

Novo Closes Initial Tranche of Sprott Facility Concurrently With US\$3.6 Million Non-Brokered Financing and Completes Acquisition of Millennium Minerals Limited

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VANCOUVER, Sept. 08, 2020 - [Novo Resources Corp.](#) (the "Novo" or the "Company") (TSX-V: NVO) is pleased to announce that it has completed the acquisition of all of the outstanding shares of privately held [Millennium Minerals Ltd.](#) (the "Millennium") from IMC Resources Gold Holdings Pte Ltd, Heritas Capital Management (Australia) Pty Ltd, and IMC Resources Ltd (collectively, the "IMC") (the "Acquisition") first announced in the Company's news release dated August 4, 2020.

All amounts are in United States dollars unless indicated otherwise.

The Company is also pleased to announce that it has closed the initial tranche of its \$60 million four-year credit facility (the "Sprott Facility") with Sprott Private Resource Lending II (Collector), LP (the "Sprott"). The funds are available in two tranches, with the first \$35 million (subject to a lender's 12.286% cash discount for net proceeds of \$30.7 million) drawn down and the remaining \$25 million (subject to a lender's 2% cash discount) available to be drawn until March 31, 2021, at Novo's sole discretion, upon delivery of a pre-feasibility study acceptable to Sprott on the Company's Beatons Creek gold project and the satisfaction of certain other conditions. The Company will also pay to Clarus Securities Inc. and Stifel GMP a 4.5% cash fee on amounts drawn under the Sprott Facility.

Sprott has concurrently subscribed for 1,453,624 units (the "Sprott Units") at a price of C\$3.25 per Sprott Unit for gross cash proceeds of C\$4,724,280 (approximately \$3.6 million) (the "Sprott Private Placement"). Each Sprott Unit is comprised of one common share of Novo (each a "Share") and one-half of one transferable Share purchase warrant (each a "Sprott Warrant"), with each whole Sprott Warrant entitling Sprott to acquire one Share at a price of C\$4.40 for a period of 36 months after the issuance of the Sprott Units. The Sprott Units and their underlying securities are subject to a statutory four-month hold period in accordance with Canadian securities legislation. Proceeds raised from the issuance of the Sprott Units will be used for capital expenditures relating to the restart of Millennium's infrastructure and for general working capital purposes related thereto. The Sprott Private Placement will close upon receipt of TSX Venture Exchange acceptance.

As announced on August 27, 2020, the Company has also closed brokered and non-brokered private placements of Subscription Receipts (as defined below) raising gross proceeds of approximately C\$56 million. The Escrow Release Conditions (as defined below) having been satisfied, these funds were released from escrow to the Company in order for it to complete the Acquisition. In aggregate, subsequent to completion of the Sprott Private Placement and repayment of the cash component of IMC's secured debt of approximately \$43.7 million (A\$60 million) (as outlined below), and combined with the Company's current cash balance, the Company will have approximately \$44.8 million (C\$58.6 million) at its disposal to advance the Company's Beatons Creek gold project, with an additional gross amount of \$25 million (approximately C\$32.8 million) available pursuant to the second Sprott Facility tranche.

Pursuant to the agreements signed with IMC, Novo has acquired all of the outstanding ordinary shares of Millennium on a cash and debt free basis (except as described below) in exchange for the issuance to IMC of 17,706,856 Novo units (each a "Consideration Unit") at a deemed price of C\$3.25 per Consideration Unit for aggregate consideration of C\$57.6 million (A\$60.3 million). Each Consideration Unit is comprised of one Share and one-half of one transferable Share purchase warrant (each a

Consideration Warrant), with each whole Consideration Warrant entitling the holder to acquire one Share at a price of C\$4.40 until September 7, 2023 (the Acquisition Consideration Warrant).

Millennium is required, within five business days after the closing of the Acquisition, to repay IMC's secured debt of approximately \$50.3 million (A\$69 million) by way of payment of \$43.7 million (A\$60 million) in cash and the balance of \$6.6 million (A\$9 million) in units of Novo (each a Debt Settlement Unit) at a deemed price of C\$3.25 per Debt Settlement Unit. Each Debt Settlement Unit is comprised of one Share and one-half of one transferable Share purchase warrant (each a Debt Settlement Warrant), with each whole Debt Settlement Warrant entitling the holder to acquire one Share at a price of C\$4.40 for a period of 36 months after the closing date of the debt settlement (the Debt Consideration Warrant). Novo will provide funding to Millennium to allow repayment of IMC's secured debt.

The Consideration Units and the Debt Settlement Units issued to IMC, and the securities underlying the Consideration Units and the Debt Settlement Units, are subject to statutory and TSX Venture Exchange hold periods expiring on January 8, 2021; a further contractual hold period will apply to half of the Consideration Units and Debt Settlement Units issued to IMC, increasing the hold period for those securities to 12 months.

Subsequent to the issuance of the Consideration Units and the Debt Settlement Units, IMC will hold an approximate 9.73% undiluted interest in Novo which will decrease to approximately 8.94% once the Subscription Receipts issued pursuant to the brokered and non-brokered financings announced by the Company on August 27, 2020 convert to Financing Units (as defined below).

Novo has also agreed to pay to IMC deferred consideration in the form of a fee on future gold production equal to 2% of all gold revenue generated by Novo up to the later of cumulative gold production of 600,000 ounces or cumulative payments of A\$20 million having been made to IMC.

The Company's brokered and non-brokered private placements of a total of 17,192,379 subscription receipts (the Subscription Receipts) at a price of C\$3.25 per Subscription Receipt closed on August 27, 2020 (the Offering). The Subscription Receipts were issued pursuant to a subscription receipt agreement (the Subscription Receipt Agreement) entered into by the Company, Clarus Securities Inc. and Stifel GMP, as co-lead agents on behalf of themselves and PI Financial Corp., CIBC Capital Markets and Haywood Securities Inc. (collectively, the Agents), and Olympia Trust Company as subscription receipt agent. Pursuant to the Subscription Receipt Agreement, the proceeds from the Offering except for 50% of the Agents' 6% cash commission and all of the Agents' expenses (the Escrowed Funds) were held in escrow and released on September 8, 2020 upon satisfaction of certain conditions including, amongst others, (a) the satisfaction or waiver of each of the conditions precedent to the Acquisition; and (b) the receipt of all required regulatory (including TSX Venture Exchange) approvals in connection with the Acquisition (Escrow Release Conditions).

The Subscription Receipts remain outstanding and will automatically be exchanged for one unit of Novo (a Financing Unit), on the date that is the earlier of:

1. the date that is three business days following the issuance by the British Columbia Securities Commission, as principal regulator, of a receipt (the Final Receipt) of the Qualifying Jurisdictions (as defined below) for a final short form prospectus qualifying the distribution of the Financing Units underlying the Subscription Receipts (the Qualifying Prospectus); and
2. December 28, 2020.

Each Financing Unit is comprised of one Share and one-half of one transferable Share purchase warrant (a Financing Warrant), with each whole Financing Warrant entitling the holder thereof to acquire one Share at a price of C\$4.40 until August 27, 2023.

The Company has agreed to use its commercially reasonable efforts to obtain the Final Receipt by 5:00 p.m. (Toronto time) on November 25, 2020 (the Qualification Deadline). In the event the Final Receipt is not obtained by the Qualification Deadline, the Financing Units will be comprised of one Share and one whole Financing Warrant (rather than one-half of one Financing Warrant).

The Subscription Receipts issued under the Offering were sold pursuant to private placement exemptions in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia (the "Qualifying Jurisdictions"). The Subscription Receipts and the Financing Warrants, and the Shares underlying the Subscription Receipts and the Financing Warrants respectively, are subject to a statutory hold period in accordance with Canadian securities legislation expiring on December 28, 2020 unless sooner qualified under the Qualifying Prospectus. Securities of the Company sold in the Offering in the United States or to, or for the benefit of, U.S. persons constitute "restricted securities" under U.S. securities laws and, accordingly, are also subject to additional resale restrictions.

About Novo Resources Corp.

Novo's focus is primarily to explore and develop gold projects in the Pilbara region of Western Australia, and Novo has built up a significant land package covering approximately 13,750 square kilometres with varying ownership interests. 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

Neither 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 news release.

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, including without limitation statements regarding the expected completion of the Sprott Private Placement and the intended filing of the Qualifying Prospectus. 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 Company's plans advance the Beatons Creek Project. 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 January 31, 2020, which is 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.

This news release does not constitute an offer for sale, or a solicitation of an offer to buy, in the United States or to any "U.S. Person" (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "1933 Act")) of any equity or other securities of Novo. The securities of Novo have not been, and will not be, registered under the 1933 Act or under any state securities laws and may not be offered or sold in the United States or to a U.S. Person absent registration under the 1933 Act and applicable state securities laws or an applicable exemption therefrom.

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