

This Quarterly Report on Form 10-Q contains forward-looking statements or information within the meaning of Canadian securities laws and the United States Private Securities Litigation Reform Act of 1995 concerning anticipated results and developments in our operations in future periods, planned exploration activities, the adequacy of our financial resources and other events or conditions that may occur in the future. These forward-looking statements may include statements regarding perceived merit of properties, exploration results and budgets, mineral reserves and resource estimates, work programs, anticipated timing of updated reports and/or studies, capital expenditures, operating costs, cash flow estimates, production estimates and similar statements relating to the economic viability of a project, anticipated timing of certain judicial and/or administrative decisions, continued support of the State and Federal permitting process, sufficiency of working capital, timelines, strategic plans, including our plans and expectations relating to the Donlin Gold project, permitting and the timing thereof, market prices for precious metals, or other statements that are not statements of fact. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates may also be deemed to constitute “forward-looking statements” to the extent that they involve estimates of the mineralization that will be encountered if the property is developed.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as “expects”, “is expected”, “anticipates”, “believes”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential”, “possible” or variations thereof or stating that certain actions, events, conditions or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements are based on a number of material assumptions, including those listed below, which could prove to be significantly incorrect:

- our ability to achieve production at the Donlin Gold project;
- dependence on cooperation of co-owner in exploration and development of the Donlin Gold project;
- estimated capital costs, operating costs, production and economic returns;
- estimated metal pricing, metallurgy, mineability, marketability and operating and capital costs, together with other assumptions underlying our resource and reserve estimates;
- our expected ability to develop adequate infrastructure and that the cost of doing so will be reasonable;
- assumptions that all necessary permits and governmental approvals will be obtained and retained, and the timing of such approvals;
- assumptions made in the interpretation of drill results, the geology, grade and continuity of our mineral deposits;
- our expectations regarding demand for equipment, skilled labor and services needed for the Donlin Gold project;
- our activities will not be adversely disrupted or impeded by development, operating or regulatory risks; and
- our expectations regarding the timing and outcome of the appeals to certain State and Federal permits that have been issued to Donlin Gold.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation:

- uncertainty of whether there will ever be production at the Donlin Gold project;
- risks related to co-owner whose cooperation is required for Donlin Gold project activities;
- risks related to proceeding with a feasibility study for the Donlin Gold project without the participation of co-owner;
- our history of losses and expectation of future losses; our limited property portfolio;
- risks related to our ability to finance the development of the Donlin Gold project through external financing, strategic alliances, the sale of property interests or otherwise;

- uncertainty of estimates of capital costs, operating costs, production and economic returns;
- commodity price fluctuations;
- risks related to market events and general economic conditions;
- risks related to opposition to our operations at our mineral exploration and development properties from non-governmental organizations (NGOs) or civil society;
- the risk that permits and governmental approvals necessary to develop and operate the Donlin Gold project will not be available on a timely basis, subject to reasonable conditions, or at all;
- uncertainties relating to the assumptions underlying our resource and reserve estimates, such as metal pricing, metallurgy, mineability, marketability and operating and capital costs;
- risks related to the inability to develop or access the infrastructure required to construct and operate the Donlin Gold project;
- risks related to title and other rights to the Donlin Gold project;
- risks related to our largest shareholder, the Electrum Group;
- risks related to conflicts of interests of some of the directors and officers of the Company;
- risks related to the need for reclamation activities on our properties and uncertainty of cost estimates related thereto;
- credit, liquidity, interest rate and currency risks;
- mining and development risks, including risks related to infrastructure, accidents, equipment breakdowns, labor disputes or other unanticipated difficulties with, or interruptions in, development, construction or production; risks related to governmental regulation;
- risks related to environmental laws and regulations;
- risks related to our insurance;
- risks related to increases in demand for equipment, skilled labor and services needed for exploration and development of the Donlin Gold project, and related cost increases;
- our need to attract and retain qualified management and technical personnel;
- uncertainty as to the outcome of potential litigation;
- risks related to the effects of global climate change on the Donlin Gold project;
- risks related to information technology systems; and
- risks related to the Company's status as a "passive foreign investment company" in the United States.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and our actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in our Annual Report on Form 10-K for the year ended November 30, 2023 and this Quarterly Report on Form 10-Q under the heading "Risk Factors" and elsewhere.

Our forward-looking statements contained in this Quarterly Report on Form 10-Q are based on the beliefs, expectations, and opinions of management as of the date of this report. We do not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

In Management’s Discussion and Analysis of Financial Condition and Results of Operations, “NOVAGOLD”, the “Company”, “we,” “us” and “our” refer to NOVAGOLD RESOURCES INC. and its consolidated subsidiaries. The following discussion and analysis of our financial condition and results of operations constitutes management’s review of the factors that affected our financial and operating performance for the three- and nine-month periods ended August 31, 2024 and August 31, 2023. This discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto contained elsewhere in this report and our Annual Report on Form 10-K for the year ended November 30, 2023, as well as other information we file with the Securities and Exchange Commission on EDGAR at www.sec.gov and with Canadian Securities Administrators on SEDAR+ at www.sedarplus.ca. References herein to \$ refer to United States dollars and C\$ to Canadian dollars, in thousands, except for per share amounts.

Overview

We operate in the gold mining industry, primarily focused on advancing the Donlin Gold project in Alaska. The Donlin Gold project is held by Donlin Gold, a limited liability company owned equally by wholly-owned subsidiaries of NOVAGOLD and Barrick.

Our corporate goals include continuing to advance the Donlin Gold project toward a construction decision; maintaining support for Donlin Gold among the project’s stakeholders; promoting a strong safety, sustainability, and environmental culture; maintaining a favorable reputation of NOVAGOLD; and preserving a healthy balance sheet. Our operations primarily relate to the delivery of project milestones, including the achievement of various technical, environmental, sustainable development, economic and legal objectives, obtaining necessary permits, completion of pre-feasibility and feasibility studies, preparation of engineering designs and the financing to fund these objectives.

Donlin Gold project

In the third quarter of 2024, principal activities included the advancement of metallurgical test work at a pilot plant in Ontario, Canada to confirm proposed optimizations to the flowsheet (with completion expected by year-end), as well as updated resource modelling by the Donlin team and a third-party consultant that is also nearing completion. In addition, recent Donlin Gold field data was used to update groundwater and surface water models, while geochemical data collection continues and will be used to update closure planning. Our work on the Dam Safety Certification continues to progress with the majority of the preliminary design packages submitted to the ADNR on June 17, 2024, with final documents expected to be submitted by year-end. Comments from the ADNR on the Dam Safety Certification preliminary design packages are anticipated in 2025.

These comprehensive efforts have delivered highly valuable insights for the Donlin Gold Board and its owners. Guiding our strategy for the Donlin Gold project and its 2025 initiatives, these activities were reviewed at our latest workshop in Alaska with Barrick and will contribute critical data for advancing Donlin Gold. NOVAGOLD is committed to advancing the project with a focus on financial prudence, engineering excellence, environmental responsibility, and a strong safety culture.

Our outreach in Alaska, particularly in the Yukon-Kuskokwim (Y-K) region, and in Washington, D.C., has strengthened community engagement and reinforces the project’s social license. The Company appreciates the diligent contributions of the Donlin Gold team, partners, and stakeholders, and remains dedicated to developing the project to its full potential. With \$105.6 million in cash and term deposits as of August 31, 2024, NOVAGOLD is well-positioned to support this effort.

We were very pleased to announce Peter Adamek’s appointment as the Company’s new Vice President and Chief Financial Officer in the third quarter. Peter is a seasoned financial executive with over 20 years of experience,

most recently with Hudbay Minerals Inc. He joins a leadership team that has consistently demonstrated diligence and responsible capital stewardship while enhancing value and upholding strong shareholder engagement.

Our share of funding for the Donlin Gold project in the third quarter and the first nine months of 2024 was \$2,864 and \$10,198, respectively. In 2024, we continue to expect our share of Donlin Gold funding to be \$14,250, for project planning and fieldwork, external affairs, permitting, environmental, land, and legal activities. We record our interest in the Donlin Gold project as an equity investment, which results in our 50% share of Donlin Gold's expenses being recorded in the income statement as an operating loss. The investment amount recorded on the balance sheet primarily represents unused funds advanced to Donlin Gold.

The Donlin Gold board must approve an updated feasibility study, construction program and construction budget before the Donlin Gold project can be developed. The timing of the required engineering work and the Donlin Gold board's approval of an updated feasibility study, construction program and budget, the receipt of all required governmental permits and approvals, and the availability of financing, commodity price fluctuations, risks related to market events and general economic conditions among other factors, will affect the timing of and whether to develop the Donlin Gold project. Among other reasons, project delays could occur due to public opposition, litigation challenging permit decisions, requests for additional information or analysis, limitations in agency staff resources during regulatory review and permitting, or project changes made by Donlin Gold.

Stakeholder and government engagement

In collaboration with Calista Corporation ("Calista") and The Kuskokwim Corporation ("TKC"), the mineral and surface rights holders, Donlin Gold has made significant strides in local community and government engagement across the Y-K region, Alaska, and Washington, D.C. Strategically located on private land designated by law for mineral development under the Alaska Native Claims Settlement Act of 1971, the Donlin Gold project enjoys deep involvement with Native Corporations, strengthening our connections with people from the region and local government bodies.

Our enduring partnerships with Calista and TKC have been crucial in advancing the project's development and permitting efforts. Over decades, our commitment to engaging with the 62 stakeholder communities in the Y-K region has built meaningful relationships, enhanced investment, and reinforced our social license. This longstanding dedication underscores the approach of the Donlin Gold project and its partners, Calista and TKC, to foster robust relationships with both local communities and governmental entities built on trust, transparency, respect and partnership.

In July, Donlin Gold hosted a project site tour for a group of residents from Crooked Creek and the Native Village of Georgetown.

In August, Calista, TKC, and Donlin Gold hosted a public Open House in Anchorage, providing Alaskans with the opportunity to learn more about the project and to engage in open and transparent discussions. NOVAGOLD was in attendance to participate, interact, and engage with key stakeholders.

These are just two examples of the many engagements Donlin Gold prioritizes to raise awareness and maintain transparency around the project.

Environment, education, and social investments

NOVAGOLD remains deeply committed to community and social responsibility, upholding shared values at the Donlin Gold project site and within the Y-K region. Through initiatives spanning education, community wellness, cultural preservation, and environmental stewardship, we support fisheries studies, environmental

activities, subsistence, cultural preservation efforts, and various grants. Our collaboration with Calista and TKC has driven a range of activities and projects over the past quarter.

Since mid-2023, NOVAGOLD and Donlin Gold have intensified efforts with our Alaska Native Corporation partners to monitor, survey and engage in the dialogue on salmon fisheries in the Kuskokwim and Yukon River watersheds. In the third quarter, we focused on identifying opportunities to monitor, evaluate, and strengthen salmon populations. Notably, we launched a salmon smolt monitoring program on the George River, a tributary of the Kuskokwim River, in partnership with the Village of Napaimute to assess smolt health and migration patterns.

In addition, Donlin Gold and NOVAGOLD have supported the “In It for The Long Haul” backhaul program for seven years now, collecting and safely disposing of household hazardous and electronic waste from Y-K villages. This year alone, approximately 140,000 pounds of material were recycled, for an impressive total of approximately 803,000 pounds of hazardous materials removed from the Y-K region since the program began in 2018.

Donlin Gold’s partnership with the Crooked Creek Traditional Council has supported the Summer Youth Employment program, providing local youth with hands-on experience in various work environments while also assisting Elders. In the third quarter, Donlin Gold continued sponsoring the RurAL CAP Elder Mentor Program, which connects youth with Elders to foster intergenerational knowledge and support academic engagement and school readiness across the State. Donlin Gold also shipped dictionaries to all school districts in the Y-K region for third graders as part of The Dictionary Project, a national effort to promote literacy and creative thinkers, a project they have participated in annually since 2012.

Donlin Gold has also reaffirmed its commitment to the Alaska School Activities Association, supporting high school-level athletic, academic, and fine arts programs statewide. Donlin Gold’s ongoing financial contributions highlight our steadfast dedication to enhancing educational and extracurricular opportunities for students throughout Alaska.

NOVAGOLD remains committed to stakeholder engagement and community development working closely with Tribal communities and Alaska Native Corporations to identify needs and collaboratively develop solutions that enhance and uplift communities, fostering sustainable growth and shared prosperity for future generations.

Permitting

Donlin Gold, in collaboration with Calista, actively supports Federal and State agencies in defending the project’s permits against legal challenges — a strategy that has proven highly effective in maintaining permit approvals to date. The intricate permitting process in the United States and Alaska demands years of dedicated, transparent, and inclusive efforts to engage all stakeholders, including those from the Y-K region. With a profound understanding of the regulatory landscape, Donlin Gold and its partners are committed to supporting Federal and State agencies through any challenges to the project’s permits and are now concentrating on securing the remaining State-level permits and certificates needed for the project’s advancement. While maintaining jurisdictional safety presents challenges, particularly as regulations vary across regions, the State of Alaska stands out as a stable and reliable investment environment. As the second-largest gold-producing state in one of the world’s safest countries for free enterprise¹, Alaska offers investors stability and certainty that their assets will remain secure. This makes the rigorous permitting process a worthwhile endeavor in an increasingly complex world.

Litigation

On June 28, 2021, Earthjustice representing Orutsararmiut Native Council (“ONC”) filed an appeal of the Alaska Department of Environmental Conservation (“ADEC”) Commissioner’s decision upholding the ADEC’s Clean Water Act Section 401 water quality certification in Alaska Superior Court. In December 2021, at the request of the State of Alaska and Donlin Gold, the Superior Court suspended the case and remanded it to ADEC to allow for

¹ Per the 2024 Mineral Commodity Summaries Report – <https://pubs.usgs.gov/periodicals/mcs2024/mcs2024-gold.pdf>.

consideration of additional technical materials on mercury and temperature. After an administrative process, the Commissioner reaffirmed ADEC's issuance of the 401 Certification on August 18, 2023. The suspension of the previously filed Alaska Superior Court case was then lifted and Earthjustice filed its opening brief with the Alaska Superior Court in January 2024. The briefing is complete and oral arguments were held on August 30, 2024. A decision is anticipated from the Alaska Superior Court by 2025.

On September 20, 2021, Earthjustice, representing ONC, Cook Inletkeeper, and three Y-K villages, filed an appeal of the State pipeline Right-of-Way ("ROW") authorization in Alaska Superior Court. On April 12, 2023, the Alaska Superior Court affirmed ADNR's issuance of the ROW lease in the Earthjustice case. Earthjustice appealed the Superior Court's decision to the Alaska Supreme Court. On May 25, 2022, Earthjustice, representing ONC and five Y-K villages, filed an appeal of ADNR's issuance of certain water rights permits to Donlin Gold in Alaska Superior Court. After briefing and oral argument, on September 1, 2023, the Alaska Superior Court affirmed ADNR's decision on Donlin Gold's water rights permits. On October 2, 2023, Earthjustice appealed the Superior Court's decision to the Alaska Supreme Court. Earthjustice's opening brief was submitted to the Alaska Supreme Court on January 4, 2024. Response briefs from the State of Alaska and Donlin Gold were completed in April 2024, and Earthjustice subsequently filed their reply brief in May 2024. Briefing on Earthjustice's appeal of the Alaska Superior Court affirmation of ADNR's issuance of the State pipeline ROW lease to the Alaska Supreme Court was completed in February 2024. Oral arguments for both the water rights permits and the State pipeline ROW are scheduled for November 12, 2024.

On April 5, 2023, Earthjustice representing ONC and six Y-K villages filed suit against the U.S. government in Anchorage Federal District Court asking the Court to invalidate the Donlin Gold Joint Record of Decision ("JROD"), which included the U.S. Army Corps' of Engineers' issuance of the 404 permit and the Department of Interior, Bureau of Land Management's issuance of the ROW lease for the portions of the pipeline on Federal lands. The U.S. Department of Justice ("DOJ") is defending the issuance of the permits by those Federal agencies. The State of Alaska, Donlin Gold, and Calista were granted intervenor status in this case. The DOJ filed their brief supporting the issuance of the JROD and the sufficiency of the environmental analysis in the Final Environmental Impact Statement on April 2, 2024. Amicus briefs supporting the project were filed by the village of Crooked Creek and the Alaska federal Congressional delegation. Oral arguments were held on June 24, 2024, and the Court issued a decision on September 30, 2024. The decision upheld the federal agencies analysis on two of the three issues raised in the litigation, but agreed with plaintiffs that the federal agencies took too narrow a view in analyzing the impact of a theoretical release from the tailing storage facility. The Court requested supplemental briefing on the appropriate remedy for addressing this issue, which is due October 21, 2024, and response briefing is due November 4, 2024. Donlin Gold is committed to working with the federal agencies and all stakeholders on an appropriate remedy to address the Court's decision.

Consolidated Financial Results

In the third quarter of 2024, net loss decreased by \$331 from the comparable prior year period. The decrease was primarily due to lower stock-based compensation expense related to forfeiture of options and performance share units and lower field expenses at Donlin Gold partially offset by higher general and administrative costs, increased interest expense on the promissory note and lower interest income on cash and term deposits. Donlin Gold expenses were lower with reduced site activity in 2024, compared to fieldwork and geotechnical drilling for the Alaska Dam Safety certificates and hydrological drilling to support mine planning and design in 2023. General and administrative expenses increased primarily due to higher professional fees and employee compensation. Professional fees increased due to consulting fees primarily related to ongoing efforts to enhance the value of the Donlin Gold project by evaluating alternatives to further advance the project. Salaries and benefits increased primarily due to hiring of additional staff. Income tax expense relates to passive income taxable in Canada on a portion of interest income earned by U.S. subsidiaries, and for withholding taxes on the sale of the San Roque project in Argentina during the first quarter of 2024.

Liquidity and Capital Resources

Liquidity overview

With total cash and term deposits of \$105.6, the Company has sufficient working capital available to cover anticipated funding of the Donlin Gold project and corporate general and administrative costs for at least the next three years at current spending levels. Additional capital may be required to complete an updated Donlin Gold feasibility study. Considerable additional capital will be required if a decision to commence engineering and construction is reached by Donlin Gold. Future financing to fund construction is anticipated through debt and equity offerings, project specific debt, and/or other means. Our continued operations are dependent on our ability to obtain additional funding or to generate future cash flows. However, there is no assurance that we will be successful in our efforts to raise additional capital on terms favorable to us, or at all. For further information, see our Annual Report on Form 10-K for the year ended November 30, 2023, section *Item 1A, Risk Factors – Our ability to continue the exploration, permitting, development, and construction of the Donlin Gold project, and to continue as a going concern, will depend in part on our ability to obtain suitable financing.*

Our anticipated cash expenditures in fiscal year 2024 continue to be approximately \$31,200, including \$14,250 to fund the Donlin Gold project, and \$16,950 for general and administrative costs.

Our financial position includes the following as of August 31, 2024:

- Cash and cash equivalents of \$45,572, primarily held at three large Canadian chartered banks with investment grade credit ratings.
- Term deposits of \$60,000 held at two large Canadian chartered banks with investment grade credit ratings and maturities of less than one year.
- Promissory note payable to Barrick of \$147,880 including accrued interest at U.S. prime plus 2%, compounded semi-annually. The promissory note and accrued interest are payable from 85% of the Company's share of revenue from future Donlin Gold project production or from any net proceeds resulting from a reduction of the Company's interest in Donlin Gold.

Cash flows

In the third quarter and first nine months of 2024, cash equivalents decreased by \$6,996 and \$177, respectively, primarily due to Donlin Gold funding and corporate general and administrative costs, partially offset by interest income on cash and proceeds from term deposits. The increase in cash used in operating activities in the third quarter and first nine months of 2024 from the comparable prior year periods was primarily due to increased corporate general and administrative costs and a net change in working capital. Funding requirements for Donlin Gold were substantially lower in the first nine months of 2024 than the comparable prior year period.

Outstanding share data

As of September 25, 2024, the Company had 334,567,187 common shares issued and outstanding. Also, as of September 25, 2024, the Company had: i) a total of 9,039,437 stock options outstanding; 7,867,835 with a weighted-average exercise price of \$6.22 and the remaining 1,171,602 of those stock options with a weighted-average exercise price of C\$7.90; and ii) 1,633,500 PSUs and 314,714 deferred share units outstanding. Upon exercise or pay out, as applicable, of the foregoing convertible securities, the Company would be required to issue a maximum of 11,804,401 common shares.