NOVO RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
January 31, 2013

BACKGROUND

The following management discussion and analysis of the results of operations and financial condition ("MD&A"), prepared as of May 30, 2013, should be read in conjunction with the audited consolidated financial statements of Novo Resources Corp. (the "Company" or "Novo") for the year ended January 31, 2013, as well as the audited consolidated financial statements for the year ended January 31, 2012, and accompanying notes thereto. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and this discussion includes the results of the Company's subsidiaries, Novo Resources (USA) Corp., Conglomerate Gold Exploration (B.V.I.) Ltd., Conglomerate Gold Exploration Pty Ltd., Nullagine Gold Pty Ltd., Beatons Creek Gold Pty Ltd. and Grant's Hill Gold Pty Ltd.

During the year ended January 31, 2013, the Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian dollars unless noted otherwise.

CAUTIONARY NOTE REGARDING FORWARDING LOOKING STATEMENTS

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, and U.S. dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company.

Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

DESCRIPTION OF BUSINESS AND OVERALL PERFORMANCE

Novo Resources Corp. was incorporated on October 28, 2009 pursuant to the provision of the *Business Corporations Act* (British Columbia). The Company is engaged primarily in the business of evaluating, acquiring and exploring natural resource properties.

The Company's common shares commenced trading on the Canadian National Stock Exchange ("CNSX") on June 14, 2010.

On June 27, 2011, the Company changed its name from Galliard Resources Corp. to Novo Resources Corp. On June 29, 2011, the Company's common shares began trading under the new symbol "NVO."

The Company has entered into a farm-in and joint venture agreement (the "Millennium Agreement") on August 2, 2011 with Millennium Minerals Ltd. ("Millennium") that provides the Company with the exclusive right to earn a 70% interest (as to gold and minerals associated with and normally mined with gold) in the tenements comprising Mining Leases 46/9, 46/10 and 46/11 covering the Beatons Creek conglomerates located in Western Australia (the "Beatons Creek Tenements").

On June 26, 2012, the Company entered into a sale and purchase agreement (the "Sale and Purchase Agreement") with Welcome Stranger Mining Ltd. ("Welcome Stranger") for the prospecting license, mining information and title transfer of the P46/1806 tenement.

On July 16, 2012, the Company entered into four farm-in and joint venture agreements (each a "JVA") with the Creasy Group ("Creasy") of Western Australia whereby Nullagine Gold Pty Ltd. ("Nullagine Gold"), is entitled to earn a 70% interest (as to gold and minerals associated with and normally mined with gold, being "Gold Rights") in the prospecting, exploration and mining tenements and applications related to Creasy's 100% controlled Pilbara Paleo-Placer project. On September 7, 2012, the Company entered into a deed of variation agreement to recognize one addition tenement with respect to the JVAs. In total this project covers 33 tenements or applications for tenements (the "Properties") in the Nullagine embayment and Marble Bar sub-basin located in Western Australia.

On August 14, 2012, the Company's shares commenced trading in the United States on the OTC market's prestigious tier, OTCQX International under the symbol of "NSRPF".

On December 12, 2012, the Company completed a brokered private placement, raising $3,767,010 by the issuance of 5,795,400 units at a price of $0.65 per unit. Each unit consists of one (1) common share and one (1) common share purchase warrant. Each warrant entitles the holder thereof to purchase one (1) additional common share of the Company at a price of $0.90 per share for a period of two (2) years from the closing date of the private placement. The warrants are subject to an accelerated expiry whereby if, at any time following the expiry of the statutory hold period, the volume weighted average trading price of the Company's common shares is equal to or exceeds $1.20 for any 20 consecutive trading days, the Company can choose to give notice to the warrant holders that the warrants will expire on the 31st calendar day following the date of notice.

Total current assets amount to $5,776,507 (January 31, 2012 - $5,196,771). The increase in total current assets is mainly due to the closing of a brokered private placement in December 2012 (the "Private Placement"). Non-current assets at January 31, 2013, totaled $6,357,882 (January 31, 2012 - $2,833,905). The increase in non-current assets is mainly due to increases in exploration expenditures on the Beatons Creek Tenements, Paleo-Placer Project and Grant's Hill Property.

During the year ended January 31, 2013, the Company reported a net loss of $2,428,043 (January 31, 2012 – $893,096) ($0.07 basic and diluted loss per share) (January 31, 2012 - $0.05 basic and diluted loss per share). The increase in net loss is mainly due to the share-based payments for the options granted to directors, officers and employees of the Company in February 2012 and the impairment of marketable securities.

RESULTS OF OPERATIONS

During the year ended January 31, 2013, the Company incurred a net loss of $2,428,043 compared to a net loss of $893,096 for the year ended January 31, 2012. The net loss for the year ended January 31, 2013 relates primarily to operating loss of $1,587,029 (January 31, 2012 - $817,786), non-operating losses of $797,264 (January 31, 2012 – $119,060) and a deferred tax expense of $43,750 (January 31, 2012 – recovery of $43,750). The operating loss was mainly due to share-based payments of $583,206 (January 31, 2012 - $18,594) related to the issuance of stock options, consulting fees of $297,943 (January 31, 2012 - $265,109) related to administration, geological, corporate communication, investor relations, computer services and management services provided by directors, officers and consultants of the Company, property investigation of $198,203 (January 31, 2012 - $276,498) related to legal services and geological activities investigating properties for future exploration potential, wages and salaries of $121,047 (January 31, 2012 - $19,512) related to employee payroll, legal fees of $95,725 (January 31, 2012 - $73,737) related to corporate matters, advertising and promotion expenses of $78,216 (January 31, 2012 - $nil) related to conference and marketing expenses, accounting and audit fees of $55,153 (January 31, 2012 - $41,771) related to general audit and tax return services, insurance expense of $27,164 (January 31, 2012 - $20,107) related to directors' and officers' liability insurance coverage, travel expenses of $26,100 (January 31, 2012 - $7,740) related to management travel expenses, and filing fees of $24,614 (January 31, 2012 - $12,950) related to the CNSX's monthly listing fees and regulatory filing requirements. The residual balance of $79,658 (January 31, 2012 - $81,768) is comprised of office and general, computer and internet, rent, transfer agent, telephone, meals and entertainment, professional development and depreciation expenses. During the year ended January 31, 2013, non-operating items includes interest income of $32,260 (January 31, 2012 - $27,057) and foreign exchange losses of $63 (January 31, 2012 – $11,480). Other non-operating items include: realized gains on the sale of marketable securities of $12,171 (January 31, 2012 - $nil) due to the sale of shares of EurOmax Resources Ltd (Euromax), and the impairment of marketable securities totaling $841,632 (January 31, 2012 - $nil) due to the significant decline in value of common share held in Euromax, Evolving Gold Corp and Prosperity Goldfields Corp.

During the period from incorporation on October 28, 2009 to January 31, 2013, there were no operating revenues as the Company was still in the acquisition and exploration stage.

Due to the Company being in its early stage of development, management foresees further increases in the Company's expenses during the coming year resulting from its exploration activities. These expenses are contingent upon the Company's ability to fund these projects through private placements and other forms of financing. In the event that the Company does not receive the required funding, management will review all on-going expenditures and take appropriate actions to remedy the funding shortage.

SELECTED ANNUAL INFORMATION

For the year ended January 31, 2013 and 2012, the consolidated financial statements have been prepared in accordance with IFRS. For the year ended January 31, 2011, the consolidated financial statements have been restated in accordance with IFRS.

Statement of Operations and Deficit Data	**Year Ended January 31, 2013**	**Year Ended January 31, 2012**	**Year Ended January 31, 2011**
Total Revenue (interest income only)	$32,260	$27,057	$1,262
Net Income (Loss)	$(2,428,043)	$ (893,096)	$(403,159)
Net Income (Loss) per common share outstanding - basic and diluted	$(0.07)	$(0.05)	$(0.05)
Dividend	$Nil	$Nil	$Nil
Balance Sheet Data	**Year Ended January 31, 2013**	**Year Ended January 31, 2012**	**Year Ended January 31, 2011**
Total Assets	$12,134,389	$8,030,676	$2,004,674
Non-current Liabilities	$Nil	$Nil	$Nil
Shareholders' Equity	$11,835,362	$7,887,016	$1,997,447

Net Loss

The Company incurred a net loss of $2,428,043 in the fiscal year ended January 31, 2013, net loss of $893,096 in the fiscal year ended January 31, 2012, and a net loss of $403,159 in the fiscal year end January 31, 2011. The significant variance was mainly attributable to an impairment of exploration and evaluation assets (disposition) (2013 - $Nil, 2012 - $134,637, 2011 - $Nil) and impairment of marketable securities (2013 - $841,632, 2012 - $Nil, 2011 - $Nil). Explanations for the fluctuations in net losses are summarized below by separately identifying six major categories of expenses. The categories are (i) share-based payments (ii) property investigations (iii) advertising and promotion expenses, (iv) wages and salaries, (v) impairment of exploration and evaluation assets (disposition) (vi) impairment of marketable securities.

Share-based payments

For fiscal 2013, $583,206 in share-based payments was recorded compared to $18,594 in fiscal 2012 and $126,172 in fiscal 2011. The reason for the increase was due to the issuance of stock options in fiscal 2013.

Property investigations

During fiscal 2013, the Company recognized project investigation expenditures of $198,203 as compared to $276,498 recognized in fiscal 2012 and $24,596 in fiscal 2011. The difference can be explained by the fact that in fiscal 2012, the Company performed increased geological activities investigating properties for future exploration potential whereas in fiscal 2013, the Company explored properties it already had ownership of and related costs have been capitalized in exploration and evaluation assets.

Advertising and promotion

For the 2013 fiscal year, $78,216 in advertising and promotion expenses was recorded compared to $nil in fiscal years 2012 and 2011. The differences can be explained by the fact that the Company engaged more advertising and promotion activities in fiscal 2013, such as, attending a mining and prospecting conferences and building the Company website.

Wages and salaries

During fiscal 2013, the Company recognized wage and salary expenses of $121,047 compared to $19,512 in fiscal 2012 and $nil in fiscal 2011. The differences can be explained by the fact that the Company signed employment agreements with three (3) key employees in late fiscal 2012.

Impairment of marketable securities

During fiscal 2013, the Company recognized impairment of marketable securities of $841,632 as compared to $nil in fiscal 2012 and $nil in fiscal 2011. The increase in fiscal 2013 can be explained by the fact that certain of the Company’s investments were deemed to be impaired as at January 31, 2013, and written-off as a result.

Impairment of exploration and evaluation assets (disposition)

During fiscal 2013, the Company recognized impairment of exploration and evaluation assets of $nil as compared to $134,637 in fiscal 2012 and $nil in fiscal 2011. The difference can be explained by the fact that in fiscal 2012, the Company terminated the Enterprise Property option agreement and returned the mineral claims to the Optionor. As a condition to terminate the option agreement, the Company paid $35,274 to the Optionor and wrote-off $99,363 of the exploration and evaluation assets relating to the Enterprise Property.

Total Assets

Total assets increased from $2,004,674 as at January 31, 2011 to $8,030,676 as at January 31, 2012 and $12,134,389 as at January 31, 2013. Total assets consist mainly of cash and cash equivalents and exploration and evaluation assets and increased significantly from the previous year mainly due to the proceeds from the brokered private placement of the Company which closed on December 12, 2012, and exploration expenditures of the Company's mineral properties.

Shareholders' Equity

Total shareholders' equity increased from $1,997,447 as at January 31, 2011 to $7,887,016 as at January 31, 2012 and $11,835,362 as at January 31, 2013. Total shareholders' equity consisted mainly of share capital and increased significantly mainly due to the securities issued from the private placements of the Company which closed on November 30, 2011 (fiscal year 2012) and December 12, 2012 (fiscal year 2013).

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Company for the eight most recently quarters of operation. This information is derived from unaudited quarterly financial statements prepared by management. The financial data for the quarters ended from April 30, 2011 to January 31, 2013, are prepared in accordance with IFRS.

	4th Quarter 2013 January 31, 2013	3rd Quarter 2013 October 31, 2012	2nd Quarter 2013 July 31, 2012	1st Quarter 2013 April 30, 2012	4th Quarter 2012 January 31, 2012	3rd Quarter 2012 October 31, 2011	2nd Quarter 2012 July 31, 2011	1st Quarter 2012 April 30, 2011
Net Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Loss	(1,186,083)	(279,570)	(488,038)	(474,352)	(130,164)	(171,818)	(281,906)	(309,208)
Basic and Diluted Loss Per Share	($0.03)	($0.01)	($0.02)	($0.02)	($0.05)	($0.01)	($0.02)	($0.02)

Overall, advertising and promotion, accounting fees, consulting fees, impairment of marketable securities, impairment of exploration and evaluation assets, project investigation, share-based payments, legal fees, wages and salaries and general office and administrative expenses were the major components that caused variances in net loss from quarter to quarter.

EXPLORATION AND EVALUATION ASSETS

Enterprise Property

On July 16, 2011, the Company terminated the Enterprise Property option agreement and returned the mineral claims to the Optionor. As a condition to terminate the option agreement, the Company paid $35,274 to the Optionor. The Company wrote off the exploration and evaluation assets relating to the Enterprise Property.

Millennium Property

On August 2, 2011 (the "Effective Date"), the Company and Beatons Creek Gold Pty Ltd. ("Beatons Creek"), a subsidiary of the Company, entered into a farm-in and joint venture agreement (the "Millennium

Agreement") with Millennium Minerals Ltd. ("Millennium"). As consideration for the farm-in right to earn the 70% interest in and to the Beatons Creek Tenements, the Company issued 1,293,875 common shares to Millennium. In order to earn a 70% interest in the Beatons Creek Tenements, the Company must issue to Millennium such number of common shares of the Company having a value of AUD$500,000, incur expenditures on the Beatons Creek Tenements of not less than AUD$1,000,000 by the second anniversary of the Effective Date, including not less than AUD$500,000 by the first anniversary of the Effective Date, and procuring (at its cost) a bankable feasibility study in respect of the gold rights before the fifth anniversary of the Effective Date. The Company will solely fund all expenditures on the Beatons Creek Tenements required under the *Mining Act 1978* (Western Australia) in relation to gold rights, and Millennium will not be required to fund any such expenditures on the Beatons Creek Tenements during the farm-in period. Millennium will bear costs associated with exploring for and recovering minerals other than gold.

As at January 31, 2013, the Company has completed the following requirements to fulfill its obligation under the Millennium Agreement:

Date	Shares	Exploration Expenditures
Upon signing of the Millennium Agreement	1,293,875 shares (Issued)	-
August 2, 2012	-	$500,000 AUD (Completed)
August 2, 2013	-	$500,000 AUD (Completed)
Total	1,293,875 shares (Issued)	$1,000,000 AUD (Completed)

On December 16, 2011, the Company and Millennium entered into a tribute agreement (the "Tribute Agreement") with Gravity Gold Pty Ltd. ("Gravity Gold") by which Gravity Gold is entitled to produce gold from alluvial deposits at the Beatons Creek Tenements. Gravity Gold will pay a 10% production royalty to the Company on all gold production. The Tribute Agreement has a maximum term of three years. The Company is focused on exploring for the bedrock source of this alluvial gold mineralization, and any activities conducted by Gravity Gold during mining of alluvial deposits will not interfere with the Company's exploration efforts.

Paleo-Placer Property

The Company, Conglomerate Gold Exploration Pty Ltd ("CGE"), and Nullagine Gold Pty Ltd ("Nullagine Gold"), entered into four farm-in and joint venture agreements (the "JVA") dated July 16, 2012 and one deed of variation dated September 7, 2012 with Witx Pty Ltd, Mark Gareth Creasy, Whim Creek Mining Pty Ltd, and Tantalumx Pty Ltd. (collectively the "Creasy Group") of Western Australia. As consideration for the farm-in right to acquire a 70% interest in all gold rights, the Company must spend AUD$1 million on exploration expenditure across the Paleo-Placer Property. The Company will solely fund all expenditures on the Paleo-Placer Property.

CGE will reimburse past exploration expenditure on the Paleo-Placer Property incurred by the Creasy Group, as verified by CGE, up to a maximum of AUD$5.5 million. The reimbursement is contingent on CGE achieving a listing on a recognized stock exchange (an "IPO") within 4 years of the execution of the JVA's. The reimbursement will be paid from net funds raised in an IPO (if completed) and subsequent funding rounds (if completed), capped at 10% of net funds from each round, until the verified expenditure is reimbursed. If CGE has not achieved an IPO within 4 years, the Paleo-Placer Property will be returned to 100% ownership by the Creasy Group at no cost, unless otherwise agreed. If a mining decision is made under any of the JVA's following a bankable feasibility study but the Creasy Group elects not to participate in mining, its interest in relation to that mining area and the underlying ground will be transferred to Nullagine Gold and converted to a 1% net smelter royalty.

The Company, Conglomerate Gold Exploration (B.V.I.) Ltd ("CGE BVI"), and CGE have also entered into a CGE Shareholders Agreement and a CGE Share Issue Agreement with Yandal Investments Pty Ltd and Mark Gareth Creasy (collectively "Creasy"). Novo initially controls 63.33% of the issued shares in CGE and Creasy controls 36.67%. CGE is entitled to spend (via Nullagine Gold and Beatons Creek Gold) up to a further AUD$3.5 million in aggregate on the Paleo-Placer Property and the Beatons Creek tenements to increase its shareholding in CGE to 81% (and reducing Creasy's interest to 19%), subject to a maximum included expenditure on Beatons Creek tenements of AUD$2 million. Creasy is obliged to use its best endeavours to negotiate a right for Nullagine Gold to participate in an existing adjacent joint venture to which Creasy is a party, including bringing certain ground within that joint venture. In return, Creasy's and one other party's interests under that joint venture with respect to exploration expenditure will be free carried by Nullagine Gold and CGE will reimburse AUD$125,000 to Creasy. If CGE achieves an IPO it will also issue AUD$50,000 of shares in CGE to a former tenement holder. If Creasy does not satisfy the obligation prior to an IPO of CGE (if completed) then Creasy will forfeit 23.3% of its shareholding in CGE. Prior to an IPO of CGE (if completed) that 23.3% of CGE shares shall have no voting or dividend rights. If the obligation is satisfied then the ground within that joint venture will be included within the minimum expenditure commitments and additional expenditure entitlements referred above.

The Company has entered into loan agreements with its subsidiaries to fund their obligations under the JVA's. The Company is entitled to be reimbursed up to AUD$500,000 for IPO related costs of CGE (if completed) and stamp duty costs of Nullagine Gold.

Grant's Hill Property

On June 26, 2012, the Company entered into a sale and purchase agreement with Welcome Stranger Mining Ltd. ("Welcome Stranger"). As consideration for the prospecting licence, mining information and title transfer of the P46/1747 tenement, the Company paid AUD$60,000 plus GST to Welcome Stranger.

On April 11, 2013, which is subsequent to the year ended January 31, 2013, the Company entered into a sale and purchase agreement with Talga Resources Limited ("Talga Resources"). As consideration for the prospecting licence and title transfer of the P46/1748 and P46/1749 tenements, the Company paid AUD$40,000 plus GST to Talga Resources.

	Beatons Creek $	Enterprise $	Grant's Hill $	Paleo-Placer $	Total $
Balance, January 31, 2012	933,822	-	-	-	933,822
Acquisition Costs	-	-	62,520	288,806	351,326
Exploration Expenditures:					
Drilling	1,045,598	-	-	209,032	1,254,630
Feasibility Study	23,250	-	-	-	23,250
Field Work	222,219	-	469	110,242	332,930
Fuel	5,527	-	-	5,320	10,847
Geology	162,127	-	-	125,572	287,699
Legal	23,473	-	-	26,833	50,306
Meals & Travel	133,645	-	-	60,321	193,966
Office and General	73,026	-	-	33,701	106,727
Reports, Data and Analysis	151,916	-	1,250	70,742	223,909
Rock Samples	597,390	-	-	42,205	639,595
Tenement Administration	10,352	-	1,892	53,694	65,938
Foreign Exchange Difference	3,603	-	-	-	3,603
	2,452,126	-	3,611	737,662	3,193,399
Balance, January 31, 2013	**3,385,948**	**-**	**66,131**	**1,026,468**	**4,478,547**

	Beatons Creek $	Enterprise $	Grant's Hill $	Paleo-Placer $	Total $
Balance, January 31, 2011	-	99,363	-	-	99,363
Acquisition Costs	520,274	-	-	-	520,274
Exploration Expenditures:					
Data Processing	16,959	-	-	-	16,959
Distillate	215	-	-	-	215
Drilling	241,416	-	-	-	241,416
Field Supplies	8,503	-	-	-	8,503
General Administration	5,880	-	-	-	5,880
Geological Services	52,369	-	-	-	52,369
Maps	620	-	-	-	620
Miscellaneous	956	-	-	-	956
Project Supervision	32,666	-	-	-	32,666
Rock Samples	12,124	-	-	-	12,124
Surveying	7,294	-	-	-	7,294
Tenements	9,175	-	-	-	9,175
Travel & Accommodation	25,371	-	-	-	25,371
	413,548	-	-	-	413,548
Option agreement termination payment	-	35,274	-	-	35,274
Impairment of exploration and evaluation assets	-	(134,637)	-	-	(134,637)
Balance, January 31, 2012	**933,822**	**-**	**-**	**-**	**933,822**

Exploration Highlights

Beatons Creek Tenements

On May 1, 2013, Novo Resources announced the first ever National Instrument (NI) 43-101 compliant resource estimate for its Beatons Creek Gold Project, Western Australia. This resource estimate is based on 16,107 meters of reverse circulation (RC) drilling and 478 meters of diamond core drilling completed in 2011-13. The effective date of this resource estimate is April 30, 2013.

Highlights:

- Inferred resource of 421,000 troy ounces gold contained in 8.9 million tonnes at a grade of 1.47 grams gold per tonne.
- This inferred resource was defined by 16,107 meters of vertical RC drilling. Specific gravity measurements were taken from core samples from eight recently completed diamond drill holes totalling 478 meters. Costs related to drilling total approximately $2.5 million making the cost of discovery about $6/troy ounce gold.
- Most of this resource is contained within two shallow, sub-horizontal gold-bearing conglomerate horizons (reefs) displaying strong lateral continuity.
- Mineralization remains open to the north, west and south into the basin. There is a good potential for expanding this resource through further drilling given the strong sub-surface continuity of these reefs as demonstrated by drilling coupled with the Company's recent success in tracing their surface

expression along the northern and northwestern perimeter of the basin (*see news release dated January 24, 2013*).

- This inferred resource enables undertaking of a preliminary economic assessment planned for later this year. It is expected that upgrading this resource to the indicated category can be accomplished by drilling approximately 3,710 meters more infill RC holes. Doing so would enable advancement toward a prefeasibility study.

Beatons Creek NI 43-101 resource estimate is summarized below:

Classification	Au Cut-off (grams per tonne)	Tonnage (million metric tonnes)	Au Grade (grams per tonne)	Contained Au (troy ounces)
Inferred	0.20	9.2	1.44	424,000
	0.30	9.2	1.44	424,000
	0.50	8.9	1.47	421,000
	0.60	8.6	1.5	415,000
	0.80	7.1	1.67	381,000
	1.00	5.5	1.89	334,000
	1.50	3.0	2.43	236,000
	2.00	1.6	3.02	160,000
	2.50	0.9	3.71	106,000
	3.00	0.6	4.22	78,000

1 troy ounce = 31.1035 grams

Mineral resources were estimated by Ordinary Kriging (OK), Inverse Distance Squared (ID2) and Nearest Neighbor (NN) methods. The OK estimation was selected as the preferred method and a cut-off grade of 0.5 g/t Au was applied. Mineralization is currently defined in 3 domains containing 23 individual mineralised bodies, all of which are considered to be primary in origin, despite the shallow weathering profile.

The majority of assays used for the estimate were determined using LeachWELL® methodology, which was statistically determined to be the most reliable method for the nuggety gold distribution in this deposit. Acceptable statistical verification and comparisons of LeachWELL® assays with equivalent Screen Fire Assays and Fire Assays supported this assessment. Assays were not capped but higher values were given a restricted search range. All resource blocks in the block model were estimated in one pass with any blocks that were estimated flagged as Inferred Resources, based on the variography and Quantitative Kriging Neighborhood Analyses.

[Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category. The mineral resources in this news release were estimated using current Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards, definitions and guidelines.]

Patrick Huxtable of Tetra Tech, Perth, Australia, has prepared the Mineral Resource Estimate for the Beatons Creek Gold Project, and is independent of Novo Resources Corporation for purposes of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Mr. Huxtable (RPGeo MAIG) is a Qualified Person as defined by NI 43-101.

Now that this resource has been modeled, the Company is looking at strategies to expand it. Currently, gold-bearing reefs are being mapped and sampled along strike of this resource to evaluate where future drilling will focus. High grade surface samples discovered on the Company's 100% owned tenement and announced in a news release date January 24, 2013 suggest the best near-surface target may lie there. Drill plans are anticipated to be decided by June of this year.

<u>Pilbara Paleo-Placer Project</u>

At Marble Bar, the Issuer has followed up several stream sediment anomalies to discover outcropping conglomerates in multiple locations. Sampling of some of these conglomerates has returned anomalous gold grades up to 4 grams per tonne. The Company is presently undertaking a $280,000 work program to follow up on this early success. Work includes prospecting, mapping and sampling between May and July, 2013 followed by limited reverse circulation drilling on new targets later this year.

FINANCING ACTIVITIES

During fiscal 2012:

(a) On November 30, 2011, the Company completed a non-brokered private placement of 14,782,500 units at a price of $0.40 per unit for gross proceeds of $5,913,500. Each unit consists of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.60 per share for a period of 2 years from the closing date of the private placement. As part of the private placement, the Company incurred share issuance costs of $1,544.

During fiscal 2013:

(a) During the year ended January 31, 2013, a total of 86,346 IPO agent's share purchase warrants were exercised at a price of $0.20 for gross proceeds of $17,269. A total of $9,915 of the reserve balance was reversed and credited to the share capital account.

(b) During the year ended January 31, 2013, a total of 3,107,500 share purchase warrants issued from the January 10, 2011 private placement were exercised at a price of $0.50 for gross proceeds of $1,553,750.

(c) During the year ended January 31, 2013, a total of 45,500 share purchase warrants issued from the November 30, 2011 private placement were exercised at a price of $0.60 for gross proceeds of $27,300.

(d) During the year ended January 31, 2013, a total of 25,000 stock options issued from the August 13, 2010 grant were exercised at a price of $0.20 for gross proceeds of $5,000. A total of $3,567 of the reserve balance was reversed and credited to the share capital account.

(e) During the year ended January 31, 2013, a total of 37,500 stock options issued from the February 20, 2012 grant were exercised at a price of $0.45 for gross proceeds of $16,875. A total of $20,428 of the reserve balance was reversed and credited to the share capital account.

(f) On December 12, 2012, the Company completed a brokered private placement of 5,795,400 units at a price of $0.65 per unit for gross proceeds of $3,767,010. Each unit consists of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.90 per share for a period of 2 years from the closing date of the private placement. As part of the private placement, the Company incurred share issuance costs of $486,437, which included 334,524 broker's warrants. The broker's warrants were granted to the broker of the private placement with an exercise price of $0.65 and expire in 2 years. The broker's warrants were valued at fair value of $162,869. The fair value of these warrants was $0.49 per share where the exercise price is $0.65 and the fair value of each warrant granted is calculated using the Black-Scholes option pricing model assuming a risk-free interest rate of 1.09%, a dividend yield of $Nil, an expected volatility of 123% and an average expected life of 2 years. The average remaining contractual life in years is 1.86. As of January 31, 2013, 334,524 of the broker's warrants remain outstanding.

LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2013, the Company had cash and cash equivalents balance of $5,293,833 compared to $5,141,201 as at January 31, 2012. The Company had working capital as at January 31, 2013, of $5,477,480 compared to working capital of $5,053,111 as at January 31, 2012. The increase in working capital is mainly due to the closing of the Private Placement in December 2012.

Cash used in operating activities during the year ended January 31, 2013, was $1,302,603 (January 31, 2012 - $816,855). The increase over the period relates mainly to increases in consulting fees, wages and salaries, legal fees and advertising and promotion expenses.

Cash used for investing activities during the year ended January 31, 2013, was $3,605,712 (January 31, 2012 - $1,867,544). The Company's principal investing activity is the acquisition and exploration of its resource property. During the year ended January 31, 2013, the Company incurred $3,456,683 (January 31, 2012 - $282,187) on its resource property. During the year ended January 31, 2013, the Company acquired 1,987,527 common shares and 833,333 share purchase warrants of Prosperity Goldfields Corp. for total investment of $1,000,000 from a securities purchase agreement, and 2,000,000 common shares and 2,000,000 share purchase warrants of Evolving Gold Corp. for a total investment of $600,000 from participating in a non-brokered private placement.

Cash provided by financing activities during the year ended January 31, 2013, was $5,060,947 (January 31, 2012 - $5,940,271). During the year January 31, 2013, the Company issued common shares upon the exercise of share purchase warrants for gross proceeds of $1,598,319 and exercises of stock options for gross proceeds of $21,875. On December 12, 2012, the Company completed a brokered private placement, raising $3,767,010 by the issuance of 5,795,400 units at a price of $0.65 per unit.

As at the date of this MD&A, the contractual obligation of the Company are the Millennium Agreement and the JVA's. Reference should be made to the section titled: Exploration and Evaluation Assets.

OFF BALANCE SHEET TRANSACTIONS

There are currently no off balance sheet arrangements which could have a material effect on current or future results of operations, or the financial condition of the Company.

RELATED PARTY TRANSACTIONS

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the year.

(a) *Key Management Personnel Disclosures*

During the years ended January 31, 2013 and 2012, the following amounts were incurred with respect to the Chief Executive Officer, the Chief Financial Officer and directors of the Company:

	January 31, 2013 $	January 31, 2012 $
Consulting services	159,250	68,013
Wages and salaries	56,281	15,912
Wages and salaries included in exploration and evaluation assets	102,696	9,128
Share-based payments	251,234	-
	569,461	93,053

(b) *Other Related Party Disclosures*

During the period ended January 31, 2013 and 2012, the following amounts were incurred with respect to a corporation controlled by the Chief Financial Officer:

	January 31, 2013 $	January 31, 2012 $
Consulting services	120,000	120,000
	120,000	120,000

FOURTH QUARTER

During the three months period ended January 31, 2013, the major expenses of the Company were consulting fees of $70,201, wages and salaries of $28,673, advertising and promotion expenses of $37,416, legal fees of $31,290, share-based payments of $31,203, and travel and accommodation of $11,532. During the three month period ended January 31, 2013, operating expenses were mitigated by non-operating items such as interest income of $8,315.

PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the audited consolidated financial statements for the year ended January 31, 2013.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods.

A detailed summary of all the Company's critical accounting estimates is included in Note 2 – Significant Accounting Policies to the January 31, 2013, annual consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES

A detailed summary of all the Company's changes in accounting policies is included in Note 2 – Significant Accounting Policies to the January 31, 2013, annual consolidated financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value

The Company's financial instruments include cash and cash equivalents, marketable securities (warrants and common shares), and accounts payable and accrued liabilities. IFRS 7 establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs in making fair value measurements as follows:

- Level 1 – applied 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 are unobservable market data.

The recorded amounts of accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature.

Cash and cash equivalents and marketable securities (common shares) are measured using Level 1 inputs. The fair values of marketable securities (common shares) are measured at the closing market price obtained from the exchange.

Marketable securities (warrants) are measured using Level 3 inputs. The fair values of marketable securities (warrants) are based on management`s assessment of realizable value.

b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

c) Foreign Exchange Rate Risk

The Company has operations in Canada and Australia subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian, Australian and the United States dollar, and the fluctuation of the Canadian dollar in relation to these other currencies will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian dollar, US dollar, and the Australian dollar.

The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

At January 31, 2013 and 2012 the Company's Australian and US dollar denominated monetary assets and monetary liabilities are as follows:

Australian Monetary assets	**January 31, 2013**	**January 31, 2012**
Cash and cash equivalents	7,218	938
Accounts payable and accrued liabilities	241,229	127,664

US Monetary assets	**January 31, 2013**	**January 31, 2012**
Cash and cash equivalents	14,732	151,091
Accounts payable and accrued liabilities	12,371	293

The exposure to foreign exchange rate risk is considered minimal.

d) Liquidity Risk

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. All of the Company's financial liabilities are classified as current and the Company has a practice of paying their outstanding payables within 30 days.

e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and evaluation activities is subject to risks associated with fluctuations in the market price of commodities.

As at January 31, 2013, the Company owns common shares and share purchase warrants included in marketable securities. By holding these marketable securities, the Company is inherently exposed to various risk factors including market price risk.

(f) Interest Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash at banks and GICs carried at floating interest rates with reference to the market. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates.

The exposure to interest rates for the Company is considered minimal. The Company has no interest bearing borrowings.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following table discloses the Company's share capital structure as at the date of this MD&A.

Share capital

As at the date of this MD&A, the Company had one class of share capital, being common shares without par value, of 41,725,810 were issued and outstanding.

Fully diluted securities

Type of Security	Number	Exercise Price	Expiry Date
Stock options	250,000	$0.20	June 10, 2020
Stock options	275,000	$0.20	August 12, 2020
Stock options	1,272,500	$0.45	February 20, 2017
Total	**1,797,500**		
Share purchase warrants	14,737,000	$0.60	November 30, 2013
Share purchase warrants	5,795,400	$0.90	December 12, 2014
Share purchase warrants	334,524	$0.65	December 12, 2014
Total	**20,866,924**		

ADDITIONAL DISCLOSURE FOR JUNIOR ISSUERS

The Company has incurred the following material cost components:

	Year ended January 31, 2013	Year ended January 31, 2012
	$	$
Accounting Fee	55,153	41,771
Advertising and Promotion	78,216	-
Consulting Fees	297,943	265,109
Filing Fees	24,614	12,950
Insurance	27,164	20,107
Legal Fees	95,725	73,737
Office & General	19,385	57,079
Project Investigation	198,203	276,498
Rent	13,508	-
Share-based Payment	583,206	18,594
Transfer Agent Fees	11,679	11,095
Travel	26,100	7,740
Wages & Salaries	121,047	19,512
Exploration and Evaluation Assets	4,478,547	933,822

During the year ended January 31, 2013, $55,153 (January 31, 2012 - $41,771) in accounting fees was paid in relation to the previous year's financial statement audit.

During the year ended January 31, 2013, $78,216 (January 31, 2012 - $Nil) in advertising and promotion expenses were related to mining and prospecting conferences and general corporate matters.

During the year ended January 31, 2013, consulting fees totalling $297,943 (January 31, 2012 - $265,109) were mainly paid to directors, officers and consultants of the Company to provide geological, corporate communication, administrative, investor relations, computer services and management services to the Company. The transactions were conducted in the normal course of operations, on commercial terms established and agreed to by the related parties, and were recorded at the exchange amount.

Filing fees during the year ended January 31, 2013, totalling $24,614 (January 31, 2012 - $12,950) were related to the CNSX's monthly listing fees and regulatory filing fees.

Insurance expense of $27,164 was recorded during the year ended January 31, 2013 (January 31, 2012 - $20,107) was related to directors' and officers' liability insurance coverage.

Legal fees during the year ended January 31, 2013, totalling $95,725 (January 31, 2012 - $73,737) were related to general corporate affairs.

General office administrative expenses during the year ended January 31, 2013, totaling $19,385 (January 31, 2012 - $57,079) were mainly related to the purchase of office supplies.

During the year ended January 31, 2013, $198,203 (January 31, 2012 - $276,498) in project investigation was paid in relation to legal services and geological activities provided for investigating properties for future exploration potential.

During the year ended January 31, 2013, $13,508 (January 31, 2012 - $nil) in rent expense was paid in relation to the rent of the Company's US office and storage unit in Colorado, USA.

During the year ended January 31, 2013, $583,206 in share-based payments, a non-cash charge, was expensed (January 31, 2012 - $18,594), being the estimated fair value of the stock options vested in the period. The Company used the Black-Scholes option pricing model for all fair value calculations.

During the year ended January 31, 2013, $11,679 (January 31, 2012 - $11,095) in transfer agent fees was paid in relation to general monthly transfer agent expenses.

During the year ended January 31, 2013, $26,100 (January 31, 2012 - $7,740) in travel expenses was paid in relation to management travel expenses between Canada, USA and Australia.

During the year ended January 31, 2013, $121,047 (January 31, 2012 - $19,512) in wages and salaries was paid to employees for providing management, geological and administrative services to the Company.

The Company has capitalized the following exploration and development costs:

	Beatons Creek $	**Enterprise $**	**Grant's Hill $**	**Paleo-Placer $**	**Total $**
Balance, January 31, 2012	933,822	-	-	-	933,822
Acquisition Costs	-	-	62,520	288,806	351,326
Exploration Expenditures:					
Drilling	1,045,598	-	-	209,032	1,254,630
Feasibility Study	23,250	-	-	-	23,250
Field Work	222,219	-	469	110,242	332,930
Fuel	5,527	-	-	5,320	10,847
Geology	162,127	-	-	125,572	287,699
Legal	23,473	-	-	26,833	50,306
Meals & Travel	133,645	-	-	60,321	193,966
Office and General	73,026	-	-	33,701	106,727
Reports, Data and Analysis	151,916	-	1,250	70,742	223,908
Rock Samples	597,390	-	-	42,205	639,595
Tenement Administration	10,352	-	1,892	53,694	65,938
Foreign Exchange	3,603	-	-	-	3,603
	2,452,126	-	3,611	737,662	3,193,399
Balance, January 31, 2013	**3,385,948**	**-**	**66,131**	**1,026,468**	**4,478,547**

	Beatons Creek $	Enterprise $	Grant's Hill $	Paleo-Placer $	Total $
Balance, January 31, 2011	-	99,363	-	-	99,363
Acquisition Costs	520,274	-	-	-	520,274
Exploration Expenditures:					
Data Processing	16,959	-	-	-	16,959
Distillate	215	-	-	-	215
Drilling	241,416	-	-	-	241,416
Field Supplies	8,503	-	-	-	8,503
General Administration	5,880	-	-	-	5,880
Geological Services	52,369	-	-	-	52,369
Maps	620	-	-	-	620
Miscellaneous	956	-	-	-	956
Project Supervision	32,666	-	-	-	32,666
Rock Samples	12,124	-	-	-	12,124
Surveying	7,294	-	-	-	7,294
Tenements	9,175	-	-	-	9,175
Travel & Accommodation	25,371	-	-	-	25,371
	413,548	-	-	-	413,548
Option agreement termination payment	-	35,274	-	-	35,274
Impairment of exploration and evaluation assets	-	(134,637)	-	-	(134,637)
Balance, January 31, 2012	**933,822**	**-**	**-**	**-**	**933,822**

As of the year ended January 31, 2013, the Company capitalized exploration and evaluation costs of $4,478,547 (January 31, 2012 - $933,822). Reference should be made to the section titled: Exploration and Evaluation Assets.

RESTATEMENT

The Company restated its January 31, 2012, consolidated statements of financial position and comprehensive loss to reverse an unrealized holding gain of $905,572 on the Euromax warrants held, which was based on a value derived through the application of a valuation technique that uses data other than from observable markets. Management has determined that this transaction was not in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. Such warrants continue to be held at their value on recognition, which was based on the residual method, until such time that market-derived data indicates a change in their value. As the restatement is a non-cash item, there was no impact on the overall net change in cash.

RISK AND UNCERTAINTIES

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to new and developing enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

The Company competes with other junior mineral exploration companies, some of which have greater financial resources and technical facilities. The business of mineral exploration and extraction involves a high degree of risks and few properties that are explored are ultimately developed into production. In addition to specific risks disclosed throughout this discussion, other risks facing the Company include reliance on third parties, environmental and insurance risks, statutory and regulatory requirements, metal prices and foreign currency fluctuations, share price volatility and title risks.

ADDITIONAL INFORMATION

Additional information about the Company is available for viewing on SEDAR at www.sedar.com.