

PRESIDENT & CEO'S MESSAGE

Gregory A. Lang

As we enter 2022, it is important to reflect on many milestones that were reached in 2021, a year in which we advanced our Donlin Gold project up the value chain against the backdrop of the global COVID-19 pandemic. And while the pandemic continues to affect us all, NOVAGOLD remains laser-focused on its top priority of ensuring the safety and well-being of employees, contractors, and the diverse community of stakeholders in its 50 percent-owned Donlin Gold project in Alaska. Our unwavering commitment to responsible mine development in the Yukon-Kuskokwim (Y-K) region remains strong.

HEALTH & SAFETY

NOVAGOLD is committed to the health, safety, and well-being of its personnel, visitors, and members of the multiple communities in which the company operates. We are proud of the fact that we have created a corporate culture that encourages safe practices for our workforce. Our safety achievement awards and performance recognition, both in the workplace and in our local communities, are highly sought after and hard-earned.

Since the start of the pandemic, the majority of NOVAGOLD employees have been working remotely. Despite less in-person engagement, we have managed to stay more connected than ever before. We continued to hold regular internal

meetings and conferences, mainly in a virtual environment, and we maintained regular communications with our key stakeholders, shareholders, and investors. As we enter the third year of the pandemic, we reflect on the challenges that have affected our families, our communities, and our organizations.



I am proud of the accomplishments of the teams at NOVAGOLD, our partner Barrick Gold, and Donlin Gold, who executed the 2021 work program with minimal COVID-19 cases at the project site and no Lost-Time Incidents. During our 2021 field season, out

of approximately 171,310 hours worked, we recorded four cases of COVID-19 at the Donlin Gold project site. The affected individuals fully recovered and ultimately returned to work.

Our operating protocols call for individuals to undergo mandatory COVID-19 testing prior to traveling to the Donlin Gold project camp and again before leaving the site to return home. Our procedures were especially important at the time when cases began to rise in Alaska throughout the summer. Our enhanced COVID-19 Community and Workforce Protection Plan was particularly effective in making sure that safe operations could continue and the workforce would remain safe and healthy. Careful collaboration with our Native Corporation partners Calista Corporation and The Kuskokwim Corporation (TKC), as well as with other Tribal groups in the Y-K region, remain key to our success.

In the third quarter, Donlin Gold put further restrictions on its Anchorage office following two positive COVID-19 cases there. All Donlin Gold employees in Anchorage who may have been exposed were tested and quarantined while continuing to work remotely in accordance with the protocols.

SUSTAINABILITY REPORT

NOVAGOLD developed a methodical process of reporting information related to environmental, social, and governance (ESG) matters for fiscal year 2020. We launched our inaugural Sustainability Summary in the Integrated Annual Report, which is now available on NOVAGOLD's website. For 2021, NOVAGOLD will be issuing a stand-alone Sustainability Summary Report to offer more information and detail regarding our ESG initiatives. These initiatives have always been an important part of our business, and we are excited to be building upon our track record of sharing our comprehensive ESG framework with our stakeholders. We are invested in achieving the highest possible standards through our workforce development, performance, actions, and conduct as we continue to make improvements to this increasingly important sphere of our operations while advancing Donlin Gold up the value chain. NOVAGOLD is committed to responsible mining, stewardship of the environment, and community support in the areas where we operate.

If you haven't already done so, please subscribe to NOVAGOLD's email list and follow us on social media to ensure you don't miss our Sustainability Summary Report.

COMMUNITY PARTNERSHIPS & COMMITMENTS

Donlin Gold is fortunate to have long-term partnerships with Calista and TKC, owners of the project's mineral and surface rights, respectively. These partnerships date back decades. The project's location on private land specially designated for mining activities, enshrined through the 1971 Alaska Native Claims Settlement Act (ANCSA), distinguishes it from many other mining projects in Alaska. In fact, 2021 marked the 50th anniversary of this landmark act, which has served as a pillar of support for the well-being of the Indigenous people of Alaska. We are proud to share that in September 2021, the board of directors of the ANCSA Regional Association of the 12 regional Native Corporations unanimously passed a resolution in support of the Donlin Gold project. As representatives of key

▲ NOVAGOLD president & CEO Gregory Lang with U.S. Senator Lisa Murkowski at a Donlin Gold dinner in Anchorage in September 2021.

► Donlin Gold's 2021 "In It for the Long Haul" backhaul project removed and consolidated approximately 180,000 pounds of hazardous and electronic waste from 26 villages throughout the Y-K region, including Bethel, where these photos were taken.

stakeholders in the state, the support of the ANCSA Regional Association is greatly appreciated.

As landowners, Calista and TKC are committed to developing a mining operation consistent with the Elders' vision of responsible development that creates jobs and economic benefits for the community while protecting the environment and local culture. This commitment is at the core of both Barrick's and NOVAGOLD's philosophy on how the project should be developed. During the 2021 field season, 70 percent of Donlin Gold direct hires were Alaska Natives from 20 Y-K communities. In a region marked by high unemployment and fewer job options than in urban areas, the work experience and skills gained at Donlin Gold are particularly valuable to the local community members.

Donlin Gold is committed to supporting the needs of its community partners. As part of Donlin Gold's ongoing community engagement efforts, we continue to make progress

in formalizing these relationships and finding common ground with Shared Value Statements that build upon the long-term agreements with Calista and TKC that are already in place.

At the end of 2021, Donlin Gold had entered into Shared Value Statements with eight villages from the Y-K region (Akiak, Sleetmute, Napaimute, Crooked Creek, Napaskiak, Nikolai, Tuluksak, and Upper Kalskag). These agreements include educational, environmental, and social initiatives which help provide support for these villages.

In the first quarter of 2021, Donlin Gold, in partnership with TKC, the village of Crooked Creek, and the Napaimute Tribe, was the lead sponsor of a program to construct and maintain the upper portions of the ice road on the Kuskokwim River. The ice road greatly improved safety and access to nearby communities for residents in remote locations. At its completion in February 2021, the Kuskokwim ice road was approximately 200 miles long.



In mid-January 2021, the water supply plant in the Middle Kuskokwim village of Tuluksak (population 370) was destroyed by fire, creating a health and safety crisis for the entire community. Donlin Gold worked with the Tuluksak Tribal administrator and Tribal council to assess how they could best help coordinate support for immediate needs and sustainable long-term solutions. In the days following, Donlin Gold, together with several other community organizations, companies, and individuals, stepped in to provide drinking water, buckets for carrying and storing water, sanitary wipes, diapers, and other health supplies. Team members traveled to Tuluksak via the ice road and delivered 100 five-gallon reusable containers of water to be distributed to each household in the community. Shortly after the fire, Donlin Gold worked with Alaska Commercial Company and Fox Air in Bethel to deliver 120 cases of water, along with basic needs items like paper towels, baby wipes, hand sanitizer, and bar soap to the village as quickly as possible. Donlin Gold also arranged for Desert Air to donate a DC-3 flight directly from Anchorage to Tuluksak to bring a second delivery of water tanks, containers, pumps (including hose assemblies), totes for washing and bathing,

scrub brushes for cleaning, 50 more cases of water, and other supplies.

In March 2021, following the Tuluksak fire, the Thomas Lodge in Crooked Creek – the only lodging facility in the village that is closest to the project site – also suffered substantial fire damage. Donlin Gold aided with labor and materials to get the building back in order and operating by May, prior to the busy summer season.

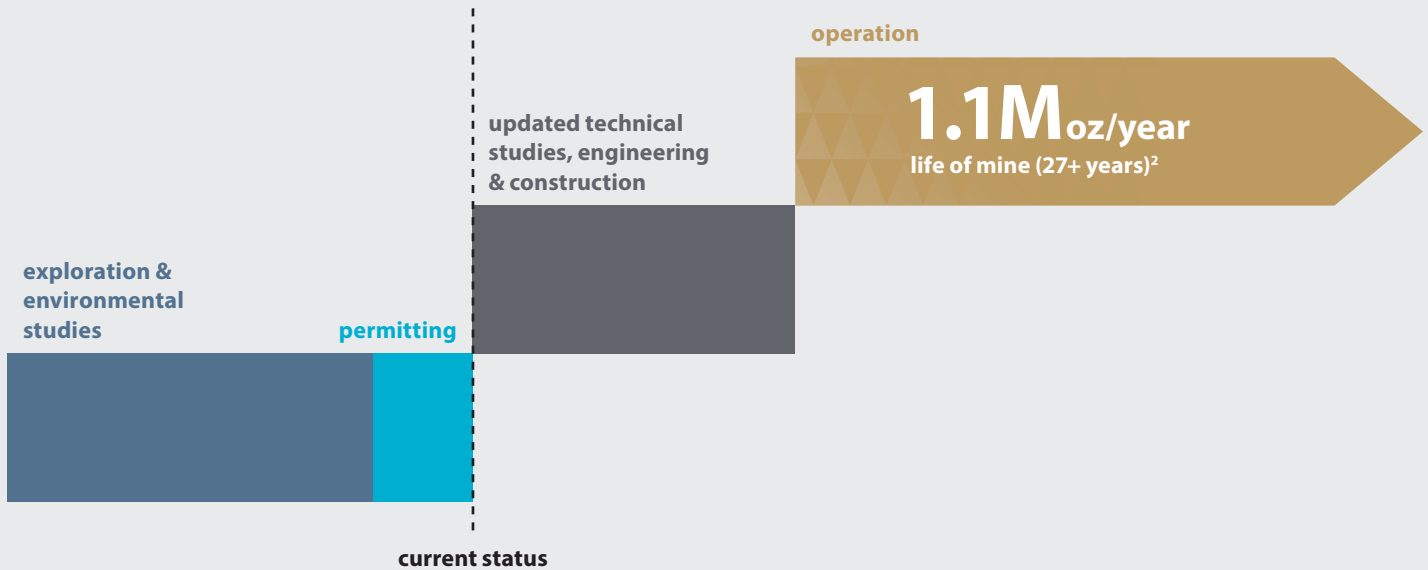
In August, Donlin Gold held the fourth annual “In It for the Long Haul” backhaul project, removing and consolidating approximately 180,000 pounds of hazardous and electronic waste from 26 villages throughout the Y-K region. The waste was then packed into containers and shipped to Anchorage and Seattle for recycling and safe, proper disposal. In terms of scale and reach, this was the most successful backhaul yet. Over the past five years this program has removed almost 400,000 pounds of hazardous and electronic waste from Y-K villages.

Access to training and education are two important areas in which we collaborate with our Native Corporation partners. The Lower Kuskokwim School District’s annual college and career fair was held virtually in April, with a record number

SIGNIFICANT HIGH-GRADE INTERCEPTS FROM THE 2021 DRILL PROGRAM¹



PROJECTED LIFE CYCLE



of vendors and high student participation. Donlin Gold also sponsored the annual Best in the West competition at the Kuskokwim campus of the University of Alaska to encourage and support the leaders of tomorrow.

In January 2022, NOVAGOLD established the Mining and Geological Engineering Scholarship at the University of Alaska (Fairbanks & Anchorage) to help support students seeking bachelor's degrees in mining or geological engineering, with a focus on underrepresented students as a commitment to foster diversity in the industry.

Along with supporting initiatives in Alaska, NOVAGOLD recognizes the importance of sponsoring events in the areas where we operate. In May of 2021, we sponsored and participated in the Mining for Miracles Pie Throw, a fundraising event in support of the BC Children's Hospital in Vancouver. Each year, senior leaders from across the industry are paired up in a friendly fundraising competition, with the one raising the most money earning the right to toss a pie at the other. I was happy to participate in this event and help raise funds for the Cellular and Regenerative Medicine Centre. In a healthy competition with Red Conger from Teck, I was on the receiving end of the pie.

These various community partnerships, activities, and programs form just one dimension of NOVAGOLD's multi-dimensional commitment to sustainable and responsible development.

2021 DRILL PROGRAM — CONTINUING & CONSISTENT SUCCESS

Following completion of a strong 2020 drill program, our plan for 2021 was to complete the work necessary to validate mineralization continuity and structural control, as well as test extensions of high-grade zones within different rock types. This information was important to increase confidence in geologic modeling concepts ahead of an updated feasibility study.

We re-opened the Donlin Gold camp in May 2021 with numerous improvements completed ahead of the ambitious field season. Specifically, heavy equipment was purchased, kitchen facilities expanded, a new recreation area furnished, sleeper capacity expanded, camp facilities remodeled, a large new warehouse added, core logging, and cutting facilities upgraded. With the crews operating efficiently – and without increasing the budget – the drill program was expanded to include 13 additional holes to gather more closely spaced data to assess the dominant controls and orientations of gold mineralization. I am delighted to report that the 2021 drill program was completed in September, on time and on budget, with 79 holes drilled for a total of 24,264 meters. The program yielded some of what I view as the best results in the gold mining industry for an open-pit project, and we are grateful to our local and Alaska partners who have worked with us to reach these important milestones.

Greater attention was paid to the eastern side of the ACMA pit area that transitions into the Lewis pit area and has had less drilling than the main areas of the deposit.

As with the 2020 drill results, we have gained a better understanding of the definition of controls on mineralization in the deposits. The last core was logged in mid-October with final samples sent offsite to laboratories for further processing. The core logging and assay laboratory results data will be incorporated into a geologic model update, with the subsequent shift to feasibility study update work, subject to a formal decision by the Donlin Gold LLC Board.

As the 2021 drilling was coming to a close, Barrick and NOVAGOLD held senior executive management workshops and a site visit aimed at jointly assessing results and mapping out future plans. Barrick CEO Mark Bristow and I met with local stakeholders as well as with senior Alaska federal and state representatives who expressed their continued support for the project. Following these meetings, the Donlin Gold LLC board approved an additional \$3 million expenditure for 2021

to advance studies and increase staffing in preparation for an updated feasibility study.

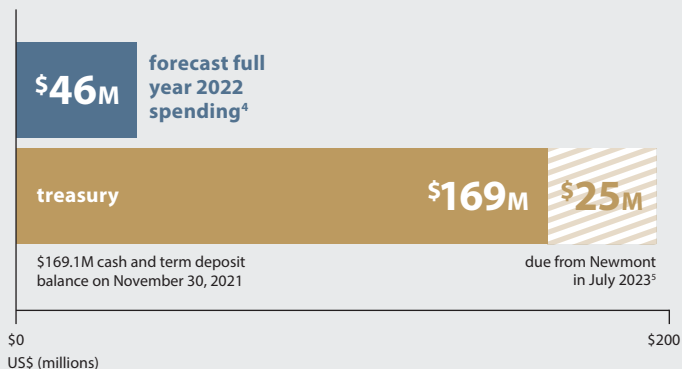
Final results from the 2021 drill program are expected to be released in early 2022. The camp was closed at the end of October 2021 and re-opened in January 2022 for a winter drill program that will continue into the summer and fall of 2022. Part of the objective of the 2022 exploration and drill program will be to confirm mineralization continuity and key geologic controls in other representative areas of the deposit.

The owners of this large, multi-generational, high-grade project, located on private land specially designated for mining activities in a Tier-One³ jurisdiction, have a unique opportunity to generate wealth in the area. The fact that it is being advanced in partnership with Alaska Native Corporations – who are committed to developing a mining operation consistent with the Elders' vision of responsible development that creates social and economic benefits while safeguarding the environment and culture – makes Donlin Gold unique.

Barrick Gold president & CEO Mark Bristow and NOVAGOLD president & CEO Gregory Lang at the Donlin Gold site in September 2021.



BALANCE SHEET



PERMITTING

With federal permitting complete, Donlin Gold, together with Calista and TKC, continued to focus its 2021 permitting efforts on advancing the remaining Alaska permits and approvals for the project. A lot of effort went into supporting the Alaska agencies with various permit applications.

In late 2021, the Donlin Gold project was issued a third extension of the air quality permit by the State of Alaska. This is a rare achievement and speaks to the dedicated effort by all on the permitting team, including our native partners and Alaska agencies. Three permits held by Donlin Gold came under appeal in 2021, specifically the Clean Water Act Section 401 certification, the 12 water rights permits, and the Right-of-Way (ROW) agreement for the buried natural gas pipeline. The permits remain in effect while these appeals are pending.

Unfortunately, litigation led by environmental non-governmental organizations (ENGOS) that oppose resource development of any kind has become a regular part of business in the U.S. and, as such, is something that must be anticipated in the planning process from the start of permitting. We are not surprised by these legal challenges. As a consequence, we have built and sustained, in partnership with the Alaska Native landowners and our partner Barrick Gold, a comprehensive, science-based record that we believe will withstand any legal challenge to our permits.

The most significant outstanding Alaska permits are the dam safety certifications. Securing these permits requires a multi-year effort to gather geotechnical data and prepare various engineering studies. It is anticipated that the 2022 work plan will incorporate important milestones to advance the work in this area.

BALANCE SHEET

NOVAGOLD's strong balance sheet allows us to continue taking the company up the value chain without the need for raising more capital and, by extension, diluting shareholder value. We now have approximately \$169 million in cash and term deposits as of November 30, 2021, which we believe is sufficient to advance Donlin Gold to a point when a construction decision would be made. Our treasury includes a payment of \$75 million the company received from Newmont Corporation in July 2021 related to the sale of NOVAGOLD's 50 percent interest in the Galore Creek project in British Columbia⁶. Another payment of \$25 million from Newmont comes due in July 2023. There's an additional payment of \$75 million contingent upon a Galore Creek construction approval.

2022 GOALS & BUDGET

By all measures, Donlin Gold is an exceptional project. With approximately 39 million ounces⁷ of gold in measured and indicated mineral resources, it is one of the largest in the world. Its grade of 2.24⁸ grams per tonne is approximately twice the industry average⁹. The 2021 drill program has been very successful in reinforcing the robust integrity of this massive endowment.

Donlin Gold is in the rare position of having a sufficient foundation to advance toward construction once the owners make that decision. As currently envisioned, the project would produce an average of about 1.1 million ounces per year over its 27-year mine life¹⁰, a very important factor given a frequently held view that global gold production is expected to decline in the absence of major new discoveries. Furthermore, the fact that it is located in Alaska, where there is long-standing support

for socially and environmentally responsible mine development and respect for the rule of law, gives Donlin Gold a special status among the very few of the world's development projects, particularly in light of the fact that the project already has all the major federal and most key Alaska permits.

Any discussion about Donlin Gold would not be complete without reference to its exploration potential. The project's current resources and reserves are contained within only three kilometers of an eight-kilometer mineralized belt which, in itself, represents only five percent of the total mineral land package. It is not surprising that the consistency of grade and high-grade intercepts from the current and past drill programs are further reinforcing its exploration potential.

Looking ahead to 2022, NOVAGOLD and Barrick expect to finalize geologic modeling and interpretation work with results from the 2021 drill program for an updated resource model, which would then lead into an updated feasibility study. We are particularly intrigued by the 2022 work plan, which includes some exploration drilling under the ACMA and Lewis pit areas that are open along strike and at depth.

NOVAGOLD anticipates spending approximately \$46 million in 2022. About \$30 million will be allocated to fund our share of expenditures at the Donlin Gold project, representing the largest project budget in more than a decade. It includes \$17 million for the 2022 drill program; \$9 million for external affairs, permitting, environmental, land, and legal activities; and \$4 million for project planning and fieldwork. A total of \$13 million is allocated for NOVAGOLD general corporate and administrative costs and an additional \$3 million for withholding taxes on share-based compensation and other working capital.

CONCLUSION

I wish to thank the experienced team of professionals at NOVAGOLD, Donlin Gold, and Barrick, along with our drill crews and contractors at the project site, for their expert navigation of the project. Our success would not have been possible without their dedication and hard work. There's tremendous commitment by each of these groups to maintain the highest standards of safety and environmental protection. My gratitude also extends to the various State of Alaska agencies for their thorough and professional work in advancing permitting for the project. A big thank-you also goes to Calista and TKC, our Native Corporation partners who have been strong supporters in ensuring that Donlin Gold is developed to the highest standards of environmental stewardship and social responsibility. I would also like to express my sincere thanks to the entire NOVAGOLD board and team for their commitment and devotion to the company. I enjoy working alongside each and every one of you.

Lastly, I'd like to thank our shareholders for your unwavering support, engagement, knowledge, and encouragement. Each of these strong relationships has been strengthened over the past two years during the pandemic, and I look forward to continuing our engagement and sharing many more achievements in 2022.



Gregory A. Lang

President and CEO

February 28, 2022



- 1) See media releases titled "[Donlin Gold Initial 2021 Drill Program Results Continue to Deliver for Project Advancement](#)", September 2, 2021 and "[Barrick and NOVAGOLD Agree on Next Steps Toward Advancement of Donlin Gold: Drill Assay Results Continue to Yield High-Grade Intercepts and Demonstrate Important Grade Continuity; With Clear Improvement in Definition of Controls of Mineralization, the Project is Advancing Towards Feasibility Study Update](#)", December 2021.
- 2) Anticipated annual gold production during full life of mine if put into production as per the NI 43-101 Technical Report on the Donlin Gold Project, Alaska, USA with an effective date of June 1, 2021 (the "2021 Technical Report") and the S-K 1300 Technical Report Summary on the Donlin Gold Project, Alaska, USA, November 30, 2021 (the "S-K 1300 Technical Report Summary"). See "[Cautionary Note Concerning Reserve & Resource Estimates](#)" and "[Mineral Reserves & Mineral Resources](#):" table on page 35.
- 3) NOVAGOLD defines a Tier-One gold development project as one with a projected production life of at least 10 years, annual projected production of at least 500,000 ounces of gold, and average projected cash costs over the production life that are in the lower half of the industry cost curve.
- 4) Forecast includes \$30 million to Donlin Gold, \$13 million to NOVAGOLD G&A and \$3 million for withholding taxes on PSUs and other working capital. This report may also contain future-oriented financial information ("FOFI") and information which could be considered to be in the nature of a "financial outlook". Such FOFI or financial outlook was approved by NOVAGOLD's management as of the date of this report for the purpose of providing management's reasonable estimate based on the assumptions set forth in such estimates and the information may not be appropriate for other purposes. Management cautions that such FOFI or financial outlook reflects NOVAGOLD's current beliefs and are based on information currently available to NOVAGOLD and on assumptions NOVAGOLD believes are reasonable. Actual results and developments may differ materially from results and developments discussed in the FOFI or financial outlook as they are subject to a number of significant risks and uncertainties. Certain of these risks and uncertainties are beyond NOVAGOLD's control. Consequently, all of the FOFI or financial outlook are qualified by these cautionary statements, and there can be no assurances.
- 5) NOVAGOLD sold its 50% ownership of the Galore Creek project to Newmont in 2018. Deferred compensation on the sale of Galore Creek includes \$25M on the earlier of completion of a Feasibility Study or July 27, 2023. An additional \$75M is due upon construction approval. For additional detail, see the media release dated July 28, 2021: "[NOVAGOLD Receives \\$75 Million from Newmont Corporation](#)".
- 6) See July 26, 2018 media release titled "[NOVAGOLD Enters Agreement to Sell Its 50% Stake in Galore Creek to Newmont for up to \\$275 Million](#)."
- 7) Donlin Gold data as per the 2021 Technical Report and the S-K 1300 Technical Report Summary (as defined herein). Donlin Gold proven and probable reserves of approximately 16.925Moz grading 2.09 g/t attributable to NOVAGOLD (33.849Moz on 100% basis) and measured and indicated resources, exclusive of reserves, of approximately 2.749Moz grading 2.43 g/t attributable to NOVAGOLD (5.497 Moz on 100% basis). 39Moz refers to mineral resources inclusive of reserves on a 100% basis.
- 8) Donlin Gold data as per the 2021 Technical Report and the S-K 1300 Technical Report Summary (as defined herein). Donlin Gold measured resources of approximately 8 Mt grading 2.52 g/t and indicated resources of approximately 534Mt grading 2.24 g/t, each on a 100% basis and inclusive of mineral reserves, of which 50% are attributable to NOVAGOLD through their 50% ownership interest in Donlin Gold LLC. Exclusive of mineral reserves, Donlin Gold possesses measured resources of approximately 1Mt grading 2.23 g/t and indicated resources of approximately 69Mt grading 2.44 g/t, each of which 50% are attributable to NOVAGOLD. Mineral resources have been estimated in accordance with NI 43-101 and S-K 1300.
- 9) 2020 average grade of open-pit and underground deposits with gold as primary commodity and over 1Moz in measured and indicated resources is 1.12 g/t, sourced from S&P Global Market Intelligence.
- 10) *Annual Survey of Mining Companies, 2020*
- 11) The jurisdictional risk map is derived from the top 10 (lower risk) and bottom 10 (extreme risk) of 77 jurisdictions reviewed in the *Fraser Institute Annual Survey of Mining Companies, 2020*.
- 12) Represents 100% of M&I resources, inclusive of mineral reserves, of which 50% is NOVAGOLD's share. Donlin Gold is not in production and a construction decision has not been made. See "[Cautionary Note Concerning Reserve and Resource Estimates](#)" and "[Mineral Reserves & Mineral Resources](#):" table on page 35.
- 13) Gold development stage projects defined as the top 5 globally by contained gold in measured and indicated resources, >75% projected revenues from gold, and with stated proven and probable reserves, as per latest company documents, public filings and websites as of November 2021.
- 14) Only three mines produced greater than 1 million ounces in 2020: Muruntau (2,652koz), Carlin (1,665koz), and Olimpiada (1,229koz), as per SNL Metals & Mining, an offering of S&P Global Market Intelligence.
- 15) Market Capitalization based on 332.9 million shares issued and outstanding and NOVAGOLD share price of \$6.82 as of January 25, 2022. Stock options outstanding as of January 19, 2022.
- 16) Represents average grade of measured and indicated mineral resources, inclusive of mineral reserves. See "[Cautionary Note Concerning Reserve and Resource Estimates](#)" and "[Mineral Reserves & Mineral Resources](#):" table on page 35.
- 17) 2020 average grade of open-pit and underground deposits with gold as primary commodity and over 1Moz in measured and indicated resources, sourced from S&P Global Market Intelligence.
- 18) Donlin Gold data as per the 2021 Technical Report and the S-K 1300 Technical Report Summary (as defined herein). All dollar figures are in USD, represent 100% of the project of which NOVAGOLD's share is 50%, and reflect after-tax net present value (at 0% and 5% discount rates) of the Donlin Gold project using the reference date of start of Year -06 as the first year of discounting. Estimated owner's initial capital project development costs of approximately \$348M to be spent prior to the reference date are treated as sunk costs. At a 5% discount rate, the net present value is: \$1,161M at \$1,300 gold; \$3,040M at \$1,500 gold; \$4,887M at \$1,700 gold; \$7,229M at \$2,000 gold; and \$11,199M at \$2,500 gold. The project requires a gold price of approximately \$930 per ounce to break even on an undiscounted cash flow basis and a gold price of approximately \$1,180 per ounce to break even on a 5% discounted basis.
- 19) Anticipated annual gold production during full life of mine if put into production as contemplated in the 2021 Technical Report and the S-K 1300 Technical Report Summary (as defined herein). See "[Cautionary Note Concerning Reserve & Resource Estimates](#):" and "[Mineral Reserves & Mineral Resources](#):" table on page 35.
- 20) Peer group data based on company documents, public filings and websites as of November 2021. Comparison group of 14 projects based on large (2Moz P&P cut off), North/South American gold-focused development projects with >75% projected revenues from gold.
- 21) Average of comparison group data of 14 projects based on large (2Moz P&P cut off), North/South American gold-focused development projects with >75% projected revenues from gold, as per latest company documents, public filings, and websites as of November 2021.