NOVO RESOURCES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

For the eleven-month period ended December 31, 2020 and the year ended January 31, 2020

(Expressed in Canadian Dollars)

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Independent auditor's report to the Shareholders of Novo Resources Corp.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Novo Resources Corp (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2020 and January 31, 2020, and the consolidated statements of profit and loss and other comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the 11 month period ended December 31, 2020 and the year ended January 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and January 31, 2020 and its consolidated financial performance and its consolidated cash flows for the 11 month period ended December 31, 2020 and the year ended January 31, 2020 in accordance with International Financial Reporting Standards ("IFRSs").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial s*tatements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

1. Acquisition of Millennium Minerals Limited ("Millennium")

Why significant	How our audit addressed the key audit matter
As disclosed in Note 9 to the consolidated financial statements, on September 14, 2020 (acquisition date), the Group completed the acquisition of a 100% interest in Millennium. The transaction has been accounted for as an asset acquisition. This was considered to be a key audit matter because the acquisition was significant to the Group as well as complexity and judgement involved in accounting for the acquisition including the determination and measurement of the purchase consideration and the allocation of the purchase consideration to assets and liabilities on a relative fair value basis.	Our audit procedures included the following: ► Read the various purchase and related agreements to gain an understanding of the key terms of the acquisition as well as the interaction of the various agreements; ► Assessed the Group's determination that the acquisition represented an asset acquisition rather than a business combination; ► Assessed the Group's determination of the acquisition date, ► Assessed the fair value of the shares and warrants issued as part of the acquisition in determining the purchase consideration. ► Involved our subject matter experts in assessing the fair value of the assets acquired and the cost estimates used in the determination of the rehabilitation provision assumed; ► Reviewed the adequacy of the Group's disclosures in the consolidated financial statements relating to this acquisition.

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2. Carrying value of capitalised exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
As disclosed in Note 6 to the consolidated financial statements, as at December 31, 2020, the Group held capitalised exploration and evaluation assets of $203 million, representing 45% of the Group's total assets. The carrying amount of exploration and evaluation assets is assessed for impairment, in accordance with IFRS 6, by the Group when facts and circumstances indicate that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The determination as to whether there are any indicators to require the exploration and evaluation assets to be assessed for impairment involves a number of judgments, including whether the Group has the right to explore in the specific area of interest, whether substantive ongoing expenditure is planned or budgeted and whether sufficient information exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered. The directors did not identify any impairment indicators at December 31, 2020. This was considered a key audit matter because of the significance of this balance and the judgment involved in determining whether any impairment indicators were present for the Group's capitalised exploration and evaluation asset balances.	In performing our procedures, we: ► Assessed whether the Group's right to explore was current, which included obtaining and assessing supporting documentation such as license agreements; ► Assessed the Group's intention to carry out ongoing exploration and evaluation activities in the relevant areas of interest which included reviewing the Group's approved cash flow forecast and enquiring of the directors as to their intentions and the strategy of the Group; ► Assessed whether exploration and evaluation data existed to indicate that the carrying value of capitalised exploration and evaluation was unlikely to be recovered through development or sale; ► Reviewed the adequacy of the Group's disclosures in the consolidated financial statements.

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3. Measurement of equity, borrowings and derivatives under the Sprott financing package

Why significant	How our audit addressed the key audit matter
At December 31, 2020, the Group's consolidated statement of financial position included a non-current loan of $34.9 million and a non-current derivative liability of $1.0 million. Furthermore, the Group has recognised $6.1 million in equity in relation to 1,453,624 equity units issued to Sprott Resource Lending Corp. and Sprott Private Resource Lending II (collectively, "Sprott"). These liabilities and the equity the contribution arose from the financing package provided by Sprott during the period, as described in Note 14 of the consolidated financial statements. The initial accounting treatment for these financial instruments is complex and requires the exercise of judgement in identifying and measuring the fair value of the derivative liability, the debt component and any residual equity component. This was considered a key audit matter given the collective significance of the liabilities as well as the complexity and judgement involved in their classification and measurement.	Our audit procedures included the following: ► Read the financing package agreements and obtained an understanding of their relevant terms and conditions; ► Assessed, with involvement from our valuation specialists, the methodology, inputs and assumptions used by the Group in determining the fair value of the derivative liability related to the financing package; ► Involved our banking and capital markets specialists in assessing borrowing rates used in determining the fair value of the debt component at inception of the facility; ► Reviewed the amortised cost calculation and classification of the liability component of the Credit Facility to determine whether it was in accordance with the requirements of IFRS 9 *Financial Instruments*; ► Reviewed, in conjunction with our financial instrument specialists, management's determination of the separate liability and equity components of the Sprott financing package; ► Assessed the adequacy of the related disclosures in the consolidated financial statements.

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4. Provision for closure and reclamation

Why significant	How our audit addressed the key audit matter
As a consequence of the acquisition of Millennium and the commencement of mining activities at Beatons Creek, the Group is obligated under the Mining Act 1978 (WA) to rehabilitate and restore Millennium's and Beatons Creek mine site at the end of their estimated mine lives. As at December 31, 2020 the Group's consolidated statement of financial position included a provision for closure and reclamation of $28.6 million in respect of these obligations (refer to Note 15 of the consolidated financial statements). This was considered a key audit matter because estimating the costs associated with these future activities requires judgment and estimation for factors such as timing of when rehabilitation will take place, the extent of the rehabilitation and restoration activities as well as the economic assumptions relating to inflation and discount rates taken into account to determine the provision amount.	Our audit procedures included the following: ► Evaluating the assumptions and methodologies used by the Group in determining their rehabilitation obligations. ► Assessed the qualifications, competence and objectivity of the Group's external and internal experts, which formed the basis of the Group's rehabilitation cost estimates. Together with our internal rehabilitation specialists, we assessed the appropriateness of these cost estimates. ► Assessed the appropriateness of the estimated timing of when the rehabilitation activities will be undertaken and the related cash flows incurred and the resultant inflation and discount rate assumptions used in determining the provision for closure and reclamation, having regard to available economic data relating to future inflation and discount rates; ► Evaluated the adequacy of the Group's disclosures relating to rehabilitation obligations and considered the appropriateness of the accounting for the changes in the rehabilitation and restoration provision.

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Information other than the consolidated financial statements and auditor's report thereon

Other information consists of the information, other than the consolidated financial statements and our auditor's report thereon, included in Management's Discussion and Analysis. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Pierre Dreyer.

Ernst & Young

Chartered Accountants
Perth, Western Australia,
March 31, 2021

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

	Note	December 31, 2020 $'000	January 31, 2020 $'000
ASSETS			
Current assets			
Cash		40,494	28,703
Short-term investments		195	88
Inventory	3	3,839	-
Receivables	4	1,806	6,657
Prepaid expenses and deposits		642	250
Total current assets		46,976	35,698
Non-current assets			
Property, plant and equipment	7	91,780	1,409
Right of use assets	8	39,236	177
Mine development assets	10	41,332	-
Investment in associate	11	15,091	-
Exploration and evaluation assets	6	203,140	106,234
Gold specimens		83	74
Marketable securities	5	18,770	14,457
Total non-current assets		409,432	122,351
Total assets		456,408	158,049
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	12	12,083	1,082
Lease liabilities	13	10,645	187
Sumitomo funding liability	6	6,071	4,519
Sumitomo written call option	6	1,157	1,341
Deferred consideration for mineral property	6	2,949	2,518
Total current liabilities		32,905	9,647
Non-current liabilities			
Lease liabilities	13	29,566	-
Credit facility	14	34,899	-
Derivative liability	14	984	-
Rehabilitation provision	15	28,615	-
Total non-current liabilities		94,064	-
Total liabilities		126,969	9,647
SHAREHOLDERS' EQUITY			
Share capital	16	347,166	190,698
Treasury shares	11	(2,571)	-
Reserves	16	47,430	24,224
Comet Well deferred consideration reserve	6	3,354	3,354
Accumulated other comprehensive gain/(loss)	16	11,585	(9,774)
Accumulated deficit		(77,525)	(60,100)
Total shareholders' equity		329,439	148,402
Total shareholders' equity and liabilities		456,408	158,049

These consolidated financial statements are authorized for issue by the Board of Directors on March 31, 2021. They are signed on the Company's behalf by:

"Akiko Levinson" — Akiko Levinson

"Michael Barrett" — Michael Barrett

Novo Resources Corp.
(Expressed in Canadian Dollars)
Consolidated Statements of Profit and Loss and Other Comprehensive Loss

	Note	Period ending December 31, 2020 $'000	Year ending January 31, 2020 $'000
Expenses			
Accounting and audit		671	441
Consulting services		845	928
Insurance		260	266
Legal fees		317	586
Meal and travel expenses		381	503
Office and general		3,464	1,620
Share-based payments	16, 17	7,062	2,743
Transfer agent and filing fees		336	228
Wages and salaries	17	3,724	3,013
Impairment of mineral property	6	1,884	2,585
Lease interest expense		45	253
Sumitomo liability change in fair value	6	211	314
Loss before other items		(19,200)	(13,480)
Other items			
Interest and other income		3,033	801
Finance expense	14	(1,316)	-
Foreign exchange gain / (loss)		315	5
Share of profit / (loss) of associate	11	(1,837)	-
Deferred consideration accretion expense	6	(144)	(168)
Rehabilitation provision accretion expense	15	127	-
Sprott debt facility accretion expense	14	(810)	-
Derivative liability change in fair value	14	88	-
Unrealised gain through profit and loss	5	1,542	-
		998	638
Net loss for the period before tax		(18,202)	(12,842)
Income tax benefit		778	880
Net loss for the period after tax		(17,424)	(11,962)
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	16	4,079	3,468
Changes in fair value resulting from credit risk	6	(442)	-
Foreign exchange on translation of subsidiaries - to be reclassified to profit or loss in subsequent periods	16	17,722	(8,923)
		21,359	(5,455)
Comprehensive gain/(loss) for the period/year		3,935	(17,417)
Weighted average number of common shares outstanding		198,880,088	175,308,568
Basic and diluted loss per common share		(0.09)	(0.07)

The accompanying notes are an integral part of these consolidated financial statements.

Novo Resources Corp.
(Expressed in Canadian Dollars)
Consolidated Statements of Changes in Equity

	Note	Number of Shares (unrounded)	Share Capital Amount $'000	Treasury Shares $'000	Option Reserve $'000	Warrant Reserve $'000	Comet Well Deferred Consideration Reserve $'000	Fair value reserve of financial assets at FVOCI $'000	Foreign currency translation reserve $'000	Accumulated Deficit $'000	Shareholders' Equity $'000
Balance – January 31, 2019		163,883,048	176,286	-	22,045	19	3,354	(1,077)	(3,242)	(48,138)	149,247
Loss for the year		-	-	-	-	-	-	-		(11,962)	(11,962)
Other comprehensive gain/(loss) for the year		-	-	-	-	-	-	3,468	(8,923)	-	(5,455)
Comprehensive loss for the year		-	-	-	-	-	-	3,468	(8,923)	(11,962)	(17,417)
Stock Option Exercise		510,000	1,384	-	(583)	-	-	-	-	-	801
Share based payments		-	-	-	2,743	-	-	-	-	-	2,743
Warrant excercises		14,477,000	13,028	-	-	-	-	-	-	-	13,028
Balance – January 31, 2020		178,870,048	190,698	-	24,205	19	3,354	2,391	(12,165)	(60,100)	148,402
Balance – January 31, 2020		178,870,048	190,698	-	24,205	19	3,354	2,391	(12,165)	(60,100)	148,402
Loss for the period		-	-	-	-	-	-	-	-	(17,424)	(17,424)
Other comprehensive gain for the period		-	-	-	-	-	-	3,637	17,722	-	21,359
Comprehensive loss for the period		-	-	-	-	-	-	3,637	17,722	(17,424)	3,935
Stock Option Exercise	16	300,000	301	-	(130)	-	-	-	-	-	171
Share-based compensation	16,17	-	-	-	7,062	-	-	-	-	-	7,062
Acquisition of New Found Gold Corp. shares	5,11	6,944,444	16,736	-	-	-	-	-	-	-	16,736
Acquisition of Purdy's Reward and 47K	6	2,100,000	3,381	-	-	-	-	-	-	-	3,381
Acquisition of GBM Resources Ltd. shares and warrants	6	197,907	601	-	-	-	-	-	-	-	601
Acquisition of Mt. Elsie project	6	324,506	1,292	-	-	-	-	-	-	-	1,292
Millennium acquisition	9	20,363,447	67,943	-	-	15,135	-	-	-	-	83,078
Sprott Private Lending financing share issuance	14	1,453,624	4,997	-	-	1,139	-	-	-	-	6,136
Creasy share issuance	6	2,582,269	8,909	-	-	-	-	-	-	-	8,909
Kalamazoo option share issuance	6	24,883	85	-	-	-	-	-	-	-	85
Subscription receipt financing	14,16	17,192,379	55,875	-	-	-	-	-	-	-	55,875
Share issue cost	14,16	-	(3,652)	-	-	-	-	-	-	-	(3,652)
Investment in Associate	11	-	-	(2,571)	-	-	-	-	-	-	(2,571)
Balance – December 31, 2020		230,353,507	347,166	(2,571)	31,137	16,293	3,354	6,028	5,557	(77,524)	329,440

The accompanying notes are an integral part of these consolidated financial statements.

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

	Note	Period ending December 31, 2020 $'000	Year ending January 31, 2020 $'000
Operating activities			
Net loss for the period / year		(17,424)	(11,962)
Adjustments:			
Interest income		(138)	(800)
Impairment expense	6	(1,884)	2,585
Depreciation - fixed assets		714	277
Depreciation - right of use assets		619	407
Foreign exchange		870	(668)
Share-based payment	16,17	7,062	2,743
Share of losses in associate	11	1,837	-
Change in fair value of marketable securites	5	(1,542)	-
Deferred consideration accretion expense	6	144	168
Closure provision accretion expense	15	(127)	-
Debt facility accretion expense	14	810	-
Change in fair value of Sumitomo funding liability	6	211	314
Interest expense on leases		45	-
Fair value change in derivative liability	14	(88)	-
Total adjustments		8,533	5,026
Changes in non-cash operating working capital:			
Accounts payable and accrued liabilities		7,465	(1,415)
Prepaid expenses and deposits		(392)	47
Receivables		(1,871)	559
Increase in Inventory		(248)	-
		4,954	(809)
Net cash used in operating activities		**(3,937)**	**(7,745)**
Investing activities			
Interest income		138	800
Acquisition of Millennium	9	(60,651)	-
Purchase of property, plant and equipment		(8,563)	-
Payments of mine development assets		(2,506)	-
Short-term deposits		-	5
Purchase of marketable securities		-	(3,544)
Proceed from sale of marketable securities		(160)	-
Sale of gold samples		-	84
Expenditures on exploration and evaluation assets		(12,840)	(19,289)
Net cash used in investing activities		**(84,582)**	**(21,944)**
Financing activities			
Credit facility		37,180	-
Credit facility transaction costs		2,752	-
Issuance of share capital		61,043	13,830
Share issues cost		(3,652)	-
Lease payments		(917)	(187)
Sumitomo funding		3,959	2,334
Net cash from financing activities		**100,365**	**15,977**
Net change in cash		11,843	(13,712)
Effect of exchange rate changes on cash		(52)	(417)
Cash, beginning of the period		28,703	42,832
Cash, end of the period		**40,494**	**28,703**

Supplemental cash flow information (Note 18)

The accompanying notes are an integral part of these consolidated financial statements.

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 common shares trade on the Toronto Stock Exchange (the "TSX") 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, exploring, and developing natural resource properties with a focus on gold. The Company's head office and registered 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

Change in year end

During the eleven months ended December 31, 2020, the Company changed its fiscal year end to December 31, from January 31. The Company's transition period is the eleven month period ended December 31, 2020, and the comparative period is the twelve month period ended January 31, 2020. The new financial year will align the Company with its peer group in the mineral resources sector.

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of presentation

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

These 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 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 disclosed below within this note.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized during the period in which the estimate is revised if the revision affects only that period or during the period of the revision and further periods if the review affects both current and future periods. The accounting policies adopted are consistent with prior years, except for those adopted during the period resulting from new transactions and events, these include financial instruments – derivatives, inventory, mine development assets and investment in associates.

Australian dollars will be referred to as "AUD", and United States dollars will be referred to as "USD" in these consolidated financial statements.

(Expressed in Canadian Dollars, unless stated otherwise)

Basis of consolidation

These 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 December 31, 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%
Millennium Minerals Pty Ltd ("Millennium")	New South Wales, Australia	100%

New and amended Accounting Standards and Interpretations adopted by the Company

The Company has applied, for the first time, the amendment to IFRS 3 *Definition of a Business* from February 1, 2020. In accordance with the transitional provisions, the amendment was applied prospectively, and comparatives were not restated. The new definition of a business was applied to the Millennium acquisition during the period which resulted in that transaction being classified as an asset acquisition in the absence of outputs and a skill workforce at the date of acquisition. Other than the adoption of the amendment to IFRS 3, the adoption of the new and amended accounting standards and interpretations had no impact on the Company. The Company has not early adopted any other accounting standard, interpretation or amendment that has been issued but is not yet effective.

Going concern

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

In September 2020, the Company completed the acquisition of Millennium, which was financed through private placements raising gross proceeds of $56,000,000 as well as senior secured debt of USD $60,000,000, of which USD $35,000,000 has been drawn to date. See notes 9, 14, and 19 for further details.

The Company has incurred a net loss after tax for the eleven month period ended December 31, 2020 of $17,424,000 (January 31, 2020: $11,962,000). For the eleven month period ended December 31, 2020, the Company reported operating cash outflows of $3,937,000 (January 31, 2020: $7,745,000). As at December 31, 2020, the Company reported a net working capital of $14,071,000 (January 31, 2020: $26,051,000). The Company had cash on hand of $21,081,000 at March 30, 2021 and $40,494,000 at December 31, 2020 (January 31, 2020 - $28,703,000).

Since December 31, 2020, the Company has continued to develop its Beatons Creek Project. The directors have prepared a cash flow forecast which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing these financial statements.

Based on the cash flow forecast and revenue and operating cost assumptions therein, along with forecast commodity prices and foreign exchange rates, the directors are satisfied that the going concern basis of preparation is appropriate. A critical element to achieving the forecast cash flows, and forecast covenant compliance under the Credit Facility, is the Company's ability to achieve forecast gold production in accordance with Board approved forecasts.

If the Company does not meet its cash flow forecast, it may need to rely on a number of options, including management of both operating cash flow and capital expenditure to align with available funds, obtaining waivers or rescheduling of repayments under the Credit Facility with Sprott, disposing of non-core assets to the extent permitted under the Credit Facility, securing additional funding which may include refinancing the Credit Facility with other parties, securing funds by raising capital from equity markets, or a combination of these options.

The directors are confident of the Company's ability to manage its cash flow as required.

Notwithstanding the above, these conditions indicate a material uncertainty that may cast doubt about the Company's ability to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

Financial Instruments

Classification

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

Financial assets at FVTOCI

Certain investments in equity instruments are classified at FVTOCI and are initially recognized at fair value plus transaction costs. The Company can elect to classify irrevocably its equity instruments designated at fair value through other comprehensive income when they meet the definition of equity and are not held for trading. The classification is determined on an instrument-by-instrument basis and the Company considers these investments to be strategic in nature. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income or loss.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statements of profit and loss and other comprehensive loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company 's business model for managing them. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets and liabilities at FVTPL

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

Impairment of financial assets at amortized cost

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

The Company considers a financial asset in default when contractual payments are overdue. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

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

Derecognition of Financial assets

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

Derecognition of Financial liabilities

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

Financial instruments – derivatives

Derivatives are classified as fair value through profit or loss and initially recognized at their fair value on the date the derivative contract is entered into and transaction costs are expensed. Derivatives are subsequently re-measured at their fair value at each statement of financial position date with changes in fair value recognized through profit and loss. Fair values for derivative instruments are determined using valuation techniques, with assumptions based on market conditions existing at the statement of financial position date or settlement date of the derivative.

Derivatives embedded in debt instruments or non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts.

Inventory

Inventories comprise raw materials, stores, consumables, and work-in-process inventory (stockpiled ore and gold in circuit). Inventories are stated at the lower of cost and net realizable value. Net realizable value of work in process inventory is the estimated selling price in the ordinary course of business, less estimated costs of completion and less applicable variable selling expenses. Cost includes expenditure incurred in acquiring and bringing the inventories into their present location and condition and is determined on the basis of weighted average costs. Any provision for obsolescence is determined by reference to specific items of raw materials, stores, consumables. A regular review is undertaken to determine the extent of any provision for obsolescence.

Investment in associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The Company's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date including elimination of reciprocal interests and recognition of treasury shares. The statements of profit and loss and other comprehensive loss reflects the Company's share of the results of operations of the associate. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate. The aggregate of the Company's share of profit or loss of an associate is shown on the face of the consolidated statement of profit and loss and other comprehensive income.

Where the reporting dates of the associate and the Company vary, the Company uses the associate's financial results and adjusts for any significant events considering there is less than three months' difference between the associates filing timeline and the Company's. When necessary, adjustments are made to bring the accounting policies in line with those of the Company. After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the consolidated statement of profit and loss and other comprehensive loss. Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Joint arrangements

A joint arrangement is an arrangement in which two or more parties have joint control. The Company determines the type of joint arrangement in which it is involved based on the rights and obligations of the parties to the joint arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement on a proportionate basis. Those parties are called joint operators. Joint control is the contractually agreed sharing of an arrangement, which exists only when decisions about the relevant activities require consent of the parties sharing control based on unanimous consent of the parties sharing control. None of the parties involved have unilateral control of a joint operation. The Company accounts for its interest in joint operations by recognizing its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations. This assessment is to be performed on a continuous basis.

Foreign currency translation

The functional currency of each of the Company's subsidiaries and associates has been determined to be the local currency of their home jurisdictions. Each component's functional currency is the currency of the primary economic environment in which the component operates. The Company's functional currency is the Canadian dollar and the consolidated financial statements are presented in Canadian dollars.

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the average exchange rates for the reporting period. The exchange differences arising on consolidation are recognized in other comprehensive income or loss. On disposal of a foreign operation, the component of other comprehensive income or loss relating to that particular foreign operation is reclassified to profit or loss.

Foreign currency transactions

Transactions in foreign currencies are initially recorded by each entity using the respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss except for monetary items that are designated as part of the hedge of the Company's net investment in a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Exploration and evaluation assets

The Company capitalizes all costs relating to the acquisition of, exploration for, and development of mineral properties.

The aggregate costs related to abandoned mineral properties are charged to profit or loss at the time of any abandonment, or when it has been determined that there is evidence of impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount, but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds on disposal.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets.

Impairment of non-financial assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs of disposal, the asset is written down accordingly. All non-financial assets are monitored for indications of impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest grouping of assets for which there are separately identifiable cash inflows.

Decommissioning and rehabilitation liabilities

The Company recognises a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Changes in the decommissioning and restoration liability due to the passage of time are recognized as an increase in the liability and an accretion expense in the consolidated statement of profit and loss and other comprehensive income . Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

Share-based payments

The Company's rolling share option (the "Plan") plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees, the fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the options granted at the date the Company receives the goods or the services using the Black-Scholes option pricing model.

Share-based payment transactions with performance-based vesting conditions are measured at the fair value of the options granted at the date of issuance, and they are remeasured at every reporting period throughout the deemed life of the share-based payment based on management estimates of vesting timeframes. Management also adjusts the cumulative share-based payment expense based on the number of options expected to vest under the vesting conditions.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, all outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are all anti-dilutive.

Property, plant and equipment and depreciation

Recognition and measurement

On initial recognition, property and equipment is valued at cost, being the purchase price and directly attributable costs of acquisition required to bring the asset to the location and condition necessary to be capable of operating in a manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

Property and equipment are subsequently measured at cost less accumulated depreciation, and impairment losses. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized net within other income/ expenses in profit or loss.

Depreciation

Depreciation is recognized in profit or loss and property and equipment are amortized over their estimated useful lives using the following methods:

Buildings	5 years straight-line
Office Furniture and equipment	5 years straight-line
Mining equipment[1]	5 years straight-line
Exploration camp	5 years straight-line
Vehicles	5 years straight-line

1. *On commencement of production, the Millennium processing facility will be depreciated using the unit-of-production method.*

Mine development assets

Expenditure is transferred from 'Exploration and evaluation assets' to 'Mine development assets' once the work completed to date supports the future development of the property and such development receives appropriate approvals.

After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised to 'Mine development assets'

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

No amortization is recorded until the assets are substantially complete and available for their intended use. Mine development assets are depleted using the units-of-production method. Depletion is determined each period using gold equivalent ounces mined over the asset's estimated recoverable resources and if applicable reserves. Mine development assets consist of the Beatons Creek Project carried at cost, less accumulated depletion once applicable.

Government grants

From time to time the Company receives government incentive programs such as tax credits and research and development tax refunds. Government incentives are accrued when there is reasonable assurance of realization and reflected as a reduction of the related asset or expense.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In the prior year right of use assets where disclosed as part of property, plant and equipment, the comparatives in the current year have been restated to separately disclose the right of use asset in the statement of financial position.

Group as Lessee

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. "

Right of use assets

The Company recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are subject to impairment. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office properties	3 to 5 years
Mining equipment	2 to 3 years

The right of use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery, equipment and vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase or extension option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are expensed on a straight-line basis over the lease term.

Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, and other equity instruments are recognized as a deduction from equity, net of any related income tax effects. For equity offerings of units consisting of a common share and warrants, when both instruments are classified as equity, the Company does not bifurcate the proceeds between the common share and the other equity instrument.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Employee leave benefits

(i) *Wages, salaries, and annual leave*

Liabilities for wages and salaries and, annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured using the projected unit credit method based on the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) *Long service leave*

The liability for long service leave is recognised and measured as the amount expected to be paid when the liabilities are settled.

Significant accounting judgements and estimates

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

Judgements

Information about critical judgements in applying accounting policies are discussed below:

Accounting for contingent consideration payable on an asset acquisition

In accounting for the cash component of contingent consideration payable on an asset acquisition, including future royalties, the Company considers IAS 37 *Provisions, Contingent liabilities and Contingent Assets* to be the applicable Accounting Standard. Accordingly, no obligation for the cash component of contingent consideration payable based on the future performance of the asset and actions of the Group is recognised at the date of purchase of the related asset.

Determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option under some of its leases to lease the assets for additional terms. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew and renewal periods (e.g., a change in business strategy).

The Company included the renewal period as part of the lease term for leases of certain plant and machinery with shorter non-cancellable period (i.e., three to five years). Due to location of the Company's options and expected mine life the Company expects to exercise its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Determination of significant influences

The equity accounted investment represents an interest in an entity in which the Company holds less then 20% voting power but has determined that it has significant influence (see note 11 for further details). The Company's significant influence is mainly due to the Company having representation on the investee's board of directors, participation in policy-making processes, and provision of essential technical information.

Determining if an acquisition is a business combination or an asset acquisition

As required by IFRS 3 Business Combinations ("IFRS 3"), the Company is required to determine whether the acquisition of Millennium should be accounted for as a business combination or an asset acquisition. Under IFRS 3, the components of a business must include inputs and processes applied to those inputs that have the ability to create outputs. Management has determined that the acquisition of Millennium did not include all the necessary components of a business. Accordingly, the acquisition of Millennium has been recorded as an asset acquisition, consisting of Millennium's working capital, property, plant, and equipment, exploration and evaluation assets, and current and non-current liabilities.

Transition from the exploration and evaluation stage to the development stage

Judgment is required in determining when an exploration and evaluation project is both technically feasible and commercially viable. When this can be demonstrated the carrying value of the exploration and evaluation asset is reclassified to mine development assets. In assessing the technical feasibility and commercial viability of an asset, the estimated net cash flows are determined by estimating the expected future revenues and costs, including the future production costs, capital expenditures, site closure and environmental rehabilitation costs. There must a high degree of confidence to be able conclude that the extraction, processing and sale of reserves as well as mineral resources can be undertaken economically.

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Recoverability of exploration and evaluation assets

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

Marketable securities

The fair value of marketable securities that cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including trading and revenue multiples.

The fair value of the shares held in Elementum 3D Inc. (“E3D”) (formerly known as Sinter Print Inc.), an unlisted entity, was determined using the latest share price used by E3D to raise funds and cross checked against Revenue/Business enterprise multiples of companies comparable to E3D that are listed. Changes to E3D’s fair value per share can significantly affect the fair value estimate.

Decommissioning, restoration and similar liabilities

Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation costs. Decommissioning, restoration and similar liabilities are estimated based on the Company’s interpretation of current regulatory requirements and constructive obligations, and are measured at the present value of discounted cash flows for the estimated liabilities. The carrying value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration and similar liabilities that may occur upon decommissioning of certain of the Company’s assets. The ultimate decommissioning and restoration costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine decommissioning and restoration. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management’s best estimate of the present value of the future rehabilitation costs required.

Fair value of derivatives

The valuation of the Company’s derivative financial instruments requires the use of valuation techniques. Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates result in changes in the fair value of these instruments and a corresponding change in the amount recognized in net income (loss). Refer to note 19 for further detail.

Determination of resources and reserves, if any

Mineral reserves and resource estimates are estimates of the amount of mineralised material that can be economically and legally extracted from the Company’s mining properties. Such reserves and mineral resource estimates and changes to these may impact the Company’s reported financial position and results, in the following way:

- The carrying value of mine properties, and property, plant and equipment may be affected due to changes in estimated future cash flows
- Depreciation and amortisation charges in the statement of profit or loss and other comprehensive income may change where such charges are determined using the unit of production ("UOP") method, or where the useful life of the related assets change
- Capitalised stripping costs recognised in the statement of financial position, as either part of mine properties or inventory or charged to profit or loss, may change due to changes in stripping ratios
- Provisions for rehabilitation and environmental provisions may change where resource or reserve estimate changes affect expectations about when such activities will occur and the associated cost of these activities
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets

The Company estimates its mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the deposit and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable resources is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the deposit.

Recoverable amount of long-lived assets

The carrying amounts of mining properties and plant and equipment are assessed for any impairment triggers such as events or changes in circumstances which indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on an asset by asset basis, except where such assets do not generate cash flows independent of other assets, and then the review is undertaken at the asset level. The Company considers both external and internal sources of information in assessing whether there are any indications that mining interests are impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of mining interests. Internal sources of information the Company considers include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets.

New and amended accounting standards and interpretations issued but not yet effective

The following are accounting standards anticipated to be effective January 1, 2021 or later that are assessed to be relevant to the entity:

<u>Amendments to IAS 1: Classification of Liabilities as Current or Non-current</u>

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment will not have any impact on the consolidated financial statements of the Company.

LIBOR reform

From 2022, there will be a transitioning from the use of the Interbank Offered rate (IBOR) including the London Interbank Offered Rate (LIBOR) as the predominant benchmark interest rate to alternative rates.

3. INVENTORY

	December 31, 2020 $'000	January 31, 2020 $'000
Consumables	3,271	-
Gold in circuit	3	-
Stockpiles	565	-
	3,839	**-**

4. RECEIVABLES

	Note	December 31, 2020 $'000	January 31, 2020 $'000
Canadian GST Receivable		168	48
Australian GST Receivable		1,638	530
Sumitomo Funding Receivable	6	-	3,281
Research and Development Refund Receivable		-	2,798
Total Receivables		**1,806**	**6,657**

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 FVTOCI.

On November 27, 2019, Calidus completed a 10:1 consolidation of its outstanding ordinary shares. At that time, the Company held 5,658,537 ordinary shares of Calidus.

On June 2, 2020, the Company sold 250,000 Calidus shares at AUD$0.5105 per share for gross proceeds of AUD $127,625 ($115,285). On June 4, 2020, the Company sold an additional 270,000 Calidus shares at AUD$0.4598 per share for gross proceeds of AUD $124,138 ($116,292). Following the sales, the Company still holds 5,138,537 ordinary shares in Calidus which represents 1.53% of Calidus' issued and outstanding ordinary shares as at December 31, 2020.

<u>Elementum 3D Inc. – (unlisted)</u>

On November 18, 2014, the Company participated in E3D's inaugural financing and purchased 2,000,000 common shares of E3D, an unlisted private company based in Erie, Colorado. E3D is an additive manufacturing research and development company which specializes in the creation of advanced metals, composites, and ceramics. On March 7, 2018, the Company participated in E3D's rights offering financing. Through this 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 consolidated statement of profit and loss and 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 December 31, 2020, the Company's ownership in E3D is 12.57% (January 31, 2020 – 12.60%) and the Company has fair valued it investment E3D at USD $2.50 per E3D common share.

<u>American Pacific Mining Corp. – (CSE: USGD)</u>

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 $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 common shares. The Company now holds 266,666 common shares of APM which represents 0.41% of APM's issued and outstanding common shares as at December 31, 2020.

<u>Essential Metals Limited (ASX: ESS) (Previously - Pioneer Resources Limited – (ASX: PIO))</u>

On September 17, 2018 Essential Metals Limited ("Essential Metals") 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). On July 8, 2020 Essential Metals completed a 10:1 consolidation of its outstanding ordinary shares. At that time, the Company held 5,000,000 ordinary shares of Essential Metals (see note 23 for more details).

During the period ended December 2020, the Company sold 550,000 Essential Metals shares for gross proceeds of AUD $45,500 ($44,749). Following the sales, the Company held 4,450,000 ordinary shares of Essential Metals which represents 2.22% of Essential Metals' issued and outstanding ordinary shares as at December 31, 2020. The Essential Metals 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, which represent 7.64% of Kalamazoo's issued and outstanding ordinary shares as at December 31, 2020.

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 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 Venture Exchange (the "TSX-V") on April 6, 2020 of $1.85. 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.

On July 6, 2020, the Company subscribed for 2,272,728 fully paid ordinary shares at a cost of AUD $0.055 and 1,136,364 listed options at AUD $0.11 pursuant to GBM's rights offering financing. As part of this rights offering financing, the exercise price of the GBM Warrants was repriced to AUD $0.105. The Company now holds a total of 11,363,637 ordinary shares and 5,681,818 warrants which represents 2.82% of GBM's issued and outstanding ordinary shares as at December 31, 2020.

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 and have therefore been initially recognized at fair value and subsequently remeasured at FVTPL.

New Found Gold Corp. – (TSX-V: NFG)

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 at the time, 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.

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

On June 17, 2020 the Company obtained significant influence over New Found through the appointment of Dr. Quinton Hennigh, Novo’s Chairman, President, and a director, to the board of New Found. The New Found investment became an equity-accounted investment and is therefore subsequently recognised as an investment in associate. Refer to note 11 for further details.

As at December 31, 2020

FVTOCI	Number	Opening Fair Value $'000	Additions (Disposals) $'000	Transfer to investment in associate $'000	Foreign Exchange $'000	Accumulated Unrealised Gains / (Losses) $'000	Closing Fair Value $'000
Calidus Resources Limited Ordinary Shares	5,138,537	1,309	(198)	-	405	1,036	2,552
American Pacific Mining Corp. Common Shares	266,666	32	12	-	-	3	47
Elementum 3D Inc. Common Shares	2,076,560	6,870	-	-	-	(260)	6,610
Essential Metals Limited Ordinary shares	4,450,000	576	(44)	-	90	(264)	358
Kalamazoo Resources Limited Ordinary Shares	10,000,000	5,670	-	-	599	(417)	5,852
New Found Gold Corp Common Shares	15,000,000	-	16,736	(19,500)	-	2,764	-
GBM Resources Ltd Ordinary Shares	11,363,637	-	643	-	(554)	1,475	1,564
		14,457	17,149	(19,500)	540	4,337	16,983

As at December 31, 2020

FVTPL	Number	Opening Fair Value $'000	Additions $'000	Foreign Exchange $'000	Unrealised Gains / (Losses) $'000	Closing Fair Value $'000
Kalamazoo Resources Limited Warrants/Options	10,000,000	-	-	74	1,197	1,271
GBM Resources Ltd Warrants/Options	5,681,818	-	225	(53)	344	516
		-	225	21	1,541	1,787

Total Marketable securities	**18,770**

As at January 31, 2020

FVTOCI	Number	Opening Fair Value $'000	Additions $'000	Foreign Exchange $'000	Unrealised Gains / (Losses) $'000	Closing Fair Value $'000
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
Essential Metals 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

<u>Beatons Creek Region</u>

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 $750,000 ($738,000) 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.

On December 8, 2020, the Company received final mining approvals from the Western Australia Department of Mining, Industry Regulation and Safety (“DMIRS”). With this approval in place, certain tenements included in the Beatons Creek project have transitioned from exploration and evaluation assets under IFRS 6 to mine development assets pursuant to IAS 16.

Millennium Property

Pursuant to the acquisition of Millennium (see note 9 below for further details), the Company acquired control over 106 granted tenements including one general purpose lease, 11 miscellaneous licences, 62 mining leases, and 32 prospecting licences (collectively, the “Millennium Tenements”). A 2.5% royalty is also payable to the State of Western Australia on any gold produced by the Company from the Millennium Tenements.

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

On September 19, 2020, the Company signed a binding terms sheet with Calidus to sell tenements M46/115 and M46/244 (the “Calidus Blue Spec Tenements”), both of which are included in the Blue Spec project, for AUD $19,500,000 ($18,779,000). Calidus paid a non-refundable deposit of AUD $200,000 ($193,000) to the Company on September 22, 2020 (see note 23 below for further details). On November 25, 2020, the Company signed an amended binding terms sheet (the “Calidus Amended Terms Sheet”) with Calidus regarding the sale of the Calidus Blue Spec Tenements revising payment terms as follows:

- Calidus paid AUD $2,500,000 ($2,459,000) to the Company on November 27, 2020 in exchange for a 10% interest in the Calidus Blue Spec Tenements (paid November 27, 2020); Calidus has the right to acquire an additional 10% interest in the Calidus Blue Spec Tenements by paying the Company an additional AUD $2,500,000 (the “Second Payment”) by January 31, 2021;
- At Calidus’ sole discretion, Calidus can increase the Second Payment to AUD $5,000,000 in exchange for an additional 15% interest in the Calidus Blue Spec Tenements (the “Second Bonus Payment”) (for an aggregate 25% interest);

- In order to acquire the remaining interest in the Calidus Blue Spec Tenements, Calidus must pay the Company the remaining AUD $11,800,000 or A$14,300,000 (either being the “Remaining Payment”) of the total agreed purchase price of AUD $19,500,000 by March 31, 2021;
- If Calidus exercises its right to make the Second Bonus Payment, AUD $1,500,000 of the Remaining Payment of AUD $11,800,000 can be satisfied by the issuance of ordinary shares of Calidus at a 15-day trailing volume weighted average price prior to the date of issuance, subject to Calidus shareholder approval;
- If Calidus does not make the Second Bonus Payment, the Remaining Payment must be made in cash for the full AUD $14,300,000; and
- If Calidus fails to complete the transaction in full by March 31, 2021, the Company will have an 18-month option to repurchase any residual interest in the Calidus Blue Spec Tenements held by Calidus for 50% of the aggregate consideration paid by Calidus for that interest.

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

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).

On June 15, 2020 the Company entered into a binding term sheet with the Mark Gareth Creasy and entities controlled by him (collectively, the “Creasy Group”) pursuant to which Novo will consolidated sole ownership of 510km² of existing tenure and acquire ownership of an additional 2,390km² of highly prospective new tenure in the Pilbara region of Western Australia (the “Creasy Transaction”).

The Creasy Transaction is comprised of the following elements:

- acquisition of Creasy Group’s residual interest in 20 tenements comprising 510km² currently subject to joint arrangements between the Company and the Creasy Group pursuant to which the Company currently holds a 70% of all mineral rights (the “Original JV Tenements”). Upon completion of the transaction, Novo will hold 100% ownership in these tenements;
- acquisition of 100% ownership (including rights to all minerals) in 55 tenements comprising an additional 1,865km² of new tenure for Novo, subject to the Creasy Group retaining limited prospecting rights on one tenement comprising 25km²; and
- acquisition of a 70% interest in 3 tenements comprising an additional 525km² of new tenure for the Company and entry into joint arrangements over these tenements, pursuant to which Novo will hold a 70% interest in rights to all minerals and Creasy Group will hold the other 30%.

Upon completion of the Creasy Transaction, the Company and the Creasy Group will terminate agreements which pertain to the Original JV Tenements and historical transactions between the Company and the Creasy Group.

As consideration for the Creasy Transaction, the Company issued to the Creasy Group 2,582,269 common shares (the “Consideration Shares”) at a fair value of $3.45 per Consideration Share for gross consideration of $8,909,000. An additional 8,431 common shares (the “Additional Consideration Shares”) will be issued to Creasy once Australian Foreign Investment Review Board (“FIRB”) approval has been obtained. The Additional Consideration Shares will be subject to a statutory hold period expiring four months from the date of issuance. If FIRB approval is not obtained by February 13, 2021, or such later date as agreed by the Company and the Creasy Group, either the Company or the Creasy Group may terminate this portion of the Creasy Transaction.

The Consideration Shares have been accounted for as an equity-settled share-based payment. 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 $8,909,000 as the Company determined that it could not reliably measure the fair value of the asset obtained.

A 2.5% royalty is payable to the State of Western Australia on any gold produced by the Company on the tenements subject to the Creasy Transaction.

Calidus Resources Limited

On September 19, 2017, the Company signed a binding term sheet with Calidus, granting Calidus the right to earn a 70% interest in and to certain Novo tenements surrounding Calidus’ Warrawoona project in Western Australia (the “Novo Warrawoona Tenements”). The Novo Warrawoona 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 Warrawoona 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 Warrawoona Tenements. The Company is currently discussing joint operation plans with Calidus.

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

Mt Elsie project

On June 11, 2020, the Company entered into a binding term sheet to acquire three exploration licences (the “Mt Elsie Project”) comprising an area of approximately 19km² located 75km north-east of the town of Nullagine, Western Australia and adjacent to numerous Novo wholly-owned tenements. The Company issued an aggregate 324,506 common shares (the “Elsie Consideration Shares”) at a fair value of $3.98 per Elsie Consideration Share for gross consideration of $1,292,000 and paid AUD $100,000 ($94,550) in cash to the vendors of the Mt. Elsie Project. As the Company determined that it could not reliably measure the fair value of the asset obtained, the shares issued were fair valued based on their trading price at the date of the transaction.

Karratha Region

Bellary Dome Pty Ltd (“Bellary Dome”)

On June 12, 2020 the Company entered into an option agreement (the “Option Agreement”) with Bellary Dome for 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 was 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, all of which were satisfied on July 31, 2020. The Company paid AUD $25,000 ($24,000) to Bellary Dome for an initial option period of 12 months. At any time during the Option Period, the Company may exercise its Option and earn a 100% gold rights interest in the Tenement by paying Bellary Dome AUD $1,000,000 and granting Bellary Dome a 2% gross overriding royalty on all gold derived from future production by the Company from the Tenement.

Before the expiry of the Option Period, the Company may extend the Option Period to 24 months from the date of satisfaction of the Conditions by paying Bellary Dome AUD $25,000, 36 months from the date of satisfaction of the Conditions by paying Bellary Dome AUD $50,000, or 48 months from the date of satisfaction of the Conditions by paying Bellary Dome AUD $100,000.

Comet Well Property

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

On January 25, 2021, AUD $3,000,000 in aggregate was 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 operation partners, and AUD $3,000,000-worth of Novo's common shares (the "Subsequent Consideration Shares") was 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 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 December 31, 2020 was $2,949,000 (AUD $2,988,000) (January 31, 2020 - $2,518,000 (AUD $2,842,000)). See note 22 below for further details.

The Subsequent Consideration Shares have been accounted for as an equity-settled share-based payment. 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.

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 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 Jonathon and Zoe Campbell ("Campbell") entitles Campbell to a 0.5% net smelter returns royalty on gold (the "Campbell Royalty") extracted by the Company on the Tenements. 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.

Pursuant to the first farm in and joint operation agreement (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 concurrent farm in and joint operation agreement with Gardner and Smith (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 December 31, 2020, Artemis contributed AUD $83,000 ($81,630) 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. For both transactions, as the Company determined that it could not reliably measure the fair value of the asset obtained, the shares issued were fair valued based on their trading price at the date of the respective transactions.

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) was 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.

Egina Region

Memorandum of Agreement with Essential Metals

On December 7, 2020, the Company completed its farm in obligations pursuant to a Memorandum of Agreement pertaining to certain tenements in the Egina region, executed with Essential Metals in September 2017 and earned a 70% interest in precious metals rights on the relevant tenements.

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 December 31, 2020, Sumitomo has funded AUD $7,256,000 ($6,800,000) 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") subject to Sumitomo having funded US$5 million in respect for the exploration phase of the project.

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 are 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 15% 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.

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).

Sumitomo funding liability	December 31, 2020 $'000	January 31, 2020 $'000
Opening balance	(4,519)	-
Draw downs	(783)	(4,369)
Sumitomo liability change in fair value through profit and loss	211	(314)
Sumitomo liability change in fair value through OCI	(442)	-
Foreign exchange	(538)	164
Closing balance	(6,071)	(4,519)

Sumitomo written call option	December 31, 2020 $'000	January 31, 2020 $'000
Opening balance	(1,341)	(1,389)
Draw downs	(131)	-
Foreign exchange	315	48
Closing balance	(1,157)	(1,341)

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 December 31, 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.

De Grey and Farno McMahon Heads of Agreement

Pursuant to the terms of the heads of agreement ("HoA") executed by De Grey and Farno (prior to the Company's acquisition of Farno), De Grey can earn a 30% interest in E47/2502 by incurring AUD $1,000,000 in valid exploration expenditure by December 13, 2019, and an additional 45% (for an aggregate 75% interest) by incurring an additional AUD $1,000,000 in valid exploration expenditure by December 13, 2020.

On January 28, 2020, De Grey provided the Company with a notice that it had earned a 30% interest in E47/2502 by incurring at least AUD $1,000,000 in valid exploration expenditure.

Victoria, Australia

Malmsbury Project

On March 30, 2020, the Company was granted an option (the "Malmsbury 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 Malmsbury 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.

Novo had a six-month period (the "Malmsbury 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 Malmsbury Initial Period, Novo had the right to exercise the Malmsbury Option to earn a 50% interest in the Malmsbury Project by issuing 1,575,387 common shares to GBM (the "GBM Option Shares"), 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 Malmsbury Initial Period of up to AUD $250,000 (the "GBM Reimbursable Amount"), with such reimbursed amount being credited against the Malmsbury Earn-In Amount (defined below). On September 24, 2020, the Company exercised the Malmsbury Option. The Company will issue the GBM Option Shares to GBM, pay the GBM Reimbursable Amount, and commence the Malmsbury Earn-In Period upon receipt of approval from FIRB and the Victorian Department of Jobs, Precincts, and Regions.

Assuming satisfaction of the aforementioned conditions, the Company will have the right to earn an additional 10% interest in the Malmsbury Project and form a joint venture with GBM by incurring AUD $5,000,000 in exploration expenditure (the "Malmsbury Earn-In Amount") over a four-year period (the "Malmsbury Earn-In Period"), as to a minimum of AUD $1,000,000 during the first year, and AUD $1,250,000 in each subsequent year, of the Malmsbury Earn-In Period. Any expenditure incurred during any year of the Malmsbury Earn-In Period which surpasses the minimum required amount will be credited against the subsequent year's commitment. If Novo does not satisfy the Malmsbury Earn-In Amount during the Malmsbury Earn-In Period, Novo's interest in the Malmsbury Project will decrease to 49%.

However, following satisfaction by Novo of the Malmsbury Earn-In Amount during the Malmsbury 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 "Malmsbury 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 Malmsbury Joint Venture Date, or (ii) dilute its interest in the Malmsbury Project to 25% upon delivery by Novo of a preliminary economic assessment (the "Malmsbury 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 Malmsbury Joint Venture Date. In such case, Novo will pay all development expenditure incurred commencing from the Malmsbury 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.

Queens Project

On September 22, 2020, the Company was granted an option (the "Queens Option") and an additional earn-in right to acquire up to an aggregate 50% interest in Kalamazoo's Queens gold project (the "Queens Project") located in the Bendigo zone of Australia's Victorian goldfields, with the possibility of the interest being increased to 80% interest, as described below. The Queens 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 September 28, 2020.

Novo was granted a six-month period (the "Queens Initial Period") to conduct due diligence on the Queens Project by issuing 24,883 common shares of the Company (the "Queens Due Diligence Shares") to Kalamazoo on September 28, 2020 at a fair value of $3.87 per share for gross consideration of $85,000. The Queens Due Diligence Shares are subject to a statutory hold period expiring on January 29, 2021. At any time during the Queens Initial Period, Novo will have the right to exercise the Queens Option to earn a 50% interest in the Queens Project by issuing AUD $2,000,000-worth of the Company's common shares to Kalamazoo (the "Kalamazoo Option Shares"), which will be subject to a statutory hold period of four months from the date of issuance, at a deemed price per Kalamazoo Option Share equal to the volume-weighted average closing price of the Company's common shares for the five trading days immediately prior to the Company's exercise of the Queens Option.

If Novo exercises the Queens Option, it will have the right to earn an additional 20% interest in the Queens Project and form a joint arrangement with Kalamazoo by incurring AUD $5,000,000 in exploration expenditure (the "Queens Earn-In Amount") over a five-year period (the "Queens Earn-In Period"), with a minimum expenditure of AUD $250,000 during the first year, AUD $1,000,000 in each of the second, third, and fourth years, and AUD $1,750,000 during the fifth and final year of the Queens Earn-In Period. Any expenditure incurred during any year of the Queens Earn-In Period which surpasses the minimum required amount will be credited against the subsequent year's commitment.

If Novo satisfies the Queens Earn-In Amount by the expiry of the Queens Earn-In Period, it will have 30 days to elect to either (i) earn an additional 10% in the Queens Project by delivering a preliminary economic assessment (the "Queens PEA") which must include a minimum 1 million ounces of gold of which at least 60% must be comprised of indicated mineral resources within three years of the Company's election (the "Queens PEA Conditions"), or (ii) maintain its 70% interest in the Queens Project. If the Company elects to maintain its 70% interest in the Queens Project, Kalamazoo must elect to either (i) contribute to 30% of exploration expenditure, or (ii) automatically convert to a 2% net smelter returns gold royalty.

If the Company elects to complete the Queens PEA but fails to satisfy the Queens PEA Conditions, Novo will retain a 70% interest in the Queens Project and Kalamazoo can elect to contribute to 30% of exploration expenditure or dilute at a rate of 1% for every AUD$100,000 not contributed. If Kalamazoo's interest dilutes below 10%, Kalamazoo's interest will automatically convert to a 2% net smelter returns gold royalty.

If Novo does not satisfy the Queens Earn-In Amount during the Queens Earn-In Period, Novo's interest in the Queens Project will decrease to 49%. Refer to note 23 for further details.

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 which have been accounted for at FVTOCI.

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.

The exploration and evaluation assets are comprised of the following:

		US Region	Karratha & Egina Region					
	Beatons Creek	Tuscarora	Comet Well	Artemis	Pioneer	Farno McMahon	Granted tenements	Total
	$'000	$'000	$'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	99,350	-	414	5,273	-	158	2,175	107,370
Exploration Expenditures:								
Drilling	410	-	-	-	-	-	-	410
Field Work	3,839	-	257	139	328	3,415	1,128	9,106
Fuel	12	-	-	-	5	180	16	213
Geology	988	-	11	7	36	145	148	1,335
Legal	37	-	22	35	-	56	97	247
Meals & Travel	174	-	12	6	35	395	123	745
Office and General	221	-	4	-	(7)	(105)	(117)	(4)
Reports, Data and Analysis	61	-	-	10	-	-	-	71
Rock Samples	994	-	67	17	28	548	199	1,853
Earthworks	6	-	-	-	110	536	42	694
Native Title	424	-	3	5	58	162	18	670
Tenement Administration	308	-	10	88	48	288	1,030	1,772
Foreign Exchange Difference	10,861	(12)	216	168	12	196	99	11,540
Fuel Tax rebate	(151)	-	-	-	-	-	-	(151)
Artemis contribution	-	-	-	(83)	-	-	-	(83)
Transfer to Mining development asset	(36,871)	-	-	-	-	-	-	(36,871)
Impairment	-	-	-	(1,676)	-	-	(335)	(2,011)
	(18,687)	(12)	602	(1,284)	653	5,816	2,448	(10,464)
Balance, December 31, 2020	**127,115**	**15**	**22,479**	**21,520**	**1,282**	**20,404**	**10,325**	**203,140**

	Beatons Creek Region	US Region	Karratha and Egina Region					
		Tuscarora	Comet Well	Artemis	Pioneer	Farno-McMahon (Egina)	Granted Tenements	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'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 costs recovered, 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.

7. PROPERTY, PLANT, AND EQUIPMENT

Cost	Buildings $'000	Office Furniture and Equipment $'000	Mining Equipment $'000	Exploration Camp $'000	Vehicles $'000	Capital WIP $'000	Critical Spares $'000	Total $'000
Opening balance	-	57	1,103	574	171	-	-	1,905
Additions	4,808	510	71,027	56	201	7,455	1,718	85,775
Disposals	-	-	-	-	(9)	-	-	(9)
Foreign exchange	291	37	4,434	67	30	451	104	5,414
Closing balance	**5,099**	**604**	**76,564**	**697**	**393**	**7,906**	**1,822**	**93,085**

Accumulated Depreciation	Buildings $'000	Office Furniture and Equipment $'000	Mining Equipment $'000	Exploration Camp $'000	Vehicles $'000	Capital WIP $'000	Critical Spares $'000	Total $'000
Opening balance	-	(4)	(226)	(198)	(68)	-	-	(496)
Depreciation	(255)	(58)	(243)	(116)	(42)	-	-	(714)
Disposals	-	-	-	-	3	-	-	3
Foreign exchange	(15)	(4)	(40)	(29)	(10)	-	-	(98)
Closing balance	**(270)**	**(66)**	**(509)**	**(343)**	**(117)**	-	-	**(1,305)**
Balance as at January 31, 2020	-	**53**	**877**	**376**	**103**	-	-	**1,409**
Balance as at December 31, 2020	**4,829**	**538**	**76,055**	**354**	**276**	**7,906**	**1,822**	**91,780**

Refer to note 14 for securities over property, plant and equipment.

8. RIGHT OF USE ASSETS

The Company's mining contract for the Beaton Creek project includes various items of mining equipment which have been accounted for as a lease. The lease term of the mining equipment is for three years with an option to extend. The Company also has leases for office space. The Company applies the recognition exemption for the lease of assets with lease terms of 12 months or less or are low value.

Cost	Office Properties $'000	Mining Equipment $'000	Total $'000
Opening balance	368	155	523
Additions	273	38,033	38,306
Foreign exchange	59	2,319	2,378
Closing balance	**700**	**40,507**	**41,207**

Accumulated Depreciation	Office Properties $'000	Mining Equipment $'000	Total $'000
Opening balance	(290)	(56)	(346)
Depreciation	(174)	(1,309)	(1,483)
Foreign exchange	(42)	(100)	(142)
Closing balance	**(506)**	**(1,465)**	**(1,971)**
Balance as at January 31, 2020	**78**	**99**	**177**
Balance as at December 31, 2020	**194**	**39,042**	**39,236**

(Expressed in Canadian Dollars, unless stated otherwise)

9. ACQUISITION OF MILLENNIUM MINERALS

On August 4, 2020, the Company signed arm's length agreements (the "Agreements") to acquire all of the outstanding shares of privately held Millennium Minerals Limited ("Millennium") from IMC Resources Gold Holdings Pte Ltd, Heritas Capital Management (Australia) Pty Ltd, and IMC Resources Ltd (collectively, "IMC") (the "Millennium Acquisition"). The Millennium Acquisition completed on September 7, 2020 (the "Completion Date").

Pursuant to the Agreements and on the Completion Date, Novo acquired all of the outstanding ordinary shares of Millennium on a cash and debt free basis (except as described below) in exchange for the issuance to IMC of 17,706,856 Novo units (each an "Acquisition Consideration Unit").

Each Acquisition Consideration Unit is comprised of one Novo common share (an "Acquisition Share") and one-half of one transferable Acquisition Share purchase warrant (each an "Acquisition Consideration Warrant"), with each whole Acquisition Consideration Warrant entitling the holder to acquire one Acquisition Share at a price of $4.40 until September 7, 2023. On September 14, 2020, as contemplated by the Agreements, Millennium settled all debts owing to IMC by repaying a cash component of AUD $60,000,000 ($57,210,000) (the "IMC Cash Debt Repayment") and issuing 2,656,591 Units to IMC (each a "Debt Consideration Unit"). Each Debt Consideration Unit is comprised of one common share of Novo (each a "Debt Share") and one-half of one transferable Debt Share purchase warrant (each a "Debt Consideration Warrant"), with each whole Debt Consideration Warrant entitling the holder to acquire one Debt Share at a price of $4.40 until September 14, 2023. The Company did not have all requisite approvals to effect the IMC Cash Debt Repayment and issue the Debt Consideration Units until September 14, 2020. However, the issuance of the Acquisition Consideration Units and the Debt Consideration Units is treated as a single transaction for the purposes of the Millennium Acquisition.

The Acquisition Shares and the Debt Repayment Shares were issued at a fair value of $67,943,000. The Acquisition Consideration Warrants and Debt Consideration Warrants were valued at $15,135,000 using the Black Scholes option pricing model with the following assumptions:

Assumptions	
Exercise price	$ 4.40
Risk-free interest rate	0.25%
Expected stock price volatility	80.00%
Expected dividend yield	0.00%
Expected life of warrants	3 years

The Acquisition Consideration Units and Debt Consideration Units issued to IMC, and the securities underlying the Acquisition Consideration Units and Debt Consideration Units, are subject to statutory and TSX-V hold periods expiring on January 8 and January 15, 2021; a further contractual hold period will apply to half of the Acquisition Consideration Units and Debt Consideration Units issued to IMC, increasing the hold period for those securities to 12 months.

Novo has also agreed to pay to IMC deferred consideration in the form of a fee on future gold production equal to 2% of all gold revenue generated by Novo up to the later of cumulative gold production of 600,000 ounces or cumulative payments of AUD $20,000,000 having been made to IMC. Pursuant to the Company's accounting policy, as at the Completion date, no obligation for the cash component of contingent consideration payable based on the future performance of the asset acquired and actions of the Company is recognized.

The acquisition of Millennium has been accounted for as an asset acquisition as Millennium is not considered to be a business when applying the guidance within IFRS 3. The issuance of the Acquisition Consideration Units and the Debt Consideration Units has been treated as an equity-settled share-based payment and measured at the fair value of the consideration issued as the fair value of the assets acquired includes early-stage exploration assets, the fair value of which cannot be reliably estimated. As a result, the fair value of the Acquisition Consideration Units and Debt Consideration Units needs to be measured and attributed to the assets and liabilities acquired.

Assets acquired, and liabilities assumed

The identifiable assets and liabilities of Millennium as at the Completion date were:

	$'000
Assets	
Cash & receivables & prepayments	167
Inventory	3,714
Plant, property & equipment	79,906
Exploration & evaluation assets	87,225
Liabilities	
Rehabilitation provision	(27,308)
Payables	(673)
Net assets acquired	**143,031**
Cost of acquisition	
Cash settlement of loan payable	57,210
Transaction costs	2,393
Shares issued	67,943
Warrants issued	15,134
Working capital adjustment	351
	143,031

10. MINE DEVELOPMENT ASSET

	December 31, 2020 $'000	January 31, 2020 $'000
Opening balance at cost	-	-
Transfer from exploration and evaluation assets	36,871	-
Additions	4,239	-
Foreign exchange	221	-
Closing balance at cost	41,332	-

No depreciation or depletion has been recorded as these assets are not ready for use as intended by management.

11. INVESTMENT IN ASSOCIATE

As at December 31, 2020, Novo has a 10.09% interest in New Found. Novo's interest in New Found is accounted for using the equity method in the consolidated financial statements. The fair value of Novo's interest, determined by reference to New Found's share price in New Found's initial public offering was $19,500,000 at the date significant influence was obtained. New Found is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties with a focus on gold properties located in the Provinces of Newfoundland and Labrador and Ontario, Canada.

The fair value of the investment in New Found, based on the December 31, 2020 closing price of $4.07, is $61,050,000. The fair value was determined using level 1 inputs in the fair value hierarchy.

The following table illustrates the summarised financial information of Novo's investment in New Found.

	December 31, 2020 $'000
Investment in associate	15,091
Movement in investment in associate	
Net carrying amount at the beginning of the year	-
Value of interest in New Found - June 17, 2020	19,500
Treasury shares	(2,571)
Share of loss from operations of associate	(1,838)
Net carrying amount at December 31, 2020	15,091

	December 31, 2020 $'000
Summarised statement of financial position	
Current assets	71,509
Non-current assets*	78,692
Current liabilities	(628)
Non-current liabilities	-
Net assets	149,573
Novo's share of New Found's net assets	**15,091**
**Non-current assets adjusted to reflect fair value of Novo's investment*	
Summarised statement of comprehensive income/loss	
Loss for the period from June 17, 2020 to December 31, 2020	(34,727)
Adjustment for unrealised loss on investment	7,285
Adjusted loss for the period	(27,442)
Novo's share of the adjusted unrealised loss through July 31, 2020 at 14.90%	(60)
Novo's share of the adjusted unrealised loss through October 31, 2020 at 10.48%	(899)
Novo's share of the adjusted unrealised loss through December 31, 2020 at 10.09%	(1,900)
Impact of dilution including treasury shares	1,021
Novo's share of the adjusted unrealised loss through December 31, 2020	**(1,838)**

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2020 $'000	January 31, 2020 $'000
Trade and other payables	6,880	759
Accrued expenses	4,697	123
Employee entitlements	505	200
	12,082	1,082

13. LEASE LIABILITIES

	December 31, 2020 $'000	January 31, 2020 $'000
Opening balance	187	474
Additions	38,336	120
Disposals	-	(3)
Accretion of interest	290	208
Payments	(917)	(612)
Foreign exchange	2,315	-
Closing balance	40,211	187
Current	10,645	187
Non current	29,566	-
Expense relating to short term and low value assets	68	(16)

14. LOANS AND BORROWINGS

On September 4, 2020 the Company closed an USD $60,000,000 financing package (the "Credit Facility") with Resource Lending Corp. and Sprott Private Resource Lending II (Collector), LP (collectively, "Sprott") to fund the refurbishment of production infrastructure acquired pursuant to the Millennium Acquisition (see note 9 for further details) and the development of the Company's Beatons Creek project.

The Company incurred $2,724,000 of debt advisory, legal and due diligence fees in conjunction with arranging the Credit Facility. Upon close of the Credit Facility, these transaction costs were attributed to the Credit Facility and included in deferred charges. These amounts have been included in the respective effective interest rate calculations for the Credit Facility, measured at amortized cost.

Security provided for the Credit Facility includes: a) general security in favour of Sprott, b) a blocked account agreement in favour of Sprott on Conglomerate Gold Exploration (B.V.I.) Ltd.'s bank account, c) contractual assignments to Sprott of certain contractual obligations with the Company and Conglomerate Gold Exploration (B.V.I.) Ltd., d) a debenture of Conglomerate Gold Exploration (B.V.I.) Ltd. charging all of its assets in favour of Sprott, e) an equitable mortgage of Conglomerate Gold Exploration (B.V.I.) Ltd. over its shares in CGE, and f) mining mortgages over mineral tenure held by Beatons Creek Gold Pty Ltd, Nullagine Gold and Millennium.

The availability of the Credit Facility is subject to certain conditions and covenants, including the maintenance of minimum unrestricted cash and working capital balances. At December 31, 2020 the Company is in compliance with the covenants.

Pursuant to the terms of the Credit Facility, the Company may borrow up to USD $60,000,000 in two tranches, with the first USD $35,000,000 available immediately and the remaining USD $25,000,000 available to be drawn until March 31, 2021, at Novo's sole discretion, upon delivery of a pre-feasibility study acceptable to Sprott on the Company's Beatons Creek gold project and the satisfaction of certain other conditions (the "Sprott Tranche 2 Conditions"). Interest will accrue on the outstanding principal amount of the Credit Facility at a rate of 8% plus the greater of (i) US three-month LIBOR and (ii) 1.00% per annum. All interest is payable in cash on a monthly basis. In addition, principal is payable commencing on December 31, 2022 and quarterly thereafter until September 4, 2024 in eight equal instalments.

The Credit Facility matures on September 4, 2024. The Credit Facility is accounted for as a financial liability subsequently measured at amortized cost.

On September 8, 2020, the Company drew down the initial USD $35,000,000 tranche, subject to an "original issue discount" of 12.286% of the initial advance, which represents interest paid in advance, and less transaction costs, for net cash proceeds of USD $30,509,000 ($39,932,000). Subject to the satisfaction of the Sprott Tranche 2 Conditions and Novo's decision to draw additional funds under the Credit Facility at its sole discretion, any subsequent drawdown can be made in minimum amounts of USD $5,000,000 per draw down, subject to a 2% issue discount at the time of draw and satisfaction of customary conditions precedent.

Pursuant to the Credit Facility, on September 9, 2020, the Company issued 1,453,624 Sprott Units (as defined in Note 16) to Sprott as part of the interest paid in advance outlined above (see note 16 for further details).

The first draw of the Credit Facility was initially measured at its fair value of USD $26,806,000 ($35,359,000). The original issue discount of USD $4,300,000 ($5,628,000), and any other future interest rate compensation arrangements, have been included in the determination of the amortized cost of the Credit Facility and are incorporated into the calculation of the effective interest rate method. The effective interest rate on the first tranche is approximately 19% per annum, and the Company has paid USD $1,006,250 ($1,281,000) of interest payable in cash as at December 31, 2020. Interest has been expensed as an operating cost through profit and loss.

The floating interest rate floor of 1% over the base rate and the Company's ability to prepay the outstanding principal balance in whole or in part have been determined to be a single compound embedded derivative that is not closely related to the Credit Facility, and is bifurcated and accounted for separately. If the Company elects to prepay the outstanding principal balance in whole or in part, the Company shall pay to Sprott such amount that comprises the difference between the amount of interest that would have accrued and been payable to the second anniversary of any drawdown and interest that has accrued and been paid as at the date of the prepayment on the amount of principal being repaid. At each reporting period, the derivative will be fair valued with changes in fair value recorded as a gain or loss in the statement of profit or loss and other comprehensive loss. At December 31, 2020, the fair value of the derivative was USD $773,000 ($983,000).

	Credit Facility $'000	Derivative liability $'000	Total $'000
Opening balance	-	-	-
Fair value on initial recognition	35,359	1,105	36,464
Interest and accretion	2,126	-	2,126
Payment of interest	(1,312)	-	(1,312)
Derivative liability change in fair value	-	(88)	(88)
Foreign exchange gain (loss)	(1,274)	(33)	(1,307)
Closing balance - Non-current	**34,899**	**984**	**35,883**
Closing balance - Current	-	-	-

15. PROVISION FOR CLOSURE AND RECLAMATION

The Company has recognized a rehabilitation provision relating to the acquisition of Millennium. The Company has calculated the present value of the closure and reclamation provision at December 31, 2020 using a pre-tax discount rate of 0.98% and inflation rate of 2.00%. The Company has estimated that payments will be made between 2024 and 2036.

The Company has also recognised a rehabilitation provision relating to the Beatons Creek property. The Company has calculated the present value of the closure and reclamation provision at December 31, 2020 using a pre-tax discount rate of 0.98% and inflation rate of 2.00%. The Company has estimated that payments will be made between 2020 and 2026.

	December 31, 2020 $'000	January 31, 2020 $'000
Opening balance	-	-
Increase in closure provision resulting from asset acquisition	27,308	-
Increase in closure provision resulting from mining activities	583	-
Accretion on discounted obligation	(127)	-
Foreign Exchange	851	-
Closing balance	**28,615**	-

16. CAPITAL AND RESERVES

Authorized

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

Shares issued

During the period ended December 31, 2020, and the year ended January 31, 2020, shares were issued pursuant to brokered and non-brokered private placements as follows:

a) On August 27, 2020, the Company closed a private placement of subscription receipts (the "Subscription Receipts"). Gross proceeds of approximately $50,975,000 were raised from a brokered component (the "Brokered Offering") and gross proceeds of approximately $4,900,000 were raised from a non-brokered component (the "Non-Brokered Offering"). In aggregate, the Company issued 17,192,379 Subscription Receipts at a price of $3.25 per Subscription Receipt, raising gross proceeds of $55,875,000 (collectively, the "Offering").

   The Subscription Receipts were issued pursuant to a subscription receipt agreement (the "Subscription Receipt Agreement") entered into by the Company, Clarus Securities Inc. and Stifel GMP as lead agents of the Brokered Offering (the "Agents"), and Olympia Trust Company as subscription receipt agent. Pursuant to the Subscription Receipt Agreement, the proceeds from the Offering except for 50% of the Agents' cash commission and all of the Agents' expenses (the "Escrowed Funds") were held in escrow pending satisfaction of certain conditions including, amongst others, (a) the satisfaction or waiver of each of the conditions precedent to the Millennium Acquisition other than the completion of financings to raise the funds required to pay the IMC Cash Debt Repayment which was completed concurrently with the release of the Escrowed Funds; and (b) the receipt of all required regulatory (including TSX-V) approvals in connection with the Millennium Acquisition and the Offering ("Escrow Release Conditions"). The Escrow Release Conditions were satisfied on September 7, 2020.

   As a result of the Escrow Release Conditions being satisfied and the Company obtaining a receipt from the British Columbia Securities Commission, as principal regulator, for final short form prospectuses qualifying the Units (as defined below) underlying the Subscription Receipts on October 27, 2020, each Subscription Receipt was automatically exchanged for one unit of Novo (a "Unit"). Each Unit was comprised of one common share of Novo (a "Share") and one-half of one Share purchase warrant (a "Warrant"), with each whole Warrant entitling the holder thereof to acquire one Share at a price of $4.40 until August 27, 2023. The Company incurred share issuance costs of $3,652,000 in conjunction with the Offering.

b) On September 9, 2020, in conjunction with the Credit Facility, Sprott subscribed for 1,453,624 units (the "Sprott Units") at a price of $3.25 per Sprott Unit for gross proceeds of $4,997,000 (approximately USD $3,600,000) (the "Sprott Private Placement"). Each Sprott Unit is comprised of one Share and one-half of one transferable Share purchase warrant (each a "Sprott Warrant"), with each whole Sprott Warrant entitling Sprott to acquire one Share at a price of $4.40 until September 9, 2023. The Sprott Units and their underlying securities are subject to a statutory four-month hold period expiring on January 10, 2021.

c) Refer to notes 5 and 6 for shares issued in acquiring marketable securities and exploration and evaluation assets.

(Expressed in Canadian Dollars, unless stated otherwise)

Warrants

The continuity of warrants is as follows:

	December 31, 2020			January 31, 2020		
	Number		Weighted Average Exercise Price	Number		Weighted Average Exercise Price
Balance, beginning of the period	14,000,000	$	3.41	28,477,000	$	2.93
Granted	19,504,718	$	4.40	-		-
Expired	(14,000,000)	$	(6.00)	-		-
Exercised	-	$	-	(14,477,000)	$	(1.01)
Balance, end of the period	19,504,718	$	4.40	14,000,000	$	3.41

Full share equivalent warrants outstanding and exercisable as of December 31, 2020:

Expiry Date	Price Per Share	Warrants Outstanding
August 27, 2023	4.40	8,596,184
September 7, 2023	4.40	8,853,427
September 9, 2023	4.40	726,812
September 14, 2023	4.40	1,328,295
		19,504,718

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

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

Share option plan

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.

4,300,000 stock options have fully vested as at December 31, 2020. 4,660,000 stock options vest on the date on which any of the Company's projects in aggregate produce their 10,000th ounce of gold. 6,125,000 stock options vest on the date on which any of the Company's projects in aggregate produce their 60,000th ounce of gold.

The continuity of stock options is as follows:

	December 31, 2020			January 31, 2020		
	Number		Weighted Average Exercise Price	Number		Weighted Average Exercise Price
Options outstanding, beginning of period	15,825,000	$	3.37	12,415,000	$	3.21
Granted	-	$	-	6,165,000	$	3.57
Exercised	(300,000)	$	(0.57)	(510,000)	$	(1.57)
Expired/cancelled	(440,000)	$	(7.54)	(2,245,000)	$	(3.40)
Options outstanding, end of period	15,085,000	$	3.31	15,825,000	$	3.37

(Expressed in Canadian Dollars, unless stated otherwise)

The options outstanding and exercisable at December 31, 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
1,600,000	0.94	0.62	900,000	0.94
1,750,000	0.95	0.43	250,000	0.95
2,125,000	1.57	0.55	1,450,000	1.57
2,125,000	7.70	1.80	1,700,000	7.70
950,000	3.47	2.08	-	3.47
410,000	4.60	2.43	-	4.60
6,125,000	3.57	4.07	-	3.57
15,085,000	$ 3.31	2.30	4,300,000	$ 3.83

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 December 31, 2020, the total share-based payment expense was $7,062,000 (January 31, 2020 - $2,743,000).

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 December 31, 2020	**For the year ended January 31, 2020**
Average Share price	$3.03	$2.74
Risk-free interest rate	0.39% - 2.11%	1.29% - 2.11%
Dividend yield	0.00%	0.00%
Expected volatility	57.05% - 96.34%	74.43% - 101.65%
Expected option life	0.62 – 4.75 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 was used to recognize the value of the Subsequent Consideration Shares. See note 21 for further details.
The foreign currency translation reserve is used to recognize exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The reserve of financial assets at FVTOCI is used to recognize movements in fair value of investments where an irrevocable election has been made at initial acquisition to present fair value movements in other comprehensive income.

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

	Movement in FVTOCI $'000	Foreign exchange on translation of subsidiaries $'000	Total $'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
Essential Metals	(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	3	-	3
Calidus shares	1,036	-	1,036
E3D shares	260	-	260
Essential Metals	(264)	-	(264)
Kalamazoo shares	(417)	-	(417)
New Found shares	2,764	-	2,764
New Found shares deferred tax	(778)	-	(778)
GBM shares	1,475	-	1,475
Fair value movement on credit risk	(442)		(442)
Foreign exchange on translation of subsidiaries	-	17,722	17,722
Total	3,637	17,722	21,359
Balance as at December 31, 2020	**6,028**	**5,557**	**11,585**

17. RELATED PARTY DISCLOSURES

Key Management Personnel Disclosures

During the period ended December 31, 2020 and the year ended January 31, 2020, the following amounts were incurred with respect to the key management and directors of the Company:

	For the 11 Months ended December 31, 2020 $'000	For the year ended January 31, 2020 $'000
Consulting services – short term employee benefits	165	180
Wages and salaries – short term employee benefits	1,036	1,119
Share-based payments	2,786	873
	3,987	2,172

18. SUPPLEMENTAL CASH FLOW INFORMATION

During the period ended December 31, 2020 and the year ended January 31, 2020; non-cash activities conducted by the Company related to investing and financing activities as follows:

	December 31, 2020 $'000	January 31, 2020 $'000
Investing activities		
Issuance of shares for mineral property	8,994	-
Issuance of shares for marketable securities	22,010	-
Issuance of shares for Millennium acquisition	83,078	-
Right of use assets	38,307	-
(Deductions to) / additions in exploration and evaluation assets	3,538	1,723
Financing activities		
Increase / (decrease) in Sumitomo funding liability	-	(3,281)

19. 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, the Credit Facility, the derivative liability, and the cash component of the deferred consideration for mineral property. The fair value hierarchy reflects the significance of inputs in making fair value measurements as follows:

- Level 1 – applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

- Level 2 – applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

- Level 3 – applies to assets or liabilities for which there is unobservable market data.

The recorded amounts of cash, short-term investments and 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 with the carrying value approximating fair value at reporting date. 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. The Credit facility was initially recognized at fair value and is subsequently measured at amortized cost using the effective interest method. The derivative liability is initially recognized at fair value and is measured in its entirety at FVTPL

Financial Instruments carried at fair value:

- The marketable securities balance for listed shares 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.

- The marketable securities balance for the Kalamazoo Warrants and the GBM Warrants is measured using Level 2 inputs. The fair value of the Kalamazoo Warrants and the GBM Warrants has been determined using Black-Sholes.

- The marketable securities balances held in E3D are measured using Level 3 inputs. The value of the shares held in E3D was determined using the last financing price of USD $2.50 used by E3D to raise funds for its operations. Changes to E3D's fair value per share can significantly affect the fair value estimates.

- The Sumitomo funding liability balance is 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 of $2.38 and accompanying volatility of 83.26%, various interest rates (including AUD risk-free rates of 0.075% and US 3MLIBOR of 0.1965%), and the Company's estimated credit rating. Changes to the aforementioned inputs can significantly affect the fair value estimate of the Sumitomo funding liability.

- The embedded derivative associated with the Credit Facility was measured using Level 3 inputs. The fair value of the derivative was determined by using a Black 76 model including accretion due to the passage of time, agreed repayment schedules, required interest payments, changes in the applicable interest rate (US three-month LIBOR or 1%), and changes in the Company's credit spread.

Financial instruments carried at amortized cost:

- The Credit Facility is measured using Level 3 inputs. The carrying value of the Credit Facility was recognized using the effective interest rate method and was adjusted by the value of the derivative liability.

	Fair Value Hierarchy			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at December 31, 2020				
Financial assets at Fair Value				
Marketable Securities	10,374	1,786	6,611	18,770
Financial Liabilities at Fair Value				
Sumitomo funding liability	-	-	6,071	6,071
Derivative liability	-	-	984	984
Total December 31, 2020	10,374	1,786	13,666	25,825
As at January 31, 2020				
Financial assets at fair value				
Marketable securities	7,587	-	6,870	14,457
Financial liabilities at fair value				
Sumitomo funding liability	-	-	4,519	4,519
Total January 31, 2020	7,587	-	11,389	18,976

	December 31, 2020 $'000	January 31, 2020 $'000
Reconciliation of the fair value measurement of Level 3 unlisted investments		
Opening balance	6,870	4,585
Remeasurement recognised through other comprehensive income	(260)	1,404
Foreign currency translation	-	881
Closing balance	**6,610**	**6,870**
Reconciliation of the fair value measurement of Level 3 financial liabilities		
Opening balance	4,519	-
Purchases	2,074	4,683
Remeasurement recognised through profit and loss	124	314
Foreign currency translation adjustment	338	(478)
Closing balance	**7,055**	**4,519**

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

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and short-term investments. The Company limits its exposure to credit loss by placing its cash and short-term investments with high credit quality financial institutions, however these amounts are subject to credit risk. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses.

The Company's maximum exposure to credit risk for cash and short-term investments is the carrying amounts as per the statement of financial position.

c) Foreign exchange rate risk

The Company operates internationally and is exposed to foreign exchange risk, primarily the United States and Australian dollars. 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. The following table represents the impact of a +/- 5% change in the USD/CAD exchange rate on financial assets and liabilities denominated in US dollars for the period ended December 31, 2020:

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

	5% Fluctuation	
	USD	Impact (CAD)
US net monetary assets	**$'000**	**$'000**
Credit facility at amortised cost	34,899	2,222
Derivative liability at fair value	984	63

d) Liquidity Risk

Liquidity risk is the risk that the Company cannot meet its obligations as they fall due. Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. The Company's cash and cash equivalents are invested in business accounts and term deposits which are available on demand. The Company manages liquidity risk by preparing and maintaining cash forecasts, which illustrate cash spent to date and its cash needs over the short term and over repayment dates into the future as it pertains to the Credit Facility. At December 31, 2020, the Company had cash of $40,494,000 (January 31, 2020 - $28,703,000) and short-term investments of $195,000, (January 31, 2020 - $88,000) to settle current liabilities of $32,884,000 (January 31, 2020 - $9,647,000). 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).
The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments

As at December 31, 2020	Within 1 year $'000	Within 1-2 year $'000	Within 2-3 year $'000	Within 3+ year $'000	Total $'000
Trade and other payables	12,083	-	-	-	12,083 -
Leases	13,382	12,876	12,876	6,865	45,999
Deferred consideration for mineral property	2,949	-	-	-	2,949
Credit facility	4,066	9,637	25,072	17,436	56,211

As at January 31, 2020	Within 1 year $'000	Within 1-2 year $'000	Within 2-3 year $'000	Within 3+ year $'000	Total $'000
Trade and other payables	1,082	-	-	-	1,082 -
Leases	187	-	-	-	187
Deferred consideration for mineral property	2,518	-	-	-	2,518

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. At December 31,2020 a 5% movement in the market value of marketable securities would have resulted in a movement of $849,000 (January 31, 2020 $723,000)

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 and the Credit Facility and associated derivative liability. The Company's operating cash flows are generally unaffected by changes in market interest rates unless the US 3-month LIBOR increases above 1%. The Company has not used any financial instrument to hedge potential fluctuations in interest rates.

The Company is exposed to cash flow interest rate risk due to the floating rate interest on the Credit Facility. For the period ended December 31, 2020, US 3-month LIBOR rate would need to increase by approximately 80 basis points before any additional interest would become payable on the Credit Facility.

20. 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 development of mine development assets 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, cash, short-term investments and the Credit Facility.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company also manages its capital structure to maintain compliance with covenants under the Credit Facility. 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.

Other than additional debt which would require Sprott's approval the Company is not subject to external capital restrictions nor were there any changes in the Company's capital management policies during the period.

21. 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 December 31, 2020			
	Australia $'000	USA $'000	Canada $'000	Total $'000
Property, plant and equipment	91,780	-	-	91,780
Right of use assets	39,235	1	-	39,236
Exploration and evaluation assets	203,125	15	-	203,140
Mine development assets	41,332	-	-	41,332
Gold Specimens	83	-	-	83
Investment in Associate	-	-	15,091	15,091
Marketable securities	12,114	-	6,656	18,770
	387,669	16	21,747	409,432

	As at January 31, 2020			
	Australia $'000	USA $'000	Canada $'000	Total $'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

22. INCOME TAXES

The difference between tax expense or recovery for the year and the expected income taxes based on the statutory tax rate arises as follows:

	December 31, 2020 $'000	January 31, 2020 $'000
Deferred income tax related to items charged or credited directly to equity	(778)	(880)
Reconciliation between tax expense and accounting loss before income tax		
Loss before income taxes	(18,202)	(12,842)
Tax recovery based on statutory rate of 27.00% (January 31, 2020: 27.00%)	(4,914)	(3,467)
Difference in tax rates due to other jurisdictions	(54)	(237)
Non-deductible expenses	-	508
Change in unrecognized deferred tax assets	4,190	2,316
Deferred income tax recovery	(778)	(880)

The Canadian Federal corporate tax rate is 15.00%, and the British Columbia provincial tax rate is 12.00%.

The tax rate of 21.00% represents the statutory rate applicable for the 2020 taxation year for the USA, and 26.00% for Australia, and nil for the British Virgin Islands.

Deferred Tax Assets and Liabilities

The significant components of the Company's net deferred tax assets and liabilities as of December 31, 2020 and January 31, 2020 are as follows:

Deferred Tax Assets:	December 31, 2020 $'000	January 31, 2020 $'000
Non-capital losses	31,077	28,655
Capital losses	569	569
Capital and other assets	-	139
Deferred tax assets	31,646	29,837
Deferred Tax Liabilities:		
Exploration and evaluation assets	(8,537)	(17,922)
Mine development asset	(8,002)	-
Marketable securities (New Found)	(778)	(880)
Off-set with deferred tax assets	17,317	18,802
Deferred tax liabilities	-	-
Unrecognized deferred tax assets	14,329	10,139
Net deferred tax assets	-	-

As at December 31, 2020, the Company has estimated non-capital losses for Canadian tax purposes of $10,127,000, non-capital losses for Australian tax purposes of $94,200,000, and net operating losses for US tax purposes of $3,353,000, which may be carried forward to reduce taxable income derived in future years.

23. SUBSEQUENT EVENTS

a) Subsequent to December 31, 2020, the Company completed the sale of its remaining 4,450,000 shares of Essential Metals for gross proceeds of AUD $404,000 ($397,000).

b) On January 28, 2021, Calidus completed the Second Payment totalling AUD $5,000,000 ($4,917,000) in order to purchase an aggregate 25% interest in the Calidus Blue Spec Tenements.

c) On January 29, 2021, pursuant to the Amending APM Agreement, APM completed its final payment of $150,000 in order to complete its purchase of the Company's Tuscarora property.

d) On January 30, 2021, the Company signed a binding terms sheet with Calidus pursuant to which it sold its 30% interest in the Novo Warrawoona Tenements for a 1% net smelter return gold royalty.

e) On February 4, 2021, pursuant to the Comet Well suite of agreements, the Company paid an aggregate AUD $3,000,000 ($2,950,000) and issued an aggregate 1,198,395 Subsequent Consideration Shares to Gardner and Smith. The Subsequent Consideration Shares are subject to a statutory hold period expiring on June 5, 2021.

f) On March 22, 2021, the Company signed a letter deed (the "Calidus Letter Deed") with Calidus to further amend the Calidus Amended Terms Sheet. Pursuant to the Calidus Letter Deed and in order to complete the acquisition of the Calidus Blue Spec Tenements, Calidus made a cash payment of AUD $5,000,000 to the Company on March 29, 2021, will issue to the Company 13,333,333 ordinary shares by April 16, 2021, and will transfer a 100% interest in prospecting license 45/3065.

g) On March 22, 2021, the Company completed the Queens Initial Period, exercised the Queens Option, and issued 584,215 Kalamazoo Option Shares at a fair value of $3.21 for total consideration of $1,875,000. The Company and Kalamazoo also agreed to amend the timing of the Queens Earn-In Amount. During the Queens Earn-In Period, the Company is now required to incur AUD $75,000 during the first year, AUD $1,000,000 during each of the second, third, and fourth years, and AUD $1,925,000 during the fifth and final year.

h) On March 29, 2021, De Grey provided the Company with a notice that it earned an additional 45% interest (aggregate 75% interest) in E47/2502.