

NOVO RESOURCES CORP.

**AMENDED AND RESTATED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

Three months ended April 30, 2018 and 2017

(Expressed in Canadian Dollars)

Novo Resources Corp.
(Expressed in Canadian Dollars)
Amended and Restated Condensed Interim Consolidated Statements of Comprehensive Loss
(Unaudited)

				<u>Three months Ended April 30,</u>	
				2018	2017
				\$'000	\$'000
				Restated - Note 14	\$'000
	Note				
Expenses					
Accounting and audit			60		79
Consulting services	9		74		105
Insurance			27		26
Legal fees			138		14
Meal and travel expenses			72		21
Office and general			384		62
Share-based payments	8,9		4,067		87
Transfer agent and filing fees			31		58
Wages and salaries	9		853		110
Loss before other items			<u>(5,706)</u>		<u>(562)</u>
Other items					
Interest and other income			165		-
Foreign exchange			12		8
Deferred consideration accretion expense	6		(7)		-
Fair value gain on derecognition of associate	5,6		4,315		-
			<u>4,485</u>		<u>8</u>
Net loss for the period			<u>(1,221)</u>		<u>(554)</u>
Other comprehensive (loss) / income					
Change in fair value of marketable securities - not to be reclassified to profit or loss in subsequent periods	5,6		99		-
Foreign exchange on translation of subsidiaries - to be reclassified to profit or loss in subsequent periods			(2,323)		1,143
			<u>(2,224)</u>		<u>1,143</u>
Comprehensive loss for the period			<u>(3,445)</u>		<u>589</u>
Weighted average number of common shares outstanding			<u>156,166,373</u>		<u>93,830,382</u>
Basic and diluted loss per common share			<u>(0.01)</u>		<u>(0.01)</u>

Novo Resources Corp.

(Expressed in Canadian Dollars)

Amended and Restated Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited)

	Note	Number of Shares (unrounded)	Amount \$'000	Option Reserve \$'000	Warrant Reserve \$'000	Shares to be Issued \$'000	Comet Well Deferred Consideration Reserve \$'000	Accumulated Other Comprehensive Income/(Loss) \$'000	Accumulated Deficit \$'000	Shareholders' Equity \$'000
Balance - January 31, 2017		93,029,820	50,365	3,071	67	-	-	(348)	(15,196)	37,959
Stock option exercise	8	900,000	793	(388)	-	-	-	-	-	405
Share-based compensation	8	-	-	87	-	-	-	-	-	87
Shares to be issued	8	-	-	-	-	1,418	-	-	-	1,418
Other comprehensive loss for the period		-	-	-	-	-	-	1,143	-	1,143
Loss for the period		-	-	-	-	-	-	-	(554)	(554)
Balance - April 30, 2017		93,929,820	51,158	2,770	67	1,418	-	795	(15,750)	40,458
Balance - January 31, 2018 (Restated - Note 14)		153,650,768	161,786	13,741	20	1,141	3,354	(24)	(32,842)	147,176
Stock option exercise	8	248,334	670	(344)	-	-	-	-	-	326
Share-based compensation	8,9	-	-	4,067	-	-	-	-	-	4,067
Shares to be issued	8	4,231,982	3,775	-	-	-	-	-	-	3,775
Other comprehensive loss for the period - restated		-	-	-	-	-	-	(2,224)	-	(2,224)
Loss for the period - restated		-	-	-	-	-	-	-	(1,221)	(1,221)
Balance - April 30, 2018 (Restated - Note 14)		158,131,084	166,231	17,464	20	1,141	3,354	(2,248)	(34,063)	151,899

Novo Resources Corp.

(Expressed in Canadian Dollars)

Amended and Restated Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

	<u>Three months Ended April 30,</u>	
	2018	2017
	\$'000	\$'000
	Restated - Note 14	\$'000
Operating activities		
Net loss for the period	(1,221)	(554)
Adjustments:		
Interest and other income	(165)	-
Depreciation	26	-
Foreign exchange	(159)	(68)
Share-based payment	4,067	87
Fair value gain on derecognition of associate	(4,315)	-
Deferred consideration accretion expense	7	-
Total adjustments	(539)	19
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	(198)	977
Prepaid expenses and deposits	131	15
Receivables	447	313
	380	1,305
Net cash used in operating activities	(1,380)	770
Investing activities		
Interest and other income	165	-
Purchase of equipment	(10)	-
Short-term deposits	(1,417)	-
Purchase of marketable securities	(163)	-
Sale/(Purchase) of gold specimens	(41)	-
Expenditures on exploration and evaluation assets	(4,989)	(2,538)
Net cash used in investing activities	(6,455)	(2,538)
Financing activities		
Issuance of share capital	4,102	405
Shares to be issued	-	1,418
Net cash from financing activities	4,102	1,823
Net change in cash	(3,733)	55
Effect of exchange rate changes on cash	(475)	(5)
Cash, beginning of the period	55,601	1,810
Cash, end of the period	51,393	1,860

Supplemental cash flow information (Note 10)

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Notes to the Amended and Restated Condensed Interim Consolidated Financial Statements (Unaudited)

For the three-month periods ended April 30, 2018 and April 30, 2017

1. NATURE OF OPERATIONS

Novo Resources Corp. (the “Company” or “Novo”) was incorporated on October 28, 2009 pursuant to the provisions of the *Business Corporations Act* (British Columbia) as Galliard Resources Corp. On June 27, 2011, the Company changed its name from Galliard Resources Corp. to Novo Resources Corp. The Company’s shares trade on the TSX Venture Exchange (the “TSX-V”) under the ticker symbol “NVO” and in the United States on the OTC market’s OTCQX International Exchange under the symbol “NSRPF”.

The Company is engaged primarily in the business of evaluating, acquiring and exploring natural resource properties with a focus on gold. The Company’s head office is located at c/o Suite 2900, 595 Burrard Street, Vancouver, BC, V7X 1J5, Canada. The Company’s office and corporate staff are located at Level 1, 680 Murray Street, West Perth, WA, 6005, Australia.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretation Committee, on a basis consistent with the Company’s most recent annual consolidated financial statements, except those accounting policies which have changed as a result of the adoption of new and revised standards and interpretations as described in Note 2 below. These condensed interim consolidated financial statements do not include all of the information and note disclosures required by IFRS for annual financial statements and therefore should be read in conjunction with the Company’s annual consolidated financial statements for the year ended January 31, 2018.

Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss (“FVTPL”), and fair value through other comprehensive income or loss (“FVTOCI”), that have been measured at fair value.

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity or where assumptions and estimates are significant to the financial statements are disclosed within this note.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized during the period in which the estimate is revised if the revision affects only that period or during the period of the revision and further periods if the review affects both current and future periods.

Australian dollars will be referred to as “AUD” in these condensed interim consolidated financial statements, and United States dollars will be referred to as “USD” in these condensed interim consolidated financial statements.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries listed below. Control is established by having power over the acquiree, exposure or rights to variable returns from its involvement with the acquiree, and the ability to use its power over the acquiree to affect the amount of the acquiror’s returns. Subsidiaries are fully consolidated from the date on which

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control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

As at April 30, 2018, the subsidiaries of the Company are as follows:

Company Name	Area of Incorporation	% of Interest
Novo Resources (USA) Corp.	Nevada, USA	100%
Conglomerate Gold Exploration (B.V.I.) Ltd.	Tortola, British Virgin Islands	100%
Karratha Gold Exploration (B.V.I.) Ltd.	Tortola, British Virgin Islands	100%
Conglomerate Gold Exploration Pty. Ltd. ("CGE")	Western Australia, Australia	100%
Nullagine Gold Pty. Ltd.	Western Australia, Australia	100%
Beatons Creek Gold Pty. Ltd.	Western Australia, Australia	100%
Grant's Hill Gold Pty. Ltd.	Western Australia, Australia	100%
Karratha Gold Pty. Ltd.	Western Australia, Australia	100%
Rocklea Gold Pty. Ltd.	Western Australia, Australia	100%
Meentheena Gold Pty. Ltd.	Western Australia, Australia	100%

Change in accounting policies – Financial instruments

The Company has adopted all of the requirements of IFRS 9 *Financial Instruments* ("IFRS 9") as of February 1, 2018. IFRS 9 has replaced IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9.

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that were recognized at the date of application. With the exception of the investment in certain marketable securities, the change did not impact the carrying value of any financial assets on transition date. For those investments in private company shares, on transition to IFRS 9, the Company recognized a fair value gain such that these instruments were re-measured at their fair value.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, on the date of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or when the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at February 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

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Financial assets/liabilities	Original classification (IAS 39)	New classification (IFRS 9)
Cash	Amortized cost	Amortized cost
Short-term investments	Amortized cost	Amortized cost
Receivables	Amortized cost	Amortized cost
Marketable securities	Available for sale	FVTOCI
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Deferred consideration for mineral property – Cash portion	Amortized cost	Amortized cost

Upon the adoption of IFRS 9, the Company made an irrevocable election to classify marketable securities through FVTOCI given they are not held for trading and are instead held as strategic investments that align with the Company's corporate objectives.

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income or loss.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within the accumulated other comprehensive income or loss.

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Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net loss.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaced IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and related interpretations on revenue. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for annual periods beginning on or after January 1, 2018, with early application permitted. Currently, there has been no impact on the Company's condensed interim consolidated financial statements considering the Company does not currently have any contracts with customers or revenues.

Significant accounting judgments and estimates

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgments are periodically evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim consolidated financial statements within the next financial year are discussed below:

Recoverability of exploration and evaluation assets

The amounts shown as exploration and evaluation assets represent net costs to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The recoverability of these amounts and any additional amounts required to place the exploration and evaluation assets into commercial production are dependent upon certain factors. These factors include the existence of ore deposits sufficient for commercial production and the Company's ability to obtain the required additional financing necessary to develop its exploration and evaluation assets.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Share-based payments

The values of share-based payments are determined using the Black-Scholes option pricing model, the use of which requires management to apply subjective assumptions such as the expected price volatility, expected life of the option, risk free interest rates, and forfeiture rates. Changes in these input assumptions can significantly affect the fair value estimate. Performance-based vesting conditions also

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require subjective assumptions with respect to vesting timeframes. Changes in these input assumptions can also significantly affect the fair value estimate.

Elementum 3D

The fair value of the shares held in Elementum 3D Inc. ("E3D") was estimated using E3D's most recent financing price. A change in this input can significantly affect the fair value estimate.

New standards, interpretations and amendments

The following are accounting standards anticipated to be effective January 1, 2018 or later:

IFRS 16 *Leases*

IFRS 16 will replace IAS 17 *Leases*. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Application of the standard is mandatory for annual periods beginning on or after January 1, 2019, with early application permitted. The Company does not expect this new standard to have significant financial reporting implications, as currently any lease agreements entered into within the scope of IFRS 16 are immaterial. Mineral property leases are not within the scope of IFRS 16.

3. SHORT-TERM INVESTMENTS

Short-term investments are fixed term deposits held at the bank with a maturity of more than three months but no more than one year and are cashable at any time or locked for a period of no more than six months. As at April 30, 2018, the Company had seven short-term investments totalling \$15,335,000 of principal (January 31, 2018 – five short-term investments totalling \$13,918,000).

\$6,357,000 is held in two short-term investments denominated in Canadian funds, and the remaining \$8,978,000 is held in five short-term investments denominated in Australian funds. The Canadian short-term investments have annual yields of 0.9%, and are due on February 23 and March 10, 2019, respectively. The Australian short-term investments have annual yields of 2.35%, 2.24%, 2.20%, and 1.90% and are due on June 8, July 21, and July 28, 2018. Amounts which mature are re-invested in similar investments along with their interest component.

4. RECEIVABLES

	April 30, 2018 \$'000	January 31, 2018 \$'000
Canadian GST receivable	15	96
Australian GST receivable	560	928
Gold sample receivable	1	-
Total receivable	576	1,024

5. MARKETABLE SECURITIES

On October 30, 2017, the Company participated in Calidus Resources Limited's ("Calidus") private placement by purchasing 36,585,366 shares at AUD \$0.041 per share for gross consideration of AUD \$1,500,000 (\$1,490,000). The Company received Calidus' shares upon closing of the private placement on November 6, 2017. Calidus also issued to Novo 20,000,000 fully paid ordinary shares at a fair value of AUD \$820,000 (\$814,000) or AUD \$0.041 (\$0.041) per share as a reimbursement for expenditures incurred by the Company on certain tenements in the Marble Bar region of Western Australia which is subject to a binding terms sheet between Novo and Calidus (see note 6 – *Exploration and Evaluation Assets* for more details).

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The cost of the Calidus shares is revalued at each quarter based on the prevailing foreign exchange rate and the shares are recognized at fair value and subsequently remeasured at FVTOCI. Such revaluations are tracked through the cost base of the Calidus shares which is updated on a quarterly basis.

On November 18, 2014, the Company participated in E3D's inaugural financing and purchased 2,000,000 common shares of E3D, an unlisted private company based in Erie, Colorado. E3D is an additive manufacturing research and development company which specializes in the creation of advanced metals, composites, and ceramics. On March 7, 2018, the Company participated in E3D's rights offering financing. Through this right offering financing, the Company purchased 76,560 additional common shares of E3D at a price of USD \$1.68 per common share. As a result of other share issuances during the rights offering financing, the Company's ownership in E3D was diluted to 14.87%. As a result of this and other factors, the Company determined that it could no longer exert significant influence over E3D and thus no longer met the definition of an associate in accordance with IAS 28, *Investments in associates and joint ventures*. As such, the Company's 2,076,560 common shares of E3D have been accounted for as marketable securities from the date E3D ceased to be an associate.

The Company recognized a fair value gain on derecognition of associate in the consolidated statements of comprehensive loss with subsequent fair value changes in this investment remeasured at FVTOCI.

During the period ended April 30, 2018, the abovementioned fair value gain on derecognition of the associate was incorrectly recognised through other comprehensive income. The Company has therefore restated the relevant figures and comparatives in the condensed interim consolidated statements of comprehensive loss and condensed interim consolidated statements of changes in equity, refer to note 14 for the detailed impact.

On March 8, 2018, American Pacific Mining Corp. ("APM") issued 266,666 common shares to Novo at a fair value of \$0.38 per share for total consideration of \$101,000 (see note 6 - *Exploration and Evaluation Assets* for more details).

FVTOCI	April 30, 2018					
	Number	Cost \$'000	Foreign Exchange \$'000	Fair value gain on derecognition of associate \$'000	Accumulated Unrealised Gains / (Losses) \$'000	Fair Value \$'000
Calidus Resources Limited Common Shares	56,585,366	2,304	(61)	-	112	2,355
American Pacific Mining Corp. Common Shares	266,666	101	-	-	(13)	88
Elementum 3D Inc. Common Shares	2,076,560	163	-	4,315	-	4,478
		2,568	(61)	4,315	99	6,921

6. EXPLORATION AND EVALUATION ASSETS

Nullagine Region

Beatons Creek Property

The Company signed agreements with aboriginal groups who have title to the ground comprising the Beatons Creek property during the year ended January 31, 2018. In aggregate, the Company has paid AUD \$450,000 (\$447,000) and a further AUD \$600,000 is due once a decision has been made to develop the property for mining. In addition, a production royalty is payable, totaling 2.75% on any gold and silver produced from the Beatons Creek property.

A 2.5% royalty is payable to the State of Western Australia on any gold produced by the Company on the Beatons Creek Tenements.

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Talga Projects

On September 16, 2016, the Company issued 765,115 common shares of the Company at a deemed value of \$0.9673 (AUD \$0.9802) per share for total consideration of AUD \$750,000 (\$740,000) in order to exercise its option and purchase the Talga Talga, Warrawoona, and Mosquito Creek Projects (collectively, the "Talga Projects"). The fair value of the common shares issued was \$1,370,000 based on the closing price of the Company's common shares on the TSX-V on September 16, 2016 of \$1.79.

A 1.5% net smelter returns royalty is payable on any minerals extracted from the Talga Projects in a commercial mining operation. A 2.5% royalty is also payable to the State of Western Australia on any gold produced by the Company on the Talga Projects.

Blue Spec Project

A 2% net smelter return royalty over all production from tenements comprising the Blue Spec Au-Sb Project (the "Blue Spec Project") is payable to RSI (WA Gold) Pty Ltd. under a royalty agreement entered into by Northwest Resources Limited ("Northwest") when it owned the tenements.

A net smelter return royalty over all production from certain tenements comprising the Blue Spec Project is payable to St. Barbara Limited under a royalty agreement Northwest was bound by when it owned the tenements comprising the Blue Spec Project. The Company assumed the obligations under the 2015 purchase agreement with Northwest. The royalty is equal to 3.75% of the gross proceeds of sale of 75% of all gold, silver and other minerals produced from the tenements.

A 2.5% royalty is payable to the State of Western Australia on any gold produced by the Company on the Blue Spec Project.

Paleo-Placer Property

The Creasy Group still holds the conditional right to receive the issuance of the remaining 100 Creasy CGE Shares in exchange for 2,139,534 Novo common shares upon Novo and the Creasy Group entering into a binding agreement regarding other tenements in the Nullagine region. No value has been ascribed to these shares considering their issuance is contingent upon entering into the binding agreements. The 100 Creasy CGE Shares hold no voting rights and no dividend rights.

If a mining decision is made under any of the four farm-in and joint venture agreements with the Creasy Group (the "JVAs"), following a bankable feasibility study, but the Creasy Group elects not to participate in mining, its interest in relation to that mining area will be transferred to Nullagine Gold and converted to a 1% net smelter royalty.

A discovery bonus of AUD \$1,000,000 is also payable to the Creasy Group if Novo conducts commercial mining operations on a gold discovery made by the Creasy Group while exercising its prospecting rights on the JVA properties. The Creasy Group would also make a similar payment to the Company if the Creasy Group mines a non-gold discovery made by the Company.

A 2.5% royalty is payable to the State of Western Australia on any gold produced by the Company on the JVA properties.

Two Creeks Property

On April 14, 2016, the Company entered into a licence and farm-in option agreement with Mesa Minerals Limited ("Mesa"), an Australian Stock Exchange listed company, for the right to explore its Two Creeks project (the "Two Creeks Project"). The Two Creeks Project covers an area of approximately 251 sq km in an area approximately 13 km east of the Company's Blue Spec project.

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A payment of AUD \$10,000 (\$10,000) was made to Mesa Minerals for an initial exploration licence period set to expire on July 5, 2016. On August 11, 2016, the Company exercised its right to enter into a farm-in and joint venture agreement by issuing 491,274 common shares to Mesa (the "Consideration Shares") at a deemed price of \$0.9037 per share (AUD \$0.9171) for total consideration of AUD \$500,000 (\$442,000). The fair value of the common shares issued was \$442,000 based on the closing price of the Company's common shares on the TSX-V on August 11, 2016 of \$0.90. These Consideration Shares were subject to a statutory hold period that expired in February of 2017. The Company has the right to earn a 70% interest by incurring AUD \$500,000 in exploration expenditures, which it has not incurred as at the date these condensed interim consolidated financial statements were approved.

If a joint venture is formed with Mesa, Mesa will have the right to dilute its joint venture interest by not contributing to the joint venture. Mesa will earn a 0.75% net smelter returns royalty per 10% of joint venture interest diluted.

A 2.5% royalty is payable to the State of Western Australia on any gold produced by the Company on the Two Creeks Project.

Mt. Hayes Property

On April 14, 2016, the Company entered into an option agreement with Red Dog Prospecting Pty Ltd ("Red Dog Prospecting"), a private Australian company, for the right to explore its Mt. Hayes project (the "Mt. Hayes Project"). The Mt. Hayes Project covers an area of approximately 76 sq km immediately east and adjoining the Two Creeks Project and hosts approximately 11 km of strike along the Blue Spec shear zone.

On October 7, 2016, the Company issued 195,365 common shares to Red Dog at a deemed price of \$1.4889 (AUD \$1.4844) per share for total consideration of AUD \$290,000 (\$290,000). The fair value of the common shares issued was \$293,000 based on the closing price of the Company's common shares on the TSX-V on October 7, 2016 of \$1.50. The Company also made a cash payment of AUD \$50,000 (\$50,000) in order to extend the period of exercise of the option for another two years from the date of the option agreement to April 14, 2018. The Company determined that the Mt. Hayes Project was not prospective and let the option lapse. The Company recorded an impairment expense of AUD \$437,000 (\$435,000) during the year ended January 31, 2018.

Calidus Resources Limited

On September 19, 2017, the Company signed a binding term sheet with Calidus Resources Limited ("Calidus"), an ASX-listed entity, granting Calidus the right to earn a 70% interest in and to certain Novo tenements surrounding Calidus' Warrawoona project in Western Australia (the "Novo Tenements"). The Novo Tenements are comprised of four exploration licences and three prospecting licences.

Calidus completed its due diligence and satisfied or waived all conditions precedent and advised that the preparation of formal earn-in and joint venture agreements is underway. Calidus issued to Novo 20,000,000 fully paid ordinary shares at a fair value of AUD \$820,000 (\$814,000) or AUD \$0.041 (\$0.041) per share.

In order to earn a 70% interest in and to the Novo Tenements, Calidus must incur exploration expenditures of AUD \$2,000,000 over three years. If Calidus earns its 70% interest, Novo and Calidus will then be subject to a fund or dilute obligation whereby any interest below 10% will automatically convert into a 1% net smelter returns royalty.

NOVO RESOURCES CORP.

(Expressed in Canadian Dollars, unless stated otherwise)

Notes to the Amended and Restated Condensed Interim Consolidated Financial Statements (Unaudited)

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Nimble Resources Pty Ltd

On November 10, 2017, the Company sold tenement E46/1035 to Nimble Resources Pty Ltd (“Nimble”) for a tiered royalty on any future minerals produced from the tenement. The Company will receive a royalty of 2% on all minerals derived from ore with an average grade of at least 0.5 grams of gold per loose cubic metre of earth, and 1% on all minerals derived from ore with an average grade of less than 0.5 grams of gold per loose cubic metre of earth.

Karratha Region

Comet Well Property

On April 11, 2017, the Company entered into a binding terms sheet (the “Terms Sheet”) with Jonathan and Zoe Campbell (“Campbell”) to acquire the Campbells’ interest in tenements 47/3597, 47/1845, 47/1846, 47/1847, and 47/3601 (collectively, the “Tenements”) which comprise the Comet Well project in the Karratha region of Western Australia (the “Comet Well Project”). On August 3, 2017, the Company signed a sale and purchase agreement and a royalty agreement with Campbell, two farm-in and joint venture agreements with Gardner Mining Pty Ltd (“Gardner”) and Bradley Adam Smith (“Smith”), and a settlement deed with Campbell, Gardner, and Smith (collectively, the “Definitive Agreements”). Upon execution of the Definitive Agreements, the Company had the right to earn an 80% interest, in aggregate, to the Tenements.

The aggregate cash portion of the purchase price pursuant to the Definitive Agreements is AUD \$1,750,000, of which AUD \$100,000 (\$100,000) was paid to Campbell upon signing of the Terms Sheet and AUD \$150,000 (\$148,000) was paid to Campbell upon signing of the Definitive Agreements. The remaining AUD \$1,500,000 will be paid to Gardner and Smith. The shares portion of the purchase price consists of 1,450,000 Novo common shares (the “Initial Consideration Shares”) of which 450,000 Initial Consideration Shares will be issued to Campbell and 1,000,000 Initial Consideration Shares will be issued to Gardner and Smith. The Initial Consideration Shares will be subject to a statutory hold period expiring four months from the date of issuance. The Initial Consideration Shares were issued on January 25, 2018, at a fair value of \$4,611,000 based on the closing price of the Company’s common shares on the TSX-V on January 25, 2018 of \$3.18.

Three years after the signing of the Definitive Agreements, a further AUD \$3,000,000 in aggregate is required to be paid to Gardner and Smith and AUD \$3,000,000-worth of Novo’s common shares (the “Subsequent Consideration Shares”) issued to Gardner and Smith, with the number of Subsequent Consideration Shares to be calculated based on Novo’s then prevailing 5-day trailing volume-weighted average price (“VWAP”). The Subsequent Consideration Shares will also be subject to a statutory hold period expiring four months from the date of issuance.

The AUD \$3,000,000 cash consideration has been recognized as a long-term liability in the Company’s condensed interim consolidated statements of financial position. The cash consideration has been discounted to reflect its present value with the remainder of the cash liability being recognized in accretion expense over the period to maturity. The carrying value of the cash consideration payable as at April 30, 2018 is \$2,825,000 (AUD \$2,780,000) (January 31, 2018 - \$2,891,000 (AUD \$2,955,000)).

The Subsequent Consideration Shares were initially recognised as a long-term liability, measured at fair value through profit or loss. Subsequent to the approval of the consolidated financial statements for the year ended January 31, 2019, the Company re-assessed this accounting treatment and determined that the Subsequent Consideration Shares should have been accounted for as an equity-settled share-based payment under the requirements of IFRS 2 *Share-based Payment* (“IFRS 2”). As an equity-settled share-based payment the consideration payable should have been recognised directly in equity without subsequent remeasurement.

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The Company has therefore restated the relevant figures and comparatives in the condensed interim consolidated statements of financial position, condensed interim consolidated statements of comprehensive loss and condensed interim consolidated statements of changes in equity, refer to note 14 for the detailed impact. The transaction has been recognised and measured with reference to the fair value of the equity instruments granted at the date control of the asset was obtained, estimated to be \$3,354,000, as the Company determined that it could not reliably measure the fair value of the asset acquired. The previously recorded gains and losses on changes in fair value of the long-term liability have been reversed as the instruments are now equity instruments that are not measured at fair value through profit or loss.

A bonus (the "Discovery Bonus") of AUD \$1,000,000 payable in cash and/or Novo common shares (at Campbell's option) is required to be paid to Campbell if Novo publishes measured, indicated, or inferred gold resources of at least 250,000 ounces on the Comet Well Project (the "Comet Well Technical Report").

If the Discovery Bonus is to be paid in the Company's common shares, the shares will be priced at the Company's then 5-day trailing VWAP and will be subject to a statutory hold period expiring four months from the date of issuance. The Company has not published a Comet Well Technical Report so no amount has been accrued for the Discovery Bonus.

The royalty agreement between the Company and Campbell entitles Campbell to a 1% net smelter returns royalty on gold extracted by the Company on the Tenements.

The first farm-in and joint venture agreement (the "Novo Farm-in Agreement") signed between the Company and Gardner and Smith entitles the Company to earn an 80% interest in the Tenements once certain regulatory approvals are obtained and the Company incurs AUD \$4,000,000 in expenditures within three years of the Tenements being granted by the Australian Department of Mines, Industry Regulation and Safety (the "DMIRS"). Concurrently, the Company signed a farm-in and joint venture agreement (the "Gardner and Smith Farm-in Agreement") with Gardner and Smith which entitle Gardner and Smith to earn an aggregate 20% interest in the Tenement by incurring AUD \$50,000 in aggregate within two years of the Tenements being granted by the DMIRS. As such, if the Company earns in to the Tenements and Gardner and Smith earn in to the Tenements, the Company will hold an 80% interest in the Tenements and Gardner and Smith will hold a 20% interest in the Tenements.

Pursuant to the Novo Farm-in Agreement, the Company will free carry Gardner and Smith with respect to joint venture expenditures until a decision to mine is made, at which point any non-contributing entity's interest in the joint venture will dilute at a pre-determined ratio. If Gardner's and Smith's interests in the joint venture are reduced to below 5%, Gardner and Smith will be deemed to have withdrawn from the joint venture and their interest will convert to an aggregate 1.0% net smelter returns royalty payable on any gold which is capable of being sold or otherwise disposed of. If the Company's interest in the joint venture is reduced to below 5%, the Company will be deemed to have withdrawn from the joint venture and its interest will convert to an aggregate 4% net smelter returns royalty payable on any gold which is capable of being sold or otherwise disposed of.

Pursuant to the Gardner and Smith Farm-in Agreement, the Company will free carry Gardner and Smith with respect to joint venture expenditures until a decision to mine is made, at which point any non-contributing entity's interest in the joint venture will dilute at a pre-determined ratio. If Gardner's and Smith's interests in the joint venture are reduced to below 5%, Gardner and Smith will be deemed to have withdrawn from the joint venture and their interests will convert to a 0.5% net smelter returns royalty payable on any gold which is capable of being sold or otherwise disposed of. If the Company's interest in the joint venture is reduced to below 5%, the Company will be deemed to have withdrawn from the joint venture and its interest will convert to a 4% net smelter returns royalty payable on any gold which is capable of being sold or otherwise disposed of.

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On December 4, 2017, the Company signed a native title and heritage exploration agreement (the “Native Title Agreement”) with Campbell, Gardner, Smith, and the Ngarluma Aboriginal Corporation (“NAC”) which has allowed heritage surveys to commence and will allow the granting of the Tenements. Once granted, the Company will be entitled to commence exploration work on the Tenements in order to satisfy earn-in expenditures on the Novo Farm-in Agreement. The Company also issued 100,000 common shares to NAC as consideration for signing the Native Title Agreement on December 8, 2017 at a fair value of \$503,000 based on the closing price of the Company’s common shares on the TSX-V on December 8, 2017 of \$5.03.

Artemis Resources Limited

On August 15, 2017, the Company signed definitive agreements outlining farm-in and joint venture gold rights with Artemis Resources Limited (“Artemis”). Novo will farm-in to 50% of gold (and other minerals necessarily mined with gold) in conglomerate and/or paleo placer style mineralization in Artemis’ tenements within 100km of the City of Karratha, including at Purdy’s Reward (“the Gold Rights”). The Gold Rights do not include (i) gold disclosed in Artemis’ existing JORC compliant Resources and Reserves at May 18, 2017 or (ii) gold which is not within conglomerate and/or paleo-placer style mineralization or (iii) minerals other than gold. Artemis’ Mt Oscar tenement is excluded from the definitive agreements.

The farm-in commitment required Novo to expend AUD \$2,000,000 on exploration within two years of satisfying conditions precedent in the definitive agreements. The Company issued 4,000,000 common shares as consideration for the Artemis transaction on August 23, 2017, at a fair value of CAD \$16,480,000 based on the closing price of the Company’s common shares on the TSX-V on August 23, 2017 of \$4.12.

The definitive agreements signed cover 38 tenements/tenement applications that are 100% owned by Artemis. On completion of the farm-in commitment, three 50:50 joint ventures will be formed between Novo’s subsidiary, Karratha Gold Pty Ltd (“Karratha Gold”) and three subsidiaries of Artemis. The joint ventures will be managed as one by Karratha Gold. Artemis and Novo will contribute to further exploration and mining of the Gold Rights on a 50:50 basis.

On November 27, 2017, the Company reached its AUD \$2,000,000 expenditure requirement and sent notice to such effect to Artemis. As such, effective November 27, 2017, the 50:50 joint venture was deemed to be formed between Karratha Gold and Artemis’ subsidiaries. Karratha Gold manages the joint ventures and Artemis and Karratha Gold will contribute to further exploration and mining of the Gold Rights on a 50:50 basis. If Karratha Gold or Artemis elect not to contribute to the joint venture pursuant to a budget approved by the joint venture management committee, the non-contributing entity’s interest in the joint venture will dilute at a ratio of 0.1% for every AUD \$50,000 overspent by the contributing entity. If a non-contributing entity’s interest in the joint venture is reduced to below 5%, the non-contributing entity will be deemed to have withdrawn from the joint venture and its interest will convert to a 0.5% net smelter returns royalty payable on any gold subject to the Gold Rights which is capable of being sold or otherwise disposed of.

Welcome Exploration Pty Ltd

On August 11, 2017, Novo and one of its Australian subsidiaries, Karratha Gold Pty Ltd., entered into an option agreement (the “Agreement”) with Welcome Exploration Pty Ltd, a private Australian company (the “Optionor”) for the option to acquire the Optionor’s interest in certain tenements (the “Option”) in the Karratha region of Western Australia (the “Pipeline Project”). The Pipeline Project consists of seven prospecting licences, five exploration licences, six prospecting licence applications, three exploration licence applications and a miscellaneous licence application.

An option fee payment of 500,000 Novo common shares (the “Initial Shares”) was made on August 16, 2017 at a fair value of \$2,500,000 based on the closing price of the Company’s common shares on the TSX-V on August 16, 2017 of \$5.00.

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At any time within 12 months of signing of the Agreement, the Company has the right to exercise its Option and purchase the Pipeline Project outright, subject to the Optionor retaining certain rights described below, by issuing 2,500,000 Novo common shares (the "Option Exercise Shares") to the Optionor. The Option Exercise Shares will be subject to a statutory hold period expiring four months from the date of issuance. Transfer to Novo of the tenements comprising the Pipeline Project will be subject to the requisite approvals of certain Australian government authorities.

The Optionor will retain non-gold rights to the Pipeline Project and will retain a 1% gross royalty on production from the Pipeline Project if the Company exercises the Option.

100%-Owned Karratha Tenements

The Company staked approximately 8,000 square kilometres of tenements in and around the Karratha region of Western Australia under its wholly-owned subsidiaries, Meentheena Gold Pty Ltd and Rocklea Gold Pty Ltd.

Farno McMahon Option

On March 29, 2018, the Company signed an option agreement with Farno McMahon Pty Ltd ("FM") for the right to explore FM's tenements in and around the Karratha region of Western Australia for a 12-month period. The Company paid AUD \$300,000 in cash for the right, AUD \$278,000 (\$269,000) was accounted for as property acquisition costs and AUD \$22,000 (\$22,000) was attributed to 400 grams of gold nuggets to be delivered by FM to the Company.

Gold Samples

During the period ended April 30, 2018, the Company purchased 820 grams of unrefined gold nuggets from various parties in the Karratha region of Western Australia, 795 of which had been delivered by April 30, 2018. The Company records the value of the gold nuggets at cost on the date of purchase as would be typical of the accounting method for gold dore by producing companies.

Nevada, USA Region

Tuscarora Property

On November 7, 2014, Novo USA signed an Exploration Lease and Option to Purchase Agreement (the "Tuscarora Agreement") with Nevada Eagle LLC ("Nevada West") and Platoro West Incorporated ("Platoro") to acquire an undivided 100% interest in and to the Tuscarora Property (the "Tuscarora Property"), subject to a net smelter return on gold ranging from 2-4% based on the average daily price per troy ounce of gold from the New York Commodity Exchange during the period of production, and 2.5% on all other minerals. The Tuscarora Property, located in Elko County, Nevada, USA, is comprised of 23 unpatented lode claims.

On October 4, 2016, the Company paid the final option payment and acquired a 100% interest in and to the Tuscarora Property.

On November 6, 2017, the Company signed an option agreement with APM whereby APM has the option to acquire the Company's interest in the Tuscarora Property.

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Upon the earlier to occur of the listing of APM's common shares on the Canadian Securities Exchange and January 31, 2018, APM will pay to Novo \$375,000 in three equal annual instalments. APM will also issue \$200,000 worth of APM common shares in three equal annual instalments once it lists on the Canadian Securities Exchange. Beginning on the first anniversary of APM's listing date, APM will also be required to incur annual expenditures of USD \$100,000 on the Tuscarora Project. APM will grant to Novo a 0.5% net smelter returns royalty which APM can repurchase for USD \$500,000 at any time. APM will also assume all of Novo's royalty obligations under its original option agreement underlying the Tuscarora Project between Novo and Nevada Select Royalty, Inc. During the year ended January 31, 2018, APM paid \$125,000 to Novo. On March 8, 2018, APM issued 266,666 common shares to Novo at a fair value of \$0.38 per share for total consideration of \$101,000.

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(Unaudited)

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The exploration and evaluation assets are comprised of the following:

	Beatons Creek Region	US Region	Karratha Region					Total
		Tuscarora	Comet Well	Artemis	Welcome Exploration	100%-Owned	Farno McMahon	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance, January 31, 2018	39,360	303	13,876	21,091	2,625	617	-	77,872
Acquisition Costs	-	-	218	-	-	-	269	487
Exploration Expenditures:								
Drilling	109	-	-	906	-	-	-	1,015
Field Work	36	-	337	71	-	-	-	444
Fuel	34	-	41	-	-	-	-	75
Geology	722	-	126	-	-	-	-	848
Legal	1	-	3	10	-	-	-	14
Meals, Travel, and Vehicle/Equipment Hire	119	-	1,108	-	-	-	-	1,227
Office and General	81	-	59	-	-	-	-	140
Reports, Data and Analysis	89	-	164	75	-	-	-	328
Rock Samples	17	-	693	30	-	-	-	740
Native Title	97	-	-	-	-	-	-	97
Tenement Administration	83	-	102	3	-	1	-	189
Option Payments Received	-	(101)	-	-	-	-	-	(101)
Foreign Exchange	(995)	13	(351)	(533)	(66)	(15)	-	(1,947)
	393	(88)	2,282	562	(66)	(14)	-	3,069
Balance, April 30, 2018	39,753	215	16,376	21,653	2,559	603	269	81,428

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(Unaudited)

For the three-month periods ended April 30, 2018 and April 30, 2017

	Beatons Creek Region	US Region	Karratha Region				Total
		Tuscarora	Comet Well	Artemis	Welcome Exploration	Granted tenements	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance, January 31, 2017	34,782	440	-	-	-	-	35,222
Acquisition Costs	41	-	13,203	16,495	2,600	-	32,339
Exploration Expenditure:							
Drilling	686	-	-	942	-	-	1,628
Feasibility study	172	-	-	-	-	-	172
Fieldwork	279	-	43	678	-	-	1,000
Fuel	72	-	166	72	-	-	310
Geology	2,204	2	44	349	-	-	2,599
Legal	155	4	128	124	7	-	418
Meals, Travel and Vehicle/Equipment Hire	515	1	225	1,286	-	-	2,027
Office and General	265	-	30	57	-	-	352
Reports, Data and Analysis	419	-	-	453	17	433	1,322
Rock Samples	857	1	18	554	-	-	1,430
Native Title	447	-	-	-	-	-	447
Tenement Administration	759	6	19	81	2	184	1,051
Foreign Exchange	147	(25)	-	-	-	-	122
Option Payments Received	(814)	(125)	-	-	-	-	(939)
R&D Refund	(1,192)	-	-	-	-	-	(1,192)
Impairment	(434)	-	-	-	-	-	(434)
	4,537	(136)	673	4,596	26	617	10,313
Balance, January 31, 2018	39,360	304	13,876	21,091	2,626	617	77,874

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(Expressed in Canadian Dollars, unless stated otherwise)

**Notes to the Amended and Restated Condensed Interim Consolidated Financial Statements
(Unaudited)****For the three-month periods ended April 30, 2018 and April 30, 2017****7. PROPERTY, PLANT, AND EQUIPMENT**

	Office Furniture \$'000	Mining Equipment \$'000	Camp \$'000	Vehicles \$'000	Total \$'000
Cost:					
Balance at January 31, 2017	10	509	-	-	519
Additions	-	-	402	226	628
Disposals	-	-	-	(63)	(63)
Balance at January 31, 2018 (Restated – Note 14)	10	509	402	163	1,084
Additions	-	10	-	-	10
Foreign exchange differences	-	(9)	(11)	(5)	(24)
Balance at April 30, 2018 (Restated – Note 14)	10	510	391	158	1,069
Accumulated Depreciation					
	Office Furniture \$'000	Mining Equipment \$'000	Camp \$'000	Vehicles \$'000	Total \$'000
Balance at January 31, 2017	10	22	-	-	32
Foreign exchange differences	-	(2)	4	2	4
Depreciation	-	-	52	3	55
Balance at January 31, 2018 (Restated – Note 14)	10	20	56	5	91
Depreciation	-	-	17	8	25
Balance at April 30, 2018 (Restated – Note 14)	10	20	73	13	116
Carrying Value:					
	Office Furniture \$'000	Mining Equipment \$'000	Camp \$'000	Vehicles \$'000	Total \$'000
Balance at January 31, 2017	-	487	-	-	487
Balance at January 31, 2018 (Restated – Note 14)	-	489	346	158	993
Balance at April 30, 2018 (Restated – Note 14)	-	489	318	146	953

8. CAPITAL AND RESERVES**Authorized**

Unlimited number of common voting shares without nominal or par value. All issued common shares are fully paid.

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(Unaudited)

For the three-month periods ended April 30, 2018 and April 30, 2017

Shares issued

During the period ended April 30, 2018 and the year ended January 31, 2018, shares were issued pursuant to non-brokered private placements and the exercise of options and warrants.

- a) On September 6, 2017, the Company closed a non-brokered equity private placement (the "KL Financing") with Kirkland Lake Gold Ltd. ("KL") as a new strategic investor. The KL Financing raised gross proceeds of \$56,000,000 by the issuance of 14,000,000 units (each a "KL Unit") at a price of \$4.00 per KL Unit. All of the KL Units were subscribed for by KL. Each KL Unit consisted of one common share and one share purchase warrant (each a "KL Warrant"), and each KL Warrant entitles KL to purchase one additional common share of the Company at a price of \$6.00 per share for a period of 36 months from the closing date. The KL Warrants are subject to an accelerated expiry whereby, starting one year from the close of the KL Financing, if the daily high trading price of Novo's common shares exceeds \$12.00 for a period of 20 consecutive trading days, Novo may provide notice of early expiry and the KL Warrants will expire 30 days thereafter. As part of the KL Financing, the Company incurred share issuance costs of \$7,000.

KL will retain an anti-dilution right (the "Anti-Dilution Right") which grants KL the right (but not the obligation) to participate, on a pro rata basis, in any future financing undertaken by Novo to the extent required to allow KL to maintain the same equity ownership interest in Novo that it possessed immediately prior to announcement of a financing such that KL does not suffer any equity dilution. The Anti-Dilution Right does not apply to currently existing convertible securities, securities issued pursuant to currently existing contractual obligations, securities issued pursuant to the acquisition of mineral projects, and securities issued pursuant to direct or indirect arm's length corporate acquisitions, and it will expire if KL's ownership in Novo drops below 5%.

- b) On May 4, 2017, the Company closed a brokered private placement, raising gross proceeds of \$15,000,000 (the "Offering"). Pursuant to the Offering, the Company issued 22,727,350 units (the "Offering Units") at a price of \$0.66 per Offering Unit. Each Offering Unit was comprised of one common share of the Company and one transferable common share purchase warrant (an "Offering Warrant"), each Offering Warrant entitling the holder thereof to acquire one common share at a price of \$0.90 until May 4, 2019. 1,329,546 broker's warrants were also issued pursuant to the Offering with a fair value of \$477,000. The fair value of each broker's warrant was \$0.36 per share whereas the exercise price of each broker's warrant is \$0.66. The fair value was calculated using the Black-Scholes option pricing model assuming a risk-free interest rate of 0.68%, a dividend yield of \$nil, an expected volatility of 94.22% and an average expected life of 2 years. As part of the Offering, in addition to the broker's warrants, the Company incurred share issuance costs of \$1,066,000.

Shares to be issued

The Company opted to issue 1,000,000 common shares in order to satisfy consulting services received by the Company between May 1 and August 3, 2017. As the number of shares to be issued as payment for the consulting services is fixed, it does not breach the fixed-for-fixed criteria and has been recognized within equity. The consulting services were measured using the Company's average share price during the consulting period and have been recognized in the statement of loss and comprehensive loss during the aforementioned period. The shares have not been issued as at April 30, 2018, or subsequently, so the equity component of the obligation has been recorded as shares to be issued.

\$1,419,000 in subscriptions was received during the period ended April 30, 2017, pursuant to the Offering.

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**Notes to the Amended and Restated Condensed Interim Consolidated Financial Statements
(Unaudited)****For the three-month periods ended April 30, 2018 and April 30, 2017****Warrants**

The continuity of warrants is as follows:

	April 30, 2018		January 31, 2018	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of the period	35,602,439	\$2.93	13,544,141	\$1.03
Granted	-	-	38,056,896	\$2.77
Cancelled/Expired	-	-	(180,000)	(\$0.80)
Exercised	(4,231,982)	(\$0.89)	(15,818,598)	(\$0.94)
Balance, end of the period	31,370,457	\$3.20	35,602,439	\$2.93

Full share equivalent warrants outstanding and exercisable at of April 30, 2018:

Expiry Date	Price Per Share	Warrants Outstanding
July 26, 2018	\$1.25	1,206,471
August 12, 2018	\$1.25	1,203,531
May 4, 2019	\$0.90	14,960,455
September 6, 2020	\$6.00	14,000,000
		31,370,457

Full share equivalent warrants outstanding and exercisable at of January 31, 2018:

Expiry Date	Price Per Share	Warrants Outstanding
March 8, 2018	\$0.85	2,236,217
July 26, 2018	\$1.25	1,206,471
August 12, 2018	\$1.25	1,427,210
May 4, 2019	\$0.90	16,732,541
September 6, 2020	\$6.00	14,000,000
		35,602,439

Share option plan

The Company has adopted a rolling stock option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of each option ("Option") shall not be less than the closing price of the common shares on the trading day immediately preceding the day on which the Option is granted, less any discount permitted by the TSX-V.

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**Notes to the Amended and Restated Condensed Interim Consolidated Financial Statements
(Unaudited)****For the three-month periods ended April 30, 2018 and April 30, 2017**

The continuity of stock options is as follows:

	April 30, 2018		January 31, 2018	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of the period	12,550,000	\$3.07	5,025,000	\$0.94
Granted	-	-	9,800,000	\$3.72
Exercised	(248,334)	(\$1.32)	(2,025,000)	(\$0.68)
Expired/Cancelled	-	-	(250,000)	(\$2.29)
Balance, end of the period	12,301,666	\$3.10	12,550,000	\$3.07

The options outstanding and exercisable at April 30, 2018 are as follows:

Outstanding Options			Exercisable Options		
Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number Exercisable	Weighted Average Exercise Price	
150,000	\$0.20	2.12	150,000	\$0.20	
2,650,000	\$0.94	3.30	2,225,000	\$0.94	
1,750,000	\$0.95	3.10	166,667	\$0.95	
3,326,666	\$1.57	3.22	1,550,000	\$1.57	
2,750,000	\$7.70	4.48	1,466,667	\$7.70	
400,000	\$7.94	4.52	133,333	\$7.94	
1,275,000	\$3.47	4.76	-	-	
12,301,666	\$3.10	3.69	5,691,667	\$3.00	

The options outstanding and exercisable at January 31, 2018 were as follows:

Outstanding Options			Exercisable Options		
Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number Exercisable	Weighted Average Exercise Price	
150,000	\$0.20	2.36	150,000	\$0.20	
2,750,000	\$0.94	3.54	2,225,000	\$0.94	
1,750,000	\$0.95	3.35	166,667	\$0.95	
3,475,000	\$1.57	3.46	775,000	\$1.57	
2,750,000	\$7.70	4.72	733,333	\$7.70	
400,000	\$7.94	4.77	133,333	\$7.94	
1,275,000	\$3.47	5.00	-	-	
12,550,000	\$3.07	3.92	4,183,333	\$2.44	

For the period ended April 30, 2018, the total share-based payment expense was \$4,067,000 (April 30, 2017 - \$87,000).

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The Company used the Black-Scholes option pricing model to estimate the fair value of the options at the grant date, and period end date, using the following assumptions:

	For the three-month period ended April 30, 2018	For the year ended January 31, 2018
Risk-free interest rate	0.94% - 2.08%	0.63% - 2.08%
Dividend yield	0.00%	0.00%
Expected volatility	95.08% - 102.53%	95.08% - 219.12%
Expected option life	4 - 5 years	4 - 5 years

Share-based payment transactions with performance-based vesting conditions are measured at the fair value of the options granted at the date of issuance. Management adjusts the cumulative share-based payment expense periodically, based on the number of options expected to vest under the vesting conditions.

9. RELATED PARTY DISCLOSURES

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, and amounts incurred were expensed as consulting fees. The relationship with one of these entities was terminated during the period ended January 31, 2018.

(a) Key Management Personnel Disclosures

During the periods ended April 30, 2018 and 2017, the following amounts were incurred with respect to the key management and directors of the Company:

	April 30, 2018	April 30, 2017
	\$'000	\$'000
Consulting services	45	57
Wages and salaries	366	43
Wages and salaries included in exploration and evaluation assets	-	79
Share-based compensation	3,497	87
	<u>3,908</u>	<u>266</u>

(b) Other Related Party Disclosures

During the periods ended April 30, 2018 and 2017, the following amounts were incurred with respect to consulting services provided by a corporation which employed the former Chief Financial Officer:

	April 30, 2018	April 30, 2017
	\$'000	\$'000
Consulting services	-	30
	<u>-</u>	<u>30</u>

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Notes to the Amended and Restated Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three-month periods ended April 30, 2018 and April 30, 2017

10. SUPPLEMENTAL CASH FLOW INFORMATION

During the periods ended April 30, 2018 and 2017, non-cash activities conducted by the Company related to the movement of mineral property expenditures in accounts payable:

	April 30, 2018	April 30, 2017
	\$'000	\$'000
<i>Operating activities</i>		
Increase (decrease) in accounts payable and accrued liabilities	512	(751)
<i>Investing activities</i>		
Additions in exploration and evaluation assets	(512)	751

11. FINANCIAL INSTRUMENTS

a) Fair value

The Company's financial instruments include cash, short-term investments, interest receivable, marketable securities, accounts payable and accrued liabilities, and the cash component of the deferred consideration. The 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 – 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 are unobservable market data.

The recorded amounts of cash, short-term investments, interest receivable and accounts payable and accrued liabilities approximate their respective fair values due to their short-term nature. The cash deferred consideration was initially recognized at fair value and is subsequently measured at amortized cost.

- The marketable securities balance for listed securities is measured using Level 1 inputs. The fair values of marketable securities are measured at the closing market price obtained from the Canadian Securities Exchange and the Australian Securities Exchange.
- The marketable securities balance held in E3D is measured using Level 2 inputs.

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

a) Credit risk

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

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(Unaudited)****For the three-month periods ended April 30, 2018 and April 30, 2017****b) Foreign exchange rate risk**

The Company has operations in Canada, Australia, and the United States and is 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 results 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 April 30, 2018 and 2017, the Company's monetary assets and monetary liabilities are as follows:

	April 30, 2018	April 30, 2017
	\$'000	\$'000
Canadian Net Monetary assets (\$ CAD)		
Cash and short-term investments	49,660	1,814
Accounts payable and accrued liabilities	92	129
	April 30, 2018	April 30, 2017
	\$'000	\$'000
Australian Net Monetary assets (\$ AUD)		
Cash and short-term investments	17,543	96
Accounts payable and accrued liabilities	1,836	598
	April 30, 2018	April 30, 2017
	\$'000	\$'000
US Net Monetary assets (\$USD)		
Cash	309	89
Accounts payable and accrued liabilities	4	9

The exposure to foreign exchange rate risk is as follows:

	AUD	10% Fluctuation Impact (AUD)	CAD
	\$'000	\$'000	\$'000
Australian Net Monetary assets			
Cash and short-term investments	17,543	1,754	1,698
Accounts payable and accrued liabilities	1,836	184	178
	USD	10% Fluctuation Impact (USD)	CAD
	\$'000	\$'000	\$'000
US Net Monetary assets			
Cash	309	31	40
Accounts payable and accrued liabilities	5	-	1

c) Liquidity Risk

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. Other than the deferred consideration for mineral property, all of the Company's financial liabilities are classified as current and the Company has a practice of paying its outstanding payables within 30 days. The deferred consideration for mineral property is due on January 25, 2021.

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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.

e) 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 bank and GIC's 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.

12. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company defines capital that it manages as share capital and cash and short-term investments.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares and, acquire or dispose of assets.

The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short term maturities, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period.

The Company is not subject to external capital restrictions nor were there any changes in the Company's capital management policies during the period.

13. SEGMENT INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. The Company's non-current assets are located in the following countries:

	As at April 30, 2018			
	Australia	USA	Canada	Total
	\$'000	\$'000	\$'000	\$'000
Equipment	953	-	-	953
Exploration and evaluation assets	81,211	217	-	81,428
Gold samples	41	-	-	41
Marketable securities	2,355	4,478	88	6,921
	84,560	4,695	88	89,343

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	As at January 31, 2018			
	Australia \$'000	USA \$'000	Canada \$'000	Total \$'000
Equipment	993	-	-	993
Exploration and evaluation assets	77,570	304	-	77,874
Marketable securities	2,135	-	-	2,135
	80,698	304	-	81,002

14. IMPACT OF THE RESTATEMENT

The effect of the above mentioned restatements with regards to the classification of the fair value gain relating to the investment in E3D from other comprehensive income to profit and loss (the "E3D Adjustment") (see note 5) and the revised accounting for the Comet Well Subsequent Consideration Shares as an equity settled share based payment under IFRS 2 rather than a non-current liability under IFRS 9 (see note 6) is summarised below.

Condensed Interim Consolidated Statements of Financial Position

	January 31, 2018		January 31, 2018
	\$'000 Previously disclosed	\$'000 Comet Well Adjustment	\$'000 Restated
Deferred consideration for mineral property	6,384	(3,493)	2,891
Total non-current liabilities	6,384	(3,493)	2,891
Total liabilities	8,151	(3,493)	4,658
Comet Well deferred consideration reserve	-	3,354	3,354
Accumulated deficit	(32,981)	139	(32,842)
Total shareholders' equity	143,684	3,493	147,177
Total shareholders' equity and liabilities	151,835	-	151,835
	April 30, 2018		
	\$'000 Previously disclosed	\$'000 Comet Well Adjustment	April 30, 2018 \$'000 Restated
Deferred consideration for mineral property	5,826	(3,001)	2,825
Total non-current liabilities	5,826	(3,001)	2,825
Total liabilities	7,908	(3,001)	4,907
Comet Well deferred consideration reserve	-	3,354	3,354
Accumulated deficit	(38,025)	3,962	(34,063)
Total shareholders' equity	148,898	3,001	151,899
Total shareholders' equity and liabilities	156,806	-	156,806

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**Notes to the Amended and Restated Condensed Interim Consolidated Financial Statements
(Unaudited)****For the three-month periods ended April 30, 2018 and April 30, 2017****Condensed Interim Consolidated Statements of Comprehensive Loss**

	April 30, 2018 \$'000 Previously disclosed	\$'000 Comet Well and E3D Adjustments	April 30, 2018 \$'000 Restated
Fair value gain on derecognition of associate	-	4,315	4,315
Unrealized loss on deferred consideration for mineral properties	492	(492)	-
Net loss for the period	(5,044)	3,823	(1,221)

Other comprehensive income/(loss)

Change in fair value of marketable securities	4,413	(4,314)	99
Comprehensive loss for the period	(2,954)	(491)	(3,445)

Basic and diluted loss per common share	(0.03)	0.02	(0.01)
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Condensed Interim Consolidated Statements of Cash Flows

	April 30, 2018 \$'000 Previously disclosed	\$'000 Comet Well and E3D Adjustments	April 30, 2018 \$'000 Restated
Operating activities			
Net loss for the period	(5,044)	3,823	(1,221)
Adjustments:			
Fair value gain on derecognition of associate	-	(4,315)	(4,315)
Unrealized gain on deferred consideration for mineral property	(492)	492	-
Total adjustments	3,284	(3,823)	(539)

15. EVENTS AFTER THE REPORTING PERIOD

- a) On July 27, 2018, the Company purchased one-half of the Campbell Royalty by agreeing to pay \$1,000,000 upon receipt of TSX-V approval (the "Approval Date") (paid on August 1, 2018), an additional \$250,000 on the six-month anniversary of the Approval Date (paid on January 25, 2019), and an additional \$500,000 on the 12-month anniversary of the Approval Date. The Company also issued 138,946 common shares on July 26, 2018, at a fair value of \$588,000 based on the closing price of the Company's common shares on the TSX-V on July 26, 2018 of \$4.23. The Company also agreed to pay Campbell a sub-royalty, in cash or satisfied by the issuance of common shares at the Company's discretion, based on either (i) resource reports being announced by the Company in compliance with either National Instrument 43-101 or the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves for the Comet Well property, demonstrating Measured Mineral Resources or Indicated Mineral Resources of gold, or a combination thereof (together, the "Announced Resources"), or (ii) if there are no Announced Resources but the Comet Well property is being mined by the Company, gold produced by the Company ("Mined Resources"), as follows:

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- For Announced Resources and/or Mined Resources up to 5,000,000 ounces of gold, Novo shall make a payment of \$0.50 per ounce; and
- For Announced Resources and/or Mined Resources over 5,000,000 ounces of gold, Novo shall make a payment of \$1.00 per ounce.

If applicable, any sub-royalty will be paid quarterly, and the obligation to pay the sub-royalty expires on the tenth anniversary of the Approval Date. The sub-royalty is only payable once in respect of Announced Resources that may subsequently become Mined Resources. If a sub-royalty is paid in common shares issued by the Company, the issue price will be determined by reference to the VWAP of the Company's shares for the last 20 trading days of the relevant quarter.

b) On August 31, 2018, the Company announced that it had finalized the outstanding components of a transaction with Mark Gareth Creasy and entities controlled by him (collectively, the "Creasy Group"). As a result, Novo now has:

- four joint operations with the Creasy Group under which it has earned a 70% interest in the "gold rights" (gold and minerals associated with and normally mined with gold) relating to properties located in the Nullagine and Marble Bar regions of Western Australia. Nullagine Gold is entitled to become a 70% registered holder of those properties; and
- one joint operation with the Creasy Group under which it owns 70% interest in all mineral rights relating to the Callina Creek property. Nullagine Gold is a 100% registered holder of this tenement, and will transfer a 30% interest to the Creasy Group.

The Creasy Group retains prospecting rights across all joint operation properties. The Creasy Group's interests under each joint operation are free carried for all exploration-related expenditures through to the completion of any bankable feasibility study. If a mining decision is made under any of the joint operation agreements following a bankable feasibility study, and the Creasy Group elects not to participate in mining, its interest in relation to that mining area and the underlying ground will be diluted and eventually transferred to Nullagine Gold and will thereby convert to a royalty.

The transaction was completed pursuant to definitive agreements signed with the Creasy Group in July 2012 (the "2012 Agreements") and varied in January 2015 by signing further agreements (the "2015 Agreements").

Since 2012, the Creasy Group has held 100 shares (the "Conditional Shares") in CGE. From the date of issuance, the Conditional Shares have had no economic or voting rights unless released from escrow.

The 2012 Definitive Agreements and 2015 Definitive Agreements together provided Novo with the right to acquire the Conditional Shares from the Creasy Group in exchange for 2,139,534 Novo common shares upon Novo and the Creasy Group entering into additional agreements regarding certain third party owned tenements in the Nullagine region. Entry into those additional agreements would release the Conditional Shares from escrow. The additional agreements were never executed and the parties have agreed that the proposed transaction on the third party owned tenements in the Nullagine region will not transpire. As a result, the Conditional Shares have been bought back by CGE for nominal consideration of AUD \$1.00, pursuant to a selective share buyback in accordance with the CGE Share Issue Agreement. Novo is therefore no longer obliged to issue the 2,139,534 common shares to the Creasy Group and will not do so. The CGE Shareholders Agreement and a CGE Share Issue Agreement have been terminated.

As required by the 2015 Definitive Agreements, Novo has also entered into a new joint operation with the Creasy Group - the Callina Creek Joint Operation Agreement. It is on materially similar terms as the existing four joint operations between Novo and the Creasy Group. The new joint operation covers a tenement adjacent to Novo's existing Whim Creek Mining joint operation with the Creasy Group.

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If a mining decision is made under any of the farm-in and joint operation agreements with the Creasy Group (the "JVAs"), following a bankable feasibility study, but the Creasy Group elects not to participate in mining, its interest in relation to that mining area will be transferred to Nullagine Gold and converted to a 1% net smelter royalty.

A discovery bonus of AUD \$1,000,000 is also payable to the Creasy Group if Novo conducts commercial mining operations on a gold discovery made by the Creasy Group while exercising its prospecting right on the JVA properties. The Creasy Group would also make a similar payment to the Company if the Creasy Group mines a non-gold discovery made by the Company.

During the year ended January 31, 2019 the Company determined that one of the tenements comprising the Paleo-Placer property was not prospective and surrendered it. The Company recorded an impairment expense of AUD \$166,000 (\$161,000).

A 2.5% royalty is payable to the State of Western Australia on any gold produced by the Company on the JVA properties.

- c) On September 17, 2018 the Company entered into a binding Memorandum of Agreement with Pioneer. The Company is entitled to earn, via farm-in arrangements, a 70% interest in precious metal rights on four exploration tenements in the Egina region of Western Australia which comprise the Kangan gold project. The aggregate purchase price was AUD \$640,000 (\$601,000), satisfied through the issuance of 100,000 Novo common shares with a fair value of \$4.04 per share to Pioneer as well as AUD \$200,000 (\$188,000) in cash.
- d) On September 21, 2018, the Company issued 1,000,000 common shares to the Creasy Group pursuant to an agreement signed between the Creasy Group, the Company, and one of its wholly-owned subsidiaries, Karratha Gold Pty Ltd.
- e) On October 1, 2018, the Company entered into a share purchase agreement whereby the Company acquired 100% of the issued and outstanding shares of Farno, an Australian proprietary limited exploration company (the "Farno Transaction"). Farno holds a 100% interest in four key tenements in the Egina region of Western Australia, including two mining leases.

The Company paid AUD \$150,000 (\$139,000) in cash to Farno upon execution of an initial agreement, included in transaction costs below. Upon satisfaction and waiver of certain outstanding conditions which occurred on October 1, 2018, the Company paid a further AUD \$2,350,000 (\$2,173,000) in cash and issued 1,252,895 common shares at a fair value of \$3 per share to the shareholders of Farno. All Novo common shares issued pursuant to the Farno Transaction are subject to a statutory hold period expiring on February 1, 2019. Immediately after this issuance, the Company had 163,822,593 common shares issued and outstanding, with former Farno shareholders holding approximately 0.76% on an undiluted basis.

For accounting purposes, the acquisition of Farno has been recorded as an asset acquisition as Farno is not considered to be a business when applying the guidance within IFRS 3.

- f) On January 7, 2019, the Company extended and expanded its non-binding memorandum of understanding (the "MOU") with Sumitomo Corporation of Tokyo, Japan ("Sumitomo") with the objectives of evaluating, advancing, and developing the Company's Australian gold projects. The MOU reflects the following intentions of the parties:
 - Sumitomo will provide human resource assistance to assist Novo with the above objectives.
 - Sumitomo commits to make available up to 5,000,000,000 Japanese Yen in order to accomplish the above objectives, subject to mutual agreement on development plans for a project(s) and mutual agreement on a transaction structure(s).
 - Novo shall grant to Sumitomo the right to fund a project through an option to purchase an interest in a project based on a mutually agreed-upon valuation or through a subscription for Novo's

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- common shares at prevailing market prices subject to certain discounts (in accordance with the policies of the TSX-V). Sumitomo will retain the sole and exclusive right to determine the final funding mechanism.
- If Sumitomo agrees to commit funds to a project and Novo agrees to receive such funding, Novo shall seek approval from its board of directors to provide Sumitomo with a right of first refusal (the "ROFR") over the project. If granted, the ROFR shall require Novo to provide notice to Sumitomo if an offer is provided to Novo by a third party regarding the project (a "Transaction"). Novo shall deliver to Sumitomo a written offer disclosing terms at the same price and otherwise on the same terms and conditions as set out in the third party offer, and Sumitomo will have a thirty (30) day period to elect to enter into the Transaction with Novo.
 - The term of this MOU will expire December 31, 2023.
- g) On March 8, 2019, per the option agreement signed with APM and as disclosed in note 6, APM issued 266,666 common shares to Novo at a fair value of \$0.22 per share for total consideration of \$59,000.
- h) On May 25, 2019, the Company purchased a 60% interest in tenement E47/3812 from New Frontier Resources Pty Ltd ("New Frontier") for AUD \$2,000,000. A joint operation was formed whereby New Frontier will be free-carried to a decision to mine.
- i) On May 31, 2019, Calidus provided notice to the Company that it had earned its 70% interest in and to the Novo Tenements.
- j) On June 7, 2019, the Company entered into a USD \$30 million farm-in and joint venture agreement (the "Agreement") with Sumitomo Corporation of Tokyo, Japan, and its wholly-owned Australian subsidiary (together, "Sumitomo") in order to advance Novo's Egina project (the "Egina Project") located approximately 80 km south-southwest of Port Hedland, WA.

The Egina Project is comprised of wholly-owned Novo tenure, including tenements held by Farno, tenements into which Novo is currently earning an interest under a binding memorandum of agreement with Pioneer, and a tenement into which ASX-listed De Grey Mining Ltd. is currently earning an interest under a farmin and joint venture agreement executed with Farno prior to its acquisition by Novo.

Pursuant to the Agreement, Sumitomo is entitled to earn, through farmin arrangements, up to a 40% interest in the Egina Project by spending up to USD \$30 million (approximately \$40.2 million) over three years, with a required minimum of USD \$5 million per phase defined by a program and budget (approximately \$6.7 million). Sumitomo has the right to elect not to continue with the farmin arrangement and, if this right is exercised, it is expected that any amounts advanced under the farmin arrangement will be converted into common shares of Novo through a shares for debt settlement at the higher of \$2.00 and the minimum price permitted as at the date the right is exercised, subject to receipt of TSX-V approval. Any shares issued to Sumitomo pursuant to such a debt settlement will be subject to a twelve-month contractual hold period (inclusive of the required four-month statutory hold period) and orderly sale restrictions. The Agreement also contains a mechanism by which Sumitomo can participate in an expanded project area.

- k) On June 28, 2019, the Company entered into a binding letter of intent (the "LOI") with De Grey Mining Ltd. ("De Grey"), an ASX-listed entity, in order to significantly broaden its exposure to the gold-bearing lag gravel deposits adjacent and believed to be synonymous with the Company's Egina gold project.

Novo has secured the right to explore De Grey's tenements for gold-bearing lag gravel deposits for an initial three-year period (the "Initial Period") by paying AUD \$1 million, of which AUD \$300,000 will be held in escrow by Novo until De Grey acquires Indee Gold Pty Ltd ("Indee Gold"). Prior to the expiry of the Initial Period, Novo can elect to extend its exploration rights for an additional two years (the "Second

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Period”) by paying an additional AUD \$1 million (the “Second Payment”), AUD \$300,000 of which will also be kept in escrow by Novo until De Grey acquires Indee Gold. Novo can elect to continue to extend its exploration rights beyond the Second Period in two year increments by paying an additional AUD \$1 million per extension period, subject to the successful submission of a mining lease application or De Grey’s waiver of this condition.

If a mining lease is granted to Novo on the De Grey tenements, Novo will be deemed to have acquired an 80% interest in the relevant tenements (or portions thereof) which comprise the mining lease area (the “Joint Venture”) by giving notice to De Grey and making a one-time payment of AUD \$2 million. If the Joint Venture is established during the Initial Period, Novo will also be required to pay the Second Payment.

De Grey remains the primary tenement holder and will have precedence at all stages of exploration and mining for bedrock mineralisation while Novo holds rights for exploration and mining for gold-bearing lag gravel deposits. Certain tenements held by De Grey are excluded, including granted mining and miscellaneous leases, existing De Grey resources with a 300 metre buffer, any future mining leases granted over the existing De Grey resources, De Grey’s conglomerate gold excursion areas, and minor areas of existing gravel rights on De Grey’s tenure which are currently retained by third parties.

On August 24, 2019, De Grey announced the completion of the acquisition of Indee Gold. As such, on September 25, 2019, the Company paid the additional AUD \$300,000 (\$270,000) to De Grey as per the terms of the LOI.

- l) In August 2019, E3D conducted a financing at USD \$2.50 per common share. Although the Company did not participate in this financing, the Company recognized the increased price as fair indicator of E3D’s fair value and revalued its holdings. the Company’s ownership in E3D was diluted to 12.57%.
- m) Subsequent to April 30, 2018, 866,666 stock options and 17,370,457 warrants were exercised for gross proceeds of \$17,351,078.