



NOVA ROYALTY CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2022

GENERAL

This management's discussion and analysis ("MD&A") for Nova Royalty Corp. (the "Company" or "Nova") is intended to help the reader understand the significant factors that have affected Nova's performance and such factors that may affect its future performance. This MD&A, which has been prepared as of May 27, 2022, should be read in conjunction with the Company's condensed interim consolidated financial statements for the three months ended March 31, 2022 and the related notes contained therewith. The Company reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts included in the following MD&A are in Canadian dollars ("CAD") except where otherwise noted.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and on the Company's website at www.NovaRoyalty.com

COMPANY OVERVIEW

Nova is a royalty and streaming company that is focused on acquiring copper and nickel metal purchase agreements, Net Smelter Return Royalties ("NSRs"), Gross Value Return Royalties ("GVRs"), Net Proceeds Royalties ("NPRs"), Net Profit Interests ("NPIs"), Gross Proceeds Royalties ("GPRs"), Gross Overriding Return Royalties ("GORs"), and non-operating interests in mining projects that provide the right to the holder of a percentage of the gross revenue from metals produced from the project or a percentage of the gross revenue from metals produced from the project after deducting specified costs, if any, respectively. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "NOVR" and the OTCQB Venture Market ("OTCQB") under the symbol "NOVRF". The head office and principal address is 501: 543 Granville Street, Vancouver, British Columbia, Canada. Nova's focus on nickel and copper provides exposure to the generational shift from fossil fuels to clean energy and the broader electrification thesis.

In December 2019, a novel strain of coronavirus ("COVID-19") surfaced. Since March 2020, several measures have been implemented in Canada, Argentina, United States, and Chile, jurisdictions where the Company holds royalties and streams, in response to the increased impact from COVID-19. These measures, which include the implementation of travel bans, self-imposed quarantine periods, social distancing, and in some cases mine closures or suspensions, have caused material disruption to business globally. Global financial markets have experienced significant volatility. Governments and central banks have reacted with monetary and fiscal interventions designed to stabilize economic conditions. Uncertainties includes the duration, severity and scope of the outbreak and the measures taken by governments and businesses to contain the pandemic. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impact of COVID-19 on our business operations cannot be reasonably estimated at this time. The duration and impact on future production for our partner operators at their respective mining operations.

COMPANY HIGHLIGHTS

During the three months ended March 31, 2022 and subsequently, the Company:

- increased the number of royalties held by the Company to 21 through the acquisition of the following projects:
 - 0.135% NSR on the Copper World and Rosemont projects in Arizona, USA. Nova was also granted a Right of First Refusal in respect to an additional 0.540% NSR covering the same area as the 0.135% NSR; and
 - a portion of a 0.5% NPI (16.7% representing 0.08325% effective interest) on the Josemaria project in San Juan, Argentina. Nova was also granted a ROFR in respect to an additional 16.7% of the NPI (see Events after Reporting Date)
- recognized revenue of \$673,519 from its NSR interests, primarily related to the Aranzazu NSR; and
- from inception to the date of this MD&A, the Company had distributed 2,033,900 common shares under the ATM Program (as defined below) at an average price of \$3.50 per share for gross proceeds of \$7,118,295, with aggregate commissions paid or payable to the agents of \$177,957, resulting in aggregate net proceeds of \$6,940,338.

SUMMARY OF ROYALTY INTERESTS

Since incorporation in June 2018 to the date of this MD&A, the Company has acquired the following producing and development-stage royalty assets:

Property	Asset Owner(s) ⁽¹⁾	Location	Metals	Type	Terms ⁽²⁾
Taca Taca	First Quantum	Argentina	Cu-Au-Mo	NSR	0.42%
NuevaUnión	Newmont (50%)/Teck Resources (50%)	Chile	Cu-Au	NSR	2.0% Cu
Copper World & Rosemont	Hudbay Minerals Inc.	USA	Cu-Mo-Ag	NSR	0.135% ⁽³⁾
West Wall	Anglo American (50%)/Glencore PLC (50%)	Chile	Cu-Au-Mo	NPR	1.0%
Aranzazu	Aura Minerals Inc.	Mexico	Cu-Au-Ag	NSR	1.0%
Dumont	Waterton Global Resources Investments	Canada	Ni-Co	NSR	2.0%
Vizcachitas	Los Andes Copper	Chile	Cu-Mo	NSR	0.98%
Twin Metals	Antofagasta PLC	USA	Cu-Ni-PGM	NSR	2.4% Cu-Ni

⁽¹⁾ 100% ownership, unless otherwise stated

⁽²⁾ NSR/NPR applicable on all metals, unless otherwise stated

⁽³⁾ Nova was granted a Right of First Refusal in respect to an additional 0.540% NSR covering the same area as the 0.135% NSR on the Copper World & Rosemont properties.

Taca Taca Project

Nova owns a 0.42% NSR on the Taca Taca copper-gold-molybdenum project, owned by First Quantum Minerals Ltd. ("First Quantum"; TSX: FM). This NSR is a part of a broader, existing 1.50% NSR on Taca Taca, where the remaining 1.08% is held by Franco-Nevada Corporation. Taca Taca is a porphyry copper-gold-molybdenum project located in northwestern Argentina in the Puna (Altiplano) region of Salta Province, approximately 55 kilometers east of the Chilean border and 90 kilometers east of Escondida, the world's largest copper mine. The project is located 10 kilometers from the railway line that connects Salta with Antofagasta with previous studies showing available local power and water sources for the operation of the project.

On November 30, 2020, First Quantum published a new NI 43-101 Technical Report on Taca Taca, which was subsequently updated in March 2021 to include additional financial disclosure. The report documented an updated Mineral Resource model and a maiden Mineral Reserve estimate of 7.7 million tonnes of contained copper, derived from an open pit mine design and plan which contemplates processing throughput of up to 60 million tonnes per annum through a conventional flotation circuit with a mine life of approximately 32 years. The recovered copper reaches a peak of approximately 275,000 tonnes per annum within the first ten years of operations. The primary Environmental and Social Impact Assessment ("ESIA") for the project, which covers the principal proposed project sites, was submitted to the Secretariat of Mining of Salta Province in 2019.

First Quantum is continuing pre-development and feasibility activities at Taca Taca. Taca Taca is envisaged to have a similar mine design and plant configuration as First Quantum's other large throughput mines, such as Sentinel, Cobre Panama, and the planned S3 expansion at Kansanshi, which will allow First Quantum to leverage continuous learnings from the design and execution of these operations in the development of Taca Taca. During the second quarter of 2021, First Quantum submitted two environmental permits regarding key infrastructure at Taca Taca. The primary Environmental and Social Impact Assessment ("ESIA") for Taca Taca was submitted to the Secretariat of Mining of Salta Province in 2019 and approval of the ESIA is anticipated in late 2022. First Quantum expects to continue permitting work at Taca Taca during 2022, in addition to engaging with government regarding key aspects of an administrative and fiscal regime for investment into Argentina.¹

As of March 31, 2022, First Quantum last reported proven & probable mineral reserves at Taca Taca of 1,758.5 million tonnes at 0.44% Copper, 0.09 g/t gold, and 0.012% molybdenum².

NuevaUnión Project

Nova owns a 2.0% NSR on the NuevaUnión project in Chile, which is a 50-50 joint venture between Teck Resources Limited ("Teck"; TSX: TECK.A and TECK.B) and Newmont Corporation ("Newmont"; NYSE: NEM). The NSR is on a portion of the project that relates to copper revenues from the Cantarito Claim within the La Fortuna deposit. Teck previously guided to completion of a Feasibility Study in Q1 2020. The joint venture is currently engaged in review of study results and assessment of optimization opportunities, which is expected to continue in 2022.

¹ Source: First Quantum Minerals 2021 Annual Report, Capital Markets Day Presentation dated January 2022, and Capital Markets Day Call Transcript, dated Tuesday, January 18, 2022.

² Source: First Quantum Amended and Restated Technical Report NI 43-101 dated March 30, 2021.

As of March 31, 2022, Teck last reported proven & probable reserves at the La Fortuna deposit of 682.2 million tonnes at 0.51% copper and 0.47 g/t gold.

Copper World & Rosemont Projects

In February 2022, Nova acquired a 0.135% NSR on the Copper World and Rosemont copper projects in Arizona, USA, (the "Copper World & Rosemont Royalty") owned by Hudbay Minerals Inc. ("Hudbay"; TSX: HBM and NYSE: HBM). Nova was also granted a Right of First Refusal ("ROFR") in respect to an additional 0.540% NSR covering the same area as the Copper World & Rosemont Royalty. The Copper World & Rosemont Royalty covers all metals, including copper, molybdenum, silver, and gold extracted from the majority of mining claims covering Copper World and Rosemont. Specifically, 132 patented claims (all the patented claims associated with Copper World and Rosemont), 603 unpatented claims, and one parcel of fee associated land are covered by the Copper World & Rosemont Royalty.

Copper World is 100% owned by Hudbay and is comprised of seven newly discovered deposits located predominantly on patented mining claims adjacent to Rosemont in Pima County, Arizona, USA. Hudbay has defined seven deposits at Copper World hosting both oxide and sulphide mineralization over a seven-kilometre strike, potentially amenable to heap leach and floatation processing methods, respectively. Drilling also identified significant high-grade, near surface mineralization with the potential to form part of a low-cost copper operation located primarily on public land.³ Considerable potential synergies exist between Copper World and Rosemont. Hudbay expects to reflect preliminary expectations of these synergies in a preliminary economic assessment ("PEA") of Copper World, which Hudbay expects to complete in H1 2022. Hudbay is also planning to advance a pre-feasibility study ("PFS") in H2 2022, following completion of the PEA.⁴

As of March 31 2022, Hudbay last reported indicated resources at Copper World of 272 million tonnes at 0.36% copper, 90 g/t molybdenum and 1.79 g/t silver and inferred resources at Copper World of 142 million tonnes at 0.36% copper, 83 g/t molybdenum and 2.44 g/t silver.⁵

Rosemont is a copper-molybdenum-silver deposit located in Pima County, Arizona, USA, owned 100% by Hudbay. In March 2017, Hudbay published a positive feasibility study for Rosemont and was advancing the project towards production. However, in July 2019, the US District Court for Arizona issued an unprecedented ruling that vacated the Final Record of Decision issued by the US Forest Service and resulted in the suspension of construction activities at Rosemont. Hudbay and the US Government have appealed the ruling to the US 9th Circuit Court of Appeals while Hudbay evaluates the next steps for Rosemont.⁶ Once in production, Rosemont has the potential to be the third largest copper mine in the US.⁷ The 2017 feasibility study for Rosemont contemplated an initial 19-year mine life with average annual copper production of 127kt at a cash cost of \$1.14/lb Cu for the first 10 years.⁸

As of March 31 2022, Hudbay last reported proven and probable reserves at Rosemont of 537.1 million tonnes at 0.44% copper, 116 g/t molybdenum and 4.57 g/t silver.⁹

West Wall Project

In June 2021, Nova acquired rights to a 1.0% NPR on the West Wall copper-gold-molybdenum project, owned by a 50-50 joint venture between Anglo American PLC ("Anglo American"; LSE: AAL) and Glencore PLC ("Glencore"; LSE: GLEN). Cash consideration of US\$4,200,000 was paid on closing of the acquisition on June 18, 2021.

Under the terms of the West Wall acquisition, Sociedad Minera Auromín Limitada ("Auromín") assigned the Company all of the rights granted to Auromín (the "Participation"), as defined in a Participation Agreement between Auromín and a subsidiary of Anglo American, concerning West Wall and other mining tenements established as designated areas in the surrounding region ("Participation Agreement").

³ Source: press release titled "Hudbay Announces Initial Mineral Resource Estimate at Copper World" published by Hudbay Minerals Inc. dated December 15, 2021.

⁴ Source: press release titled "Hudbay Announces Initial Mineral Resource Estimate at Copper World" published by Hudbay Minerals Inc. dated December 15, 2021.

⁵ Source: Hudbay Minerals Inc. Annual Information Form for the year ended December 31, 2021.

⁶ Source: Investor Presentation titled "Hudbay Investor Presentation December 2021".

⁷ Source: Investor Presentation titled "Hudbay Investor Presentation December 2021". As per Wood Mackenzie's copper mine database for current producing copper assets in the United States and ranked by annual copper production.

⁸ Source: NI 43-101 technical report titled "Rosemont Project, Pima County, Arizona, USA" prepared by Hudbay, dated March 30, 2017.

⁹ Source: Hudbay Minerals Inc. Annual Information Form for the year ended December 31, 2021.

The Participation Agreement provides that, upon the fulfillment of certain conditions, including Anglo American making a production decision at West Wall, a sociedad contractual minera ("SCM") will be incorporated, and into which the mining tenements corresponding to the project will be transferred. The owner of the Participation will be issued shares in the SCM, which will give such owner an 8.0% interest in the SCM. Subsequently, if one or more mines are brought into production for West Wall or another designated area, Anglo American will repurchase from the owner of the Participation the shares in the SCM that correspond to a 7.0% interest in the SCM for a predetermined price, leaving the owner of the Participation with a 1.0% interest in the SCM, which entitles the owner to a 1.0% net proceeds of production royalty from West Wall. A SCM will be similarly established for any other designated area within the scope of the Participation Agreement, giving the owner of the Participation the same rights as stated above with respect to such designated areas.

All payments resulting from the repurchase by Anglo American of the 7.0% interest in the SCM will be reimbursed in full to Auromín. The Company will retain sole ownership of 1.0% of the shares in the SCM, which entitle the owner of such shares to the 1.0% net proceeds of production royalty from the project or such other designated area, as the case may be, which will not be subject to repurchase by Anglo American.

As of March 31, 2022, Anglo American and Glencore last reported indicated resources at West Wall of 861 million tonnes at 0.51% copper, 0.009% molybdenum and 0.05 g/t gold and inferred resources at West Wall of 1,072 million tonnes at 0.42% copper, 0.006% molybdenum and 0.05 g/t gold¹⁰.

Aranzazu Mine

In August 2021, Nova acquired a 1.0% NSR on the Aranzazu copper-gold-silver mine (the "Aranzazu Royalty") owned by Aura Minerals Inc. ("Aura"; TSX: ORA). Consideration of US\$8,000,000 cash and US\$1,000,000 in common shares of the Company was paid on upon closing of the acquisition.

Aranzazu is a copper-gold-silver deposit located within the Municipality of Concepcion del Oro in the State of Zacatecas, Mexico, approximately 250 kilometers to the southwest of the city of Zacatecas. The current mine at Aranzazu has been in operation since 1962, with documented evidence of mining in the area dating back nearly 500 years. Aura is the sole owner and operator of Aranzazu, having assumed ownership in 2010. In 2014, Aura closed the mine to re-engineer and re-develop various aspects of the operation. The mine reopened in 2018 and attained commercial production in December 2018, since which time Aura has continually improved the efficiency of the operation. The Aranzazu operation comprises an underground mine using long hole open stoping and an on-site plant, which produces copper concentrate with gold and silver by-product via conventional flotation processing.

Aura recently achieved a throughput expansion at Aranzazu, increasing capacity by approximately 30% to 100,000 tons per month. As a result of this expansion, Aranzazu hit record production in Q3 2021, achieving monthly average ore mined and processed of 103kt during the quarter. Aranzazu subsequently delivered another quarter of record production in Q4 2021. Operating metrics in Q1 2022 remained consistent with the expanded production achieved in H2 2021. Aura disclosed that Aranzazu produced 14.1 Mlbs CuEq at cash costs of US\$1.45/lb CuEq during Q1 2022, with production 22% higher than the same period in 2021.¹¹

Nova is entitled to 1.0% of the net smelter returns on all products sold at Aranzazu, less certain allowable deductions, provided that the monthly average price per pound of copper, as quoted by the London Metals Exchange, equals or exceeds US\$2.00/lb. Aranzazu currently receives revenue from the sale of copper concentrate, including payment for gold and silver by-products, all of which is subject to the Aranzazu Royalty. Nova expects to receive Aranzazu Royalty payments on a semi-annual basis in accordance with the terms of the Aranzazu Royalty.

As of March 31, 2022, Aura last reported proven and probable reserves at Aranzazu of 6.4 million tonnes at 1.38% copper, 0.97 g/t gold and 18.82 g/t silver.¹²

¹⁰ Source: *Anglo American Ore Reserves and Mineral Resources Report 2021 and Glencore Reserves & Resource statement as at December 31, 2021.*

¹¹ Source: *Aura Management's Discussion and Analysis for the three months ended March 31, 2022.*

¹² Source: *Aura Annual Information Form for the year ended December 31, 2021.*

Dumont Project

Nova owns a 2.0% NSR on the Dumont nickel-cobalt project located in Quebec. The NSR is on a portion of the deposit, representing approximately 21% of the measured & indicated resources as of July 11, 2019. Dumont is wholly owned by Waterton Global Resource Investments, which on July 28, 2020, completed the buyout of the 28% interest of Karora Resources Inc. ("Karora"), for total consideration of up to \$48 million. In July 2019, Karora published proven and probable reserves of 1.028 billion tonnes grading 0.27% nickel and 107 ppm cobalt, measured resources of 372 million tonnes grading 0.28% nickel and 112 ppm cobalt and indicated resources of 1.293 billion tonnes grading 0.26% nickel and 106 ppm cobalt¹³.

Vizcachitas Project

Nova owns a 0.98% NSR on the San Jose 1/3000 claim which represents approximately 50% of the project within the Vizcachitas copper-molybdenum porphyry project in Central Chile. Vizcachitas is 100% owned by Los Andes Copper ("LAC"; TSX-V: LA). In June 2019, Los Andes Copper completed a Preliminary Economic Assessment outlining a 45-year open-pit mine life at a throughput of 110,000 tonnes per day. The project is located in an area with developed infrastructure and is within 100 kilometers of three major operating mines, Los Pelambres owned by Antofagasta PLC (LSE: ANTO), Andina, owned by Codelco and Los Bronces, owned by Anglo American (LSE: AAL).

During 2021, LAC received all permits and permissions necessary to commence drilling activities at Vizcachitas, allowing LAC to undertake the drilling program needed to complete a Pre-Feasibility Study ("PFS"). LAC announced that additional drilling commenced at Vizcachitas on November 10, 2021.¹⁴ In March 2022, LAC announced that sufficient drilling had been completed in order to provide an updated resource estimation and complete a PFS. LAC expects to publish an updated resource estimation for Vizcachitas in Q3 2022 with a PFS completed in Q4 2022.¹⁵ Earlier in March 2022, LAC announced a plan to temporarily suspend the remaining drilling at Vizcachitas in response to a Second Environmental Court decree granting a preliminary injunction on LAC's drilling activities.¹⁶ LAC is currently in the process of appealing the court decision, while proceeding with the updated resource estimate and PFS.

As of March 31, 2022, Los Andes last reported measured & indicated mineral resources at Vizcachitas of 1,284 million tonnes at 0.40% copper and 0.014% molybdenum¹⁷.

Twin Metals Project

Nova owns a 2.4% NSR¹⁸ on a portion of the Twin Metals copper-nickel-platinum group metals project, owned by Antofagasta PLC through its subsidiary, Twin Metals Minnesota ("TMM").

In September 2021, the United States Forest Service ("USFS") submitted an application to withdraw approximately 225,000 acres of land in the Superior National Forest from the scope of federal mineral leasing laws, subject to valid existing rights. In October 2021, the United States Bureau of Land Management ("BLM") rejected Twin Metals' Preference Right Lease Applications ("PRLAs") and Prospecting Permit Applications ("PPAs"). In January 2022, the United States Department of the Interior cancelled Twin Metals' MNES-1352 and MNES-1353 federal mineral leases. The PRLAs and federal mineral leases form a significant proportion of the mineral resources contained within Twin Metals' current project plan and, accordingly, it was determined that these events collectively represented an impairment trigger of the Company's royalty interest in the project.

¹³ Source: *Dumont Feasibility Study Technical Report NI 43-101 dated July 11, 2019.*

¹⁴ Source: *press release titled "Los Andes Copper Starts Additional Drilling Program at Vizcachitas Copper Project in Chile" published by Los Andes Copper Ltd. on November 10, 2021.*

¹⁵ Source: *press release titled "Los Andes Copper Corporate Update" published by Los Andes Copper Ltd. on March 29, 2022.*

¹⁶ Source: *press release titled "Los Andes Copper Announces Plan to Temporarily Suspend Drilling" published by Los Andes Copper Ltd. on March 21, 2022.*

¹⁷ Source: *Los Andes Copper Technical Report NI 43-101 dated June 13, 2019.*

¹⁸ *The total royalty payable is ½ of the U.S. Government royalty, which was most recently quoted at 4.8%. The U.S. government royalty is subject to change, which would change the royalty payable to Nova. The royalty currently payable to Nova is calculated in the following formula: 4.8% * ½ * 1/3 * ore mined * grade mined * applicable prices of copper and nickel. The royalty is calculated on the basis of contained metal in ore by multiplying ore mined by the grade of the material – and does not subtract the usual deductions due to recoveries, payabilities, TC/RCs, and other applicable operating costs. The 1/3 multiplier in the royalty calculation formula is the mechanism by which those usual costs are captured.*

Prior to the resulting impairment assessment being performed, as at December 31, 2021 the Company had capitalized acquisition and due diligence costs as royalty interests on the statement of financial position of \$2,661,221. The capitalized costs reflected the historical costs of acquiring the Twin Metals royalty interest and therefore did not reflect an estimate of the commercial potential of the project as at December 31, 2021.

The Company believes that Antofagasta has a valid legal right to the mining leases and a strong case to defend its legal rights. Although Antofagasta intends to pursue validation of those rights, considering the time and uncertainty related to any legal action to challenge the government decisions, a full impairment has been recognised as at December 31, 2021 in respect of the royalty interests previously capitalized.

As of March 31, 2022, Antofagasta last reported measured and indicated resources at the TMM Project of 1,293 million tonnes at 0.57% copper and 0.18% nickel.¹⁹

Exploration-Stage Royalties

Nova owns exploration-stage royalties in multiple mineral camps in Canada, principally in Ontario and British Columbia. The Company will disclose additional information pertaining to the royalties as they show an increase in materiality to the Company's total value. Their listing appears below.

Property	Asset Owner(s)	Location	Metals⁽¹⁾	NSR %
Janice Lake ⁽²⁾	Rio Tinto/Forum Energy JV (100%)	Canada	Cu-Ag	1.0%
Wollaston ⁽²⁾	Transition Metals Corp. (100%)	Canada	Cu-Ag	1.0%
Dundonald	Class 1 Nickel (100%)	Canada	Ni	1.25%
Bancroft	Transition Metals Corp. (100%)	Canada	Ni-Cu-PGM	1.0%
Maude Lake	Transition Metals Corp. (100%)	Canada	Ni-Cu-PGM	1.0%
Saturday Night	Transition Metals Corp. (100%)	Canada	Ni-Cu-PGM	1.0%
Copper King	Pacific Empire Minerals (100%)	Canada	Cu-Au	1.0%
Nub East	Pacific Empire Minerals (100%)	Canada	Cu-Au	1.0%
NWT	Pacific Empire Minerals (100%)	Canada	Cu-Au	1.0%
Pinnacle	Pacific Empire Minerals (100%)	Canada	Cu-Au	1.0%
Homathko	Transition Metals Corp. (100%)	Canada	Au	1.0%
Elephant Head ⁽³⁾	Canadian Gold Miner (100%)	Canada	Au	1.0%
West Matachewan ⁽³⁾	Laurion/Canadian Gold Miner (100%)	Canada	Au	1.0%

⁽¹⁾ NSR applicable on all metals, unless otherwise stated

⁽²⁾ Part of the Wollaston Copper Belt Exploration Royalties

⁽³⁾ NSR subject to a buyback of 0.5% for \$750,000

CORPORATE UPDATES

In January 2022, Mr. Greg DiTomaso was appointed Vice President, Investor Relations of the Company.

FINANCIAL CONDITION, LIQUIDITY, AND CAPITAL RESOURCES

The Company considers items included in shareholders' equity as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

As at March 31, 2022, the Company had a cash balance and working capital deficit of \$716,930 and \$1,338,942 (December 31, 2021: \$962,745 and \$313,563), respectively. Cash decreased due to cash used in operating and investing activities of \$765,265 (2021: \$1,213,870) and \$1,451,197 (2021: \$13,323,227), respectively, partially offset by cash provided by financing activities of \$1,980,555 (2021: \$11,774,419). Cash provided by financing activities primarily related to the issuance of common shares and the convertible loan facility, while cash used in investing activities primarily related to the acquisitions of royalty interests.

In February 2021, all principal and interest related to the initial advance on the Company's convertible debt financing was converted into 3,535,691 common shares. The Company received an additional \$5,000,000 in convertible debt financing with a conversion price of \$5.67 per common share, based on a 20% premium above the 30-day VWAP of Nova's common shares on the TSX-V on the date of issuance. Concurrently, the Company entered into an amended and restated convertible debt agreement, which increased the remaining funds available under the loan facility from \$4,500,000 to a total of \$20,000,000.

¹⁹ Source: Antofagasta PLC 2021 Annual Report.

In February 2022, an advance of \$1,500,000 was drawn on the loan facility with a conversion price of \$3.51 per common share, based on a 20% premium above the 30-day VWAP of Nova's common shares on the TSX-V on the date of announcement of the acquisition of the Company's Copper World and Rosemont royalty.

In May 2022, the advance of \$1,500,000 was drawn on the loan facility with a conversion price of \$2.74 per common share, based on a 20% premium above the 30-day VWAP of Nova's common shares on the TSX-V on the date of announcement of the acquisition of the Company's Josemaria royalty.

As at the date of this MD&A, there was \$17,000,000 (March 31, 2022: \$18,500,000) available to the Company remaining on the loan facility, which accrues a standby charge of 1.5% per annum.

See "Risks and Uncertainties" and "Forward looking statements" in this MD&A for risks related to the Company's expectations and ability to obtain sources of funding. There has been no change in approach to managing capital in the past twelve months and management believes it will have sufficient working capital to undertake its current business and the budgets associated with those plans for the next twelve months.

Management of cash balances is based on internal investment guidelines. Cash is deposited with major Canadian financial institutions. Cash required for immediate operations is held in a chequing account and excess funds may be invested in accordance with the Company's capital resource objectives.

At-the-market equity program

In February 2021, the Company established an at-the-market ("ATM") equity program. Under the ATM equity program, the Company may distribute up to \$25,000,000 in common shares of the Company (the "Offered Shares"). The Offered Shares will be sold by the Company, through the agents, to the public from time to time, at the Company's discretion, at the prevailing market price at the time of sale. The net proceeds from the ATM equity program will be used to finance the future purchase of royalties and streams and for general working capital purposes. The distribution agreement between the Company and its agents may be terminated at any time by the Company or the agents and if not so terminated will terminate upon the earlier of (a) the date that the aggregate gross sales proceeds of the Offered Shares sold under the ATM equity program reaches the aggregate amount of \$25,000,000; or (b) November 1, 2022. For additional details about the ATM equity program, please see the press release by the Company dated February 26, 2021 and available on SEDAR at www.sedar.com.

For the three months ended March 31, 2022, the Company had distributed 154,600 common shares under the ATM Program at an average price of \$3.41 per share for gross proceeds of \$526,839, with aggregate commissions paid or payable to the agents of \$13,171, resulting in aggregate net proceeds of \$513,668.

Operating activities

Cash used in operating activities was \$765,265 (2021: \$1,213,870) for the three months ended March 31, 2022 and represents expenditures primarily on general and administrative expenses for both periods.

Investing activities

Cash used in investing activities for the three months ended March 31, 2022 was \$1,451,197 (2021: \$13,323,227). Cash used in investing activities is highly dependent on the timing and acquisition of royalty interests.

Financing activities

Cash provided by financing activities for the three months ended March 31, 2022 was \$1,980,555 (2021: \$11,774,419) which consisted of \$20,499 (2021: \$6,294,856) from the issuance of common shares from exercise of stock options. The Company received \$1,491,836 (2021: \$4,703,939) net of transaction costs on the issuance of convertible debt.

RESULTS OF OPERATIONS AND SELECTED FINANCIAL INFORMATION

Summary of quarterly results

The following table provides selected interim financial information for the applicable past quarters leading up to March 31, 2022.

For the three months ended	March 31 2022	December 31 2021	September 30 2021	June 30 2021
Revenue	\$ 673,519	\$ 517,076	\$ 181,900	\$ 1,995
General and administrative expenses ⁽¹⁾	830,328	1,361,152	694,222	687,600
Share-based payments	1,137,270	1,247,044	796,766	547,136
Net loss for the period	1,747,522	5,244,180	1,676,971	1,353,220
Loss per share: basic and diluted	0.02	0.06	0.02	0.02

For the three months ended	March 31 2021	December 31 2020	September 30 2020	June 30 2020
Revenue	\$ 2,073	\$ 2,063	\$ -	\$ -
General and administrative expenses ⁽¹⁾	640,683	1,184,881	421,152	267,249
Share-based payments	295,434	101,835	588,595	153,594
Net loss for the period	1,149,893	1,371,875	1,036,271	472,590
Loss per share: basic and diluted	0.02	0.03	0.04	0.02

⁽¹⁾ Excludes share-based payments

The Company's net loss varies mainly due to the level of operations activities and due diligence undertaken on new prospects, as well as the timing of share-based payments.

FINANCIAL RESULTS

For the three months ended March 31, 2022

For the three months ended March 31, 2022, the Company incurred a net loss of \$1,747,522 (2021: \$1,149,893). The loss for the quarter was comprised of royalty revenue of \$673,519 (2021: \$2,073), depletion expense of \$260,580 (2021: \$Nil), general and administration expenditures of \$830,328 (2021: \$640,683), share-based payments of \$1,137,270 (2021: \$295,434), interest and accretion on convertible debenture of \$227,376 (2021: \$212,795), and deferred income tax recovery of \$12,222 (2021: \$19,371). Some items to note include the following:

- revenue from royalty interests of \$673,519, primarily related to the revenue from the Aranzazu NSR;
- consulting fees of \$541,460 (2021: \$370,123), where the increase over the comparative period was related to increased activities related to the Company's royalty acquisition activities (such as ongoing review and management of a growing royalty portfolio and review of potential acquisition targets) and director and management fees; and
- share-based payments of \$1,137,270 (2021: \$295,434), where the increase was as a result of the vesting of the stock option issuance in August 2021.

TRANSACTIONS WITH RELATED PARTIES

The Company entered into certain transactions with key management personnel, which the Company has defined as Officers and Directors of the Company. The aggregate value of these transactions and outstanding balances are as follows:

Three months ended March 31, 2022	Salary or fees	Share-based payments	Total
Management	\$ 19,202	\$ 191,366	\$ 210,568
Directors	60,856	515,185	576,041
	\$ 80,058	\$ 706,551	\$ 786,609

Three months ended March 31, 2021	Salary or fees	Share-based payments	Total
Management	\$ 38,610	\$ 72,333	\$ 110,843
Directors	40,750	123,614	164,364
	\$ 79,360	\$ 195,847	\$ 275,207

During the three months ended March 31, 2022, the Company paid or accrued \$45,000 (2021: \$45,000) to Seabord Services Corp. ("Seabord"). Seabord provides the following services: A Chief Financial Officer ("CFO"), a Corporate Secretary, accounting and administration staff, and office space to the Company. The CFO and Corporate Secretary are employees of Seabord and are not paid directly by the Company.

During the three months ended March 31, 2021, the Company paid or accrued professional fees of \$345,127 to DLA Piper (Canada) LLP ("DLA Piper"), a law firm in which a former director is a partner of. The partner became a former related party of the Company on November 18, 2021.

As at March 31, 2022, included in accounts payable and accrued liabilities is \$332,665 (December 31, 2021 - \$489,997) to key management personnel for fees and reimbursable expenses, and \$Nil (December 31, 2021 - \$Nil) to Seabord. In addition, as at March 31, 2022, the Company has a commitment to issue 57,144 (December 31, 2021 - 57,144) common shares, valued at \$28,572 (December 31, 2021 - \$28,572), to Seabord for services rendered during 2020 before the public listing was completed.

COMMITMENTS

As at March 31, 2022, the Company may be required to make payments related to its royalty interests, including milestone payments subject to certain achievements being met related to these royalty acquisitions:

- NuevaUnión: US\$3,000,000 upon achievement of commercial production to be paid in cash and common shares of the Company;
- Twin Metals: US\$4,000,000 payable in cash and common shares upon the completion of certain milestones with respect to the project;
- Janice Lake: \$1,000,000 in cash upon the completion of a bankable feasibility study or the commencement of commercial production on the property; and a further \$1,000,000 in common shares of the Company if the projected annual production of the property is at least 30,000 tonnes of contained copper for a minimum of 10 years;
- Taca Taca: US\$4,000,000 due within 10 days after the date of the commencement of commercial production; and
- Vizcachitas: US\$6,000,000 upon achievement of certain project milestones payable in common shares of the Company.

For further details, please refer to the Company's condensed interim consolidated financial statements for the three months ended March 31, 2022 on SEDAR at www.sedar.com.

OFF BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

EVENTS AFTER REPORTING DATE

Subsequent to March 31, 2022, the Company:

- a) entered into a purchase agreement pursuant to which the Company has secured the right to acquire a portion of an existing royalty (the "Royalty") on the Josemaria copper-gold-silver project in San Juan, Argentina, owned by Lundin Mining Corporation (TSX:LUN, Nasdaq Stockholm:LUMI) (the "Transaction"). The Royalty includes as 0.5% net profit interest ("NPI") that covers the area of the mineral reserve estimate for Josemaria and is payable for a period of 10 years, plus an additional US\$2,000,000 payment six months following two full years of production. The portion of the Royalty that will be acquired by the Company (the "Royalty Portion") is subject to the finalization of an estate partitioning process in Argentina. The Transaction is not expected to close until the conclusion of this process, which may require more than 12 months. The agreement specifies a total purchase price of US\$13,712,000 for 100% of the Royalty (the "Total Royalty Price"), payable at the achievement of future milestones, plus advanced payment of US\$100,000.

The consideration payable to the sellers by the Company (the "Transaction Consideration") will be calculated by adjusting the Total Royalty Price for the Royalty Portion on a pro rata basis. The Company expects to acquire approximately 16.7% of the Royalty (representing a 0.08325% NPI) for total aggregate Transaction Consideration of approximately US\$2,400,000, with a right of first refusal ("ROFR") over an additional 16.7% of the Royalty. The total payments in connection with the Transaction are as follows:

- i. Advanced payments totaling US\$100,000;
 - ii. 50% of the Transaction Consideration, payable in cash 30 business days following the receipt of notice that the Company has been recorded as sole titleholder of the Royalty Portion with the relevant mining authority;
 - iii. 25% of the Transaction Consideration, payable in cash 30 business days following commencement of construction at Josemaria, provided, however, that the estate partitioning has first been finalized;
 - iv. 25% of the Transaction Consideration, payable in cash 30 business days following the 12-month anniversary of commercial production at Josemaria, provided, however, that the estate partitioning has first been finalized.
- b) completed a drawdown of an additional \$1,500,000 under the Company's existing amended and restated convertible loan facility with Beedie. The drawdown is convertible by Beedie into common shares of the Company at a conversion price of \$2.74 per common share, accrues interest at 8.00% per annum and matures on October 7, 2024; and
- c) issued 256,666 common shares pursuant to the settlement 256,666 RSUs.

OUTSTANDING SHARE DATA

The Company's authorized share capital consists of an unlimited number of common shares and preferred shares without par value. As at the date of this MD&A, the Company has 85,172,368 common shares issued and outstanding. There are also 4,180,000 stock options with expiry dates ranging from March 1, 2024 to August 27, 2026, Nil warrants outstanding, and 934,434 RSUs with vesting dates up to February 26, 2024.

ACCOUNTING PRONOUNCEMENTS

Accounting standards adopted during the period

Please refer to the Company's condensed interim consolidated financial statements for the three months ended March 31, 2022 on SEDAR at www.sedar.com.

Accounting pronouncements not yet effective

Please refer to the Company's condensed interim consolidated financial statements for the three months ended March 31, 2022 on SEDAR at www.sedar.com.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The Company's significant accounting policies and estimates are disclosed in Note 2 of the annual financial statements for the year ended December 31, 2021.

RISK AND CAPITAL MANAGEMENT: FINANCIAL INSTRUMENTS

Please refer to the Company's condensed interim consolidated financial statements for the three months ended March 31, 2022 on SEDAR at www.sedar.com.

QUALIFIED PERSON

Technical information contained in this MD&A has been reviewed and approved by Christian Rios, AIPG Certified Professional Geologist, Advisor to Nova and a Qualified Person as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects.

RISKS FACTORS

The Company's ability to generate revenues and profits from its natural resource properties is subject to a number of risks and uncertainties. For a full discussion on the risk factors affecting the Company, please refer to the Company's Long Form Non-Offering Prospectus dated August 14, 2020 and MD&A for the year ended December 31, 2021 dated April 27, 2022, which are available on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities legislation. The forward-looking statements herein are made as of the date of this MD&A only and the Company does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budgets", "scheduled", "estimates", "forecasts", "predicts", "projects", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information in this MD&A includes, but is not limited to, statements with respect to future events or future performance of Nova, disclosure regarding any payments to be paid to Nova by property owners or operators of mining projects pursuant to net smelter returns and other royalty agreements of Nova, management's expectations regarding Nova's growth, results of operations, estimated future revenues, carrying value of assets, future dividends, and requirements for additional capital, production estimates, production costs and revenue, future demand for and prices of commodities, expected mining sequences, business prospects and opportunities, other statements regarding the impact of the COVID-19 pandemic and measures taken to reduce the spread of COVID-19 on the Company's operations and overall business, statements regarding the temporary duration of the COVID-19 pandemic. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may 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 statements. A number of factors could cause actual events or results to differ materially from any forward-looking statements, including, without limitation: fluctuations in the prices of the primary commodities that drive royalty agreements; fluctuations in the value of the U.S. dollar and any other currency in which revenue may be generated, relative to the Canadian dollar; changes in national and local government legislation, including permitting and licensing regimes and taxation policies and the enforcement thereof; regulatory, political or economic developments in any of the countries where properties in which the Company holds a royalty interest are located or through which they are held, measures taken by the Company, governments or partner operators in response to the COVID-19 pandemic or otherwise that, individually or in the aggregate, materially affect the Company's ability to operate its business, risks related to the operators of the properties in which the Company holds a royalty interest, including changes in the ownership and control of such operators; influence of macroeconomic developments; business opportunities that become available to, or are pursued by the Company; reduced access to debt and equity capital; litigation; title, permit or license disputes related to interests on any of the properties in which the Company holds a royalty interest; whether or not the Company is determined to have "passive foreign investment company" ("PFIC") status as defined in Section 1297 of the United States Internal Revenue Code of 1986, as amended; the ability to maintain adequate controls as required by law; potential changes in Canadian tax treatment of offshore revenues (if any); excessive cost escalation as well as development, permitting, infrastructure, operating or technical difficulties on any of the properties in which the Company holds a royalty interest; the possibility that actual mineral content may differ from the reserves and resources contained in technical reports; rate and timing of production differences from resource estimates, other technical reports and mine plans; risks and hazards associated with the business of development and mining on any of the properties in which the Company holds a royalty interest, including, but not limited to unusual or unexpected geological and metallurgical conditions, slope failures or cave-ins, flooding and other natural disasters, terrorism, civil unrest or an outbreak of contagious diseases including COVID-19; the integration of acquired assets; as well as other factors identified and as described in more detail under the heading "Risk Factors" in this MD&A.

The forward-looking statements contained in this MD&A are based on reasonable assumptions that have been made by management as at the date of such information and is subject to unknown risks, uncertainties and other factors that may cause the actual actions, events or results to be materially different from those expressed or implied by such forward-looking information, including, without limitation: the impact of general business and economic conditions; the ongoing operation of the properties in which the Company holds a royalty interest by the owners or operators of such properties in a manner consistent with past practice; the accuracy of public statements and disclosures made by the owners or operators of such underlying properties; no material adverse change in the market price of the commodities that underlie the asset portfolio; the Company's ongoing income and assets relating to determination of its PFIC status; no material changes to existing tax treatment; no adverse development in respect of any significant property in which the Company holds a royalty interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; the world-wide economic and social impact of COVID-19 is managed and the duration and extent of the coronavirus pandemic is minimized or not long-term; disruptions related to the COVID-19 pandemic or other health and safety issues, or the responses of governments, communities, partner operators, the Company and others to such pandemic or other issues; integration of acquired assets; actual results of mining and current exploration activities; conclusions of economic evaluations and changes in project parameters as plans continue to be refined; problems inherent to the marketability of precious metals; stock market volatility; competition; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended.

Although Nova has attempted to identify important factors that could cause actual actions, events or results to differ materially from those contained in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Investors are cautioned that forward-looking statements are not guarantees of future performance. The Company cannot assure investors that actual results will be consistent with these forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements or information.

This MD&A contains future-orientated information and financial outlook information (collectively, "FOFI") about the Company's revenues from royalty interests, other projects which are subject to the same assumptions, risk factors, limitations and qualifications set forth in the above paragraphs. FOFI contained in this MD&A was made as of the date of this MD&A and was provided for the purpose of providing further information about the Company's anticipated business operations. Nova disclaims any intention or obligation to update or revise any FOFI contained in this MD&A, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. FOFI contained in this MD&A should not be used for the purposes other than for which it is disclosed herein.