



Suite 880, 580 Hornby Street
Vancouver, BC, Canada V6C 3B6

PRELIMINARY ECONOMIC ASSESSMENT BEATONS CREEK CONGLOMERATE GOLD PROJECT

VANCOUVER, BC, March 31, 2021 - **Novo Resources Corp.** (“Novo” or the “Company”) (TSX: NVO & NVO.WT; OTCQX: NSRPF) is pleased to announce completion of a preliminary economic assessment (“PEA”) for the Company’s 100%-owned Beatons Creek conglomerate gold project (“**Beatons Creek**” or “**Project**”), located in the Pilbara region of Western Australia. In addition to the potential viability of mineral resources at the Project reported by the PEA, Beatons Creek displays significant upside resource potential from deposit extensions. Novo has identified numerous new near-surface exploration targets across its approximate 1,250 km² of land holdings across the Nullagine mining district (*refer to the Company’s news release dated [December 15, 2020](#)*).

Beatons Creek PEA highlights:

- **The potential for average 100,000 oz conglomerate gold production per year** over 6 years for 627,000¹ oz potential total production over life of mine (“**LOM**”), excluding current underground resources
- **Comparable production costs among the field of current and imminent Australian gold producers:** LOM C1 cash costs of US\$702/oz and LOM all-in sustaining costs (“**AISC**”) of US\$974/oz
- **Robust base-case scenario:** at a gold price of US\$1,700/oz and an A\$-US\$ foreign exchange rate of 0.75:1²³, potential for pre-tax US\$318 million (C\$400 million) NPV_{5%} and average annual EBITDA of US\$88 million / post-tax US\$250 million (C\$315 million) NPV_{5%}
- **Synergistic combination** of Beatons Creek with pre-existing production infrastructure acquired pursuant to the acquisition of Millennium Minerals Limited (“**Millennium**”) (*refer to the Company’s news release dated [August 8, 2020](#)*)
- **Considerable upside potential** recognized in Beatons Creek conglomerate resource expansion potential as well as throughout the consolidated Nullagine mining district

The PEA is preliminary in nature, and is based on a mineral resource estimate that includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA will be realized. **Mineral resources that are not mineral reserves do not have demonstrated economic viability.**

¹ Current LOM production extends into year 7 with the potential for 23,000 oz in year 7. The potential for 604,000 oz over 6 years is rounded to 100,000 oz average gold production per year over the first 6 years of LOM.

² See “Key Assumptions” section below for further details.

³ Figures are at asset level and do not include repayment of existing debt facility with Sprott Private Resource Lending II (Collector), LP (*see the Company’s news release dated [August 8, 2020](#)*).

“Completion of this PEA demonstrates the strength of Beatons Creek,” commented Quinton Hennigh, Chairman and President of Novo Resources. “The PEA indicates the potential viability of mineral resources at Beatons Creek, with a competitive AISC of US\$974/oz. Given the expansive nature of gold-bearing conglomerates in the Nullagine region, there is the potential for the resource base to grow through step-out exploration and support an extension to the LOM. The robust anticipated cash generation reported by the PEA should support Novo’s exploration activities across its vast holdings in the Pilbara, with further potential to grow production organically.”

Novo also reports that its board of directors has ratified management’s recommendation to mine the Project based on the PEA. The Company is currently in the late stages of commissioning Millennium’s Golden Eagle processing facility (the “**Golden Eagle Mill**”) and continues to ramp up mining and production into Q2 2021. The decision by the Company to produce at Beatons Creek was not based on a feasibility study of mineral reserves demonstrating economic and technical viability and, as a result, there is an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that that anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on the Company’s cash flow and future profitability.

Beatons Creek PEA Summary

The PEA was prepared by Jason Froud (BSc Hons, Grad Dip (Fin Mkts), MAIG) and Andrew Grubb (BE (Mining), FAusIMM), and peer reviewed by Ian Glacken (BSc Hons, MSc (Mining Geology), MSc (Geostatistics) PGCert (comp), DIC, FAusIMM(CP), FAIG, CEng, MIMMM) of Optiro Pty Ltd of Perth, Australia. Optiro was supported by William George Gosling (BE (Extractive Metallurgy), FAusIMM) of GR Engineering Services, also of Perth, Australia. The Company plans to file an updated technical report in respect of Beatons Creek reporting on the PEA, in compliance with National Instrument 43-101 (“**NI 43-101**”), under the Company’s profile on the SEDAR website at www.sedar.com within 45 days.

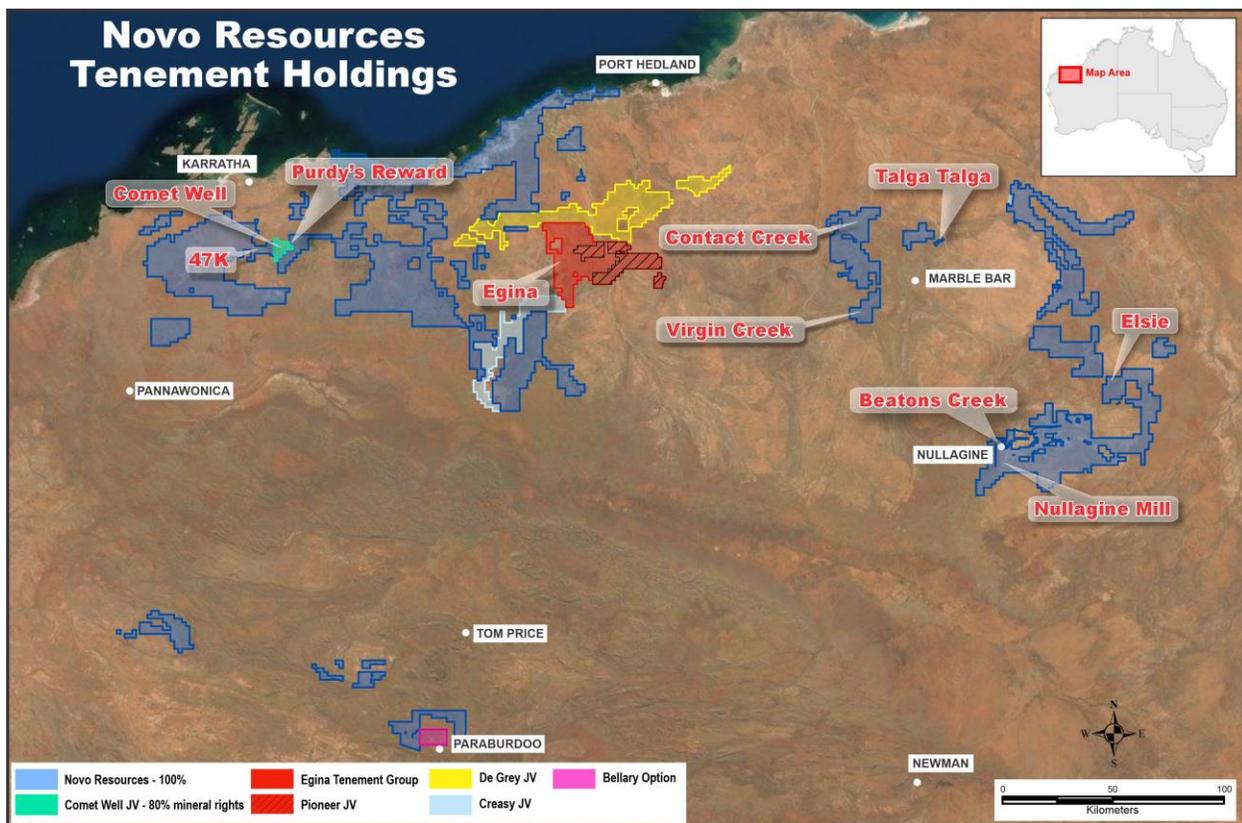
PEA Economics	Unit	Pre-Tax	Post-Tax
NPV _{5%}	<i>US\$ millions</i>	\$318	\$250
Average annual cash flow	<i>US\$ millions</i>	\$64	\$50
LOM unlevered cash flow (undiscounted)	<i>US\$ millions</i>	\$386	\$260
Mine life	<i>Years</i>	6	
Average annual production over LOM	<i>Oz/year</i>	101	
LOM production	<i>Oz</i>	627	

Economic Sensitivities to Gold Price (post-tax)	
Per ounce of gold (US\$)	NPV_{5%} (US\$ millions)
\$1,600	\$216
\$1,700	\$250
\$1,800	\$285
\$1,900	\$319
\$2,000	\$354

The PEA is preliminary in nature, and is based on a mineral resource estimate that includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA will be realized.

Opportunities

Novo owns approximately 1,250 km² of prospective tenure within the Nullagine gold district, approximately 283 km² of which was acquired with Millennium, and plans to aggressively pursue near-term exploration and production opportunities across the gold field. Of highest importance are extensions of conglomerate gold mineralization around Beatons Creek and a recent conglomerate gold discovery located approximately 2 km southwest of Beatons Creek called Skyfall (refer to the Company's news release dated [November 5, 2020](#)). Novo also sees potential to unlock its other assets across the East Pilbara region including, but not limited to, its wholly-owned Talga Talga, Virgin Creek, Contact Creek, and Mt. Elsie projects (refer to [Figure 1](#)).



(Figure 1: Map of Novo's Pilbara tenure.)

PEA Details

Beatons Creek has been explored extensively by various companies since the late 1960's. The Company acquired an initial interest in Beatons Creek from Millennium in 2011 (refer to the Company's news release dated [April 6, 2011](#)) before acquiring a 100% interest in 2015 (refer to the Company's news release dated [March 26, 2015](#)). The Company most recently announced an updated mineral resource estimate in April 2019 outlining indicated mineral resources comprising 6.6 million tonnes at 2.1 g/t Au for 457,000 oz contained gold, with additional inferred mineral resources of 4.3 million tonnes at 3.2 g/t Au for 446,000

oz contained gold (refer to the resource summary table outlined in [Figure 2](#) as well as the Company's news release dated [April 1, 2019](#) and the report (the "**Beatons Creek Technical Report**") titled "Amended and Restated NI 43-101 Technical Report: Mineral Resource Update, Beatons Creek Conglomerate Gold Project, Pilbara Region, Western Australia" dated October 22, 2020 (effective date February 28, 2019)) (the "**Beatons Creek Resource**"). **Mineral resources that are not mineral reserves do not have demonstrated economic viability.**

Mining and Processing

The Beatons Creek mining plan utilizes conventional open pit mining methods. Iron Mine Contracting Pty Ltd were awarded preferred contractor status by the Company in November 2020 (refer to the Company's news release dated [November 18, 2020](#)) and have been ramping up commissioning efforts to date. Mineralized material is stockpiled at a run of mine ("**ROM**") pad at Beatons Creek before being hauled approximately 14 km to a ROM pad at the Golden Eagle Mill. Mineralized material passes through a single-stage jaw crusher before being ground to 150 µm utilizing a semi-autogenous grinding ("**SAG**") mill. Gravity recovery is handled by a centrifugal concentrator and intensive cyanidation leach reactor. Leaching occurs in two tanks, and subsequent carbon adsorption occurs in seven carbon-in-leach tanks, the first three of which incorporate oxygen addition.

Mining and Processing Summary		
Total mineralized material mined	(kt)	9,486
Total waste mined	(kt)	79,969
LOM strip ratio	(W:O)	8.43
Mineralized material milled	(kt)	9,486
Head grade	(g/t)	2.16
Contained Au	(koz)	660
Recovery rate	(%)	95%
Recovered Au	(koz Au)	627

Figures may not reconcile due to rounding.

The Beatons Creek Resource is as follows:

Open Pit Mineral Resources (oxide and fresh mineralization)

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/t	Ounces Troy Au (x1000)
Indicated	0.5	6,645	2.1	457
Inferred	0.5	3,410	2.7	294

Open Pit Mineral Resources (oxide mineralization)

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/t	Ounces Troy Au (x1000)
Indicated	0.5	4,500	1.9	272
Inferred	0.5	765	1.8	44

Open Pit Mineral Resources (fresh mineralization)

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/t	Ounces Troy Au (x1000)
Indicated	0.5	2,145	2.7	185
Inferred	0.5	2,645	2.9	250

Underground Mineral Resources (fresh mineralization)

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/t	Ounces Troy Au (x1000)
Inferred	3.5	885	5.3	152

Total Mineral Resources (oxide and fresh mineralization; open pit and underground)

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/t	Ounces Troy Au (x1000)
Indicated	0.5	6,645	2.1	457
Inferred	0.5, 3.5	4,295	3.2	446

Notes:

1. Open pit mineral resources contain oxide and fresh mineralization within an optimized shell and constrained within a mineralized wireframe.

2. An optimized Whittle pit shell was estimated with the following indicative parameters:

(a) USD \$1,311 (AUD \$1,850) / troy ounce;

(b) Metallurgical recoveries of 95% oxide and 90% fresh;

(c) SGs applied: Oxide 2.40 t/m³ and fresh 2.85 t/m³ based on measurements taken on drill core;

(d) USD \$2.40 / tonne mining cost for oxide and USD \$3.68 / tonne for fresh;

(e) USD \$17.00 / tonne oxide and USD \$19.00 / tonne fresh processing cost; and

(f) USD \$3.00 / tonne general and administrative costs.

3. Underground mineral resources contain fresh mineralization outside the optimized shell. Underground resources are constrained to discrete areas of contiguous mineralization. NB: cut-off grade for underground resource has been increased from 2.0 g/t Au to 3.5 g/t Au for the Beatons Creek Technical Report.

4. Columns may not total due to rounding.

5. One troy ounce is equal to 31.1034768 grams.

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

(Figure 2: Beatons Creek Technical Report summary.)

Operating Costs

Operating costs for contract mining and in-house processing were developed from detailed budget estimates from reputable services providers with operational experience in the Pilbara region of Western Australia and recent operations experience for the Golden Eagle Mill. Beatons Creek is located near a large skilled labour pool with minimal COVID-19 restriction requirements due to a successful handling of the pandemic by state authorities. Beatons Creek is located adjacent to the partly sealed Marble Bar Road and less than 1 km away from the town of Nullagine.

Operating Costs (LOM)		
Mining cost	(US\$/t mined)	\$3.60
Processing cost	(US\$/t milled)	\$17.18
Site SG&A & corporate cost	(US\$/t milled)	\$5.14
Sustaining capex	(US\$/t milled)	\$4.10
Cash cost	(US\$/oz)	\$702

Sustaining Capital

Sustaining capital requirements over LOM are generally low due to the recently completed refurbishment of the Golden Eagle Mill (refer to the Company's news release dated [February 16, 2021](#)). The Millennium tailings storage facility requires on-going monitoring as well as annual lifts to maintain capacity for production which together cost approximately US\$1.5 million per annum.

Sustaining Capital (LOM)	US\$ Millions	US\$/t Milled
Mining	\$30.40	\$3.20
Processing infrastructure	\$1.05	\$0.11
Tailings storage facility	\$7.50	\$0.79
Total sustaining capital	\$38.95	\$4.10

AISC

AISC metrics are competitive with Australian gold developer and producer peers. A breakdown of Novo's AISC⁴ is as follows:

AISC Summary (LOM)		
Total mine operating cost (including stockpile adjustments and royalties ³)	(US\$/oz)	\$825
Corporate cost overheads	(US\$/oz)	\$13
Sustaining capital	(US\$/oz)	\$62
Closure	(US\$/oz)	\$74
AISC	(US\$/oz)	\$974

Key Assumptions

The PEA uses a pricing assumption of US\$1,700/oz gold price and A\$-US\$ foreign exchange rate of 0.75.

Alternative Performance Measures (Non-IFRS Measures)

Certain items in this news release are alternative performance measures. Alternative performance measures are furnished to provide additional information. These non-IFRS measures are included in this news release because the Company believes these statistics are key performance measures that provide investors, analysts, and other stakeholders with additional information to understand the costs associated with Beatons Creek. These performance measures do not have a standard meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance

⁴ Royalties consist of (i) a 2.5% gross royalty payable to the state of Western Australia, and (ii) 4.75% aggregate gross royalties payable to private royalty holders.

measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

“Cash costs” are a non-IFRS measure reported by the Company on an ounces of gold sold basis. Cash costs include mining, processing, refining, general and administration costs and royalties, but exclude depreciation, reclamation, income taxes, capital, and exploration costs for the LOM, defined above as 6 years.

“AISC” is a non-IFRS measure reported by the Company on a per ounce of gold sold basis that includes all cash costs noted above as well as sustaining capital and closure costs, but excludes depreciation, capital costs, and income taxes.

Resource Modelling

The spatial extent of the Beatons Creek Resource covers a surface area of over 2 km x 2 km. Mineralization exists as multiple sub-horizontal, narrow stacked and un-classified ferruginous-conglomeritic horizons (“reefs”), which are interbedded with un-mineralized conglomerate, sandstones and grits with minor intercalations of shale, mudstone, siltstone and tuffs. Reefs vary from <1 m to several metres thick and are continuous for up to 2 km.

Mineral resources were estimated from 3,909 samples, sourced from 2,422 samples from reverse circulation holes, 302 samples from diamond core holes, and 1,185 trench ‘channel’ samples. The majority of assays used for the estimate were determined using the LeachWELL (cyanide leaching) technique, with the 2018 diamond drilling and trench programs also analysing the LeachWELL residues by fire assay.

Grade interpolation was performed using a three-pass Ordinary Kriging (“OK”) estimation method within modelled reef domains. Wireframed mineralized domains differentiate between regionally continuous marine lags and localized stacked-channel mineralization. A weathering profile has further differentiated the estimate into oxide and fresh components.

All samples were composited to 1 m for estimation. Composites were analysed and top-cut per domain using statistical and graphical methods. OK was constrained by variograms per domain, though some domains had too few samples to define an acceptable variogram. In such cases, the most appropriate domain variogram was applied based on geological reasonableness. A total nugget effect of 65% was applied during the kriging process. Two estimation block sizes were applied: 20m by 20m by 1m and 40m by 40m by 1m for relatively densely spaced data versus sparsely spaced data respectively. All blocks were sub-blocked to 2.5m by 2.5m by 0.25m. Block size and number of samples applied in search passes were selected based on kriging neighbourhood analysis. Estimation was undertaken in three passes, with passes one and two being no more than the geostatistical range defined in the variogram. Search pass three used up to three times the geostatistical range. The estimate was validated by visual comparison of samples and estimation block grade by domain, moving window plots, and global grade comparisons. The 2018 bulk sampling program was also used to validate sections of the oxide mineralization (refer to the Company’s news release dated February 20, 2019). Indicated Mineral Resources were classified based on passes one and two, and Inferred Mineral Resources classified based on pass three. As well as search passes, resources were also classified on consideration of sample data quality, mix of different sample types, and quantity and quality of SG data. The qualified person (as defined in NI 43-101) applied the principles of reasonable prospects of eventual economic extraction. Geostatistical analysis was undertaken using Snowden Supervisor [v8.11.0] software and estimation was undertaken in Datamine Studio RM [v1.4.175] software.

The mineral resource estimation process was peer reviewed by Mr. Ian Glacken (BSc Hons, MSc (Mining Geology), MSc (Geostatistics) PGCert (comp), DIC, FAusIMM(CP), FAIG, CEng, MIMMM), a Director and Principal of Optiro Pty Ltd. Optiro have endorsed the estimation approach and classification.

Mineral resources are not mineral reserves and do not have demonstrated economic viability; it is uncertain if applying economic modifying factors will convert measured and indicated mineral resources to mineral reserves. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. Approvals to mine the fresh component of the Beatons Creek Resource have yet to be obtained and Novo anticipates obtaining said approvals by 2022. The quantity and grade of reported inferred mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred mineral resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category. The mineral resources in this news release were estimated using current Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards, definitions and guidelines.

Dr. Simon C. Dominy, FAusIMM (CPGeo) has coordinated the Beatons Creek Resource for the Project, and is a qualified person as defined by NI 43-101.

Metallurgical Test Work on Fresh Mineralization

Three PQ diamond drill holes (BCMET18-021, BCMET18-022, BCMET18-023) were drilled for metallurgical testwork within Fresh mineralization. These holes each intersected two mineralized horizons within the Fresh zone (M1 and M2 reefs).

Whole core was taken for each of the six intersections and subjected to non-destructive head grade assay by PhotonAssay, followed by comminution testwork. The three intersections of each reef were then blended to form two approx. 60 kg composites for M1 and M2. These were each subjected to the three-stage gravity recoverable gold test (the so-called “Laplante” test) to determine the GRG of the composites. Leach testwork on the GRG residues is currently being completed.

The result of the GRG testwork was a 95% GRG recovery for the M1 composite (head grade 5.6 g/t Au) and 89% GRG recovery for the M2 composite (head grade 4.6 g/t Au).

All metallurgical testwork was undertaken at Metallurgy Pty Ltd, Perth, Australia. PhotoAssay analysis was undertaken at MinAnalytical Pty Ltd, Perth, Australia. All testwork and analysis was supported by a QAQC programme including process documentation, blanks, barren flushes and CRMs (where appropriate).

Dr. Quinton Hennigh (P.Geo.) is the qualified person pursuant to NI 43-101 responsible for, and having reviewed and approved, the technical information contained in this news release. Dr. Hennigh is President, Chairman, and a director of Novo Resources Corp.

Based on the Beatons Creek Resource, the Company utilized a standard methodology for pit design, mining sequence and cut-off grade optimization, including application of mining dilution, process recovery, economic criteria and physical mine and plant operating constraints has been followed to design the mine. The Optiro qualified persons reviewed the Company’s work for reasonableness to complete the PEA.

About Novo Resources Corp.

Novo is commissioning its flagship Beatons Creek gold project while exploring and developing its highly prospective land package covering approximately 14,000 square kilometres in the Pilbara region of Western Australia. In addition to the Company's primary focus, Novo seeks to leverage its internal geological expertise to deliver value-accretive opportunities to its shareholders. For more information, please contact Leo Karabelas at (416) 543-3120 or e-mail leo@novoresources.com

On Behalf of the Board of Directors,

Novo Resources Corp.

"Quinton Hennigh"

Quinton Hennigh
President and Chairman

Forward-looking information

Some statements in this news release contain forward-looking information (within the meaning of Canadian securities legislation). These include statements (the "**forward-looking statements**") regarding Novo's intent, or the beliefs or current expectations of Novo's management. When used in this news release, words such as "will", "would", "expect", "target", "potential", "objective", "subject to", "expected to" and similar words or expressions identify these forward-looking statements as well as phrases or statements that certain actions, events or results "may", "could", "would", "should", "occur" or "be achieved" or the negative connotation of such terms. Forward-looking statements in this news release include, without limitation, the estimation of mineral resources at the Company's Beatons Creek project, the potential viability of mineral resources at the Project reported by the PEA, and the anticipation of robust cash generation. Forward-looking statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, without limitation, the risk factors identified in Novo's annual information form for the year ended December 31, 2020 and Novo's management's discussion and analysis for the eleven month period ended December 31, 2020, both of which are available on SEDAR at www.sedar.com. Forward-looking statements speak only as of the date those statements are made. Except as required by applicable law, Novo assumes no obligation to update or to publicly announce the results of any change to any forward-looking statement contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. If Novo updates any forward-looking statement(s), no inference should be drawn that the Company will make additional updates with respect to those or other forward-looking statements.

Cautionary Note to U.S. Readers Regarding Estimates of Inferred, Indicated and Measured Resources

This news release uses the term "inferred mineral resources", "indicated mineral resources" and "measured mineral resources". We caution U.S. investors that while these terms are recognized and required by Canadian regulations, they are not recognized by the U.S. Securities and Exchange Commission (the "**SEC**"). "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. Under Canadian rules, estimates of "inferred mineral resources" may not form the basis of a feasibility study or prefeasibility studies. **U.S. investors are cautioned not to assume that any part or all of an "inferred mineral resource" exists or is economically or legally mineable.** The terms "indicated mineral resources" and "measured

mineral resources" are not defined under SEC Industry Guide 7 and are not normally permitted to be used in documents filed with the SEC. **U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into SEC Industry Guide 7 reserves.**