



NOVA ROYALTY REPORTS FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND PROVIDES ASSET UPDATE

FOR IMMEDIATE RELEASE

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May 18, 2023

Vancouver, British Columbia: Nova Royalty Corp. (“Nova” or the “Company”) has reported its financial results for the first quarter ended March 31, 2023. Nova’s financial statements and management’s discussion and analysis for the three months ended March 31, 2023 are available on Nova’s website at www.novaroyalty.com and on SEDAR at www.sedar.com.

Q1 2023 and Subsequent Highlights:

- **Quarterly revenue:** Nova recognized revenue of \$591,851 from its royalty interests, primarily related to Aranzazu. This was the second highest quarterly revenue on record for Nova.
- **Increased Copper World royalty:** In April 2023, Nova increased its exposure to Hudbay Minerals’ Copper World project, a Tier-1 development asset located in Arizona. Nova now owns a 0.165% NSR royalty on Copper World and retains a right of first refusal in respect to an additional 0.510%.
- **Progress of portfolio assets:** Several key development assets on which Nova holds royalties made meaningful progress toward construction decisions. First Quantum, Lundin and Hudbay continued to progress engineering and permitting at Taca Taca, Josemaria, and Copper World, respectively. In February 2023, Los Andes Copper announced the results of a pre-feasibility study (“PFS”) and maiden mineral reserve for the Vizcachitas project, showing an initial mine life of 26 years, average annual production of 183,017 tonnes of copper for the first 8 years, an IRR of 24%, and a post-tax NPV of \$2.8 billion.
- **Senior management changes:** On May 16, 2023, the Company announced the departure of Alex Tsukernik as CEO and President, and appointed Hashim Ahmed as Interim CEO and Bill Tsang as Interim CFO.
- **Director changes:** On May 17, 2023, the Company announced that Douglas Silver, Johanna Fipke and Andrew Greville resigned from the Board of Directors.
- **Retained PI Financial as financial advisor:** On May 17, 2023, the Company announced that it had engaged PI Financial as its financial advisor to commence a process to explore, review and evaluate all options that may be available to the Company to maximize shareholder value.

Hashim Ahmed, interim CEO of Nova commented, “Nova generated significant momentum in the first quarter of 2023. We saw excellent operational performance at Aranzazu and are encouraged by the steady progress on the core assets underlying our royalty interests as the operators continue to advance them toward construction decisions. We remain focused on building a generational copper and nickel royalty portfolio and continue to advance a full pipeline of exciting acquisition opportunities.”

Asset update

Aranzazu

Aura Minerals Inc. (“**Aura**”) disclosed that Aranzazu produced 12.3 million copper equivalent (“**CuEq**”) pounds (“lbs”) during Q1 2023. CuEq production was 3% lower than in Q1 2022 and 10% lower than in Q4 2022 as a result of mining slightly lower grade gold and copper areas, in accordance with Aranzazu mine planning⁽¹⁾.

Nova recognized \$0.6 million in revenue during Q1 2023, compared to \$0.7 million in Q1 2022 and \$0.5 million in Q4 2022, attributable to the Aranzazu royalty.

Aura reported that it expects to produce between 101,000 – 116,000 gold equivalent ounces (“GEO”) at Aranzazu during 2023. Aranzazu produced 111,531 GEO during the year ended December 31, 2022. Additionally, Aura reported that a 20,000 metre drill program is planned for 2023 to focus on the geological potential of new mineralized zones, such as Cabrestante, El Cobre, and Limestone Bridge⁽¹⁾.

Aura last reported proven and probable mineral reserves at Aranzazu as of December 31, 2022 of 9.6 million tonnes at 1.23% copper, 0.81 g/t gold and 17.61 g/t silver⁽²⁾.

Taca Taca

First Quantum Minerals Ltd. (“**First Quantum**”) continued to conduct pre-development and feasibility activities at Taca Taca during Q1 2023. During the second quarter of 2021, First Quantum submitted two environmental permits regarding key infrastructure at Taca Taca. The primary Environmental and Social Impact Assessment (“**ESIA**”) for Taca Taca was submitted to the Secretariat of Mining of Salta Province in 2019 and approval of the ESIA is anticipated in 2023. In November 2022, the Salta Production Minister signed Resolution 191/2022, approving the environmental pre-feasibility for the Taca Taca 345 kilovolt power line development. The power line development still requires detailed construction permits, but the main environmental aspects of its development have been approved. First Quantum expects an additional environmental permit related to the proposed bypass and access road construction for Taca Taca to be approved in 2023. Additionally, First Quantum reported that water supply studies and pump tests to support the application for a concession for borefield water supply advanced steadily in 2022 and are expected to be completed in 2023. First Quantum expects to file water permit applications progressively in 2023⁽³⁾.

First Quantum last reported proven and probable mineral reserves at Taca Taca of 1,758.5 million tonnes at 0.44% Copper, 0.09 g/t gold, and 0.012% molybdenum⁽⁴⁾.

Copper World Complex (formerly Copper World and Rosemont)

Hudbay Minerals Inc. (“**Hudbay**”) previously reported that on September 21, 2022, an application for an Aquifer Protection Permit was submitted to the Arizona Department of Environmental Quality (“**ADEQ**”), and on October 21, 2022, an application for an Air Quality Permit was submitted to the ADEQ⁽⁵⁾. Hudbay reported that it expects to receive these two remaining state permits in 2023⁽⁶⁾.

Hudbay reported that, in March 2023, it received confirmation from the Army Corps of Engineers (“**ACOE**”) that its previous surrender of the Section 404 Clean Water Act permit for the former Rosemont project (the “**404 Permit**”) was formally accepted and revoked, as requested. The ACOE also reaffirmed the validity of the March 2021 approved jurisdictional determinations, whereby the ACOE determined there are no waters of the U.S. in the area submitted for analysis, which is consistent with Hudbay’s internal studies that also contemplate the full Copper World Complex area. Hudbay reported that it surrendered the 404 Permit to the ACOE in April 2022, as there is no evidence of jurisdictional waters of the U.S. on the former Rosemont project site. In May 2022, Judge Soto from the U.S. District Court for the District of Arizona issued a favourable ruling that affirmed Hudbay’s surrender of the 404 Permit was effective and that the new Copper World Complex project is not connected to the previous federal permitting process⁽⁶⁾.

Hudbay also reported that, in May 2023, the Arizona Corporation Commission approved an amendment to the Certificate of Environmental Compatibility (“**CEC**”) authorizing the electric transmission line to site. The CEC was granted for the former Rosemont project in 2012 and the amendment removed the requirements for federal permits so that the CEC can be used to construct the transmission line for the Copper World Complex⁽⁶⁾.

Hudbay reported that it is continuing to advance clearing and grading work to prepare for the development of the Copper World Complex. PFS activities for Phase I are well-advanced and Hudbay reported that it expects to release a PFS in mid-2023⁽⁶⁾.

Upon receipt of state permits, Hudbay reported that it expects to conduct a bulk sampling program to continue to de-risk the Copper World Complex by testing grade continuity, variable cut-off effectiveness, and metallurgical strategies. Hudbay also reported that, following receipt of the state permits, Hudbay intends to initiate a minority joint venture partner process, which will allow the potential joint venture partner to participate in definitive feasibility study activities in 2024⁽⁶⁾.

In April 2023, Nova acquired an additional 0.03% NSR on the Copper World Complex (the “**Additional Copper World Royalty**”). The Additional Copper World Royalty has the same characteristics as the existing royalty on the Copper World Complex acquired by Nova in 2022 and covers all metals, including copper, molybdenum, silver, and gold extracted from the majority of mining claims covering the Copper World Complex. Nova now holds a 0.165% NSR royalty on the Copper World Complex and retains a right of first refusal in respect to an additional 0.510% NSR royalty on the Copper World Complex.

Hudbay last reported measured and indicated resources at the Copper World Complex of 1,173 million tonnes at 0.41% copper and inferred resources at the Copper World Complex of 262 million tonnes at 0.37% copper. In the preliminary economic assessment published by Hudbay for the Copper World Complex in June 2022, Hudbay reported that, as compared to the mineral resources included in a 2017 feasibility study published by Hudbay for the former Rosemont project, contained copper in measured and indicated resources at the Copper World Complex increased by 17% and contained copper in inferred resources increased by 328%⁽⁷⁾.

Josemaria

As of March 31, 2023, Lundin Mining Corporation (“**Lundin Mining**”) reported that it is updating the capital cost estimate and project execution schedule for Josemaria. Plant engineering was at 39% completion as of March 31, 2023, including procurement of long-lead equipment. Early works continue onsite, including Phase 1 camp construction and internal access road construction, which were 94% and 84% complete as of March 31, 2023, respectively. A geotechnical drilling campaign began in March 2023. Lundin Mining also reported that work continues in water, drilling, permitting and supply testing, and a program to initiate studies for water & permit requirements, including water balance and hydrogeological modelling, is to be incorporated into the bi-annual environmental impact assessment update submission planned for the second quarter of 2024. Lundin Mining reported that agreements with provincial governments regarding access roads, power supply, and infrastructure funding continue to progress, while progress also continued on a project union agreement for construction⁽⁸⁾.

Lundin Mining reported that infill drilling and assaying completed at Josemaria in 2021 and 2022 will be incorporated into future Mineral Resource and Mineral Reserve estimates published by Lundin Mining⁽⁸⁾.

Additionally, Lundin Mining reported that it intends to spend approximately US\$400 million on capital expenditures at Josemaria in 2023 in support of advancing the project prior to a potential construction decision⁽⁹⁾.

Lundin Mining last reported proven and probable reserves at Josemaria of 1,012 million tonnes at 0.30% copper, 0.22 g/t gold, and 0.94 g/t silver⁽¹⁰⁾.

Vizcachitas

On February 23, 2023, LAC announced the results of a positive PFS and a maiden reserve estimate at Vizcachitas. The PFS contemplates conventional open pit mining, crushing, grinding and flotation to produce a copper-silver concentrate and molybdenum concentrate product. Over an initial 26-year mine life, average annual production is forecast to be 152,883 tonnes of copper at C1 cash costs of US\$1.25/lb Cu, with average annual production of 183,017 tonnes of copper at C1 cash costs of US\$0.93/lb Cu over the first 8 years. The PFS contemplates an after tax US\$2.8 billion NPV_{8%} and IRR of 24%⁽¹¹⁾.

LAC last reported proven and probable mineral reserves for Vizcachitas of 1,220 million tonnes at 0.36% copper, 136 ppm molybdenum and 1.1 g/t silver. LAC also reported measured & indicated resources at Vizcachitas of 1,541 million tonnes at 0.38% copper, 155 ppm molybdenum, and 1.1 g/t silver⁽¹¹⁾.

About Nova

Nova Royalty Corp. is a copper and nickel focused royalty company. Nova has assembled a portfolio of royalties on a significant proportion of the next generation of major copper projects located in 1st-tier jurisdictions, providing investors exposure to some of the most critical resource assets for the clean energy transition. These projects are being advanced by the world's premier mining companies, which include First Quantum, Lundin Mining, Hudbay, Anglo American and Glencore, among others. The Company is headquartered in Vancouver, British Columbia and is listed on the TSX Venture Exchange under the trading symbol "NOVR" and on the US OTCQB under the trading symbol "NOVRF".

ON BEHALF OF NOVA ROYALTY CORP.,

(signed) "Hashim Ahmed"
Interim Chief Executive Officer

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

Notes:

- (1) Refer to Aura Minerals' Management's Discussion and Analysis for the three months ended March 31, 2023.
- (2) Refer to Aura Minerals' Annual Information Form for the year ended December 31, 2022.
- (3) Refer to First Quantum Minerals Management's Discussion and Analysis for the first quarter ended March 31, 2023.
- (4) Refer to First Quantum Minerals' NI 43-101 Technical Report Titled "Taca Taca Project, Salta, Argentina" prepared by David Gray (QP) BSc (Geology), (MAusIMM, FAIG), Group Mine and Resource Geologist, FQM (Australia) Ltd., filed November 30, 2020, amended and restated March 30, 2021.
- (5) Refer to Hudbay's Management's Discussion and Analysis for the three and nine months ended September 30, 2022.
- (6) Refer to Hudbay's Management's Discussion and Analysis for the three months ended March 31, 2023.
- (7) Refer to Hudbay's NI 43-101 Technical Report entitled "Preliminary Economic Assessment Copper World Complex, Pima County, Arizona USA" prepared by Olivier Tavchandjian P.Geo, Vice-President, Exploration and Technical Services, Hudbay. Effective as of May 1, 2022 and filed July 14, 2022.
- (8) Refer to Lundin Mining's Management's Discussion and Analysis for the quarter ended March 31, 2023.
- (9) Refer to Lundin Mining's press release titled "Lundin Mining Announces 2022 Production Results & Provides 2023 Guidance" on January 12, 2023.
- (10) Refer to Lundin Mining's NI 43-101 Technical Report titled "NI 43-101 Technical Report, Feasibility Study for the Josemaria Copper-Gold Project, San Juan Province, Argentina" prepared under the supervision of Andy

Thomas, P.Eng. of SRK Consulting (Canada) Inc., dated November 5, 2020 with an effective date of September 28, 2020.

- (11) Refer to Los Andes Copper's NI 43-101 Technical Report Titled "Vizcachitas Project Pre-Feasibility Study, Valparaiso Region, Chile" prepared by Severino Modena, (QP) BSc, Mining Engineer, (MAusIMM, Member of Chilean Mining Commission), General Manager Sudamerica, Tetra Tech, filed April 1, 2023.

Technical and Third-Party Information

Nova has limited, if any, access to the properties on which Nova holds a royalty, stream or other interest. 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) publicly available information to prepare disclosure pertaining to properties and operations on the properties on which Nova holds royalty or other interests, and generally has limited or no ability to independently verify such information. Although Nova 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.

*Unless otherwise indicated, the technical and scientific disclosure contained or referenced in this press release, including any references to mineral resources or mineral reserves, was prepared in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("**NI 43-101**"). Canadian standards for public disclosure of scientific and technical information concerning mineral projects differ significantly from the requirements of the U.S. Securities and Exchange Commission under subpart 1300 of Regulation S-K (the "**SEC Modernization Rules**"). Nova is not currently subject to the SEC Modernization Rules. Accordingly, the scientific and technical information contained or referenced in this press release may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC. Modernization Rules.*

"Inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Historical results or feasibility models presented herein are not guarantees or expectations of future performance.

Qualified Person

Technical information contained in this press release originates in the public disclosure set out above and has been reviewed and approved by Christian Rios, AIPG Certified Professional Geologist, Advisor to Nova and a Qualified Person as defined in NI 43-101.

Cautionary Note Regarding Forward-Looking Statements

This press release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation. The forward-looking statements herein are made as of the date of this press release only, and the Company does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budgets", "scheduled", "estimates", "forecasts", "predicts", "projects", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and information include, but are not limited to, statements with respect to future events or future performance of Nova; the existence of future business opportunities; the expected production at Aranzazu in 2023; the planned drill program at Aranzazu for 2023; ESIA approval for Taca Taca and the expected timing thereof; approval of an additional

environmental permit for Taca Taca and the timing thereof; completion of water supply studies and pump tests by First Quantum to support the application for a concession for borefield water supply and expected timing thereof; the filing of water permit applications by First Quantum and the timing thereof; obtaining of construction permits for the power development line at Taca Taca; obtaining state and local permits for Copper World and expected timing thereof; the continued advancement of pre-feasibility activities for Phase I of the Copper World Complex and timing thereof; the release of a pre-feasibility study for Phase I of the Copper World and the timing thereof, conducting a bulk sampling program and minority joint venture partner process and the expected timing thereof; the continued work at Josemaria; the incorporation into the bi-annual EIA update submission of a program to initiate studies for water and permit requirements and the timing thereof; the progress of agreements with provincial governments and of a project union agreement for construction; the incorporation of infill drilling and assaying completed in Josemaria in 2021 and 2022 into future Mineral Resource and Mineral Reserve Estimates; other potential developments relating to, or achievements by the counterparties for Nova's stream and royalty agreements, and with respect to mines or other properties Nova has, or may acquire, a stream or royalty interest; estimates of future productions, costs and other financial or economic measures; disclosure regarding any payments to be paid to Nova by property owners or operators of mining projects pursuant to net smelter returns and other royalty agreements; and future expectations regarding royalties and streams of Nova.

Such forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of Nova to control or predict, that may cause Nova's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein, including, but not limited to, risks associated with the impact of general business and economic conditions; the absence of control over mining operations from which Nova will purchase precious metals or from which it will receive stream or royalty payments and risks related to those mining operations, including risks related to international operations, government and environmental regulation, delays in mine development, construction and operations, actual results of mining and current exploration activities, conclusions of economic evaluations and changes in project parameters as plans are refined; problems related to the ability to market precious metals or other metals; industry conditions, including commodity price fluctuations, interest and exchange rate fluctuations; interpretation by government entities of tax laws or the implementation of new tax laws; regulatory, political or economic developments in any of the countries where properties in which Nova holds a royalty, stream or other interest are located or through which they are held; risks related to the operators of the properties in which Nova holds a royalty or stream or other interest, including changes in the ownership and control of such operators; risks related to global pandemics, including the novel coronavirus (COVID-19) global health pandemic, and the spread of other viruses or pathogens; influence of macroeconomic developments; business opportunities that become available to, or are pursued by Nova; reduced access to debt and equity capital; litigation; title, permit or license disputes related to interests on any of the properties in which Nova holds a royalty, stream or other interest; the volatility of the stock market; competition; future sales or issuances of debt or equity securities; use of proceeds; dividend policy and future payment of dividends; liquidity; market for securities; enforcement of civil judgments; and the risk factors set out under the heading "Risk Factors" in the Company's annual information form dated March 23, 2023 and other filings available for review on the Company's profile at www.sedar.com. Such forward-looking information represents management's best judgment based on information currently available. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change. No forward-looking statement can be guaranteed, and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.