Novo Announces Resource Increase at Its Beatons Creek Conglomerate Gold Project

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VANCOUVER, April 01, 2019 - Novo Resources Corp. (“Novo” or the “Company”) (TSX-V: NVO; OTCQX: NSRPF) is pleased to announce an updated resource estimate (the “2019 Resource Estimate”) for its Beatons Creek conglomerate gold project located in the eastern Pilbara region of Western Australia. The 2019 Resource Estimate incorporates diamond drilling and trench channel sampling conducted in 2018. Additionally, bulk sampling has been used to validate a significant portion of the oxide resource. The effective date of the 2019 Resource Estimate is March 29, 2019. A technical report in respect of the 2019 Resource Estimate will be filed under the Company’s SEDAR profile upon its completion.

Highlights:

- The updated 2019 Resource Estimate includes a 30% increase in tonnes driven predominantly by an improved geological framework from the recent diamond drilling program compared to the previous 2018 estimate supported by the technical report titled “NI 43-101 Technical Report Resource Update, Beatons Creek Gold Project, Pilbara Region, Australia” issued on November 20, 2018 (the “2018 Resource Estimate”) and filed on SEDAR (www.sedar.com) under the Company’s profile on November 21, 2018.
- The new model sees an increase of 115,000 oz Au (+33%) in the Indicated Mineral Resource category (over the 2018 Resource Estimate’s Measured + Indicated) within the Open Pit.
- Recent three-stage gravity recoverable gold (“GRG”) test work on the fresh mineralization achieved a gravity recovery in the range of 89-95%.
- The expanded 2019 Resource Estimate, along with Beatons Creek’s high metallurgical recovery (+97% gravity + carbon-in-leach; please refer to the Company’s news release dated March 7, 2017 for further details), make it the premier gold deposit in the Nullagine mining camp in the eastern Pilbara region.
- Mineralization remains open to the north-west and south-west with several areas identified for resource development drilling.

2019 Resource Estimate:

Open Pit Mineral Resources (oxide and fresh mineralization)

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

Open Pit Mineral Resources (oxide mineralization)

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

Open Pit Mineral Resources (fresh mineralization)

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

Inferred	0.5	2,645	2.9	250

Underground Mineral Resources (fresh mineralization)

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

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

	Cut-off Grade	Tonnes	Grade	Ounces Troy Au
Classification	Au g/t	(x1000)	Au g/t	(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/m^3 and fresh 2.85 t/m^3 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 Au g/t to 3.5 Au g/t for the 2019 Resource Estimate.
4. Columns may not total due to rounding.
5. One troy ounce is equal to 31.1034768 grams.

“We are very pleased to announce this Mineral Resource increase at Beatons Creek,” commented Mr. Rob Humphryson, CEO and a director of the Company. “Importantly, this demonstrates the potential for conglomerate gold deposits in the Pilbara. Novo has significant land holdings across the Pilbara prospective for this type of mineralization. We have leveraged our learnings and applied bulk sampling and processing techniques from our work at Comet Well in the west Pilbara, with more than 40 two-tonne samples excavated at Beatons Creek and treated at the SGS pilot plant facility in Perth underpinning the robustness of this increased Resource.”

In this news release, the terms “Mineral Reserve”, “Mineral Resource”, “Inferred Mineral Resource”, “Indicated Mineral Resource” and “Measured Mineral Resource” have the meanings given in the *CIM Definition Standards on Mineral Resources and Mineral Reserves* adopted by the Canadian Institute of Mining, Metallurgy and Petroleum Council.

Resource Modelling

The spatial extent of the 2019 Resource Estimate covers a surface area of over 2km x 2km. 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 2km.

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 1m 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 National Instrument 43-101 *Standards of Disclosure for Mineral Projects* published by the Canadian Securities Administrators (“NI 43-101”)) has 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 FAusIMM(CP), 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, however, no issues are known at this time. 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 2019 Resource Estimate for the Beatons Creek conglomerate gold project, and is independent of the Company for purposes of NI 43-101. Dr. Dominy is a Qualified Person as defined by NI 43-101.

Dr. Dominy is preparing a NI 43-101 technical report in respect of the 2019 Resource Estimate, which the Company is obligated under NI 43-101 to file on SEDAR within 45 days of the date this news release was disseminated.

Metallurgical Test Work on Fresh Mineralization

Three (3) PQ diamond drill holes (BCMET18-021, BCMET18-022, BCMET18-023) were drilled for metallurgical testwork within Fresh mineralization. These holes each intersected two (2) 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.

About Novo Resources Corp.

Novo’s focus is to explore and develop gold projects in the Pilbara region of Western Australia, and Novo has built up a significant land package covering approximately 12,000 sq km. For more information, please contact Leo Karabelas at +1416-543-3120 or e-mail leo@novoresources.com

On Behalf of the Board of Directors,

Novo Resources Corp.

“*Quinton Hennigh*”

Quinton Hennigh

Chairman and President

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Forward-looking information

Some statements in this news release contain forward-looking information (within the meaning of Canadian securities legislation) including, without limitation, the estimation of Mineral Resources at the Company’s Beatons Creek project. 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 risks and uncertainties inherent to mineral resource estimates.

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.