

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 the 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;
- 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-month periods ended February 29, 2024 and February 28, 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 and maintaining those received in good standing, completion of pre-feasibility and feasibility studies, preparation of engineering designs and the financing to fund these objectives.

Donlin Gold project

In the first quarter 2024, activities included completion of the scope of work for resource modelling by a third-party consultant for an updated resource model; the advancement of metallurgical test work with a pilot plant in Ontario, Canada, to confirm proposed optimizations to the flowsheet, expected to be completed in 2024; continued planning for regional infrastructure support to narrow the scope of work and identify a path forward; the incorporation of recent field data in geoscience hydrology to update the groundwater model and surface water model; continued data collection to update source characteristics for closure planning; progressed remaining permits through the regulatory process and supported the Federal and State agencies in maintaining the existing permits; and, through continued engagement, sustained and expanded project support in the Yukon-Kuskokwim ("Y-K") region.

In collaboration with Calista Corporation ("Calista") and The Kuskokwim Corporation ("TKC"), owners of the mineral and surface rights, an extensive amount of work, including drilling, trade-off studies, analysis on project assumptions, inputs, design components for optimization (mine engineering, metallurgy, hydrology, power, and infrastructure), advancement of permitting activities and continued support of pending litigation, environmental and social initiatives and sponsorships, including community and state-wide engagement have been completed over the past decade to inform the next steps in taking the project further up the value chain. The Donlin Gold LLC board approved a budget of \$28,500 (100% basis) for 2024, comprising resource modelling, mine planning work, metallurgical test work (pilot plant), regional infrastructure support planning, geoscience hydrology and closure planning, advancement of the dam safety certificate applications, and continued support of pending litigation, government affairs, community engagement activities, and sponsorships. NOVAGOLD will continue to employ concerted and inclusive efforts to advance the Donlin Gold project for the benefit of all our shareholders and Donlin Gold stakeholders.

Our share of funding for the Donlin Gold project in the first quarter of 2024 was \$3,623. In 2024, we continue to expect our share of Donlin Gold funding to be \$14,250.

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 and TKC, Donlin Gold pursued its stakeholder and government engagement efforts in the Y-K region, Alaska and Washington, D.C. The project's location on private lands specially selected for mineral development potential distinguishes the project from most other mining assets in Alaska and is pivotal in outreach efforts in the Y-K region. Donlin Gold's commitment to meaningful tribal engagement throughout project development and permitting has been reinforced by decades of reliable and dependable engagement with stakeholder communities. Donlin Gold finalized another Shared Values Statement, bringing the total count to 16. This accomplishment further underscores dedication to continuous engagement with local communities, strengthening existing long-term relationships, and addressing specific community needs. In partnership with Calista and TKC, Donlin Gold held the first informational meeting for the Subsistence Communications Advisory Committee ("SCAC") in Anchorage during the first quarter. All attendees, who hold varying perspectives on the Donlin Gold project, completed an application to join the SCAC. As part of the commitment between Donlin Gold, Calista and TKC, the SCAC was established to maintain a well-defined process for communications, dialogue, problem-solving, and seeking the views of the broader community regarding subsistence matters.

Environment, education, and social investments

NOVAGOLD is focused on education, community wellness, cultural preservation, and environmental stewardship. Donlin Gold supports these initiatives through fisheries studies and other environmental activities, subsistence and cultural preservation activities, and grants. A wide range of activities and projects were carried out in the first quarter with Calista and TKC:

Since mid-2023, NOVAGOLD and Donlin Gold have been increasingly focused on collaborating with our Alaska Native Corporation partners to monitor and assess the conditions and management of salmon fisheries in the Kuskokwim and Yukon River watersheds. In the first quarter, we continued our efforts with local tribes to identify specific potential project opportunities aimed at monitoring, evaluating, and enhancing the health of salmon populations. The projects to be supported will be finalized mid- 2024 with plans for implementation beginning in the spring/summer of 2024. All such projects will be done in collaboration and partnership with the people of the Y-K region.

Both NOVAGOLD and Donlin Gold are dedicated to advancing educational opportunities in Alaska and actively promoting learning through collaborative efforts, including the sponsorship of the Lower Kuskokwim School District's annual college and career fair. Donlin Gold also maintains its dedication to supporting local community sports initiatives and youth groups, exemplified by its sponsorship of events such as the Donlin Gold Basketball Tournament held at Bethel Regional High School in Bethel, Alaska. Donlin Gold also provided an annual contribution to the Rural Alaska Honors Institute, a program through the University of Alaska Fairbanks which prepares Alaska Native high-school students for college life.

Donlin Gold proudly continues to fund and support The Kuskokwim 300, a premier mid-distance dog sled race covering a challenging 300-mile trail from Bethel to Aniak and back. Additionally, Donlin Gold sponsors mushers Isaac Underwood, Mike Williams Jr. and Pete Kaiser, the 2019 Iditarod sled dog race champion and 2021 Kuskokwim 300 winner, who hails from Bethel and is the first Yup'ik musher and fifth Alaska Native to win an Iditarod championship. Mr. Kaiser actively engages with youth in the community, focusing on discussions about suicide prevention, aligning with Donlin Gold's commitment to supporting vital community well-being initiatives. Other cultural preservation initiatives include supporting the Native Village of Kalskag's annual Cauneq Camp as well as partnering with Carry the Cure to bring suicide prevention programs to Toksook Bay, Nightmute, Tununak, and Kasigluk.

Donlin Gold extended support to various search and rescue teams in the region, including the Chevak and Kipnuk Traditional Councils and Bethel Search and Rescue. Financial assistance was provided to Camp Fire Alaska, an organization dedicated to offering summer camps and programs to rural communities across Alaska, with various activities, music, sports, science, field trips, and ample outdoor recreation opportunities. In February 2024, Donlin Gold continued its sponsorship commitments with local radio stations in Alaska, who play a crucial role in delivering weather updates and safety messages to interior communities where internet connectivity

is limited. Furthermore, Donlin Gold continued its sponsorship and active involvement in the Alaska Safe Riders initiative, which focuses on promoting safety for snowmachines, all-terrain vehicles, and recreational off-road vehicles.

Meaningful collaboration was fostered with the Native Village of Napaimute, extending financial support to bolster cultural wellness programs and maintain the Kuskokwim River Ice Road, critical winter infrastructure that provides for the safe transport of residents to sport and cultural events and economic activity on the Kuskokwim River communities.

Permitting

The Alaska Pollutant Discharge Elimination System permit, which originally expired in 2023, and the Waste Management Permit, which originally was to expire in January 2024, are administratively extended pending renewal by the Alaska Department of Environmental Conservation (“ADEC”). The Reclamation Plan approval, which was also to expire in January 2024, is administratively extended to January 2025. Donlin Gold is currently working on the preliminary design packages for its Dam Safety Certification applications which are expected to be submitted to the Alaska Department of Natural Resources (“ADNR”) in 2024 after review by an Independent Technical Review Board.

In September 2022, 13 tribes sent letters to the U.S. Army Corps of Engineers (“Corps”) and the U.S. Environmental Protection Agency (EPA). The letter to the Corps requests that it consider requiring a supplemental environmental impact statement (EIS) on the Donlin Gold project and revoke the Clean Water Act Section 404 permit (the “404 permit”) in light of what the tribes consider “new information” since the final EIS was issued in 2018. Additionally, the EPA letter requested that it initiate a Clean Water Act Section 404(c) veto process for the Donlin Gold project. In early January 2023, Donlin Gold and Calista both submitted responses to the Corps on why the requests to prepare a supplemental EIS or revoke the 404 permit should not be granted. In January 2023, Donlin Gold also provided a response to the EPA describing why the agency should not initiate a 404(c) process. To date, neither the Corps nor EPA has responded to the tribes’ letters.

Litigation

On June 28, 2021, Earthjustice representing Orutsararmut Native Council (“ONC”) filed an appeal of the 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 on January 5, 2024. The State of Alaska and Donlin Gold are scheduled to file their response briefs before April 15, 2024.

On September 20, 2021, Earthjustice, representing ONC, Cook Inletkeeper, and three Y-K villages, filed an appeal of the State pipeline 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 was completed in February 2024 and Earthjustice has requested oral argument, which has not been scheduled.

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 are scheduled to be filed before April 15, 2024.

On April 6, 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, which included the Corps’ 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 have been granted intervenor status in this case. Earthjustice filed its opening brief on February 16, 2024. Response briefs from the federal agencies, the State of Alaska, Donlin Gold, and Calista are scheduled to be filed in April 2024.

Despite multiple challenges, all appeals against Donlin Gold permits have been unsuccessful to date, underscoring our ongoing confidence in the permitting process. We recognize the importance of preparedness and organization in these matters. With

the unwavering support of Donlin Gold and its owners, we will continue to back the state and federal agencies in defending their thorough and diligent permitting processes.

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.

Consolidated Financial Results

Net loss decreased in the first quarter of 2024 by \$341 from in 2023, primarily due to lower costs at Donlin Gold and increased interest income, partially offset by an increase in interest expense on the promissory note and higher general and administrative costs. In the prior year quarter, Donlin Gold costs included geotechnical drilling for the Alaska Dam Safety Certificates. General and administrative costs increased primarily due to corporate staff additions, including the hiring of a new General Counsel.

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 the Donlin Gold board for the Donlin Gold project. 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 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 corporate general and administrative costs.

Our financial position includes the following as of February 29, 2024:

- Cash and cash equivalents of \$37,503, primarily held at three large Canadian domestic chartered banks with high credit ratings.
- Term deposits of \$80,000 denominated in U.S. dollars and held at two large Canadian domestic chartered banks with high credit ratings and having maturities of less than one year.
- Promissory note payable to Barrick of \$140,345 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 first quarter of 2024 cash and cash equivalents decreased by \$8,246, primarily to fund our share of Donlin Gold and for corporate administrative expenses. The decrease in cash used in the first quarter of 2024 compared to 2023 was due to lower funding requirements for Donlin Gold, partially offset by the timing of term deposit interest income receipt and higher general and administrative costs.

Outstanding share data

As of March 27, 2024, the Company had 334,371,223 common shares issued and outstanding. Also, as of March 27, 2024, the Company had: i) a total of 9,805,100 stock options outstanding; 8,460,300 with a weighted-average exercise price of \$6.13 and the remaining 1,344,800 of those stock options with a weighted-average exercise price of C\$7.73; and ii) 2,173,000 PSUs and 325,849 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 13,299,599 common shares.