NOVO RESOURCES CORP.

(TSX: NVO; ASX: NVO; OTCQX: NSRPF)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("**MD&A**") of the results of operations and financial condition of Novo Resources Corp. (the "**Company**" or "**Novo**"), dated as of March 15, 2024, should be read in conjunction with the audited consolidated financial statements of Novo for the year ended December 31, 2023 (the "**Annual Financial Statements**") and accompanying notes thereto. The Annual Financial Statements are prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). This MD&A includes the results of the Company's subsidiaries, Novo Resources (USA) Corp., Conglomerate Gold Exploration (B.V.I.) Ltd., Karratha Gold Exploration (B.V.I.) Ltd., Conglomerate Gold Exploration Pty. Ltd., Nullagine Gold Pty. Ltd., Beatons Creek Gold Pty. Ltd., Grant's Hill Gold Pty. Ltd., Karratha Gold Pty. Ltd., Rocklea Gold Pty. Ltd., Meentheena Gold Pty. Ltd., Farno-McMahon Pty. Ltd., and Millennium Minerals Pty Ltd (Millennium) (which was disposed of on December 20, 2023).

In this MD&A:

"Fiscal 2023" means the fiscal year ended December 31, 2023.

"Fiscal 2022" means the fiscal year ended December 31, 2022.

"H1 2024" means the six months ending June 30, 2024.

"Q4 2023" means the three-month period ended December 31, 2023.

"Q3 2023" means the three-month period ended September 30, 2023.

"**Q2 2023"** means the three-month period ended June 30, 2023.

"Q1 2023" means the three-month period ended March 31, 2023.

"Q4 2022" means the three-month period ended December 31, 2022

"Q3 2022" means the three-month period ended September 30, 2022

"**Q2 2022**" means the three-month period ended June 30, 2022.

"Q1 2022" means the three-month period ended March 31, 2022.

All amounts are expressed in Canadian dollars unless otherwise stated. Additional information relating to the Company, including the Company's annual information form for the year ended December 31, 2023, is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Certain non-IFRS financial performance measures[1] are included in this MD&A. The Company believes that these measures, in addition to measures prepared in accordance with IFRS, provide readers with an improved ability to evaluate the Company's underlying performance and compare its results to other companies. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to similar measures presented by other issuers. The non-IFRS financial performance measures included in this MD&A are available liquidity and working capital. Refer to *Non-IFRS Measures* for further details and reconciliations of such non-IFRS measures.

Mrs. Karen (Kas) DE Luca (MAIG.) is the qualified person, as defined under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and the Competent Person as described by the JORC Code 2012. She is responsible for, and has reviewed and approved, the technical information contained in this MD&A in the form and context in which it is included unless indicated otherwise. Mrs De Luca is Novo's General Manager Exploration.

1 Refer to Non-IFRS Measures on page 23.

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FINANCIAL AND OPERATING HIGHLIGHTS

Q4 2023 & Fiscal 2023 Summary

- No lost time injuries were recorded across the Company's Australian projects through Q4 2023.
- The Company focused its exploration efforts on field programs in the Pilbara and Victoria with drilling programs in the Becher Area[2] and at Nunyerry North[3].
- Cash and cash equivalents totalled $11,762,000 as at December 31, 2023, down from $48,100,00 as at December 31, 2022.
- On September 11, 2023, the Company was admitted to the Australian Securities Exchange ("**ASX**") and issued 37,500,000 common shares, settled on the ASX in the form of CHESS Depositary Interests ("**CDIs**") at AUD $0.20 (C$0.18) per CDI, raising gross proceeds of AUD $7,500,000 ($6,554,000). (Refer to *Significant Business Developments & Outlook – ASX Dual Listing)*[4].
- On June 21, 2023, De Grey Mining Limited ("**De Grey**") invested AUD $10,000,00 ($8,900,000) in a private placement of 35,223,670 Novo common shares at a price of $0.255 per share (refer to Note 13 of the Annual Financial Statements)[5].
- The acquisition of the remaining 50% interests in the Queens and Malmsbury projects was closed on April 24, 2023 (refer to Significant Business Developments & Outlook – *Consolidation of Belltopper Gold Project, Victoria, Australia*)[6].
- On December 21, 2023, the Company entered into a share and asset sale agreement with Calidus Resources Limited ("**Calidus**") to divest the Nullagine Gold Project and additional tenements[7].
- Rehabilitation liability reduced to zero from $44,904,000 following the divestment of Nullagine Gold Project[7].
- On December 21, 2023 Liatam Mining Pty Ltd ("**Liatam**") exceeded the required spend of A$1,750,000 at the Quartz Hill Project, resulting in the forming of the Quartz Hill Joint Operation with the Company receiving $180,000 (A$200,000)[8]. Liatam further invested $1,600,000 (A$1,800,000) to purchase 9,000,000 Novo common shares at C$0.18 (A$0.20) per share (refer to Note 13 of the Annual Financial Statements).
- On December 18, 2023 the Company entered into a tenement sale agreement with SQM Australia Ptd Ltd ("**SQM**") for cash consideration of $9,001,000 (A$10,000,000)[9].
- The Company renegotiated the terms of the deferred consideration agreement with IMC Resources Gold Holdings Pte Ltd, Heritas Capital Management (Australia) Pty Ltd, and IMC Resources Ltd (collectively, "**IMC**") whereby the balance C$14,041,000 (AUD $15.6 million) owing is to be repaid by December 2026 with a mechanism for reductions for early repayment. Refer to Note 11 of the Annual Financial Statements.
- Non-current marketable securities totalled $34,395,000 as at December 31, 2023, up from a balance of $20,701,000 as at December 31, 2022. The increase was mainly as a result of the increase in the value of the Company's investment in San Cristobal Mining Inc ("**SCM**") and Elementum 3D Inc. ("**E3D**") (refer to Note 4 of the Annual Financial Statements).

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2 Refer to the Company's news release dated February 14, 2023
3 Refer to the Company's news release dated September 12, 2023
4 Refer to the Company's news release dated September 11, 2023
5 Refer to the Company's news release dated June 28, 2023
6 Refer to the Company's news release dated March 9, 2023 and April 24, 2023.
7 Refer to the Company's news release dated December 20 2023
8 Refer to the Company's news release dated December 20 2023
9 Refer to the Company's news release dated December 18 2023

OVERVIEW OF NOVO

The Company was incorporated on October 28, 2009 pursuant to the *Business Corporations Act* (British Columbia) as Galliard Resources Corp. On June 27, 2011, the Company changed its name from Galliard Resources Corp. to Novo Resources Corp. The Company registered as a foreign company with the Australian Securities & Investments Commission on January 13, 2023. The Company's common shares trade on the Toronto Stock Exchange (the "**TSX**") under the ticker symbol "NVO" and in the United States on the OTC Market Group's OTCQX International Exchange under the symbol "NSRPF". The CDIs commenced trading on the ASX under the symbol "NVO" on September 11, 2023.

The Company is engaged primarily in the business of evaluating, acquiring, exploring, and developing natural resource properties with a focus on gold. The Company holds approximately 7,500 sq km of land in the Pilbara region of Western Australia and has an extensive exploration program designed to aggressively advance its targets. The Company has exploration tenure in Victoria, Australia, and also holds equity investments in a number of companies.

SIGNIFICANT BUSINESS DEVELOPMENTS & OUTLOOK

Sale of Nullagine Gold Project

On December 21, 2023, the Company entered into an agreement with Calidus to divest the Nullagine Gold Project. The sale occurred pursuant to a share sale agreement pursuant to which Calidus agreed to acquire all issued and outstanding shares in Millennium Minerals Pty Ltd ("**Millennium**") and an asset sale agreement pursuant to which Calidus acquired additional tenements and assets in the broader Mosquito Creek Basin.

Calidus assumed the full rehabilitation liability of $44,904,000 associated with Millennium, resulting in a rehabilitation liability of zero at year end. The Company received C$226,000 (A$250,000) in Calidus shares and has the right to receive a further A$5,000,000 upon a production milestone of 100,000 ounces being reached within a 10-year period. The transaction resulted in a loss on sale of discontinued operation of $78,917,000.

Quartz Hill Joint Operation with Liatam

On December 20, 2023, Liatam exceeded the required spend of A$1,750,000 at the Quartz Hill Project, pursuant to the earn-in agreement announced on 15 December 2022. Following completion of the earn-in requirement, the 80%/20% Quartz Hill Joint Operation ("**JO**") between Liatam and the Company has been formed.

Liatam will now sole fund and free carry all of the Company's required exploration costs in relation to the joint venture structure, until earlier of:

- Liatam having completed a Feasibility Study in respect of at least one deposit of Relevant Minerals; and
- Liatam having sole funded the exploration, capped at A$20,000,000.

Liatam made an offer of $180,000 (A$200,000) to acquire legal title to the tenements that are the subject of the JV package. The transaction transfers the title of the tenements to Liatam, and they will be the manager of the JV. The Company has retained its 20% share of battery mineral rights as per the earn-in agreement as well as 100% of all gold and silver rights on these tenements.

In addition to the formation of the JO, Liatam further invested through a private placement $1,600,000 (A$1,800,000) to obtain 9,000,000 Novo common shares at C$0.18 (A$0.20) per share.

Harding Battery Metals Joint Operation with SQM

On December 18, 2023, the Company entered into a tenement sale agreement with SQM. Under this agreement, cash consideration of $9,001,000 (AUD $10,000,000) was payable to the Company for a 75% ownership interest in 5 tenements (the "**Sale Tenements**"), to which $7,067,000 of the total cash consideration was allocated) and for an option over 34 additional tenements (the "**Option Tenements**", to which $1,934,000 of the total cash consideration was allocated) at an exercise price of AUD $1. The Sale Tenements have resulted in a disposal of exploration and evaluation assets of $12,365,000 and a loss on sale of $5,298,000. The consideration allocated to the Option Tenements of $1,934,000 has been recognised as deferred revenue which resulted in an impairment of exploration and evaluation assets of $1,445,000. The cash consideration was received on January 4, 2024.

The Company retains a 25% ownership interest in the Sale Tenements and the Option Tenements and retains 100% of the gold, silver, PGE, copper, lead and zinc mineral rights. Further to the above transaction, the Company and SQM have entered into a 75%/25% joint operation agreement relating to the Sale Tenements where SQM will be the manager and the Company's 25% interest will be free carried by SQM until a decision to mine.

ASX Dual Listing

On September 11, 2023, the Company was admitted to the ASX and issued 37,500,000 common shares (settled on the ASX in the form of CDIs) at AUD $0.20 per common share/CDI ($0.18 at an exchange rate of 0.8739) raising gross proceeds of AUD $7,500,000 ($6,554,000)[4].

Exploration Program Update Q4 2023

Field exploration programs continued in both the Pilbara and Victorian Projects during Q4 2023. Reverse circulation ("**RC**") drilling was concluded in the southern Egina Gold Camp at the Nunyerry North prospect; and in the north De Grey Mining continued to drill both RC and aircore ("**AC**") programs at the Becher Project as part of the Egina farm-in and joint venture agreement (the "**Egina JV**"). The AC drilling program at the Balla Balla Gold Project was deferred awaiting tenement grant. No field work was completed in the East Pilbara during the quarter. In Victoria the Belltopper diamond drilling ("**DD**") program commenced late in the quarter, designed to test several newly identified, high priority structural and geophysical targets.

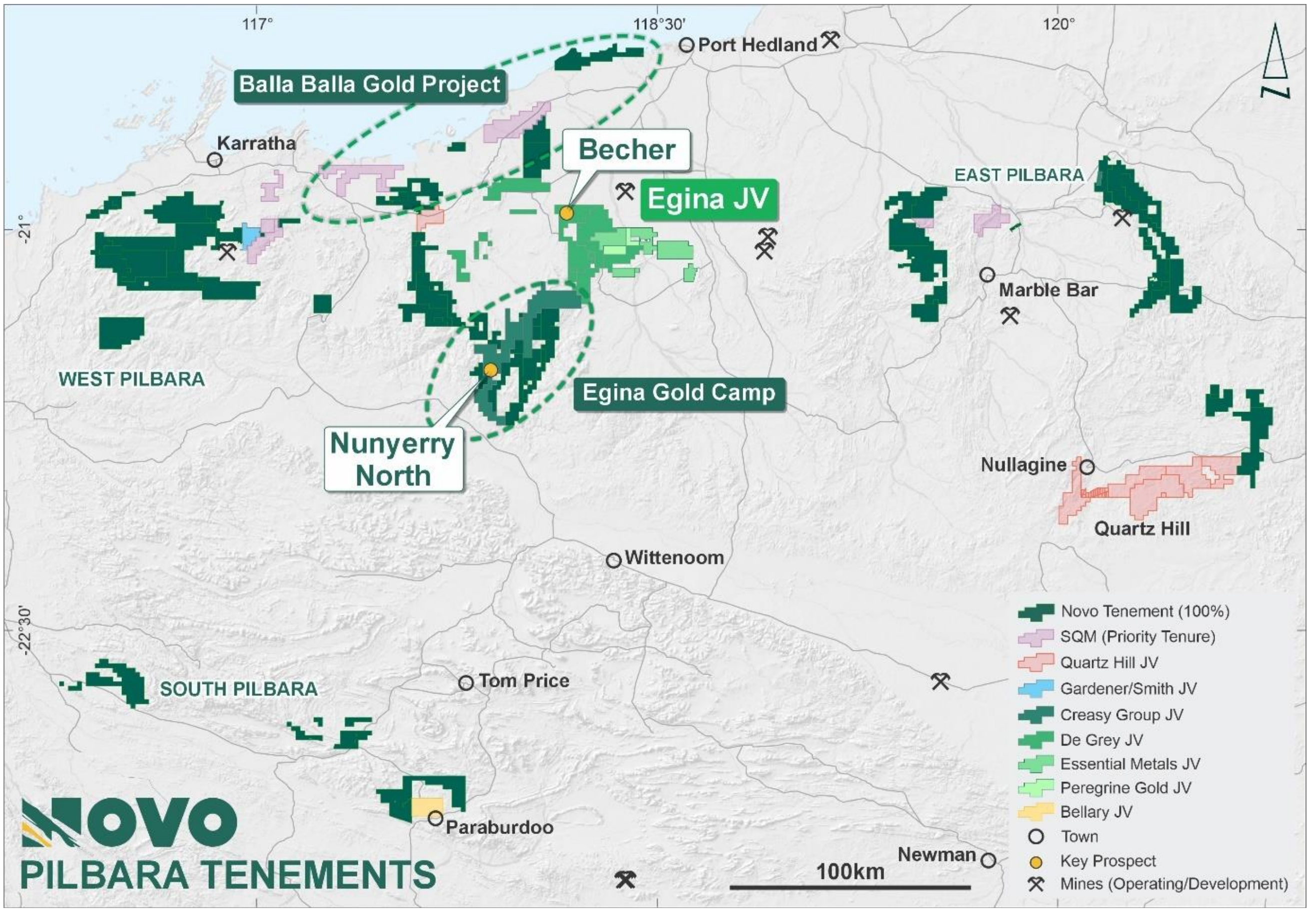

Figure 1 Novo's Pilbara Landholding, Project areas and priority prospects Dec-2023

The Egina Gold Camp is an 80 km long contiguous tenement package which hosts Novo's high priority Pilbara targets (Figure 1) at Nunyerry North and Becher. The tenure is focussed on a series of structurally complex, gold-fertile corridors and is hosted by rocks of the Mallina Basin in the north and mafic / ultramafic sequences further south. This area was the primary focus for Novo's 2023 exploration programs.

The Nunyerry North prospect lies within Exploration License E47/2973, in the southern Egina Gold Camp, located 150 km from Port Hedland. The tenement is subject to a joint venture agreement, with Novo holding a 70% interest and the remaining 30% held by Rockford Metals Pty Ltd, an entity of Mark Gareth Creasy (The Creasy Group).

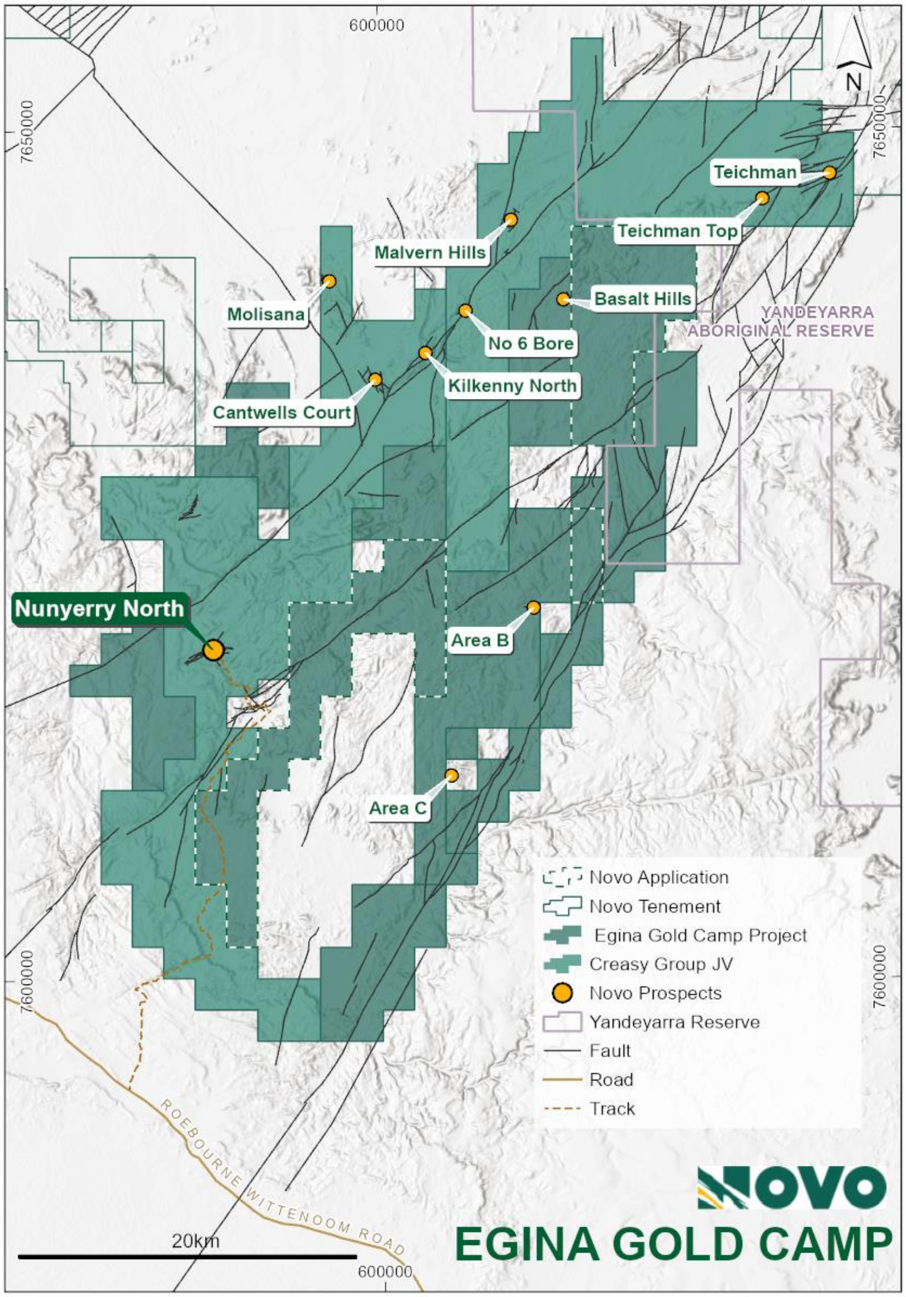

Figure 2 Southern Egina Gold Camp tenure showing significant Au prospects, location of Nunyerry North, and joint operation interests.

Novo completed its maiden RC program at Nunyerry North in Q4 2023. A total of 30 RC holes (NC001-NC030) were completed for 2,424 m testing high grade surficial gold anomalism across a strike length of some 500 m. The program immediately defined several zones of mineralised quartz veining, some of which appear blind at surface. Gold mineralisation is hosted in arrays of quartz veins with minor sulphides including pyrite, pyrrhotite and chalcopyrite. The vein arrays trend between two north dipping shear zones and are hosted in a 60 m wide zone of mafic to high-MgO basalt within an ultramafic dominant package.

The drill program to date tested only a small part of the overall Nunyerry North project area (Figure 3). Results from the RC program warrant further follow-up work. The prospective stratigraphy continues along strike towards the east and repeats west of the Aurora Fault. RC drilling to test these positions is planned for H1 2024.

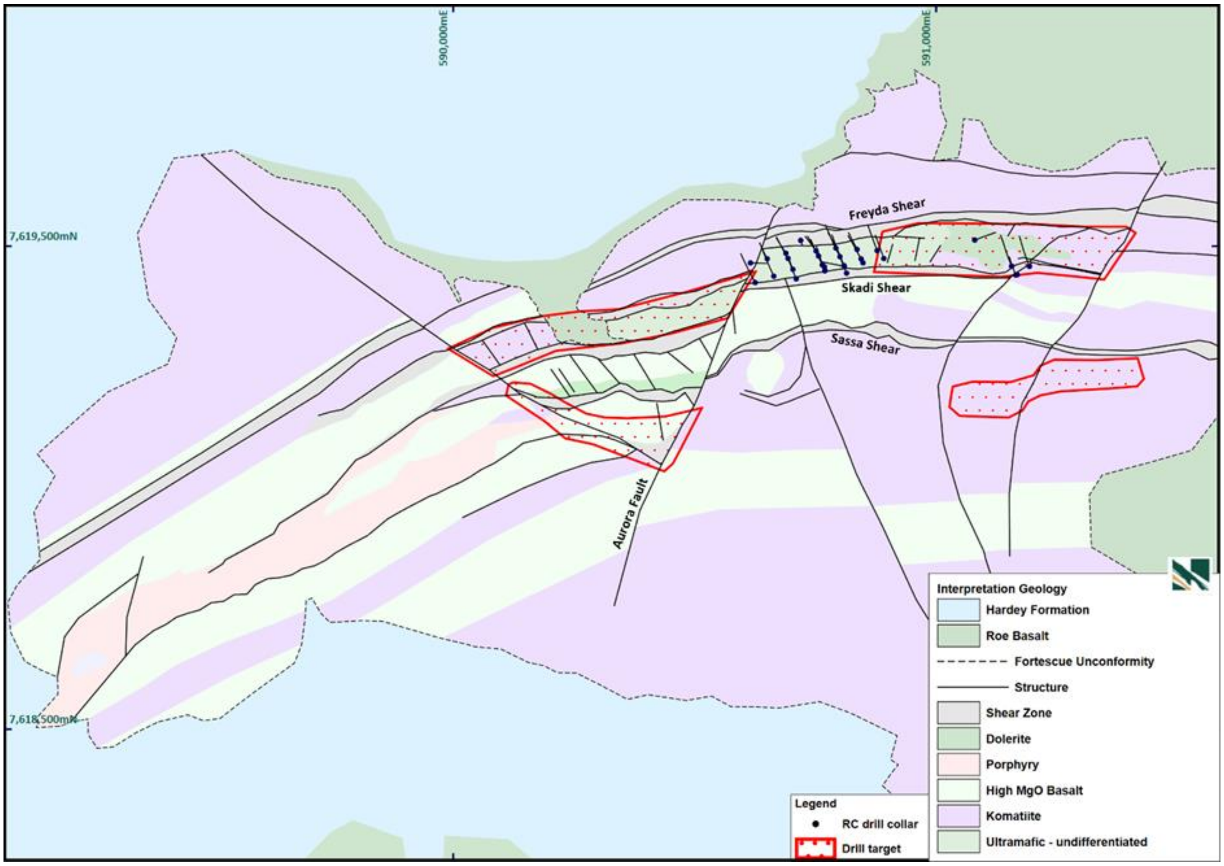

Figure 3 The broader Nunyerry project area with interpreted geology, highlighting strike extent of favourable stratigraphy and additional structural targets for further drill testing.

In the northern Egina Gold Camp at the Egina JV area, Novo's partner, De Grey Mining, commenced AC drilling at Becher on tenement E47/3673 as part of their planned 39,000 m program of AC, RC and diamond drilling. A total of 271 infill AC holes were drilled for 7,536 m in Q4 2023, targeting the Heckmair/Irvine and Bonatti prospects. In addition, RC drilling commenced, with the first 29 drill holes for 4,154 m completed focusing on the Heckmair/Irvine and Lowe prospects. Final assays are anticipated in Q1 2024.

In Victoria, diamond drilling planned to test multiple high-grade targets at the Belltopper Gold Project (Figure 4) commenced during the quarter. The first two deep diamond holes were completed, with 917.7 m of a planned 6-hole, approx. 2,300 m program. The latter is designed to test structural and intrusion hosted/related gold targets, high tenor induced polarization geophysical anomalies and a developing high-grade zone at the Leven Star Reef. Diamond drilling recommenced in early January 2024, completing the remaining four planned drill holes. Final assays are anticipated in Q1 2024.

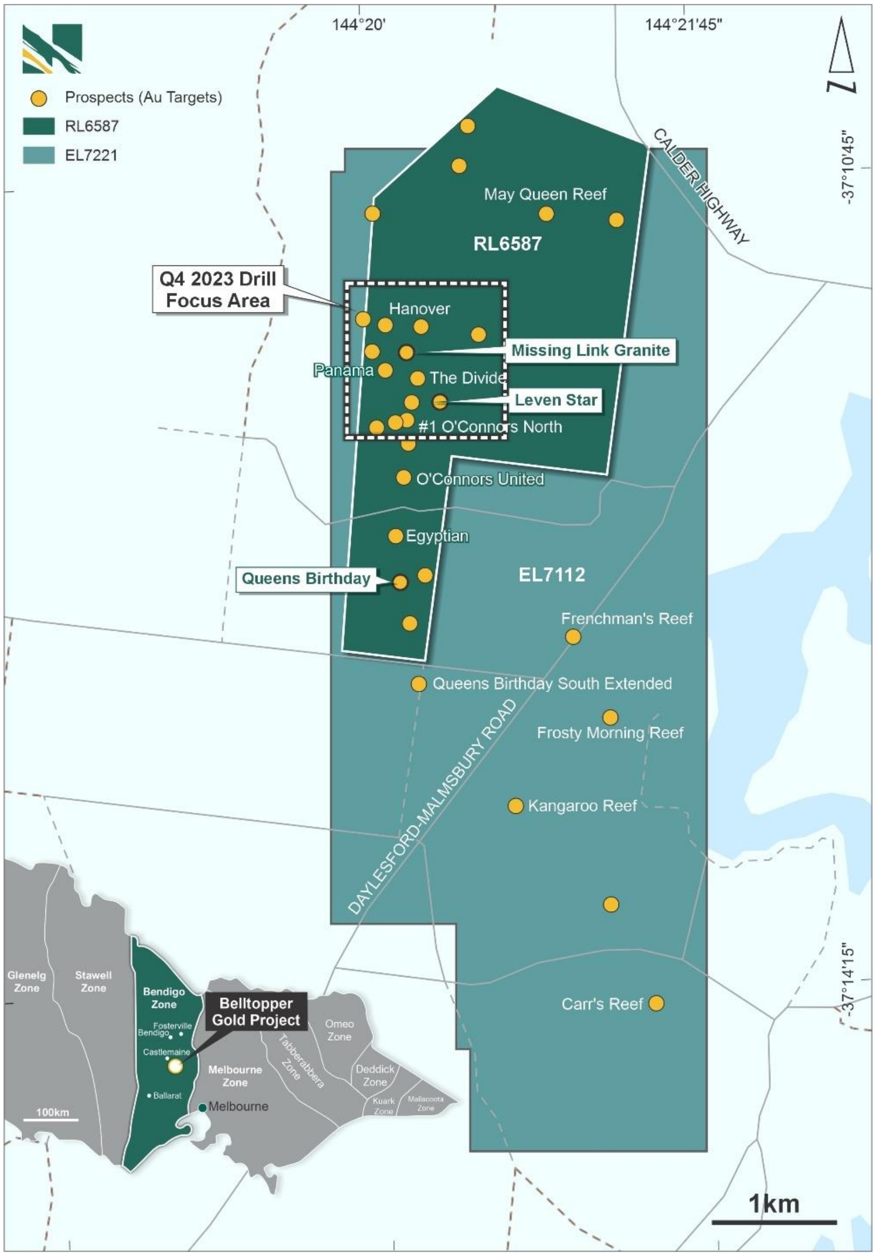

Figure 4 Belltopper Project location, tenure and prospects.

Second and Final Completion with Creasy Group

On January 20, 2023, the Company issued 8,431 common shares to Mark Creasy and entities controlled by him (collectively, the "**Creasy Group**") in exchange for a 100% interest in mining lease 45/202 and a 70% interest in mining lease 45/1163, both of which are located in the East Pilbara region of Western Australia.

Acquisition of the mining leases completed Novo's consolidation of the Bamboo Creek and Strattons Project areas, east of Marble Bar. These projects are prospective for orogenic gold, silver and base metal mineralisation within the Archaean greenstone belt flanking the Mt Edgar Batholith. The greenstone belt is overlain by the Fortescue Formation, which is prospective for conglomerate gold mineralisation.

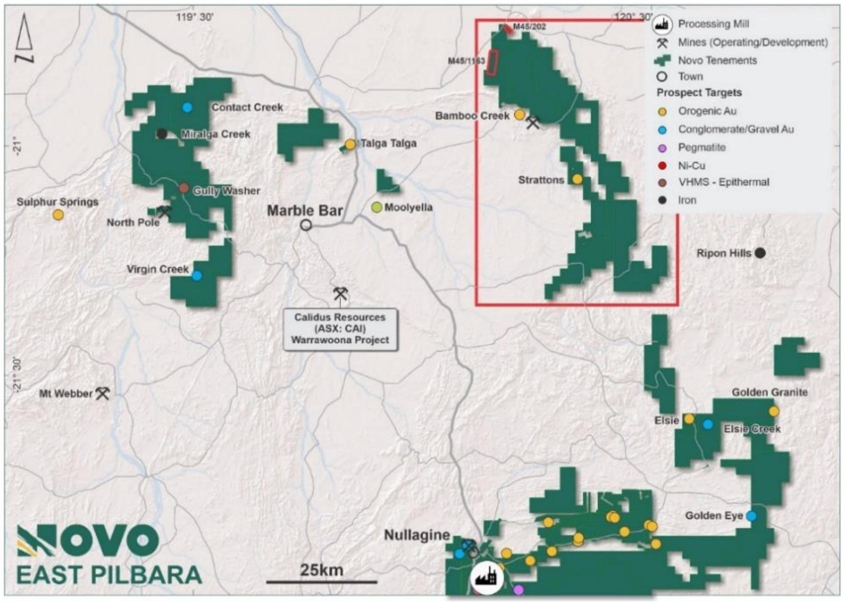

Figure 5 Mining leases in relation to Novo's Marble Bar tenure.

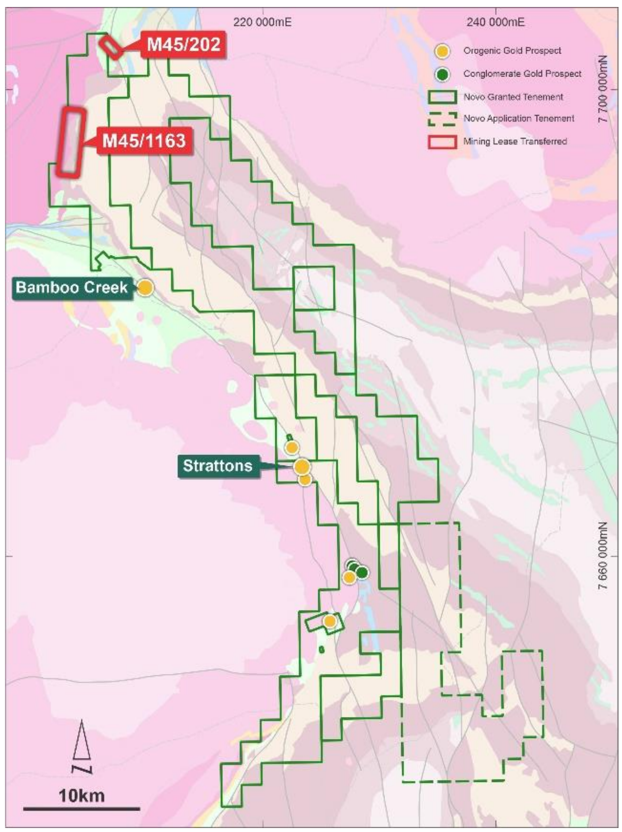

Figure 6 Bamboo Creek and Strattons Project targets.

Consolidation of Belltopper Gold Project, Victoria, Australia

On April 24, 2023[6], the Company completed the acquisition of residual 50% interests in the Queens Project from Kalamazoo Resources Limited (ASX:KZR) ("**Kalamazoo**") and the Malmsbury Project from GBM Resources Limited (ASX:GBZ) ("**GBM**"). The Company now holds a 100% interest in the Malmsbury and Queens Projects, referred to as the Belltopper Gold Project.

Malmsbury Project

Novo paid AUD $1,000,000 ($906,000) and issued 4,037,872 common shares and 2,018,936 transferable common share purchase warrants (collectively, the "**GBM Securities**") to GBM for its residual 50% interest in the Malmsbury Project, with each warrant entitling GBM to purchase one additional common share of the Company at a price of $0.60 until April 24, 2025. All of the GBM Securities, and any common shares of the Company issued upon exercise of such warrants, remain subject to a contractual hold period expiring on April 24, 2024.

In addition, the previously agreed 2.5% maximum net smelter returns royalty has been retained by GBM. The Malmsbury Project is potentially encumbered by certain pre-existing royalties for which GBM has indemnified Novo.

Queens Project

Novo paid AUD $750,000 ($680,000) and issued 2,088,554 common shares (the "**Kalamazoo Securities**") to Kalamazoo for its 50% interest in the Queens Project on an encumbrance-free basis. The royalty previously held by Kalamazoo has been terminated in conjunction with this acquisition. All of the Kalamazoo Securities remain subject to a contractual hold period expiring on April 24, 2024.

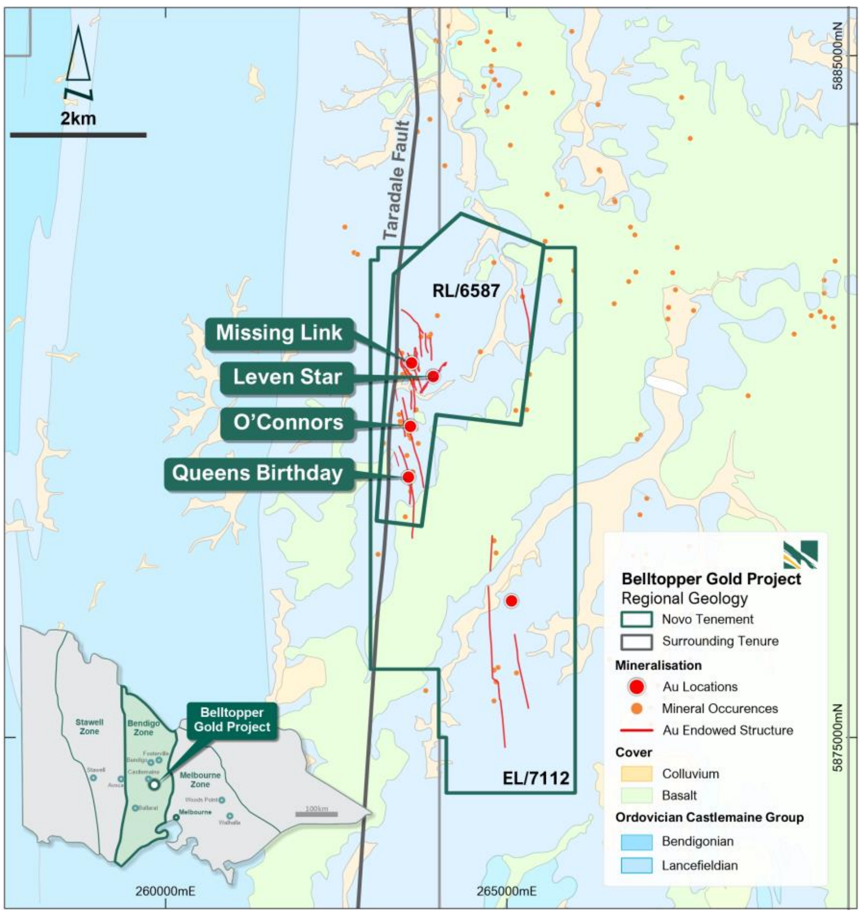

Figure 7 Geology and tenements of the Belltopper Gold Project.

SUSTAINABILITY

Health and Safety

The health and safety of the Company's employees, contractors, and communities in which Novo operates is paramount. The Company's 12-month trailing TRIFR was 10.9. The Company continues to enhance its health and safety protocols, including its focus on implementing critical risk controls, behaviours, and culture, for its Pilbara-wide and Victoria exploration efforts.

Environment

The Company works closely with the West Australian regulatory bodies, particularly the Department of Energy, Mines, Industry Regulation and Safety ("**DEMIRS**"), the Department of Water and Environmental Regulation ("**DWER**"), and the Environmental Protection Authority, in order to ensure compliance with requisite regulations. The Company is committed to environmental stewardship, particularly considering its vast landholdings in the Pilbara.

Community

As a committed corporate citizen of the Pilbara region of Western Australia, the Company values its relationships with the Indigenous communities and local residents, and communities surrounding the Company's projects. Novo works closely with the nine Traditional owners who hold interests in the Company's vast Pilbara-wide tenure holdings.

The Company also endeavours to invest in its communities outside the parameters of its contractual obligations, including providing support to community, cultural, education, and sport initiatives.

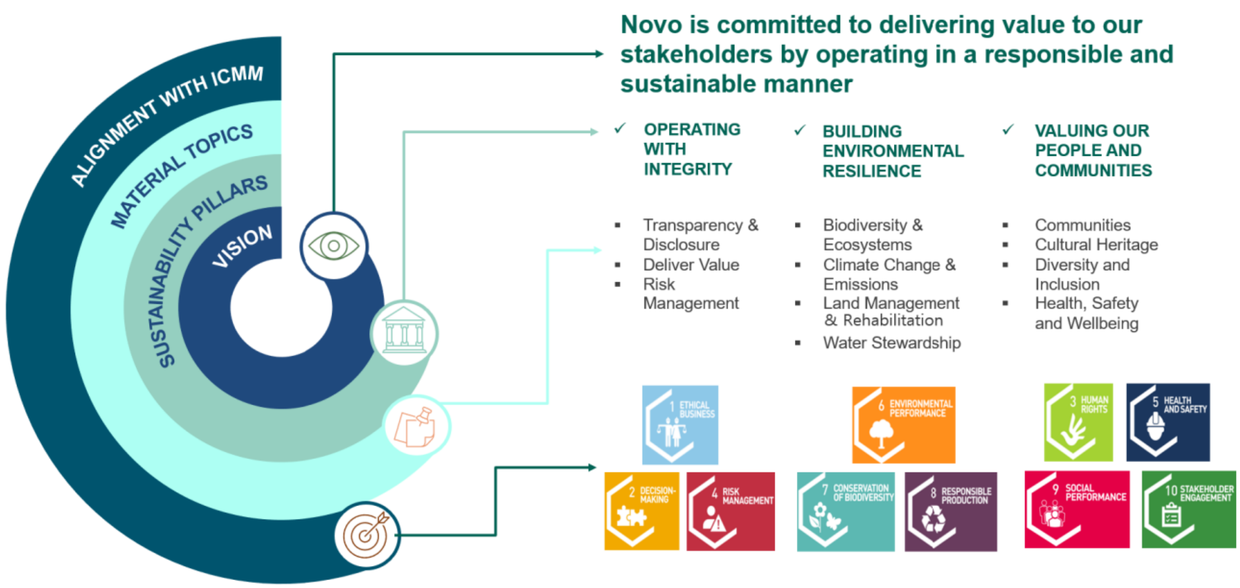

Figure 8 Novo sustainability strategy

FINANCIAL RESULTS

The following table contains quarterly and annual information derived from the Annual Financial Statements.

		For the three months ended		For the year ended	
		December 31, 2023	December 31, 2022 (restated)	December 31, 2023	December 31, 2022 (restated)
General and exploration expenditure	$	**(9,284)**	163	**(45,379)**	(34,155)
Other (expenses) / income, net	$	**7,183**	(150)	**6,851**	22,871
Deferred consideration	$	**(10,812)**	-	**(10,812)**	-
Finance items	$	**480**	2,075	**(50)**	(6,018)
Income tax expense	$	**465**	1,808	**496**	1,212
Loss from discontinued operation	$	**(78,917)**	(89,237)	**(78,917)**	(89,328)
Net loss for the period after tax	$	**(90,885)**	(85,341)	**(127,811)**	(105,418)
Basic and diluted loss per common share	$/share	**(0.03)**	(0.02)	**(0.16)**	(0.06)

Three Months Ended December 31, 2023 Compared to Three Months Ended December 31, 2022

Net loss after tax in Q4 2023 was $90,885,000 (Q4 2022 – $85,341,000), incurred as a result of a non-cash loss on discontinued operations from the divestment of the Nullagine Gold Project, exploration expenditure and general administration expenditure. The loss in Q4 2022 has been restated to reflect the discontinued operation.

Other Expenses

General administration costs in Q4 2023 were $5,414,000 as compared to $3,302,000 in Q4 2022. The increase was primarily due to additional legal and consulting fees incurred during the quarter relating to the transactions negotiated with Liatam, Calidus and SQM. *Refer to Significant Business Developments & Outlooks*. The reallocation of depreciation on certain lease assets that were not sold as part of the Nullagine Gold Project divestment has further contributed to the increase in general administration costs in Q4 2023.

Exploration expenditure in Q4 2023 totalled $13,920,000 and includes the recognition of non-cash impairments of $9,253,000 relating to the Harding Battery Metals Joint Operation with SQM, the Quartz Hill Joint Operation with Liatam and relinquishment of several prospecting tenements. A further loss on sale of exploration and evaluation assets of $6,147,00 was recognized from the sale of tenements to Calidus and SQM. Refer to Note 5 of the Annual Financial Statements. In Q4 2022, exploration expenditure totalled $9,542,000 this amount has been offset by a $13,252,000 restatement adjustment to account for the sale of the Nullagine Gold Project as a discontinued operation. Refer to Note 19 of the Annual Financial Statements.

Care and maintenance costs in Q4 2023 totalled $10,051,000 (Q4 2022: $ 2,632,000); these balances are accounted for as part of the loss on discontinued operation line item relating to the sale of the Nullagine Gold Project. Refer to Note 19 of the Annual Financial Statements.

Other Income / expenses

Other income recognized during Q4 2023 totalled $7,183,000 (Q4 2022 – expense $149,000) and relates to a non-cash $4,000 foreign exchange loss (Q4 2022 – loss $13,000) offset by a profit on the sale of Mine Development Asset (part of the asset sale to Calidus - Refer to notes 5 and 8 of the Annual Financial Statements) of $6,780,000. and Other income of $408,000 (Q4 2022 - loss $136,000).

Deferred consideration in Q4 2023 totalled $10,812,000 (Q4 2022: Nil); this relates to the renegotiated terms of the deferred consideration agreement between the Company and IMC whereby the remaining outstanding balance of $14,041,000 (A$15,600,000) owing is to be repaid by December 2026. The balance owing has been measured at its fair value; the effective interest rate calculated is approximately 11.25% per annum. Refer to Note 11 of the Annual Financial Statements

Finance Items

The Company incurred interest and finance income of $480,000 during Q4 2023 (Q4 2022 – $2,075,000); this includes interest earned of $96,000 (Q4 2022: $492,000) and a net non-cash $729,000 accretion reversal (Q4 2022 – reversal $434,000) relating to the derecognition of the Company's rehabilitation provisions. Refer to Note 12 of the Annual Financial Statements.

Interest and finance income also included non-cash interest expenses of $344,000 (Q4 2022 – $1,148,000) related to leases recognized pursuant to IFRS 16 *Leases* ("**IFRS 16**"). The Company recognizes lease liabilities and corresponding right-of-use assets pursuant to IFRS 16 where the Company has the right to use assets underlying certain arrangements. Refer to Notes 7 and 10 of the Annual Financial Statements.

Other Comprehensive Loss

During Q4 2023, a non-cash gain of $7,689,000 (Q4 2022 – loss $737,000) represented movements in the fair value of the Company's marketable securities. The Company's portfolio consists of holdings in listed and unlisted entities, including GBM, Kalamazoo, E3D, Calidus Resources Limited ("**CAI**") and SCM.

During Q4 2023, the Company also recognized non-cash losses of $2,193,000 (Q4 2022 – gain $3,873,000) pertaining to the foreign exchange impact of the translation of subsidiary financial information. The Company's Australian subsidiaries, which incur most of the Company's expenditure, have an Australian dollar functional currency. Gains or losses are recognized upon translation of income and expenses and assets and liabilities denominated by the Company's Australian subsidiaries in Australian dollars into the Company's Canadian dollar presentation currency. The average foreign exchange rate was AUD $0.8968 to CAD $1.00 during Q4 2023 (Q4 2022 – AUD $0.9035 to CAD $1.00).

Fiscal 2023 Compared to Fiscal 2022

Net loss after tax for Fiscal 2023 was $127,811,000 (Fiscal 2022 - $105,418,000) caused by a non-cash loss on discontinued operations from the divestment of the Nullagine Gold Project, exploration expenditure and general administration expenditure. The loss in Fiscal 2022 has been restated to reflect the loss from the discontinued operation.

Other Expenses

General administration costs for Fiscal 2023 were $15,040,000 as compared to $14,058,000 for Fiscal 2022. Refer to *Financial Results - Three months ended December 31, 2023, compared to three months ended December 31, 2022 – Other Expenses.*

Exploration expenditures including impairment and loss on sale of exploration and evaluation assets for Fiscal 2023 totalled $30,339,000 (Fiscal 2022: $20,097,000). Refer to *Financial Results - Three months ended December 31, 2023 Compared to Three Months Ended December 31, 2022 – Other Expenses*.

Other Income / expenses

Other net income recognized during Fiscal 2023 totalled $6,851,000 (Fiscal 2022 – $22,871,000) and relates to a non-cash $928,000 foreign exchange loss (Fiscal 2022 - $322,000) and a non-cash $8,000 loss from the decrease in the value of the warrants held in GBM (Fiscal 2022 – $290,000), offset by other income of $1,037,000 (Fiscal 2022 - $1,208,000). Other income recognized for Fiscal 2023 further includes $6,780,000 relating to the profit on sale of the Mine Development Assets. Refer to Note 8 of the Annual Financial Statements. In Fiscal 2022, other net income included $22,275,000 relating to a gain on a derivative asset held at fair value through profit and loss recognized in relation to the divestment of the Company's investment in New Found Gold Corp. Refer to Note 4 of the Annual Financial Statements.

Finance Items

The Company incurred interest and finance costs during Fiscal 2023 of $751,000 (Fiscal 2022 - $6,985,000), including $375,000 of non-cash expense (Fiscal 2022 – $245,000) relating to rehabilitation provision accretion expense. The accretion expense for Fiscal 2023 includes a $729,000 accretion reversal (Fiscal 2022: reversal $492,000) relating to the derecognition of the Company's rehabilitation provisions. Refer to Note 12 of the Annual Financial Statement. Interest and finance costs included non-cash interest expenses of $376,000 (Fiscal 2022 - $67,000) related to leases recognized pursuant to IFRS 16 *Leases* ("**IFRS 16**").

Interest and finance costs for Fiscal 2022 included finance costs cash interest and accreted interest related to the Credit Facility of $9,993,000 and a change in fair value of the derivative liability embedded within the Credit Facility of $378,000. The Company further recognised a gain of $2,942,000 on the change in fair value of the Sumitomo Corporation liability and subsequent settlement.

Interest and finance costs were offset by interest earned of $701,000 during Fiscal 2023 (Fiscal 2022 - $967,000)

Other Comprehensive Loss

During Fiscal 2023, non-cash income of $11,461,000 (Fiscal 2022 – loss $29,981,000) represents a movement in the fair value of the Company's marketable securities. The income is mostly driven by a revaluation of the Company's SCM holdings from USD $2.40 per share to USD $5.38 per share. Refer to Note 4 of the Annual Financial Statements.

During Fiscal 2023, the Company also recognized non-cash losses of $5,707,000 (Fiscal 2022 – $1,619,000) pertaining to the foreign exchange impact of the translation of subsidiary financial information. The Company's Australian subsidiaries, which incur most of the Company's operational expenditure, have an Australian dollar functional currency. Gains or losses are recognized upon translation of income and expenses denominated by the Company's Australian subsidiaries in Australian dollars into the Company's Canadian dollar presentation currency.

LIQUIDITY AND CAPITAL RESOURCES

	December 31, 2023 $'000	December 31, 2022 $'000	December 31, 2021 $'000
Cash	**11,613**	47,925	32,345
Short-term investments	**149**	152	108
Working capital[1]	**14,886**	33,695	3,925
Marketable securities	**34,395**	20,701	156,209
Available liquidity[1]	**23,738**	53,146	102,868
Total assets	**106,451**	256,161	462,682
Current liabilities excluding current portion of financial liabilities	**3,446**	12,365	19,805
Non-current liabilities excluding non-current portion of financial liabilities	**-**	41,935	36,342
Financial liabilities (current and non-current)	**18,083**	13,893	75,608
Total liabilities	**21,529**	68,193	148,420
Shareholders' equity	**84,922**	187,968	314,262

Available liquidity[1] totalled $23,738,000 as at December 31, 2023 (December 31, 2022 - $53,146,000) and represented the value of the Company's realizable assets. Refer to *Non-IFRS Measures* below.

The Company's available liquidity[1] has decreased since December 31, 2022 due to ongoing ordinary course of business expenditure including the stamp duty payment on the Millenium acquisition, and the payment of Canadian capital gains tax of $6,160,000 on the divestment of the Company's investment in New Found Gold Corp. Refer to Note 4 of the Annual Financial Statements.

The Company's working capital position has decreased since December 31, 2022 as a result of ordinary course of business cash outflows and the sale of the Nullagine Gold Project.

The Company has prepared a cash flow forecast that looks beyond this period, and through to the end of March 2025. That extended cash flow forecast takes into account working capital and operating cost assumptions, exploration costs, and capital expenditures, along with foreign exchange rates, and the ability to further realize marketable securities. Based on this, management has concluded that this could indicate a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. Refer to Note 2 in the Annual Financial Statements.

	For the three months ended		For the year ended	
	December 31, 2023 $'000	December 31, 2022 $'000	December 31, 2023 $'000	December 31, 2022 $'000
Cash flow information				
Cash used in operations	**(6,395)**	(18,032)	**(47,433)**	(46,186)
Net cash (used in) / generated from investing activities	**88**	(456)	**(1,473)**	119,693
Net cash generated from / (used in) financing activities	**1,736**	3,685	**12,829**	(57,865)
Change in cash	**(4,571)**	(14,803)	**(36,077)**	15,642

Operating cash outflows totalled $6,395,000 in Q4 2023 (Q4 2022 – $18,032,000) after the recognition of the loss on sale of discontinued operations. Refer to Note 19 of the Annual Financial Statements.

Investing cash inflows totalled $88,000 in Q4 2023 (Q4 2022 - outflow of 456,000). The Q4 inflow relates to the $180,000 cash consideration received from Liatam offset by payments of $90,000 for the acquisition of property, plant and equipment. During Q4 2022, the Company used $456,000 in investing activities which related to the acquisition of exploration assets.

During Q4 2023, the Company recognized $1,736,000 (Q4 2022 – $3,685,000) in financing cash inflows. The investing inflows of $1,622,000 (Q4 2022 $4,735,000) relates to the Liatam private placement. Refer to Note 13 of the Annual Financial Statements. The cash inflows were offset by $637,000 (Q4 2022: $1,050,000) relating to the principal portion of lease liabilities incurred pursuant to IFRS 16.

Operating cash outflows totalled $47,433,000 for Fiscal 2023 (Fiscal 2022 – $46,186,000) relates to ordinary course of business expenses of $113,737,000 (Fiscal 2022 - $71,975,000). Offset by the recognitions of the loss on sale of discontinued operations of $66,304,000 (Fiscal 2022 – nil). Fiscal 2022 also included the net effect of the impairment of non-current assets $48,064,000 and the change in the fair value of the derivative asset $22,275,000.

During Fiscal 2023, the Company incurred $1,473,000 in investing activities (Fiscal 2022 – inflow of $119,693,000). This included capital expenditures for the period of $97,000 (Fiscal 2022 - $4,978,000) and nil (Fiscal 2022 - $754,000) for development of the Beatons Creek Project. The cash outflows of $1,596,000 (Fiscal 2022 - $500,000) pertained mainly to the acquisition of the remaining interest in Kalamazoo and GBM. In Fiscal 2022, $125,925,000 was received from the sale of the Company's investment in New Found Gold Corp. Refer to Note 4 of the annual financial statements.

During Fiscal 2023, the Company received $12,829,000 (Fiscal 2022 – outflow $57,865,000) in financing cash inflows, relating to the private placement in which De Grey and Liatam acquired 35,223,670 and 9,000,000 common shares in the Company respectively. Further to the placements the Company received proceeds from the dual listing on the ASX of $6,554,000. These proceeds were offset by share issue costs of $999,000 and $3,320,000 relating to the principal portion of lease liabilities incurred pursuant to IFRS 16 (Fiscal 2022 - $11,832,000). The remaining investing outflows for Fiscal 2022 totaling $51,110,000 relates to the repayment of the Credit Facility.

SELECTED FINANCIAL INFORMATION

Management is responsible for the Annual Financial Statements referred to in this MD&A and provides officers' disclosure certifications filed with the securities regulators of the Canadian jurisdictions in which Novo is a reporting issuer. Although the Company's audit committee reviews the Annual Financial Statements and MD&A and makes recommendations to the Board, the Board has final approval of the Annual Financial Statements and MD&A.

SUMMARY OF ANNUAL RESULTS

	December 31, 2023 $'000	December 31, 2022 $'000	December 31, 2021 $'000
Revenue *(restated)*	**-**	-	112,243
Gross (loss) / profit from mine operations *(restated)*	**-**	-	1,476
Net loss for the period after tax	**(48,894)**	(105,418)	(704)
Comprehensive (loss) / profit for the year	**(122,055)**	(137,018)	18,941
Basic and diluted (loss) /profit per common share ($ per share)	**(0.16)**	(0.06)	(0.00)
Total assets	**106,451**	256,161	462,682
Non current liabilities	**12,553**	45,461	102,960
Cash dividends	**-**	-	-
Cash and cash equivalents	**11,762**	48,077	32,453

The Company’s historical operating and financial results were primarily driven by gold production and revenue, the average realized price of gold, foreign exchange rates, and non-operating expenses, including exploration expenditure, factors influencing the value of the Company’s assets, and other income. Significant changes in any of these factors directly impacted the Company’s revenue and earnings.

The Company’s financial results for the years ended December 31, 2023 and 2022 were impacted by sale of the Nullagine Gold Project to Calidus. The cash and cash equivalents were impacted by the ordinary course of business cash outflows. Total assets and non current liabilities balances were also impacted by the sale of the Nullagine Gold Project and transactions negotiated with Liatam and SQM. *Refer to Significant Business Developments & Outlooks*.

The Company’s financial results for the year ended December 31, 2021 were impacted by the change in accounting policy for exploration expenditure, impairment of non-current assets, and discontinuation of equity accounting for the Company’s investment in New Found Gold Corp.

SUMMARY OF QUARTERLY RESULTS

The following information is derived from and should be read in conjunction with the Annual Financial Statements and the consolidated financial statements for each of the past eight quarters which have been prepared in accordance with IFRS applicable to interim financial reporting, including IAS 34.

		4th Quarter 2023	3rd Quarter 2023	2nd Quarter 2023	1st Quarter 2023	4th Quarter 2022	3rd Quarter 2022	2nd Quarter 2022	1st Quarter 2022	4th Quarter 2021
		December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Revenue	***$’000***	**-**	**-**	**-**	-	2,496	27,987	29,685	31,875	112,243
Net Profit / (Loss)	***$’000***	**(48,894)**	**(9,553)**	**(11,187)**	(16,186)	(14,562)	(60,713)	(19,617)	(12,933)	6,441
Basic and Diluted Income (Loss)	***$/share***	**(0.16)**	**(0.04)**	**(0.04)**	(0.06)	(0.42)	(0.24)	(0.08)	(0.05)	(0.00)

Refer to *Financial Results - Three months ended December 31, 2023 Compared to Three Months Ended December 31, 2022 and Fiscal 2023 compared to Fiscal 2022*.

CASH RESOURCES AND GOING CONCERN

The Annual Financial Statements have been prepared on a going concern basis, which contemplates continuity of business activities and the realization of assets and settlement of liabilities in the normal course of business.

For the year ended December 31, 2023, the Company reported a net loss before tax of $128,307,000 (December 31, 2022: $106,186,000) and operating cash outflows of $47,433,000 (December 31, 2022: $46,186,000). The Company had cash on hand and short-term investments of $16,274,000 at March 15, 2024 and $11,762,000 at December 31, 2023.

On December 20, 2023, the Company announced the divestment of the Nullagine Gold Project (“**NGP**”) to Calidus. The transaction included a share sale agreement pursuant to which Calidus purchased all the issued and outstanding shares of Millennium and an asset sale agreement where Calidus acquired additional tenements from Beatons, Nullagine Gold and Rocklea for $226,000 (AUD $250,000) in Calidus shares. The Company received a further $9,001,000 (AUD $10,000,000) as part of the Harding Battery Metals Joint Operation on January 4, 2024. Please refer to Notes 5 and 25 of the Annual Financial Statements.

The Company's directors, in their consideration of the appropriateness of the going concern basis for the preparation of the consolidated financial statements, have prepared a cash flow forecast demonstrating that the Company will have access to sufficient cash flows to meet its commitments and working capital requirements for the 12-month period from the date of signing the Annual Financial Statements. Based on the cash flow forecast, operating cost assumptions, exploration costs, and capital expenditures, along with foreign exchange rates, and the ability to further realize marketable securities, the Company's directors are satisfied that the Company will have sufficient cash to continue as a going concern.

Critical elements to managing the Company's cash flows and achieving the forecast cash flows and positive cash balance include managing forecast capital expenditure, determining forecast discretionary exploration expenditure, and realising additional liquidity from the potential to dispose of certain of the Company's assets at favourable prices, in acceptable timeframes, if required.

Should the Company not meet its cash flow forecast or achieve the above, it may need to rely on a number of additional options, including securing additional funding or by raising further capital from equity markets. The directors will continue to manage the Company's activities including the ability to scale back planned projects if required to preserve cash, with due regard to current and future funding requirements. The Company had available liquidity of $23,738,000 at December 31, 2023.

At the date of signing, the directors have reasonable grounds to believe that the Company will be able to achieve the above matters noted and that it is appropriate to prepare the consolidated financial statements on the going concern basis.

The conditions above indicate a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, whether it will be able to realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements. The Annual Financial Statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

CONTRACTUAL OBLIGATIONS

As at December 31, 2023, the following contractual obligations were outstanding:

As at December 31, 2023	Within 1 year $'000	Within 1-2 years $'000	Within 2-3 years $'000	Within 3+ years $'000	Total $'000
Trade and other payables	3,446	-	-	-	**3,446**
Deferred consideration	2,700	2,340	9,001	-	**14,041**
Leases	1,260	168	173	162	**1,763**

OFF-BALANCE SHEET TRANSACTIONS

There are currently no off-balance sheet arrangements which have, or are reasonably likely to have, a current or future effect on the financial performance or the financial condition of the Company.

CONTINGENCIES

From time to time, the Company is involved in various claims, litigation and other matters in the ordinary course and conduct of business. Some of these pending matters may take a number of years to resolve. While it is not possible to determine the ultimate outcome of such actions at this time, and inherent uncertainties exist in predicting such outcomes, it is the Company's belief that the ultimate resolution of any such current actions is not reasonably likely to have a material adverse effect on its consolidated financial position or results of operations except as otherwise disclosed.

RELATED PARTY TRANSACTIONS

During Fiscal 2023 and the three months ended December 31, 2023, the following amounts were incurred with related parties in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties:

		For the three months ended		For the year ended	
Name	Nature of Compensation	December 31, 2023 $'000	December 31, 2022 $'000	December 31, 2023 $'000	December 31, 2022 $'000
Non Executive Co-Chairman & Director	Director fees	**34**	29	**137**	88
Executive Co-Chairman & Director	Salary	**110**	111	**448**	340
Former CEO & Director	Salary	**-**	-	**-**	212
CFO & Corporate Secretary	Salary	**66**	62	**383**	217
Former VP, Corporate Communications	Consulting Fees	**45**	45	**180**	135
Independent Directors	Director Fees	**64**	60	**253**	180
Share Based Payments	Stock Options	**158**	458	**780**	1,822
Total		**477**	**765**	**2,181**	**2,994**

Details of these compensation arrangements are outlined in the Company's most recently filed Form 51-102F5 *Information Circular* (available under the Company's profile on SEDAR+ at www.sedarplus.ca with a filing date of October 11, 2023).

From time to time, Novo's board of directors (the "**Board**") incentivizes the Company's management, employees, and consultants by issuing incentive stock options. Amounts outlined in the table above represent such portion of the Company's share-based payment expenses which relate to incentive stock options granted to the Company's management and Board, namely the non-executive co-chairman/director, the executive co-chairman/director, an independent director, and the chief financial officer/corporate secretary.

The Company's methodology for calculating the fair value of share-based payments is outlined in Note 2 of the Annual Financial Statements. Share-based payments relating to these key management personnel and directors totalled $158,000 during Q4 2023 (Q4 2022 - $458,000) and $780,000 for the Fiscal 2023 (Fiscal 2022 - $1,822,000).

CRITICAL ACCOUNTING ESTIMATES

The accounting policies and methods of application applied by the Company are outlined in the Annual Financial Statements (refer to Note 2).

FINANCIAL INSTRUMENTS

a) Fair value

The Company's financial instruments include cash, short-term investments, other receivables, marketable securities, accounts payable, lease liabilities, deferred consideration liability, deferred revenue and accrued liabilities. The fair value hierarchy reflects the significance of inputs in making fair value measurements as follows:

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

- Level 3 - applies to assets or liabilities for which there is unobservable market data.

The recorded amounts of cash, short-term investments, other receivables, accounts payable, accrued liabilities, deferred consideration liability, deferred revenue and lease liabilities approximate their respective fair values due to their short-term nature.

Financial Instruments carried at fair value:

- The marketable securities for listed shares are measured using Level 1 inputs. The fair value of marketable securities are measured at the closing market price obtained from the Australian Securities Exchange.

- The marketable securities balance for the GBM Warrants is measured using Level 2 inputs. The fair values of the GBM Warrants have been determined using a Black-Scholes option pricing model.

- The marketable securities balance held in E3D is measured using Level 3 inputs. The value of the shares held in E3D was determined using the fair value of USD $6.82 per share which represents the price at which E3D raised funds with sophisticated third-party investors from August 2023 to January 2024. The share price which is at arm's length and occurred close to balance sheet date is an unobservable input and is considered to be an appropriate measure of fair value of the E3D shares. A 5% movement in the transaction price of E3D shares would have resulted in a movement of $810,000 in net assets (December 31, 2022: $762,000) Refer to Note 5 of the Annual Financial Statements.

- The marketable securities balance held in SCM is measured using Level 3 inputs. The US$5.38 per share fair value was determined considering a number of factors including the fair value by SCM by an independent valuer upon acquisition of the San Cristobel Mine further supported by the December 31, 2023 cashflow model. Key assumptions underlying the cashflow model were commodity prices and discount rate. A 5% increase/decrease in the commodity prices would have resulted in an increase of $2,860,000 and $3,477,000 decrease in net assets respectively. A 5% increase/decrease in the discount rate would have resulted in a movement of $320,000 in net assets.

	Fair Value Hierarchy			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at December 31, 2023				
Financial assets at Fair Value				
Marketable securities	1,432	-	32,963	34,395
Total December 31, 2023	**1,432**	**-**	**32,963**	**34,395**
As at December 31, 2022				
Financial assets at Fair Value				
Marketable Securities	2,380	9	18,312	20,701
Total December 31, 2022	**2,380**	**9**	**18,312**	**20,701**

	December 31, 2023 $'000	December 31, 2022 $'000
Reconciliation of the fair value measurement of Level 3 unlisted investments		
Opening balance	18,312	16,507
Additions	-	397
Remeasurement recognised through other comprehensive income	14,651	1,408
Remeasurement recognised through profit and loss	-	-
Closing balance	**32,963**	**18,312**

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management formally assessed the effectiveness of the Company's internal control over financial reporting as at December 31, 2023, and continues to do so on an on-going basis. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework (also known as "**COSO 2013**").

Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable, not absolute, assurance with respect to financial statement preparation and presentation.

There have been no significant changes in the Company's internal controls during the period ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value ("**Common Shares**"). All issued Common Shares are fully paid and non-assessable.

As of March 15, 2024, the following Common Shares, Common Share purchase warrants ("**Warrants**"), and stock options were issued and outstanding:

	Number of shares	Exercise Price (C$)	Expiry date
Common Shares *	353,060,847	-	-
Stock Options	2,775,000	3.57	January 6, 2025
Stock Options	3,000,000	1.89	November 6, 2026
Warrants	5,176,500	3.00	May 4, 2024
Warrants	3,205,128	0.60	December 22, 2024
Warrants	641,025	0.60	December 22, 2025
Warrants	2,018,936	0.60	April 24, 2025
Fully Diluted	**369,877,436**		

* *Common shares include 87,804,529 CDIs listed on the ASX.*

NON-IFRS MEASURES

Certain non-IFRS measures have been included in this MD&A. The Company believes that these measures, in addition to measures prepared in accordance with IFRS, provide readers with an improved ability to evaluate its underlying performance and to compare it to information reported by other companies. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Available liquidity

The Company believes that available liquidity provides an accurate measure of the Company's ability to liquidate assets in order to satisfy its liabilities. The Company uses this metric to help monitor its risk profile.

Available liquidity includes cash, short-term investments, and assets which are readily saleable within lithe next 12 months, including gold in circuit and stockpiles (in previous periods), receivables, marketable securities (to the extent that an established market exists for such marketable securities, they are free of any long-term trading restrictions, and sufficient historical volume exists to liquidate holdings within 12 months), and gold specimens. Refer to Notes 3, 4 and 5 of the Annual Financial Statements.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Annual Financial Statements.

	December 31, 2023 $'000	December 31, 2022 $'000	December 31, 2021 $'000
Cash	**11,613**	47,925	32,345
Short-term investments	**149**	152	108
Gold in circuit	**-**	-	788
Stockpiles	**-**	-	4,732
Receivables	**10,445**	2,587	6,127
Marketable securities	**1,434**	2,381	58,691
Gold specimens	**97**	101	77
Available liquidity	**23,738**	**53,146**	**102,868**

	December 31, 2023			
	# of shares	Share price	Foreign exchange	Adjusted value $'000
Kalamazoo Resources Limited Ordinary Shares	10,000,000	$0.120	0.900	**1,080**
GBM Resources Ltd Ordinary Shares	11,363,637	$0.009	0.900	**92**
Calidus Resources Limited Ordinary Shares	1,347,089	$0.215	0.900	**262**
				1,434

	December 31, 2022			
	# of shares	Share price	Foreign exchange	Adjusted value $'000
Kalamazoo Resources Limited Ordinary Shares	10,000,000	$0.210	0.920	**1,932**
GBM Resources Ltd Ordinary Shares	11,363,637	$0.043	0.920	**448**
				2,381

Working capital

Working capital is defined as current assets less current liabilities and is used to monitor the Company's liquidity.

The following table reconciles this non-IFRS measure to the most directly comparable IFRS measure disclosed in the Annual Financial Statements.

	December 31, 2023 $'000	December 31, 2022 $'000
Current assets	**23,862**	56,427
Current liabilities	**8,976**	22,732
Working capital	**14,886**	33,695

CAUTION ON FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of Canadian securities laws. Forward-looking information in this MD&A includes, but is not limited to, the value of certain Company assets, in particular the fair value of marketable securities held by the Company; the Company's further potential of its mineral properties; the Company's planned exploration activities; the Company's ability to raise additional funds; the Company's ability to continue as a going concern; the future price of minerals, particularly gold; the estimation of mineral resources; the realization of mineral resource estimates; capital expenditures; success of exploration activities; exploration and development issues; currency exchange rates; government regulation of exploration, development; and social and environmental risks. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on numerous factors including but not limited to assumptions underlying mineral resource estimates and the realization of such estimates.

Capital and development cost estimates are based on extensive research of the Company, purchase orders placed by the Company to date, recent estimates of development and operating costs and other factors. Forward-looking information is characterized by words such as "plan", "expect", "budget", "target", "schedule", "estimate", "forecast", "project", "intend", "believe", "anticipate" and other similar words or statements that certain events or conditions "may", "could", "would", "might", or "will" occur or be achieved. Forward-looking information is based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information.

Such factors include: the fluctuating price of gold; reliance on third parties to provide technical services and information, particularly with respect to assay turnaround timeframes; success of exploration, development; health, safety and environmental risks; variations in the estimation of mineral resources; uncertainty relating to mineral resources; the potential of cost overruns; risks relating to government regulation; the impact of Australian laws regarding foreign investment; access to additional capital; volatility in the market price of the Company's securities; liquidity risk; risks relating to native title and Aboriginal heritage; the availability of adequate infrastructure; the availability of adequate energy sources; seasonality and unanticipated weather conditions; limitations on insurance coverage; the prevalence of competition within the industry; currency exchange rates (such as the United States dollar and the Australian dollar versus the Canadian dollar); risks associated with foreign tax regimes; risks relating to potential litigation; risks relating to the dependence of the Company on outside parties and key management personnel; and risks in the event of a potential conflict of interest.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above should be considered carefully by readers.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this MD&A (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada and Australia. If the Company 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.