

NOVAGOLD RESOURCES INC.

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, anticipated timing and impact of certain judicial and/or administrative decisions, continued support of the state and federal permitting process, future capital raising activities and their related dilutive effects, sufficiency of working capital, timelines, strategic plans, including our plans and expectations relating to the Donlin Gold (as defined below) project, permitting and the timing thereof, the Company's market price, 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;
- expectations regarding future gold prices and demand;
- 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 mineral resource and mineral 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 not being adversely disrupted or impeded by development, operating or regulatory risks;
- our expectations regarding the timing and outcome of certain judicial and/or administrative decisions, including but not limited to the appeals of: (i) the federal Joint Record of Decision ("JROD") and permits issued by the U.S. Army Corps of Engineers ("Corps") and U.S. Bureau of Land Management, (ii) the State Clean Water Act Section 401 Certification (as defined below), (iii) the state pipeline right-of-way ("ROW") agreement and lease, and (iv) the application for water rights; and
- our ability to fund the feasibility study update.

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 cooperation with our co-owner on which we depend for Donlin Gold project activities;
- our history of losses and expectation of future losses;
- our concentrated 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, including the impact of inflation thereon;

- commodity price fluctuations;
- risks related to market events and general economic conditions;
- risks related to opposition to operations at our mineral exploration and development properties from non-governmental organizations 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 mineral reserve and mineral resource 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;
- uncertainty related to title 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 changes in governmental regulation and uncertainties resulting from changes being implemented by the current U.S. federal administration including, but not limited to, the stability of pre-existing tax regimes and tariffs;
- risks related to environmental laws and regulations;
- risks related to our insurance;
- risks related to title and other rights to our mineral properties;
- 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;
- risks related to cybersecurity attacks and breaches; 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, 2024 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, 2025 and August 31, 2024. 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, 2024, 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, except as otherwise specified.

Paulson Advantage Plus Master Ltd. and Paulson Partners LP (together, “Paulson”) are investment funds managed by Paulson Advisers LLC.

Paul Chilson, P.E., who is the Manager, Mine Engineering for NOVAGOLD and a “qualified person” under National Instrument 43-101 – Standards of Disclosure for Mineral Projects and SEC’s current mining disclosure rules has approved the scientific and technical information contained herein.

Highlights

On June 3, 2025, NOVAGOLD and Paulson, through wholly-owned subsidiaries, completed the \$1 billion acquisition of Barrick’s 50% interest in Donlin Gold (“Donlin Gold Transaction”), increasing NOVAGOLD’s economic stake in Donlin Gold LLC (“Donlin Gold”) to 60%. Paulson’s subsidiary acquired the remaining 40% of Donlin Gold. Both owners have equal governance rights in Donlin Gold. The Donlin Gold Transaction marks a significant milestone in a long-term strategy to advance Donlin Gold. NOVAGOLD’s portion of the acquisition was funded through a combination of a public equity offering and a concurrent private placement.

NOVAGOLD closed a \$195.2 million underwritten public offering (issuing approximately 48 million common shares in the second quarter and approximately 7.2 million common shares as part of the exercise of the overallotment option early in the third quarter), and a \$64.4 million private placement (issuing approximately 17.2 million common shares in the second quarter), representing a total of \$260.4 million (an aggregate of approximately 72.2 million common shares). NOVAGOLD purchased the additional 10% interest in Donlin Gold LLC with proceeds from the offerings and will use the balance of the funds from the offerings for general corporate purposes, including its share of expenses associated with advancing the Donlin Gold Bankable Feasibility Study (the “BFS”).

Company 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 which, following the closing of the Donlin Gold Transaction on June 3, 2025, is owned 60% by a wholly-owned subsidiary of NOVAGOLD and 40% by a wholly-owned subsidiary of Paulson. While NOVAGOLD has a 60% economic interest in Donlin Gold, governance of Donlin Gold is shared equally by NOVAGOLD and Paulson.

Our corporate goals include completing the BFS and moving to a subsequent construction decision; maintaining a favorable reputation of NOVAGOLD and the Donlin Gold project among shareholders; promoting strong community outreach and a sustainability culture; maintaining strong safety and environmental performance; and managing the Company’s treasury effectively and efficiently. 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, advancement to a BFS, preparation of engineering designs and maintaining sufficient capital resources to fund these objectives.

Overview of Donlin Gold Transaction and Financing Activities in the Third Quarter

As noted above, on June 3, 2025, the Company and Paulson, through wholly-owned subsidiaries, completed the Donlin Gold Transaction pursuant to the terms of the membership interest purchase agreement dated April 22, 2025 (the “MIPA”) among Barrick Gold U.S. Inc. (“Barrick Gold”), Barrick, Paulson, Donlin Gold Holdings LLC, a subsidiary of Paulson (“Donlin Holdings”), and NovaGold Resources Alaska, Inc. (“NGRA”), a subsidiary of the Company. NOVAGOLD, through NGRA, acquired an additional 10% interest in Donlin Gold for \$200 million, increasing its stake to 60% of Donlin Gold, while Paulson, through Donlin Holdings, acquired the remaining 40% interest for \$800 million.

Amended and Restated Limited Liability Company Agreement for Donlin Gold LLC

In connection with the closing of the Donlin Gold Transaction, NGRA, Donlin Holdings and Donlin Gold entered into an amended and restated limited liability company agreement (the "A&R LLC Agreement") governing Donlin Gold, pursuant to which the Company and Paulson have equal governance rights. NGRA had previously entered into a limited liability company agreement with Barrick Gold and Donlin Gold (the "Prior LLC Agreement") dated December 1, 2007, as amended from time to time. Pursuant to the terms of the A&R LLC Agreement, the primary amendments to the Prior LLC Agreement consist of the following:

- The deadlock provision contained in Article XVI of the Prior LLC Agreement has been replaced with a provision for non-binding mediation for dispute resolution.
- Consistent with the Prior LLC Agreement, the funding for Donlin Gold will be shared by both parties based on their percentage ownership. For example, since NGRA now holds 60% of the membership interests of Donlin Gold, it will have the responsibility to fund 60% of the expenses of Donlin Gold. However, regardless of the fact that Donlin Holdings holds 40% of Donlin Gold, Donlin Holdings and NGRA have equal governance rights. This adjustment to the parties' voting interests, as set forth in the A&R LLC Agreement means that (i) NGRA's voting percentage interests are defined as its membership interest from time to time less an absolute 10% and (ii) Donlin Holdings' voting percentage interests are defined as its membership interest from time to time plus an absolute 10%. For this reason, although NGRA holds 60% of the membership interests of Donlin Gold, it only has a 50% voting interest.
- The parties agree to manage the operations of Donlin Gold in a manner to avoid adverse tax consequences to the parties, including pursuant to Section 4943 of the Internal Revenue Code.
- Certain provisions in the Prior LLC Agreement have been deleted or amended as a result of such provisions being outdated or no longer relevant due to the current development and permitting status of Donlin Gold.

Amended and Restated Promissory Note

Pursuant to the Prior LLC Agreement for Donlin Gold, the Company issued a promissory note in favor of Barrick Gold to repay Barrick out of future mine production cash flow for a portion of Barrick's prior expenditures on the Donlin Gold project. In connection with the closing of the Donlin Gold Transaction, on June 3, 2025 NGRA and Barrick Gold amended and restated the promissory note primarily to (i) modify the security package in order to exclude any property held by Donlin Gold or membership interest in Donlin Gold held by NGRA, but ensure it remains secured by NGRA's right, title and interest to proceeds from Donlin Gold and (ii) provide the ability for NGRA to prepay and retire the promissory note for an aggregate of \$100 million until December 3, 2026. In connection with the amended and restated promissory note, NGRA has made an irrevocable direction to Donlin Gold whereby Donlin Gold shall distribute to Barrick Gold, until the promissory note is fully repaid, 85% of distributed processed products, cash and other assets; and payments of 5% of certain net proceeds specified in the promissory note. As per the amended and restated promissory note, the principal amount owed is \$158.9 million.

Public Offering

On May 7, 2025, the Company entered into an underwriting agreement related to a public offering of 47,850,000 of the Company's common shares at a public offering price of \$3.75 per share (the "Underwriting Agreement"). In addition, the Company granted the underwriters an option exercisable for 30 days from the date of the Underwriting Agreement to purchase up to 7,177,500 of additional common shares of the Company (the "Overallotment Option"). The net proceeds from the public offering were approximately \$169.7 million. The Overallotment Option was exercised in full on June 5, 2025, bringing the total net proceeds to the Company for the public offering and the Overallotment Option to approximately \$195.2 million after deducting the underwriting discount and offering expenses. The Company made certain customary representations, warranties and covenants concerning the Company and the registration statement in the Underwriting Agreement and also agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act").

Donlin Gold project

In the third quarter of 2025, Donlin Gold achieved a number of milestones including:

- Issued the Request for Proposals (RFP) for Donlin Gold's Bankable Feasibility Study (BFS) to top-tier qualified engineering firms that have the expertise to build what is projected to constitute the largest single gold mine in the United States. Donlin Gold expects to award the contract and begin the BFS work before year-end.

- Released initial results from the 2025 Donlin Gold drill program that confirmed consistent mineralization across multiple zones, including standout intervals containing up to 23.49 g/t gold .
- Designing district-wide exploration program to expand resources and search for new discoveries.

During the third quarter, the Company conducted two Donlin Gold site tours. In June, market analysts and NOVAGOLD shareholders traveled to the project site for a visit that included meetings with Calista Corporation ("Calista"), project staff, and stakeholders. In July, a collaborative visit took place in Alaska involving the Donlin Gold team, senior representatives from NOVAGOLD and Paulson, including two prominent NOVAGOLD shareholders — Mr. John Paulson and Dr. Thomas S. Kaplan. During the visit, participants met with Calista and The Kuskokwim Corporation (TKC) in Anchorage and in the Yukon-Kuskokwim (Y-K) region, respectively, which provided an excellent opportunity for NOVAGOLD's new partner in Donlin Gold, Paulson, to interact with and gain direct insight from local stakeholders as well as discuss the path forward. The group travelled by boat on the Y-K river to engage with locals and develop an even greater appreciation for the region and its customs.

As part of the tour with Paulson, meetings were held with leading Alaska government representatives —including Governor Mike Dunleavy, Department of Natural Resources Commissioner John Boyle, and former Department of Revenue Commissioner Adam Crum among others — to formally introduce the new Donlin Gold ownership and to discuss shared priorities between the State of Alaska, the second-largest gold-producing state in the U.S., and the project. Alaska offers strong opportunities for responsible development of employment-generating projects like Donlin Gold. In addition, a series of discussions with natural gas pipeline developers explored potential opportunities to deliver natural gas to Southcentral Alaska, which could also benefit Donlin Gold and its stakeholders.

Following the July Alaska visit by senior representatives from NOVAGOLD and Paulson, a re-examination of the 2025 Donlin Gold budget was completed by the current owners of the project. Some activities that were originally planned for 2025 were redirected to support BFS work, with no material impact expected on Donlin Gold's previously announced \$43.0 million budgeted expenditures for 2025. As such, NOVAGOLD's pro-rata share of Donlin Gold's \$43.0 million budget and expected funding for 2025 has increased to \$24.0 million in light of the Company's incremental 10% funding obligation following the June 3, 2025 closing of the Donlin Gold Transaction. Our share of funding for the Donlin Gold project in the first nine months of 2025 was \$18.5 million, in line with the revised 2025 guidance.

Additional achievements at Donlin Gold in the third quarter of 2025 comprised:

- Shortly after quarter end, completed the 18,454-meter 2025 drill program including grid drilling for future mine planning, in-pit exploration drilling focused on enhancing geological modelling and supporting anticipated resource conversion, and geotechnical drilling in pit and for further investigation of material sites for construction of the access road.
- A dedicated team of more than 80 personnel and contractors supported the increased level of activity. Recruitment for different roles at Donlin Gold is ongoing as we ramp up efforts toward a BFS.
- Hosted project site tours with investors and analysts, followed by the owners' tour which included meetings with principal stakeholders, including government agencies, engineering firms, and logistics providers that have the capacity and experience to provide support for key pieces of project infrastructure to advance Donlin Gold to a BFS and beyond.
- Community engagement and environmental initiatives:
 - Representatives from Donlin Gold, NOVAGOLD, Paulson, and The Electrum Group LLC met with Calista, TKC, and other Y-K region stakeholders.
 - Hosted the Crooked Creek Traditional Council for a Donlin Gold project site visit, along with a separate site tour for State of Alaska Representatives.
 - Finalized an additional Shared Values Statement (SVS) for a total of 19 with communities in the Y-K region near the project.
 - Advanced environmental channel restoration efforts at Snow Gulch, a tributary of Donlin Creek historically mined for placer gold, to restore natural habitat conditions in support of aquatic life.

Steady Project Advancement Through Exploration and RFPs to Select the BFS Lead by Year-End

The completion of the 18,454-meter drill program, which was expanded to support a new resource model and the advancement of the BFS, reinforces the project's long-term development strategy. This year's program, with initial drill results confirming consistent mineralization across multiple zones, including the top five standout intervals ranging from 3.77 g/t gold up to 23.49 g/t gold, primarily focused on three activities: (1) grid drilling to further develop the modifying factors and input parameters and assumptions for future mine planning — 19 grid infill holes in the East ACMA grid totaling 5,079 meters, aimed at verifying short scale continuity of mineralization and improving resource confidence; (2) in-pit exploration drilling focused on enhancing geological modelling and supporting resource conversion — 24 holes totaling 10,370 meters, targeting areas of the pit containing Inferred Resources with the potential to be converted to Indicated Resources; and (3) geotechnical drilling, which was added subsequent to the transaction announcement, for pit wall stability analysis and mine design — four holes totaling 2,607 meters, including drilling on the material sites for construction of the access road from the Jungjuk port on the Kuskokwim River to Donlin Gold — 26 holes totaling 399 meters. Reclamation of all excavations from the 2025 drill campaign has been completed.

This year, the Donlin Gold program deployed a dedicated team of more than 80 people on site. Locals from 22 Y-K villages were hired to support drilling activities, logistics, and environmental monitoring, underscoring the project's role as a central economic driver in the region, as well as external contractors.

Furthermore, during the third quarter, an RFP for the BFS was issued to top-tier engineering firms with extensive expertise and experience to successfully deliver a major commission of this scale and effectively embark on an Engineering Procurement, and Construction Management contract. Firm selection is anticipated to occur by year-end.

Engagement and Support for Environmental, Cultural, and Social Initiatives in the Y-K Region Strengthens Ties with Communities

In the third quarter of 2025, Donlin Gold expanded its outreach efforts in Alaska, including the following events:

In July, Donlin Gold hosted the Crooked Creek Traditional Council — the closest community to the project site — for a project site visit, followed by a separate project site tour in August for State of Alaska representatives and U.S. delegation staff. Attendees included State Representatives Jimmie and Kopp, State Senator Giessel, Adam Trombley (representing U.S. Senator Sullivan), Rick Whitbeck (representing U.S. Representative Begich), and Deputy Commissioner Nelson San Juan from the Alaska Department of Labor & Workforce Development. In August, Donlin Gold also hosted a trip with members of the U.S. delegation, including staff from the offices of Senator Lisa Murkowski, Senator Dan Sullivan, and former Senator Mark Begich, along with a Calista intern and Resource Development Council staff.

Over the course of the third quarter, Donlin Gold supported and participated in a wide variety of community events that celebrated cultural preservation, strengthened stakeholder relationships, and promoted the economic and social well-being of the people in the Y-K region. Those activities included, among others: Calista's Shareholder Relations Committee meetings in both Palmer and Anchorage; the village of Napaimute's annual gathering; the annual Bluegrass Festival in McGrath; Alaska Native Heritage Center's 2025 Garden Party in Anchorage; the Aniak Traditional Council Annual Fair; Kalskag's Culture Camp; Calista's Golf Tournament; the Kwethluk Church Event; and the Napaskiak Summer Festival.

Donlin Gold supported various educational programs, including Crooked Creek's Traditional Council Summer Youth Employment Program which also assists Elders, and Covenant House Alaska's Bethel Jobs for American Graduates program — a nonprofit organization dedicated to helping high school graduates successfully transition to postsecondary education and access employment opportunities.

Donlin Gold also continued to build on the progress of its aquatic habitat restoration project, which began in 2021 and seeks to improve access and habitat for resident fish in areas affected by historic placer mining. Further development and restoration of the inlet channel at Snow Gulch was carried out in the third quarter to restore natural habitat conditions in support of aquatic life.

Upholding current permits and working to secure key state approvals

Donlin Gold continued to support the state and federal agencies defending their permits in litigation.

On June 28, 2021, Earthjustice representing Orutsarmiut 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 Alaska 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. On May 6, 2025, the Alaska Superior Court issued a decision rejecting plaintiff's arguments and upholding the Alaska Department of Environmental Conservation's water quality certification for the Donlin Gold project. Earthjustice filed a notice of appeal to the Alaska Supreme Court on May 28, 2025, and the Alaska Supreme Court established a briefing schedule for the case on August 6, 2025. Briefing is anticipated to be completed in late 2025 or early 2026.

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 the Alaska Department of Natural Resources' ("ADNR") 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 were held November 12, 2024, and a decision is anticipated in 2025.

On April 5, 2023, Earthjustice representing ONC and six Y-K villages filed suit against the U.S. government in the U.S. District Court for Alaska (the "Federal District Court") asking the Federal District Court to invalidate the Donlin Gold JROD, 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 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 Federal District Court issued a decision on September 30, 2024. The decision rejected the plaintiffs' arguments on two of the three issues raised in the litigation but agreed with plaintiffs that the federal agencies took too narrow of a view in analyzing the impact of a theoretical release from the tailings storage facility. The Federal District Court requested supplemental briefing on the appropriate remedy for addressing this issue. On October 7, 2024, the plaintiffs filed a request for reconsideration on one of the issues on which the Federal District Court had ruled against the plaintiffs and, at DOJ's request, the Federal District Court suspended the schedule for briefing on the appropriate remedy until after the Federal District Court ruled on plaintiffs' motion for reconsideration. On December 23, 2024, the Federal District Court denied plaintiffs' request for reconsideration. Remedy briefing was completed in March 2025 and oral argument on remedy was held May 9, 2025. On June 10, 2025, the Federal District Court issued an order denying Earthjustice's request to vacate the permits and remanding the case to the agencies to supplement the NEPA analysis on the narrow issue regarding the analysis of a release from the tailings storage facility. The Court retained jurisdiction over the case during the remand and ordered the agencies to file periodic status updates with the court.

To date, all permits and approvals granted to Donlin Gold by federal and state agencies remain in place while the legal challenges described above proceed. We recognize the importance of preparedness and organization in these matters. Donlin Gold and its owners continue their unwavering support of the state and federal agencies in defending their thorough and diligent permitting processes, including working with the federal agencies and all stakeholders on an appropriate remedy to address the Federal District Court's remand decision.

Consolidated Financial Results

In the third quarter, net loss increased by \$4.9 million from the comparable prior year period primarily due to higher field expenses at Donlin Gold and higher general and administrative expenses. In the first nine months of 2025, net loss increased by \$44.3 million from the comparable prior year period primarily due to a \$39.6 million non-cash, non-recurring charge related to warrants issued under a backstop commitment agreement signed during the second quarter concurrent with the announcement of the Donlin Gold Transaction as well as higher field expenses at Donlin Gold partially offset by lower general and administrative expenses.

Donlin Gold expenses in the third quarter and the first nine months of 2025 were higher as the Company's share of Donlin Gold expenses has increased by 10% to 60% during the third quarter and with increased site activity in 2025 compared to 2024 when field work activities were minimal. General and administrative expenses increased in the third quarter from the comparable prior year period primarily due to higher share-based compensation partially offset by lower professional fees and salaries and benefits. For the first nine months of 2025 general and administrative expenses decreased compared to the prior year period primarily due to lower share-based compensation, professional fees and salaries and benefits. Salaries and benefits in the third quarter and the first nine months of 2025 decreased versus the comparative 2024 periods primarily due to a lower headcount.

Costs of \$9.1 million incurred during the second and third quarter mainly for investment banking and legal fees related to the Donlin Gold Transaction have been capitalized to the Company's *Investment in Donlin Gold* along with \$201.0 million of consideration and working capital adjustments paid to Barrick for the acquisition of an additional 10% interest in Donlin Gold.

Revised 2025 Guidance

As discussed above, while the 2025 Donlin Gold budget of \$43.0 million remains unchanged following recent project meetings held by the current Donlin Gold project owners, we expect NOVAGOLD's share of Donlin Gold 2025 funding to increase to \$24.0 million due to NOVAGOLD's incremental 10% funding obligation following the June 3, 2025 closing of the Donlin Gold Transaction. Also, as a result of the closing of the Donlin Gold Transaction, we expect to incur higher professional fees for the year resulting in an increase of NOVAGOLD's 2025 corporate general and administrative costs to \$18.0 million from our previous guidance of \$16.0 million.

This updated 2025 guidance excludes transaction costs of \$9.1 million incurred during the second and third quarter of 2025 related to the Donlin Gold Transaction and a working capital adjustment of \$1.0 million paid to Barrick on closing, which have both been capitalized to the Company's *Investment in Donlin Gold* along with \$200.0 million of consideration paid.

Liquidity and Capital Resources

Liquidity overview

With total cash and term deposits of \$125.2 million as of August 31, 2025, the Company has sufficient working capital to cover anticipated funding of the Donlin Gold project and corporate general and administrative costs for at least the next two and a half years at current spending levels. In August 2025, Donlin Gold issued a request for proposals to complete a BFS over a two year period. Upon awarding the contract, the capital required to fund NOVAGOLD's pro-rata share of Donlin Gold expenditures is expected to increase over the coming two years. Depending on the ultimate timing and cost of completing a BFS and commencing detailed engineering and construction, and the Company's decision in connection with its option to prepay the Barrick promissory note, the Company may need to raise additional capital over the next two years. Future funding to support fully developing the Donlin Gold project is anticipated to include, among of things, a combination of corporate debt and equity, project specific debt, and potentially a royalty, stream and government support. Our continued operations, in the longer term, are dependent on our ability to generate future cash flows and maintain sufficient capital resources. 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 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 financial position includes the following as of August 31, 2025:

- Cash and cash equivalents of \$58.2 million, primarily held at three large Canadian chartered banks with investment grade credit ratings.
- Term deposits of \$67.0 million 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 \$162.6 million 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. On June 3, 2025 the Company entered into an amended and restated secured promissory note with Barrick that provides the Company with an option to prepay the promissory note in full for \$100 million on or before December 3, 2026.

Cash flows

In the third quarter of 2025, cash equivalents decreased by \$235.6 million, primarily due to \$210.1 million paid to complete the Donlin Gold Transaction, \$42.0 million in net purchase of term deposits, \$8.1 million in Donlin Gold funding partially offset by \$26.9 million in proceeds from the exercise of an underwriter's overallotment option on the May 2025 equity offering, net of \$1.4 million of issuance costs. During the first nine months of 2025, cash equivalents increased by \$15.9 million primarily due to \$270.8 million in proceeds from a public equity offering and concurrent private placement, net of \$11.2 million of issuance costs partially offset by \$210.1 million paid to complete the Donlin Gold Transaction, \$18.5 million in Donlin Gold funding and \$8.0 million in net purchase of term deposits and corporate general and administrative costs.

Cash used in operating activities in the third quarter and first nine months of 2025 was \$3.1 million and \$2.6 million lower, respectively, than the comparative prior year periods. Funding of Donlin Gold was \$5.2 million and \$8.3 million higher in the third quarter and first nine months of 2025, respectively, due to increased site activity in 2025 than the comparative prior year periods when field work activities were minimal and due to the Company's 10% increased Donlin Gold funding obligation starting in the third quarter.

Previous Financing Activities

Backstop Agreement

In order to ensure available financing for the Company's \$200 million obligation under the MIPA, funding commitments of up to \$170 million were obtained from Electrum Strategic Resources L.P. ("Electrum"), Paulson, and Kopernik Global Investors, LLC, on behalf of investment funds and accounts managed by it ("Kopernik", together with Electrum and the Paulson, the "Investors") pursuant to a backstop agreement dated April 22, 2025 ("Backstop Agreement"). Pursuant to the Backstop Agreement, the Investors agreed to purchase, on a non-brokered, private placement basis, up to \$170 million in the Company's common shares at \$3.00 per share, representing up to 56,666,667 common shares in the aggregate.

While the Company did not exercise its rights provided by the Backstop Agreement, in consideration for entering into the Backstop Agreement, the Company issued an aggregate of 25,500,000 warrants to purchase the Company's common shares (the "Warrants"), with each Warrant entitling the holder thereof to purchase one common share (a "Warrant Share") at an exercise price of \$3.00 per Warrant Share for a period of five years from the date of issuance. The Warrants contain a "cashless exercise" feature, such that, in lieu of making the cash payment otherwise contemplated to be made to us upon such exercise of the Warrant, the holder may elect instead to receive upon such exercise (either in whole or in part) the net number of common shares determined according to a formula set forth in the Warrants. The Warrants were issued in the following amounts: (i) 12,750,000 Warrants to Paulson; (ii) 6,375,000 Warrants to Electrum; and (iii) 6,375,000 Warrants to Kopernik.

Private Placement

Concurrently with the public offering announced in May 2025, the Company completed a private placement offering on May 9, 2025 of 17,173,853 common shares at a price equal to the public offering price for aggregate gross proceeds of approximately \$64.4 million with Electrum and investment funds and accounts managed by Kopernik Global Investors, LLC.

Outstanding share data

As of September 26, 2025, the Company had 406,926,988 common shares issued and outstanding. Also, as of September 26, 2025, the Company had: i) a total of 25,500,000 warrants outstanding with an exercise price of \$3.00 per share; ii) a total of 9,812,434 stock options outstanding; 8,545,434 with a weighted-average exercise price of \$5.45 per share and the remaining 1,267,000 of those stock options with a weighted-average exercise price of C\$6.97 per share; and iii) 2,074,300 PSUs; and iv) 308,245 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 38,732,129 common shares.