

July 7, 2021

QUARTERLY OPERATIONAL UPDATE INCREASED PRODUCTION FROM BEATONS CREEK

HIGHLIGHTS

- **No lost time injuries** at the Beatons Creek conglomerate gold project in Nullagine, Western Australia (the “Nullagine Gold Project”)
- **Record gold production of 5,898 oz Au in June**, a 16.5% increase over May (Q2 2021 – 14,890 oz Au)
- **June revenue of C\$11.9 million (A\$12.8 million)**, an 11.4% increase over May (Q2 2021 – C\$31.7 million (A\$33.1 million))
- **Operational positive cash flow from Nullagine Gold Project achieved in May and June**
- Mining and processing rates continued to increase, with **232 kt gold-bearing conglomerate material mined in June** (Q2 2021 – 477 kt gold-bearing conglomerate material mined) and **134 kt gold-bearing conglomerate material processed in June** (Q2 – 366 kt gold-bearing conglomerate material processed)
- Recovery rates reaching optimal levels, with **June recovery of 96.4%**, up from 94.4% in May
- **Significant cost saving and operational improvements**, including flight sharing arrangements
- **Quarter-end cash balance of C\$46.3 million. The fair value of Novo’s investments also increased to approximately C\$200 million¹** (Q1 2021 balance – approximately C\$77 million²)

“We are very pleased with the operational trajectory of the Nullagine Gold Project” commented Mr. Rob Humphryson, CEO and a director of Novo. “All key project metrics are trending positively and the Novo team are working diligently on operational improvements that will further benefit the operation. Given the abundance of gold-bearing conglomerate mineralization across the Pilbara region (refer to the Company’s news release dated [June 3, 2021](#)), we are pleased to demonstrate that the Nullagine Gold Project is generating positive cash flow. We look forward to providing our investors with regular quarterly updates.”

VANCOUVER, BC - Novo Resources Corp. (“Novo” or the “Company”) (TSX: NVO, NVO.WT & NVO.WT.A) (OTCQX: NSRPF) is pleased to provide a quarterly operational update from the first full quarter at the Company’s Nullagine Gold Project.

NULLAGINE GOLD PROJECT

Safety and Sustainability

The lost time injury frequency rate for the past twelve months remains at zero for the Nullagine Gold Project and also for the Company.

The Company works in numerous communities across the Pilbara region of Western Australia and endeavours to be a responsible and trusted corporate citizen throughout all aspects of its operations, as evidenced by recent co-funding of the construction of a playground for local youth in the town of Nullagine.

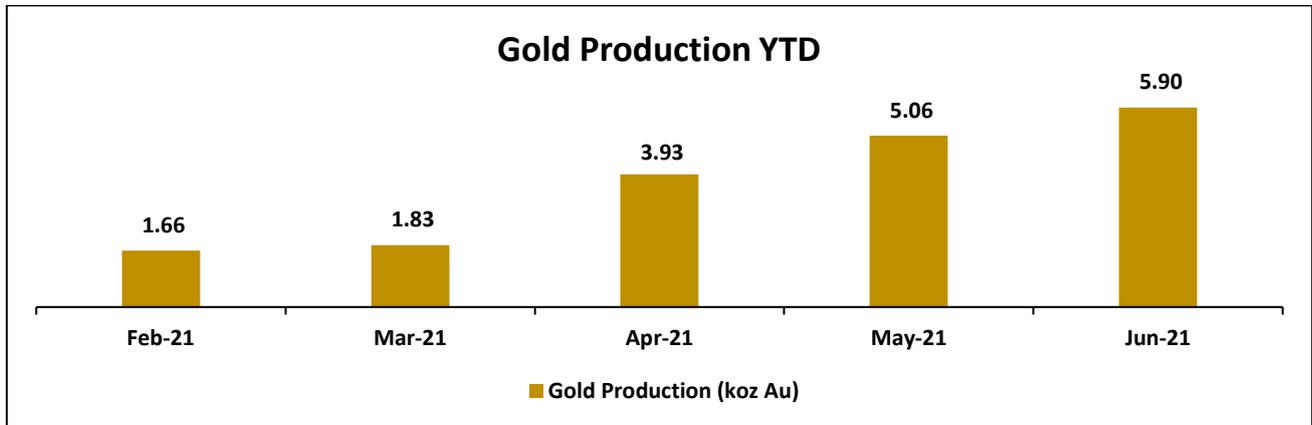
The Company responded swiftly to COVID-19 related lockdown measures implemented by the Western Australian government in late June and has not been materially impacted by COVID-19 to date.

¹ This value excludes the fair value of warrants held in GBM Resources Ltd. and Kalamazoo Resources Limited. Novo’s ability to dispose of its investments is subject to certain thresholds pursuant to its senior secured credit facility with Sprout Private Resource Lending II (Collector), LP. Please refer to the Company’s management discussion and analysis for the 11-month fiscal year ended December 31, 2020, which is available under Novo’s profile on SEDAR at www.sedar.com. Novo’s investment in New Found Gold Corp. is subject to escrow requirements pursuant to National Instrument 46-201 Escrow for Initial Public Offerings. The value of Novo’s holdings in Elementum 3D, Inc. (“E3D”) is based on E3D’s most recent financing price of US\$2.50 per share. Except for its investment in E3D, the fair value of Novo’s investments is based on closing prices of its investments and relevant foreign exchange rates as at June 30, 2021.

² As above, except that this fair value is based on closing prices of the Company’s investments and relevant foreign exchange rates as at March 31, 2021.

Gold Production

Gold production at the Nullagine Gold Project continued to increase month-on-month with a record month of 5,898 ounces produced during June 2021 ([Figure 1](#)). Q2 2021 gold production totalled 14,890 ounces.



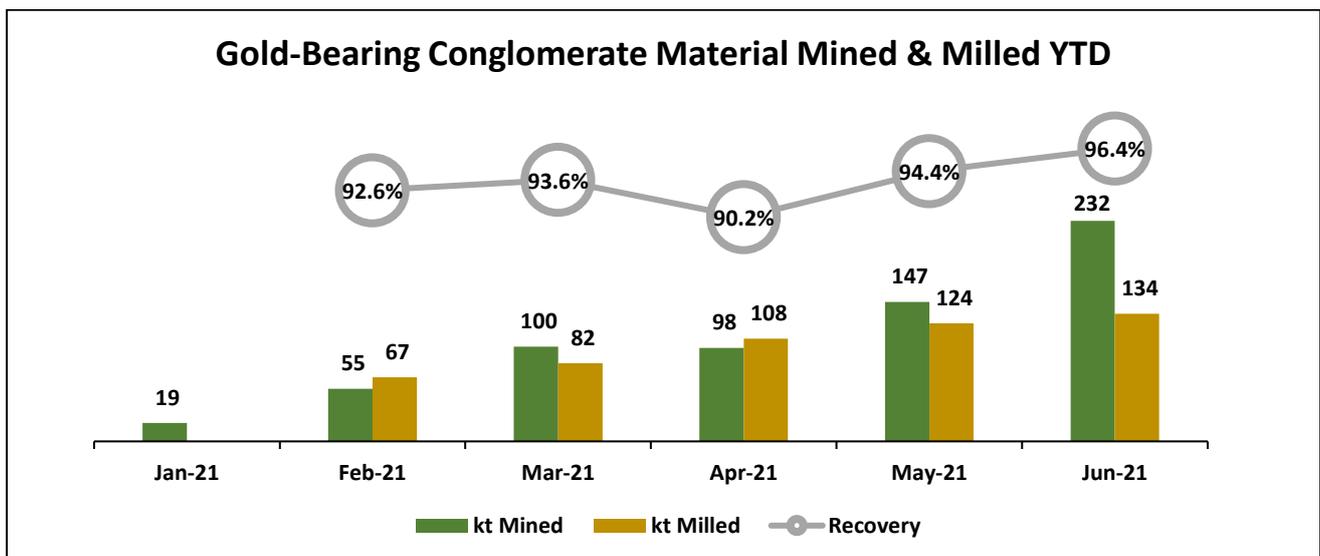
(Figure 1: Monthly gold production for the Nullagine Gold Project to date.)

Processing

Mill throughput continued to increase month-on-month. As contemplated in the Company’s news release dated [June 8, 2021](#), the processing plant’s annualized rate is increasing towards 1.8 mtpa ([Figure 2](#)). A total of 134 kt of gold-bearing conglomerate material was processed in June, for aggregate Q2 2021 processing of 366 kt of gold-bearing conglomerate material. Recovery rates have also increased steadily in Q2 2021, with record recovery of 96.4% achieved in June, up from 94.4% in May. June average grade was 1.45 g/t Au, an increase over Q2 2021 average grade of 1.30 g/t Au.

Mining

Mining productivity has continued to improve, with record movement of 232 kt gold-bearing conglomerate material in June, for aggregate Q2 2021 movement of 477 kt gold-bearing conglomerate material. Ozland Drill and Blast Pty Ltd (“Ozland”) has mobilized to site and have assumed drill and blast operations ([Figure 3](#)). The Company has also internalized control of its explosive supply to optimize cost and operational efficiencies in conjunction with its transition to Ozland.



(Figure 2: Gold-bearing conglomerate material mining and milling rates and recovery rates for the Nullagine Gold Project to date.)



(Figure 3: Ozland drilling at Grant's Hill North.)

Operational Improvements

The Company has recently entered into an agreement with Roy Hill Holdings Pty Ltd (“**Roy Hill**”), allowing access to its flights to the Ginbata airstrip around 100 km south of the Nullagine Gold Project. This will result in significant operational cost savings and substantially reduced travel time and travel risk exposure for the Company’s employees. It also allows for more effective handover logistics between crews as they transition between rosters. The Company thanks Roy Hill for its efficient commercial engagement in this area for mutual benefit.

In addition, significant improvements have been achieved in assay receipts. Quick turnaround of assays is critical for grade control at the Nullagine Gold Project. Intertek Testing Services (Australia) Pty Ltd (“**Intertek**”) has now fully commissioned two Chryso PhotonAssay machines at its Maddington (Perth) facility. Planning is also well advanced for the establishment of a sample preparation laboratory at the Nullagine Gold Project site in conjunction with Intertek (refer to the Company’s news release dated [May 18, 2021](#)).

Novo Financial Position

Novo’s cash position and working capital remains robust, with cash reserves of C\$46.3 million as at June 30, 2021. In addition to its cash reserves, the Company’s portfolio of investments held a fair value of approximately C\$200 million¹ as at June 30, 2021. In particular, the value of Novo’s 9.9% investment in New Found Gold Corp.¹ (TSXV: NFG) (“**New Found**”) has increased significantly following the publication of continuing drill results by New Found from its wholly-owned Queensway project in Newfoundland, Canada.

Dr. Quinton Hennigh (P.Geol.) is the qualified person, as defined under National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, responsible for, and having reviewed and approved, the technical information contained in this news release. Dr. Hennigh is a director of Novo and its president and chairman.

Cautionary Statement

The decision by the Company to produce at the Nullagine Gold Project 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.

About Novo

Novo is commissioning its flagship Beatons Creek gold project while exploring and developing its 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

Chairman and President

Forward-looking information

Some statements in this news release contain forward-looking information (within the meaning of Canadian securities legislation) including, without limitation, planned mining and processing activities; that the agreement entered into with Roy Hill will result in significant operational cost savings, reduced travel time and travel risk exposure for the Company's employees and will allow for a far more effective handover logistics between crews as they transition between rosters; and that the Company's internalization of control of its explosive supply will optimize costs and operational efficiencies in conjunction with its engagement of Ozland. These 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 statements. Such factors include, without limitation, customary risks of the resource industry and the risk factors identified in Novo's annual information form for the 11-month fiscal year ended December 31, 2020, which is available under Novo's profile 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.