

**NOVAGOLD Resources Inc.
2019 Annual General Meeting of Shareholders
Conference Call and Webcast Transcript**

Date: Thursday, May 16, 2019

Time: 1:00 PM PT

Speakers: **Gregory Lang**
President and Chief Executive Officer

David Ottewell
Vice President and Chief Financial Officer

Dr. Thomas Kaplan
Chairman of the Board of Directors

OPERATOR:

Welcome to the NOVAGOLD 2019 Annual General Meeting of Shareholders Conference Call and Webcast. As a reminder, all participants are in listen-only mode and the conference is being recorded. Should anyone need assistance during the conference call, they may signal an Operator by pressing star, zero on their telephone. Please direct any questions for NOVAGOLD to info@novagold.com, or call Investor Relations at 1-866-669-6227. The Company will respond as quickly as possible to any enquiries.

At this time, I would like to turn your attention to the Hyatt Regency in Vancouver, where the NOVAGOLD 2019 Annual General Meeting of Shareholders will begin momentarily. Thank you.

GREGORY LANG:

Good afternoon, everyone. My name is Greg Lang, and I am the President and CEO of NOVAGOLD. Thank you for attending this Annual Meeting of the Shareholders of NOVAGOLD Resources Inc. We thank all of our shareholders, partners, associates, employees, and extend a special thanks to those of you who traveled to attend this meeting. We are grateful for your interest and support.

There are a couple of housekeeping items for those of you in the room today. Please silence your phones, and note that in an emergency, you should exit the building using the stairs outside the entrance to this room, directly across the hallway.

As part of today's agenda, David Ottewell, Vice President and Chief Financial Officer of NOVAGOLD, will begin by taking us through the formal official business of the meeting. I will follow with an overview of NOVAGOLD's 2018 results and the outlook for 2019. Dr. Thomas Kaplan, the Chairman of the Board of Directors, will then make a few remarks. We will then conclude with an opportunity for shareholder questions. David?

DAVID OTTEWELL:

Thank you, Greg. Good afternoon, everyone. As Greg mentioned, my name is David Ottewell and I am the Vice President and Chief Financial Officer of NOVAGOLD.

Should anyone present need a copy of the proxy or the Management Information Circular, we have additional copies available at the registration desk. If there are any NOVAGOLD shareholders as of the record date of March 18, 2019, who are present today but have not yet registered with Computershare at the registration desk or deposited a proxy, please do so now.

I would like to take this opportunity to introduce our Directors and Director nominees to you. If each of you could please identify yourself when your name is called. Sharon Dowdall, Dr. Diane Garrett, Dr. Thomas Kaplan, Greg Lang, Igor Levental, Kalidas Madhavpeddi, Clynton Nauman, Ethan Schutt, Rick Van Nieuwenhuysse and Anthony Walsh. Many thanks to our Directors and nominees for taking time out of their busy schedules to be with us today.

The meeting will now come to order. Pursuant to the Articles of the Company, Greg Lang, President and CEO, will act as meeting Chairman, and I, David Ottewell, Vice President and Chief Financial Officer of NOVAGOLD, will act as the meeting Secretary. With the consent of the meeting, the Chair appoints Jenny Karim of Computershare Investor Services Inc. as scrutineer.

The notice calling this Meeting of the Shareholders was mailed by the Company's transfer agent, Computershare Investor Services Inc., to all the shareholders of record as of March 18, 2019. The declaration of Computershare as to such mailing is available for inspection by any shareholder. I will append the declaration as a schedule to the minutes of this meeting.

As the scrutineer has completed the tabulation of the shareholders present, in person or represented by proxy, I will read the report of the scrutineer to the meeting: three shareholders in person representing 35,178 shares, 206 shareholders by proxy representing 262,181,792 shares, with a total of 80.62% of the outstanding shares represented at this meeting. A quorum for the meeting of NOVAGOLD shareholders is achieved if at least two shareholders are personally present or represented by proxy at the meeting and those shareholders hold not less than 25% of the issued shares of the Company entitled to vote at the meeting. The report of the scrutineer indicates that a quorum is present and, as notice has been properly given, I declare this meeting regularly and duly called and constituted for the transaction of business.

There are six items of formal business before the meeting today: one, to verify the minutes of the 2018 Annual Meeting of the Shareholders; two, to receive the Annual Report of the Directors containing the consolidated financial statements of the Company; three, to set the number of Directors; four, to elect Directors for the forthcoming year; five, to appoint the Company's auditor and to authorize the Directors, through the Audit Committee, to affix the auditor's remuneration for the forthcoming year; and six, to consider and, if deemed appropriate, approve a non-binding resolution approving the compensation of the Company's named Executive Officers.

The minutes of the Annual Meeting of the Shareholders held on May 4, 2018 are available for perusal by any shareholder. Is there a motion to take the minutes as read and verified? Do I have a second? Thank you. Is there any discussion on the motion? All in favour, please signify by raising your right hand. Any contrary? Carried.

We will now present the Annual Report of the Directors containing the consolidated financial statements of NOVAGOLD for the year ended November 30, 2018, together with the auditor's report thereon. A copy of the annual financial statements was mailed to each shareholder of record who specifically requested a copy. Extra copies are available at the registration desk. Are there any questions on the financial statements of the Company? If there are no questions, we will move on to the next item of business.

The next item of business is to consider and, if thought fit, approve an ordinary resolution setting the number of Company Directors at ten. The explanation of this item may be found on Page 6 of the Management Information Circular. Is there a motion to approve an ordinary resolution setting the number of Directors at ten? Do I have a second? Thank you. Is there any discussion on the motion? I will now ask all who are in favour of the ordinary resolution setting the number of Directors at ten to raise your right hand. Any against? I therefore declare the ordinary resolution setting the number of Directors at ten carried by a majority of the votes cast on the resolution.

The next item of business is the election of Directors. The Board of Directors and the shareholders have determined that the business of the Company can be properly conducted by a Board consisting of ten Directors. Nine individuals are proposed as nominees to the Board of Directors, as set out in the Management Information Circular. The Board anticipates appointing a Director to fill the vacancy when

a suitable candidate is found. The nominees are: Sharon Dowdall, Dr. Diane Garrett, Dr. Thomas Kaplan, Greg Lang, Igor Levental, Kalidas Madhavpeddi, Clynton Nauman, Ethan Schutt, and Anthony Walsh. Can I have a motion nominating these nine individuals for election as Directors of the Company to hold office until their successors are duly elected or appointed? Do I have such a motion?

MALE SPEAKER:

Aye.

DAVID OTTEWELL:

Do I have a second? There being no more nominations, I declare the nominations closed. Given the majority voting policy adopted by the Company's Board, a poll will be taken on this matter. Any registered shareholder present who wishes to cast a ballot may do so, unless such shareholder has already provided a proxy. Those shareholders who have already given proxies need not vote again, and should not vote again, using the ballot, unless they first sign a revocation of proxy. Ballots and revocation forms are made available by Computershare at the registration desk. If you are entitled to vote on this matter but did not receive a ballot, please raise your hand and the scrutineer will provide you with one.

On the ballot, you will find the names of the nine Management nominees. Please indicate beside the name of each nominee whether you vote for or withhold your vote for each nominee by marking an X in the appropriate spot. Once you have completed voting, please raise your hand and the scrutineer will collect your ballot. We will now cast ballots for the proxies which we hold. The ballots have now been collected. I will report the results of the poll when the scrutineer has completed the vote tally.

The next item of business is to appoint the auditors of the Company to hold office until the next Annual Meeting. Is there a motion that PricewaterhouseCoopers LLP, located in Vancouver, British Columbia, be appointed auditors of the Company, to hold office until the next Annual Meeting or until their successors are duly appointed, and that the Directors, through the Audit Committee, be authorized to fix their remuneration? Do I have such a motion?

FEMALE SPEAKER (10:23):

Aye.

DAVID OTTEWELL:

Do I have a second?

FEMALE SPEAKER (10:25):

Aye.

DAVID OTTEWELL:

Thank you. All in favour, please raise your right hand. Any against? The motion is carried. I declare that PricewaterhouseCoopers LLP be, and are hereby appointed, auditors of the Company, to hold office until the next Annual General Meeting of the Shareholders or until their successors are duly appointed, and that the Directors, through the Audit Committee, be, and are hereby authorized, to fix their remuneration.

The next item of business is to consider and, if thought fit, approve a non-binding resolution approving the compensation of the Company's named Executive Officers. The Company's Compensation Discussion and Analysis is contained on Pages 26 through 55 of the Management Information Circular. The full text of the proposed non-binding resolution approving the compensation of the Company's named Executive Officers is set out on Page 11 of the Management Information Circular. Do I have a motion to approve the non-binding resolution approving the compensation of the Company's named Executive Officers?

FEMALE SPEAKER (11:25):

Aye.

DAVID OTTEWELL:

Do I have a second? Thank you. Is there any discussion on the motion? All who are in favour of the non-binding resolution approving the compensation of the Company's named Executive Officers please raise your right hand. Any against? I declare the non-binding resolution approving the compensation of the Company's named Executive Officers carried by a majority of the votes cast on the resolution.

I have received the results of the ballot on the election of Directors from the scrutineer. I declare Sharon Dowdall, Dr. Diane Garrett, Dr. Thomas Kaplan, Greg Lang, Igor Levental, Kalidas Madhavpeddi, Clynton Nauman, Ethan Schutt, and Anthony Walsh elected as Directors of the Company, to hold office until the next Annual Meeting of the Shareholders of NOVAGOLD or until their successors are duly elected or appointed. Details as to the votes for or withheld from voting for each individual nominee will be disclosed in the manner provided for in the majority voting policy.

That concludes the formal items of business. Is there any further business? As there is no further business, is there a motion to conclude the meeting? Do I have a second?

All in favour? Against? The motion is carried. The formal portion of the meeting is now concluded. Thank you for your attention.

GREGORY LANG:

Thank you, Dave, for taking us through the formal business of this meeting. I'll be opening with a little bit of a discussion about the highlights from last year and the outlook for this year, followed by Dr. Kaplan.

I think everybody in the room would be aware our presentation does contain some forward-looking materials, and I draw your attention to that statement.

This Company is really about the Donlin Gold Project up in Alaska. We co-own this asset with Barrick, one of the largest gold producers in the industry. It's a development-stage project. It has just recently completed the federal permitting process. Later in my remarks, I'll talk about why this asset is important to the Company, and why we focus this Company on the Donlin Project.

Taking a look—if you look back at what we accomplished in 2018, which is of course appropriate at our Annual General Meeting, one of the most significant milestones is we completed our federal permitting process and received a Record of Decision from the Army Corp of Engineers and the Bureau of Land Management. It's the first time two federal agencies issued a joint Record of Decision. We also have advanced many of the important state permits that we'll ultimately need to construct the project.

A very significant milestone for the Company, and this really completes the restructuring we set about many years ago, is we sold our Galore Creek property to Newmont for a total consideration up to \$275 million. This transaction puts NOVAGOLD in a very enviable financial position for many years to come.

Another key event up in Alaska, there was basically an anti-mining ballot referendum that the citizens of Alaska voted down two-to-one, really reinforcing their commitment to responsible mining activities.

This is just a picture of the signing ceremony for the Record of Decision. That's the Army Corp of Engineers Colonel there and a representative from the BLM. This is a huge milestone. It was six years in the making and it's been—you know, permitting in the United States is a very thorough, open and transparent process, we welcome the scrutiny that it brings, and we have successfully completed that with the Record of Decision.

Now, we'll just really, top of the waves, look at the attributes that make Donlin really a unique development gold story.

First is its size. Donlin has an endowment of almost 40 million ounces of gold. When you look at the other undeveloped gold deposits in the industry, that's better than twice the size of the nearest one, almost fivefold bigger than the average of these projects. The industry needs assets and projects like Donlin to sustain itself.

The other real key attribute of the Donlin Gold Project is the grade. You know, 2.25 grams, that's where the industry was over a decade ago, that's better than twice the average industry grade now, and there's been some mines recently commissioned with grades of about a gram. The grade really separates us apart, and it has contributed to our very low cash costs, once the mine is in operation.

Donlin is going to be a big mine. Its first five years, it will average 1.5 million ounces a year, followed by a mine life of almost 30 years, with an average of 1.1 million ounces a year. That really makes it pretty unique in its class, and there's very few gold mines that have this output anymore. If it was built today, it would be the largest gold mine in the industry.

This highlights, really, the scarcity of big deposits like Donlin. Many of these other large-scale deposits have been around a long time, they're getting rapidly depleted, and some of them are in some, frankly, very difficult jurisdictions in which to operate.

The deposit is very well understood to us. Over the years, we've drilled over 1,400 holes into Donlin. Over 90% of them have been core holes. We understand the mineralization, the geology, and the grade. It's a very well-studied mineral occurrence.

As well as we've studied it, the two main ore bodies, ACMA and Lewis, we still have a lot of potential to expand the resources of Donlin. This slide illustrates where the two known resources and reserves are at ACMA and Lewis, and that occupies only three kilometres of an eight-kilometre gold-bearing system. We've drilled over the years up and down the trend, and we encountered grades and thicknesses of mineralization comparable to what we know at Donlin. When the time is right, we'll resume exploration drilling at the site, and we certainly have the real estate to better than double the endowment at Donlin.

The other key attribute about Donlin that sets it apart from any other projects is that we're located on private land that is owned by two Alaskan Native Corporations. Calista owns the mineral estate and TKC owns the surface rights. We have essentially life-of-mine agreements with both of these corporations and, certainly, they've got an owner's interest in seeing the project go forward. Donlin is in a very depressed part of the United States, very depressed part of Alaska, and there's virtually no economic opportunity. This mine, when built, can change the lives of thousands of people.

We also, working as NOVAGOLD and through Donlin Gold, take our corporate social responsibility to heart every day. We look after the health of our people and the wellbeing of the communities, we're active with many programs targeted at educating youth, and really making the Donlin Project become a very welcome, contributing part of the society in Alaska.

The world continues to get more and more complicated for natural resource companies, and we're fortunate Alaska, frankly, has a lot of appeal to us. It's a great place to visit, it's got excellent mineral potential, it's got an established mining industry, political, and social stability, and it's a state that we're welcome at. So, it's the right place to build a mine.

Looking at—this just highlights some of the key activities that are ahead of us this year. We've gotten many of the major permits completely behind us. We're still working on some of the minor ones, such as the pipeline right-of-way, dam safety certificates, and so on, but we're really well along the way, but the key one that really opens the door for us to begin activities at site was the Record of Decision, and with that, the 404, or wetlands permit. For the first time, really, since I've been with the Company, the schedule for development is no longer waiting on a federal agency, it's largely in the hands of the owners now.

While we've been working through the permitting, we've also been working with our partner, Barrick Gold, on various technical studies to optimize both the scale and the execution of the project we've got planned. We're using all of this data to ultimately find the project that makes the most sense. Given the time we're in, we're very seriously considering a staged-development approach, where we would build half now and then fund the second half out of the project's cash flow. So, we're working with Barrick, they've gone through a lot of changes, but we're certainly impressed with the calibre of the people that joined Barrick when they merged with Randgold.

Financially, this Company is in amazing shape for a junior company without revenue. We've got \$160 million in cash. With the receivables that we have from Newmont that are guaranteed, that puts our liquidity in the neighbourhood of \$0.25 billion. We also have another \$75 million contingent payment due from Newmont, when Newmont and Tech reach a construction decision on Galore. So, we're in great shape. We have no need to raise money until we need to fund our share of the construction for Donlin.

This slide really—this is what this Company is all about. We offer our shareholders and our project tremendous leverage to rising gold prices. At current prices, we've got a project with modest rates of return, but we have no intention of building it until prices are higher, and when prices move up, the returns on this project are exceptional.

This is just a summary of the top shareholders of NOVAGOLD. Over half the stock is with the top shareholders. They understand this Company well. They support our strategy of taking the Donlin

asset and positioning it to go forward when the time is right. We've appreciated theirs and all our shareholders' loyalty over the years.

With that, I will turn the remarks over to our Chairman.

DR. THOMAS KAPLAN:

Hello, everyone. Good to see many friendly faces yet again. For those of you who have listened in on our quarterly calls or read our Annual Report, you know that this year is a moment where we are broadcasting, without being triumphant, the fact that NOVAGOLD is really one of those very few companies in this business that, over the last decade, has not only done everything that it said that it would do, but also has not made any value-destroying poor decisions. This is very, very rare in the mining industry. There are reasons for that. I won't go into it, unless asked in Q&A, but suffice to say that NOVAGOLD has positioned itself to be what is, in my view, and as the largest shareholder having some standing in this, and our shareholders' view, the perfect way to play the state of the gold market and the state of the gold industry.

Let's start by explaining why we are bullish on gold. I will start by saying that it has nothing to do with the myriad dark clouds that we can see from an economic or political or strategic standpoint. The sky is darkened with black swans, but we don't require even one black swan to alight in order to be able to see much, much higher gold prices. I mean multiples of where we are today. I've been in this business for 25 years, and in every instance where we've invested, we've seen the underlying commodity, or in this case currency, multiply in value if the fundamentals are right. The reason why we don't require crises or panic, or any of what I call the fear factors, are because the economics 101, the supply/demand of gold is so compelling.

The next several charts will paint a beautiful picture, almost a Rembrandt, in terms of trying to explain, without having to go into thousands of words, why gold is going to pop and, if anything, explode to the upside.

First of all, as you can see from this chart, gold has peaked. Yes, for another year or two, you could always have a little bit of fluctuation here or there, but gold is poised to fall off a cliff. More than, in our opinion, any other metal, including very exotic ones, gold is the bull market that is preparing in plain

sight, when you take into account that today it will take, on average, 20-plus years to go from discovery to production in the gold industry, number one, and number two, unlike the hydrocarbon industry, we don't have large areas of potential resources that can be tapped by new technologies, or even higher prices, and even if they did, again, it would take 20 years. So, from a supply standpoint, we're not due for any shocks. If anything, the shock is to the downside. By 2027, according to these statistics, we could see production fall by half. That's extremely compelling.

It gets better. The horse has already left the barn. Those discoveries that would be required to provide the gold of the future in 15, 20, 25-year hens, they're not happening. The majors are burning through their reserves faster than they can replace them, and the juniors, which traditionally were setting up the pipeline for the majors, aren't delivering either. They weren't delivering when the exploration expenditures soared, and they're certainly not delivering since the exploration expenditures have collapsed. The result is that reserves have fallen as exploration budgets have fallen, and reserves have now declined 26% since 2012, and are now below 2007 levels.

This is what you call a perfect storm, from a supply standpoint, and it's inelastic, in the sense that if gold goes to \$2,000, \$2,500, we're just not going to see a supply of gold mines that were out of production suddenly turn on the switch. It doesn't exist. Donlin will be the largest single pure gold mine in the world, either in one or two stages. That will be 1.5 million ounces. In the gold industry, that's huge. That's \$1.5 billion, \$2 billion, using today's prices, roughly. If we get a bull market in gold, the amount of money that will be going into gold will be like getting Hoover Dam through a garden hose. A couple billion dollars, \$2 billion, \$3 billion, \$4 billion, \$5 billion from the biggest mine in the world won't mean anything. The gold just simply is not there in a way that will allow access to it.

I've been in the energy business. I went from mining to energy, before going back to mining. I was shocked by how quickly I became a producer. It never even occurred to me that you could make a discovery and within a year, if you're in Texas, attach yourself to a pipeline, you're producing money. With gold, it's not like that. It's decades. That's why I say the horse has already left the barn. The barn door has been shut.

Meanwhile, just as supply is falling, we now have the official sector, the central banks, competing with private investors and institutions to own gold. This is not a contrary indicator, this is a bullish indicator,

because the central banks are the ultimate judges of what is a reserve, and by voting with their feet, in the case of the western banks, by stopping selling, and in the case of the eastern banks, by being buyers every quarter, what they're saying is nobody knows better than the people who are managing the reserves just how fragile our reserve base really is. They know that almost all of their reserves, other than gold, are things that can be printed, either electronically or physically, and what they're saying is "We know that we can't sell the one asset that we have, which is not someone else's liability," and as every country in the world wants to debase their currencies, and as the United States, which has the world's reserve currency is showing that they will do anything they can to print as much money as possible, including fiscal strategy, including the adoption of MMT, modern monetary theory, which is another word for "you can spend as much as you want without having to ever pay anything back." For all of these reasons, it's not just for banana republics anymore, everyone wants to see their currencies debased. When everyone wants to see their currencies weakened and the mining companies, which are the ones who are the only ones who find actual money with a long-term track record of maintaining, if not increasing, its value can't do it, the future is very, very clear. It's just a question of time.

I love this chart. This is a bullish chart. Now, what this shows you is a long-term bull market in gold, one that's characterized by very long waves. That first wave, which took us from \$250 or so all the way up to \$1,900, was 12 years of consecutive increases in the gold price year-on-year. Every year gold ended higher than when it started for 12 years. During that time, you had inflation fears, deflation fears, strong dollar, weak dollar, strong stocks, weak stocks, strong oil, weak oil, political stability, political instability, and every year, it didn't matter, whatever the circumstance was, gold ended higher. That's a bull market.

It's not unusual to see a correction within that bull market, and what you've seen, in our view, is a correction within a long-term bull market. What's so bullish about that first wave up and the second correctional wave down is that these are decade-long moves, which is to say that when gold surpasses its old highs, it will probably continue in the next phase of the bull market for another 5, 10—third waves are very long sometimes—15 years.

The way that we see this—because I'll get the question, is "What will move gold? Where do you see it happening?" There are two possibilities that I see from this chart, and I'm a fundamentalist, I'm a

historian by background, but I view this as being a function of history. What we're looking at is the way things actually happened over a long period of time. That is synonymous with history. The way that this chart is shaping up is that either gold has already broken out from that decline and is coiling like a snake or maybe we'll get one more head fake to the downside. I remember this in the silver business, where silver went from 4 to 6, roughly, in 2002/2003, came back down, tested 4 again. Everyone was so disgusted, they sold out of it, and silver began a march that took it past 5, 6, 7, 8, ultimately back to 50. I think that either we get that head fake to the downside, or we're already broken out. It doesn't really matter. If you bought the Dow Jones at \$1,000 or at \$1,300 on its way to \$25,000, it really didn't matter. The key was to get yourself in it. Because what will happen is when gold spikes higher, the people who will say, "Oh my God, I could have bought it at \$1,300, and now it's at \$1,600. I'll wait for a pullback," well, the fact is two things happen. Number one, when everybody puts in bids to buy for a pullback, they don't get filled, but if they do, the joke is that the same people who put in those bids will get scared when gold does pull back from \$1,600 to \$1,300, just to test their metal. That's just human psychology.

At this point, an investment in gold is 90% psychological, because for all the reasons that cited before, the supply/demand fundamentals are already arguing for gold to multiply in price. It's just a question of when that trigger will come. My choice, my preference, and that and five bucks will buy you a coffee on Madison Avenue, but my preference is there's no news, it just pops one day, and people are all looking for some sort of a justification, and they'll find one ex post facto. It could be political, it could be economic, it could be fiscal, you never know. The reality is that gold is 20% away from its downside low, if it goes down, but it is hundreds of percent away from where the price is going to be going.

This is an interesting chart. Karl Marx once said that history repeats itself, the first time it's tragedy, the other time farce. In this particular case, where we're looking at what can happen with gold versus equities and gold equities in the 70s, mark my words, you can easily see a bubble in the gold equities, the ones that survive. Our personal view, as a firm, is that the bubble will be in those very, very few high-quality gold assets located in North America. If anything has already come out of that white swan, which is what we call the Barrick/Randgold merger, it's the little swan, the signet, of Barrick and Newmont effectively shining a spotlight on Nevada, the number one largest producing gold state in the country, and that, in itself, will put a spotlight on Donlin, because we believe that Donlin, just on what we can see along the eight-kilometre trend that Greg referenced, can be as big, if not bigger, than

Nevada. If that's the case, then being able to have a pure play on the next Nevada, which has just been validated in the most beautiful way in the public market, is really the Holy Grail.

In referencing some of this activity, the fact is that when you look at the supply/demand, when you look at the lack of discoveries and the burning through of reserves, you can clearly see that what's going on in the gold industry, it's not a game of musical chairs, it's really a *Game of Thrones*, and that's going to continue, because the gold companies will not be able to explore their way out of the coming reserve debacle. They're going to have to buy.

Once again, as I started, the beauty of this Company, and speaking as someone who has been engaged with the natural resources industry for 25 years, is that I've never had the privilege of working with such a Management Team that is so consistent in message, consistent in execution, and consistent in its rigid adherence to wanting to make sure that they do the best by shareholders.

When Greg and I came onboard officially in 2012, Greg joined us from Barrick as CEO, I joined as Chairman, we made certain forecasts, promises to our shareholder base, and that was that we would get Donlin permitted, that was that Galore Creek would be sold, not for pennies. We could have sold this for tens of millions of dollars at any time within the last five, six, seven years, but instead we're getting \$200 million, probably \$275 million for that asset. We promised that this Company would become a pure play on Donlin and spun off NovaCopper, now known as Trilogy, which supports a \$400 million valuation and has the potential to be—sorry, showing itself to be a major pure play on one of the most exciting new districts in North America.

The thing that we're most proud of, and I want to go out of my way to thank Rick Van Nieuwenhuysse, who's retiring from the Board for this, is we inherited a fabulous relationship in collaboration with our Native Corporation partners, and that continues to this day. When we started the permitting process at Donlin, people thought that there would be lots of opposition, not because of the specifics of our story, but because of the specifics of another story in Alaska. The fact that we've been able to get through permitting effectively without opposition—there will always be people who will try to sue, and all of that, but we now have a federally permitted mine in the second largest gold-producing state in the safest jurisdiction in the world, and unless I'm mistaken, I've not heard along the way any heartburn

from our shareholders. We forecast the way it was going, and it ended up turning out just the way we all hoped. That is even rarer than gold.

Finally, as I mentioned, we do view that the relationship with Barrick is poised to enter an entirely new domain. They're obviously getting their hands around their asset base. As I've described in writing, as well as in conference calls, whatever Barrick decides to do is absolutely fine with us, if they want to work with us on the narrative which we've been following, which is that Donlin is going to be the greatest gold mine in the world when the price of gold justifies giving away 2-plus gram gold, our job is not to subsidize the world's consumption of gold. Our job is to take advantage of the world's need for gold when the time is right, and when the dilution will be least for our shareholders. Our attitude is that right now our shares are more valuable than the metal itself.

So, what is the NOVAGOLD opportunity? We have a balance sheet which means that when you go to sleep at night you know that you're not going to wake up to a fiscally challenged company. We don't need to raise money until a construction decision is made. That, in and of itself, will presuppose higher gold prices. The last time gold stocks had a run associated with higher gold prices, NOVAGOLD went from \$5 to \$15 in a matter of weeks, and we had a lot of headwinds then. There was the question, "Can you a permit a mine in Alaska?" Barrick was borderline hostile. We had no balance sheet. We didn't have Greg Lang and the Management Team which he brought to the equation. Now, all of those headwinds are tailwinds. We have a tier one asset by any stretch of the imagination. There's never been a gold mine that started with over 40 million ounces, and for all the reasons Greg cited, we believe that just on the eight kilometres that we know to be mineralized, this could be a multiple of where we start, and I should point out that that eight-kilometre belt is less than 5% of the land package. There's a lot more exploration to be done.

There's an adage in the mining industry, which is that if you're looking for big deposits, look around where other big deposits have been found, at the next Donlin is very likely at Donlin. Right now, we're optimizing it to deal with the CapEx and wanting to be able to have the right project right-sized, so that if we start full-tilt, fine, if we do it in phases, also fine. The shareholder base is highly educated. Our consumers know exactly what our strategy is. We don't get call saying, "When do you want to go into production?" Everyone knows, we'll know it when we see it. Our job is to now make sure that our shareholders pay the least price for taking the best gold asset into the world of production with our

partner. Whether it's Barrick or whomever, it doesn't matter. By definition, if it's Barrick, we have a great ally with a fantastic company; if it's someone else, it's going to be a company which is going to give more airtime to the virtues of Donlin than we've seen in 10 years. It's win/win for us. We like win/win. The production profile couldn't be better. The Leadership Team could manage a major mining company.

Finally, we're in a place where the rule of law is not a novelty. We're in a place where, when you go to sleep at night you know that when you wake up in the morning you haven't been nationalized, you haven't been overrun by insurgents. It's really nice up there. It's going to fill all the boxes for an institutional portfolio manager who is asked by his Investment Committee, "Would you be willing to take your family to Alaska?" The short answer to that is "Yes, absolutely. When can I take that trip? I want to go whale watching. I want to go salmon fishing. I want to enjoy the beauty of the Alaskan wilderness." They're not going to Africa or to Asia, or to many parts of South America. That day is over, and I say that as somebody who made his fortune in those countries. Everything has its season. The season for the "go where the gold is" is over. It's "go where the gold is ... in jurisdictions that will allow you to experience the leverage of a bull market in gold and keep the fruits of that leverage." By that standard, it really doesn't get any better than Alaska or Nevada.

With that, I'm very pleased to open the floor to any questions for myself, Greg, Dave.
Ask me something, Greg.

Okay. If that's the case, then first of all, unless—can I ask if there's any other business? Does that work? If anybody would like to ask any questions, or not, then at least do let me take a moment to once again thank Rick Van Nieuwenhuyse, who's retiring from a Company that he was instrumental in helping to build and to identify the greatest asset in the gold industry, and to be able to help take it up the value chain in a wave with our partners, locally, state, federal. That's really a great testament to his role in this story.

I would also like to welcome onboard our newest Board member, Ethan Schutt, who's joining us and whose experience and sensitivity to the issues that we're going to be facing as we build this wonderful asset for the benefit of all stakeholders can only be accretive to all of our shareholders, and having

had our first Board Meeting with him, I can tell you that it's already a pleasure for all of us on the Board.

Melanie? That's it? That's a wrap. Okay. Thank you.

OPERATOR:

This concludes today's conference call. You may disconnect your lines. Thank you for participating and have a pleasant day.