NOVO RESOURCES CORP.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED JUNE 30, 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 August 8,2024, should be read in conjunction with the condensed interim consolidated financial statements of Novo for the six months ended June 30, 2024 (the "**Q2 Financial Statements**") and accompanying notes thereto. The Q2 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.

In this MD&A:

"H2 2024" means the six-month period ending December 31, 2024.

"H1 2024" means the six-month period ended June 30, 2024.

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

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

"H1 2023" means the six-month period ended June 30, 2023.

"Q2 2023" means the three-month period ended June 30, 2023.

"Q4 2023" means the three-month period ended December 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 20.

TABLE OF CONTENTS

FINANCIAL AND OPERATING HIGHLIGHTS

Q2 2024 Summary

- No significant safety, environment, or community incidents were recorded during Q2 2024.
- In Q2 2024, exploration in the Pilbara saw the Company initiate the second phase of drilling at Nunyerry North while aircore and RC drilling recommenced at Beacher under the Egina farm-in with De Grey.
- Cash and short-term investments totalled $10,656,000 as at June 30, 2024, down from $26,986,000 as at June 30, 2023 and down from $11,762,000 as at December 31, 2023.
- Non-current marketable securities totalled $42,266,000 as at June 30, 2024, up from $24,828,000 as at June 30, 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 Q2 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 6,700 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 listed and unlisted companies.

SIGNIFICANT BUSINESS DEVELOPMENTS & OUTLOOK

Board and Leadership Renewal

On June 4, 2024 Ross Hamilton resigned as a director of the Company. 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.

The recruitment process to identify and appoint a new CEO, has been suspended whilst the Company progresses its Project Generation work to assess new opportunities. Mr. Mike Spreadborough will remain in the role of executive Co-Chairman and acting CEO.

Exploration Program Update Q2 2024

Field exploration programs focussed on the Pilbara during Q2 2024, with Novo in late May 2024 commencing the second phase of exploration of exploration drilling at Nunyerry North involving reverse circulation (“**RC”**). In addition, both aircore (“**AC”**) and RC drilling recommenced at the Becher Project in the Egina farm-in and joint venture agreement (“**Egina JV”**) with De Grey Mining (ASX: DEG). In the Karratha District preparation for RC drilling continues. In the East Pilbara, both reconnaissance mapping and sampling was conducted during the quarter at Miralga, and preparation for RC drilling at Bamboo proposed for late 2024 continued (Figure 1).

At the Belltopper Gold Project in Victoria, results from the diamond drill program completed in Q1 2024 were received. The program tested several newly identified, high priority structural and geophysical targets.

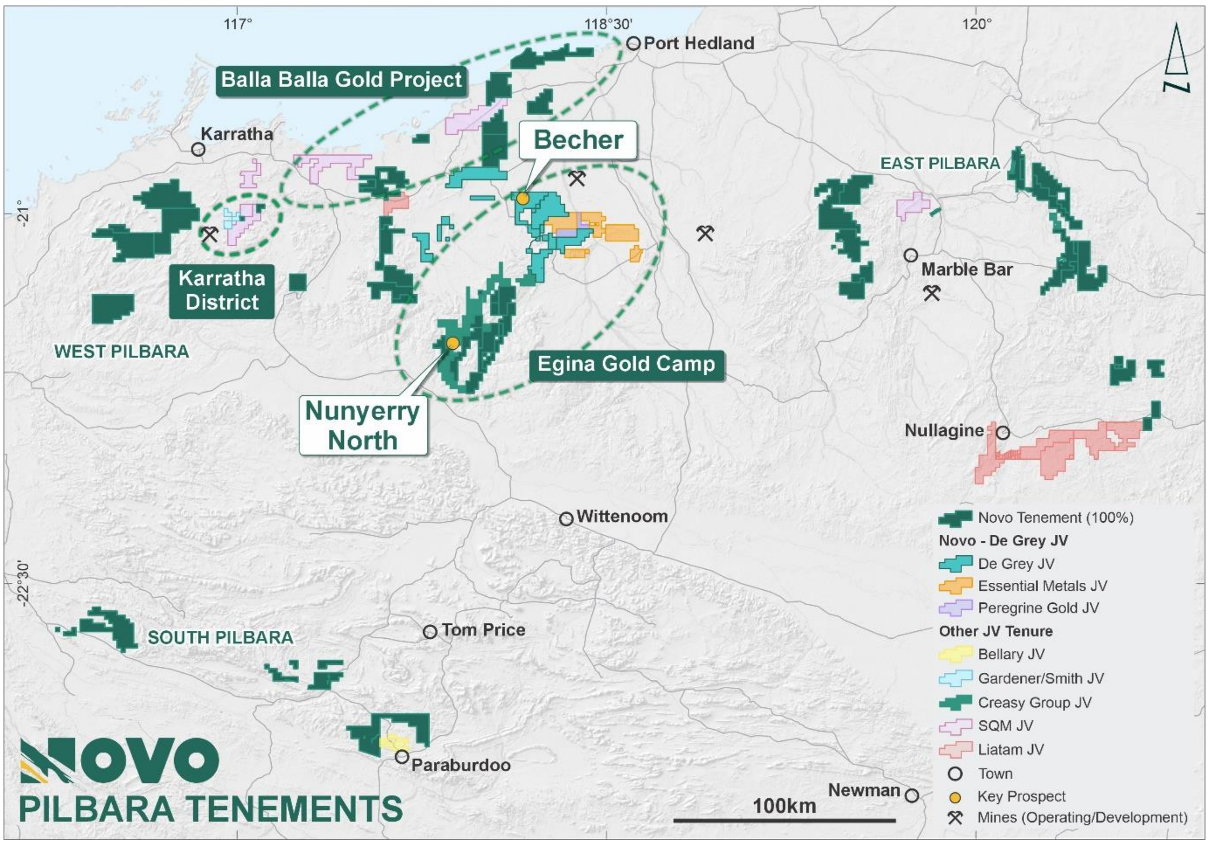

Figure 1: Novo's West Pilbara landholding, Project areas and priority prospects June-2024

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 2) 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 is 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 of Mark Gareth Creasy (The Creasy Group). Novo completed a maiden RC drilling program of 30 holes for 2,424 m at Nunyerry North in Q4 2023.

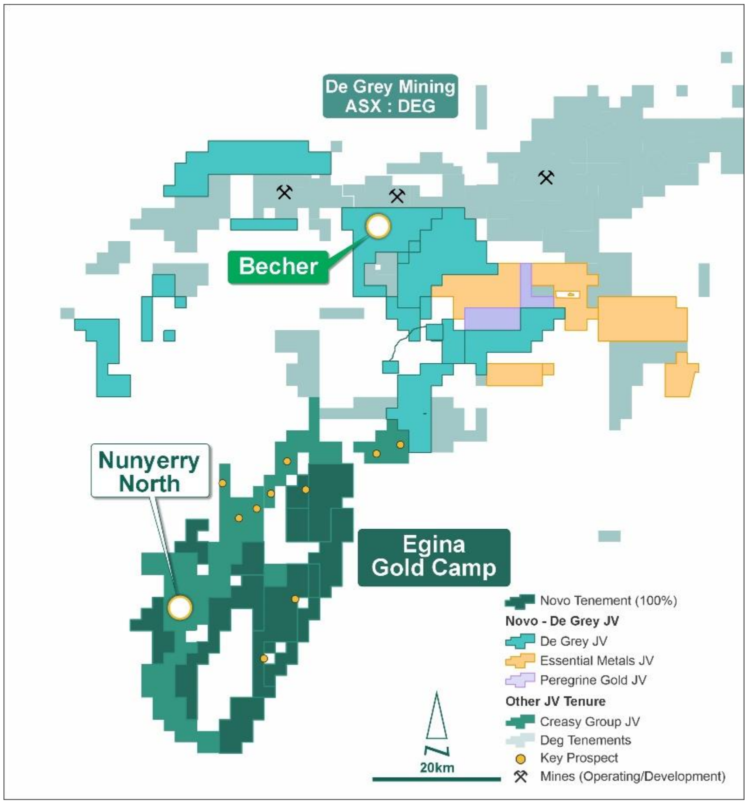

Figure 2: EGC tenure showing significant Au prospects, location of Nunyerry North, and JV interests.

Phase 2 RC drilling commenced at Nunyerry North in late May 2024 following receipt of significant results from the maiden drill program.[2] The current program nears completion with a total of 28 RC holes for 3,168 m drilled at end June 2024. Drilling is proceeding to plan with the program expected to be completed in early Q3 2024.The program is designed to test multiple new targets along strike of known mineralisation and down plunge of existing intercepts (Figure 3) with final assays are expected in early August.

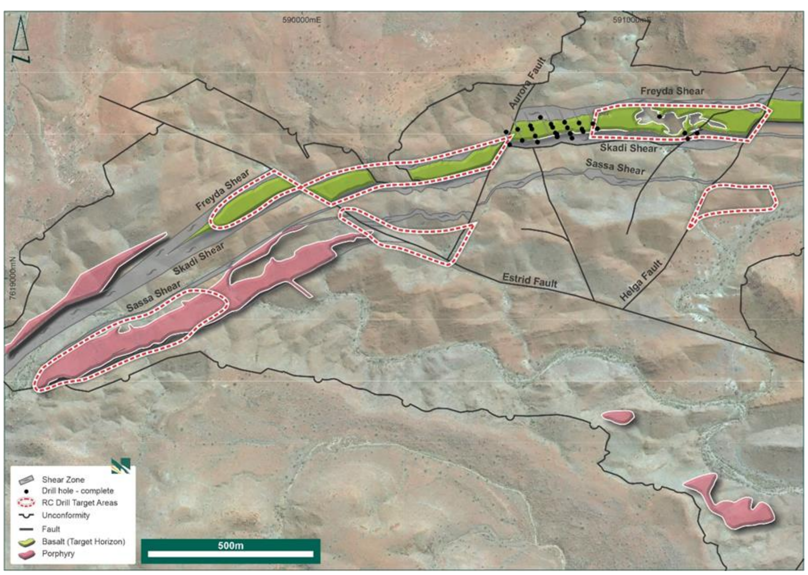

Figure 3: Nunyerry project area with interpreted geology, highlighting strike extent of favourable stratigraphy and additional structural targets for further drill testing.

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2 Refer to Company's news release dated [May 1, 2024]

In the northern EGC at the Egina JV area, Novo's partner De Grey Mining Pty. Ltd. ("**De Grey"**) commenced drill programs in late May 2024, with two rigs concurrently conducting a proposed approx. 28,000 m combined AC and RC program. The RC program is focussed initially at Heckmair and has been designed to follow up on encouraging results at Lowe, Heckmair, and Whillans. The AC program has commenced at Lowe and aims to provide better geochemical coverage over structural and intrusion targets (Figure 4). At end June 2024 a total of 38 RC holes for 4,975 m and 201 AC holes for 16,955 m have been completed. Results are expected in Q3 2024.

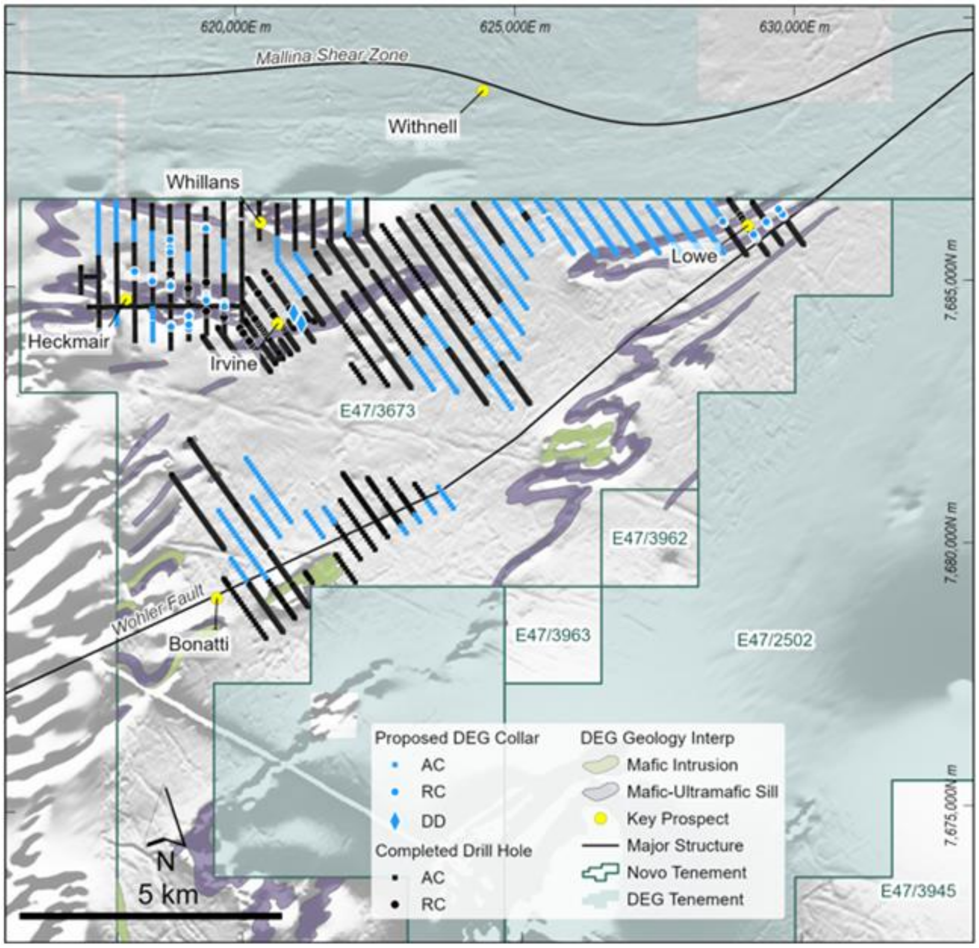

Figure 4: Proposed drill programs by JV partner De Grey at the Becher Project in the Egina JV

Forward Programs – Pilbara

Results from the Nunyerry North RC drill program will be assessed prior to finalising targets for diamond drilling. At Becher in the Egina JV, De Grey AC and RC drilling programs are expected to continue in Q3 2024. Geophysical surveys proposed for Q2 2024, including a high-resolution drone aeromagnetic survey at Becher, and ground gravity over several additional selected areas, have been delayed and are now scheduled for Q3 2024.

Novo also plans to conduct maiden RC drill programs to test three prospects in the Karratha district; being Railway Bore, East Well, and North Whundo. Drilling is scheduled to start in Q3 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).[2]

At the Balla Balla Gold Project (Figure 1) a reconnaissance AC program is also planned for H2 2024, testing prospectivity adjacent to the Sholl Shear and associated potentially fertile structural corridors undercover. The project is considered prospective for intrusion-hosted gold mineralisation, in addition to structurally controlled gold. Geophysical interpretation and research of historical data completed in 2023 advanced the Company's understanding of prospectivity in the project area and further delineated targets for follow-up work in 2024.

Victoria Exploration

In Victoria, final gold and multi-element assay results have been received from the diamond drilling at the Belltopper Gold Project (Figure 5) completed late Q1 2024. Summary metrics for the program are 6 holes for 2,529 m. 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.[3]

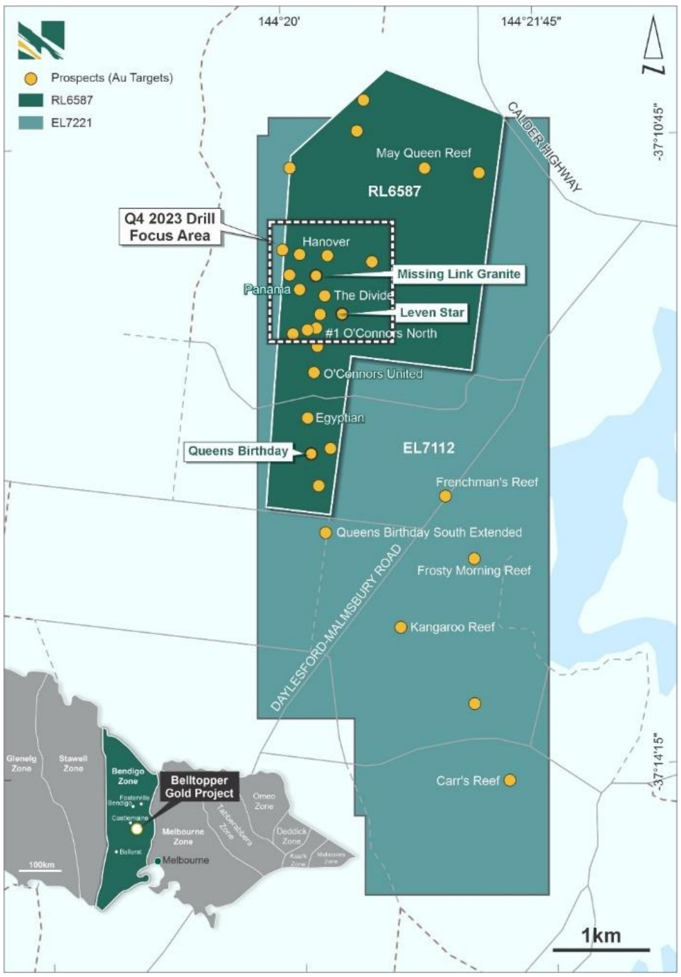

Figure 5: Belltopper Project location, tenure, and prospects.

A series of significant results were returned from the drill program contributing to the understanding of the tenor and position of key historic reefs. A new high-priority north-west trending target corridor was also defined. Key results include:[3]

3 Refer to Company's news release dated [June 3, 2024]()

- 5.6 m @ 3.14 g/t Au from 219.8 m and 4.25 m @ 5.88 g/t Au from 274.75 m (including 2 m @ 11.15 g/t Au) and 1.94 m @ 2.37 g/t Au from 230 m in BTD001 on the Leven Star Reef.
- 2 m @ 15.18 g/t Au from 9 m in BTD004 on a newly discovered reef.
- 12.26 m @ 1.45 g/t Au from 185 m (including 4.6 m @ 2.64 g/t Au) in BTD005 on the Missing Link Reef.
- 7 m @ 1.88 g/t Au from 179 m (including 3.19 m @ 3.42 g/t Au) in BTD006 on the Piezzi Reef, a parallel structure to the O'Connor's Reef.

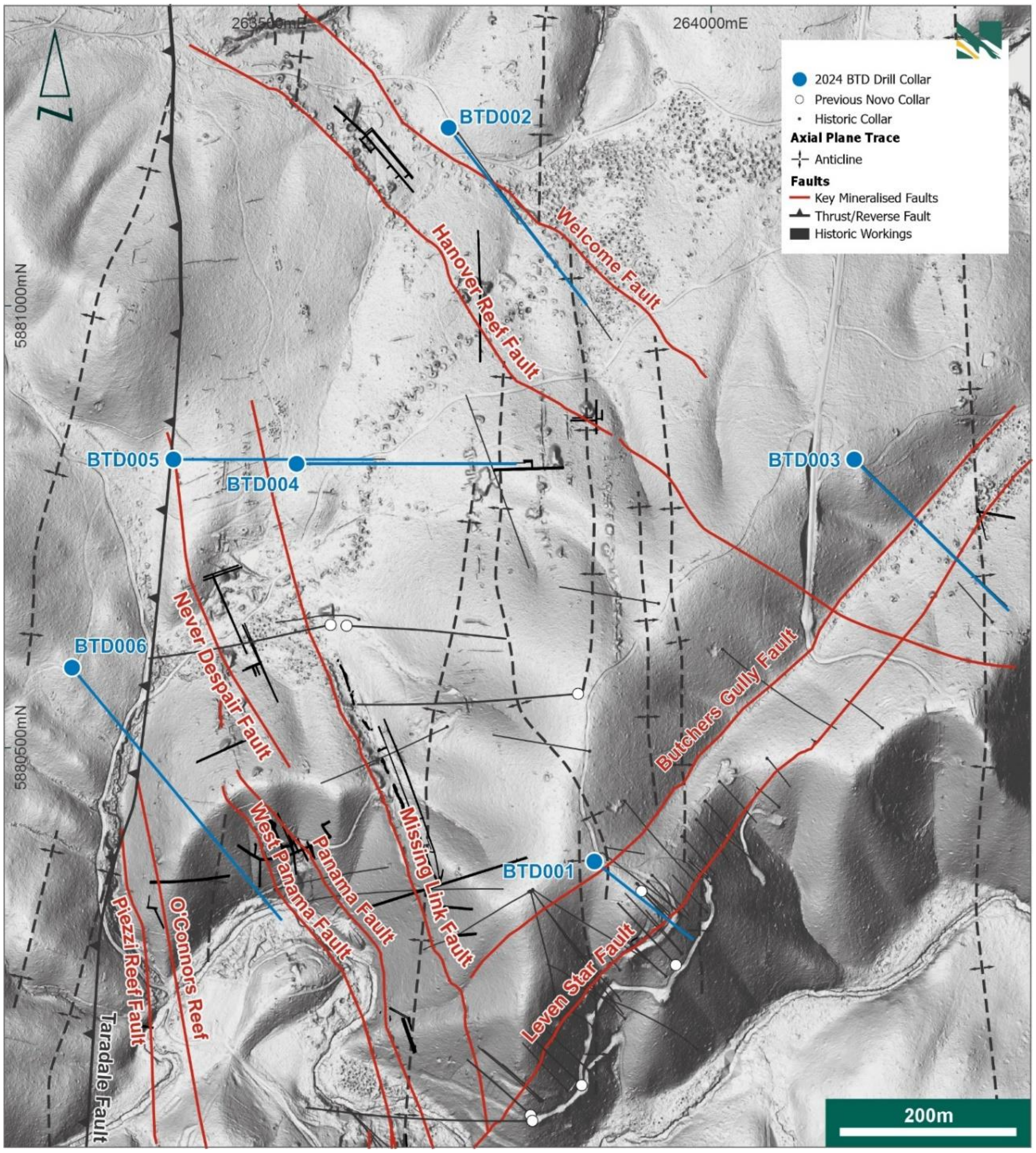

Figure 6: Collar location map (LIDAR) and drill azimuth for the six recently completed diamond drill hole at Belltopper. Key structural elements and target mineralised reefs (red lines) also delineated.

Hole BTD001 extended mineralisation up to 120 m down-dip on the Leven Star Reef in an emerging high-grade zone.

Anomalous gold in BTD003 indicates a potential north-east extension to the Leven Star Reef in addition to evidence for a prospective parallel structure (the Butchers Gully Fault).

Hole BTD002 intersected the Hanover Reef, and discovered an additional, parallel reef (the Welcome Fault) returning 4.1 m @ 2.37 g/t Au from 36.1 m. BTD002 is the only hole drilled into this developing target corridor.

Structural logging has confirmed the geometry and position of major anticline corridors which remain priority targets for structurally controlled high-grade gold events such as those seen at the nearby Fosterville gold mine.

Forward Programs – Victoria

Work during Q3 2024 will focus on reviewing assay and logging data of key historic drill holes from the developing target corridors at Belltopper, and then focus on updating the 3D Geological Model and integrating newly derived data from relogging.

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 total recordable injury frequency rate (TRIFR) (12 month rolling average) at the end of Q2 2024 was 15.9. This is up from 6.5 at the end of Q1 2024. The increase is due to a medical treatment injury (MTI) that occurred in April 2024. There were no lost time or restricted work injuries during Q2 2024. The Company continues to streamline its health and safety management systems and procedures in line with current activities and risk. A key focus is revising remote work protocols and simplifying systems and processes in consultation with the Pilbara and Victoria teams, as well as ensuring key risks are being monitored through critical control verifications and field engagements by leaders.

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 ("**EPA**"), 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.

Novo's sustainability strategy has 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 7: Novo sustainability strategy

FINANCIAL RESULTS

The following table contains quarterly information derived from the Q2 Financial Statements.

	For the three months ended		For the six months ended	
	June 30, 2024 $'000	June 30, 2023 $'000 (restated)	June 30, 2024 $'000	June 30, 2023 $'000 (restated)
General and exploration expenditure	**(6,202)**	(7,660)	**(11,884)**	(15,667)
Other income / (expenses), net	**(681)**	(352)	**157**	(757)
Finance items	**(232)**	43	**(451)**	243
Income tax expense	**(70)**	-	**(70)**	(107)
Loss from discontinued operation	**-**	(3,218)	**-**	(11,085)
Net loss for the period after tax	**(7,185)**	**(11,187)**	**(12,248)**	**(27,373)**
Basic and diluted loss per common share	**(0.02)**	(0.03)	**(0.03)**	(0.06)

Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023

Net loss after tax in Q2 2024 was $7,185,000 (Q2 2023 – $11,187,000), as a result of exploration expenditure and general administration expenditure. The loss in Q2 2023 has been restated to reflect the divestment of the Nullagine Gold Project as a discontinued operation in December 2023.

General and Exploration Expenditure

General administration costs in Q2 2024 were $2,401,000 as compared to $3,758,000 in Q2 2023. The decrease was due to lower depreciation, legal and consulting fees, as well as lower salaries and wages incurred during the quarter.

Exploration expenditure in Q2 2024 totalled $3,699,000 as compared to $3,902,000 in Q2 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 Q2 Financial Statements.

The Nullagine Gold Project was divested in Q4 2023 resulting in a restatement of the Q2 2023 balances. All care and maintenance, general administration and exploration expenditure balances totalling $3,218,000 are accounted for as part of the loss on discontinued operation. Refer to Note 17 of the Q2 Financial Statements.

Other Income / expenses

Other expenses recognized during Q2 2024 totalled $681,000 (Q2 2023 – expense $352,000) and relates to a non-cash $6,000 foreign exchange loss (Q2 2023 – loss $437,000) and a loss on sale of property, plant and equipment of $1,010,000 (Q2 2023 – loss $1,000) relating to the sale of the mechanical ore sorter. This was offset by other income of $335,000 (Q2 2023 $86,000).

Finance Items

The Company incurred interest and finance costs of $232,000 during Q2 2024 (Q2 2023 – income $43,000); this includes interest earned of $100,000 (Q2 2023 - $146,000) offset by non-cash interest expenses of $20,000 (Q2 2023 – $10,000) 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 Q2 Financial Statements.

In Q2 2024 a non-cash interest expense of $312,000 (Q2 2023: Nil) has been recognized 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**").
At the time of acquiring Millenium Mineral Pty Ltd ("Millennium"), the Company entered into a deferred consideration deed with IMC (the main shareholder of Millennium). Under the terms of that deed, the Company was required to pay deferred consideration, in certain circumstances, up to a total amount of A$20,000,000. As part of the sale of Nullagine Gold Project ("NGP") (and given that the Company will no longer be able to satisfy any obligation to make payment from any gold produced by Millennium), the Company has renegotiated the terms of the deferred consideration deed with IMC. Under the reversed arrangement, the Company has agreed to pay a balance of A$15,600,000 (C$14,244,000) to IMC by December 2026, with a mechanism for reductions for early payments by the Company. Refer to Note 10 of the Q2 Financial Statements.

Other Comprehensive Income

During Q2 2024, a non-cash gain of $132,000 (Q2 2023 – loss $630,000) 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. CAI was placed into administration on June 28, 2024, the Company impaired the value of the investment $147,600 as at June 30, 2024.

During Q2 2024, the Company also recognized non-cash gains of $1,475,000 (Q2 2023 – loss - $3,008,000) 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 $0.8942 to CAD $1.00 during Q2 2024 (Q2 2023 – AUD $0.9108 to CAD $1.00).

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Net loss after tax in H1 2024 was $12,248,000 (H1 2023 – $27,373,000), incurred as a result of exploration expenditure and general administration expenditure. The loss in H1 2023 has been restated to reflect the divestment of the Nullagine Gold Project as a discontinued operation in December 2023.

General and Exploration Expenditure

General administration costs in H1 2024 were $5,308,000 as compared to $8,208,000 in H1 2023. Exploration expenditure in H1 2024 totalled $6,474,000 as compared to $7,459,000 in H1 2023. The Nullagine Gold Project was divested in Q4 2023 resulting in a restatement of the H1 2023 balances totalling $11,085,000. *Refer to Financial Results - Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023 – General and Exploration Expenditure.*

Other Income / expenses

Other income recognized during H1 2024 totaled $157,000 (H1 2023 – expense $757,000) and relates to a non-cash $10,000 foreign exchange loss (H1 2023 – loss $878,000) and a loss on sale of property, plant and equipment of $1,046,000 (H1 2023 – income $42,000). This was offset by other income of $363,000, 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 Q2 Financial Statements.

Deferred revenue of $723,000 was recognized 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 Q2 Financial Statements.

Finance Items

The Company incurred interest and finance costs of $451,000 during H1 2024 (H1 2023 – income $243,000), this includes interest earned of $226,000 (H1 2023: $453,000) offset by non-cash interest expenses of $56,000 (H1 2023 – $22,000) related to leases recognized pursuant to IFRS 16. A non-cash interest expense of $621,000 (H1 2023: Nil) has been recognized in the statement of profit and loss relating to the deferred consideration owing. *Refer to Financial Results - Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023 – Finance Items.*

Other Comprehensive Income

During H1 2024, a non-cash gain of $6,779,000 (H1 2023 – $3,468,000) represented movements in the fair value of the Company's marketable securities. The H1 gain is mostly derived from the revaluation of the Company's SCM holding from US$5.38 per share to US$8.00 per share pursuant to the private placement that closed in April 2024. Refer to Note 4 of the Q2 Financial Statements.

During H1 2024, the Company also recognized non-cash gains of $499,000 (H1 2023 – loss $5,331,000) 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.

LIQUIDITY AND CAPITAL RESOURCES

	June 30, 2024 $'000	December 31, 2023 $'000	December 31, 2022 $'000
Cash	**10,537**	11,613	47,925
Short-term investments	**119**	149	152
Working capital[1]	**6,340**	14,886	33,695
Marketable securities	**42,266**	34,395	20,701
Available liquidity[1]	**13,079**	23,738	53,146
Total assets	**100,963**	106,451	256,161
Current liabilities excluding current portion of financial liabilities	**2,084**	3,446	12,365
Non-current liabilities excluding non-current portion of financial liabilities	**-**	-	41,935
Financial liabilities (current and non-current)	**18,770**	18,083	13,893
Total liabilities	**20,854**	21,529	68,193
Shareholders' equity	**80,109**	84,922	187,968

Available liquidity[1] , which represents the value of the Company's realizable assets, totalled $13,079,000 as at June 30, 2024 (December 31, 2023 - $23,738,000). Refer to *Non-IFRS Measures* below. The Company's available liquidity[1] and working capital[1] 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 August 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 Q2 Financial Statements.

	For the three months ended		For the six months ended	
	June 30, 2024 $'000	June 30, 2023 $'000 (restated)	June 30, 2024 $'000	June 30, 2023 $'000 (restated)
Cash flow information				
Net cash used in operating activities	**(4,097)**	(9,824)	**(9,251)**	(25,872)
Net cash generated from / (used in) investing activities	**-**	(1,543)	**9,120**	(1,507)
Net cash generated from / (used in) financing activities	**(466)**	7,394	**(1,120)**	6,315
Change in cash	**(4,563)**	(3,973)	**(1,251)**	(21,064)

Operating cash outflows totalled $4,097,000 in Q2 2024 (Q2 2023 – outflows $9,824,000). The net outflows primarily relate to the net loss generated from ongoing ordinary course of business and exploration expenditures.

Investing cash outflows totalled nil in Q2 2024 (Q2 2023 – outflows $1,543,000). The Q2 2023 outflows related primarily to the cash portion of the acquisition of the remaining interest in Kalamazoo and GBM (refer to Note 5 in the Q2 Financial Statements).

During Q2 2024, the Company recognized $466,000 (Q2 2023 – $945,000) in financing cash outflows relating to the principal portion of lease liabilities incurred pursuant to IFRS 16. In Q2 2023 cash inflows of $8,339,000 related to the private placement in which De Grey acquired 35,223,670 shares in the Company.

Operating cash outflows totalled $9,251,000 in H1 2024 (H1 2023 –$25,872,000). The net outflows primarily relate to the net loss generated from ongoing ordinary course of business and exploration expenditures. H1 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 $9,120,000 in H1 2024 (H1 2023 – outflow of $1,507,000) and relate to the net proceeds from the sale of certain property, plant and equipment (H1 2023 – proceeds $42,000) and $9,001,000 cash consideration received from SQM for the Harding Battery Metals Joint Operation transaction. H1 2023 outflows included the acquisition of remaining interest in Kalamazoo and GBM totalling $1,543,000.

During H1 2024, financing outflows totalled $1,120,0000 (H1 2023 – inflows of $6,315,000). The Company recognized $1,120,000 (H1 2023 – $2,024,000) in cash outflows relating to the principal portion of lease liabilities incurred pursuant to IFRS 16. This was offset by the cash inflows of $8,339,000 related to the private placement in which De Grey acquired 35,223,670 shares in the Company.

SELECTED FINANCIAL INFORMATION

Management is responsible for the Q2 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 Q2 Financial Statements and MD&A and makes recommendations to the Company's board of directors (the "**Board**"), the Board has final approval of the Q2 Financial Statements and MD&A.

SUMMARY OF QUARTERLY RESULTS

The following information is derived from and should be read in conjunction with the Q2 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.

		2nd Quarter 2024 June 30, 2024	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
Revenue	***$'000***	**-**	-	-	-	-	-	2,496	27,987	29,685
Net Profit / (Loss)	***$'000***	**(7,185)**	(5,064)	(48,894)	(9,553)	(11,187)	(16,186)	(14,562)	(60,713)	(19,617)
Basic and Diluted Income (Loss)	***$/share***	**(0.02)**	(0.01)	(0.16)	(0.04)	(0.04)	(0.06)	(0.42)	(0.24)	(0.08)

CASH RESOURCES AND GOING CONCERN

The Q2 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 six months ended June 30, 2024, the Company reported a net loss before tax of $12,178,000 (June 30, 2023: $27,266,000) and had operating net cash outflows of $9,251,000 (June 30, 2023 outflows: $25,872,000). The Company had cash on hand and short-term investments of $9,332,000 at August 8, 2024 and $10,656,000 at June 30, 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 funds to meet its commitments and working capital requirements for the 12-month period from the date of signing these consolidated interim financial statements.

This cash flow forecast has been prepared on the following basis;

- Operating costs and exploration expenditures sufficient to meet the Company's minimum contractual requirements are maintained;
- Discretionary expenditure is controlled in line with the Company's prudent working capital management strategy; and
- Additional liquidity is generated from the disposal of certain of the Company's assets, which includes the receipt of cash following the sale of a mechanical ore sorter executed in May 2024.

Based on this cash flow forecast, the Company's directors are satisfied that the Company will have access to sufficient cash to continue as a going concern.

If the Company is not able to achieve the assumptions included in the cash flow forecast, it may need to rely on alternative options to secure additional funding progressively from March 2025, which may include the raising of capital from equity markets.

The conditions above indicate 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 June 30, 2024, the following contractual obligations were outstanding:

As at June 30, 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	2,084	-	-	-	**2,084**
Deferred consideration	2,739	2,374	9,131	-	**14,244**
Leases	165	170	175	73	**583**

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**

Note: Deferred consideration - Refer to Financial Results - Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023 – Finance Items.

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 Q2 2024 and the six months ended June 30, 2024, 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 six months ended	
Name	Nature of Compensation	June 30, 2024 $'000	June 30, 2023 $'000 (restated)	June 30, 2024 $'000	June 30, 2023 $'000 (restated)
Non Executive Co-Chairman & Director	Director fees	**34**	34	**68**	70
Executive Co-Chairman & Director	Salary	**93**	112	**204**	228
CFO & Corporate Secretary	Salary	**68**	81	**134**	165
Former VP, Corporate Communications	Consulting Fees	**-**	45	**-**	90
Independent Directors	Director Fees	**50**	60	**108**	129
Share Based Payments	Stock Options	**83**	207	**166**	412
Total		**328**	**539**	**680**	**1,094**

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 May 31, 2024).

From time to time, 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, pursuant to its employees stock options and stock bonus plan.

The Company's methodology for calculating the fair value of share-based payments is outlined in Note 2 of the Q2 Financial Statements. Share-based payments relating to these key management personnel and directors totalled $83,000 during Q2 2024 (Q2 2023 - $207,000) and $166,000 during H1 2024 (H1 2023 - $412,000).

CRITICAL ACCOUNTING ESTIMATES

The accounting policies and methods of application applied by the Company are outlined in the Q2 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 $838,000 in net assets (December31, 2023: $810,000) Refer to note 4 of the Q2 Financial Statements.

- 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 completed April 2024. A 5% movement in the transaction price of SCM shares would have resulted in a movement of $947,000 in net assets. Refer to Note 4 of the Q2 Financial Statements. 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 June 30, 2024				
Financial assets at Fair Value				
Marketable securities	982	-	41,284	42,266
Total June 30, 2024	**982**	-	**41,284**	**42,266**
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 June 30, 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 ("**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 June 30, 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 August 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 26, 2025
Stock Options	3,000,000	1.89	November 22, 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 89,458 2067 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 Q2 Financial Statements.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Q2 Financial Statements.

	June 30, 2024			
	# of shares	Share price	Foreign exchange	Adjusted value $'000
Kalamazoo Resources Limited Ordinary Shares	10,000,000	$0.083	0.913	**758**
GBM Resources Limited Ordinary Shares	11,363,637	$0.010	0.913	**104**
Calidus Resources Limited Ordinary Shares	1,347,089	$0.000	0.913	**-**
Kali Metals Limited Ordinary Shares	566,947	$0.235	0.913	**123**
				984

	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 Q2 Financial Statements.

	June 30, 2024 $'000	December 31, 2023 $'000
Current assets	**13,129**	23,862
Current liabilities	**6,789**	8,976
Working capital	**6,340**	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.

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.