

W0. Introduction

W0.1

**(W0.1) Give a general description of and introduction to your organization.**

We operate in the gold mining industry, primarily focused on advancing the Donlin Gold project in Alaska. The Donlin Gold project is held by Donlin Gold LLC (“Donlin Gold”), a limited liability company owned equally by wholly owned subsidiaries of NOVAGOLD and Barrick Gold Corporation (“Barrick”). NOVAGOLD is a well-financed precious metals company focused on the development of its 50%-owned Donlin Gold project in Alaska, one of the safest mining jurisdictions in the world. With regards to this questionnaire, we are reporting Donlin Gold on a 100% basis (as opposed to a 50% basis). When considering questions which ask what ‘% company-wide facilities’ an answer represents, we consider the Donlin Gold project to make up 33% of our company-wide facilities (whereby NOVAGOLD’s Salt Lake City office makes up another 33%, and NOVAGOLD’s Vancouver office makes up the final third).

We do not yet produce gold (nor any other minerals) and do not currently generate operating earnings; all of our current activities are exploration level. Funding to explore our mineral properties and to operate the Company was acquired primarily through previous equity financings consisting of public offerings of our common shares and warrants and through debt financing consisting of convertible notes, and the sale of assets. We expect to continue to raise capital through additional equity and/or debt financings, through the exercise of stock options, and otherwise.

With approximately 39 million ounces of gold in the measured and indicated mineral resource categories, inclusive of proven and probable mineral reserves (541 million tonnes at an average grade of approximately 2.24 grams per tonne in the measured and indicated resource categories on a 100% basis), Donlin Gold is regarded to be one of the largest, highest-grade, and most prospective known open pit gold deposits in the world.

As per the NI 43-101 Technical Report on the Donlin Gold project, Alaska, USA, dated June 1, 2021, once in production, Donlin Gold is expected to produce an average of more than one million ounces per year over a 27-year mine life on a 100% basis. The Donlin Gold project has substantial exploration potential beyond the designed footprint which currently covers three kilometers of an approximately eight-kilometer-long gold-bearing trend. Current activities at Donlin Gold are focused on State permitting, optimization work, community outreach, and workforce development in preparation for the eventual construction and operation of this project. With a strong balance sheet, NOVAGOLD is well-positioned to fund its share of permitting and optimization efforts at the Donlin Gold project.

Donlin Gold is a committed partner to the Alaska Native Communities both surrounding the project and within the State. This commitment underpins our approach. An important factor that distinguishes Donlin Gold from most other mining assets in Alaska is that the project is located on private land designated for mining activities five decades ago. Donlin Gold has entered into life-of-mine agreements with the Calista Corporation (“Calista”), which owns the subsurface mineral rights, and The Kuskokwim Corporation (“TKC”), a collection of 10 village corporations, which owns the surface land rights, and is committed to providing employment opportunities, scholarships, and preferential contract considerations to Calista and TKC shareholders. These agreements include a revenue-sharing structure, established by the Alaska Native Claims Settlement Act (ANSCA) of 1971, which resolved Alaska Native land claims, allotting 44 million acres of land for use by Alaska Native Corporations. Additionally, our long-term commitment to economic development is exemplified by Donlin Gold’s support of TKC’s initiative to launch energy and infrastructure projects in Middle Kuskokwim villages. These partnerships, activities, and programs are illustrative of the commitment to the sustainable and responsible development of the Donlin Gold project for the benefit of all stakeholders.

NOVAGOLD is committed to responsible mining, protection of human life, encouragement of good health, good stewardship of the environment, and adding value to the communities in which we operate. We believe that mines can be developed in collaboration with people who have the local knowledge to help minimize environmental impacts while benefiting from economic activity. We’re committed to the principles of sustainable development, including the conservation and preservation of natural resources and of the environment. We strive to achieve the highest possible standards through our workforce performance, actions, and conduct.

W-MM0.1a

**(W-MM0.1a) Which activities in the metals and mining sector does your organization engage in?**

Activity	Details of activity
Mining	Gold

W0.2

**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	January 1 2021	December 31 2021

W0.3

**(W0.3) Select the countries/areas in which you operate.**

- Canada
- United States of America

## W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

## W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which financial control is exercised

## W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

## W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, a Ticker symbol	NG

## W1. Current state

### W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	Management of water is an essential component of the future Donlin Gold Project's operating plans. As we currently are in the exploration/pre-development stage, we only use a limited amount of water, and all is safely returned back to the environment; our current project site activities do not consume any water. As the project progresses, the importance of water will increase, and the risks and opportunities surrounding water referenced here are more future-focussed. Federal and State permits that manage all water use and water quality standards, and take into account proper discharge and return to the environment after use as well as water quality modelling and monitoring for post-closure pit lake for the future operation of the Donlin Gold project are in hand. Any water that comes in contact with mine facilities would be used in the milling process to the maximum extent practicable or treated and discharged according to stringent permit standards. Water requirements for the proposed project have been summarized in a Water Resources Management Plan, which has been subject to review by state and federal agencies. Water primarily will be sourced from the two drainages (American and Anaconda Creeks) within the mine footprint and pit dewatering. In some years, the water supply from these sources may not be able to meet the makeup water requirements for the plant. In these circumstances, additional water will be obtained primarily from a proposed reservoir in Snow Gulch. Regarding Indirect use, delays in the ice breakup or early freeze-up, low flow levels and water depths, or other conditions affecting the Kuskokwim River could delay or prevent Donlin Gold from transporting supplies to the site. Any such interference with the delivery of needed supplies to the Donlin Gold project could adversely affect the construction or operation of the project and/or the costs associated with these activities which, in turn, would adversely affect our business.
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Neutral	The planned design of the processing facility already includes opportunities to recycle water wherever feasible.

### W1.2

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Donlin Gold and NOVAGOLD track and manage their annual water use. The Donlin Gold project used approximately 445,000 gallons of pumped ground water to support camp operations during 2021. The project site is located in a remote part of western Alaska where there are few other water users and water scarcity has not been a concern. In addition, all water withdrawals and uses are authorized by the State of Alaska. This process provides for protection of other local water uses, including ensuring no adverse impacts to streams and aquatic life use. As of 2021 we have also measured water use at both the Vancouver and Salt Lake City offices. This year their total withdrawals were approximately 256,000 gallons
Water withdrawals – volumes by source	26-50	We do not have specific source information for the de minimis use of our NOVAGOLD offices as they are part of large public water systems. See previous answer for water withdrawals - total volumes in W1.2.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	Not relevant	This is not applicable as we are not yet a producing mine.
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	26-50	All withdrawals at the Donlin Gold site are fully permitted. Water is monitored to ensure that it meets water quality standards for drinking water use, since our water is used (amongst other things) as domestic water supply. We do not measure the quality of water at our NOVAGOLD offices. They are assumed to be high quality.
Water discharges – total volumes	100%	Federal and State permits are in hand that manage all water use and water quality standards, and take into account proper discharge and return to the environment after use. Discharge volumes are tracked as per permit requirements. Detailed operating and monitoring plans and policies have been established for and implemented at the Donlin Gold project site that address safe drinking water and sanitary wastewater systems; stormwater management; spill prevention and control; fuel, oil, and hazardous materials management; wetlands protection; wildlife interactions; and many others. See previous comments regarding water management in W1.1.
Water discharges – volumes by destination	Please select	
Water discharges – volumes by treatment method	26-50	This is only measured at Donlin Gold. When the project site is occupied during seasonal exploration operations, the environmental team conduct daily inspections of all ongoing site activities as well as monitoring for potential releases to land and water. These areas include water and wastewater management, air quality, hazardous and other solid waste management, fuel storage and use (and associated spill risk), and the protection of biological resources around the site. Donlin Gold and its contractors have never been cited for any non-compliance with environmental regulations, standards, or permit requirements related to impacts on water resources.
Water discharge quality – by standard effluent parameters	Please select	
Water discharge quality – temperature	Not monitored	No heating or cooling of water is carried out during our operations; though this is monitored, no "heating" of the water is anticipated in the facility operations even in the future.
Water consumption – total volume	100%	At Donlin Gold all withdrawals and discharges are monitored. Consumption is essentially zero as all water is appropriately treated and then returned to the environment as per water permits. As of 2021 we have also measured water use at both the Vancouver and Salt Lake City offices and essentially all of this water returns to the environment.
Water recycled/reused	26-50	This is not measured at NOVAGOLD offices.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Detailed operating and monitoring plans and policies have been established for and implemented at the Donlin Gold project site that address safe drinking water and sanitary wastewater systems. This also applies for all NOVAGOLD office locations in Canada and the United States.

**W1.2b**

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?**

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	2.83	Higher	Donlin Gold used approximately 445,000 US gallons of pumped ground water to support camp operations during 2021. This is an increase from 2020 due to increased activity and continuation of a seasonal drilling program. As of 2021 we have also measured water use at both the Vancouver and Salt Lake City offices. This year their total withdrawals were approximately 256,000 US gallons, which accounts for a large portion of the increase in total withdrawals. The project site is located in a remote part of western Alaska where there are few other water users and water scarcity has not been a concern. In addition, all water withdrawals and uses are authorized by the State of Alaska. This process provides for protection of other local water uses, including ensuring no adverse impacts to streams and aquatic life use.
Total discharges	2.83	Higher	As previously noted, the project site is located in a remote part of western Alaska where there are few other water users and water scarcity has not been a concern. In addition, all water withdrawals and uses are authorized by the State of Alaska. This process provides for protection of other local water uses, including ensuring no adverse impacts to streams and aquatic life use.
Total consumption	0	About the same	All water that is withdrawn is returned to the environment.

**W1.2d**

**(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.**

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	No	<Not Applicable>	<Not Applicable>	Please select	Water scarcity has not been an issue in the area of the Donlin Gold project.

## W1.2h

### (W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	Extremely small volumes are very occasionally used for drilling operations. All water is fully recirculated and ultimately returned to the natural water system.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	
Groundwater – renewable	Relevant	1.68	Higher	Donlin Gold used approximately 445,000 US gallons of pumped ground water to support camp operations during 2021. This is an increase from 2020 due to increased activity and continuation of a seasonal drilling program, but it is worth noting that this quantity is de minimis in terms of overall ground water resources in the area.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	
Third party sources	Relevant	1.13	Higher	As of 2021 we have also measured water use at both the Vancouver and Salt Lake City offices. This year their total withdrawals were approximately 256,000 US gallons. Water consumption increased in 2021 due to return to offices and site after Covid-19.

## W1.2j

### (W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Secondary treatment	Relevant	1.68	Higher	Unknown	As per permit requirements, water used on site at Donlin Gold goes through treatment before being discharged. In addition to secondary treatment with two-step filtration, downstream groundwater is monitored to ensure water quality standards are met or exceeded.
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to a third party without treatment	Relevant	1.13	Higher	Unknown	As of 2021 we have also measured water use at both the Vancouver and Salt Lake City offices. This was not measured in 2020 (hence the volume is higher). This year their total withdrawals were approximately 256,000 US gallons. As this water is for office use, discharge is handled by third-parties. Water consumption likely increased in 2021 due to return to offices after Covid-19.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	

## W1.3

### (W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1			<Calculated field>	

## W-MM1.3

### (W-MM1.3) Do you calculate water intensity information for your metals and mining activities?

No, and we have no plans to do so in the next two years

## W1.4

### (W1.4) Do you engage with your value chain on water-related issues?

No, we do not engage on water with our value chain

## W1.4d

**(W1.4d) Why do you not engage with any stages of your value chain on water-related issues and what are your plans?**

	Primary reason	Please explain
Row 1	Important but not an immediate business priority	While we are aware of the importance of water stewardship, at present water use is de minimis due to being at exploration/pre-development stage. As we move to a full scale project (which itself is dependent on water permits, amongst other requirements), the importance of water and the risks / opportunities presented by proper water stewardship will increase in priority including throughout the value chain. At present all plans require that any water used is returned to the environment, and as a result we are not a net water consumer.

**W2. Business impacts**

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**W2.1**

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**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

**W2.2**

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**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

No

**W3. Procedures**

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**W-MM3.2**

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**(W-MM3.2) By river basin, what number of active and inactive tailings dams are within your control?**

**Country/Area & River basin**

United States of America	Kuskokwim River
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**Number of tailings dams in operation**

0

**Number of inactive tailings dams**

0

**Comment**

The Donlin Gold project is in the exploration/pre-development stage. No final construction decision has been made. We generate no tailings that require management and will do not do so in the foreseeable future.

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**W3.3**

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**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

**W3.3a**

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**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

**Value chain stage**

Direct operations

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed in an environmental risk assessment

**Frequency of assessment**

Not defined

**How far into the future are risks considered?**

More than 6 years

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**Type of tools and methods used**

Enterprise risk management

**Tools and methods used**

Enterprise Risk Management

**Contextual issues considered**

Water availability at a basin/catchment level  
Water quality at a basin/catchment level  
Stakeholder conflicts concerning water resources at a basin/catchment level  
Implications of water on your key commodities/raw materials  
Water regulatory frameworks  
Status of ecosystems and habitats  
Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**

Employees  
Investors  
Local communities  
NGOs  
Regulators  
Suppliers  
Water utilities at a local level  
Other water users at the basin/catchment level

**Comment**

This year we have updated our Enterprise Integrated Risk Management Systems, so that in addition to water risks being routinely assessed in our environmental risk assessment, the more impactful risks are also addressed during this process. As the project matures, these will be better integrated, especially when the project continues into construction and development, and water-related risks become more pertinent. NOVAGOLD's current environmental performance relates almost entirely to activities at the Donlin Gold project. At present water usage is de minimis as we are still in exploration/pre-development stage.

It is our duty to support a project development plan that considers full life-of-mine risks and opportunities – from exploration through to construction, operation, and finally closure and reclamation. Dialogue with local communities and our Alaska Native partners, who offered generations of traditional knowledge about the local environment, began early in the project's history. Donlin Gold used this information to help guide the location, layout, and design of the project infrastructure (including water management systems and plans) to avoid impacts to sensitive and culturally important habitats and landscapes; this information was included in the Donlin Gold Final Environmental Impact Statement (FEIS), with project adjustments informed by engagement with stakeholders from the Y-K region.

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**Value chain stage**

Supply chain

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed in an environmental risk assessment

**Frequency of assessment**

Not defined

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Enterprise risk management

**Tools and methods used**

Enterprise Risk Management

**Contextual issues considered**

Water availability at a basin/catchment level  
Water quality at a basin/catchment level  
Stakeholder conflicts concerning water resources at a basin/catchment level  
Implications of water on your key commodities/raw materials  
Water regulatory frameworks  
Status of ecosystems and habitats

**Stakeholders considered**

Customers  
Employees  
Investors  
Local communities  
NGOs  
Regulators  
Suppliers  
Water utilities at a local level

**Comment**

This year we have updated our Enterprise Integrated Risk Management System, so that although water risks have been routinely assessed in our environmental risk assessment, the more impactful risks are also addressed during this process. As maturity develops, these will be better integrated, especially if the site continues into construction and development, and water-related risks become more pertinent.

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**(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

An extensive environmental baseline-study program has been ongoing since 1996 to provide a foundation for responsible development. Resources and topics in the baseline-study program include air quality, fish and other aquatic resources, geotechnical conditions, hydrology/ground and surface water quality and quantity, land use, mercury, public health, socioeconomic, sediment quality, subsistence, vegetation, wetlands, and wildlife. Data from these studies have been used in the planning and design of the mine, and to establish environmental conditions prior to project development. All of this data has been submitted to regulatory agencies as part of the FEIS and permitting processes. NOVAGOLD’s current environmental performance relates almost entirely to activities at the Donlin Gold project. It is our duty to support a project development plan that considers full life-of-mine risks and opportunities – from exploration through to construction, operation, and finally closure and reclamation.

The Risk Management process was updated this year, following a materiality assessment and multiple risk workshops across the organization. We are in the process of producing a Climate Change Policy which will emphasise the climate change related component of the risk management process. In 2021 we published our inaugural Sustainability Summary in the 2020 Integrated Annual Report, and this year we published a stand-alone 2021 Sustainability Report, which includes climate-related initiatives and data to allow verification of our work on climate change.

The main point of information is the risk register. To enable as much integration as possible, this consists of a risk register and control library. Therefore, controls (which also include company goals) can maintain many-to-many relationships. While Excel is used to host this register currently, it is anticipated that a networked database may be used in the future. The register is intended to be dynamic, and links to our company objectives. These objectives are regularly updated, and are in line with appropriate consideration of ESG for our stage. As the project progresses and climate change becomes more pertinent, more of these climate risks (inclusive of water) will come into the risk register.

Typical triggers for an update to the risk register include:

- > Following an update to the risk profile at management / Board level
- > Following an update to the strategy / goals / etc. for the organization
- > Following an update to specific risk assessments including the social materiality assessment
- > Following the occurrence of an event that occurred either in NOVAGOLD or to a relevant / similar party with lessons to be learnt

Extensive instructions are present within the risk register regarding how to update the register, add a new risk, or archive a risk. All risks are prioritised using a profile tool which uses 'anticipated difficulty / complexity to manage + impact' on the x axis, against 'is action needed' on the y axis.

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## W4. Risks and opportunities

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### W4.1

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**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, only within our direct operations

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### W4.1a

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**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

Water security is one of many risks outlined in NOVAGOLD's financial statements: completion of the development of the Donlin Gold project is subject to various requirements, including the availability and timing of acceptable arrangements for power, water, transportation, access, and facilities. 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 development of the project. There can be no assurance that adequate infrastructure, including access and power supply, will be built in a timely manner or that the cost of such infrastructure will be reasonable or that it will be sufficient to satisfy the requirements of the project. Delays in the ice breakup or early freeze-up, low flow levels and water depths, or other conditions affecting the Kuskokwim River could delay or prevent Donlin Gold from transporting supplies to the site. Any such interference with the delivery of needed supplies to the Donlin Gold project could adversely affect the construction or operation of the project and/or the costs associated with these activities which, in turn, would adversely affect our business. Climate changes also could affect the availability of water required to sustain operations at the Donlin Gold project. Management of water is an essential component of the project's operating plans. Climate change could require modifications to the project's water management plan, which may require additional capital investments or increase operating costs, if precipitation increases or decreases relative to historical records.

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### W4.1b

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**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	1	26-50	Only the Donlin Gold project is considered to be at risk of water-related threats, and throughout this questionnaire we consider this to constitute 33% of company facilities (with the NOVAGOLD Vancouver office counting as another 33%, and the NOVAGOLD Salt Lake City office the final 33%). The Donlin Gold project is located in a remote part of western Alaska where there are few other water users and water scarcity has not been a concern so far. The company believes that through a rigorous and science-based input and review process prior to issuance of the Final Environmental Impact Statement, the water security risks have been addressed. As part of its permit maintenance and in response to stakeholder input, the company will continue to assess all risks, including water security. Given the requirements of water use at site, it is imperative that risks stay carefully monitored and controlled, as any loss of access would lead to declining production. This year we began monitoring our low levels of office water-use, though we do not believe they are exposed to financially material water risks.

#### W4.1c

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

##### Country/Area & River basin

United States of America	Kuskokwim River
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##### Number of facilities exposed to water risk

1

##### % company-wide facilities this represents

26-50

##### Production value for the metals & mining activities associated with these facilities

0

##### % company's annual electricity generation that could be affected by these facilities

<Not Applicable>

##### % company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

##### % company's total global revenue that could be affected

Unknown

##### Comment

The Donlin Gold project is in permitting stage, and as a pre-development stage project no decision has been made regarding construction of the project.

#### W4.2

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

##### Country/Area & River basin

United States of America	Kuskokwim River
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##### Type of risk & Primary risk driver

Chronic physical	Changing precipitation patterns and types (rain, hail, snow/ice)
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##### Primary potential impact

Supply chain disruption

##### Company-specific description

Completion of the development of the Donlin Gold project is subject to various requirements, including the availability and timing of acceptable arrangements for power, water, transportation, access, and facilities. 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 development of the project. There can be no assurance that adequate infrastructure, including access and power supply, will be built, that it will be built in a timely manner or that the cost of such infrastructure will be reasonable or that it will be sufficient to satisfy the requirements of the project.

Delays in the ice breakup or early freeze-up, low flow levels and water depths, or other changing precipitation conditions affecting the Kuskokwim River could delay or prevent Donlin Gold from transporting supplies to the site, which require access by boat. Any such interference with the delivery of needed supplies to the Donlin Gold project could adversely affect the construction or operation of the project and/or the costs associated with these activities which, in turn, would adversely affect our business.

##### Timeframe

Unknown



**Magnitude of potential impact**

Medium-low

**Likelihood**

Exceptionally unlikely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

**Primary response to risk**

Engage with suppliers

**Description of response**

Effective engagement with suppliers means that - in conjunction with monitoring of the local waterways and hydrological patterns - we should be able to mitigate impacts through careful planning.

**Cost of response**

**Explanation of cost of response**

**Country/Area & River basin**

United States of America	Kuskokwim River
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**Type of risk & Primary risk driver**

Chronic physical	Precipitation and/or hydrological variability
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**Primary potential impact**

Increased operating costs

**Company-specific description**

Climate change could affect the availability of water required to sustain operations at the Donlin Gold project. Alaska is predicted to become warmer and wetter through changing precipitation amounts/patterns. This could result in too much water available on site, and extra management required, or could lower the amount of available water through increased demand by local communities. In this event, we could require modifications to the project's water management plan, which may require additional capital investments or increase operating costs. Management of water is an essential component of the project's operating plans.

**Timeframe**

More than 6 years

**Magnitude of potential impact**

Low

**Likelihood**

Unlikely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

**Primary response to risk**

Improve monitoring

**Description of response**

Improved monitoring will allow us to properly assess and integrate other responses, such as further maximizing water re-use, optimizing storage, and using sources such as deep groundwater that are plentiful in the area. Given the early stage we are at, we have the ability to implement this from the very beginning, hence the magnitude of impact is low as we have already taken actions to control this risks associated with variability in hydrologic conditions beyond those previously observed.

**Cost of response**

**Explanation of cost of response**

**Country/Area & River basin**

United States of America	Kuskokwim River
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**Type of risk & Primary risk driver**

Reputation & markets	Increased stakeholder concern or negative stakeholder feedback
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**Primary potential impact**

Loss of license to operate

**Company-specific description**

As a result of any environmental event such as an uncontrolled discharge to a waterway, whether or not these events may have true environmental impacts or not, there is the potential for environmental event(s) to result in the perception that the company is unreliable and unable to protect the environment, leading to a loss in license to operate. These events may also enhance the activities of anti-project NGOs at local, regional, national and/or international scale.

**Timeframe**

Unknown

**Magnitude of potential impact**

Medium

**Likelihood**

Unlikely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

**Primary response to risk**

Other, please specify (Awareness and training of spill response plan)

**Description of response**

In addition to ensuring best practice at site level, environmental training is provided to all personnel involved in the construction of the project. Training includes environmental awareness, spill prevention, and spill response as appropriate. We follow strict internal procedures for ensuring proper design and operation of all water supply, management, treatment, and discharge systems.

**Cost of response**

**Explanation of cost of response**

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**Country/Area & River basin**

United States of America	Kuskokwim River
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**Type of risk & Primary risk driver**

Reputation & markets	Community opposition
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**Primary potential impact**

Loss of license to operate

**Company-specific description**

As awareness of prior unresolved mine closures in the region becomes more publicized, the company is (without evidence of quality performance) considered to create a high risk of contamination of water as well as a risk to fisheries, damaging the reputation and influencing the ability to obtain and maintain the social license to operate.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium

**Likelihood**

Very likely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

**Primary response to risk**

Engage with local communities

**Description of response**

We comply with all stringent permit requirements, many of which did not exist at the time historic mining was taking place. While there is often a preconception that mining causes pollution (based on historic instances), this is not necessarily the case providing these stringent rules are followed.

Donlin Gold is a committed partner to the Alaska Native Communities both surrounding the project and within the State. This commitment underpins our approach. Donlin Gold has entered into life-of-mine agreements with Calista, which owns the subsurface mineral rights, and TKC, a collection of 10 village corporations, which owns the surface land rights, and is committed to providing employment opportunities, scholarships, and preferential contract considerations to Calista and TKC shareholders.

Additionally, our long-term commitment to economic development is exemplified by Donlin Gold's support of TKC's initiative to launch energy and infrastructure projects in Middle Kuskokwim villages. These partnerships, activities, and programs are illustrative of the commitment to the sustainable and responsible development of the Donlin Gold project for the benefit of all stakeholders.

NOVAGOLD is committed to responsible mining, protection of human life, encouragement of good health, good stewardship of the environment, and adding value to the communities in which we operate. We believe that mines can be developed in collaboration with people who have the local knowledge to help minimize environmental impacts while benefiting from economic activity. We're committed to the principles of sustainable development, including the conservation and preservation of natural resources and of the environment. We strive to achieve the highest possible standards through our workforce performance, actions, and conduct.

**Cost of response**

**Explanation of cost of response**

**Country/Area & River basin**

United States of America	Kuskokwim River
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**Type of risk & Primary risk driver**

Reputation & markets	Increased stakeholder concern or negative stakeholder feedback
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**Primary potential impact**

Loss of license to operate

**Company-specific description**

Because the project will require "perpetual water treatment" after closure, the perception of potential risk to water quality exists for all time, increasing the reasons to oppose the approval of the project.

**Timeframe**

Unknown

**Magnitude of potential impact**

Low

**Likelihood**

Unlikely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

**Primary response to risk**

Comply with local regulatory requirements

**Description of response**

Strong long-term water management planning has and will continue to occur to ensure that all resources, including financial assurance, are available to meet all of the requirement, including for the mine closure and post-closure periods.

**Cost of response**

**Explanation of cost of response**

W4.2c

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Where the financially impactful risks exist in the value chain is at the intersection with direct operations; hence these are addressed in that section. While we understand that water poses an important risk to all companies, the Donlin Gold project is located in western Alaska in an isolated region where there are currently no water users of an industrial scale. If constructed, the mine would be a unique water user in a region that has not experienced water scarcity and where water management is the primary risk. Risk mitigation for those risks associated with water is done proactively through mine planning, as well as processing and tailings storage facility design. Where other gold mining companies may be at financial risk due to water-related impacts across their value chain, this puts us in a unique position whereby we may look more attractive than other companies, as the risk is much lower comparatively.

## W4.3

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### (W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

## W4.3a

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### (W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

#### Type of opportunity

Resilience

#### Primary water-related opportunity

Increased resilience to impacts of climate change

#### Company-specific description & strategy to realize opportunity

The potential environmental effects of the proposed Donlin Gold project were detailed and evaluated as part of the National Environmental Policy Act process. The Final Environmental Impact Statement (FEIS) was issued in August 2018 and not only includes the potential effects of the project on climate change, but also the potential effects of climate change on the project itself; these risks are considered and have been incorporated into the project design, increasing the resilience of the project, and making it especially resilient in comparison to competing companies. The effects of climate change, including the impacts of extreme weather conditions and melting permafrost, are incorporated into all permitting submissions, as well as design engineering and operational and closure planning.

#### Estimated timeframe for realization

Unknown

#### Magnitude of potential financial impact

Low-medium

#### Are you able to provide a potential financial impact figure?

No, we do not have this figure

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact

---

#### Type of opportunity

Markets

#### Primary water-related opportunity

Improved community relations

#### Company-specific description & strategy to realize opportunity

In the case of selected and innovative possible design modifications for closure and post closure, the project can be designed to reduce the risk of potential damage to the environment and to water quality, enhancing the company reputation and improving the potential for obtaining and maintaining the social license to operate, especially where these designs are developed in collaboration with local Alaska Native Corporations and other regional stakeholders.

#### Estimated timeframe for realization

More than 6 years

#### Magnitude of potential financial impact

Low-medium

#### Are you able to provide a potential financial impact figure?

No, we do not have this figure

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact

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## W5. Facility-level water accounting

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### W5.1

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(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

**Facility reference number**

Facility 1

**Facility name (optional)**

The Donlin Gold project

**Country/Area & River basin**

United States of America	Kuskokwim River
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**Latitude**

62.041

**Longitude**

-158.235

**Located in area with water stress**

No

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

1.68

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

**Withdrawals from brackish surface water/seawater**

**Withdrawals from groundwater - renewable**

1.68

**Withdrawals from groundwater - non-renewable**

**Withdrawals from produced/entrained water**

**Withdrawals from third party sources**

**Total water discharges at this facility (megaliters/year)**

1.68

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

**Discharges to brackish surface water/seawater**

**Discharges to groundwater**

**Discharges to third party destinations**

**Total water consumption at this facility (megaliters/year)**

0

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

The only material water related risks which face us are those associated with the Donlin Gold Project - and those are only likely to be substantive at the point where the full-scale project begins large construction and goes into full development and operations phase. Current operations are de minimis and as such do not pose risk. The Donlin Gold project has been designed for no uncontrolled discharge of mine-contacted water. Any water that comes in contact with mine facilities would be used in the milling process to the maximum extent practicable or treated and discharged according to stringent permit standards. An extensive environmental baseline-study program has been ongoing since 1996 to provide a foundation for responsible development. Data from studies have been used in planning and design of the mine, and to establish environmental conditions prior to project development. All of this data has been submitted to regulatory agencies as part of the FEIS and permitting processes. Donlin Gold used approximately 1.68 megaliters of pumped ground water to support camp operations during 2021, which is higher than used the previous year due to increased activity and an extended drilling program. As previously noted, the project site is located in a remote part of western Alaska where there are few other water users and water scarcity has not been a concern. Overall water use at this time is very low compared to operations, due to the relatively low number of people on site.

**W5.1a**

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

#### Water withdrawals – total volumes

% verified

Not verified

#### Verification standard used

<Not Applicable>

#### Please explain

The Donlin Gold project is an exploration/pre-development stage project currently in the permitting process, which began in 2012. NOVAGOLD has been involved in the project for more than 20 years. While federal permits were obtained in 2018 and most key State permits have been obtained, additional permits are required to operate. No construction decision has been made. Work at the project site in remote western Alaska, USA, is intermittent and seasonal in the ice-free months, as well as being reliant upon project development needs. In 2020, a full drill program employing contractors and supported by Donlin Gold employees was at site, and this continued in the summer of 2021. In previous summers, a limited number of people would be on site conducting maintenance work only. As a result of this variability, water use measurement standards and methodology are still being developed and refined, and no third-party verification has taken place.

#### Water withdrawals – volume by source

% verified

Not verified

#### Verification standard used

<Not Applicable>

#### Please explain

See response for Water withdrawals -- total volumes in W5.1a.

#### Water withdrawals – quality by standard water quality parameters

% verified

Not verified

#### Verification standard used

<Not Applicable>

#### Please explain

See response for Water withdrawals -- total volumes in W5.1a.

#### Water discharges – total volumes

% verified

Not verified

#### Verification standard used

<Not Applicable>

#### Please explain

See response for Water withdrawals -- total volumes in W5.1a.

#### Water discharges – volume by destination

% verified

Not verified

#### Verification standard used

<Not Applicable>

#### Please explain

See response for Water withdrawals -- total volumes in W5.1a.

#### Water discharges – volume by final treatment level

% verified

Not verified

#### Verification standard used

<Not Applicable>

#### Please explain

See response for Water withdrawals -- total volumes in W5.1a.

#### Water discharges – quality by standard water quality parameters

% verified

Not verified

#### Verification standard used

<Not Applicable>

#### Please explain

See response for Water withdrawals -- total volumes in W5.1a.

#### Water consumption – total volume

% verified

Not verified

#### Verification standard used

<Not Applicable>

#### Please explain

See response for Water withdrawals -- total volumes in W5.1a.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

No, but we plan to develop one within the next 2 years

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Board-level committee	<p>The Sustainability Committee is a standing sub-committee of NOVAGOLD's board, to which the board has delegated certain responsibilities relating to oversight for the development, implementation, and monitoring of the company's health, social, safety, environment, and sustainability policies, and the company's ESG performance and disclosures inclusive of water related issues.</p> <p>There are four members on the Committee with a cumulative total of senior mining management industry experience of greater than 120 years. All committee members except NOVAGOLD's President and CEO, Greg Lang, are independent. The Committee is comprised of directors with knowledge and experience in the areas of environmental stewardship and compliance, social license, worker safety, and technical expertise in the permitting, planning, development, and operation of large mines. Elaine Dorward-King in particular brings tremendous experience, creating and implementing sustainable development, safety, health and environmental strategy, and programs in mining, chemical, and engineering consulting sectors. From March 2013 until June 2019, she served as Newmont's Executive Vice President of Sustainability and External Relations, and from June 2019 until January 2020 she served as Newmont's Executive Vice President of Environmental, Social and Governance Strategy. Both of these roles included addressing company-wide issues related to water supply, security, and stewardship.</p> <p>While the board is ultimately responsible for oversight of the company's ESG performance, the Committee reviews the company's environmental and social engagement performance at every committee meeting and provides strategic direction to management on these matters. The Committee provides a report at each regular board meeting. The Committee has specific responsibility for overseeing the company's water related activities and performance.</p>

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Sporadic - as important matters arise	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy	As the Donlin Gold project is an exploration/pre-development stage project in the permitting process, and no construction decision has been made, most water-related issues are embedded in the Federal and State permitting processes in the U.S. and State of Alaska. Site use, and related water consumption and disposal is due to camp operations from April to October during a drill program. No water use occurs in the winter months when the camp is closed. Hygiene-related uses for water are discussed more regularly by the committee but discussion regarding planned water use is infrequent due to stage of development. This will be a high-priority item during an updated feasibility study process and when a construction decision is made. Where water related risks are in the Enterprise Risk Register, these are discussed on a more routine basis.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	Elaine Dorward-King in particular brings competence to the Board with regards to climate change. Previously Elaine has created and implemented sustainable development, safety, health and environmental strategy, and programs in mining, chemical, and engineering consulting sectors. From March 2013 until June 2019, she served as Newmont's Executive Vice President of Sustainability and External Relations, and from June 2019 until January 2020 she served as Newmont's Executive Vice President of Environmental, Social and Governance Strategy. In this role she had responsibility for overseeing development and implementation of all of Newmont's worldwide climate change related programs.	<Not Applicable>	<Not Applicable>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

**Name of the position(s) and/or committee(s)**

Other C-Suite Officer, please specify (Vice President of Environment, Health, Safety, and Sustainability)

**Responsibility**

Assessing future trends in water demand  
 Assessing water-related risks and opportunities  
 Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

At NOVAGOLD, the highest management-level position with responsibility for water-related issues is the Vice President of Environment, Health, Safety, and Sustainability. This position provides at least quarterly updates to the Sustainability Committee that provides broader oversight. At the Donlin Gold project level, there is a permitting and environmental manager who works closely with NOVAGOLD and partner Barrick Gold. Updates are also provided indirectly through the Board's Technical Committee that is responsible for overseeing design and operation of the Donlin Gold project.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	At present our water use is relatively small, we are not a substantive water consumer as water is returned to the natural system, and we are not in an area of water scarcity or where water use is a large concern. However, as we advance through planning and development (over the next 5 years), water will be considered as a priority and we would expect performance based metrics and targets to be established for Donlin Gold. This would be done in conjunction with Climate Change and Biodiversity policy development and implementation. For existing operations we have temporary water use permits for Donlin Gold, and compliance with these permits (including allowable withdrawal volumes, etc) is included in our annual performance evaluations and therefore affects employee compensation. While federal permits were obtained in 2018 and most key State permits have been obtained, additional permits are required to operate.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Two members of NOVAGOLD's management team represent the company with three industry trade associations in Alaska as well as the national mining trade association in the USA. One member of management was actively involved in developing the association's first climate change policy with a select-member committee at the national mining trade association.



## W6.6

### (W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, but we plan to do so in the next two years

## W7. Business strategy

### W7.1

#### (W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	> 30	An extensive environmental baseline-study program has been ongoing since 1996 to provide a foundation for responsible development. Resources and topics in the baseline-study program include air quality, fish and other aquatic resources, geotechnical conditions, hydrology/ground and surface water quality and quantity, land use, mercury, public health, sediment quality, subsistence, vegetation, wetlands, and wildlife. Data from these studies have been used in the planning and design of the mine, and to establish environmental conditions prior to project development. All of this data has been submitted to regulatory agencies as part of the Final Environmental Impact Statement (FEIS) and permitting processes. The project has been designed for no uncontrolled discharge of mine-contacted water. Any water that comes in contact with mine facilities would be used in the milling process to the maximum extent practicable or treated and discharged according to stringent permit standards. All runoff from current field activities, including drill sites, is managed to protect water quality under state permit requirements. All sanitary wastewater from the current camp is treated prior to disposal. All water withdrawals and uses are authorized by the State of Alaska. This process provides for protection of other local water uses, including ensuring no adverse impacts to streams and aquatic life use.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	> 30	See explanation in Long-term business objectives in W7.1.
Financial planning	No, water-related issues not yet reviewed, but there are plans to do so in the next two years	<Not Applicable>	See explanation in Long-term business objectives in W7.1.

### W7.2

#### (W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

##### Row 1

Water-related CAPEX (+/- % change)

Anticipated forward trend for CAPEX (+/- % change)

Water-related OPEX (+/- % change)

Anticipated forward trend for OPEX (+/- % change)

##### Please explain

As water use is not substantive for current exploration activities, expenditure on water is very low. Water scarcity is not an issue in the area.

As the operation progresses, water use is likely to increase, but this is dependent on various requirements, including the availability and timing of acceptable arrangements for power, water, transportation, access, and facilities. 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 development of the project.

### W7.3

#### (W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	For the Donlin Gold project, we look at the full range of potential water balances (precipitation driven) during the 27-year mine life. This process allows for consideration of operations under low, typical, and above average water years, and ensures that water management plans are ready for the full range of outcomes. We also looked at potential future variability due to climate change.

### W7.3a

**(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.**

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related Climate-related	A full range of potential precipitation conditions are modelled over the full 27-year life of mine, including those associated with climate change. We include series of wet and dry months/years in a row, and then modelled +/- 25 percent higher or lower due to climate change. The effects considered include the amount of precipitation, our required water supply, and different water management options have been fully integrated into a project-specific water balance model.	Potential +/- 25% changes in long-term water management needs	Design water supply and management systems to accommodate lesser and greater water volumes predicted by the model.

**W7.4**

**(W7.4) Does your company use an internal price on water?**

**Row 1**

**Does your company use an internal price on water?**

No, and we do not anticipate doing so within the next two years

**Please explain**

Not currently relevant due to very limited near-term water use.

**W7.5**

**(W7.5) Do you classify any of your current products and/or services as low water impact?**

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	<Not Applicable >	Important but not an immediate business priority	The Donlin Gold project is a development stage project currently in the permitting process, which began in 2012. NOVAGOLD has been involved in the project for more than 20 years. While federal permits were obtained in 2018 and most key State permits have been obtained, additional permits are required to operate. No construction decision has been made, and hence it is not possible to be sure regarding what the water impacts will be. Given rapid changes to the industry at the moment, it is difficult to predict whether (relatively speaking) we will be low water impact relative to our competitors, though we strive to implement best practice.

**W8. Targets**

**W8.1**

**(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.**

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Activity level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Good practice based on ensuring all water used is returned to the natural system.

**W8.1a**

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

**Target reference number**

Target 1

**Category of target**

Water recycling/reuse

**Level**

Site/facility

**Primary motivation**

Water stewardship

**Description of target**

Ensuring that all water returns to the natural system at an appropriate quality

**Quantitative metric**

Other, please specify (Complete recycling)

**Baseline year**

2021

**Start year**

2021

**Target year**

2021

**% of target achieved**

**Please explain**

We encourage all individuals to use as little water as possible and practice good water stewardship. All water that is used is properly treated, before being returned to the natural system.

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W8.1b

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**(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.**

**Goal**

Engaging with local community

**Level**

Company-wide

**Motivation**

Recommended sector best practice

**Description of goal**

The Donlin Gold project is an exploration/pre-development stage project currently in the permitting process, which began in 2012. NOVAGOLD has been involved in the project for more than 20 years. While federal permits were obtained in 2018 and most key State permits have been obtained, additional permits are required to operate. No construction decision has been made. Work at the project site in remote western Alaska, USA, is intermittent and seasonal in the ice-free months, as well as being reliant upon project development needs. In 2020 and 2021, a full drill program employing contractors and supported by Donlin Gold employees was at site. In previous summers, a limited number of people would be on site conducting maintenance work only. While environmental performance is measured in company goals, which are regularly reviewed until the project is in production and water use is predictable, it is difficult to measure management performance through targets, though guidelines can be established, such as regulatory compliance under permitting. A weighting of 30% of overall company goals relates the completion of Donlin Gold stakeholder investment and community development projects (as per 2021), with details disclosed in the Company's annual information circular. Targets are provided in categories: Threshold (~70-90% rating), Target (~90-110% rating), Maximum (~110-150% rating).

**Baseline year**

2020

**Start year**

1996

**End year**

**Progress**

Weighting of 30% of overall company goals to complete Donlin Gold stakeholder investment and community development projects, with details disclosed in the Company's annual information circular. Targets are provided in categories: Threshold (~70-90% rating), Target (~90-110% rating), Maximum (~110-150% rating). Results in the past five years have consistently met Target or Maximum. Process is ongoing throughout current development and future production stages of the project, with unknown end date. Engaging with local communities began when exploration of the project area began in the mid-1990s.

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**Goal**

Other, please specify (No violation of water permit conditions that affect water quality and quantity, including no spills of hazardous materials to streams.)

**Level**

Site/facility

**Motivation**

Water stewardship

**Description of goal**

No violation of water permit conditions that affect water quality and quantity, including no spills of hazardous materials to streams.

**Baseline year**

2020

**Start year**

1996

**End year**

**Progress**

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**W9. Verification**

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**W9.1**

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**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

No, we do not currently verify any other water information reported in our CDP disclosure

**W10. Sign off**

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**W-FI**

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**(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

**W10.1**

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(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Vice President of Environment, Health, Safety, and Sustainability	Other C-Suite Officer

## W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

## Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms