

NOVO RESOURCES CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
OCTOBER 31, 2018

This interim Management Discussion and Analysis – Quarterly Highlights (the “Interim MD&A”) has been prepared as of December 12, 2018. This Interim MD&A updates disclosure previously provided in Novo Resources Corp.’s (“Novo” or the “Company”) annual MD&A, up to the date of this Interim MD&A, and should be read in conjunction with our condensed interim consolidated financial statements for the three-month and nine-month periods ended October 31, 2018 (the “Interim Financial Statements”), the audited consolidated financial statements for the year ended January 31, 2018 (the “Audited Financial Statements”) and the annual MD&A for the year ended January 31, 2018 (the “Annual MD&A”).

The Interim Financial Statements have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) and all amounts are expressed in Canadian dollars and all values are rounded to the nearest thousand dollars (\$’000) unless otherwise noted. Our accounting policies are described in note 2 of our Audited Financial Statements. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Caution on Forward-Looking Information

This MD&A may include forward-looking statements and forward-looking information, such as estimates and statements that describe the Company’s future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements and forward-looking information addresses future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

Egina Gold Project

On October 30, 2018, the Company discussed recent findings and exploration plans at its recently acquired Egina gold project, Western Australia.

Like Novo’s Karratha gold project, Egina is an important part of the Pilbara conglomerate gold province. Not only does Egina have potential to host significant deposits of gold-bearing conglomerates, weathering and erosion appear to have liberated considerable gold from these rocks and redeposited it into extensive surficial lag gravel deposits blanketing much of the area. Gold-bearing gravels can easily be explored as described in Novo’s aggressive exploration program described below.

Egina Exploration Model Highlights:

- Egina lies in the heart of the Pilbara conglomerate gold province approximately 120 km east of Novo’s Karratha gold project. Upon recognizing its conglomerate gold potential, Novo began applying for multiple exploration licenses covering much of the core area beginning in 2017. On September 17, 2018, Novo announced two transactions; the acquisition of private company Farno-McMahon Pty Ltd (“FM”), and a joint venture with ASX-listed Pioneer Resources Limited, increasing Novo’s Egina project to 948 square km. Importantly, purchase of FM included granted mining leases M47/560 and M47/561 covering approximately 11.8 square km of key target areas.
- Three styles of gold mineralization are recognized at Egina: 1) basal Fortescue gold-bearing conglomerates like those at Novo’s Karratha gold project, 2) gold-bearing, deflationary and/or marine lag gravels blanketing an erosional terrace covering most of the Egina area, and 3) lode gold mineralization hosted by the underlying Mallina Basin assemblage.
- Given the large size of the target, Novo considers the gold-bearing terrace lag gravels to be the most important immediate target at Egina. Gravel deposits form a continuous sheet across much of the terrace. Where they have been trenched, they are up to 1.5 meters thick and weakly consolidated. Lag gravels rest on weathered Mallina Group sedimentary rocks, and up to 1 meter of soil and sand overlie them.
- Novo has discovered considerable cobbles and boulders of weathered Fortescue-type conglomerate within the lag gravels. Particulate gold has been observed in the matrix of some conglomerate boulders. A few gold nuggets that have been recovered from trenches at Egina remain partially encased in ferruginous rock matrix, some of which display a distinctive melon seed shape similar to nuggets observed at Karratha. Remarkably, halos of fine-grained gold are evident in the residual rock matrix surrounding these nuggets, again strikingly

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similar to that observed around in situ nuggets at Karratha. Novo firmly believes much of the gold in lag gravels is derived from geologically recent weathering and erosion of Fortescue-type conglomerates that once blanketed this area.

- Most gold found at Egina is coarse and water-worn. During the 2018 exploration season, FM focused entirely on metal detecting nuggets within a series of trenches covering an area roughly 500 x 200 meters. Detected nuggets range in size from approximately 0.5-104 grams. As a test for the presence of fine-grained gold, Novo recently assessed gravel from these trenches. Significant numbers of small nuggets up to 4 mm across were recovered along with appreciable very fine gold particles down to approximately 10 microns in size. Novo finds the presence of fine gold particularly encouraging and believes it may be derived, in part, from weathering of halo gold associated with Fortescue-type nuggets.

2018 Egina Exploration Plans:

- o Systematic sampling of
 - largely unworked areas of lag gravel within M47/560
 - gravels already excavated but not processed by FM that have shown appreciable fine gold in preliminary testing
- o Geophysical testwork including ground penetrating radar and ground magnetics to define terrace and channel geometries
- o Trench mapping and survey pickup to delineate gravel horizons for input into a 3D model
- o Conduct broader-spaced program of alluvial sampling for fine gold and develop coarse gold assessment strategy
- o Assess Novo's IGR3000 alluvial processing plant for suitability and engineering modifications ahead of bulk sampling of the terrace gravels in 2019
- o Regional 1:2,500 scale mapping to define areas of conglomerate gold and basement gold potential

Novo plans to engage the Kariyarra and Mugarinya Traditional Owner Groups to seek permission to explore on Novo-controlled exploration licenses surrounding M47/560. Environmental regulators will also be engaged regarding permitting requirements for the project, laying the groundwork for Novo to conduct test mining of lag gravels on mining lease M47/560 at Egina beginning after the rainy season, approximately second quarter of calendar 2019.

Farno McMahon Share Purchase Agreement

On September 17, 2018, the Company entered into a share purchase agreement whereby the Company acquired 100% of the issued and outstanding shares of Farno-McMahon Pty Ltd ("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. One of these (an exploration licence) is subject to an option with respect to a potential joint venture arrangement. The Farno Transaction closed on October 1, 2018.

The Company paid AUD \$150,000 in cash to Farno upon execution of an initial agreement. Upon closing, the Company paid a further AUD \$2.35 million in cash to the shareholders of Farno and issued 1,252,895 Novo common shares at a deemed price of CAD \$4.107 per share to the shareholders of Farno.

Pioneer Resources Memorandum of Agreement and Private Placement

The Company also entered into a binding memorandum of agreement (the "MOA") with ASX-listed Pioneer Resources Limited ("Pioneer") on September 17, 2018. Pursuant to the MOA, Novo will be 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 "Pioneer Transaction"). Novo considers this area prospective for conglomerate-related gold mineralization. As part of the Pioneer Transaction, Novo subscribed to AUD \$1 million in Pioneer ordinary shares at AUD \$0.02 per share as a private placement.

Novo paid AUD \$200,000 in cash and issued 100,000 common shares (the "Consideration Shares") to Pioneer in accordance with the MOA on September 21, 2018.

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Karratha Gold Project

On November 19, 2018, the Company discuss positive initial results from mechanical rock sorting tests being undertaken by TOMRA Sorting Pty. Ltd., Castle Hill, New South Wales (“TOMRA”). TOMRA is the foremost mechanical rock sorting company in the mining industry.

TOMRA Mechanical Sorting Test Highlights:

Four, +5 tonne bulk samples from Comet Well, three from the Upper Cannonball Conglomerate and one from the Lower Cannonball Conglomerate, have undergone successful sorting.

- Each sample was crushed and screened yielding sub-fractions of 63-100 mm, 25-63 mm, 10-25 mm and less than 10 mm. Testing was undertaken on each size fraction except for the sub-10 mm size fraction. Mechanical sorting employed a combination of X-Ray transmission (“XRT”) and electromagnetic induction (“EM”). XRT identifies rocks containing particles of high atomic mass such as gold and EM identifies rocks that become electrically charged due to the presence of metallic particles in a manner similar to the operation of a metal detector.
- Sorting of material between 10-63 mm resulted in a remarkably low mass pull of approximately 0.3%. Visual and X-Ray examination of concentrate indicates gold nuggets are present. This data, although preliminary, suggests there is good potential for employment of mechanical sorting to upgrade gold content for analytical purposes and possibly commercial applications. Novo thinks mechanical sorting could become an important component of future advancement of the Karratha and Egina gold projects.
- With this tranche of mechanical sorting tests now complete, assays will be performed on all fractions of concentrates and rejects to ascertain overall efficiency of sorting. Full results of this study are expected early next year.
- Rocks larger than 63 mm were found to be too thick for X-Rays to adequately penetrate making particulate gold obscured from detection. Therefore, crushing of large rock pieces to less than 63 mm is required for effective mechanical sorting. The sub-10 mm fraction comprises approximately 35% of the overall mass of each sample. TOMRA believes there is opportunity to further screen material down to approximately 6 mm before employing mechanical sorting, thus maximizing the overall percentage of material that can be sorted.

On October 26, 2018, the Company announced bulk sample results from its Comet Well joint venture (80% Novo; 20% Smith/Gardner Mining), part of Novo’s greater Karratha gold project, Western Australia.

First round bulk sample results confirm the potential of the basal conglomerates at Karratha and support Novo’s view of significant prospectivity across its Comet Well/Purdy’s Reward tenements and, more broadly, the prospectivity of Novo’s 12,000 square kilometer land-holdings across the Pilbara.

Highlights:

Bulk samples reported below come from two gold-bearing conglomerate units at Comet Well, the Upper Cannonball Conglomerate (“UCC”) and Lower Cannonball Conglomerate (“LCC”) as well as surrounding rock strata. Table 1 (below) lists bulk sample data including weight, thickness, gold grade, and fractions of gold occurring in each processing stream.

Bulk samples were collected from 2 x 2 meter pits scattered along 1.2 km strike from Cannonball Gully in the southwest to the Purdy’s Reward tenement boundary in the northeast (Purdy’s Reward is a joint venture on conglomerate/paleoplacer gold; 50% Novo and 50% Artemis Resources Ltd.). Thicknesses of samples range from approximately 0.35 to 1.20 meters.

The bounds of gold-bearing conglomerates are not readily identifiable by eye, therefore bulk sampling encompassed sections of conglomerate above and below each respective gold-bearing unit in order to better constrain their limits.

Processing of each sample encompasses coarse crushing and screening then passing material through a metal detector to collect any nuggets. Once detected, the sample is finely crushed, screened and further processed through

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a gravity concentrator. Concentrates and tails are analyzed, with the final grade based upon the gold recovered from each of the three sample streams.

At Cannonball Gully, Novo has identified what it believes are significant basin-bounding faults that may have been active during sedimentation and controlled LCC deposition. Diamond drilling indicates the LCC continues into the basin and may open up and become more laterally extensive, particularly to the east. Therefore, Novo believes that exposures of LCC at Cannonball Gully form a small outcropping apex of this important unit. Bulk samples from the mineralized core of the LCC include KX157 (7.14 tonnes) grading 10.40 grams per tonne gold and KX158 (6.85 tonnes) grading 1.51 grams per tonne gold. Collectively, these two samples represent a 1.4 m high vertical profile through the LCC with a weighted average grade of 6.06 grams per tonne gold. Nearby samples KX160 (7.17 tonnes) grading 1.99 grams per tonne gold and KX161 (13.5 tonnes) grading 2.62 grams per tonne gold collectively represent a 1.8 m high vertical profile through the LCC with a weighted average grade of 2.40 grams per tonne gold. Gold nuggets recovered from bulk samples of LCC are typically flat, up to 10 mm across, weigh a gram or less and occur within sandy matrix between boulders. Boulder clasts in the LCC range in size up to 1.5 meter diameter and are tightly packed.

Bulk samples from the mineralized core of the UCC include KX223 (3.78 tonnes) grading 4.53 grams per tonne gold, KX227 (3.40 tonnes) grading 3.06 grams per tonne gold, KX198 (6.44 tonnes) grading 2.26 grams per tonne gold, KX224 (4.11 tonnes) grading 1.29 grams per tonne gold and KX171 (4.96 tonnes) grading 1.22 grams per tonne gold. Gold nuggets recovered from bulk samples of UCC are similar in shape to those of the LCC but are typically larger, up to 18 mm across and weighing up to approximately 6 grams. Such size nuggets are typical of mineralized conglomerate at nearby Purdy's Reward, therefore Novo believes the UCC at Comet Well may be geologically related to the Purdy's Reward conglomerate. Novo has currently explored a combined length of 3.6 kilometers of UCC and Purdy's Reward conglomerate. This zone remains open at both ends and into the basin. Novo collected circa 300 kilogram bulk samples from trenches at Purdy's Reward late last year.

Variability of grade in conglomerate bulk samples is largely a function of the number of nuggets in each sample. Novo also believes the proportion of boulders to matrix in each respective sample significantly impacts variability. Given the nuggety nature of gold mineralization at Karratha, such variability is expected.

At Karratha, gold almost universally occurs as nuggets with a thin, 2-5 mm, halo of fine-grained gold in the matrix of conglomerates. In spite of this, the proportion of gold occurring as nuggets varies widely from bulk sample to bulk sample. Novo believes this may reflect breakdown of nuggets to finer gold particles during processing of some samples. Novo does not see evidence of a significant component of fine-grained, disseminated gold in Comet Well conglomerates.

Table 1, Summary of Comet Well Bulk Sample Data:

Stratigraphic Position	Sample #	Sample Thickness (m)	Sample Mass (t)	Reporting Head Grade (g/t)	Weighted Average Grade	% Au Recovered in MDC (Nugget Au)	% Au Recovered in Gravity Concentrate	% Au Recovered in Gravity Tailings	% Au Recovered via Gravity
Lower Cannonball Conglomerate Core	KX157	0.5	7.14	10.40	1.4 m @ 6.06 gpt Au	43.90%	27.90%	28.10%	71.90%
	KX158	0.5	6.85	1.51		16.00%	16.60%	67.40%	32.60%
	KX160	0.6	7.17	1.99	1.8 m @ 2.40 gpt Au	52.60%	17.80%	29.60%	70.40%
	KX161	1.2	13.35	2.62		57.20%	21.80%	21.00%	79.00%
	KX190	0.5	8.35	1.38		3.80%	79.30%	16.90%	83.10%

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Margin of LCC Core	KX192	0.6	5.86	0.46		0.00%	99.00%	1.00%	99.00%
Below LCC Core	KX159	0.5	4.01	0.16		0.00%	48.90%	51.10%	48.90%
	KX195	0.7	5.71	0.11		0.00%	83.30%	16.70%	83.30%
Above LCC Core	KX153	0.5	7.19	0.08		0.00%	48.90%	51.10%	48.90%
	KX154	0.5	5.64	0.01		0.00%	28.40%	71.60%	28.40%
	KX155	0.5	6.54	0.01		0.00%	34.70%	65.30%	34.70%
	KX156	0.5	7.59	0.06		0.00%	17.30%	82.70%	17.30%
	KX189	0.5	5.13	0.04		0.00%	73.70%	26.30%	73.70%
	KX193	0.6	4.88	0.02		0.00%	78.40%	21.60%	78.40%
Upper Cannonball Conglomerate Core	KX171	0.6	4.96	1.22		94.90%	4.70%	0.40%	99.60%
	KX198	0.8	6.44	2.26		21.10%	49.80%	29.10%	70.90%
	KX223	0.4	3.78	4.53		10.00%	69.50%	20.60%	79.40%
	KX224	0.4	4.11	1.29		0.00%	22.20%	77.80%	22.20%
	KX227	0.4	3.40	3.06		49.50%	36.50%	14.00%	86.00%
Margin of UCC Core	KX170	0.6	7.70	0.59		48.20%	15.70%	36.10%	63.90%
Below UCC Core	KX197	0.6	9.04	0.52		10.20%	60.90%	28.90%	71.10%
	KX172	0.6	4.37	0.01		0.00%	46.50%	53.50%	46.50%
	KX178	0.6	7.44	0.10		0.00%	71.20%	28.80%	71.20%
	KX183	0.6	5.88	0.12		0.00%	53.50%	46.50%	53.50%
Above UCC Core	KX226	0.4	3.67	0.12		0.00%	67.20%	32.80%	67.20%

The multi-tonne bulk samples presented in this disclosure serve to provide an indicative grade of the two gold-bearing conglomerates at Comet Well. Novo takes the view that bulk sampling on the scale of 10,000's tonnes is required to more fully ascertain the grade, distribution, and continuity of these units and to determine the commercial viability of whether a potential mining operation could proceed. Such process is well-known in the diamond industry where trial excavation of very large samples is required to evaluate economics of deposits prior to mining.

Novo plans to use this bulk sample data along with geologic data collected from recently completed diamond drill cores as a basis for a mineralization report, a critical component needed to convert an exploration license to a mining lease.

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Bulk Sample Processing

Novo staff collected bulk samples discussed in this disclosure. Bulk samples were submitted to SGS Minerals in Perth, Australia where they were treated in a test plant. Because gold mineralization at Comet Well is extremely coarse, the entire sample is coarsely crushed and screened and passed through a metal detector to collect any nuggets. Once detected, the sample is finely crushed, screened and further processed through a gravity concentrator. Concentrates and tails are analyzed, with the final grade based upon the gold recovered from each of the three sample streams. Samples are scrutinized by independent consultants from RSC Mining and Mineral Exploration, Perth, whilst each sample is collected and received into the laboratory, maintaining complete integrity over the chain of custody. All assay certificates and head grade calculations were provided by SGS as secured documents, with the calculations and head grades checked by Novo internal resources and verified by Dr. Simon Dominy. There were no limitations to the verification process and all relevant data was verified.

Dr. Quinton Hennigh, P. Geo., the Company's, President and Chairman and a qualified person as defined by National Instrument 43-101, has approved the geological content of this disclosure. Dr. Simon Dominy, FAusIMM (CP), a consultant geometallurgist to the Company, a qualified person as defined by National Instrument 43-101, has approved the processing and sample grade content of this disclosure.

On October 10, 2018, the Company voluntarily filed a technical report prepared pursuant to National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") for its Karratha gold project. The independent technical report, entitled "Novo Resources Corp. Technical Report on the Karratha Project, Australia" (the "Karratha Technical Report"), with an effective date of May 31, 2018 and an issue date of September 20, 2018, was prepared for Novo by Ian Glacken (FAusIMM(CP), FAIG, CEng) of Perth, WA, Australia. Mr. Glacken is a Qualified Person as defined under NI 43-101.

Beatons Creek Gold Project

On October 10, 2018, the Company also announced an updated robust near-surface resource estimate (the "Beatons Creek 2018 Resource Estimate") for its Beatons Creek gold project located in the Nullagine region of Western Australia. The Beatons Creek 2018 Resource Estimate is based on multiple campaigns of reverse circulation drilling and trench ("costean") sampling conducted between 2015 and 2018. The effective date of the Beatons Creek 2018 Resource Estimate is January 1, 2018. A technical report in respect of the 2018 Resource Estimate will be filed under the Company's SEDAR profile.

Highlights:

The Beatons Creek 2018 Resource Estimate includes a 17% increase in near surface measured and indicated Au ounces over the 2015 estimate supported by a technical report entitled "NI 43-101 Technical Resource Report, Beatons Creek Gold Project, Pilbara Region, Australia" dated August 31, 2015 prepared by Arnand van Heerden, Pri.Sci.Nat, PGeo, Principal Geologist of Tetra Tech, Inc. which was filed under Novo's SEDAR profile on October 13, 2015 (the "2015 Estimate").

Inferred near surface Au ounces increase by 40% over the 2015 Estimate.

This resource upgrade along with Beatons Creek's very high metallurgical recovery (+97% gravity + carbon-in-leach) make it the premier gold deposit in the Nullagine mining camp.

Significant room for resource expansion remains.

Beatons Creek 2018 Resource Estimate:

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Near Surface Mineral Resources

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/T	Ounces Troy Au (x1000)
Measured	0.5	816	2.5	65
Indicated	0.5	3,749	2.3	277
Measured + Indicated	0.5	4,565	2.3	342
Inferred	0.5	3,448	2.5	282

Underground Mineral Resources

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/T	Ounces Troy Au (x1000)
Measured	2	0.39	2.9	0.04
Indicated	2	29	3.1	3
Measured + Indicated	2	29	3.1	3
Inferred	2	342	3.6	40

Global Mineral Resources

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/T	Ounces Troy Au (x1000)
Measured	0.5, 2	816	2.5	65
Indicated	0.5, 2	3,778	2.3	280
Measured + Indicated	0.5, 2	4,594	2.3	345
Inferred	0.5, 2	3,790	2.6	322

Notes:

- Near surface mineral resources contain oxide and sulphide material within an optimized shell and within a mineralized wireframe.
- Optimized shell estimated using Lerch-Grossam algorithm with the following indicative parameters:
 - \$USD 1,246/troy ounce;
 - Recoveries of 95% oxide and 90% sulphide;
 - \$USD 2.4/T mining cost for oxides, and 3/T for sulfides;
 - \$USD 15/T oxide and \$USD 17/T sulphide processing cost; and
 - \$USD 2/T general & administrative costs.
- Underground mineral resources contain sulphide resources outside of an optimized shell and within a mineralized wireframe.
- Columns may not total due to rounding.
- One troy ounce is equal to 31.1034768 grams.

Resource Modelling

Mineral resources were estimated by multiple pass Ordinary Kriging (OK) method within modelled reef domains. Mineral resources are currently defined in seven reef domains each divide into oxide and sulphide mineral type by a 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. Assays were capped at 25 Au g/T prior to compositing and were statistically evaluated on a reef domain and mineral type basis.

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Mineral resources were estimated from 35,063 samples, sourced from 32,549 samples from reverse circulation holes, 681 samples from diamond holes, and 1,833 costean samples. Capping was analyzed for each reef's oxide and sulfide portions using histograms and probability plots to determine where high-grade distribution tails became erratic and deviated from lognormal. Sampled intervals from all data sources were composited to 1 m. Compositing initiated and terminated at the top and bottom of the reef contacts.

Mineral resources that are not mineral reserves and do not have demonstrated economic viability, it is uncertain if applying economic modifying factors will convert measured and indicated mineral resources to reserves. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues, however, no issues are known at this time. 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 disclosure were estimated using current Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards, definitions and guidelines.

Leonel López, AIPG- Geol. Eng. QP, SME-RM, of Tetra Tech, Golden, Colorado, has coordinated the Beatons Creek 2018 Resource Estimate for the Beatons Creek gold project, and is independent of the Company for purposes of NI 43-101. Mr. López is a Qualified Person as defined by NI 43-101.

Mr. López is preparing a NI 43-101 technical report in respect of the resource estimate discussed in this disclosure, which the Company is obligated under NI 43-101 to file on SEDAR within 45 days of the date of announcement.

Corporate Update

Mr. Simon Pooley, the Company's Chief Operating Officer, resigned on October 10, 2018.

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FINANCIAL POSITION AND LIQUIDITY

Review of Financial Results

	3rd	2nd	1st	4th	3rd	2nd	1st	4th
	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter
	2019	2019	2019	2018	2018	2018	2018	2017
	October	July 31,	April 30,	January 31,	October	July 31,	April 30,	January
	31, 2018	2018	2018	2018	31,	2017	2017	31, 2017
					2017			
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net								
(Loss) /	(4,109)	(7,082)	(5,044)	(2,517)	(9,959)	(4,675)	(554)	241
Income								
Basic and								
Diluted								
(Loss) /	(\$0.03)	(\$0.05)	(\$0.03)	(\$0.01)	(\$0.07)	(\$0.04)	(\$0.01)	\$0.00
Income								
Per Share								

Overall, net loss for the period reflected an increase in general business activities which support the Company's expanding programme to bulk sample the most prospective areas of its extensive 12,000km² landholdings. Consulting services, share-based payment, foreign exchange gains/losses, and wages and salaries were the major components that caused variances in net losses from quarter to quarter.

During the quarter ended October 31, 2018, the major expenses of the Company were accounting and audit fees, consulting services, insurance expenses, legal fees, meals and travel expenses, office and general expenses, transfer agent and filing fees, wages and salaries, and impairment on mineral properties totaling \$2,758 (October 31, 2017 - \$1,308). In addition, non-cash share-based payments expenses of \$1,684 (October 31, 2017 - \$8,799) were incurred during the quarter ended October 31, 2018. The Company has acquired numerous mineral exploration properties in the Karratha and Egina regions of Western Australia and corporate expenses have increased as a result. Despite the issuance of another batch of stock options in June 2018, share based payment expenses decreased because certain batches of options issued during the year ended January 31, 2018 have fully vested and no expense has been recorded for the quarter as a result.

During the quarter ended October 31, 2018, operating expenses were mitigated by non-operating items such as interest and other income of \$193 (October 31, 2017 - \$149), a deferred consideration accretion expense of \$10 (October 31, 2017 - \$nil), and a gain on deferred consideration for mineral property of \$150 (October 31, 2017 - \$nil).

Operating Activities

Cash used by operating activities during the nine-month period ended October 31, 2018, was \$5,055 (October 31, 2017 - cash used of \$2,934). Adjustments for non-cash items, namely impairment expense, share based payments, foreign exchange, and an unrealized gain on deferred consideration for mineral property comprised the difference between quarters. Please see Notes 6 and 11 of the Company's Interim Financial Statements for more details.

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Investing Activities

Cash used by investing activities during the nine-month period ended October 31, 2018, was \$20,309 (October 31, 2017 – \$7,660). The Company's principal investing activity is the acquisition and exploration of its resource properties. During the nine-month period ended October 31, 2018, the Company incurred \$19,546 (October 31, 2017 - \$7,186) on its resource properties. Please see Note 6 of the Company's Interim Financial Statements for more details.

Financing Activities

Cash provided by financing activities during the nine-month period ended October 31, 2018 was \$14,732 (October 31, 2017 - \$80,544), which relates to cash received from stock option and warrant exercises. Please see Note 8 of the Company's Interim Financial Statements for more details.

Cash Resources and Going Concern

At October 31, 2018, the Company had cash of \$43,749 and an additional \$7,098 in short-term investments. Working capital as at October 31, 2018 was \$45,899. To fully develop the Company's mineral properties into large-scale mining operations with processing plants, the Company may have to raise additional cash or form strategic partnerships; however, there cannot be any certainty that additional financing can be raised or that strategic partnerships can be found.

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OPERATIONS

Exploration and Evaluation Assets

The Company's exploration and evaluation assets are comprised of the following:

	Beatons Creek Region	US Region	Karratha and Egina Region					Granted Tenements	Total
	\$'000	Tuscarora \$'000	Comet Well \$'000	Artemis \$'000	Welcome Exploration \$'000	Pioneer \$'000	Farno McMahon \$'000		
Balance, January 31, 2018	39,361	304	13,876	21,091	2,625	-	-	617	77,874
Acquisition Costs	-	-	2,488	-	-	586	6,281	-	9,355
Exploration Expenditure:									
Drilling	1,207	-	1,206	919	-	-	-	-	3,332
Fieldwork	282	-	863	71	-	-	4	1,019	2,239
Fuel	92	-	243	-	-	-	11	-	346
Geology	2,400	-	604	-	-	-	-	167	3,171
Legal	65	-	38	12	-	9	-	19	143
Meals, Travel and Vehicle/Equipment Hire	580	-	2,065	2	-	-	29	556	3,232
Office and General	220	-	204	-	-	-	22	43	489
Reports, Data and Analysis	322	-	640	101	-	-	-	144	1,207
Rock Samples	971	-	2,952	78	-	-	-	1,303	5,304
Native Title	93	-	-	-	-	-	-	-	93
Tenement Administration	178	(14)	245	4	-	-	-	57	470
Foreign Exchange	(2,197)	21	(955)	(1,319)	(60)	-	-	(40)	(4,550)
Option Payments Received	-	(103)	-	-	-	-	-	-	(103)
Artemis 50% JV contribution	-	-	-	(2,237)	-	-	-	-	(2,237)
Impairment	(609)	-	-	-	(2,565)	-	-	-	(3,174)
	3,604	(96)	8,105	(2,369)	(2,625)	9	66	3,268	9,962
Balance, October 31, 2018	42,965	208	24,469	18,722	-	595	6,347	3,885	97,191

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	Beatons Creek Region	US Region Tuscarora	Karratha Region				Total
	\$'000		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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ADDITIONAL DISCLOSURE

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 ended January 31, 2018, and amounts incurred were expensed as consulting fees. The relationship with one of these entities was terminated during the period ended January 31, 2018. The Company's Chief Operating Officer also resigned on October 10, 2018.

(a) *Key Management Personnel Disclosures*

During the nine-month periods ended October 31, 2018 and 2017, the following amounts were incurred with respect to the key management and directors of the Company:

	9 months ended October 31, 2018 \$'000	3 months ended October 31, 2018 \$'000	9 months ended October 31, 2017 \$'000	3 months ended October 31, 2017 \$'000
Consulting services	135	45	179	63
Wages and salaries	1,268	704	383	272
Wages and salaries included in exploration and evaluation assets	-	-	298	113
Share-based payment	6,772	1,251	7,589	4,965
	8,175	2,000	8,450	5,413

(b) *Other Related Party Disclosures*

During the nine-month periods ended October 31, 2018 and 2017, the following amounts were incurred with respect to consulting services provided by a corporation which employed the former Chief Financial Officer:

	9 months ended October 31, 2018 \$'000	3 months ended October 31, 2018 \$'000	9 months ended October 31, 2017 \$'000	3 months ended October 31, 2017 \$'000
Consulting services	-	-	90	30
	-	-	90	30

(c) *Gold Sales*

During the period ended October 31, 2018 the Company sold \$29 worth of gold specimens to directors and significant shareholders of the Company.

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Outstanding Share Data

The Company is authorized to issue an unlimited number of common voting shares without nominal or par value. All issued common shares are fully paid. As of December 12, 2018, the following common shares and stock options were issued and outstanding:

	Number of Shares	Exercise Price (\$)	Expiry Date
Common Shares	163,822,593	-	-
Stock Options	150,000	0.20	June 10, 2020
Stock Options	2,400,000	0.94	August 15, 2021
Stock Options	1,750,000	0.95	June 5, 2022
Stock Options	3,210,000	1.57	July 18, 2022
Stock Options	2,675,000	7.70	October 20, 2022
Stock Options	400,000	7.94	November 6, 2022
Stock Options	1,200,000	3.47	January 30, 2023
Stock Options	530,000	4.60	June 5, 2023
Warrants	14,537,455	0.90	May 4, 2019
Warrants	14,000,000	6.00	September 6, 2020
Fully Diluted	204,675,048		

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Corporation's general and administrative expenses and mineral property costs is provided in the Interim Financial Statements and related notes that are available on the SEDAR website www.sedar.com.