



NOVAGOLD Resources Inc.

Year End 2023 Financial Results

Conference Call and Webcast Transcript

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Speakers: **Melanie Hennessey**
Vice President Corporate Communications

Gregory Lang
President and Chief Executive Officer

David Ottewell
Vice President and Chief Financial Officer

Dr. Thomas Kaplan
Chairman of the Board

Operator:

Thank you for standing by. This is the conference operator. Welcome to the NovaGold 2023 Year End Financial Results Conference Call and Webcast. As a reminder, all participants are in listen-only mode and the conference is being recorded. After the presentation there will be an opportunity to ask questions. To join the question queue, you may press *, then 1 on your telephone keypad. Should you need assistance during the conference call, you may signal an operator by pressing * and 0. Webcast viewers may submit questions through the text box in the lower right corner of the webcast frame. Should you need assistance during the conference call, you may signal an operator by pressing * and 0.

I would now like to turn the conference over to Melanie Hennessey, Vice President, Corporate Communications. Please go ahead.

Melanie Hennessey:

Thank you, Ashiya. Good morning everyone. We are pleased that you have joined us for NovaGold's 2023 year end financial results and for an update on the Donlin Gold project.

On today's call, we have NovaGold's Chairman, Dr. Thomas Kaplan; Greg Lang, NovaGold's President and CEO; and David Ottewell, NovaGold's Vice President and CFO.

At the end of the webcast, we will take questions by phone. Additionally, we will respond to questions received by email.

I would like to remind you, as stated on Slide 3, any statements made today may contain forward-looking information, such as projections and goals, which are likely to involve risks detailed in our various EDGAR and SEDAR filings, and forward-looking disclaimers included in this presentation.

I will now turn the presentation over to our President and CEO, Greg Lang. Greg?

Gregory Lang:

Thank you, Melanie, and good morning everyone.

Ahead of providing a summary of our 2023 year end results, I'd like to start today's call with a brief overview on Slide 5, which explains why we and our shareholders consider Donlin Gold a Tier 1 asset.

Posting approximately 39 million ounces of gold at an impressive grade of more than twice the industry average at 2.25 grams, and a projected mine life of almost 30 years, Donlin Gold holds the potential to be a significant

and cost-effective producer. Furthermore, outstanding exploration potential exists beyond the known resource areas, Donlin's extensive land holdings. The project is also located on private land designated for mining in Alaska, a world-leading jurisdiction known for responsible mining practices. Our enduring partnerships and life-of-mine agreements with Calista and the TKC Corporation further position Donlin favourably on its path for development.

It is important to put into context the Company's accomplishments since the reorganization in 2012, especially for those who are new investors and less familiar with us. As shown on Slide 6, we have been focused on executing this strategy that was set in motion by our Chairman and me over a decade ago, mainly to unlock the value of NovaGold's high quality assets for our shareholders and advance Donlin as a pure gold play offering a unique endowment and maximum leverage.

Looking at Slide 7, Alaska offers an excellent environment for mining and is one of the world's safest jurisdictions. It ranks as the second largest gold producer in the U.S. with a well-defined permitting process. Numerous companies have achieved success here and the government is very supportive and recognizes the importance of responsible natural resource development.

A note about the performance in the areas of environmental stewardship, health and safety, social and community engagement and corporate governance are featured on Slide 8.

Health and safety of our people is our highest priority with over 10 years of zero lost time accidents at the project site. The workforce is comprised mostly of local hires. Throughout 2023, we will continue to monitor, reflect on and refine our environmental, social and governance performance, including maintaining strong records of environmental health and safety at Donlin, and expanding our investments in partnerships with the people of the Y-K region.

To touch on Donlin's attributes, as currently envisioned with approximately 39 million ounces, it holds one of the largest and highest grade undeveloped gold endowments in the world, one that would average over a million ounces a year for 27 years. Looking at the group of gold development projects in the Americas on Slide 9, Donlin Gold is by far the largest. With global gold production continuing to decrease, it is clear the industry needs projects of scale, grade and longevity to ride out multiple price cycles.

With a grade of more than twice the industry average for an open pit project at 2.25 grams, as shown on Slide 10, this in turn enables Donlin Gold to potentially become one of the lowest cost producers in the gold space.

Excellent exploration potential exists beyond the defined resources located in the ACMA and Lewis deposits on the diagram in the upper right-hand corner, which occupies only 3 kilometres of an 8-kilometre mineralized belt. Highlighted on Slide 11, credible potential remains to increase ounces and extend the mine life.

As private landowners, both Calista and TKC are dedicated to developing Donlin Gold in a way consistent with the Elders' vision of responsible mining development while creating jobs and economic benefits for the surrounding communities, as well as protecting the culture. Two quotes are provided from the leaders of both Alaska Native Corporations. "TKC and Calista's knowledge and guidance has been critical over the years through permitting, sustainability and community engagement initiatives. We immensely appreciate their meaningful input regarding their land and the significant economic needs required to sustain healthy living for their communities. Our partners continued time-tested collaboration on the project, with their full engagement was extremely valuable in seeing sustainable economic development throughout all phases of the project."

With these combination of attributes, Donlin Gold has the potential to form a cornerstone of economic, sustainable development for the Y-K region for many decades to come.

I will now touch on the highlights accomplished by Donlin Gold last year as well as some of the ongoing activities.

Turning to Slide 14, the 2023 field program at Donlin was safely completed on schedule in July with almost two-thirds of the direct hires coming from the Y-K region. The program included the completion of comprehensive field work and geotechnical drilling required for the Alaska Dam Safety certificates. This involved data collection at numerous locations earmarked for water retention structures and the tailings storage facility. Field work included drilling, water retention structure, seismic surveys, and test plot liner installation. Additional field work included refining groundwater at the site with hydrogeologic drilling that provided essential information for mine planning and design. At the historic placer site, restoration work encompassed significant stream and pond habitat creation. Continued restoration work will include anticipated aquatic life access, planned for the 2024 field season.

Furthermore, with the support from both owners and third-party consultants, Donlin Gold continued to advance the geologic and resource models, advanced trade-off studies, and conducted extensive analysis on key project assumptions and design components for validation play a critical role, subsequent steps to advance the project to further up the value chain.

Through ongoing collaboration with Calista, TKC and local communities, NovaGold upholds a steadfast commitment to education, community wellness, cultural preservation and environmental stewardship. These

principles are actively reinforced not only at the Donlin Gold project site, but also in the Y-K communities, as highlighted on Slide 15.

In 2023, Donlin Gold demonstrated this commitment by appointing additional community liaison representatives from four villages in the Y-K region, expanding the total to eight. Donlin Gold also established three additional shared value statements, totalling 16, formalizing ongoing engagement and reinforcing long-term relationships with the communities in the region. Donlin also supported various search and rescue teams and provided funding to the Bethel Community Services Foundation and Special Olympics Alaska, just to name a few.

We also concluded another successful 'In it for the long haul' backhaul program for the sixth year in a row. This vital project is dedicated to the collection, removal and safe disposal of household, hazardous and electronic waste from the villages throughout the region, preventing an adverse impact on landfills and waterways. This year's program achieved significant milestones, including the removal of waste from fish camps in the river and Donlin Gold employees from three villages played a key part in initializing the backhaul from the Yukon River. Furthermore, Donlin is collaborating with its Alaska native partners on environmental initiatives, which include the monitoring and assessment of the conditions and management of salmon fisheries in the Kuskokwim and Yukon River watersheds. In the fourth quarter of 2023, specific project opportunities for salmon population health were identified. Additionally, Donlin Gold supported the construction and maintenance of 300 miles of ice roads, fostering community engagement and providing essential access for emergency services.

Donlin continues to support educational programs with a focus on enhancing opportunities through the Alaska Resource Education, the Alaska School Activity Association, and providing scholarships at the University of Alaska.

Donlin Gold is a federally permitted project on private land designated by law for mining activities as part of the 1971 Alaska Native Claims Settlement Act, a differentiating factor for most other mining assets in Alaska.

Permitting in the United States and Alaska represents a significant and rigorous endeavor for success hinges on years of dedicated efforts to ensure a diligent, transparent and inclusive process for all stakeholders. Slide 16 lists all the federal and state permits and certificates received to date. We have received our federal permits from the Army Corps of Engineers and the Bureau of Land Management in 2018, followed by numerous state permits on this slide and subsequent years.

Donlin Gold, its owners and partners possess an intimate understanding of the project's permitting and regulatory procedures and remain committed supporting the federal and state agencies in defending such a rigorous permitting process.

On Slide 17, we present updates regarding state and federal permitting and litigation activities. None of these actions are a surprise, and we were prepared and have prevailed in the courts.

The 2023 field program was focused on geotechnical and hydrologic drilling to gather supplementary data for the dam safety certificates. Field work concluded in July and the team is on track to submit the preliminary design packages to the state in the first half of 2024.

On September 1, 2023, the Alaska Superior Court reaffirmed the Department of Natural Resources decision on Donlin Gold water rights, following an unsuccessful appeal. On October 2, 2023, Earthjustice appealed the Superior Court decision to the Alaska Supreme Court and filed their opening brief in January.

In the federal litigation challenging Donlin Gold's joint record of decision and permits, including the 404 permit, the U.S. Department of Justice is finalizing compilation of the administrative record for the court. The briefing schedule was agreed in the fourth quarter and will extend to the first half of 2024.

Despite these numerous challenges, all appeals against Donlin Gold projects have been unsuccessful to date, thereby reinforcing our confidence in the thoroughness of the permitting process acknowledging the importance of readiness and preparation along with the unwavering support from Donlin Gold and its owners. We remain committed to backing all agencies in defending the permits.

With that, I will now turn the call over to our CFO David Ottewell to review the 2023 year end financial results. Dave?

David Ottewell:

Thank you, Greg.

Turning to Slide 19, for the year our net loss decreased by \$6.5 million from 2022, primarily due to lower field expenses at Donlin Gold and increased interest income, partially offset by an increase in interest expense on the promissory note and higher G&A expenses. Donlin Gold expenses were lower in 2023 with field work in geotechnical drilling completed in July for the Alaska Dam Safety certificate applications and hydrogeologic drilling to support the mine planning and design, compared to the large exploration drilling program in 2022. G&A costs increased due to higher corporate travel costs, legal expenses and additional PSUs granted to the Company's executive officers as a retention incentive through June 30, 2024. Higher interest rates in 2023 impacted both the interest income on cash and term deposits and interest expense on the promissory note.

On Slide 20, cash and term deposits increased in 2023 by \$0.2 million, with corporate, administrative and our share of Donlin Gold expenditures offset by interest income of \$5.7 million and the note proceeds received from the Newmont note of \$25 million. Compared to the prior year, Donlin Gold's funding was lower due to the geotechnical and hydrogeologic drilling program compared to the exploration drilling program in 2022. Higher G&A costs resulted from increased travel and legal expenses and the PSU awards that matured in 2023 did not meet the performance criteria; therefore, no common shares were issued and no withholding taxes were paid in 2023.

Our treasury remains strong with cash and term deposits totalling \$125.7 million at November 30, and our anticipated expenditures for 2024 are approximately \$31 million, including \$14 million for Donlin and \$17 million for corporate G&A.

Greg, I'll turn it back to you.

Gregory Lang:

Thank you, Dave.

Dr. Thomas Kaplan:

Hello everyone. I want to take this as an opportunity to be able to assure our investors that we are as investor-friendly, as well as transparent, as any company in the mining industry.

We have, from the very outset since Greg Lang and I became CEO and Chairman, respectively, laid out not just verbally but in writing everything that we would be doing for the years coming in terms of making NovaGold a pure play on what we regard as the greatest gold development story in the world—a Tier 1 asset in a Tier 1 jurisdiction.

At the same time, we've also been completely straightforward as gold bulls, representing a very, very intelligent shareholder base who share our convictions, that we see NovaGold as a pure play on Donlin as being the best risk/reward story in the gold development space.

Now, as you will have heard, we've approved a budget with our partners at Barrick. There is a difference in terms of our point of view as to some of the steps forward, but we're taking the project up the value chain with them and the conversations are ongoing, and we'll see where they go. But they will not be going into a place that we're uncomfortable.

Let me review the NovaGold thesis because I think it's extremely important for you to understand why, as someone who's been in this story for 15 years and Chairman for 12, there is no way, literally no way that I on behalf of the shareholders will allow any opportunity for our share price to be able to reach \$13.5 and higher.

We have a unique story. In fact, you've heard it before, but let me just reiterate this. When I ask investors which asset has the combination of size, grade—which means low OpEx as a producer—which has 39 million ounces already identified on 5% of the overall land package, in fact, 30% of what's on strike and our drill programs have also hit to depth. We know this is going to be much bigger and, candidly, so do some of the major mining companies. There should be no doubt in anyone's mind that if they buy NovaGold at these prices, they are buying it well below the price that anyone would pay for it, which should give them some comfort. And if in order to impress upon people that these are prices which are the product of special circumstances that will find resolution, all options are on the table including stock buybacks as well as the promotion of the value of these assets in very, very different ways. This is a pledge that I make to you.

I've been in it for 15 years. I'm happy to be in it for another 15 years. Everything that happened since I became an investor in this story has only reinforced my view that Donlin (audio interference 23:49), that Donlin is the new Carlin.

When I make references to these things, I'm making reference to great assets in great places.

NovaGold as a gold company, with the size, the grade, the exploration potential, being a pure play on what has the potential to be a million-ounce producer, among the lowest cost producers with fantastic native corporation partners with whom we enjoy excellent relations and fidelity and solidarity, and most importantly, in today's world, we're in an address where if you go to sleep at night, you know that when you wake up in the morning you haven't been eaten, literally or figuratively. You know that there are no insurgents. You know that there are no missile strikes. You know that you're not dealing with kleptocrats where the rule of law is not a novelty which can be overthrown at will, where private property is enshrined. The second largest gold producing state in the United States, where we enjoy the most wonderful relationship with our native corporation partners who really, really appreciate the stand which we are taking on this story.

To us, our treasury is sacred. We don't oppose drilling. I'd love to continue drilling to be able to show my belief that we can increase this resource by a huge amount. But for the time being, our view—and circumstances could change, but our view is our shareholder treasury, which gives us years of runway is part of our overall profile and we like it. We haven't needed to raise outside capital since 2012. That's extraordinary. That's because every promise that we ever made in taking us away from being a gold copper company to a pure gold company with the spin-off of NovaCopper, now Trilogy, with the sale of Galore to Newmont, has been affirmed. All of our

shareholders know that we have always kept our promises and that we have been transparent to the point of verbosity—especially on my part, obviously, because brevity isn't my strong suit—in order to hold fast with them.

Well, I will remind them the owner lives above the store. That's a quotation from one of the most powerful fund managers in the world about his take on the way that I view Donlin. It is a passion project and will be pursued as such. You will not be seeing any absence of earnestness in seeing our share price multiply. In fact, if I have any sense of forecasting at all, I would say that one of the greatest trades in the gold industry will prove to be long NovaGold and short some others who don't share all of our attributes—and I'm not talking about juniors, I'm talking about majors.

Well, let's continue to talk about some of the macros.

If we go to Slide 24, we're setting up for a perfect storm in gold. And for us it's very obvious the way to play it is to be able to give yourself the maximum leverage to the thesis and scrub that thesis, find the right asset that will stay with you and allow you to reap the fruits of that leverage. For us, it's Donlin and nothing has changed in our view. To the country. When we look at things that are going on in Asia, Africa, South America, we know what we have. We have the most beautiful girl in the world, and she's with us. No, no, I probably just got canceled.

But in an event, as far as gold is concerned, I think that what we're seeing is a slow motion breakout. When gold goes past—and I don't like to talk about specific prices or even timing—but when you look at this chart, I think that it's pretty clear that you have beautiful chart formations from a classic cup and saucer to multiple tops. The question is, are the fundamentals there to take gold to what I believe will be a new equilibrium level of between 3,000 and 5,000? And I know that, that sounds like a very wide range, but that's because I could see gold in certain circumstances, trading to 5,000, swinging to 3,000, going back to 5,000. And the truth is, there's no reason for me to make higher forecast than that, but gold could go much, much higher than that. This is just on supply-demand fundamentals that I make the forecast that I do. But I believe that in as much as patriotism is the last refuge of the scoundrel, fear factors of the last refuge for the gold bull; they're not necessary.

The supply pressures. Donlin is twice the average grade of the mines that are being proposed to the extent that there are any major mines. Production costs, we've seen rising. The exploration budgets are completely inadequate. The discovery rates are probably at an all-time low. I love drilling. I'm always drilling and the fact is that I'm in a very, very small minority, which has never phased me. I made 100x my money on drilling in silver, 100x on PGMs, 100x times on hydrocarbons. I would match our track record with all but a few other, not just smart, but also very, very lucky people, and we acknowledge luck in the same way as we acknowledge the luck that had NovaGold falling into our laps when we came in and rescued it. Stock went from 3 to 15; you will see it

happen again—if not much, much higher—and I will do everything within my power to make that forecast come true.

Now the reality is, if you go to Slide 25, I'm not going to blame our performance on the fact that the gold equities have greatly underperformed gold itself. That's not uncommon in commodities because you often see that the physical demand increases from certain levels and when you get the investor sentiment, it then flows into the equities that are correlated to those commodities, or currencies in the case of gold.

The thing that has changed is that when I got into the business 30 years ago, the value of all the precious metal shares in the world were about the value of Coca-Cola. Now the value of all the precious metal shares in the world is a fraction of many, many, many technology companies. So the question is, will technology come down to earth in some sense? And I don't mean that in terms of will technology stocks fall. I mean that in the sense that what is the status of gold in the world?

Well, for me, the fact that the central banks have remained huge buyers, as you can see on Slide 26, tells me that gold has legs. Central banks are not stupid money. They may be forced by their governments to do stupid things lest the global economy fall apart, but they know what they have on their balance sheets. And they are voting with their feet, with gold. I want to be on their side of the table. The path of least resistance for a central bank bureaucrat is to go with the trend. So when you have the Chinese and the Indians competing over who's going to be the largest consumer, when you have central banks as buyers, it's very, very clear that the trend is our friend. At some point you will see a catalyst that will have a big impact on the equities and it will be impossible to get into them at levels that you're seeing now. It will be—as one wit put it years ago—like getting Hoover Dam through a garden hose, because there are a lot of funds that can really only buy equities and the solid performance that they will show will attract more and more money. It's just a fact that financial assets are amongst the only assets that people want to buy much, much more of as they get dear.

The equities market in the gold and platinum and silver space is highly undervalued. And as you've heard, our view is that the place to be is in fabulous assets, Tier 1 assets in Tier 1 jurisdictions. You've got to have both. In fact, when we see what's happened in Europe, when we see what's going on in the Middle East and Asia and South America, the reality is the geopolitics trumps geology, and I love geologists. But if you're not in a place where the rule of law is not sacred, my worst fear for those who are is that, ironically, they will be right on gold. And by being right on gold, when gold is reviewed as a strategic asset like we are seeing happen with lithium, those assets will be the object of avaricious local governments, for want of a better word. And as you know, I made my bones in Bolivia, Zimbabwe, South Africa. I sold Kibali to Barrick. I'm not squeamish. I was the largest holder of mineral rights in Pakistan focused on Balochistan, a country that I had studied 35 years ago when I was doing my doctorate on counterinsurgency—still studying it. I know these places and I really do believe that

for me, as someone who voted with his feet, the best place to be is the United States, Canada, Mexico—so long as it stays part of NAFTA—Australia. That's where you want to be. I mean there are a few other odds and ends in Europe, etc., but you want to be in places where you can sleep. The reason for that is if you can sleep well, you can hold on for when the reversal comes, and if past is prologue in my experience, it's when you least expect it, and the stock doubles, triples and then people start to cotton on, and that's where you make your 10 bagger.

When the fundamentals catch up with the asset quality and the safety of jurisdiction in the hands of a management team that, in our case, were instrumental in building Cortez in Nevada. Richard Williams, brought Pueblo Viejo into production in the Dominican Republic, just in time for them to change the rules, of course, but that's still not just mine, but when it's being expanded by our co-owner in Donlin, Barrick. Our expertise in the Americas, truthfully, is second to none. They could run a larger gold company.

Moving to Slide 27, I think I covered this but this is a very, very sad chart for the industry. Good for us, sad for the industry. Gold reserves have been falling. It's possible that we can see reserves that may have been uneconomic now start to come back in, but that implies higher gold prices, so that's a win-win if that happens.

One thing that is not happening is that grade has plunged. If you look at that chart on the right, what you'll see is Donlin is where the industry was in 2004, '05, '06. Twenty years hence, the industry is going towards a gram, if not lower. Some of the best drill results that were developed in the gold space over the last two drill programs, which, according to Barrick, de-risked the geology—we think it was always de-risked, but so what? A happy partner is a good thing. We delivered some of the best drill results in the entire industry. You heard them from us, at least, and we're very, very comfortable with the fact that we have the best asset.

Now, something else that I want to mention, I'm not going to predict a recession. I'm not an economist. It probably means I have a better chance of predicting a recession, but I know global risks very well. There are a lot of things I don't know. Ninety-nine percent of things I don't know, and candidly, business news is the least interesting of my activities unless it's related to gold. But I can tell you something. Recession can come from many places. You could have a financial crisis in China. For argument's sake, you could have 1929 in China, which could have a knock-on effect on the rest of the world in the way that the financial crisis of 1929 in the United States had a knock-on effect all over the world and led to global conflict.

Let's put it like this. We already have an unprecedented conflict in Europe. We have unprecedented actions in the Middle East that are beyond barbaric in terms of what was carried out on October 7 and is a game changer in many ways. I won't go into that here, but I have given some interviews on that subject over the last couple of months. But one of the things that people must take into account is that there is a chance for recession. And if

there is, the rush to exits is going to be absolutely unprecedented because the world hasn't had a real recession in this state of indebtedness. And it may very well come from financial reasons or it could come from a combination of geopolitics and finance. I'm not going to proffer any more specific instances, except in perhaps private conversations.

Suffice it to say, you want to have gold in your portfolio. I own it because I love the supply/demand equation. I love the fact that the gold industry is (phonetic 42:34) challenged and that that is for my life span as an investor irreversible. So I like it for a lot of positive reasons. But my background is as a historian, counterinsurgency, military history and the world has never been this dangerous since the end of the Second World War. So when I look to own something—whether it's gold—or at my conviction that gold will lead and other factors will lead to NovaGold multiplying because it's got everything I want in a place where I want it to be. It comes from the place of massive conviction and as all of our shareholders know about Greg and myself, the whole management team, we don't just talk the talk, we walk for walk. Watch this space. It's going to get really interesting.

The most important thing for our investors, as you can see on Slide 29, is we have enormous leverage to gold and that is something that we have to reiterate. But again, it's leverage in a place where you can keep the fruits of the leverage, and there are many places that if gold does what I think it's going to do, they're not going to let you keep it. We are seeing it with lithium. We're seeing it in some places with copper. We will see it in gold. Not in NAFTA, not worried about that.

All of what I've expounded is very, very well known to our large shareholders. They've heard me say it publicly to all of you. Everyone knows that if they want to speak to me about any subject, they can, and I have no lack for words. But I would also like to take the opportunity to thank our shareholders for being not only stalwart and faithful. Their solidarity and, no pun intended, fidelity is enormously appreciated. I've heard people scold their shareholders in the gold space for short-termism. I've never encountered that. I mean people trade, and that's fine, but the most faithful shareholders and co-investors and partners that I've ever had, whether they are our sovereign wealth fund partners, whether they are institutional investors and families, the most faithful are the precious metals investors. And I would go into battle for all of these shareholders, indeed, any one of these shareholders. And so as I said, watch this space. It's going to be a very, very interesting opportunity for us to be able to put a spotlight on an asset that is not just in its size, grade, exploration potential, production profile and jurisdiction unique, but one that is wildly undervalued.

And with that, I thank you, and obviously we welcome any questions that you may have.

Melanie Hennessy:

Ashiya, can you prompt the group for those that have questions?

Operator:

Thank you. To join the question queue you may press *, then 1, on your telephone keypad. You will hear a tone acknowledging your request. If you are using a speaker phone, please pick up your handset before pressing any keys. To withdraw your question, please press star, then 2.

The first question comes from Lucas Pipes with B. Riley Securities. Please go ahead.

Lucas Pipes:

Thank you very much, Operator. Good morning everyone.

Tom, you mentioned that there are some differences—I couldn't write down the exact wording you used—between you and your joint venture partner. I wondered if you could maybe elaborate on that and kind of where you see the shared common goals and where there may be some temporary differences at this time. Thank you so much.

Dr. Thomas Kaplan:

Well, I'll let Greg speak to the shared common goals because they are technical aspects that both of us are committed to in taking NovaGold up the value chain, which is their terminology as well as ours. As we put in the press release and as we've said, we've been making representations together as partners for two years to the market and to the native corporations that when the drilling is over, we go to feasibility and that is what we are going to stick with. Because our strategy, which has been articulated, is that we're not in a rush to go into production until the economics justify it, and that they will surely come. And I have no doubt that Donlin, which is a generational mine, will be running for many, many, many decades. I have no doubt about that, and I have a sense that our co-owner feels likewise.

What I would say is this. We've made what we consider to be commitments. The only constraint is the fact that we have a partner. Our partner wants to continue drilling. The geology, according to our partner, has been de-risked, satisfied with the ore body. The drilling is in order to mine plan. Our attitude is we can do that in parallel with the feasibility study. And that's where we are. It's really that simple.

Our management team: Greg, who was the President of Barrick Gold North America for eight years before joining us because he felt that Donlin was the best development asset within Barrick. Richard Williams, who, as I mentioned, was (audio interference 50:14) from the Pueblo Viejo project for Barrick and GoldCorp at the time—now Newmont—when he finished that project, he joined with Greg and NovaGold because he was asked by an analyst for one of our largest shareholders, “Why'd you leave?” and he said, “Because after having built Pueblo

Viejo, I want to now build the greatest gold mine in the world, and that's at Donlin." And both of them, their attitude is this gives us leverage to the greatest asset in the Barrick portfolio. And candidly, I think it's the case.

If you look at what Donlin brings to Barrick's reserve base, either their 50% share or all of it, you can see that they're not dumb. They can stick with wanting to drill; we don't have to. Our budget is settled. We're not in conflict. We know what we want. We believe that what we want is what has been promised and what is best for everyone: native corporations, our shareholders and, candidly, Barrick shareholders, unless their agenda is different from ours.

Our strategy has always been very simple; no wine before its time. We articulated it, we've written it. Our strategy is get the feasibility study done so that when the economics line up, we're in a position to be able to put together the financing that will enable Donlin to go into production. That's what we want.

Our native corporation partners have been unbelievably patient, but this is a game changer for the entire region and the social licence that we enjoy is candidly more valuable to us than the metal itself.

Equally, our shares are more valuable to us than the metal itself, which is why we will take all measures necessary to improve the share price performance.

So it's an impasse that can just simply be shrugged off for the time being. Both parties can come to terms. They know what we want; we know what they want. If we don't budge, there's no drilling. If they don't budge, there's no feasibility for the time being. But at the end of the day, like I said, I've been in this for 15 years. I suffer from the opposite of deal fatigue. I am more excited, and this isn't bravado. I am more excited about Donlin than I've ever been. When I see what's going on in the world, I have no doubt that our mantra in leverage in a place where you can keep the fruits of the leverage is best expressed via gold development stocks and great ones with great assets in safe places.

I have a feeling that people are cottoning on to that in not just one, but major mining companies. We're clearly undervalued relative to what the share price can do, and as I said, I think long NovaGold and short some others will be the best trade in the gold space.

But Greg, could you answer perhaps some of the things for which I don't have a natural aptitude.

Gregory Lang:

Sure. Well, Lucas, for next year we've approved a budget of well over \$28 million, which is still a substantial budget for Donlin. This will advance our resource modeling, mine planning work. We've got a pilot plant

underway that's actually a fairly expensive undertaking. We're doing some regional infrastructure support planning, hydrology and just related activities, as well as our ongoing defensive permits and our extensive community relations programs.

There's two areas of the budget that we're still actively discussing with our partner One is to finalize the scope of work for the update to the capital and operating cost estimates. And the other, as has been mentioned, is to debate the merits of a drill program and approving if appropriate. We're very mindful about treasury, but I think it's a 50-50 partnership and I'm confident that we can work our way through these things. Thank you.

Lucas Pipes:

Tom and Greg, thank you very much for the additional colour and I wish you and the entire team the best of luck. Thank you.

Dr. Thomas Kaplan:

Thank you, Lucas. Keep the faith. Keep the faith. We're going to astonish you.

Operator:

The next question comes from Don DeMarco with National Bank Financial. Please go ahead.

Don DeMarco:

Thank you, Operator, and good morning, Thomas and Greg.

First question is, Greg, I heard you talk about the size of the mineralization. It's an impressive strike of 8 kilometres over which only the current resource only covers just a little more than 3 kilometres. To what extent have you tested the balance of that 8-kilometre mineralized trend?

Gregory Lang:

Well, we've got ore grade intercepts are really all up and down the trend, and we'll follow up as appropriate. There's a slide—we can locate one of the older slides on our web page for you that shows where the potential is along strike.

But I think the potential in the near term is really what we see at depth, primarily in the Lewis deposit. Some of our drilling from two seasons ago encountered great grades of mineralization, well below the bottom of the known pit. So I think the best potential in the near term is expand the existing pit and then move out along strike and in other areas of the claim bond.

Don DeMarco:

Okay. Thank you. So if you were to drill and increase your resource endowment at depth or along strike by a measurable amount, would the incremental ounces simply be added to the end of the mine life? Or could this change the development approach as you see it now?

Gregory Lang:

It's probably a little too soon to answer that question. I mean it could do both. It could increase the—certainly, it will extend the mine life and then at some stage the owners would discuss the merits of building a larger facility. I think we've just got to get our arms around and quantify the potential, and address the issue you raised.

Don DeMarco:

Oh, okay. Thank you. Just as a final question then, do you have a process for reaching consensus or settling any strategic differences of opinion with your partner?

Gregory Lang:

We maintain an ongoing dialogue. It's a 50/50 partnership, a bit like a marriage. It's a little give and take. I think we've always been a successful in the past and I think we'll get there at the end of this year.

Don DeMarco:

That's great. Well, thanks so much and good luck in 2024. Appreciate it.

Gregory Lang:

Thank you.

Melanie Hennessey:

We have two questions from the webcast. Some of them have been answered. Maybe, Greg, if you could speak to the NG trading below the NAV and if that's a worry on CapEx or future dilution, that would be great.

Gregory Lang:

Well, I'll start with that question and probably lateral it to Tom. I mean we're all disappointed when the share price underperforms, especially for no apparent reason. But our share price really doesn't—we've got a strong treasury. We got a pretty solid work plan ahead of us this year and the share price really is not directly connected to the future capital of Donlin project.

Tom, anything you'd want to add to that?

Dr. Thomas Kaplan:

Sure. I'm not worried about dilution. We have a strong treasury. You have a management team which, as evidenced with our red lines, that we're only going to spend capital that we believe is being properly spent. By the way, as to the previous question, I've wanted to drill the entire district for 15 years. I do not believe that Barrick had that same sense of interest from the time that—you have to remember they launched a hostile takeover in 2006, a couple of years before we became a shareholder. Barrick's intention was put 10 drill rigs on the project—and although this is a forward-looking statement of some sort, I'm sure, so please disregard it—I genuinely believe that there's 100 million ounces there along strike to depth and with other targets. Even my friends at Barrick will acknowledge that I've made my 100Xs through the drill bit. Silver, platinum, those were all exploration. Energy, complete grassroots exploration. I surround myself with great geologists, and the geologist who's made some of my biggest discoveries for our team sees 100 million ounces at Donlin, and he's always been right when it comes to these things, and he's a brand name in the geology industry.

So I would love to drill more. I just want to make sure that—and the Board wants to make sure. We are united on this, so you understand. We're completely united on you drill when it adds value. The ore body as it exists today is what it is and we think it's fantastic. We don't need to squander our social licence. Perhaps in combination with moving to feasibility and Barrick talking about the asset the way we do, sure, we're open. This isn't personal; this is strictly business. As Greg said, he's in constant contact with Barrick on multiple levels. Not hostile.

But we have to keep faith with whom we are. What credibility do I have when I say I'm going to do everything within my power to preserve the Company's profile, raise its share price, husband its treasury, which gives us years. And by the way, the challenge that we have is that it's not about dilution, it's not about any of that stuff. The challenge that we have is that we're so undervalued relative to what the real value is in the market that someone could get the wrong idea and think that they can get hold of us. Fifty or 100% ownership, whatever it is, of Donlin is accretive to every mining company in the world at this point. Accretive on every metric: reserves, grade, production profile. Not to mention that if I'm right, that Hoover Dam through a garden hose metaphor will be in North American assets, firstly. They won't be in Africa. They won't be in funky places. I don't believe so. And I voted with my feet by moving from those places back home where I don't feel that I'm going to experience that great Woody Allen quote, "I'm not afraid of dying. I just don't want to be there when it happens."

I love what we have and the key to being a successful investor in my view is having so much conviction that you're willing to stay in it until the world comes around to it. I think that could very, very well happen in the nearer term than people imagine, for a variety of reasons, company-specific as well as in the market. But that and a cappuccino, the price of the cappuccino, that's it, that's all you need. But what I would say is that we are more at peril of being an unwanted takeover target—I believe it would be foolish, but we would be more of a target of that than of running out of money.

Does that answer your question?

Melanie Hennessey:

Thank you, Tom. I appreciate the response to the webcast question.

Greg, is the litigation worrisome to you? Can you speak to some of the engagement efforts and steps that have been taken with the state and federal agencies?

Gregory Lang:

Sure. You know, I've worked in the mining industry for many decades in North America and litigation wasn't always this way. But probably for the last 15 years or so, litigation is a normal part of the permitting process. We're basically a litigious society, and while we don't really like it but we know it's coming, we prepared for it. We've had great counsel on board, and we anticipated this even before we've got our record of decision in 2018. We've prevailed. There's four major pieces of litigation. As it works its way through the courts, we've prevailed on every ruling to date.

Do I have any fear about that going forward? No. I think we will continue to prevail. I'm sure a lot of people are curious what it costs to defend your permits, and frankly, it's a pretty significant amount of money in our budget to actively defend the permits that we got through a very disciplined process.

I'm not worried about it. It's a cost of doing business and we will prevail.

Melanie Hennessey:

Great. Thank you. That is all the questions we have today. Greg, if you want to say some final remarks?

Gregory Lang:

Well, everyone, thank you for joining our call today. We've got a pretty active year ahead of us and we will keep everyone apprised as our work unfolds and any potential additions to the approved budget at Donlin. Thank you for your time.

Operator:

This concludes today's conference call. You may disconnect your lines. Thank you for participating, and have a pleasant day.