

Nullagine Gold Project Production Update

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KEY POINTS

- During the fourth quarter of 2021 ("Q4 2021"), one lost-time injury was recorded (the only lost-time injury for 2021)
- Lower than forecast gold production of 12,833 oz Au in Q4 2021¹ due to a change in the December mining schedule and reduction in recovery due to technical issues with the carbon regeneration kiln, delivering production of 49,364 oz Au for the year ended December 31, 2021 ("CY 2021") from the Company's Beatons Creek conglomerate gold project ("Beatons Creek")
- Strong financial position maintained
 - Q4 2021 revenue of C\$30 million (A\$32.4 million)¹ from the sale of 13,023 oz Au
 - December 31, 2021 cash balance of C\$32.4 million
 - Investment portfolio fair value of approximately C\$146 million²
- Extensive exploration program and mechanical sorting Phase 2 testing continued, with C\$6.1 million² incurred in Q4 2021
- Although there have been minimal COVID-related operational disruptions to date, the Company is experiencing early indications of cost, supply chain, and personnel pressures which may impact operations

Key Q4 & 2021 Operational and Financial Performance²

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	CY 2021
Gold Production (oz Au)	3,497	14,890	18,144	12,833	49,364
Mining (tonnes)	174,000	477,000	478,000	434,000	1,563,000
Processing (tonnes)	150,000	366,000	451,000	395,000	1,362,000
Revenue (C\$M)	\$ 7.7	\$ 31.7	\$ 43.0	\$ 30.0	\$ 112.4
Cash Position (C\$M)	\$ 21.0	\$ 46.3	\$ 44.1	\$ 32.4	\$ 32.4

VANCOUVER, British Columbia., Jan. 14, 2022 -- [Novo Resources Corp.](#) ("Novo" or the "Company") (TSX: NVO, NVO.WT & NVO.WT.A) (OTCQX: NSRPF) provides a Q4 2021 operational update from Beatons Creek, located in Nullagine, Western Australia.

"The Company continues to implement its optimized mining approach to guide operational efforts," commented Mr. Mike Spreadborough, Executive Co-Chairman of Novo. "Mining for the quarter was on target, but processing and production were impacted by some short-term plant and scheduling issues. Pleasingly, our plant has resumed operating at a target annualized rate of approximately 1.8 million tonnes per annum. While the inevitable increase in COVID-19 cases in Western Australia may create certain operational challenges in the coming months, the team has been preparing for this situation and is committed to achieving the Company's goals."

NULLAGINE GOLD PROJECT

Safety and COVID Update

Safety is a core value, with continuous focus on safety outcomes. During the 12 months through Q4 2021, the Company recorded only one lost time injury. Preparations are ongoing to manage risks associated with the easing of Western Australian state border restrictions scheduled for February 5, 2022. The Company has, however, experienced early indications of cost, supply chain, and personnel pressures due to COVID.

Operations

Production did not meet forecast in Q4 2021. The Company announced its optimized five-year plan on December 13, 2021, including the implementation of a revised mining approach with continued closer-spaced grade control drilling. The forecast mine schedule for December was changed due to a delay in the closer-spaced grade control drilling, assaying and modelling of the higher-grade Golden Crown "OX01" area. In order to ensure the revised mining approach is followed to maximize the grade of material mined and mining recovery, the Company opted to process lower-grade stockpiles available at the Golden Eagle processing plant (the "Golden Eagle Plant") in the latter half of December in lieu of processing originally planned higher-grade material.

Mining rates at Beatons Creek achieved forecast in Q4 2021, with 434 kt of mineralized material mined from Beatons Creek. A total of 1,563 kt of mineralized material were mined from Beatons Creek in CY 2021.

The Company's Golden Eagle Plant processed 395 kt in Q4 2021, with 1,363 kt milled in CY 2021. Q4 2021 head grade was 1.16 g/t Au. Processing rates in October and November were affected by a number of unscheduled short-term mill shuts, including the longer shut in early November which accompanied significant crusher maintenance (*refer to the Company's news releases dated November 1, 2021, and November 5, 2021*). However, the Golden Eagle Plant resumed operation, with 155 kt processed in December 2021, which is in line with the Company's forecast to process at an annualized rate of approximately 1.8 million tonnes per annum.

Gold production in Q4 2021 totalled 12,833 ounces of gold with CY 2021 total production of 49,364 ounces of gold. Recovery rates of approximately 91.5% were achieved in Q4 2021 and averaged approximately 93.0% in CY 2021. Recovery rates averaged 92.7% in October and November, however temporarily decreased to 89.2% in December while issues were experienced with the carbon regeneration kiln. The Company has been working to rectify these issues and expects to do so in January 2022.

The Company's production forecast for the first half of 2022 of 27 koz - 33 koz Au remains influenced by close-spaced drilling and mine-to-mill reconciliation efforts, assumes receipt of requisite approvals¹, and is significantly dependent on minimal impact to operations from COVID.

Further to the Company's news release dated November 5, 2021, the Company has substantially completed major works to raise its tailings storage facility and has approximately 24 months of processing capacity remaining.

Novo Financial Position

Novo's robust cash balance of C\$32.4 million and investment portfolio with a fair value of approximately C\$146 million³ have enabled Novo's continued focus on extensive exploration programs and development of the mechanical sorting program.

Q4 2021 gold sales totalled 13,023 ounces of gold and 1,758 ounces of silver for gross revenue of C\$30 million (A\$32.4 million)². CY 2021 gold sales totalled 49,231 ounces of gold and 6,829 ounces of silver for gross revenue of C\$112.4 million (A\$119.3 million)². Novo sells its gold in Australian dollars to ABC Refinery of Sydney, Australia and continues to enjoy strong gold price performance in Australian dollar terms.

During Q4 2021, the Company continued to advance its exploration and mechanical sorting projects and committed C\$6.1 million² to these endeavours.

In addition to its cash reserves, the Company's strategic portfolio of investments held a fair value of approximately C\$146 million³ as at December 31, 2021, including its 9.5% investment in [New Found Gold Corp.](#) (TSXV: NFG) which was worth approximately C\$135 million³.

QP STATEMENT

Dr. Quinton Hennigh (P.Geo.) is the qualified person, as defined under National Instrument 43-101

Standards of Disclosure for Mineral Projects, responsible for, and having reviewed and approved, the technical information contained in this news release. Dr. Hennigh is the non-executive co-chairman and a director of Novo.

CAUTIONARY STATEMENT

The decision by the Company to produce at Beatons Creek was not based on a feasibility study of mineral reserves demonstrating economic and technical viability and, as a result, there is an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that that anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on the Company's cash flow and future profitability.

The Company cautions that its declaration of commercial production effective October 1, 2021 only indicates that the Nullagine Gold Project was operating at anticipated and sustainable levels and it does not indicate that economic results will be realized.

ABOUT NOVO

Novo operates its flagship Beatons Creek gold project while exploring and developing its prospective land package covering approximately 13,250 square kilometres in the Pilbara region of Western Australia. 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.

"Michael Spreadborough"

Michael Spreadborough

Executive Co-Chairman

Forward-looking information

Some statements in this news release contain forward-looking information (within the meaning of Canadian securities legislation) including, without limitation, (1) that the Company expects to rectify issues being experienced with its carbon regeneration kiln in January 2022, (2) that reconciliation of mineralized material mined in December supports the new approach of using higher density drilling and block modelling for grade determination, improving the mining team's ability to forecast future mineralized material volume and quality, (3) that the Company expects to produce 27 koz - 33 koz Au in the first half of 2022, and (4) that the Golden Eagle facility is forecast to process at an annualized rate of approximately 1.8 million tonnes per annum. 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 the risk factors identified in Novo's management's discussion and analysis for the nine-month period ended September 30, 2021, which is available under Novo's profile 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.

1 Refer to the Company's news release dated December 13, 2021.

2 Financial figures may differ immaterially from final results due to foreign exchange and rounding differences.

3 This value excludes the fair value of warrants held in GBM Resources Ltd. Novo's ability to dispose of its investments is subject to certain thresholds pursuant to its senior secured credit facility with Sprott Private Resource Lending II (Collector), LP. Please refer to the Company's management discussion and analysis for the 9-month period ended September 30, 2021, which is available under Novo's profile on SEDAR at www.sedar.com. Novo's investment in [New Found Gold Corp.](#) is subject to escrow requirements pursuant to National Instrument 46-201 Escrow for Initial Public Offerings. The value of Novo's holdings in Elementum 3D, Inc. ("E3D") is based on E3D's most recent financing price of US\$2.50 per share. Except for its investment in E3D, the fair value of Novo's investments is based on closing prices of its investments and relevant foreign exchanges rate as at December 31, 2021.

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