ANNUAL INFORMATION FORM
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2020

APRIL 30, 2021

SUITE 501, 543 GRANVILLE STREET
VANCOUVER, B.C. V6C 1X8

NOVA ROYALTY CORP.
ANNUAL INFORMATION FORM
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2020

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INTRODUCTORY NOTES

Cautionary Note Regarding Forward-Looking Statements

This annual information form ("**AIF**") contains "forward-looking information" or "forward-looking statements" (collectively, "**forward-looking statements**") within the meaning of applicable securities legislation. The forward-looking statements are provided as of the date of this AIF and Nova Royalty Corp. ("**Nova**" or the "**Company**") does not intend to and does not assume any obligation to update forward-looking statements, except as required by applicable law. For this reason and the reasons set forth below, investors should not place undue reliance on forward-looking statements.

All statements included herein that address events or developments that we expect to occur in the future are forward-looking statements. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

The forward-looking statements are based on reasonable assumptions that have been made by Nova as at the date hereof and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Nova to be materially different from those expressed or implied by such forward-looking statements, including but not limited to:

- risks related to epidemics, pandemics or other public health crises, including the novel coronavirus ("**COVID-19**") global health pandemic, and the spread of other viruses or pathogens, and the potential impact thereof on Nova's business, operations and financial condition;
- risks related to commodity price fluctuations;
- the market price of our "**Royalty Commodities**", being copper and nickel which are the focus of the Company;
- the demand for and stable or improving price of Royalty Commodities;
- the current COVID-19 pandemic will not have a material adverse effect;
- general business and economic conditions will not change in a material adverse manner;
- the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the geology and economic potential of the Material Properties as described in the technical reports in respect of such properties;
- future currency exchange rates and interest rates;
- operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner;
- the Company's ability to attract and retain skilled personnel and directors;
- political and regulatory stability;
- the receipt of governmental, regulatory and third party approvals, licenses and permits on favourable terms;
- obtaining required renewals for existing approvals, licenses and permits on favourable terms;
- requirements under applicable laws;
- sustained labour stability; stability in financial and capital goods markets; and availability of equipment;
- risks related to exchange rate fluctuations;
- risks related to Nova's reliance on public disclosure and other information regarding the mines or projects underlying its Royalty Commodities;
- business opportunities that become available to, or are pursued by Nova;
- that Nova's cash flow is dependent on the activities of others;
- that Nova has had negative cash flow from operating activities;
- that some royalty interests are subject to rights of other interest-holders;
- risks related to global financial conditions;
- that Nova is dependent on its key personnel;
- risks related to Nova's financial controls;
- competition;

- risks related to conflicts of interest of Nova's directors and officers;
- that Nova may not be able to obtain adequate financing in the future;
- litigation;
- risks related to Nova's current credit facility and financing agreements;
- interpretation by government entities of tax laws or the implementation of new tax laws;
- credit and liquidity risk;
- risks related to Nova's information systems and cyber security;
- risks posed by activist shareholders;
- that Nova may suffer reputational damage in the ordinary course of business;
- risks related to acquiring, investing in or developing resource projects;
- risks applicable to owners and operators of properties in which Nova holds an interest;
- exploration, development and operating risks;
- risks related to climate change;
- environmental risks;
- that exploration and development activities related to mine operations are subject to extensive laws and regulations;
- that the operation of a mine or project is subject to the receipt and maintenance of permits from governmental authorities;
- risks associated with the acquisition and maintenance of mining infrastructure;
- that Nova's success is dependent on the efforts of operators' employees;
- risks related to mineral resource and mineral reserve estimates;
- that mining depletion may not be replaced by the discovery of new mineral reserves;
- that operators' mining operations are subject to risks that may not be able to be insured against;
- risks related to land title;
- risks related to international operations;
- risks related to operating in countries with developing economies;
- risks associated with the construction, development and expansion of mines and mining projects;
- risks associated with operating in areas that are presently, or were formerly, inhabited or used by indigenous peoples;
- that Nova is required, in certain jurisdiction, to allow individuals from that jurisdiction to hold nominal interests in Nova's subsidiaries in that jurisdiction;
- the volatility of the stock market;
- that existing securityholders may be diluted;
- risks related to Nova's public disclosure obligations;
- risks associated with future sales or issuances of debt or equity securities;
- that there can be no assurance that an active trading market for Nova's securities will be sustained; and
- risks related to the enforcement of civil judgments against Nova.

as well as those factors discussed under the heading "*Risk Factors*" in this AIF.

Forward-looking statements included in this AIF include statements regarding:

- our plans and objectives;
- our future financial and operational performance;
- the Company's future business plans;
- the Company's negative cash flows;
- the market price of Royalty Commodities;
- expectations regarding any environmental issues that may affect planned or future exploration and development programs and the potential impact of complying with existing and proposed environmental laws and regulations;
- the ability to retain and/or maintain any required permits, licenses or other necessary approvals for the exploration or development of its Material Properties (as such term is defined below) and other mineral properties;
- the Company's compensation policy and practices;
- the Company's expected reliance on key management personnel, advisors and consultants;

- estimates of future production, costs and other financial or economic measures;
- prospective transactions, growth and achievements;
- financing and adequacy of capital;
- future payment of dividends; and
- future sales of Offered Shares (as defined below) under the ATM Program (as defined below).

Estimates of mineral resources and mineral reserves are also forward-looking statements because they involve estimates of mineralization that will be encountered in the future, and projections regarding other matters that are uncertain, such as future costs and commodity prices.

Forward-looking statements are based on a number of material assumptions, which management of Nova believes to be reasonable, including, but not limited to, that owners and operators of properties in which Nova holds, or may acquire, an interest who have had their operations affected by COVID-19 will restart their operations on the timetables currently proposed by such persons, the continuation of mining operations from which Nova will purchase Royalty Commodities or in respect of which Nova will receive royalty payments, that commodity prices will not experience a material decline, mining operations that underlie Nova's royalty interest will operate in accordance with disclosed parameters and achieve their stated production outcomes and such other assumptions as may be set out herein.

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 statements, 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 forward-looking statements. Accordingly, readers should not place undue reliance on forward looking statements. Investors and readers of this AIF should also carefully review the risk factors set out in this AIF under the heading "*Risk Factors*".

Technical and Third-Party Information

Except where otherwise stated, the disclosure in this AIF relating to properties and operations on the properties in which Nova holds or proposes to acquire a royalty or other interest, including the disclosure in this AIF under the heading "*Material Assets*", is based on information publicly disclosed by the owners or operators of these properties and information/data available in the public domain as at the date hereof, and none of this information has been independently verified by Nova. Specifically, as a royalty holder, Nova has limited, if any, access to properties included in its asset portfolio. The Company may from time to time receive operating information from the owners and operators of the mining properties, which it is not permitted to disclose to the public. Nova is dependent on, (i) the operators of the mining properties and their qualified persons to provide information to Nova, or (ii) on publicly available information to prepare disclosure pertaining to properties and operations on the properties on which the Company holds royalty or other interests, and generally has limited or no ability to independently verify such information. Although the Company does not have any knowledge that such information may not be accurate, there can be no assurance that such third-party information is complete or accurate. Some reported public information in respect of a mining property may relate to a larger property area than the area covered by Nova's royalty or other interest. Nova's royalty or other interests may cover less than 100% of a specific mining property and sometimes may only apply to a portion of the publicly reported mineral reserves, mineral resources and or production from a mining property.

As at the date of this AIF, the Company considers its royalty interests in NuevaUnión and Taca Taca (the "**Material Properties**") to be its only material mineral properties for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). Information included in this AIF with respect to these Material Properties have been prepared in accordance with the exemption set forth in section 9.2 of NI 43-101. Unless otherwise indicated, all of the mineral reserves and mineral resources disclosed in this AIF have been prepared in accordance with NI 43-101.

Christian Rios, AIPG Certified Professional Geologist, is a consultant to the Company and a "qualified person" under NI 43-101, and has reviewed and approved the written scientific and technical disclosure contained in this AIF.

Currency Presentation

Except as otherwise indicated, all dollar amounts in this AIF are expressed in Canadian dollars and references to $ are to Canadian dollars. References to US$ are to United States dollars.

CORPORATE STRUCTURE

Name, Address and Incorporation

Nova was incorporated under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") on July 20, 2018 as "BatteryOne Metals Corp." and changed its name to "BatteryOne Royalty Corp." on August 17, 2018 and subsequently to "Nova Royalty Corp." on June 9, 2020.

The Company's head office is located at Suite 501, 543 Granville Street, Vancouver, British Columbia V6C 1X8 Canada. The Company's registered and records office is located at Suite 2800, 666 Burrard Street, Vancouver, British Columbia V6C 2Z7, Canada.

The Company is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. As at the date of this AIF, the Company's common shares (the "**Common Shares**") are listed on the TSX Venture Exchange (the "**TSXV**") under the symbol "NOVR" and on the OTCQB Venture Market ("**OTCQB**") under the symbol "NOVRF".

Intercorporate Relationships

Nova holds an interest in Nueva Royalty Ltd. which consists of 50 common shares (representing 50% of the issued and outstanding common shares) and 100 copper shares (representing 100% of the issued and outstanding copper shares) of Nueva Royalty Ltd. The copper shares held by Nova entitle Nova to all of the royalties derived from a 2.0% net smelter return ("**NSR**") royalty on future copper production from a portion of the La Fortuna deposit (the "**La Fortuna Deposit**") and prospective exploration grounds forming part of NuevaUnión located in the Huasco Province in the Atacama region of Chile.

GENERAL DEVELOPMENT OF THE BUSINESS

Current Business of Nova – 3 Year History

Financings and Issuances of the Company's Securities

Unit Financings

On July 20, 2018, the Company completed a non-brokered private placement of 3,900,000 units of the Company, each unit being comprised of one Common Share and one-half of one Common Share purchase warrant, at a price of $0.01 per unit for aggregate gross proceeds of $39,000 (the "**First Round Financing**"). Each whole warrant entitles the holder to purchase one Common Share for an exercise price of $0.10 and expires on July 20, 2021 subject to certain acceleration provisions. As of the date hereof, only 200,000 of the warrants issued pursuant to the First Round Financing are outstanding.

On September 10, 2018, the Company completed a non-brokered private placement of 2,600,000 units of the Company, each unit being comprised of one Common Share and one-half of one Common Share purchase warrant, at a price of $0.05 per unit for aggregate gross proceeds of $130,000 (the "**Seed Round Financing**"). Each whole warrant entitles the holder to purchase one Common Share for an exercise price of $0.10 and expires on September 10, 2021 subject to certain acceleration provisions. As of the date hereof, only 150,000 of the warrants issued pursuant to the Seed Round Financing are outstanding.

On October 15, 2018, the Company completed a non-brokered private placement of 1,000,000 units of the Company, each unit being comprised of one Common Share and one-half of one Common Share purchase warrant, at a price of $0.25 per unit for aggregate gross proceeds of $250,000 (the "**First Tranche of $0.25 Financing - Oct 15**"). Each whole warrant entitled the holder to purchase one Common Share and all of the warrants issued pursuant to the First Tranche of $0.25 Financing were exercised at an exercise price of $0.40 prior to the expiry date of October 15, 2020.

On October 25, 2018, the Company completed a non-brokered private placement of 3,112,000 units of the Company, each unit being comprised of one Common Share and one-half of one Common Share purchase warrant, at a price of $0.25 per unit for aggregate gross proceeds of $778,000 (the "**First Tranche of $0.25 Financing - Oct 25**"). Each whole warrant entitled the holder to purchase one Common Share and all of the warrants issued pursuant to the First Tranche of $0.25 Financing - Oct 25 were exercised at an exercise price of $0.40 prior to the expiry date of October 25, 2020.

On December 21, 2018, the Company completed a non-brokered private placement of 1,470,000 units of the Company, each unit being comprised of one Common Share and one-half of one Common Share purchase warrant, at a price of $0.25 per unit for aggregate gross proceeds of $367,500 (the "**Second Tranche of $0.25 Financing**"). Each whole warrant entitled the holder to purchase one Common Share and all of the warrants issued pursuant to the Second Tranche of $0.25 Financing were exercised at an exercise price of $0.40 prior to the expiry date of December 21, 2020.

On January 10, 2019, the Company completed a non-brokered private placement of 2,059,600 units of the Company, each unit being comprised of one Common Share and one-half of one Common Share purchase warrant, at a price of $0.25 per unit for aggregate gross proceeds of $514,900 (the "**Third Tranche of $0.25 Financing**"). Each whole warrant entitled the holder to purchase one Common Share and all of the warrants issued pursuant to the Third Tranche of $0.25 Financing were exercised at an exercise price of $0.40 prior to the expiry date of January 10, 2021.

On February 22, 2019, the Company completed a non-brokered private placement of 330,000 units of the Company, each unit being comprised of one Common Share and one-half of one Common Share purchase warrant, at a price of $0.25 per unit for aggregate gross proceeds of $82,500 (the "**Fourth Tranche of $0.25 Financing - Feb**"). Each whole warrant entitled the holder to purchase one Common Share and all of the warrants issued pursuant to the Fourth Tranche of $0.25 Financing - Feb were exercised at a price of $0.40 prior to the expiry date of February 22, 2021.

On March 1, 2019, the Company completed a non-brokered private placement of 2,069,000 units of the Company, each unit being comprised of one Common Share and one-half of one Common Share purchase warrant, at a price of $0.25 per unit for aggregate gross proceeds of $517,250 (the "**Fourth Tranche of $0.25 Financing - Mar**"). Each whole warrant entitled the holder to purchase one Common Share and 769,500 of the warrants issued pursuant to the Fourth Tranche of $0.35 Financing - Mar were exercised at an exercise price of $0.40 prior to the expiry date of March 1, 2021. See "*Warrant Expiry Acceleration".*

2020 Special Warrant Financing

In February 2020, a total of 11,693,172 special warrants were issued to certain subscribers at a price of $0.50 per special warrant for aggregate gross proceeds of $5,846,586 pursuant to a non-brokered private placement in two tranches (the "**Special Warrant Financing**"). The use of proceeds from the Special Warrant Financing was to fund the acquisition of the NuevaUnión Royalty (as defined below), and for general administration and corporate purposes.

On September 1, 2020, a total of 11,693,172 Common Shares and 5,846,586 warrants were issued pursuant to the exercise of the special warrants. Each whole warrant entitles the holder to purchase one Common Share for an exercise price of $1.00 subject to certain acceleration provisions. See "*Warrant Expiry Acceleration".*

Completion of Prospectus Offering

On November 20, 2020, the Company announced the closing of its best efforts public offering of Common Shares (the "**Offering**"). Pursuant to the Offering, Nova issued 9,947,500 Common Shares at a price of $1.45 per Common Share for aggregate gross proceeds of $14,423,875. The 9,947,500 Common Shares issued in the Offering include the issuance of 1,297,500 Common Shares upon the full exercise of the agents' over-allotment option.

Business Activities

Acquisition of Dumont Royalty

On January 22, 2019, Nova acquired from the original owners of the Dumont Nickel-Cobalt project (the "**Dumont Deposit**") pursuant to the Dumont Purchase Agreement, a 2.0% NSR royalty (the "**Dumont Royalty**") on future production over metals from the Dumont Deposit, a fully permitted, construction-ready mine, which contains one of the world's largest undeveloped reserves of nickel and cobalt, located in Québec, Canada.

The area under the royalty covers approximately 21% of the Dumont Deposit. The acquisition price was $2 million in cash and 3,669,018 Common Shares, which represented at the time a 19% interest in Nova on an undiluted basis. The owner of the Dumont Deposit has a buyback right to repurchase one-half of Nova's royalty (the "**Dumont Buyback Right**"), being 1.0% of the 2.0% NSR, for $1 million in cash. The Dumont Royalty is subject to advance royalty payments of $5,000 per year, first of which was received by the Company on October 22, 2019.

The Dumont Deposit is 100% held jointly by two private funds advised by Waterton Global Resource Management, Inc.

The NSR will provide cash flow to the Company on all metals produced, including nickel, cobalt, platinum and palladium.

Acquisition of PEMC Royalties

On March 21, 2019, Nova acquired a portfolio of royalties from Pacific Empire Minerals Corp. ("**PEMC**") on projects that span over 11,148 hectares in the British Columbia copper belt. The portfolio includes a 1.0% NSR royalty on all metals and minerals produced (collectively, the "**PEMC Royalties**") from PEMC's Copper King, NUB East and NWT projects (together with Pinnacle Reef project, the "**PMEC Projects**"). Each of the Copper King, NUB East and NWT projects are currently exploration-stage projects.

The PEMC Projects are located along the same trend as some of the largest copper deposits in British Columbia. These include the Kemess and Mount Milligan properties held by Centerra Gold Inc. and the Kwanika and Stardust projects held by Northwest Copper Corp., which has attracted Teck Resources Limited ("**Teck**") as an investor. The PEMC Royalties will apply to any rights renewing, deriving, replacing or complementing such PEMC Projects at any time, as well as any other rights that in the future form part of the PEMC Projects that are within two kilometers of the current outermost boundaries of the PEMC Projects. Payment and performance of the royalties is secured by title to the mineral claims.

PEMC also granted Nova a right to acquire a 1.0% NSR royalty in the future, on all metals and minerals produced from PEMC's Pinnacle Reef project in the event the existing option agreement on this property is terminated or expires. PEMC has also granted Nova a right of first refusal on any future royalty or streaming transactions on the projects. As consideration for the royalties in respect of the Copper King, NUB East and NWT projects, the Company paid $10,000 cash, and issued 345,000 Common Shares, to PEMC. On August 9, 2019, the Company exercised its option and acquired a 1.0% NSR on the Pinnacle Reef project for $10,000 in cash and 115,000 Common Shares.

Acquisition of 2.0% Copper NSR on Teck/Newmont's NuevaUnión Project

On February 18, 2020, Nova acquired, pursuant to a royalty purchase agreement executed among Nova, Metalla Royalty & Streaming Ltd. ("**Metalla**") and Sociedad Legal Minera Cantarito Una de la Sierra Juntas de Cantaritos de la Estancia Huasco Alto, an existing 2.0% NSR on future copper production on the Cantarito claim ("**Cantarito Claim**") of the La Fortuna Deposit. The La Fortuna Deposit is one of the two deposits, the other being Relincho, comprising the NuevaUnión Project, located in the Huasco Province in the Atacama Region of Chile.

The acquisition was completed as a joint venture ("**Metalla Joint Venture**") between Nova and Metalla with the Metalla Joint Venture having formed a special purpose vehicle, Nueva Royalty Ltd., to hold the Cantarito royalty (the "**Cantarito Royalty**"). Nova will aggregately pay US$6 million to acquire the rights to the copper revenue from the Cantarito Royalty and Metalla will aggregately pay US$2 million to acquire the rights to the gold revenue from the Cantarito Royalty. The total acquisition value is US$8 million, with US$3 million cash paid on closing on February 18, 2020, US$1 million cash in 12 months after closing, and US$4 million at commercial production from the Cantarito Claim, to be paid equally in cash and common shares of Metalla and Nova (together the "**Acquisition Payments**"). All Acquisition Payments will be split pro rata between the Metalla Joint Venture with Nova paying 75% and Metalla 25%.

On February 18, 2021, Nova completed its first Acquisition Payment of US$750,000 to the seller of the Cantarito Royalty.

Non-Offering Prospectus

On August 20, 2020, the Company obtained a receipt for its final non-offering prospectus dated August 14,2020.

TSXV Listing

On October 1, 2020. the Common Shares began trading on the TSXV under the ticker symbol "NOVR".

Appointment of New Director and Non-Executive Chairman

On October 1, 2020, Brett Heath was appointed as a director and as Non-Executive Chairman with Parviz Farsangi resigning as director and becoming Chief Technical Advisor of Nova.

Beedie Convertible Loan Facility

On October 1, 2020, the Company entered into a convertible loan facility (the "**Original Beedie Loan**") of up to $13.0 million with Beedie Capital ("**Beedie**") to fund acquisitions of new royalties and streams. The Original Beedie Loan was funded by way of an initial advance of $3.5 million at closing, which occurred on October 7, 2020.

Janice Lake Project Acquisition

On October 2, 2020, the Company completed the acquisition of an existing 1.0% NSR royalty on the Janice Lake copper-silver project in Saskatchewan being advanced by Rio Tinto Exploration Canada Inc. ("**Rio Tinto**") and Forum Energy Metals Corp. ("**Forum**") from Transition Metals Corp. ("**TMC**"), as well as a portfolio of eight (8) other royalties (the "**Janice Lake Transaction**"). Royalties acquired in the Janice Lake Transaction include a 1.0% NSR royalty on the Wollaston project, 40 km along strike from Janice Lake, a 1.25% NSR on the Dundonald nickel project and a portfolio of six royalties on prospective exploration properties in some of Canada's most mineralized basins. These include NSR royalties on Bancroft, Maude Lake, Saturday Night, Homathko, Elephant Head and West Matachewan projects. Total consideration paid to TMC consisted of $1,072,500 in cash and 525,000 Common Shares, as well as additional contingent payments payable to TMC upon achievement of certain milestones in respect of the Janice Lake project.

Taca Taca Royalty

On October 7, 2020, the Company entered into royalty purchase agreements with arm's length private parties pursuant to which Nova will acquire an existing 0.24% NSR royalty on the Taca Taca copper-gold-molybdenum project in Salta Province, Argentina (the "**Original Taca Taca Royalty**"), owned by First Quantum Minerals Ltd. ("**First Quantum**"), for US$12.75 million. Upon closing of the acquisition of the Original Taca Taca Royalty, the Original Taca Taca Royalty will comprise one of Nova's Material Properties. On January 10, 2021, the Company entered into royalty purchase agreements with existing shareholders of the Company pursuant to which Nova acquired an existing 0.18% interest in a 1.5% NSR royalty on the Taca Taca Property ("**Additional Taca Taca Royalty**") owned by First Quantum for approximately US$20 million. Together with Nova's Original Taca Taca Royalty, Nova's interest increased to an aggregate 0.42% (together the Original Taca Taca Royalty and the Additional Taca Taca Royalty, are the "**Taca Taca Royalty**"). A description of the Taca Taca property ("**Taca Taca Property**" or "**Taca Project**") is included in the section titled "*Material Assets - Taca Taca Property*".

Addition of New Director and Chief Financial Officer

On November 3, 2020, the Company announced the addition of E.B. Tucker as an independent director of the Company and the appointment of Bill Tsang as Chief Financial Officer.

TMM Project

On November 10, 2020, the Company entered into a royalty purchase agreement with a subsidiary of Boart Longyear TM (ASX: BLY) to acquire an existing 2.4% NSR royalty on a portion of the Twin Metals copper-nickel-platinum group metals project located in Minnesota (the "**TMM Project**") being advanced by Antofagasta plc (LSE: ANTO). The royalty area covers approximately 18% of the combined resources in the Maturi and Maturi Southwest deposits that comprise 100% of the mine plan that is set out in the prefeasibility study dated October 6, 2014 and titled "Twin Metals Minnesota Project, Ely Minnesota, USA", prepared for Duluth Metals Limited in accordance with NI 43-101. The upfront consideration is US$2 million in cash and Common Shares and future contingent payments totaling up to an additional US$4 million in cash and Common Shares. The TMM Project is a copper, nickel, and platinum group metals project located in the Duluth Complex mining camp in north-eastern Minnesota.

Addition of New Director

On December 29, 2020, the Company announced the addition of Andrew Greville as an independent director of the Company, effective January 1, 2021, replacing Robert Leckie.

Subsequent Events to December 31, 2020

Graduation to Tier 1 Issuer Status on TSXV

Effective January 8, 2021, the Company graduated from a Tier 2 issuer to a Tier 1 issuer on the TSXV.

Warrant Expiry Acceleration

On January 10, 2021, Nova, in accordance with the terms of the Acceleration Warrants (as defined herein), elected to accelerate the expiry of certain outstanding Common Share purchase warrants of Nova exercisable at $0.40 and $1.00 per Common Share (collectively, the "**Acceleration Warrants**"). The Acceleration Warrants were issued pursuant to certain private placement of the Company described under "*Unit Financings*" and "*Special Warrant Financing*" sections above.

The Acceleration Warrants were exercised for a gross proceeds of approximately $5,587,686.

Listing on the OTCQB

On January 19, 2020, Nova commenced trading on the OTCQB under the ticker symbol "NOVRF".

Amendment, Conversion and Drawdown of Beedie Convertible Loan Facility

On February 10, 2021, Nova announced that it had reached an agreement with Beedie to amend and restate the Original Beedie Loan (the "**Amended and Restated Beedie Loan**" and, collectively with the Original Beedie Loan, the "**Beedie Loan Facility**") pursuant to which (i) Beedie converted the existing $3.5 million outstanding into common shares of the Company; (ii) the conversion price of a previously undrawn $5.0 million tranche of the Original Beedie Loan was set at $5.67 per Common Share; and (iii) the aggregate amount available under the Beedie Loan Facility was increased by an additional $15.5 million to an available amount of $20 million.

The Beedie Loan Facility carries an interest rate of 8.0% on advanced funds and 1.5% on standby funds with principal repayment due on October 7, 2024. The Beedie Loan Facility is secured by certain assets of Nova and can be repaid with no penalty at any time after the 12-month anniversary of each advance.

Acquisition of the Additional Taca Taca Royalty

On February 15, 2021, Nova completed its acquisition of the Additional Taca Taca Royalty. The aggregate purchase price for the Additional Taca Taca Royalty included upfront consideration of US$3 million in cash and the issuance of 4,545,454 million Common Shares with a value of approximately US$13 million, based on the average of the 10-day and 15-day volume weighted average prices of the Common Shares as of January 8, 2021. Nova will make additional cash payments of US$4 million within 10 business days after the date of the commencement of commercial production on the Taca Taca Property.

Acquisition of NSR Royalty on the Vizcachitas Project

On February 19, 2021, the Company completed the acquisition of an existing NSR royalty of 0.98% on open pit operations and 0.49% on underground operations on the San José 1/3000 exploitation concession that forms part of the Vizcachitas project in Chile ("**Vizcachitas Project**"), which is 100% owned by Los Andes Copper Ltd. ("**LAC**"), for US$6.5 million in cash and up to US$9.5 million in Common Shares pursuant to a royalty purchase agreement with RCF VI CAD LLC, an affiliate of Resource Capital Funds VI L.P. ("**RCF VI**"). The royalty ground covers approximately 50% of the projected mine plan.

The purchase price included upfront consideration of US$6.5 million in cash and the issuance of Common Shares issued at a price per Common Share that will be determined based on the 30-day volume weighted average trading price of the Nova Shares at the time of issuance based upon achievement of the following milestones on the Vizcachitas Project: (i) US$1,750,000 upon issuance of a valid Resolución de Calificación Ambiental ("**RCA**"), an environmental permit that allows drilling activities regarding the Vizcachitas Project, and an additional US$1.750,000 upon issuance of the other permits required by the RCA to commence the execution of drilling on the Vizcachitas Project; (ii) US$1,500,000 upon the disclosure of a pre-feasibility study prepared in accordance with NI 43-101 with respect to the Vizcachitas Project and which includes the concession; and (iii) US$4,500,000 upon the first to occur of: (A) LAC or its successors or assigns makes a fully-financed construction decision on the Vizcachitas Project (or any part thereof that includes the concession); (B) LAC or its successors or assigns enters into an earn-in transaction with respect to the Vizcachitas Project (or any part thereof that includes the concession) or for LAC itself, with a third party, for a minimum interest of 51%; or (C) LAC or its successors or assigns sells the Vizcachitas Project (or any part thereof that includes the concession) or LAC to an arms' length third party.

On April 30, 2021, LAC announced that it had received issuance of a valid RCA, allowing LAC to complete drilling activities at the Vizcachitas Project, which is expected to trigger a US$1,750,000 milestone payment to RCF VI, payable in Common Shares (to be priced based on a 30-day volume weighted average trading price of the Common Shares at the time of issuance).

At-The-Market Equity Program

On February 26, 2021, Nova entered into an equity distribution agreement (the "**Distribution Agreement**") with BMO Nesbitt Burns Inc. and PI Financial Corp. (the "**Agents**") to establish an at-the-market equity program (the "**ATM Program**").

Under the ATM Program, the Company may distribute up to $25 million of Common Shares (the "**Offered Shares**"). The Offered Shares will be issued by the Company to the public from time to time, through the Agents, at the Company's discretion in accordance with the Distribution Agreement. The Offered Shares sold under the ATM Program will be sold at the prevailing market price at the time of sale.

Unless earlier terminated by the Company or the Agents as permitted therein, the Distribution Agreement will terminate upon the earlier of (a) the date that the aggregate gross sales proceeds of the Offered Shares sold under the ATM Program reaches the aggregate amount of $25 million; or (b) November 1, 2022.

Since inception to the date of this AIF, the Company has distributed 323,400 Common Shares under the ATM Program at an average price of $4.11 per share for gross proceeds of $1.33 million, with aggregate commissions paid or payable to the Agents of $0.03 million, resulting in aggregate net proceeds of $1.29 million.

Addition of New Vice President

On April 1, 2021, the Company announced the addition of Brian Ferrey as Vice President, Corporate Development & Strategy.

COVID-19

Nova continues to monitor and assess the impacts of COVID-19 on its employees and business. At this time, all employees continue to work remotely. Nova is closely monitoring the unpredictable impact of the COVID-19 pandemic on its portfolio of assets.

DESCRIPTION OF THE BUSINESS

General

Nova is a royalty company focused on acquiring royalties on the copper and nickel deposits that it sees as necessary for the world's energy transition from fossil fuels to electricity. The Company is focused on acquiring royalties on assets in proven and/or prospective geological camps in mining-friendly jurisdictions. The Company acquires royalties from a variety of vendors, including private individuals, prospectors, major mining companies, juniors, government agencies, and other applicable entities.

Copper and nickel frequently occur as a part of polymetallic geological systems. Hence, the Company may selectively pursue royalties that provide exposure to other commodities that further its core copper/nickel strategy. These commodities include other base metals, precious metals, molybdenum, cobalt, lithium and graphite among others. The Company may also occasionally pursue acquisitions in less established mining jurisdictions based on its assessment of the underlying mining property and its view of the geopolitical risk and relative investment attractiveness of the jurisdiction in question.

The Company does not operate mines, develop projects or conduct exploration. The Company's business model is focused on managing and growing its portfolio of royalties. The advantages of this business model include:

- leverage to copper and nickel prices;
- exposure to potential new mineral discoveries on the geologically prospective lands on which a royalty is subject, frequently with no additional cost to the royalty holder;
- exposure to potential project expansions and/or mine life extensions at the mining properties on which a royalty is subject, which may increase the value of the royalty, often with no additional cost to the royalty holder;
- limited exposure to many of the risks associated with operating mining companies;
- potential to generate significant free cash flow with limited cash calls;
- high margins with the potential to generate cash through the entire commodity cycle;
- a scalability and diversification in which a large number of assets can be managed with a small stable overhead; and
- a proactive, forward-looking strategy in which management focuses on growth opportunities rather than operational or development issues.

The Company's financial results in the short term are primarily tied to the price of commodities and the amount of production from its portfolio of producing assets. Financial results have also been supplemented by acquisitions of new producing assets. Over the longer term, results are impacted by the availability of exploration and development capital applied by other companies to expand or extend the Company's producing assets. The Company has a long term investment outlook and recognizes the cyclical nature of the industry.

By investing in diversified mining interests with a focus on copper and nickel across a spectrum of geographies, the Company reduces its dependency on any one asset, project, location or counterparty. The Company believes that its model provides exposure to future improvements in the copper and nickel markets, while at the same time minimizing fixed operating, exploration, development and sustaining costs associated with directly owning and operating mining projects. Additionally, as the Company's interests are non-operational, the Company is exposed to limited cash calls in order to maintain its interests in such projects. Furthermore, since the Company's directors and officers do not handle operational decisions and tasks relating to mining projects, they are free to focus their time and energy on carrying out the Company's acquisition strategy and identifying and executing on growth opportunities.

At present, the Company has not earned any revenue from the projects underlying its royalties and does not expect to earn any revenue until such time as the projects underlying its royalties or other future interests generate revenues. See "*Risk Factors - Negative Cash Flow from Operations".*

Principal Product

In the past two years, Nova has deployed over $50 million, comprised of cash consideration, Common Shares and other equity related structures, issued to sellers, across eight transactions amassing a portfolio of 18 royalties. Nova's portfolio provides exposure to established counterparties, including First Quantum, Teck, Newmont Corporation ("**Newmont**"), Antofagasta plc, and Rio Tinto Canada.

The principal products of Nova are royalty payments pursuant to royalty agreements acquired by Nova or entered into with mining companies. Nova is focused on copper and nickel royalties.

The Company's material assets are its royalty interests in the NuevaUnión and Taca Taca Property.

The following table summarizes the royalty interests that are owned by Nova or are under contract to be acquired:

	Property	**Asset Owner**	**Location**	**Stage**	**Metal**	**Terms**
1.	Taca Taca	First Quantum Minerals Ltd.	Argentina	Development	Cu-Au-M	0.42% NSR (subject to a buyback based on amount of proven reserves in a feasibility study multiplied by the prevailing market prices of all applicable commodities)
2.	NuevaUnión	Teck Resources Limited and Newmont Corporation	Chile	Development	Cu-Au	2.0% NSR on copper
3.	Dumont	Waterton Global Resource Investments	Canada	Development	Ni-Co	2.0% (subject to a 1.0% buyback for $1 million)
4.	Vizcachitas	Los Andes Copper	Chile	Development	Cu-Mo	0.98% NSR on open pit production and

	Property	Asset Owner	Location	Stage	Metal	Terms
						0.49% NSR on underground production from the San Jose 1/3000 claim
5.	Twin Metals	Antofagasta plc	USA	Development	Cu-Ni	2.4% NSR on copper and nickel(1)
6.	Janice Lake	Rio Tinto/Forum Energy JV (100%)	Canada	Exploration	Cu-Ag	1.0% NSR (subject to a 0.375% buyback for $0.75 million prior to commercial production)
7.	Wollaston	Transition Metals Corp. (100%)	Canada	Exploration	Cu-Ag	1.0% NSR
8.	Dundonald	Class 1 Nickel (100%)	Canada	Exploration	Ni	1.25% NSR
9.	Bancroft	Transition Metals Corp. (100%)	Canada	Exploration	Ni-Cu-PGM	1.0% NSR
10.	Maude Lake	Transition Metals Corp. (100%)	Canada	Exploration	Ni-Cu-PGM	1.0% NSR
11.	Saturday Night	Transition Metals Corp. (100%)	Canada	Exploration	Ni-Cu-PGM	1.0% NSR
12.	Copper King	Pacific Empire Minerals (100%)	Canada	Exploration	Cu-Au	1.0% NSR
13.	Nub East	Pacific Empire Minerals (100%)	Canada	Exploration	Cu-Au	1.0% NSR
14.	NWT	Pacific Empire Minerals (100%)	Canada	Exploration	Cu-Au	1.0% NSR
15.	Pinnacle	Pacific Empire Minerals (100%)	Canada	Exploration	Cu-Au	1.0% NSR
16.	Homathko	Transition Metals Corp. (100%)	Canada	Exploration	Au	1.0% NSR
17.	Elephant Head	Canadian Gold Miner (100%)	Canada	Exploration	Au	1.0% NSR (subject to a 0.5% buyback for $0.75 million)
18.	West Matachewan	Laurion/Canadian Gold Miner (100%)	Canada	Exploration	Au	1.0% NSR (subject to a 0.5% buyback for $0.75 million)

Note 1: 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. In the Technical Report, copper reserves are calculated using recoveries of 94.0% and payabilities of 76.4% and nickel reserves are calculated using recoveries of 60.8% and payabilities of 70.8%.

Competitive Conditions

Nova will compete with other companies that operate in the royalty market segment to acquire Royalty Commodities. Nova will also compete with companies that provide financing to mining companies. Nova also competes with other Royalty Commodity focused companies for capital and human resources. See section *Description of the Business – Risk Factors – Competition*.

Employees

As at the date of this AIF, Nova has a total of one full time and five part time employees. Nova also has over 5 industry consultants and advisors who provide services on an as needed basis. No management functions of Nova are performed to any substantial degree by persons other than the directors and executive officers of the Company.

Foreign Operations

Nova currently purchases or expects to purchase Royalty Commodities or receives or expects to receive payments under royalties from mines or operations in Canada, Argentina, United States, and Chile. Nova may in the future purchase Royalty Commodities or receive payments under royalties from mines or operations in other countries. Changes in legislation, regulations or governments in such countries are beyond Nova's control and could adversely affect the Company's business. The effect of these factors cannot be predicted with any accuracy by Nova or its management. See section *Description of the Business – Risk Factors – International Interests* in this AIF.

RISK FACTORS

Investing in the securities of the Company is speculative and involves a high degree of risk due to the nature of our business and the present stage of its development. The following risk factors, as well as risks currently unknown to us, could materially and adversely affect our future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to the Company, or its business, property or financial results, contained herein, each of which could cause purchasers of our securities to lose part or all of their investment. The risks set out below are not the only risks we face; risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition, results of operations and prospects.

Investors should carefully consider all of the information disclosed in this AIF prior to investing in the securities of Nova. In addition to the other information presented in this AIF, the following risk factors should be given special consideration when evaluating an investment in such securities. These risk factors could materially affect Nova's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to Nova. The risk factors described in this AIF are not the only risks that Nova faces. Additional risks or uncertainties that Nova does not have any knowledge of or are currently deemed as immaterial, could also materially adversely affect Nova.

Risks Relating to Nova

Public Health Crises, including the COVID-19 Pandemic, may Significantly Impact Nova

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 we hold royalties, in response to the increased impact from COVID-19 and its variant strains. 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 significant monetary and fiscal interventions designed to stabilize economic conditions. There are significant uncertainties with respect to future developments and impact to the Company related to the COVID-19 pandemic, including the duration, severity and scope of the outbreak, the measures taken by governments and businesses to contain the pandemic as well as the evolution of a new variant of COVID-19 that is more contagious, has more severe effects or is resistant to treatments or vaccinations. While the impact of COVID-19 and any variant thereof is expected to be temporary, the current circumstances are dynamic and the impact of COVID-19 and any variant thereof on our business operations cannot be reasonably estimated at this time, such as the duration and impact on future production for our partner operators at their respective mining operations.

The risks to Nova's business associated with COVID-19 and any variant thereof include without limitation, the risk of breach of material contracts, risks to employee health and workforce productivity at mining operations in which Nova holds a royalty interest (the "**Mining Operations**"), the possibility of increased insurance premiums, limitations on travel, the availability of industry experts and personnel, prolonged restrictive measures put in place in order to control an outbreak of contagious disease or other adverse public health developments globally and other factors that will depend on future developments beyond Nova's control, which may have a material and adverse effect on Nova's business, financial condition and results of operations. In addition, Nova may experience business interruptions as a result of the re-initiation or initiation of suspensions or operational reductions at the mines in which Nova has an interest, relating to the COVID-19 outbreak or such other events that are beyond the control of Nova, which could in turn have a material adverse impact on Nova's business, operating results, financial condition and the market for its securities. As at the date of this AIF, the duration of any business disruptions and related financial impact of the COVID-19 outbreak cannot be reasonably estimated.

Changes in Commodity Prices

The price of Nova's Common Shares may be significantly affected by declines in commodity prices. The revenue derived by Nova from its asset portfolio will be significantly affected by changes in the market price of commodities that underlie the Royalty Commodities or other investments or interests of Nova. Nova's revenue is particularly sensitive to changes in the price of copper and nickel. Any future cash flow derived from our royalties is dependent on the future price of the Royalty Commodities. The price of Royalty Commodities fluctuate daily and are affected by factors beyond the control of Nova, including levels of supply and demand, industrial development, inflation and interest rates, the U.S. dollar's strength and geo-political events. External economic factors that affect commodity prices can be influenced by changes in international investment patterns, monetary systems and political developments.

The Chinese market is a significant source of global demand for commodities. A sustained slowdown in China's growth or demand, or a significant slowdown in other markets, in either case, that is not offset by reduced supply or increased demand from other regions could have an adverse effect on the price and/or demand for the products in respect of which we have royalties or other interests. The COVID-19 pandemic and efforts to contain it have had a significant effect on commodity prices and demand as well as broader impacts on the global economy. See also "*Risk Factors - Public Health Crises, including the COVID-19 Pandemic may Significantly Impact Nova*".

All commodities, by their nature, are subject to wide price fluctuations and future material price declines will result in a decrease in revenue and may cause a suspension or termination of production by relevant operators, which would result in a complete cessation of revenue from applicable Royalty Commodities. Even if Nova works to ensure a diversification of commodities that underlie its Royalties Commodities and other interests, the commodity market trends are cyclical in nature and a general downturn in commodity prices could result in a significant decrease in overall revenue.

Nova Has No Control Over Mining Operations

Nova is not directly involved in the operation of mines. The revenue Nova may derive from its portfolio of royalty assets is based entirely on production from third-party mine owners and operators. Nova is party to copper and nickel royalty agreements and Nova expects to receive payments under royalty agreements based on production from certain mines and operations, however, Nova will not have a direct interest in the operation or ownership of those mines and projects. The owners and operators generally will have the power to determine the manner in which the properties are exploited, including decisions to expand and continue or reduce, suspend or discontinue production from a property, to make decisions about the marketing of products extracted from the property and to make decisions to advance exploration efforts and conduct development of non producing properties. The interests of third-party owners and operators and those of Nova in respect of a relevant project or property may not always be aligned. The inability of Nova to control the operations for the properties in which it has a royalty interest may result in a material adverse effect on the profitability of Nova, the results of operations of Nova and its financial condition. Except in a limited set of circumstances as may be specified in respect of a royalty, Nova will not receive compensation if a specific mine or operation fails to achieve or maintain production or if the specific mine or operation is closed or discontinued. In addition, a number of Mining Operations are currently in a development or exploration stage and may not commence commercial production and there can be no assurance that if such operations do commence production that they will achieve profitable and continued production levels. In addition, the owners or operators may take action contrary to policies or objectives of Nova; be unable or unwilling to fulfill their obligations under their agreements with Nova; have difficulty obtaining or be unable to obtain the financing necessary to move projects forward; or experience financial, operational or other difficulties, including insolvency, which could limit the owner or operator’s ability to perform its obligations under arrangements with Nova. Nova is also subject to the risk that a specific mine or project may be put on care and maintenance or have its operations suspended, on both a temporary or permanent basis.

The owners or operators of the projects or properties in which Nova holds a royalty interest may from time to time announce transactions, including the sale or transfer of the projects or of the operator itself, over which Nova has little or no control. If such transactions are completed it may result in a new operator controlling the project, who may or may not operate the project in a similar manner to the current operator which may positively or negatively impact Nova. If any such transaction is announced, there is no certainty that any such transaction will be completed, or completed as announced, and any consequences of such non completion on Nova may be difficult or impossible to predict.

Nova is subject to the risk that Mining Operations may shut down on a temporary or permanent basis due to issues including but not limited to economic conditions, lack of financial capital, flooding, fire, pandemics (including the COVID-19 pandemic), weather related events, mechanical malfunctions, community or social related issues, social unrest, the failure to receive permits or having existing permits revoked, collapse of mining infrastructure including tailings ponds, expropriation and other risks. These issues are common in the mining industry and can occur frequently. There is a risk that the carrying values of Nova’s assets may not be recoverable if the mining companies operating the Mining Operations cannot raise additional finances to continue to develop those assets. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Mining Operations becoming uneconomic resulting in their shutdown and closure. Nova is not entitled to purchase copper, nickel or other commodities, receive royalties or other economic benefit from the Mining Operations if no copper, nickel or other commodities are produced from the Mining Operations.

Variations in Foreign Exchange Rates

Foreign exchange rates have seen significant fluctuation in recent years. A depreciation in the value of the Canadian Dollar against one or more of the currencies in which Nova receives payments under the royalties could have a material adverse effect on the profitability of Nova, its results of operations and financial condition.

Nova’s consolidated revenue, expenses and financial position may be impacted by fluctuations in foreign exchange rates as payments in foreign currencies are translated into Canadian Dollars. Nova has not hedged its exposure to currency fluctuations. Currency fluctuations in other international currencies in which Nova receives payments under the royalties could have an equal or greater effect.

Delay Receiving or Failure to Receive Payments

Nova is dependent to a large extent upon the financial viability and operational effectiveness of owners and operators of the relevant mines and mineral properties underlying Nova’s royalties. Payments from production generally flow through the operator and there is a risk of delay and additional expense in receiving such revenues. Payments may be delayed by restrictions imposed by lenders, delays in the sale or delivery of products, the ability or willingness of smelters and refiners to process mine products, recovery by the operators of expenses incurred in the operation of the royalty properties, the establishment by the operators of reserves for such expenses or the insolvency of the operator. Nova's rights to payment under the royalties must, in most cases, be enforced by contract without the protection of the ability to liquidate a property. This inhibits Nova's ability to collect amounts owing under its royalties upon a default. Additionally, some agreements may provide limited recourse in particular circumstances which may further inhibit Nova's ability to recover or obtain equitable relief in the event of a default under such agreements. In the event of a bankruptcy of an operator or owner, it is possible that an operator may claim that Nova should be treated as an unsecured creditor and, therefore, have a limited prospect for full recovery of revenue and a possibility that a creditor or the operator may claim that any royalty agreement should be terminated in the insolvency proceeding. Failure to receive payments from the owners and operators of the relevant properties or termination of Nova's rights may result in a material and adverse effect on Nova's profitability, results of operations and financial condition.

Third-Party Reporting

Nova relies on public disclosure and other information regarding specific mines or projects that is received from the owners or operators of the mines or other independent experts. The information received may be susceptible to being imprecise as a result of it being compiled by certain third parties. The disclosure created by Nova may be inaccurate if the information received contains inaccuracies or omissions, which could create a material adverse effect on Nova. Further, Nova must rely on the accuracy and timeliness of the public disclosure and other information it receives from the owners and operators of the Mining Operations, and uses such information in its analyses, forecasts and assessments relating to its own business and to prepare its disclosure with respect to the Royalty Commodities. If the information provided by such third parties to Nova contains material inaccuracies or omissions, the Company's disclosure may be inaccurate and its ability to accurately forecast or achieve its stated objectives may be materially impaired, which may have a material adverse effect on Nova.

In addition, a royalty agreement may require an owner or operator to provide Nova with production and operating information that may, depending on the completeness and accuracy of such information, enable Nova to detect errors in the calculation of Royalty Commodities payments that it receives. As a result, the ability of Nova to detect payment errors through its associated internal controls and procedures is limited, and the possibility exists that Nova will need to make retroactive revenue adjustments. Of the royalty agreements that Nova enters into, some may provide Nova the right to audit the operational calculations and production data for associated payments; however, such audits may occur many months following the recognition by Nova of the applicable revenue and may require Nova to adjust its revenue in later periods.

As a holder of an interest in a royalty, Nova will have limited access to data on the operations or to the actual properties underlying the royalty. This limited access to data or disclosure regarding operations could affect the ability of Nova to assess the performance of the Royalty Commodities. This could result in delays in cash flow from that which is anticipated by Nova based on the stage of development of the properties covered by the assets within the portfolio of Nova.

Disclosure Regarding Operations

Some royalty agreements may be subject to confidentiality arrangements which govern the disclosure of information with regard to the royalty and, as such, Nova may not be in a position to publicly disclose non-public information with respect to certain royalties. The limited access to data and disclosure regarding the operations of the properties in which Nova has an interest, may restrict the ability of Nova to enhance its performance which may result in a material and adverse effect on the profitability of Nova, results of operations for Nova and financial condition. There can be no assurance that Nova will be successful in obtaining these rights when negotiating the acquisition of royalties.

Strategy for Acquisitions

As Nova executes on its business plan, it intends to seek to purchase additional royalties and/or streams. Nova cannot offer any assurance that it can complete any acquisition or proposed business transactions on favourable terms or at all, or that any completed acquisitions or proposed transactions will benefit Nova.

At any given time Nova may have various types of transactions and acquisition opportunities in various stages of review, including submission of indications of interest and participation in discussions or negotiations in respect of such transactions. This process also involves the engagement of consultants and advisors to assist in analyzing particular opportunities. Any such acquisition or transaction could be material to Nova and may involve the issuance of securities by Nova to fund any such acquisition. Any such issuance of securities may result in substantial dilution to existing shareholders and may result in the creation of new control positions. In addition, any such acquisition or other royalty transaction may have other transaction specific risks associated with it, including risks related to the completion of the transaction, the project operators or the jurisdictions in which assets may be acquired.

Additionally, Nova may consider opportunities to restructure its royalties where it believes such a restructuring may provide a long term benefit to Nova, even if such restructuring may reduce near term revenues or result in Nova incurring transaction-related costs. Nova may enter into one or more acquisitions, restructurings or other royalty transactions at any time.

Nova Cash Flow Risk

Nova is not directly involved in the ownership or operation of mines. Nova’s royalty and other interests in properties or projects are subject to most of the significant risks of the operating mining company. Nova’s cash flow is dependent on the activities of third parties which could create risk that those third parties may have targets inconsistent to Nova’s targets, take action contrary to Nova’s goals, policies or objectives, be unwilling or unable to fulfill their contractual obligations owed to Nova, or experience financial, operational or other difficulties or setbacks, including bankruptcy or insolvency proceedings, which could limit a third-party’s ability to perform under a specific third-party arrangement. Specifically, Nova could be negatively impacted by an operator’s ability to continue its mining operations as a going concern and have access to capital. A lack of access to capital could result in a third-party entering a bankruptcy proceeding, which would result in Nova being unable to realize any value for its royalties or other interests.

Negative Cash Flow from Operations

During the 12 months ended December 31, 2020, the Company had negative cash flow from operating activities. The Company anticipates it will continue to have negative cash flow from operating activities in future periods until such time as the projects underlying its royalties or other future interests generate revenues. Future cash flows from such interests are dependent upon the underlying projects achieving production. There can be no assurance that such production will ever be achieved. To the extent that the Company has negative cash flow in any future period, unallocated funds may be used to fund negative cash flow from operating activities, if any.

Rights of other Interest-Holders

Some royalties are subject to: (i) buy-down right provisions pursuant to which an operator may buy back all or a portion of the royalty, (ii) pre-emptive rights pursuant to which certain parties have the right of first refusal or first offer with respect to a proposed sale or assignment of a royalty to Nova, or (iii) claw back rights pursuant to which the seller of a royalty to Nova has the right to re-acquire the royalty. Holders may exercise these rights such that certain royalty interests would no longer be held by Nova or would become difficult for Nova to acquire. Any compensation received as a result may be significantly less than Nova had budgeted receiving for the applicable royalty and may have a material adverse effect on Nova’s income and business.

Defects in Royalty Commodities

A defect in the royalty agreements and/or the underlying contract may arise to defeat or impair the claim of Nova to such royalty.

Such defects in a royalty agreement may result in a material and adverse effect on Nova’s profitability, results of operations, financial condition and the trading price of Nova securities.

Change in Material Assets

As at the date of this AIF, the NuevaUnión Royalty and Taca Taca Royalty are currently the sole material assets of Nova, although as new assets are acquired or existing assets move into production, the materiality of each of the assets of Nova will be reconsidered. Any adverse development affecting the operation of, production from or recoverability of mineral reserves from the Material Properties or any other significant property in the asset portfolio from time to time, such as, but not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, or the inability to hire suitable personnel and engineering contractors or secure supply agreements on commercially suitable terms, may have a material adverse effect on the profitability of Nova, the financial condition of Nova and results of its operations.

Global Financial Conditions

Global financial conditions have been characterized by ongoing volatility. Global financial conditions could suddenly and rapidly destabilize in response to future events, as government authorities may have limited resources to respond to future crises. Global capital markets have continued to display increased volatility in response to global events. Future crises may be precipitated by any number of causes, including natural disasters, pandemics (including the COVID-19 pandemic), geopolitical instability, changes to energy prices or sovereign defaults.

Market events and conditions, including the COVID-19 pandemic, significant fluctuations in fuel and energy costs and prices, political instability in the Middle East and Russia and international trade tension have resulted in commodity prices remaining volatile. These conditions have also caused a loss of confidence in global financial markets, causing consumer spending to decrease, employment rates to reach historic lows and consumer debt levels to increase. Notwithstanding various actions by governments, concerns about the general condition of the capital markets have caused these markets to be volatile and interest rates to remain at historical lows. These events are illustrative of the effect that events beyond the Company's control may have on commodity prices, demand for metals, including copper, nickel, and other base and precious metals, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business. Global financial conditions have always been subject to volatility. Access to public financing has been negatively impacted by the COVID-19 pandemic, and the associated decreases in consumer spending and employment levels, as well as concerns over global growth rates and conditions.

Any sudden or rapid destabilization of global economic conditions could negatively impact Nova's ability, or the ability of the operators of the properties in which Nova holds royalty or other interests, to obtain equity or debt financing or make other suitable arrangements to finance their projects. Additionally, increased levels of volatility and market turmoil can adversely impact the operations of Nova and the value and the price of the Common Shares could be adversely affected.

See also "*Risk Factors – Public Health Crises, including the COVID-19 Pandemic may Significantly Impact Nova*".

Dependence on Key Personnel

Nova is dependent on the services of a small number of key management personnel. The ability of Nova to manage its activities and its business will depend in large part on the efforts of these individuals. There can be no assurance that Nova will be successful in engaging or retaining key personnel. The loss of the services of a member of the management of Nova could have a material adverse effect on the Company. From time to time, Nova may also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. The number of persons skilled in the acquisition of Royalties and or Streams is limited and competition for such persons is intense. Recruiting and retaining qualified personnel is critical to the success of Nova and there can be no assurance that Nova will be successful in recruiting and retaining the personnel it needs to successfully operate its business. If Nova is not successful in attracting and retaining qualified personnel, the ability of Nova to execute on its business model and strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Dividends

Payment of dividends on Nova's securities is within the discretion of Nova's board of directors and will depend upon Nova's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that Nova will be in a position to declare and pay dividends in the future due to the occurrence of one or more of the risks described herein. See "*Dividends*" section below for additional information.

Competition

Nova will compete with other companies for royalties and other interests in properties or projects. Other companies may have greater resources than Nova. Any such competition may prevent Nova from being able to secure new royalty interests. Future competition in the royalty sector could materially adversely affect Nova's ability to conduct its business. There can be no assurance that Nova will be able to compete successfully against other companies in acquiring new royalty interests. In addition, Nova may be unable to acquire royalty interests at acceptable valuations which may result in a material and adverse effect on Nova's profitability, results of operations and financial condition.

Project Operators may not Respect Contractual Obligations

Royalties and other interests in properties or projects are contractual in nature. Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. To the extent grantors of royalties and other interests do not abide by their contractual obligations, Nova may be forced to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly and there is no guarantee of success. Further, any such litigation may also be required to be pursued in foreign jurisdictions. Any pending proceedings or actions or any decisions determined adversely to Nova, may have a material and adverse effect on Nova's profitability, results of operations, financial condition and the trading price of the Common Shares of Nova.

Enforceability

The status of royalties at law can be uncertain and varies from jurisdiction to jurisdiction and in certain jurisdictions a royalty interest may not be a registrable interest which runs with the land. As a result, it may be difficult for Nova to enforce its rights with respect to royalties against a third party. Such a failure may result in the loss of the Company's rights to such a royalty in the event a third party assigns title to the underlying property.

Conflicts of Interest

Certain directors and officers of Nova also serve as directors and/or officers of other companies that are involved in natural resource explorations, development and mining operations, and consequently there exists the possibility for such directors and officers to be in a position where there is a conflict of interest. Any decision made by any such directors and officers will be made in accordance with their duties and obligations to deal in good faith and in the best interests of Nova and its shareholders. Each director that is in a conflict of interest is required to declare such conflict and abstain from voting on a matter in which that director is conflicted in accordance with applicable law.

Future Financing: Future Securities Issuances

There can be no assurance that Nova will be able to obtain adequate financing in the future, that it will satisfy the requirements to draw additional funds under the Beedie Loan Facility, or that the terms of any such financing will be favourable. Failure to obtain such additional financing or satisfy the requirement for additional draws under the Beedie Loan Facility could impede the funding obligations of Nova or result in delay or postponement of further business activities which may result in a material and adverse effect on Nova's profitability, results of operations and financial condition. Nova may require new capital to continue to grow its business and there are no assurances that capital will be available when needed, if at all. It is likely that, at least to some extent, such additional capital will be raised through the issuance of additional equity or convertible debt, which could result in dilution to shareholders.

Compliance with Terms of Credit Facilities

There can be no assurance that the Beedie Loan Facility, or any other credit facilities or financing agreements that Nova may enter into, will be renewed or refinanced, or if renewed or refinanced, that the renewal or refinancing will occur on equally favourable terms to Nova. Nova's ability to continue operating may be adversely affected if Beedie does not convert the loans outstanding under the Beedie Loan Facility into equity of Nova, if Nova is not able to renew the Beedie Loan Facility or any other credit facilities or arrange refinancing, or Nova such renewal or refinancing, as the case may be, occurs on terms materially less favorable to Nova than at present. The Beedie Loan Facility is secured by a substantial portion of Nova's assets, and imposes covenants and obligations on Nova. There is a risk that this and any other such facilities or loans may go into default if there is a breach in complying with covenants and obligations, which could result in the lenders realizing on their security and causing the shareholders to lose some or all of their investment.

Litigation Affecting Properties

Potential litigation may arise on a property on which Nova holds or has an interest (for example, litigation between joint venture partners or between operators and original property owners or neighbouring property owners). Nova will not generally have any influence on the litigation and will not generally have access to data. Any such litigation that results in the cessation or reduction of production from a property (whether temporary or permanent) could have a material and adverse effect on Nova's profitability, results of operations, financial condition and the trading price of the Common Shares of Nova.

Application and Interpretation of Tax Laws

Nova is subject to direct and indirect taxes in various global jurisdictions. The amount of tax Nova pays, directly or indirectly, is subject to the interpretation of applicable tax laws in the jurisdictions in which Nova files, and the applicable tax laws in the jurisdictions of operations in which Nova has interests including those from which Nova receive royalties and other income.

Nova has taken and will continue to take tax positions based on the application and interpretation of tax laws, but tax accounting often involves complex matters and judgment is required in determining Nova's worldwide provision for taxes and other tax liabilities. There can be no assurance that a taxing authority will not have a different interpretation of the law and assess Nova, or the operations in which Nova has interests, with additional taxes.

While to management's knowledge Nova is not currently the subject of any tax audits or under reassessment, tax authorities may in the future disagree with management's judgment and the presentation of Nova's tax position. Nova regularly assess the likely outcomes of tax audits or reassessments to determine the appropriateness of tax liabilities. However, Nova's judgment on tax matters might not be sustained as a result of audits or reassessments, and the amounts ultimately paid could be different from the amounts previously recorded or expected. In addition, Nova's effective tax rate in the future could be adversely affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities and changes in tax laws. Tax rates in the jurisdictions in which Nova operates or in which Nova has interests may change as a result of macroeconomic, political or other factors. Increases in the tax rate in any of the jurisdictions in which Nova has interests could have a negative impact on our profitability.

Changes in Tax Laws Impacting Nova

There can be no assurance that new tax laws, regulations, policies or interpretations will not be enacted or brought into being in the jurisdictions where Nova has interests that could have a material adverse effect on Nova. Any such change or implementation of new tax laws or regulations could adversely affect Nova's ability to conduct its business. No assurance can be given that new taxation rules or accounting policies will not be enacted or that existing rules will not be applied in a manner which could result in the profits of Nova being subject to additional taxation or which could otherwise have a material adverse effect on the profitability of Nova, Nova's results of operations, financial condition and the trading price of the Common Shares. In addition, the introduction of new tax rules or accounting policies, or changes to, or differing interpretations of, or application of, existing tax rules or accounting policies could make royalties or other investments by Nova less attractive to counterparties. Such changes could adversely affect the ability of Nova to acquire new assets or make future investments.

Credit and Liquidity Risk

Nova is exposed to counterparty risks and liquidity risks including, but not limited to: (i) through the companies with which Nova has royalty agreements; (ii) through financial institutions that hold Nova's cash and cash equivalents; (iii) through companies that have payables to Nova; (iv) through Nova's insurance providers; and (v) through Nova's lenders. Nova is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of Nova to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to Nova. Also, if these risks materialize, the Company's operations could be adversely impacted and the trading price of its securities could be adversely affected.

Information Systems and Cyber Security

Nova's information systems, and those of its counterparties under the royalty agreements and vendors, are vulnerable to an increasing threat of continually evolving cybersecurity risks. Unauthorized parties may attempt to gain access to these systems or Nova's information through fraud or other means of deceiving Nova's counterparties. Nova's operations depend, in part, on how well Nova and its suppliers, as well as counterparties under the royalty agreements, protect networks, equipment, information technology systems and software against damage from a number of threats. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact Nova's reputation and results of operations. Although to date Nova has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that Nova will not incur such losses in the future. Nova's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain an area of attention.

Activist Shareholders

Publicly traded companies are often subject to demands or publicity campaigns from activist shareholders advocating for changes to corporate governance practices, such as executive compensation practices, social issues, or for certain corporate actions or reorganizations. There can be no assurance that Nova will not be subject to any such campaign, including proxy contests, media campaigns or other activities. Responding to challenges from activist shareholders can be costly and time consuming and may have an adverse effect on Nova's reputation. In addition, responding to such campaigns would likely divert the attention and resources of Nova's management and board of directors, which could have an adverse effect on Nova's business and results of operations. Even if Nova were to undertake changes or actions in response to activism, activist shareholders may continue to promote or attempt to effect further changes and may attempt to acquire control of Nova. If shareholder activists are ultimately elected to the board of directors, this could adversely affect Nova's business and future operations. This type of activism can also create uncertainty about Nova's future strategic direction, resulting in loss of future business opportunities, which could adversely affect Nova's business, future operations, profitability and Nova's ability to attract and retain qualified personnel.

Reputation Damage

Reputational damage can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. While Nova does not ultimately have direct control over how it is perceived by others, reputational loss could have a material adverse impact on our financial performance, financial condition, cash flows and growth prospects.

Expansion of Business Model

Nova's operations and expertise have been focused on the acquisition and management of its interests. Nova may pursue acquisitions outside this area, including acquiring and/or investing in and/or developing resource projects. Expansion of Nova's activities into new areas would present challenges and risks that it has not faced in the past, including many of the risks described under the section "*Risk Factors - Risks Related to Mines and Mining*

Operations". The failure to manage these challenges and risks successfully may result in a material and adverse effect on Nova's profitability, results of operations, financial condition and the trading price of Nova securities.

Risks Related to Mines and Mining Operations

Risk Factors applicable to Owners and Operators of Properties in which Nova holds an Interest

To the extent that they relate to the production of minerals from or the continued operation of, properties in which Nova holds a royalty interest, Nova will be subject to the risk factors applicable to the owners and operators of such mines or projects.

Exploration, Development and Operating Risks

Mining involves a high degree of risk. Mines and projects in which Nova has or may enter into a royalty agreement are subject to all of the hazards and risks normally encountered in the exploration, development and production of metals, including weather related events, unusual and unexpected geology formations, seismic activity, rock bursts, cave ins, pit wall failures, flooding, environmental hazards and the discharge of toxic chemicals, explosions and other conditions involved in the drilling, blasting and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to property, injury or loss of life, environmental damage, work stoppages, delays in production, increased production costs and possible legal liability. Any of these hazards and risks and other acts of God could shut down Mining Operations temporarily or permanently. Mining Operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability for the owners or operators of the Mining Operations.

The exploration for and development, mining and processing of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenditures may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the owners or operators of Mining Operations will result in profitable commercial Mining Operations. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: cash costs associated with extraction and processing, the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; and political stability. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in one or more of the Mining Operations not receiving an adequate return on invested capital. Accordingly there can be no assurance the Mining Operations which are not currently in production will be brought into a state of commercial production.

Climate Change

Governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. The Paris climate accord was signed by 195 countries in December 2015 and marked a global shift toward a low-carbon economy.

If the current regulatory trend continues, Nova expects that this will result in increased costs at some of the Mining Operations which could adversely impact the profitability or viability of such operations and may result in reduction or cessation of production which in turn would have an impact on the Company's revenue. In addition, the physical risks of climate change may also have an adverse effect on some of the Mining Operations. These risks include the following:

- *sea level rise*: changes in sea level could affect ocean transportation and shipping facilities which are used to transport supplies, equipment and workforce to some of the Mining Operations and products from those operations to world markets.

- *extreme weather events*: extreme weather events (such as increased frequency or intensity of hurricanes, increased snow pack, prolonged drought) have the potential to disrupt some of the Mining Operations. Extended disruptions to supply lines could result in interruption to production.

- *resource shortages*: some of the Mining Operations depend on regular supplies of consumables (diesel, tires, sodium cyanide, et cetera) and reagents to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, production efficiency at some of the Mining Operations is likely to be reduced.

There is no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risk of climate change will not have an adverse effect on the Mining Operations and their profitability.

Commodity Prices

Metal prices are subject to fluctuation and any future significant decline could result in mines, Mining Operations and project development to cease. Owners and operators of mines and development projects could be forced to cease operations or discontinue development of a particular project, which could materially adversely affect Nova's business operations and profitability.

Environmental Risks

All phases of mine operation or development are subject to governmental regulation including environmental regulation in the various jurisdictions in which they operate. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non compliance, more stringent environmental assessments of proposed projects and heightened responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the mines and projects in which Nova has an interest. Also, unknown environmental hazards may exist on the properties at present which were caused by previous or existing owners or operators of the properties and which could impair the commercial success, levels of production and continued feasibility and project development and mining operations on these properties. One or more of the mining companies may become liable for such environmental hazards caused by previous owners or operators of the properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Government Regulation, Permits and Authorizations

The exploration and development activities related to mine operations are subject to extensive laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resources preservation, mine safety and occupational health, handling, storage and transportation of hazardous substances and other matters.

The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing specific mine operations in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the owners or operators of mines or projects would not proceed with the development of, or continue to operate, a mine. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder and claims for damages to property and persons resulting from mining operations could result in substantial costs and liabilities for the owners or operators of mines or projects in the future such that they would not proceed with the development of, or continue to operate, a mine.

Government approvals, licences and permits are currently, and will in the future be, required in connection with Mining Operations. To the extent such approvals are required and not obtained, Mining Operations may be curtailed or prohibited from proceeding with planned operations, which could have an impact on the business and financial condition of Nova. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Mining Operations, resulting in increased capital expenditures or production costs, reduced levels of production at producing properties or abandonment or delays in development of properties.

Permitting and Access

The operation of a mine or project is subject to receipt and maintenance of permits from appropriate governmental authorities. The owners and operators of the mines and projects in which Nova has an interest may be subject to delays in connection with obtaining access to the property and all necessary renewals of permits for existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of the properties, permits from appropriate governmental authorities may be required. There can be no assurance that the owners or operators of the mines or projects will continue to hold all permits necessary to develop or continue operating at any particular property.

Infrastructure

Natural resource exploration, development and mining activities are dependent on the availability of mining, drilling and related equipment in the particular areas where such activities are conducted. A limited supply of such equipment or access restrictions may affect the availability of such equipment to the owners and operators of mines or projects and may delay exploration, development or extraction activities. Certain equipment may not be immediately available or may require long lead time orders. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration, development or production at a mine or project. Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect operations at a mine or project.

Dependence on Operator's Employees

Production from the properties in which Nova holds an interest depends on the efforts of operators' employees. There is competition for persons with mining expertise. The ability of the owners and operators of such properties to hire and retain geologists and persons with mining expertise is key to those operations. Further, relations with employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in the jurisdictions in which those operations are conducted. Changes in such legislation or otherwise in the relationships of the owners and operators of such properties with their employees may result in strikes, lockouts or other work stoppages, any of which could have a material adverse effect on such operations, results of operations and financial condition of Nova. If these factors cause the owners and operators of such properties to decide to cease production at one or more of the properties, such decision could have a material adverse effect on the business and financial condition of Nova.

Mineral Resource and Mineral Reserve Estimates

Mineral reserve and or mineral resource estimates for a specific mine or project may not be correct. The figures for mineral resources and mineral reserves contained in this AIF are estimates only and were obtained from public disclosure in respect of the Taca Taca Property and NuevaUnión, as applicable. There can be no assurance that estimated mineral reserves and mineral resources will ever be recovered or recovered at the rates as estimated. Mineral reserve and mineral resource estimates are based on sampling and geological interpretation, and, are uncertain because samples used may not be representative. Mineral reserve and mineral resource estimates require revision (either to demonstrate an increase or decrease) based on production from the mine or project. The fluctuations of commodity prices and production costs, as well as changes in recovery rates, may render certain mineral reserves and mineral resources uneconomic and may result in a restatement of estimated reserves and/or mineral resources.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty of inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to proven and probable mineral reserves as a result of continued exploration.

Depleted Mineral Reserve Replacement

Mines have a limited time of operation as a result of the proven and probable mineral reserves attributed to a specific mine. A mining company operating a specific mine will be required to replace and expand mineral reserves depleted by a mine’s production to maintain production levels over a long term. It is possible to replace depleted mineral reserves by expanding known ore bodies through exploration, locating new deposits or acquiring new mines or projects. Mineral exploration is highly speculative in nature. It can take several years to develop a potential site of mineralization. There is no assurance that current or future exploration programs conducted by mining companies will be successful. There is a risk that the depletion of mineral reserves by mining companies that Nova has contracted with will not be replenished by discoveries or acquisitions which could reduce the income Nova would have expected to receive from a particular royalty.

Uninsured Risks

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. Mining companies may or may not maintain insurance in adequate amounts, including insurance for workers’ compensation, theft, general liability, all risk property, automobile, directors and officers liability and fiduciary liability and others. Such insurance, however, contains exclusions and limitations on coverage. Accordingly, a mining company’s insurance policies may not provide coverage for all losses related to their business (and may not cover environmental liabilities and losses). The occurrence of losses, liabilities or damage not covered by such insurance policies could have a material adverse effect on the mining companies’ profitability, results of operations and financial condition.

Land Title

Although title to specific mines or projects has been or will be reviewed by or on behalf of Nova, no assurances can be given that there are no title defects affecting the properties and mineral claims owned or used by specific mines or projects. Companies may not have conducted surveys of the claims in which they hold direct or indirect interests; therefore, the precise area and location of such claims may be in doubt. It is possible that a specific mine or project may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, mining companies may be unable to operate the specific mine or project as permitted or to enforce their rights with respect to that specific mine or project which may ultimately impair the ability of these owners and operators to fulfill their obligations under their agreements with Nova.

International Interests

Certain operations that underlie Nova’s royalty interests are conducted, or will be conducted, outside of Canada, including in Chile, Argentina and the United Stated, and could be exposed to political, economic or other risks or uncertainties. These types of risks or uncertainties may differ between countries and can include but are not limited to, terrorism, hostage taking, military repression, crime, political instability, currency controls, fluctuations in currency exchange rates, inflation rates, labour unrest, risk of war or civil unrest, expropriation and nationalization, renegotiation or nullification of mining or mineral concessions, licenses, permits, authorizations and contracts, illegal mining or mineral exploration, taxation changes, modifications, amendments or changes to mining and mineral laws, regulations, policies, and changes to government regulations in respect of foreign investment and mining.

Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the operations or profitability of the Mining Operations in these countries. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, mine safety and the rewarding of contracts to local contractors or requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation, cancellation or dispute of licenses or entitlements which could result in substantial costs, losses and liabilities in the future.

The occurrence of these various factors and uncertainties related to the economic and political risks for operations in foreign jurisdictions cannot be accurately predicted and could have an adverse effect on the Mining Operations resulting in substantial costs, losses and liabilities in the future.

Developing Economies

Certain operators are subject to risks normally associated with the conduct of business in developing economies. Risks may include, among others, problems relating to power supply, labour disputes, delays or invalidation of governmental orders and permits, corruption, uncertain political and economic environments, civil disturbances and crime, arbitrary changes in laws or policies, foreign taxation and exchange controls, nationalization of assets, opposition to mining from environmental or other non-governmental organizations or changes in the political attitude towards mining, empowerment of previously disadvantaged people, local ownership requirements, limitations on foreign ownership, power supply issues, limitations on repatriation of earnings, infrastructure limitations and increased financing costs. The above risks may limit, disrupt or negatively impact the operator's business activities.

Permitting, Construction and Development

Nova may hold royalty interests over mines and projects that may be in various stages of permitting, construction, development and expansion. Construction, development and expansion of such mines or projects is subject to numerous risks, including, but not limited to: delays in obtaining equipment, materials, and services essential to completing construction of such projects in a timely manner; delays or inability to obtain all required permits; changes in environmental or other government regulations; currency exchange rates; labour shortages; and fluctuation in metal prices. There can be no assurance that the owners or operators of such mines or projects will have the financial, technical and operational resources to complete the permitting, construction, development and expansion of such mines or projects in accordance with current expectations or at all.

Indigenous Peoples

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples. Nova holds royalty interests on operations located in some areas presently or previously inhabited or used by indigenous peoples. Many of these materials impose obligations on government to respect the rights of indigenous people. Some mandate that government consult with indigenous people regarding government actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. The mining companies' current or future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development on those projects or operations on which Nova holds a Royalty interest. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against the Company or the owner/operators' activities. Opposition by indigenous people to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with indigenous people. Claims and protests of indigenous people may disrupt or delay activities of the owners/operators of Nova's royalty assets.

Risks Related to the Securities of Nova

Securities of Nova are subject to Price Volatility

Capital and securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of Nova include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries or asset classes. There can be no assurance that continued fluctuations in mineral or commodity prices will not occur. As a result of any of these factors, the market price of the Common Shares at any given time may not accurately reflect the long term value of Nova.

In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against them. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm profitability and the reputation of Nova.

Dilution

Nova may issue additional securities in the future in connection with acquisitions, strategic transactions, financings or for other purposes. To the extent additional securities are issued, Nova's existing securityholders could be diluted and some or all of Nova's financial measures could be reduced on a per share basis. Additionally, Nova securities issued in connection with a transaction may not be subject to resale restrictions and, as such, the market price of Nova's securities may decline if certain large holders of Nova securities or recipients of Nova securities in connection with an acquisition, sell all or a significant portion of such securities or are perceived by the market as intending to sell such securities. In addition, such issuances of securities may impede Nova's ability to raise capital through the sale of additional equity securities in the future.

Evolving Corporate Governance and Public Disclosure Regulations

Nova is subject to changing rules and regulations promulgated by a number of United States and Canadian governmental and self regulated organizations, including the Canadian Securities Administrators, the exchanges listing Nova's securities, and the Financial Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity making compliance more difficult and uncertain. Nova's efforts to comply with these and other new and existing rules and regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

Future Sales or Issuances of Debt or Equity Securities

We may sell or issue additional debt or equity securities in offerings to finance our operations, exploration, development, acquisitions or other projects. Our significant shareholders may also sell the Common Shares or other securities they hold or may hold in the future.

We cannot predict the size of future sales and issuances of debt or equity securities or the effect, if any, that future sales and issuances of debt or equity securities will have on the market price of the Common Shares.

Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per share. Sales of our Common Shares by shareholders might also make it more difficult for us to sell equity securities at a time and price that we deem appropriate.

Liquidity

Shareholders of the Company may be unable to sell significant quantities of Common Shares into the public trading markets without a significant reduction in the price of their Common Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Company's Common Shares on the trading market, and that the Company will continue to meet the listing requirements of the TSXV, the OTCQB or achieve listing on any other public listing exchange.

Market for Securities

There can be no assurance that an active trading market for the Common Shares will be sustained.

Limitations on the Enforcement of Civil Judgments

A substantial portion of the assets of Nova are located outside of Canada. As a result, it may not be possible for investors in the securities of Nova to collect on judgments obtained in courts in Canada predicated on the civil liability provisions of securities legislation of certain of the provinces and territories of Canada.

It may be difficult for investors to effect service of process on us or our directors or officers or to realize in the United States upon judgments obtained in the United States based on the civil liability provisions of the U.S. federal securities laws. In addition, our U.S. shareholders should not assume that the courts of Canada (i) would enforce judgments of U.S. courts obtained in actions against us, our officers or directors predicated upon the civil liability provisions of the U.S. federal securities laws or other laws of the United States, or (ii) would enforce, in original actions, liabilities against us, our officers or directors predicated upon the U.S. federal securities laws or other laws of the United States.

MATERIAL ASSETS

Asset	Description of Royalty
NuevaUnión Royalty	2.0% NSR royalty on future production over copper from the Cantarito claim in the La Fortuna Deposit
Taca Taca Royalty	0.42% NSR royalty on future production over copper-gold-molybdenum from the Taca Taca Project in Salta Province of Argentina

NuevaUnión Royalty

The following description of the NuevaUnión Royalty has been prepared in reliance on:

- El Morro Report entitled "*El Morro Copper-Gold Project Atacama Region, Chile NI 43-101 Technical Report*" having an effective date of February 16, 2010 was prepared for Goldcorp Inc. (now known as Newmont Corporation), which technical report was filed under Goldcorp Inc.'s SEDAR profile on www.sedar.com on March 19, 2010,

- information that has been provided by Goldcorp Inc. and/or has been sourced from their news releases with respect to NuevaUnión; and

- public disclosure of Teck, including Teck's Annual Information Form dated February 17, 2021, and Newmont, who are the joint venturers of NuevaUnión, available under their respective SEDAR profiles at www.sedar.com.

Readers should consult the El Morro Report to obtain further particulars on NuevaUnión, and in particular the La Fortuna Deposit (which previously formed part of the El Morro Copper-Gold Project as set forth in the El Morro Report). Readers should also consult the public disclosure documents of Teck and Newmont filed on their SEDAR profiles to obtain further particulars on NuevaUnión. While the Company does not have any knowledge that such information is not accurate, the Company has not independently verified this information and there can be no assurance that such third-party information is complete or accurate.

El Morro Report

Summary

Newmont (previously Goldcorp Inc.) prepared the El Morro Report for the El Morro Copper-Gold Project, located in the Atacama Region of Chile.

At the time of the El Morro Report, Newmont held 70% of the El Morro Copper-Gold Project and was operator. The remaining 30% was held by New Gold Inc.

The El Morro property encompasses three separate centers of porphyry style copper-gold mineralization which are referred to as the La Fortuna, El Morro, and El Negro areas. A feasibility study was completed on the El Morro Copper-Gold Project in 2008 to assess the economics of exploiting the La Fortuna Deposit.

Project Description, Location and Access

Current access to the El Morro Copper-Gold Project is through the town of Vallenar, which is situated at kilometer 663 of the Pan-American Highway, north of Santiago. From Vallenar, 72 km of paved road leads east to Chanchoquin and then continues another 73 km to the east-northeast via the Totoral gravel/dirt road. The proposed mine site is approximately 15 km from the Chilean border with Argentina.

The closest community is El Transito with a population of 1,000, located approximately 75 km by road from the El Morro Copper-Gold Project. The nearest commercial airport is located close to Copiapó. Chilean airlines have daily flights to and from Santiago.

Project Setting and Infrastructure

The prevailing climate is of the high cordillera type, with freezing temperatures and moderate snowfalls from March to October and dry, cool summers. Mining operations are expected to be able to be conducted year-round.

The El Morro Copper-Gold Project lies in the high Andes, between 3,800-4,250 meters above sea level, and the El Morro Copper-Gold Project area is characterized by a relatively mild relief.

A skilled labour force is available in the Copiapó region and surrounding mining areas of northern Chile. Fuel and supplies are expected to be provided from nearby communities such as Copiapó.

Accommodation on site is currently restricted to the exploration camp.

The terrain surrounding the deposits is adequate for construction of administration, camp, mine, plant, tailings, and waste rock disposal facilities. Newmont holds sufficient tenure that the required infrastructure can be built.

Planned mine site infrastructure to support proposed operations will include, in addition to the future plant site at the mine, mine access road construction and upgrades, a desalination plant, concentrate filtration plant, and construction of major receiving, storage, and transfer facilities at different locations in Chile en-route to the mine.

In the 2008 feasibility study, Xstrata proposed construction of an entirely new access route to the Pan American highway from the El Morro Copper-Gold Project. This access route will also serve as the concentrate and water pipeline route, and the preferred location for the El Morro Copper-Gold Project powerline.

Electric power required for the El Morro Copper-Gold Project was planned to be supplied by the Chilean central power grid from a new substation to be installed at Algarrobal located 50 km north of the existing Maintencillo substation near Vallenar.

Due to the shortage of water in the proposed mine area, Xstrata concluded in the 2008 feasibility study that a seawater desalination plant would offer the most reliable water supply over the lifetime of the mine operation.

History

Initial exploitation of the El Morro Copper-Gold Project mineralization consisted of development of shallow open pits and underground workings to extract high-grade copper sulphide mineralization, some time prior to 1931. There is no record available of the tonnages or grades of material that was exploited.

From 1992, exploration activity has included geological mapping, Landsat and airphoto interpretations, talus and PIMA sampling, MMI and enzyme leach soil sampling, stream sediment and rock chip sampling, ground and airborne geophysical surveys, trenching, RC and core drilling, mineral resource estimation, and construction of an exploration decline to provide bulk metallurgical samples.

Companies performing this work included BHP, Metallica Resources Inc., Noranda Chile Ltda (Noranda), Falconbridge Limited (Falconbridge), and Xstrata plc (Xstrata). Each was in turn the El Morro Copper-Gold Project operator.

A pre-feasibility study was completed on behalf of Xstrata and Metallica in 2007, and a feasibility study in 2008.

New Gold Inc. acquired the Xstrata 70% interest in the El Morro Copper-Gold Project in late 2009 for a consideration of $463 million, which amount was loaned by Newmont (knowns as Goldcorp Inc. at that time). After acquisition of the 70% interest by a New Gold Inc. subsidiary, New Gold Inc. sold that subsidiary to Newmont. Concurrent with the sale of the New Gold Inc. subsidiary to Newmont on 16 February 2010, Newmont made a $50 million payment to New Gold Inc. and the parties amended the terms of the existing El Morro Shareholders Agreement.

Geological Setting, Mineralization and Deposit Types

The La Fortuna Deposit is considered to be an example of a primary gold–copper porphyry system, with strong affinities to high sulphidation, volcanic-hosted gold systems.

The La Fortuna copper-gold porphyry system extends over an 850 m by 450 m north-south elongated area and is intrusive into Tertiary-age volcanic/volcano sedimentary sequences. The mineralization, including that which extends into the host country rocks, consists of an 800-900 m diameter, subvertical, cylinder-shaped mineralized zone which extends downward to depths of 1 km below surface and remains open at depth.

The deposit is significantly affected by a major northwest-trending fault system that includes the La Fortuna and Cantarito faults which largely define the northern and southern limits of the La Fortuna porphyry stock and attendant alteration system.

The La Fortuna Deposit is localized within a northwest elongated alteration zone measuring approximately 2.5 km long by up to 1.5 km wide along the southeastern flank of Cerro La Fortuna. The outcropping portion of the deposit clearly shows a telescoped suite of events, which goes from the deep, high temperature-high pressure potassic alteration type into the intermediate argillic, phyllic and finally advanced argillic types, all in a vertical distance of no more than 200 m.

The deposit is characterized by four distinct mineral zones which include, from the top down, an upper leached cap horizon, a transitional assemblage of secondary supergene copper oxides, an intermediate assemblage of secondary supergene copper sulphides (enrichment blanket) and deeper assemblage of primary hypogene sulphides. Copper and gold mineralization is hosted in variable intensities of quartz veinlet swarms, breccia zones and rarely large vein zones developed in the porphyry phases.

Mineralogy in the oxide portion of the deposit consists of both green copper oxides and a mixed assemblage of copper oxides and secondary copper sulphides. Copper oxide minerals include atacamite, chrysocolla and minor cuprite and copper wad. Mineralogy within the secondary zone is characterized by chalcocite and/or digenite and lesser covellite which partially replace primary pyrite and chalcopyrite. Principal copper-bearing sulphides in the primary zone include chalcopyrite and bornite, along with locally minor amounts of tetrahedrite-tennantite. Pyrite is also abundant. Gold occurs throughout the primary hypogene zone and has a very strong correlation to copper content.

NuevaUnión Public Disclosure

Teck's Annual Information Form dated February 17, 2021

Teck has a 50% interest in NuevaUnión. Reserves and resources for NuevaUnión are in respect of two deposits. Relincho and La Fortuna. Reserves at the deposits consider a bulk open-pit mining operation that will be developed in three production phases that will alternate mining operations between the two deposits.

Relincho mineral reserves and mineral resources are reported using an average NSR cut-off of US$11.00/tonne and US$6.72/tonne, respectively, and assuming metal prices of US$3.00/lb. copper and US$10.00/lb. molybdenum and US$18.00/oz. silver.

La Fortuna mineral reserves and open pit mineral resources are reported using an average NSR cut-off of US$10.55/tonne and US$9.12/tonne, respectively, and assuming metal prices of US$3.00/lb. copper and US$1,200/oz. gold. Mineral resources outside of the mineral reserve pit are defined using a conceptual underground mining envelope. This approach assumes the same recoveries, metal prices, processing, and general and administrative costs as used for the open pits, but with mining costs and dilution assumptions that are more appropriate to bulk underground mining. The resources model was updated in 202 considering the inclusion of nine hole targeting the deep portion of La Fortuna, improved geological boundaries and updated grade estimation.

Mineral Reserves and Resources

See "*Notes to Mineral Reserves and Resources Tables*" below, after the Mineral Resources tables.

MINERAL RESERVES as at December 31, 2020[(1)]

	Proven		**Probable**		**Total**	
	Tonnes (000's)	**Grade (%)**	**Tonnes (000's)**	**Grade (%)**	**Tonnes (000's)**	**Grade (%)**
La Fortuna (Copper)	386,800	0.58	295,400	0.42	682,200	0.51
La Fortuna (Gold)	386,800	0.55(g/t)	295,400	0.36(g/t)	682,200	0.47(g/t)

MINERAL RESOURCES as at December 31, 2020[(1)]

	Measured		**Indicated**		**Inferred**	
	Tonnes (000's)	**Grade (%)**	**Tonnes (000's)**	**Grade (%)**	**Tonnes (000's)**	**Grade (%)**
La Fortuna (Copper)	6,600	0.38	151,800	0.53	533,900	0.37
La Fortuna (Gold)	9,600	0.47(g/t)	236,700	0.59(g/t)	479,700	0.40(g/t)

Notes to Mineral Reserves and Resources Tables

(1) Mineral reserves and resources are mine and property totals and are not limited to Teck's proportionate interests.

(2) Recoverable Metal refers to the amount of metal contained in concentrate or cathode copper.

Teck's Management Discussion & Analysis, dated February 17, 2021

Teck has a 50% interest in NuevaUnión S.A., which owns the Relincho and La Fortuna projects. Newmont owns the remaining 50%. In 2020, limited work focused on a review of study results and an assessment of optimization opportunities, with assessments continuing in 2021. Expenditures in 2021 on NuevaUnión are expected to increase over 2020 expenditures. Funding to NuevaUnión, which is accounted for as an equity investment, was $11 million. Funding to NuevaUnión is expected to be $5 million.

Teck's Management Discussion and Analysis for the Three Months Ended March 31, 2018

At the end of the first quarter of 2018, a prefeasibility study ("**PFS**") on the NuevaUnión project was completed which incorporates key design changes to improve project economics and respond to community and Indigenous peoples' input. NuevaUnión is a joint venture owned 50% by Teck and 50% by Goldcorp (now Newmont).

The PFS confirms the synergies expected through combining Teck and Newmont's previously separate Relincho and La Fortuna (formerly El Morro) projects and the benefits of ongoing early engagement with communities and Indigenous peoples, including:

- Long-life asset that can operate through multiple price cycles;
- Phased development approach that reduces initial capital investment and execution risk;
- Low C1 cash costs in the first phases of development;
- Extended mine life from 32 to 36 years, not including 205 million tonnes of inferred resources contained within the current pit designs;
- Reduced environmental footprint, infrastructure requirements and energy and water use;
- The use of desalinated water during operations to protect freshwater resources;
- Relocation of the tailings facility to the Relincho site in response to concerns expressed by local communities of the previously proposed El Morro tailings facility location within the agriculturally important Huasco River watershed; and
- Significant further resource expansion potential and project optimization opportunities.

The PFS estimates an initial capital cost for the Phase 1 development of the project on a 100% basis of US$3.4 to US$3.5 billion (not including working capital or interest during construction). Phase 2 development of the project will require additional capital investment to link in the La Fortuna site. Mining the higher-grade portions of Relincho in Phase 1 will allow the project to help fund Phase 2 from project cash flows. Initial production from the La Fortuna mine in Phase 2 will also focus on higher grade areas, providing significant cash flows in the early years of this phase.

The Relincho and La Fortuna Deposits will be bulk open-pit mining operations that will be developed in three production phases. Phase 1 (operating years 1-3) sees mining activities and construction of processing and ancillary facilities at the Relincho site. The proposed nominal ore-processing rate in Phase 1 is 104,000 tonnes per day. In Phase 2 (operating years 4-18), mining activities transfer to the La Fortuna site utilizing an ore conveyance system to transport ore to the processing facilities at Relincho. The proposed nominal ore-processing rate is 116,000 tonnes per day in Phase 2. Phase 3 (operating years 19-36) sees mining activities transfer back to Relincho with an expansion to the processing and ancillary facilities increasing the nominal ore processing rate to 208,000 tonnes per day.

The PFS design covers a processing plant, tailings management facilities and ancillary facilities at the Relincho site and a conveyor system to transport ore from the La Fortuna mine to the concentrator at Relincho. It also includes power transmission lines and substations, a desalination plant, concentrate filtration plant, port and marine structures on the coast and both desalinated water and concentrate pipeline and pumping systems between the coast and the concentrator site.

NuevaUnión is a multi-generational, long-life development opportunity. Numerous opportunities to improve project economics were identified in the PFS, some of which are included in the current project design, such as the use of High Pressure Grinding Rolls in the comminution circuit. Evaluation and optimization of these opportunities will continue in a value-creation phase over the next three to four months before starting feasibility level engineering in the second half of 2018. Detailed project economics will be released with the completion of the Feasibility Study.

Social and environmental baseline work is ongoing, and a potential EIA permit application could be submitted during the Feasibility Study phase, which is expected to last approximately twelve months. Teck looks forward to continuing to build meaningful relationships with communities, Indigenous peoples and other stakeholders that will help guide the project's development and create greater value for all parties.

Taca Taca Royalty

The following description of the Taca Taca Royalty has been prepared in reliance on:

- the amended and restated technical report dated March 2021 entitled "*Taca Taca Project – Salta Province, Argentina – Amended and Restated NI 43-101 Technical Report*" having an effective date of October 30, 2020 (the "**Taca Taca Report**"), which technical report was prepared for First Quantum and filed under First Quantum's SEDAR profile on www.sedar.com; and

- First Quantum's Annual Information Form (the "**FQ AIF**") dated March 29, 2021 and filed under First Quantum's SEDAR profile on www.sedar.com.

While the Company does not have any knowledge that such information is not accurate, the Company has not independently verified this information and there can be no assurance that such third-party information is complete or accurate.

Project Description, Location and Access

Taca Taca is a porphyry copper-gold-molybdenum deposit located in the arid Puna (Altiplano) region of Salta Province, in northwest Argentina. The proposed project involves the open pit mining and flotation processing of cupriferous ore from this deposit for a period of 32 years.

The Taca Taca Property is located approximately 230 km west of the city of Salta and 55 km east of the Chilean border. The nearest population centre is the village of Tolar Grande (population of approximately 150), which is 35 km east of the Taca Project site.

The Taca Taca Property is situated at a median elevation of 3,625 mRL, in an environment with sparse flora and fauna, and on the edge of an expansive salt lake (salar). The climate at Taca Taca is arid, with an annual precipitation of approximately 40 mm/year and an evaporation rate of 2,500 mm per year. Temperatures range from minus 11°C to 20°C, with January being the warmest month and July being the coldest month. Wind speeds typically range from 3.8 m/s to 23.2 m/s, blowing predominantly from the northwest. Although winds are generally strong, particularly during the winter months, development and operational activities could be carried out year round. The Taca Taca Property is located in a seismically active region.

Taca Taca is 100% owned by First Quantum through its Argentinian subsidiary Corriente Argentina SA ("**CASA**"). The Taca Taca Property and associated areas of interest are held in a composite package of mining rights consisting of 75 concessions. Two of the mining concessions have a 50% ownership with third party groups, though these are not over commercially material portions of the known deposit. The Taca Taca Property is subject to a 3.0% provincial government royalty, the 0.42% NSR royalty held by the Company and a 1.26% third-party NSR royalty.

The proposed project has the following material components:

- a multi-phased open pit mine extending to an ultimate depth in excess of 700 m;
- surface stockpiles for marginal ore, and separately for auriferous material not in the Mineral Reserve, but which could be economically processed in the future;
- a mining waste dump, located to the east of the open pit, on the surface of the adjacent salar (the Salar de Arizaro);
- a processing plant site which is located adjacent to the open pit, in an area of relatively flat topography sheltered from the prevailing wind direction;
- a concentrator for the processing of copper mineralisation by flotation, with primary recovery of gold (and silver[1]) into the concentrate;
- separation of copper and molybdenum concentrates;
- ramp-up of the processing rate from 30 Mt in the first year, to 40 Mtpa for the next five years, followed by a 50 Mtpa rate for one year, and then to an eventual rate of 60 Mtpa from Year 8;
- a nearby tailings storage facility located within an embayment of the Salar de Arizaro process water storage ponds;
- borefields for the supply of fresh and saline water;
- overland pipelines between the concentrator and the tailings storage facility, and between borefields and the plant site;
- surface haulage and internal access roads;
- mine services workshops and equipment wash-down facilities;
- construction offices, mine administration and accommodation facilities;
- storage space and a rail load-out facility for copper and molybdenum concentrate products;
- parts and consumables, reagent and explosives handling and storage facilities; and
- as additional infrastructure, there are roads for transporting supplies into the Taca Project site, a railway for transporting concentrates and supplies, and a high voltage electric transmission line.

As the Taca Project continues through the engineering phase and into the development and operations phases, production aspects may change and components reviewed and varied to suit then current circumstances and new information.

History

The Taca Taca Property deposit was discovered in the late 1960s. Lumina Copper Corporation ("**Lumina**") acquired an interest in the Taca Project when shareholders of Global Copper Corporation approved a corporate

[1] Silver (Ag) is considered immaterial to the economic value of the Taca Project and hence Ag grades have not been reported in the Taca Project Mineral Resource and Reserve estimates, nor accounted for in the Mineral Reserve economic analysis.

reorganisation in August 2008. This ultimately resulted in the acquisition by Lumina of 100% of the shares of CASA and a 100% interest in the Taca Project.

In August 2014, First Quantum acquired Lumina and its primary asset, Taca Project. Since that time, First Quantum has completed detailed reviews of the deposit geology, mineralogy and processing amenability, in addition to assessing development options for the Taca Project. From 2015, First Quantum has conducted water exploration drilling and aquifer pump tests to confirm sustainable groundwater supply sources for the Taca Project, and has been progressing with environmental and engineering phase studies. The Taca Project engineering phase remains in progress.

Readers should refer to the Taca Taca Report for a summary of the historical exploration and associated work that has occurred with respect to the Taca Project.

Geological Setting and Mineralization

As further described in the Taca Taca Report, the Taca Project has porphyry copper-gold-molybdenum mineralisation located in the southern half of a 50 km long Ordovician batholith, which forms the Sierra de Taca Taca mountain range. The Taca Taca mineralisation is hosted by plutonic rocks of granitic composition together with lesser dacite, dolerite, and rhyolite intrusions. The porphyry is characterised by kilometre-scale zones of hydrothermally altered rocks that grade from a central potassic core to outer phyllic and argillic zones. Phyllic alteration is most pervasive across the deposit and is closely associated with mineralisation.

Mineralisation is comprised of supergene (chalcocite) and hypogene (chalcopyrite) zones. A sub-surface leached horizon of varying thickness overlies the supergene and hypogene mineralisation. Mineralisation is disseminated and in fractures, veinlets, and quartz vein stockworks.

The leached horizon is largely depleted of copper mineralisation except for a zone of chalcocite-rich ore perched within the leached material to the east of the deposit. In addition, a zone of supergene gold mineralisation, close to surface, is present above the thickest portion of leached material.

Hypogene copper sulphides are mostly chalcopyrite with lesser bornite, chalcocite, covellite, and digenite. The mineralisation is broadly zoned with a chalcopyrite-bornite-molybdenite core yielding to a stronger pyritic halo around the outer edges.

Supergene zones are mostly secondary sulphides formed by enrichment within a discontinuous blanket underneath the leached cap. Supergene mineralisation is often variably mixed with hypogene mineralisation and is often due to deep-seated alteration along structures and host rocks. Fine-grained black chalcocite and lesser covellite are the main secondary copper sulphides.

Mineralisation remains open at depth and around several peripheral areas of the deposit.

Mineral Processing and Metallurgical Testing

Metallurgical testwork by Lumina was completed over a period of three years from April 2010. Up until 2019 there was no additional laboratory work undertaken, although technical reviews done by First Quantum in 2017 included an assessment of the potential for gold recovery during the Taca Project pre-strip phase.

A primary reference document for the Taca Project is a Preliminary Economic Assessment ("**PEA Report**") with an effective date of May 24, 2013 and produced for Lumina by Ausenco, available on Lumina's SEDAR profile on www.sedar.com. The PEA Report summarises the original testwork findings as follows:

- the ore is of moderate competency and hardness, and is amenable to grinding in a conventional semiautogenous grind (SAG) – ball milling circuit, with pebble crushing and regrinding

- average recoveries would be approximately 90% for copper, 57% for molybdenum and 64% for gold

First Quantum's 2017 review of the available testwork data highlighted several deficiencies and some uncertainty around metallurgical performance due to the variability of copper mineralisation styles, especially in relation to the extent of mixed mineralisation (i.e., oxidised and tarnished ores). In addition, the majority of the testwork had been conducted using tap water; limited testwork using brine solutions indicated reduced recoveries and lower concentrate grades.

During the course of reviewing the testwork data variability, and as part of the Mineral Resource modelling by First Quantum, distinct data groupings (clusters) were identified for recovery and copper concentrate grade related to mineralogy, Cu and Fe assay grades.

During 2019, four metallurgical holes were drilled from which ten samples were selected to represent the first five years of operations. These samples along with brine solutions from the Salar de Arizaro, and brackish water from Valle de Arizaro and Valle de las Burras, were sent to the ALS laboratories in Kamloops, Canada.

The testwork programme included comminution work for mill sizing, flotation work in brine and brackish water to define recoveries and concentrate grades in locked cycle testwork, sedimentation and filtration testwork for thickener and concentrate filter sizing, and environmental testwork to determine the potential for acid generation from tailings. This testwork programme was completed in mid-2020.

The comminution testwork highlighted the toughness of the rock types at Taca Taca and indicated the need for secondary crushing to achieve the ultimate design throughput of 60 Mtpa in two milling trains.

Flotation testwork indicated high mass pulls to rougher concentrates using brine solutions in rougher flotation. Brackish or fresh water would be required in the cleaner flotation circuit to enable high pH values to be achieved for pyrite depression; otherwise low concentrate grades and low recoveries would occur in this circuit. Nonetheless, copper recoveries were generally lower than obtained in the previous testwork campaigns using tap water.

The data generated from the recent locked cycle testwork was combined with the variability testwork results obtained in the previous testwork campaigns to estimate recoveries and concentrate grades for the distinct ore types and the different ranges of copper and pyrite present. These estimates were coded into the Mineral Resource model for adoption in future mine production scheduling and cashflow modelling.

From the testwork results and mine production schedules the following average life of mine recoveries are anticipated:

- copper recovery of 85.0% to a concentrate grade of 25.3% Cu
- molybdenum recoveries of 40% to a concentrate grade of 47% to 50% Mo
- gold recoveries to the copper concentrate of 60%, with a grade of approximately 4.5 g/t

Mineral Resource estimate

First Quantum produced a revised estimate in December 2019 incorporating the following improvements:

- Geological domains were identified from weathering, rock-type, alteration, and dominant mineralisation characteristics. These formed the basis of a new 3D geological model, including interpretations of an updated base of leach, a partial leach zone, and a perched copper horizon within the leached cap. Sequential copper assay data was corrected as per a rate of oxidation study and then used to guide domain classification. Domain geostatistics were also updated accordingly.
- A deposit-scale fault position was updated based on visual and core photography verification.
- The Mineral Resource estimate was reclassified based on confidence in the estimates as per kriging efficiency, regression slope, and degree of geology and slope continuity. It was constrained to within 100 m from the current design pit limits.

Data from a total of 435 diamond and reverse circulation drilled holes, for a total of 75,803 analysed samples, was included in the Mineral Resource estimate. Drill data (logging and sampling) was combined with surface geology mapping and geology modelling to provide defined zones of mineralisation.

The grade estimates were completed in the following stages:

- domains of mineralisation were defined via comprehensive data analysis
- domains were spatially represented as wireframe models and coded into a block model
- sample chemical data was geostatistically assessed for each domain and then estimated using ordinary kriging
- copper, gold, molybdenum, silver, iron and sulphur grades were estimated

Block model grade estimates were validated using summary statistics, visual validations, swath plots and comparison with previous estimates. Estimates were classified as Measured, Indicated and Inferred Mineral Resources. Mineral Resource classification was guided by confidence in the grade estimates and underlying geology model. In addition, drill grid spacing, QAQC and an ultimate pit shell were used to guide the classification limits of mineralisation having reasonable prospects for eventual economic extraction.

The block model estimates were reported at a 0.13% copper equivalent (Cu_{eq}) cut-off grade, which is consistent with the Mineral Reserve estimate. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

The October 2020 Mineral Resource statement is listed in Table 1. The Mineral Resource inventory is inclusive of the Mineral Reserve inventory.

Table 1 Mineral Resource statement as at October 2020, using a 0.13% Cu_{eq} cut-off grade

Classification	Volume (Mbcm)	Tonnes (Mt)	Density (t/m^3)	Cu grade (%)	Mo grade (%)	Au grade (g/t)	Cu metal (kt)	Mo metal (kt)	Au metal (koz)
Measured	157.7	421.5	2.67	0.60	0.016	0.14	2,542.8	67.02	1,852.6
Indicated	671.6	1,781.8	2.65	0.39	0.011	0.07	6,908.0	197.52	4,199.5
Measured & Indicated	**829.3**	**2,203.3**	**2.66**	**0.43**	**0.012**	**0.09**	**9,450.7**	**264.54**	**6,052.1**
Inferred	269.4	716.9	2.66	0.31	0.009	0.05	2,206.0	65.15	1,182.7

Mineral Reserve estimate

A maiden Mineral Reserve estimate was produced for Taca Taca in Q3 2020 (Table 2). The mine plan was developed using the Measured and Indicated Mineral Resource, whilst the Inferred Mineral Resource was allocated to waste. Mining assumes conventional open pit operations using truck-and-shovel technology. The estimated Mineral Reserve was determined using metal prices of $3.00/lb for copper, $12.00/lb for molybdenum, and $1,200/oz for gold, with a supporting production schedule derived from the ore and waste mining inventory within a practical pit design produced from a selected pit optimisation shell.

The actual marginal cut-off grade for the Mineral Reserve varies according to the copper recovery assigned to the various mineralogical groupings. However, the overall average marginal copper cut-off grade is in the order of 0.13% Cu_{eq}. An elevated cut-off grade of 0.20% Cu_{eq} applies to the plant feed inventory for the production schedule.

Table 2 Taca Taca Mineral Reserve statement, at October 2020

Classification	Tonnes (Mt)	Cu grade (%)	Mo grade (%)	Au grade (g/t)	Cu metal (kt)	Mo metal (kt)	Au metal (koz)
Proven	408.3	0.59	0.016	0.13	2,401.6	63.3	1,749.8
Probable	1,350.2	0.39	0.011	0.08	5,333.1	150.2	3,336.9
Proven & Probable	**1,758.5**	**0.44**	**0.012**	**0.09**	**7,734.7**	**213.5**	**5,086.7**

As part of the ultimate pit design for the Taca Project, there is a small area in the north west that crosses over into a joint venture concession. This encroachment amounts to approximately 1.7 Mt of ore at an average grade of 0.38% Cu.

The production schedule for the Taca Project is set out in the Taca Taca Report.

Features of the mining and production schedule are as follows:

- Mining commences in Year -3 starting with the pre-strip period, whilst processing commences in Year 1. The Taca Project life (processing years) is 32 years.
- 240.1 Mt of waste is mined in the three year pre-strip period, during which time 17.4 Mt of ore is mined onto a stockpile for subsequent active and longer-term reclaim.
- The total material mined over the life of operations amounts to 4,543.0 Mt (1,737.0 Mbcm) of which:
  - 1,758.5 Mt is ore with average grades of 0.44% Cu, 0.012% Mo and 0.09g/t Au, and
  - 2,784.5 Mt is waste
- The overall life of mine strip ratio (waste tonnes: ore tonnes) is 1.6 : 1.
- The direct feed ore to the plant is 1,390.4 Mt at an average grade of 0.50% Cu, whilst 57.1 Mt at an average grade of 0.43% Cu is ore reclaimed from active stockpiles, and 311.0 Mt at an average grade of 0.15% Cu is ore (marginal ore) reclaimed from longer term stockpiles (mostly in Years 27 to 32).
- The total ore mined includes 39.0 Mt of ore grading 0.46% Cu from the near-surface “leached cap”, of which over 15 Mt is mined to stockpile during the pre-strip years. Most of this ore is then processed over the following three years.
- There is a small area in the north west of the ultimate pit design that crosses over into a joint venture concession. The encroachment occurs between Years 5 and 15 and involves 1.7 Mt of ore and 47.5 Mt of waste.
- The Inferred Mineral Resource that is mined as waste amounts to 69 Mt at an average grade of 0.31% Cu (i.e., about 2.5% of the total waste mined). This material is encountered in the mining schedule after Year 6, and following completion of mining phases 1 and 2.
- The crusher feed ramps up from Year 1 at 30 Mt, to 40 Mt in Year 2, at which level it remains until Year 6. The feed rate then rises to 50 Mt in Year 7, and thereafter to 60 Mtpa until Year 32.
- In terms of total plant feed (after mining dilution/recovery):
  - the average copper grade is 0.72% Cu for the first six years when processing at up to 40 Mtpa,
  - then 0.45% Cu to Year 27 when processing at up to 60 Mtpa,

  - and finally 0.15% Cu for the remaining five years of Project life when reclaiming from longer term stockpiles

- Before the final five years of marginal ore reclaim, the total plant feed is 1,476.3 Mt at an average grade of 0.50% Cu.

- The annual average copper metal production to Year 6 is 227.0 kt, and ranging between 97.5 kt and 275.2 kt. Thereafter, the annual average is 200.4 kt, and ranging between 72.5 kt and 271.1 kt (ignoring the final year of processing). In terms of life of Taca Project totals:

  - 1,362.0 kt of copper is recovered in the first six years,

  - then 4,869.3 kt of copper to Year 27,

  - and finally 341.8 kt of copper for the remaining five years of Project life when reclaiming from longer term stockpiles

- The annual average molybdenum metal production to Year 6 is 2,205 t, and ranging between 1,434 t and 2,912 t. Thereafter, the annual average is 2,776 t, and ranging between 1,745 t and 4,147 t (ignoring the final year of processing).

- The annual average gold recovered into concentrate to Year 6 is 106.3 koz and ranging between 90.9 koz and 134.1 koz. Thereafter, the annual average is 92.9 koz, and ranging between 45.7 koz and 156.6 koz (excluding the final year of processing).

- Of the total 6,573.1 kt of copper recovered over the Taca Project life, only 5,535 tonnes (0.08% of the total) of this would be attributable to ore mined within the adjoining joint venture concession.

Mining Operations

The Taca Taca deposit grades, geometry, and depth make it suitable for conventional, large-scale, bulk open pit mining methods involving blasthole drills, diesel hydraulic excavators, electric shovels and off-highway haul trucks.

Open pit mining would proceed in phases from an initial starter pit, supplying pre-strip development waste for site infrastructure and construction, and ore onto stockpile for process plant commissioning. The average and maximum material movements over this three year timeframe are 32.9 Mbcm and 43.3 Mbcm, respectively. There is a pronounced peak in material movements over the next ten years as the first three pit phases are completed and mining proceeds into the fourth phase. The average and maximum material movements over this period are 91.9 Mbcm and 95.7 Mbcm, respectively. Thereafter, the average and maximum material movements reduce to 42.3 Mbcm and 65.2 Mbcm, respectively.

Subject to infill drilling and further mine planning assessments, a small satellite pit immediately to the north of the design pit could be mined during the operations phase, although this is not currently part of the Mineral Reserve inventory.

The detailed mine planning as disclosed in the Taca Taca Report included conventional optimisation processes, phased and ultimate pit designs, surface layout planning and life of mine production scheduling. At the outset, conventional Whittle Four-X software was used to determine the optimal pit shell, operating with a sulphide flotation plant to produce separate copper and molybdenum concentrates. The copper concentrate would contain gold.

The optimisation was completed on a maximum net return basis (undiscounted) and with recoveries of copper into concentrate based on defined mineralogical groupings or clusters. Fixed (conservative) recovery values were used for molybdenum and gold. The optimisation process also considered open pit slope design criteria provided by a geotechnical consultant, in addition to mine operating costs derived from first principles and processing/G&A costs determined on a similar basis.

Processing and Recovery Operations

The Taca Taca processing feed would comprise a mix of supergene and hypogene ores with initial feed sourced mainly from supergene zones. Supergene ore is mostly secondary copper sulphide mineralisation (chalcocite) with some primary copper sulphides (chalcopyrite), and minor oxide copper minerals. Hypogene ore is comprised of more than 50% primary copper sulphides. Consequently, the plant feed will always contain significant amounts of secondary sulphides and some tarnished primary sulphides.

Supergene mixed ores would be encountered during the initial processing years, to be followed by increasing quantities of hypogene ore as the open pit deepens. The "leach" cap at surface is auriferous but is mostly barren of copper mineralisation[2]. The auriferous material would be separately stockpiled for future evaluation of the economics of gold recovery.

The proposed processing method follows the porphyry copper-molybdenum (Cu-Mo) concentrator flowsheets typical in South America. Milling and rougher flotation would be performed in brine, sourced from the adjacent salar. Cleaner floatation would be undertaken in fresh/brackish water, sourced from offsite borefields.

The processing facilities are designed for an initial throughput of 30 Mtpa in Year 1, then 40 Mtpa in Years 2 to 6, then 50 Mt in Year 7, and finally 60 Mtpa from Year 8.

Ore will be subject to primary crushing followed by SAG and ball milling to produce a milled product size of 80% passing 180 µm. Two milling trains will be installed, each comprising a 28 MW SAG mill and two x 22 MW ball mills (for 60 Mtpa).

A rougher flotation circuit will produce a rougher flotation concentrate which will be dewatered by thickening, reground to 80% passing 30 µm and re-diluted with good quality water prior to cleaner flotation.

The addition of sodium hydrosulphide (NaHS) is proposed as a means of improving the recovery from the oxidised and mixed ores; it will sulphidise the oxidised and tarnished mineral surfaces and assist in flotation. Facilities will be provided for NaHS addition to the circuit; it is expected to be beneficial for approximately 22% of the ore feed.

Copper and molybdenum concentrates would be separated from the bulk cleaner concentrate, filtered and dispatched to off-site smelters.

Ore would be delivered from the mine by haul trucks and crushed in four primary crushers located on surface. Following primary crushing, the proposed processing plant would comprise:

- secondary crushing, to reduce the SAG mill feed size
- conveying to a coarse ore stockpile with a live capacity of 12 hours
- SAG and ball milling of crushed ore, with size classification by means of hydrocyclones
- a gravity recovery circuit on the ball mill cyclone underflow for coarse gold recovery
- pebble crushing on scats generated from the SAG mills
- rougher and scavenger flotation of cyclone overflow slurry with controlled sulphidisation flotation (using NaHS) for oxidised and tarnished supergene ores
- thickening of flotation tails

[2] There are discrete zones (i.e., metallurgical domains) of "perched" copper and gold mineralisation in the near surface "leach" cap.

- pumping of thickened tailings to the tailings storage facility (“TSF”)
- potential reclaim of decant water from the TSF for usage within the process[3]
- dewatering of rougher concentrates, to remove brine
- regrind of dewatered rougher concentrates in a high intensity grinding (HIG) mill, followed by dilution in fresh water
- cleaner flotation of the rougher concentrates to improve the copper grade, with cleaner tails being recycled to the rougher flotation circuit or to final tails
- Cu – Mo separation of the bulk cleaner concentrates in a molybdenum flotation circuit
- dewatering of copper concentrates by thickening and filtration, followed by bulk transportation to offsite smelters
- dewatering of molybdenum concentrates by thickening, filtration and drying, followed by bagging and transportation to off-site smelters
- reagent make-up and dosage systems to support the milling and flotation operations
- water reticulation systems
- compressed air systems to support instrumentation and for automatic valve activation

An average of 985,500 wet tonnes of copper concentrate is expected to be generated annually at an average grade of 25.3% Cu, along with 6,200 tonnes of molybdenum concentrate at a grade of 47% to 50% Mo.

Gold would be recovered to the copper concentrate through flotation. Coarse gold recovery would be enhanced by the addition of gravity concentrators.

Flotation tailings would be dewatered in thickeners and the thickened slurry pumped to a TSF located approximately 5 km from the process plant, within an embayment of the Salar de Arizaro.

A gold recovery circuit for the treatment of the auriferous leach cap is not proposed at this stage. This material would be stockpiled separately, subject to further testwork during the early phases of operations, and could be reclaimed and treated at a later date if deemed economic to do so.

Infrastructure, Permitting and Compliance Activities

<u>*Tailings storage and water reclamation*</u>

An upstream raised TSF is planned to be located in a natural embayment of the Salar de Arizaro (i.e., the Salar de Taca Taca), located to the north of the processing plant site. The ultimate capacity is approximately 1.37 Bm^3 and could be expanded through further lifts. The site is almost entirely enclosed by the natural land mass and would only require a relatively low height (25 m plus an additional 3 m of freeboard), short length embankment at the entrance to the salar.

The starter embankment would be constructed as an initial waste rock bund, and then upstream raised in continuous stages using cycloned tailings.

[3] The current process plant water balance assumes that there will be no reclaim from the TSF.

Flotation tailings slurry would typically be at a slurry density of 32% solids and would be discarded to tailings at a thickened density of 55% to 60% solids. Two tails lines, each with two stages of centrifugal pumps would be installed to deliver tailings to the TSF, with spigots arranged around the facility's periphery. Water runoff from the site and from sediment collection ponds would be pumped to the tailings thickener and, subject to further engineering analysis, excess water then recycled back to the plant.

Power and water supply

The total power demand for the Taca Project is expected to be in the range of 180 MW to 240 MW at a processing rate of 60 Mtpa. A preferred power supply and transmission route has been identified involving 122.5 km of new transmission line and a new switching station to connect to an existing 345 kV line that extends through northern Argentina and into Chile. A preliminary design and estimates have been produced by a specialist consultant to support the development of the ESIA required for the power supply infrastructure.

The proposed new transmission line will connect the site to the national grid and enable the Taca Project to source its entire electricity supply requirements through a long term power supply agreement with an electricity supplier, to be determined through a competitive tender process. First Quantum has identified options to source 100% of its electrical energy requirements from renewable sources. Further alternatives exist, if required, to source a portion of the energy requirements from natural gas power plants in Salta and regionally.

In the arid environment characterising the Taca Project site, local and regional borefields will be developed to supply a combination of high and low salinity water for the Taca Project. Brine water from the adjacent salar is intended for use in milling and rougher flotation, comprising approximately 72% of the estimated 6,318 m3/hour make-up water required for processing. The balance of the processing water supply is intended to be fresh or brackish water abstracted from regional borefields.

Fresh water supply investigations to date have now focussed the search and drilling investigations to four regional basins located at 30 km to 50 km distance from the Taca Project site. The water supply status of the Taca Project is summarized in the Taca Taca Report.

Contemporary with the ongoing investigations, a specialist consultant has assisted with the specification of bore design and estimated numbers, bore spacing at each borefield source, and the nomination of pumping rates. A capital cost estimate for the bore pumps and pipelines has been completed by First Quantum, considering the number of bores required, the drilling depth, bore pumps, the pipeline distances and the pumping head.

Road and rail access

Existing public roads provide access to the Taca Project site. However a bypass of an existing road is planned to avoid a section with narrow switchbacks and another section which is subject to seasonal weather disruptions. A preferred deviation has been selected and would require an approximate 26.5 km length of new road construction. In addition, there is an 18.5 km length of existing road to be diverted around Tolar Grande, and a 31 km length of existing road to be diverted around the Taca Project site.

The Taca Project is located approximately 5 km from an existing railway line that connects Salta with Mejillones, Chile. First Quantum expects that this railway will be used for copper concentrate transport to a port at Mejillones Bay, for subsequent shipment to smelters globally. Construction of a new rail spur, a new maintenance and repair facility for locomotives and railcars, adjacent to the concentrate load-out facility, and rehabilitation across a significant length of the railway will be required. Engineering of the railway line is now being addressed in some detail and high-level discussions have been initiated with the owners of respective sections of the rail corridor.

First Quantum envisages that the cost of upgrading the existing railway formation would, ordinarily, be borne by the separate railway owners and that this cost would be recovered by them in the concentrate and other freight charges levied on First Quantum. In the Taca Project capital cost estimates, however, it is assumed that the comprehensively itemised costs estimated for First Quantum by a specialist consultant, will be included as owner's costs. The cost of the required rolling stock and the concentrate load-out facility are similarly included in First Quantum's capital cost ledger.

Port for concentrate export

Potential concentrate export shipping ports in Mejillones Bay have been visited by Company representatives and preliminary discussions held with the port owners.

First Quantum envisages that the cost of upgrading and expanding one of these ports would be at the expense of the port owner, who would then recoup that cost through a concentrate handling charge levied on First Quantum. In the Taca Project capital cost estimates, however, it is assumed that First Quantum would bear the estimated cost for port upgrades and/or expansion works.

Environmental and social summary

Detailed environmental baseline data collection began in 2016. A Project Alternatives Analysis and a separate Project Description document were completed in 2018 to complement the Taca Project ESIA. The ESIA was submitted to the authorities in February 2019. First Quantum has subsequently filed documents responding to an ESIA review and observations made by the provincial Secretariat of Mining.

Social Capital Group has assisted First Quantum with socioeconomic studies including a socioeconomic baseline for the ESIA, as well as an identification of stakeholders.

Related ESIA documents are in preparation for approval of the 345 kV transmission line, and separately for the proposed road access diversion.

Project approvals

The primary permit required for the development of the Taca Taca Project is the Environmental and Social Impact Assessment (Informe de Impacto Ambiental, ESIA), to be approved by the Secretariat of Mining of the Salta Province. This ESIA must cover the main Project sites including mine, process plant, tailings storage facility, and associated facilities.

First Quantum submitted the Taca Project ESIA to the authorities in February 2019. A response to the submission was received from the Secretariat of Mining at the end of Q3 2019, and it included 62 observations (including requests for clarification or more information). Some of the required additional information will only be available once the Taca Project definition and engineering is more advanced. A compiled document with responses that were able to be provided at this stage of the Taca Project was submitted to the authorities in Q1 2020. Final approval of the ESIA is expected in 2021.

After final approval, the ESIA must be updated and resubmitted to the authorities every two years. A second ESIA is required to be submitted separately to the Energy Secretariat of Salta Province, for the 345 kV transmission line to connect the Taca Project to the national electrical grid. A third ESIA is required to be submitted to the Salta Road Administration for the proposed bypass road construction for the Taca Project.

The Taca Project will also require approval from the Water Resources Secretariat of Salta Province of a concession for water supply development and use. The current water exploration programme (Phase III) is intended to develop all of the water supply definition and information that will be required to include in a water exploitation permit. The Phase III water investigation programme was suspended in March 2020 due to the COVID-19 pandemic, and will now be completed at a later date.

These three additional material permit applications are in preparation, and with the exception of the water permit application, are anticipated to be filed with the relevant authorities in 2021.

Other administrative authorisations, detailed construction and operating permits will be required, particularly from the Municipality of Tolar Grande and various provincial authorities in the course of development and operation of the Taca Project.

Capital and Operating Costs

A capital cost estimate was produced by Ausenco (2013) for the PEA Report, to a stated level of accuracy of between -25% and +35%. This comprehensive itemisation was reviewed by First Quantum, benchmarked where possible and adjusted accordingly. In particular, new information was included for such as the initial mining pre-strip and mining equipment purchase costs, power supply/transmission costs, water supply costs and rail infrastructure costs.

The updated capital cost estimate, at this stage of the Taca Project engineering phase (Q3 2020) is:

- total initial capital spend over a three year construction phase (including an average 15% contingency) of $3,274.8 M, split between:
  - $2,636.7 M of direct costs
  - $638.1 M of indirect costs
- total expansion capital spend (including an average 15% contingency) of $308.1 M, split between
  - $223.9 M of direct costs
  - $84.2 M of indirect costs

General and administration (G&A) operating costs, process operating costs and metal costs (i.e. product transport, refining charges and royalties) as set out in the PEA Report (Ausenco, 2013) were reviewed, benchmarked and updated. Mining and process operating costs were estimated from first principles.

The overall average unit operating costs are:

- mining ore and waste = $1.69/t
  - ore mining, excluding the pre-strip period = $1.82/t
  - waste mining, excluding the pre-strip period = $1.45/t
- stockpile reclaim = $0.74/t reclaimed
- processing = $4.69/t processed
- rail load-out infrastructure and water supply tariff = $0.08/t processed.

An economic analysis in the form of a basic, pre-tax cashflow model was produced to support the Mineral Reserve estimate, and in order to demonstrate an overall positive cashflow for mining and processing over the life of the Taca Project. The initial development capital and expansion capital costs are included in the analysis for completeness. The model is described in the Taca Taca Report.

The revenues in the cashflow model set out in the Taca Taca Report are calculated from the following metal prices:

- copper = $3.00/lb ($6,614/t)
- molybdenum = $12.00/lb ($26,455/t)
- gold = $1,500/oz

The Taca Project is cashflow positive from Year 2 and payback on the initial development capital is in Year 9. The undiscounted cashflow for the Mineral Reserve production schedule is $17,306.3 M, with an NPV reflecting an 8% discount rate equal to $3,428.8 M. The internal rate of return is 17.4%.

A Monte Carlo simulation on the Mineral Reserve cashflow model was carried out to assess the discounted value of the Taca Project; 10,000 iterations were simulated for a number of cashflow variables, over a specified range of values for each. Assuming an 8% discount rate, the simulation indicated a 70% probability that the NPV would be in excess of $3,000 M and a 72% probability that the IRR would be in excess of 16%.

Exploration, Development and Production

The PEA Report prepared by Ausenco describes the conceptual development of the Taca Project as envisaged by its previous owners, and included technical information sufficient for First Quantum to review and assess its own options. More specifically, the detailed capital and operating costs set out in the PEA Report formed the basis for review, benchmarking and adaptation by First Quantum for its own economic analysis, to a level that First Quantum considers appropriate for the Taca Project at its current stage.

Further to the Taca Project review and assessments described above, First Quantum has identified its preferences for the scale and extents of open pit mining and ore processing, and for the location of required infrastructure items. Furthermore, technical work has proceeded from 2017 through 2020, on power and water supply logistics, freight and product transport options, and on designing improved road access into the Taca Project area.

First Quantum has progressed through to 2020 with a Project engineering phase, focussing on a scope of work involving further drilling and confirmatory Mineral Resource drilling/sampling/assaying, further Mineral Resource modelling and updates, metallurgical sampling and testing, geotechnical studies, infrastructure engineering and related technical work, and on Mineral Reserve estimation.

In addition to resuming the Phase III water supply investigations and confirmation of borefield sustainability, a scope of continuing engineering phase work includes:

- additional Mineral Resource drilling, sampling and analysis, including infill, extensional and sterilisation targets
- mine and civil geotechnical investigations, in conjunction with seismicity investigations
- optimisation of the process plant layout and the concentrate load-out facilities
- further confirmatory metallurgical testwork, not critical for the current processing flow sheet and plant design
- further infrastructure planning for power reticulation
- optimisation of the tailings delivery methodology and the potential for decant water return
- selection of a suitable location for the Taca Project camp and related infrastructure
- review of waste landfill options and locations.

DIVIDENDS

Nova has not declared any dividends or distributions on the Common Shares since our incorporation. Any future determination to pay dividends or make distributions will be at the discretion of the board of directors and will depend on our capital requirements, financial performance and such other factors as the board of directors considers relevant.

DESCRIPTION OF CAPITAL STRUCTURE

Common and Preferred Shares

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares ("**Preferred Shares**") without par value. As of the date hereof, there are 75,425,074 Common Shares issued and outstanding and no Preferred Shares issued and outstanding (57,984,249 Common Shares and no Preferred Shares as of December 31, 2020).

Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Company, to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Company's board of directors at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Holders of Preferred Shares shall not be entitled to receive notice of, or to attend or vote at, any general meeting of Shareholders of the Company, except for such rights relating to the election of directors on a default in payment of dividends as may be attached to any series of the Preferred Shares by the directors of the Company. In the event of the liquidation or dissolution of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Preferred Shares shall be entitled to receive, before any distribution is made to the holders of the Common Shares, the amount paid up with respect to each Preferred Share held by them, all accrued and unpaid cumulative dividends (if any and if preferential) thereon, whether or not earned or declared, and all declared and unpaid non-cumulative dividends (if any and if preferential) thereon. After payment to the holders of the Preferred Shares of the amounts so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Company except as specifically provided in the special rights and restrictions attached to any particular series.

Stock Options and Restricted Share Units

The Company's share compensation plan permits grant of stock options and restricted share units. As of the date hereof, there are: 2,612,500 Common Shares issuable upon the exercise of outstanding stock options, at a weighted average exercise price of $0.81; and 1,805,000 Common Shares issuable upon the conversion of outstanding restricted share units.

Warrants

As of the date hereof, there are 56,865 Common Shares issuable upon the exercise of outstanding Common Share purchase warrants at a weighted average exercise price of $0.50.

See *"Unit Financings"* and *"Special Warrant Financing"* sections above.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSXV under the symbol "NOVR". The following table sets forth information relating to the trading of the Common Shares on the TSXV from the date of listing October 1, 2020 to April 29, 2021.

TSXV			
Period	High (C$)	Low (C$)	Volume
2020			
October	1.97	1.02	3,831,980
November	2.00	1.21	4,582,406
December	4.09	1.64	7,677,857
2021			
January	6.25	3.87	7,884,744
February	5.37	4.41	2,790,529
March	4.94	3.70	3,258,300
April	4.07	3.77	1,965,481

The price of the Common Shares as quoted by the TSXV at the close of business on December 31, 2020 was $3.73 and on the close of business on April 29, 2021 was $3.95.

Prior Sales

The following table summarizes the unlisted securities granted by the Company during the most recently completed financial year:

Issue Date	Issue / Exercise Price per Security	Number and Type of Securities Outstanding
January 3, 2020	$0.35	900,000 restricted share units(1)
February 11, 2020	$0.50	7,703,000 special warrants(2)
February 19, 2020	$0.50	3,990,172 special warrants(2)
February 19, 2020	$0.50	239,000 finder warrants(3)
April 28, 2020	$0.50	1,800,000 restricted share units(1)
September 1, 2020	$1.00	5,846,586 warrants(2)
September 30, 2020	$1.00	450,000 restricted share units(1)

Notes:

(1) Each restricted share unit upon vesting allows the holder to receive one Common Share.

(2) An aggregate of 11,693,172 special warrants were issued on February 11 and 19, 2020, entitling the holders thereof to receive one Common Share and one-half of one Common Share purchase warrant for each special warrant held. On September 1, 2020, an aggregate of 11,693,172 Common Shares and 5,846,586 warrants were issued upon the exercise of the special warrants. Each such whole warrant entitles the holder to purchase one Common Share at an exercise price of $1.00 subject to certain acceleration provisions. See "*Warrant Expiry Acceleration*".

(3) Each finder warrant is exercisable into one Common Share at a price of $0.50 per share expiring February 19, 2022.

DIRECTORS AND OFFICERS

The following list sets forth the name, province/state and country of residence, position held with Nova and principal occupation of each person who is a director and/or an executive officer of Nova. Directors are elected at each annual meeting of Nova's shareholders and serve as such until the next annual meeting of shareholders or until their successors are elected or appointed:

Name, Province/State and Country of Residence	**Position(s) with the Company**	**Principal Occupation During Preceding Five Years**	**Number and Percentage of Common Shares Owned directly or beneficially**
Alex Tsukernik[(1)] *New York City, NY, USA*	President, Chief Executive Officer and director since July 20, 2018	Founder and CEO of Syntella Partners.	1,400,000 (1.86%)
Brett Heath[(1)(2)] *Commonwealth of Puerto Rico*	Chairman of the Board and director since September 30, 2020	President, Chief Executive Officer and director of Metalla Royalty and Steaming Ltd. (TSXV, NYSE: MTA).	3,703,333 (4.91%)
Andrew Jamieson Greville *Brisbane, Australia*	Director since January 1, 2021	Since 2014, Mr. Greville has been the principal of his own consulting firm, West End Mining & Consulting.	0 (0%)
E. B. Tucker[(1)(2)(3)] *Florida, United States*	Director since November 3, 2020	Independent Director of Metalla Royalty and Steaming Ltd. (TSXV, NYSE: MTA). Mr. Tucker is a former editor and senior analyst of several widely followed financial newsletters including Doug Casey's Casey Report, The Bill Bonner Letter and Stansberry's Investment Advisory. He has two decades of capital markets experience and was a founding partner of KSIR Capital Management, an asset management firm focused on precious metal equities as well as KSIR Capital, a corporate finance advisory firm.	1,730,667 (2.29%)
Denis Silva[(2)] *Vancouver, British Columbia, Canada*	Director since July 20, 2018	Mr. Silva is a corporate and securities partner at law firm DLA Piper (Canada) LLP in Vancouver. Mr. Silva has over 12 years of experience in corporate, securities, mining and regulatory legal experience and has	776,800 (1.03%)

Name, Province/State and Country of Residence	Position(s) with the Company	Principal Occupation During Preceding Five Years	Number and Percentage of Common Shares Owned directly or beneficially
		acted for a wide variety of companies listed on Canadian and US exchanges, with a focus on technology and mining. Mr. Silva holds a BA from University of British Columbia, MPA from Queen's University and LLB from University of Windsor. Mr. Silva intends to dedicate approximately 10% of his professional time to the affairs of the Company.	
William Tsang *Vancouver, British Columbia, Canada*	Chief Financial Officer since November 3, 2020	Mr. Tsang is a Chartered Professional Accountant. During the preceding five years, Mr. Tsang has served as the CFO of a number of companies listed on the TSX-V and/or OTC markets including Atico Mining Corporation, Daura Capital Corp., and Metalla Royalty and Streaming Ltd.	0 (0%)
Brian Anthony Ferrey *Vancouver, British Columbia, Canada*	Vice President, Corporate Development & Strategy since April 1, 2021	Over the last five years, Mr. Ferrey has held roles in mining finance at Denham Capital Management LP, a global resources private equity firm, and most recently at CIBC World Markets Inc. where he was a Director in the Global Metals and Mining Investment Banking group, based in Vancouver.	0 (0%)

Notes:
(1) Member of the Audit Committee. Mr. Tucker serves as Chairman of the Audit Committee.
(2) Member of the Compensation and Corporate Governance Committee. Mr. Silva serves as Chairman of the Compensation and Corporate Governance Committee.
(3) Member of the ATM Committee.

Beneficial Ownership

As at the date hereof, the directors and executive officers of the Company, as a group, beneficially owned, directly and indirectly, or exercised control or direction over 7,610,800 Common Shares, representing approximately

10.10% of the total number Common Shares outstanding before giving effect to the exercise of options or warrants to purchase Common Shares held by such directors and executive officers.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, no director or executive officer of the Company is, as at the date hereof, or was within ten (10) years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that,

(i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as disclosed below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to materially affect control of the Company,

(i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Except as disclosed below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to,

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of the Company's knowledge, and other than as disclosed in this AIF, there are no known existing or potential material conflicts of interest between the Company or a subsidiary of the Company and any director or officer of the Company or of a subsidiary of the Company, except that certain of the directors and officers serve as directors and officers of other public companies and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director or officer of such other companies.

Directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development or investment in natural resource companies and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the BCBCA and other applicable laws.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not party to any material legal proceedings or regulatory actions as of the date of this AIF. The Company is not aware of any material contemplated legal proceedings involving it or its operations.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No directors, executive officers or principal shareholders of the Company or any associate or affiliate of the foregoing have had any material interest, direct or indirect, in any transactions in which the Company has participated in its three most recently completed financial years, which has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal office in the City of Vancouver, British Columbia.

MATERIAL CONTRACTS

The Company entered into the following material contracts within the financial year ended December 31, 2020, or since such time or before such time that are still in effect, other than in the ordinary course of business:

- the Beedie Loan Facility in the aggregate amount of $20.0 million. See sections "*Business Activities – Beedie Convertible Loan Facility*" and "*Business Activities – Amendment, Conversion and Drawdown of Beedie Convertible Loan Facility*" for further information".

INTERESTS OF EXPERTS

Christian Rios, AIPG Certified Professional Geologist, is a consultant to the Company and a "qualified person" under NI 43-101 and has reviewed and approved the scientific and technical disclosure contained in this Prospectus. As at the date of this Prospectus, Mr. Rios beneficially owns, directly or indirectly, less than one percent of the outstanding Common Shares .

To management's knowledge, Mr. Rios holds less than 1% of the outstanding Common Shares or of any associate or affiliate of Nova as of the date hereof. Mr. Rios has not and will not receive any direct or indirect interest in any securities of Nova as a result of the review and approval of the scientific and technical disclosure included in this AIF.

Davidson & Company LLP are the auditors of the Company and have confirmed with respect to the Company that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

AUDIT COMMITTEE

The Company's audit committee ("**Audit Committee**") is responsible for monitoring the Company's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of the Company's external auditors. The Audit Committee is also responsible for reviewing the Company's annual audited financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the full board of directors of the Company.

The Audit Committee's charter sets out its responsibilities and duties, qualifications for membership, procedures for committee member removal and appointment and reporting to the Company's board of directors. A copy of the charter is attached hereto as Schedule "A". In the opinion of the board of directors, all members of the Audit Committee are "financially literate" and "independent," as such terms are defined by National Instrument 52-110 Audit Committees ("**NI 52-110**").

The following are the current members of the Audit Committee:

E. B. Tucker(1)

Alex Tsukernik

Brett Heath

Notes:
(1) Chairman of the Audit Committee

Relevant Education and Experience

As noted above, each member of the Audit Committee is financially literate. Collectively, the Audit Committee members have the education and experience to fulfill their responsibilities as outlined in the Audit Committee charter. Set out below is a description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member.

Name of Member	**Education**	**Experience**
E. B. Tucker	Mr. Tucker earned a Bachelor of Science, Business Administration with a focus in Finance from College of Charleston in Charleston, South Carolina USA.	Mr. Tucker is a founding shareholder of the Company and a director of Metalla Royalty & Streaming Ltd. (NYSE: MTA), of which he is also a founding shareholder. He is the author of *Why Gold? Why Now?* a book detailing the wealth-creating power of mineral royalties. He was editor and senior analyst of several widely followed financial newsletters including Doug Casey's *Casey Report*, *The Bill Bonner Letter* and *Stansberry's Investment Advisory*. He has two decades of capital markets experience and was a founding partner of KSIR Capital Management, an asset management firm focused on precious metal equities as well as KSIR Capital, a corporate finance advisory firm.
Alex Tsukernik	Mr. Tsukernik earned a B.A. in Mathematics and Economics from Cornell University and an M.B.A. with Beta Gamma Sigma Honors	Before co-founding Nova in 2018, Mr. Tsukernik began his career in 2001 in the investment banking group at J.P. Morgan and has

Name of Member	Education	Experience
	from Columbia Business School. He also holds the CFA Charter.	advised on more than $50bn+ of transactions. From 2004-2008, he was the founding member of Miller Mathis, an M&A advisory firm focused on the steel industry. From 2008-2011, he was Director and Head of Metals and Mining at Rodman & Renshaw where he focused on financing Australian mining issuers in North America. From 2011-2018, Mr. Tsukernik worked as an independent corporate advisor/merchant banker, focused on finding selected value opportunities in mining for investors. Mr. Tsukernik has an understanding of financial statements and is financially literate as that term is defined in NI 52-110.
Brett Heath	Mr. Heath studied Economics at San Diego State University and Austrian Economic Theory at Johannes Kepler Universität Linz.	Mr. Heath has a comprehensive career in the structured finance, corporate finance, and investment management industry. Currently he is the CEO of Metalla Royalty & Streaming Ltd. where in 5 years completed 24 acquisitions, deploying over $150 million, to acquire of 68 royalties and streams. He was previously the Chairman and CEO of High Stream, a specialty streaming and royalty consulting company that was acquired by Metalla in September 2016. Prior to that, he was a founding principal of KSIR Capital Management a hedge fund focused on small and micro-cap mining companies. He also advised several mining companies with KSIR Capital, the corporate finance division of KSIR.

Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 (*De Minimis Non-audit Services*) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Audit Committee Oversight

At no time since the Company's incorporation was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the board of directors.

Pre-Approval Policies and Procedures

The Audit Committee's charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre-approval of permitted audit and audit-related services.

External Auditor Service Fees

Davidson & Company LLP ("**D&C**") acted as the Company's independent registered public accounting firm for the fiscal years ended December 31, 2020 and December 31, 2019. The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Auditor	Audit Fees (1) ($)	Audit Related Fees (2) ($)	Tax Fees (3) ($)	All Other Fees (4) ($)
December, 2020	D&C	25,000	50,000	Nil	Nil
December, 2019	D&C	12,750	Nil	Nil	Nil

Notes:
(1) The aggregate audit fees billed.
(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and which are not included under the heading "Audit Fees".
(3) Fees billed for preparation of Company's corporate tax return.
(4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the management information circular of the Company to be filed on SEDAR at www.sedar.com. Additional financial information is provided in the Company's audited financial statements and management's discussion and analysis for the financial year ended December 31, 2020.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

1.0 PURPOSE

1.1 The Audit Committee (the "**Committee**") is a standing committee of the board of directors (the "**Board**") of Nova Royalty Corp. (the "**Company**") charged with assisting the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

(a) serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;

(b) review and appraise the performance of the Company's external auditors; and

(c) provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

2.0 COMMITTEE MEMBERSHIP

2.1 The Board shall annually elect a minimum of three (3) directors to the Committee, a majority of whom shall be financially literate, independent of management and free from any material relationship with the Company, that in the opinion of the Board, would interfere with the director's exercise of independent judgment as a member of the Committee. Unless a chair of the Committee ("**Chair**") is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

2.2 If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**")), then all of the members of the Committee shall be independent (as that term is defined in NI 52-110).

2.3 If the Company ceases to be a "venture issuer" (as that term is defined in NI 52-110), then all members of the Committee shall be financially literate. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Charter of the Audit Committee (the "**Charter**"), the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

3.0 MEETINGS

3.1 The Committee shall meet a least four (4) times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the external auditors.

3.2 A quorum for the transaction of business at any meeting of the Committee shall be two (2) members.

4.0 RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Committee shall:

4.1 *Documents/Reports Review*

(a) review this Charter annually and recommend any changes to the Board; and

(b) review the Company's financial statements, management discussion and analysis and any annual and interim earnings press releases before the Company publicly discloses this information, and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

4.2 *External Auditors*

(a) annually review the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;

(b) annually obtain a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard No. 1 – *Independence Discussions with Audit Committees*;

(c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;

(d) take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(e) recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;

(f) recommend to the Board the compensation to be paid to the external auditors;

(g) at least once per year, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;

(h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;

(i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and

(j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto;

(k) review and pre-approve any non-audit services provided by the Company's external auditors, subject to the following:

  (i) the pre-approval requirement shall be satisfied with respect to the provision of non-audit services if the following criteria (as set forth in Section 2.4 of NI 52-110) are met:

    (A) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company (and its subsidiary entities) to its external auditors during the fiscal year in which the non-audit services are provided;

(B) such services were not recognized by the Company (or the subsidiary entity) at the time of the engagement to be non-audit services;

(C) such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee (with such delegation being in compliance with Section 2.5 of NI 52-110); and

(ii) the Committee may delegate to the Chair or any other independent member of the Committee the authority to pre-approve non-audit services, provided such pre-approved non-audit services are presented to the Committee at the next scheduled Committee meeting following such pre-approval.

4.3 ***Financial Reporting Processes***

(a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;

(b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;

(c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;

(d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to the appropriateness of such judgments;

(e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

(f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;

(g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;

(h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;

(i) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and

(j) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4.4 ***Internal Control***

(a) consider the effectiveness of the Company's internal control system;

(b) understand the scope of external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses;

(c) review external auditors' management letters and management's responses to such letters;

(d) as requested by the Board, discuss with management and the external auditors the Company's major risk exposures (whether financial, operational or otherwise), the adequacy and effectiveness of the accounting and financial controls, and the steps management has taken to monitor and control such exposures;

(e) annually review the Company's disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures; and

(f) discuss with the Chief Financial Officer and, as is in the Committee's opinion appropriate, the President and Chief Executive Officer, all elements of the certification required pursuant to National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*.

4.5 *Other*

(a) review any related-party transactions;

(b) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(c) set and pay compensation for any independent counsel and other advisors employed by the Committee; and

(d) communicate directly with the internal and external auditors.