NOVO RESOURCES CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
April 30, 2019

This interim Management Discussion and Analysis – Quarterly Highlights (the "Interim MD&A") has been prepared as of June 28, 2019. This Interim MD&A updates disclosure previously provided in Novo Resources Corp.'s ("Novo" or the "Company") annual MD&A for the year ended January 31, 2019 (the "Annual MD&A"), up to the date of this Interim MD&A, and should be read in conjunction with the Company's condensed interim consolidated financial statements for the three-month period ended April 30, 2019 (the "Interim Financial Statements"), the audited consolidated financial statements for the year ended January 31, 2019 (the "Audited Financial Statements") and the Annual MD&A.

The Interim Financial Statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise noted. In addition to the accounting policies described in note 2 of the Company's Audited Financial Statements, the Company has adopted *IFRS 16 Leases*, and included the amended policy in note 2 in the Interim Financial Statements. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Caution on Forward-Looking Information

This MD&A may include forward-looking statements and forward-looking information, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements and forward-looking information address future events and conditions which, by their very nature, involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

Egina Gold Project

On June 28, 2019, the Company entered into a binding letter of intent (the "LOI") with De Grey Mining Ltd. ("De Grey"), an ASX-listed entity, in order to significantly broaden its exposure to the gold-bearing lag gravel deposits adjacent and believed to be synonymous with the Company's Egina gold project.

Novo has secured the right to explore De Grey's tenements for gold-bearing lag gravel deposits (see *Figure 1* below for a tenure map) for an initial three-year period (the "Initial Period") by paying AUD $1 million, of which AUD $300,000 will be held in escrow by Novo until De Grey acquires Indee Gold Pty Ltd ("Indee Gold"). Prior to the expiry of the Initial Period, Novo can elect to extend its exploration rights for an additional two years (the "Second Period") by paying an additional AUD $1 million (the "Second Payment"), AUD $300,000 of which will also be kept in escrow by Novo until De Grey acquires Indee Gold. Novo can elect to continue to extend its exploration rights beyond the Second Period in two year increments by paying an additional AUD $1 million per extension period, subject to the successful submission of a mining lease application or De Grey's waiver of this condition.

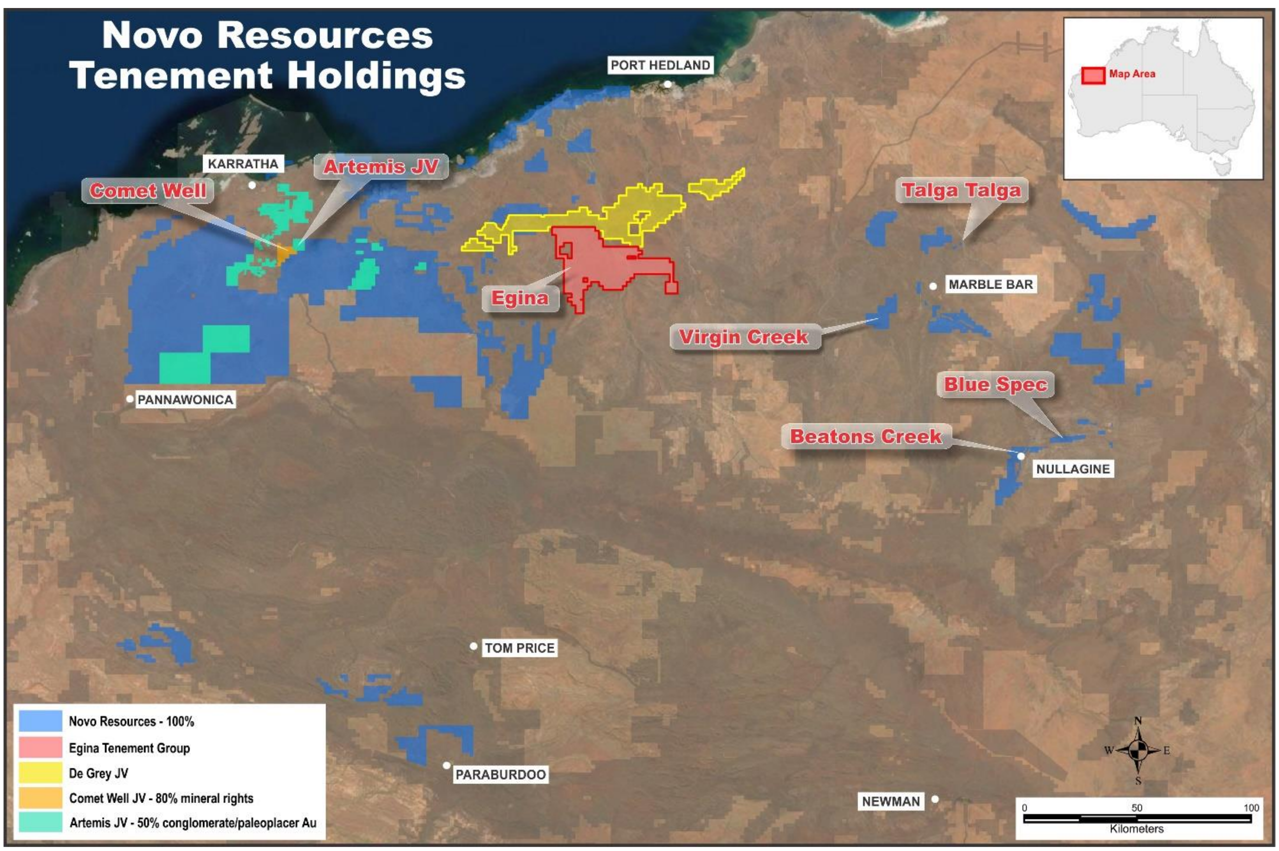
If a mining lease is granted to Novo on the De Grey tenements, Novo will be deemed to have acquired an 80% interest in the relevant tenements (or portions thereof) which comprise the mining lease area (the "Joint Venture") by giving notice to DEG and making a one-time payment of AUD $2 million. If the Joint Venture is established during the Initial Period, Novo will also be required to pay the Second Payment.

De Grey remains the primary tenement holder and will have precedence at all stages of exploration and mining for bedrock mineralisation while Novo holds rights for exploration and mining for gold-bearing lag gravel deposits. Certain tenements held by De Grey are excluded, including granted mining and miscellaneous leases, existing De Grey resources with a 300 metre buffer, any future mining leases granted over the existing De Grey resources, De Grey's conglomerate gold excursion areas, and minor areas of existing gravel rights on De Grey's tenure which are currently retained by third parties.

On June 7, 2019, the Company entered into a USD $30 million farm-in and joint venture agreement (the "Sumitomo Agreement") with Sumitomo Corporation of Tokyo, Japan, and its wholly-owned Australian subsidiary (together, "Sumitomo") in order to advance Novo's Egina project (the "Egina Project") located approximately 80 km south-southwest of Port Hedland, Western Australia.

The Egina Project is comprised of wholly-owned Novo tenure, including tenements held by Farno-McMahon Pty Ltd ("Farno"), tenements into which Novo is currently earning an interest under a binding memorandum of agreement with Pioneer Resources Limited, and a tenement into which ASX-listed De Grey Mining Ltd. is currently earning an interest under a farm-in and joint venture agreement executed with Farno prior to its acquisition by Novo. *See Figure 1 below* for a map of Novo's current tenure including the Egina Project.

Pursuant to the Sumitomo Agreement, Sumitomo is entitled to earn, through farm-in arrangements, up to a 40% interest in the Egina Project by spending up to USD $30 million (approximately $40.2 million) over three years, with a required minimum of USD $5 million per phase defined by a program and budget (approximately $6.7 million). Sumitomo has the right to elect not to continue with the farm-in arrangement and, if this right is exercised, it is expected that any amounts advanced under the farm-in arrangement will be converted into common shares of Novo through a shares for debt settlement at the higher of $2.00 and the minimum price permitted as at the date the right is exercised, subject to receipt of TSX Venture Exchange approval. Any shares issued to Sumitomo pursuant to such a debt settlement will be subject to a twelve-month contractual hold period (inclusive of the required four-month statutory hold period) and orderly sale restrictions. The Sumitomo Agreement also contains a mechanism by which Sumitomo can participate in an expanded project area.



*(**Figure 1** – Map of Novo's tenure including the Egina Project and the De Grey tenure.)*

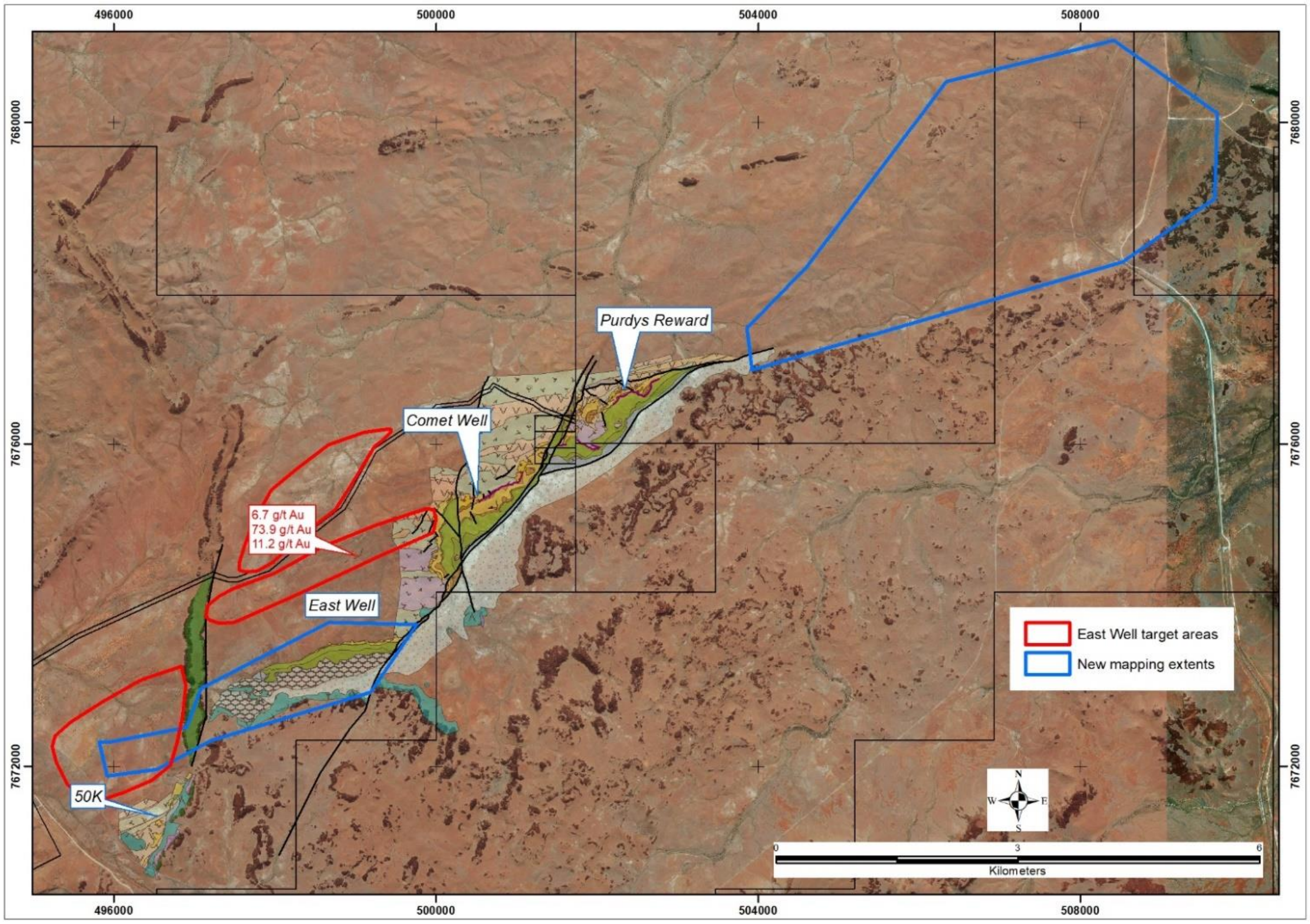
On April 29, 2019, the Company announced the following exploration plans at its Egina gold project in the Pilbara region of Western Australia:

- Work in progress included detailed mapping, and small-scale trench "pan" sampling, in preparation for an upcoming aggressive program of 100-tonne bulk sampling and processing, all of which will initially be conducted on the mining leases obtained through the Company's acquisition of Farno in October 2018. The goal of bulk sampling will be to establish protocols for defining resources across the targeted terrace.
- Novo also plans to undertake a ground penetrating radar survey of target areas to better assess thickness of the targeted terrace gravel horizon. Importantly, this work may help identify subsurface swales and depressions where gold may be trapped and better help focus bulk sampling efforts.
- A series of upgrades to the onsite IGR3000 gravity gold processing plant are ongoing in preparation for commencement of bulk sample processing. Certain adjustments are expected to increase efficiencies of processing and ensuring capture of gold.
- Reconnaissance exploration is being undertaken throughout the Egina District to better assess the extent of gold-bearing terrace gravels.

Karratha Gold Project

On May 28, 2019, the Company announced the completion of a mineralization report and an outline of future work at its Karratha Gold Projects, Western Australia.

Novo's geological mapping successfully extended the known semi-continuous conglomerate trend over a distance of approximately 10 km at the Karratha Gold Project, approximately 2 km longer than previously recognized. In addition to conglomerate gold mineralization, reconnaissance mapping extended a previously identified basement gold zone at East Well, yielding high grade rock chip samples from quartz veining including assays up to 73.9 g/t Au, 11.2 g/t Au and 6.7 g/t Au (not necessarily representative of mineralization at East Well) with further rock chip samples pending across a strike length of approximately 4km (*see Figure 2 below*).



*(**Figure 2**: Comet Well and Purdy's Reward tenement map showing mapping areas and East Well basement anomaly. Grades presented are not necessarily representative of mineralization at East Well)*

It is well understood that delivering a conventional mineral resource at the Karratha Gold Project is challenging owing to the extremely nuggety nature of the deposit. Accordingly, Novo has worked closely with independent experts (Mr Ian Glacken, Director of Geology at Optiro Ltd and sampling and geometallurgical expert, Dr Simon Dominy) to ensure the Company's QA/QC processes and sample collection methodologies are sufficiently robust to underpin this mineralization report. Development of the mineralization report has become a guiding discipline to ensure Novo can pursue a mining lease application as well as update its National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") technical report for the Karratha Gold Project.

This mineralization report details the geology and exploration recently carried out by Novo in this area, including diamond drilling, bulk sampling, detailed mapping and 3D model building and has confirmed the existence of significant coherent gold mineralization. Of critical importance, it further identifies areas amenable to large-scale bulk sampling, necessary for confirming gold grades across a broader area from this highly nuggety deposit.

Geology and Mineralization

The main focus of the mineralization report is to coalesce all geological information gleaned thus far and can be broadly summarized as follows:

The occurrence and geological setting of a unique style of gold mineralization has been delineated across Comet Well and Purdy's Reward (50% Joint Venture with Artemis Resources Limited). The mineralization comprises generally coarse gold, which is predominantly present as 'melon seed' nuggets, together with finer gold particles found almost exclusively within haloes around many of the nuggets. Gold is hosted mainly in conglomeratic rocks of various types, predominantly related to two predictable geological horizons that can be mapped.

The majority of mineralization of this type has been identified on the Comet Well and Purdy's Reward tenements, but this generally coarse-grained conglomerate style of gold mineralization has been discovered over a wide spatial area in the Western and Northern Pilbara by Novo and other explorers, indicating the potential of the region as a significant new gold camp.

A series of bulk samples taken to date (initially approximately 300 kg of samples at Purdy's starting in 2017 and approximately 5 tonne of samples from Comet Well during 2018 exploration activities) have returned grades up to 10.4 g/t gold, with significant gold mineralization demonstrated along the 2 km exposed strike length on the Comet Well and Purdy's Reward leases.

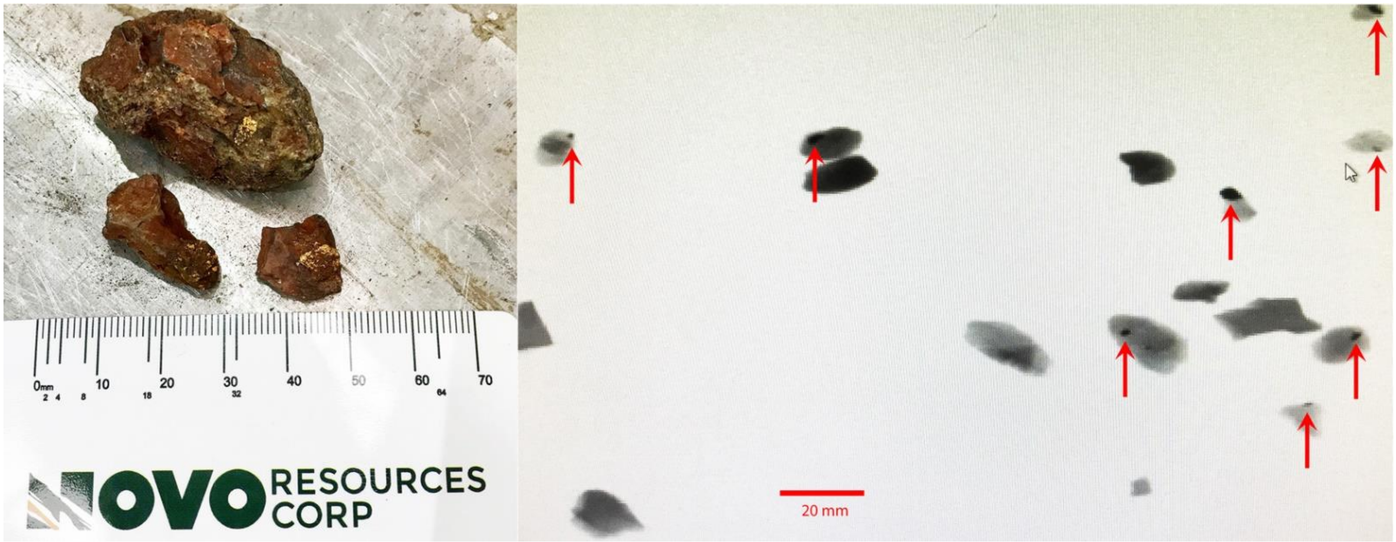
Project Development Strategy and Future Work

The project development strategy proposed for Comet Well and Purdy's Reward closely mirrors that at Novo's Beatons Creek Gold Project, approximately 350 km east of Karratha, which recently culminated in the granting of mining leases. The nuggety nature of gold in conglomerates at Beatons Creek required utilization of 50-kg 'bulk' samples to augment traditional exploration and sampling techniques. Following these small-scale bulk samples, a large-scale bulk sampling exercise consisting of around 30,000 tonne of gold bearing material was excavated and 9,680 tonnes processed to confirm grades. A key difference between Beatons Creek and Comet Well-Purdy's Reward is that Comet Well-Purdy's Reward exhibits much larger gold nuggets, requiring a substantially larger sample (of the order of 100,000 tonnes) to adequately assess gold grade. The coarse nature of the mineralisation also requires development of a tailored grade control regime and processing flowsheet that ensures successful definition of bulk sample grades.

Future Work

Planned work at Comet Well and Purdy's Reward includes:

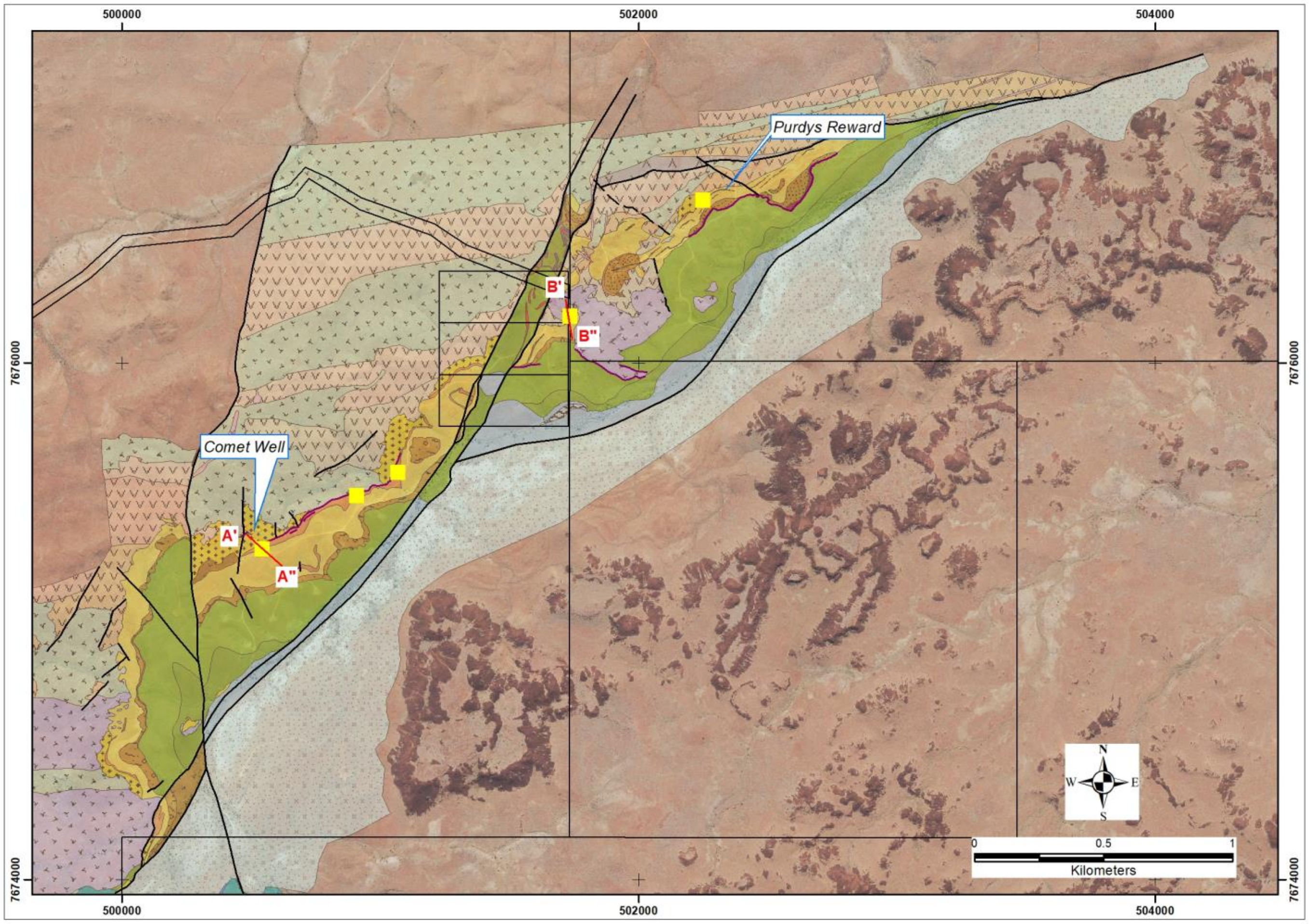
- Ongoing field work – including mapping, drilling, bulk sampling as appropriate
    - Development of a tailored grade control methodology suitable for the style of mineralization as conventional grade control techniques of drilling and assaying are unlikely to yield reliable outcomes at Comet Well / Purdy's and cannot be used to guide a large-scale bulk sampling process.
- Grade control
    - Mechanical sorters represent a possible technical breakthrough that may assist in a more accurate determination of gold grade. The scanning devices used in mechanical sorters 'see' gold content within rocks but rely upon algorithms that count pixels of gold mineralization to identify individual rocks for sorting (*see Figure 3 below*). By processing individual truck-loads, the number of gold pixels for a given sample can potentially act as a proxy to reconcile the gold grade from each load, deriving grade and thereby producing a 3D field model of gold distribution.



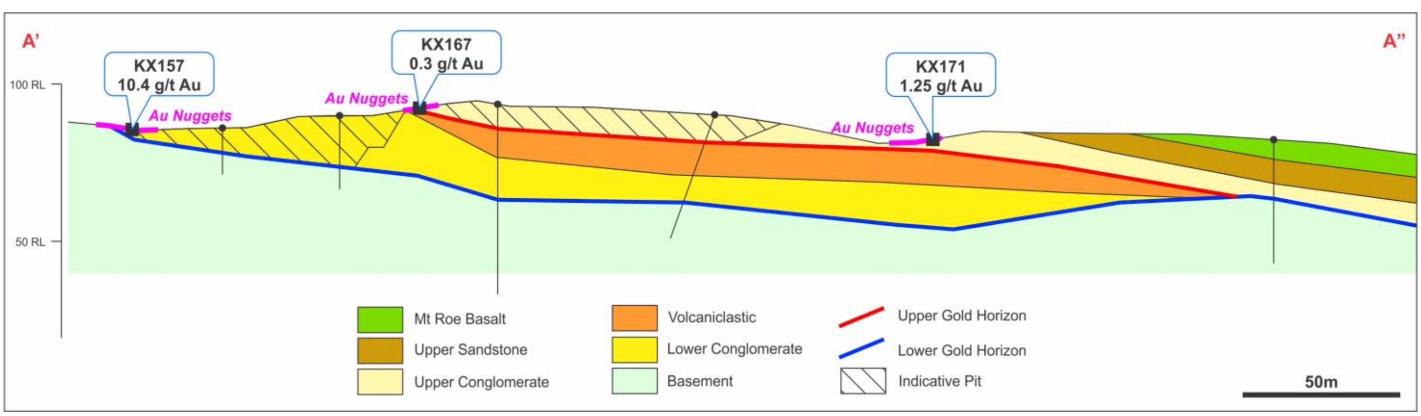
(***Figure 3****: Left, pieces of concentrate with exposed gold nuggets. Right, X-Ray image of concentrate with red arrows pointing to dense particles of matter, black, embedded in rock. Gold mineralization in this Figure is not necessarily representative of the mineralization hosted on the relevant property.)*

- Determine appropriate processing solution
  - The solution identified above for grade control (mechanical sorting) is being investigated as a basis for processing of a large-scale bulk sample and offers the benefits of being chemical and water free, mobile and of low capital intensity. There remain some technical challenges to processing the entire sample with mechanical sorters, however Novo is making significant progress in addressing these challenges.
- Submit Program of Works approval for a circa 100,000 tonne large-scale bulk sample to the Department of Minerals, Industry Regulation and Safety ("DMIRS").
- Once approval is achieved from the DMIRS, undertake a large-scale bulk sampling program to confirm representative gold grades over a larger area and demonstrate an effective grade control regime
  - Sample representivity is an iterative process – gold particle size distribution must first be known in order to apply statistical analysis to estimate a representative sample size. It has been recognized that Novo's bulk sampling to date (300 kg – 5,000 kg) yields indicative gold grades only and that substantially larger samples are required to produce a representative grade.
  - Benefiting from geological understanding gained through exploration activities, a series of prioritized locations for larger scale bulk sampling have been identified using the following criteria:
    - located within the approved exploration license or proposed mining lease areas;
    - located within the approved disturbance zone from a Native Title Heritage perspective;
    - close to the surface to minimize the cost and complexity of excavation;
    - near to previous geological sampling (bulk sampling or drilling) to provide increased geological certainty; and
    - in areas of suitable topography to allow relatively simple access, operation and remediation.

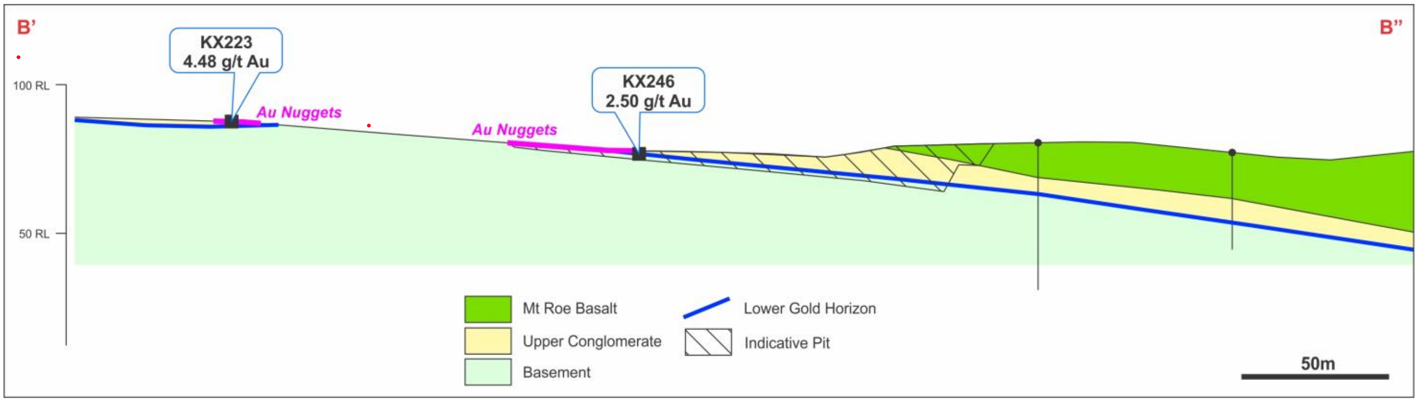
Figures 4, 5, and 6 below depict five areas identified as amenable for large-scale bulk sampling across the Comet Well and Purdy's Reward project areas. A nominal 100,000 tonnes of sampled material, in total, is envisioned to be of a sufficient sample size to ascertain the representative indicative grade of mineralization across the project.



(***Figure 4***: *Location of amenable large-scale bulk sampling areas as yellow squares. Cross sections A'-A" and B'-B" shown in this figure are depicted in Figures 4 and 5 below.)*



(***Figure 5***: *Example cross-section showing the bulk sample results and target gold horizons at Comet Well, with an indicative pit geometry hatched. Grades presented are not necessarily representative of mineralization at Comet Well.)*



(***Figure 6***: *Example cross-section showing the bulk sample results and target gold horizon at Purdy's Reward, with an indicative pit geometry hatched. Grades presented are not necessarily representative of mineralization at Purdy's Reward.)*

- Timing for undertaking the large-scale bulk sample is contingent upon resolving technical challenges with mechanical sorting technology and approval to take a 100,000 tonne sample. Potential solutions will be trialed during this 2019 field season at Egina, where Novo plans to process a number of large samples (each circa 100 tonnes).

Rock chip samples from East Well were submitted to the Intertek-Genalysis Laboratory in Perth, Western Australia. The entire sample was crushed and pulverised to -75um and assayed as follows:

- 50 gram lead collection fire assay with flame AAS finish for gold;
- Multi-acid digest with ICP-MS finish for 48-element suite.

On April 29, 2019, the Company announced the following exploration plans at its Karratha gold project in the Pilbara region of Western Australia:

- A program of target generation supported by detailed mapping and sampling has commenced along an approximately 8 kilometre strike trend to the northeast and southwest of Comet Well and Purdy's Reward.
- Plans have been formulated for a regional helicopter-supported reconnaissance program exploring for additional conglomerate-hosted gold along +300-line kilometers of interpreted stratigraphic unconformities within newly-granted Novo-controlled tenements. The objective of the program is to speedily identify, prioritize and test additional prospective targets for conglomerate-hosted gold so that the Company can effectively reconcile its land holdings.

Beatons Creek Gold Project

Updated Technical Report

On May 13, 2019, the Company filed a technical report prepared pursuant to NI 43-101 disclosing the increased resource estimate for its Beatons Creek Gold Project, Western Australia (the "2019 Resource Estimate"). The independent technical report, entitled "NI 43-101 Technical Report, Mineral Resource Update, Beatons Creek

Conglomerate Gold Project, Pilbara Region, Western Australia" (the "2019 Technical Report"), with an effective date of February 28, 2019 and an issue date of May 13, 2019, was prepared for Novo by Dr. Simon C. Dominy (FAusIMM (CPGeo)) of Surrey, UK and Dr. Quinton T. Hennigh (P.Geo.) of Longmont, USA. Dr. Dominy and Dr. Hennigh are qualified persons as defined under NI 43-101. The 2019 Technical Report is available under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com (filing date: May 13, 2019) and on the Company's website at www.novoresources.com.

Highlights:

- The updated 2019 Resource Estimate includes a 30% increase in tonnes driven predominantly by an improved geological framework from the recent diamond drilling program compared to the previous 2018 estimate. This was supported by the technical report titled "NI 43-101 Technical Report Resource Update, Beatons Creek Gold Project, Pilbara Region, Australia" issued on November 20, 2018 (the "2018 Resource Estimate") and filed on SEDAR (www.sedar.com) under the Company's profile on November 21, 2018.
- The new model sees an increase of 115,000 oz Au (+33%) in the Indicated Mineral Resource category (over the 2018 Resource Estimate's Measured + Indicated) within the Open Pit.
- Recent three-stage gravity recoverable gold ("GRG") test work on the fresh mineralization achieved a gravity recovery in the range of 89-95%.
- The expanded 2019 Resource Estimate, along with Beatons Creek's high metallurgical recovery (+97% gravity + carbon-in-leach), make it the premier gold deposit in the Nullagine mining camp in the eastern Pilbara region.
- Mineralization remains open to the north-west and south-west with several areas identified for resource development drilling.

2019 Resource Estimate:

Open Pit Mineral Resources (oxide and fresh mineralization)

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/t	Ounces Troy Au (x1000)
Indicated	0.5	6,645	2.1	457
Inferred	0.5	3,410	2.7	294

Open Pit Mineral Resources (oxide mineralization)

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/t	Ounces Troy Au (x1000)
Indicated	0.5	4,500	1.9	272
Inferred	0.5	765	1.8	44

Open Pit Mineral Resources (fresh mineralization)

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/t	Ounces Troy Au (x1000)
Indicated	0.5	2,145	2.7	185
Inferred	0.5	2,645	2.9	250

Underground Mineral Resources (fresh mineralization)

	Cut-off Grade	Tonnes	Grade	Ounces Troy Au
Classification	**Au g/t**	**(x1000)**	**Au g/t**	**(x1000)**
Inferred	3.5	885	5.3	152

Total Mineral Resources (oxide and fresh mineralization; open pit and underground)

	Cut-off Grade	Tonnes	Grade	Ounces Troy Au
Classification	**Au g/t**	**(x1000)**	**Au g/t**	**(x1000)**
Indicated	0.5	6,645	2.1	457
Inferred	0.5, 3.5	4,295	3.2	446

Notes:
1. Open pit Mineral Resources contain oxide and fresh mineralization within an optimized shell and constrained within a mineralized wireframe.
2. An optimized Whittle pit shell was estimated with the following indicative parameters:
   (a) USD $1,311 (AUD $1,850) / troy ounce;
   (b) Metallurgical recoveries of 95% oxide and 90% fresh;
   (c) SGs applied: Oxide 2.40 t/m^3 and fresh 2.85 t/m^3 based on measurements taken on drill core;
   (d) USD $2.40 / tonne mining cost for oxide and USD $3.68 / tonne for fresh;
   (e) USD $17.00 / tonne oxide and USD $19.00 / tonne fresh processing cost; and
   (f) USD $3.00 / tonne general and administrative costs.
3. Underground Mineral Resources contain fresh mineralization outside the optimized shell. Underground resources are constrained to discrete areas of contiguous mineralization. NB: cut-off grade for underground resource has been increased from 2.0 Au g/t to 3.5 Au g/t for the 2019 Resource Estimate.
4. Columns may not total due to rounding.
5. One troy ounce is equal to 31.1034768 grams.

Receipt of Mining Approvals

On May 14, 2019, the Company announced that environmental approvals for mining the Beatons Creek conglomerate gold project located in the eastern Pilbara region of Western Australia had been granted. Additionally, the final mining lease required to complete the Beatons Creek gold project, M46/532, has now been granted. All necessary tenure and Native Title agreements are now in place.

Highlights

- Granting of the mining lease for tenement M46/532 (known as the Edwards Lease) is important to Novo as it contains some of the highest grade material and covers some of the planned waste dump footprint. It also means that just under 99% of all ounces recently reported in the 2019 Resource Estimate are now contained within granted mining leases.
- All necessary Native Title agreements and tenure are now in place for the entire Beatons Creek gold project resource estimate (oxide & fresh mineralisation).
- Novo's previously announced options study continues to consider a processing route for the Beatons Creek gold project, now underpinned by the certainty of a significant source of oxide mill feed.
- These approvals apply to the Beatons Creek gold project's oxide resource. All necessary environmental test-work for the Beatons Creek gold project oxide tailings product (carried out to the standards required by the

relevant environmental regulatory agencies) has been completed, confirming an environmentally benign tailings product.

- Work will now commence for an approvals submission for the Beatons Creek gold project's fresh resource.

The granting of Mining Leases and mining approvals follow a rigorous assessment process undertaken by the Western Australian Departments of Mines, Industry Regulation and Safety and Water and Environmental Regulation and require comprehensive technical input including:

- Environmental studies (ecological, hydrogeological and social environmental impacts, mineralization and waste chemical composition)
- Mining plans – mine closure planning, mining techniques, waste dump design and location, and safety management plans
- Native Title – demonstration that a mining agreement is in place with all Native Title parties that considers royalties, employment opportunities, community engagement and cultural awareness.

In this Interim MD&A, the terms "Mineral Resource", "Inferred Mineral Resource", "Indicated Mineral Resource" and "Measured Mineral Resource" have the meanings given in the *CIM Definition Standards on Mineral Resources and Mineral Reserves* adopted by the Canadian Institute of Mining, Metallurgy and Petroleum Council.

Dr. Quinton Hennigh, P. Geo., the Company's, President, Chairman, and a Director, and a qualified person as defined by National Instrument 43-101, has approved the technical content of this Interim MD&A.

FINANCIAL POSITION AND LIQUIDITY

Review of Financial Results

	1st Quarter 2020 April 30, 2019 $'000	4th Quarter 2019 January 31, 2019 $'000	3rd Quarter 2019 October 31, 2018 $'000	2nd Quarter 2019 July 31, 2018 $'000	1st Quarter 2019 April 30, 2018 Restated $'000	4th Quarter 2018 January 31, 2018 $'000	3rd Quarter 2018 October 31, 2017 $'000	2nd Quarter 2018 July 31, 2017 $'000
Revenue	-	-	-	-	-	-	-	-
Net Loss	(2,827)	(2,910)	(4,109)	(7,082)	(5,044)	(2,517)	(9,959)	(4,675)
Amendment of fair value gain on derecognition of associate	-	-	-	-	4,315	-	-	-
Amendment of unrealized gain/(loss) of Comet Well deferred consideration	-	-	-	-	(492)	-	-	-
Amended Net Loss	(2,827)	(2,910)	(4,109)	(7,082)	(1,221)	(2,517)	(9,959)	(4,675)
Basic and Diluted Loss Per Share	($0.02)	($0.02)	($0.03)	($0.05)	($0.01)	($0.01)	($0.07)	($0.04)

Impact of restatements

The effect of the restatements in the Interim Financial Statements with regards to the classification of the fair value gain relating to the investment in Elementum 3D Inc. ("E3D") from other comprehensive income to profit and loss and the revised accounting for the Comet Well Subsequent Consideration Shares (as defined in the Interim Financial Statements) as an equity-settled share-based payment under IFRS 2 rather than a non-current liability under IFRS 9 on the comparative numbers is summarised below. Please see note 6 of the Interim Financial Statements for further details.

Condensed Interim Consolidated Statements of Comprehensive Loss

	April 30, 2018 $'000 Previously disclosed	$'000 Comet Well and E3D Adjustments	April 30, 2018 $'000 Restated
Fair value gain on derecognition of associate	-	4,315	4,315
Unrealized loss on deferred consideration for mineral properties	492	(492)	-
Net loss for the period	(5,044)	3,823	(1,221)
Other comprehensive income/(loss)			
Change in fair value of marketable securities	4,413	(4,315)	98
Comprehensive loss for the period	(2,954)	(492)	(3,446)

Overall, net loss for the period reflected an increase in general business activities which support the Company's expanding programme to bulk sample the most prospective areas of its extensive 12,000km^2 landholdings. Consulting services, share-based payments, foreign exchange gains/losses, and wages and salaries were the major components that caused variances in net losses from quarter to quarter.

During the quarter ended April 30, 2019, the major expenses of the Company were accounting and audit fees, consulting services, insurance expenses, legal fees, meal and travel expenses, office and general expenses, transfer agent and filing fees, and wages and salaries and lease interest expense totaling $2,287,000 (April 30, 2018 - $1,639,000). In addition, non-cash share-based payments expenses of $594,000 (April 30, 2018 - $4,067,000) were incurred during the quarter ended April 30, 2019. Share-based payment expenses decreased because certain batches of options issued during the year ended January 31, 2018 have fully vested and no expense has been recorded for the quarter as a result.

During the quarter ended April 30, 2019, operating expenses were offset by non-operating items such as interest and other income and foreign exchange of $169,000 (April 30, 2018 – $177,000) and increased by a deferred consideration accretion expense of $115,000 (April 30, 2018 - $7,000).

Operating Activities

Cash used by operating activities during the three-month period ended April 30, 2019, was $383,000 (April 30, 2018 – $1,380,000). Adjustments for non-cash items included share-based payments, foreign exchange, and the restatements recognised relating to the investment in E3D. Please see note 6 of the Company's Interim Financial Statements for more details.

Investing Activities

Cash used by investing activities during the three-month period ended April 30, 2019, was $4,893,000 (April 30, 2018 – $6,455,000). The Company's principal investing activity is the acquisition and exploration of its resource properties. During the three-month period ended April 30, 2019, the Company incurred $4,599,000 (April 30, 2018 - $4,989,000) on its resource properties. Please see note 6 of the Company's Interim Financial Statements for more details.

Financing Activities

Cash provided by financing activities during the three-month period ended April 30, 2019 was $2,255,000 (April 30, 2018 - $4,102,000), which relates to cash received from stock option and warrant exercises. Please see note 8 of the Company's Interim Financial Statements for more details.

Cash Resources and Going Concern

At April 30, 2019, the Company had cash of $39,725,000 and an additional $93,000 in short-term investments. Working capital as at April 30, 2019 was $36,589,000. To fully develop the Company's mineral properties into large-scale mining operations with processing plants, the Company may have to raise additional cash or form strategic partnerships; however, there cannot be any certainty that additional financing can be raised or that strategic partnerships can be found.

OPERATIONS

Exploration and Evaluation Assets

The Company's exploration and evaluation assets are comprised of the following:

	Beatons Creek Region	US Region	Karratha and Egina Region					
		Tuscarora	Comet Well	Artemis	Pioneer	Farno McMahon	Granted Tenements	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance, January 31, 2019 (Restated)	47,063	84	25,939	19,321	641	7,365	3,695	104,108
Acquisition Costs	-	-	(277)	-	-	323	-	46
Exploration Expenditure:								
Drilling	-	-	14	-	-	(14)	-	-
Fieldwork	22	-	94	-	-	81	240	437
Fuel	3	-	-	-	-	39	-	42
Geology	1,170	-	(1)	-	-	23	13	1,205
Legal	(5)	-	16	3	15	8	4	41
Meals, Travel and Vehicle/Equipment Hire	80	-	1	(37)	-	79	113	236
Office and General	112	-	-	-	-	51	18	181
Reports, Data and Analysis	132	-	64	-	-	-	-	196
Rock Samples	758	-	471	-	-	-	77	1,306
Tenement Administration	139	-	1	-	-	12	172	324
Foreign Exchange	(1,262)	2	(274)	(268)	(7)	(454)	(21)	(2,284)
Option Payments Received	-	(59)	-	-	-	-	-	(59)
Artemis 50% JV contribution	-	-	-	(114)	-	-	-	(114)
Impairment	(108)	-	-	-	-	-	-	(108)
	1,041	(57)	386	(416)	8	(175)	616	1,403
Balance, April 30, 2019	**48,104**	**27**	**26,048**	**18,905**	**649**	**7,513**	**4,311**	**105,557**

	Beatons Creek Region	**US Region**	**Karratha and Egina Region**						
		Tuscarora	**Comet Well**	**Artemis**	**Welcome Exploration**	**Pioneer**	**Farno McMahon**	**Granted Tenements**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance, January 31, 2018	39,361	304	13,876	21,091	2,625		-	617	77,874
Acquisition Costs	-	-	2,537	-	-	630	6,777	-	9,944
Exploration Expenditure:									
Drilling	1,239	-	1,239	944	-	-	-	-	3,422
Feasibility study	14	-	-	-	-		-	-	14
Fieldwork	330	-	912	73	-	-	14	1,272	2,601
Fuel	95	-	250	-	-	-	23	-	368
Geology	3,135	-	733	-	-	-	270	272	4,410
Legal	73	-	52	13	-	11	-	24	173
Meals, Travel and Vehicle/Equipment Hire	839	-	2,131	2	-	-	168	736	3,876
Office and General	274	-	210	-	-	-	90	(569)	5
Reports, Data and Analysis	493	-	720	95	-	-	-	165	1,473
Rock Samples	2,637	-	3,632	386	-	-	-	1,051	7,706
Native Title	191	-	-	-	-	-	-	-	191
Tenement Administration	333	(14)	250	4	-	-	23	151	747
Foreign Exchange	(1,342)	21	(603)	(782)	(60)	-	-	(24)	(2,790)
Option Payments Received	-	(227)	-	-	-	-	-	-	(227)
Artemis 50% JV contribution	-	-	-	(2,505)	-	-	-	-	(2,505)
Impairment	(609)	-	-	-	(2,565)	-	-	-	(3,174)
	7,702	(220)	9,526	(1,770)	(2,625)	11	588	3,078	16,290
Balance, January 31, 2019	**47,063**	**84**	**25,939**	**19,321**	**-**	**641**	**7,365**	**3,695**	**104,108**

ADDITIONAL DISCLOSURE

Related Party Transactions

Key Management Personnel Disclosures

During the periods ended April 30, 2019 and 2018, the following amounts were incurred with respect to the key management and directors of the Company:

	April 30, 2019 $'000	April 30, 2018 $'000
Consulting services	45	45
Wages and salaries	285	366
Share-based payments	190	3,497
	520	3,908

Outstanding Share Data

The Company is authorized to issue an unlimited number of common voting shares without nominal or par value. All issued common shares are fully paid. As of June 28, 2019, the following common shares, warrants, and stock options were issued and outstanding:

	Number of Shares	Exercise Price ($)	Expiry Date
Common Shares	178,860,048	-	-
Stock Options	150,000	0.20	June 10, 2020
Stock Options	2,350,000	0.94	August 15, 2021
Stock Options	1,750,000	0.95	June 5, 2022
Stock Options	2,485,000	1.57	July 18, 2022
Stock Options	2,650,000	7.70	October 20, 2022
Stock Options	400,000	7.94	November 6, 2022
Stock Options	950,000	3.47	January 30, 2023
Stock Options	530,000	4.60	June 5, 2023
Warrants	14,000,000	6.00	September 6, 2020
Fully Diluted	**204,125,048**		

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Corporation's general and administrative expenses and mineral property costs is provided in the Interim Financial Statements and related notes that are available on the SEDAR website www.sedar.com.