

EMPOWERMENT



STEWARDSHIP



RESPECT



2016 ANNUAL REPORT



NOVAGOLD



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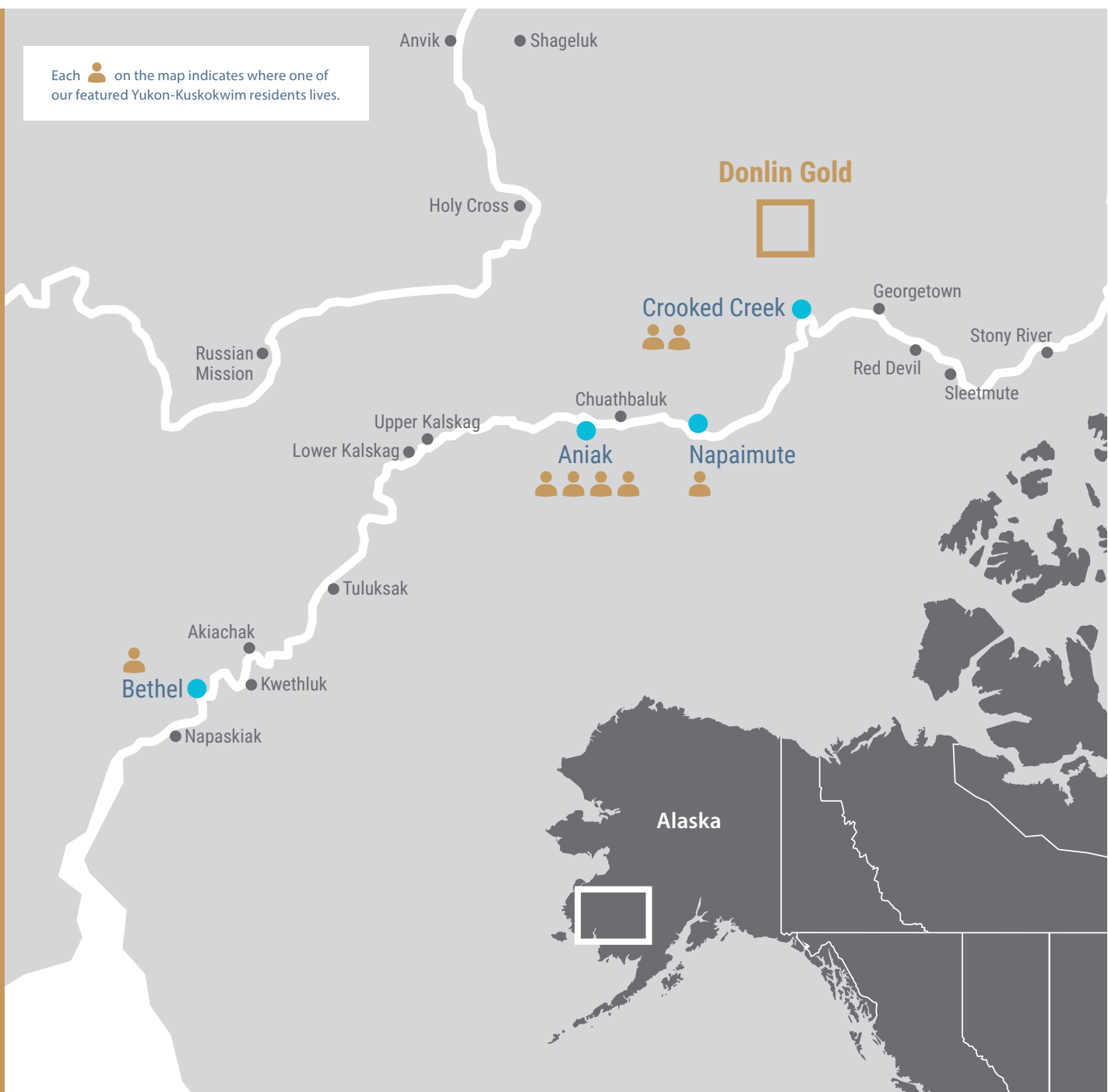
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Our employees and neighbors take pride in the work and activities depicted in the photographs throughout this report, most of which were taken at the Donlin Gold and Galore Creek project sites or in the surrounding communities. All scientific and technical information in the body of this annual report is qualified by and is to be read in conjunction with the reserves & resources tables and associated notes found on pages 34 and 35 of this annual report. All dollar amounts quoted in this report are in U.S. currency unless otherwise noted.

Left: At 10 miles away, Crooked Creek is the closest village to the Donlin Gold project.

Cover: Top to bottom, left to right: Ally Zaukar, Carl Morgan, Erich Kuball, Daisy Phillips, Pete Kaiser, Evelyn Thomas, Angie Morgan, and Mark Leary.

Following the successful completion of the six-month public comment period for the Donlin Gold draft EIS in 2016, NOVAGOLD reached out to residents of the Yukon-Kuskokwim region of Alaska for their thoughts on the project and what it means to them, their families, and their communities. We learned that we share the same values and priorities: that Donlin Gold should be developed responsibly and in a way that provides tangible benefits to the region, both now and well into the future; and that the importance of this project – to everyone – cannot be overstated.





# Letter to Shareholders

GREGORY A. LANG  
PRESIDENT AND CEO



After some outstanding results in 2016 and a great start to 2017, NOVAGOLD is in excellent shape, remaining steadfast in its commitment to its shareholders as well as local stakeholders and community partners as we advance Donlin Gold up the value chain. A permitted high-quality, long-life deposit in Alaska with

time-honored partnerships with the Native Corporations is worth its weight in gold. As shareholders ourselves, we have the utmost conviction that NOVAGOLD, with its crown jewel Donlin Gold, is the best way investors can obtain leverage to gold.

## The Most Valuable Single Pure Gold Asset in the World

At NOVAGOLD, we find ourselves in a unique situation. Exploration spending in the gold industry is at a 10-year low. New, large, higher-grade, long-life assets are nearly extinct. For the longest period in my professional career, an absence of quality gold discoveries, combined with plummeting grades, has created a structural challenge for our industry. And when you consider that it now takes an average of two decades for a mining asset to go from discovery to production, it's clear that such assets, especially those in safe jurisdictions, will be in high demand.

Given these staggering changes that we have seen in the gold industry and trends that will most likely continue, Donlin Gold may go into development at just the right time. With an endowment of approximately 39,000,000 ounces of gold in measured and indicated mineral resources – at 2.2 grams per tonne, double the industry average – Donlin Gold is in a class all its own. With 1,500,000 ounces of planned annual gold production in the first five years of operation and approximately 1,100,000 ounces per year during its projected 27-year life, Donlin Gold would be the largest pure gold mine in the world.

And though the resource is already one of the largest in the sector, only a portion of the district has been explored. Excellent exploration upside exists at Donlin Gold and on the broader land package around the project which we control with our partner, Barrick Gold (Barrick). Future exploration success could either further expand the mine life – already measured in decades – or increase its future production profile. Or perhaps both.

What this means is that Donlin Gold is potentially one of the most valuable pure gold assets in the world, and is located in what's not only the safest jurisdiction in the world, but also one in which responsible mining development is welcomed – in part because it will both diversify Alaska's economy and support the self-determination objectives of the Alaska Native Claims Settlement Act.

## Unwavering Commitment

Maintaining our strategy of advancing and de-risking the Donlin Gold project, our focus in 2016 was twofold: first, continue working with federal and state agencies to advance permitting; second, work with our partner Barrick on enhancing the value of the project – in order to provide shareholders with the greatest risk/reward story for gold investment.

The first component of this approach was accomplished as the cooperating agencies and stakeholders of the Yukon-Kuskokwim (Y-K) region engaged in the draft Environmental Impact Statement (EIS) public review process. The local communities surrounding our projects have lived off this land for generations; they simply want to ensure that Donlin Gold is developed responsibly and in a way that provides tangible benefits. And we share those values.

With an unwavering commitment to engineering excellence and a laser-like focus on safety and environmental protection, another major milestone was achieved with the conclusion of the Donlin Gold draft EIS six-month public comment period last May. This effort, led by the U.S. Army Corps of Engineers (the "Corps"), involved 17 meetings throughout the Y-K region and in Anchorage, providing a platform for stakeholders' questions and comments on the draft EIS. More than 500 letters and public statements were received from individuals, Alaska Native Corporations, business groups, communities, the State of Alaska, and various federal agencies.

By year-end, all the comments were read, reviewed, and separated into discrete categories. The Corps and AECOM, its EIS contractor, are preparing responses to these comments, refining alternatives to be considered, and identifying additional information necessary to complete the final EIS. Per its latest schedule, available at [www.donlingoldeis.com](http://www.donlingoldeis.com), the Corps anticipates publication of the final EIS in early 2018.

The second component of our approach is made possible by Donlin Gold's high grades and low projected operating costs. We're presently conducting studies assessing a number of development

scenarios designed to enhance the project's value. Led by Barrick's and NOVAGOLD's technical teams, these studies have already identified opportunities with the potential to reduce initial capital and enhance the value of Donlin Gold.

Leading us through this next phase of value maximization is Andy Cole, appointed general manager of the Donlin Gold project in November. Andy, who has over a 20-year track record of building and operating major gold mines throughout North America, will build on the solid foundation left by outgoing general manager Stan Foo. I've known and worked with Andy for years, and believe that his breadth and depth of experience and talent is perfectly suited to further unlock Donlin Gold's potential.

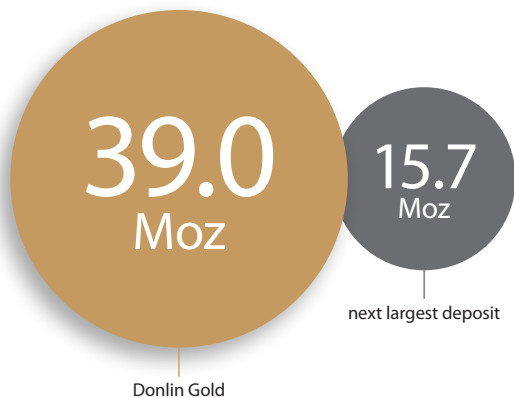
### Safety, Stewardship, Engagement

In addition to our focus on completing the EIS process in 2016, we've been advancing work on the numerous federal and state permit applications and submissions.

Additional field work, designed to support the Clean Water Act Section 404 permit application, was completed and the results were incorporated into an updated preliminary jurisdictional determination for submission to the Corps. In 2016, work was initiated with Calista and other parties on developing a compensatory mitigation plan for the wetland impacts from the project. Major state permit applications were also submitted to secure the air quality permit, and we updated our integrated waste management permit application and reclamation and closure plan. The state anticipates issuing draft permits for public comment in 2017.

We'll continue to work with state and federal agencies to advance all other required permits throughout 2017. And, as always, the Donlin Gold team will continue to focus on engineering excellence, a strong culture of safety, environmental stewardship, and community engagement.

**2.5 times the resources of the next largest known undeveloped gold deposit in the Americas.**



Donlin Gold data as per NOVAGOLD public documents. Represents 100% of measured and indicated resources of which NOVAGOLD's share represents 50%. Measured and indicated resources are inclusive of proven and probable reserves. See Reserves & Resources Footnotes on page 35. Peer group data as per latest company documents, public filings, and websites. Comparison group based on large (2Moz P&P cut off), feasibility-level, North/South American gold-focused development projects.

### Galore Creek Project

While we focus our resources on Donlin Gold, we're also advancing our other project, Galore Creek, with our partner Teck. A high-grade copper-gold-silver asset, Galore Creek has the potential to be one of the largest, highest-quality, lowest-cost copper producers in Canada.

In 2016, the Galore Creek Partnership completed Phase 1 of the Galore Valley integrated planning study which included the surface water drainage study. We value our partnership with the Tahltan Nation, on whose traditional territory the project is situated, and continue to support common initiatives that bring tangible benefits to their members.

We believe that these studies will improve the value and marketability of the Galore Creek project, which we plan to monetize – in whole or in part – to further strengthen our balance sheet and redeploy capital toward the development of Donlin Gold.

### Conclusion

NOVAGOLD continues to carefully steward the capital entrusted to it by our shareholders, managing the treasury in a way that will enable the company to deliver on its objectives while staying true to its long-term outlook and strategy. Our year-end financial position, at \$105 million in cash and term deposits as of November 30, 2016, is more than sufficient to advance Donlin Gold through the permitting process.

We're fortunate to not only own a 50% interest in two of the best development assets in the industry, but also to possess the financial flexibility to de-risk these projects for our stakeholders. We're confident that the outcome of our work will establish the best path forward for the advancement of both Donlin Gold and Galore Creek, ensuring that, when the time comes for the owners to make a construction decision, the Donlin Gold project will yield the best return on investment.

As we move into 2017, I'd like to thank our partners at Barrick and Teck and their project teams, my NOVAGOLD colleagues, and the governments, Native Corporations, and First Nations of the jurisdictions where we operate. I'm also grateful to our shareholders for their consistent support and trust, and to our experienced board of directors for their guidance and vision. Finally, I would like to express my sincere appreciation to our employees, whose teamwork, professionalism, and dedication is remarkable.

**GREGORY A. LANG**  
PRESIDENT AND CEO  
FEBRUARY 10, 2017





“Call NOVAGOLD the world’s finest unexpiring gold warrant, or call it a pure play on the best development stage asset in the industry; in either case...it is a uniquely attractive investment proposition.”

DR. THOMAS KAPLAN





# Letter to Shareholders

DR. THOMAS KAPLAN  
CHAIRMAN, BOARD OF DIRECTORS



I have been exceptionally fortunate over the past couple of decades to have been able to follow my strongest passions in life: among others, establishing with my wife the most effective organization devoted to the conservation of big cats and the vast landscapes in which they coexist with their human

neighbors; reinforcing an abiding love for history and philosophy that comes from an immersion in the wisdom of the Old Masters; and discovering, acquiring and exploring the “category-killer” assets in silver, zinc, platinum, natural gas and gold that, in truth, allowed us to create the wealth to indulge these passions.

Gleaning from our experiences within the natural resources sector, I believe that my team has reaped the biggest rewards taking the following steps: After engaging in a thorough review of the fundamentals, creating a blueprint with multiple scenarios; identifying with conviction and enthusiasm the high-quality assets that would give us the best upside leverage to a successful strategy; forging the best team to execute an ambitious business plan; moving the needle radically for all stakeholders by taking these assets up the value chain; and waiting for events to unfold as we felt they would. The game plan usually requires a bit of patience and sangfroid. Some years, the experience might best be described as a roller coaster. Other years can be akin to watching paint dry. Nonetheless, an estimated 80% annual compounded internal rate of return over the 24 years since I entered the world of natural resources suggests that it is a strategy that can work.

To the extent that I have a relative advantage, it has been an ability to see markets through the prism of history and visualize what the target market (and targeted asset) will look like years hence, as well as what needs to happen to our thesis for us to get there. As this relates to raw materials, the key is finding resources where the supply-demand equation is improving markedly, and yet where pessimism is

the prevailing sentiment. In today’s world, my favorite among those resources would most assuredly be the monetary metals. The “dean” of these metals would be gold.

As we often say, gold is the asset that people love to hate and hate to love. Perhaps this is because gold is considered by many to be a refuge for the fearful. I for one, however, believe that, despite spying more black swans circling the macro environment than I can count, fear is the least of the reasons to own gold. Indeed, while gold bulls are often painted as emotional, I usually find that it is those who malign it most who are prone to a cognitive dissonance that can only be described as irrational. If someone as famously “hyper-rational” as Ray Dalio can argue gold’s merits, those with far less successful investment pedigrees should perhaps ask themselves whether or not they might be missing something. Just sayin’.

In fact, gold’s proponents do not need the wider world’s unhappiness to trigger or buttress our good fortune. There are plenty of rational and positive reasons for owning some gold. Simply put, both supply as well as demand trends – Economics 101 – are arguing for higher prices. After a forty-year period of “demonetization,” central banks have shifted from sellers to net buyers of gold. This comes at precisely the moment when the miners are finding that their business model is under most stress and production is set to decline. I cannot emphasize this point enough: the seeds of higher gold prices, extrinsic of favorable macro conditions, are found within the industry itself. That the fundamental headwinds of plunging reserves, looming production declines, collapsing grades (and the rising costs that follow) are posing grave challenges to the gold mining industry itself is more than sufficiently determinative in our view. That these uncertainties exist in an environment of very few gold discoveries, low exploration spending (2016 was the lowest in 10 years), and an ever-increasing time frame for project advancement from discovery to production (currently averaging approximately 20 years – yes, 20 years) means for us that a tipping point has now not merely been reached but passed.

Myths are beautiful things. I read them to my children. On a more adult level, seeing through myths is a proven way to do extremely well in the markets, particularly if you are long the best assets in the space. I know first-hand what that looks like. Among the most common myths about gold are that it is a commodity and that it needs a weaker dollar to thrive. I dispute those assertions. When we sold our energy company in 2007, oil was over a \$100 a barrel. Gold was in the \$600s per ounce. As I write this, oil is a few dollars north of \$50 a barrel. More interestingly, this outperformance as a commodity was similarly matched in its outperformance as a currency. The dollar

was at \$1.47 to the euro when we were bought out. Today it is around \$1.07. There you have it – two myths busted: that gold should behave like a commodity, and, also, that it requires a weaker dollar to prosper. I would add a third while I am at it. This stunning outperformance has occurred without the most commonly presumed necessary condition for gold to rise: headline inflation.

That gold is a myth-buster should not be a surprise. For gold is first and foremost a “good thing.” It is a currency that, uniquely, cannot be printed, and is among the only financial assets that does not represent someone else’s liability. It is “as good as gold” because it is, well...gold. Meanwhile, it possesses a brand that is more widely recognized than “Coca-Cola” or “Apple”. Over time, gold holds its value beautifully, and can easily outperform other asset classes when the conditions are right. Not that its detractors see it that way.

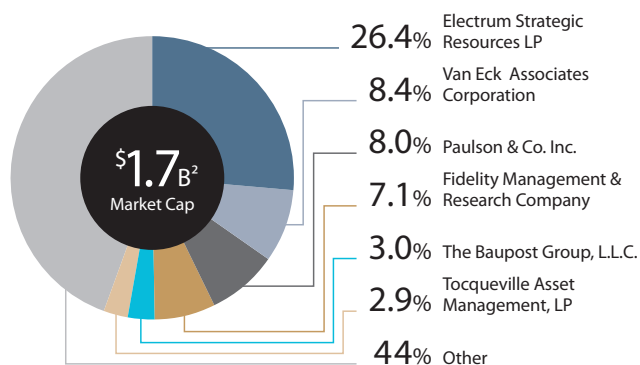
Alas, gold is presently out of favor. As I write this piece, Jeffrey Gundlach, known on Wall Street as the Bond King for his prescience, had this comment to make on CNBC about why he owns gold: “Assets that fall in price become unloved, humiliated. Assets that are up a lot in price have many supporters, even though the prices could be at a peak.” He summed up his philosophy as follows: “Sell hubris, buy humiliation.” Mr. Gundlach makes a serious point. As we have seen, great investors know that trends are born and sustained out of derision and skepticism and end amidst general acceptance and ultimately euphoria. I should also note that he added the following observation: “If you go on a financial show and talk about gold, you almost get laughed off the stage.”

Having been in that situation comedy myself, if the audience gets beyond the laughter, I’m often asked if I’m surprised that gold isn’t higher today. The answer is no and that, to the contrary, I believe gold has acted brilliantly. With America’s currency screaming against its peers, the fact that gold is more than holding its own against even the almighty dollar is impressive. For what it’s worth, in my view what we have witnessed over the last five years has been a correction within a long-term bull market. The first wave, which took gold from \$250 to around \$1,900, lasted for twelve years. For twelve consecutive years gold ended each and every year higher, whether that year had been a period characterized by strong commodities or weak commodities, inflation fears or deflation fears, a strong dollar or a weak dollar, war or peace, prosperity or crisis. Now that’s a bull market. Perhaps, just perhaps, gold may need to retreat to below \$1,000 to wash out the remaining weak hands. For historians like myself who have lived through those moments, such a move would be classic. But at this point, such a retracement is not a necessary requirement for a healthy gold market. The fundamentals are now in place such that the renewal of gold’s long-term uptrend, one that will take the next leg far beyond the all-time highs, doesn’t require any specific catalyst.

With that in mind, knowing its balance sheet renders it impervious to the prospect of going out of business if we do indeed get that pullback – but also knowing that it holds a fabulous portfolio consisting of a half interest in two of the greatest mineral deposits in North America – NOVAGOLD is in my humble but biased opinion the most exciting, best risk/reward vehicle for investors to gain leverage to gold. Call NOVAGOLD the world’s finest unexpiring gold warrant, or call it a pure play on the best development-stage asset in the industry; in either case, we as its largest shareholders, whose only mission is to find the best way to play a thesis, believe it is a uniquely attractive investment proposition. In today’s asset-starved gold industry, “category-killer” deposits are few and far between. Yet that is precisely what we are dealing with here. In terms of its combined size, grade and production profile, Donlin Gold is truly in a league of its own. That we enjoy the competitive advantage of being located in Alaska, the second largest gold-producing state in the safest jurisdiction in the world, is more than merely icing on the cake. When institutional investors scramble for exposure to the sector, its qualitative and quantitative merits – plus being in a place where the rule of law is sacred – will render NOVAGOLD a “go-to” stock. As they say, “Watch this space.”

That this league-leading asset is stewarded by an all-star management team is important. When an executive group is known as the best in breed, a premium valuation is ultimately attached to its share price. I believe that we can expect that to happen here. This part of the company’s narrative begins with Greg Lang. The best of the best, prior to joining NOVAGOLD in 2012, Greg oversaw Barrick’s most significant North American operations, the jewels in the crown, as President of Barrick North America. He in turn recruited, and is supported by, an exceptionally experienced team of professionals, including Richard Williams, who successfully navigated Barrick’s and Goldcorp’s Pueblo Viejo project before joining NOVAGOLD; Dave Deisley, whose accomplished career in permitting included

### Long-term shareholders who understand and share our investment thesis.



Market Capitalization based on 321.5 million shares issued and outstanding and NOVAGOLD share price of \$5.32 as of January 31, 2017. Shareholder positions are based on the latest 13-F filings.



extended tenures with Barrick and Goldcorp; David Ottewell, who joined NOVAGOLD from Newmont where he served in a variety of senior financial roles, including Chief Controller; Ron Rimelman, whose background in environmental management, health and safety, and sustainability included a long career at Tetra Tech; and Mélanie Hennessey, our VP, Corporate Communications, who came to us after successful tenures at companies such as Hecla and Goldcorp.

As personal dynamics go, I am also very proud of the fact that in 2016 we further strengthened our relationship with our partner Barrick. Fifty-fifty partnerships are supposed to be challenging, but not this partnership. We are aligned at every level, from our specific approach to project management with a focus on engineering excellence and a strong culture of safety, environmental stewardship, and social engagement to our strategic approach to the timing for development of major projects such as Donlin Gold. In terms of the timing, we both share the belief that all stakeholders stand to benefit the most from Donlin Gold by advancing it prudently; that it should not be built at “any gold price.” We also believe that the value of Donlin Gold can be enhanced by minimizing initial capital outlays and employing innovative ideas such as modular construction techniques and selective mining methods. Both teams are jointly working toward that end, knowing full well that the advancement of Donlin Gold, coupled with a meaningful uptick in the price of gold, would represent a beautifully perfect storm for all Donlin Gold stakeholders.

The most recent appointment of Andy Cole is the best example of our shared values. Last year, we were delighted to welcome Andy, an enormously well-regarded Barrick executive, to take on the role of General Manager of Donlin Gold. He has more than 20 years of experience in permitting, building and operating major gold mines in North America. Most recently, he was Barrick’s Executive Director, U.S.A., responsible for permitting, energy, communications, community relations, and corporate social responsibility. Prior to that position, he served in a variety of senior operating roles, including General Manager of the Goldstrike mine, one of Barrick’s largest, in Nevada. Andy’s assumption of this key role is a statement on many levels about how Donlin Gold is not only a “special” situation but, as Andy himself put it in our joint-press release with Barrick, a “unique” one.

The reason for Andy’s and the NOVAGOLD management team’s enthusiasm about Donlin Gold is because they all realize just what a special project it is. And like them, I am not aware of any project that has a measured and indicated resource endowment containing approximately 39,000,000 ounces of gold with a grade averaging 2.2 grams of gold per tonne, double the industry average. Add to that a projected gold production profile that is expected to

average approximately 1,100,000 ounces of gold per year (with initial production averaging 1,500,000 ounces per year) over a projected 27-year life, and that one has what could be the largest, highest-quality long-life pure gold mine in the world. This does not even consider the exceptional exploration potential that exists on our eight-kilometer strike zone, of which only three kilometers encompass the future mine. Any future exploration success could yield further expansion of the mine life and a possible increase in its future production profile. All of those attributes located in a place that respects the rule of law, make Donlin Gold not only “special” but “unique,” particularly in light of our bullish view on gold.

As NOVAGOLD’s largest shareholder and its Chairman I could not be happier with the Company’s achievements. That includes our excellent time-tested mutual trust we have developed with the Native Corporations – Calista and The Kuskokwim Corporation – the respective owners of the mineral and surface rights to Donlin Gold. These relationships are based on actions rather than words. For example, in 2016, Donlin Gold sponsored students from the Native Village of Napaimute to help them attend the Northern Industrial Training Career Center and participate in skill development workshops. We also helped provide an Alaska Sealife Center distance learning program for the Kuspuk School District, which will be used broadly in schools across the region. These are just two of many examples of our close involvement in Yukon-Kuskokwim communities. They form an important foundation for our future collective success, because together, we are creating a source of economic prosperity in the region for many generations to come.

The atmosphere of trust and respect toward our local partners is not limited to Donlin Gold. We employ the same philosophy with members of the Tahltan First Nation, on whose traditional territory Galore Creek – the major copper-gold-silver project equally owned by NOVAGOLD and Teck – is located. Our engagement with the community includes support for post-secondary education and employment on our projects. These activities remain high-priority while we continue our technical and environmental work at Galore Creek, which could one day be Canada’s largest and lowest-cost copper mine.

In conclusion, on behalf of the Board of Directors, I would like to extend our sincere thanks to all of our stakeholders, including the many fine financial institutions who have become shareholders of this great company. In addition, I wish to express my gratitude to our partners at Barrick and Teck as well as the governments, Native Corporations, and First Nations of the jurisdictions where we operate. We are truly blessed to be a part of their families.



**DR. THOMAS KAPLAN**  
CHAIRMAN, BOARD OF DIRECTORS  
FEBRUARY 10, 2017

public comment, Donlin Gold Draft EIS

“We believe that the proposed pipeline...can be built and operated without negatively impacting the Iditarod Trail....As we are talking about a mining project, a gold mining project at that, we find it interesting and perhaps even a bit nostalgic and ironic, that the Iditarod Trail itself was created to service the gold fields near the town of Iditarod many, many years ago.”

STAN HOOLEY, PRESIDENT, IDITAROD TRAIL COMMITTEE



Q  
+  
A

## How many +30Moz gold deposits do you know about – and how many are in stable locations like Alaska?

Note the joint press release issued last November by Donlin Gold’s partners, in which the incoming general manager, Andy Cole, referred to the project as a “unique asset.” That’s a big endorsement from the former operator of Goldstrike, Barrick’s fabled company-maker, and most recently the executive director of Barrick USA.

In fairness, though, some projects are similar. For example, there are a few development projects in the world with gold resources on the same scale as Donlin Gold, but they are either located in unfavorable jurisdictions or have substantially lower gold grades.

Other than Donlin Gold, however, we are not aware of any development project in an investor-friendly place with approximately 39 million ounces of measured and indicated resources at a grade of 2.2 grams of gold per tonne. And while the size speaks for itself, it doesn’t fully reflect what we believe is the true extent of the resource potential of what we suspect could become a much larger district.

Meanwhile, from a qualitative standpoint, Donlin Gold’s grade is where the industry was a decade ago – and is now about double the average. As we say in this business, grade is king. That’s because operations with higher gold content can move and process the same amount of material as lower-grade projects, yet produce more gold for less. In the age of capital discipline, this is a huge quality and cost differentiator.

But having a world-class asset is no longer about size and grade. It’s about where in the world you are. The mantra used to be to go where the gold is. That’s when exotic locales became fashionable. The more freewheeling jurisdictions were also perceived as places in which one could fast-track projects, so premium valuations were no longer accorded to projects in stodgy North America. Investors and miners now see that it’s better to have to take longer to permit something in a safe place than to go faster in a dodgy one. Security is worth the extra time on the front end – and will nearly always yield a higher return.

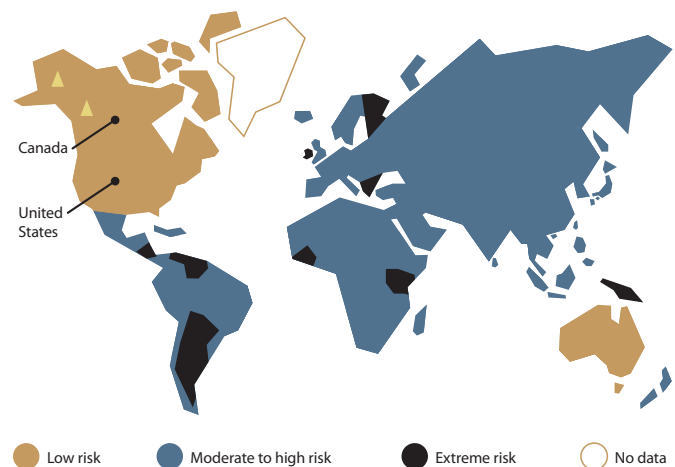
As jurisdictional risk is now considered the single greatest threat to mining companies, Donlin Gold’s location in Alaska

means that our shareholders don’t have to worry about waking up one day to find our project expropriated or caught up in political instability.

Investors get it. Five years ago, one rarely heard about jurisdictional risk. Now we hear about it everywhere. While NOVAGOLD is fortunate to have significant shareholders who appreciate the importance of safe geo-political jurisdictions in their decision-making process, it’s an important aspect for new investors as well. Given Donlin Gold’s singular attribute of being located in Alaska, a jurisdiction known for a well-established time-tested mining culture, with six major operating mines, we believe we enjoy an enormous competitive advantage – and that investors will accord a greater premium to shares of NOVAGOLD as we advance Donlin Gold up the value chain.

Simply put, Donlin Gold has it all: category-killer size, industry-beating grade, superb exploration potential, decades of mine life, and a production profile that may render it the largest single pure gold mine in the world. On top of all that you have the safety of being in the second largest gold-producing state in the world’s safest jurisdiction, where stakeholders can enjoy a welcoming environment of proper consultation, the rule of law, and an independent judiciary. Imagine that: the biggest gold mine in the world, in the safest place in the world. Or as we like to say, “The greatest leverage to gold in a place that will allow you to keep the fruits of that leverage.”

### Leverage in a place where you can keep the rewards.



Source: Fraser Institute Survey of Mining Companies, 2015





Ally

Zaukar

TRIBAL ADMINISTRATOR  
CROOKED CREEK TRADITIONAL COUNCIL  
CROOKED CREEK, ALASKA

A little over a year ago everyone was talking about the election for tribal offices. I actually didn't want to get involved at first – until one day when I saw a signup list at the post office. I gave it some thought, then I wrote my name in.

When I came to vote, there was my name for tribal administrator. I was so surprised. I didn't think it would actually show up on there.

Five days after the election we learned the results. I couldn't believe what was going on. I can't believe it still. I just turned 20.

When I think about the opportunities that exist for my generation, it could very well be the mine. It could open up a lot of jobs. And to work there you need training, which helps provide goals and accomplishments for my peers and the generation younger than me. This mine is going to be around for more than 30 years, and that's exciting for the region.

But there's another benefit. Donlin Gold requires no alcohol and no substance use. And that's something that needs to be addressed. Young Alaska Natives need to stay away from those things – and this is a way to meet that goal.



# Q+A

## How would you describe the exploration potential of the property beyond the 39Moz of identified M&I resource and 6Moz of inferred?

The second updated feasibility study, filed almost five years ago, envisioned Donlin Gold to be one of the largest gold-producing mines in the world – likely entering production as the largest pure gold mine in existence and averaging approximately 1.5 million ounces of gold production in the first five years of operation and approximately 1.1 million ounces per year over its 27-year life.

Though there are already 39 million ounces of measured and indicated resources – with an additional 6 million ounces in the inferred resource category – the production reflected in the feasibility study was to emanate from about 34 million ounces of proven and probable reserves, and assumed that no higher-grade ore, or, for that matter, any additional ore at all, would be found.

Basically, in NOVAGOLD’s view, either Donlin Gold’s mine life – already measured in decades – or its ultimate production profile is likely to be greater than currently anticipated. Or both. We say this because, in addition to its already large mineral endowment, we believe that Donlin Gold has excellent exploration potential, with the opportunity to expand the current resource both along strike and at depth; plus, the current pit occupies a three-kilometer portion of an eight-kilometer mineralized belt. We’re excited about what further exploration could yield, and would not be remotely surprised if the next really big gold discovery is made at Donlin Gold. It could develop into a district-wide play on property that the existing partners already control.

What’s more, all the surface rights and exploration licenses are in place to mine for as long as there is potential. Donlin Gold has a mining lease with Calista Corporation – and a surface-use agreement with The Kuskokwim Corporation with co-terminus terms – granting Donlin Gold the rights to mine so long as the company believes there is valuable mineral potential on the property.

One of only six mines in the world slated to produce >1M ounces a year.



1) Donlin Gold data as per the second updated feasibility study effective November 18, 2011, as amended January 20, 2012. Represents 100% of measured and indicated resources of which NOVAGOLD's share represents 50%. Measured and indicated resources inclusive of proven and probable reserves. Projected annual gold production during full life of mine.

2) Peer group data as per latest company documents, public filings, and websites. Comparison group of 12 projects based on large (2Moz P&P cut off), feasibility-level, North/South American gold-focused development projects.

# Q+A

## What are your latest thoughts on whether a phased project can be built with favorable economics?

The majority of companies advancing projects in our space, or those looking to expand their operations, are evaluating various development scenarios – as they should. After all, we are in the business of making money for our stakeholders, not simply achieving technical success.

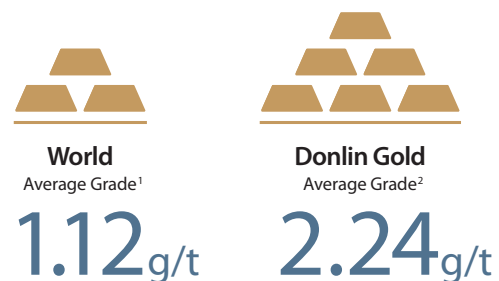
The investment environment is far different now than it was when the feasibility study was published in 2011. As we approach completion of the EIS and permitting processes, Barrick and NOVAGOLD expect to update the feasibility study – prior to a construction decision – to reflect any changes, which include, among other things, input parameters, price assumptions, third-party owner/operator possibilities, equipment leasing opportunities, execution, and additional optimization studies. The outcome of that work should establish the best path toward ensuring that, when the owners make a construction decision, the project will yield the best return on investment.

The price of gold will surely be an important factor for the owners to consider. Both Barrick and NOVAGOLD have publicly stated that we wouldn't finance or build Donlin Gold in a low gold price environment, and are willing to be patient to wait for

the right market. As gold bulls with a unique asset, our view is that we don't want to give away the 2.2 grams per tonne mineral endowment to subsidize Chinese and Indian consumption. Both partners are thus completely in alignment. Our gold resource is not going anywhere, so it only makes sense to ensure that we develop the asset at a time, and in a manner, that maximizes the value of Donlin Gold for all stakeholders.

As it relates to capital expenditures, our goal is to maintain a conservative approach; our aim for Donlin Gold is not only to meet expectations, but also to exceed them. We believe that Donlin Gold's value will be further enhanced in a more sustainable higher gold price environment by the time it's ready to make a construction decision, rendering the capital costs and financing terms more feasible and attractive.

Double the gold industry's average grade.



1) 2015 average grade of open-pit and underground deposits with gold as primary commodity and over 1Moz in measured and indicated resources, sourced from SNL Metals & Mining.

2) Donlin Gold data as per the second updated feasibility study effective November 18, 2011, as amended January 20, 2012. Represents 100% of measured and indicated resources of which NOVAGOLD's share is 50%. Measured and indicated resources are inclusive of proven and probable reserves.





Carl

Morgan

BOARD OF DIRECTORS  
THE KUSKOKWIM CORPORATION  
ANIAK, ALASKA

The biggest challenge we're dealing with here in Aniak is the state economy. We are so dependent on one source, and that's oil. And look what's happened to oil these last couple years. Everything fell – municipal systems have been cut from the state budget, and that's how the cities operate. They get most of their money from the state. They get some from the Bureau of Indian Affairs, but not that much. The traditional council also gets federal dollars, but that's shrinking too. Having to rely on handouts like these is like being enslaved.

Both Calista and The Kuskokwim Corporation see the out-migration of shareholders, and they are concerned about it. They want people to move back, but there are no jobs. That's why Calista and TKC are very supportive of Donlin Gold – because the only time jobs open here is when someone retires at the post office or school or if someone dies.

When we were growing up we traveled in dog teams. Without your dog team, you couldn't subsist; you couldn't live off the land. Nowadays everyone's starting to realize that getting a paycheck is subsistence – and that there's no better way to beat welfare than with jobs. Nothing better than a paycheck. Because without it, you cannot subsist.



public comment, Donlin Gold Draft EIS

“As a mine that focuses on environmental responsibility, meaningful dialogue with communities, job opportunities and economic stimulus for one of the poorest regions in the entire state, Donlin Gold has TKC’s full support.”

MAVER CAREY, PRESIDENT/CEO, THE KUSKOKWIM CORPORATION





# Q+A

## What sort of cost-saving opportunities do you see?

The owners are actively studying ways to minimize their initial capital outlays and improve the project's economics. In 2011, the total capital cost estimate for Donlin Gold came in at \$6.7 billion. At this point, we've identified a number of possibilities, such as phased execution, the implementation of modular construction techniques, the use of selective mining methods, and the automation of certain mining activities. For a long-life project such as Donlin Gold, today's equipment leasing terms could be the preferred route to finance some of the initial capital. Capital could also be shared through additional third-party financing or owner/operator opportunities (e.g. gas pipeline, port facilities, and oxygen plant). Results from these analyses should crystalize requirements which we expect will lower the owner's initial capital outlays and add value over those described in the second updated feasibility study dated November 18, 2011 and amended and filed on January 20, 2012.

The work being completed by both Barrick's and NOVAGOLD's experienced mine builders and operators should enhance the value of the project at the time when the owners (1) decide to update the 2011 feasibility study and (2) initiate the engineering work required to advance the project design from feasibility level to basic and then detailed engineering.

An updated version of Donlin Gold's development plan should also help us define the right structure for project financing. We are confident that when the price of gold comes back to levels which would yield acceptable returns to the owners of Donlin Gold, the cost of both equity (through high share price) and debt (through low interest rates) for project development should be very attractive.





Erich

Kuball

INTERIM SUPERINTENDENT  
KUSPUK SCHOOL DISTRICT  
ANIAK, ALASKA

I had been teaching on the Navajo Reservation for seven years when I was offered a job as a math teacher here in Aniak. Without even looking at the place, I accepted and signed the contract. Three months later I moved here with a couple suitcases in hand. It was just going to be for a year, but at the end of that year I was too broke after

buying a snow machine and a four-wheeler. So I thought, well, let me give it another year. After the second year I realized I kind of like it here. I've lived here longer than I've lived anywhere else in my life.

People like to dis on those out here in the bush like we're not very smart and the school system isn't very good. Yet we've got a lot of really smart kids, some of whom have gone on to get doctorate degrees.

The biggest struggle is employment. The average household income here is only a couple thousand dollars. That puts 97% of our district kids below poverty. The opportunities that your average middle-class kids in the lower 48 take for granted – it's all stuff our kids usually have to do completely on their own.



## How would you and your partner Barrick finance the Donlin Gold project?

Both Barrick and NOVAGOLD recognize that Donlin Gold is a unique asset, and each party is doing everything within its power to realize the asset's extraordinary potential. We're working together to successfully complete the permitting process. We are also totally aligned in identifying optimized development scenarios that would maximize the project's value and reduce initial capital outlay. Time is on our side and we have a healthy balance sheet, affording us the flexibility and strength to do things properly and to make a construction decision at the right time.

And while we have had several categories of investors interested in participating in Donlin Gold directly, this is not a strategy on which we are focused. When our development scenario unfolds, we do not believe that money will be an issue. Meanwhile, the value of a 50% share in Donlin Gold, with all the rights and benefits that confers, gives us precisely the profile we seek.

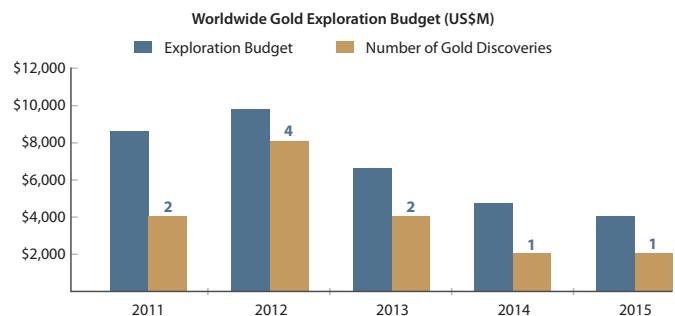
NOVAGOLD is proud to have a core group of long-term shareholders who understand and share our investment thesis. Management regularly meets with existing and potential shareholders as well as market analysts to discuss the company's progress on its commitment to advance Donlin Gold through the permitting process.

Just as important, management listens to these gold industry investors to glean their perspectives on the current and future state of the industry. The collapse in oil prices is a reminder to investors that, unlike oil, gold is not a commodity. It is first and foremost a kind of currency that people have accepted as a store of value long before paper currencies. If anything, the understanding and appreciation for gold is only going to improve since it is the only currency that cannot be printed at a time when major reserve currencies are being debased.

After a 40-year secular trend of attempted demonetization, gold is re-asserting itself as the only financial asset that doesn't represent someone else's liability. Our understanding of the gold industry confirms our belief that NOVAGOLD offers investors all the leverage they could wish for when the gold price resumes its upward trajectory, and when our undervalued equity will be even more precious than the metal itself.

Speaking for ourselves we expect that, with Donlin Gold's strong attributes, there will be multiple financing options: equity, debt, and third-party project financing – just to mention a few. If anything, considering the project's many virtues, we are not remotely concerned about how, when the time is right, we will finance what we consider to be the most important gold project in the world.

### Scarcity of quality assets, lack of exploration bode well for gold's upward trajectory.



Source: SNL Metals & Mining. Number of gold discoveries comprises deposits with over 2 million ounces of gold. Newly found deposits may reach this threshold with further drilling. Gold discovery data for 2016 is not yet available.

# Q+A

## As its oil revenues dwindle, how keen is Alaska on encouraging new enterprise?

We believe that Alaska is welcoming new development opportunities as a means of diversifying its economy, which continues to be dominated by the oil industry and government. Donlin Gold, the Alaska Miners Association, and the Council of Alaska Producers continue to work with Governor Walker and the legislature to advance the cause for the development of new mines in Alaska. In 2014, the state's mining industry provided:\*

- ▶ 4,400 direct jobs
- ▶ 8,700 total (direct and indirect) jobs
- ▶ \$620 million in total payroll
- ▶ \$119 million in state government revenue through rents, royalties, fees, and taxes
- ▶ \$144 million in payments to Alaska Native corporations
- ▶ mostly year-round jobs for residents of more than 50 communities throughout the state – half of which are found in rural Alaska, where few other jobs are available
- ▶ some of Alaska's highest paying jobs (an estimated average annual wage of \$100,000, over twice the state average for all sectors of the economy)
- ▶ \$20 million in local government revenue through property taxes and payments in lieu of taxes

Donlin Gold would contribute significantly to Alaska's mining sector with an anticipated annual construction payroll of approximately \$375 million and an anticipated annual operating payroll of about \$100 million. Local purchasing and contracting would support businesses in the region and throughout Alaska. In addition to the royalties to be paid to Calista and TKC, which would be shared among all ANCSA corporations through

\*source: <http://alaskaminers.org/economic-impact>

ANCSA 7(i) and 7(j), Donlin Gold also would pay Alaska mining license fees, corporate income taxes, and local property taxes to municipalities along the natural gas pipeline route.

Another great example of the state encouraging new enterprise is the Alaska Industrial Development and Export Authority (AIDEA) which was created by the Alaska Legislature in 1967 "in the interests of promoting the health, security, and general welfare of all the people of the state, and a public purpose, to increase job opportunities and otherwise to encourage the economic growth of the state, including the development of its natural resources, through the establishment and expansion of manufacturing, industrial, energy, export, small business, and business enterprises..."

One of AIDEA's original projects was the financing of the Delong Mountain Transportation System to support the development of the Red Dog mine – one of the world's largest producing zinc mines – in northwest Alaska. The system comprises the infrastructure for the transport of concentrate from the Red Dog mine site to a port where lightering barges load ships that carry the concentrate to offshore smelters. It includes a 52-mile all-weather gravel industrial haul road, a port facility, an offshore conveyor system, a fuel storage and distribution facility, concentrate storage facilities, on-site power, and residential quarters for up to 96 workers. The Delong Mountain Transportation System is illustrative of the types of investment that AIDEA can make to support resource development in Alaska.

### Sufficient cash to advance the Donlin Gold project through completion of permitting.

**\$105M**

Includes \$75M in term deposits as of November 30, 2016.

### 2017 budget.

**\$23M**

\$10.0M	Donlin Gold
\$2.0M	Galore Creek
\$11.0M	G&A

2017 anticipated budget expenditure disclosed on January 25, 2017.



# Traditional Council Center

# 907-675-4308



## Daisy Phillips

BOARD OF DIRECTORS  
THE KUSKOKWIM CORPORATION  
ANIAK, ALASKA

I've noticed in the last few years that the younger generation is starting to step up quite a bit more, especially those in their mid-20s. A lot of our staff at the tribe is pretty young – even our Aniak Traditional Council Board. They really stepped up to the plate, and are willing to make a change to better the community.

At first I wasn't for Donlin Gold, but then, looking at the bigger picture, looking at the feasibilities and all the different studies and all the different aspects of the plans; learning how they're going to do it and how many setbacks on so many different occasions – but they're still moving forward; they still want to work with the communities and they still want to work with the whole region. That really changed my outlook.

And the lack of jobs is a big concern here. You can sit for at least a year without any job – or you can be working part time here and part time there. Or you can go to town to apply for a job that you hear pays well, but you have to compete against a thousand other applicants. Which means you really have to step up your game, education-wise. We need job security.





public comment, Donlin Gold Draft EIS

“When discussing socio-economics and subsistence, many split the two subjects. However, the people of the land are those best qualified to speak on subsistence. They know the topics of socio-economics and subsistence cannot be separated, for without a source of income, we cannot afford a subsistence way of life, a life that to the surprise of many, is not cost-free.”

ANDREW GUY, PRESIDENT/CEO, CALISTA CORPORATION





## How much risk is there of environmental litigation delaying the project?

There's always a risk of environmental litigation, although we believe the risk has been mitigated through the extensive and transparent public engagement that began early in the life of the project. Should there be any delays, however, we are prepared to work through them and to keep the process moving forward.

With a planned mine life of almost 30 years, we maintain a long-term view on this issue. The key is to ensure that each step in the process is completed properly – even if that means taking a bit more time. While there are never any guarantees that no one will file a lawsuit to try to prevent development of a new mining project, we believe we have plenty of advocates throughout Alaska.

As shareholders of the Calista Corporation (Calista), the owner of the mineral rights, and The Kuskokwim Corporation (TKC), owner of the surface estate, most of the Yukon-Kuskokwim (Y-K) region's residents have an important stake in the project's success. For over 20 years, Donlin Gold has partnered with Calista and TKC, earning their trust by working together to develop the asset into a world-class, environmentally responsible mine that provides economic opportunity both to the Y-K region and to the entire State of Alaska.

December 2016 marked the 45th anniversary of the enactment of the Alaska Native Claims Settlement Act (ANCSA), which enabled Alaska Native Corporations to select 44 million acres of land as part of the compensation for extinguishment of their native title claims. The opportunity to select lands known to be valuable for their natural resource, e.g. timber and mineral potential, was intended to provide a solid foundation for the 12 ANCSA regional Native Corporations to encourage economic development in rural Alaska where well-paying, year-round employment is scarce.

ANCSA was enacted to respond to "real economic and social needs of Natives...with maximum participation by Natives in decisions affecting their rights and property." The ANCSA section 7(i) sharing provision mandates that the regional corporations redistribute 70% of the proceeds from natural resource development to all regional corporations, who in turn, must

distribute 50% of their 7(i) revenues to their village corporations. These sharing provisions have proven to be an effective mechanism for redistribution of profits from resource wealth and development in Alaska to the shareholders of all the Alaska Native regional and village corporations.

Each corporation is associated with a specific region in Alaska and the Natives who traditionally lived there – an innovative approach to land settlements that engaged the tribes in corporate capitalism. The Alaska Federation of Natives (AFN) believed that the Natives would need to take part in the capitalist system in order to survive and prosper. As shareholders of these Native Corporations, Alaska Natives would have the opportunity to earn some income while continuing to engage in traditional ways of life. The development of natural resources in the regions would provide local employment that would enable individuals to stay, rather than leaving their villages to find work elsewhere. The Native Corporations need jobs for their shareholders, and they recognize mineral development as one of the best opportunities to improve the standard of living in the remote villages of rural Alaska. With ANCSA, all Alaska Natives stand to benefit from Donlin Gold.

What's more, these local communities have already enjoyed tangible benefits. During the exploration programs from 1996 to present, local residents formed 90% of the workforce at its peak. The proposed project would employ up to 3,000 workers during construction and up to 1,200 during operations. Through Donlin Gold's support of scholarships for Calista and TKC youth, sponsorship of academic and trades fairs, and leadership in development of the Alaska Miners Association's Mining Workforce Development Plan, we're building a foundation that will enable Calista and TKC shareholders and their descendants to thrive as Donlin Gold prospers.

We're proud of the relationships we have with our community partners. We've taken the time to listen to their concerns – and we've carefully designed our project to address every one of them.





# Pete Kaiser

MUSHER & YOUTH ADVOCATE  
KAISER RACING KENNEL  
BETHEL, ALASKA

Winning the Kuskokwim 300 for the first time was a dream come true. It had been I think 29 years since someone from Bethel had won the race – and nobody born in the region had ever won. A lot of people had been waiting a long time for something like that to happen, and it felt really good to deliver that to the community and the region.

It's hard for me to even consider myself a role model. I think it's great that people can look up to me or somebody like me, and if that helps them feel like they can accomplish something that maybe they didn't feel like they could accomplish before, then I think that's great – because a lot needs to be done to help kids set goals for themselves and work to achieve those goals; to have pride in themselves and in what they do.

I think Donlin Gold offers that kind of opportunity. There aren't as many employment opportunities here as there are in other places. It doesn't have to be the highest paying job in the world, but if it motivates you to get up out of bed in the morning and have pride in what you do, I think it helps everyone live a happier and healthier life.



# Q+A

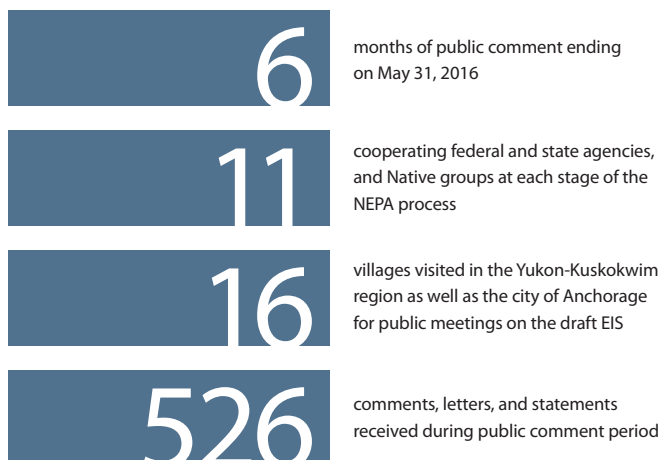
## Were there any major issues raised in the town hall meetings on the Donlin Gold project?

We were encouraged to see people from the region's communities participate in the draft Environmental Impact Statement (EIS) review process. Donlin Gold is a core business in the Yukon-Kuskokwim (Y-K) region. It fulfills an important goal of the Alaska Native Settlement Claims Act (ANSCA): to provide economic prosperity for Alaska Natives through the responsible development of land they selected because of its mineral potential.

Following completion of the six-month public comment period at the end of May 2016, the U.S. Army Corps of Engineers, the lead permitting agency, began reviewing and categorizing the comment submissions to evaluate and initiate the work needed to complete the final EIS. More than 500 letters and public statements were received from Alaska Native Corporations, business groups, communities, individuals, the State of Alaska, and federal agencies. Overall, few new issues were raised – and most matters had already been addressed at length in the draft EIS. Matters of particular focus included the barge traffic on the Kuskokwim River; the potential impact to subsistence resources and users; how to mitigate and respond in the unlikely event of a tailings dam failure – and how the proposed designs minimize such risks; and plans for reclamation and environmental monitoring post-closure. Airing of these issues was welcomed, and in fact represents the purpose of a public comment period. We expect that these comments will be addressed in the final EIS.

Carefully reviewing the draft EIS comments is an important part of preparing the final EIS, ensuring that all technical issues are thoroughly considered and addressed in the analysis. With Calista Corporation and The Kuskokwim Corporation, our Native Corporation partners, we continue to openly and transparently communicate with and listen to the residents of the Y-K region as the project advances through permitting.

### Donlin Gold's Draft EIS by the numbers.







## How experienced are your key executives?

NOVAGOLD's management team is among the most experienced and credentialed in the industry. From permitting and reinforcing our environmental and social license all the way through to development, mine building, and operations, there is no aspect of the value chain that this team has not navigated successfully.

Greg Lang, the company's president and CEO, has been fortunate to work with some of the most experienced individuals in the gold industry and on some of its greatest assets. Greg came to NOVAGOLD after a 30-year career with Barrick and the companies it had acquired: Homestake Mining and International Corona. Prior to joining NOVAGOLD, Greg served as president of Barrick's North American operations for eight years. He was responsible for all of Barrick's premier assets and projects in the region, including flagship mines such as Cortez and Goldstrike in Nevada.

Greg leads a team of experienced industry veterans with an equally fine pedigree. David Deisley joined NOVAGOLD from Goldcorp where he served as general counsel. David Ottewell came from Newmont, where he served in a variety of executive financial positions. VP Corporate Communications Mélanie Hennessey came aboard from Hecla and, prior to that, Goldcorp. Ron Rimelman, VP Environment, Health and Safety and Sustainability, joined NOVAGOLD from Tetra Tech. And Richard Williams, VP Engineering and Development, came from Barrick right after successfully bringing the mammoth Pueblo Viejo project into production.

Each of these individuals left senior positions at major companies to play key roles in the advancement of NOVAGOLD. From the chairman to our field staff, we've all come to the same conclusion: we see a truly unique and attractive gold asset in an era defined by quality asset scarcity. And so too, we suspect, will the investment community.







# Evelyn Thomas

PAST TRIBAL ADMINISTRATOR  
CROOKED CREEK TRADITIONAL COUNCIL  
CROOKED CREEK, ALASKA

I look to Donlin Gold to rejuvenate the area, and I think it will. In fact, I think the majority of the people would like to see it happen. It's because of the lack of work. There are no jobs; there's nothing. And since Donlin Gold's been here, I've seen the standard of living go up for people. Yes, there are always those who go against progress or a big development like this. Yes, there are risks. But there's risk every morning you wake up.

Donlin Gold was the first to keep its word. They were the very first organization, any kind of anything that came out there, that kept their word to hire locally. Most of our native villages are so small, so when we say local hire, we mean the entire Calista region. And they kept their word to us.

Around here, people mostly live on dried fish they got in the summer, unless they were lucky enough to get a moose – then they'd have a little bit of fresh meat once in a while. The rest comes from food stamps. As much as it would be good to live like we did a long time ago, we can't. We couldn't even when I was a kid. You have to be able to buy food.





public comment, Donlin Gold Draft EIS

“Alaskans, trained in Alaska, will be able to work to help ensure that the Donlin Gold mine will be accomplished with the highest regard for land, air, water, fish, and wildlife.”

BILL WALKER, GOVERNOR, STATE OF ALASKA





# Q+A

## What steps remain in the permitting process before a construction decision can be made and ground can be broken?

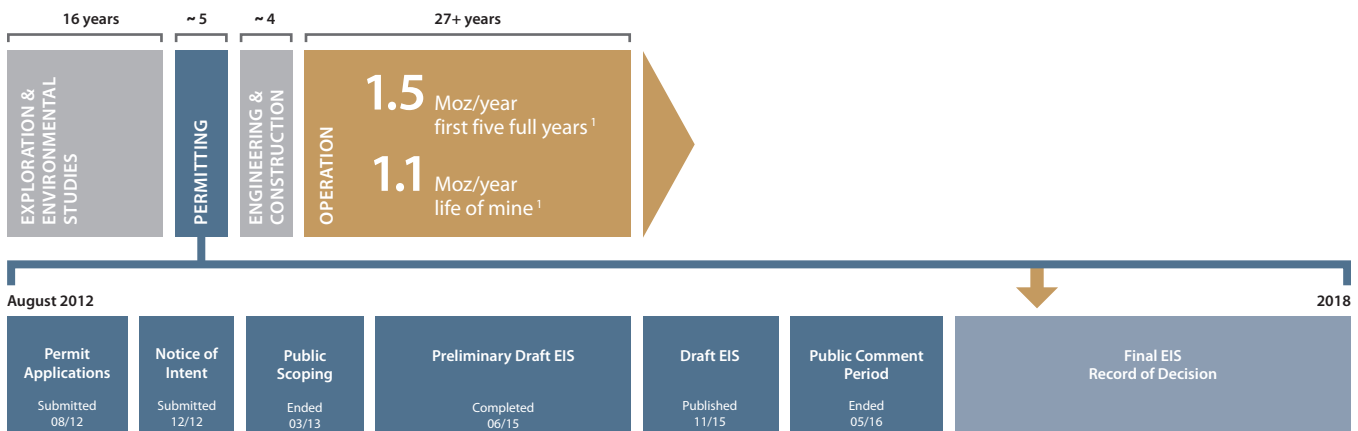
Prior to making a construction decision on Donlin Gold, permitting should be complete and feasibility-level and detailed engineering should be well underway. Permitting a venture that could potentially be the largest pure gold-producing mine in the world – in the safest national jurisdiction in the world – is a very big deal. Permitting activities at Donlin Gold are focused on the Environmental Impact Statement (EIS), the most time-consuming aspect of the process. In large part, the EIS drives the overall permitting timeline for the project.

The U.S. Army Corps of Engineers (Corps), the lead federal permitting agency, has now completed the public scoping process, worked with the cooperating agencies to identify and select a reasonable range of alternatives to Donlin Gold's proposed action, published a draft EIS for public review, and completed a six-month public comment period which included numerous meetings throughout the Y-K region. The Corps is currently evaluating the comment submissions from the draft EIS and initiating work to complete the final EIS.

All Donlin Gold EIS documents, including the Corps' current timetable for the Donlin Gold EIS process, can be found on its website at [www.donlingoldeis.com](http://www.donlingoldeis.com). Other federal cooperating agencies, such as the Pipeline and Hazardous Materials Safety Administration and Bureau of Land Management, will issue separate Records of Decision with respect to the permits and approvals they are responsible for issuing. Concurrent with the EIS process, Donlin Gold continues to work with state and federal agencies to advance all other required permits and approvals, including the air quality permit, pipeline authorizations, water discharge and use, and fish habitat permits, as well as land and shoreline lease and right-of-way approvals.

Apart from the ongoing permitting process – which was initiated based on the project described in the second updated feasibility study dated November 18, 2011 and amended and filed on January 20, 2012 – additional engineering work is required to advance the project design from feasibility to construction-ready level. Some field work – e.g. drilling to further define geotechnical conditions in the area of the proposed tailings dam embankment – will be undertaken in support of the engineering effort. Field work will also take place along the natural gas pipeline right-of-way to finalize the pipeline alignment and locations of borrow sites and river crossings. As engineering specifications are finalized, orders will be placed for mine equipment, plant components (mills, crushers, motors, pumps, etc.), pipe, and other materials. All of these actions will be identified in a well-thought-out project execution plan that the project team will use to manage the project scope and to reduce the risks inherent in project execution.

### Project permitting on track: Advancing toward final Environmental Impact Statement.



<sup>1</sup> Donlin Gold data as per the second updated feasibility study. Projected average annual production represents 100% of which NOVAGOLD's share is 50%.





# Angie Morgan

BOARD OF DIRECTORS  
THE KUSKOKWIM CORPORATION  
ANIAK, ALASKA

We all have the same worries, even though we speak different languages and have somewhat different cultures. We worry about fish and game, subsistence, the moose population – and where you’re going to get a job.

I also worry about my grandsons, my granddaughters. The younger kids don’t see how we used to live, how we had to fend for ourselves. They don’t understand the hard times we used to have.

Some of them didn’t have any money, so they grew up with food stamps and stuff we never had when we were growing up. So it’s harder for them. This is why sometimes I think you might have opposition, even from our own shareholders, to the development of Donlin Gold. I understand that.

But this is an opportunity for them to go to work. And you don’t have to be a construction worker. You can study to be a medic, you can study to be a chef, you can study to be an office worker.

It’s not just because I’m part of the Board of Directors for The Kuskokwim Corporation that I’m for the mine. It’s because I know how important it is for people to have jobs; for them to have land and a home of their own.

# Q+A

## How do you think about valuing NOVAGOLD?

In other words: What, potentially, is the largest pure gold mine in the world – in the safest jurisdiction in the world – really worth?

Let's start with the basics. NOVAGOLD owns a 50% interest in Donlin Gold and Galore Creek, two of the best development assets in the industry. In terms of size, grade, exploration potential, production profile, partnerships, and jurisdictional appeal, these assets offer an excellent opportunity for investors seeking leverage to gold through Donlin Gold and to copper through Galore Creek. The company also has a strong balance sheet, which means it should not need to raise additional capital until it's prepared to advance Donlin Gold to construction. That provides not only extraordinary leverage, but also financial flexibility.

Donlin Gold enjoys an enormous endowment of 39 million ounces of gold in measured and indicated resources. For a mine to start with such a resource may well be a first. That the grade of the resource averages 2.2 grams per tonne, double the industry average, is truly epic. Moreover, with anticipated annual gold production of greater than one million ounces per year over a 27-year mine life, Donlin Gold is slated to be one of the largest producers in the world – and quite possibly, in its early years, the largest pure gold producer in the world. This production is expected to originate from a three-kilometer portion of an eight-kilometer belt of already known mineralization. We believe that this could be just the beginning, and that we are dealing with a district that is wholly controlled by the existing partners. So this mineralized trend contains additional gold targets that could potentially lead to more discoveries and more production in the future. The project's competitive advantage is further solidified by its location in Alaska, the second largest gold-producing state in the safest national jurisdiction in the world.

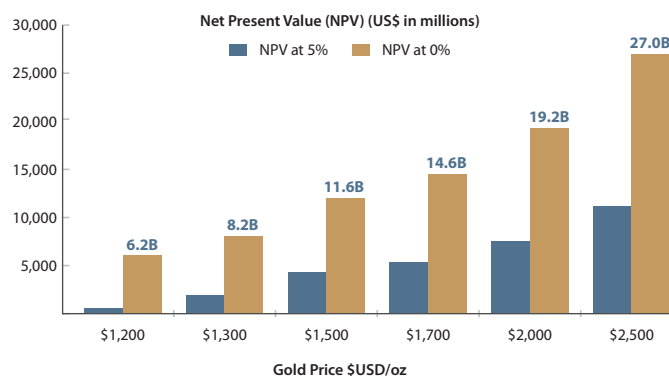
Our chairman and largest shareholder both believe that, due to its unique size, grade, mine life, and jurisdictional profile – not to mention exploration upside – Donlin Gold will ultimately be valued using the zero percent discount rates that prevailed for

U.S. assets before the great migration to the frontier markets took hold. At \$2,000 gold, using a 5% discount rate with just the proven and probable reserves in our feasibility study and nothing else, our share of Donlin Gold would be worth over \$3 billion.\* Of course, when gold reaches that level, it means the next leg of the gold bull market will be well underway and could carry us beyond its last peak of \$1,900 in 2011 to an all-time high.

What do we believe shareholders can look forward to? Here's an anecdote: In 2010, when gold equities had a nice run, NOVAGOLD's share price surged from \$5 to \$16 in a matter of weeks. That was before there was a feasibility study on Donlin Gold and a pre-feasibility study on Galore Creek; before new management was brought in with proven credentials of building major mines; before we showed that one could permit a major mine in Alaska with very limited opposition; and before Barrick's attitude toward Donlin Gold went from being a headwind to a most constructive tailwind.

Today, we are more than halfway through permitting Donlin Gold, and Galore Creek has been shown to be a world-class copper-gold-silver asset as well. Plus, we have a strong balance sheet with over \$100 million in cash and short-term deposits. All these attributes bode well for NOVAGOLD enjoying a premium valuation when the sector says goodbye to the correction phase that has characterized the gold bull market for the past five years – and embarks upon its next leg up.

### Donlin Gold: Significant value upside with higher gold prices.



\*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 and reflect after-tax net present value (at a 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: \$547M @ \$1,200/oz gold; \$1,465M @ \$1,300/oz gold; \$3,147M @ \$1,500/oz gold; \$4,581M @ \$1,700/oz gold; \$6,722M @ \$2,000/oz gold; and \$10,243M @ \$2,500/oz gold.

# Q+A

## How do you view the opportunity at Galore Creek? What copper price would you need before market participants take interest in the project?

As we've focused on advancing Donlin Gold, Galore Creek has often been given too cursory a glance in our narrative. Our shareholders should know, however, that it's a truly great asset – which is why our partner Teck spent C\$373 million to earn their 50% interest in it.

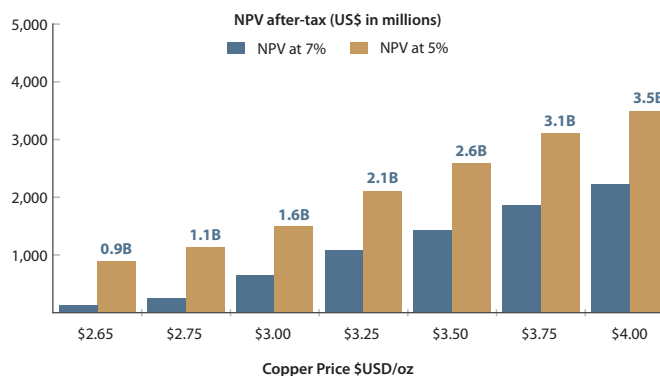
Like Donlin Gold, Galore Creek is large in size and rich in grade. When built, it is expected to be the largest copper mine in Canada, as well as one of the lowest-cost producers. This is a big competitive advantage, as we know that the jurisdictional risks in copper are at least as pronounced as in gold. Additionally, the partnership enjoys an excellent time-tested relationship with the Tahltan Nation, its First Nations partner.

To be honest, if it weren't for NOVAGOLD's focus on Donlin Gold, Galore Creek would be a worthy company-maker in and of itself. The prefeasibility study published September 12, 2011 envisioned mining and processing facilities with throughput nominal capacity of 95,000 tonnes per day, resulting in production of 6.2 billion pounds of copper, 4.0 million ounces of gold, and 65.8 million ounces of silver over an approximate 18-year mine life. Cash costs were forecast to average approximately \$0.80 per pound of payable copper after by-product credits.

Although we continue to evaluate opportunities to monetize our interest in the Galore Creek project (Teck has a right of first refusal with respect to a sale by NOVAGOLD of its interest in the partnership) to support development of Donlin Gold, we are fortunate to have the flexibility to continue to enhance the value and preserve its optionality with minimal cash spend.



### Galore Creek: Significant upside potential with higher copper prices.



Galore Creek estimates as per the pre-feasibility study effective September 12, 2011. All dollar figures are in USD and reflect after-tax net present value (at 7% and 5% discount rates) of the Galore Creek project using a foreign exchange rate of 0.90 USD/CAD and assuming gold at US\$1,100/oz, silver at US\$18.50/oz. At a 7% discount rate, the net present value is: \$124M @ \$2.65 copper; \$285M @ \$2.75 copper; \$679M @ \$3.00 copper; \$1,067M @ \$3.25 copper; \$1,452M @ \$3.50 copper; \$1,837M @ \$3.75 copper; \$2,217M @ \$4.00 copper.





# Mark Leary

DIRECTOR OF DEVELOPMENT & OPERATIONS  
NAPAIMUTE TRADITIONAL COUNCIL  
NAPAIMUTE, ALASKA

Our population growth is huge, and I don't think people think about it anymore, because we love babies around here. But it's having an effect on our natural resources. There's no economic development, so we're producing a bunch of young people with nothing to do.

There used to be a lot of opportunities for employment, most of it centered around the fishing industry. It's all gone away. There were four, five, six fish processing plants in Bethel, and we started working when we were 10 years old. There were no child labor laws, and we got paid minimum wage. But we learned the value of work and the independence it gives you.

That's probably one of the bigger changes I've seen in the region: the growing dependence on government programs. It's become a way of life for a lot of people; a part of the culture. And it's because there's no economic opportunity.

Too many of our young guys are in jail. Too many are in the graveyard. All they need is an opportunity and they would shine. But there's nothing there for them. Nothing but public assistance. What would change that? Some kind of major economic development project in our region. And the only thing that's on the table right now is Donlin Gold.





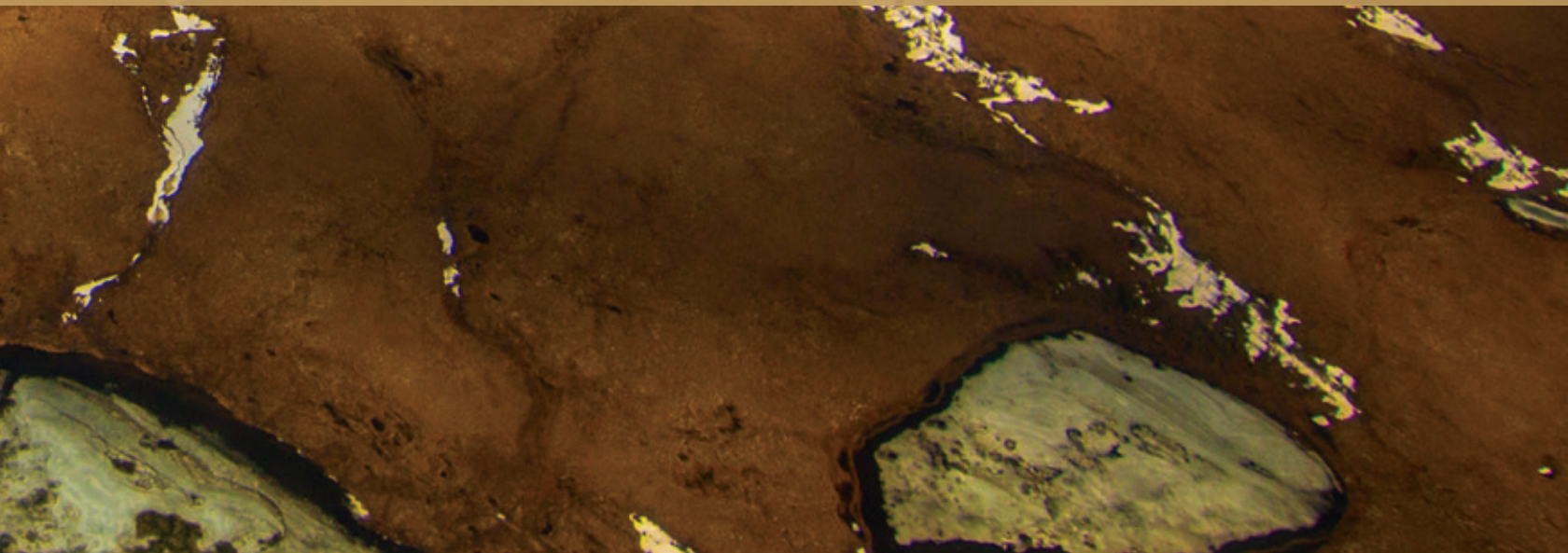




public comment, Donlin Gold Draft EIS

“This project provides the one opportunity for economic development that simply does not exist in any other form or industry in the region.”

ANCSA REGIONAL MANAGERS





# Reserves & Resources

Donlin Gold *	Tonnage (100%)	Grade (100%)	Metal (100%)	NOVAGOLD Share (50%)
<b>GOLD</b>	<b>Mt</b>	<b>g/t Au</b>	<b>koz Au</b>	<b>koz Au</b>
<b>Reserves<sup>1</sup></b>				
Proven	7.7	2.32	573	286
Probable	497.1	2.08	33,276	16,638
P&P	504.8	2.09	33,849	16,924
<b>Resources<sup>3</sup>, inclusive of Reserves</b>				
Measured	7.7	2.52	626	313
Indicated	533.6	2.24	38,380	19,190
M&I	541.3	2.24	39,007	19,503
Inferred	92.2	2.02	5,993	2,997
<b>Galore Creek *</b>	<b>Tonnage (100%)</b>	<b>Grade (100%)</b>	<b>Metal (100%)</b>	<b>NOVAGOLD Share (50%)</b>
<b>COPPER</b>	<b>Mt</b>	<b>% Cu</b>	<b>Mlb Cu</b>	<b>Mlb Cu</b>
<b>Reserves<sup>2</sup></b>				
Proven	69.0	0.61	921	460
Probable	459.1	0.58	5,892	2,946
P&P	528.0	0.59	6,813	3,406
<b>Resources<sup>4</sup>, inclusive of Reserves</b>				
Measured	108.4	0.48	1,146	573
Indicated	706.3	0.50	7,786	3,893
M&I	814.7	0.50	8,932	4,466
Inferred	346.6	0.42	3,226	1,613
<b>GOLD</b>	<b>Mt</b>	<b>g/t Au</b>	<b>koz Au</b>	<b>koz Au</b>
<b>Reserves<sup>2</sup></b>				
Proven	69.0	0.52	1,154	577
Probable	459.1	0.29	4,298	2,149
P&P	528.0	0.32	5,452	2,726
<b>Resources<sup>4</sup>, inclusive of Reserves</b>				
Measured	108.4	0.48	1,656	828
Indicated	706.3	0.28	6,366	3,183
M&I	814.7	0.31	8,022	4,011
Inferred	346.6	0.24	2,697	1,348
<b>SILVER</b>	<b>Mt</b>	<b>g/t Ag</b>	<b>Moz Ag</b>	<b>Moz Ag</b>
<b>Reserves<sup>2</sup></b>				
Proven	69.0	4.94	11.0	5.5
Probable	459.1	6.18	91.2	45.6
P&P	528.0	6.02	102.1	51.1
<b>Resources<sup>4</sup>, inclusive of Reserves</b>				
Measured	108.4	4.10	14.3	7.1
Indicated	706.3	5.38	122.1	61.0
M&I	814.7	5.21	136.4	68.2
Inferred	346.6	4.28	47.7	23.9

\* Mineral reserves & resources are reported on 100% and 50% basis for each project. NOVAGOLD and Barrick each own 50% of the Donlin Gold project. NOVAGOLD and Teck each own 50% of the Galore Creek project.

t = metric tonne    lb = pound    M = million  
oz = ounce        k = thousand    g/t = grams/tonne

Approximate cut-off grades (see Reserves & Resources Footnotes):

<b>Donlin Gold</b>		<b>Galore Creek</b>	
Reserves <sup>1</sup> :	0.57 g/t gold	Reserves <sup>2</sup> :	CS10.08 /t NSR
Resources <sup>3</sup> :	0.46 g/t gold	Resources <sup>4</sup> :	CS10.08 /t NSR

#### Notes:

- These reserve and resource estimates have been prepared in accordance with NI 43-101 and the CIM Definition Standard, unless otherwise noted.
- See numbered footnotes below on resource information.
- Rounding and significant figures may result in apparent summation differences between tonnes, grade and contained metal.
- Tonnage and grade measurements are in metric units. Contained gold and silver ounces are reported as troy ounces, contained copper pounds as imperial pounds.

#### Reserves & Resources Footnotes:

- 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 net sales return 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.
- Mineral reserves are contained within measured and indicated pit designs using metal prices for copper, gold and silver of US\$2.50/lb, US\$1,050/oz, and US\$16.85/oz, respectively. Appropriate mining costs, processing costs, metal recoveries and inter ramp pit slope angles varying from 42° to 55° were used to generate the pit phase designs. Mineral reserves have been calculated using a 'cashflow grade' (\$NSR/SAG mill h) cut-off which was varied from year to year to optimize NPV. The net smelter return (NSR) was calculated as follows:  $\text{NSR} = \text{Recoverable Revenue} - \text{TCRC}$  (on a per tonne basis), where: NSR = Net Smelter Return; TCRC = Transportation and Refining Costs; Recoverable Revenue = Revenue in Canadian dollars for recoverable copper, recoverable gold, and recoverable silver using metal prices of US\$2.50/lb, US\$1,050/oz, and US\$16.85/oz for copper, gold, and silver, respectively, at an exchange rate of CDNS1.1 to US\$1.0; Cu Recovery = Recovery for copper based on mineral zone and total copper grade; for mineral reserves this NSR calculation includes mining dilution. SAG throughputs were modeled by correlation with alteration types. Cash flow grades were calculated as the product of NSR value in \$/t and throughput in t/hr. The life of mine strip ratio is 2.16.
- 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. Assuming an average recovery of 89.54% and an average 5% grade of 1.07%, the marginal gold cutoff grade would be approximately 0.46 g/t, or the gold grade that would equate to a \$0.001 net sales return cutoff at these same values. 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 a great amount of uncertainty as to their existence and whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher category. See following "Cautionary Note Concerning Reserve & Resource Estimates".
- Mineral resources are contained within a conceptual measured, indicated and inferred optimized pit shell using the same economic and technical parameters as used for mineral reserves. Tonnages are assigned based on proportion of the block below topography. The overburden/bedrock boundary has been assigned on a whole block basis. Commodity prices used to constrain the mineral resources are US\$2.50/lb copper, US\$1,050/oz gold, and US\$16.85/oz silver. Mineral resources have been estimated using a constant NSR cut-off of C\$10.08/t milled. The Net Smelter Return (NSR) was calculated as follows:  $\text{NSR} = \text{Recoverable Revenue} - \text{TCRC}$  (on a per tonne basis), where: NSR = Diluted Net Smelter Return; TCRC = Transportation and Refining Costs; Recoverable Revenue = Revenue in Canadian dollars for recoverable copper, recoverable gold, and recoverable silver using the economic and technical parameters mentioned above. 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 a great amount of uncertainty as to their existence and whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher category. See following "Cautionary Note Concerning Reserve & Resource Estimates".

#### Cautionary Note Concerning Reserves & Resources Estimates

This summary table uses the term "resources", "measured resources", "indicated resources" and "inferred 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") does not recognize them. Under United States standards, 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. Investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to "indicated resource", "measured resource", or "mineral reserve" status. Therefore, investors are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of "contained ounces" is permitted disclosure under Canadian regulations, however, the SEC 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 resources contained in this release may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC.

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 annual report have been prepared in accordance with Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) - CIM Definition Standards on Mineral Reserves and Mineral Resources, adopted by the CIM Council, as amended ("CIM Definition Standards").

#### Forward-Looking Statements

This annual report 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, the timing of permitting and potential development of Donlin Gold, statements as to the potential exploration upside at Donlin Gold, statements relating to NOVAGOLD's future operating and financial performance, outlook, the anticipated preparation and timing of an updated feasibility study on Donlin Gold, and the potential sale of all or part of NOVAGOLD's interest in Galore Creek are forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible", and similar expressions, or statements that events, conditions, or results "will", "may", "could", or "should" occur or be achieved. These forward-looking statements may also include statements regarding the 2017 outlook; perceived merit of properties; anticipated permitting timeframes; exploration results and budgets; mineral reserve and resource estimates; work programs; capital expenditures; timelines; strategic plans; completion of transactions; market prices for precious and base metals; 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 the need to obtain permits and governmental approvals; 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 Corporation and Teck Resources Limited for the continued exploration and development of the Donlin Gold and Galore Creek properties, respectively; 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; unexpected cost increases, which could include significant increases in estimated capital and operating costs; fluctuations in metal prices and currency exchange rates; and other risk and uncertainties disclosed in NOVAGOLD's annual report filed on Form 10-K for the year-ended November 30, 2016 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 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.

#### Technical Reports and Qualified Persons

The documents referenced below provide supporting technical information for each of NOVAGOLD's projects.

Project	Qualified Person(s)	Most Recent Disclosures & Filing Date
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.
Galore Creek	Jay Melnyk, P.Eng. Greg Kulla, P.Geo.	"Galore Creek Copper-Gold Project NI 43-101 Technical Report on Pre-Feasibility Study, British Columbia - Canada" prepared by AMEC effective July 27, 2011.

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 related to the Donlin Gold and Galore Creek projects contained in this annual report.

# Corporate Information



## MANAGEMENT (SHOWN LEFT TO RIGHT)

### Ron Rimelman

vice president, environment, health, safety and sustainability

### David Deisley

executive vice president and general counsel

### Greg Lang

president and chief executive officer

### Richard Williams

vice president, engineering and development

### Mélanie Hennessey

vice president, corporate communications

### David Ottewell

vice president and chief financial officer

## TRANSFER AGENT

For information on share transfers, lost certificates, or a change of address, contact:

Computershare

1.800.564.6253 (toll-free in Canada and the United States)

1.514.982.7555 (international direct dial)

computershare.com

## AUDITORS

PricewaterhouseCoopers LLP

## SHARE LISTINGS

TSX, NYSE MKT: NG

Issued at January 17, 2017, 321.5 million

## BOARD OF DIRECTORS

### Dr. Thomas Kaplan

chairman, NOVAGOLD RESOURCES INC.;

chairman and chief investment officer, The Electrum Group LLC, natural resources investment management company

### Sharon Dowdall <sup>(1,2)</sup>

corporate director

### Marc Faber <sup>(4)</sup>

managing director, Marc Faber Ltd, investment advisory and fund management firm

### Greg Lang <sup>(3,5)</sup>

president and CEO, NOVAGOLD RESOURCES INC.

### Gillyeard Leathley <sup>(3)</sup>

former COO, Homestake Mining Company

### Igor Levental <sup>(4,5)</sup>

president, The Electrum Group LLC, natural resources investment management company

### Kalidas Madhavpeddi <sup>(1,2)</sup>

overseas CEO, China Molybdenum Company Limited; former executive with Phelps Dodge

### Gerald McConnell <sup>(4,5)</sup>

Chairman, Namibia Rare Earths Inc.

### Clynton Nauman <sup>(1,3)</sup>

CEO, Alexco Resource Corp.

### Rick Van Nieuwenhuyse <sup>(3,5)</sup>

president and CEO, Trilogy Metals, Inc.;

founder and former CEO, NOVAGOLD RESOURCES INC.

### Anthony Walsh <sup>(1,2)</sup>

corporate director

#### Members of:

1. Audit Committee
2. Compensation Committee
3. Environment, Health, Safety and Sustainability, and Technical Committee
4. Corporate Governance and Nominations Committee
5. Corporate Communications Committee



**ANNUAL AND SPECIAL MEETING OF  
SHAREHOLDERS**

Friday, May 5, 2017 – 1pm PT  
Hyatt Regency Vancouver  
Grouse Room  
655 Burrard Street,  
Vancouver, BC V6C 2R7, Canada

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**SALT LAKE CITY EXECUTIVE OFFICE**

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F: 801.649.0509

Environmental sustainability isn't just a business strategy. It's a fundamental component of who we are. NOVAGOLD supports a project development plan that considers full life-of-mine risks and opportunities from exploration through to development, construction, operations, and, finally, closure and reclamation. Through collaboration with local communities and Alaska Native and Tahltan Nation partners, as well as extensive environmental studies, NOVAGOLD is able to maintain a holistic view of the project's life cycle – and to incorporate industry-leading innovations to minimize and mitigate risk.



Crooked Creek is the closest village to Donlin Gold and has a long history of involvement in project activities. Many of the project's earliest and longest-term employees are residents of the community.