

Nova Royalty Reports Audited Financial Results For The Year Ended December 31, 2021 And Provides Portfolio Update

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VANCOUVER, May 2, 2022 - [Nova Royalty Corp.](#) ("Nova" or the "Company") has reported its financial results for the year ended December 31, 2021. Nova's audited financial statements and management's discussion and analysis for the year ended December 31, 2021 are available on Nova's website at www.novaroyalty.com and on SEDAR at www.sedar.com.

Alex Tsukernik, President and CEO of Nova, commented, "2021 was a transformational year for Nova on the back of a similarly exciting 2020. We now own royalties on a significant proportion of the next generation of major copper assets being advanced into production and are continually adding to our portfolio. During 2021, we nearly doubled our royalty exposure on Taca Taca (First Quantum) and added royalties on West Wall (Anglo American and Glencore), Vizcachitas (Los Andes Copper), and Copper World and Rosemont (Hudbay), the last of which was announced early in January 2022."

Mr. Tsukernik continued, "Additionally, we added our first cash flowing royalty by acquiring a royalty on the producing Aranzazu mine, operated by [Aura Minerals Inc.](#) Performance at Aranzazu has exceeded our initial expectations, having achieved multiple throughput expansions and cost reductions since 2018. The royalty is currently generating approximately US\$1.5 million - US\$2.0 million of revenue on an annualized basis, with Aura guiding toward future production increases."

Mr. Tsukernik concluded, "As we advance through 2022, we continue to build Nova into what we believe will be the world's premier copper investment vehicle with additional exposure to strategic nickel assets. We are advancing on both of our main strategic priorities: acquiring additional royalties on advancing multi-generational projects such as Taca Taca and Copper World/Rosemont, and adding current cash flows from strong mid-size operators such as Aranzazu. We look forward to updating the market on our continued progress."

Portfolio Additions

- Acquisition of Aranzazu Royalty: In August 2021, Nova acquired a 1.0% net smelter return ("NSR") royalty on the producing Aranzazu copper-gold-silver mine (the "Aranzazu Royalty") owned by [Aura Minerals Inc.](#) ("Aura"; TSX: ORA) for consideration of US\$8.0 million cash and US\$1.0 million in common shares of the Company, paid on closing of the acquisition on August 27, 2021. The seller of the Aranzazu Royalty was entitled to economic benefits on Aranzazu Royalty payments that accrued from July 1, 2021 up to the closing date of the Aranzazu Royalty acquisition. Nova fulfilled this obligation by paying approximately US\$200,000 in cash in addition to the purchase price. Nova is entitled to receive 100% of the payments from the Aranzazu Royalty corresponding to the net smelter returns generated at Aranzazu following June 30, 2021.
- Acquisition of West Wall Royalty: In June 2021, Nova acquired rights to a 1.0% net proceeds royalty ("NPR") on the West Wall copper-gold-molybdenum project, owned by a 50-50 joint venture between [Anglo American Plc](#) (LSE: AAL) and Glencore PLC (LSE: GLEN). Cash consideration of US\$4.2 million was paid on closing of the acquisition on June 18, 2021.

- **Acquisition of Vizcachitas Royalty:** In February 2021, Nova acquired a NSR royalty of 0.98% on open pit operations and 0.49% on underground operations on the San José 1/3000 exploitation concession that forms part of the Vizcachitas project in Chile, which is 100% owned by [Los Andes Copper Ltd.](#) ("Los Andes"; TSX-V:LA). Under the terms of the transaction US\$6.5 million in cash was paid on closing of the acquisition on February 22, 2021, and up to US\$9.5 million in common shares of the Company are payable contingent upon the achievement of certain milestones. On June 10, 2021, Nova announced the issuance of common shares of the Company reflecting a milestone payment of US\$1.75 million due upon issuance of a valid Resolución de Calificación Ambiental for Vizcachitas. On October 20, 2021, Nova announced the issuance of common shares of the Company reflecting an additional milestone payment of US\$1.75 million upon the issuance of other permits required to commence drilling at Vizcachitas.
- **Acquisition of Additional Taca Taca Royalty:** In February 2021, Nova acquired a 0.18% NSR royalty on the Taca Taca copper-gold-molybdenum project in Argentina, which is 100% owned by First Quantum Minerals ("First Quantum"; TSX: FM). Nova had previously acquired a 0.24% royalty interest in the Taca Taca project on November 30, 2020 and this subsequent NSR royalty acquisition increased Nova's NSR royalty interest to 0.42%. The purchase price for the 0.18% interest in the NSR included upfront consideration of US\$3.0 million in cash and the issuance of common shares of the Company with a value of approximately US\$13.0 million, based on the average of the 10-day and 15-day volume weighted average prices of the common shares of the Company as of January 8, 2021. Nova will make an additional cash payment of US\$4 million within 10 business days after the date of the commencement of commercial production on the Taca Taca project.
- **Acquisition of Copper World & Rosemont Royalty:** Subsequent to the year ended December 31, 2021, in February 2022, Nova acquired a 0.135% NSR on the Copper World and Rosemont copper projects in Arizona, USA, (the "Copper World & Rosemont Royalty") owned by Hudbay Minerals Inc. ("Hudbay"; TSX: HBM and NYSE: HBM). Nova was also granted a Right of First Refusal ("ROFR") in respect to an additional 0.540% NSR covering the same area as the Copper World & Rosemont Royalty. The Copper World & Rosemont Royalty covers all metals, including copper, molybdenum, silver, and gold extracted from the majority of mining claims covering Copper World and Rosemont. Specifically, 132 patented claims (all the patented claims associated with Copper World and Rosemont), 603 unpatented claims, and one parcel of fee associated land are covered by the Copper World & Rosemont Royalty.

Portfolio Updates

- **Taca Taca (0.42% NSR Royalty):** First Quantum is continuing pre-development and feasibility activities at Taca Taca. Taca Taca is envisaged to have a similar mine design and plant configuration as First Quantum's other large throughput mines, such as Sentinel, Cobre Panama, and the planned S3 expansion at Kansanshi, which will allow First Quantum to leverage continuous learnings from the design and execution of these operations in the development of Taca Taca. During the second quarter of 2021, First Quantum submitted two environmental permits regarding key infrastructure at Taca Taca. The primary Environmental and Social Impact Assessment ("ESIA") for Taca Taca was submitted to the Secretariat of Mining of Salta Province in 2019 and approval of the ESIA is anticipated in late 2022. First Quantum expects to continue permitting work at Taca Taca during 2022, in addition to engaging with government regarding key aspects of an administrative and fiscal regime for investment into Argentina.⁽¹⁾
- **Aranzazu (1.0% NSR Royalty):** Aura recently achieved a throughput expansion at Aranzazu, increasing capacity by approximately 30% to 100,000 tons per month. As a result of this expansion, Aranzazu hit record production in Q3 2021, achieving monthly average ore mined and processed of 103kt during the quarter. Aranzazu subsequently delivered another quarter of record production in Q4 2021. Aura disclosed that Aranzazu produced 13.3 Mlbs CuEq at cash costs of US\$1.29/lb CuEq during Q4 2021 and 45.9 Mlbs CuEq at cash costs of US\$1.56/lb CuEq for the year ended December 31, 2021.⁽²⁾
- **Vizcachitas (0.98% open pit / 0.49% underground NSR Royalty):** During 2021, Los Andes received all permits and permissions necessary to commence drilling activities at Vizcachitas, allowing Los Andes to undertake the drilling program needed to complete a Pre-Feasibility Study ("PFS"). Los Andes announced that additional drilling commenced at Vizcachitas on November 10, 2021.⁽³⁾ In March 2022, Los Andes announced that sufficient drilling had been completed in order to provide an updated resource estimation and complete a PFS. Los Andes expects to publish an updated resource estimation for Vizcachitas in Q3 2022 with a PFS completed in Q4 2022.⁽⁴⁾ Earlier in March 2022, Los Andes announced a plan to temporarily suspend the remaining drilling at Vizcachitas in response to a Second Environmental Court decree granting a preliminary injunction on Los Andes's drilling activities.⁽⁵⁾ Los Andes is currently in the process of appealing the court decision, while proceeding with the updated resource estimate and PFS.

- **Copper World & Rosemont (0.135% NSR Royalty; 0.540% ROFR):** In December 2021, Hudbay announced an initial Indicated Mineral Resource of 272 million tonnes at 0.36% copper and Inferred Mineral Resource of 142 million tonnes at 0.36% copper at the Copper World project in Pima County, Arizona. Hudbay has defined seven deposits at Copper World, which host both oxide and sulphide mineralization over a seven-kilometre strike, potentially amenable to heap leach and floatation processing methods, respectively. Additionally, drilling identified significant high-grade, near surface mineralization with the potential to form part of a low-cost copper operation located primarily on public land. Considerable potential synergies exist between Copper World and the adjacent Rosemont project, on which Hudbay published a positive feasibility study in 2017. Hudbay expects to reflect preliminary expectations of these synergies in a Preliminary Economic Assessment of Copper World, which Hudbay expects to complete in H1 2022. Hudbay is also planning to advance a PFS on Copper World in H2 2022.⁽⁶⁾
- **Twin Metals (2.4% NSR Royalty):** In September 2021, the United States Forest Service submitted an application to withdraw approximately 225,000 acres of land in the Superior National Forest from the scope of federal mineral leasing laws, subject to valid existing rights. In October 2021, the United States Bureau of Land Management rejected Twin Metals' Preference Right Lease Applications ("PRLAs") and Prospecting Permit Applications ("PPAs"). In January 2022, the United States Department of the Interior cancelled Twin Metals' MNES-1352 and MNES-1353 federal mineral leases. The PRLAs and federal mineral leases form a significant proportion of the mineral resources contained within Twin Metals' current project plan and, accordingly, it was determined that these events collectively represented an impairment trigger of the Company's royalty interest in the project. The Company believes that Antofagasta PLC ("Antofagasta"), which owns the Twin Metals project through its subsidiary, Twin Metals Minnesota, has a valid legal right to the mining leases and a strong case to defend its legal rights. Although Antofagasta intends to pursue validation of those rights, considering the time and uncertainty related to any legal action to challenge the government decisions, a full impairment has been recognised as at December 31, 2021 in respect of the royalty interests previously capitalized.

About Nova

Nova Royalty is a company focused on providing investors with royalty exposure to the key building blocks of clean energy - copper and nickel. The Company is headquartered in Vancouver, British Columbia and is listed on the TSX Venture Exchange under the trading symbol "NOVR" and on the US OTCQB under the trading symbol "NOVRF".

ON BEHALF OF NOVA ROYALTY CORP.,

(signed) "Alex Tsukernik"
President and Chief Executive Officer

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Notes:

- (1) Refer to First Quantum Minerals 2021 Annual Report, Capital Markets Day Presentation dated January 2022, and Capital Markets Day Call Transcript, dated Tuesday, January 18, 2022.
- (2) Refer to Aura Management's Discussion and Analysis for the three months and year ended December 31, 2021.
- (3) Refer to the press release published by [Los Andes Copper Ltd.](#) on November 10, 2021, entitled "Los Andes Copper Starts Additional Drilling Program at Vizcachitas Copper Project in Chile".
- (4) Refer to the press released published by [Los Andes Copper Ltd.](#) on March 29, 2022, entitled "Los Andes Copper Corporate Update".
- (5) Refer to the press release published by [Los Andes Copper Ltd.](#) on March 21, 2022, entitled "Los Andes Copper Announces Plan to Temporarily Suspend Drilling".

- (6) Refer to the press release published by [Hudbay Minerals Inc.](#) on December 15, 2021, entitled "Hudbay Announces Initial Mineral Resource Estimate at Copper World".

Cautionary Note Regarding Forward-Looking Statements

This press release contains "forward-looking information" and "forward-looking statements" within the

meaning of applicable securities legislation. The forward-looking statements herein are made as of the date of this press release only, and the Company does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budgets", "scheduled", "estimates", "forecasts", "predicts", "projects", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of Nova to control or predict, that may cause Nova's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein, including, but not limited to, the risk factors set out under the heading "Risk Factors" in the Company's annual information form dated April 30, 2021 and other filings available for review on the Company's profile at www.sedar.com. Such forward-looking information represents management's best judgment based on information currently available. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

SOURCE [Nova Royalty Corp.](#)

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