

NOVO RESOURCES CORP.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

For the three months ended April 30, 2020 and 2019

(Expressed in Canadian Dollars)

Novo Resources Corp.
(Expressed in Canadian Dollars)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited)

	Note	April 30, 2020 \$'000	January 31, 2020 \$'000
ASSETS			
Current assets			
Cash		30,984	28,703
Short-term investments	3	89	88
Receivables	4	120	6,657
Prepaid expenses and deposits		241	250
Total current assets		31,434	35,698
Non-current assets			
Property, plant and equipment	7	1,500	1,586
Exploration and evaluation assets	6	114,692	106,234
Gold specimens		75	74
Marketable securities	5	37,444	14,457
Total non-current assets		153,711	122,351
Total assets		185,145	158,049
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		2,142	1,082
Lease liabilities		155	187
Sumitomo funding liability	6	4,598	4,519
Sumitomo written call option	6	1,683	1,341
Deferred consideration for mineral property	6,11	2,599	2,518
Total current liabilities		11,177	9,647
Total liabilities		11,177	9,647
SHAREHOLDERS' EQUITY			
Share capital	8	211,662	190,698
Reserves	8	25,987	24,224
Comet Well deferred consideration reserve	6	3,354	3,354
Accumulated other comprehensive loss	8	(3,008)	(9,774)
Accumulated deficit		(64,027)	(60,100)
Total shareholders' equity		173,968	148,402
Total shareholders' equity and liabilities		185,145	158,049

These condensed interim consolidated financial statements are authorized for issue by the Board of Directors on June 12, 2020. They are signed on the Company's behalf by:

"Akiko Levinson"

Akiko Levinson

"Michael Barrett"

Michael Barrett

Novo Resources Corp.
(Expressed in Canadian Dollars)
Condensed Interim Consolidated Statements of Comprehensive Gain / (Loss)
(Unaudited)

		Three months ended April 30	
		2020	2019
		\$'000	\$'000
	Note		
Expenses			
Accounting and audit		263	117
Consulting services	9	129	52
Insurance		34	41
Legal fees		124	225
Meal and travel expenses		36	66
Office and general		532	531
Share-based payments	8,9	1,868	594
Transfer agent and filing fees		154	102
Wages and salaries	9	776	1,094
Impairment of mineral property	6	1,938	-
Lease interest expense		24	59
Sumitomo liability change in fair value	6	(30)	-
Loss before other items		(5,848)	(2,881)
Other items			
Interest and other income		118	166
Foreign exchange		(12)	3
Unrealised gain on marketable securities	5	1,056	-
Deferred consideration accretion expense	6	(19)	(115)
		<u>1,143</u>	<u>54</u>
Net loss for the period before tax		(4,705)	(2,827)
Income tax benefit	14	778	-
Net loss for the period after tax		(3,927)	(2,827)
Other comprehensive gain/ (loss)			
Change in fair value of marketable securities, net of tax - not to be reclassified to profit or loss in subsequent periods	5,6	3,609	224
Foreign exchange on translation of subsidiaries - to be reclassified to profit or loss in subsequent periods		3,157	(1,516)
		<u>6,766</u>	<u>(1,292)</u>
Comprehensive loss for the period		2,839	(4,119)
Weighted average number of common shares outstanding		184,194,983	164,791,429
Basic and diluted loss per common share		(0.02)	(0.02)

Novo Resources Corp.

(Expressed in Canadian Dollars)

Condensed Interim Consolidated Statements of Changes in Equity

For the three-month periods ended April 30, 2020 and 2019

(Unaudited)

	Note	Number of Shares (unrounded)	Share Capital Amount \$'000	Option Reserve \$'000	Warrant Reserve \$'000	Subscriptions Receivable \$'000	Comet Well Deferred Consideration Reserve \$'000	Accumulated Other Comprehensive Loss \$'000	Accumulated Deficit \$'000	Shareholders' Equity \$'000
Balance – January 31, 2019		163,883,048	176,286	22,044	20	-	3,354	(4,319)	(48,138)	149,247
Stock Option Exercise		500,000	1,355	(572)	-	-	-	-	-	783
Share-based compensation		-	-	594	-	-	-	-	-	594
Warrant excercises		1,633,200	1,470	-	-	-	-	-	-	1,470
Subscriptions receivable		-	-	-	-	(7)	-	-	-	(7)
Other comprehensive loss for the year		-	-	-	-	-	-	(1,292)	-	(1,292)
Loss for the year		-	-	-	-	-	-	-	(2,827)	(2,827)
Balance – April 30, 2019		166,016,248	179,111	22,066	20	(7)	3,354	(5,611)	(50,965)	147,968
Balance – January 31, 2020		178,870,048	190,698	24,205	19	-	3,354	(9,774)	(60,100)	148,402
Stock Option Exercise	8	150,000	246	(105)	-	-	-	-	-	141
Share-based compensation	8,9	-	-	1,868	-	-	-	-	-	1,868
Acquisition of New Found Gold Corp shares	5	6,944,444	16,736	-	-	-	-	-	-	16,736
Acquisition of Purdy's Reward and 47K and Artemis JV dissolution	5, 6	2,100,000	3,381	-	-	-	-	-	-	3,381
Acquisition of GBM Resources Ltd. shares and warrants	5	197,907	601	-	-	-	-	-	-	601
Other comprehensive loss for the year		-	-	-	-	-	-	6,766	-	6,766
Loss for the period		-	-	-	-	-	-	-	(3,927)	(3,927)
Balance – April 30, 2020		188,262,399	211,662	25,968	19	-	3,354	(3,008)	(64,027)	173,968

Novo Resources Corp.
(Expressed in Canadian Dollars)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)

	Three months ending April 30,	
	2020	2019
	\$'000	\$'000
Operating activities		
Net loss for the period	(3,927)	(2,827)
Adjustments:		
Interest and other income	(73)	(166)
Impairment of mineral property	1,938	-
Depreciation - fixed assets	113	178
Depreciation - right of use assets	97	-
Foreign exchange	(893)	774
Share-based payment	1,868	594
Deferred consideration accretion expense	19	115
Change in fair value of Sumitomo funding liability	(30)	-
Total adjustments	3,039	1,495
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	1,026	(61)
Prepaid expenses and deposits	8	74
Receivables	439	936
	1,473	949
Net cash provided by / (used in) operating activities	585	(383)
Investing activities		
Interest and other income	73	166
Purchase of equipment	(82)	(468)
Short-term deposits	-	1
Sale of gold samples	-	7
Expenditures on exploration and evaluation assets	(1,396)	(4,599)
Net cash used in investing activities	(1,405)	(4,893)
Financing activities		
Issuance of share capital	141	2,255
Lease payment	(161)	-
Sumitomo funding	3,556	-
Net cash from financing activities	3,536	2,255
Net change in cash	2,716	(3,021)
Effect of exchange rate changes on cash	(435)	(86)
Cash, beginning of the period	28,703	42,832
Cash, end of the period	30,984	39,725

Supplemental cash flow information (Note 10)

NOVO RESOURCES CORP.

(Expressed in Canadian Dollars, unless stated otherwise)

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three-month periods ended April 30, 2020 and 2019

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 and its subsidiaries are 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 Suite 2900, 595 Burrard Street, Vancouver, British Columbia, V7X 1J5, Canada. The Company’s operational office and corporate staff are located at Level 1, 680 Murray Street, West Perth, Western Australia, 6005, Australia.

2. BASIS OF PREPARATION AND 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”). The accounting policies adopted are consistent with those disclosed in the Company’s most recent annual consolidated financial statements. These condensed interim consolidated financial statements do not include all of the information and note disclosures required by International Financial Reporting Standards (“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, 2020.

Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value.

These condensed interim consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand dollars (\$’000) unless otherwise stated. Share amounts are not rounded.

The preparation of condensed interim consolidated financial statements requires management to make judgements, 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 judgement or complexity or where assumptions and estimates are significant to the financial statements are consistent with those described in the Company’s annual consolidated financial statements for the year ended January 31, 2020.

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

NOVO RESOURCES CORP.

(Expressed in Canadian Dollars, unless stated otherwise)

Notes to the Condensed Interim Consolidated Financial Statements**(Unaudited)****For the three-month periods ended April 30, 2020 and 2019****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 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, 2020, the subsidiaries of the Company were 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 ("Nullagine Gold")	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 ("Karratha Gold")	Western Australia, Australia	100%
Rocklea Gold Pty Ltd	Western Australia, Australia	100%
Meentheena Gold Pty Ltd ("Meentheena")	Western Australia, Australia	100%
Farno-McMahon Pty Ltd ("Farno")	South Australia, Australia	100%

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, 2020, the Company had two short-term investments at amortised cost totalling \$89,000 of principal (January 31, 2020 – three short-term investments totalling \$88,000).

\$35,000 is held in a short-term investment denominated in Canadian dollars, and the remaining \$54,000 is held in a short-term investment denominated in Australian dollars. The Canadian short-term investment is due on February 16, 2021 and has an annual yield of prime less 2.7% with a floor rate of 0.25% (0.25% as at April 30, 2020), while the Australian short-term investment is due on July 21, 2020 and has an annual yield of 1.76%.

Amounts which mature are re-invested in similar investments along with their interest component.

4. RECEIVABLES

		April 30, 2020	January 31, 2020
		\$'000	\$'000
Canadian GST Receivable		16	48
Australian GST Receivable		71	530
Sumitomo Funding Receivable	6	-	3,281
Artemis contribution receivable		33	
Research and Development Refund Receivable		-	2,798
Total Receivables		120	6,657

NOVO RESOURCES CORP.

(Expressed in Canadian Dollars, unless stated otherwise)

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three-month periods ended April 30, 2020 and 2019

5. MARKETABLE SECURITIES

Calidus Resources Limited – (ASX: CAI)

On October 30, 2017, the Company participated in Calidus Resources Limited's ("Calidus") private placement by purchasing 36,585,366 ordinary 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 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 term sheet between Novo and Calidus (see note 6 for more details). These shares are subsequently remeasured at fair value through other comprehensive income/loss ("FVTOCI"). Such revaluations are updated on a quarterly basis.

On November 27, 2019, Calidus completed a 10:1 consolidation of its outstanding ordinary shares. The Company now holds 5,658,537 ordinary shares of Calidus.

Elementum 3D Inc. – (unlisted)

On November 18, 2014, the Company participated in Elementum 3D Inc.'s ("E3D") 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 rights 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 E3D no longer met the definition of an associate. 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 condensed interim consolidated statement of comprehensive loss with subsequent fair value changes in this investment remeasured at FVTOCI.

During the year ended January 31, 2020, 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 a fair indicator of E3D's fair value and revalued its holdings. As at April 30, 2020, the Company's ownership in E3D is 12.57% (January 31, 2020 – 12.60%).

American Pacific Mining Corp. – (CSE: USGD)

On March 6, 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. On March 8, 2019 APM issued an additional 266,666 common shares at \$0.22 per share for a total consideration of \$59,000. On March 4, 2020, APM issued the final tranche of 266,667 common shares to Novo at a fair value of \$0.045 per share for total consideration of \$12,000 (see note 6 for more details). The APM shares have been accounted for as marketable securities, so they have initially been recognized at fair value and subsequently remeasured at FVTOCI.

On April 17, 2020, APM completed a 3:1 consolidation of its outstanding ordinary shares. The Company now holds 266,666 ordinary shares of APM.

NOVO RESOURCES CORP.

(Expressed in Canadian Dollars, unless stated otherwise)

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three-month periods ended April 30, 2020 and 2019

Pioneer Resources Limited – (ASX: PIO)

On September 17, 2018 Pioneer Resources Limited (“Pioneer”) issued 50,000,000 common shares to Novo at a fair value of AUD \$0.02 per share for total consideration of AUD \$1,000,000 (\$931,000) (see note 6 for more details). The Pioneer shares have been accounted for as marketable securities, so they have initially been recognized at fair value and subsequently remeasured at FVTOCI.

Kalamazoo Resources Limited – (ASX: KZR)

On January 14, 2020, the Company participated in Kalamazoo Resources Limited’s (“Kalamazoo”) private placement (the “Kalamazoo Financing”) by purchasing 10,000,000 units (each a “Kalamazoo Unit”) at AUD \$0.40 per Kalamazoo Unit for gross consideration of AUD \$4,000,000 (\$3,544,000).

Each Kalamazoo Unit was comprised of one Kalamazoo ordinary share and one whole unlisted option (each a “Kalamazoo Warrant”). The Company received the Kalamazoo ordinary shares upon closing of the Kalamazoo Financing on January 17, 2020. Upon closing of the Kalamazoo Financing, Novo held approximately 8.17% of Kalamazoo’s issued and outstanding shares.

Each Kalamazoo Warrant entitles the Company to purchase one additional ordinary share of Kalamazoo at a price of AUD \$0.80 per share. The issue of the Kalamazoo Warrants was subject to Kalamazoo shareholder approval which was obtained on February 24, 2020. The Kalamazoo Warrants were issued on February 25, 2020 and expire on August 24, 2021.

The Kalamazoo ordinary shares have been accounted for as marketable securities, so they have initially been recognized at fair value and subsequently remeasured at FVTOCI.

The Kalamazoo Warrants qualify as derivatives pursuant to IFRS 9 *Financial Instruments* (“IFRS 9”) and have therefore been initially recognized at fair value and subsequently remeasured at fair value through profit or loss (“FVTPL”).

GBM Resources Limited – (ASX: GBZ)

On March 30, 2020, the Company subscribed for 9,090,909 units (each a “GBM Unit”) of ASX-listed GBM Resources Limited (“GBM”) (the “GBM Subscription”). The GBM Subscription was subject to approval of the TSX-V and other customary regulatory approvals for transactions of this nature, all of which were received by April 6, 2020.

The GBM Units were paid for by the issuance of 197,907 common shares of Novo with a fair value of \$366,000 based on the closing price of the Company’s common shares on the TSX-V on April 6, 2020 of \$1.85. However, pursuant to IFRS 9, IAS 32 *Financial Instruments – Presentation*, and IAS 28 *Investments in Associates and Joint Ventures*, any consideration paid or received for an equity instrument is added directly to equity. As such, the fair value of the GBM ordinary shares and the GBM Warrants (defined below) will be added directly to the Company’s equity. Each GBM Unit is comprised of one ordinary share of GBM and one-half-of-one ordinary share purchase warrant (each a “GBM Warrant”). Each whole GBM Warrant is exercisable to purchase one ordinary share of GBM at AUD \$0.11 and expires on April 6, 2023. Immediately subsequent to the issuance of the GBM Units, Novo owned approximately 4.13% of the issued and outstanding ordinary shares of GBM.

The GBM ordinary shares have been accounted for as marketable securities and have therefore been initially recognized at fair value and will be subsequently remeasured at FVTOCI.

The GBM Warrants qualify as derivatives pursuant to IFRS 9 and have therefore been initially recognized at fair value and subsequently remeasured at FVTPL.

NOVO RESOURCES CORP.

(Expressed in Canadian Dollars, unless stated otherwise)

Notes to the Condensed Interim Consolidated Financial Statements**(Unaudited)****For the three-month periods ended April 30, 2020 and 2019**New Found Gold Corp. – (unlisted)

On March 2, 2020, the Company subscribed for 15,000,000 common shares (the “New Found Shares”) of New Found Gold Corp. (“New Found”), a Canadian private exploration company, in exchange for 6,944,444 common shares of the Company (the “Novo Shares”) based on the closing price of the Company’s common shares on the TSX-V on February 28, 2020. The issuance of the Novo Shares in return for the New Found Shares was subject to TSX-V approval which was provided on March 6, 2020. As such, the Novo Shares were issued on March 6, 2020, at a fair value of \$2.41 per share for total consideration of \$16,736,000. Subsequent to April 30, 2020, New Found raised significant funds at a price of \$1.50 per share. Although the Company did not participate in this financing, the Company recognized the increased price as a fair indicator of New Found’s fair value at April 30, 2020 and revalued its holdings at that date. Immediately subsequent to the receipt of the New Found Shares, the Company owned approximately 15.97% of the issued and outstanding shares of New Found.

The New Found shares have been accounted for as marketable securities, so they have initially been recognized at fair value and subsequently remeasured at FVTOCI.

	Number	Opening Fair Value \$'000	Additions (Disposals) \$'000	Foreign Exchange \$'000	Accumulated Unrealised Gains / (Losses) \$'000	Closing Fair Value \$'000
As at April 30, 2020						
FVTOCI						
Calidus Resources Limited Ordinary Shares	5,658,537	1,309	-	40	299	1,648
American Pacific Mining Corp. Common Shares	266,666	32	12	-	(4)	40
Elementum 3D Inc. Common Shares	2,076,560	6,870	-	-	351	7,221
Pioneer Resources Limited Ordinary Shares	50,000,000	576	-	13	(44)	545
Kalamazoo Resources Limited Ordinary Shares	10,000,000	5,670	-	65	(2,242)	3,493
New Found Gold Corp Common Shares	15,000,000	-	16,736	-	5,764	22,500
GBM Resources Ltd Ordinary Shares	9,090,909	-	469	35	264	768
		14,457	17,217	153	4,388	36,215
As at April 30, 2020						
FVTPL						
Kalamazoo Resources Limited Warrants/Options	10,000,000	-	1,964	37	(1,016)	985
GBM Resources Ltd Warrants/Options	4,545,454	-	132	11	101	244
		-	2,096	48	(915)	1,229
As at January 31, 2020						
FVTOCI						
Calidus Resources Limited Ordinary Shares	56,585,366	1,301	-	562	(554)	1,309
American Pacific Mining Corp. Common Shares	533,332	33	-	127	(128)	32
Elementum 3D Inc. Common Shares	2,076,560	4,585	-	881	1,404	6,870
Pioneer Resources Limited Ordinary Shares	50,000,000	813	-	90	(327)	576
Kalamazoo Resources Limited Ordinary Shares	10,000,000	-	3,544	(77)	2,203	5,670
		6,732	3,544	1,583	2,598	14,457

6. EXPLORATION AND EVALUATION ASSETS**Beatons Creek 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 \$650,000 (\$576,000) and a further AUD \$600,000 is due once a decision has been made to develop the Beatons Creek property for mining. In addition, a production royalty totaling 2.75% is payable 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 property.

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For the three-month periods ended April 30, 2020 and 2019

Talga Projects

A 1.5% net smelter returns royalty is payable on any minerals extracted from the Talga Talga, Warrawoona, and Mosquito Creek Projects (collectively, 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

During the year ended January 31, 2020, five prospecting tenements included in the Blue Spec project expired. The Company recorded an impairment expense of AUD \$2,537,000 (\$2,329,000).

A 2% net smelter returns 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"), the prior owner of the Blue Spec project.

A net smelter returns 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 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 Blue Spec Project.

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

Pursuant to a transaction with Mark Gareth Creasy and entities controlled by him (collectively, the "Creasy Group"), 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. (collectively referred to as the "JO's").

The Creasy Group retains prospecting rights across all JO properties. The Creasy Group's interests under the JO's 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 JO's 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 1% net smelter returns 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 JO 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, 2020, one of the tenements comprising the Paleo-Placer property expired so the Company recorded an impairment expense of AUD \$149,000 (\$136,000).

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

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For the three-month periods ended April 30, 2020 and 2019

Calidus Resources Limited

On September 19, 2017, the Company signed a binding term sheet with 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. 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 per share.

In order to earn a 70% interest in and to the Novo Tenements, Calidus must incur exploration expenditure 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. On May 31, 2019, Calidus provided notice to the Company that it had earned its 70% interest in and to the Novo Tenements. The Company is currently discussing joint operation plans with Calidus.

During the year ended January 31, 2020, one of the Novo Tenements reached the end of its term and expired. The Company recorded an impairment expense of AUD \$131,000 (\$120,000).

Karratha Region

Comet Well Property

On January 25, 2021, AUD \$3,000,000 in aggregate is required to be paid to Gardner Mining Pty Ltd ("Gardner") and Bradley Adam Smith ("Smith"), the Company's Comet Well project (the "Comet Well Project") joint venture partners, and AUD \$3,000,000-worth of Novo's common shares (the "Subsequent Consideration Shares") is required to be 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 be subject to a statutory hold period expiring four months from the date of issuance.

The AUD \$3,000,000 cash consideration was recognized as a current liability in the Company's condensed interim consolidated statement of financial position considering it is due within 12 months. On initial recognition, the cash consideration payable was discounted to reflect its present value. The liability is carried at amortised cost and is being accreted to its face value over the period to maturity. The carrying value of the cash consideration payable recognised as a current liability at April 30, 2020 is \$2,599,000 (AUD \$2,864,000) (January 31, 2020 - \$2,518,000 (AUD \$2,842,000)).

The Subsequent Consideration Shares have been accounted for as an equity-settled share-based payment under the requirements of IFRS 2 *Share Based Payments* ("IFRS 2"). As an equity-settled share-based payment, the consideration payable was recognised directly in equity without subsequent remeasurement. The transaction was 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 obtained.

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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”). As at the date of these condensed interim consolidated financial statements resources have not been defined on the Comet Well Project.

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 Johnathon and Zoe Campbell (“Campbell”) entitles Campbell to a 1% net smelter returns royalty on gold (the “Campbell Royalty”) extracted by the Company on the Tenements. 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 (paid on July 26, 2019) 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:

- 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.

The first farm-in and joint operation 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 (“DMIRS”). Concurrently, the Company signed a farm-in and joint operation 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 into the Tenements and Gardner and Smith earn into the Tenements, the Company will hold an 80% interest in the Tenements and Gardner and Smith will hold a 20% interest in the Tenements. The Company provided Gardner and Smith with confirmation of farm-in completion on May 28, 2018.

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Pursuant to the Novo Farm-in Agreement, the Company will free carry Gardner and Smith with respect to joint operation expenditures until a decision to mine is made, at which point any non-contributing entity's interest in the joint operation will dilute at a pre-determined ratio. If Gardner's and Smith's interests in the joint operation are reduced to below 5%, Gardner and Smith will be deemed to have withdrawn from the joint operation 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 operation is reduced to below 5%, the Company will be deemed to have withdrawn from the joint operation 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 operation expenditures until a decision to mine is made, at which point any non-contributing entity's interest in the joint operation will dilute at a pre-determined ratio. If Gardner's and Smith's interests in the joint operation are reduced to below 5%, Gardner and Smith will be deemed to have withdrawn from the joint operation 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 operation is reduced to below 5%, the Company will be deemed to have withdrawn from the joint operation 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.

Artemis Resources Limited Joint Operation

Effective November 27, 2017, a 50:50 unincorporated joint operation was deemed to be formed between the Company and Artemis Resources Ltd's ("Artemis") subsidiaries over 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 Company managed the joint operations and Artemis and the Company contributed to further exploration and mining of the Gold Rights on a 50:50 basis. If the Company or Artemis elected not to contribute to the joint operation pursuant to a budget approved by the joint operation management committee, the non-contributing entity's interest in the joint operation would 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 operation was reduced to below 5%, the non-contributing entity would be deemed to have withdrawn from the joint operation 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.

During the year ended January 31, 2020, Artemis contributed AUD \$512,000 (\$454,000) to the joint operation.

On March 23, 2020, the Company dissolved the 50:50 joint operation with Artemis and acquired a 100% interest in exploration licenses E47/1745 ("Purdy's Reward") and E47/3443 ("47K"). As consideration for the transaction, the Company issued 1,640,000 common shares at a fair value of \$1.61 per share based on the Company's closing price on the TSX-V on March 23, 2020 for total consideration of \$2,640,000, and paid AUD \$820,000 (\$680,000) to Artemis. The Company also issued 360,000 common shares at a fair value of \$1.61 per share for total consideration of \$580,000, paid AUD \$180,000 (\$151,000), and granted a 1% net smelter returns royalty to Sorrento Resources Pty Ltd, one of Artemis' joint venture partners on the 47K project.

A finder's fee comprised of 100,000 common shares of the Company, issued at a fair value of \$1.61 per share for total consideration of \$161,000, and a cash payment of AUD \$50,000 (\$42,000) were paid to Battle Mountain Pty Ltd in respect of the transaction.

As part of the transaction Novo returned 26 tenements to Artemis and recognised an impairment of AUD \$1,776,000 (\$1,508,000) relating to expenditure incurred on these tenements.

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Egina Region

Sumitomo Farm-In and Joint Operation

Egina Farmin Arrangement (“EFA”)

On June 7, 2019, the Company entered into the Egina Farmin Agreement (“EFA”) to advance its Egina project (the “Project”) located near Port Hedland in WA.

Under the EFA, Sumitomo Corporation and its wholly owned Australian subsidiary (together, “Sumitomo”) will contribute up to USD \$29.66 million funding to the Project over a 3-year earning period, subject to specific milestones and activity taking place. As at April 30, 2020, Sumitomo has funded AUD \$6,613,000 (\$6,001,000) to advance the Project.

At any time during the 3-year earning period and upon termination of the funding period, Sumitomo may elect to either:

- acquire up to 40% participating interest in the Farmin Assets if Sumitomo makes an election to establish a joint arrangement with the Company (the “Farmin Option”); or
- exercise their Reimbursement Option, resulting in Novo reimbursing Sumitomo’s funding contribution in either cash (“Cash Payment Option”) or a variable number of shares (“Share Payment Option”).

Exercising the Farmin Option extinguishes the obligation of the Company to repay Sumitomo any funding contributions previously provided.

The Reimbursement Option is calculated with reference to the Reimbursement Payment Amount, which includes adjustments for any notional share of Product that Sumitomo has earned over the earning period and, in the case of the Cash Payment Option, accrued interest on the principal outstanding calculated with reference to the London Interbank Offered Rate (“LIBOR”) from the date the funding was obtained.

Payment by Novo common shares under the Share Payment Option is subject to specific requirements outlined in the EFA and below. The number of shares to be issued is determined by dividing the Reimbursement Payment Amount by a prescribed issue price.

The prescribed issue price is the higher of:

1. The Company’s closing share price of \$2 as at June 7, 2019 (the date of the EFA); or
2. The discounted VWAP of the Company at the time of conversion (determined with reference to the EFA requirements and TSX-V listing policies).

The Company has a financial liability with respect to the Reimbursement Option as it has an unavoidable contractual obligation to reimburse Sumitomo the full Reimbursement Payment Amount in either cash or a variable number of shares and the Reimbursement Option is at Sumitomo’s discretion at all times.

As a result of the unique features and characteristics of the EFA, the Company has elected to designate the financial liability and related embedded derivatives in their entirety at FVTPL. In these circumstances, changes in the fair value of the entire hybrid financial instrument are recognised through profit or loss, except to the extent that the change in fair value is attributable to changes in credit risk of that liability (in which case it is presented in other comprehensive income).

In addition to the financial liability, the EFA has also resulted in a written call Option, under which the Company has an obligation to sell a portion of its interest in the Farmin Assets if the counterparty exercises the option. The written call option is a contract to sell a non-financial item, being the physical delivery of a participating interest in the Farmin Assets and is therefore outside the scope of IFRS 9.

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The written call option was initially measured at cost, determined as the residual amount of the consideration received after deducting the fair value of the financial liability (including embedded derivatives).

De Grey Mining Ltd. Letter of Intent

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”) (as at April 30, 2020, the Company has paid AUD \$1,000,000 (\$907,000) to De Grey under the LOI).

Prior to the expiry of the Initial Period, Novo can elect to extend its exploration rights for an additional two years (the “Second 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.

De Grey acquired Indee Gold on August 23, 2019.

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 Arrangement”) by giving notice to De Grey and making a one-time payment of AUD \$2 million. If the Joint Arrangement 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.

New Frontier Resources Pty Ltd Purchase

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 (\$1,809,000). A joint operation was formed whereby New Frontier will be free-carried to a decision to mine.

Victoria, Australia

On March 30, 2020, the Company was granted an option (the “Option”) and an additional earn-in right to acquire up to an aggregate 60% interest in GBM’s Malmsbury gold project (the “Malmsbury Project”) located in the Bendigo zone of Australia’s Victorian goldfields, with the possibility of the interest being increased to 75% interest, as described below. The Option was subject to approval of the TSX-V and other customary regulatory approvals for transactions of this nature, all of which were received by April 6, 2020.

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Novo will have a six-month period (the “Initial Period”) to confirm social license to explore the Malmsbury Project and conduct other due diligence while awaiting the grant of the Malmsbury Project Retention Licence RL6587 to GBM. At any time during the Initial Period, Novo will have the right to exercise its option (the “Option”) to earn a 50% interest in the Malmsbury Project by issuing 1,575,387 common shares to GBM, which will be subject to a statutory hold period of four months from the date of issuance, and reimbursing GBM for validly incurred and documented exploration expenditures on the Malmsbury Project during the Initial Period of up to AUD \$250,000, with such reimbursed amount being credited against the Earn-In Amount (defined below).

If Novo exercises the Option, it will have the right to earn an additional 10% interest in the Malmsbury Project and form a joint venture with GBM by incurring AUD \$5 million in exploration expenditure (the “Earn-In Amount”) over a four-year period (the “Earn-In Period”), as to a minimum of AUD \$1 million during the first year, and AUD \$1.25 million in each subsequent year, of the Earn-In Period. Any expenditure incurred during any year of the Earn-In Period which surpasses the minimum required amount will be credited against the subsequent year’s commitment. If Novo does not satisfy the Earn-In Amount during the Earn-In Period, Novo’s interest in the Malmsbury Project will decrease to 49%.

However, following satisfaction by Novo of the Earn-In Amount during the Earn-In Period, and delivery to GBM of written notice of its election to increase its interest in the Malmsbury Project to an aggregate 60% interest and initiate a joint venture with GBM (the “Joint Venture Date”), GBM will be required to elect to (i) retain its 40% interest in the Malmsbury Project by contributing to 40% of exploration and development expenditure incurred subsequent to the Joint Venture Date, or (ii) dilute its interest in the Malmsbury Project to 25% upon delivery by Novo of a preliminary economic assessment (the “PEA”) disclosing at least a 1 million ounce gold resource, of which at least 60% must be in the Indicated classification, within 3 years from the Joint Venture Date. In such case, Novo will pay all development expenditure incurred commencing from the Joint Venture Date, but if a decision to mine is made, GBM will reimburse Novo as to 25% of any such development expenditure from a maximum of 80% of Malmsbury Project cash flows.

Novo and GBM will negotiate a royalty arrangement whereby, subsequent to a decision to mine, GBM will be entitled to receive a maximum 2.5% net smelter returns royalty (the “Maximum Royalty”). The Malmsbury Project is encumbered by certain pre-existing royalties; where such an encumbrance is present, GBM will only be entitled to an adjusted royalty, being the Maximum Royalty less any pre-existing royalty amount.

Nevada, USA Region

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 in Nevada, USA.

APM listed on the Canadian Securities Exchange on March 8, 2018 (the “Listing Date”). Pursuant to the option agreement, APM will pay to Novo \$375,000 in three equal annual instalments by January 31 of each year. APM will also issue \$200,000 worth of APM common shares in three equal annual instalments on the anniversary of the Listing Date. Beginning on the first anniversary of the 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 (the “Tuscarora NSR”) 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. On January 24, 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 \$102,000. On January 29, 2019, APM paid \$125,000 to Novo. On March 8, 2019, APM issued 266,666 common shares to Novo at a fair value of \$0.22 per share for total consideration of \$59,000. On March 4, 2020, APM issued the final tranche of 266,667 common shares to Novo at a fair value of \$0.045 per share for total consideration of \$12,000.

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On December 18, 2019, the Company signed an amending and acknowledgement agreement with APM (the "Amending APM Agreement") whereby the third and final cash payment of \$125,000 was increased to \$150,000 and delayed until January 31, 2021. The Amending APM Agreement also ratified an expanded area over which the Tuscarora NSR applies and confirmed APM's obligation to cover annual Tuscarora claim maintenance fees.

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The exploration and evaluation assets are comprised of the following:

	US Region		Karratha and Egina Region					Total \$'000
	Beatons Creek Region \$'000	Tuscarora	Comet Well	Artemis	Pioneer	Farno-McMahon (Egina)	Granted Tenements	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance, January 31, 2020	46,452	27	21,463	17,531	629	14,430	5,702	106,234
Acquisition Costs	-	-	370	4,686	-	-	-	5,056
Exploration Expenditures:								
Field Work	398	-	37	17	30	632	174	1,288
Fuel	2	-	-	-	-	40	-	42
Geology	261	-	3	1	9	42	41	357
Legal	-	-	5	13	-	4	1	23
Meals & Travel	11	-	7	1	2	65	28	114
Office and General	88	-	2	-	1	155	13	259
Reports, Data and Analysis	-	-	-	9	-	-	-	9
Rock Samples	142	-	2	-	-	92	-	236
Native Title	81	-	-	4	11	22	9	127
Tenement Administration	47	-	1	69	10	33	98	258
Foreign Exchange Difference	1,194	1	551	524	17	390	145	2,822
Option Payments Received	-	(12)	-	-	-	-	-	(12)
Fuel Tax rebate	(107)	-	-	-	-	-	-	(107)
Artemis contribution	-	-	-	(76)	-	-	-	(76)
Impairment	-	-	-	(1,498)	-	-	(440)	(1,938)
	2,117	(11)	608	(936)	80	1,475	69	3,402
Balance, April 30, 2020	48,569	16	22,441	21,281	709	15,905	5,771	114,692

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Beaton Creek Region \$'000	US Region		Karratha and Egina Region					Total \$'000
	Tuscarora \$'000		Comet Well \$'000	Artemis \$'000	Pioneer \$'000	Farno-McMahon (Egina) \$'000	Granted Tenements \$'000	
Balance, January 31, 2019	47,063	84	25,939	19,321	641	7,365	3,695	104,108
Acquisition Costs	-	-	(248)	-	-	3,134	-	2,886
Exploration Expenditure:								
Drilling	130	-	13	-	-	345	-	488
Field Work	176	-	79	38	5	1,859	1,223	3,380
Fuel	26	-	17	-	-	286	1	330
Geology	3,287	-	30	38	-	905	98	4,358
Legal	146	-	31	10	15	51	12	265
Meals & Travel	387	-	54	(16)	-	919	411	1,755
Office and General	174	-	15	1	-	305	62	557
Reports, Data and Analysis	391	-	95	-	12	68	(54)	512
Rock Samples	1,036	-	451	28	-	393	244	2,152
Native Title	206	-	-	-	10	69	14	299
Tenement Administration	467	-	-	37	4	88	523	1,119
Foreign Exchange Difference	(4,487)	1	(2,239)	(1,414)	(58)	(1,357)	(527)	(10,081)
Option Payments Received	-	(58)	-	-	-	-	-	(58)
Artemis contribution	-	-	-	(512)	-	-	-	(512)
Research and Development Refund	-	-	(2,774)	-	-	-	-	(2,774)
Impairment	(2,550)	-	-	-	-	-	-	(2,550)
	(611)	(57)	(4,228)	(1,790)	(12)	3,931	2,007	(760)
Balance, January 31, 2020	46,452	27	21,463	17,531	629	14,430	5,702	106,234

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 refunds or option payments received, and do not necessarily represent present or future values. The recoverability of these amounts from future exploration 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 mineral deposits sufficient for commercial production and the Company's ability to obtain the required additional financing necessary to develop its exploration and evaluation assets.

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Notes to the Condensed Interim Consolidated Financial Statements**(Unaudited)****For the three-month periods ended April 30, 2020 and 2019****7. PROPERTY, PLANT, AND EQUIPMENT**

Cost	Office Furniture and Equipment Mining Equipment Exploration camp Vehicles					Total
	Property	Office Furniture and Equipment	Mining Equipment	Exploration camp	Vehicles	
Balance as at January 31, 2019	-	10	920	392	184	1,506
Additions	477	58	393	235	71	1,234
Foreign Exchange differences	13	2	25	17	5	62
Disposals	18	-	(373)	-	(83)	(438)
Balance as at January 31, 2020	508	70	965	644	177	2,364
Additions	21	-	61	-	-	82
Foreign Exchange differences	(137)	(11)	322	(56)	(1)	117
Disposals	-	-	-	-	-	-
Balance as at April 30, 2020	392	59	1,348	588	176	2,563

Accumulated Depreciation	Office Furniture and Equipment Mining Equipment Exploration camp Vehicles					Total
	Property	Office Furniture and Equipment	Mining Equipment	Exploration camp	Vehicles	
Balance as at January 31, 2019	-	10	52	124	38	224
Foreign Exchange differences	(30)	(2)	(18)	(33)	(14)	(97)
Depreciation	257	4	198	174	86	719
Disposals	17	-	(85)	-	-	(68)
Balance as at January 31, 2020	244	12	147	265	110	778
Foreign Exchange differences	14	(8)	172	(61)	(41)	76
Depreciation	75	3	95	28	8	209
Balance as at April 30, 2020	333	7	414	232	77	1,063

Balance as at January 31, 2020	264	58	818	379	67	1,586
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Balance as at April 30, 2020	59	52	934	356	99	1,500
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8. CAPITAL AND RESERVES**Authorized**

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

Warrants

The continuity of warrants is as follows:

	April 30, 2020		January 31, 2020	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of the period	14,000,000	\$ 6.00	28,477,000	\$ 2.93
Granted	-	-	-	-
Cancelled/Expired	-	-	-	-
Exercised	-	-	(14,477,000)	\$ (1.01)
Balance, end of the period	14,000,000	\$ 6.00	14,000,000	\$ 6.00

Full share equivalent warrants outstanding and exercisable as of January 31 and April 30, 2020:

Expiry Date	Price Per Share	Warrants Outstanding
September 6, 2020	\$6.00	14,000,000
		14,000,000

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Pursuant to the Plan, 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.

The continuity of stock options is as follows:

	April 30, 2020		January 31, 2020	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of the period	15,825,000	\$3.21	12,415,000	\$3.21
Granted	-	-	6,165,000	\$3.57
Exercised	(150,000)	(\$1.57)	(510,000)	(\$1.57)
Expired/Cancelled	(400,000)	(\$7.94)	(2,245,000)	(\$3.40)
Balance, end of the period	15,275,000	\$3.28	15,825,000	\$3.37

The options outstanding and exercisable at April 30, 2020 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	0.11	150,000	\$0.20	
1,600,000	\$0.94	1.29	900,000	\$0.94	
1,750,000	\$0.95	1.10	250,000	\$0.95	
2,125,000	\$1.57	1.22	1,450,000	\$1.57	
2,125,000	\$7.70	2.47	1,700,000	\$7.70	
950,000	\$3.47	2.75	-	\$3.47	
410,000	\$4.60	3.10	-	\$4.60	
6,165,000	\$3.57	4.75	-	\$3.57	
15,275,000	\$3.28	2.95	5,000,000	\$3.70	

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The options outstanding and exercisable at January 31, 2020 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	0.36	150,000	\$0.20
1,750,000	\$0.94	1.54	1,050,000	\$0.94
1,750,000	\$0.95	1.35	250,000	\$0.95
2,125,000	\$1.57	1.46	1,450,000	\$1.57
2,125,000	\$7.70	2.72	1,700,000	\$7.70
400,000	\$7.94	2.77	400,000	\$7.94
950,000	\$3.47	3.00	-	\$3.47
410,000	\$4.60	3.35	-	\$4.60
6,165,000	\$3.57	4.99	-	\$3.57
15,825,000	\$3.37	3.17	5,000,000	\$3.96

For the period ended April 30, 2020, the total share-based payment expense was \$1,868,000 (April 30, 2019 - \$594,000).

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

	For the period ended April 30, 2020	For the period ended January 31, 2020
Average Share price	\$2.71	\$2.74
Risk-free interest rate	0.38%	1.29% - 2.11%
Dividend yield	0.00%	0.00%
Expected volatility	77.24% - 94.25%	74.43% - 101.65%
Expected option life	3.57 – 5 years	3.57 – 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.

The option reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

The warrant reserve is used to recognize the value of equity-settled call options provided as compensation to financing underwriters.

The Comet Well Deferred Consideration reserve is used to recognize the value of the Subsequent Consideration Shares. See note 6 for further details.

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A reconciliation of the Company's annual movement in accumulated other comprehensive loss is as follows:

	Movement in FVTOCI	Foreign exchange on translation of subsidiaries	Total
	\$'000	\$'000	\$'000
Balance as at January 31, 2019	(1,077)	(3,242)	(4,319)
APM shares	(60)	-	(60)
Calidus shares	104	-	104
E3D shares	1,404	-	1,404
Pioneer shares	(183)	-	(183)
Kalamazoo shares	2,203	-	2,203
Foreign exchange on translation of subsidiaries	-	(8,923)	(8,923)
Total	3,468	(8,923)	(5,455)
Balance as at January 31, 2020	2,391	(12,165)	(9,774)
APM Shares	(4)	-	(4)
Calidus shares	299	-	299
E3D shares	351	-	351
Pioneer shares	(44)	-	(44)
Kalamazoo shares	(2,242)	-	(2,242)
New Found shares	5,764	-	5,764
New Found shares deferred tax	(778)	-	(778)
GBM shares	264	-	264
Foreign exchange on translation of subsidiaries	-	3,156	3,156
Total	3,610	3,156	6,766
Balance as at April 30, 2020	6,001	(9,009)	(3,008)

9. RELATED PARTY DISCLOSURES*Key Management Personnel Disclosures*

During the periods ended April 30, 2020 and 2019, the following amounts were incurred with respect to the key management and directors of the Company:

	April 30, 2020 \$'000	April 30, 2019 \$'000
Consulting services – short term employee benefits	45	45
Wages and salaries – short term employee benefits	266	285
Share-based payments	748	190
	1,059	520

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During the periods ended April 30, 2020 and 2019, non-cash activities conducted by the Company related to the movement of mineral property expenditures in accounts payable:

	April 30, 2020	April 30, 2019
	\$'000	\$'000
<i>Operating activities</i>		
Increase / (decrease) in accounts payable and accrued liabilities	<u>(166)</u>	<u>(865)</u>
<i>Investing activities</i>		
(Deductions to) / additions in exploration and evaluation assets	166	(865)
<i>Issuance of shares for marketable securities</i>	17,337	-
<i>Issuance of shares for Mineral properties</i>	<u>3,381</u>	<u>-</u>
<i>Financing activities</i>		
Increase / (decrease) in Sumitomo funding liability	<u>(3,256)</u>	<u>-</u>

11. FINANCIAL INSTRUMENTS**a) Fair value**

The Company's financial instruments include cash, short-term investments, marketable securities, accounts payable and accrued liabilities, the Sumitomo funding liability, and the cash component of the deferred consideration for mineral property. The fair value hierarchy for financial instruments reflects the significance of inputs in making fair value measurements as follows:

- Level 1 – applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 – applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 – applies to assets or liabilities for which there is no observable market data.

The recorded amounts of cash, short-term investments, accounts payable and accrued liabilities approximate their respective fair values due to their short-term nature. The cash component of the deferred consideration was initially recognized at fair value and is subsequently measured at amortized cost. The Sumitomo funding liability and its related embedded derivatives are measured in their entirety as at FVTPL, except to the extent that the change in fair value is attributable to changes in credit risk of the Sumitomo funding liability in which case it is presented in other comprehensive income.

Financial instruments carried at fair value:

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

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- The marketable securities balances held in E3D and New Found are measured using Level 3 inputs. The value of the shares held in E3D was determined using the last financing price used by E3D to raise funds for its operations. The value of the shares held in New Found was determined using a market valuation approach along with the last financing price used by New Found to raise funds for its operations. Changes to E3D's and New Found's fair values per share can significantly affect the fair value estimates.
- The Sumitomo funding liability balance was measured using Level 3 inputs. The fair value of the liability was determined using a Binomial Option Pricing Model and a Monte Carlo simulation including the Company's share price and accompanying volatility as at each valuation date, various interest rates (including risk-free rates and six-month LIBOR), and the Company's credit rating. Changes to the aforementioned inputs can significantly affect the fair value estimate of the Sumitomo funding liability.

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 period.

b) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, short-term investments, and, the Sumitomo funding liability to the extent of any changes in credit risk associated with the Company. The Company limits its exposure to credit loss by placing its cash and short-term investments with high credit quality financial institutions.

c) Foreign exchange rate risk

The Company operates internationally and is exposed to foreign exchange risk, primarily the Australian dollar. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant Company subsidiary. The Company considers this risk to be immaterial considering it does not conduct significant transactions or hold significant cash in currencies which do not match the functional currency of each of the Company's subsidiaries.

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

d) Liquidity Risk

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. All of the Company's financial liabilities are classified as current and the Company has a practice of paying its outstanding payables within 30 days. The deferred consideration for mineral property is due on January 25, 2021. The Sumitomo funding liability represents the approximate value that the Company would repay if Sumitomo were to exercise their Reimbursement Option (see note 6 Exploration and Evaluation Assets for further details).

e) Price Risk

The Company is exposed to price risk with respect to commodity prices and its marketable securities. The Company's ability to raise capital is subject to risks associated with fluctuations in the market, including commodity prices. The Company's ability to recognize gains on liquidation of its marketable securities is subject to risks associated with fluctuations in the market prices of its marketable securities.

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f) Interest Rate 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 term deposits carried at floating interest rates with reference to the market. The Company also has some exposure to interest rate risk with respect to the fair value of the Sumitomo funding liability. However, 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 adjusts 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.

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Notes to the Condensed Interim Consolidated Financial Statements**(Unaudited)****For the three-month periods ended April 30, 2020 and 2019****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, 2020			
	Australia	USA	Canada	Total
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment	1,488	10	2	1,500
Exploration and evaluation assets	114,676	16	-	114,692
Gold specimens	75	-	-	75
Marketable securities	7,683	-	29,761	37,444
	123,922	26	29,763	153,711

	As at January 31, 2020			
	Australia	USA	Canada	Total
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment	1,583	1	2	1,586
Exploration and evaluation assets	106,207	27	-	106,234
Gold specimens	74	-	-	74
Marketable securities	7,555	-	6,902	14,457
	115,419	28	6,904	122,351

14. SUBSEQUENT EVENTS

- a) Subsequent to April 30, 2020, 150,000 stock options were exercised for gross proceeds of \$30,000.
- b) On June 11, 2020, the Company announced that it had entered into a binding terms sheet to acquire three exploration licences (the "Mt. Elsie Project") comprising an area of approximately 19 km² located 75 km north-east of the town of Nullagine, Western Australia and adjacent to numerous Novo wholly-owned tenements (the "Acquisition"). The Acquisition is conditional upon receipt of any consents or approvals required under the Mining Act 1978 (WA) and the acceptance of the TSX Venture Exchange (the "Mt. Elsie Conditions").

Subject to satisfaction of the Mt. Elsie Conditions, the Company will issue an aggregate 324,506 common shares (the "Consideration Shares") and pay AUD \$100,000 in cash to the vendors of the Mt. Elsie Project. The Consideration Shares will be subject to a statutory hold period expiring four months from the date of issuance.

- c) On June 12, 2020, the Company entered into an option agreement (the "Option Agreement") with Bellary Dome Pty Ltd ("Bellary Dome") for the option (the "Option") to acquire the gold rights in exploration licence 47/3555 (the "Tenement") located in the Southern Pilbara region of Western Australia. The Option is conditional upon the removal of a caveat currently registered against the Tenement by a non-arm's length party to Bellary Dome and subsequent registration of the Tenement in Bellary Dome's name by July 31, 2020 (the "Bellary Dome Conditions").

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Subject to satisfaction of the Bellary Dome Conditions, the Company will pay Bellary Dome AUD \$25,000 for an initial option period of 12 months from the date of satisfaction of the Bellary Dome Conditions (the "Option Period"). At any time during the Option Period, Novo may exercise its Option and earn a 100% gold rights interest in the Tenement by paying Bellary Dome A\$1 million and granting Bellary Dome a 2% gross overriding royalty on all gold derived from future production by Novo from the Tenement. Before the expiry of the Option Period, Novo may extend the Option Period to 24 months from the date of satisfaction of the Bellary Dome Conditions by paying Bellary Dome AUD \$25,000, 36 months from the date of satisfaction of the Bellary Dome Conditions by paying Bellary Dome AUD \$50,000, or 48 months from the date of satisfaction of the Bellary Dome Conditions by paying Bellary Dome AUD \$100,000.