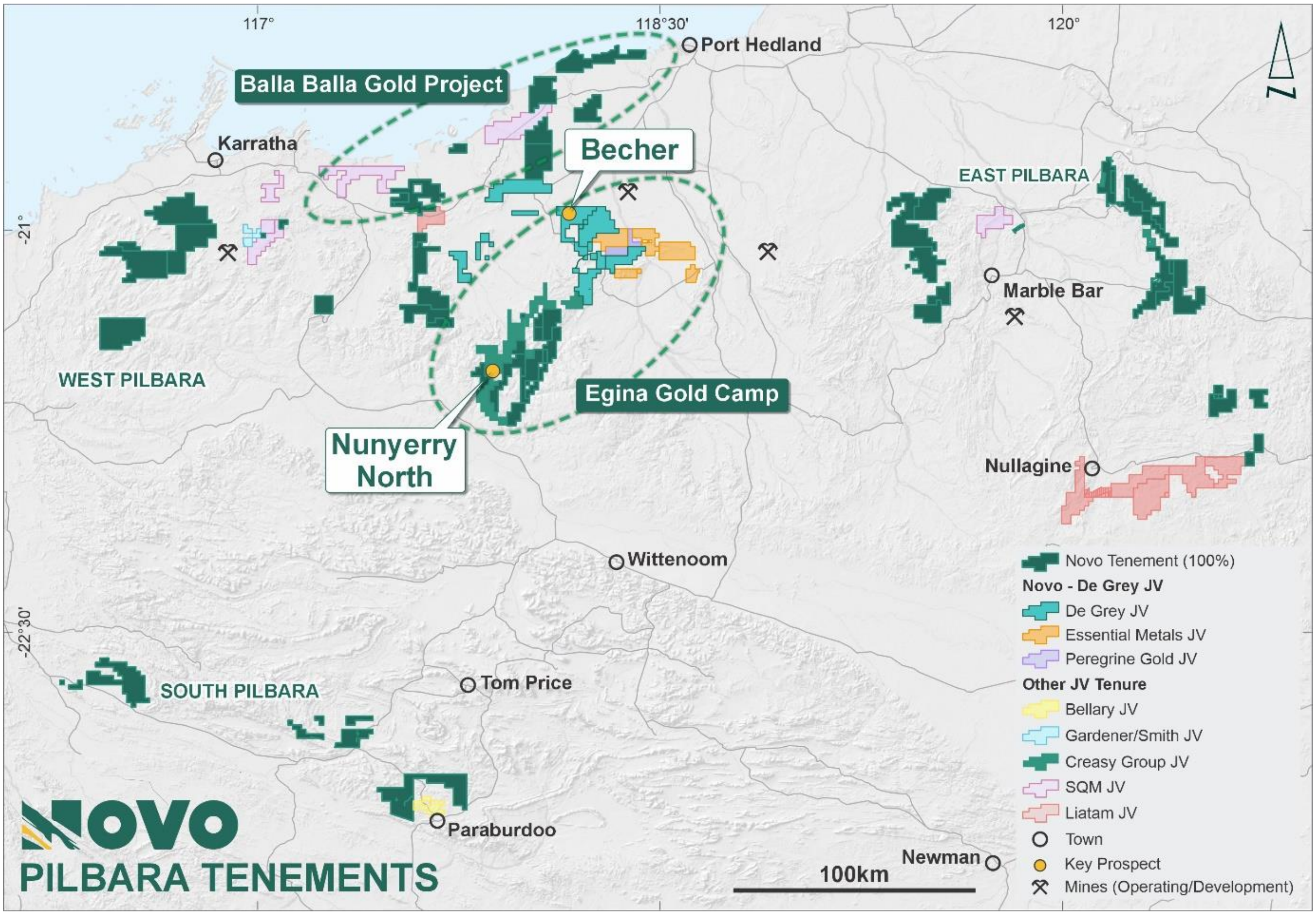

Figure 1: Novo's Pilbara landholding, project areas and priority prospects Mar-2024

Pilbara Exploration

The Egina Gold Camp (“**EGC**”**)** is an 80 km long contiguous tenement package, which hosts Novo’s current high priority Pilbara targets (Figure 1) at Nunyerry North and Becher. The tenure is focussed on a series of structurally complex, gold-fertile corridors and is hosted by rocks of the Mallina Basin in the north and mafic / ultramafic sequences further south. This belt will be the primary focus for Novo’s 2024 Pilbara exploration programs.

The Nunyerry North prospect lies within Exploration License E47/2973 in the southern EGC, located 150 km from Port Hedland. The tenement is subject to a joint venture agreement, with Novo holding a 70% interest and the remaining 30% held by Rockford Metals Pty Ltd, an entity controlled by Mark Gareth Creasy. Novo completed a maiden reverse circulation (RC) drilling program of 30 holes for 2,424 m at Nunyerry North in Q4 2023.

Initial results from both surface and drilling samples at Nunyerry North in 2023 indicated visible gold or coarse nuggety gold, with early trials conducted to assess gold variability. Based on the results, Novo resubmitted all significant drill intercepts from the maiden RC program for multi-pot PhotonAssay™ whereby all sample material was split over multiple PhotonAssay™ pots. The final assay result was calculated as the weighted average of the pots grade and weight, which resulted in larger overall sample weights and more accurate assay results.

All significant intercepts from the Q4 2023 RC drill program noted below are now derived from multi-pot PhotonAssay™ analysis, with an average sample size of approximately 2 kg, or four pots per sample. Whilst many significant intercepts have improved by analysing a larger sample size, the distribution of coarse gold is, by definition, variable and as a consequence not all re-assaying resulted in an assay upgrade.

Updated results now include best intercepts of[2]:

- 6 m at 6.12 g/t Au from 37 m, including 5 m at 7.28 g/t Au from 37 m (NC017)
- 11 m at 2.52 g/t Au from 22 m, including 6 m at 4.19 g/t Au from 22 m (NC014)
- 13 m at 1.89 g/t Au from surface, including 4 m at 2.56 g/t Au from 3 m (NC004)
- 4 m at 5.71 g/t Au from 40 m, including 3 m at 7.47 g/t Au from 41 m (NC015)
- 17 m at 1.34 g/t Au from 37 m, including 4 m at 3.77 g/t Au from 50 m (NC022)
- 14 m at 1.14 g/t Au from 39 m (NC006)

2 Refer to Company’s news releases dated March 27, 2024

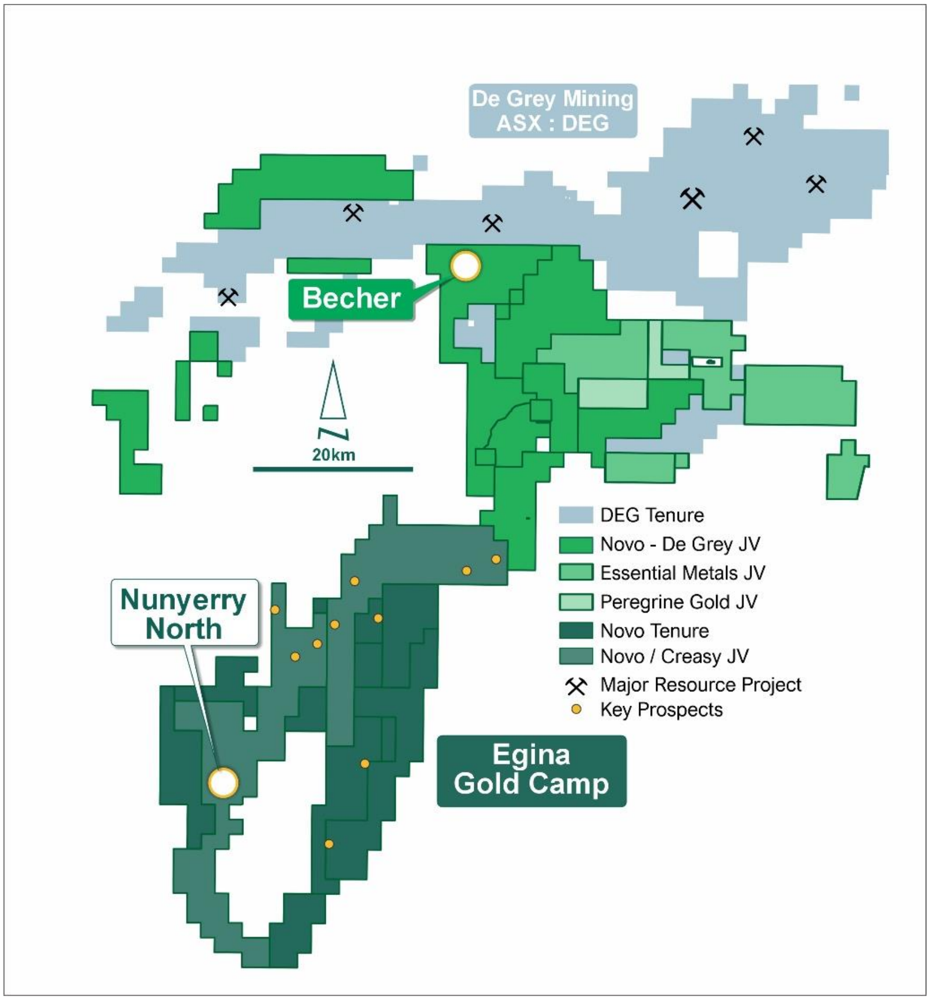

Figure 2: Southern EGC tenure showing significant Au prospects,
location of Nunyerry North, and JV interests.

In the northern EGC at the Egina JV area, Novo's partner De Grey Mining Pty. Ltd. (De Grey) completed over 10,500 m combined aircore (AC) and RC drilling at Becher on tenement E47/3673, mostly following up on Novo AC results from 2022/2023. A total of 271 infill AC holes were drilled for 7,536 m in Q4 2023, targeting the Heckmair/Irvine and Bonatti prospects. In addition, RC drilling commenced, with the first 29 drill holes for 4,154 m completed focusing on the Heckmair/Irvine and Lowe prospects.

No significant results (>0.1 g/t Au) were returned from AC drilling at Irvine or Bonatti, although RC hole MSRC0030 at Irvine returned 1 m @ 6.3 g/t Au. RC drilling at Lowe confirmed gold mineralisation associated with a deformed intrusive sill, with a best intercept of 8 m at 4.74 g/t Au from 96 m, including 3 m @ 11.88 g/t Au from 100 m (MSRC0031).[3]

Follow-up RC drilling into a base metal-gold corridor previously defined by Novo at Heckmair, intersected a significant zone of base metal-gold mineralisation from the two RC holes targeting the corridor (Figure 4).

3 Refer to Company's news releases dated February 13, 2024

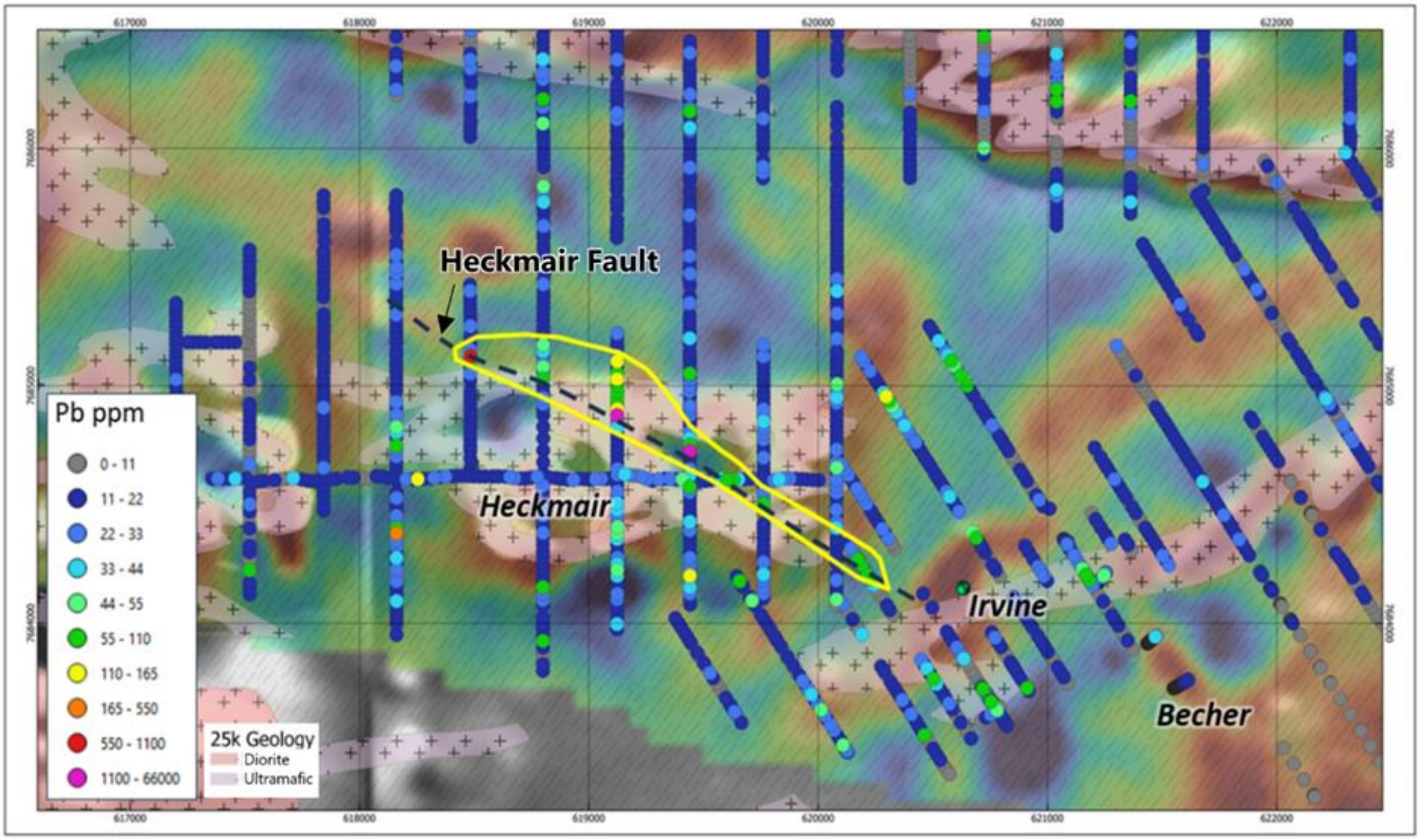

Figure 3: Heckmair Prospect – aeromagnetic/gravity images with bottom of hole Pb anomalism in AC drilling.

Results include (Figure 4)[3]:

- 0 m @ 0.12 g/t Au, 29.7 g/t Ag, 0.3% Cu, 1.5% Pb and 1.8% Zn from 40 m (MSRC0016) including 3 m @ 0.20 g/t Au, 59.8 g/t Ag, 0.9% Cu, 2.4% Pb and 2.2% Zn from 47 m

- 24 m @ 0.2 g/t Au, 13.2 g/t Ag, 0.1% Cu, 1.0% Pb and 0.1% Zn from 105 m (MSRC0017) including 6 m @ 0.48 g/t Au, 20.8 g/t Ag, 0.2% Cu, 1.4% Pb and 2.8% Zn from 105 m

The base metal corridor trends WNW through the Heckmair intrusion, with broad intervals of anomalous base metals and low-level gold mineralisation mapping a fault to over 1.5 km in strike[3].

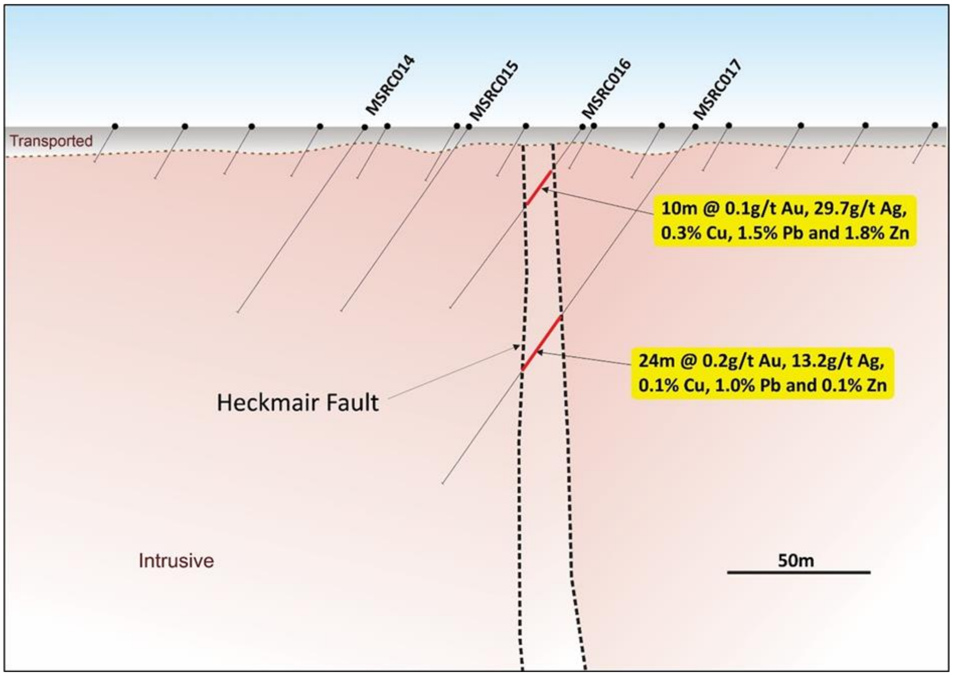

Figure 4: Heckmair cross section (619120E)

Forward Programs – Pilbara

Follow-up drill planning at Nunyerry North in H2 2024 includes ~ 4,000 m of RC drilling. The program will test the 2 km strike extent of the surface soil gold anomaly, down plunge of existing intercepts, and at depth for repeat mineralisation. Diamond drilling will test for multiple stacked lodes below best intercepts to date. The prospective stratigraphy continues along strike towards the east and repeats west of the Aurora Fault (
Figure 5). RC drilling to test these positions is planned for Q2 2024.

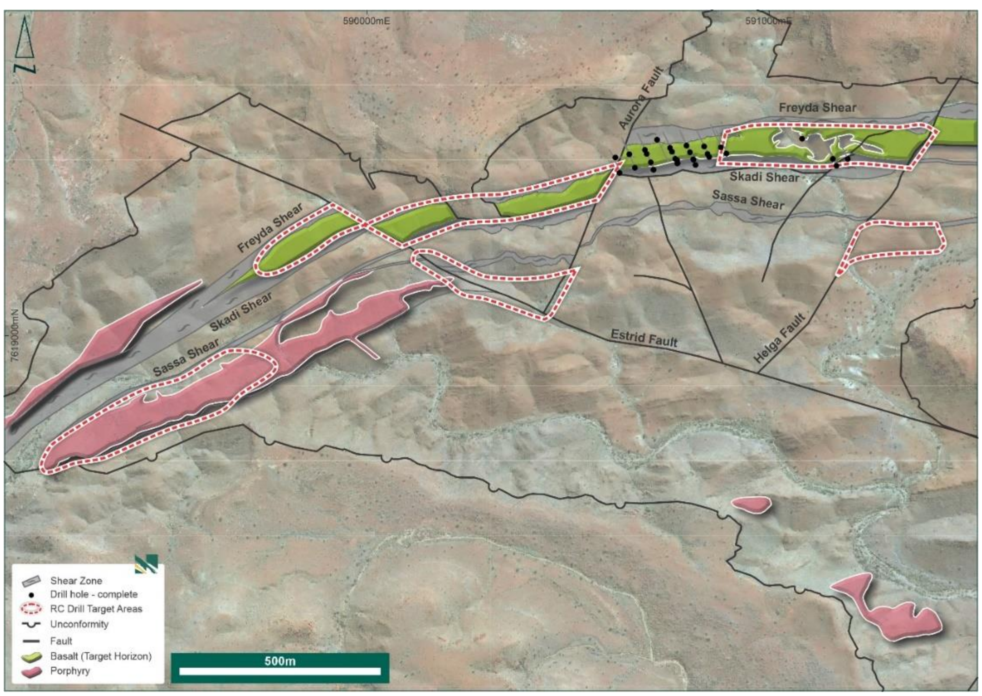

Figure 5: Nunyerry project area with interpreted geology, highlighting strike extent of favourable stratigraphy and additional structural targets for further drill testing

At Becher in the Egina JV, De Grey expect to recommence AC and RC drilling during Q2 2024 following up results generated from Heckmair and Lowe in 2023 programs, and have also planned geophysical surveys for Q2 2024, including a high-resolution drone aeromagnetic survey at Becher, and ground gravity over several selected areas.

A maiden RC drill program is also planned to test three prospects in the Karratha district, with programs to be completed at Railway Bore, East Well, and North Whundo. Drilling is scheduled to start in Q2 2024 and will total ~3,500 m to test gold and gold-copper(+-platinum-palladium) targets defined by a combination of mapping, surface geochemistry and historic geophysics (IP chargeability anomalies).

Victoria Exploration

In Victoria, diamond drilling at the Belltopper Gold Project (Figure 6) was completed late in the quarter. Summary metrics for the program are 6 holes for 2,529 m and final gold and multi-element assay results are awaited. The program was designed to test multiple high-priority targets, including structural and intrusion hosted/related gold targets, high-amplitude IP chargeability anomalies and favourable structural positions within key anticline corridors, and a developing high-grade zone at the Leven Star Reef.

A program of historical core logging and sampling of several deep diamond holes drilled by previous explorers has also been initiated. This work is expected to be finalise in the first half of Q2 2024.

Forward exploration will focus on updating the 3D Geological Model and integrating newly derived data from relogging.

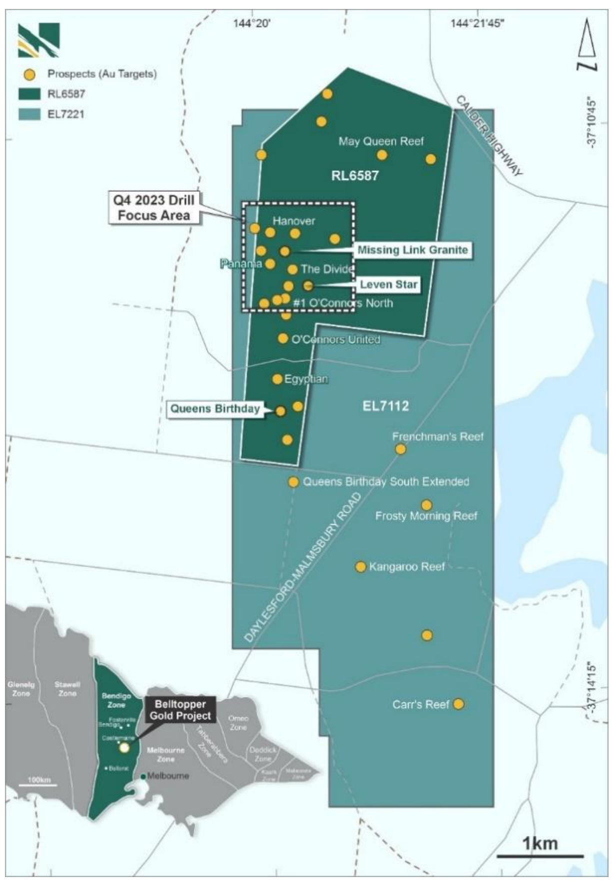

Figure 6 Belltopper Project location, tenure, and prospects.

SUSTAINABILITY

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 remained at 6.5. There were no reportable LTI during Q1 2024. The Company continues to enhance its health and safety protocols, including its focus on implementing critical risk controls, behaviours, and culture, for its Pilbara-wide and Victoria exploration efforts.

Environment

The Company works closely with the West Australian regulatory bodies, particularly the Department of Energy, Mines, Industry Regulation and Safety ("**DEMIRS**"), the Department of Water and Environmental Regulation ("**DWER**"), and the Environmental Protection Authority, in order to ensure compliance with requisite regulations. The Company is committed to environmental stewardship, particularly considering its vast landholdings in the Pilbara.

Climate change risks have been identified and are included within our corporate risk management plan. The Company's ongoing climate risk mitigation focuses on reducing operational greenhouse gas emissions, improving resources efficiency, the responsible use of water, and responding to the impact of extreme weather events.

Community and Traditional Owners

As a committed corporate citizen of the Pilbara region of Western Australia, the Company values its relationships with the Indigenous communities and local residents, and communities surrounding the Company's projects. Novo works closely with the nine Traditional owners who hold interests in the Company's vast Pilbara-wide tenure holdings.

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.

The Novo sustainability strategy have been guided by several key global frameworks, including the Global Reporting Initiative (GRI), and the International Council of Mining and Metals (ICMM) Mining Principles.

Figure 8 Novo sustainability strategy

FINANCIAL RESULTS

The following table contains quarterly information derived from the Q1 Financial Statements.

	For the three months ended	
	March 31, 2024 $'000	March 31, 2023 $'000 (restated)
General and exploration expenditure	**(5,387)**	(8,005)
Other income / (expenses), net	**838**	(406)
Finance items	**(515)**	200
Income tax expense	**-**	(107)
Loss from discontinued operation	**-**	(7,868)
Net loss for the period after tax	**(5,064)**	**(16,186)**
Basic and diluted loss per common share	**(0.01)**	(0.03)

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

Net loss after tax in Q1 2024 was $5,551,000 (Q1 2023 – $16,186,000), incurred as a result of exploration expenditure and general administration expenditure. The loss in Q1 2023 has been restated to reflect the divestment of the Nullagine Gold Project as a discontinued operation in December 2023.

Other Expenses

General administration costs in Q1 2024 were $2,908,000 as compared to $4,448,000 in Q1 2023. The decrease was due to lower depreciation, legal and consulting fees incurred during the quarter.

Exploration expenditure in Q1 2024 totalled $2,479,000 as compared to $3,557,000 in Q1 2023. The decrease was due to less fieldwork resulting from relinquishment and sale of several tenements in Q4 2023. Refer to Note 5 of the Q1 Financial Statements.

The Nullagine Gold Project was divested in Q4 2023 resulting in a restatement of the Q1 2023 balances. All care and maintenance, general administration and exploration expenditure balances totalling $7,868,000 are accounted for as part of the loss on discontinued operation. Refer to Note 17 of the Q1 Financial Statements.

Other Income / expenses

Other income recognized during Q1 2024 totalled $838,000 (Q1 2023 – expense $406,000) and relates to a non-cash $5,000 foreign exchange loss (Q1 2023 – loss $441,000) and a loss on sale of property, plant and equipment of $36,000 (Q1 2023 – profit - $43,000). This was offset by other income of $29,000, an in-specie distribution of $127,000 received from Kalamazoo Resources Limited resulting in the recognition of the Kali Metals Limited ordinary shares which commenced trading on the ASX on January 8, 2024 – Refer to Note 4 of the Q1 Financial Statements. Deferred revenue of $723,000 was recognised in the statement of profit and loss as SQM Australia Ptd Ltd ("**SQM**") advised the Company that several options to acquire tenements would not be exercised. Refer to Note 5 of the Q1 Financial Statements.

Finance Items

The Company incurred interest and finance costs of $515,000 during Q1 2024 (Q1 2023 – income $200,000); this includes interest earned of $126,000 (Q1 2023: $307,000) offset by non-cash interest expenses of $37,000 (Q1 2023 – $13,000) 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 7 and 9 of the Q1 Financial Statements. A net non-cash $297,000 rehabilitation expense (Q1 2023 - $94,000) was recognised relating to areas that have been distributed by the Company. Refer to Note 11 of the Q1 Financial Statements.

A non-cash interest expense of $307,000 (Q1 2023: Nil) has been recognised in the statement of profit and loss relating to the deferred consideration owing to IMC Resources Gold Holdings Pte Ltd, Heritas Capital Management (Australia) Pty Ltd, and IMC Resources Ltd (collectively, "**IMC**") raised in Q4 2023 totalling $10,812,000. Refer to Note 10 of the Q1 Financial Statements.

Other Comprehensive Income

During Q1 2024, a non-cash gain of $6,647,000 (Q1 2023 – $4,098,000) represented movements in the fair value of the Company's marketable securities. The Company's portfolio consists of holdings in listed and unlisted entities, including GBM Resources Limited ("**GBM**"), Kalamazoo Resources Limited ("**KZR**"), Elementum 3D Inc. ("**E3D**"), Calidus Resources Limited ("**CAI**"), Kali Metals Limited ("**KM1**") and SCM. The Q1 gain is mostly derived from the revaluation of the Company's SCM holding from US$5.82 per share to US$8.00 per share pursuant to the private placement that commenced in March 2024, and closed in April 2024. Refer to Note 4 of the Q1 Financial Statements.

During Q1 2024, the Company also recognized non-cash losses of $974,000 (Q1 2023 –$2,323,000) 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 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. The average foreign exchange rate was AUD $0.8865 to CAD $1.00 during Q1 2024 (Q1 2023 – AUD $0.9242 to CAD $1.00).

LIQUIDITY AND CAPITAL RESOURCES

	March 31, 2024 $'000	December 31, 2023 $'000	December 31, 2022 $'000
Cash	**14,623**	11,613	47,925
Short-term investments	**146**	149	152
Working capital[1]	**10,543**	14,886	33,695
Marketable securities	**42,095**	34,395	20,701
Available liquidity[1]	**16,575**	23,738	53,146
Total assets	**105,281**	106,451	256,161
Current liabilities excluding current portion of financial liabilities	**1,689**	3,446	12,365
Non-current liabilities excluding non-current portion of financial liabilities	**-**	-	41,935
Financial liabilities (current and non-current)	**17,989**	18,083	13,893
Total liabilities	**19,678**	21,529	68,193
Shareholders' equity	**85,603**	84,922	187,968

Available liquidity[1] totalled $16,575,000 as at March 31, 2024 (December 31, 2023 - $23,738,000) and represented the value of the Company's realizable assets. Refer to *Non-IFRS Measures* below. The Company's available liquidity[1] and working capital has decreased since December 31, 2023 due to ongoing ordinary course of business expenditure.

The Company has prepared a cash flow forecast that looks beyond this period, and through to the end of May 2025. That extended cash flow forecast takes into account working capital and operating cost assumptions, exploration costs, and capital expenditures, along with foreign exchange rates, and the ability to further realize marketable securities. Based on this, management has concluded that this could indicate a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. Refer to Note 2 in the Q1 Financial Statements.

	For the three months ended	
	March 31, 2024 $'000	**March 31, 2023 $'000**
Cash flow information		
Net cash generated from / (used in) operations	**3,847**	(16,048)
Net cash generated from investing activities	**119**	36
Net cash used in financing activities	**(654)**	(1,079)
Change in cash	**3,312**	(17,091)

Operating cash inflows totalled $3,847,000 in Q1 2024 (Q1 2023 – outflows $16,048,000). The net inflows primarily relate to the cash consideration received from SQM for the Harding Battery Metals Joint Operation transaction. Q1 2023 outflows related primarily to a net loss generated from ongoing ordinary course of business, exploration, and care and maintenance expenditures.

Investing cash inflows totalled $119,000 in Q1 2024 (Q1 2023 - inflow of 36,000) and relate to the net proceeds from the sale of certain property, plant and equipment. Q1 2023 inflows were offset by asset purchases of $7,000.

During Q1 2024, the Company recognized $654,000 (Q1 2023 – $1,079,000) in financing cash outflows relating to the principal portion of lease liabilities incurred pursuant to IFRS 16.

SELECTED FINANCIAL INFORMATION

Management is responsible for the Q1 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 Q1 Financial Statements and MD&A and makes recommendations to the Board, the Board has final approval of the Q1 Financial Statements and MD&A.

SUMMARY OF QUARTERLY RESULTS

The following information is derived from and should be read in conjunction with the Q1 Financial Statements and the 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.

		1st Quarter 2024 March 31, 2024	4th Quarter 2023 December 31, 2023	3rd Quarter 2023 September 30, 2023	2nd Quarter 2023 June 30, 2023	1st Quarter 2023 March 31, 2023	4th Quarter 2022 December 31, 2022	3rd Quarter 2022 September 30, 2022	2nd Quarter June 30, 2022	1st Quarter 2022 March 31, 2022
Revenue	***$'000***	**-**	**-**	**-**	-	-	2,496	27,987	29,685	31,875
Net Profit / (Loss)	***$'000***	**(5,064)**	(48,894)	(9,553)	(11,187)	(16,186)	(14,562)	(60,713)	(19,617)	(12,933)
Basic and Diluted Income (Loss)	***$/share***	**(0.01)**	(0.16)	(0.04)	(0.04)	(0.06)	(0.42)	(0.24)	(0.08)	(0.05)

CASH RESOURCES AND GOING CONCERN

The Q1 Financial Statements have been prepared on a going concern basis, which contemplates continuity of business activities and the realization of assets and settlement of liabilities in the normal course of business.

For the three months ended March 31, 2024, the Company reported a net loss before tax of $5,064,000 (March 31, 2023: $16,079,000) and operating cash inflows of $3,847,000 (March 31, 2023 outflows: $16,048,000). The Company had cash on hand and short-term investments of $13,460,000 at May 8, 2024 and $14,769,000 at March 31, 2024.

The directors, in their consideration of the appropriateness of the going concern basis for the preparation of the condensed interim consolidated financial statements have prepared a cash flow forecast demonstrating that the Company will have access to sufficient cash flows to meet its commitments and working capital requirements for the 12-month period from the date of signing the Q1 Financial Statements. Based on the cash flow forecast, operating cost assumptions, exploration costs, and capital expenditures, along with foreign exchange rates, and the ability to further realize marketable securities, the Company's directors are satisfied that the Company will have sufficient cash to continue as a going concern.

Critical elements to managing the Company's cash flows and achieving the forecast cash flows and positive cash balance include managing forecast capital expenditure, determining forecast discretionary exploration expenditure, and realising additional liquidity from the potential to dispose of certain of the Company's assets at favourable prices, in acceptable timeframes, if required.

Should the Company not meet its cash flow forecast or achieve the above, it may need to rely on a number of additional options, including securing additional funding or by raising further capital from equity markets. The directors will continue to manage the Company's activities including the ability to scale back planned projects if required to preserve cash, with due regard to current and future funding requirements. The Company had available liquidity of $16,575,000 at March 31, 2024.

At the date of signing the Q1 Financial Statements, the directors had reasonable grounds to believe that the Company will be able to achieve the above matters noted and that it is appropriate to prepare the condensed interim consolidated financial statements on the going concern basis.

The conditions above indicates that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, whether it will be able to realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the condensed interim consolidated financial statements. The condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

CONTRACTUAL OBLIGATIONS

As at March 31, 2024, the following contractual obligations were outstanding:

As at March 31, 2024	Within 1 year $'000	Within 1-2 years $'000	Within 2-3 years $'000	Within 3+ years $'000	Total $'000
Trade and other payables	1,689	-	-	-	**1,689**
Deferred consideration	2,648	2,295	8,827	-	**13,770**
Leases	596	167	172	117	**1,052**

As at December 31, 2023	Within 1 year $'000	Within 1-2 years $'000	Within 2-3 years $'000	Within 3+ years $'000	Total $'000
Trade and other payables	3,446	-	-	-	**3,446**
Deferred consideration	2,700	2,340	9,001	-	**14,041**
Leases	1,260	168	173	162	**1,763**

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 except as otherwise disclosed.

RELATED PARTY TRANSACTIONS

During Q1 2024 and 2023, 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:

Name	Nature of Compensation	For the three months ended March 31, 2024 $'000	March 31, 2023 $'000
Non Executive Co-Chairman & Director	Director fees	**34**	36
Executive Co-Chairman & Director	Salary	**111**	116
CFO & Corporate Secretary	Salary	**66**	84
Former VP, Corporate Communications	Consulting Fees	**35**	45
Independent Directors	Director Fees	**58**	69
Share Based Payments	Stock Options	**83**	205
Total		**387**	**555**

Details of these compensation arrangements are outlined in the Company's most recently filed Form 51-102F5 *Information Circular* (available under the Company's profile on SEDAR+ at www.sedarplus.ca with a filing date of October 11, 2023).

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, and the chief financial officer/corporate secretary. On January 15, 2024 and March 20,2024 the Company issued 3,684,824 shares at a fair value of $0.17 per share, based on the closing price of the Company's common shares on the TSX, to its employees under the Plan.

The Company's methodology for calculating the fair value of share-based payments is outlined in Note 2 of the Q1 Financial Statements. Share-based payments relating to these key management personnel and directors totalled $83,000 during Q1 2024 (Q1 2023 - $205,000).

CRITICAL ACCOUNTING ESTIMATES

The accounting policies and methods of application applied by the Company are outlined in the Q1 Financial Statements (refer to Note 2).

FINANCIAL INSTRUMENTS

a) Fair value

The Company's financial instruments include cash, short-term investments, other receivables, marketable securities, accounts payable, lease liabilities, deferred consideration liability, deferred revenue and accrued liabilities. 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, accounts payable, accrued liabilities, deferred consideration liability, deferred revenue and lease liabilities approximate their respective fair values due to their short-term nature.

Financial Instruments carried at fair value:

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

- 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 $6.82 per share which represents the price at which E3D raised funds with sophisticated third-party investors from August 2023 to January 2024. The share price which is at arm's length and occurred close to balance sheet date is an unobservable input and is considered to be an appropriate measure of fair value of the E3D shares. A 5% movement in the transaction price of E3D shares would have resulted in a movement of $830,000 in net assets (December31, 2023: $810,000) Refer to note 4

- The marketable securities balance held in SCM is measured using Level 3 inputs. The US $8.00 per share fair value represents the price at which SCM raised funds through a private placement that commenced in March 2024, completed April 2024. A 5% movement in the transaction price of SCM shares would have resulted in a movement of $937,000 in net assets. Refer to note 4. As at December 31, 2023 the US$5.38 per share fair value was determined considering a number of factors including the fair value by SCM by an independent valuer upon acquisition of the San Cristobel Mine further supported by the December 31, 2023 cashflow model. Key assumptions underlying the cashflow model were commodity prices and discount rate. A 5% increase/decrease in the commodity prices would have resulted in a $2,860,000 increase or $3,477,000 decrease in net assets respectively. A 5% increase/decrease in the discount rate would have resulted in a movement of $320,000 in net assets.

	Fair Value Hierarchy			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at March 31, 2024				
Financial assets at Fair Value				
Marketable securities	1,224	-	40,871	42,095
Total March 31, 2024	**1,224**	-	**40,871**	**42,095**
As at December 31, 2023				
Financial assets at Fair Value				
Marketable Securities	1,432	-	32,963	34,395
Total December 31, 2023	**1,432**	-	**32,963**	**34,395**

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management formally assessed the effectiveness of the Company's internal control over financial reporting as at March 31, 2024, 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 March 31, 2024 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 May 8 2024, 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 *	354,630,279	-	-
Stock Options	2,275,000	3.57	January 6, 2025
Stock Options	3,000,000	1.89	November 6, 2026
Warrants	3,205,128	0.60	December 22, 2024
Warrants	641,025	0.60	December 22, 2025
Warrants	2,018,936	0.60	April 24, 2025
Fully Diluted	**365,770,368**		

* *Common shares include 88,428,937 CDIs listed on the ASX.*

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.

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 cash, 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. Refer to Notes 3 and 4 of the Q1 Financial Statements.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Q1 Financial Statements.

	March 31, 2024 $'000	December 31, 2023 $'000	December 31, 2022 $'000
Cash	**14,623**	**11,613**	47,925
Short-term investments	**146**	**149**	152
Receivables	**483**	**10,445**	2,587
Marketable securities	**1,227**	**1,434**	2,381
Gold specimens	**96**	**97**	101
Available liquidity	**16,575**	**23,738**	**53,146**

	March 31, 2024			
	# of shares	Share price	Foreign exchange	Adjusted value $'000
Kalamazoo Resources Limited Ordinary Shares	10,000,000	$0.09	0.883	**786**
GBM Resources Limited Ordinary Shares	11,363,637	$0.01	0.883	**80**
Calidus Resources Limited Ordinary Shares	1,347,089	$0.12	0.883	**138**
Kali Metals Limited Ordinary Shares	566,947	$0.45	0.883	**224**
				1,227

	December 31, 2023			
	# of shares	Share price	Foreign exchange	Adjusted value $'000
Kalamazoo Resources Limited Ordinary Shares	10,000,000	$0.12	0.900	**1,080**
GBM Resources Limited Ordinary Shares	11,363,637	$0.01	0.900	**92**
Calidus Resources Limited Ordinary Shares	1,347,089	$0.22	0.900	**262**
				1,434

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 Q1 Financial Statements.

	March 31, 2024 $'000	December 31, 2023 $'000
Current assets	**16,683**	23,862
Current liabilities	**6,140**	8,976
Working capital	**10,543**	14,886

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 value of certain Company assets, in particular the fair value of marketable securities held by the Company; the Company's further potential of its mineral properties; the Company's planned exploration activities; the Company's ability to raise additional funds; the Company's ability to continue as a going concern; 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 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 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; 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; 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 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 and Australia. 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.