



**NOVAGOLD RESOURCES INC.
(the "Company")**

BIODIVERSITY POLICY

1. PURPOSE

NOVAGOLD Resources Inc. ("NOVAGOLD") recognizes that biodiversity and ecosystem loss pose a significant risk about which our stakeholders are increasingly concerned. NOVAGOLD is mindful that, if improperly managed, activities associated with mining can negatively impact biodiversity; NOVAGOLD is also mindful of the dependence on healthy ecosystems to maintain a successful business.

The purpose of NOVAGOLD's Biodiversity Policy (the "Policy") is to set out the approach taken by the Company to address its potential impacts on biodiversity and ecosystem services with reference to all its operations.

2. SCOPE

The commitments made in this Policy apply to the activities of NOVAGOLD and its subsidiaries and affiliates in relation to NOVAGOLD's ownership share. While it is acknowledged that it is appropriate for each of NOVAGOLD's assets to have individual targets and commitments, it is expected that all subsidiaries and affiliates will generally adhere to the commitments outlined in this Policy.

This Policy specifically addresses NOVAGOLD's response to biodiversity and ecosystem services. Details of the position with respect to broader environmental (and social) concerns are set out in other policies. In particular, readers are referred to NOVAGOLD's separate Climate Change Policy for details on how that specific challenge is being addressed, as NOVAGOLD notes the associative nature of biodiversity loss and climate change and acknowledges that successful implementation of this Policy is partly dependent on successful application of our Climate Change Policy.

3. KEY TERMS

Biodiversity: the variability among living organisms from all sources, including, amongst others, terrestrial, marine, and other aquatic ecosystems, and the ecological complexes of which they are part; this includes diversity within species, between species, and of ecosystems (Convention on Biological Diversity 1992).

Biodiversity Action Plan: A Plan for the management of impacts on biodiversity drawn up in line with the principles, priorities, and recommendations for action set out in The International Finance Corporation's (IFC's), Environmental and Social performance

standards, Performance Standard 6.

Ecosystem Services: Benefits that people (and businesses) obtain from ecosystems. These include provisioning services such as food and water; regulating services such as minimizing effects of floods, land degradation, or disease; supporting services such as nutrient cycling; and cultural services such as recreational, spiritual, religious, and other non-material benefits (Millenium Ecosystem Assessment; Taskforce for Nature-related Financial Disclosures, TNFD, 2022).

Environmental Assets: The naturally occurring living and non-living components of the Earth, together constituting the biophysical environment, which may provide benefits to humanity (System of Environmental Economic Accounting, SEEA, 2021; TNFD 2022).

IFC PS6: The IFC's Environmental and Social performance standards, Performance Standard 6 (IFC PS6) on Biodiversity Conservation and Sustainable Management of Living Natural Resources (2012). IFC PS6 recognizes that protecting and conserving biodiversity, maintaining ecosystem services, and sustainably managing living natural resources are fundamental to sustainable development

No Net Loss: The point at which project-related impacts on biodiversity are balanced by measures taken to avoid and minimize the project's impacts, to undertake on-site restoration, and to offset significant residual impacts, if any, on an appropriate geographic scale (IFC 2012).

The relationship between environmental assets, ecosystem services, and biodiversity: Environmental assets, and ecosystem services valued by humans, are often underpinned by biodiversity. Impacts on biodiversity can therefore often adversely affect the delivery of ecosystem services (IFC PS6 2012)

4. CONTEXT

NOVAGOLD currently employs 13 people, leases two office spaces in Vancouver and Salt Lake City, and owns a 50% stake in the Donlin Gold Project ("Donlin Gold") in southwestern Alaska. Barrick Gold Corporation ("Barrick") owns the remaining 50%.

The commitments and targets set out in this Policy have been developed with the scale of NOVAGOLD in mind. NOVAGOLD has few direct impacts on biodiversity or ecosystem services; where it can affect most change is through encouraging its subsidiaries and affiliates to act responsibly through collaborating with them to produce tailored commitments and management plans for their assets.

It should be noted that this Policy forms the basis for an iterative process of development in line with the relative position and size of NOVAGOLD, the stages of development of the Company's assets, and the evolution of knowledge, technology, and innovative solutions in response to challenges associated with maintenance of biodiversity and ecosystem services.

5. BIODIVERSITY COMMITMENTS

NOVAGOLD is committed to implementing high standards of environmental performance, including proactively managing our impact on biodiversity. We strive to protect the ecosystems in which we operate; our long-term ambition is to encourage all our assets to **strive to achieve no net loss across all significant biodiversity.**

To help achieve this overall objective, the Company makes the following commitments:

- Complying with all relevant environmental legislation, regulations, and permits.
- Striving for continual improvement of environmental performance, with Board and executive level oversight of this performance.
- Consistently assessing opportunities to protect and enhance biodiversity and ecosystem services, through feasibility studies and investments in line with our commitments to social and economic development.
- Monitoring emerging options which enable avoidance, mitigation, restoration, and offsetting of biodiversity-related impacts, and investing as appropriate.
- Cooperating with local communities to target opportunities to address negative impacts on biodiversity and ecosystem services and enhance those opportunities wherever possible.
- Enabling education for employees, management, Board members, and other key stakeholders on ecosystem services, noting this is typically a two-way process as local communities often have invaluable expertise.
- Encouraging all employees, contractors, and host communities to be environmentally responsible.

NOVAGOLD takes the view that the most impactful targets are those set for each of its assets, due to their direct interaction with the ecosystems around them. It is expected that all assets will implement the above commitments; adhere to the ambition of no net loss of all significant biodiversity; and work towards setting short- and medium-term goals to achieve this aspiration. Each asset may have specific commitments developed, which are tailored to the context and region in which they operate. NOVAGOLD specifically commits to working closely with all subsidiaries and affiliates to ensure this occurs. As part of this process, NOVAGOLD expects all assets to adhere to the following additional commitments:

- Assessing impacts and dependencies on biodiversity and reviewing these regularly.
- Protecting the environment by developing and implementing a Biodiversity Action Plan ("Plan") as per the recommendations of IFC PS6.
- Adhering to appropriate methods and metrics for the operating region, as defined in the Plan, to ensure consistency with those used in regional resource and ecosystem services management.
- Integrating standards and policies within broader regional, national, and international targets and policies as appropriate, considering opportunities to establish partnerships and initiatives to increase levels of benefits and achieve meaningful progress.
- Anticipating potential changes in the baseline environment, including impacts of climate change, using scenario analysis.
- Ensuring effective rehabilitation plans are in place throughout construction, operations, closure, and post-closure to prevent pollution and mitigate negative impacts on biodiversity.

6. GOVERNANCE

Responsibility for implementation of this Policy is owned by NOVAGOLD's Vice President of Environment, Health, Safety, and Sustainability (VP EHSS), who reports directly to the President & Chief Executive Officer. The VP EHSS is the lead for all coordination on environmental issues and performance, including those in relation to biodiversity and ecosystem services, and compliance with this Policy is part of their performance review. They also report directly to the Sustainability Committee ("Committee").

It is the responsibility of the Committee, a standing committee of NOVAGOLD's Board of Directors ("Board"), and ultimately the Board, to oversee the Company's activities and

performance with regards to matters related to biodiversity. While oversight and final approval of implementation and management practices (into strategic decisions, goals, and financial planning) comes from the Board, the Committee provides information, guidance, and strategic direction to management on these matters.

At present, no third-party auditing and/or verification is required; the need for this will be reviewed on an annual basis.

7. MONITORING AND REVIEW

The Committee holds quarterly meetings to discuss ESG-related issues including those related to biodiversity and provides reports to the Board at each of the Board's regular meetings. The Committee monitors performance against each of the commitments established in this Policy, as well as tracking environmental risks at the corporate level and reporting on them to the Board. This ensures that the Policy, and performance against the objectives set, continually improves.

The Company will report on actions taken in furtherance of this Policy in our Annual Report and/or Sustainability Report, which can be accessed via our website at www.novagold.com.

Adopted January 25, 2023.