

**NOVAGOLD** | SOLID.  
SECURE.  
GOLDEN.

# 2019 Precious Metals Summit, Colorado

TSX, NYSE American: NG | [novagold.com](http://novagold.com) | September 2019



# Cautionary Statements

## REGARDING FORWARD-LOOKING STATEMENTS

This presentation includes certain “forward-looking information” and “forward-looking statements” (collectively “forward-looking statements”) within the meaning of applicable securities legislation, including the United States Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included herein, including, without limitation, statements regarding the permitting, potential development, exploration, construction and operation of Donlin Gold and statements relating to NOVAGOLD’s future operating and financial performance and production estimates are forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as “expects”, “anticipates”, “believes”, “intends”, “estimates”, “potential”, “possible”, “poised”, and similar expressions, or statements that events, conditions, or results “will”, “may”, “could”, “would” or “should” occur or be achieved. These forward-looking statements may also include statements regarding the exploration potential of Donlin Gold; anticipated mine life; perceived merit of properties; anticipated permitting timeframes; exploration and drilling results and budgets; mineral reserve and resource estimates; work programs; capital expenditures; timelines; strategic plans; benefits of the project; market prices for precious metals; whether the final \$75 million promissory note from the sale of Galore Creek will mature and be payable; potential shareholder returns; or other statements that are not statements of fact. Forward-looking statements involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from NOVAGOLD’s expectations include the uncertainties involving unexpected cost increases, which could include significant increases in estimated capital and operating costs; the need for additional financing to explore and develop properties and availability of financing in the debt and capital markets; uncertainties involved in the interpretation of drilling results and geological tests and the estimation of reserves and resources; the need for continued cooperation with Barrick Gold Corporation for the continued exploration and development of the Donlin Gold property; the need for cooperation of government agencies and native groups in the development and operation of properties; risks of construction and mining projects such as accidents, equipment breakdowns, bad weather, non-compliance with environmental and permit requirements; unanticipated variation in geological structures, ore grades or recovery rates; the need to obtain permits and governmental approvals; fluctuations in metal prices and currency exchange rates; whether a positive construction decision will be made regarding Donlin Gold or Galore Creek; and other risks and uncertainties disclosed in NOVAGOLD’s annual report filed on Form 10-K for the year-ended November 30, 2018 with the United States Securities and Exchange Commission, Canadian securities regulators, and in other NOVAGOLD reports and documents filed with applicable securities regulatory authorities from time to time. NOVAGOLD’s forward-looking statements reflect the beliefs, opinions and projections of management on the date the statements are made. NOVAGOLD assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

Forward-looking statements are based on a number of material assumptions, including but not limited to the following, which could prove to be significantly incorrect: our ability to achieve production at any of our mineral exploration and development properties; estimated capital costs, operating costs, production and economic returns; estimated metal pricing, metallurgy, mineability, marketability and operating and capital costs, together with other assumptions underlying our resource and reserve estimates; our expected ability to develop adequate infrastructure and that the cost of doing so will be reasonable; assumptions that all necessary permits and governmental approvals will be obtained and the timing of such approvals; assumptions made in the interpretation of drill results, the geology, grade and continuity of our mineral deposits; our expectations regarding demand for equipment, skilled labor and services needed for exploration and development of mineral properties; and that our activities will not be adversely disrupted or impeded by development, operating or regulatory risks.

This presentation makes reference to certain non-GAAP measures. These measures are not recognized measures under US GAAP and do not have a standardized meaning prescribed by US GAAP and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those US GAAP measures by providing further understanding of our results of operations from management’s perspective and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with US GAAP. NOVAGOLD believes that these measures, in addition to conventional measures prepared in accordance with US GAAP, provide investors an improved ability to evaluate the underlying performance of NOVAGOLD. Reconciliations of non-GAAP Financial Measures are included on slide 44.

## CAUTIONARY NOTE CONCERNING RESERVE & RESOURCE ESTIMATES

This presentation uses the terms “mineral resources”, “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”. United States investors are advised that, while such terms are recognized and required by Canadian securities laws, the United States Securities and Exchange Commission (the “SEC”) Industry Guide 7 (“Industry Guide 7”) does not recognize them. Under Industry Guide 7, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Mineral resources that are not mineral reserves do not have demonstrated economic viability. United States investors are cautioned that they should not assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. Further, inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Disclosure of “contained ounces” is permitted disclosure under Canadian regulations, however, Industry Guide 7 normally only permits issuers to report “resources” as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and mineral resources contained in this presentation may not be comparable to information made public by United States companies subject to Industry Guide 7 reporting and disclosure requirements. The Company has no reserves, as that term is defined under Industry Guide 7.

On October 31, 2018, the SEC adopted a final rule (“New Final Rule”) that will replace Industry Guide 7 with new disclosure requirements that are more closely aligned with current industry and global regulatory practices and standards, including NI 43-101. Companies must comply with the New Final Rule for the first fiscal year beginning on or after January 1, 2021, which for NOVAGOLD would be the fiscal year beginning December 1, 2021. While early voluntary compliance with the New Final Rule is permitted, NOVAGOLD has not elected to comply with the New Final Rule at this time.

NI 43-101 is a rule developed by the Canadian Securities Administrators, which established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all resource estimates contained in this presentation have been prepared in accordance with NI 43-101 and the CIM Definition Standards.

## Technical Reports and Qualified Persons

The documents referenced below provide supporting technical information for the Donlin Gold project.

Project	Qualified Person(s)	Most Recent Disclosure
Donlin Gold	Gordon Seibel R.M. SME Kirk Hanson P.E.	“Donlin Creek Gold Project Alaska, USA, NI 43-101 Technical Report on Second Updated Feasibility Study” prepared by AMEC, effective November 18, 2011, amended January 20, 2012.

Clifford Krall, P.E., who is the Mine Engineering Manager for NOVAGOLD and a “qualified person” under NI 43-101, has approved the scientific and technical information contained in this presentation.

ALL DOLLAR AMOUNTS QUOTED IN THIS REPORT ARE IN U.S. CURRENCY UNLESS OTHERWISE NOTED.

# DONLIN GOLD: unique project for the times

NOVAGOLD

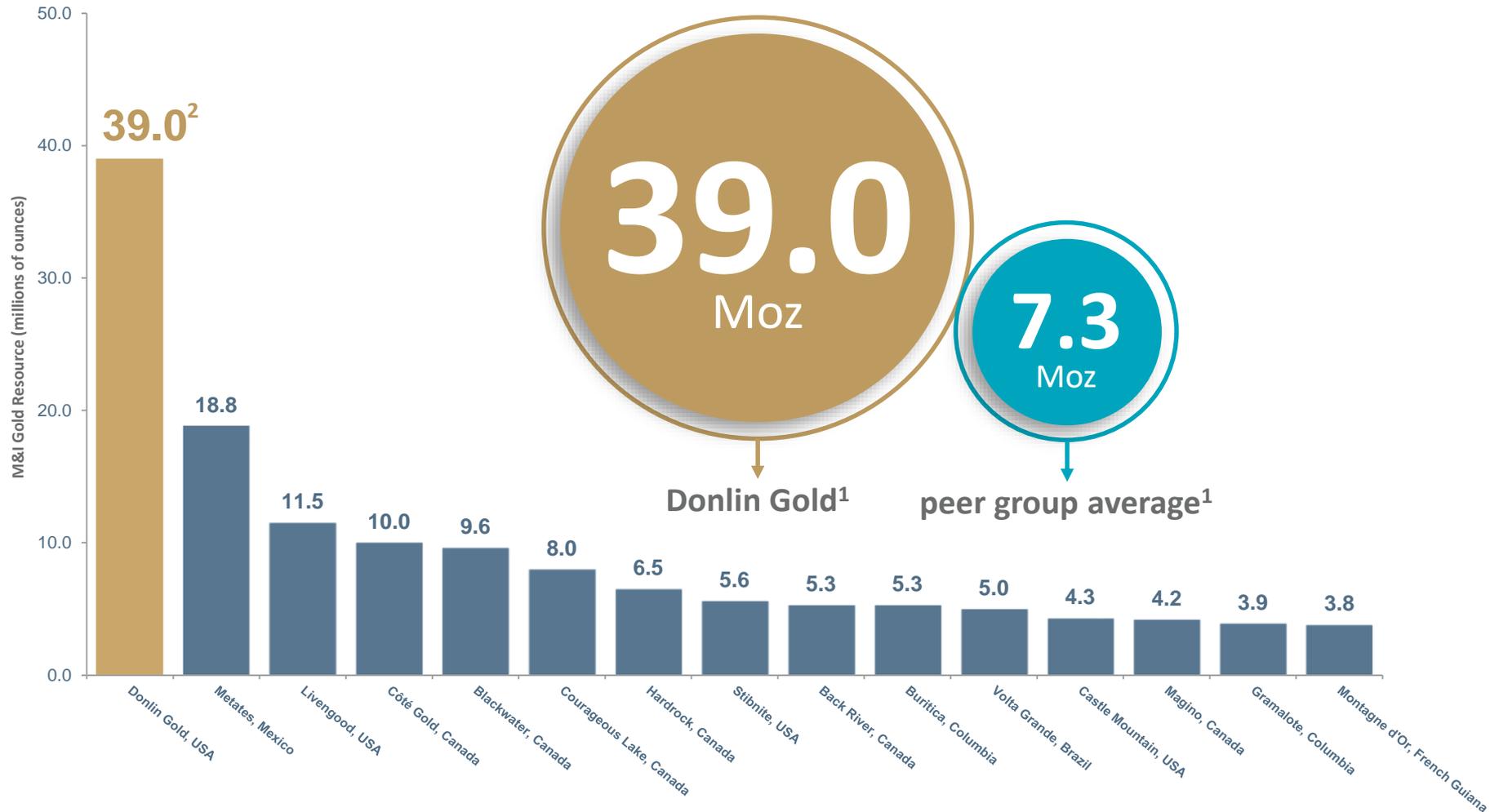
**A DEVELOPMENT-STAGE PROJECT OF EXCEPTIONAL SCALE,  
QUALITY, AND JURISDICTIONAL SAFETY**



- 50/50 partnership with Barrick Gold
- Positioned to become one of the largest gold mines in the world
- Unique, large-scale open pit project with superior grade in an environment of declining gold reserves, production and average grades
- Most important permits are in place
- Alaska has a time-tested mining culture and respect for socially and environmentally responsible mine development

# DONLIN GOLD: largest gold development project in its category<sup>1</sup>

## A RESOURCE MORE THAN FIVE TIMES THE SIZE OF THE PEER GROUP AVERAGE



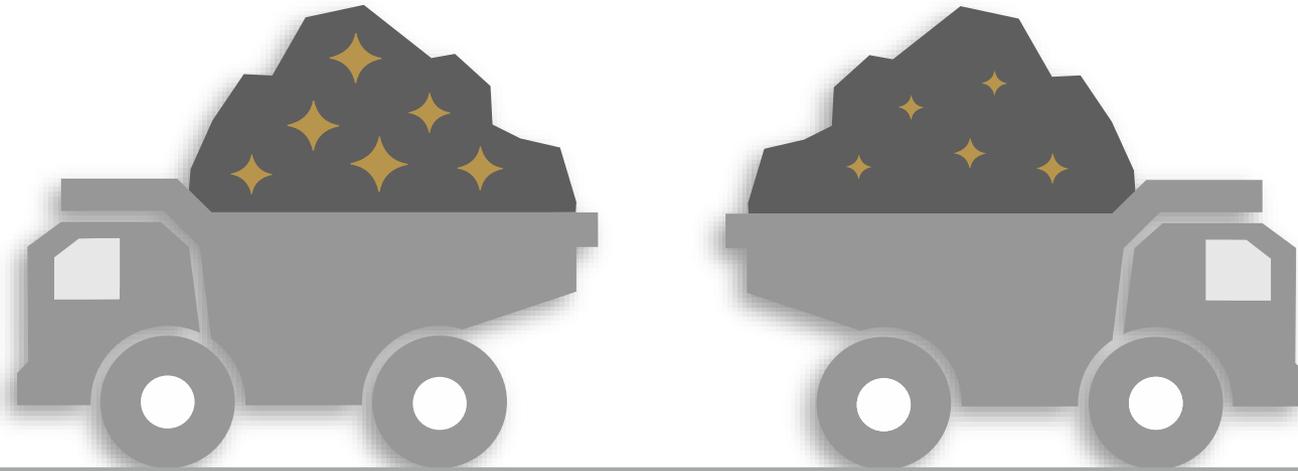
1) Peer group data based on company documents, public filings and websites as of August 31, 2019. Comparison group of 14 projects based on large (2Moz P&P cut off), North/South American gold-focused development projects with >75% projected revenues from gold.

2) Represents 100% of measured and indicated mineral resources, inclusive of mineral reserves, of which NOVAGOLD's share is 50%. See "Cautionary Note Concerning Reserve and Resource Estimates" and "Mineral Reserve and Mineral Resource" table on slides 2 and 43, respectively.

# DONLIN GOLD: double the industry average grade

AMONG THE WORLD'S HIGHEST-GRADE KNOWN OPEN-PIT GOLD DEPOSITS

NOVAGOLD



Donlin Gold average grade<sup>1</sup>

**2.24** g/t

world average grade<sup>2</sup>

**1.10** g/t

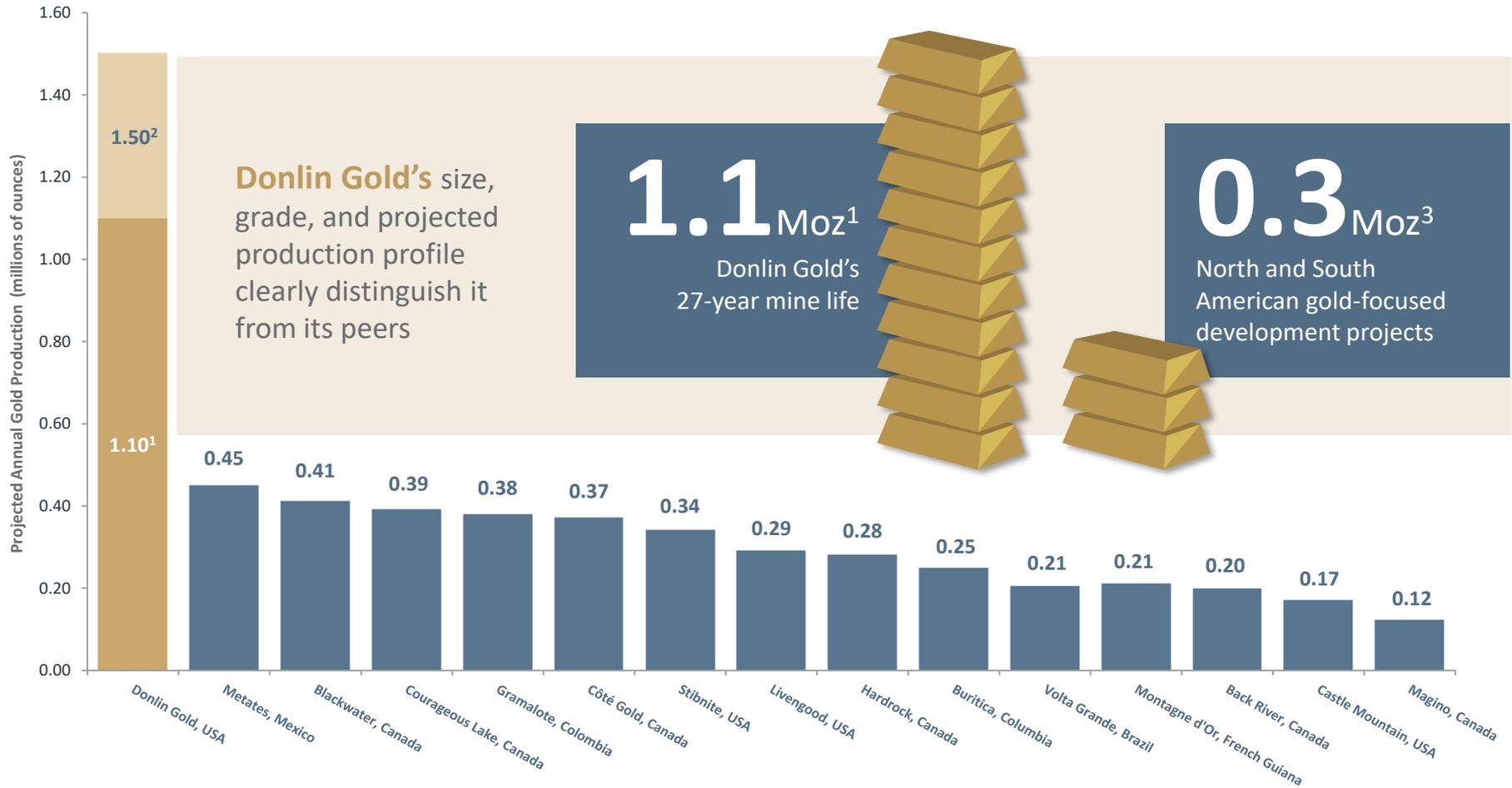
While industry average grades are declining, Donlin Gold's grade provides resilience through commodity price cycles

1) Represents average grade of measured and indicated mineral resources, inclusive of mineral reserves. See "Cautionary Note Concerning Reserve and Resource Estimates" and "Mineral Reserve and Mineral Resource" table on slides 2 and 43, respectively.

2) 2018 average grade of open-pit and underground deposits with gold as primary commodity and over 1 Moz in measured and indicated resources, sourced from S&P Global Market Intelligence.

# DONLIN GOLD: positioned to be one of the industry's largest producing mines

## PROJECTED TO BECOME A MILLION-OUNCE GOLD PRODUCER<sup>1</sup>



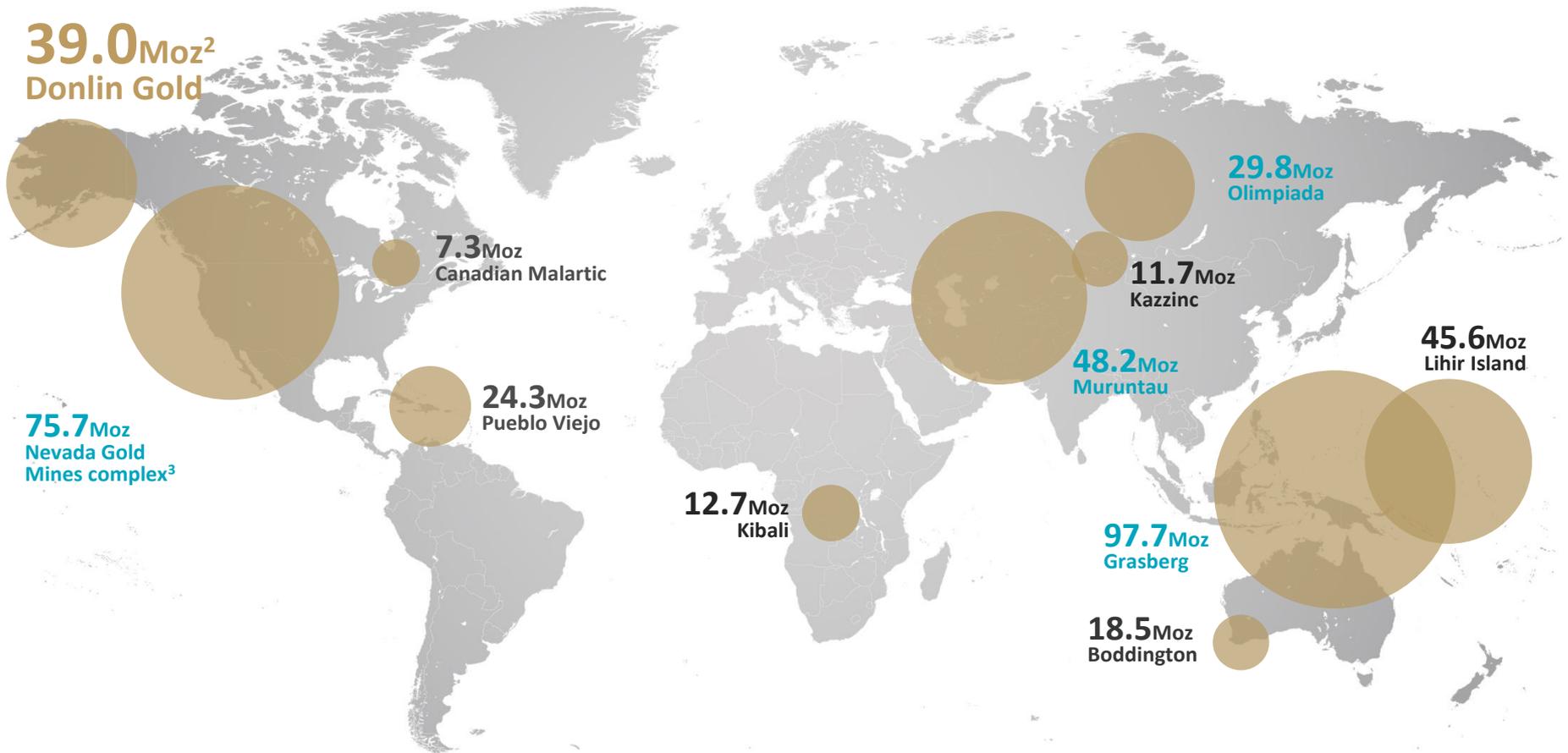
1) Projected annual gold production during full life of mine. See "Cautionary note concerning Reserve & Resource Estimates" and "Mineral Reserve and Mineral Resource" table on slides 2 and 43, respectively.

2) Projected annual gold production during first five full years of mine life. See "Cautionary note concerning Reserve & Resource Estimates" and "Mineral Reserve and Mineral Resource" table on slides 2 and 43, respectively.

3) Average of comparison group data of 14 projects based on large (2Moz P&P cut off), North/South American gold-focused development projects with >75% projected revenues from gold, as per latest company documents, public filings and websites as of August 31, 2019.

# DONLIN GOLD: one of few federally permitted undeveloped assets in North America

## TOP TEN GOLD PRODUCING OPERATIONS COMPARISON<sup>1</sup> ONLY FOUR OPERATIONS IN THE WORLD PRODUCED >1MOZ IN 2018

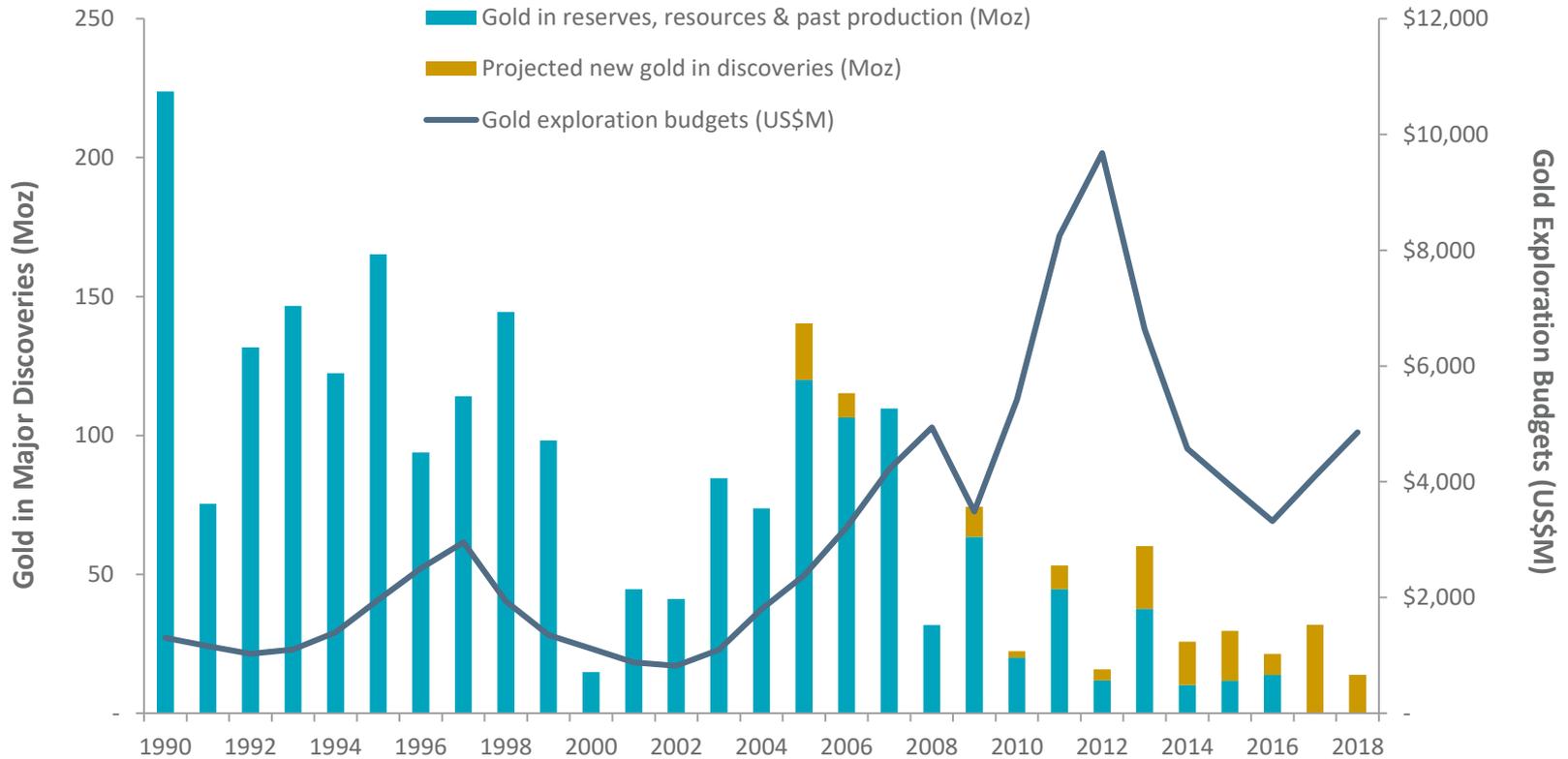


Operations in blue produced more than 1 Moz of gold in 2018

- 1) Estimates provided by S&P Global Intelligence. Slide shows the latest reported measured & indicated resources (inclusive of reserves) of the top 10 gold producing operations from 2018 as per SNL Metals & Mining, an offering of S&P Global Market Intelligence.
- 2) Represents 100% of measured and indicated mineral resources, inclusive of mineral reserves, of which NOVAGOLD's share is 50%. See "Cautionary Note Concerning Reserve and Resource Estimates" and "Mineral Reserve and Mineral Resource" table on slides 2 and 43, respectively.
- 3) Joint venture of Barrick Gold (61.5%) and Newmont Goldcorp (38.5%), comprised of the Carlin, Cortez, Turquoise Ridge/Twin Creeks, Phoenix and Long Canyon mines plus exploration properties.

# DONLIN GOLD: large-scale projects are scarce due to challenges related to new discoveries

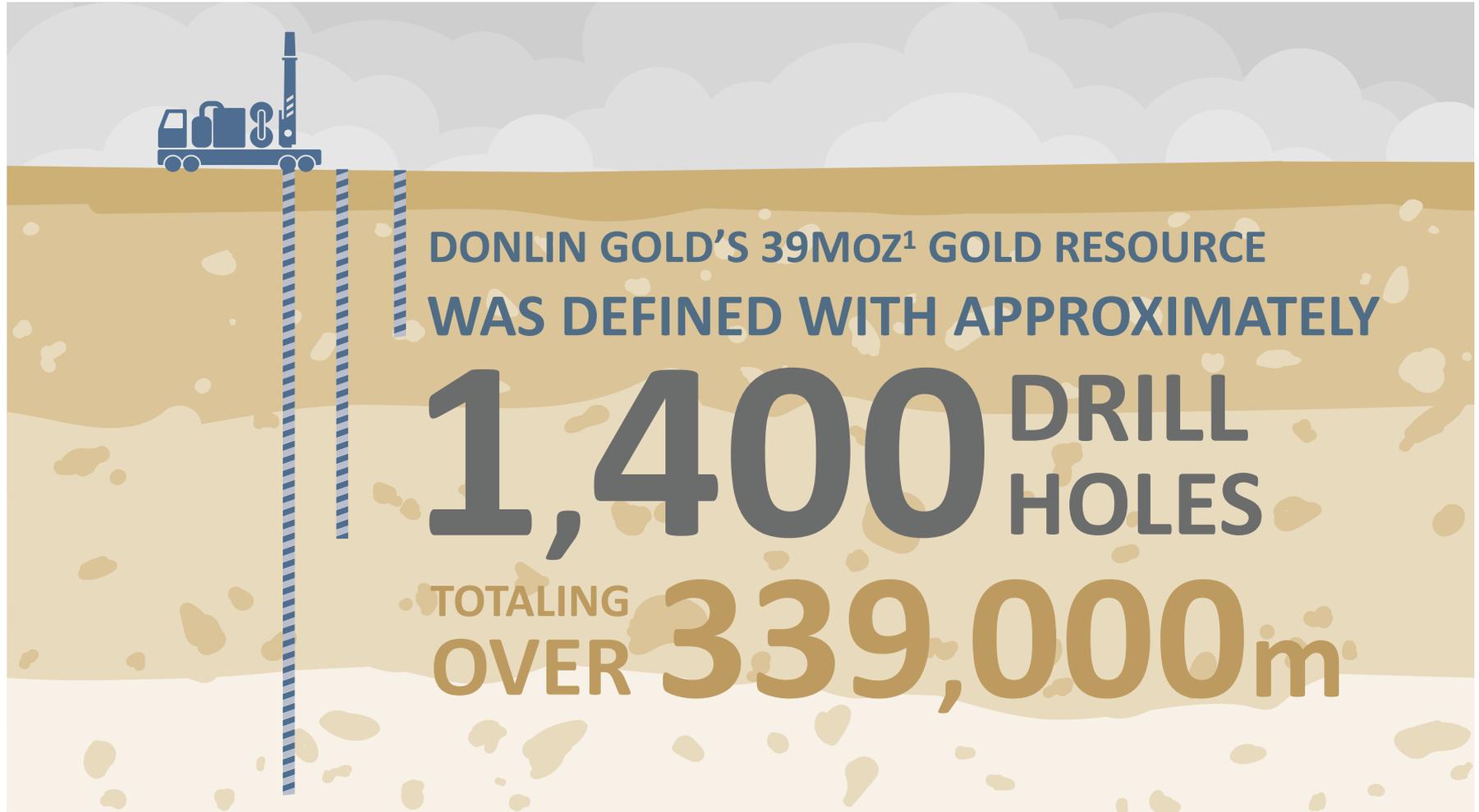
## LIMITED DISCOVERIES EXACERBATE THE NEED FOR HIGH-QUALITY LARGE-SCALE PROJECTS



Time from discovery to production can take 20+ years due to complex regulations and more remote mineral deposits which make for more complicated projects

# DONLIN GOLD: the right project

## ROBUST DRILL DATABASE

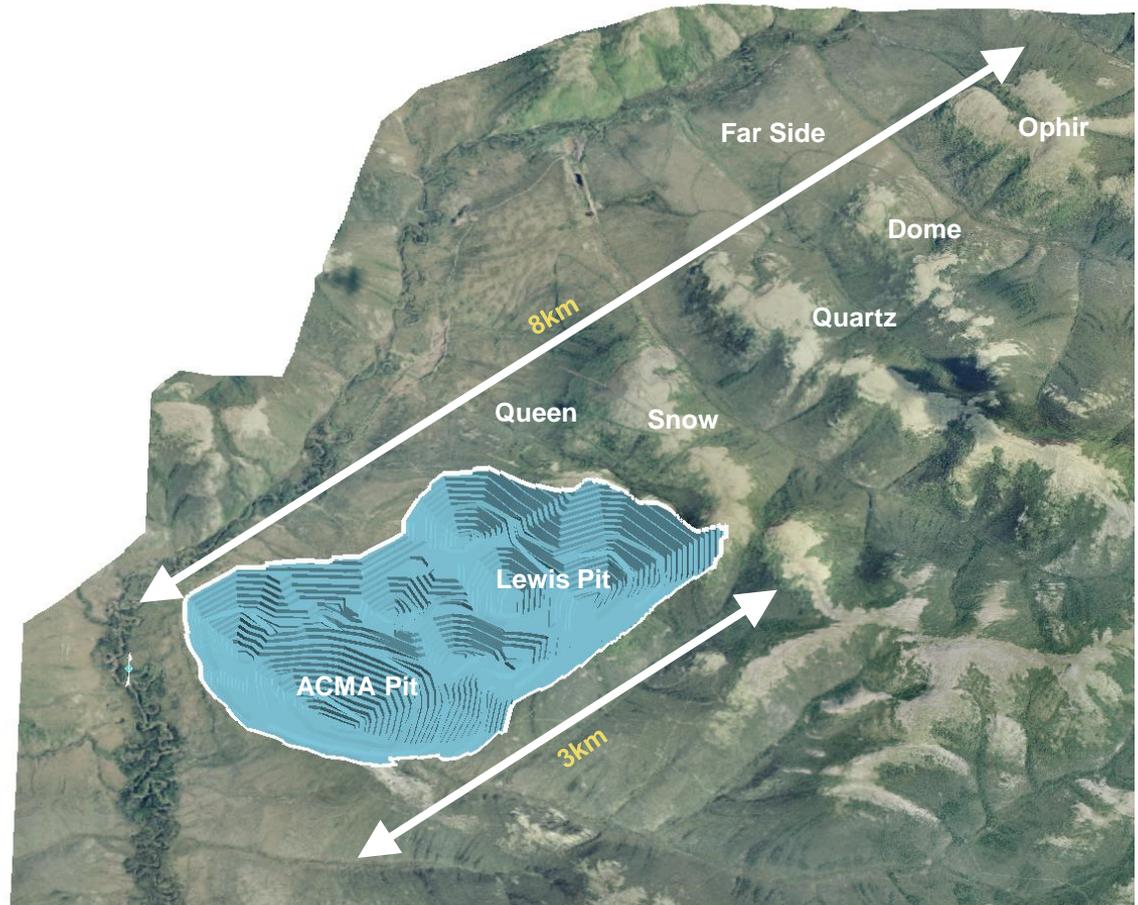


1) Represents 100% of measured and indicated mineral resources, inclusive of mineral reserves, of which NOVAGOLD's share is 50%. See "Cautionary Note Concerning Reserve and Resource Estimates" and "Mineral Reserve and Mineral Resource" table on slides 2 and 43, respectively.

# DONLIN GOLD: excellent exploration potential

## SUBSTANTIAL EXPLORATION UPSIDE POTENTIAL ALONG THE 8 KM-LONG MINERALIZED TREND – THE NEXT BIG GOLD DISCOVERY COULD BE AT DONLIN GOLD

- From 2006 to 2011, M&I resources increased 135% (16.6Moz<sup>1</sup> to 39.0Moz<sup>2</sup>) through a well-executed exploration program
- Reserves and resources are contained within just 3 km of an 8 km-long mineralized trend
- Inferred mineral resource: 6Moz of gold (92M tonnes grading 2.02 g/t Au) mainly inside the reserve pit<sup>3</sup>
- Future exploration potential exists to expand current resource along strike and at depth



ACMA and Lewis, as shown above, represent the reserve pit from the second updated feasibility study.

1) Represents measured and indicated mineral resources previously reported by NOVAGOLD and supported by a past technical report, "Preliminary Assessment, Donlin Creek Gold Project, Alaska, USA", effective September 20, 2006. Represents 100% of measured and indicated mineral resources reported, of which NOVAGOLD's share was 70% in September 2006. Measured resources totaled 20 million tonnes grading 2.56 grams per tonne, and indicated resources totaled 196 million tonnes grading 2.39 grams per tonne. This estimate has been superseded by the estimate contained in the Second Updated Feasibility Study effective November 18, 2011 and amended January 20, 2012. For current mineral reserves and resources, refer to "Cautionary Note Concerning Reserve & Resource Estimates" and "Mineral Reserve and Mineral Resource" table on slides 2 and 43, respectively.

2) Represents 100% of measured and indicated mineral resources, inclusive of mineral reserves, of which NOVAGOLD's share is 50%. See "Cautionary Note Concerning Reserve and Resource Estimates" and "Mineral Reserve and Mineral Resource" table on slides 2 and 43.

3) Represents 100% of inferred mineral resources, of which NOVAGOLD's share is 50%. See "Cautionary Note Concerning Reserve and Resource Estimates" and "Mineral Reserve and Mineral Resource" table on slides 2 and 43. Inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically.

# DONLIN GOLD: Alaska's strong support for responsible mining & development

## MINING IS AN IMPORTANT PART OF ALASKA'S ECONOMY WITH SIX PRODUCING MINES AND SIX ADVANCED EXPLORATION PROJECTS



### Producing Mines:

#### Fort Knox

Kinross Gold Corp

#### Red Dog

Teck Resources Limited

#### Greens Creek

Hecla Mining Company

#### Kensington

Coeur Mining Inc

#### Northern Star Pogo

Northern Star Resources

#### Usibelli

Family-owned

# DONLIN GOLD: leverage in a place where you can keep the rewards

## AT A TIME OF EXTREME GEOPOLITICAL UNCERTAINTY, ALASKA WELCOMES NEW RESPONSIBLE DEVELOPMENT

### ALASKA'S JURISDICTIONAL APPEAL:

- Mineral potential
- Established mining industry
- Political and social stability
- Excellent local partnerships
- A full embrace of the rule of law

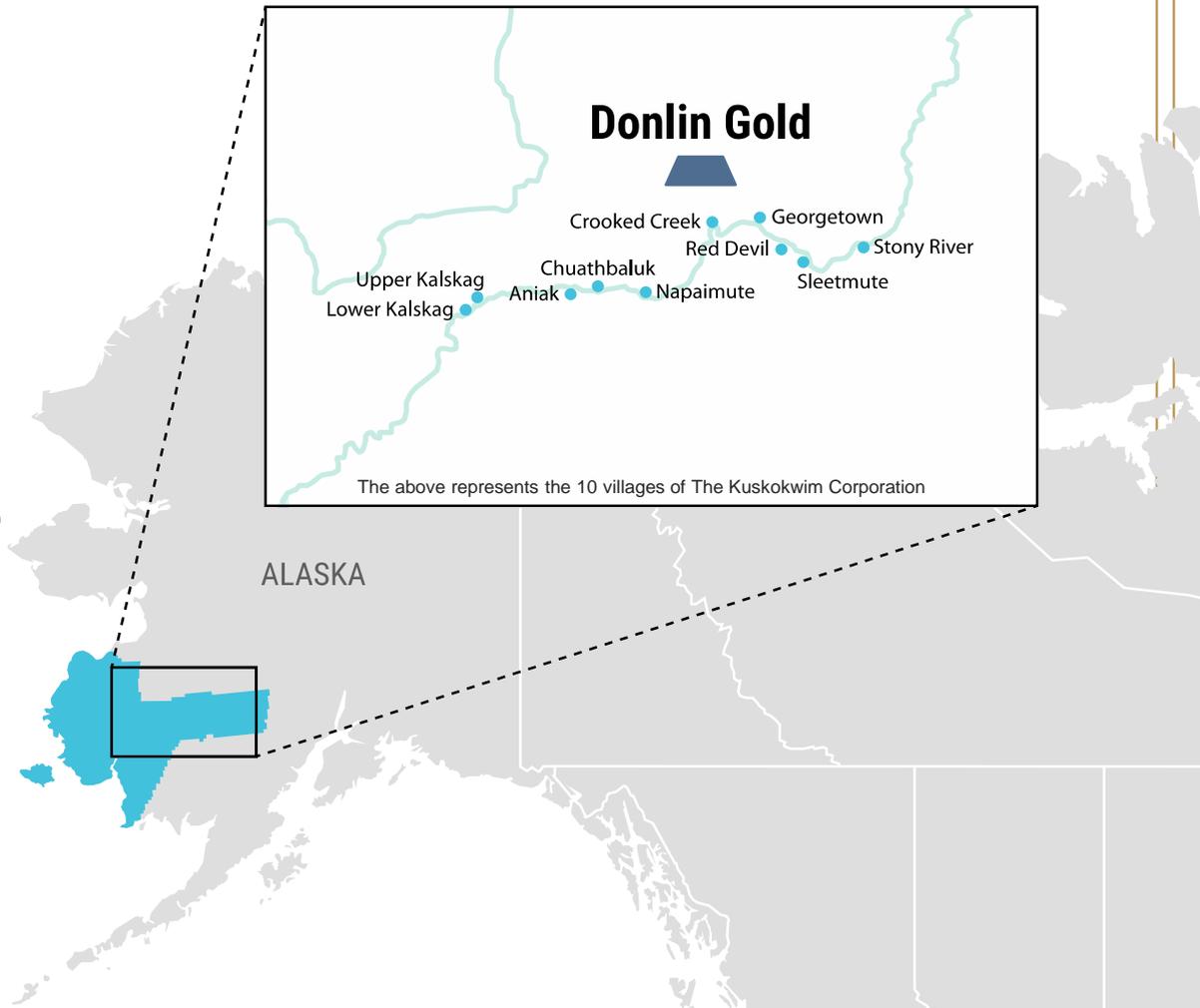


Source: Fraser Institute Annual Survey of Mining Companies 2018, Investment Attractiveness Index

# DONLIN GOLD: agreements with Alaska Native Corporations

## TIME-HONORED RELATIONSHIPS WITH STAKEHOLDERS

- Donlin Gold is located on private land specifically selected for its resource development potential
  - ANCSA<sup>1</sup> established 48 years ago; resolved Alaska Native land claims
  - Lands valuable for resource potential selected by Regional Corporations under ANCSA
- Calista Corporation and The Kuskokwim Corporation (TKC) are the two Native Corporations with an owner's interest in the development of the selected lands to support the economic prosperity of their shareholders
- Donlin Gold has been in partnership with Calista and TKC since 1995
- Benefits include royalties, shareholder employment opportunities, scholarships and preferential contract considerations



1) Alaska Native Claims Settlement Act, 43 U.S.C. 1601 et seq.

# DONLIN GOLD: a federally permitted project in Alaska

## JOINT RECORD OF DECISION AND MAJOR FEDERAL PERMITS ISSUED<sup>1</sup>

- First time that two Federal agencies issued a joint ROD
- The Corps issued a combined Clean Water Act Section 404 & Rivers and Harbors Act Section 10 permit
- BLM issued the Offer to Lease for pipeline right of way



Col. Michael Brooks, U.S. Army Corps of Engineers Alaska District former Commander, and Joe Balash, U.S. Department of the Interior's former Assistant Secretary of Land and Minerals Management sign the joint Record of Decision for the Donlin Gold project.

*“The Corps and BLM in Alaska are pioneering this joint decision to show the public that their federal government can work together and make sound decisions on environmental reviews.”*

Col. Michael Brooks, U.S. Army Corps of Engineers  
Alaska District former Commander

# DONLIN GOLD: orderly advancement up the value chain

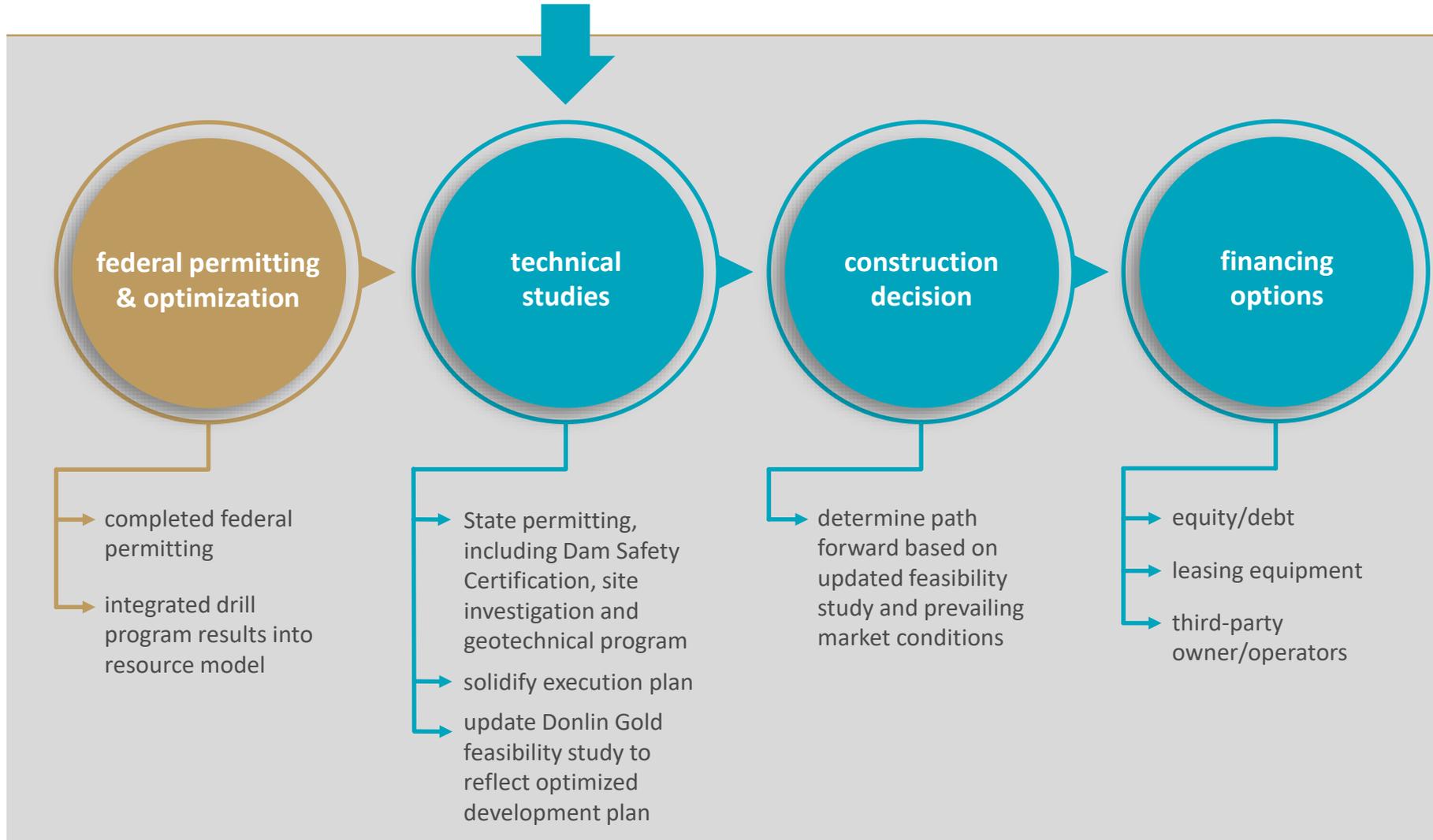
## PROGRESSING IN AN EFFICIENT, RESPONSIBLE AND COST-EFFECTIVE MANNER

### DONLIN GOLD 2019 BUDGET OF \$26 MILLION FUNDED ON 50/50 BASIS BY NOVAGOLD & BARRICK

Alaska State permits received since January 2019 and those progressing	
Reclamation and Closure Plan Approval <b>issued January 18, 2019</b>	✓
Waste Management Permit <b>issued January 18, 2019</b>	✓
Pipeline Right-of-Way Lease	In progress
Mine/Transportation Facility Land Use Leases/Authorizations	In progress
Dam Safety Certificates	In progress
Geotechnical field program for Alaska Dam Safety Certificates	
Donlin Gold safety training conducted and camp re-opened	✓
Geotechnical field program	In progress
Optimization effort	
Complete scoping-level optimization work	In progress
Solidify execution plan	TBD
Ongoing external affairs & community investment	
Backhaul projects to remove hazardous waste from 14 villages	✓
Partnering on community engagement in environmental, safety, educational and cultural initiatives	In progress

# DONLIN GOLD: upcoming catalysts

## POSITIONING THE PROJECT FOR GREATER SUCCESS INTO THE FUTURE



# DONLIN GOLD: culture of safety and social responsibility

NOVAGOLD

Through Donlin Gold we implement our social responsibility programs and commitments in a number of important areas:



the health and welfare of **our people** (employees and stakeholders)

the **well-being** of the **communities** in the Y-K region

**environmental stewardship** of land, water, air, and biological resources communities

our commitment to integrity in all aspects of our **corporate governance**

Participated in safety and emergency preparedness workshop. Distributed safety gear throughout the Yukon-Kuskokwim (Y-K) region.

Village visits in the Y-K region with our Native Corporation partners. With Y-K region residents, conducted annual smelt surveys. Supported homeless youth through the Covenant House in Anchorage.

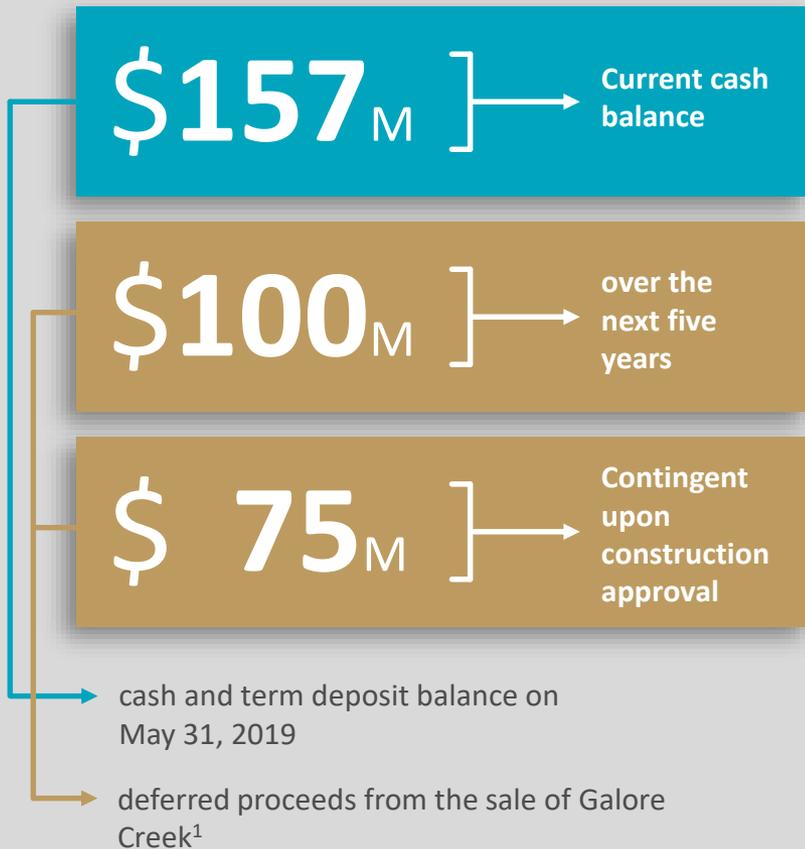
Community Backhaul Projects – in the past year, removed more than 100,000 pounds of hazardous and electronic waste from 14 villages and Bethel on the Kuskokwim River.

Continued proactive communication with shareholders as their perspectives help deepen our understanding of their priorities.

# NOVAGOLD: well-funded to deliver value for stakeholders

## A HEALTHY TREASURY TO ADVANCE DONLIN GOLD TO THE NEXT STAGE OF DEVELOPMENT NOVAGOLD

### treasury



### planned spending

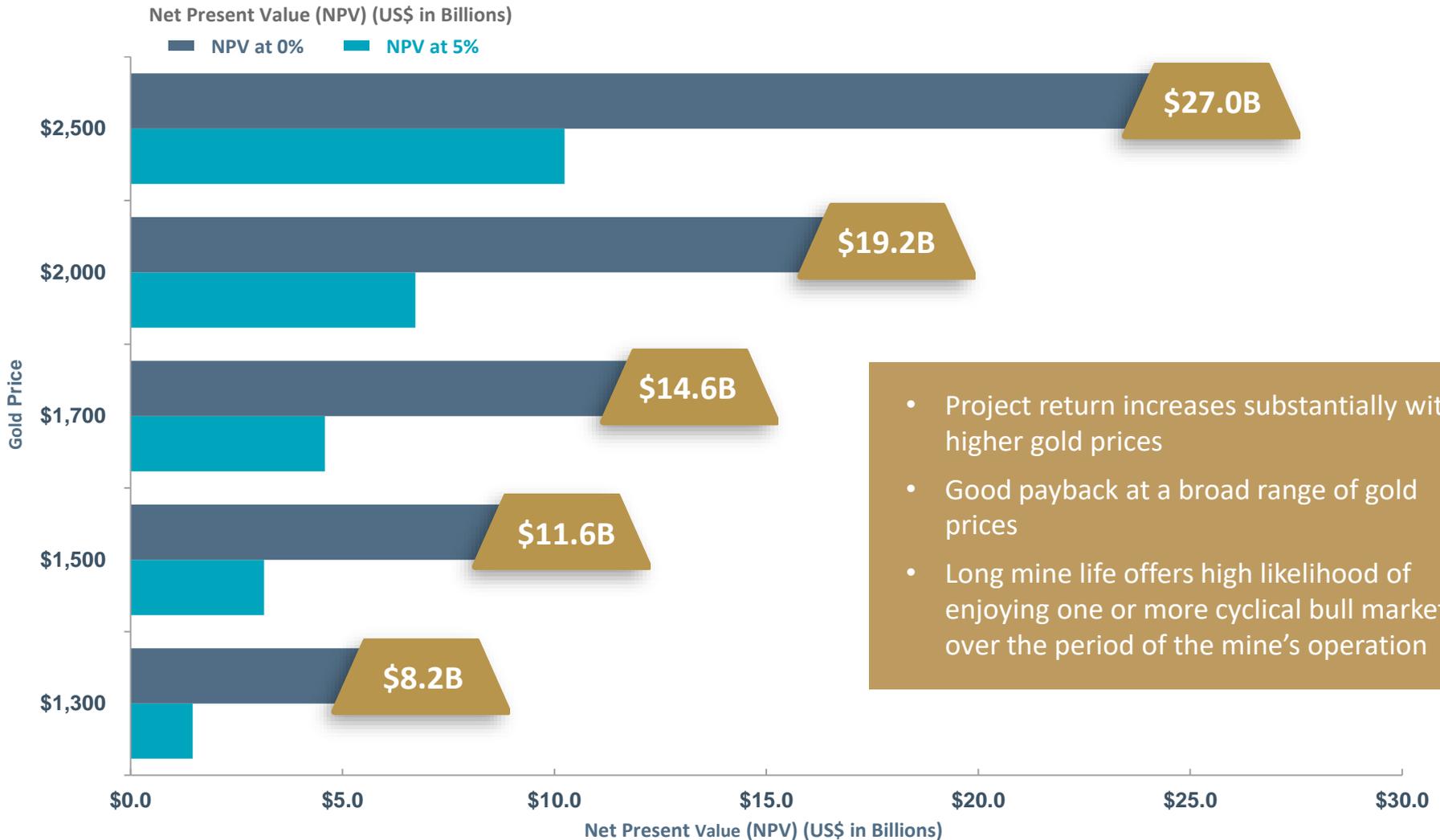


1) Formerly 50%-owned by NOVAGOLD. Deferred compensation on sale of NOVAGOLD's 50% interest in Galore Creek totals \$100M: including \$75M on earlier of PFS or no later than July 27, 2021 and \$25M on earlier of FS or no later than July 27, 2023. An additional \$75M is receivable upon approval of a Galore Creek construction plan by the owner(s).

2) Includes \$13M Donlin Gold and \$11M G&A.

# DONLIN GOLD: significant value upside with higher gold prices

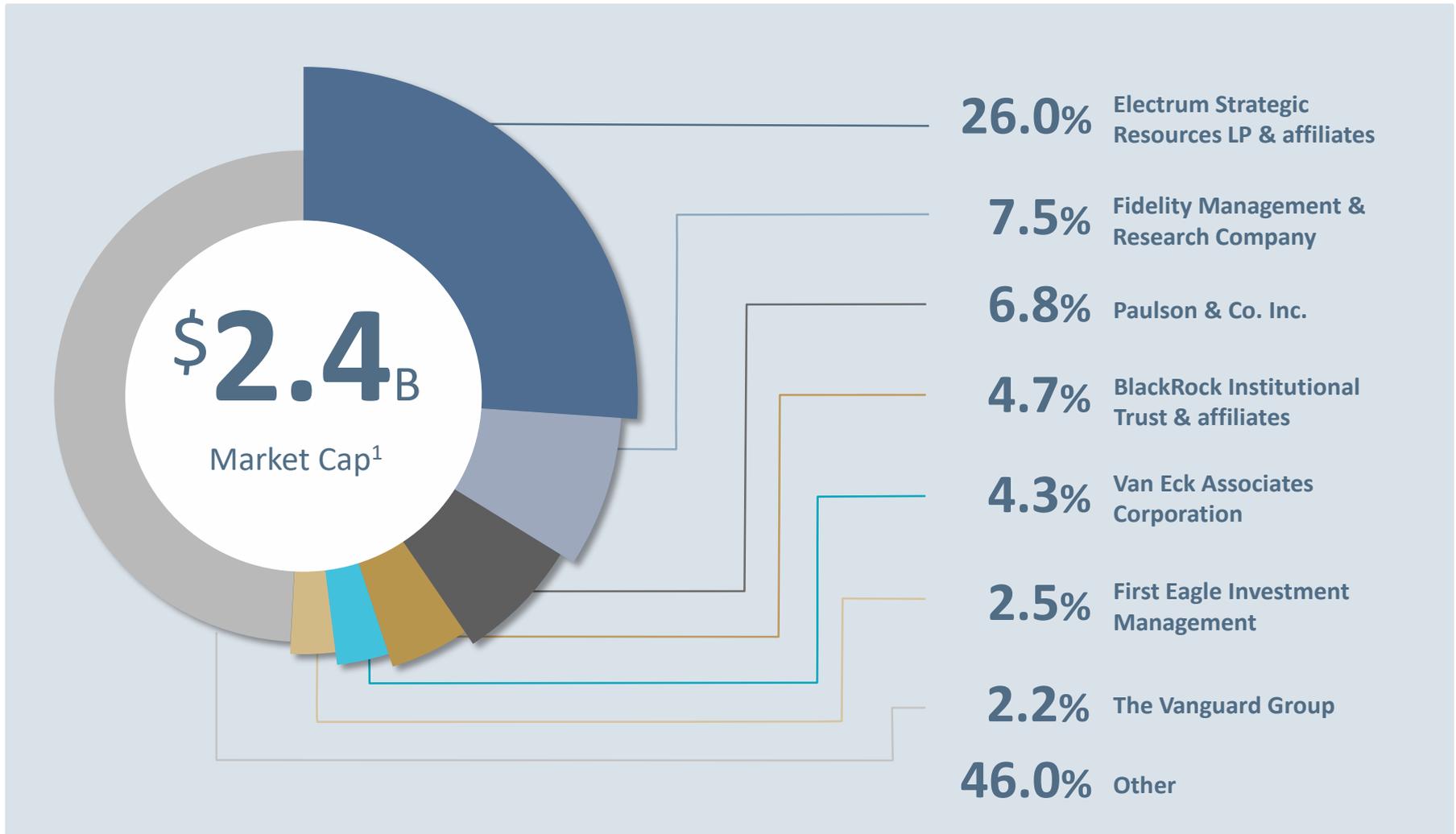
## DONLIN GOLD NPV<sup>1</sup> INCREASES ~20X WITH ~2X INCREASE IN GOLD PRICE



<sup>1</sup> Donlin Gold estimates as per the second updated feasibility study effective November 18, 2011, as amended January 20, 2012. All dollar figures are in USD, represent 100% of the project of which NOVAGOLD's share is 50%, and reflect after-tax net present value (at 0% and 5% discount rates) of the Donlin Gold project using the feasibility study reference date of 1/1/2014 (start of Year -05) as the first year of discounting. Estimated project development costs of approximately \$172M to be spent prior to the reference date are treated as sunk costs. At a 5% discount rate, the net present value is: \$1,465M @ \$1,300 gold; \$3,147M @ \$1,500 gold; \$4,581M @ \$1,700 gold; \$6,722M @ \$2,000 gold; and \$10,243M @ \$2,500 gold. The project requires a gold price of approximately \$902 per ounce to break even on a cash flow basis.

# NOVAGOLD: strong institutional shareholder support

54% OF SHARES ISSUED & OUTSTANDING HELD BY SEVEN LARGEST SHAREHOLDERS<sup>2</sup>

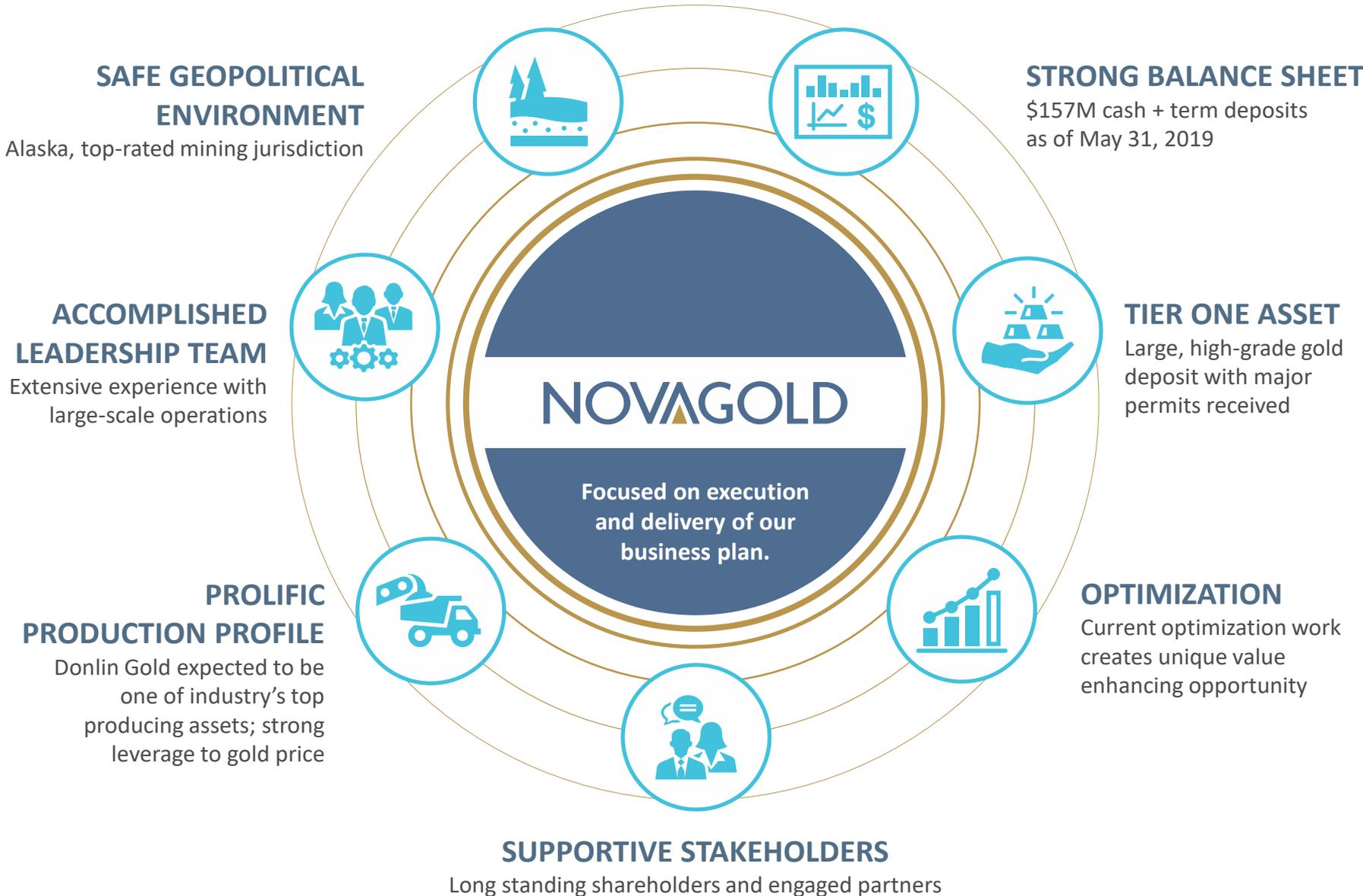


1) Market Capitalization based on 325.5 million shares issued and outstanding and NG closing share price of \$7.49 as of September 3, 2019.

2) Shareholder positions are based on the latest 13-D, 13-F or 13-G filings as of June 30, 2019.

# The NOVAGOLD opportunity

NOVAGOLD



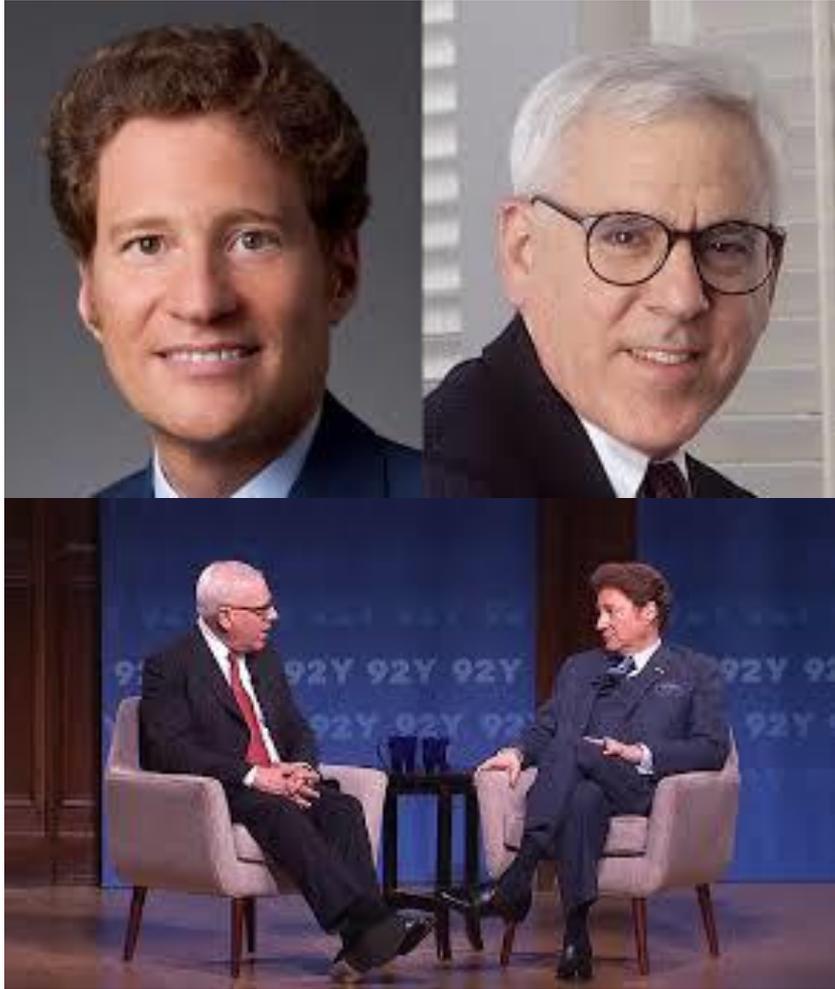
**NOVAGOLD** | SOLID.  
SECURE.  
GOLDEN.

# Appendix



# GOLD: an undervalued currency Dr. Thomas Kaplan tells Bloomberg

NOVAGOLD



Gold Segment Full Interview 8:16-9:13

- *“I was a believer that we were going to have an economic crisis, which is why I sold LEOR Energy and the platinum company...they were commodities. I wanted to go into an undervalued currency.”*
- *“Gold is an undervalued currency that offers the best risk/reward proposition.”*
- *“I like those things where the **scarcity** is assured.”*

Rubenstein asked how long he would have to wait to see the price level.

- *“The first move...took gold from \$250 to \$1,900. For 12 consecutive years, gold was up every single year whether there were inflation fears or deflation fears, strong dollar, weak dollar, political stability, political instability. It didn’t matter. Strong oil, weak oil...That to me is a bull market. We’ve now been in a correction which has taken gold from \$1,900 back to where we are today. You could easily see gold fall a couple of hundred dollars before going up a couple of thousand dollars.*
- *“But each move has been a decade or more, which means that when gold embarks upon its next move, I believe that you will see that long wave take gold relatively quickly, but it will be measured in years”*
- *“But then I do believe gold embarks on the next leg of its bull market and goes past \$1,900 and ultimately \$3,000 to \$5,000, if not a lot higher, depending on macro circumstances that today seem dim but I can’t really quantify.”*

FULL BLOOMBERG INTERVIEW

<https://vimeo.com/user12308995/review/339227824/10c498387b>

GOLD SEGMENT – BLOOMBERG INTERVIEW

<https://www.bloomberg.com/news/videos/2019-05-29/david-rubenstein-show-tom-kaplan-is-gold-headed-to-5000-an-ounce-video>

# GOLD: support for gold is growing in the financial community

NOVAGOLD

**“IF YOU DON’T HAVE [10% OF YOUR ASSETS IN] GOLD, THERE IS NO SENSIBLE REASON OTHER THAN THAT YOU DON’T KNOW HISTORY OR YOU DON’T KNOW THE ECONOMICS OF IT.”**



*“Central banks doing more of this printing and buying of assets will produce more negative real and nominal returns that will lead investors to increasingly prefer alternative forms of money (e.g., gold) or other storeholds of wealth.”*

*Ray Dalio, Bridgewater Associates, July 2019*

*“I believe that it would be **both risk-reducing and return-enhancing** to consider adding gold to one’s portfolio.”*

*Ray Dalio, Bridgewater Associates, July 2019*

*“Gold is a currency. We have dollars, we have euros, we have yen and we have gold. **If you don’t have [10% of your assets in] gold, there is no sensible reason other than that you don’t know history or you don’t know the economics of it.**”*

*Ray Dalio, Bridgewater Associates, May 2015*



*“**Gold’s long-term prospect is up, up and up**, and the reason why I say that is money supply is up, up and up. I think you have to be buying at any level, frankly. ...**there’s going to be a demand for real, hard assets, and that includes gold.**”*

*Mark Mobius, Founder of Mobius Capital Partners LLP, August 2019*



*“My favorite trade in the next 12 to 24 months is gold.”...“If the price can break through \$1,400 it will push to \$1,700 an ounce rather quickly.”...“**Gold has everything going for it.**”...“We’ve had 75 years of expanding globalization and trade... and now all of a sudden it’s stopped. That would make one think that it’s possible we go into a recession; it would make one think that rates in the United States go back down to the zero bound level; gold in that situation is going to scream. [Gold] will be the antidote for people with equity portfolios.”*

*Paul Tudor Jones, Tudor Investment Corp., June 2019*



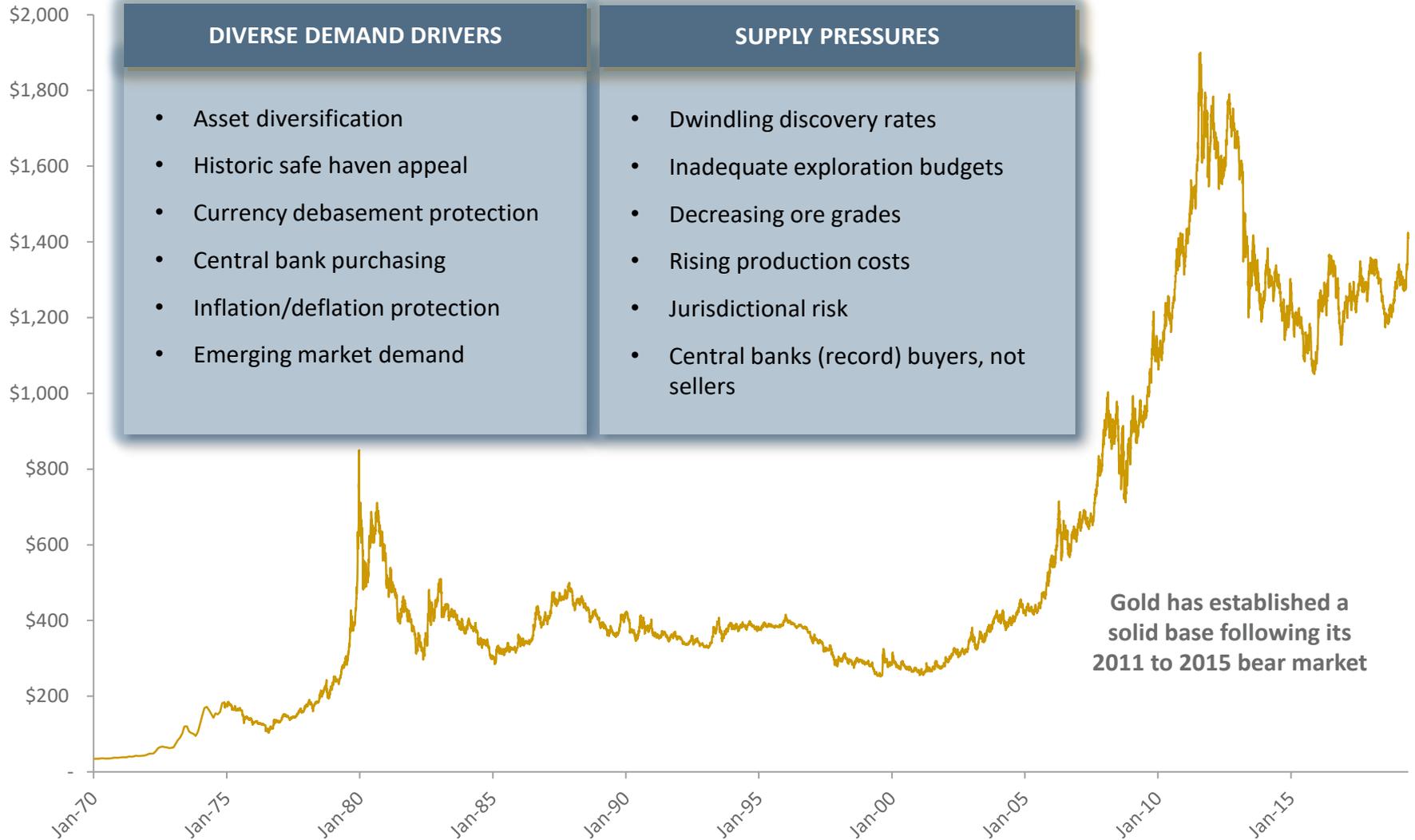
*“I’m certainly long gold.”*

*Jeffrey Gundlach, founder DoubleLine Capital, June 2019*

*Based on classic chart reading, Gundlach said an “explosive, potential energy” of a huge “head-and-shoulders bottom” base was signaling a move of \$1,000 in gold prices. **“It’s getting almost exciting...something big is happening.”***

*Jeffrey Gundlach, founder DoubleLine Capital, April 2018*

# GOLD: supply decreases as demand pressure increases



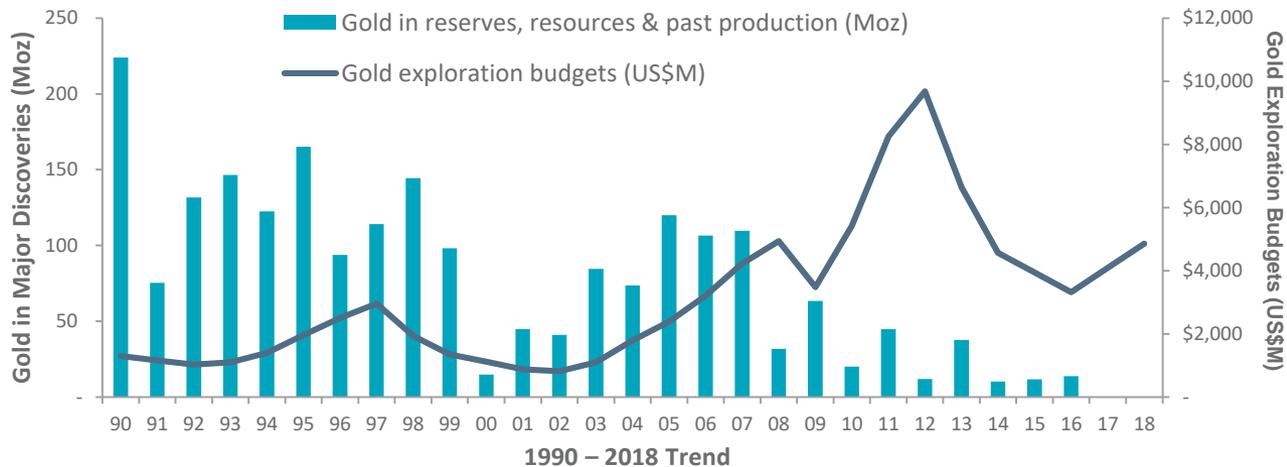
# GOLD: sharp underinvestment impedes output growth

In 2012, mining companies began implementing aggressive cost-cutting measures and curtailing expansion plans in an effort to protect margins, as shareholders abandoned growth stories in favor of maximizing returns from existing operations

- Exploration budgets for gold fell by ~65% from a peak in 2012 to a 10-year low 2016, according to S&P Global
- Though exploration budgets increased in 2017 and 2018, the 2018 gold exploration budget remains ~50% below its 2012 level

The shift to lower-reward late-stage and mine-site exploration programs reflects aversion to risk, yet the industry depends on grassroots and early-stage exploration for significant new discoveries

- Over the past ten years, only 34 major new deposits have been identified containing 213.3Moz of Au, which represents less than 10% of the gold discovered over the past 30 years<sup>1</sup>
- Grassroots exploration share of global budget continues to decline and dropped to a record low of just 26% in 2018, less than half of what it was in the 1990s<sup>1</sup>



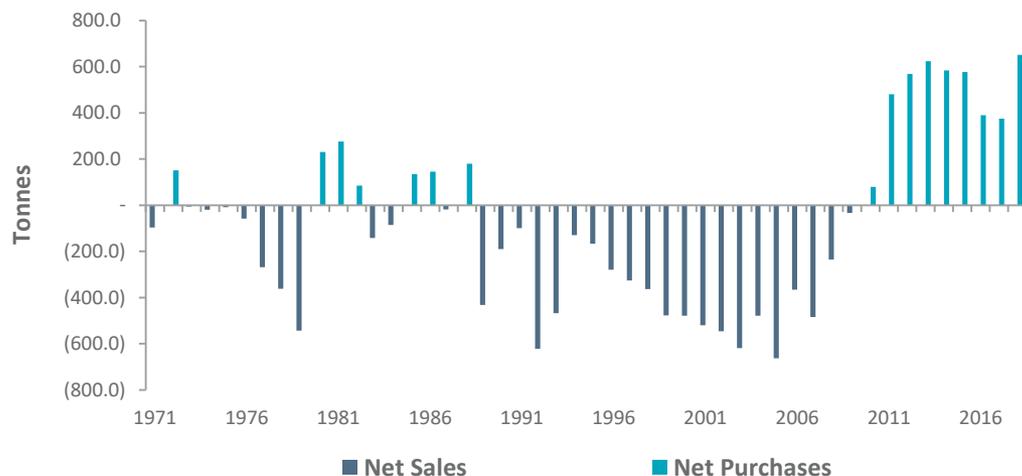
**NOVAGOLD believes that the severe spending cuts could exert additional pressure on the industry pipeline, and cause the discovery rate, and consequently the production rate, to decline even more rapidly**

# GOLD: central banks reduce sales and increase purchases

## DIVERSIFY FOREIGN EXCHANGE RESERVES, PROTECT AGAINST SYSTEMIC RISK

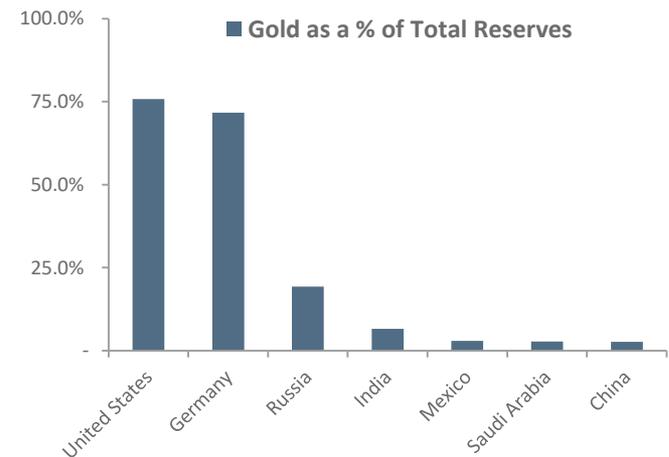
- In an important paradigm shift that had a substantial impact on gold supply, central banks became net purchasers of gold in 2009, led by emerging markets looking to diversify away from U.S. dollar-denominated assets.
- China, Russia and Kazakhstan have boosted central bank gold holdings substantially since 2007, namely by 214% (China), 442% (Russia), and 432% (Kazakhstan).<sup>1</sup>
- Central banks purchased a 50-year high 651.5 tonnes of gold in 2018, as a larger pool of central banks sought the risk-diversifying benefits of gold, according to the World Gold Council. Russia, Kazakhstan, and Turkey share of demand fell to 58%, from 94% in 2017, as other central banks chose to significantly increase their gold reserves. Notably, European central banks, including Hungary, and Poland, were also buyers.
- The desire to diversify central bank foreign exchange portfolios from the U.S. dollar, which still represents over 60% of global forex reserves, is one of the key reasons to buy gold. Overall, given that gold currently makes up ~10% of total global reserves, there is lots of room to grow in order to reach levels prior to the big central bank sales.

Central Bank Gold Purchases: 50-Year High in 2018



Source: Metals Focus, Refinitiv GFMS, World Gold Council

Emerging Markets: Room to Grow Gold Reserves

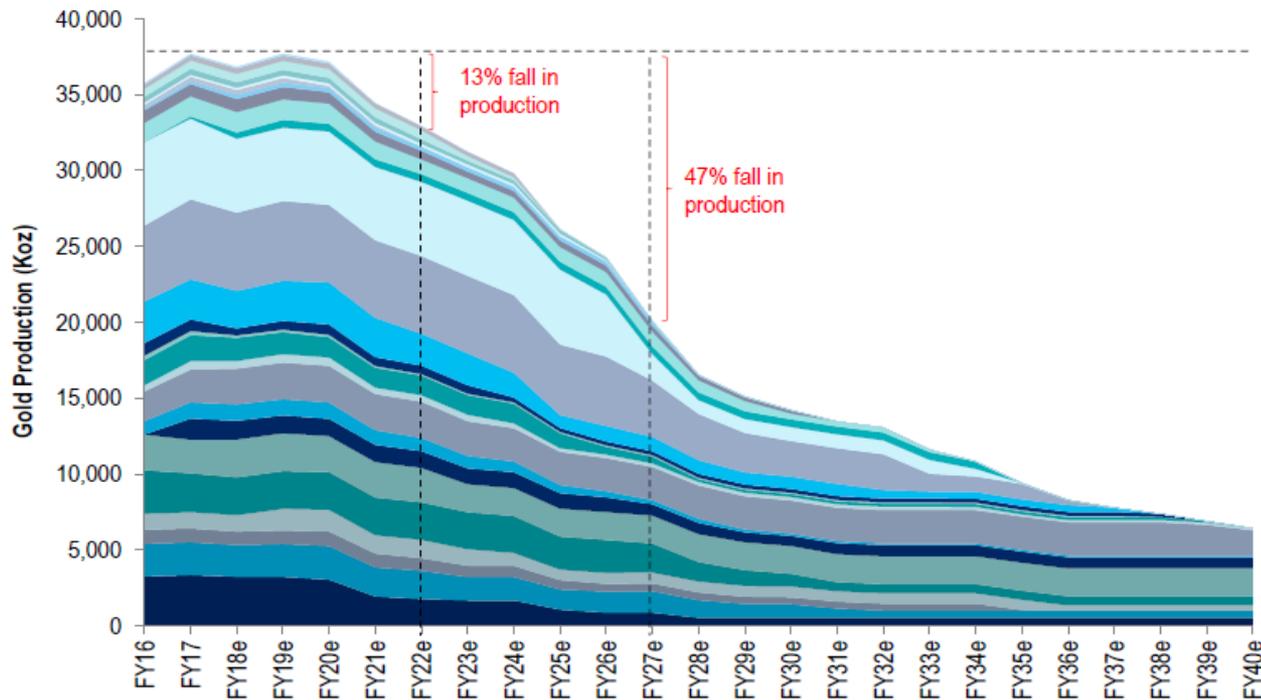


Source: World Gold Council

# GOLD: industrywide decline in production, discoveries and grade

## MINE SUPPLY IS SET TO DECLINE AFTER YEARS OF INCREASES

- Existing mines are being depleted and grades are declining, while few new discoveries have been identified to replace them
- Existing mine production is forecasted to decline 13% by 2022 and 47% by 2027\*
- \$130 billion in cumulative capex is forecasted to sustain current gold output to 2026\*

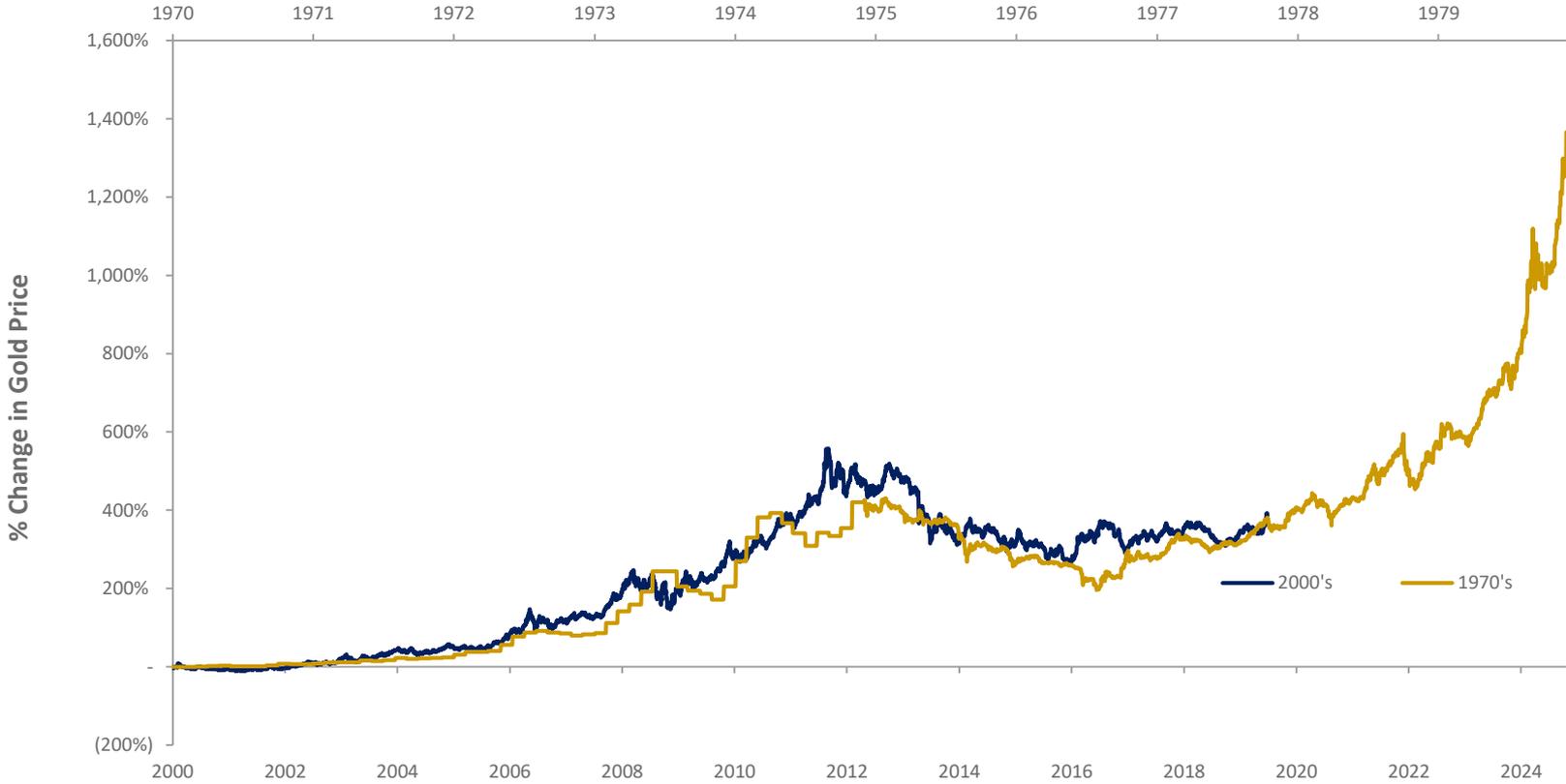


Gold production from major existing mines could fall sharply post 2020 onwards<sup>1</sup>

1) Tickers in order from top to bottom: MML, RRL, NST, SBM, BDR, SAR, PRU, EVN, RRS, PVG, ABX, NEM, KGC, ACAA, RSG, AEM, OGC, PLZLq, POLYP, SGL, NCM, GG, HAR, FRES, GFI, ANG  
Source: Citi Research, Global Gold Project Book “\$130bn capex needed to sustain production”, May 16, 2018  
Based on current reserve and production profiles of the 26 companies under Citi coverage, which represent ~38% of global mine production

# GOLD: history is repeating a bull market pattern

## WE'VE ONLY JUST BEGUN: PARALLEL STRUCTURE OF 1970-1977 BULL MARKET



Since 2011, gold has mostly followed the same structure, including the mid-cycle correction from 1975 to 1977

# GOLD: outperforms other asset classes in a recession

## SOLID PROTECTION FROM ASSET MARKET DISLOCATIONS

Gold has proven itself to be an effective hedge in episodes of risk aversion over the past three decades, rising almost 10% per episode, while broader equities recorded an average loss of ~22%

	Start	End	S&P 500 Index	U.S. Treasuries	Gold	HUI (Gold Equities Index)
1987 Crash	8/25/1987	10/19/1987	-33.20%	-2.60%	5.00%	N/A
Iraq invades Kuwait	7/17/1990	10/12/1990	-18.40%	0.80%	7.60%	N/A
Russia / Long-Term Capital Management crisis	7/20/1998	10/8/1998	-19.00%	5.30%	1.20%	6.70%
September 11, 2001 attacks	9/10/2001	10/11/2002	-23.50%	11.20%	16.60%	76.90%
Global financial crisis	12/13/2007	5/29/2009	-38.20%	10.00%	22.80%	0.60%
2010 euro zone crisis and flash crash	4/20/2010	7/1/2010	-14.90%	4.50%	5.10%	6.30%
U.S. sovereign debt downgrade	7/25/2011	8/9/2011	-12.30%	3.60%	7.80%	-4.40%
China worries	8/18/2015	2/11/2016	-12.80%	3.50%	11.50%	33.40%
<b>Average</b>			<b>-21.54%</b>	<b>4.54%</b>	<b>9.70%</b>	<b>19.92%</b>

# DONLIN GOLD: project highlights

## POISED TO BE ONE OF THE LARGEST GOLD PRODUCERS IN THE WORLD

<b>Reserves:</b>	33.9 Moz Au (505M tonnes grading 2.09 g/t)
<b>Resources:</b>	39.0 Moz M&I (541M tonnes grading 2.24 g/t, inclusive of reserves) and 6.0 Moz Inferred (92 M tonnes grading 2.02 g/t)
<b>Mine Life:</b>	~27 years
<b>Production:</b>	Year 1-5, 1.5 Moz/year; LOM, 1.1 Moz/year
<b>Operation:</b>	Open-pit, conventional truck & shovel
<b>Milling:</b>	53.5k tonnes/day, sulfide flotation, pressure oxidation (POX), carbon-in-leach recovery (CIL)
<b>Strip ratio:</b>	5.5 = 2.8B tonnes waste rock
<b>Tailings:</b>	Downstream-constructed rockfill dam with fully lined storage facility
<b>Power:</b>	153MW average site-generated load, fueled by natural gas transported via a 507-kilometre pipeline
<b>Logistics:</b>	Majority of consumables supplied by Kuskokwim River transportation system with upriver port near Jungjuk Creek

1) See "Cautionary Note Concerning Reserve & Resource Estimates" and "Mineral Reserve and Mineral Resource" table on slides 2 and 43.

2) Some scientific and technical information contained herein with respect to the Donlin Gold project is derived from the "Donlin Creek Gold Project Alaska, USA NI 43-101 Technical Report on Second Updated Feasibility Study" prepared by AMEC with an effective date of November 18, 2011, as amended January 20, 2012 (the "Second Updated Feasibility Study"). Kirk Hanson, P.E., Technical Director, Open Pit Mining, North America, (AMEC, Reno), and Gordon Seibel, R.M. SME, Principal Geologist, (AMEC, Reno) are the Qualified Persons responsible for the preparation of the independent technical report, each of whom are independent "qualified persons" as defined by NI 43-101.

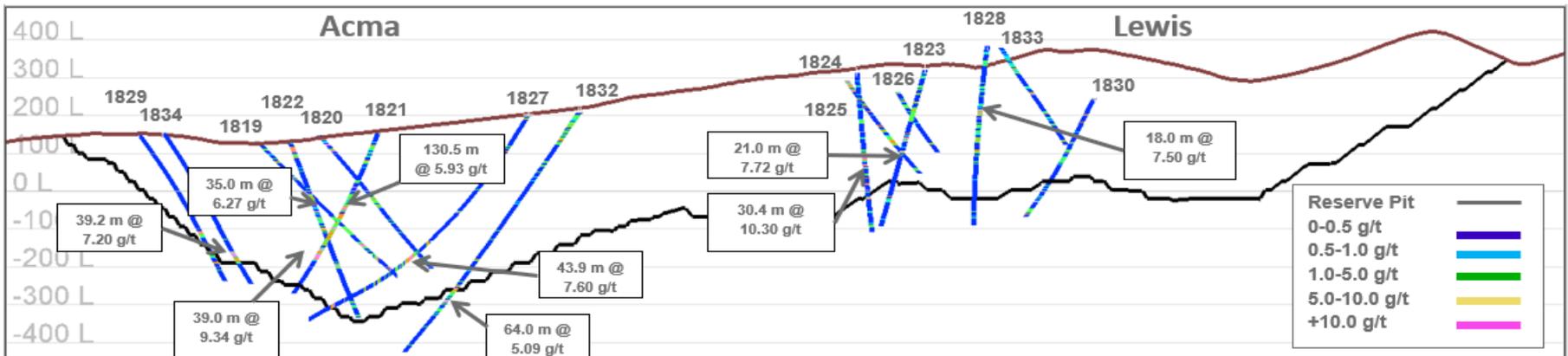
# DONLIN GOLD: 2017 drill program highlights

## EXCELLENT RESULTS - MINERALIZED INTERCEPTS ENCOUNTERED HIGHER GRADES THAN PREDICTED BY PREVIOUS MODELING

### Top Five Significant Intervals<sup>1</sup>

DC17-1821	130.5 meters grading 5.93 g/t gold, starting at 205.0 meters depth
DC17-1821	39.0 meters grading 9.34 g/t gold, starting at 342.0 meters depth
DC17-1827	43.9 meters grading 7.60 g/t gold, starting at 453.2 meters depth
DC17-1832	64.0 meters grading 5.09 g/t gold, starting at 547.0 meters depth
DC17-1824	30.4 meters grading 10.30 g/t gold, starting at 208.6 meters depth

### Vertical Cross Section - Proposed ACMA and Lewis Pits - 2017 Drill Hole Results & Grade Intercepts<sup>2</sup>



1) These represent the top five significant intervals from the 2017 Donlin Gold drill program. Refer to the media release dated February 20, 2018 titled "NOVAGOLD's Donlin Gold Project Reports Excellent Results from 2017 Drill Program," for remaining significant intervals and additional information.

2) The Donlin Gold vertical cross section represents the drill holes completed in 2017 and grade intercepts. Refer to the media release dated February 20, 2018 titled "NOVAGOLD's Donlin Gold Project Reports Excellent Results from 2017 Drill Program," for remaining significant intervals and additional information.

# DONLIN GOLD: private land designated for mining

TOPOGRAPHY AMENABLE TO SITE DEVELOPMENT WITH YEAR-ROUND OPERATIONS



425m

Lewis Deposit

140m

ACMA Deposit

125m

# DONLIN GOLD: expected to provide decades of low-cost production

NOVAGOLD

## LOW OPERATING CASH COSTS AND ALL-IN SUSTAINING COSTS<sup>1</sup>

FIRST FIVE YEARS	
Costs applicable to sales (millions)	\$3,003
Cash Costs Per Ounce	
Open-pit mining	133
Processing	208
G&A, royalties, land & other <sup>2</sup>	70
<b>Total</b>	<b>\$411</b>
All-in Sustaining Costs Per Ounce	
Cash costs	411
Sustaining capex	83
Corporate administration	21
Reclamation	17
<b>Total</b>	<b>\$532</b>

LIFE OF MINE	
Costs applicable to sales (millions)	\$19,240
Cash Costs Per Ounce	
Open-pit mining	270
Processing	257
G&A, royalties, land & other <sup>2</sup>	108
<b>Total</b>	<b>\$635</b>
All-in Sustaining Costs Per Ounce	
Cash costs	635
Sustaining capex	50
Corporate administration	28
Reclamation	22
<b>Total</b>	<b>\$735</b>

Donlin Gold estimates as per the second updated feasibility study effective November 18, 2011, as amended January 20, 2012.

1) "Costs applicable to sales per ounce" and "All-in sustaining costs" are non-GAAP financial measures. See Non-GAAP Financial Measures on slide 44.

2) Based on \$1,200/oz gold price

# DONLIN GOLD: capital expenditures

## WELL-POSITIONED TO SHARE UPFRONT COSTS WITH THIRD PARTIES

Areas	US\$M <sup>1</sup>	Opportunities <sup>1</sup>
Mining	345	➔ Leasing equipment ~\$188M of \$345M <sup>2</sup>
Site preparation/roads	236	
Process facilities	1,326	➔ Oxygen plant could be built by 3 <sup>rd</sup> party ~\$138M of \$1,326M <sup>2</sup>
Tailings	120	
Utilities	1,302	➔ Pipeline could be built by third party ~\$758M of \$1,302M <sup>2</sup>
Ancillary buildings	304	
Off-site facilities	243	
Total Direct Costs	3,876	
Owners' cost	414	
Indirect Costs	1,405	
Contingency	984	
Total Owner's & Indirect Costs, and Contingency	2,803	
<b>Total Project Cost</b>	<b>6,679</b>	➔ <b>&gt;\$1B potential owners initial capital reductions</b>



1) Donlin Gold data as per the Second Updated Feasibility Study. Represent 100% of projected capital costs of which NOVAGOLD's share is 50%.  
 2) Does not include indirect costs or contingency

# NOVAGOLD's corporate social responsibility

## OUR PEOPLE

We're committed to providing an environment in which all of our people make it home safe each and every day; and empowering individuals and communities to work together to ensure a brighter future for everyone. That means a focus on health and safety, where we adopt and implement a high level of protection for our employees and contractors as well as invest in safety programs throughout the Y-K region; workforce development with educational activities and programs through the region's communities; and providing employment opportunities through our commitment to local hiring and training programs.

### 2019 objectives

- zero lost-time incidents at Donlin Gold
- develop and implement a detailed health and safety training program for all Donlin Gold and contractor staff prior to any camp re-opening and field program start-up
- continue to conduct summer boat and winter snow machine safety education programs in the Y-K region, including distributing safety gear to locals
- fund and participate in the EXCEL Alaska youth program focused on trades
- continue to fund Calista and TKC scholarships
- continue the emphasis on local hires for any future field work

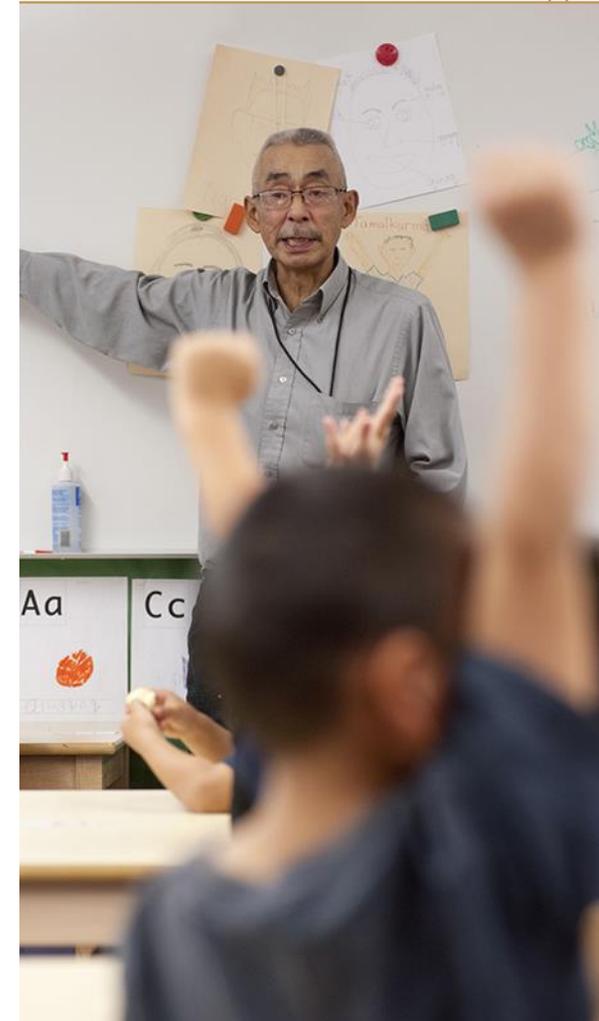


## COMMUNITY WELL-BEING

Establishing strong and collaborative working relationships with the communities where we operate is essential to earning and maintaining the social license to operate – a license that's based on a solid foundation of respect for the values, the culture, and the language of the people in the Y-K region, including helping to maintain their subsistence way of life. It's only possible through an atmosphere of openness, transparency, constructive dialogue, and mutual respect on the part of all stakeholders.

### 2019 objectives

- continue outreach presence with Native Corporations in the Y-K region
- support initiatives that help cultural preservation
- participate in events and initiatives in villages throughout the Y-K region



# NOVAGOLD's corporate social responsibility

## ENVIRONMENTAL STEWARDSHIP

NOVAGOLD supports a project development plan that considers full life-of-mine risks and opportunities – from exploration through to development, operations, and finally closure and reclamation. The process begins with local communities and our Alaska Native partners, who offer generations of traditional knowledge about the local environment; we use this knowledge to help guide the location, layout, and design of the project infrastructure to avoid sensitive and culturally important habitats and landscapes while maximizing the project's efficiencies.

### 2019 objectives

- continue to advance knowledge of biological conditions in the Y-K region through smelt and salmon studies; look for opportunities to improve existing impacted areas through the advancement of plans for pilot-level fish habitat restoration work in the Crooked Creek watershed
- expand the hazardous waste backhaul project to additional Y-K region villages; support the village of Crooked Creek in landfill operations; conduct additional village-specific landfill and waste management improvement activities

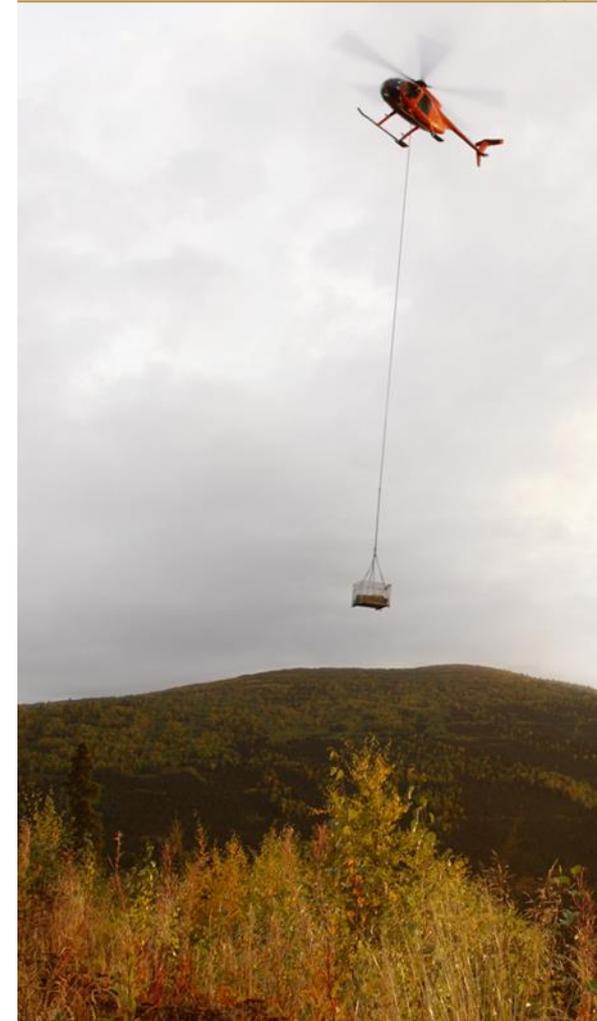


## CORPORATE STRATEGY & GOVERNANCE

Frequent engagement with our shareholders is fundamental in continuing to improve our disclosure and good governance practices. We recognize the importance of consistent, proactive communication, and feel that their perspectives help deepen our understanding of our shareholders' priorities. NOVAGOLD's board of directors' obligation is to oversee and govern the company responsibly, a key function in advising management on strategic direction and practices, employee well-being, and partnerships – and essential toward enhancing shareholder value.

### 2019 objectives

- continue engagement with NOVAGOLD shareholders



# NOVAGOLD: company history highlights

## THE GOLD DEVELOPMENT COMPANY FOR THE 21ST CENTURY

- 1984** incorporated in Nova Scotia – Gerald McConnell as CEO leads exploration company initially focused on gold properties in Nova Scotia, later exploration expands throughout the Americas
- 1998** Rick Van Nieuwenhuysen joins as President & CEO; focuses exploration on North America
- 2001** NOVAGOLD obtains option to earn a 70% interest in the Donlin Creek project by investing \$10M over 10 years; earn-in completed in 18 months
- 2003** Placer Dome exercised its Back-in Right and became the project operator
- 2006** Barrick buys Placer Dome; makes hostile offer for NOVAGOLD; completes Donlin Creek project feasibility study
- 2007** Barrick and NOVAGOLD settle disputes related to Donlin Creek and hostile takeover; form Donlin Gold LLC with each owning 50%
- 2008** Electrum becomes NOVAGOLD's largest shareholder
- 2011** Updated second feasibility study issued
- 2012** NOVAGOLD completes corporate reorganization, new management team hired
  - Greg Lang joins as President & CEO
  - Trilogy Metals (formerly NovaCopper) spun-out
  - ✓ *NOVAGOLD becomes a pure-gold play focused on flagship asset – Donlin Gold*
  - Permitting process commences
- 2017** Donlin Gold drill program complete, encountered more high-grade intercepts
- 2018** Sale of Galore Creek to Newmont, July 2018
  - Major milestones achieved at Donlin Gold**
    - Final Environmental Impact Statement received April 2018
    - The Corps and BLM issued a joint ROD in August 2018
    - Receipt of key state permits

# NOVAGOLD: the board of directors

## INDUSTRY LEADERS TO BRING DONLIN GOLD THROUGH PERMITTING & BEYOND

<b>Dr. Thomas Kaplan</b> Chairman	<ul style="list-style-type: none"><li>• Chairman and CEO of The Electrum Group LLC, a privately held natural resources investment management company that controls a diversified portfolio of precious and base metals assets</li></ul>
<b>Sharon Dowdall</b>	<ul style="list-style-type: none"><li>• Former Chief Legal Officer and Corporate Secretary with Franco-Nevada, transforming an industry pioneer into one of the most successful precious metals enterprises in the world</li><li>• Currently serves as director of Olivut Resources and Foran Resources</li></ul>
<b>Dr. Diane Garrett</b>	<ul style="list-style-type: none"><li>• President and CEO of Nickel Creek Platinum, former President and CEO of Romarco Minerals and former director of OceanaGold</li><li>• Currently serves as director of Nickel Creek Platinum and Revival Gold</li></ul>
<b>Greg Lang</b> President and CEO	<ul style="list-style-type: none"><li>• Former President of Barrick Gold North America with intimate knowledge of Donlin Gold</li><li>• Currently serves as director of Trilogy Metals</li></ul>
<b>Igor Levental</b>	<ul style="list-style-type: none"><li>• President of The Electrum Group LLC, former VP of Homestake Mining and International Corona Corp.</li></ul>
<b>Kalidas Madhavpeddi</b>	<ul style="list-style-type: none"><li>• Former Chief Executive Officer of China Moly Corp and former Executive with Phelps Dodge</li><li>• Currently serves as director of Capstone Mining and Trilogy Metals</li></ul>
<b>Clynton Nauman</b>	<ul style="list-style-type: none"><li>• CEO of Alexco Resources, formerly with Viceroy Gold and Kennecott Minerals</li><li>• Currently serves as director of Alexco Resource Corp</li></ul>
<b>Ethan Schutt</b>	<ul style="list-style-type: none"><li>• Chief of Staff of Alaska Native Tribal Health Consortium (ANTHC)</li><li>• Former Senior Vice President, Land and Energy Development for Cook Inlet Region Inc. (CIRI)</li></ul>
<b>Anthony Walsh</b>	<ul style="list-style-type: none"><li>• Former President and Chief Executive Officer of Miramar Mining Corporation, sold to Newmont Mining Corporation in 2007</li><li>• Currently serves as director of Sabina and Dundee Precious Metals</li></ul>

# NOVAGOLD: the management team

## INDUSTRY LEADERS TO BRING DONLIN GOLD THROUGH PERMITTING & BEYOND

<b>Gregory Lang</b> President and CEO	<ul style="list-style-type: none"><li>• Former President of Barrick Gold North America</li><li>• 35+ years experience building &amp; operating major open-pit and underground mines (Goldstrike, Cortez, Turquoise Ridge, Bald Mountain, Porgera)</li><li>• In-depth knowledge of Donlin Gold</li></ul>
<b>David Ottewell</b> VP and Chief Financial Officer	<ul style="list-style-type: none"><li>• Former VP and Corporate Controller of Newmont Mining Corporation</li><li>• 25+ years of mining industry experience</li><li>• Diverse experience in all facets of financial management, from mine operations to executive corporate financial management of premier gold producers</li></ul>
<b>Mélanie Hennessey</b> VP, Corporate Communications	<ul style="list-style-type: none"><li>• Held variety of executive and senior IR &amp; corporate communications positions with Goldcorp, New Gold, and Hecla Mining Company</li><li>• Leading NOVAGOLD's internal and external communications functions</li></ul>
<b>Ron Rimelman</b> VP, Environment, Health, Safety and Sustainability	<ul style="list-style-type: none"><li>• 25+ years of environmental experience, managing environmental impact assessments and permitting activities world-wide</li><li>• Leadership role on mine permitting and NEPA evaluations for mine projects in Alaska since 1993</li></ul>
<b>Richard Williams</b> VP, Engineering and Development	<ul style="list-style-type: none"><li>• Led the design and construction of the Pueblo Viejo project in the Dominican Republic</li><li>• 30+ years of experience developing and operating major mines (Goldstrike and Mercur)</li><li>• Highly knowledgeable and experienced leader in autoclave technology</li><li>• Member of the American Institute of Mining, Metallurgical, and Petroleum Engineers; CIM</li></ul>

# NOVAGOLD: mineral reserve and mineral resource

NOVAGOLD

Donlin Gold (100% basis)*	Tonnage	Grade	Metal content	* Mineral reserves and resources are reported on a 100% basis. NOVAGOLD and Barrick each own 50% of the Donlin Gold project.
GOLD	kt	g/t Au	koz Au	
<b>Reserves<sup>(1)</sup></b>				<b>Donlin Gold approximate cut-off grades (see Resources Footnotes):</b> Reserves <sup>1</sup> : 0.57 g/t gold Resources <sup>2</sup> : 0.46 g/t gold
Proven	7,683	2.32	573	
Probable	497,128	2.08	33,276	
P&P	504,811	2.09	33,849	
<b>Resources<sup>(2)</sup>, inclusive of Reserves</b>				
Measured	7,731	2.52	626	t = metric tonne g/t = grams/tonne oz = ounce k = thousand M = million
Indicated	533,607	2.24	38,380	
M&I	541,337	2.24	39,007	
Inferred	92,216	2.02	5,993	

- a) This resource estimate has been prepared in accordance with NI43-101 and the CIM Definition Standard, unless otherwise noted.  
b) See numbered footnotes below on resource information.  
c) Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal content  
d) Tonnage and grade measurements are in metric units. Contained gold is reported as troy ounces.

- 1) Mineral Reserves are contained within Measured and Indicated pit designs, and supported by a mine plan, featuring variable throughput rates, stockpiling and cut-off optimization. The pit designs and mine plan were optimized on diluted grades using the following economic and technical parameters: Metal price for gold of US\$975/oz; reference mining cost of US\$1.67/t incremented US\$0.0031/t/m with depth from the 220 m elevation (equates to an average mining cost of US\$2.14/t), variable processing cost based on the formula  $2.1874 \times (\%) + 10.65$  for each US\$/t processed; general and administrative cost of US\$2.27/t processed; stockpile rehandle costs of US\$0.19/t processed assuming that 45% of mill feed is rehandled; variable recoveries by rock type, ranging from 86.66% in shale to 94.17% in intrusive rocks in the Akivik domain; refining and freight charges of US\$1.78/oz gold; royalty considerations of 4.5%; and variable pit slope angles, ranging from 23° to 43°. Mineral Reserves are reported using an optimized net sales return value based on the following equation:  $\text{Net Sales Return} = \text{Au grade} \times \text{Recovery} \times (\text{US}\$975/\text{oz} - (1.78 + (\text{US}\$975/\text{oz} - 1.78) \times 0.045)) - (10.65 + 2.1874 \times (\%) + 2.27 + 0.19)$  and reported in US\$/tonne. Assuming an average recovery of 89.54% and an average 5% grade of 1.07%, the marginal gold cut-off grade would be approximately 0.57 g/t, or the gold grade that would equate to a 0.001 NSR cut-off at these same values. The life of mine strip ratio is 5.48. The assumed life-of-mine throughput rate is 53.5 kt/d.
- 2) Mineral Resources are contained within a conceptual Measured, Indicated and Inferred optimized pit shell using the following assumptions: gold price of US\$1,200/oz; variable process cost based on  $2.1874 \times (\text{sulphur grade}) + 10.6485$ ; administration cost of US\$2.29/t; refining, freight & marketing (selling costs) of US\$1.85/oz recovered; stockpile rehandle costs of US\$0.20/t processed assuming that 45% of mill feed is rehandled; variable royalty rate, based on royalty of 4.5% \* (Au price – selling cost). Mineral Resources have been estimated using a constant Net Sales Return cut-off of US\$0.001/t milled. The Net Sales Return was calculated using the formula:  $\text{Net Sales Return} = \text{Au grade} \times \text{Recovery} \times (\text{US}\$1,200/\text{oz} - (1.85 + ((\text{US}\$1,200/\text{oz} - 1.85) \times 0.045)) - (10.65 + 2.1874 \times (\%) + 2.29 + 0.20))$  and reported in US\$/tonne. Mineral Resources are inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Inferred Resources are in addition to Measured and Indicated Resources. Inferred Resources have great uncertainty as to their existence and whether they can be mined legally or economically. See “Cautionary Note Concerning Reserve & Resource Estimates” on slide 2.

## Technical Reports and Qualified Persons

The documents referenced below provide supporting technical information for the Donlin Gold project.

Project	Qualified Person(s)	Most Recent Disclosure
Donlin Gold	Gordon Seibel R.M. SME Kirk Hanson P.E.	“Donlin Creek Gold Project Alaska, USA, NI 43-101 Technical Report on Second Updated Feasibility Study” prepared by AMEC, effective November 18, 2011, amended January 20, 2012.

Clifford Krall, P.E., who is the Mine Engineering Manager for NOVAGOLD and a “qualified person” under NI 43-101, has approved the scientific and technical information contained in this presentation.

# Non-GAAP financial measures

## Non-GAAP Financial Measures

This presentation makes reference to certain non-GAAP measures. These measures are not recognized measures under US GAAP and do not have a standardized meaning prescribed by US GAAP and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those US GAAP measures by providing further understanding of our results of operations from management's perspective and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with US GAAP.

NOVAGOLD believes that these measures, in addition to conventional measures prepared in accordance with US GAAP, provide investors an improved ability to evaluate the underlying performance of NOVAGOLD.

### Costs applicable to sales per ounce

Costs applicable to sales per ounce is a non-GAAP financial measure. This measure is calculated by dividing the costs applicable to sales by gold ounces sold. Costs applicable to sales per ounce statistics are intended to provide additional information only and do not have any standardized meaning prescribed by GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The measure is not necessarily indicative of operating profit or cash flow from operations as determined under GAAP. Other companies may calculate these measures differently.

The following table reconciles this non-GAAP measure to the most directly comparable GAAP measure.

Costs applicable to sales per ounce:

	First Five Years	Life of Mine
Costs applicable to sales <sup>1</sup> (\$millions)	\$3,003	\$19,240
Gold sold <sup>1</sup> (million ounces)	7.3	30.4
Costs applicable to sales per ounce	<u>\$411</u>	<u>\$635</u>

### All-In Sustaining Costs

Current GAAP measures used in the mining industry, such as cost of goods sold, do not capture all of the expenditures incurred to discover, develop and sustain production. Therefore, we believe that all-in sustaining costs is a non-GAAP measure that provides additional information to management, investors, and analysts that aid in the understanding of the economics of our operations and performance compared to other producers and in the investor's visibility by better defining the total costs associated with production.

All-in sustaining cost (AISC) amounts are intended to provide additional information only and do not have any standardized meaning prescribed by GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP. Other companies may calculate these measures differently as a result of differences in the underlying accounting principles, policies applied and in accounting frameworks such as in International Financial Reporting Standards (IFRS), or by reflecting the benefit from selling non-gold metals as a reduction to AISC. Differences may also arise related to definitional differences of sustaining versus development capital activities based upon each company's internal policies.

The following table reconciles this non-GAAP measure to the most directly comparable GAAP measure.

All-in sustaining costs per ounce:

	First Five Years	Life of Mine
<u>Costs (\$millions)</u>		
Costs applicable to sales <sup>1</sup>	\$3,003	\$19,240
Sustaining capital <sup>1</sup>	606	1,505
Corporate administration <sup>2</sup>	150	900
Reclamation <sup>3</sup>	121	671
All-in sustaining costs	<u>\$3,880</u>	<u>\$22,316</u>
Gold sold (million ounces) <sup>1</sup>	7.3	30.4
All-in sustaining costs per ounce	<u>\$532</u>	<u>\$735</u>

1) Costs applicable to sales per Donlin Gold second updated feasibility study, effective date November 18, 2011 and filed on January 20, 2012, excluding depreciation and reclamation costs.

2) Assumes \$30M per year of corporate administration costs

3) Includes accretion expense related to reclamation liabilities and trust fund for closure costs



**NOVAGOLD RESOURCES INC.**

Suite 720 – 789 West Pender Street  
Vancouver, BC, Canada V6C 1H2

T: 604 669 6227

TF: 1 866 669 6227

F: 604 669 6272

[www.novagold.com](http://www.novagold.com)

[info@novagold.com](mailto:info@novagold.com)

Mélanie Hennessey

VP, Corporate Communications

[melanie.hennessey@novagold.com](mailto:melanie.hennessey@novagold.com)

Jason Mercier

Manager, Investor Relations

[jason.mercier@novagold.com](mailto:jason.mercier@novagold.com)