

Nova Royalty Reports Audited Financial Results for the Twelve Months Ended Dec 31, 2020 and Provides Asset Update

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VANCOUVER, May 3, 2021 - [Nova Royalty Corp.](#) ("Nova" or the "Company") (TSXV: NOVR) (OTCQB: NOVRF) announces its financial results for the fourth quarter and year ended December 31, 2020 and provides an asset update. Nova's audited consolidated financial statements ("Financial Statements") and management's discussion and analysis for the three and twelve months ended December 31, 2020, as well as the Company's annual information form for the year ended December 31, 2020, are available on SEDAR at www.sedar.com and on Nova's website at www.novaroyalty.com.

Alex Tsukernik, President and CEO of Nova, commented "2020 was a transformational year for Nova. The Company now owns royalties on several of the largest and most advanced copper and nickel deposits that will be critical in achieving global net-zero emission targets by 2050. With a rapidly diversifying portfolio, Nova has emerged as a natural partner for owners of royalties on the world's most significant copper and nickel deposits. As we continue our growth, we look forward to providing an investment option for any investor looking to participate in the global energy transition."

2020 Highlights

During the year ended December 31, 2020 and the subsequent period, the Company:

Asset Updates

- Grew its portfolio from 5 to 18 royalties, through the following transactions:

- Acquired an aggregate 0.42% net smelter returns royalty ("NSR") on the Taca Taca copper-gold-molybdenum project owned by First Quantum Minerals (TSX: FM). The NSR was acquired via two separate transactions. The aggregate consideration paid was US\$26.75 million in cash and common shares of Nova upfront, US\$2.0 million in deferred cash payments in 2021 and 2022, and US\$4.0 million in cash due at commercial production of Taca Taca.
- Acquired a 2.0% NSR on the copper revenues from the Cañtarito claim within the La Fortuna copper-gold deposit that is a part of the NuevaUnión joint venture between Teck Resources (TSX: TECK.A and TECK.B, NYSE: TECK) and Newmont Corporation (NYSE: NEM). The purchase price was US\$2.25 million in cash upfront, US\$750,000 in cash in February 2021 (subsequently paid), and US\$3.0 million in cash and common shares of Nova at commercial production from the Cañtarito claim.
- Acquired a 0.98% NSR on open pit production and 0.49% NSR on underground production from the San Jose 1/3000 claim on the Vizcachitas copper-molybdenum deposit owned by Los Andes Copper (TSX-V: LA). The San Jose 1/3000 claim covers approximately 50% of the mine plan in the Preliminary Economic Assessment ("PEA") on Vizcachitas dated June 13, 2019. The mine plan in the PEA is 100% open pit. The purchase price was US\$6.5 million in cash upfront and US\$9.5 million in common shares of Nova upon achievement of several project progression milestones.
- Acquired a 2.4% NSR¹ on the copper and nickel revenues on approximately 18% of the Twin Metals project owned by Antofagasta plc (LSE: ANTO). The purchase price includes US\$2.0 million in cash and common shares of Nova upfront and US\$4.0 million in contingent payments in cash and common shares of Nova upon permitting and production milestones.
- Acquired a 1.0% NSR on the Janice Lake copper-silver project being advanced by Rio Tinto and a portfolio of 8 exploration royalties for aggregate consideration of C\$1.7 million in cash and common shares of Nova upfront, plus additional contingent payments based on project milestones at Janice Lake.
- Secured an aggregate C\$32.5 million financing commitment from Beedie Capital. In February 2020, Beedie Capital supported the Company's C\$5.85 million private placement of units at 50 cents/unit with a C\$1.0 million investment. On October 1, 2020, on the morning of its direct listing on the TSX Venture Exchange ("TSXV"), the Company announced a C\$15.0 million financing commitment by Beedie Capital, consisting of a C\$13.0 million convertible note facility and a C\$2.0 million equity commitment in the Company's first public equity offering (subsequently completed in November 2020). In February 2021, Beedie converted the C\$3.5 million outstanding principal on the convertible note facility at C\$1.00/share and extended the facility size by C\$15.5 million. The Company also drew down an additional C\$5.0 million under the facility at a conversion price of C\$5.67/share. The Company currently has C\$20.0 million of available capital under the Beedie convertible note facility.
- Completed a direct listing of common shares on the TSX Venture Exchange on October 1, 2020.
- Strengthened Board of Directors with the appointment of Brett Heath as Chairman and Andrew Greville and E.B. Tucker as Non-Executive Directors.
- Strengthened management team with the appointment of Bill Tsang as Chief Financial Officer and Brian Ferrey as Vice President, Corporate Development & Strategy.
- Established a C\$25.0 million At-The-Market equity program with BMO Capital as the lead selling agent on February 26, 2021.
- Completed a public offering of common shares of Nova at C\$1.45/share on November 20, 2020, for aggregate gross proceeds of C\$14,423,000.
- Completed a private placement of units consisting of one common share and one half-warrant on February 25, 2020, for aggregate gross proceeds of C\$5,846,586.
- Set the date for its Annual General Meeting of shareholders for June 10, 2021.

Taca Taca

On November 30, 2020, [First Quantum Minerals Ltd.](#) ("First Quantum") announced the filing of an updated

National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") Technical Report dated November 2020 for the Taca Taca copper-gold development project in Argentina and declared a Maiden Mineral Reserve estimate of over 7.7 million tonnes of contained copper. The NI 43-101 Technical Report contemplates an open pit mine design, processing throughput of up to 60 million tonnes per annum through a conventional flotation circuit and a mine life of approximately 32 years. Recovered copper reaches a peak of approximately 275,000 tonnes within the first ten years of operations.

On March 29, 2021, First Quantum filed an Amended & Restated NI 43-101 Technical Report, which included an after-tax cash flow model, highlighting a post-tax NPV of US\$2,361 million and IRR of 15.3%. First Quantum expects to make a construction decision at Taca Taca in 2023 or 2024.

Nova owns a 0.42% NSR on the Taca Taca project.

For more information, please refer to www.first-quantum.com and see the news releases dated November 30, 2020 and March 29, 2021, respectively.

Vizcachitas

On April 30, 2021, Los Andes Copper Ltd. ("Los Andes") announced that it received unanimous approval from the Regional Environmental Committee (Comision de Evaluacion Ambiental) for drilling to be carried out at Vizcachitas. The approval follows successful completion of the public participation process with Chile's Environmental Evaluation Service ("SEA"), which was announced on December 14, 2020. Los Andes will now be able to carry out drilling to complete a Pre-Feasibility Study ("PFS") for the Vizcachitas project. Los Andes's proposed workplan includes infill drilling within the PFS open pit, drilling to extend the higher-grade mineralisation to the north of the PEA pit, and to test the prospective geophysical targets identified in 2020. This announcement is expected to trigger a US\$1.75 million milestone payment, payable in common shares of Nova (to be priced based on a 30-day volume weighted average trading price of the common shares of Nova at the time of issuance).

On April 1, 2021, Los Andes announced that it completed PFS-level metallurgical testwork at Vizcachitas. Final test results from a comprehensive bench scale testwork program completed by SGS Minerals in Santiago, Chile confirmed a copper recovery of 91.4% and the production of high-quality, clean copper concentrate. The PFS testwork results confirmed the 91.0% overall life of mine recovery assumption used in Los Andes's 2019 Preliminary Economic Assessment.

Previously, on May 14, 2020, Los Andes reported an update on the ongoing work for the Vizcachitas PFS. Highlights of the main advances in the PFS included:

- Testwork showed that a High Pressure Grinding Roll circuit is feasible and could provide enhanced project economics with lower energy consumption and increased operating flexibility
- Vizcachitas is amenable to the use of filtering and dry-stack tailings, which would significantly reduce water consumption, project footprint, and environmental impact
- Due to the reduced footprint required for dry stacked tailings, it is possible to have all project infrastructure in one operating complex in the Rocin Valley

Nova owns a 0.98% NSR royalty on open pit production and a 0.49% NSR royalty on underground production from the San Jose 1/3000 claim that covers approximately 50% of the mine plan in the PEA on Vizcachitas dated June 13, 2019. The mine plan in the PEA is 100% open pit.

For more information, please refer to www.losandescopper.com and see the news releases dated April 30, 2021, April 1, 2021, December 14, 2020, and May 14, 2020, respectively.

Dumont

On July 22, 2020, two private funds advised by Waterton Global Resource Management Inc. (collectively "Waterton") reached an agreement to acquire a 28% interest in the Dumont nickel project in Quebec from Karora Resources Inc. ("Karora") for up to C\$48 million, bringing its ownership in Dumont following the

acquisition from Karora to 100%. Later in 2020, the Fish Habitat Compensation Project, which entailed the refurbishment of the Dasserat Dam outside of Rouyn Noranda, was substantially complete. In 2021, a Life Cycle Assessment was completed to quantify the expected carbon footprint of the Dumont project.

The Dumont project is fully permitted and shovel ready.

Nova owns a 2.00% NSR royalty that covers approximately 21% of the Dumont deposit.

For more information, please refer to www.dumontnickel.com as well as the news release dated July 22, 2020 available at www.karoraresources.com.

NuevaUnión

In Teck Resources ("Teck") Management Discussion and Analysis dated February 17, 2021, Teck disclosed that in 2020, limited work at NuevaUnión focused on a review of study results and an assessment of optimization opportunities, with assessments continuing in 2021.

Nova owns a 2.00% NSR royalty on future production over copper from the Cañarito claim in the La Fortuna Deposit.

For more information, please refer to www.teck.com.

Twin Metals

On June 30, 2020, Twin Metals Minnesota ("Twin Metals") announced that it had received the U.S. Bureau of Land Management ("BLM") Notice of Intent to scope and prepare an Environmental Impact Statement ("EIS") for the Twin Metals nickel-copper-PGM project in Minnesota. The BLM notice formally initiated the scoping and environmental review process at the U.S. federal government level under the National Environmental Policy Act. A parallel state-level environmental review process will be led by the Minnesota Department of Natural Resources. Twin Metals formally submitted its mine plan on December 18, 2019, following more than a decade of engineering, environmental and engagement work.

On September 25, 2020, Twin Metals and the Minnesota Conservative Energy Forum ("MnCEF") announced a partnership to explore the strong connection between clean energy technologies - which require large quantities of copper and nickel - and Twin Metals's project. The partnership will focus on opportunities for policymakers and the public to learn about the global need for mineral resources to accomplish a clean energy transition.

Nova owns a 2.40% NSR royalty (payable at 1/3 of gross value) on contained copper and nickel metal on approximately 18% of the combined resources in the Maturi and Maturi Southwest deposits.

For more information, please refer to www.twin-metals.com and see the news releases dated June 30, 2020 and September 25, 2020, respectively.

Janice Lake

On April 14, 2021, [Forum Energy Metals Corp.](http://www.forumenergy.com) ("Forum") announced that Rio Tinto Exploration Canada ("Rio Tinto") had completed its winter drilling program at the Janice Lake project. First assay results are expected in May 2021. Two drills were left at the 80-person exploration camp in preparation for a potential resumption of drilling in June 2021.

On September 29, 2020, Forum announced that Rio Tinto had completed its summer exploration program at the Janice Lake copper/silver project in Saskatchewan, the results of which would be used to plan a drill

program in 2021. Rio Tinto completed a 25 hole Rotary Air Blast program to help identify targets for a 2021 diamond drill program, took 525 outcrop samples over the 52km property, took 167 soil samples and 379 vegetation samples, and completed 22.5 line km of gradient array induced polarization and 6.4 km of DCIP surveys at the Jansem and Rafuse targets, and completed a 9.2 km Audio Magnetic Telluric survey over the Jansem and Janice targets. An 80-person camp was also constructed to serve as a base for future exploration campaigns on the property.

On May 12, 2020, Forum announced that Rio Tinto had completed its first year obligations under the Janice Lake Option/Joint Venture Agreement. Rio Tinto spent C\$3.7 million on the 2019 exploration program, meeting its C\$3.0 million exploration commitment 10 months ahead of schedule. The 2019 exploration program included airborne magnetic surveying and initial exploration drilling at the Jansem, Janice, and KAZ targets, where significant grades and thickness of copper mineralization were identified. Notable intercepts include 0.45% Cu and 3.6g/t Ag over 50.5 meters, 1.03% Cu and 9.5g/t Ag over 5.5 meters, and 1.09% Cu and 1.4g/t Ag over 9.1 meters.

Nova owns a 1.00% NSR royalty on the Janice Lake project.

For more information, please refer to www.forumenergymetals.com and see the news releases dated April 14, 2021, September 29, 2020, and May 12, 2020, respectively.

Qualified Person

Technical information contained in this news release originates in the public disclosure set out above and has been reviewed and approved by Christian Rios, AIPG Certified Professional Geologist, Advisor to Nova and a Qualified Person as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects.

ABOUT NOVA

Nova is a royalty company focused on providing investors with 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".

ON BEHALF OF [Nova Royalty Corp.](#),

(signed) "Alex Tsukernik"

President and Chief Executive Officer

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

¹ Please, see the Company's Annual Information Form or the Twin Metals acquisition press release dated November 11, 2020 for additional information on the calculation of the royalty payments.

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 information in this press release includes, but is not limited to, statements relating to plans of the property owners to advance their properties on which Nova has royalties. 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 final non-offering long form prospectus dated August 14, 2020 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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