

Nova Royalty Reports Audited Financial Results for the Three and Nine Months Ended September 30, 2021 and Provides Asset Update

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VANCOUVER, Nov. 29, 2021 - [Nova Royalty Corp.](#) ("Nova" or the "Company") has reported its financial results for the third quarter ended September 30, 2021. Nova's auditor reviewed interim financial statements and management's discussion and analysis for the three and nine months ended September 30, 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 "In the third quarter, Nova completed the acquisition of its first cash flowing royalty on the Aranzazu copper-gold-silver mine, owned by [Aura Minerals Inc.](#) (TSX: ORA). The Aranzazu mine is performing above expectations, having achieved record production in the third quarter of 2021. Based on operating results achieved during Q3 2021, annualized royalty revenue to Nova would equate to approximately \$1.7 million."

Asset Update

Taca Taca Project

Nova owns a 0.42% net smelter return royalty ("NSR") on the Taca Taca copper-gold-molybdenum project, owned by [First Quantum Minerals Ltd.](#) ("First Quantum"; TSX: FM). This NSR is a part of a broader, existing 1.50% NSR on Taca Taca, where the remaining 1.08% is held by Franco-Nevada Corporation. Taca Taca is a porphyry copper-gold-molybdenum project located in northwestern Argentina in the Puna (Altiplano) region of Salta Province, approximately 55 kilometers east of the Chilean border and 90 kilometers east of Escondida, the world's largest copper mine. The project is located 10 kilometers from the railway line that connects Salta with Antofagasta with previous studies showing available local power and water sources for the operation of the project.

On November 30, 2020, First Quantum published a new NI 43-101 Technical Report on Taca Taca, which was subsequently updated in March 2021 to include additional financial disclosure. The report documented an updated Mineral Resource model and a maiden Mineral Reserve estimate of 7.7 million tonnes of contained copper, derived from an open pit mine design and plan which contemplates processing throughput of up to 60 million tonnes per annum through a conventional flotation circuit with a mine life of approximately 32 years. The recovered copper reaches a peak of approximately 275,000 tonnes per annum within the first ten years of operations. The primary Environmental and Social Impact Assessment for the project, which covers the principal proposed project sites, was submitted to the Secretariat of Mining of Salta Province in 2019.

As of September 30, 2021, First Quantum last reported proven & probable mineral reserves at Taca Taca of 1,758.5 million tonnes at 0.44% copper, 0.09 g/t gold, and 0.012% molybdenum.(1)

NuevaUnión Project

Nova owns a 2.0% NSR on the NuevaUnión project in Chile, which is a 50-50 joint venture between Teck Resources Limited ("Teck"; TSX: TECK.A and TECK.B) and Newmont Corporation ("Newmont"; NYSE: NEM). The NSR is on a portion of the project that relates to copper revenues from the Cantarito Claim within the La Fortuna deposit. Teck previously guided to completion of a Feasibility Study in Q1 2020. The joint venture is currently engaged in review of study results and assessment of optimization opportunities, which is expected to continue in 2021.

As of September 30, 2021, Teck last reported proven & probable reserves at the La Fortuna deposit of 682.2

million tonnes at 0.51% copper and 0.47 g/t gold.

West Wall Project

In June 2021, Nova acquired 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 ("Anglo American"; LSE: AAL) and Glencore PLC ("Glencore"; LSE: GLEN). Cash consideration of US\$4,200,000 was paid on closing of the acquisition on June 18, 2021.

Under the terms of the West Wall acquisition, Sociedad Minera Auromín Limitada ("Auromín") assigned the Company all of the rights granted to Auromín (the "Participation"), as defined in a Participation Agreement between Auromín and a subsidiary of Anglo American, concerning West Wall and any other mining tenements established as designated areas in the surrounding region ("Participation Agreement").

The Participation Agreement provides that, upon the fulfillment of certain conditions, including Anglo American making a production decision at West Wall, a sociedad contractual minera ("SCM") will be incorporated, and into which the mining tenements corresponding to the project will be transferred. The owner of the Participation will be issued shares in the SCM, which will give such owner an 8.0% interest in the SCM. Subsequently, if one or more mines are brought into production for West Wall or another designated area, Anglo American will repurchase from the owner of the Participation the shares in the SCM that correspond to a 7.0% interest in the SCM for a predetermined price, leaving the owner of the Participation with a 1.0% interest in the SCM, which entitles the owner to a 1.0% net proceeds of production royalty from West Wall. A SCM will be similarly established for any other designated area within the scope of the Participation Agreement, giving the owner of the Participation the same rights as stated above with respect to such designated areas.

All payments resulting from the repurchase by Anglo American of the 7.0% interest in the SCM will be reimbursed in full to Auromín. The Company will retain sole ownership of 1.0% of the shares in the SCM, which entitle the owner of such shares to the 1.0% net proceeds of production royalty from the project or such other designated area, as the case may be, which will not be subject to repurchase by Anglo American.

As of September 30, 2021, Anglo American and Glencore last reported indicated resources at West Wall of 861 million tonnes at 0.51% copper, 0.009% molybdenum and 0.05 g/t gold and inferred resources at West Wall of 1,072 million tonnes at 0.42% copper, 0.006% molybdenum and 0.05 g/t gold.(2)

Aranzazu Mine

In August 2021, Nova acquired a 1.0% NSR on the Aranzazu copper-gold-silver mine (the "Aranzazu Royalty") owned by Aura Minerals Inc. ("Aura"; TSX: ORA). Consideration of US\$8,000,000 cash and US\$1,000,000 in common shares of the Company was paid on upon closing of the acquisition.

Aranzazu is a copper-gold-silver deposit located within the Municipality of Concepcion del Oro in the State of Zacatecas, Mexico, approximately 250 kilometers to the southwest of the city of Zacatecas. The current mine at Aranzazu has been in operation since 1962, with documented evidence of mining in the area dating back nearly 500 years. Aura is the sole owner and operator of Aranzazu, having assumed ownership in 2010. In 2014, Aura closed the mine to re-engineer and re-develop various aspects of the operation. The mine reopened in 2018 and attained commercial production in December 2018, since which time Aura has continually improved the efficiency of the operation. The Aranzazu operation comprises an underground mine using long hole open stoping and an on-site plant, which produces copper concentrate with gold and silver by-product via conventional flotation processing.

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. Aura disclosed that Aranzazu produced 11.4 Mlbs CuEq at cash costs of US\$1.68/lb CuEq during Q3 2021 and 32.6 Mlbs CuEq at cash costs of US\$1.66/lb CuEq for the nine months ended September 30, 2021. Aura further disclosed the production guidance range for Aranzazu for Q4 2021 as being between 13.4 and 14.2 Mlbs CuEq.(3)

Nova is entitled to 1.0% of the net smelter returns on all products sold at Aranzazu, less certain allowable deductions, provided that the monthly average price per pound of copper, as quoted by the London Metals Exchange, equals or exceeds US\$2.00/lb. Aranzazu currently receives revenue from the sale of copper concentrate, including payment for gold and silver by-products, all of which is subject to the Aranzazu Royalty.

Nova expects to receive Aranzazu Royalty payments on a semi-annual basis in accordance with the terms of the Aranzazu Royalty. The seller of the Aranzazu Royalty is entitled to economic benefits on Aranzazu Royalty payments that accrued from July 1, 2021 up to August 27, 2021, the closing date of the Aranzazu acquisition. Nova fulfilled this obligation by paying approximately US\$200,000 in cash in addition to the US\$9.0 million purchase price paid for the Aranzazu Royalty on the closing date of the Aranzazu acquisition. 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.

Dumont Project

Nova owns a 2.0% NSR on the Dumont nickel-cobalt project located in Quebec. The NSR is on a portion of the deposit, representing approximately 21% of the measured & indicated resources as of July 11, 2019. Dumont is wholly owned by Waterton Global Resource Investments, which on July 28, 2020, completed the buyout of the 28% interest of [Karora Resources Inc.](#) ("Karora"), for total consideration of up to \$48 million. In July 2019, Karora published proven and probable reserves of 1.028 billion tonnes grading 0.27% nickel and 107 ppm cobalt, measured resources of 372 million tonnes grading 0.28% nickel and 112 ppm cobalt and indicated resources of 1.293 billion tonnes grading 0.26% nickel and 106 ppm cobalt.(4)

Vizcachitas Project

Nova owns a 0.98% NSR on the San Jose 1/3000 claim which represents approximately 50% of the project within the Vizcachitas copper-molybdenum porphyry project in Central Chile. Vizcachitas is 100% owned by Los Andes Copper (TSX-V: LA). In June 2019, Los Andes Copper completed a Preliminary Economic Assessment outlining a 45-year open-pit mine life at a throughput of 110,000 tonnes per day. An expanded drilling program is currently underway at the project, the results of which will be used to complete a Pre-Feasibility Study, targeted by Los Andes for Q1 2022. The project is located in an area with developed infrastructure and is within 100 kilometers of three major operating mines, Los Pelambres owned by Antofagasta PLC (LSE: ANTO), Andina, owned by Codelco and Los Bronces, owned by Anglo American (LSE: AAL).

As of September 30, 2021, Los Andes Copper last reported measured & indicated mineral resources at Vizcachitas of 1,284 million tonnes at 0.40% copper and 0.014% molybdenum.(5)

Twin Metals Project

Nova owns a 2.4% NSR(6) on a portion of the Twin Metals copper-nickel-platinum group metals project, owned by Antofagasta PLC through its subsidiary, Twin Metals Minnesota ("TMM").

In October 2021, the U.S. Bureau of Land Management ("US BLM") rejected TMM's preference right mineral lease applications and prospecting permit applications, which comprised about one-third of the area of land included in the mine plan of the Twin Metals Project. TMM has announced that it will appeal the US BLM decision. Although the US BLM's decision does not affect TMM's two existing federal leases (which include the area subject to Nova's royalty), the U.S. federal government also announced that it has ordered a mineral withdrawal study on 225,000 acres of federal land in northeast Minnesota, which may lead to a 20-year ban on mining in the area. The Company is monitoring the situation and will consider its options in due course.

On June 30, 2020, TMM announced that it has received the US BLM Notice of Intent to scope and prepare an Environmental Impact Statement ("EIS") for its proposed copper-nickel-cobalt-platinum group metals mine in northeast Minnesota.

The US BLM Notice of Intent formally initiates the scoping and environmental review process at the federal

level under the National Environmental Policy Act, which will allow for a thorough analysis of the potential impacts and benefits of Twin Metals' proposed project. Multiple federal agencies and tribal governments will be engaged in the process, and the public will have several opportunities to participate through comment periods. A parallel environmental review process will be led by the Minnesota Department of Natural Resources.

In December 2019, TMM presented its Mine Plan of Operations ("MPO"), a prerequisite for permitting applications, to the US BLM and a Scoping Environmental Assessment Worksheet Data Submittal was also issued to the Minnesota Department of Natural Resources. The proposed underground mine plan set out a 25-year mine life with an approximate total tonnage of 180 million tonnes of mined and processed ore. These submissions start a multi-year scoping and environmental review process that will thoroughly evaluate the proposed project. The review process will include additional baseline data collection, impact analyses, and multiple opportunities for public input.

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" and on the US OTCQB under the trading symbol "NOVRF".

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

(signed) "Alex Tsukernik"

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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 Aura Management's Discussion and Analysis for the three and nine months ended September 30, 2021 and corporate presentation dated November 17, 2021. Copper Equivalent production was calculated based on gold equivalent ounce guidance, gold equivalent ounce production for the nine months ended September 30, 2021, and commodity price assumptions used in gold equivalent ounce calculations disclosed by Aura
- (2) Refer to Dumont Feasibility Study Technical Report NI 43-101 dated July 11, 2019.
- (3) Refer to Los Andes Copper Technical Report NI 43-101 dated June 13, 2019.
- (4) The total royalty payable is $\frac{1}{2}$ of the U.S. Government royalty, which was most recently quoted at 4.8%. The U.S. government royalty is subject to change, which would change the royalty payable to Nova. The royalty currently payable to Nova is calculated in the following formula: $4.8\% * \frac{1}{2} * \frac{1}{3} * \text{ore mined} * \text{grade mined} * \text{applicable prices of copper and nickel}$. The royalty is calculated on the basis of contained metal in ore by multiplying ore mined by the grade of the material - and does not subtract the usual deductions due to recoveries, payabilities, TC/RCs, and other applicable operating costs. The $\frac{1}{3}$ multiplier in the royalty calculation regarding the forward-looking statements in these usual costs are captured.

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.](http://www.novaroyalty.com)

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