

Cautionary Note Regarding Forward-Looking Statements

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, 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 six-month periods ended May 31, 2024 and May 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 LLC ("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 second quarter 2024, key activities included ongoing resource modelling by a third-party consultant to further enhance and update the resource model; metallurgical test work with a pilot plant in Ontario, Canada, to confirm proposed optimizations to the flowsheet, which are expected to be completed later in 2024; updating of the groundwater and surface water models by incorporating recent Donlin Gold field data from geoscience hydrology, while continually collecting data to update source characteristics for closure planning; and further progression of regional support infrastructure planning to narrow the scope of work and advance regional energy opportunities.

In addition, significant outreach endeavors were conducted in Alaska, particularly in the Yukon-Kuskokwim ("Y-K") region, and in Washington D.C. These efforts aimed to support community engagement and permitting initiatives to reinforce the project's social license.

Since NOVAGOLD's restructuring in 2012, the primary objective has been to advance the development of Donlin Gold. The next logical and critical step is to update the feasibility study with the aim of positioning Donlin Gold favorably for a construction decision when market conditions are right.

Our share of funding for the Donlin Gold project in the first six months of 2024 was \$7,334. 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

Supported by decades of consistent community outreach with our partners in the project's region, NOVAGOLD is committed to meaningful engagement throughout Alaska. The project, situated on private land designated by law for mining activities under the Alaska Native Claims Settlement Act of 1971 ("ANCSA"), enjoys strong Native Corporation participation and ownership, which facilitates comprehensive local stakeholder outreach, as well as government engagement efforts in Alaska and Washington, D.C.

During the second quarter, an additional Shared Values Statement was finalized with a Y-K region community by Donlin Gold, increasing the total to 17. This emphasizes our long-standing dedication to sustained engagement with local communities. These documents formalize our current engagement with key local communities, builds upon established long-term relationships, and addresses tangible issues such as water, sewer, and solid waste projects; the ice road linking remote villages in the Y-K region; studies on salmon and other aquatic life; and initiatives including suicide prevention advocacy and public safety.

Donlin Gold, Calista, and TKC conducted their third Subsistence Community Advisory Committee meeting which took place in Aniak. This committee reflects the ongoing commitment to establish a structured process for communication, dialogue, problem-solving, and gathering input from the broader community on subsistence matters. In addition, together with Calista, Donlin Gold participated in a three-day Alaska Native Village Conference Association conference in Anchorage. The Donlin Gold presentation focused on revenue sharing among Native Corporations in Alaska and addressed inquiries regarding statewide funding and rural opportunities.

Moreover, Donlin Gold traveled with the Crooked Creek Traditional Council to Washington, D.C. voicing their support of the Donlin Gold project directly to the DOJ and Alaska Congressional Delegation. In April, U.S. Senators Lisa Murkowski and Dan Sullivan, and U.S. Representative Mary Peltola submitted a joint amicus brief in Federal Court citing the Donlin Gold project as one of the State's "most important and necessary economic development projects" in "one of the most impoverished regions in Alaska." These efforts, combined with the bipartisan outreach campaign and support from the U.S. Department of Justice (DOJ), along with the receipt of the Federal Record of Decision and 404 permit that was issued by the U.S. Army Corps of Engineers and Bureau of Land Management in 2018, help further solidify the importance of engagement and preparedness throughout the rigorous permitting process.

Environment, education, and social investments

NOVAGOLD prioritizes community and social responsibility, ensuring shared values are upheld at both the Donlin Gold project site and within the communities of the Y-K region. Through initiatives focused on education, community wellness, cultural preservation, and environmental stewardship, Donlin Gold supports a broad range of activities, grants, and projects.

From an environmental standpoint, the conditions and management of salmon fisheries in the Kuskokwim and Yukon River watersheds have been monitored and assessed since 2023. Our focus with local tribes in the second quarter centered on identifying specific project opportunities to enhance salmon population health. This involved collaborating closely with our Alaska Native Corporation partners to plan and initiate a juvenile salmon monitoring project in the George River, a major tributary to the Kuskokwim River.

Donlin Gold proudly continues to support the annual 'Clean-Up Green-Up' program, aimed at collecting and disposing of winter trash from the tundra, roads, public areas, and beaches in the Y-K region. This initiative assists 47 communities throughout the region. Additionally, Donlin Gold continued support of the Iditarod Sled Dog Race, a renowned event held annually in March.

NOVAGOLD is dedicated to advancing educational opportunities in Alaska, actively promoting learning through collaborative efforts, serving as a key component of Donlin Gold's community engagement initiatives. In March, Donlin Gold continued its collaboration with the Alaska School Activities Association, participating in their March Madness Alaska basketball tournament, one of the state's largest high school championship events. Donlin Gold also sponsored the Lower Kuskokwim School District's annual college and career fair. Furthermore, Donlin Gold provided financial assistance to Carry the Cure's 15th annual Iditarod suicide prevention event in March. This gathering, held in local Y-K villages including Tunuak, Toksook Bay, Nightmute, and Kasigluk, underscores Donlin Gold's commitment to addressing the high suicide rates prevailing among teens in Western Alaska by providing crucial messaging and support.

Permitting

Donlin Gold works closely with Calista and TKC, to support Federal and State agencies in defending the project's permits from appeals. All Donlin Gold permits appeals have been unsuccessful to date, highlighting the importance of thorough permitting processes. Permitting in the United States and Alaska constitutes a rigorous endeavor, requiring years of dedicated efforts to ensure diligence, transparency, and inclusivity in engaging all stakeholders, including those from the Y-K region.

At this time, work on the Dam Safety Certification continues to progress. Donlin Gold, Calista and TKC met with the Independent Technical Review Board in May to discuss the preliminary design packages, which were submitted to the Alaska Department of Natural Resources (ADNR) on June 17, 2024.

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 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. Briefing is complete and oral argument has been scheduled for August 30, 2024.

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. Briefing on the appeal is complete and oral argument has been scheduled for July 31, 2024.

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. Oral arguments are expected later this year.

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. 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. Earthjustice filed its opening brief on February 15, 2024. 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. Donlin Gold, Calista, and the State of Alaska filed their intervenors' briefs on April 16, 2024. Amicus briefs supporting the project were filed by the village of Crooked Creek and the Alaska Congressional delegation. Oral arguments were held on June 24, 2024. A decision is anticipated by early 2025.

With a comprehensive understanding of the project's permitting and regulatory procedures, Donlin Gold, alongside Calista and TKC, remains committed to supporting Federal and State agencies in defending the permits and securing the remaining state-level permits and certificates crucial for the project's advancement.

Consolidated Financial Results

In the second quarter and the first six months of 2024, Net loss decreased by \$949 and \$1,290, respectively, from the comparable prior year periods. The decreases were primarily due to lower field expenses at Donlin Gold, increased interest income on cash and term deposits, and increases in the fair value of marketable securities, partially offset by higher general and administrative costs and an increase in interest expense on the promissory note. 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 employee compensation and professional fees. Share-based compensation, salaries and benefits increased primarily due to promotions and hiring of additional

staff. Professional fees increased due to consulting fees primarily related to our evaluation of options to advance the Donlin Gold project. Income tax expense is a result of 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.

Liquidity and Capital Resources

Liquidity overview

At present, the Company believes it 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 once a decision to commence engineering and construction is reached by Donlin Gold LLC. Future financing to fund construction is anticipated through debt, equity, project specific debt, and/or other means. Our continued operations are dependent on our ability to obtain additional financing or to generate future cash flows. However, there can be 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 expenditures in fiscal year 2024 are 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 May 31, 2024:

- Cash and cash equivalents of \$52,568, primarily held at three large Canadian domestic chartered banks with high credit ratings.
- Term deposits of \$60,000 denominated in U.S. dollars and held at two large Canadian domestic chartered banks with high credit ratings and maturities of less than one year.
- Promissory note payable to Barrick of \$144,047 including accrued interest at U.S. prime plus 2%. 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 second quarter and first six months of 2024, cash equivalents increased by \$15,065 and \$6,819, respectively, primarily due to \$20,000 in net proceeds from term deposits and higher interest income, partially offset by Donlin Gold funding and corporate general and administrative costs. The increase in cash used in operating activities in the second quarter and first six months of 2024 from the comparable prior year periods was primarily due to increased corporate general and administrative costs. Funding requirements for Donlin Gold were substantially lower in the second quarter and first six months of 2024 than in the comparable prior year periods.

Outstanding share data

As of June 18, 2024, the Company had 334,430,713 common shares issued and outstanding. Also, as of June 18, 2024, the Company had: i) a total of 9,625,800 stock options outstanding; 8,428,000 with a weighted-average exercise price of \$6.14 and the remaining 1,197,800 of those stock options with a weighted-average exercise price of C\$7.87; and ii) 2,154,400 PSUs and 298,384 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 13,064,934 common shares.