

NOVO RESOURCES CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
April 30, 2016

This interim Management Discussion and Analysis – Quarterly Highlights (“Interim MD&A”) has been prepared as of June 29, 2016. This Interim MD&A updates disclosure previously provided in our annual MD&A, up to the date of this Interim MD&A, and should be read in conjunction with our unaudited interim consolidated financial statements for the period ended April 30, 2016 (the “Interim Financial Statements”), the audited consolidated financial statements for the year ended January 31, 2016 (the “Audited Financial Statements”) and the annual MD&A for the year ended January 31, 2016 (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 unless otherwise noted. Our accounting policies are described in note 2 of our Audited 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 addresses future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

FINANCIAL POSITION AND LIQUIDTY

Review of Financial Results

	1 st Quarter 2017 April 30, 2016	4 th Quarter 2016 January 31, 2016	3 rd Quarter 2016 October 31, 2015	2 nd Quarter 2016 July 31, 2015	1 st Quarter 2016 April 30, 2015	4 th Quarter 2015 January 31, 2015	3 rd Quarter 2015 October 31, 2014	2 nd Quarter 2015 July 31, 2014
Net Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income Gain/(Loss)	(678,157)	(430,540)	(459,785)	266,127	166,548	518,352	(332,879)	(247,367)
Basic and Diluted Gain (Loss) Per Share	(\$0.01)	(\$0.01)	(\$0.01)	\$0.01	\$0.00	\$0.01	(\$0.01)	(\$0.00)

Overall, accretion expenses, consulting services, interest expenses, legal fees, office and general expenses, transfer agent and filing fees, foreign exchange gains and losses, and gold right convertible debenture financing expenses were the major components that caused variances in net losses from quarter to quarter.

During the three month period ended April 30, 2016, the major expenses of the Company were accounting and audit fees of \$55,783 (April 30, 2015 – \$51,709), accretion expense of \$29,237 (April 30, 2015 - \$nil), consulting services of \$76,383 (April 30, 2015 - \$122,943), insurance expenses of \$12,963 (April 30, 2015 - \$7,695), interest expenses of \$nil (April 30, 2015 - \$19,726), legal fees of \$51,778 (April 30, 2015 - \$21,188), meals and travel expenses of \$12,231 (April 30, 2015 - \$8,271), office and general expenses of \$34,962 (April 30, 2015 - \$64,976), transfer agent and filing fees of \$51,676 (April 30, 2015 - \$13,119), and wages and salaries of \$70,998 (April 30, 2015 - \$76,284). During the three month period ended April 30, 2015, operating expenses were mitigated by non-operating items such as interest income of \$2,874 (April 30, 2015 - \$41,665), impairment of marketable securities of \$nil (April 30, 2015 – 3,975), foreign

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exchange losses of \$48,178 (April 30, 2015 – gains of \$479,764), a share of losses in an associate of \$5,473 (April 30, 2015 - \$11,382), a gold right convertible debenture financing expense of \$231,369 (April 30, 2015 - \$nil), and a gain on the sale of a mineral property of \$nil (April 30, 2015 - \$46,397).

Operating Activities

Cash used by operating activities during the period ended April 30, 2016, was (\$580,838) (April 30, 2015 - \$2,142,262). The decrease over the period relates mainly to a one-time transaction of shares to be issued as a reimbursement for a third party's expenditures on the Company's mineral property and non-cash expenses associated with the gold right convertible debenture. Please see Notes 8 and 17 of the Company's Interim Financial Statements for more details.

Investing Activities

Cash used for investing activities during the period ended April 30, 2016, was \$1,085,668 (April 30, 2015 - \$7,367,926). The Company's principal investing activity is the acquisition and exploration of its resource properties. During the period ended April 30, 2016, the Company incurred \$1,032,234 (April 30, 2015 - \$7,409,581) on its resource properties. Please see Note 8 of the Company's Interim Financial Statements for more details.

Financing Activities

Cash provided by financing activities during the period ended April 30, 2016 was \$4,355,101 (April 30, 2015 - \$5,000,000), which is related to a non-brokered private placement and the gold right convertible debenture financing. Please see Notes 10 and 17 of the Company's Interim Financial Statements for more details.

Cash Resources and Going Concerns

At April 30, 2016, the Company had \$4,064,140 in cash and working capital of \$1,550,092. To continue to maintain the Company's mineral properties in the future, the Company will 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:

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	Beatons Creek \$	Grant's Hill \$	Paleo- Placer \$	Tuscarora \$	Blue Spec \$	Talga \$	Two Creeks \$	Mt. Hayes \$	Total \$
Balance, January 31, 2016	13,096,272	1,257,986	9,739,074	122,644	927,636	325,127	-	-	25,468,739
Acquisition Costs	80	-	-	-	-	-	9,661	26,662	36,403
Exploration Expenditures:									
Drilling	-	-	-	-	573	-	-	-	573
Feasibility Study	218,088	-	-	-	-	-	-	-	218,088
Field Work	56,555	258	4,642	89	9,316	-	-	1,138	71,998
Fuel	2,421	-	-	-	-	-	-	357	2,778
Geology	272,014	9,420	25,759	9,622	428	-	1,173	25,242	343,658
Legal	18,133	-	2,743	-	-	-	-	-	20,876
Meals and Travel	90,923	8,164	420	2,901	5,029	-	-	5,681	113,118
Office and General	19,485	-	658	-	-	-	-	57	20,200
Reports, Data and Analysis	70,119	-	-	-	569	-	1,975	3,160	75,823
Rock Samples	98,425	(2,396)	(996)	-	3,840	-	-	-	98,873
Tenement Administration	12,181	3,177	74,357	-	21,600	16,568	-	-	127,883
Foreign Exchange	(533,195)	(51,052)	(395,236)	(13,336)	(32,382)	(13,193)	66	66	(1,038,262)
	325,149	(32,429)	(287,653)	(724)	8,973	3,375	3,214	35,701	55,606
Balance, April 30, 2016	13,421,501	1,225,557	9,451,421	121,920	936,609	328,502	12,875	62,363	25,560,748

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	Beatons Creek	Grant's Hill	Paleo-Placer	Tuscarora	Blue Spec	Talga	Total
	\$	\$	\$	\$	\$	\$	\$
Balance, January 31, 2015	5,748,718	770,771	5,666,836	14,999	-	-	12,201,324
Acquisition Costs	4,003,679	-	134,676	28,160	727,315	266,824	5,160,654
Exploration Expenditures:							
Drilling	360,707	125,704	153,667	-	-	-	640,078
Feasibility Study	74,737	26,520	9,325	-	-	-	110,582
Field Work	194,101	41,019	1,183,941	-	30,515	1,527	1,451,103
Fuel	71,644	9,875	8,799	-	709	621	91,648
Geology	659,186	127,199	166,982	67,293	20,810	9,386	1,050,856
Legal	121,956	-	265,088	-	7,639	770	395,453
Meals and Travel	267,943	46,652	274,295	1,366	34,206	4,430	628,892
Office and General	61,490	10,953	101,537	6	1,238	-	175,224
Reports, Data and Analysis	915,047	121,715	788,480	-	74,492	32,571	1,932,305
Rock Samples	841,310	46,560	55,731	2,981	14,405	7,461	968,448
Tenement Administration	72,179	13,649	1,040,016	6,232	14,897	1,537	1,148,510
Foreign Exchange	49,508	6,638	48,803	1,607	1,410	-	107,966
Australian R&D Refund	(345,933)	(89,269)	(159,102)	-	-	-	(594,304)
	3,343,875	487,215	3,937,562	79,485	200,321	58,303	8,106,761
Balance, January 31, 2016	13,096,272	1,257,986	9,739,074	122,644	927,636	325,127	25,468,739

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Gold Right Convertible Debenture

The Company closed a gold right convertible debenture financing (collectively the “Debentures” and each a “Debenture”) on March 10, 2016, raising gross proceeds of \$2,071,300. The proceeds from the debentures was to be used for a trial mining operation at the Company’s Beatons Creek project in Western Australia.

Each Debenture issued has a principal amount of CAD \$1,100. The Debentures will not bear interest and will mature on January 12, 2017. The Company may repay, in whole or in part, the Debentures at any time prior to the maturity date. Each Debenture is convertible into common shares of the Company, at any time at the option of the holder, at \$0.67 per share (the “Equity Conversion Right”).

Of the cash raised, \$1,400,300 is held in Canadian funds and the remainder is held in Australian funds. Given the requirement to revalue the Company’s foreign cash holdings at each period end, the cash amount reported by the Company is subject to shifts in the Canadian-Australian foreign exchange rate. In addition, the Company has agreed to certain restrictive covenants on the cash received from the Debentures, one of which requires the Company to obtain bulk sampling permits before gaining access to the proceeds raised from the Debentures. As at April 30, 2016, the bulk sampling permits had not been obtained and, as such, the amount raised is reported as “restricted cash” on the Company’s condensed interim consolidated statements of financial position.

Additionally, each Debenture will also convey a gold redemption right (the “Gold Redemption Right”) whereby the Company will have the right, prior to January 2, 2017, to give the Debenture holders notice that it intends to repay them in gold produced from the Company’s Beatons Creek project at a redemption price of CAD \$1,100 per ounce of gold, provided that the Company had produced at least 2,000 ounces of gold from its Beatons Creek project (the “Threshold Production Amount”) on or before December 15, 2016.

If the Company reaches or exceeds the Threshold Production Amount on or before December 15, 2016, but has not provided the Debenture holders with a notice to exercise the Gold Redemption Right by January 2, 2017, the Debenture holders will have the right to give the Company notice of exercise of the Gold Redemption Right, the Equity Conversion Right, or that they require repayment of the Debenture principal in cash.

The Company has designated the Debentures as compound financial liability instrument carried at fair value through profit and loss. The host contract does not bear any interest, so management has estimated a benchmark interest rate of 15% for similar debt. On initial recognition, the Company recorded a debt discount of \$244,233. Included in the discount were transaction costs of \$11,514. For subsequent measurement, the host contract is amortized over the period of the loan and as at April 30, 2016, a financing expense from the accretion of the debt was recorded of \$29,237.

For the embedded derivative portion of the financial liability, on initial recognition, the Company determined that the fair value was not approximated by the transaction value because the Gold Redemption Right of \$1,100 per ounce was significantly below fair market value for the future price of gold in December 2016 of CAD \$1,694. After taking into consideration a probability of production threshold being met at the time of issuance and the present value of the difference between the futures price and the redemption right, the Company recorded a fair value of \$702,428. For subsequent measurement, the fair value of the embedded derivative is determined using the same method by considering a management estimate of the probability of the production threshold being met and applying it to the present value of the difference between the futures price and the redemption right. As at April 30, 2016, the December 2016 gold futures price dropped and after applying management’s probability, the value of the derivative decreased resulting in a gain of \$238,340.

The host contract and the embedded derivative combined on the consolidated statement of comprehensive loss for a total of \$231,369 for the period ending April 30, 2016.

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	As at April 30, 2016	
Face value of the convertible debt	\$	2,071,300
Debt discount		(214,996)
Debt fair valued at amortized cost	\$	1,856,304
Fair value adjustment		464,088
Carrying amount	\$	2,320,392

Change in non-controlling interests

On June 29, 2015, pursuant to the Definitive Agreement (as defined below in Note 8), the Company reached the first of two contemplated completion milestones with the Creasy Group (as defined below in Note 8) under the Definitive Agreement. Settlement was finalized and announced on July 28, 2015. Under this initial completion milestone, Novo acquired the 330 Creasy CGE Shares (defined below in section 8) in exchange for 7,060,466 Novo common shares. With this issuance of 7,060,466 Novo common shares, the Company acquired the remaining 36.67% of CGE. As such, CGE became a wholly-owned subsidiary of Novo.

The following table shows the continuity of the Company's interest in CGE for the period from July 16, 2012, to June 29, 2015:

July 16, 2012	\$	-
Less: loss attributable to CGE		(64,492)
Balance, January 31, 2013		(64,492)
Less: loss attributable to CGE		(40,425)
Balance, January 31, 2014		(104,917)
Less: loss attributable to CGE		(65,333)
Balance, January 31, 2015		(170,250)
Less: loss attributable to CGE		(40,854)
Balance, June 29, 2015	\$	(211,104)
Elimination of non-controlling interest (Note 8)		211,104
Balance, June 29, 2015		-

The financial statement balances of CGE were as follows as at January 31, 2015, and June 29, 2015, being the date the Company acquired a 100% interest in CGE:

	June 29, 2015	January 31, 2015
	\$	\$
Total current assets	1,356,497	770,182
Total assets	21,097,393	12,217,703
Total current liabilities	458,041	274,689
Total liabilities	23,212,319**	13,492,747**
Net loss	(111,410)	(790,698)

**These amounts include inter-company balances of \$22,754,278 (January 31, 2015 - \$13,218,058) that are removed upon consolidation.

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EXPLORATION

Beatons Creek Project

Please see the above Mineral Properties and Deferred Exploration Expenditures section for disclosure relating to the Millennium Property, specifically the Company’s purchase of a 100% interest in the Beatons Creek Tenements.

New Beatons Creek Resource Estimate

On September 16, 2015, Novo Resources announced a robust near-surface resource estimate (the “2015 Resource Estimate”) for its Beatons Creek Gold Project, Western Australia. This 2015 Resource Estimate is based on multiple campaigns of reverse circulation (“RC”) drilling and trench (“costean”) sampling conducted between 2011 and 2015. The effective date of the 2015 Resource Estimate is September 15, 2015. A technical report in respect of the 2015 Resource Estimate was filed under the Company’s SEDAR profile at www.sedar.com on October 13, 2015.

Highlights:

- Near-surface measured and indicated resources of 3.337 M tonnes grading 2.7 gpt Au containing 292 thousand troy oz Au and 2.668 M tonnes grading 2.4 gpt Au containing 203 thousand troy oz Au (see *Table 1-1 below*).
- Also reported are underground measured and indicated resources including 55 K tonnes grading 4.2 gpt Au containing 7 thousand troy oz Au and inferred resources including 369 K tonnes grading 4.7 gpt Au containing 56 thousand troy oz Au (see *Table 1-2 below*).
- In contrast to the previously announced inferred resource for the Beatons Creek Gold Project (*refer to the Company’s news release dated May 1, 2013*), the 2015 Resource Estimate also encompasses a newly drilled, mostly oxide target area situated north of the previously stated resource.
- The 2015 Resource Estimate is built around a tightly constrained wireframe model. Assays used to calculate grades include large mass RC and costean samples collected by Novo during the 2014-2015 drilling and sampling campaigns.
- Grades of the 2015 Resource Estimate are nearly twice those reported for the previous resource, a reflection of the focus on quality taken by Novo. Also, the 2015 Resource Estimate includes a majority of ounces in the higher quality measured and indicated categories.
- The near-surface oxide fraction of the 2015 Resource Estimate will be subjected to a preliminary economic assessment due first quarter, 2016 with the intention of quantifying capital and operating costs of a modest sized, gravity-only gold project.

Beatons Creek NI 43-101 resource estimate is summarized below:

Table 1-1: Near Surface Mineral Resources¹

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/T	Troy Ounces³ Au (x1000)
Measured	0.5	515	3.1	51
Indicated	0.5	2,822	2.7	241

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Measured + Indicated	0.5	3,337	2.7	292
Inferred	0.5	2,668	2.4	203

Table 1-2: Underground Mineral Resources²

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/T	Troy Ounces Au (x1000)
Measured	2.0	-	-	-
Indicated	2.0	55	4.2	7
Measured + Indicated	2.0	55	4.2	7
Inferred	2.0	369	4.7	56

Table 1-3: Global Mineral Resources (Near Surface and Underground)

Classification	Cut-off Grade Au g/t	Tonnes (x1000)	Grade Au g/T	Troy Ounces Au (x1000)
Measured	0.5, 2.0	515	3.1	51
Indicated	0.5, 2.0	2,877	2.7	249
Measured + Indicated	0.5, 2.0	3,392	2.7	299
Inferred	0.5, 2.0	3,037	2.7	259

Notes:

1. Near surface mineral resources contain oxide and sulphide material within an optimized shell and within a mineralized wireframe.
2. Underground mineral resources contain sulphide resources outside of an optimized shell and within a mineralized wireframe.
3. One troy ounce is equal to 31.1034768 grams.

Resource Modeling

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Mineral resources comprising the 2015 Resource Estimate were estimated by multiple pass Ordinary Kriging (OK) method within modeled reef domains. Mineral resources are currently defined in seven reef domains, each divided into oxide and sulphide mineral type by a shallow weathering profile.

The majority of assays used for the 2015 Resource Estimate were determined using LeachWELL® methodology, which was statistically determined to be the most reliable method. Assays were capped at 25 Au g/T prior to compositing and were statistically evaluated on a reef domain and mineral type basis.

With regards to mineral resources that are not mineral reserves and do not have demonstrated economic viability, it is uncertain if applying economic modifying factors will convert measured and indicated mineral resources to reserves. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. However, no issues are known at this time. The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category. The mineral resources in this news release were estimated using current Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards, definitions and guidelines.

Arnand van Heerden of Tetra Tech, Golden, Colorado, has coordinated the 2015 Resource Estimate for the Beatons Creek Gold Project, and is independent of Novo Resources Corp. for purposes of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* (“NI 43-101”). Mr. van Heerden (PGeo, SACNASP, MAusIMM) is a Qualified Person as defined by NI 43-101.

Fast-Tracking Beatons Creek Towards Production

With the announcement of the 2015 Resource Estimate, the Company continues its plans to fast-track Beatons Creek toward production. In a meeting with the Western Australian Department of Mines and Petroleum (“DMP”) in early May 2016, Novo received detailed guidance regarding additional data DMP requires for Novo’s planned bulk sampling exercise at its Beatons Creek gold project. Novo’s proposal encompasses processing of mined material and disposing of crushed rock tailings in an existing tailings storage pond that was once used to hold tailings from alluvial mining operations conducted on site in the 1980’s. The DMP has asked Novo to provide an independent engineering report on the existing tailings dam to verify its integrity.

Novo recently had an independent engineer on site, and a report is expected to be generated within two weeks at which time it be submitted to the DMP. Novo hopes that this report as well as other information it has provided to the DMP will allow completion of the permitting process.

Given the recent success of crushing tests (please see the Company’s news release dated April 13, 2016), and considering that some of the equipment used for bulk sampling may also be used for a future commercial-scale mine if one is established, Novo has decided to incorporate data from bulk sampling into its ongoing economic studies and its anticipated preliminary economic assessment. Therefore, Novo plans to complete its economic studies following completion and evaluation of its bulk sampling exercise.

In mid-June, 2016, the Company received key permits for its 30,000 tonne bulk sampling program at its 100%-controlled Beatons Creek gold project in Western Australia. The Western Australian Department of Mines and Petroleum and other related agencies approved the Beatons Creek Mining Proposal, Mine Closure Plan, Project Management Plan and Native Vegetation Clearing Permit. With these permits in hand, the Company may commence planned extraction of bulk sample material from three pits (approximately 10,000 tonnes per pit).

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The Company is awaiting approval of the Works Approval and an amended Mining Proposal, both of which relate to processing of bulk sample material. The Company has worked diligently to provide additional information detailing the proposed tailings facility and is hopeful these will be approved shortly. Upon completion of processing, this bulk sampling exercise will provide refined data concerning mining techniques, grade control and grade reconciliation, information that will be used to complete the Company's preliminary economic assessment.

Acquisition of Blue Spec Project

In August, 2015, the Company, through its Australian subsidiary, Beatons Creek Gold Pty Ltd, entered into an agreement (the "Agreement") to purchase the Blue Spec Au-Sb Project ("Blue Spec Project") from Northwest Resources Limited ("Northwest"), an Australian Stock Exchange listed company. The purchase price for the project was cash payments totaling AUD \$350,000 and 485,394 common shares of Novo (the "Consideration Shares"). Consideration Shares are subject to a statutory hold period expiring four months from the date of issuance. This purchase was completed on October 5, 2015.

The Blue Spec Project encompasses approximately 125 square kilometres and is situated approximately 20 kilometres due east of the Beatons Creek Project near the town of Nullagine, Western Australia. Gold mineralization is of orogenic lode vein style and is hosted by an east-west trending shear zone extending approximately 20 kilometres along the length of the properties. Multiple gold-bearing quartz veins occupying steeply plunging shoots occur along this shear zone, which are accompanied by significant amounts of stibnite, a Sb-sulfide mineral.

Two high grade shoots, the Blue Spec and Gold Spec deposits, host Indicated Resources of 151,000 tonnes at 21.7 gpt Au (105,300 oz) and 1.7% Sb and Inferred Resources of 264,000 tonnes at 13.3 gpt Au (112,600 oz) and 1.0% Sb. This historical estimate, disclosed in Northwest's news release of September 30, 2013 and in the mineral resource statement issued by Northwest on the same date (the "Northwest Disclosure Documents"), are stated to have been reported in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves (2012 JORC Code), which are consistent with sections 1.2 and 1.3 of NI 43-101. For the key assumptions, parameters, and methods used to prepare these estimates, please refer to the Northwest Disclosure Documents which are available on Northwest's website (www.nw-resources.com.au). These are the most updated estimates and data available regarding the Blue Spec and Gold Spec deposits and, as such, no work needs to be done at this point in time to upgrade or verify the estimates. Novo is unaware of the existence of any technical report prepared in connection with the technical information contained in the Northwest Disclosure Documents. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. Novo is not treating the historical estimate as current mineral resources or mineral reserves.

In October and November 2015, Novo undertook a comprehensive review of the Blue Spec project with a focus on exploration potential. Findings from this study conclude:

- Drilling has not closed off mineralized shoots at either of the historic Blue Spec and Golden Spec mines. In fact, each of these shoots is open to the east, west and at depth. Importantly, the 900 meter gap between these two mines (Golden Spec to the west and Blue Spec to the east) remains largely untested below depths of around 100 meters.
- Splay zones coming off of the Blue Spec and Golden Spec veins have not been fully tested. Although drill holes targeting the main veins were largely successful at hitting those structures, many of these holes stopped short of testing nearby, sub-parallel splays. Also, some holes appear to have been selectively assayed, so it is also possible that core from splay structures was never sampled.

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- Near surface mineralization is evident in numerous locations along the 20 km strike of the Blue Spec shear zone. Numerous shallow (<150 m depth) drill intercepts from the Green Spec, Red Spec and Orange Spec zones reported in the table below illustrate this. In addition to shallow potential, it is worth noting that these three zones are also open at depth.
- Four historic surface rock chip samples taken from outcrop and subcrop in areas ranging between 600 and 1,300 m west of the Golden Spec deposit display high grades (from east to west: 86.9 gpt Au w/ no Sb assay; 78.3 gpt Au/0.67% Sb; 143.8 gpt Au/0.56% Sb; 22.5 gpt Au/1.21% Sb). These samples suggest high-grade vein targets may present in this area.
- Previous rock chip sampling efforts appear to have lacked focus. Through mapping, Novo has identified structural zones and has undertaken detailed sampling. Results are expected in early 2016.

Based on the conclusions of this initial review, Novo sees considerable potential for expanding known zones and discovering new high-grade shoots.

In a news release dated January 21, 2016, the Company announced high grade gold and antimony results from rock chip samples recently collected at the Blue Spec project.

Gold Spec area:

Two areas of high grade gold mineralization have been identified west of the Gold Spec mine. The first area, located about 0.9 km west of Gold Spec, is defined by seven recent and historic rock chip samples collected from vein float material. Gold grades range from 22.5-143.8 gpt, and Sb ranges from 0.1-2.5%. Samples were collected over a strike length of about 100 m. Two historic reverse circulation drill holes are collared about 60 m north of these samples and were angled back at this zone, but neither hole appears to have adequately tested the area beneath these sample locations.

The second area, located about 250 meters west of Gold Spec, is highlighted by four recent and historic rock chip samples grading 5.4-86.9 gpt Au. Up to several hundred ppm Sb is also present. All samples are spot rock chips collected from subcropping vein or float material. Samples are scattered over a strike length of about 200 m. Some shallow historic reverse circulation drill holes and trenches are present in the area, but data for these is missing or sketchy.

Blue Spec area:

The location of an historic rock chip sample grading 5.3 gpt Au was identified between the Blue Spec and Red Spec areas suggesting mineralization is present between these zones. Historic drilling is sparse in this gap.

Middle Creek area:

A high grade outcrop sample was collected in the Middle Creek flood plain in an area with no previous sampling history. This sample grades 47.7 gpt Au and 2.4% Sb. Given that outcrop is very scarce in this area, the discovery of this sample site is highly significant and suggests the potential for a hidden target in this location. More sampling is needed to evaluate this possibility.

Orange Spec and Green Spec areas:

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At the Orange Spec target, new rock chip samples taken from sub and outcropping veins grade 4.2-15.7 gpt Au along a zone about 50 m long. Several wide-spaced historic drill holes in this area encountered intervals of high grade gold to 15 ppm. Interestingly, Sb is below 100 ppm in most samples from this location. These new surface sample results indicate more work is needed in this location.

Sampling of outcropping veins at Green Spec returned gold grades between 2.5-38.6 gpt. Sb ranges from a few hundred ppm to 1.4%. Although a small shoot of mineralization is defined by historic drilling, more work is needed at Green Spec and along strike in both directions.

20 Mile area:

A new target has been confirmed about 500 m east of 20 Mile Creek. Recent and historic spot rock chip samples from veins grade 3.0-15.8 gpt Au. Like Orange Spec, Sb contents are low, generally less than 100 ppm. A few scattered historic drill holes have been identified nearby, but more work is clearly warranted in this location.

Option of Talga Projects

On August 12, 2015, the Company, through its Australian subsidiary, Beatons Creek Gold Pty Ltd, entered into an option agreement with Talga Resources Ltd., an Australian Stock Exchange listed company, for the right to explore its Talga Talga, Warrawoona, and Mosquito Creek projects (each a “Talga Project” and, collectively, the “Talga Projects”). A payment of AUD \$50,000 was made to Talga Resources for an initial option period of 4 months. The option period can be extended to the second anniversary of this agreement by making a second payment of AUD \$200,000 four months after the date of signing of the option agreement. The Company has the right to then purchase at any time until the second anniversary any of the Talga Projects for AUD \$250,000 per Talga Project.

On December 9, 2015, the Company signed a variation letter (the “Letter of Variation”) with Talga whereby the first option period was extended to the earlier of February 29, 2016, or the day the Company begins work on any kind on the Talga Projects. The Company paid Talga AUD \$50,000 for this extension, and this amount will be applied as a credit towards any future option payment made on the Talga Projects. Furthermore, by paying another AUD \$150,000, the Company can extend the option period to the second anniversary of this agreement. As at January 31, 2016, the Company had paid AUD \$250,000 to Talga Resources comprised of the original AUD \$50,000 payment, as well as the AUD \$50,000 and AUD \$150,000 payments delineated in the variation letter. As such, the Company has until August 11, 2017 to exercise its option and purchase any of the Talga Projects.

Creasy Definitive Agreement

Please see the above Mineral Properties and Deferred Exploration Expenditures section for disclosure relating to the Creasy Definitive Agreement.

Marble Bar Project

During BLEG follow up exploration in August and September, 2014, a new gold-bearing conglomerate was discovered near Virgin Creek in the Marble Bar sub-basin. This conglomerate is part of the Hardy Formation, outcrops for approximately 600 meters on strike, is shallowly dipping, and up to 2 m thick. Screen metallic fire assay results from a

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suite of 20 spot rock chip samples grade between 0.02-5.44 gpt Au. The Company has deferred further work at Marble Bar to conserve cash for use at the Beatons Creek project.

Two Creeks Project

On April 14, 2016, Novo entered into a license and farm-in option agreement with Mesa Minerals Limited, an Australian Stock Exchange listed company, for the right to explore its Two Creeks project (the “Two Creeks Project”). A payment of AUD \$10,000 was made to Mesa Minerals for an initial exploration license period set to expire on July 5, 2016. Novo can exercise its right to enter into a farm-in and joint venture agreement (pursuant to which Novo would have the right to earn a 70% by incurring AU\$500,000 in exploration expenditures) with Mesa Minerals on or before July 5, 2016 by issuing AU\$500,000 worth of Novo’s common shares (the “Consideration Shares”) based on Novo’s then 5-day trailing volume-weighted average price (“VWAP”). If issued, the Consideration Shares will be subject to a statutory hold period expiring four months from the date of issuance, as well as an additional two-month hold period agreed upon by the Company and Mesa Minerals.

The Two Creeks Project covers an area of approximately 251 sq km in an area approximately 13 km east of Novo’s Blue Spec Au-Sb Project. Importantly, the Two Creeks Project hosts approximately 9 km of strike along the Blue Spec shear zone, a prolific host to high grade Au-Sb veins in this region. The Two Creeks Project also covers part of the Eastern Creek Goldfield, a historic mining district hosting several notable high grade gold veins. Although poorly explored, Novo thinks there is strong potential for discovery of high grade gold veins within the Two Creeks Project. Novo plans to commence reconnaissance mapping and sampling at Two Creeks immediately.

Mt. Hays Project

Also on April 14, 2016, Novo entered into an option agreement with Red Dog Prospecting Pty Ltd, a private Australian company, for the right to explore its Mt. Hays project (the “Mt. Hays Project”). A payment of AU\$25,000 was made to Red Dog Prospecting for an initial six-month option period. The Company can extend the period of exercise of the option for another two years by paying Red Dog Prospecting AU\$340,000, to be split per Novo’s discretion between cash and the issuance of Novo common shares (the “First Option Shares”) based on Novo’s then 5-day trailing VWAP. The Company can exercise its option (Novo has the right to acquire a 90% interest in the Mt. Hays Project) by paying Red Dog Prospecting AU\$1,540,000, also to be split per Novo’s discretion between cash and the issuance of Novo common shares (the “Second Option Shares”) based on Novo’s 5-day trailing VWAP. The First Option Shares and the Second Option Shares, if issued, will be subject to a statutory hold period expiring four months from the date of issuance, as well as an additional two-month hold period agreed upon by the Company and Red Dog Prospecting.

The Mt. Hays Project covers an area of approximately 76 sq km immediately east and adjoining the Two Creeks Project and hosts approximately 11 km of strike along the Blue Spec shear zone. Historic rock chip samples collected by Red Dog Prospecting include a high grade gold assay of 140 grams per tonne with strongly anomalous antimony. One historic reverse circulation drill hole encountered 2 meters @ 52 grams per tonne gold near the east end of the Blue Spec shear zone. Novo is not aware of whether a qualified person has verified the data disclosed in this paragraph. Several outcropping veins displaying antimony oxides have been observed across the property. In recent years, metal detectorists have found numerous gold nuggets, commonly in close proximity to such veins. Novo also plans to commence reconnaissance mapping and sampling at Mt. Hays immediately.

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Consolidation of Land Holdings in the Mosquito Creek Basin

Two Creeks and Mt. Hays projects combined with Novo's 100% owned Blue Spec Au-Sb project and the Mosquito Creek project optioned from Talga Resources (please refer to the Company's news release dated August 12, 2015), gives Novo control over approximately 450 square km of this important gold field.

The Mosquito Creek Basin, measuring approximately 65 km east-west and 30 km north-south, is comprised of a thick sequence of sedimentary rocks that were deposited approximately 2.92 billion years ago before those of the Fortesque Group at Beatons Creek which were deposited approximately 2.74 billion years ago. While the Fortesque Group correlates in time with the Upper Central Rand and Ventersdorp Groups of the Witwatersrand Basin in South Africa, the Mosquito Creek Formation correlates in time with the Lower Central Rand Group. This is important because it is within this window of time, around 3.0-2.7 billion years ago, that photosynthetic life evolved and the first whiffs of oxygen it produced triggered precipitation of gold resulting in the formation of the vast accumulation of gold in the Witwatersrand Basin.

Although the sedimentary rocks of the Mosquito Creek Formation were deposited in a deeper water environment than those of the Lower Central Rand Group, they display strong regional gold anomalism. The Mosquito Creek Basin is one of the most prolific gold nugget sites in Australia with dozens of prospectors returning to the area every winter finding gold nuggets across the entire basin. Hundreds of historic prospects and mine shafts explore innumerable veins scattered throughout the area. Novo considers the gold in these veins to have been directly remobilized from gold-enriched sedimentary rocks of the Mosquito Creek Basin during a period of low rank metamorphism and deformation following their deposition.

Two parallel east-west trending structural zones, the Blue Spec line in the north and the Middle Creek line in the south, cross the Mosquito Creek Basin and host numerous gold deposits, mainly orogenic lodes and veins. Veins found along the Blue Spec line commonly display abundant antimony in addition to high gold grades. Stibnite is the main antimony mineral.

Both the Blue Spec and Gold Spec deposits are open along strike and down dip and associated splay zones have never been fully tested. At Blue Spec, for example, historic drill holes including BSI-011 (1.72 m @ 36.78 gpt Au), BSD0027 (1.15 m @ 62.67 gpt Au), BSD0036-W1 (2.5 m @ 157.45 gpt Au) and BSD0018-W2 (1.76 m @ 12.57 gpt Au) fall along the periphery of the current resource model and suggest immediate potential to expand this deposit through offset drilling. At Gold Spec, historic drill holes including BSD0013 (0.67 m @ 42.9 gpt Au), GSI-003 (2.1 m @ 17.09 gpt Au) and GSI-007 (2.1 m @ 20.09 gpt Au) fall along the periphery of the resource model and similarly suggest immediate potential to expand this deposit through offset drilling. True widths are approximately 80% of the reported lengths.

The Blue Spec style of gold mineralization is strikingly similar to that at the Costerfield mine in Victoria State owned and operated by Madalay Resources Ltd. Mandalay employs narrow vein mining techniques and a combination of gravity and flotation to produce gold in dore and high grade gold-antimony concentrate.

Exploration Strategy

Novo considers the Blue Spec line highly prospective for further high-grade gold-antimony discoveries. Since optioning the Two Creeks and Mt. Hays projects in mid-April 2016, Novo has had two teams of geologists undertaking reconnaissance mapping and prospecting for Blue Spec style mineralization at both these new areas as well as at Blue

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Spec. Sampling has been aided by the use of hand held X-ray fluorescence units that allow for real time geochemical analysis of rock samples.

Prospecting has already discovered multiple new antimony-anomalous veins along the Blue Spec structural corridor. Stibnite and yellow antimony oxides are present in many samples. While gold values are not necessarily directly correlated with antimony grades, the discovery of these new occurrences is considered encouraging. Approximately 300 surface samples have been collected and submitted for assay. Results are expected over the next few weeks.

Upon receipt of assays, Novo plans to assess newly discovered gold-antimony veins for drill testing this year. Consideration is also being given to drill test targets in the vicinity of the Blue Spec and Gold Spec deposits where Novo considers high-grade shoots may be close to surface.

ADDITIONAL DISCLOSURE

Related Party Transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the year.

(a) *Key Management Personnel Disclosures*

During the periods ended April 30, 2016 and 2015, the following amounts were incurred with respect to the key management and directors of the Company:

	April 30, 2016	April 30, 2015
	\$	\$
Consulting services	39,000	36,000
Wages and salaries	15,713	34,296
Wages and salaries included in exploration and evaluation assets	114,061	16,105
	<u>168,774</u>	<u>86,401</u>

(b) *Other Related Party Disclosures*

During the periods ended April 30, 2016 and 2015, the following amounts were incurred with respect to consulting services provided by a corporation controlled by the Chief Financial Officer:

	April 30, 2016	April 30, 2015
	\$	\$
Consulting services	30,000	30,000
	<u>30,000</u>	<u>30,000</u>

Outstanding Share Data

Unlimited number of common voting shares without nominal or par value. All issued common shares are fully paid. As of June 29, 2016, the following common shares and stock options were issued and outstanding:

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	Number of Shares	Exercise \$	Expiry Date
Common Shares	81,086,312	-	-
Stock Options	250,000	0.20	June 10, 2020
Stock Options	100,000	0.20	August 12, 2020
Stock Options	900,000	0.45	February 20, 2017
Warrants	2,507,077	0.80	July 10, 2017
Warrants	480,900	0.80	July 17, 2017
Warrants	846,160	0.80	July 24, 2017
Warrants	3,927,884	0.85	March 8, 2018
Gold Right Convertible Debenture	3,091,493	0.67	January 12, 2017
Fully Diluted	93,189,826		

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.