

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

# 2019 Year-End Financial Results & Project Update

TSX, NYSE American: NG | [novagold.com](http://novagold.com) | January 23, 2020



## **Introduction**

Mélanie Hennessey (Vice President Corporate Communications)

## **Corporate Update**

Greg Lang (President & Chief Executive Officer)

## **Year-End Financials & 2020 Budget**

David Ottewell (Vice President & Chief Financial Officer)

## **Closing Remarks**

Dr. Thomas Kaplan (Chairman)

## **Question & Answer Session**

# 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, 2019 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.

## 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 (the “Second Updated Feasibility Study”).

**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.**

# DONLIN GOLD: A Unique Project for the Times

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**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
- Key Federal and State permits are in place
- Alaska has a long mining history and respect for socially and environmentally responsible mine development

# DONLIN GOLD: Orderly Advancement up the Value Chain

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

Key Alaska Federal and State permits received in past two years – and progress continues	
Joint ROD/Clean Water Act Sec 404/Rivers & Harbors Act Sec10 issued August 2018	✓
Reclamation and Closure Plan Approval issued January 18, 2019	✓
Waste Management Permit issued January 18, 2019	✓
Mine/Transportation Facility Land Use Leases/Authorizations issued December 31, 2019	✓
Pipeline Right-of-Way Agreement and Lease Authorizations	In progress
Alaska 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	
Progressing scoping-level optimization work	In progress
Commencing 22,000-meter, 80-hole drill program to test extensions, validate geologic model	In progress
Ongoing external affairs & community investment	
Backhaul projects to remove hazardous waste from 14 villages and Bethel	✓
Partnering on community engagement in environmental, safety, educational and cultural initiatives	Ongoing

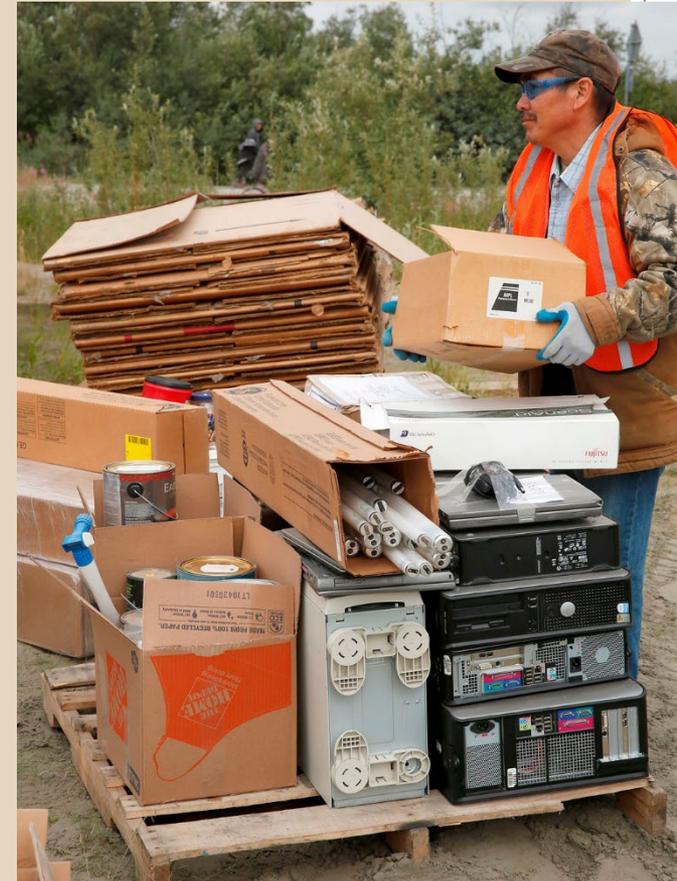
# DONLIN GOLD: 2019 Activity Highlights Continued

FOCUSED ON OUR LONG-TERM STRATEGY OF DELIVERING VALUE FOR ALL STAKEHOLDERS

NOVAGOLD

## Continued active external affairs and community engagement

- Brought together more than 20 regional organizations with Community Backhaul projects to remove nearly 100,000 pounds of hazardous and electronic waste from 14 remote villages on the Kuskokwim River and the remote community of Bethel in the past year.
- Co-sponsored spill response training with The Kuskokwim Corporation (TKC) and 25 participants from the region.
- Ongoing sponsorship, planning and execution of a maintenance program for solid waste management for the Crooked Creek landfill, including training sessions for community members.
- Hosted a career & college fair with the Lower Kuskokwim School District that was attended by hundreds of students, parents and teachers from the Y-K region.
- Sponsored the Tyonek Culvert/Habitat Restoration to benefit the Matanuska-Susitna stakeholder community.
- Supported City of Aniak initiative for community-wide fire safety training and equipment in partnership with TKC, as well as supporting the annual 2019 Aniak Fair.



*Bethel, AK, hazardous waste backhaul event  
July 2019*

# NOVAGOLD: Q4 and Year-End 2019 Operating Performance Analysis

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(US\$ millions)	Three months ended November 30,		Year ended November 30,	
	2019	2018	2019	2018
General and administrative <sup>(1)</sup>	\$3.7	\$4.4	\$16.3	\$18.5
Donlin Gold	3.8	1.6	10.5	8.8
<b>Operating loss</b>	<b>7.5</b>	<b>6.0</b>	<b>26.8</b>	<b>27.3</b>
Other (income) expense <sup>(2)</sup>	0.1	(0.1)	(0.3)	3.7
Income tax expense	0.3	0.3	1.3	0.5
<b>Net loss from continuing operations</b>	<b>7.9</b>	<b>6.2</b>	<b>27.8</b>	<b>31.5</b>
Galore Creek – discontinued operation	—	0.1	—	81.3
<b>Net loss</b>	<b>\$7.9</b>	<b>\$6.3</b>	<b>\$27.8</b>	<b>\$112.8</b>

1) Includes share-based compensation expense of \$1.6M and \$1.9M for the fourth quarter of 2019 and 2018, respectively; and \$6.2M and \$7.7M in 2019 and 2018, respectively.

2) Includes interest income, accretion of notes receivable, interest expense and foreign exchange gains and losses.

# NOVAGOLD: Q4 and Year-End 2019 Cash Flow Highlights

NOVAGOLD

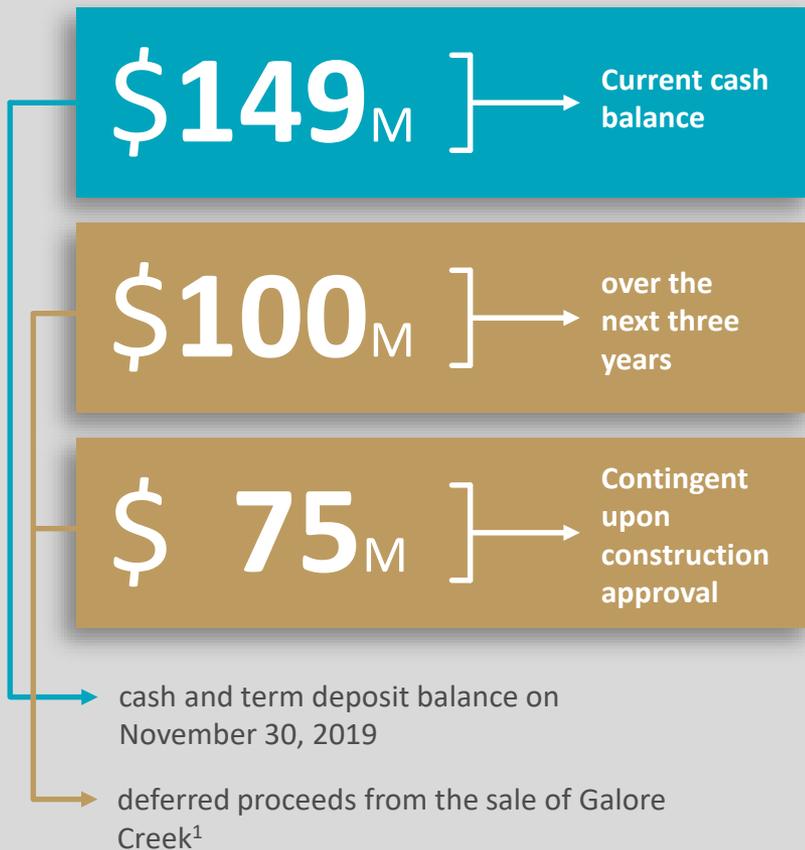
(US\$ millions)	Three months ended November 30,		Year ended November 30,	
	2019	2018	2019	2018
General and administrative <sup>(1)</sup>	\$(2.1)	\$(2.6)	\$(10.1)	\$(10.8)
Donlin Gold	(3.5)	(1.1)	(11.1)	(8.9)
Working capital, interest and other	1.2	0.1	3.9	0.3
Withholding tax on share-based compensation	—	—	(1.2)	—
<b>Cash used in continuing operations</b>	<b>(4.4)</b>	<b>(3.6)</b>	<b>(18.5)</b>	<b>(19.4)</b>
Galore Creek – discontinued operation	—	4.6	—	102.4
<b>Increase (decrease) in cash and term deposits</b>	<b>(4.4)</b>	<b>1.0</b>	<b>(18.5)</b>	<b>83.0</b>
Cash and term deposits:				
Beginning	152.9	166.0	167.0	84.0
<b>Ending</b>	<b>\$148.5</b>	<b>\$167.0</b>	<b>\$148.5</b>	<b>\$167.0</b>

1) Excludes non-cash share-based compensation expense of \$1.6M and \$1.9M for the fourth quarter of 2019 and 2018, respectively; and \$6.2M and \$7.7M in 2019 and 2018, respectively.

# NOVAGOLD: Well-Funded to Avoid Dilution

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

## treasury



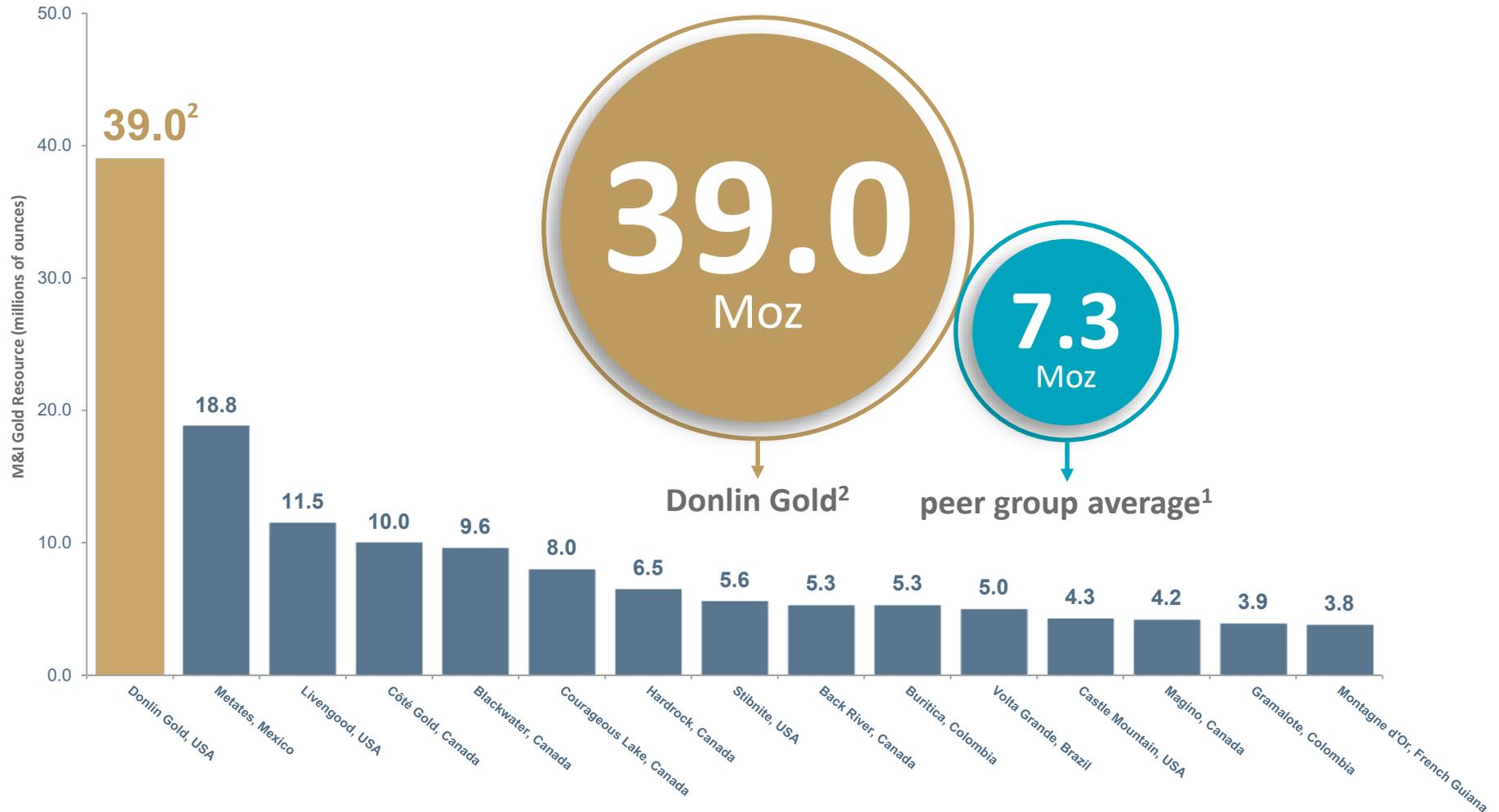
## planned spending



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 Pre-Feasibility Study or no later than July 27, 2021 and \$25M on earlier of Feasibility Study or no later than July 27, 2023. An additional \$75M is receivable upon approval of a Galore Creek construction plan by the owner(s).

# 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



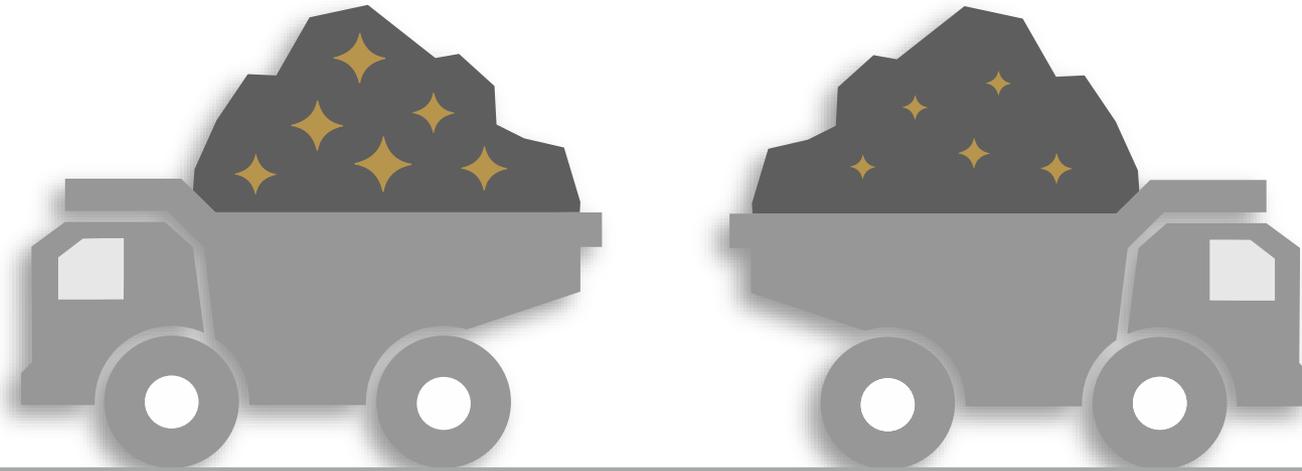
1) Peer group data based on company documents, public filings and websites as of January 14, 2020. Comparison group of 14 projects based on large (2Moz P&P cut off), North/South American gold-focused development projects with >75% projected revenues from gold.

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 32, respectively.

# DONLIN GOLD: Double the Industry Average Grade<sup>2</sup>

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

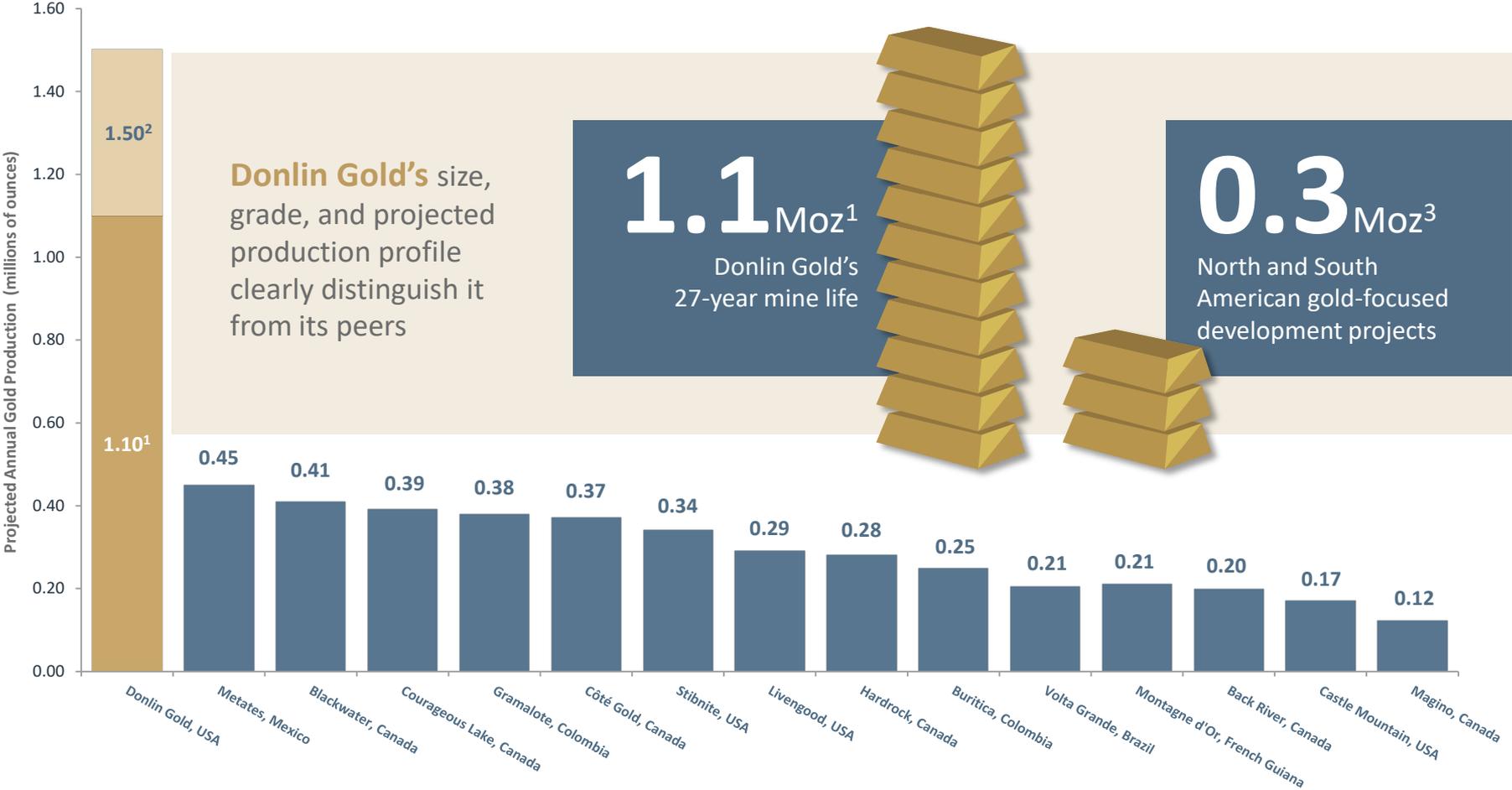
While industry average grades are declining, Donlin Gold's grade provides resilience through commodity price cycles

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 32, 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 World's Largest Gold Mines

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



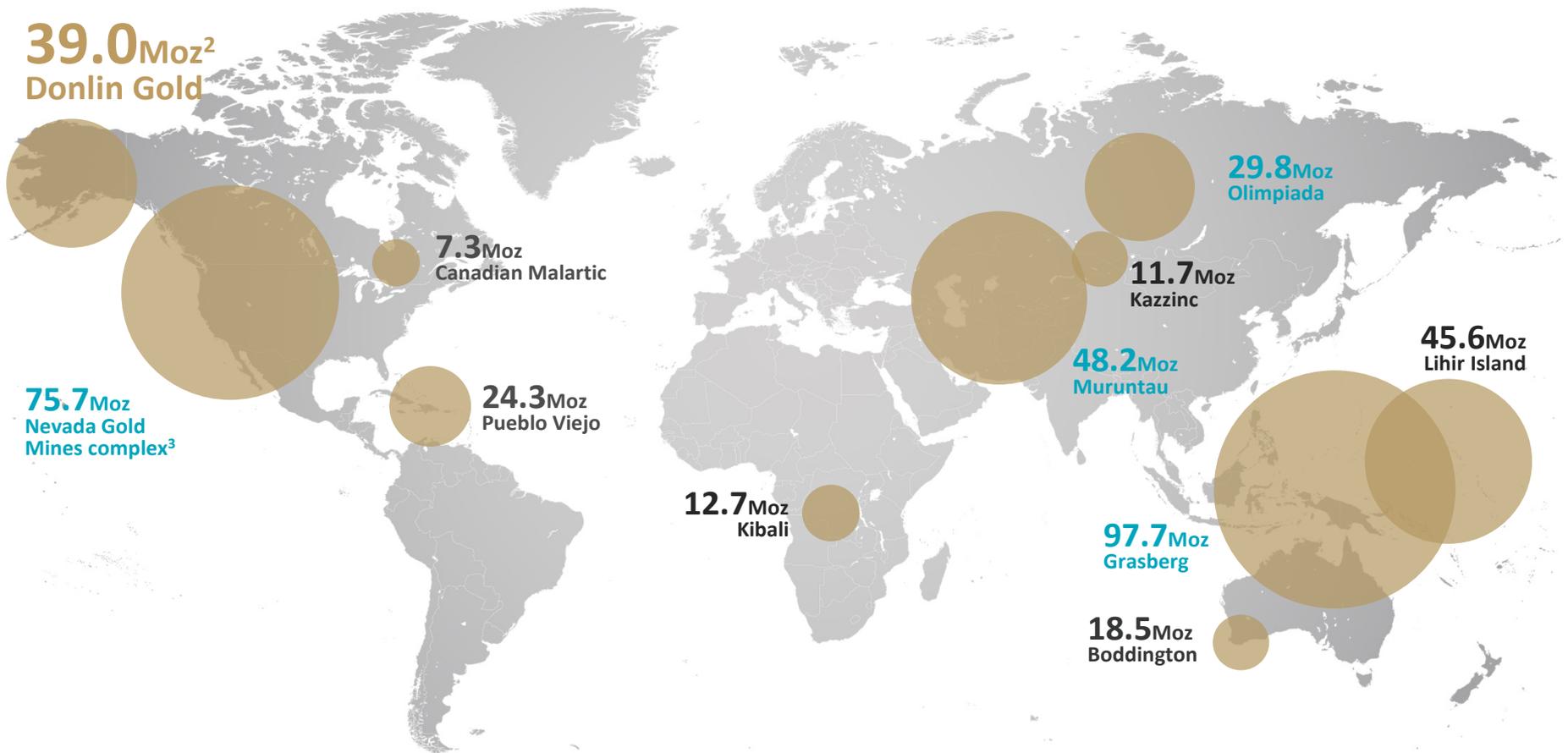
1) Anticipated annual gold production during full life of mine if put into production as contemplated in the Second Updated Feasibility Study. See "Cautionary note concerning Reserve & Resource Estimates" and "Mineral Reserve and Mineral Resource" table on slides 2 and 32, respectively.

2) Anticipated annual gold production during first five full years of mine life if put into production as contemplated in the Second Updated Feasibility Study. See "Cautionary note concerning Reserve & Resource Estimates" and "Mineral Reserve and Mineral Resource" table on slides 2 and 32, 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 January 14, 2020.

# DONLIN GOLD: One of Very Few Large Federally Permitted Projects

## 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

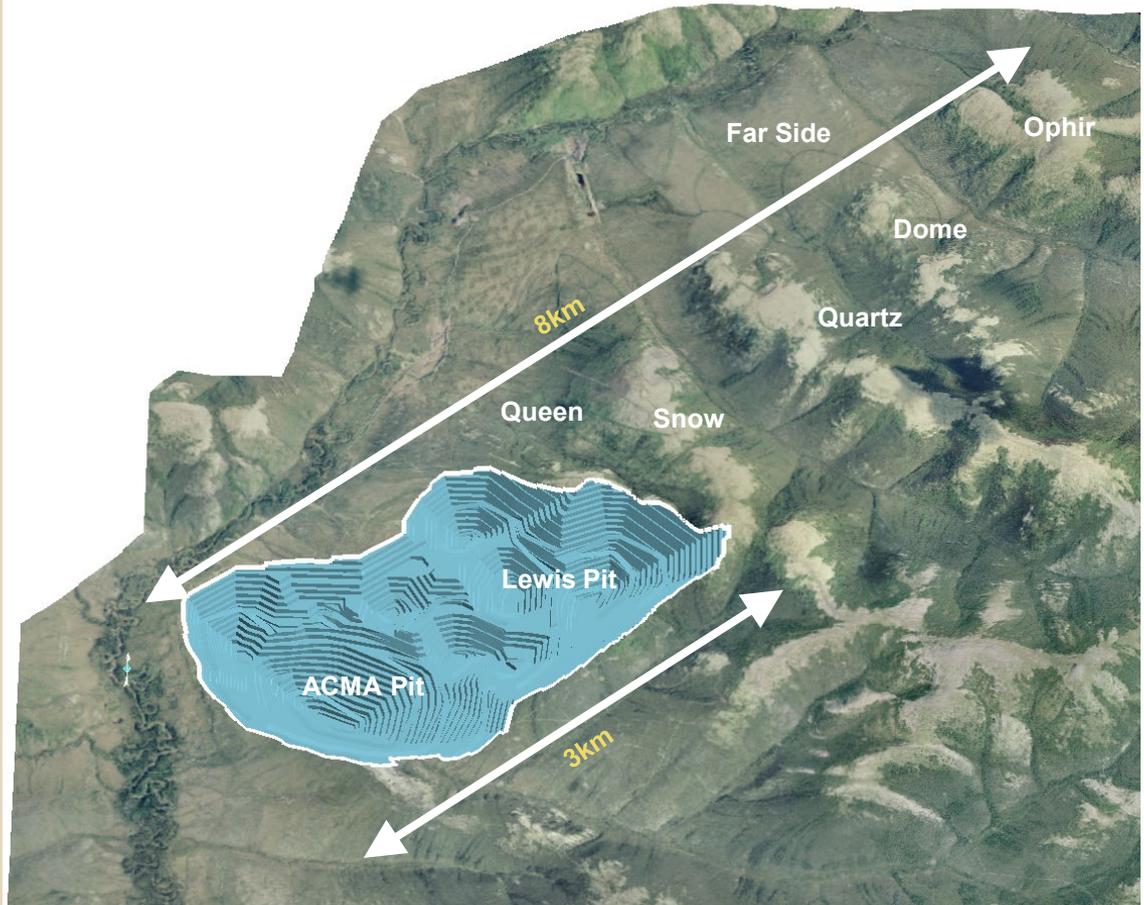
- 1) Estimates provided by S&P Global Intelligence. Slide shows the latest reported measured & indicated resources (inclusive of reserves) of the top 10 gold producing operations from 2018 as per SNL Metals & Mining, an offering of S&P Global Market Intelligence.
- 2) Represents 100% of measured and indicated mineral resources, inclusive of mineral reserves, of which NOVAGOLD's share is 50%. Donlin Gold is not in production and a construction decision has not been made at this time. See "Cautionary Note Concerning Reserve and Resource Estimates" and "Mineral Reserve and Mineral Resource" table on slides 2 and 32, respectively.
- 3) Joint venture of Barrick Gold (61.5%) and Newmont Corp. (38.5%), comprised of the Carlin, Cortez, Turquoise Ridge/Twin Creeks, Phoenix and Long Canyon mines plus exploration properties.

# DONLIN GOLD: Excellent Exploration Potential

NOVAGOLD

## 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, resulting in a gold resource defined with approx. 1,400 drill holes totaling more than 339,000 meters to date
- 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.*

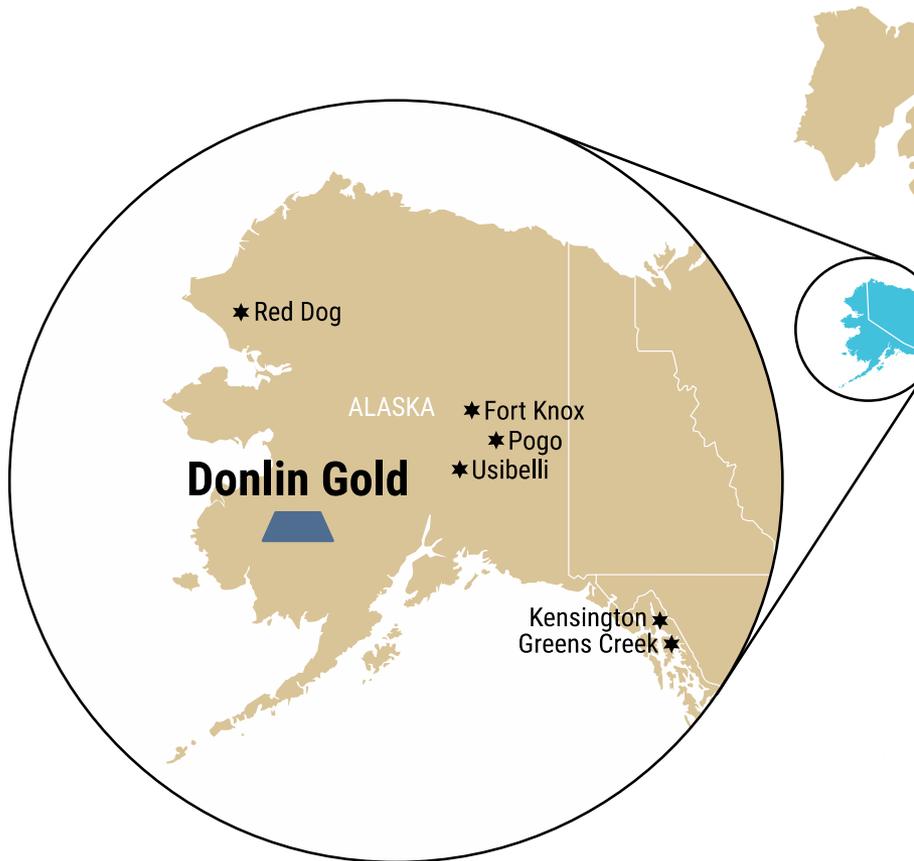
- 1) Represents measured and indicated mineral resources previously reported by NOVAGOLD and supported by a past technical report, "Preliminary Assessment, Donlin Creek Gold Project, Alaska, USA", effective September 20, 2006. Represents 100% of measured and indicated mineral resources reported, of which 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 32, 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 32.
- 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 32. 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: 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

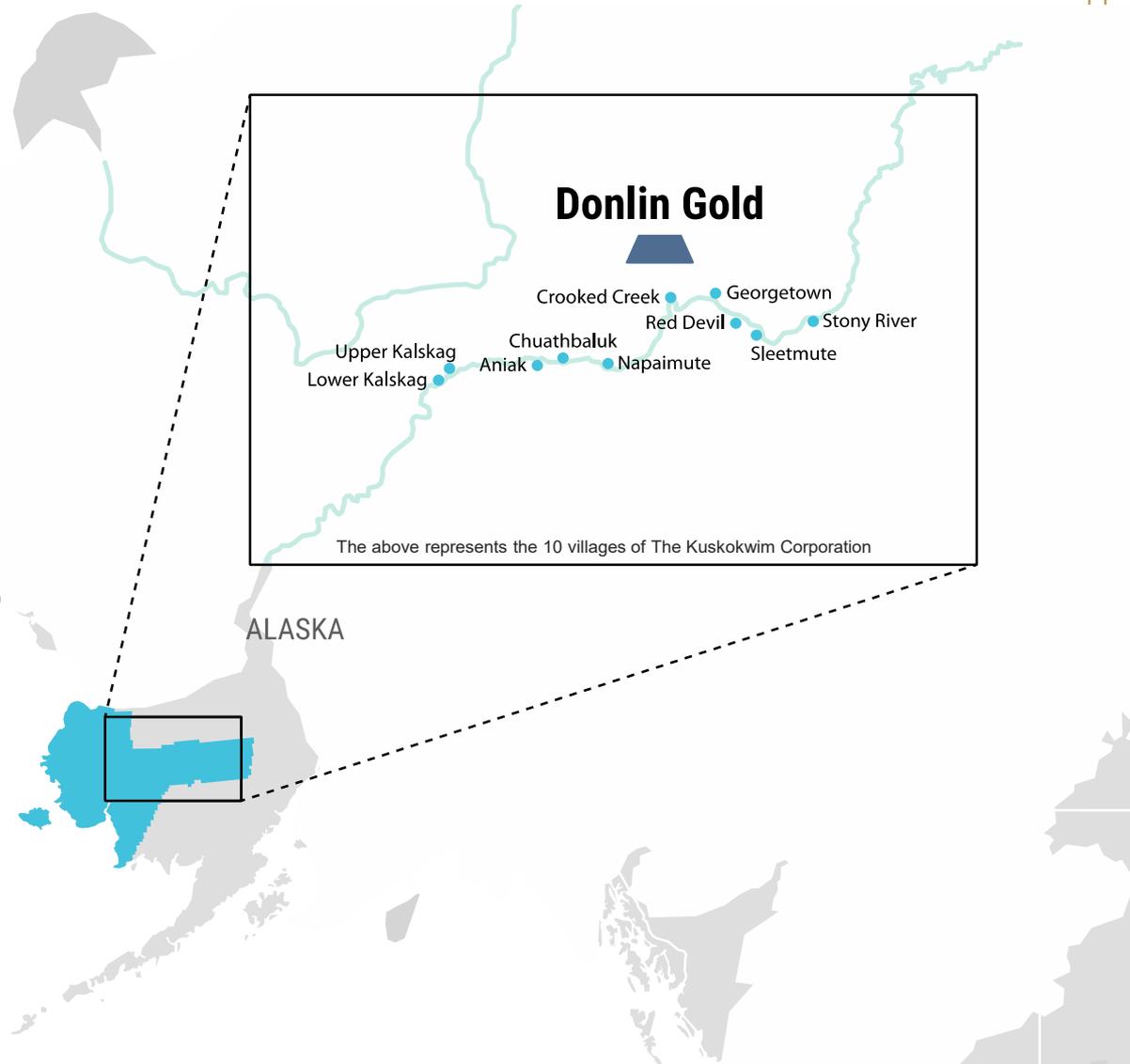


Source: Fraser Institute Annual Survey of Mining Companies 2018, Investment Attractiveness Index

# DONLIN GOLD: Agreements with Alaska Native Corporations

## TIME-HONORED RELATIONSHIPS WITH STAKEHOLDERS

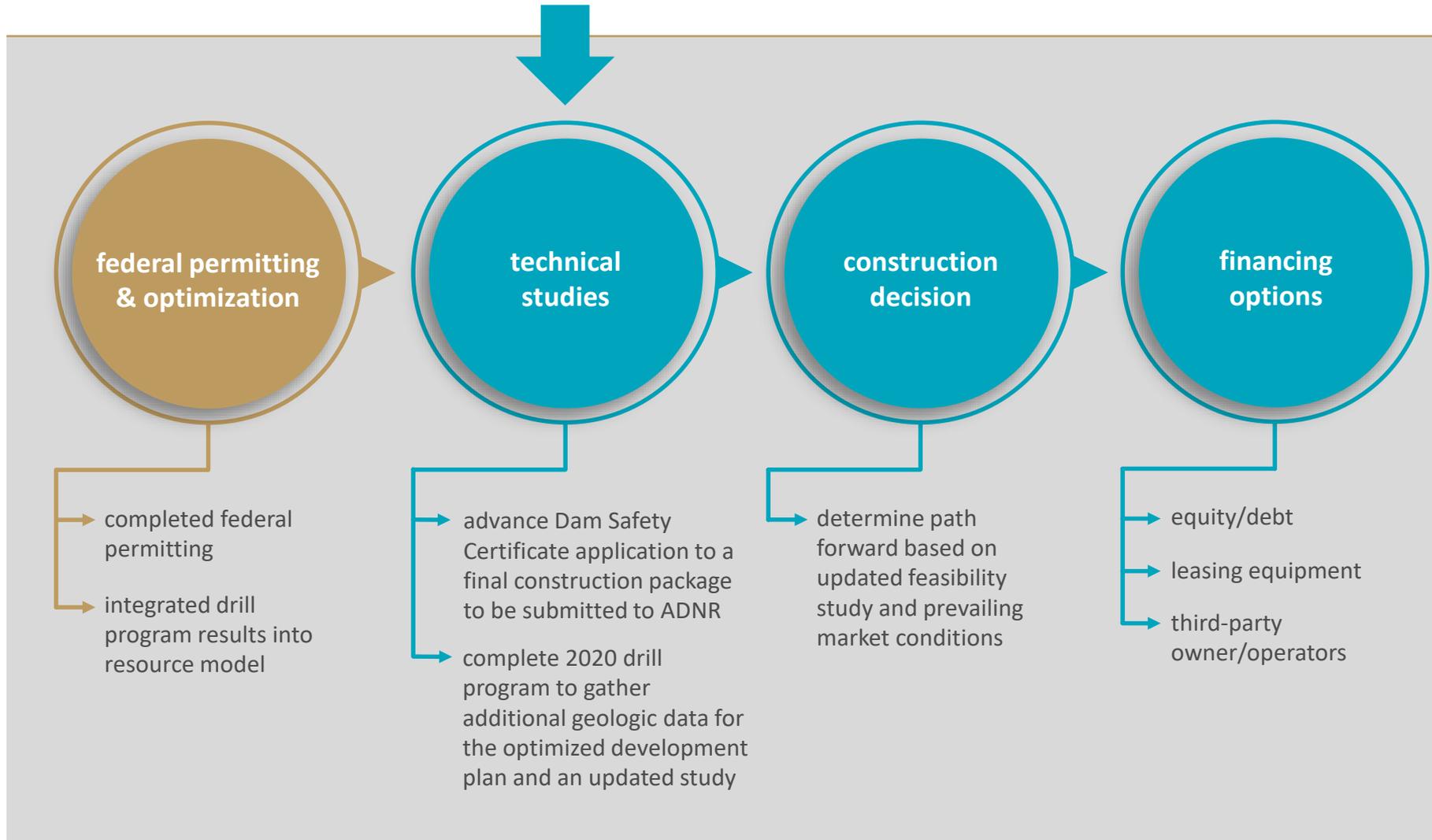
- Donlin Gold is located on private land specifically selected for its resource development potential
  - ANCSA<sup>1</sup> established 48 years ago; resolved Alaska Native land claims
  - Lands valuable for resource potential selected by Regional Corporations under ANCSA
- Calista Corporation and The 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: Upcoming Milestones in the Value Chain

## POSITIONING THE PROJECT FOR CONTINUED SUCCESS IN 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 Yukon-Kuskokwim (Y-K) region

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

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

Supported City of Aniak fire safety training with our partner TKC. Distributed safety gear throughout the Y-K region.

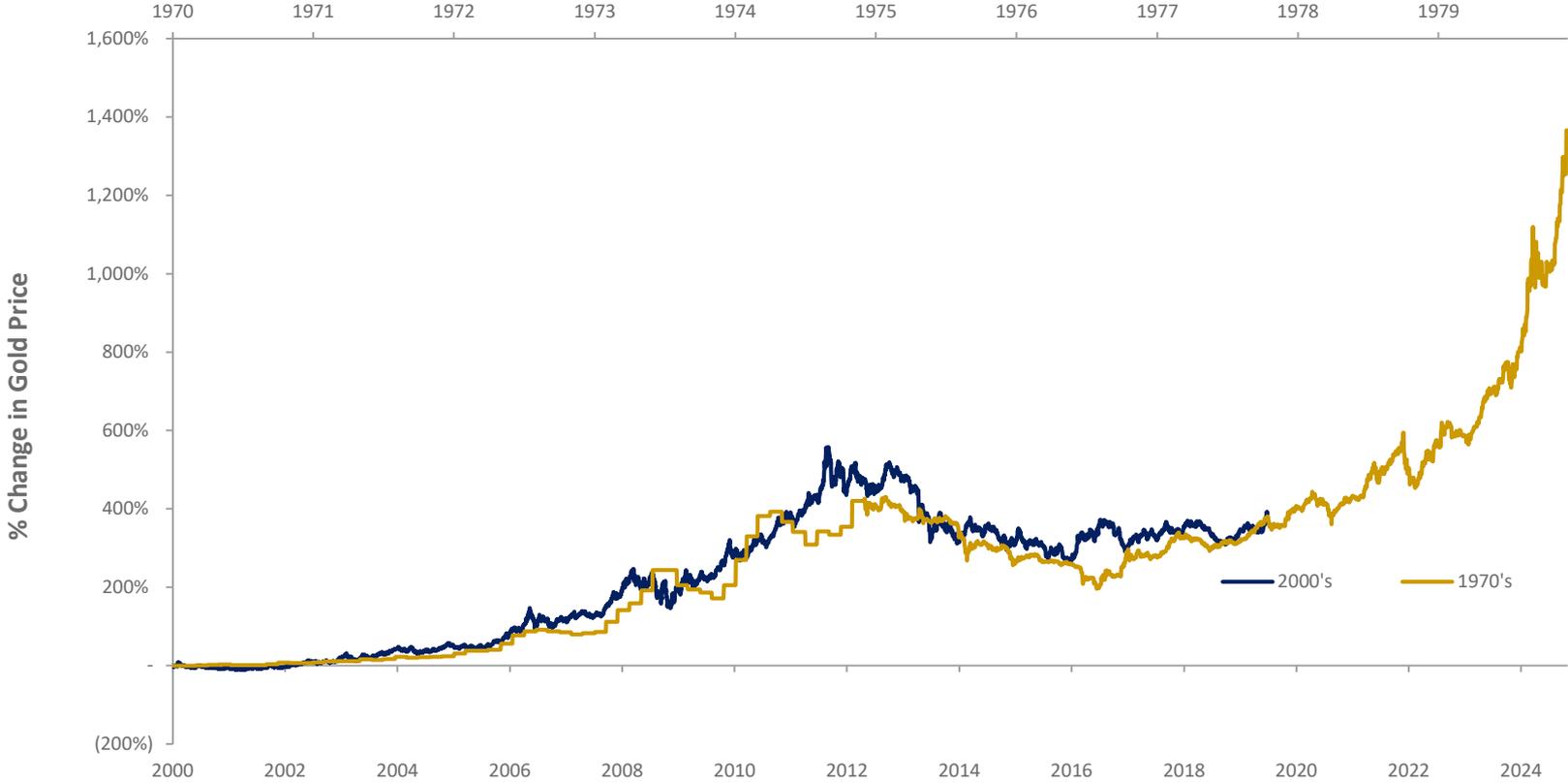
Village visits in the Y-K region with our Native Corporation partners. Supporting Crooked Creek in solid waste management, including landfill operations.

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 Calista and TKC shareholders as their perspectives help deepen our understanding of their priorities.

# 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: Bullish Conviction is no Longer a Rarity with Leading Investors



"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

"If the above things [North Korea, U.S. Debt ceiling] go badly, it would seem that gold (more than other save-haven assets like the dollar, yen and treasuries) would benefit, so if you don't have 5%-10% of your assets in gold as a hedge, we'd suggest you relook at this. Don't let traditional biases, rather than an excellent analysis, stand in the way of you doing this."

Ray Dalio, Bridgewater Associates, August 2017



"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



"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." ... "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



"[Higher inflation and U.S. budget and trade deficits ballooning] could happen quickly or it could happen a decade from now but it's definitely in the range of possibilities. And when you look at the geopolitical strife, how many foreign entities really want to hold dollars? And what are they going to hold? Gold stands out."

Greg Jensen, Bridgewater Associates, January 2020



"Central banks are continuing their greatest experiment in monetary policy in the history of the world... nearly all classes of investment have been boosted by the rising monetary tide. Meanwhile, growth remains anemic, with weak demand and deflation in many parts of the developed world... we saw interesting opportunities in other currencies as well as gold, the latter reflecting our concerns about monetary policy and every declining real yields..."

Jacob Rothschild, RIT Capital Partners, August 2016



"It makes a great deal of sense to own gold. Other investors may be finally starting to agree... Investors have increasingly started processing the fact that the world's central bankers are completely focused on debasing their currencies..."

Paul Singer, Elliot Management, April 2016

"We have thought, and still think, that confidence in central banks and policymakers has been unjustified and thus could erode or collapse at any time.... Investors should come to grips, intellectually and viscerally, with the likelihood that most financial and monetary policymakers' knowledge of the world is somewhere between 'close to nothing' and 'way less than zero.'"

Paul Singer, Elliot Management, August 2017



"...there is a good case to be made that a shift in emerging markets towards accumulating gold would help the international financial system function more smoothly and benefit everyone"

Kenneth Rogoff, Professor of Economics and Public Policy at Harvard University, Former Chief Economist of the IMF, May 2016

# GOLD: Both a Diversifier and a Hedge for this Economic Cycle

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“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,” Mobius, who set-up Mobius Capital Partners LLP last year after three decades at Franklin Templeton Investments, told Bloomberg TV. He added: “I think you have to be buying at any level, frankly.”

Mark Mobius, Mobius Capital Partners LLP, August 2019



“Many central banks are stepping up gold purchases as they scramble to find reserve currencies they like. Nobody’s crying when gold goes up, so there’s really no anchor on how high it can go.”

Jens Nordvig, Exan Data, September 2019



“For the first time in my life, I bought gold because it is a good hedge...Supply is shrinking and that is going to have a positive impact on the price....The amount of capital being put into new gold mines is almost nonexistent.”

Sam Zell, Founder of Equity Group Investments, Bloomberg TV interview, January 18, 2019



“We’ve seen this monetary ‘U-Turn’ coming for a while now, since the start of the fourth quarter of last year. The first central bank to act was the People’s Bank of China that lowered reserve requirements in October. The Federal Reserve is just the latest to join other banks. It’s no coincidence that gold prices started to pick up momentum in the fourth quarter of last year... Central banks have tried to get out of this zero-interest-rate trap but they aren’t able to. The market is addicted to cheap liquidity and I don’t think that is going to change anytime soon. There is no way out for central banks caught in this trap. Gold does very well in this environment.”

Ronald-Peter Stoeferle, Fund Manager at Incrementum AG, January 29, 2019



“We’re constructive on gold. We think it’s going to be a valuable portfolio hedge. We’re multi-asset investors: we think about its effect on the entire portfolio, and what we see value in right now is gold’s value as a diversifier”

Russ Koesterich, Portfolio Manager at BlackRock Global Allocation Fund, in Bloomberg interview January 6, 2019



“We haven’t seen flows like this since the first half of 2016 – when the gold market really took off. There seems to be a change in sentiment and investor psychology. People are waking up to the fact that we are late in the economic cycle and we could be ending [it] in the next year or two. That brings more risk into the system; that’s why gold is moving up.”

Joe Foster, Portfolio Manager and Strategist, VanEck, in Financial Times interview, January 15, 2019

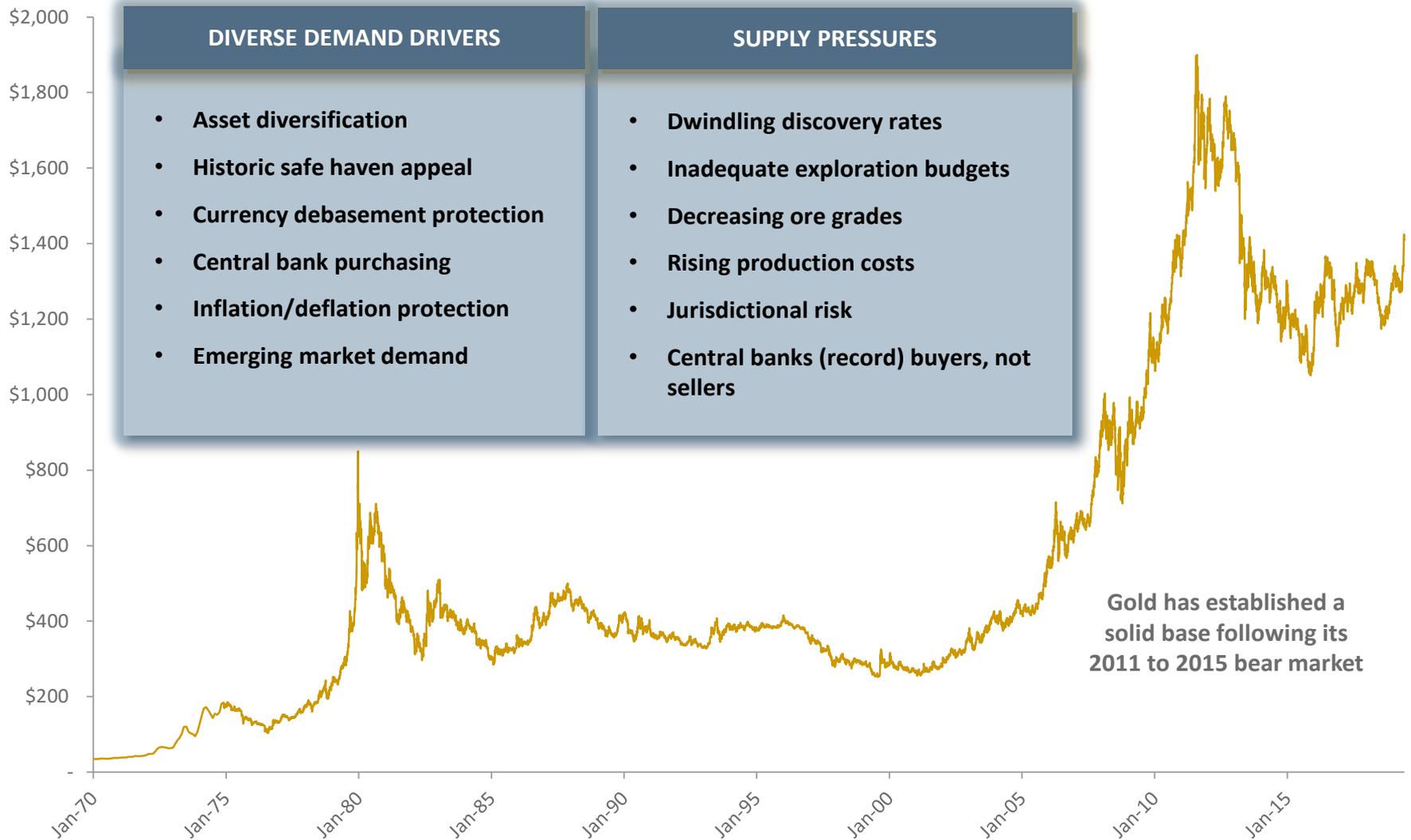


“The U.S. is beginning to sport a debt-to-GDP ratio worthy of any banana republic. Therefore, we believe that exposure to gold is both timely and potentially rewarding.”

John Hathaway, Senior Portfolio Manager, Tocqueville Asset Management, January 10, 2019

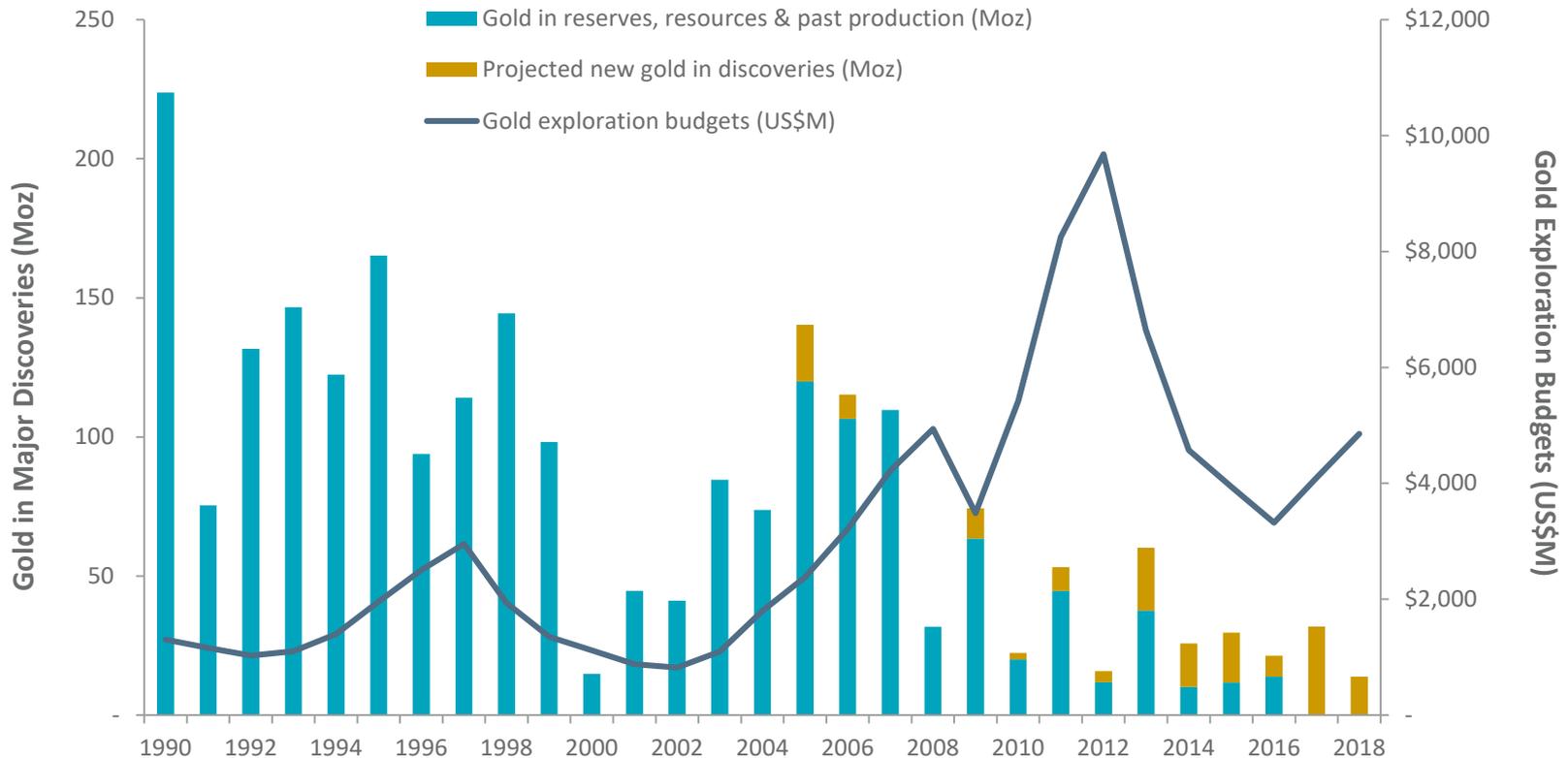


# GOLD: Supply Decreases as Demand Pressure Increases



# GOLD: Major Discoveries are Rare

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



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

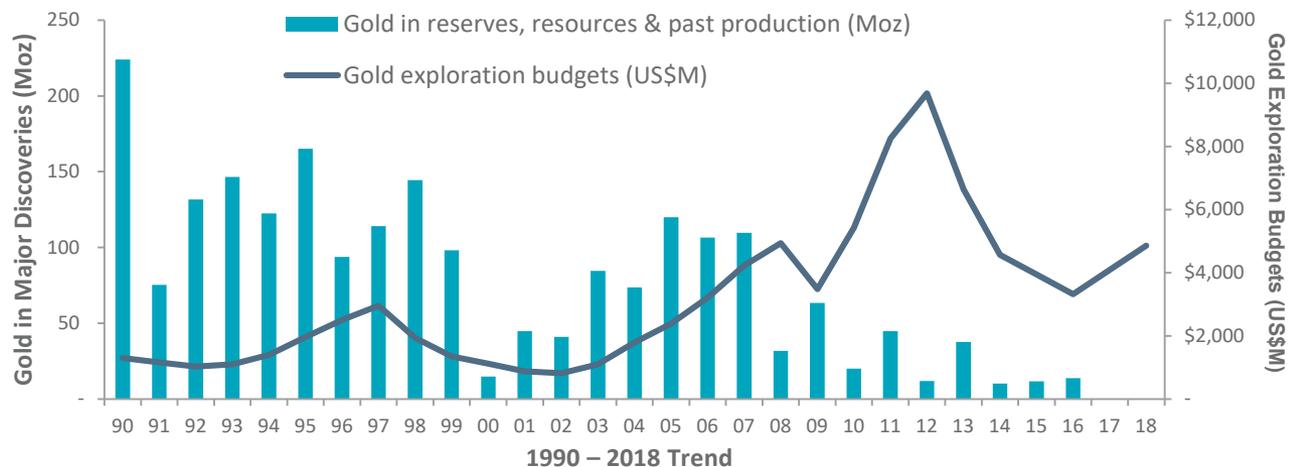
# GOLD: Sharp Underinvestment Impedes Output Growth

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>

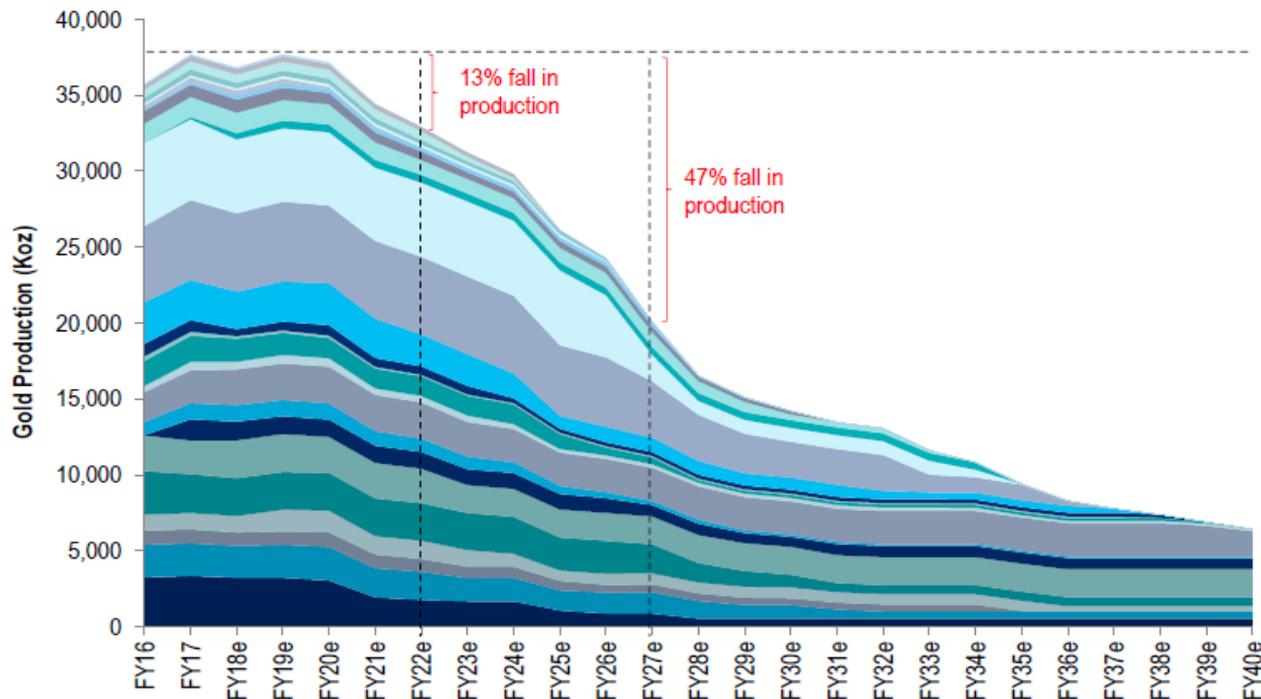


**NOVAGOLD believes that the severe spending cuts could exert additional pressure on the industry pipeline, and cause the discovery rate, and consequently the production rate, to decline even more rapidly**

# GOLD: Decline in Discoveries and Grade as Global Production Peaks

## 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 at 26 of the world's largest miners is forecast 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

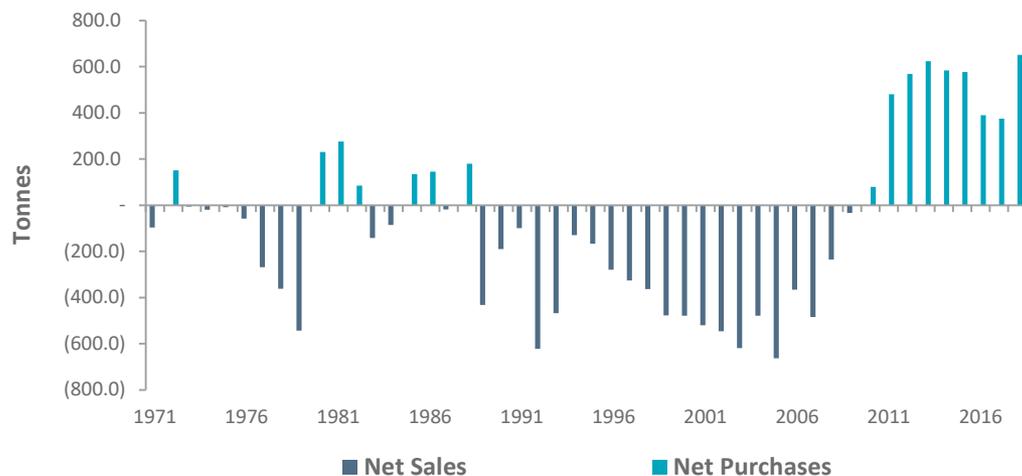
\*Based on current reserve and production profiles of the 26 companies under Citi coverage, which represent ~38% of global mine production

# GOLD: Central Banks Reduce Sales and Increase Purchases

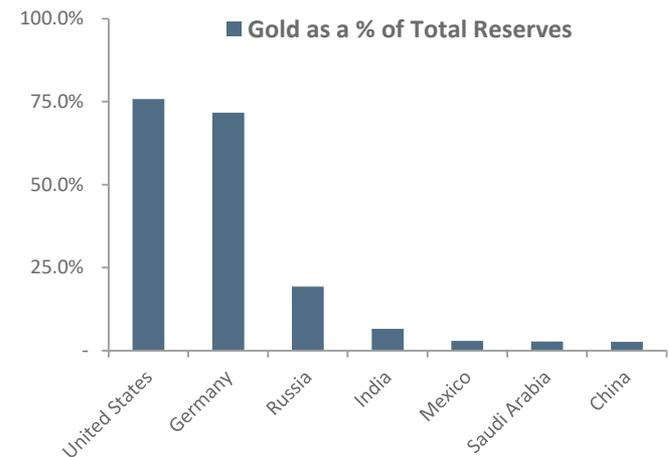
## DIVERSIFY FOREIGN EXCHANGE RESERVES, PROTECT AGAINST SYSTEMIC RISK

- 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 a lot 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



Emerging Markets: Room to Grow Gold Reserves



1) Source: Metals Focus, Refinitiv GFMS, World Gold Council

Source: World Gold Council

# GOLD: Outperforms Other Asset Classes in a Recession

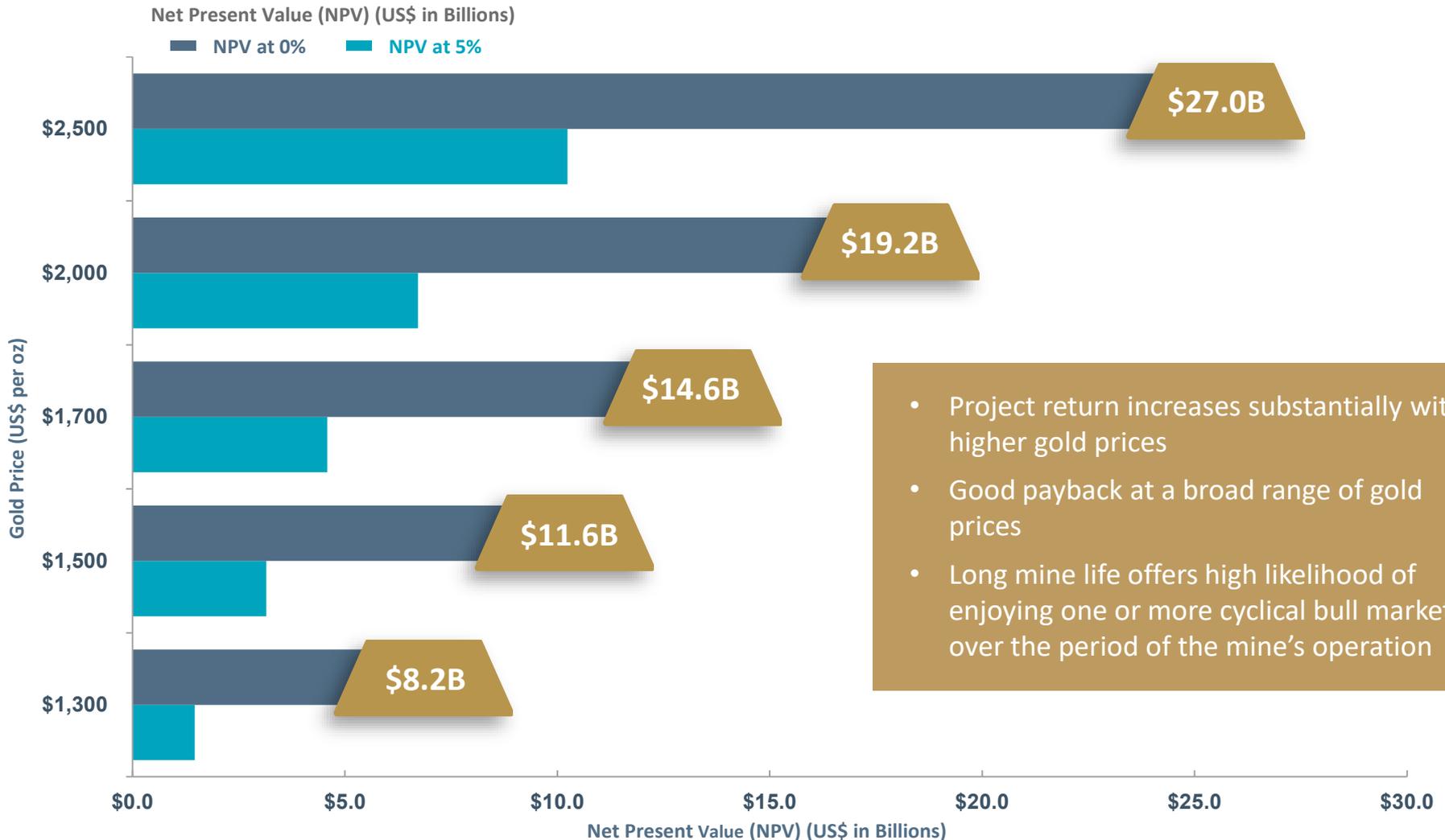
## SOLID PROTECTION FROM ASSET MARKET DISLOCATIONS

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: Significant Value Upside with Higher Gold Prices

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

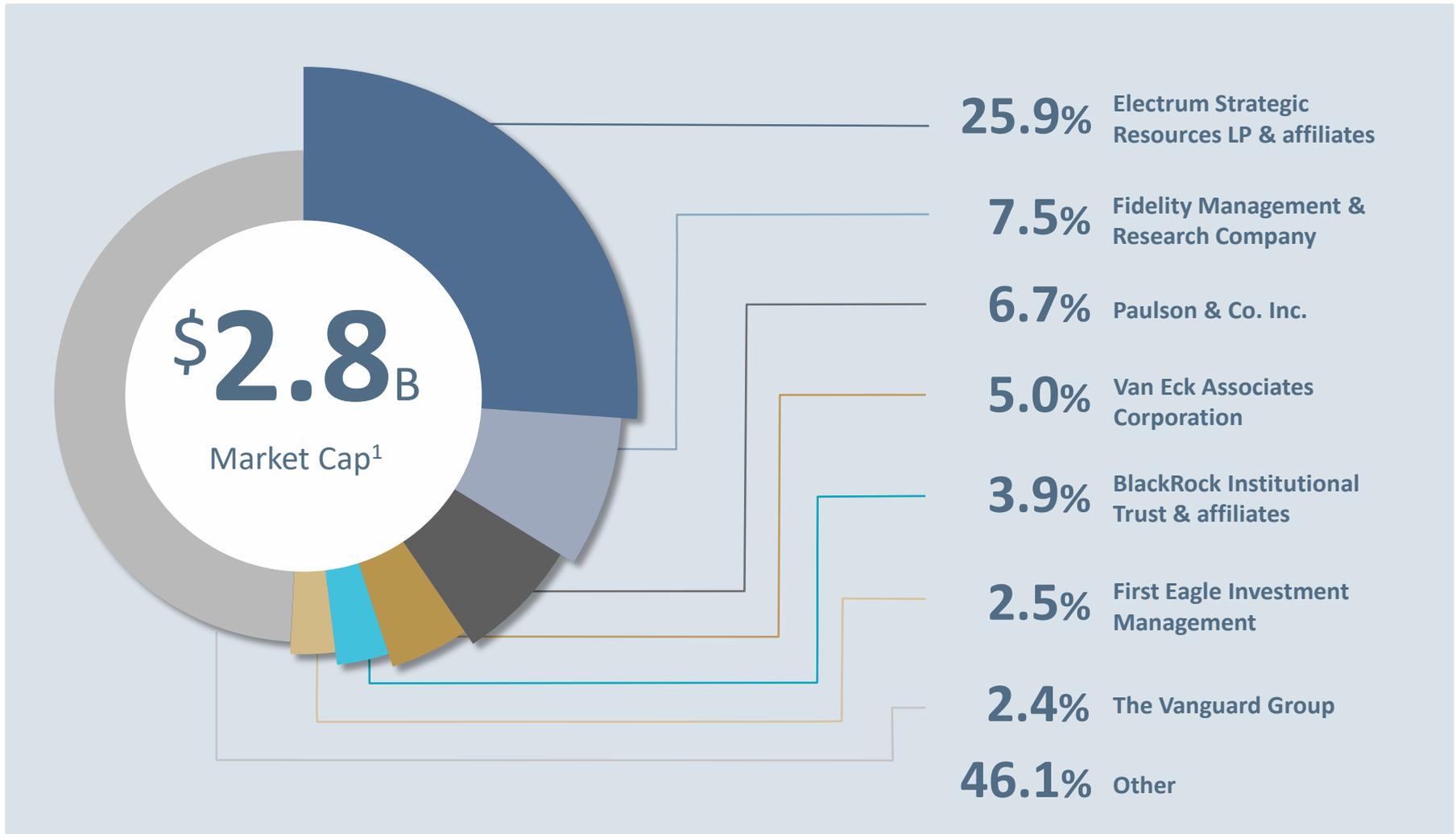


- Project return increases substantially with higher gold prices
- Good payback at a broad range of gold prices
- Long mine life offers high likelihood of enjoying one or more cyclical bull markets over the period of the mine's operation

1) Donlin Gold estimates as per the Second Updated Feasibility Study. 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>

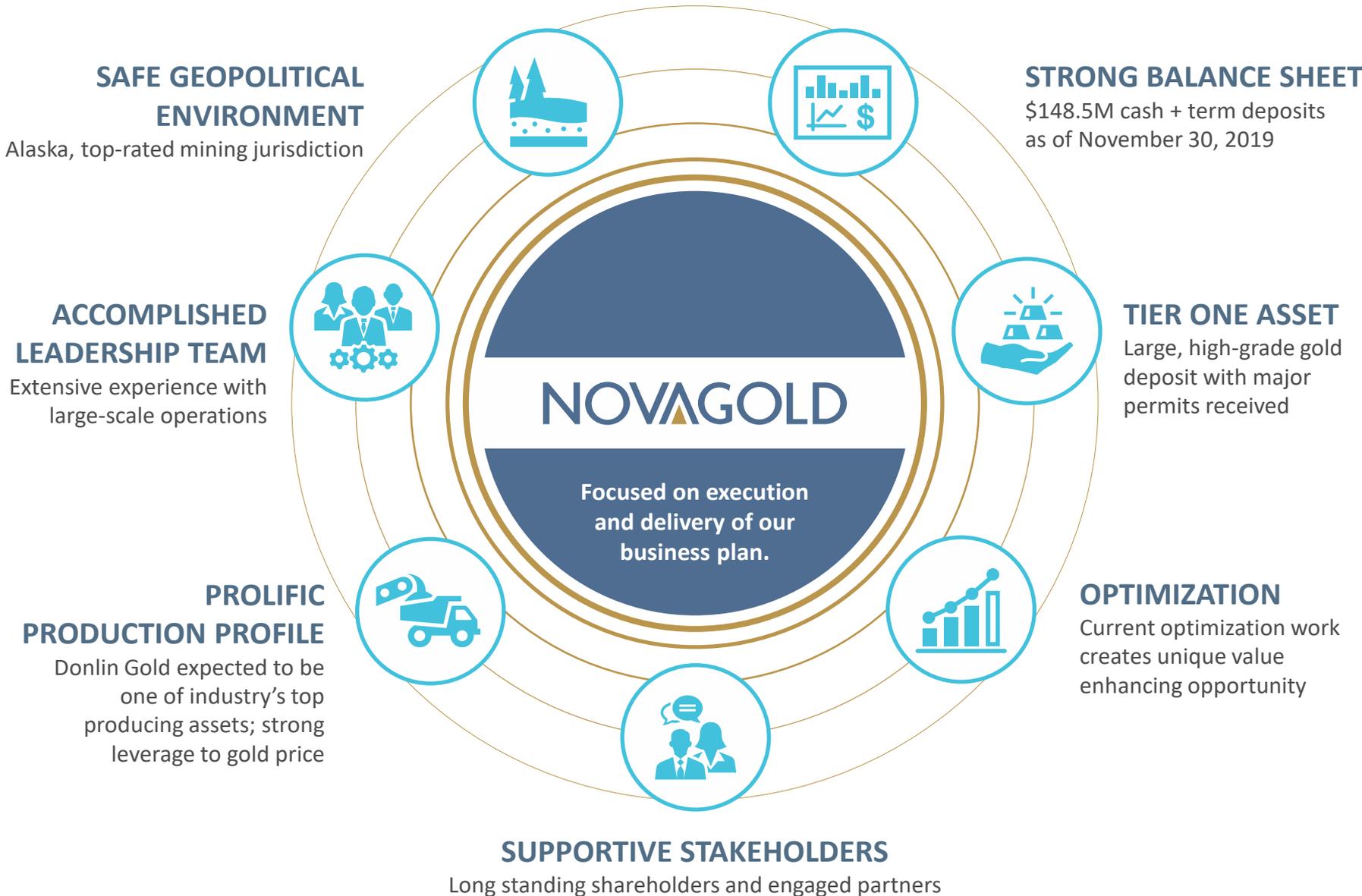


1) Market Capitalization based on 326.9 million shares issued and outstanding and NG closing share price of \$8.74 as of January 19, 2020.

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

# The NOVAGOLD Opportunity

NOVAGOLD



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

# Appendix



# 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.
<b>GOLD</b>	<b>kt</b>	<b>g/t Au</b>	<b>koz Au</b>	
<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>				t = metric tonne g/t = grams/tonne oz = ounce k = thousand M = million
Measured	7,731	2.52	626	
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 NI 43-101 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  $\text{royalty of } 4.5\% \times (\text{Au price} - \text{selling cost})$ . 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 (the "Second Updated Feasibility Study").

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.

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