

DECEMBER 13, 2021

MINING REVIEW DELIVERS OPTIMIZED FIVE-YEAR PLAN

HIGHLIGHTS

- Implementation of revised mining approach¹ at Beatons Creek Oxide resource has delivered, as expected, higher processing grades in November 2021 of 1.58 g/t Au over 117 kt processed, for total monthly production of 5,498 ounces
- Completion of Beatons Creek Gold Project (“**Beatons Creek**”) mining review outlines optimized five-year plan through to 2026
- A three-phase approach for the plan has been adopted for development and mining activities
 - Mining of the Beatons Creek Oxide resource to continue through Q2 2022, with low-grade stockpiles to be processed through Q3 2022
 - Transition to mining of higher-grade free-milling Beatons Creek Fresh resource, which provides production through 2026
 - Mining of the Golden Eagle deposit (“**Golden Eagle**”) may commence and continue through the transition from Beatons Creek Oxide to Fresh material, depending on timing of Beatons Creek Fresh mining approvals
- Beatons Creek Fresh resource drill out to 20 m by 20 m drill spacing for completion of a Feasibility Study in Q2 2022 has commenced
- Ongoing brownfields and regional exploration underway to further optimize and extend mine life beyond 2026, e.g. current drilling of the Parnell deposit
- Five-year plan supported by a strong balance sheet with cash balance of C\$39.1 million and an investment portfolio with a fair value of approximately C\$119 million²

VANCOUVER, BC – Novo Resources Corp. (“Novo” or the “Company”) (TSX: NVO, NVO.WT & NVO.WT.A) (OTCQX: NSRPF) is pleased to announce completion of the Beatons Creek mining review, which has delivered an optimized five-year plan through to 2026 for its Beatons Creek conglomerate gold project³ ([Figure 1](#)).

Novo commenced a detailed review of Beatons Creek and nearby projects in October 2021, with a primary focus on developing a detailed plan to ensure optimized production and profitability from the Beatons Creek Oxide resource, given the nature of the deposit and incorporating the learnings to date.

Mining and processing target rates at Beatons Creek have been achieved during the ramp-up since February 2021, however gold production has been below expectations due to predominantly wide-spaced grade control drilling at the high-nugget oxide mineralization and higher mining dilution from more complex mining areas.

¹ Refer to the Company’s news release dated [October 12, 2021](#).

² This value excludes the fair value of warrants held in GBM Resources Ltd. Novo’s ability to dispose of its investments is subject to certain thresholds pursuant to its senior secured credit facility with Spratt Private Resource Lending II (Collector), LP. Please refer to the Company’s management discussion and analysis for the 9-month period ended September 30, 2021, 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 exchanges rate as at December 10, 2021.

³ Refer to the Company’s news release dated April 30, 2021 and the report titled “Preliminary Economic Assessment on the Beatons Creek Gold Project, Western Australia” (the “**PEA**”) with an effective date of February 5, 2021 and an issue date of April 30, 2021. The mineral resource estimate in the PEA has not been adjusted for depletion. **Mineral resources that are not mineral reserves do not have demonstrated economic viability.**



(Figure 1: Beatons Creek; Grant's Hill in the foreground, with (from left to right) Edwards, Central, Golden Crown, and South Hill mining areas in the background.)

A program of closer-spaced grade control drilling at Beatons Creek has provided more certainty for mine forecasting. These results, along with additional data and analysis, have been incorporated into the mining review to develop the optimized production profile for Beatons Creek. As expected, implementation of the revised mining approach has delivered higher grades to the Company's Golden Eagle processing facility (the "Golden Eagle Mill"). The Company processed 240,731 tonnes of mineralized material during October and November 2021 at an average head grade of 1.30 g/t Au and average recovery of approximately 93% to produce 9,223 oz Au.

The Company expects to produce between 5,000 – 5,500 oz Au in December, for an anticipated total of between 14,200 – 14,700 oz Au for Q4 2021.

The revised mining approach is expected to be implemented for the life of the Beatons Creek Oxide resource with continued closer-spaced grade control drilling.

Following completion of the detailed review, Novo has developed a five-year, three-phase plan through to 2026:

1. **Mining of the Beatons Creek Oxide resource to continue through Q2 2022. Between Q2 and Q3 2022, lower-grade oxide stockpiles will supplement transitional mill feed.**
2. **Mining of the Beatons Creek free-milling Fresh Resource targeted to commence in Q3 2022 and continue through 2026.**
3. **The Golden Eagle deposit, which is adjacent to the Golden Eagle Mill, will be used for a transition period of production as preparations are completed for the Beatons Creek Fresh resource, depending on timing of Beatons Creek Fresh mining approvals.**

Novo expects to produce 27 koz – 33 koz Au in H1 2022.

Through the Company's robust balance sheet, which is comprised of cash holdings of C\$39.1 million and an investment portfolio with a fair value of approximately C\$119 million², Novo remains in a strong financial position to ensure effective execution of the five-year plan.

Commenting on the outcomes and delivery of the optimized five-year plan, Executive Co-Chairman Mike Spreadborough said, *"We are pleased with the results from our detailed mining review at Beatons Creek. Key objectives of the review were to ensure we optimize our production profile and profitability as we transition between mining the Beatons Creek Oxide and Fresh resources and we now have an optimized plan for the future. Our team now has a year of experience mining the Beatons Creek conglomerate gold resource and the learnings have been incorporated into our plan."*

"We are in a strong position with solid mining and development assets, a healthy balance sheet and an enviable exploration program to continue to deliver value to our shareholders."

PHASE ONE – BEATONS CREEK OXIDE RESOURCE

Mining of the Beatons Creek Oxide resource continues and assuming receipt of approvals, is expected to continue through completion of the Beatons Creek Oxide resource using the revised mining approach through Q2 2022.

The optimized mine plan includes mining further Beatons Creek Oxide resource, beyond the area that was approved for mining in 2020. Receipt of approvals from the Western Australian Department of Mines, Industry Regulation and Safety ("**DMIRS**") and the Western Australian Department of Water and Environmental Regulation ("**DWER**") for the mining of this extended Beatons Creek Oxide resource is anticipated in Q1 2022.

Upon completion of the Beatons Creek Oxide resource mining fleets are expected to begin pre-stripping for the Beatons Creek Fresh resource or, if required, and dependent on timing of approvals for the mining of the Beatons Creek Fresh resource, shift to Golden Eagle.

Mining and haulage are expected to generate stockpiles at the Golden Eagle ROM pad which will provide mill feed through Q3 2022, allowing for a transition to the Beatons Creek Fresh resource upon completion of requisite pre-stripping.

PHASE TWO – BEATONS CREEK FRESH RESOURCE

Mining of the Beatons Creek Fresh resource is targeted to commence Q3 2022.

The most recently announced Beatons Creek mineral resource estimate includes a fresh component comprising approximately 65% of the global estimate, including an indicated mineral resource component of 2,145,000 tonnes at 2.7g/t Au for 185,000 oz Au and an additional inferred mineral resource component of 2,645,000 tonnes at 2.9g/t Au for 250,000 oz Au⁴. **Mineral resources that are not mineral reserves do not have demonstrated economic viability.**

The Beatons Creek Fresh resource drill out to 20 m by 20 m drill spacing required for completion of a Feasibility Study in Q2 2022 has commenced. The Feasibility Study is expected to deliver an updated mineral resource and will focus on optimizing haulage, power, water and tailings storage facility life-of-mine costs.

Mining is expected to commence on the higher-grade free-milling Beatons Creek Fresh resource, with a targeted start date of Q3 2022, assuming the timely receipt of approvals from DMIRS, DWER, and (if required) the Western Australian Environmental Protection Authority ("**EPA**"). Approximately two months of mining pre-strip will likely be required prior to accessing mineralized material.

Milling is expected to continue at a rate of approximately 1.8 million tonnes per annum through the Golden Eagle Mill, being higher than the 1.5 million tonnes per annum rates assumed in the PEA.

In July 2021, a test package of approximately 43 kt of Beatons Creek Fresh mineralized material was processed at an average head grade of 1.83 g/t Au, confirming free-milling properties, processing throughputs and

⁴ These figures do not include the underground component of the Fresh mineral resource estimate; refer to the Company's news release dated [April 30, 2021](#) and the PEA which is available under Novo's profile on SEDAR.

recovery with good grade predictability⁵. This data will be used to optimize the Beatons Creek Fresh mining plan as part of the Feasibility Study.

Mining of the Beatons Creek Fresh resource is expected to continue through to 2026.

PHASE THREE – GOLDEN EAGLE

If approvals for the Beatons Creek Fresh resource are not received from DMIRS, DWER, or the EPA (as applicable) by the end of Q2 2022, the Company is expected to transition its mining fleet to Golden Eagle, which is located adjacent to the Golden Eagle Plant (*Figure 2*). Mining at Golden Eagle is expected to continue until approvals are received to mine the Beatons Creek Fresh resource. Studies related to the mining and processing of Golden Eagle are underway. Golden Eagle was mined by Millennium Minerals Limited (“Millennium”) prior to Novo’s acquisition of Millennium in September 2020⁶. There is no current technical report prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) or the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition (“JORC 2012”) in respect of Golden Eagle.



(Figure 2: Golden Eagle location relative to the Golden Eagle Plant.)

STRONG FINANCIAL POSITION

Novo’s cash and working capital positions remain strong, with cash reserves of C\$39.1 million as at December 13, 2021.

In addition to its cash reserves, the Company’s strategic portfolio of investments held a fair value of approximately C\$119 million² as at December 13, 2021, including its 9.2% investment in New Found Gold Corp. (TSXV: NFG) which was worth approximately C\$108 million².

CAUTIONARY STATEMENT

The decision by the Company to produce at Beatons Creek and the Nullagine Gold Project, and potentially at Golden Eagle, was not based on a feasibility study of mineral reserves demonstrating economic and technical

⁵ Refer to the Company’s news release dated [October 12, 2021](#).
⁶ Refer to the Company’s news releases dated [August 4, 2020](#), and [September 8, 2020](#).

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. In addition, there is no current technical report prepared in accordance with NI 43-101 or JORC 2012 in respect of Golden Eagle. 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. The Company cautions that the declaration of commercial production effective October 1, 2021⁷ only indicates that Beatons Creek and the Nullagine Gold Project are operating at anticipated and sustainable levels and it does not indicate that economic results will be realized.

QP STATEMENT

Dr. Quinton Hennigh (P.Geo.) 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 the non-executive co-chairman and a director of Novo.

ABOUT NOVO

Novo operates its flagship Beatons Creek gold project while exploring and developing its prospective land package covering approximately 13,250 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.

"Michael Spreadborough"

Michael Spreadborough

Executive Co-Chairman

Forward-looking information

Some statements in this news release contain forward-looking information (within the meaning of Canadian securities legislation) including, without limitation, Novo's five-year production plan. 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 management's discussion and analysis for the nine-month period ended September 30, 2021, including but not limited to those under headings *Construction, Development, and Operation of Mines, No Prefeasibility or Feasibility Study for the Beatons Creek Project, Permitting and License Risks, and Uncertainty in the Estimation of Mineral Resources and Mineral Reserves*, 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.

⁷ Refer to the Company's news release dated [October 12, 2021](#).