

Nova To Increase Royalty Interest On Hudbay's Copper World Complex

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TSXV: NOVR
OTCQB: NOVRF

(All dollar amounts are in United States Dollars unless otherwise indicated)

VANCOUVER, March 13, 2023 - [Nova Royalty Corp.](#) ("Nova" or the "Company") (TSXV: NOVR) (OTCQB: NOVRF) is pleased to announce that it has entered into an agreement (the "Agreement") with an arm's length private party (the "Seller") pursuant to which Nova will acquire an additional 0.03% net smelter return ("NSR") royalty (the "Additional Royalty"), on the Copper World Complex project ("Copper World") located in Arizona, USA, owned by [Hudbay Minerals Inc.](#) ("Hudbay") (TSX: HBM) (NYSE: HBM), (the "Transaction"). Nova will now hold a 0.165% NSR royalty on Copper World and Nova's right of first refusal to acquire an additional 0.540%, as detailed in its news release dated January 10, 2022, will reduce to 0.510% NSR upon completion of the Transaction.

Alex Tsukernik, Nova's President and CEO, commented, "We are pleased to have increased our royalty position on the Copper World Complex. Copper World represents one of the largest and most strategic copper districts in the United States, and has been steadily advanced by Hudbay Minerals toward a construction decision."

Transaction Highlights

- Increases Nova's royalty interest ahead of near-term development milestones at Copper World, with Hudbay completing construction to de-risk Copper World ahead of a potential construction decision
- Repeat transaction with royalty owner, with significant upfront share component, further strengthens long-term relationship
- Continued support by Beedie Capital, Nova's largest shareholder

Transaction Details

The Additional Royalty has the same characteristics as the 0.135% royalty on Copper World already owned by Nova and covers all metals, including copper, molybdenum, silver, and gold extracted from the majority of mining claims covering Copper World. The aggregate purchase price for the Transaction is \$1,400,000 and will be paid as follows:

- \$340,000 in cash, payable upon closing of the Transaction
- \$170,000 in common shares of Nova (the "Consideration Shares"), payable upon closing
- \$150,000 in cash, payable 12 months after closing of the Transaction; and
- \$740,000 in cash, payable at the later of: (i) 12 months following the announcement of the commencement of production from the Royalty Area; and (ii) the receipt by Nova of the first three payments under the Royalty

The number of Consideration Shares to be issued in connection with the Transaction will be based on the 20-day volume-weighted average trading price on the TSX Venture Exchange ("TSXV") of Nova's common shares prior to the announcement date of the Transaction.

Nova retains a right of first refusal to acquire an additional 0.510% NSR on Copper World.

Beedie Financing

Nova also announces that it will draw down (the "Drawdown") an additional C\$1.5 million under its existing amended and restated convertible loan facility with Beedie Capital (the "Beedie Capital Facility"), the terms of which are disclosed in the Company's news release dated February 10, 2021. The proceeds from the Drawdown will be used to fund royalty acquisition and for general corporate purposes. The Drawdown will increase the total amount drawn under the Beedie Capital Facility to C\$9.5 million, with an additional C\$15.5 million remaining available to the Company.

The Drawdown is convertible by Beedie Capital into 840,241 common shares of the Company at a conversion price of C\$18.00 per common share which is based on a 20% premium above the 30-day volume-weighted average price of the common shares of Nova on the TSXV calculated up to and including March 9, 2023, in accordance with the terms of the Beedie Capital Facility (the "Conversion Shares").

Beedie currently owns approximately 10.0 million common shares of Nova, having increased its position in the Company in February 2023.

approximately 1.0 million common shares since December 31, 2022.

In addition, Nova has entered into an amendment to the Beedie Capital Facility to accrue the interest for the period from October 1, 2022 to September 30, 2023 to principal at an interest rate of 8.5% for that period. Under the amended agreement, Nova will begin to pay cash interest on its outstanding principal for the period commencing on October 1, 2023 (the "Beedie Amendment") at which point the interest rate will revert to 8.0% as per the original Beedie Capital Facility.

The transactions disclosed in this news release are subject to the acceptance of the TSXV.

About Nova

Nova is a royalty company focused on providing investors with exposure to the key building blocks of clean energy - copper and nickel. Nova has assembled a portfolio of royalties on a significant proportion of the next generation of major copper projects located in 1st-tier jurisdictions, providing investors exposure to some of the most critical resource assets for the clean energy transition. These projects are being advanced by the world's premier mining companies, which include First Quantum, Barrick Gold Mining, Hudbay, Anglo American and Glencore, among others. The Company is headquartered in Vancouver, British Columbia and is listed on the TSXV under the trading symbol "NOVR" and on the US OTCQB under the ticker "NOVRF".

On Behalf of [Nova Royalty Corp.](#),

(signed) "Alex Tsukernik"
President and Chief Executive Officer

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.

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 are 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 these words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would" or "will" be taken, occur or be achieved. Forward-looking information in this press release includes, but is not limited to, exploration and expansion potential, production, recoveries and other anticipated or possible future developments on the Copper World project, current commodity prices, the payment frequency of the Additional Royalty, current and potential future estimates of mineral reserves and resources; future commercial production from the Copper World project or other designated areas; the attainment of any required regulatory approval to the acquisitions of the Additional Royalty, the Drawdown, and the Beedie Amendment. 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 29, 2022 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 the 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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