



NOVA ROYALTY TO ACQUIRE AN EXISTING 0.24% ROYALTY ON FIRST QUANTUM'S TACA TACA PROJECT

FOR IMMEDIATE RELEASE
October 8, 2020

TSXV: NOVR

Vancouver, British Columbia: Nova Royalty Corp. (“Nova” or the “Company”) is pleased to announce that it has entered into royalty purchase agreements (the “**Purchase Agreements**”) with arm’s length private parties (the “**Sellers**”) pursuant to which Nova will acquire a combined, existing 0.24% Net Smelter Return (“**NSR**”) royalty (“**Transaction**”) on the Taca Taca copper-gold-molybdenum project in Salta Province of Argentina (“**Taca Taca**”), 100% owned by First Quantum Minerals Ltd. (TSX:FM) (“**First Quantum**”) for approximately US\$12.75 million.

Alex Tsukernik, Nova’s President and CEO, commented, *“Taca Taca is one of the world’s premier copper development projects, under the ownership of an outstanding operator in First Quantum. Its size, grade, and location, position it among the top tier of a new generation of copper mines necessary to facilitate the world’s transition from fossil fuels to clean energy. We are proud to add another world class copper project with decades of future copper exposure and expansion potential for our shareholders. We will look to continue Nova’s growth beyond what has already been a very exciting year for the Company”*.

The royalty ground covers substantially the entire mining plan in the preliminary economic assessment technical report dated May 24, 2013 and prepared by Ausenco (“**PEA**”) for Lumina Copper Corporation (“**Lumina**”), the previous owner of the project, in 2013. The Transaction is subject to consent of First Quantum, not to be unreasonably withheld, confirmatory due diligence on behalf of Nova and the acceptance of the TSX Venture Exchange. Transaction completion (“**Closing**”) is expected later in 2020.

TRANSACTION

The aggregate purchase price for the Transaction includes upfront consideration of US\$8.5 million in cash and 2 million shares of Nova. Nova will make additional cash payments of US\$0.5 million six months after Closing, US\$1.0 million twelve months after Closing, and US\$0.5 million twenty four months after Closing.

The royalty is subject to a buyback right based on the proven reserves at Taca Taca in a feasibility study completed by a recognized, international consulting firm that is contracted by mutual consent of all parties, including royalty holders. The buyback amount will be equivalent to the amount of the Proven Reserves multiplied by the prevailing market prices of all applicable commodities within Taca Taca.

The 0.24% NSR is a part of a broader, existing 1.50% NSR (“**1.50% NSR**”) on Taca Taca. The other parties in the 1.50% NSR are Franco-Nevada (NYSE: FNV) (1.08%) and certain private entities (0.18%).

Nova has agreed to pay a finder’s fee to an arm’s length person totaling two (2) percent of the transaction value to be paid at Closing based on a volume weighted average trading price of the common shares of the Company prior to the date of Closing (subject to the acceptance of the TSX Venture Exchange).

TACA TACA

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 km 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.

In August 2014, First Quantum acquired Lumina for approximately C\$470 million. In 2013, Lumina published the PEA, which outlined a plan for a 28-year mine life with average annual production of approximately 244,000 tonnes of copper, 110,000 ounces of gold, and 4,100 tonnes of molybdenum. C1 cash cost net of byproducts were estimated at US\$1.11/lb of copper, and initial capital costs at approximately US\$3 billion.

As disclosed by First Quantum in their annual information form dated March 30, 2020 ("FQ AIF") at Taca Taca, First Quantum has selected the scale and extents of open pit mining and processing, and the location and scope of required infrastructure items. Technical and commercial work has proceeded on power and water supply logistics, freight and product transport options. First Quantum's project engineering phase has advanced such that the primary permit application may be submitted. The primary Environmental and Social Impact Assessment, which covers the principal proposed project sites, was submitted to the Secretariat of Mining of Salta Province in February 2019.

Taca Taca – Resources

As disclosed by First Quantum in the FQ AIF and in the PEA, Taca Taca contains the following resource estimate:

Category	Tonnes (millions)	Copper Grade (%)	Contained Copper (Millions of Tonnes)	Gold Grade(g/t)	Contained Gold (millions of ounces)	Molybdenum Grade (%)	Contained Molybdenum (Millions of Tonnes)
Indicated	2,165	0.44	9.6	0.08	5.6	0.013%	0.28
Inferred	921	0.37	3.4	0.05	1.6	0.012%	0.11

The Purchase Agreements were agreed to with the Sellers as of October 7, 2020.

Qualified Person

Technical information contained in this news release originates in the public disclosure set out above and 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.

About Nova

Nova is a royalty company focused on providing investors with exposure to the key building blocks of clean energy – copper and nickel. The Company is headquartered in Vancouver, British Columbia and is listed on the TSX Venture Exchange under the trading symbol "NOVR".

ON BEHALF OF NOVA ROYALTY CORP.,

(signed) "Alex Tsukernik"

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Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Statements

This press release contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities legislation. The forward-looking statements herein are made as of the date of this press release only, and the Company does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law. Often, but not always, forward-looking statements 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 press release includes, but is not limited to, closing of the acquisitions of the NSR; the consent of First Quantum being obtained, exploration and expansion potential, production, recoveries and other anticipated or possible future developments on the Taca Taca project, current and potential future estimates of mineral reserves and resources; future commercial production from Taca Taca; receipt of TSX Venture Exchange and all other required regulatory approval to the acquisitions of the NSR; and management's expectations regarding Nova's growth. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of Nova to control or predict, that may cause Nova's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein, including, but not limited to, the risk factors set out under the heading “Risk Factors” in the Company's final non-offering long form prospectus dated August 14, 2020 available for review on the Company's profile at www.sedar.com. Such forward-looking information represents management's best judgment based on information currently available. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.