

Novo Resources Corp. Announces Strategic Investment & Advancement of Battery Minerals Strategy

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HIGHLIGHTS

- Liatam Mining Pty Ltd ("Liatam"), Australian-based manager of the Bald Hill lithium and tantalum mine in Western Australia, will make a strategic investment of C\$5 million in Novo (the "Financing") through the purchase of 12,820,512 units of Novo at C\$0.39 per unit (each, a "Unit"), representing an undiluted 4.9% post-Financing position in Novo
- The Unit price represents a 26% premium to Novo's closing price on December 14, 2022 and Novo's 30-day trailing volume-weighted average price ("VWAP"), and the Financing is subject to a contractual hold period expiring June 30, 2023
- Each Unit will consist of one common share of Novo and one-quarter of one common share purchase warrant (each a "Warrant"). Each whole Warrant will entitle the holder to purchase one additional common share of the Company at a price of C\$0.60 per share for a term of two years following the closing of the Financing
- Simultaneously, Novo is accelerating exploration and evaluation of its prospective battery minerals tenements via an earn-in agreement whereby Liatam will have the right to incur A\$1.5 million in exploration expenditure over 24 months (the "Earn-In") to earn an 80% interest in battery mineral rights (the "Battery Minerals JV") in the Quartz Hill project ("Quartz Hill") immediately south of Novo's Nullagine Gold project ("NGP")
- Novo will be free-carried to the earlier of a bankable feasibility study or A\$20 million in aggregate expenditure at Quartz Hill; Novo retains a 20% interest in the Battery Minerals JV, 100% interest in gold and silver rights, or to elect to convert the 20% interest in the Battery Minerals JV into a royalty right
- Liatam also granted an option over Novo's Pilbara tenure, subject to certain exclusions, to add lithium rights to the Earn-In

VANCOUVER, Dec. 15, 2022 - [Novo Resources Corp.](#) ("Novo" or the "Company") (TSX: NVO, NVO.WT & NVO.WT.A) (OTCQX: NSRPF) is pleased to welcome Liatam as a new shareholder and project investor at Quartz Hill.

"Novo is thrilled to welcome Liatam as a new shareholder and project investor at Quartz Hill," commented Mr. Mike Spreadborough, Novo's Executive Co-Chairman and acting Chief Executive Officer. "Liatam brings significant exploration and operational experience and success from the Bald Hill lithium and tantalum operation in Western Australia and the Moblan lithium exploration project in Quebec.

"Novo looks forward to working with Liatam to progress the definition of battery mineral prospectivity across Quartz Hill and potentially the Pilbara region of Western Australia.

"Novo has a dedicated focus to exploration over the next 12 months and the C\$5 million secured at a premium adds to our already robust cash position and places the Company in a strong position to continue drilling our exciting Pilbara gold and battery metals targets."

Figure 1: Map of Novo's Pilbara tenure

<https://www.globenewswire.com/NewsRoom/AttachmentNg/d0a4223c-4769-4e1c-afff-2f7a90d6e20b>

Financing

Promptly following receipt of Toronto Stock Exchange ("TSX") acceptance of notice of the Financing, Novo expects to close the Financing raising gross proceeds of C\$5 million through the issue of 12,820,512 Units at a price of C\$0.39 per Unit. All of the Units will be subscribed for by Liatam. The Unit price represents a 26%

premium to Novo's closing price on December 14, 2022 and 30-day trailing VWAP.

Each Unit will consist of one common share of Novo and one-quarter of one Warrant. Each whole Warrant will entitle Liatam to purchase one additional common share of the Company at a price of C\$0.60 per share for a term of two years following the closing of the Financing.

All of the securities issued in the Financing will be subject to a statutory hold period expiring four months and one day following the closing of the Financing, along with an additional contractual hold period expiring on June 30, 2023.

The net proceeds from the Financing will primarily be used by Novo to fast-track exploration at the Company's key projects, including the Becher Area, Nunyerry North and Purdy's North, as well as for general working capital purposes.

The Financing is subject to receipt of approval from the TSX.

Argonaut PCF Limited of Perth, Western Australia will receive a cash finder's fee of C\$0.25 million, along with 641,025 finder's warrants (the "Finder's Warrants"). Apart from being non-transferable and expiring three years following the closing of the Financing, the Finder's Warrants are subject to similar terms as the Warrants.

Earn-In

Novo's wholly-owned Australian subsidiary, Nullagine Gold Pty Ltd., has executed a series of definitive agreements with Liatam, pursuant to which Liatam has been granted the right to earn an 80% interest in battery mineral rights at Quartz Hill.

Liatam is required to spend A\$1.5 million over 24 months in order to complete the Earn-In. Novo will be free-carried to the earlier of the completion of a bankable feasibility study or Liatam having sole funded A\$20 million (including the initial A\$1.5 million Earn-In amount) (the "Contribution Date"). On or around the Contribution Date, Novo will have the right to elect to contribute its pro-rata share of expenditure or convert to a royalty equal to 1% of gross lithium sale proceeds or an amount equal to 20% of any royalty owing to the State of Western Australia on gross battery mineral sale proceeds (other than lithium).

Novo has also granted Liatam a one-time right exercisable prior to June 30, 2023, pursuant to which Liatam can add lithium rights over Novo's Pilbara tenements of Liatam's choosing (subject to certain exclusions and tenements which are already subject to arrangements with third parties) to the Battery Minerals JV and Earn-In at an agreed rate.

The Earn-In is otherwise subject to industry-standard earn-in and joint venture conditions, including coordination of exploration and development activities amongst the parties. Throughout the Earn-In, Liatam's exploration activities will be prioritized. Liatam also has the right to terminate the Earn-In after spending A\$0.75 million.

Under the Earn-In, battery mineral rights include lithium, nickel, cobalt, graphite, manganese, aluminium, tin, tantalum, caesium, rubidium, magnesium, vanadium, rare earth elements, and any other minerals defined as being enriched in and hosted in LCT and NYF pegmatites, in any and all forms, but not gold or silver.

Under the Earn-In, lithium rights includes lithium, tin, tantalum, caesium, rubidium, pegmatite-hosted rare earths, and any other minerals defined as being enriched in and hosted in LCT and NYF pegmatites, in any and all forms, but not gold or silver.

Figure 2: Map of Quartz Hill and the NGP

<https://www.globenewswire.com/NewsRoom/AttachmentNg/996efc17-e2e8-4884-bdca-aee0d1f1953f>

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.

ABOUT NOVO

Novo explores and develops its prospective land package covering approximately 10,500 square kilometres in the Pilbara region of Western Australia, including the Beatons Creek gold project, along with two joint ventures in the Bendigo region of Victoria, Australia. In addition to the Company's primary focus, Novo seeks to leverage its internal geological expertise to deliver value-accretive opportunities to its stakeholders. 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 and Acting CEO

Forward-looking information

Some statements in this news release contain forward-looking information (within the meaning of Canadian securities legislation) including, without limitation, statements as to the expected use of proceeds from the Financing. 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, 2022, 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.

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