

PRESIDENT AND CEO'S MESSAGE



Gregory A. Lang President and CEO

After a decade as President & CEO of NOVAGOLD and as a shareholder with approximately two million shares, I am pleased to report that our team is committed — more than ever — to the steadfast advancement of the 50%-owned Donlin Gold project to be ready for the next leg in the gold bull market. A significant number of activities have taken place over the years to support Donlin Gold, as well as to position and de-risk the project to benefit from a rising gold price environment. These include, among many others, the receipt of key federal and state permits, geological and confirmation drilling, technical and trade-off studies, environmental and social initiatives, employee health and safety protection procedures, and extensive community engagement and government affairs efforts. The year 2022 was no exception as activities substantially ramped-up, starting in January with the project camp reopening to begin the largest drill program in fifteen years. This campaign was executed while remaining attentive to the health and safety of

We started 2022 with the **largest drill program in fifteen years** at Donlin Gold. This campaign was executed while remaining attentive to the **health and safety of our employees, project contractors and stakeholders**, while also executing **vast community relations and government affairs efforts** conducted in collaboration with Donlin Gold's Alaska Native Corporation partners, Calista Corporation and The Kuskokwim Corporation.

NOVAGOLD's and Donlin Gold's employees, project contractors and stakeholders, while also executing vast community relations and government affairs efforts conducted in collaboration with Donlin Gold's Alaska Native Corporation partners, Calista and TKC. With an increased appreciation of the geology — both its richness as well as structural controls — our combined and experienced team will continue to focus on updating the resource model and completing trade-off studies, all of which are moving the Donlin Gold project up the value chain and leading toward an updated feasibility study decision.

2022 DRILL PROGRAM

Drilling commenced in February 2022 and ramped up to four drill rigs operating and approximately 115 people at site to perform the largest drill program since 2007 at the Donlin Gold project. By starting early in the season, the team was able to reach areas at the

project site for drilling that would have otherwise been challenging in milder conditions. The focus of this last drill program was on tight-spaced grid drilling in key structural domains, in-pit and below-pit exploration in sparsely drilled areas, platform mapping to further confirm mineralization continuity and key geological controls in representative areas of the deposit, and 14 geotechnical drill holes to continue the fieldwork data collection for the Alaska Dam Safety certificates applications. Mid-year, the Donlin Gold board approved additional drilling to infill the Lewis 20x20 m grid to 10x10 m spacing. In September, the program was completed under budget and ahead of schedule with a total 141 drill holes or 42,331 meters.

The goal of this tight-spaced grid drilling, which began in 2021, was to increase confidence in the continuity of gold mineralization and structural controls over short-scale distances. Drilling results exceeded our expectations, provided the level of information we



were seeking on recent geological modelling, and identified additional short-scale controls that will be used to update and improve the geological domains used for resource estimation. In essence, drilling in recent years has now satisfied both owners' geological understanding of the ACMA and Lewis deposits.

The results from the 2022 program have returned both noteworthy high-grade intercepts and good grade continuity – hence further supporting the global resource estimate and recent modelling concepts. An example of these outstanding gold intercepts is drill hole DC22-2068 that intersected 42.28 m grading 30.68 g/t gold, with a sub-interval of 23.16 m grading

54.22 g/t gold¹. This drill hole is in the Divide domain which overlaps both the ACMA and Lewis deposits and constitutes one of the most significant intercepts in terms of grade-thickness ever reported by Donlin Gold.

The success of our 2022 drill program is greatly due to the dedication of the Donlin Gold team in Anchorage and at site – the majority of whom are local hires from 24 different communities across the Yukon-Kuskokwim (Y-K) region – all of whom are focused on protecting the health and safety of their colleagues and environmental stewardship.

**2022 DRILL PROGRAM DELIVERED EXCELLENT RESULTS
WITH NUMEROUS HIGH-GRADE GOLD INTERCEPTS²**

<p>DC22-2068 42.28 m at 30.68 g/t, including a sub-interval of 23.16 m at 54.22 g/t</p>	<p>DC22-2077 48.96 m at 20.61 g/t, including sub-intervals of 9.08 m at 13.27 g/t and 31.29 m at 27.09 g/t</p>	<p>DC22-2040 52.27 m at 14.63 g/t, including sub-intervals of 13.94 m at 33.95 g/t and 16.45 m at 13.50 g/t</p>
<p>DC22-2063 60.96 m at 12.35 g/t, including sub-intervals of 33.37 m at 13.80 g/t and 8.79 m at 26.73 g/t</p>	<p>DC22-2063 19.74 m at 34.17 g/t, including a sub-interval of 11.35 m at 57.93 g/t</p>	

HEALTH & SAFETY AT DONLIN GOLD AND THE SURROUNDING Y-K COMMUNITIES

Keeping our workforce healthy and safe is a top priority for NOVAGOLD and at Donlin Gold. This also extends to health and safety initiatives in the communities near the project site as described below. The safety protocols and meetings at the project site played a central role in ensuring the continued success of Donlin Gold and its drill program in 2022. We are immensely proud that Donlin Gold achieved zero lost-time incidents again in 2022 – a remarkable achievement that we do not take for granted as we continue to work and improve practices to ensure the health and safety of our people.

One of the key areas in which we spend a considerable amount of time and resources at the Donlin Gold project is participating in, funding, and supporting local community initiatives associated with health and safety, environmental management, training and education, and cultural preservation throughout the Y-K region. This has been a fundamental undertaking by Donlin Gold over many years for the benefit of all stakeholders, including hiring locally. For the 2022 field season, 115 employees worked at the Donlin Gold site and the majority of direct hires were Y-K region residents representing 24 communities.

We immensely appreciate the meaningful input from Calista and TKC as Alaska Native landowners and the significant economic needs required to sustain healthy living for their communities. Our partners' continued and time-tested collaboration, project support, and full engagement are extremely valuable in ensuring responsible and sustainable economic development

As we continue to expand upon our ESG strategy, we aim to **contribute to the social and economic development of the local communities** in which we operate, and further **minimize any potential impacts on the environment**. We strongly believe that **mines can be developed in a responsible manner** while providing long-term value for project stakeholders and Y-K communities.



throughout all phases of the Donlin Gold project. Donlin Gold is committed to expanding upon the long-term relationships established with Y-K communities and as of the end of 2022, three additional Shared Value Statements were signed with Y-K communities for a total of 12. These agreements address specific Y-K community needs including, among others: water, sewer, solid waste projects, the ice road that connects remote villages, salmon and aquatic life studies, as well as suicide prevention and public safety programs.

In 2022, several community engagements and critical support initiatives took place across the region. Donlin Gold funded the 270-mile-long Kuskokwim ice road, developed to improve safety and access to nearby communities — a significant undertaking during the winter months to connect many communities along the Kuskokwim River. With support from TKC, Donlin Gold supplied safe drinking water to the village of Red Devil following a flood that was caused by ice break-up and which temporarily contaminated the local water wells. NOVAGOLD and Donlin Gold funded and participated in the fifth annual “In It for the Long Haul” Backhaul Project to collect, remove, and safely dispose of household hazardous and electronic waste from some 30 remote villages throughout the Y-K region that would otherwise have ended up in landfills and waterways. As advocates of training and youth educational initiatives, Donlin Gold supported Alaska EXCEL, a non-profit organization providing life-changing educational and professional opportunities for rural Alaskan students and young adults, and the Lower Kuskokwim School District annual College and Career fair. We also collaborated with six Y-K school districts as part of the national Yup’ik Dictionary Project. Additionally, Donlin Gold

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funded community investments through the Bethel Community Services Foundation for the development, growth, and enhancement of community-based programs.

These numerous community partnerships, initiatives, and sponsorships make up just one part of Donlin Gold’s ultimate strategy to ensure sustainable and profitable project development.



As Alaska Native landowners, both Calista and TKC are dedicated to developing Donlin Gold in a way that remains **consistent with the Elders' vision of responsible development, while creating jobs and economic benefits** for the surrounding communities as well as protecting the local culture.



public comment. The Donlin Gold air quality permit renewal is required to ascertain that emissions controls reflect the best technology and to re-confirm that air quality standards will be met. We expect to receive the new permit in the first half of 2023. Additionally, an updated Alaska Pollutant Discharge Elimination System application for a regularly scheduled renewal was prepared and submitted to ADEC. Furthermore, Donlin Gold worked with Calista, TKC, and the Alaska Department of Natural Resources on re-locating easements and public Right-of-way in the project area. Lastly, the fieldwork needed for the applications for the Alaska Dam Safety certificates resumed during the third quarter of 2022 and will continue into 2023.

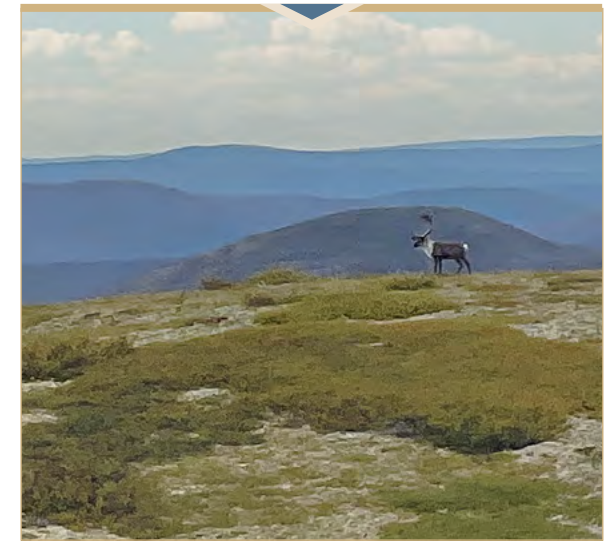
Appeals and objections tend to be a regular occurrence in the mining sector. The Donlin Gold owners and Alaska Native Corporation partners continued to

PERMITTING

Donlin Gold is particularly fortunate to have time-tested partnerships with Calista and TKC — owners of the mineral and surface rights, respectively — both of whom contribute to the advancement of the project, including supporting permitting-related activities. The mine site location on private land designated, by law, for mining activities as part of the 1971 Alaska Native Claims Settlement Act (ANCSA) constitutes a considerable differentiating factor from most other mining assets in Alaska. As Alaska Native landowners, both Calista and TKC are dedicated to developing Donlin Gold in a way that remains consistent with the Elders' vision of responsible development, while creating jobs and economic benefits for the surrounding communities as well as protecting the local culture.

Permitting in Alaska has represented a significant undertaking over the past decade to ensure a diligent, thorough, transparent, and inclusive process for all involved — including stakeholders from the Y-K region. NOVAGOLD and its partners Calista, TKC, and Barrick, are intimately familiar with the permitting and regulatory processes that are required and continue to provide support to the State agencies advancing these efforts. With federal permitting completed in 2018 at Donlin Gold, we carry on the work necessary to secure the various remaining State permits and certificates for the project.

In 2022, Donlin Gold applied for a new air quality permit from the Alaska Department of Environmental Conservation (ADEC) which has been issued for



advocate and collaborate with the State agencies through this exceptionally thorough and diligent permitting process on appeals that were submitted in 2022. It is worth noting that all appeals that have challenged Donlin Gold permits to date have been unsuccessful, often multiple times. We have always been well prepared to meet these challenges.

SUSTAINABILITY REPORT

NOVAGOLD will be launching its second annual Sustainability Report for 2022 in the spring of 2023. This report will comprise an extensive review of NOVAGOLD's performance in all areas of health and safety, environmental stewardship, social and community engagement, as well as corporate governance. It will also include an overview of enhancements to longstanding policies, and highlight NOVAGOLD's newly developed Climate Change and



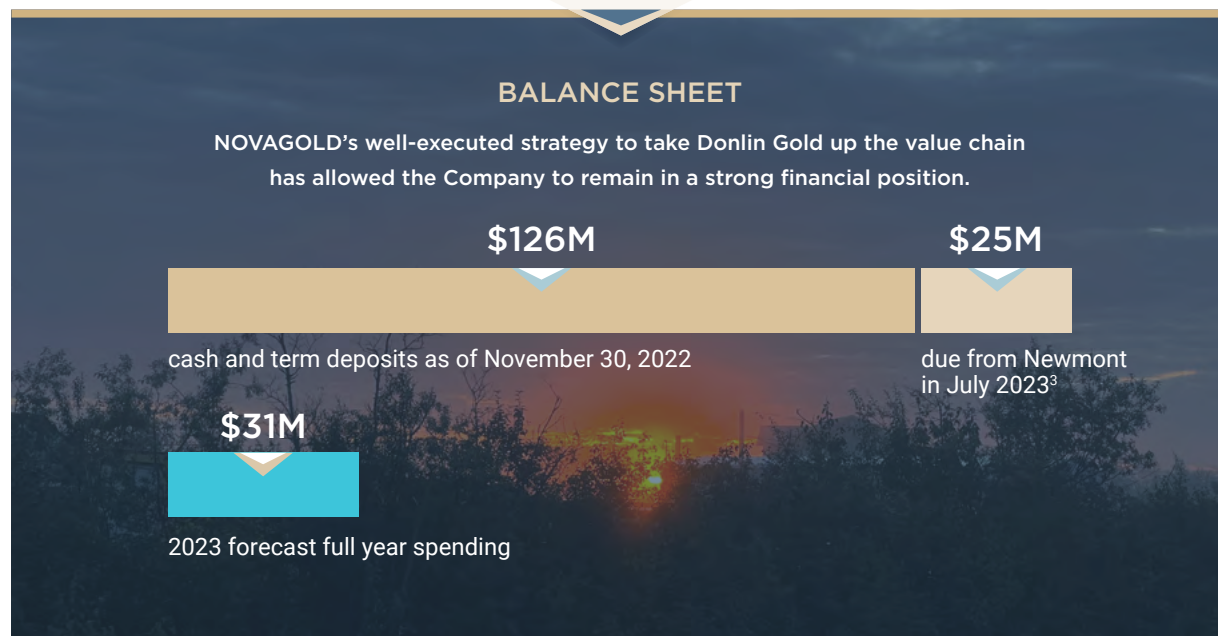
Biodiversity policies. We are committed to building trust and transparency while continuing to improve our sustainability initiatives and policies. Year-over-year, these reports allow us not only to appreciate how the Company's performance evolves over time, but also to set new goals for the future. We continue to expand upon our ESG strategy to ensure that we are meeting these goals while working closely with our Alaska Native Corporation partners Calista and TKC, Donlin Gold LLC and Barrick to maintain a strong record of health, safety and social responsibility. We aim to contribute to the social and economic development of the local communities in which we operate, and minimize impacts on the environment. We strongly believe that mines can be developed

in a responsible manner while providing long-term value for project stakeholders and Y-K communities.

Please [sign up](#) for our email alerts and follow us on social media to make sure you do not miss the launch of our 2022 Sustainability Report.

BALANCE SHEET

NOVAGOLD's well-executed strategy to take Donlin Gold up the value chain has allowed the Company to remain in a strong financial position. The Company has not needed to issue equity to raise capital since January 2012, and we believe that we have sufficient funds to cover anticipated costs to fund our share of the Donlin Gold project through to



the completion of an updated Donlin Gold feasibility study. We have approximately \$126 million in cash and term deposits as of November 30, 2022 and expect an additional \$25 million from Newmont in July 2023 from the sale of our 50%-owned Galore Creek project in British Columbia. A further payment of \$75 million from Newmont is contingent upon a decision to construct Galore Creek.

THE PATH FORWARD

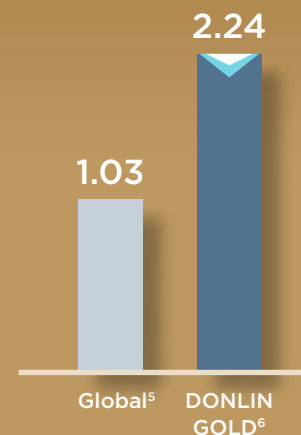
We believe Donlin Gold is in a league of its own. With approximately 39 million ounces of gold grading 2.24 grams per tonne⁴ in the measured and indicated mineral resource categories (100 percent basis), Donlin Gold hosts one of the largest and highest-grade known, undeveloped open-pit gold endowments in the world. The 2022 drill program results demonstrate additional upside potential. The existing resources in the ACMA and Lewis pits occupy only three kilometers of an eight-kilometer mineralized belt, which itself is located on less than 5% of Donlin Gold’s land position. The currently proposed project would produce an average of 1.1 million ounces per year over its 27-year mine life.

Donlin Gold also has the advantage of being located on private land that was designated, by law, for mining activities in Alaska – a jurisdiction characterized by respect for the rule of law and a State that welcomes responsible resource development. As someone who has visited many of the world’s greatest mining districts, I feel extremely lucky to be operating in the great State of Alaska.

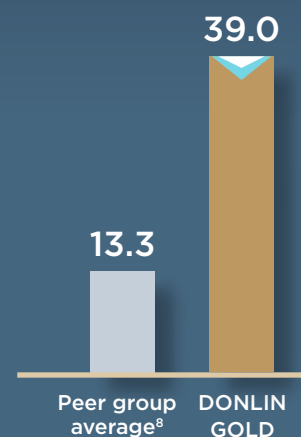
Donlin Gold is in a league of its own with the advantage of being located on private land that was **designated by law for mining activities in Alaska.**



AVERAGE GRADE | g/t



RESOURCES SIZE | Moz⁷





Looking ahead to 2023, NOVAGOLD and Barrick will work with Donlin Gold to: update the resource model with 2022 data; review key project assumptions, inputs, and design components for optimization (mine engineering, metallurgy, hydrology, and infrastructure); complete trade-off studies; continue fieldwork on collecting geotechnical and hydrological information for completing design documentation required for the Alaska Dam Safety certificates, as well as advance permits through the regulatory process and support the State in maintaining the existing permits being appealed; and through continued engagement, sustain and grow project support in the region and with government

entities. Resource confirmation drilling will not take place in 2023 so Donlin Gold can focus on advancing studies and preparing the project for the next steps.

NOVAGOLD anticipates spending approximately \$31 million in 2023, with roughly \$17 million allocated to fund our share of expenditures at the Donlin Gold project. This includes \$8 million for external affairs, permitting, environmental, land, and legal activities and \$9 million for project planning and fieldwork. A total of \$13 million is allocated for NOVAGOLD general corporate and administrative costs.

In closing, I wish to extend my sincere gratitude to our Board members for their steadfast commitment and loyalty to NOVAGOLD — and particularly Igor Levental, a long-tenured director who unexpectedly passed away last June. We would like to thank his family for sharing him with us and for his extensive knowledge of the mining industry that brought such a unique and valuable perspective to NOVAGOLD's Board. I am also grateful for the highly experienced team of professionals at NOVAGOLD, Donlin Gold, and Barrick, along with our contractors and drill crew at site, and for the various State agencies and representatives for their determination and commitment to the project. Their passion and expertise, as well as the long-term support from Calista and TKC, constitute the foundation of Donlin Gold's vision and the source of the Company's present and future accomplishments. To Calista and TKC: your knowledge and guidance have been critical these past few years through permitting, sustainability, and community engagement initiatives — we thank you for your constant support. It is a distinct pleasure and an honor to be a part of this Company and to work alongside you.

Last but certainly not least, to our shareholders: I wish to thank each and every one of you for your strong support, engagement, patience, and insight over the years. I look forward to continuing to deliver on our promises and to keeping an open line of communication between us while we reach even more milestones and achievements together in 2023.

Gregory A. Lang
President and CEO

February 28, 2023