

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended November 30, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from to

Commission File Number: 001-31913

**NOVAGOLD**

**NOVAGOLD RESOURCES INC.**

(Exact Name of Registrant as Specified in Its Charter)

**British Columbia**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**N/A**  
(I.R.S. Employer  
Identification No.)

**201 South Main Street, Suite 400**  
**Salt Lake City, Utah, USA**  
(Address of Principal Executive Offices)

**84111**  
(Zip Code)

**(801) 639-0511**

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	NG	NYSE American Toronto Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Based on the last sale price on the NYSE American of the registrant’s common shares on May 31, 2023 (the last business day of the registrant’s most recently completed second fiscal quarter) of \$5.15 per share, the aggregate market value of the voting common shares held by non-affiliates was approximately \$1,266,900,000.

As of January 16, 2024, the registrant had 334,371,223 common shares, no par value, outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Certain portions of the registrant’s definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than April 1, 2024, in connection with the registrant’s fiscal year 2023 annual meeting of shareholders, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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*Unless the context otherwise requires, the words “we,” “us,” “our,” the “Company” and “NOVAGOLD” refer to NOVAGOLD RESOURCES INC., a British Columbia corporation, and its subsidiaries as of November 30, 2023.*

## CURRENCY

References in this report to \$ refer to United States currency and C\$ to Canadian currency.

See the “Glossary of Technical Terms” for more information regarding some of the terms used in this report.

## FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K 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 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 (BLM) and the State Clean Water Act Section 401 Certification (as defined below), pipeline right-of-way (ROW) agreement and lease (as defined below); and application for water rights (as defined below).

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 on which we depend 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;
- 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 governmental regulation;
- 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; 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 this Annual Report on Form 10-K under the heading "Risk Factors" and elsewhere.

Our forward-looking statements contained in this Annual Report on Form 10-K 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.

#### **Technical Information**

Paul Chilson, P.E., a Qualified Person and an employee of the Company reviewed and approved the scientific and technical information contained in this Annual Report on Form 10-K.

## GLOSSARY OF TECHNICAL TERMS

The following technical terms defined in this section are used throughout this Annual Report on Form 10-K.

<i>alluvial</i>	A placer formed by the action of running water, as in a stream channel or alluvial fan; also said of the valuable mineral (e.g. gold or diamond) associated with an alluvial placer.
<i>arsenopyrite</i>	An arsenic iron sulfide mineral (FeAsS).
<i>assay</i>	A metallurgical analysis used to determine the quantity (or grade) of various metals in a sample.
<i>concentrate</i>	A clean product recovered in flotation, which has been upgraded sufficiently for downstream processing or sale.
<i>cut-off grade</i>	The grade (i.e., the concentration of metal or mineral in rock) that determines the destination of the material during mining. For purposes of establishing "prospects of economic extraction," the cut-off grade is the grade that distinguishes material deemed to have no economic value (it will not be mined in underground mining or if mined in surface mining, its destination will be the waste dump) from material deemed to have economic value (its ultimate destination during mining will be a processing facility). Other terms used in similar fashion as cut-off grade include net smelter return, pay limit, and break-even stripping ratio.
<i>cyanidation</i>	A metallurgical technique, using a dilute cyanide solution, for extracting gold from ore by dissolving the gold into solution.
<i>dike</i>	A tabular igneous intrusion that cuts across the bedding of the host rock.
<i>doré</i>	A semi-pure alloy of gold and silver.
<i>electrowinning</i>	The deposition of gold from solution to cathodes by passing electric current from anodes through gold-bearing solution.
<i>flotation</i>	A process used for the concentration of minerals, especially within base metal systems.
<i>geotechnical</i>	Said of tasks or analysis that provide representative data of the geological rock quality in a known volume.
<i>grade</i>	Quantity of metal or mineral per unit weight of host rock.
<i>greywacke</i>	A variety of sandstone generally characterized by its hardness, dark color, and poorly sorted angular grains of quartz, feldspar, and small rock fragments set in a compact, clay-fine matrix.
<i>host</i>	<i>rock</i> A body of rock serving as a host for other rocks or for mineral deposits.
<i>hydrothermal</i>	Pertaining to hot aqueous solutions of magmatic origin which may transport metals and minerals in solution.
<i>intrusive</i>	Said of igneous rock formed by the consolidation of magma intruded into other rocks.
<i>mafic</i>	Igneous rocks composed mostly of dark, iron- and magnesium-rich minerals.
<i>massive</i>	Said of a mineral deposit, especially of sulfides, characterized by a great concentration of mineralization in one place, as opposed to a disseminated or vein-like deposit.
<i>mineral</i>	A naturally formed chemical element or compound having a definite chemical composition and, usually, a characteristic crystal form.
<i>mineral</i>	<i>deposit</i> A mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures.
<i>mineralization</i>	A natural occurrence in rocks or soil of one or more yielding minerals or metals.
<i>net present value (NPV)</i>	The sum of the value on a given date of a series of future cash payments and receipts, discounted to reflect the time value of money and other factors such as investment risk.
<i>ore</i>	Rock containing metallic or non-metallic materials that can be extracted at a profit.
<i>placer</i>	An alluvial deposit of sand and gravel, which may contain valuable metals.
<i>porphyry</i>	An igneous rock of any composition that contains conspicuous phenocrysts (large crystals or mineral grains) in a fine-grained groundmass.
<i>pyrite</i>	An iron sulfide mineral (FeS <sub>2</sub> ), the most common naturally occurring sulfide mineral.
<i>pyrrhotite</i>	An unusual, generally weakly magnetic, iron sulfide mineral with varying iron content (Fe <sub>1-x</sub> S (x=0 to 0.2)).

<i>reverse circulation (RC)</i>	A type of drilling using dual-walled drill pipe in which the material drilled, water and mud are circulated up the center pipe while air is blown down the outside pipe.
<i>realgar</i>	An arsenic sulfide mineral (As <sub>4</sub> S <sub>4</sub> ).
<i>reclamation</i>	Restoration of mined land to original contour, use, or condition where possible.
<i>rhyodacite</i>	A volcanic, high-silica rock composed of mostly quartz and feldspar.
<i>sedimentary</i>	Said of rock formed at the Earth's surface from solid particles, whether mineral or organic, which have been moved from their position of origin and re-deposited, or chemically precipitated.
<i>shale</i>	A fine-grained detrital (transported by wind, water, or ice) sedimentary rock, formed by the consolidation of clay, silt, or mud.
<i>sill</i>	An intrusive sheet of igneous rock of roughly uniform thickness that has been forced between the bedding planes of existing rock.
<i>stibnite</i>	An antimony sulfide mineral (Sb <sub>2</sub> S <sub>3</sub> ).
<i>strike</i>	The direction, or bearing from true north, of a vein or rock formation measured on a horizontal surface.
<i>sulfide</i>	A compound of sulfur and some other metallic element.
<i>syngenetic</i>	Relating to or denoting a mineral deposit or formation produced at the same time as the host rock.
<i>tailings</i>	Uneconomic material produced by a mineral processing plant which is disposed of in a manner meeting government regulation and which may involve a permanent impoundment facility or which may involve the discharge of material to the environment in a manner regulated by the government authority.
<i>vein</i>	A thin, sheet-like crosscutting body of hydrothermal mineralization, principally quartz.
<i>waste rock</i>	Barren or submarginal rock that has been mined but is not of sufficient value to warrant treatment and is therefore removed ahead of the milling processes.

## PART I

**Item Business****1.****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 Gold Corporation (“Barrick”).

We do not produce gold or any other minerals, and do not currently generate operating earnings. Funding to explore our mineral properties and to operate the Company was acquired primarily through previous equity financings consisting of public offerings of our common shares and warrants and through debt financing consisting of convertible notes, and the sale of assets. We expect to continue to raise capital through additional equity and/or debt financings, through the exercise of stock options, and otherwise.

We were incorporated by memorandum of association on December 5, 1984, under the Companies Act (Nova Scotia) as 1562756 Nova Scotia Limited. On January 14, 1985, we changed our name to NovaCan Mining Resources (1985) Limited and on March 20, 1987, we changed our name to NOVAGOLD RESOURCES INC. On May 29, 2013, our shareholders approved the continuance of the corporation into British Columbia. Subsequently, we filed the necessary documents in Nova Scotia and British Columbia, and we continued under the Business Corporations Act (British Columbia) effective as of June 10, 2013. The current addresses, telephone and facsimile numbers of our offices are:

**Executive office**

201 South Main Street, Suite 400  
Salt Lake City, UT, USA 84111  
Telephone (801) 639-0511  
Facsimile (801) 649-0509

**Corporate office**

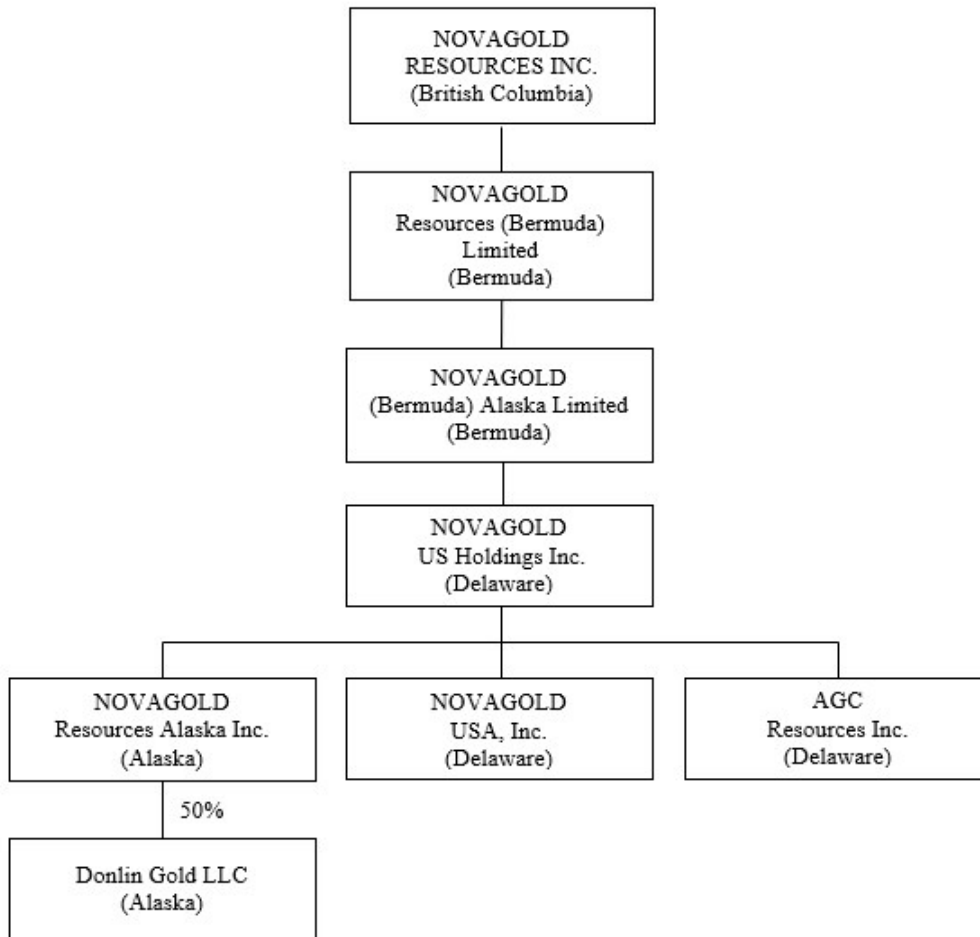
400 Burrard Street, Suite 1860  
Vancouver, BC, Canada V6C 3A6  
Toll free (866) 669-6227  
Facsimile (604) 669-6272



**Corporate Structure**

As of November 30, 2023, we had the following material, direct and indirect, wholly-owned subsidiaries: NOVAGOLD Resources Alaska, Inc., NOVAGOLD US Holdings Inc., NOVAGOLD USA, Inc., AGC Resources Inc, NOVAGOLD (Bermuda) Alaska Limited and NOVAGOLD Resources (Bermuda) Limited.

The following chart depicts the corporate structure of the Company together with the jurisdiction of incorporation of each of our material subsidiaries and related holding companies. All ownership is 100% unless otherwise indicated.



## Human Capital Resources

On November 30, 2023, we had 13 full-time employees, of which four are located in Canada and nine are located in the United States. We also use consultants with specific skills to assist with various aspects of project evaluation, engineering, and corporate governance.

### *Company Values*

Our company culture is the cornerstone of all our human capital programs. Empowering every employee to be their best, affording every employee the opportunity to make a difference, and giving every employee a chance to be heard are among the Company's values. Our values extend to the communities in which we work. We have adopted a Human Rights Policy focused on our commitment to having a positive influence in the communities where we operate which includes ensuring that we respect human rights.

### *Diversity*

As of the end of fiscal year 2023, 46% of our total workforce were women. Selection of individuals for executive and other positions with the Company is guided by the Company's policy which "prohibits discrimination in any aspect of employment based on race, color, religion, sex, national origin, disability or age." Our Board and management acknowledge the importance of all aspects of diversity including gender, ethnic origin, business skills and experience, because it is right to do so and because it is good for our business. When considering candidates for executive positions, the Board's evaluation considers the broadest possible assessment of each candidate's skills and background with the overriding objective of ensuring that we have the appropriate balance of skills, experience, and capacity that the Company needs to be successful. In the context of this overriding objective, we have determined not to set targets for the percentage of women, or other aspects of diversity, in executive officer positions.

NOVAGOLD is committed to fostering, cultivating, and preserving a culture of diversity, equity and inclusion. Our employees are one of the most valuable assets we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities, and talent that our employees invest in their work represents a significant part of our culture, reputation, and NOVAGOLD's achievements.

NOVAGOLD is dedicated to creating an inclusive work environment for everyone. We embrace and celebrate the unique experiences, perspectives, and cultural backgrounds that each employee brings to our workplace. NOVAGOLD strives to foster an environment where our employees feel respected, valued, and empowered, and our team members are at the forefront in helping us promote and sustain an inclusive workplace.

NOVAGOLD's diversity initiatives are applicable—but not limited—to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; and the ongoing development of a work environment built on the premise of gender and diversity equity. To that end, we seek out qualified diverse candidates and encourage them to apply for open positions, either from within or outside of the company. We also seek out opportunities to develop a pipeline of qualified diverse candidates in a particular profession when we are unable to find them ourselves. For example, in 2021 the Company established and continues to fund the NOVAGOLD Mining and Geological Engineering Scholarship at the University of Alaska to help support and encourage undergraduate students seeking bachelor's degrees in mining or geological engineering, with a focus on supporting underrepresented students.

We encourage:

- Respectful communication and cooperation among all employees.
- Teamwork and employee participation, fostering the representation of all employee perspectives.
- Work/life balance through flexible work schedules to accommodate employees' varying needs.
- Learning about and, where appropriate, aiding the communities near NOVAGOLD's projects to promote a greater understanding and respect for diversity in those communities.

### *Safety and Health*

NOVAGOLD's primary objective is to ensure the health and safety of its employees, partners, and contractors, and is reflected in its Health and Safety Policy. Our focus on safety is also reflected at Donlin Gold where a wide-ranging set of policies are implemented at the project site and in the Anchorage office. In 2023, neither Donlin Gold nor NOVAGOLD had any recordable injuries or lost time incidents (LTIs). At Donlin Gold specifically, more than 3.4 million hours have been worked over more than a decade without an LTI. Also see section *Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations*, below.

## Recent Developments

### *Donlin Gold project*

The 2023 field program at the Donlin Gold project commenced in February. It was safely completed on schedule in July and included comprehensive fieldwork and geotechnical drilling required to complete the Alaska Dam Safety certificate applications. This involved data collection at the locations earmarked for water retention structures, including the proposed Tailings Storage Facility (TSF). The fieldwork included 1,840 meters of geotechnical drilling, 74 test pits in the locations of the planned water retention structures, 25 kilometers of seismic survey, and TSF test plot liner installation. Fieldwork to further define groundwater conditions at the site included 1,279 meters of hydrogeologic drilling with instrumentation and pump tests, providing essential information for mine planning and design. At the historic Lyman placer site, restoration work included significant stream and pond habitat creation. Final work including anticipated aquatic life access and use is planned for the 2024 field season.

Trade-off studies and extensive analysis on project assumptions, inputs, design components for optimization (mine engineering, metallurgy, hydrology, power, and infrastructure) were prepared. Work on geologic modeling concepts and other optimization efforts are still underway. The comprehensive work provided valuable information for the Donlin Gold LLC board and its owners. On September 21, 2023, both Barrick and NOVAGOLD attended a workshop in Alaska to review the substantial amount of work completed to date and discuss the next steps for the Donlin Gold project and workplan for the coming years.

At the December 2023 Donlin Gold LLC board meeting, NOVAGOLD proposed proceeding to an updated feasibility study while the co-owner proposed continued drilling campaigns. Even though the owners did not agree to either proposal at the December meeting, they found common ground on value-adding activities that advance the project. Thus, while discussions continue regarding next steps, the Donlin Gold LLC board approved a budget of \$28.5 million (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.

For further information, see section *Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations*, below.

## Reclamation

We will generally be required to mitigate long-term environmental impacts by stabilizing, contouring, re-sloping and re-vegetating various portions of a site after mining and mineral processing operations are completed. These reclamation efforts will be conducted in accordance with detailed plans, which are approved by the appropriate regulatory agencies. In addition, financial assurance acceptable to the regulatory authority with jurisdiction over reclamation must be provided in an amount and form that is determined to be sufficient by the authority to implement the approved reclamation plan in the event that the project owners fail to complete the work as provided in the plan.

## Government and Environmental Regulations

Our exploration and development activities are subject to various national, state, and local laws and regulations in the United States, which govern prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances, disclosure requirements and other matters. We have obtained or have pending applications for those licenses, permits or other authorizations currently required to conduct our exploration and development programs. We believe that we are in compliance in all material respects with applicable mining, health, safety and environmental statutes and regulations in the United States. There are no current orders or directions relating to us with respect to the foregoing laws and regulations. For a more detailed discussion of the various government laws and regulations applicable to our operations and potential negative effects of these laws and regulations, see section *Item 1A, Risk Factors*, below.

## Competition

We compete with other mineral resource exploration and development companies for financing, technical expertise, and the acquisition of mineral properties. Many of the companies with whom we compete have greater financial and technical resources. Accordingly, these competitors may be able to spend greater amounts on the acquisition, exploration, and development of mineral properties. This competition could adversely impact our ability to finance further exploration and to obtain the financing necessary for us to develop the Donlin Gold project.

## Availability of Raw Materials and Skilled Employees

Most aspects of our business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, resource estimating, metallurgy, mine planning, logistical planning, preparation of pre-feasibility and feasibility studies, permitting, engineering, construction and operation of a mine, financing, legal, human resources, accounting, investor relations, and community relations. Historically, we have found that we can locate and retain appropriate employees and consultants and we believe we will continue to be able to do so.

The raw materials we require to carry on our business are readily available through normal supply or business contracting channels in the United States and Canada. Historically, we have been able to secure the appropriate equipment and supplies required to conduct our contemplated programs. As a result, we do not believe that we will experience any shortages of required equipment or supplies in the foreseeable future.

### Seasonality

Our business can be seasonal as our mineral exploration and development activities take place in southwestern Alaska. Due to the northern climate, work on the Donlin Gold project can be limited due to excessive snow cover and cold temperatures. In general, surface work often is limited to late spring through early fall, although work in some locations is more readily and efficiently completed during the winter months when the ground is frozen.

### Gold Price History

The price of gold is volatile and is affected by numerous factors, all of which are beyond our control, such as the sale or purchase of gold by various central banks and financial institutions, inflation, recession, fluctuation in the relative values of the U.S. dollar and foreign currencies, changes in global and regional gold demand, in addition to international and national political and economic conditions.

The following table presents the annual high, low and average daily afternoon London Bullion Market Association (“LBMA”) Gold Price over the past five calendar years on the London Bullion Market (\$/ounce):

Year	High	Low	Average
2019	\$ 1,546	\$ 1,271	\$ 1,392
2020	\$ 2,067	\$ 1,474	\$ 1,770
2021	\$ 1,943	\$ 1,684	\$ 1,799
2022	\$ 2,039	\$ 1,628	\$ 1,800
2023	\$ 2,078	\$ 1,811	\$ 1,941
2024 (through January 16)	\$ 2,068	\$ 2,025	\$ 2,042

On January 16, 2024, the afternoon LBMA gold price was \$2,038 per ounce.

Data Source: lbma.org.uk

### Available Information

We maintain a website at [www.novagold.com](http://www.novagold.com) and make available, through the Investors section of the website, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Section 16 filings and all amendments to those reports, as soon as reasonably practicable after such material is electronically filed with the Securities and Exchange Commission (“SEC”). These reports are also available at the SEC website at [www.sec.gov](http://www.sec.gov). Certain other information, including but not limited to the Company’s Corporate Governance Guidelines, the charters of key committees of its Board of Directors and its Code of Business Conduct and Ethics are also available on the website. Our website and the information contained therein or connected thereto are not intended to be, and are not incorporated into this Annual Report on Form 10-K.

**Item 1A. Risk Factors**

*You should carefully consider the following risk factors in addition to the other information included in this Annual Report on Form 10-K. Each of these risk factors could adversely affect our business, operating results and financial condition, as well as adversely affect the value of an investment in our common shares. The risks described below are not the only ones facing the Company. Additional risks that we are not presently aware of, or that we currently believe are immaterial, may also adversely affect our business, operating results and financial condition. We cannot assure you that we will successfully address these risks and caution that other unknown risks may exist or may arise that may affect our business.*

An investment in our securities is speculative and involves a high degree of risk due to the nature of our business and the present stage of exploration and development of our mineral properties. The following risk factors, as well as risks not currently known to us, could materially adversely affect our future business, operations and financial condition and could cause them to differ materially from the estimates described in the forward-looking statements relating to us.

**Risks Related to Our Business**

***We have no history of commercially producing precious metals from our mineral exploration properties and there can be no assurance that we will successfully establish mining operations or profitably produce precious metals.***

The Donlin Gold project is not in production or currently under construction, and we have no ongoing mining operations or revenue from mining operations. Mineral exploration and development has a high degree of risk and few properties that are explored are ultimately developed into producing mines. The future development of the Donlin Gold project will require obtaining permits and financing and the construction and operation of mines, processing plants and related infrastructure. As a result, we are subject to all of the risks associated with establishing new mining operations and business enterprises, including:

- the need to obtain necessary environmental and other governmental approvals and permits, and the timing and conditions of those approvals and permits;
- the availability and cost of funds to finance construction and development activities;
- the timing and cost, which can be considerable, of the construction of mining and processing facilities as well as related infrastructure;
- potential opposition from NGOs, environmental groups or local groups which may delay or prevent development activities;
- potential increases in construction and operating costs due to changes in the cost of labor, fuel, power, materials and supplies, services, and foreign exchange rates;
- the availability and cost of skilled labor and mining equipment; and
- the availability and cost of appropriate smelting and/or refining arrangements.

The costs, timing and complexities of mine construction and development are increased by the remote location of our mineral properties, with additional challenges related thereto, including access, water and power supply, and other support infrastructure. Cost estimates may increase significantly as more detailed engineering work and studies are completed on a project. New mining operations commonly experience unexpected costs, problems and delays during development, construction, and mine start-up. In addition, delays in the commencement of mineral production often occur. Accordingly, there are no assurances that our activities will result in profitable mining operations, or that we will successfully establish mining operations, or profitably produce precious metals at the Donlin Gold project.

In addition, there is no assurance that our mineral exploration activities will result in any discoveries of new ore bodies. If further mineralization is discovered there is also no assurance that the mineralized material would be economical for commercial production. Discovery of mineral deposits is dependent upon a number of factors and significantly influenced by the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit is also dependent upon a number of factors which are beyond our control, including the attributes of the deposit, commodity prices, government policies and regulation, and environmental protection requirements.

***We are dependent on a third party in the exploration and development of our Donlin Gold project.***

Our success with respect to the Donlin Gold project depends on the cooperation of a third party with whom we have an agreement; we hold a 50% interest and the remaining 50% interest is held by the third party that is not under our control or direction. We are dependent on the third party for the progress and development of the Donlin Gold project. The third party may also have different priorities which could impact the timing and cost of development of the Donlin Gold project. The third party may also be in default of its agreement with us, without our knowledge, which may put the mineral property and related assets at risk. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on our ability to achieve our business plan, profitability, or the viability of our interests held with the third party, which could have a material adverse impact on our business, future cash flows, earnings, results of operations and financial condition: (i) disagreement with the third party on how to develop and operate the Donlin Gold project efficiently; (ii) inability to exert influence over certain strategic decisions made in respect of the jointly-held Donlin Gold project; (iii) inability of the third party to meet its obligations to the joint business or other parties; and (iv) litigation with the third party regarding joint business matters.

***We may choose to proceed with a feasibility study for the Donlin Gold project without the participation of the co-owner, which would require significant management time and additional capital resources.***

Although proposed by NOVAGOLD, currently the owners have not agreed to commence an updated feasibility study. The Company may choose to proceed with a feasibility study for the Donlin Gold project on its own without the participation of the co-owner, although the Company has not yet made a determination to do so. Embarking on a feasibility study is an endeavor requiring significant funding and staffing. We expect a feasibility study would take approximately two years to complete once commenced and would require significant management time and attention. In addition, if the Company ultimately decides to proceed with its own feasibility study for the Donlin Gold project, the Company will be required to raise additional capital through means such as equity and/or debt financing to successfully complete the feasibility study. There can be no assurance that the Company could raise the required capital on terms favorable to it, or at all.

***We have a history of net losses and expect losses to continue for the foreseeable future.***

The Donlin Gold project has not advanced to the commercial production stage and we have no history of earnings or cash flow from operations. We expect to continue to incur net losses unless and until such time the Donlin Gold project commences commercial production and generates sufficient revenues to fund continuing operations. The development of our mineral properties to achieve production will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the process of obtaining required government permits and approvals, the availability and cost of financing, the participation of our partners, and the execution of any sale or joint venture agreements with strategic partners. These factors, and others, are beyond our control. There is no assurance that we will be profitable in the future.

***We have a limited property portfolio.***

At present, our only material mineral property is the interest that we hold in the Donlin Gold project. Unless we acquire or develop additional mineral properties, we will be solely dependent upon this property. If no additional mineral properties are acquired by us, any adverse development affecting our operations and further development at the Donlin Gold project may have a material adverse effect on our financial condition and results of operations.

***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.***

We have limited financial resources. We will need external financing to develop and construct the Donlin Gold project. According to the S-K 1300 Report (as defined below), the total initial capital cost estimate for the Donlin Gold project is approximately \$7,402 million which includes the costs related to the natural gas pipeline (100% basis). These cost estimates may change materially as our studies are updated. Our failure to obtain sufficient financing could result in the delay or indefinite postponement of exploration, development, construction, or production at the Donlin Gold project. The cost and terms of such financing may significantly reduce the expected benefits from development of the Donlin Gold project and/or render such development uneconomic. There can be no assurance that additional capital or other types of financing will be available when needed or that, if available, the terms of such financing will be favorable. Our failure to obtain financing could have a material adverse effect on our growth strategy and results of operations and financial condition.

We intend to fund our near-term business plan from working capital. Longer term, our ability to continue future exploration, permitting, development, and construction activities, if any, will depend in part on our ability to obtain suitable equity, debt, or other forms of financing. If we raise additional funding by issuing additional equity securities or other securities that are convertible into equity securities, such financing may substantially dilute the interest of existing or future shareholders. Sales or issuances of a substantial number of securities, or the perception that such sales could occur, may adversely affect the prevailing market price for our common shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in earnings per share.

There can be no assurance that we will commence production at the Donlin Gold project or generate sufficient revenues to meet our obligations as they become due or obtain necessary financing on acceptable terms, if at all. Our failure to meet our ongoing obligations on a timely basis could result in the loss or substantial dilution of our interests (as existing or as proposed to be acquired) in the Donlin Gold project. In addition, should we incur significant losses in future periods, we may be unable to continue as a going concern, and realization of assets and settlement of liabilities in other than the normal course of business may be at amounts materially different than our estimates.

***Actual capital costs, operating costs, production and economic returns may differ significantly from those we have anticipated and there are no assurances that any future development activities will result in profitable mining operations.***

The capital costs to take the Donlin Gold project into production may be significantly higher than anticipated. As a result of the content updates included in the 2021 Technical Report (as defined below) and S-K 1300 Report, the total initial capital cost estimate for the Donlin Gold project is \$7,402 million. Likewise, the total sustaining capital estimate is \$1,723 million.

We do not have an operating history upon which we can base estimates of future operating costs. Decisions about the development of the Donlin Gold project will ultimately be based upon feasibility studies. Feasibility studies derive estimates of cash operating costs based upon, among other things:

- anticipated tonnage, grades and metallurgical characteristics of the ore to be mined and processed;
- anticipated recovery rates of gold and other precious metals from the ore;
- cash operating costs of comparable facilities and equipment; and
- anticipated climatic conditions.

Capital costs, operating costs, production and economic returns, and other estimates contained in studies or estimates prepared by or for us may differ significantly from those anticipated by our current or future studies and estimates, and there can be no assurance that the initial capital costs incurred to construct, and the sustaining capital and operating costs incurred in operating the Donlin Gold project will not be higher than currently anticipated.

***Changes in the market price of gold, which in the past has fluctuated widely, affect our financial condition.***

Our profitability and long-term viability will depend, in large part, upon the market price of gold that may be produced from our Donlin Gold project. The market price of gold is volatile and is impacted by numerous factors beyond our control, including:

- global or regional consumption patterns;
- expectations with respect to the rate of inflation;
- the relative strength of the U.S. dollar and certain other currencies;
- interest rates;
- global or regional political or economic conditions, including interest rates and currency values;
- supply and demand for jewelry and industrial products containing gold; and
- sales or purchases by central banks and other holders, speculators, and producers of gold in response to any of the above factors.

We cannot predict the effect of these factors on the price of gold. A decrease in the market price of gold could affect our ability to finance the development of the Donlin Gold project, which would have a material adverse effect on our financial condition and results of operations. There can be no assurance that the market price of gold will remain at current levels or that such prices will improve. An increase in worldwide supply, and consequent downward pressure on prices, may result over the longer term from increased production from the development of new or expansion of existing mines. There is no assurance that if commercial quantities of gold are discovered, that a profitable market may exist or continue to exist for a production decision to be made or for the ultimate sale of gold.

***General economic conditions may adversely affect our growth, future profitability and ability to finance.***

Some key impacts which can contribute to financial market turmoil potentially impacting the mining industry include contraction in credit markets resulting in a widening of credit risk, imposition of trade tariffs among various countries, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. The prices of gold and gold mining company equities have experienced significant volatility over the past few years.

A decrease in the price of gold or tightening of credit in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our ability to finance development and construction of the Donlin Gold project. Specifically:

- global economic conditions could make other investment sectors more attractive, thereby affecting the cost and availability of financing to us and our ability to achieve our business plan;
- the imposition of protectionist or retaliatory trade tariffs by countries may impact our ability to import materials needed to construct our projects or conduct our operations, or to export our products, at prices that are economically feasible for our operations, or at all;
- the volatility of metal prices would impact the economic viability of the Donlin Gold project and any future revenues, profits, losses and cash flow;
- negative economic pressures could adversely impact demand for future production from the Donlin Gold project;
- construction related costs could increase and adversely affect the economics of the Donlin Gold project;
- volatile energy, commodity and consumables prices and currency exchange rates would impact our future production costs; and
- the devaluation and volatility of global stock markets would impact the valuation of our equity and other securities.

***Opposition to our operations from local stakeholders or NGOs could have a material adverse effect on us.***

There is ongoing public concern relating to the effect of mining production on its surroundings, communities, and environment. Local communities and NGOs, some of which oppose resource development, are often vocal critics of the mining industry. While we seek to operate in a socially responsible manner, opposition to extractive industries or our operations specifically or adverse publicity generated by local communities or NGOs related to extractive industries, or our operations specifically, could have an adverse effect on our reputation and financial condition or our relationships with the communities in which we operate. As a result of such opposition or adverse publicity, we may be unable to obtain permits necessary for our operations or to continue our operations as planned or at all. See “Recent Developments” above.

***We require various permits to conduct our current and anticipated future operations, and delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that we have obtained, could have a material adverse impact on us.***

Our current and anticipated future operations, including further exploration and development activities and commencement of production on the Donlin Gold project, require permits from various United States federal, state, and local governmental authorities. There can be no assurance that all permits that we require for the construction of mining facilities and to conduct mining operations will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that we have obtained, could have a material adverse impact on us.

The duration and success of efforts to obtain and renew permits are contingent upon many variables not within our control. Shortage of qualified and experienced personnel in the various levels of government could result in delays or inefficiencies. Backlog within the permitting agencies could affect the permitting timeline of the various projects. Other factors that could affect the permitting timeline include (i) the number of other large-scale projects currently in a more advanced stage of development which could slow down the review process and (ii) significant public response regarding a specific project. Also, it can be difficult to assess what specific permitting requirements will ultimately apply to the Donlin Gold project.

***The quantities for our mineral resources and mineral reserves are estimates based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated.***

Unless otherwise indicated, mineralization quantities presented in this Annual Report on Form 10-K and in our other filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by our personnel and independent professionals. In addition, these estimates are imprecise and depend upon geologic interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that:

- these estimates will be accurate;
- mineral reserve, mineral resource or other mineralization figures will be accurate; or
- this mineralization could be mined, processed, or sold profitably.



Because we have not commenced commercial production at the Donlin Gold project, mineralization estimates may require adjustments, including potential downward revisions based upon further exploration or development work, actual production experience, or changes in the price of gold. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that the percentage of minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or at production scale.

Mineral resource estimates for mineral properties that have not commenced production are based, in many instances, on limited and widely spaced drill hole information, which is not necessarily indicative of the conditions between and around drill holes. Accordingly, such mineral resource estimates may require revision as more drilling information becomes available or as actual production experience is gained. No assurance can be given that any part or all of our mineral resources constitute or will be converted into reserves.

The estimating of mineral reserves and mineral resources is a subjective process that relies on the judgment and experience of the persons preparing the estimates. The process relies on the quantity and quality of available data and is based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. By their nature, mineral resource and reserve estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. There can be no assurances that actual results will meet the estimates contained in studies.

Estimated mineral reserves or mineral resources may have to be recalculated based on changes in metal prices, further exploration or development activity, or actual production experience. In addition, if production costs increase, recovery rates decrease, if applicable laws and regulations are adversely changed, there is no assurance that the anticipated level of recovery will be realized or that mineral reserves or mineral resources as currently reported can be mined or processed profitably. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence mineral reserve or mineral resource estimates. The extent to which mineral resources may ultimately be reclassified as mineral reserves is dependent upon the demonstration of their profitable recovery. Any material changes in mineral resource estimates and grades of mineralization will affect the economic viability of placing a mineral property into production and a mineral property's return on capital. We cannot provide assurance that mineralization identified at the Donlin Gold project can or will be mined or processed profitably.

The mineral resource and mineral reserve estimates contained in this Annual Report on Form 10-K have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for gold may render portions of our mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of our ability to extract this mineralization, could have a material adverse effect on our ability to implement our business strategy, the results of operations or our financial condition.

We have established the presence of proven and probable mineral reserves at the Donlin Gold project in accordance with the disclosure definition and standards contained in S-K 1300 and in NI 43-101. There can be no assurance that additional mineral resources will ultimately be reclassified as mineral reserves. The failure to increase mineral reserves could restrict our ability to successfully implement our strategies for long-term growth and could impact future cash flows, earnings, results of operation and financial condition.

***Lack of infrastructure could delay or prevent us from developing the Donlin Gold project.***

Completion of the development of the Donlin Gold project is subject to various requirements, including the availability and timing of acceptable arrangements for power, water, transportation, access, and facilities. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay development of the project. There can be no assurance that adequate infrastructure, including access and power supply, will be built, that it will be built in a timely manner or that the cost of such infrastructure will be reasonable or that it will be sufficient to satisfy the requirements of the project. If adequate infrastructure is not available in a timely manner, there can be no assurance that:

- the development of the Donlin Gold project will be commenced or completed on a timely basis, if at all;
- the resulting operations will achieve the anticipated production volume; or
- the construction costs and ongoing operating costs associated with the development of the Donlin Gold project will not be higher than anticipated.

Access to the Donlin Gold project is limited and there is no infrastructure that serves the project area. An approximately 507-kilometer natural gas pipeline is needed to supply fuel to the proposed on-site generating plant to provide power for the Donlin Gold project. The proposed pipeline would traverse generally undeveloped areas in Alaska that are difficult to access. Transportation of most of the supplies needed to construct and operate the Donlin Gold project would be accomplished by barging materials on the Kuskokwim River during the annual shipping season which typically occurs from late April to mid-October. Two ports would be needed on the Kuskokwim River, the first located in Bethel, Alaska, where ocean barges would transition materials to river barges; and the second located approximately 320 kilometers upriver from Bethel. A 48-kilometer access road from the upriver port to the project site is needed to deliver the materials. Additionally, a 1,500-meter airstrip would be built to provide year-round access to the project. Terrain, geologic conditions, ground conditions, steep slopes, river levels, ice breakup, weather, climate change impacts and other natural conditions that are beyond our control along the pipeline and transportation routes present design, permitting, construction, and operational challenges for the project. Cost and schedule estimates may increase significantly as more detailed engineering work, geotechnical and geological studies are completed.

***Title and other rights to our mineral properties are subject to agreements with other parties.***

The subsurface mineral and surface rights at the Donlin Gold project are owned by Calista Corporation (“Calista”) and The Kuskokwim Corporation (TKC), respectively, two Native corporations. Donlin Gold operates on these lands pursuant to a Mining Lease with Calista (“Calista Lease”) and a Surface Use Agreement (“SUA”) with TKC. The ability of Donlin Gold to continue to explore and develop the Donlin Gold project depends upon its continued compliance with the terms and conditions of the Calista Lease and SUA. Furthermore, our ability to continue to explore and develop other mineral properties may be subject to agreements with other third parties, including agreements with Native corporations, for instance.

***Our largest shareholder has significant influence on us and may also affect the market price and liquidity of our securities.***

Electrum Strategic Resources L.P. (“Electrum”) and its affiliate GRAT Holdings LLC hold in the aggregate 25.4% of our issued and outstanding common shares as of January 16, 2024. Accordingly, Electrum and its affiliates will have significant influence in determining the outcome of any corporate transaction or other matter submitted to the shareholders for approval, including mergers, consolidations, and the sale of all or substantially all of our assets and other significant corporate actions. Unless full participation of all shareholders takes place in such shareholder meetings, Electrum and its affiliates may be able to approve such matters itself. The concentration of ownership of the common shares by Electrum and its affiliates may: (i) delay or deter a change of control of the Company; (ii) deprive shareholders of an opportunity to receive a premium for their common shares as part of a sale of the Company; and (iii) affect the market price and liquidity of the common shares. In conjunction with the January 22, 2009 financing, we provided Electrum with the right to designate an observer at all meetings of the board of directors (the “Board”) and any committee thereof so long as Electrum and its affiliates hold not less than 15% of our common shares. In November 2011, Dr. Thomas S. Kaplan, was appointed Chairman of our Board. Dr. Kaplan is also the Chairman, Chief Executive Officer, and Chief Investment Officer of The Electrum Group LLC. As long as Electrum and its affiliates maintain its shareholdings in the Company, Electrum will have significant influence in determining the members of the Board. Without the consent of Electrum, we could be prevented from entering into transactions that are otherwise beneficial to us. The interests of Electrum and its affiliates may differ from or be adverse to the interests of our other shareholders. The effect of these rights and Electrum’s influence may impact the price that investors are willing to pay for our shares. If Electrum or its affiliates sell a substantial number of our common shares in the public market, the market price of the common shares could be adversely impacted. The perception among the public that these sales will occur could also contribute to a decline in the market price of our common shares.

***Some of the directors and officers have conflicts of interest as a result of their involvement with other natural resource companies.***

Certain of our directors and officers also serve as directors, or have significant shareholdings in, other companies involved in natural resource exploration and development or mining-related activities. To the extent that such other companies may participate in ventures in which we may participate in or in ventures which we may seek to participate in, the directors and officers may have a conflict of interest. In all cases where the directors or officers have an interest in other companies, such other companies may also compete with us for the acquisition of mineral property investments. Any decision made by any of these directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company. In addition, each of the directors is required to declare and refrain from voting on any matter in which these directors may have a conflict of interest in accordance with the procedures set forth in the Business Corporations Act (British Columbia) and other applicable laws. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Nonetheless, as a result of these conflicts of interest, the Company may not have an opportunity to participate in certain transactions, which may have a material adverse effect on the Company’s business, profitability, financial condition, results of operation, and prospects.

***We have ongoing reclamation on some of our mineral properties and may be required to fund additional work that could have a material adverse effect on our financial position.***

Land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) to minimize long term effects of land disturbance. Reclamation may include requirements to:

- treat ground and surface water to applicable water standards;
- control dispersion of potentially deleterious effluents;
- reasonably re-establish pre-disturbance landforms and vegetation; and
- provide adequate financial assurance to ensure required reclamation of land affected by our activities.

Exploration and other activities at the Donlin Gold project site have created disturbance that must be reclaimed. Financial resources spent on reclamation might otherwise be spent on further exploration and development programs. In addition, regulatory changes could increase our obligations to perform reclamation and mine closure activities. There can be no assurance that we will not be required to fund additional reclamation work at the site that could have a material adverse effect on our financial position.

***We are exposed to credit, liquidity, and interest rate risk.***

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Our cash equivalents and term deposit investments are held through large Canadian chartered banks with high investment-grade ratings. These investments mature at various dates over the current operating period. A portion of the proceeds from the sale of our Galore Creek assets include notes receivable from a subsidiary of Newmont Corporation (“Newmont”), a publicly traded company with investment-grade credit ratings. The notes receivable included a \$75 million note receivable of which payment was received on July 27, 2021 and included a \$25 million note receivable of which payment was received on July 27, 2023. An additional \$75 million will be receivable if and when a Galore Creek project construction plan is approved by the owner(s). No value was assigned to the final \$75 million contingent note receivable due to the uncertainty with regards to the approval of a Galore Creek project construction plan. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents our maximum exposure to credit risk.

Liquidity risk is the risk that we will not be able to meet our financial obligations as they come due. We manage liquidity risk through regular cash flow forecasts to assess our current and future financial position as well as maintaining a prudent capital structure. Accounts payable and accrued liabilities are due within one year from the balance sheet date.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that we will realize a loss as a result of a decline in the fair value of the term deposit investments is limited because these investments have an original term of less than one year and are generally held to maturity. The promissory note owed to Barrick is variable with the U.S. prime rate. Based on the amount owing on the promissory note as of November 30, 2023, and assuming all other variables remain constant, a 1% change in the U.S. prime rate would result in an increase/decrease of approximately \$1.4 million in the interest accrued on the promissory note per annum. For more detail with respect to the promissory note, see section *Item 2, Donlin Gold Project, Alaska*, below.

## **Risks Related to Our Industry**

***Mining is inherently risky and subject to conditions or events some of which are beyond our control, and which could have a material adverse effect on our business.***

Mining involves various types of risks, including:

- environmental hazards;
- industrial accidents;
- metallurgical and other processing problems;
- unusual or unexpected geologic formations and conditions;
- structural cave-ins or slides;
- flooding;
- fires;
- power outages;
- labor disruptions;
- explosions;
- landslides and avalanches;
- mechanical equipment and facility performance problems;
- availability of materials and equipment;
- metals losses; and
- periodic interruptions due to inclement or hazardous weather conditions.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties; personal injury or death, including to employees; environmental damage; delays in construction or mining operations; increased production costs; asset write downs; monetary losses; and possible legal liability. We may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from mineral production, is not generally available to us or to other companies within the mining industry. We may suffer a material adverse impact on our business if we incur losses related to any significant events that are not covered by our insurance policies.

Exploration, construction, and production activities may be limited or delayed by inclement weather and shortened exploration, construction and operating seasons. For example, Donlin Gold proposes to transport the bulk of the supplies required to operate the Donlin Gold project to the site from ports in the United States and Canada. This would require the supplies to be transported by barge on the Kuskokwim River which is free of ice and open for barge traffic for a limited period each year. Delays in the ice breakup or early freeze-up, low flow levels and water depths, or other conditions affecting the Kuskokwim River could delay or prevent Donlin Gold from transporting supplies to the site. Any such interference with the delivery of needed supplies to the Donlin Gold project could adversely affect the construction or operation of the project and/or the costs associated with these activities which, in turn, would adversely affect our business.

***We are subject to significant governmental regulation.***

Our operations, exploration and development activities in the United States, are subject to extensive federal, state and local laws and regulations governing various matters, including:

- environmental protection;
- management and use of toxic substances and explosives;
- management of tailings and other wastes generated by our operations;
- management of natural resources;
- exploration and development of mines, production and post-closure reclamation;
- exports;
- price controls;
- taxation and mining royalties;
- regulations concerning business dealings with indigenous groups;
- availability and use of water resources;
- labor standards and occupational health and safety, including mine safety; and
- preservation of historic and cultural resources.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining, curtailing or closing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in us incurring significant expenditures. We may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or a more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of our operations and delays in the exploration and development of our mineral properties.

***Our activities are subject to environmental laws and regulations that may increase our costs of doing business and restrict our operations.***

Our exploration, potential development and production activities in the United States are subject to regulation by governmental agencies under various environmental laws. To the extent that we conduct exploration activities or undertake new mining activities in other foreign countries, we will also be subject to environmental laws and regulations in those jurisdictions. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, use of water, protection of natural resources, antiquities and endangered species, and reclamation of lands disturbed by mining operations. Environmental legislation and regulations continue to evolve, and the trend has been toward stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on our behalf and may cause material changes or delays in our intended activities. There can be no assurance that future changes in environmental regulations will not adversely affect our business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of our business, causing us to re-evaluate those activities at that time.

Environmental hazards may exist on our mineral properties that are unknown to us at the present time, and that have been caused by previous owners or operators or that may have occurred naturally. We may be liable for remediating such damage.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or to be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

***Our insurance will not cover all of the potential risks associated with mining operations.***

Our business is subject to a number of risks and hazards generally including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena, such as inclement weather conditions, floods, hurricanes and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to our properties or the property of others, delays in construction or mining, monetary losses, and possible legal liability.

Although we maintain insurance to protect against certain risks in such amounts as we consider reasonable, our insurance will not cover all the potential risks associated with a mining company's operations. We may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as loss of title to mineral property, environmental pollution, or other hazards, as a result of exploration and production is not generally available to us or to other companies in the mining industry on acceptable terms. We might also become subject to liability for pollution or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause us to incur significant costs that could have a material adverse effect on our financial performance and results of operations.

***Title and other rights to our mineral properties cannot be guaranteed and may be subject to prior unregistered agreements, transfers or claims and other defects.***

We cannot guarantee that title to our mineral properties will not be challenged. We may not have, or may not be able to obtain, all necessary surface rights to develop a mineral property. Title insurance is generally not available for mineral properties and our ability to ensure that we have obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Our mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. We have not conducted surveys of all the mineral properties in which we hold direct or indirect interests. A successful challenge to the precise area and location of these mineral properties could result in us being unable to operate on our mineral properties as permitted or being unable to enforce our rights with respect to our mineral properties. This could result in us not being compensated for our prior investment relating to the mineral property.

***Rising metal prices encourage mining exploration, development, and construction activity, which in the past has increased demand for and cost of contract mining services and equipment.***

Increases in metal prices tend to encourage increases in mining exploration, development, and construction activities. During past expansions, demand for and the cost of contract exploration, development and construction services and equipment have increased as well. Increased demand for and cost of services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development, or construction costs, result in project delays, or both. There can be no assurance that increased costs may not adversely affect our development of our mineral properties in the future.

*We may experience difficulty attracting and retaining qualified management and technical personnel to meet our business objectives, and the failure to manage our business effectively could have a material adverse effect on our business and financial condition.*

We are dependent on the services of key executives including our President and Chief Executive Officer and other highly skilled and experienced executives and personnel focused on managing our interests and the advancement of the Donlin Gold project, in addition to the identification of new opportunities for growth and funding. Due to our relatively small size, the loss of these persons or our inability to attract and retain additional highly skilled employees required for the development of our activities may have a material adverse effect on our business or future operations.

*We may be subject to legal proceedings.*

Due to the nature of our business, we may be subject to a variety of regulatory investigations, claims, lawsuits, and other proceedings in the ordinary course of our business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of discovery of new evidence or advancement of new legal theories, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. There can be no assurances that these matters will not have a material adverse effect on our business.

#### **General Risk Factors**

*Global climate change is an international concern and could impact our ability to conduct future operations.*

Global climate change is an international issue and receives an enormous amount of publicity. We would expect that the imposition of international treaties or U.S. or Canadian federal, state, provincial, or local laws or regulations pertaining to mandatory reductions in energy consumption or emissions of greenhouse gasses could affect the feasibility of mining projects and increase operating costs.

The Donlin Gold project is not directly threatened by current predictions of sea level rise as it is located inland at elevations 150 meters to 640 meters above sea level. However, changes in sea levels could affect ocean and river transportation and shipping facilities, which would be used to transport supplies, equipment and personnel to the Donlin Gold project and products from the project to world markets. The Donlin Gold project proposes to deliver the vast majority of construction and operations equipment, supplies, consumables, and other required materials to the project site via the Kuskokwim River when it is ice-free. Historically, the Kuskokwim River has been ice-free from late April until mid-October and models based on historic weather and river flow records predict that there would be sufficient flow in the river to allow the transportation of the required materials to the project site annually. If climate changes alter the ice-free season or flow patterns of the Kuskokwim River, the current supply logistics plan for the project may need to be modified.

Climate changes also could affect the availability of water required to sustain operations at the Donlin Gold project. Also, management of water is an essential component of the project's operating plans. Climate change could require modifications to the project's water management plan, which may require additional capital investments or increase operating costs, if precipitation increases or decreases relative to historic records.

Extreme weather events (such as increased frequency or intensity of storms, increased snowpack, prolonged drought, and associated fire danger) have the potential to disrupt operations. Where appropriate the Donlin Gold project has developed contingency plans for managing extreme weather conditions; however, extended disruptions to supply lines due to extreme weather could result in interruption of activities at the project site, delay or increase the cost of construction of the project, or otherwise adversely affect our business.

*The Company is dependent upon information technology systems, which are subject to disruption, damage, failure, and risks associated with implementation and integration.*

The Company's information technology systems used in its operations are subject to disruption, damage, or failure from a variety of sources, including, without limitation, computer viruses, security breaches, cyberattacks, natural disasters and defects in design. Cybersecurity incidents are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data or machines and equipment, and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information, the corruption of data or the disabling, misuse or malfunction of machines and equipment. Various measures have been implemented to manage the Company's risks related to information technology systems and network disruptions. However, given the unpredictability of the timing, nature and scope of information or operational technology disruptions, the Company could potentially be subject to the compromising of confidential or otherwise protected information, destruction or corruption of data, security breaches, other manipulation or improper use of our systems and networks or financial losses from remedial actions, any of which could have a material adverse effect on cash flows, financial condition or results of operations.

The Company could also be adversely affected by system or network disruptions if new or upgraded information technology systems are defective, not installed properly or not properly integrated into operations. Various measures have been implemented to manage the risks related to the system implementation and modification, but system modification failures could have a material adverse effect on the Company's business, financial position, and results of operations.

*We believe we were a passive foreign investment company (PFIC) in 2023 which could have negative tax consequences for U.S. investors.*

U.S. holders of our common shares should be aware that we believe that for U.S. federal income tax purposes we were classified as a PFIC for our fiscal year ended November 30, 2023, and that we may continue to be classified as a PFIC in future years. The determination of whether the Company is a PFIC is a factual determination dependent on a number of factors and cannot be made until the close of the applicable tax year. Accordingly, no assurances can be given regarding the Company's PFIC status for the current year or any future year. If the Company is a PFIC at any time during a U.S. holder's holding period, then certain potentially adverse tax consequences could apply to such U.S. holder's acquisition, ownership, and disposition of common shares. For more information, please see the discussion in *Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities* "Certain U.S. Federal Income Tax Considerations for U.S. Holders" below.

**Item 1B. Unresolved Staff Comments**

None.

**Item 1C. Cybersecurity**

Not applicable.

**Item 2. Properties**

The Company has adopted the mining disclosure standards of *Subpart 229.1300 of Regulation S-K – Disclosure by Registrants Engaged in Mining Operations* (“S-K 1300”). The Company is subject to and required to disclose mineral resources and mineral reserves in accordance with S-K 1300. While the S-K 1300 rules are similar to National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) rules in Canada, they are not identical and therefore two reports have been produced for the Donlin Gold project. The information in *Item 2, Properties*, below is common to both reports and contains pertinent information required under S-K 1300.

*Donlin Gold Technical Report (NI 43-101)*

The Company retained Wood Canada Limited (“Wood”), an unaffiliated third-party firm comprising mining experts, to update content in its previously filed “*Donlin Creek Gold Project, Alaska, USA, NI 43-101 Technical Report on the Second Updated Feasibility Study*,” effective November 18, 2011, and amended January 20, 2012 (“2011 Mining Study”). Wood’s Qualified Persons (“QPs”) completed an exercise to verify which content in the 2011 Mining Study remains current, and what was required to update the report content with the latest information. Updated content includes operating costs, capital costs, tax rates, long term gold price, and the economic analysis. Additionally, work done on the property since 2011 with respect to exploration, drilling, permitting, and minor mine design changes as a result of recent permitting activities are summarized in the updated content. A data verification exercise was completed by each Wood QP co-authoring the report. This included a September 2020 site visit by two of the report QPs; review of the geologic data, geologic model, and resource model; review of metallurgical test work; review of designs for mining, processing, and infrastructure, including minor design updates; update of capital and operating cost estimates utilizing a combination of cost indices and vendor quotations; and an updated economic analysis. Canadian NI 43-101 Definitions and CIM Definition Standards for Mineral Resources and Mineral Reserves (“CIM Definition Standards”), adopted by CIM Council on May 10, 2014 apply for this exercise.

The Wood review determined that the report updating exercise resulted in no material change to the Mineral Resources or Mineral Reserves. On August 31, 2021, the Company voluntarily filed an updated NI 43-101 technical report for the Donlin Gold project in Alaska, USA, and titled “*NI 43-101 Technical Report on the Donlin Gold Project, Alaska, USA*,” with an effective date of June 1, 2021 (“2021 Technical Report”) reflecting the results of the above exercise. The 2021 Technical Report was prepared by Wood. The 2021 Technical Report is available on the Company’s website, on EDGAR at [www.sec.gov](http://www.sec.gov) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

*Donlin Gold Technical Report Summary (S-K 1300)*

The Company is a registrant with the SEC and is reporting its exploration results, Mineral Resources, and Mineral Reserves using the mining disclosure standards of S-K 1300. The Company requested that Wood prepare a Technical Report Summary of the Donlin Gold project, Alaska, USA using the standards of S-K 1300 and it is titled “*S-K 1300 Technical Report Summary on the Donlin Gold Project, Alaska, USA*” (“S-K 1300 Report”), current as of November 30, 2021, with a report date of November 30, 2021. Wood prepared the S-K 1300 Report from the 2011 Mining Study of the Donlin deposits that was completed to at least pre-feasibility level, as defined by S-K 1300, at the time of the study. Material aspects of the 2011 Mining Study were updated by Wood in 2020 and made current. As part of the update process, Wood’s subject matter experts completed an exercise to verify and update the content of the 2011 Mining Study with the latest information under the supervision of Wood’s independent QP co-authors of the S-K 1300 Report. Updated content includes operating costs, capital costs, taxes, forecast long term gold price and the economic analysis. Additionally, work done since 2011 on the property with respect to exploration, drilling, permitting and minor project design changes as a result of recent permitting activities are summarized in the S-K 1300 Report. A data verification exercise was completed by each Wood QP co-authoring the S-K 1300 Report. Wood QPs verified that the updated content of the 2011 Mining Study met at least pre-feasibility level of study as defined in S-K 1300, and it supports the disclosure of exploration results, Mineral Resources, and Mineral Reserves using S-K 1300 standards. The S-K 1300 Report is available on the Company’s website and on EDGAR at [www.sec.gov](http://www.sec.gov).

*Results of the Donlin Gold Technical Report (NI 43-101) and Donlin Gold Technical Report Summary (S-K 1300)*

Wood reviewed the geologic and resource models that supported the 2011 Mining Study, including comparing them to data from recent drilling programs, and determined that they continue to be adequate and suitable to be used for a Mineral Resource estimation. Using updated cost inputs from the first calendar quarter of 2020, a gold price of \$1,500 per ounce, and the geologic and resource models utilized in support of the 2011 Mining Study, the contents within an updated optimized pit shell did not show a material change to the Mineral Resources stated in the 2011 Mining Study. Therefore, the Mineral Resources were considered current as of November 30, 2021 and are unchanged as of November 30, 2023. They continue to have an effective date of July 11, 2011.



Similarly, using updated cost inputs, a gold price of \$1,200 per ounce, and the geologic and resource models utilized in support of the 2011 Mining Study with appropriate modifying factors applied for Mineral Reserve estimation, the previous Mineral Reserve ultimate pit was contained within an updated optimized pit shell. Therefore, the Mineral Reserves remained current as of November 30, 2021 and are unchanged. Because the Mineral Reserves are supported by an updated economic analysis they have an effective date of April 27, 2021.

Outside of verifying the Mineral Resource and Mineral Reserve estimates, the primary efforts in the 2021 Technical Report and the S-K 1300 Report were financial and permitting updates. This includes updates to estimated capital costs, operating costs, reclamation and closure costs, royalties, taxes, and economic analysis, as well as current status of the permits. Updated capital costs are based on first calendar quarter 2020 pricing (cost indices and current commodity pricing and equipment quotes) applied to the engineering designs and material take-offs from the 2011 Mining Study, except for minor changes made during permitting in the operations water treatment plant and the natural gas pipeline. As a result of the content updates, the total initial capital cost estimate is \$7,402 million, which is an increase of 10.8% or \$723 million compared to the 2011 Mining Study total initial capital cost estimate. Likewise, the total sustaining capital estimate is \$1,723 million, which is an increase of 14.6% or \$219 million compared to the 2011 Mining Study total sustaining capital estimate. The 2011 Mining Study operating costs were updated to first calendar quarter 2020 by updating key cost drivers like energy, labor, consumables, and freight. No material changes to project designs, schedules, or productivities were made; consequently, the manning schedules and consumables remain unchanged. The updated estimated Life of Mine (LOM) operating costs total \$19,289 million, which is \$5.90/t mined, \$38.21/t processed, or \$635/oz gold sold.

The economic evaluation of the Donlin Gold project in both the 2021 Technical Report and the S-K 1300 Report was updated using the following inputs:

- A production plan based on the 2011 Mining Study of 53,500 t/d open pit gold mine with ore processing by means of flotation, pressure oxidation, and cyanidation. The pit designs and Mineral Reserves were based on the Measured and Indicated Mineral Resource estimates that were verified as remaining current. Annual LOM gold production averages 1.13 million ounces per year over a production life of 27 years, including 1.46 million ounces per year for the first five full years of production.
- \$1,500/oz gold price
- Current land and royalty agreements
- Initial and sustaining capital costs, and operating costs updated to first calendar quarter 2020
- Tax payments in accordance with the Tax Cuts and Jobs Act ("TCJA") enacted in December 2017 and effective January 1, 2018
- \$292 million LOM contributions for reclamation, closure, and financial assurance
- Financing has been assumed on a 100%, all equity, stand-alone basis
- Escalation/inflation has been excluded
- No salvage is assumed at the end of operations

Based on the economic evaluation, the Donlin Gold project generates positive before and after-tax economic results. Total after-tax cash flow is \$13,145 million, after-tax NPV at a 5% discount rate is \$3,040 million, and the after-tax internal rate of return is 9.2%. After-tax payback is achieved 7.3 years following the start of production.

The following descriptions summarize selected information about the Company's 50% interest in the Donlin Gold project located in Alaska, USA. Except for subsequent events or as otherwise noted, the disclosure in this Annual Report on Form 10-K of a scientific or technical nature for the Donlin Gold project is based on both the 2021 Technical Report and S-K 1300 Report, as of November 30, 2021. The S-K 1300 Report meets at least a pre-feasibility level. The 2021 Technical Report and the S-K 1300 Report do not incorporate the latest Donlin Gold optimization work on the geologic modeling concepts or other optimization work since these assessments are still underway.

The 2021 Technical Report was filed on EDGAR and SEDAR+ on August 31, 2021. The S-K 1300 Report was filed on EDGAR on January 26, 2022. The 2021 Technical Report and S-K 1300 Report were prepared by Wood.

The 2021 Technical Report has been filed with securities regulatory authorities in each province of Canada and the S-K 1300 Report has been filed with the SEC. Portions of the following information are based on assumptions, qualifications and procedures that are not fully described herein. Reference should be made to the full text of the 2021 Technical Report which is available for review on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and the S-K 1300 Report which is available for review on EDGAR at [www.sec.gov](http://www.sec.gov).

Paul Chilson, P.E., a Qualified Person and an employee of the Company, has approved the mineral reserves and mineral resources included in this Annual Report on Form 10-K as of November 30, 2023 and reviewed the reserves and resources in the S-K 1300 Report and confirmed that the reserves and resources remain current as of November 30, 2023.

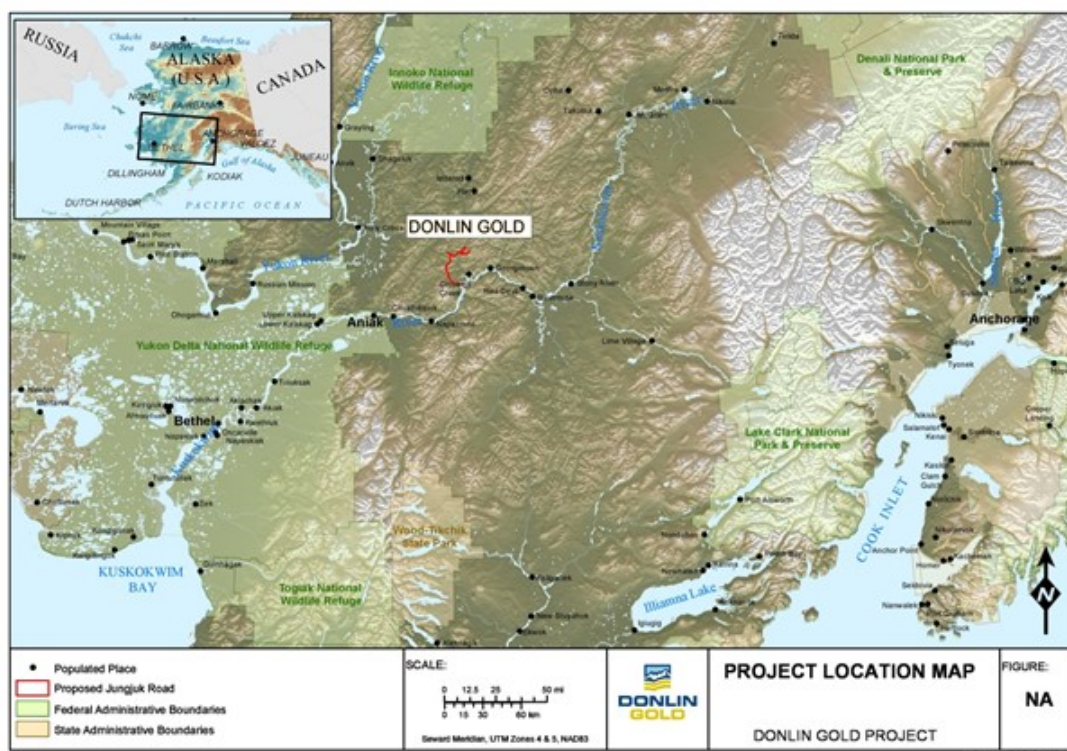
**Donlin Gold Project, Alaska, USA**

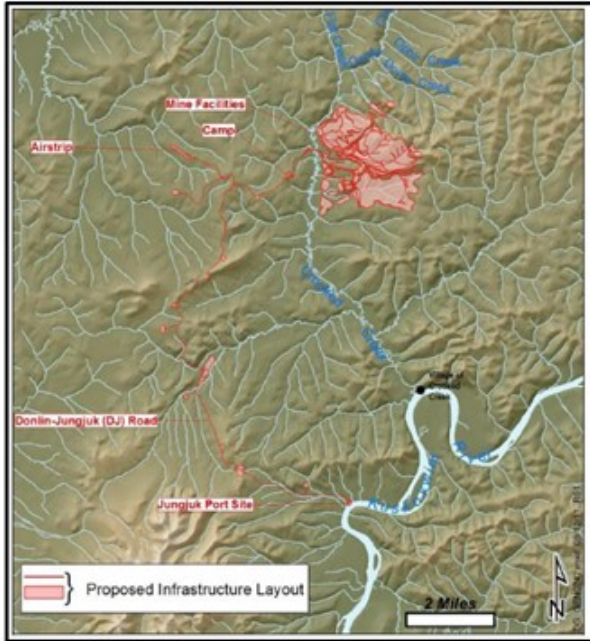
The Donlin Gold project is a development-stage gold project held by Donlin Gold, a limited liability company that is owned 50% by the Company’s wholly-owned subsidiary, NOVAGOLD Resources Alaska Inc., and 50% by Barrick’s wholly-owned subsidiary, Barrick Gold U.S. Inc. The Company’s book value of its investment in the Donlin Gold project is \$3.1 million as of November 30, 2023.

The Company entered into the limited liability company agreement with Barrick (“LLC Agreement”) dated December 1, 2007, which provided for the creation of Donlin Gold, that is jointly owned by the Company and Barrick on a 50/50 basis. Pursuant to the LLC Agreement, the Company agreed to reimburse Barrick out of future mine production cash flow for a portion of Barrick’s prior expenditures on the Donlin Gold project. As of November 30, 2023, the promissory note, including accrued interest, amounted to approximately \$136.7 million. Funding for the project is currently shared by both parties on a 50/50 basis.

Except for events subsequent to the reports, or as otherwise stated or implied, the scientific and technical information regarding the Donlin Gold project in this Annual Report on Form 10-K is based on both the 2021 Technical Report and the S-K 1300 Report.

**Property Description and Location**





The Donlin Gold deposits are situated approximately 62°North latitude and 158°West longitude, which is 450 km west of Anchorage and 250 km northeast of Bethel up the Kuskokwim River. The closest village is the community of Crooked Creek, approximately 20 km to the south, on the Kuskokwim River.

The resource areas are within T. 23 N., R. 49. W., Seward Meridian, Kuskokwim and Mt. McKinley Recording Districts, Crooked Creek Mining District, Iditarod A-5 USGS 1:63,360 topography map. The mineralization is centered on approximately 540222.50 east and 6878534.36 north, using the NAD 83 datum.

The Donlin Gold property is located in the Kuskokwim region of southwestern Alaska on private, Alaska Native-owned mineral and surface land and Alaska state mining claims. The property is under lease (the Calista Lease) for subsurface rights and some surface rights from Calista and surface rights (the SUA) from TKC, two Alaska Native corporations. Calista is one of 13 regional Alaska Native corporations established as part of the Alaska Native Claims Settlement Act of 1971 (ANCSA) and under ANCSA has title to the subsurface estate and some surface rights in the region. TKC was formed in 1977 when the ANCSA village corporations of Lower Kalskag, Upper Kalskag, Aniak, Chuathbaluk, Napaimute, Crooked Creek, Red Devil, Georgetown, Sleetmute and Stony River, which are located along the middle region of the Kuskokwim River, merged. Under ANCSA, TKC has title to extensive surface estate in the region, including most of the project lands. The property hosts a gold deposit currently estimated at 33.8 million ounces of proven and probable mineral reserves averaging 2.09 grams per tonne. The Company believes that significant exploration potential remains in the Donlin Gold district, with prospects to increase mine life and/or justify future production expansions. See *Mineral Reserve and Mineral Resource Estimate*, below.

Other lands required for offsite infrastructure, such as the Jungjuk port site, the road from the port site to the mine site, and natural gas pipeline are categorized as Native, State of Alaska conveyed, or BLM lands. Rights-of-way are required from other Alaska Native corporations, the State of Alaska and BLM for the road and pipeline alignments that cross Native corporation, state, and federal lands.

### ***Permits and Litigation***

Donlin Gold obtained the necessary permits and certifications that allowed for the exploration, associated at least pre-feasibility study level test work, environmental monitoring, and Environmental Impact Study (EIS) baseline data collection efforts. The current status of these permits is in line with the termination of the baseline data collection effort, temporary closure of the camp in May 2015, and the seasonal reopening of the site for the geological drill program from July to November 2017, the geotechnical drill program in 2019, 2022, and 2023 for the Alaska Dam Safety certificate applications, and the latest geological drill programs in 2020, 2021, and 2022. The active permits include Alaska Department of Natural Resources (ADNR) temporary use of water; ADNR Application for Permit to Mine in Alaska (approval for the 2020, 2021, 2022, and 2023 drill programs), the Corps individual 404 and nationwide 26 permits; Alaska Department of Environmental Conservation (ADEC) authorizations (landfill, septic system, multisector stormwater general permit – sector G, owners requested limit [air]); and Federal Aviation Administration approval (Landing Area). Other permits were either put on hold, closed, or allowed to expire.

On August 7, 2012, we announced that Donlin Gold commenced permitting of the project by submitting a draft Plan of Operations and Section 404 Clean Water Act (CWA) draft permit application to federal and state regulators. The Section 404 permit application initiated the environmental review process under the National Environmental Policy Act (NEPA) which involves preparation of an EIS. The Corps selected AECOM, formerly URS, an independent contractor, to prepare the EIS. The Notice of Intent for the EIS was published in the Federal Register on December 14, 2012, and the NEPA public scoping process was completed on March 29, 2013. During the remainder of 2013 and through 2014 and 2015, Donlin Gold worked to address the remaining data needs for the draft EIS. Donlin Gold also continued to provide application materials and maintained ongoing dialogue with the key permitting agencies. The Corps addressed the cooperating agency comments on the preliminary draft and filed the Notice of Availability for public release of the draft EIS in the Federal Register in November 2015. After the filing of the draft EIS, the Corps issued a schedule for public meetings on the Donlin Gold draft EIS in the Yukon-Kuskokwim (Y-K) region and Anchorage, Alaska. The Corps conducted, and at the end of May 2016 completed, a six-month public comment period for the draft EIS, including 17 public comment meetings in communities across the Y-K region and in Anchorage. The Corps received comments from federal and state agencies, local and tribal governments, Alaska Native organizations, businesses, special interest groups/NGOs, and individuals.

On April 27, 2018, the Notice of Availability of the Donlin Gold final EIS was published in the *Federal Register*. On August 13, 2018, the Corps and the BLM issued a joint Federal Record of Decision (ROD) for the Donlin Gold project. Along with the ROD, the Corps issued a combined permit under CWA Section 404 and Section 10 of the Rivers and Harbors Act. Additionally, the BLM issued the Offer to Lease for the ROW for those portions of the natural gas pipeline that would cross federal lands. The Pipeline and Hazardous Materials Safety Administration previously issued a special permit for the natural gas pipeline on June 5, 2018.

Several major State of Alaska permits were also issued and advanced during 2018 through 2023. After a public notice and comment period, ADEC issued a Certificate of Reasonable Assurance under CWA Section 401 on August 10, 2018, indicating that the CWA 404 permit complies with the State's water quality standards. The Alaska Pollutant Discharge Elimination System (APDES) water discharge permit was issued by ADEC on May 24, 2018 and became effective on July 1, 2018. Donlin Gold submitted its application to ADEC for the regularly scheduled re-issuance of its APDES permit, which originally was to expire in January 2024 is administratively extended pending renewal by ADEC. The State of Alaska Department of Fish and Game (ADFG) issued Title 16 Fish Habitat permits for the mine area and transportation corridor on August 30, 2018. The new air quality permit was issued by ADEC on July 1, 2023. The final approvals of the Donlin Gold Reclamation Plan and the Waste Management Permit were issued by ADNR and ADEC, respectively on January 18, 2019. On September 18, 2023, Donlin Gold submitted timely applications to ADEC and ADNR for renewal of the approval and permit. On October 17, 2023, ADEC administratively extended the Waste Management Permit pending renewal. The Reclamation Plan approval, which was also to expire in January 2024, is administratively extended to January 2025. ADNR issued the easement, land leases, land use permits, and material site authorizations for the proposed transportation facilities, and easement for the fiber optic cable on State lands on January 2, 2020. On January 17, 2020, ADNR's State Pipeline Coordinator Services (SPCS) issued the final State ROW authorization for the natural gas pipeline. On June 29, 2021, ADNR's Division of Mining Land and Water issued 12 final Water Rights for the mine site and transportation corridor. On November 1, 2021, ADFG issued two Special Area Permits required for pipeline facilities located within the Susitna Flats State Game Refuge ("Refuge"). One permit authorizes the compressor station, and the other permit authorizes the section of the pipeline ROW in the Refuge. On November 1, 2022, ADNR finalized approval of the proposed re-location plan for public easements in the mine site and transportation facility areas.

The Donlin Gold camp re-opened in February to continue geotechnical and hydrological fieldwork to collect additional data for the Alaska Dam Safety certificate applications process, with field work completed in July. The preliminary design packages are expected to be submitted to the ADNR in the first half of 2024. Issuance of the certificates is anticipated in 2026.

On June 3, 2020, Earthjustice representing Orutsarmiut Native Council (ONC), ten Y-K villages, and the Alaska Community Action on Toxics filed a formal appeal with the ADEC Commissioner of the State's water quality certification under Section 401 of the Clean Water Act (the "401 Certification"). The appeal process consisted of an Administrative Hearing in front of an Administrative Law Judge (ALJ) appointed by the ADEC Commissioner. On April 12, 2021, the ALJ issued his opinion for the Commissioner's consideration recommending the 401 Certification be vacated. The Commissioner issued his decision to uphold the 401 Certification on May 27, 2021. The decision was appealed on June 28, 2021, in Alaska Superior Court by Earthjustice, representing ONC. On September 27, 2021, Donlin Gold filed a motion requesting a short term stay in the case to allow the State to fully consider additional technical materials on mercury and temperature; the State indicated to the Court that they did not oppose the motion. On October 22, 2021, Donlin Gold submitted to ADEC expert technical reports on mercury and temperature. On November 22, 2021, ADEC filed an additional motion asking to remand the 401 certification back to ADEC to determine how the additional information affects the certification. Earthjustice did not oppose the motion although had comments on the remand process. On December 29, 2021, the Court granted the remand request, dismissed the case without prejudice, and left in place the existing certification. On May 13, 2022, the ADEC Water Division Director reaffirmed the 401 certification. On June 13, 2022, Earthjustice appealed the elements of the decision related to temperature to the Commissioner and requested an adjudicatory hearing with an ALJ. On July 14, 2022, the Commissioner granted the request for the hearing and a new ALJ was assigned. On September 14, 2022, Earthjustice filed their initial brief. Donlin Gold and ADEC filed response briefs on October 14, 2022. Earthjustice filed their final reply brief on October 21, 2022. On August 18, 2023, the Commissioner reaffirmed ADEC's issuance of the 401 Certification. The suspension of the previously filed Alaska Superior Court case was then lifted and Earthjustice submitted its opening brief to the Superior Court on January 5, 2024. Claims related to mercury were not included in Earthjustice's Alaska Superior Court complaint. The ADEC and Donlin Gold response briefs are due on February 5, 2024. A decision is expected later in 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. An appeal was also filed by a second party, Robert Fithian, the owner of an outdoor guiding business located near the proposed Donlin Gold pipeline route, on September 20, 2021. The two appeals were consolidated into a single case before the Alaska Superior Court based in Anchorage, Alaska. On April 12, 2023 and July 3, 2023, the Alaska Superior Court affirmed ADNR's issuance of the ROW lease in the Earthjustice case and Robert Fithian case, respectively. The decision in the Earthjustice case was appealed to the Alaska Supreme Court. Earthjustice's opening brief was submitted on September 22, 2023. The State of Alaska, Calista, and Donlin Gold reply briefs were submitted to the Supreme Court on January 3, 2024. Mr. Fithian did not appeal to the Alaska Supreme Court.

On May 25, 2022, Earthjustice, representing ONC and five Y-K villages, filed an appeal of the final Water Rights in Alaska Superior Court. The appellants filed their initial brief on November 21, 2022. On April 25, 2022, the ADNR Commissioner denied the appeal; however, Earthjustice, ONC and five villages appealed the Commissioner's decision in Alaska Superior Court on May 25, 2022. The briefing process was completed, and oral arguments were held on July 19, 2023. On September 1, 2023, the Alaska Superior Court affirmed ADNR's decision on Donlin Gold's water rights permits, following unsuccessful appeal by Earthjustice to the ADNR Commissioner. On October 2, 2023, Earthjustice appealed the Superior Court decision to the Alaska Supreme Court. Earthjustice submitted its opening brief to the Alaska Supreme Court on January 4, 2024.

In September 2022, 13 tribes sent letters to the 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.

On April 6, 2023, Earthjustice with ONC and six Y-K villages filed suit against the U.S. government in Anchorage Federal District Court. The lawsuit asks the Court to invalidate the Donlin Gold JROD, including the 404 permit issued by the Corps and ROW lease for the portions of the pipeline on Federal lands issued by the Bureau of Land Management of the U.S. Department of Interior. 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. DOJ is finalizing compilation of the Administrative Record for the court. The briefing schedule was agreed upon in the fourth quarter and will extend through the first half of 2024.

Thirteen of the 56 village councils in the Calista Region (Native Village of Kasigluk, ONC, Native Village of Eek, Tuluksak Native Community, Tununak Council, Native Village of Nunapitchuk, Chuloonawick Tribal Council, Native Village of Kwigillingok, Native Village of Kongiganak, Cheforak Traditional Council, Chevak Native Village, Native Village of Napakiak and Quinhagak) have adopted resolutions opposing development of the Donlin Gold project.

### ***Mineral Tenure***

The Calista Lease between Calista and Donlin Gold, includes subsurface (mineral) rights leased from Calista. Calista also owns the corresponding surface estate on a portion of these lands, the rights to which are also included in the Calista Lease. The Calista Lease provides Donlin Gold with rights to approximately 19,988 hectares of Calista-owned land. The Calista Lease was restated on February 11, 2011, to reflect all assignments and amendments made between its original execution on May 1, 1995 and February 11, 2011. The Calista Lease was amended once again effective June 6, 2014 (the "2014 Amendment"). The 2014 Amendment did not affect the lands subject to the Calista Lease as restated on February 11, 2011.

On June 9, 2014, the Company announced that Donlin Gold and TKC reached an updated long-term Surface Use Agreement (SUA) for the Donlin Gold project. The SUA with TKC grants non-exclusive surface use rights to Donlin Gold for mining activities. TKC owns and contributed to the SUA the corresponding surface estate over most of Calista's subsurface estate included in the Calista Lease as well as some additional surface estate. The SUA with TKC provides Donlin Gold with rights to approximately 16,923 hectares of TKC-owned land.

Lyman Resources in Alaska, Inc. (Lyman Resources) has an existing placer mining lease covering approximately 1,040 hectares (partially covering six sections) within the Calista Lease area. The Lyman family also has title to approximately 5.7 hectares of surface estate within the Snow Gulch area. The Calista Lease grants priority to extraction of the lode mineralization in the event of a conflict of use between lode and placer mining operations, provided that a two-year notice period is provided to Lyman Resources. Lyman Resources, the Lyman family, and Donlin Gold executed a Surface Lease and Assignment of Mining Lease effective May 9, 2012, leasing the Lyman surface estate and assigning the Lyman placer lease within the Calista Lease area to Donlin for Project mining use (the "Lyman Lease").

In addition to the leased land, Donlin Gold holds 493 State of Alaska mining claims comprising approximately 29,008 hectares in the Kuskokwim and Mt. McKinley Recording Districts. The mining claims abut and largely surround northern and western boundaries of the lands subject to the Calista Lease and TKC SUA. The mining claims are located on lands that are owned by the State of Alaska (409) and on State-selected lands from the BLM (84). All claims are approximately either 16.2 hectares or 64.8 hectares in size.

The terms for the Calista Lease and TKC SUA include various royalty and other payment provisions and considerations such as shareholder employment and contracting opportunities. The Lyman Lease provides for rent and certain other payments.

Royalty Terms of the Calista Lease include:

- Annual advance minimum royalty (variable) to 2030;
- All advance minimum payments are recoverable as a credit against the net smelter return royalty and net proceeds payment;
- Net smelter return of 1.5% for the earlier of the first five years following commencement of commercial production or until initial capital payback;
- Conversion to a 4.5% net smelter return after the earlier of five years or initial capital payback; and
- Net proceeds royalty of 8% of the net proceeds realized by Donlin Gold LLC commencing with the first quarter in which net proceeds are first realized.

Payment Terms of the TKC SUA include:

- Annual advance minimum payment (variable per milestones);
- All advance minimum payments are recoverable as a credit against the milled tonnage fee and net proceeds payment;
- Milled tonnage fee of \$0.40 per tonne processed for the first 10 years of production;
- Conversion of the milled tonnage fee to \$0.50 per tonne processed for all production after 10 years;
- Net proceeds payment of 3% of the net proceeds realized by Donlin Gold LLC commencing with the first quarter in which net proceeds are first realized.

The term of the Calista Lease is to April 30, 2031 and extends automatically year to year thereafter, so long as either mining or processing operations are carried out on or with respect to the property in good faith on a continuous basis in such year, or Donlin Gold pays to Calista an advanced minimum royalty of \$3.0 million (subject to adjustment for increases in the Consumer Price Index) for such year. The TKC SUA remains in effect through April 30, 2031, and on a year-to-year basis thereafter, so long as the Calista Mining Lease remains in effect. The Lyman Lease has an initial term of 20 years but shall be extended while Donlin Gold conducts operations on the property.

Additional estimated costs associated with various landowner and lease agreements, not already covered in initial capital or G&A operating costs, average approximately \$8.6 million per year during the six pre-production years and \$2.5 million per year during the 27 operating years. Annual rent, labor expenditures and filings are required to maintain Alaska State mining claims on State land. Mining license tax payments may also apply.

### *Accessibility and Climate*

The Kuskokwim River is a regional transportation route and is serviced by commercial barge lines. A 25-kilometer winter road, designated as an Alaska State Highway route and transportation corridor, accesses the property from the barge landing at the village of Crooked Creek. The Donlin Gold project currently has an all-season, soft-sided camp. An adjacent 1,500-meter airstrip is capable of handling aircraft as large as L-100 Hercules (approximate cargo capacity of 19,050 kilograms), allowing efficient shipment of personnel, some heavy equipment, and supplies. The Donlin Gold project can be reached directly by charter air facilities out of Anchorage and Aniak, 80 kilometers to the west.

The project area is one of low topographic relief on the western flank of the Kuskokwim Mountains. Elevations range from 150 meters to 640 meters. Ridges are well rounded and easily accessible by all-terrain vehicle. Hillsides are forested with black spruce, tamarack, alder, birch and larch. Soft muskeg and discontinuous permafrost are common in poorly drained areas at lower elevations. The area has a relatively dry interior continental climate with typically less than 500 millimeters total annual precipitation. Summer temperatures are relatively warm and may exceed 30°C. Minimum temperatures may fall to well below -42°C during the cold winter months.

### *Exploration History*

Approximately 1,678 exploration and development drill holes totaling 367,886 meters, were completed from 1988 through 2007 in at least six separately managed campaigns. Another 108 core holes totaling 33,425 meters were added in 2008 to explore near-pit expansions and satellite deposits, and for facility-related condemnation and geotechnical studies. In 2010, six core holes totaling 2,090 meters were drilled for additional pit slope geotechnical drilling. In 2017, 16 core holes totaling 7,040 meters were drilled; in 2020, 85 core holes totaling 23,361 meters were drilled; in 2021, 79 core holes totaling 24,264 meters were drilled; and in 2022, 141 core holes totaling 42,331 meters were drilled; and in 2023, 42 core holes totaling 1,840 meters for geotechnical and permafrost studies and 13 RC holes totaling 1,279 meters were drilled for pump tests and the installation of ground water monitoring instrumentation.

Approximately 1,396 holes, totaling 339,733 meters, supported the resource model used in the 2011 Mining Study. The remaining holes were either drilled after the completion of the 2011 Mining Study (2017, 2020, 2021, and 2022 drill programs) or were utilized for other purposes, such as district exploration, carbonate resource, facilities condemnation, hydrology, geotechnical, and infrastructure engineering.

<b>Year</b>	<b>Company</b>	<b>Work Performed</b>	<b>Results</b>
1909 to 1956	Various prospectors and placer miners	Gold discovered in 1909. Placer mining by hand, underground, and hydraulic methods.	Total placer gold production of approximately 30,000 ounces.
1970s to 2015	Robert Lyman and heirs	Resumed sluice mining in Donlin Gold area and placer mined Snow Gulch.	First year of mining Snow Gulch produced best results, with 800 ounces of gold recovered. Donlin Gold has obtained an agreement with the Lyman family to consolidate the land package around the proposed mine.
1974, 1975	Resource Associates of Alaska (RAA)	Regional mineral potential evaluation for Calista. Soil grid and three bulldozer trenches dug in Snow Gulch area.	Soil, rock, and vein samples have anomalous gold values. Trench rock sample results range from 2 to 20 grams per tonne gold.
1984 to 1987	Calista Corporation	Minor work. Geologists from various mining companies, including Cominco and Kennecott, visit the property.	

<b>Year</b>	<b>Company</b>	<b>Work Performed</b>	<b>Results</b>
1986	Lyman Resources	Auger drilling for placer evaluation finds abundant gray, sulfide rich clay near Quartz Gulch.	Assays of cuttings average over 7 grams per tonne gold. Initial discovery of Far Side ("Carolyn") prospect.
1987	Calista Corporation	Rock sampling of ridge tops and auger drill sampling of Far Side prospect.	Anomalous gold values from auger holes: best result = 9.7 grams per tonne gold.
1988 to 1989	Western Gold Exploration and Mining Co.	Airborne geophysics, geological mapping, and soil sampling over most of the project area. Total of 13,525 meters of D9 Cat trenching at all prospects. Over 15,000 soil, rock chip, and auger samples collected. Drilling included 3,106 feet of AX core drilling, 404 meters in 239 auger holes, and 10,423 meters of RC drilling (125 holes). First metallurgical tests and petrographic work.	Initial work identified eight prospects with encouraging geology (Snow, Dome, Quartz, Carolyn, Queen, Upper Lewis, Lower Lewis, and Rochelieu). Drilling at most of these prospects led to identification of the Lewis areas as having the best bulk-mineable potential. Mineral resource estimate completed.
1993	Teck Exploration Ltd.	D-9 Cat trenching (1,400 meters) and two 500-meter soil lines in Lewis area. Petrographic, fluid inclusion, and metallurgical work.	Identified new mineralized areas, updated Mineral resource estimate.
1995 to 2000	Placer Dome	87,383 meters of core, 11,909 meters of RC drilling and 8,493 meters of trenching. Environmental monitoring and assessment.	Drilled the American Creek magnetic anomaly (ACMA), discovered the ACMA deposit. Numerous mineral resource estimation iterations.
2001 to 2002	Donlin Creek Joint Venture (Placer Dome /NOVAGOLD)	46,495 meters of core, 38,022 meters of RC drilling, 89.5 meters of geotechnical drilling, and 268 meters of water monitoring holes.	Filed a preliminary assessment report on the project. Updated resource estimate.
2003 to 2005	Donlin Creek Joint Venture (Barrick/NOVAGOLD)	25,448 meters of core and 5,979 meters of RC drilling. Calcium carbonate exploration drilling; IP lines for facility condemnation studies.	Infill drilled throughout the resource area. Discovered a calcium carbonate resource. Poor quality IP data.
2006	Donlin Creek Joint Venture	92,804 meters of core drilling to support mineral resource classification conversion, slope stability, metallurgy, waste rock, carbonate exploration, facilities and port road studies.	Geological model and mineral resource update.
2007	Donlin Gold Joint Venture	Core drilling totaled 75,257 meters and included resource delineation, geotechnical and engineering, and carbonate exploration. 13 RC holes for monitor wells and pit pump tests totaled 1,043 meters.	Improved pit slope parameters, positive hydrogeological results. Carbonate exploration was negative. Updated mineral resource estimate. Completed feasibility study with positive results.
2008	Donlin Gold LLC	108 core holes totaling 33,425 meters for exploration and facility related geotechnical and condemnation studies. Updated resource models. Metallurgical test work: flotation variability and CN leach. 54 test pits and 37 auger holes were also completed for overburden characterization.	Resource expansion indicated for East ACMA. CN leach resource potential indicated for the main resource area, Snow, and Dome prospects. Facility sites successfully condemned. Updated resource estimates utilizing applicable data through 2007.



<b>Year</b>	<b>Company</b>	<b>Work Performed</b>	<b>Results</b>
2009	Donlin Gold LLC	19 geotechnical core holes totaling 950 meters in facility sites and to address hydrology.	
2010	Donlin Gold LLC	Six geotechnical core holes totaling 2,090 meters to evaluate slope stability of expanded pit. Also drilled 90 auger holes totaling 585 meters and dug 59 test pits to further evaluate overburden conditions and gravel supplies within tailings storage facility (TSF) area.	Pit slope stability of new pit design remained acceptable. Construction suitability of surficial materials in TSF is evaluated.
2017	Donlin Gold LLC	16 core holes totaling 7,040 meters to test targeted mineralized zones, collect structural data related to mineralization, and collect geotechnical data.	Results not included in resource model used in the 2011 Mining Study
2019	Donlin Gold LLC	30 geotechnical core holes totaling 1,060 meters were drilled as part of a site investigation program in support of detailed dam design.	Results not included in resource model used in the 2011 Mining Study
2020	Donlin Gold LLC	85 core holes totaling 23,361 meters in both the ACMA and Lewis deposits to validate recent geologic modeling concepts and test for extensions of high-grade zones.	Results not included in resource model used in the 2011 Mining Study
2021	Donlin Gold LLC	79 core holes totaling 24,264 meters in both the ACMA and Lewis deposits to validate recent geologic modeling concepts and test for extensions of high-grade zones.	Results not included in resource model used in the 2011 Mining Study
2022	Donlin Gold LLC	141 core holes totaling 42,331 meters in both the ACMA and Lewis deposits and in the Divide domain overlapping ACMA and Lewis.	Results not included in resource model used in the 2011 Mining Study
2023	Donlin Gold LLC	42 core holes totaling 1,840 meters and 13 RC holes totaling 1,279 meters were drilled as part of a site investigation program in support of detailed dam design and hydrogeologic studies.	Results not included in resource model used in the 2011 Mining Study

## **Geology**

### *Regional Geology*

The Kuskokwim region of southwestern Alaska is predominately underlain by rocks of the Upper Cretaceous Kuskokwim Group that filled a subsided northeast-trending strike-slip basin between a series of amalgamated terranes. Intermediate composition volcano-plutonic complexes intrude and overlie Kuskokwim Group rocks throughout the region.

### *Local Geology*

The Donlin Gold deposits lie between two regional, northeast-trending, right lateral fault systems: the Denali-Farewell fault system to the south and the Iditarod-Nixon Fork fault system to the north. Undivided Kuskokwim Group sedimentary rocks and granite porphyry complexes are the main rock units.

### *Property Geology*

Greywacke is dominant in the northern part of the area ("northern resource area" comprising Lewis, Queen, Rochelieu, and Akivik), while shale-rich units are common in the southern part of the area ("southern resource area" comprising South Lewis and ACMA).

Gold deposits are associated with an extensive Late Cretaceous–Early Tertiary gold–arsenic–antimony–mercury hydrothermal system. Gold-bearing zones exhibit strong structural and host rock control along north–northeast-trending fracture zones and are best developed where those zones intersect relatively competent host rocks. Mineralized material is most abundant in intrusive dikes and sills, but sedimentary rocks are also mineralized within strong fracture zones.

#### *Geotechnical and Hydrology*

A number of geotechnical and hydrological studies have been completed in support of at least pre-feasibility and environmental reports for Donlin Gold.

Rowland Engineering Consultants performed the geotechnical assessments for the engineering to support design of the port site, airstrip, plant site and interconnecting roads. BGC, Inc (BGC). performed geotechnical analyses for the design of the pit, waste rock facility (WRF), and tailings storage facility (TSF).

The site-wide surface water and groundwater models developed by BGC, are based on extensive drill data and climatic information for the area. The groundwater model is currently being updated based on the field work completed in 2023. BGC, CEMI, Hatch Ltd., and SRK, Inc. provided hydrologic studies, design criteria and associated test work for the water treatment plant requirements during construction, operations, and closure. Lorax Environmental performed water quality modeling for the post closure pit lake.

#### *Exploration Potential*

The mineral resource defined in the S-K 1300 Report is confined to a portion of the property. We believe there is considerable potential to increase the mineral resources at the Donlin Gold project. Numerous other targets have been identified along the 8-kilometer mineralized gold trend and are defined by surface sampling and various historical drill holes containing significant gold values.

Exploration potential in the vicinity of the open pit design in the S-K 1300 Report includes extensions along strike to the East ACMA, Lewis, and Crooked Creek areas. Mineralization remains open at depth under the current pit limits. Mineralization also remains open to the north of the planned pit and has been tested by shallow trenching and soil sampling, with limited drilling undertaken to date.

Exploration potential at the Donlin Gold project also exists outside the areas that have been the subject of the mine design in the S-K 1300 Report. Gold mineralization is associated with an overall north–northeasterly-trending high level dike/sill complex that has been outlined in the regional aeromagnetics as a magnetic low. The zone, approximately 8 kilometers long, and 4 kilometers wide, consists of a northern, dike-dominated area, and a southern, more sill-dominated area.

#### *Mineralization*

Southeast-dipping north-northeast-oriented fracture zones are the primary control on gold-bearing vein distribution within the north-northeast mineralized corridors. Composite vein zones or mineralized corridors range up to 30 meters in width and extend for hundreds of meters along strike. Intrusive rocks and to a lesser extent competent massive greywacke are the most favored host rocks, and act as a secondary control on the mineralization. Gold distribution in the deposit closely mimics the intrusive rocks, which contain about 74% of the mineral resource identified in the S-K 1300 Report. Structural zones in competent sedimentary units account for the remaining 26%.

Gold-bearing sulfides occur in both veins and disseminated zones in mafic igneous bodies, rhyodacite dikes and sills, and sedimentary rocks. Quartz-carbonate-sulfide (pyrite, stibnite, and arsenopyrite) veins are the primary mineralized features, but gold also occurs in thin, discontinuous sulfide fracture fillings.

#### *Minor Elements and Deleterious Materials*

The most abundant minor elements associated with gold-bearing material are iron, arsenic, antimony, and sulfur. They are contained primarily in the mineral suite associated with hydrothermal deposition of gold, including pyrite, arsenopyrite, realgar, native arsenic, and stibnite. Minor hydrothermal pyrrhotite, marcasite and syngenetic or sedimentary pyrite, also account for some of the iron and sulfur.

Three elements that have processing significance are mercury, chlorine, and fluorine. Graphitic carbon and carbonate minerals also would negatively affect the metallurgical process.

**Metallurgy**

Sufficient metallurgical test work was completed under the direction of Barrick personnel to support the S-K 1300 Report. Gold is mainly carried by arsenopyrite. Variation is observed in processing behavior between intrusive rocks and sedimentary rocks, but less so between the geographical sources.

Process testing generated development of the following conceptual flowsheet:

- conventional crushing and grinding;
- concentration by flotation;
- pressure oxidation of the concentrate in an autoclave;
- carbon-in-leach (“CIL”) cyanidation of the oxidized concentrate;
- carbon strip and regeneration circuits;
- gold electrowinning; and
- refining and production of doré bars.

This processing concept incorporates proven commercial unit operations.

**Mineral Reserve and Mineral Resource Estimates**

The mineral reserves for the Donlin Gold project were classified using criteria appropriate under the mining disclosure definitions and standards of NI 43-101 and S-K 1300 with an effective date of April 27, 2021 and are current as of November 30, 2023. The mineral reserves are summarized in the table below.

*Proven and Probable Mineral Reserve Estimate, Effective Date April 27, 2021 and remain current as of November 30, 2023, based on \$1,200 per ounce gold price*

Reserve Category	Tonnes (thousands)		Gold Grade (grams/tonne)	Contained Gold (thousands of ounces)	
	100%	Attributable to NOVAGOLD		100%	Attributable to NOVAGOLD
		50%			50%
Proven	7,683	3,842	2.32	573	287
Probable	497,128	248,564	2.08	33,276	16,638
<b>Proven and probable</b>	<b>504,811</b>	<b>252,406</b>	<b>2.09</b>	<b>33,849</b>	<b>16,925</b>

Notes:

- (1) Mineral reserves are reported within the pre-feasibility pit designs, and supported by a mine schedule, featuring variable throughput rates, stockpiling and cut-off optimization. The point of reference for Mineral Reserves estimates is where the reserves are delivered to the mill. The pit designs are contained within an optimized pit shell based on the following economic and technical parameters: Metal price for gold of \$1,200 per ounce; reference mining cost of \$2.16 per tonne incremented \$0.0033 per tonne per meter with depth from the 220 meter elevation (equates to an average mining cost of \$2.64 per tonne), fixed processing cost of \$13.78/t processed; sustaining capital of \$1.54/t processed; general and administrative cost of \$3.66/t processed; stockpile rehandle costs of \$0.24/t processed assuming that 45% of mill feed is rehandled; variable metallurgical recoveries by rock type, ranging from 86.7% in shale to 94.2% in intrusive rocks in the Akivik domain; refining and freight charges of \$1.21/oz Au; royalty considerations of 4.5% NSR and \$0.50/t processed; and variable pit slope angles, ranging from 23° to 43°. See “Section 12: Mineral Reserve Estimates” of the S-K 1300 Report.
- (2) Mineral reserves are reported using an optimized block value (BV) based on the following equation: BV = Gold grade \* Recovery – royalties & refining costs – process operating costs – G&A cost reported in \$ per tonne processed. Assuming an average gold recovery of 89.5% the marginal gold cut-off grade would be approximately 0.57 grams per tonne, or the gold grade that would equate to a \$0.001 BV cut-off at these same values.
- (3) The life of mine strip ratio is 5.48:1. The assumed life-of-mine throughput rate is 53,500 tonnes per day.
- (4) Rounding may result in apparent summation differences between tonnes, grade and contained metal content.
- (5) Mineral reserves are reported on a 100% ownership basis and a 50% ownership basis. The 50% basis is attributable to NOVAGOLD through their 50% ownership interest in the joint venture that owns the mineral rights and manages the Donlin Gold project. Tonnage and grade measurements are in metric units. Contained gold ounces are reported as troy ounces.

Mineral reserves and resources have been estimated using a life-of-mine long-term gold price assumption of \$1,200 per ounce. Mineral resources are based on a Whittle™ pit optimized for all measured, indicated, and inferred blocks assuming a gold selling price of \$1,200 per ounce. Operating and capital costs are estimated over the life-of-mine.

Mineral resources were classified using criteria appropriate under the mining disclosure standards of S-K 1300 by application of the NSR-based cut-off that incorporated mining and recovery parameters, and constraint of the mineral resources to a pit shell based on commodity prices. The mineral resources (exclusive of mineral reserves) are summarized in the table below.

*Mineral Resources Estimate (exclusive of reserves), Effective Date July 11, 2011 and remain current as of November 30, 2023, based on \$1,200 per ounce gold price*

Resource Category	Tonnes (thousands)			Contained Gold (thousands of ounces)	
	100%	Attributable to NOVAGOLD	Gold Grade (grams/tonne)	100%	Attributable to NOVAGOLD
		50%			50%
Measured	869	435	2.23	62	31
Indicated	69,402	34,701	2.44	5,435	2,718
Measured and indicated	70,271	35,136	2.43	5,497	2,749
Inferred	92,216	46,108	2.02	5,993	2,997

Notes:

- (1) Mineral resources are reported exclusive of mineral reserves. Mineral resources are reported on a 100% ownership basis and a 50% ownership basis. The 50% basis is attributable to NOVAGOLD through their 50% ownership interest in the joint venture that owns the mineral rights and manages the Donlin Gold project property.
- (2) Mineral resources that are not mineral reserves do not have demonstrated economic viability.
- (3) The cut-off date for the sample database used in the resource estimate is November 1, 2009. However, more recent drilling data was used to validate the resource model as remaining current.
- (4) Mineral resources are reported in-place (point of reference) and contained within a conceptual measured, indicated and inferred optimized pit shell using the following assumptions: gold price of \$1,200 per ounce; variable process cost based on  $2.1874 * (\text{sulfur grade}) + 10.65$ ; administration cost of \$2.29 per tonne processed; refining, freight & marketing (selling costs) of \$1.85 per ounce recovered; stockpile re-handle costs of \$0.20 per tonne processed assuming that 45% of mill feed is re-handled; variable royalty rate, based on royalty of 4.5% \* (Gold price – selling cost), and a variable metallurgical recovery depending on the host rock type ranging from 86 to 94%. Assuming an average recovery of 89.5% and average sulfur grade of 1.07%, the marginal gold cut-off grade is 0.47 g/t. These technical and economic parameters are those that were used in the 2011 Mining Study to establish reasonable prospects of eventual economic extraction. Based on the QP's review of the estimate, there would be no material change to the Mineral Resources if a gold price of \$1,500/oz was used and other economic parameters were updated to the 2020 parameters used in the Mineral Reserve estimate. Therefore the 2011 Mineral Resource statement is considered current and is presented unchanged. See "Section 11: Mineral Resource Estimates" of the S-K 1300 Report.
- (5) Rounding may result in apparent summation differences between tonnes, grade and contained metal content.
- (6) Tonnage and grade measurements are in metric units. Contained gold ounces are reported as troy ounces.

**Financial model parameters**

The estimated mine life is 27 years based on a nominal processing rate of 53,500 tonnes per day. Annual gold production over the projected mine life averages 1.13 million ounces per year, including 1.46 million ounces per year for the first five full years of production. The total initial capital cost estimate is approximately \$7,402 million. The project's estimated after-tax net present value at a 5% discount rate ("NPV 5%") is \$3,040 million using the base case gold price of \$1,500 per ounce. The internal rate of return (IRR) at the same gold price is 9.2%.

Base Case Project Sensitivity to Gold Price

Gold price (\$ per ounce)	After-tax cash flow (\$ million)	After-tax NPV 5% (\$ million)	After-tax IRR (%)	Payback (years)
1,200	6,556	202	5.3	10.3
1,300	8,773	1,161	6.8	9.2
1,400	10,974	2,109	8.1	8.1
<b>1,500</b>	<b>13,145</b>	<b>3,040</b>	<b>9.2</b>	<b>7.3</b>
1,600	15,308	3,967	10.4	6.7
1,700	17,455	4,887	11.4	6.2
1,800	19,125	5,696	12.4	5.9

Summary of Key Evaluation Metrics (Base Case at \$1,500 per ounce gold)

Total tonnes mined (million)	3,270
Ore tonnes treated (million)	505
Strip ratio (waste tonnes per ore tonne)	5.5 to 1
Gold ounces recovered (million)	30.4
Gold recovery (%)	89.8%
	\$ million
Net revenue	45,519
Total operating costs	(19,289)
Operating cash flow before tax	26,230
Income and mining taxes	(3,668)
Operating cash flow after tax	22,562
Initial capital	(7,402)
Sustaining capital	(1,723)
Closure costs - trust fund	(292)
Total costs	(32,374)
Net after-tax cash flow	13,145
Payback period (years)	7.3
Operation life (years)	27
After-tax NPV 5% (\$ million)	3,040
After-tax IRR	9.2%

Operating Cost Estimates

	\$ million	\$ per tonne processed	\$ per tonne mined	\$ per gold ounce sold
Mine operations	8,430	16.70	2.59	278
Processing operations	6,916	13.70	2.12	228
Administration	1,762	3.49	0.54	58
Land and royalty payments	2,182	4.32	0.67	72
	19,289	38.21	5.90	635

Capital Cost Estimates

Initial capital costs are estimated at \$7,402 million and sustaining capital costs are estimated at \$1,723 million over the LOM.

Planned Mining Operations

The Donlin Gold project will be mined by a conventional truck-and-shovel operation. Initial pioneering and pit development will be undertaken to remove overburden, develop mine access roads suitable for large mining equipment, and “face-up” the initial pit for the large shovel and mining equipment.

Primary loading units for both bulk and selective mining in ore and waste will be large electric-hydraulic shovels, with large front-end loaders as secondary units. Large 360 tonne capacity haul trucks will be used for transporting both ore and waste out of the pit.

Blast hole drilling will be performed by medium-sized rotary and down-the-hole hammer drills with various hole diameters depending on bench height and desired mining selectivity. Reverse circulation (RC) drilling is planned for detailed geologic definition and grade control.

Support equipment will be used for road, bench, dump maintenance, and miscellaneous projects.

#### *Planned Processing Operations*

The Donlin Gold project ore will be processed by crushing and grinding, sulfide flotation concentration, concentrate treatment by pressure oxidation (POX) in an autoclave, carbon-in-leach (CIL) cyanide leaching of the oxidized concentrate, electrowinning, and refining to produce doré bars on site.

Due to gold being associated with sulfide mineralization, primarily arsenopyrite and pyrite, the ore is considered refractory and requires POX pre-treatment to liberate the gold prior to CIL leaching. Sulfide flotation concentration is required prior to POX to concentrate the sulfide content to a level sufficient to fuel the POX operation.

Concentrate is recovered from the primary rougher flotation followed by regrinding of the tailings prior to secondary rougher flotation. The secondary rougher concentrate is processed through a cleaner scavenger circuit producing a concentrate which is combined with the primary rougher concentrate for treatment by POX. The final tailings from the secondary rougher flotation tailings is thickened, and due to their neutralizing potential, is then utilized to modify the pH of the POX discharge solution prior to being transported to the TSF.

The oxidized concentrate from the POX operation would then be cyanide leached in a conventional CIL circuit to produce a pregnant (gold-bearing) solution. Gold from the solution is adsorbed onto activated carbon, which is later stripped (gold desorbed from carbon) in an elution circuit. The pregnant solution after elution is fed through electrowinning (EW) cells, where cathodes are plated with gold-bearing materials, which are periodically removed, dried in a retort, and melted in an induction furnace to produce doré bars.

Tailings from the CIL circuit would be treated in a cyanide detoxification process using SO<sub>2</sub>/air technology prior to being recombined with the flotation tailings and transported to the TSF.

Mercury naturally occurs in the Donlin Gold project ores and mercury abatement controls will be installed in six areas of the process facilities including POX, hot cure, EW, retort, refinery furnace, and carbon regeneration kiln. In these control systems, mercury will be collected for off-site shipment and management. Chemicals will be added to tailings to limit the potential for mercury releases from the TSF.

#### *Proposed Production Plan and Schedule*

Based on the S-K 1300 Report, the operating mine life is estimated to be 27 years with the nominal processing rate of 53,500 tonnes per day. Commercial gold production is expected after a period of approximately 6 years for basic and detailed engineering, and construction. In addition, the Donlin Gold board must approve a construction program and budget before construction of the Donlin Gold project can begin. The timing of the initiation of the required engineering work, of the Donlin Gold board's approval of a construction program and budget, market conditions, and receipt of all required governmental permits and approvals will determine whether and when construction of the Donlin Gold project will begin.

Preproduction covers the first 15 months of the mine plan, when mining activities will focus on providing sufficient ore exposure for plant start-up. Ore mined during preproduction will be stockpiled and rehandled to the process during operations. Average mine production increases progressively in the initial years until the peak rate of 425,000 tonnes per day is reached in Year 6.

#### *Proposed Waste Rock Facility (WRF)*

Waste rock from open pit mining will be placed in an ex-pit WRF in the American Creek Valley, east of the pit area, or in a backfill dump in the ACMA pit. The ultimate footprint of the WRF covers an area of approximately 9 square kilometers. Approximately 2,232 million tonnes of waste rock and overburden will be placed in the WRF, and 425 million tonnes will be placed in the ACMA pit backfill dump. Approximately 91 million tonnes of waste rock will be used for construction purposes, and 17 million tonnes of overburden will be stockpiled and used later for reclamation purposes.

The potential magnitude of flow in the American Creek drainage, as well as discharge from springs in the valley floors, warrants the construction of an engineered rock drain system below the waste rock facility, including connecting secondary rock (finger) drains in the smaller contributing drainages.

Waste rock will be characterized by its potential for acid generation and assigned reactivity categories. Non-acid-generating (NAG) rock will be placed directly in the WRF, along with less reactive potentially acid-generating (PAG) rock, PAG5. Some of the more reactive PAG rock, PAG6, will be encapsulated in cells in the WRF to prevent water infiltration through them. The most reactive PAG rock, PAG7, will be backfilled in the ACMA pit beneath the ultimate pit lake water level.

Concurrent reclamation of the waste rock facility will be undertaken during operations.

#### *Proposed Tailings Storage Facility (TSF)*

The TSF in the Anaconda Creek basin will be a fully lined impoundment with a cross valley dam downstream (“main dam”) in the valley. The tailings dam will be constructed of compacted rock fill using the downstream method with a composite liner on the upstream face. The tailings impoundment footprint will be lined with a linear low-density polyethylene liner over a layer of broadly graded silty sand and gravel acting as low permeability bedding material and providing secondary containment. Material for construction will be sourced from the plant site and fuel farm during initial construction and from the open pit for the later raises during operations.

#### *Water Diversion Dams*

Water dams are required during the construction period and initial years of operation to protect the lined upstream face of the tailings-starter dam from a significant flood event, to provide a reliable source of fresh water during operation of the process plant, and to minimize runoff into the TSF.

#### *Current and Planned On-Site Infrastructure*

Current site infrastructure comprises an all-season, soft-sided camp with facilities consisting of kitchen, living quarters, equipment shop, drill shack and other buildings required for support of year-round exploration activities.

There is sufficient area within the project area to host an open pit mining operation, including the proposed open pit, waste rock facility, TSF and process facilities (primary and pebble crushers, coarse ore conveyor and coarse ore stockpile, concentrator, flotation, water treatment plants, POX, oxygen plant, boiler house, utility corridors, leach, refinery, cyanide destruct, and access walkways). Other planned site infrastructure is comprised of access roads, airstrip, accommodation camp, fuel tank farm, dual-fueled power plant, truck shop, truck wash, workshops and vehicle repair facilities, assay laboratory, administration facilities and change rooms. Donlin Gold has secured the surface rights for the areas that may host these facilities.

In nearby villages, Crooked Creek has approximately 105 residents and Aniak has a population of approximately 500. The workforce for the project would be sourced from the local area, from Alaskan regional centers and from other sources as required.

The project is a greenfield site. The on-site infrastructure for the project includes three main development sites in remote locations: the mine and plant site area (including the power plant), the permanent camp, and the airstrip. The plant site, power plant and fuel tank farm will be on a ridge above the proposed TSF. The layout of the plant site was designed to take maximum advantage of the natural topography. The layout also provides for efficient movement of equipment and material products around the site.

*Planned Off-site Infrastructure*

The off-site infrastructure for the project includes three main development sites in remote locations: the Jungjuk Port site and mine access road, the natural gas pipeline, and the Bethel Port facilities. The Jungjuk Port site is situated upriver from Bethel on the Kuskokwim River near the mouth of Jungjuk Creek. A port-to-mine access road (Jungjuk Road), approximately 30 miles (48 kilometers) long, will traverse varied terrain from the Jungjuk Port site to the mine site. A spur road, approximately 3 miles (4.8 kilometers) long, will serve the proposed project airstrip. The primary purpose of the Jungjuk Road is to transport freight and diesel from the Jungjuk Port site to the mine site, mostly by conventional highway tractors, tankers, and trailers. The natural gas pipeline is described under the Power heading below. The proposed Bethel Port will be situated near the town of Bethel, a community of approximately 6,080 residents, that is the main existing port on the Kuskokwim River and is an administrative and transportation hub for the 56 villages in the Y-K region. The existing Port of Bethel is the northernmost medium-draft port in the United States and is served by ocean-going barges. The proposed port would serve as a trans-shipment point from ocean barges to river barges to supply the project during the summer ice-free period.

*Power*

Natural gas will be delivered to site by an approximately 507-kilometer, 356-millimeter (14 inch) diameter pipeline to supply an on-site power generation facility. The S-K 1300 Report contemplates that the electric power for the site will be generated from a dual-fueled (natural gas and diesel), reciprocating engine power plant with a steam turbine utilizing waste heat recovery from the engines. The power plant consists of two equal halves, each consisting of six reciprocating engines, and a separate steam turbine. The total generation facility is nominally rated at 182 MW initially and will increase to 215 MW after four years with the addition of two more generators (one in each half) to allow for N+2 redundancy, thus allowing planned maintenance and predicted outages without cutting back production.

Operating costs are based on importing liquefied natural gas (LNG) by ship to Anchorage and total delivery cost to site which includes regasification of the LNG and delivery from Anchorage to the Donlin Gold project via the pipeline.

The pipeline would commence at the west end of the Beluga Gas Field, approximately 48 kilometers northwest of Anchorage at a tie-in near Beluga located in the Matanuska-Susitna Borough and would run to the mine site. The pipeline would receive booster compression supplied by one compressor station. No additional compression along the pipeline route would be required. The pipeline would have capacity to transport approximately 2 million cubic meters per day of natural gas.

*Water*

Water requirements for the proposed project have been summarized in a Water Resources Management Plan, which has been subject to review by state and federal agencies. Water primarily will be sourced from the two drainages (American and Anaconda Creeks) within the mine footprint and pit dewatering. In some years, the water supply from these sources may not be able to meet the makeup water requirements for the plant. In these circumstances, additional water will be obtained primarily from a proposed reservoir in Snow Gulch.

The source of water supply for the construction camp and, later, the plant site potable water systems is an array of eight deep wells south of Omega Gulch, near Crooked Creek. Water supply will be pumped to freshwater storage tanks and will be treated prior to consumption.

*Markets*

The marketing plan is for the owners of Donlin Gold to take in-kind their respective shares of the gold production, which they can then sell for their own benefit. Under the LLC Agreement, the manager shall give the members prompt notice in advance of the delivery date upon which their respective shares of gold production will be available.

Since there are a large number of available gold purchasers, the members should not be dependent upon the sale of gold to any one customer. Gold can be sold to various gold bullion dealers or smelters on a competitive basis at spot prices.

It is expected that selling contracts for NOVAGOLD's share of the gold production will be typical of, and consistent with, standard industry practice, and be similar to contracts for the supply of doré elsewhere in the world.



*Taxation*

The S-K 1300 Report contemplates that the following taxes may be levied on the project:

- Federal income tax – 21%.
- Alaska state income tax – 9.4% of net income.
- Alaska state mining license tax – 7% of taxable mining income. There is a tax holiday applied for the first 3.5 years from the start of production.

Income tax becomes payable after deductions for capital allowances.

*Financial results*

The total initial capital cost estimate for the Donlin Gold project is approximately \$7,402 million. The project's estimated after-tax NPV at a 5% discount rate is \$3,040 million with an IRR after-tax at 9.2% using the base case gold price of \$1,500 per ounce. The undiscounted break-even gold price is \$930 per ounce and at a 5% discount rate is \$1,180 per ounce. In the S-K 1300 Report, the overall economic viability of the project was evaluated by both discounted and undiscounted cash flow analyses, based on the engineering studies and cost estimates discussed in the S-K 1300 Report.

Assumptions in the model comprised:

- Costs prior to project Year -6, the start of basic and detailed engineering, are considered sunk. For discounted cash flow (or NPV) purposes, the model commences in Year -6. Estimates were prepared for all the individual elements of cash revenue and cash expenditures for ongoing operations.
- Estimated cash flows from revenue are based on a gold price of \$1,500 per ounce. The pit has been optimized at a gold price of \$1,200 per ounce.
- Gold recovery is estimated to average 89.8% over the LOM based on work and testing performed for at least pre-feasibility study purposes.
- Doré refining and shipping charges were estimated at \$1.21 per ounce based on escalating to 2020 the actual refining charges for Barrick's Goldstrike operations and a quotation for transportation and insurance costs from the Donlin Gold project site to a U.S.-based refinery utilized in 2011. In addition, 0.1% of gold produced from the mine is deducted as a cost of refining.
- The current hydrometallurgical process selection renders any contained silver into a greater refractory state, which provides less than 10% silver recovery through standard metal leaching. As a consequence, silver is not included in the Mineral Resource and Mineral Reserve estimates, and no silver credit has been applied to the project.
- To fund the \$1,361 million reclamation and closure costs, the Project provides \$412 million at closure by contributing to a Trust Fund commencing in Year -5 and continuing through the end of operations with annual contributions of \$7.8 million. In addition to the Trust Fund, financial assurance in the form of letters of credit and/or surety bonds is required to construct and operate the mine. Per the Donlin Gold Project Reclamation Plan Approval from ADNR, financial assurance in the amount of approximately \$322 million must be submitted in a form and substance approved by ADNR. The cost to maintain this financial assurance is assumed to be 0.4% of the total assured amount, annually. This equates to approximately \$1.3 million per year, paid from the start of construction through the end of operations.
- No salvage is assumed at the end of operations.

*Current Activities*

For information on current activities, see section *Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations*, below.

***Change in Mineral Resources and Reserves from 2022 to 2023***

There were no changes in reported mineral resources and reserves reported for the years ended November 30, 2021, 2022, and 2023. Paul Chilson, P.E., a Qualified Person and an employee of the Company, has reviewed the mineral reserves and mineral resources and material assumptions included in this Annual Report on Form 10-K and confirmed that they remain current as of November 30, 2023.

***Mineral Resource and Reserve Internal Controls***

The Company has internal controls for reviewing and documenting the information supporting the mineral resource and mineral reserve estimates, describing the methods used, and ensuring the validity of the estimates. These internal control processes were not materially impacted by the adoption of S-K 1300 in 2021. Information that is used in the mineral resource and mineral reserve estimation process was reviewed and approved by appropriate qualified persons that prepared the content of the NI 43-101 and S-K 1300 reports for the Donlin Gold project. The mineral resources and mineral reserves are subject to our internal review process on an annual basis, which includes review by NOVAGOLD's Qualified Person based in our corporate office in Salt Lake City, Utah, USA.

Sample collection, preparation, analysis and security for all Donlin Gold core drill programs are in line with industry-standard methods for gold deposits.

- Drill programs included insertion of blank, duplicate and SRM samples,
- Quality Assurance/Quality Control program results do not indicate any problems with the analytical programs,
- Data is subject to validation, which includes checks on surveys, collar coordinates, lithology data, and assay data. The checks are appropriate, and consistent with industry standards,
- Independent data audits have been conducted and indicate that the sample collection and database entry procedures are acceptable,
- All core has been catalogued and stored in designated areas.

Mineral resources and mineral reserves are estimates that are imprecise and depend upon geologic interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. See *Risk Factors* – “*The quantities for our mineral resources and mineral reserves are estimates based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated.*”

**Item 3. Legal Proceedings**

Periodically, we are a party to or otherwise involved in legal proceedings arising in the normal course of business. Management does not believe that there is any pending or threatened proceeding against the Company which, if determined adversely, would have a material adverse effect on our financial position, liquidity or results of operations. There are no material proceedings pursuant to which any of our directors, officers or affiliates or any owner of record or beneficial owner of more than 5% of our securities or any associate of any such director, officer or securityholder is a party adverse to us or has a material interest adverse to us.

**Item 4. Mine Safety Disclosures**

Pursuant to Section 1503(a) of the Dodd-Frank Act, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose specified information about mine health and safety in their periodic reports. These reporting requirements are based on the safety and health requirements applicable to mines under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”) which is administered by the U.S. Department of Labor’s Mine Safety and Health Administration (MSHA). During the fiscal year ended November 30, 2023, the Company and its subsidiaries were not subject to regulation by MSHA under the Mine Act and thus no disclosure is required under Section 1503(a) of the Dodd-Frank Act. Donlin Gold LLC is the operator of the Donlin Gold project. Donlin Gold LLC is not a “subsidiary” of the Company for purposes of Section 1503(a) of the Dodd-Frank Act because the Company does not control Donlin Gold LLC.

## PART II

**Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities****Market Information**

Our common shares trade on the New York Stock Exchange ("NYSE American") and on the Toronto Stock Exchange (TSX) under the symbol "NG." On January 16, 2024, there were 576 holders of record of our shares, which does not include shareholders for which shares are held in nominee or street name. We believe that more than half of our common shares are beneficially owned by investors in the United States.

**Dividends**

We have never declared or paid dividends on our common shares and our current business plan requires that, for the foreseeable future, any future earnings be reinvested to finance growth and development of our business. We will pay dividends on our common shares only if and when declared by our Board. In determining whether to declare dividends, the Board will consider our financial condition, results of operations, working capital requirements, future prospects, and other factors it considers relevant.

**Certain Canadian Federal Income Tax Considerations for U.S. Residents**

The following generally summarizes certain Canadian federal income tax consequences generally applicable under the Income Tax Act (Canada) and the regulations enacted thereunder (collectively, the "Canadian Tax Act") and the Canada-United States Income Tax Convention (1980) (the "Convention") to the holding and disposition of common shares.

Comment is restricted to holders of common shares each of whom, at all material times for the purposes of the Canadian Tax Act and the Convention, (i) is resident solely in the United States for tax purposes, (ii) is a "qualifying person" under and entitled to the benefits of the Convention, (iii) holds all common shares as capital property, (iv) deals at arm's length with and is not affiliated with NOVAGOLD, (v) does not and is not deemed to use or hold any common shares in a business carried on in Canada, (vi) is not an insurer that carries on business in Canada and elsewhere and (vii) is not an "authorized foreign bank" (as defined in the Canadian Tax Act) (each such holder, a "U.S. Resident Holder").

Certain U.S.-resident entities that are fiscally transparent for United States federal income tax purposes (including certain limited liability companies) may not in all circumstances be entitled to the benefits of the Convention. Members of or holders of an interest in such an entity that holds common shares should consult their own tax advisers regarding the extent, if any, to which the benefits of the Convention will apply to the entity in respect of its common shares. This summary does not deal with special situations such as the particular circumstances of traders or dealers in securities or holders who have entered into a "derivative forward agreement" (as defined in the Canadian Tax Act) in respect of the common shares. Such holders should consult their own tax advisers.

Generally, a U.S. Resident Holder's common shares will be considered to be capital property of such Holder provided that the U.S. Resident Holder is not a trader or dealer in securities, did not acquire, hold, or dispose of the common shares in one or more transactions considered to be an adventure or concern in the nature of trade (i.e. speculation) and does not hold the common shares in the course of carrying on a business.

This summary is based on the information contained in this Form 10-K, the current provisions of the Canadian Tax Act and the Convention in effect as of the date prior to the date hereof, all specific proposals to amend the Canadian Tax Act and Convention publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and the current published administrative policies and assessing practices of the Canada Revenue Agency (the "CRA"). It is assumed that all such amendments will be enacted as currently proposed, and that there will be no other material change to any applicable law or administrative policy or assessing practice, whether by way of judicial, legislative, governmental, or administrative decision or action, although no assurance can be given in these respects. Except as otherwise expressly provided, this summary does not take into account any provincial, territorial or foreign tax considerations, which may differ materially from those set out herein.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations, and is not intended to be and should not be construed as legal or tax advice to any particular U.S. Resident Holder. U.S. Resident Holders are urged to consult their own tax advisers for advice with respect to their particular circumstances. The discussion below is qualified accordingly.

*Currency conversion*

Generally, for the purposes of the Canadian Tax Act, all amounts relating to the acquisition, holding or disposition of common shares must be converted into Canadian dollars based on the relevant exchange rate as determined in accordance with the Canadian Tax Act.

*Dividends on common shares*

A U.S. Resident Holder to whom NOVAGOLD pays or credits or is deemed to pay or credit a dividend on such holder's common shares will generally be subject to Canadian withholding tax, and NOVAGOLD will be required to withhold the tax from the dividend and remit it to the CRA for the holder's account. The rate of withholding tax under the Canadian Tax Act is 25% of the gross amount of the dividend, but should generally be reduced under the Convention to 15% (or, if the U.S. Resident Holder is a company which is the beneficial owner of at least 10% of the voting stock of NOVAGOLD, 5%) of the gross amount of the dividend. For this purpose, a company that is a resident of the United States for purposes of the Canadian Tax Act and the Convention and is entitled to the benefits of the Convention shall be considered to own the voting stock of NOVAGOLD owned by an entity that is considered fiscally transparent under the laws of the United States and that is not a resident of Canada, in proportion to such company's ownership interest in that entity.

*Disposition of common shares*

A U.S. Resident Holder who disposes or is deemed to dispose of one or more common shares generally should not incur any liability for Canadian federal income tax in respect of any capital gain arising as a consequence of the disposition, unless the common shares constitute "taxable Canadian property" (as defined in the Canadian Tax Act) of the U.S. Resident Holder at the time of disposition and the U.S. Resident Holder is not entitled to relief under the Convention.

Generally, a U.S. Resident Holder's common shares will not constitute "taxable Canadian property" of such holder at a particular time at which the common shares are listed on a "designated stock exchange" (as defined in the Canadian Tax Act) (which currently includes the TSX and NYSE American) unless both of the following conditions are concurrently met:

- (i) at any time during the 60-month period that ends at the particular time, 25% or more of the issued shares of any class or series of the capital stock of NOVAGOLD were owned by or belonged to one or any combination of:
  - a. the U.S. Resident Holder,
  - b. persons with whom the U.S. Resident Holder did not deal at arm's length, and
  - c. partnerships in which the U.S. Resident Holder or a person referred to in clause b. holds a membership interest directly or indirectly through one or more partnerships, and
- (ii) at any time during the 60-month period that ends at the particular time, more than 50% of the fair market value of the common shares was derived, directly or indirectly, from one or any combination of, real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Canadian Tax Act), "timber resource properties" (as defined in the Canadian Tax Act), or options in respect of, interests in, or for civil law rights in, any of the foregoing, whether or not the property exists.

In certain circumstances, a common share may also be deemed to be "taxable Canadian property" for purposes of the Canadian Tax Act.

Even if the common shares constitute "taxable Canadian property" to a U.S. Resident Holder, under the Convention, such a U.S. Resident Holder will not be subject to tax under the Canadian Tax Act on any capital gain realized by such holder on a disposition of such common shares, provided the value of such common shares is not derived principally from real property situated in Canada (within the meaning of the Convention).

***U.S. Resident Holders whose shares are taxable Canadian property should consult their own tax advisors.***

**Certain United States Federal Income Tax Considerations for U.S. Holders**

There may be material U.S. federal income tax consequences to U.S. holders in relation to an acquisition or disposition of common shares or other securities of the Company. U.S. holders should consult their own legal, accounting and tax advisors regarding such tax consequences under United States, state, local or foreign tax law regarding the acquisition or disposition of our common shares or other securities, in particular the tax consequences if the Company is or becomes a "passive foreign investment company" (commonly known as a "PFIC") within the meaning of Section 1297 of the United States Internal Revenue Code.

Current and potential U.S. holders of our common shares should be aware that we believe we were a PFIC for the fiscal year ended November 30, 2023, and based on current business plans and financial expectations, may be a PFIC in the current tax year and future tax years. No opinion of legal counsel or ruling from the IRS concerning the status of the Company as a PFIC has been obtained or is currently planned to be requested. PFIC classification is fundamentally factual in nature, generally cannot be determined until the close of the tax year in question and is determined annually. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In any tax year in which we are a PFIC, shareholders that are U.S. holders will be required to file an annual report with the Internal Revenue Service containing such information as Treasury Regulations or other tax rules may require.

Any gain recognized on the sale of common shares of a PFIC, and any excess distributions paid on the common shares of a PFIC must be ratably allocated to each day in a U.S. holder's holding period for the common shares. The amount of any such gain or excess distribution allocated to prior years of such U.S. holder's holding period for the common shares generally will be subject to U.S. federal income tax at the highest tax applicable to ordinary income in each such prior year, and the U.S. holder will be required to pay interest on the resulting tax liability for each such prior year, calculated as if such tax liability had been due in each such prior year.

Alternatively, a U.S. holder that makes a timely "QEF election" generally will be subject to U.S. federal income tax on such U.S. holder's pro rata share of our "net capital gain" and "ordinary earnings" (calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by us. As a second alternative, a U.S. holder may make a "mark-to-market election" if we are a PFIC and the common shares are marketable stock under applicable Treasury Regulations. A U.S. holder that makes a mark-to-market election generally will include in gross income, for each taxable year in which we are a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the common shares as of the close of such taxable year over (b) such U.S. holder's tax basis in such common shares. U.S. holders are advised to consult their own tax advisors regarding the PFIC rules, including the elections that may be available.

For each tax year that the Company determines that it is a PFIC, upon the written request of a U.S. holder, the Company will make available to such U.S. holder all information and documentation that a U.S. holder making a QEF election with respect to the Company is required to obtain for U.S. federal income tax purposes. Such information may be included on the Company's website.

In addition, U.S. holders will not be eligible for preferential tax rates on dividends paid by the Company if the Company is a PFIC in the tax year of such dividend distribution or in the preceding tax year.

**U.S. holders should consult their own legal, accounting and tax advisors regarding the tax consequences of holding and disposing of common shares and other securities of the Company.**

#### **Unregistered Sales of Equity Securities**

None.

#### **Repurchase of Securities**

None.

#### **Item 6. [Reserved]**

Not applicable.

**Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations** (US dollars in thousands, except per share amounts)

The following Management’s Discussion and Analysis (“MD&A”) provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of NOVAGOLD RESOURCES INC., incorporated in British Columbia, Canada, and its subsidiaries (collectively, “NOVAGOLD,” the “Company,” “our” and “we”). This item should be read in conjunction with our Consolidated Financial Statements and the notes thereto included in this annual report.

The following MD&A generally discusses our consolidated financial condition and results of operations for 2023 and 2022 and year-to-year comparisons between 2023 and 2022. Discussions of our consolidated financial condition and results of operations for 2022 and year-to-year comparisons between 2022 and 2021 are included in Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations, in the Company’s [Annual Report on Form 10-K](#) for the fiscal year ended November 30, 2022, filed with the Securities and Exchange Commission on January 25, 2023, are incorporated by reference into this MD&A.

**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 Gold Corporation (“Barrick”). 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.

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 feasibility studies, preparation of engineering designs and the financing to fund these objectives.

**Donlin Gold project**

The continued focus at Donlin Gold is to update the geologic and resource models with the data derived from the extensive drill programs that took place over the last several years; reviewing key project assumptions, inputs, and design components for optimization (mine engineering, metallurgy, hydrology, and infrastructure); advancing remaining permits through the regulatory process and supporting the State in maintaining the existing permits; and, through continued engagement, sustaining and expanding project support in the Y-K region.

The Donlin Gold field program commenced in February with a total workforce of 44 direct hire employees with 63% from the Y-K region. The field program was safely completed on schedule in July and encompassed comprehensive fieldwork and geotechnical drilling required to complete the Alaska Dam Safety certificate applications. This involved data collection at the locations earmarked for water retention structures, including the proposed Tailings Storage Facility (TSF). The fieldwork included 1,840 meters of geotechnical drilling, 74 test pits in the locations of the planned water retention structures, 25 kilometers of seismic survey, and TSF test plot liner installation. Fieldwork to further define groundwater at the site included 1,279 meters of hydrogeologic drilling with instrumentation and pump tests, providing essential information for mine planning and design.

At the historic Lyman placer site, restoration work included significant stream and pond habitat creation. Final work including anticipated aquatic life access and use is planned for the 2024 season.

Further work included advancing the geologic and resource models; reviewing key project assumptions, inputs, and design components for optimization (mine engineering, metallurgy, hydrology, and infrastructure); advancing remaining permits through the regulatory process and supporting the State in maintaining the existing permits; and, through continued engagement, sustaining and expanding project support in the Y-K region. Trade-off studies and extensive analysis on project assumptions, inputs, design components for optimization (mine engineering, metallurgy, hydrology, power, and infrastructure) were completed to inform the next steps in taking the project further up the value chain.

On September 21, 2023, both Barrick and NOVAGOLD attended a workshop in Alaska to review the substantial amount of work completed to date and discuss the next steps for the Donlin Gold project and workplan for the coming years.

Our share of funding for the Donlin Gold project in 2023 was \$17,752, higher than our original expectation of \$17,000 to fund additional mining studies. Our share of Donlin Gold expenses was \$18,529 in 2023, including \$10,288 for project planning and fieldwork; \$7,629 for permitting, environmental, community relations, mineral property leases and administrative activities; and \$611 for depreciation and accretion.

At the December 2023 Donlin Gold LLC board meeting, NOVAGOLD proposed proceeding to an updated feasibility study while the co-owner proposed continued drilling campaigns. Even though the owners did not agree to either proposal at the December meeting, they found common ground on value-adding activities that advance the project. Thus, while discussions continue regarding next steps, 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 50% share of 2024 Donlin Gold funding is \$14,250.

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

#### *Stakeholder and government engagement*

In collaboration with Calista Corporation ("Calista") and The Kuskokwim Corporation (TKC), Donlin Gold actively engages stakeholders and governments in the Y-K region, Alaska and Washington, D.C. The project's location on private lands selected under the 1971 Alaska Native Claims Settlement Act is a significant feature, setting it apart from most other mining assets in Alaska and guiding our outreach efforts. Donlin Gold's enduring partnerships with Calista and TKC are pivotal in facilitating comprehensive outreach throughout the Y-K region.

Donlin Gold successfully recruited four new community liaisons from Nunapitchuk, Tuluksak, Pilot Station, and Kwigillingok, expanding the total to nine. It also established three additional Shared Values Statements for a total of 16, which formalize Donlin Gold's ongoing engagement with local communities, reinforce existing long-term relationships, and address specific community needs. In 2023, Donlin Gold conducted over 7,000 direct engagements with key stakeholders.

Thirteen of the 56 village councils in the Calista Region (Native Village of Kasigluk, ONC, Native Village of Eek, Tuluksak Native Community, Tununak Council, Native Village of Nunapitchuk, Chuloonawick Tribal Council, Native Village of Kwigillingok, Native Village of Kongiganak, Chefornak Traditional Council, Chevak Native Village, Native Village of Napakiak and Quinhagak) have adopted resolutions opposing development of the Donlin Gold project.

Donlin Gold, in collaboration with Calista and the village of Crooked Creek continued their proactive, bipartisan outreach in Alaska to highlight the thoroughness of the project's environmental review and permitting procedures, as well as our strong partnerships with Native Alaskans who own the land. Additional gatherings were held in Washington, D.C. with members of the Congressional delegation and with senior leadership from the U.S. Department of Interior, as part of an ongoing bipartisan outreach campaign directed at the Biden Administration and the U.S. Congress. Notable participants included Senators Lisa Murkowski and Dan Sullivan, along with Representative Mary Peltola from the Y-K region.

#### *Environment and social investments*

NOVAGOLD maintains a dedicated commitment to education, community wellness, cultural preservation, and environmental stewardship, actively reinforcing these goals at the Donlin Gold project site and within the communities of the Y-K Region. With a focus on supporting initiatives such as fisheries studies, environmental activities, subsistence, cultural preservation, and grants, NOVAGOLD places a strong emphasis on community and social responsibility. Through continuous collaboration with Calista and TKC, alongside other key representatives of local communities, our collective efforts provide critical support to the Y-K region. This ongoing commitment ensures the sustainable and profitable development of Donlin Gold in the years to come, with a diverse array of projects and activities actively contributing to these overarching objectives in 2023.

Donlin Gold supported various search and rescue teams in the region, provided funding to the Bethel Community Services Foundation and Special Olympics Alaska, as well as sponsored and participated in the Alaska Safe Riders initiative, which promotes safety for snowmachines, all-terrain-vehicles and recreational off-road vehicles. In addition, Donlin Gold, in collaboration with Covenant House Alaska and Bethel Community Services, is developing an action plan to help address chronic and ongoing youth food insecurity in the Y-K region. To date, the three entities have successfully leased space from Bethel Winter House toward establishing a housing and service hub for youth aged 18 to 24. Furthermore, Donlin Gold partnered with the Bethel Community Services Foundation and the Aruqutet Project on a regional program to address food insecurity throughout the Bethel community. Over 550 local households are enrolled in the program to date. Employing local staff and committed volunteers has proven critical to the program.

As an annual sponsor of the Rural Alaska Community Action Program, Donlin Gold upholds its longstanding support by recruiting and placing local elders in Y-K schools. This program facilitates the sharing of traditional knowledge and values, enriching the educational experience for students across the region. Additionally, Donlin Gold has strengthened its sponsorship of the First Alaskans Institute, extended support and actively participated in key events such as the Elders & Youth statewide conference and the Alaska Federation of Natives annual convention. These efforts foster cultural enrichment and community engagement.

In collaboration with the village of Napaimute, Donlin Gold actively participated in and provided principal support for the “In It for The Long Haul” backhaul program for the sixth year in a row. This vital project is dedicated to the collection, removal, and safe disposal of household hazardous and electronic waste from villages across the Y-K region, preventing its adverse impact on landfills and waterways. The program achieved significant new milestones this year, including the removal of waste from fish camps in the Middle Kuskokwim and the initiation of waste backhaul operations along the Yukon River. In total, this year’s program successfully collected and disposed of approximately 235,000 pounds of waste. Donlin Gold also supported 52 villages as part of the annual Clean-up Green-up program, which aims to collect and dispose of trash from the tundra, roads, public areas and beaches in the Y-K region that accumulate over the winter months.

Donlin Gold has 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 fourth quarter of 2023, we initiated the identification of specific potential project opportunities aimed at monitoring, evaluating, and enhancing the health of salmon populations. In the first quarter of 2024, Donlin Gold will identify key projects to support with work expected to commence in the third quarter 2024. All such projects will be done in collaboration and partnership with the people of the Y-K region. Furthermore, in collaboration with TKC, the village of Crooked Creek, the Akiak Native Community and the Napaimute Tribe, Donlin Gold provided financial support for the construction and maintenance of the ice roads that allow for winter travel between the remote Kuskokwim River communities – which, in turn, led to increased participation in community events, cultural activities, sports, and provided access for emergency services, law enforcement and travel. On average, a total of 300 miles of ice road is constructed and maintained annually.

Education is a cornerstone of Donlin Gold's community engagement efforts, with a steadfast commitment to advancing educational opportunities in Alaska. Collaborating closely with Alaska Resource Education, Donlin Gold actively supports the mission of educating Alaskan students about the state's natural resources. Additionally, the company extends its dedication to education by backing the Alaska School Activities Association, a statewide non-profit organization that directs, develops, and supports high school interscholastic sports, academic, and fine arts activities across Alaska. Both NOVAGOLD and Donlin Gold collectively contribute to educational advancement, with NOVAGOLD funding an annual scholarship at the University of Alaska. This scholarship is specifically designed to benefit underrepresented students pursuing majors in Mine Engineering and Geology, thereby contributing to the development of future talent in these critical professional fields.

#### *Permitting*

The Donlin Gold camp re-opened in February to continue geotechnical and hydrological fieldwork to collect additional data for the Alaska Dam Safety certificate applications process, with field work completed in July. The preliminary design packages are expected to be submitted to the Alaska Department of Natural Resources in the first half of 2024. Issuance of the certifications is anticipated in 2026.

In 2022, Donlin Gold applied for a new air quality permit based on updated air quality modeling and emissions controls information. The new air quality permit was issued on July 1, 2023. The Alaska Permit 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.



*Litigation*

On June 3, 2020, Earthjustice representing Orutsarmiut Native Council (ONC), ten Y-K villages, and the Alaska Community Action on Toxics filed a formal appeal with the ADEC Commissioner of the State's water quality certification under Section 401 of the Clean Water Act (the "401 Certification"). The appeal process consisted of an Administrative Hearing in front of an Administrative Law Judge (ALJ) appointed by the ADEC Commissioner. On April 12, 2021, the ALJ issued his opinion for the Commissioner's consideration recommending the 401 Certification be vacated. The Commissioner issued his decision to uphold the 401 Certification on May 27, 2021. The decision was appealed on June 28, 2021, in Alaska Superior Court by Earthjustice, representing ONC. On September 27, 2021, Donlin Gold filed a motion requesting a short term stay in the case to allow the State to fully consider additional technical materials on mercury and temperature; the State indicated to the Court that they did not oppose the motion. On October 22, 2021, Donlin Gold submitted to ADEC expert technical reports on mercury and temperature. On November 22, 2021, ADEC filed an additional motion asking to remand the 401 certification back to ADEC to determine how the additional information affects the certification. Earthjustice did not oppose the motion although had comments on the remand process. On December 29, 2021, the Court granted the remand request, dismissed the case without prejudice, and left in place the existing certification. On May 13, 2022, the ADEC Water Division Director reaffirmed the 401 certification. On June 13, 2022, Earthjustice appealed the elements of the decision related to temperature to the Commissioner and requested an adjudicatory hearing with an ALJ. On July 14, 2022, the Commissioner granted the request for the hearing and a new ALJ was assigned. On September 14, 2022, Earthjustice filed their initial brief. Donlin Gold and ADEC filed response briefs on October 14, 2022. Earthjustice filed their final reply brief on October 21, 2022. On August 18, 2023, the Commissioner reaffirmed ADEC's issuance of the 401 Certification. The suspension of the previously filed Alaska Superior Court case was then lifted. Earthjustice's opening brief was submitted to the Alaska Superior Court on January 5, 2024. Claims related to mercury were not included in Earthjustice's Alaska Superior Court complaint. ADEC and Donlin Gold response briefs are due on February 5, 2024. A decision is expected later in 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. An appeal was also filed by a second party, Robert Fithian, the owner of an outdoor guiding business located near the proposed Donlin Gold pipeline route, on September 20, 2021. The two appeals were consolidated into a single case before the Alaska Superior Court based in Anchorage, Alaska. On April 12, 2023 and July 3, 2023, the Alaska Superior Court affirmed ADNR's issuance of the ROW lease in the Earthjustice case and Robert Fithian case, respectively. The decision in the Earthjustice case has been appealed to the Alaska Supreme Court. Earthjustice's opening brief was submitted on September 22, 2023. The State of Alaska, Calista, and Donlin Gold submitted their reply briefs to the Alaska Supreme Court on January 3, 2024. Mr. Fithian did not appeal to the Alaska Supreme Court.

On May 25, 2022, Earthjustice, representing ONC and five Y-K villages, filed an appeal of the final Water Rights in Alaska Superior Court. The appellants filed their initial brief on November 21, 2022. On April 25, 2022, the ADNR Commissioner denied the appeal; however, Earthjustice, ONC and five villages appealed the Commissioner's decision in Alaska Superior Court on May 25, 2022. The briefing process was completed, and oral arguments were held on July 19, 2023. On September 1, 2023, the Alaska Superior Court affirmed ADNR's decision on Donlin Gold's water rights permits, following unsuccessful appeal by Earthjustice to the ADNR Commissioner. On October 2, 2023, Earthjustice appealed the Superior Court decision to the Alaska Supreme Court. Earthjustice's opening brief was submitted to the Alaska Supreme Court on January 4, 2024.

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.

On April 6, 2023, Earthjustice with ONC and six Y-K villages filed suit against the U.S. government in Anchorage Federal District Court. The lawsuit asks the Court to invalidate the Donlin Gold Joint Record of Decision, including the 404 permit issued by the Corps and ROW lease for the portions of the pipeline on Federal lands issued by the Bureau of Land Management of the U.S. Department of Interior. 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. DOJ is finalizing compilation of the Administrative Record for the court. The briefing schedule was agreed upon in the fourth quarter and will extend through the first half of 2024.

Despite multiple challenges, all appeals against Donlin Gold permits have been unsuccessful to date, underscoring our ongoing confidence in the 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.

**Other remediation**

During 2023, \$1,435 in remediation expenditures were incurred for fieldwork at the historic former New Gold House property in Nome, Alaska. Final work including seeding is planned for the 2024 field season.

**Consolidated Financial Results**

The details of our *Net loss* are set forth below:

	Years ended November 30,		Change
	2023	2022	
Net loss	\$ (46,803)	\$ (53,343)	\$ 6,540
Net loss per common share, basic and diluted	\$ (0.14)	\$ (0.16)	\$ 0.04

*Net loss* decreased by \$6,540 from 2022, primarily due to lower field expenses at Donlin Gold, increased interest income, and other income related to the 2021 sale of the Company’s interest in the San Roque mineral property, partially offset by an increase in interest expense on the promissory note and higher general and administrative expenses. Donlin Gold expenses were lower in 2023 with fieldwork and geotechnical drilling completed in July for the Alaska Dam Safety certificate applications and hydrological drilling to support mine planning and design, compared to the large exploration drilling program in 2022. General and administrative costs increased due to higher corporate travel costs, legal expenses, and PSUs granted to the Company’s executive officers on December 15, 2022, as a retention incentive that will vest if their employment continues through June 30, 2024. Higher interest rates in 2023 impacted interest income on cash and term deposits and interest expense on the promissory note. The average effective interest rate on the promissory note increased from 6.8% in 2022 to 10.3% in 2023.

**Liquidity and Capital Resources**

*Liquidity overview*

At present, we believe we have 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 LLC 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 November 30, 2023:

- Cash and cash equivalents of \$45,749, 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 maturities of less than one year.
- Promissory note payable to Barrick of \$136,748, 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. At the current interest rate of 10.5%, interest on the note in fiscal year 2024 will total approximately \$14,400.

*Cash flows*

In 2023, cash and cash equivalents decreased by \$18,133, mainly to fund our share of Donlin Gold, corporate administrative expenses, and net purchases of term deposits, partially offset by the note proceeds received from Newmont.

Net spending on operating activities decreased by \$4,585 primarily due to increased interest proceeds received on cash and term deposits, and the timing of corporate liability insurance payments in the prior year, partially offset by higher corporate travel costs, legal expenses, and remediation expenditures. Cash used in investing activities decreased by \$2,034, primarily due to Newmont note proceeds and lower Donlin Gold funding requirements, partially offset by net purchases of term deposits in 2023 compared to net proceeds from term deposits in 2022. In financing activities, the PSU awards that matured in 2023 did not meet the performance criteria; therefore, no common shares were issued and no withholding tax was paid.

**Outstanding share data**

As of January 16, 2024, the Company had 334,371,223 common shares issued and outstanding. Also, as of January 16, 2024, the Company had: i) a total of 9,605,100 stock options outstanding; 8,260,300 of those stock options with a weighted-average exercise price of \$6.21 and the remaining 1,344,800 with a weighted-average exercise price of C\$7.73; and ii) 2,173,000 performance shares units (PSUs) and 255,852 deferred share units (DSUs) outstanding. Upon exercise of the foregoing convertible securities, the Company would be required to issue a maximum of 13,029,602 common shares.

**Related party transactions**

As of November 30, 2023, the Company has accounts receivable from Donlin Gold of \$203 (November 30, 2022: \$574) included in *Other current assets* for third party study costs contracted for by the Company on behalf of Donlin Gold.

**Fourth quarter results**

During the fourth quarter of 2023 we incurred a net loss of \$10,421 compared to a net loss of \$12,255 in 2022. The decrease in net loss primarily resulted from reduced activity at Donlin Gold and higher interest income, partially offset by increased interest on the promissory note.

**Critical Accounting Policies**

We believe the following accounting policies are critical to our financial statements due to the degree of uncertainty regarding the judgements or assumptions involved and/or the magnitude of the asset, liability, or expense being reported.

*Contingent note receivable*

A portion of the proceeds on the sale of the Company's 50% interest in the Galore Creek project to Newmont, included a contingent note for \$75,000 receivable upon the approval of a Galore Creek project construction plan by the owner(s). The Company has assigned no value to the contingent note receivable as management determined that approval of Galore Creek project construction was not probable as of the closing of the Galore Creek sale, and management's assessment did not change as of November 30, 2023. The contingent note will be recognized only when, in management's judgement, payment is probable, and the amount recorded will not reverse in future periods.

*Investment in affiliates*

Investments in unconsolidated ventures over which the Company can exercise significant influence, but does not control, are accounted for under the equity method and include the Company's investment in the Donlin Gold project. Donlin Gold LLC is a non-publicly traded equity investee holding the Donlin Gold project. We identified Donlin Gold as a Variable Interest Entity (VIE) as the entity is dependent on funding from its owners. All funding, ownership, voting rights and power to exercise control is shared equally on a 50/50 basis between the owners of the VIE. Therefore, the Company has determined that it is not the primary beneficiary of the VIE.

The Company's maximum exposure to loss is its investment in Donlin Gold of \$3,071 as of November 30, 2023. The Company reviews and evaluates its investment in the Donlin Gold project for other than temporary impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Events that could indicate impairment of an investment in affiliates include a significant decrease in long-term expected gold price, a significant increase in expected operating or capital costs, unfavorable exploration results or technical studies, a significant decrease in reserves, a loss of significant mineral claims, or a change in the development plan or strategy for the project. Management reviewed potential impairment indicators and determined that there were none as of November 30, 2023.

#### *Income taxes*

We account for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under the asset and liability method, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A full valuation allowance has been recognized against deferred tax assets as management has determined that it is not likely that the deferred tax assets will be recognized.

#### *Share-based compensation*

We grant share-based compensation awards in exchange for employee services, including a stock option plan and a PSU plan. The fair value of awards granted under the plans are recognized in the *Consolidated Statements of Loss* over the related service period. The fair values of stock options are estimated at the time of each grant using a Black-Scholes option pricing model, and the fair values of PSUs are measured at each grant date using a Monte Carlo valuation model. The fair value estimates may be impacted by certain variables including, but not limited to, stock price volatility, employee stock option exercise behaviors, additional stock option and PSU grants, estimates of forfeitures, the Company's performance, and the Company's performance in relation to its peers.

We grant members of our board of directors DSUs whereby each DSU entitles the directors to receive one common share of the Company or the market value thereof in cash, at the Company's option, when they retire from service with the Company. The fair value of the DSUs is measured at the date of the grant in amounts ranging from 50% to 100% of directors' annual retainers at the election of the directors. The fair value is recognized in the *Consolidated Statements of Loss* over the related service period.

In 2023, we incurred \$8,731 in share-based compensation costs, an increase of \$517 over the prior year. PSU compensation costs increased over the prior year primarily due to 181,700 PSUs granted to the Company's executive officers on December 15, 2022, as a retention incentive that will vest if their employment continues through June 30, 2024. The retention incentive PSUs were valued at the grant date market price.

As of November 30, 2023, we had \$2,721 of unrecognized compensation cost related to 3,724,884 non-vested stock options expected to be expensed and vest over a period of approximately two years. Also, as of November 30, 2023, we had 1,605,500 non-vested PSU awards outstanding of which 319,300 were fully expensed. On December 1, 2023, it was determined that those expensed PSU awards matured and did not meet the performance criteria; therefore, no common shares were issued. The remaining 1,286,200 non-vested PSU awards with \$3,771 of unrecognized compensation cost will be expensed over a period of approximately two years.

### **Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

Our financial instruments are exposed to certain financial risks, including credit and interest rate risks.

#### *Credit risk*

Concentration of credit risk exists with respect to our cash and cash equivalents, and term deposit investments. All term deposits are held through Canadian chartered banks with high investment-grade ratings and have maturities of one year or less.

#### *Interest rate risk*

The interest rate on the promissory note owed to Barrick is variable with the U.S. prime rate. Based on the amount owing on the promissory note as of November 30, 2023, and assuming all other variables remain constant, a 1% change in the U.S. prime rate would result in an increase/decrease of approximately \$1.4 million in the interest accrued on the promissory note per annum. The promissory note and accrued interest are payable from 85% of the Company's share of revenue from future mine production or from any net proceeds resulting from a reduction of the Company's interest in Donlin Gold.

**Item 8. Financial Statements and Supplementary Data****Report of Independent Registered Public Accounting Firm**

To the Shareholders and Board of Directors of NOVAGOLD RESOURCES INC.

**Opinions on the Financial Statements and Internal Control over Financial Reporting**

We have audited the accompanying consolidated balance sheets of NOVAGOLD RESOURCES INC. and its subsidiaries (together, the Company) as of November 30, 2023 and 2022, and the related consolidated statements of loss and comprehensive loss, cash flows and equity (deficit) for each of the three years in the period ended November 30, 2023, including the related notes (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of November 30, 2023, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of November 30, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended November 30, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of November 30, 2023, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the COSO.

**Basis for Opinions**

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Report of Management on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

**Definition and Limitations of Internal Control over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Critical Audit Matters**

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### *Recognition of the contingent note receivable*

As described in Notes 2 and 4 to the consolidated financial statements, on July 27, 2018, the Company sold its interest in the Galore Creek project (the sale). As part of the consideration for the sale, the Company received a \$75 million note (the contingent note receivable), which is contingent upon the approval of a Galore Creek project construction plan by the owner(s). The Company has not assigned a value to the contingent note receivable as management determined that Galore Creek project construction approval was not probable as of the closing of the Galore Creek sale or in subsequent periods. Management's assessment did not change as of November 30, 2023. The contingent note will be recognized when, in management's judgment, it is probable that the payment will occur, and that the amount recorded will not reverse in future periods.

The principal considerations for our determination that performing procedures relating to the recognition of the contingent note receivable is a critical audit matter are the judgment by management when determining if recognition was required, which in turn led to a high degree of auditor judgment and subjectivity in performing procedures and evaluating management's assessment of the probability of whether a Galore Creek project construction plan will be approved.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's assessment of the basis for recognizing the contingent note receivable. These procedures also included, among others, evaluating the reasonableness of management's assessment regarding the probability of the owner(s) of the project approving the Galore Creek project construction plan. This included considering both publicly available information and the latest annual progress report provided by the owner(s) of the project to the Company under the terms of the sale agreement.

**/s/PricewaterhouseCoopers LLP**

Chartered Professional Accountants

Vancouver, Canada  
January 24, 2024

We have served as the Company's auditor since 1984.

**CONSOLIDATED BALANCE SHEETS**  
(US dollars in thousands)

	As of November 30,	
	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 45,749	\$ 63,882
Term deposits	80,000	62,000
Notes receivable (Note 4)	—	24,421
Other assets (Note 6)	1,470	2,235
Current assets	127,219	152,538
Investment in Donlin Gold (Note 5)	3,071	3,848
Other assets (Note 6)	3,000	2,803
Total assets	<u>\$ 133,290</u>	<u>\$ 159,189</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 703	\$ 769
Accrued payroll and related benefits	2,799	2,532
Other liabilities (Note 9)	404	1,298
Current liabilities	3,906	4,599
Promissory note (Note 7)	136,748	123,685
Other liabilities (Note 9)	859	1,002
Total liabilities	<u>141,513</u>	<u>129,286</u>
Commitments and contingencies (Notes 7, 8 and 9)		
<b>EQUITY (DEFICIT)</b>		
Common shares		
Authorized – 1,000 million shares, no par value		
Issued and outstanding – 334.2 and 333.8 million shares, respectively	1,986,938	1,983,962
Contributed surplus	88,621	82,866
Accumulated deficit	(2,059,311)	(2,012,508)
Accumulated other comprehensive loss	(24,471)	(24,417)
Total equity (deficit)	<u>(8,223)</u>	<u>29,903</u>
Total liabilities and equity (deficit)	<u>\$ 133,290</u>	<u>\$ 159,189</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

Approved by the Board of Directors

/s/ Gregory A. Lang

/s/ Anthony P. Walsh

**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(US dollars in thousands except per share amounts)

	Years ended November 30,		
	2023	2022	2021
Operating expenses:			
General and administrative (Note 12)	\$ 21,783	\$ 20,109	\$ 20,210
Equity loss - Donlin Gold (Note 5)	18,529	28,163	16,625
	<u>40,312</u>	<u>48,272</u>	<u>36,835</u>
Loss from operations	(40,312)	(48,272)	(36,835)
Interest expense on promissory note (Note 7)	(13,063)	(7,962)	(5,922)
Interest and dividend income	5,791	1,591	458
Accretion of notes receivable (Note 4)	579	849	2,556
Remediation expense	(541)	(366)	(938)
Other income (expense), net (Note 14)	782	784	282
Loss before income taxes	(46,764)	(53,376)	(40,399)
Income tax recovery (expense) (Note 15)	(39)	33	(137)
Net loss	<u>(46,803)</u>	<u>(53,343)</u>	<u>(40,536)</u>
Other comprehensive income (loss):			
Foreign currency translation adjustments	(54)	(1,128)	587
	<u>(54)</u>	<u>(1,128)</u>	<u>587</u>
Comprehensive loss	<u>\$ (46,857)</u>	<u>\$ (54,471)</u>	<u>\$ (39,949)</u>
Net loss per common share – basic and diluted	<u>\$ (0.14)</u>	<u>\$ (0.16)</u>	<u>\$ (0.12)</u>
Weighted average shares outstanding			
Basic and diluted (thousands)	334,057	333,236	331,546

*The accompanying notes are an integral part of these consolidated financial statements.*



**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(US dollars in thousands)

	Years ended November 30,		
	2023	2022	2021
<b>Operating activities:</b>			
Net loss	\$ (46,803)	\$ (53,343)	\$ (40,536)
<b>Adjustments:</b>			
Equity loss – Donlin Gold	18,529	28,163	16,625
Interest expense on promissory note	13,063	7,962	5,922
Share-based compensation	8,731	8,214	8,235
Remediation expense	541	366	938
Foreign exchange (gain) loss	43	(595)	336
Accretion of notes receivable	(579)	(849)	(2,556)
Change in fair value of marketable securities	(269)	(189)	(418)
Gain on sale of mineral property	(556)	—	(200)
Other operating adjustments	49	(44)	7
Net change in operating assets and liabilities (Note 17)	(535)	(2,056)	1,784
Net cash used in operating activities	(7,786)	(12,371)	(9,863)
<b>Investing activities:</b>			
Proceeds from term deposits	148,000	148,000	141,578
Purchases of term deposits	(166,000)	(132,000)	(158,799)
Funding of Donlin Gold	(17,752)	(28,435)	(17,587)
Proceeds from notes receivable	25,000	—	75,000
Proceeds from sale of mineral property	556	—	200
Other	(132)	73	—
Net cash provided from investing activities	(10,328)	(12,362)	40,392
<b>Financing activities:</b>			
Withholding tax on share-based compensation	—	(2,122)	(731)
Net cash used in financing activities	—	(2,122)	(731)
Effect of exchange rate changes on cash and cash equivalents	(19)	(387)	420
Net change in cash and cash equivalents	(18,133)	(27,242)	30,218
Cash and cash equivalents at beginning of year	63,882	91,124	60,906
Cash and cash equivalents at end of year	\$ 45,749	\$ 63,882	\$ 91,124

*The accompanying notes are an integral part of these consolidated financial statements.*

**CONSOLIDATED STATEMENTS OF EQUITY (DEFICIT)**  
(US dollars and shares in thousands)

	Common shares		Contributed surplus	Accumulated deficit	AOCL*	Total equity (deficit)
	Shares	Amount				
November 30, 2020	330,412	\$ 1,972,029	\$ 81,203	\$ (1,918,629)	\$ (23,876)	\$ 110,727
Share-based compensation	—	—	8,235	—	—	8,235
Performance share units (PSUs) settled in shares	574	1,460	(1,460)	—	—	—
Stock options exercised	1,430	5,031	(5,031)	—	—	—
Withholding tax on PSUs	—	—	(731)	—	—	(731)
Net loss	—	—	—	(40,536)	—	(40,536)
Other comprehensive income	—	—	—	—	587	587
November 30, 2021	332,416	\$ 1,978,520	\$ 82,216	\$ (1,959,165)	\$ (23,289)	\$ 78,282
Share-based compensation	—	—	8,214	—	—	8,214
PSUs settled in shares	430	1,731	(1,731)	—	—	—
Deferred share units (DSUs) settled in shares	53	249	(249)	—	—	—
Stock options exercised	854	3,462	(3,462)	—	—	—
Withholding tax on PSUs	—	—	(2,122)	—	—	(2,122)
Net loss	—	—	—	(53,343)	—	(53,343)
Other comprehensive loss	—	—	—	—	(1,128)	(1,128)
November 30, 2022	333,753	\$ 1,983,962	\$ 82,866	\$ (2,012,508)	\$ (24,417)	\$ 29,903
Share-based compensation	—	—	8,731	—	—	8,731
DSUs settled in shares	48	246	(246)	—	—	—
Stock options exercised	446	2,730	(2,730)	—	—	—
Net loss	—	—	—	(46,803)	—	(46,803)
Other comprehensive income	—	—	—	—	(54)	(54)
November 30, 2023	334,247	\$ 1,986,938	\$ 88,621	\$ (2,059,311)	\$ (24,471)	\$ (8,223)

\* Accumulated other comprehensive loss

*The accompanying notes are an integral part of these consolidated financial statements.*

**NOVAGOLD RESOURCES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(US dollars in thousands, except per share)

**NOTE 1 – THE COMPANY**

NOVAGOLD RESOURCES INC. and its affiliates and subsidiaries (collectively, “NOVAGOLD” or the “Company”) operate in the mining industry, focused on the exploration for and development of gold mineral properties. The Company has not realized revenues from its planned principal business purpose. The Company’s principal asset is a 50% interest in the Donlin Gold project in Alaska, USA. The Donlin Gold project is owned and operated by Donlin Gold LLC (“Donlin Gold”), a limited liability company that is owned equally by wholly-owned subsidiaries of NOVAGOLD and Barrick Gold Corporation (“Barrick”).

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Presentation**

The Consolidated Financial Statements include the accounts of NOVAGOLD RESOURCES INC. and its wholly-owned subsidiaries including NOVAGOLD U.S. Holdings Inc., NOVAGOLD Resources Alaska Inc., NOVAGOLD USA, Inc., and AGC Resources Inc. All inter-company transactions and balances are eliminated on consolidation.

The Consolidated Financial Statements are presented in United States dollars and have been prepared in accordance with accounting principles generally accepted in the United States (US GAAP). The preparation of the Company’s Consolidated Financial Statements in accordance with US GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of expenses during the reporting period. The Company bases its estimates and assumptions on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from the amounts recorded in these Consolidated Financial Statements.

References in these Consolidated Financial Statements and Notes to \$ refer to United States (US) dollars and C\$ to Canadian dollars. Dollar amounts are in thousands, except for per share amounts.

**Foreign currency**

The functional currency for NOVAGOLD RESOURCES INC. is the Canadian dollar and the functional currency for the Company’s U.S. operations is the U.S. dollar. Therefore, gains and losses on U.S. dollar denominated transactions and the effect of translating U.S. dollar denominated balances of Canadian operations are recorded in net loss. The effects of translating the Company’s Canadian operations from the Canadian dollar to the U.S. dollar are recorded in Other comprehensive income (loss).

**Cash and cash equivalents**

Cash and cash equivalents consist of cash balances and highly liquid investments with original maturities of three months or less, that are cash equivalents. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

**Term deposits**

The Company’s term deposits are classified as held to maturity and recorded at cost. Term deposits are held at Chartered Canadian banks with original maturities of 12 months or less. The term deposits are not traded in an active market.

**Contingent note receivable**

A portion of the proceeds related to the sale of Galore Creek to Newmont includes a \$75,000 note receivable, contingent upon the approval of a Galore Creek project construction plan by the owner(s). The Company has not assigned a value to the contingent note receivable as management determined that the approval of the Galore Creek project construction was not probable as of the closing of the Galore Creek sale or in subsequent periods. The contingent note will be recognized when, in management’s judgement, it is probable that the payment will occur, and that the amount recorded will not reverse in future periods.

### **Investment in affiliates**

Investments in unconsolidated ventures over which the Company has the ability to exercise significant influence, but does not control, are accounted for under the equity method and include the Company's investment in the Donlin Gold project. The Company identified Donlin Gold as a Variable Interest Entity (VIE) as the entity is dependent on funding from its owners. All funding, ownership, voting rights, and power to exercise control is shared equally on a 50/50 basis between the owners of the VIE. Therefore, the Company has determined that it is not the primary beneficiary of the VIE. The Company's maximum exposure to loss is its equity investment in Donlin Gold.

The equity method is a basis of accounting for investments whereby the investment is initially recorded at cost and the carrying value is adjusted thereafter to include the investor's pro rata share of post-acquisition earnings or losses of the investee, as computed by the consolidation method. Cash funding increases the carrying value of the investment. Profit distributions received or receivable from an investee reduce the carrying value of the investment.

Donlin Gold is a non-publicly traded equity investee owning an exploration and development project. Therefore, the Company assesses whether there has been a potential triggering event for other-than-temporary impairment by assessing the underlying assets of the equity investee for recoverability and assessing whether there has been a change in the development plan or strategy for the project. If the underlying assets are not recoverable, the Company will record an impairment charge equal to the difference between the carrying amount of the investee and its fair value.

### **Income taxes**

The Company accounts for income taxes using the liability method, recognizing certain temporary differences between the financial reporting basis of the Company's liabilities and assets and the related income tax basis for such liabilities and assets. This method generates deferred income tax liabilities and assets for the Company, as measured by the statutory tax rates in effect. The Company derives its deferred income tax charge or benefit by recording the change in deferred income tax liabilities and asset balances for the year.

The Company's deferred income tax assets include certain future tax benefits. The Company records a valuation allowance against any portion of those deferred income tax assets when it believes, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax assets will not be realized.

### **Share-based payments**

The Company records share-based compensation awards exchanged for employee services at fair value on the date of the grant and expenses the awards in the Consolidated Statements of Loss over the requisite employee service period. The fair values of stock options are determined using a Black-Scholes option pricing model. The fair values of PSUs are determined using a Monte Carlo valuation model. The fair values of PSU retention incentive awards are based on their grant date market prices. The Company's estimates may be impacted by certain variables including, but not limited to, stock price volatility, employee stock option exercise behaviors, additional stock option grants, estimates of forfeitures, the Company's performance, and the Company's performance in relation to its peers.

### **Net income (loss) per common share**

Basic and diluted income (loss) per share are presented for Net income (loss). Basic income (loss) per share is computed by dividing Net income (loss) by the weighted-average number of outstanding common shares for the period. Diluted income per share reflects the potential dilution that could occur if securities or other contracts that may require the issuance of common shares in the future were converted. Diluted income per share is computed by increasing the weighted-average number of outstanding common shares to include the additional common shares that would be outstanding after conversion and adjusting net income for changes that would result from the conversion. Only those securities or other contracts that result in a reduction in earnings per share are included in the calculation.

**NOVAGOLD RESOURCES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(US dollars in thousands, except per share)

**NOTE 3 – SEGMENTED INFORMATION**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Chief Executive Officer. The Chief Executive Officer considers the business from a geographic perspective considering the performance of our investment in the Donlin Gold project in Alaska, USA (Note 5).

**NOTE 4 – NOTES RECEIVABLE**

Changes in the Company's *Notes receivable* are summarized as follows:

	Years ended November 30,		
	2023	2022	2021
Balance – beginning of period	\$ 24,421	\$ 23,572	\$ 96,016
Accretion of notes receivable	579	849	2,556
Payment received	(25,000)	—	(75,000)
Balance – end of period	\$ —	\$ 24,421	\$ 23,572

**Galore Creek**

On July 27, 2018, the Company sold its interest in the Galore Creek project to a subsidiary of Newmont Corporation (“Newmont”) for cash proceeds of \$100,000, a \$75,000 note due upon the earlier of the completion of a Galore Creek pre-feasibility study or July 27, 2021, a \$25,000 note due upon the earlier of the completion of a Galore Creek feasibility study or July 27, 2023, and a contingent note for \$75,000 due upon approval of a Galore Creek project construction plan by the owner(s). The Company received from Newmont \$75,000 on July 27, 2021, and \$25,000 on July 27, 2023.

No value was assigned to the final \$75,000 contingent note. The Company determined that Galore Creek project construction approval was not probable as of the closing of the Galore Creek sale. The Company's assessment did not change as of November 30, 2023.

**Minas San Roque**

On November 3, 2021, the Company sold its 49% interest in the Minas San Roque project in Argentina to Marifil S.A., a subsidiary of International Iconic Gold Mines Ltd. (“Iconic”) for cash proceeds of C\$250 upon closing, a C\$750 note receivable due on November 1, 2022, and a C\$1,000 note receivable due on November 1, 2023. On closing, the Company determined the fair value of the notes was nil. Iconic completed the C\$750 note repayment due on November 1, 2022 in December 2022, and the C\$1,000 note repayment due on November 1, 2023 in January 2024, each after obtaining sufficient funding.

**NOTE 5 – INVESTMENT IN DONLIN GOLD**

The Donlin Gold project is owned and operated by Donlin Gold, a limited liability company in which wholly-owned subsidiaries of NOVAGOLD and Barrick each own a 50% interest. Donlin Gold has a board of four representatives, with two representatives selected by Barrick and two representatives selected by the Company. All significant decisions related to Donlin Gold require the approval of at least a majority of the Donlin Gold board.

**NOVAGOLD RESOURCES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(US dollars in thousands, except per share)

Changes in the Company's *Investment in Donlin Gold* are summarized as follows:

	Years ended November 30,		
	2023	2022	2021
Balance – beginning of period	\$ 3,848	\$ 3,576	\$ 2,614
Share of losses:			
Mineral property expenditures	(17,918)	(27,690)	(16,286)
Depreciation	(571)	(427)	(300)
Accretion	(40)	(46)	(39)
	(18,529)	(28,163)	(16,625)
Funding	17,752	28,435	17,587
Balance – end of period	\$ 3,071	\$ 3,848	\$ 3,576

The following amounts represent the Company's 50% share of the assets and liabilities of Donlin Gold. Donlin Gold capitalized the initial contribution of the Donlin Gold property as *Non-current assets: Mineral property* with a carrying value of \$64,000, resulting in a higher carrying value of the mineral property than that of the Company.

	As of November 30,	
	2023	2022
Current assets: Cash, prepaid expenses, and other receivables	\$ 3,410	\$ 4,220
Non-current assets: Right-of-use assets, property and equipment	1,456	2,036
Non-current assets: Mineral property	32,615	32,615
Current liabilities: Accounts payable, accrued liabilities and lease obligations	(1,669)	(2,322)
Non-current liabilities: Reclamation and lease obligations	(741)	(701)
Net assets	\$ 35,071	\$ 35,848

**NOTE 6 – OTHER ASSETS**

	As of November 30,	
	2023	2022
Other current assets:		
Accounts receivable	\$ 43	\$ 301
Interest receivable	99	62
Receivable from Donlin Gold	203	574
Prepaid expenses	1,125	1,298
	\$ 1,470	\$ 2,235
Other long-term assets:		
Marketable equity securities	\$ 2,102	\$ 1,845
Right-of-use assets	757	939
Office equipment	141	19
	\$ 3,000	\$ 2,803

**NOTE 7 – PROMISSORY NOTE**

The Company has a promissory note payable to Barrick of \$136,748, comprised of \$51,576 in principal, and \$85,172 in accrued interest at U.S. prime plus 2%. The average effective interest rate was 10.3%, 6.8%, and 5.3% in 2023, 2022 and 2021, respectively. The promissory note resulted from the agreement that led to the formation of Donlin Gold, where the Company agreed to reimburse Barrick for a portion of their expenditures incurred from April 1, 2006 to November 30, 2007. The promissory note and accrued interest are payable from 85% of the Company's share of revenue from future mine production or from any net proceeds resulting from a reduction of the Company's interest in Donlin Gold. The carrying value of the promissory note approximates fair value.

**NOVAGOLD RESOURCES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(US dollars in thousands, except per share)

Changes in the Company's *Promissory Note* is summarized as follows:

	Years ended November 30,		
	2023	2022	2021
Balance – beginning of period	\$ 123,685	\$ 115,723	\$ 109,801
Interest expense on promissory note	13,063	7,962	5,922
Balance – end of period	<u>\$ 136,748</u>	<u>\$ 123,685</u>	<u>\$ 115,723</u>

**NOTE 8 – LEASES**

The Company leases office space under non-cancelable operating leases with original lease terms of five years. These leases require monthly lease payments that may be subject to annual increases throughout the lease term. Certain of these leases also include renewal options at the election of the Company to renew or extend the lease for an additional five years. These optional periods have not been considered in the determination of ROU assets or lease liabilities associated with these leases as management did not consider it reasonably certain it would exercise the options. Certain of our leases include payments that vary based on the Company's level of usage and operations. These variable payments are not included within ROU assets and lease liabilities in the Consolidated Balance Sheets. Additionally, short-term leases, which have an initial term of 12 months or less, are not recorded in the Consolidated Balance Sheets.

Lease expenses are included in *General and administrative expense – Office expense* on the Consolidated Statements of Loss and include the following components:

	Years ended November 30,		
	2023	2022	2021
Operating lease cost	\$ 232	\$ 234	\$ 235
Variable lease cost	121	126	122
Short-term lease cost	5	5	4
	<u>\$ 358</u>	<u>\$ 365</u>	<u>\$ 361</u>

Future minimum lease payments under non-cancellable operating leases as of November 30, 2023, were as follows:

2024	\$ 234
2025	157
2026	154
2027	159
2028	164
Thereafter	56
Total future minimum lease payments	<u>924</u>
Less: imputed interest	<u>(123)</u>
	<u>\$ 801</u>

**NOVAGOLD RESOURCES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(US dollars in thousands, except per share)

Other information regarding leases includes the following:

	Years ended November 30,		
	2023	2022	2021
Cash paid for operating leases	\$ 193	\$ 238	\$ 235
Variable lease cost	121	126	127
Short-term lease cost	5	5	5
	<u>\$ 319</u>	<u>\$ 369</u>	<u>\$ 367</u>
ROU assets obtained in exchange for lease liabilities	\$ —	\$ 750	\$ —
Weighted average:			
Remaining lease term (years) – operating leases	4.8	5.6	2.3
Discount rate – operating leases	5.9%	5.8%	5.0%

**NOTE 9 – OTHER LIABILITIES**

	As of November 30,	
	2023	2022
Other current liabilities:		
Remediation liabilities	\$ 212	\$ 1,156
Lease obligations	192	142
	<u>\$ 404</u>	<u>\$ 1,298</u>
Other long-term liabilities:		
Remediation liabilities	\$ 250	\$ 200
Lease obligations	609	802
	<u>\$ 859</u>	<u>\$ 1,002</u>

**NOTE 10 – SHARE CAPITAL**

**Common shares**

The Company is authorized to issue 1,000,000,000 common shares without par value, of which 334,246,859 were issued and outstanding as of November 30, 2023, and 333,753,116 were issued and outstanding as of November 30, 2022.

**Preferred shares**

Pursuant to the Company's Notice of Articles filed under the Business Corporations Act (British Columbia), the Company is authorized to issue 10,000,000 preferred shares without par value. The authorized but unissued preferred shares may be issued in designated series from time to time by one or more resolutions adopted by the Directors. The Directors have the authority to determine the preferences, limitations, and relative rights of each series of preferred shares. As of November 30, 2023 and 2022, no preferred shares were issued or outstanding.

**NOTE 11 – FAIR VALUE ACCOUNTING**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the significance of the inputs used in making the measurement. The three levels of the fair value hierarchy are as follows:

*Level 1* — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

*Level 2* — Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

*Level 3* — Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).



**NOVAGOLD RESOURCES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(US dollars in thousands, except per share)

The Company's financial instruments consist of cash and cash equivalents, term deposits, accounts receivable, receivable from Donlin Gold, accounts payable and accrued liabilities, and promissory note. The fair value of the promissory note approximates its carrying value based on accrued interest at U.S. prime plus 2% and the terms for repayment from future mine production or from any net proceeds resulting from a reduction of the Company's interest in Donlin Gold. The fair values of the Company's other financial instruments approximate their carrying value due to the short-term nature of their maturity. The Company's financial instruments initially measured at fair value and then held at amortized cost include cash and cash equivalents, term deposits, accounts receivable, receivable from Donlin Gold, accounts payable and accrued liabilities, and promissory note. The Company's marketable equity securities are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of the marketable equity securities was \$2,102 as of November 30, 2023 (\$1,845 as of November 30, 2022), calculated as the quoted market price of the marketable equity security multiplied by the quantity of shares held by the Company.

**NOTE 12 – GENERAL AND ADMINISTRATIVE**

	Years ended November 30,		
	2023	2022	2021
Share-based compensation (Note 13)	\$ 8,731	\$ 8,214	\$ 8,235
Salaries and benefits	7,009	6,710	6,599
Office expense	3,302	2,992	2,544
Professional fees	1,647	1,177	1,849
Corporate communications and regulatory	1,084	1,009	976
Depreciation	10	7	7
	<u>\$ 21,783</u>	<u>\$ 20,109</u>	<u>\$ 20,210</u>

**NOTE 13 – SHARE-BASED COMPENSATION**

Share incentive awards include a stock option plan for directors, executives, employees and eligible consultants, a PSU plan for executives, employees, and eligible consultants and a DSU plan for non-executive directors of the Company. Options granted to purchase common shares have exercise prices not less than the fair market value of the underlying share at the date of grant. As of November 30, 2023, 30,610,851 common shares were available for future share incentive plan awards under all three plans.

The Company recognized share-based compensation expense (see *Note 12 - General and administrative*) as follows:

	Years ended November 30,		
	2023	2022	2021
Stock options	\$ 4,594	\$ 4,642	\$ 4,721
Performance share unit plan	3,910	3,345	3,278
Deferred share unit plan	227	227	236
	<u>\$ 8,731</u>	<u>\$ 8,214</u>	<u>\$ 8,235</u>

**Stock options**

Stock options granted under the Company's share-based incentive plans generally expire five years after the date of grant and vest in one-third annual increments beginning on the first anniversary of the date of grant. The value of each option award is estimated at the date of grant using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option award and share price volatility. The expected term of options granted is derived from historical data on employee exercise and post-vesting employment termination experience. The expected volatility is based on the historical volatility of the Company's shares at the date of grant over the same length of term. These estimates involve inherent uncertainties and the application of management's judgment. In addition, management estimates the expected forfeiture rate and only recognizes expense for those options expected to vest. As a result, if other assumptions had been used, the recorded share-based compensation expense would have been different from that reported.

**NOVAGOLD RESOURCES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(US dollars in thousands, except per share)

A summary of stock options outstanding as of November 30, 2023, and activity during the year ended November 30, 2023 are as follows:

	Number of stock options	Weighted- average exercise price per share	Weighted- average remaining contractual term (years)	Aggregate intrinsic value
November 30, 2022	7,717,413	\$ 6.18		
Granted	2,291,800	5.71		
Exercised	(1,914,311)	(3.73)		
Cancelled	(488,702)	(7.08)		
November 30, 2023	<u>7,606,200</u>	<u>\$ 6.59</u>	<u>2.38</u>	<u>\$ 505</u>
Vested and exercisable as of November 30, 2023	<u>3,881,316</u>	<u>\$ 6.75</u>	<u>1.28</u>	<u>\$ 505</u>

The following table summarizes other stock option-related information:

	Years ended November 30,		
	2023	2022	2021
<b>Weighted-average assumptions used to value stock option awards:</b>			
Expected volatility	48.4%	46.5%	47.2%
Expected term of options (years)	4	4	4
Expected dividend rate	—	—	—
Risk-free interest rate	3.85%	1.13%	0.3%
Expected forfeiture rate	2.8%	2.9%	3.0%
Weighted-average grant-date fair value	\$ 2.40	\$ 2.49	\$ 3.63
Intrinsic value of options exercised	\$ 2,339	\$ 5,723	\$ 12,543
Cash received from options exercised	\$ —	\$ —	\$ —

As of November 30, 2023, the Company had \$2,721 of unrecognized compensation cost related to 3,724,884 non-vested stock options expected to be expensed and vest over a period of approximately two years.

**Performance share units**

The Company has a PSU plan that provides for the issuance of PSUs in amounts as approved by the Company's Compensation Committee. Each PSU award entitles the participant to receive one common share of the Company at the end of a specified period. The Compensation Committee may adjust the number of common shares for the achievement of certain performance and vesting criteria established at the time of grant. The actual performance against each of these criteria generates a multiplier that varies from 0% to 150%. Thus, the common shares that may be issued vary between 0% and 150% of the number of PSUs granted, as reduced by the amounts for participants no longer with the Company on the vesting date.

The value of each PSU granted is estimated at the grant date using a Monte Carlo simulation model. The Monte Carlo simulation model requires the input of subjective assumptions, including the share price volatility of the Company's stock, as well as comparator index and the correlation of returns between the comparator index and the Company. Expected volatility is based on the historical volatility of the Company's shares and the comparator index at the grant date. These estimates involve inherent uncertainties and the application of management's judgment. As a result, if other assumptions had been used, our recorded share-based compensation expense would have been different from that reported.

**NOVAGOLD RESOURCES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(US dollars in thousands, except per share)

A summary of PSU awards outstanding and activity during the year ended November 30, 2023 are as follows:

	Number of PSU awards	Weighted- average grant day fair value per award	Aggregate intrinsic value
November 30, 2022	1,257,200	\$ 7.65	
Granted	605,500	5.77	
Retention awards granted	181,700	5.64	
Expired	(438,900)	(6.96)	
November 30, 2023	<u>1,605,500</u>	<u>\$ 6.89</u>	<u>\$ 760</u>

As of November 30, 2023, the Company had 1,605,500 non-vested PSU awards outstanding of which 319,300 were fully expensed and subsequently expired with no value. The remaining 1,286,200 non-vested PSU awards with \$3,771 of unrecognized compensation cost will be expensed over a period of approximately two years. On December 15, 2022, 181,700 PSUs were granted to the Company's executive officers as a retention incentive and will fully vest if their employment continues through June 30, 2024.

The following table summarizes other PSU-related information:

	Years ended November 30,		
	2023	2022	2021
Performance multiplier on PSUs vested	—%	93%	150%
Common shares issued	—	430,045	574,379
Total fair value of common shares issued	\$ —	\$ 2,903	\$ 5,723
Withholding tax paid on PSUs vested	\$ —	\$ 2,122	\$ 731

**Deferred share units**

The Company has a DSU plan that provides for the issuance of DSUs in amounts where the Directors receive half of their annual retainer in DSUs and have the option to elect to receive all or a portion of the other half of their annual retainer in DSUs. Each DSU entitles the Directors to receive one common share or the market value thereof in cash, at the Company's option, when they retire from the Company. The Company granted 43,658, 38,470, and 25,957 DSUs to Directors with a weighted-average grant day fair value of \$5.04, \$5.74, and \$8.86 per DSU during 2023, 2022, and 2021, respectively. The Company issued 48,446, 52,930, and nil common shares under the DSU plan in 2023, 2022, and 2021, respectively. As of November 30, 2023, there were 287,072 DSUs outstanding.

**NOTE 14— OTHER INCOME (EXPENSE), NET**

	Years ended November 30,		
	2023	2022	2021
Gain on sale of mineral property	\$ 556	\$ —	\$ 200
Change in fair market value of marketable securities	269	189	418
Foreign exchange gain (loss)	(43)	595	(336)
	<u>\$ 782</u>	<u>\$ 784</u>	<u>\$ 282</u>

**NOVAGOLD RESOURCES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(US dollars in thousands, except per share)

**NOTE 15 – INCOME TAXES**

The Company's statutory tax rate is 27% and is expected to remain at this amount until 2024.

The Company's *Income tax expense (recovery)* consisted of:

	Years ended November 30,		
	2023	2022	2021
<b>Current:</b>			
Canada	\$ —	\$ —	\$ 110
Foreign	39	(33)	27
	<u>39</u>	<u>(33)</u>	<u>\$ 137</u>
<b>Deferred:</b>			
Canada	—	—	—
Foreign	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>
<b>Income tax (recovery) expense</b>	<u>\$ 39</u>	<u>\$ (33)</u>	<u>\$ 137</u>

The Company's *Loss before income taxes* consisted of:

	Years ended November 30,		
	2023	2022	2021
Canada	\$ (18,213)	\$ (17,062)	\$ (17,723)
Foreign	(28,551)	(36,314)	(22,676)
	<u>\$ (46,764)</u>	<u>\$ (53,376)</u>	<u>\$ (40,399)</u>

The Company's *Income tax (recovery) expense* differed from the amounts computed by applying the Canadian statutory corporate income tax rates for the following reasons:

	Years ended November 30,					
	2023		2022		2021	
Loss before income taxes		\$ (46,764)		\$ (53,376)		\$ (40,399)
Combined federal and provincial statutory tax rate	27.0%	(12,626)	27.0%	(14,412)	27.0%	(10,908)
Reconciling items:						
Non-deductible expenditures	-5.9%	2,767	-4.5%	2,411	-6.1%	2,483
Foreign accrual property income	-3.6%	1,682	-1.2%	666	-1.9%	771
Effect of different statutory tax rates on earnings or losses of subsidiaries	0.9%	(407)	1.0%	(518)	0.8%	(323)
Change in valuation allowance on deferred tax assets	-18.5%	8,623	-22.3%	11,852	-20.1%	8,115
Other	—	—	0.1%	(32)	—	(1)
<b>Income tax (recovery) expense</b>	<u>-0.1%</u>	<u>\$ 39</u>	<u>0.1%</u>	<u>\$ (33)</u>	<u>-0.3%</u>	<u>\$ 137</u>

**NOVAGOLD RESOURCES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(US dollars in thousands, except per share)

Components of the Company's deferred income tax assets (liabilities) are as follows:

	As of November 30,	
	2023	2022
<b>Deferred tax income assets:</b>		
Net operating loss carry forwards	\$ 193,508	\$ 188,783
Capital loss carry forwards	47,995	48,264
Mineral properties	624	628
Intangible assets	462	465
Property and equipment	184	198
Investment in affiliates	47,522	44,713
Unpaid interest expense	2,105	2,105
Unrealized loss on investments	196	233
Asset retirement obligation	131	386
Other	1,129	1,068
	<u>293,856</u>	<u>286,843</u>
Valuation allowances	<u>(293,536)</u>	<u>(285,611)</u>
	320	1,232
<b>Deferred income tax liabilities:</b>		
Notes receivable	—	(942)
Capitalized assets and other	(320)	(290)
	<u>(320)</u>	<u>(1,232)</u>
<b>Net deferred income tax assets (liabilities)</b>	<u>\$ —</u>	<u>\$ —</u>

Net operating losses available to offset future taxable income are as follows:

Year of Expiry	U.S.	Canada
2024	\$ 1,032	\$ —
2025	1,246	—
2026	13,382	17,795
2027	18,493	1,777
2028	85	—
2029	11,223	11,515
2030	10,916	15,322
2031	16,580	15,249
2032	309,772	18,610
2033	14,529	14,044
2034	15,607	10,104
2035	16,383	9,227
2036	14,764	9,080
2037	14,111	6,037
2038	—	6,153
2039	—	5,578
2040	—	6,642
2041	—	—
2042	—	6,854
2043	—	4,153
Indefinite	72,413	—
	<u>\$ 530,536</u>	<u>\$ 158,140</u>

**NOVAGOLD RESOURCES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(US dollars in thousands, except per share)

U.S. net operating losses arising in tax years ending after December 31, 2017 can be carried over to each taxable year following the tax year of loss (indefinitely). The Company has capital loss carry-forwards of approximately \$355,516 as of November 30, 2023 (November 30, 2022: \$357,511) for Canadian tax purposes. These tax losses are carried forward indefinitely.

Future use of U.S. loss carry-forwards is subject to certain limitations under provisions of the Internal Revenue Code including limitations subject to Section 382, which relates to a 50% change in control over a three-year period and are further dependent upon the Company attaining profitable operations. Ownership changes occurred on January 22, 2009 and on December 31, 2012 and the U.S. tax losses related to NOVAGOLD Resources Alaska Inc. and its investment in Donlin Gold for the prior three-year periods prior to the change in control may be subject to limitation under Section 382. Accordingly, the Company's ability to use these losses may be limited or they may expire un-utilized. Losses incurred to date may be further limited if a subsequent change in control occurs.

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax asset. Significant pieces of objective negative evidence evaluated included the cumulative loss incurred as of November 30, 2023. Such objective evidence limits the ability to consider other subjective evidence such as management's projections for future growth. On the basis of this evaluation, as of November 30, 2023, a valuation allowance of \$293,536 (November 30, 2022: \$285,611), has been recorded in order to measure only the portion of the deferred tax asset that more likely than not will be realized. The amount of the deferred tax asset considered realizable; however, could be adjusted if estimates of future taxable income during the carry forward period are reduced or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as management's projections for growth.

**Uncertain tax position**

There were no uncertain tax positions as of November 30, 2023, 2022 and 2021. The Company recognizes any interest and penalties related to uncertain tax positions, if any, as income tax expense. Accrued interest and penalties are included within the related tax liability line in the consolidated balance sheet. As of November 30, 2023, 2022 and 2021, there were no accrued interest and penalties related to uncertain tax positions. The Company is subject to income taxes in Canada and the United States. With few exceptions, the tax years that remain subject to examination as of November 30, 2023, are 2018 to 2023 in Canada and 2019 to 2023 in the United States.

**NOTE 16 – RELATED PARTY TRANSACTIONS**

The Company provided management and administrative services to Donlin Gold for \$990 in 2023 (\$681 in 2022 and \$nil in 2021). As of November 30, 2023, the Company has accounts receivable from Donlin Gold of \$203 (November 30, 2020: \$574) included in *Other current assets*.

**NOTE 17 – NET CHANGE IN OPERATING ASSETS AND LIABILITIES**

	Years ended November 30,		
	2023	2022	2021
Changes in operating assets and liabilities:			
Other assets	\$ 694	\$ (1,962)	\$ 1,605
Accounts payable and accrued liabilities	(62)	128	(240)
Accrued payroll and related benefits	268	(92)	419
Remediation liability	(1,435)	(130)	—
	<u>\$ (535)</u>	<u>\$ (2,056)</u>	<u>\$ 1,784</u>

**NOVAGOLD RESOURCES INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(US dollars in thousands, except per share)

**NOTE 18 – SUPPLEMENTAL CASH FLOW INFORMATION**

	Years ended November 30,		
	2023	2022	2021
Interest and dividends received	\$ 5,754	\$ 1,684	\$ 1,024
Income taxes refunded	\$ 325	\$ 17	\$ —
Income taxes paid	\$ 75	\$ —	\$ 142

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

**Item 9A. Controls and Procedures**

An evaluation was performed under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this Annual Report on Form 10-K. Based on the foregoing, our management concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

There was no change in our internal control over financial reporting that occurred during the year ended November 30, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of our assets are made in accordance with management's authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected.

Management conducted its evaluation of the effectiveness of our internal controls over financial reporting based on criteria established in *Internal Control-Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of November 30, 2023.

The effectiveness of our assessment of internal control over financial reporting as of November 30, 2023 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

**Item 9B. Other Information**

None.



## PART III

**Item 10. Directors, Executive Officers and Corporate Governance**

The information in our definitive Proxy Statement, filed pursuant to Regulation 14A promulgated under the Exchange Act for the 2023 Annual Meeting of Shareholders (the “2024 Proxy Statement”) regarding directors and executive officers and Section 16 reporting information appearing under the headings “Election of Directors” “Information Concerning The Board Of Directors And Executive Officers” and “Security Ownership Of Certain Beneficial Owners And Management And Related Shareholder Matters.” is incorporated by reference in this section. Finally, the information in our 2024 Proxy Statement regarding the Audit Committee under the heading “Statement of Corporate Governance Practices” is incorporated herein by reference.

We have adopted a Code of Business Conduct and Ethics that applies to our Chief Executive Officer, Chief Financial Officer and Corporate Controller or persons performing similar functions. This Code of Business Conduct and Ethics is posted on our website (www.novagold.com). We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of the Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, by posting such information on our website, at the address specified above.

Our Code of Business Conduct and Ethics, and charters for each Committee of our Board are also available on our website. The Code of Business Conduct and Ethics and charters are also available in print to any shareholder who submits a request to: Corporate Secretary, NOVAGOLD RESOURCES INC., 201 South Main Street, Suite 400, Salt Lake City, UT, USA 84111.

Information on our website is not deemed to be incorporated by reference into this Annual Report on Form 10-K.

**Item 11. Executive Compensation**

The information appearing in our 2024 Proxy Statement under the headings. “Compensation Committee Interlocks and Insider Participation”, “Compensation Discussion & Analysis”, “Tabular Disclosure of Executive Compensation”, “Non-Executive Director Compensation” and “Compensation Committee Report” is incorporated by reference in this section.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters**

The information appearing in our 2024 Proxy Statement under the heading “Security Ownership Of Certain Beneficial Owners And Management And Related Shareholder Matters” is incorporated herein by reference.

*Equity Compensation Plan Information as of November 30, 2023*

Plan Category	Number of securities to be issued upon exercise of options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders			
Stock Award Plan	7,606,200 <sup>(1)</sup>	C\$8.81/\$6. <sup>(2)</sup>	19,133,549 <sup>(3)</sup>
PSU	1,605,500 <sup>(4)</sup>	n/a	8,421,906 <sup>(5)</sup>
DSU	287,072 <sup>(6)</sup>	n/a	3,055,397 <sup>(7)</sup>
Equity compensation plans not approved by security holders	—	—	—
<b>Total</b>	<b>9,498,772</b>		<b>30,610,852</b>

- (1) The options issued and outstanding represent approximately 2.28% of the Company's Common Shares issued and outstanding as of November 30, 2023.
- (2) Of the 7,606,200 options issued and outstanding, 884,400 have a weighted average exercise price of C\$8.81 and 6,721,800 have a weighted average exercise price of \$6.60.
- (3) The number of options available for future issuance is a number equal to eight percent of the issued and outstanding Common Shares from time to time, less the number of outstanding options. The 19,133,549 options available for future issuance represent 5.72% of the Company's issued and outstanding Common Shares as of November 30, 2023.
- (4) Assumes vesting at 100% of PSU grant amount. PSUs can vest anywhere from 0% to 150% of the PSU grant amount depending upon performance against established quantitative performance criteria. The PSUs issued and outstanding represent approximately 0.48% of the Company's Common Shares issued and outstanding as of November 30, 2023.
- (5) The number of PSUs available for future issuance is a number equal to three percent of the issued and outstanding Common Shares from time to time, less the number of outstanding PSUs. The 8,421,906 PSUs available for future issuance represent 2.52% of the Company's issued and outstanding Common Shares as of November 30, 2023.
- (6) The DSUs issued and outstanding represent approximately 0.09% of the Company's Common Shares issued and outstanding as of November 30, 2023.
- (7) The number of DSUs available for future issuance is a number equal to one percent of the issued and outstanding Common Shares from time to time, less the number of outstanding DSUs. The 3,055,397 DSUs available for future issuance represent 0.91% of the Company's issued and outstanding Common Shares as of November 30, 2023.

**Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information appearing in our 2024 Proxy Statement under the heading "Interest Of Informed Persons In Material Transactions", "Board of Directors" under the heading "Statement of Corporate Governance Practices" is incorporated herein by reference.

**Item 14. Principal Accountant Fees and Services**

The information appearing in our 2024 Proxy Statement regarding Audit Fees, Audit-Related Fees, Tax Fees, All Other Fees and Audit Committee Pre-Approval Policies under the subheading "Appointment of Auditors" is incorporated herein by reference.

## PART IV

**Item 15. Exhibits and Financial Statement Schedules****(a)(1) Financial Statements**

	<b>Page</b>
<a href="#">Reports of Independent Registered Public Accounting Firm</a> (PCAOB ID 271)	<a href="#">53</a>
<a href="#">Consolidated Balance Sheets</a>	<a href="#">55</a>
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<a href="#">Consolidated Statements of Equity</a>	<a href="#">58</a>
<a href="#">Notes to Consolidated Financial Statements</a>	<a href="#">59</a>

**(a)(2) Financial Statement Schedules**

Schedule A – The Financial Statements of Donlin Gold LLC as of November 30, 2023 and 2022 and for the years ended November 30, 2023, 2022 and 2021.

No other financial statement schedules are filed as part of this report because such schedules are not applicable or the required information is shown in the Consolidated Financial Statements or Notes thereto. See *Item 8. Financial Statements and Supplementary Data*.

**(a)(3) Executive Compensation Plans and Arrangements**

Employment Agreement between the Registrant and Gregory A. Lang, dated January 9, 2012, identified in exhibit list below.

Employment Agreement between NOVAGOLD Resources Alaska, Inc. (a wholly-owned subsidiary of the Registrant) and Gregory A. Lang dated January 9, 2012, identified in exhibit list below.

Employment Agreement between NOVAGOLD USA, Inc. and David Ottewell, dated September 10, 2012, identified in exhibit list below.

2004 Stock Award Plan of NOVAGOLD Resources Inc. (as amended) identified in exhibit list below.

NOVAGOLD Resources Inc. Employee Share Purchase Plan identified in exhibit list below.

NOVAGOLD Resources Inc. 2009 Performance Share Unit Plan identified in exhibit list below.

NOVAGOLD Resources Inc. 2009 Non-Employee Directors Deferred Share Unit Plan identified in exhibit list below.

**(b) Exhibits**

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">3.1</a>	Certificate of Continuance (British Columbia) dated June 10, 2013 (incorporated by reference to Exhibit 99.1 to the Form 6-K dated June 19, 2013)
<a href="#">3.2</a>	Certificate of Discontinuance (Nova Scotia) dated June 10, 2013 (incorporated by reference to Exhibit 99.2 to the Form 6-K dated June 19, 2013)
<a href="#">3.3</a>	Notice of Articles (British Columbia) dated June 10, 2013 (incorporated by reference to Exhibit 99.3 to the Form 6-K dated June 19, 2013)

- [3.4](#) Amended and Restated Articles of NOVAGOLD RESOURCES INC. dated May 12, 2021 (incorporated by reference to Appendix A to Registrant's definitive proxy statement filed with the Securities and Exchange Commission on March 25, 2021)
- [4.1](#) Description of Common Shares
- [10.1](#) Amendment dated January 13, 2010 to Limited Liability Company Agreement dated December 1, 2007 between Donlin Gold LLC, Barrick Gold U.S. Inc. and NOVAGOLD Resources Alaska, Inc. (incorporated by reference to Exhibit 10.2 to Registrant's Annual Report on Form 10-K for the year ended November 30, 2013, filed with the Securities and Exchange Commission on February 12, 2014)
- [10.2](#) Limited Liability Company Agreement dated December 1, 2007 between Donlin Gold LLC, Barrick Gold U.S. Inc. and NOVAGOLD Resources Alaska, Inc. (incorporated by reference to Exhibit 10.8 to Registrant's Annual Report on Form 10-K for the year ended November 30, 2013, filed with the Securities and Exchange Commission on February 12, 2014)
- [10.3](#) 2004 Stock Award Plan of NOVAGOLD Resources Inc. (as amended) (incorporated by reference to Appendix A to Registrant's definitive proxy statement, filed with the Securities and Exchange Commission on March 24, 2023)
- [10.4](#) NOVAGOLD Resources Inc. Employee Share Purchase Plan (incorporated by reference to Exhibit 10.12 to Registrant's Annual Report on Form 10-K for the year ended November 30, 2013, filed with the Securities and Exchange Commission on February 12, 2014)
- [10.5](#) NOVAGOLD Resources Inc. 2009 Performance Share Unit Plan (as amended) (incorporated by reference to Appendix C to Registrant's definitive proxy statement, filed with the Securities and Exchange Commission on March 24, 2023)
- [10.6](#) NOVAGOLD Resources Inc. 2009 Non-Employee Directors Deferred Share Unit Plan (as amended) (incorporated by reference to Appendix E to Registrant's definitive proxy statement, filed with the Securities and Exchange Commission on March 24, 2023)
- [10.7](#) Employment Agreement between the Registrant and Gregory A. Lang dated January 9, 2012. (incorporated by reference to Exhibit 10.15 to Registrant's Annual Report on Form 10-K for the year ended November 30, 2013, filed with the Securities and Exchange Commission on February 12, 2014)
- [10.8](#) Employment Agreement between the Registrant's wholly-owned subsidiary, NovaGold USA, Inc., and David Ottewell, dated September 10, 2012. (incorporated by reference to Exhibit 10.17 to Registrant's Annual Report on Form 10-K for the year ended November 30, 2013, filed with the Securities and Exchange Commission on February 12, 2014)
- [10.9](#) Amendment dated July 15, 2010 to Limited Liability Company Agreement dated December 1, 2007 between Donlin Gold LLC, Barrick Gold U.S. Inc. and NOVAGOLD Resources Alaska, Inc. (incorporated by reference to Exhibit 10.18 to Registrant's Annual Report on Form 10-K for the year ended November 30, 2013, filed with the Securities and Exchange Commission on February 12, 2014)
- [10.10](#) Amendment dated June 1, 2011 to Limited Liability Company Agreement dated December 1, 2007 between Donlin Gold LLC, Barrick Gold U.S. Inc. and NOVAGOLD Resources Alaska, Inc. (incorporated by reference to Exhibit 10.19 to Registrant's Annual Report on Form 10-K for the year ended November 30, 2013, filed with the Securities and Exchange Commission on February 12, 2014)
- [10.11](#) Employment Agreement between the Registrant's wholly-owned subsidiary, NOVAGOLD Resources Alaska, Inc., and Gregory A. Lang, dated January 9, 2012. (incorporated by reference to Exhibit 10.20 to Registrant's Annual Report on Form 10-K for the year ended November 30, 2013, filed with the Securities and Exchange Commission on February 12, 2014)
- [10.12\\*](#) Share Purchase Agreement, dated July 25, 2018, by and among NOVAGOLD RESOURCES INC., Newmont Mining Corporation and Newmont Canada FN Holdings ULC (incorporated by reference to Exhibit 99.3 of the Form 8-K/A, filed with the Securities and Exchange Commission on October 3, 2018)
- [19.1](#) Registrant's Insider Trading Policy adopted January 29, 2014, and amended May 18, 2023

<a href="#">21.1</a>	Subsidiaries of the registrant
<a href="#">23.1</a>	Consent of PricewaterhouseCoopers LLP
<a href="#">23.2</a>	Consent of Wood Canada Limited
<a href="#">23.3</a>	Consent of Paul Chilson
<a href="#">31.1</a>	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
<a href="#">31.2</a>	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
<a href="#">32.1</a>	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
<a href="#">32.2</a>	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
<a href="#">96.1</a>	S-K 1300 Technical Report Summary on the Donlin Gold Project, Alaska, USA (incorporated by reference to Exhibit 96.1 to Registrant’s Annual Report on Form 10-K for the year ended November 30, 2021, filed with the Securities and Exchange Commission on January 26, 2022)
<a href="#">97.1</a>	Registrant’s Incentive Compensation Recovery Policy dated November 17, 2023
101	The following materials are filed herewith: (i) Inline XBRL Instance, (ii) Inline XBRL Taxonomy Extension Schema, (iii) Inline XBRL Taxonomy Extension Calculation, (iv) XBRL Taxonomy Extension Labels, (v) XBRL Taxonomy Extension Presentation, and (vi) Inline XBRL Taxonomy Extension Definition.
104	Cover Page Interactive Data File – The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
*	Confidential treatment has been granted for certain portions of this Exhibit pursuant to Rule 24b-2 of the Exchange Act, which portions have been omitted and filed separately with the SEC

**Item 16. Form 10-K Summary**

None

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

## NOVAGOLD RESOURCES INC.

By: /s/ Gregory A. Lang  
 Name: Gregory A. Lang  
 Title: President and Chief Executive Officer

Date: January 24, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
/s/ Gregory A. Lang	President, Chief Executive Officer and Director (Principal Executive Officer)	January 24, 2024
/s/ David A. Ottewell	Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	January 24, 2024
/s/ Thomas S. Kaplan	Board Chair	January 24, 2024
/s/ Elaine Dorward-King	Director	January 24, 2024
/s/ Diane Garrett	Director	January 24, 2024
/s/ Hume Kyle	Director	January 24, 2024
/s/ Kalidas Madhavpeddi	Director	January 24, 2024
/s/ Kevin McArthur	Director	January 24, 2024
/s/ Daniel Muñoz Quintanilla	Director	January 24, 2024
/s/ Ethan Schutt	Director	January 24, 2024
/s/ Anthony P. Walsh	Director	January 24, 2024
/s/ Dawn Whittaker	Director	January 24, 2024

**Item 15. (a)(2) Schedule A**

**Report of Independent Registered Public Accounting Firm**

To the Board of Directors of Donlin Gold LLC

***Opinion***

We have audited the accompanying financial statements of Donlin Gold LLC (the “Company”), which comprise the balance sheets as of November 30, 2023 and November 30, 2022, and the related statements of loss and comprehensive loss, of cash flows and of equity for each of the three years in the period ended November 30, 2023, including the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of November 30, 2023 and November 30, 2022, and the results of its operations and its cash flows for each of the three years in the period ended November 30, 2023 in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“US GAAS”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors’ Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**/s/ PricewaterhouseCoopers LLP**

Chartered Professional Accountants

Vancouver, Canada  
January 19, 2024





**DONLIN GOLD LLC**  
**BALANCE SHEETS**  
(U.S. dollars in thousands)

	At November 30,	
	2023	2022
<b>ASSETS</b>		
Cash	\$ 5,907	\$ 7,535
Inventory	244	332
Accounts receivable	285	193
Prepaid expenses	385	381
Current assets	6,821	8,441
Right of use assets (note 3)	-	75
Plant and equipment (note 4)	2,910	3,996
Mineral property (note 5)	65,230	65,230
Total assets	\$ 74,961	\$ 77,742
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 2,620	\$ 3,786
Lease obligations (note 3)	-	81
Due to related parties (note 6)	716	776
Current liabilities	3,336	4,643
Reclamation and remediation (note 7)	1,482	1,403
Total liabilities	4,818	6,046
Commitments and contingencies (notes 3 and 8)		
<b>EQUITY</b>		
Partners' contributions	573,104	537,600
Accumulated deficit	(502,961)	(465,904)
Total equity	70,143	71,696
Total liabilities and equity	\$ 74,961	\$ 77,742

The accompanying notes are an integral part of these financial statements.



**DONLIN GOLD LLC**  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(U.S. dollars in thousands)

	Years ended November 30,		
	2023	2022	2021
Operating expenses:			
Drilling, studies and engineering	\$ 20,576	\$ 37,914	\$ 18,791
General and administrative	5,498	5,976	4,391
Permitting and environmental	3,470	4,816	4,120
Mineral property leases	3,234	3,605	3,191
Community relations	3,057	3,066	2,080
Depreciation	1,143	856	600
Accretion	79	93	80
	<u>37,057</u>	<u>56,326</u>	<u>33,253</u>
Loss from operations	<u>\$ (37,057)</u>	<u>\$ (56,326)</u>	<u>\$ (33,253)</u>

The accompanying notes are an integral part of these financial statements.



**DONLIN GOLD LLC**  
**STATEMENTS OF CASH FLOWS**  
(U.S. dollars in thousands)

	Years ended November 30,		
	2023	2022	2021
<b>Operating activities:</b>			
Net loss	\$ (37,057)	\$ (56,326)	\$ (33,253)
<b>Adjustments:</b>			
Depreciation	1,143	856	600
Other adjustments (Accretion and leases)	73	75	73
<b>Changes in operating assets and liabilities:</b>			
Prepaid expenses	(4)	51	132
Inventory	88	(30)	(256)
Accounts receivable	(92)	(51)	(117)
Accounts payable and accrued liabilities	(1,225)	1,481	591
Net cash used in operations	<u>(37,074)</u>	<u>(53,944)</u>	<u>(32,230)</u>
<b>Investing activities:</b>			
Capital expenditures - plant and equipment	(58)	(2,145)	(862)
Net cash used in investing activities	<u>(58)</u>	<u>(2,145)</u>	<u>(862)</u>
<b>Financing activities:</b>			
Partners' contributions	35,504	56,870	35,174
Net cash provided from financing activities	<u>35,504</u>	<u>56,870</u>	<u>35,174</u>
Increase/(Decrease) in cash during the year	(1,628)	781	2,082
Cash at beginning of year	7,535	6,754	4,672
Cash at end of year	<u>\$ 5,907</u>	<u>\$ 7,535</u>	<u>\$ 6,754</u>

The accompanying notes are an integral part of these financial statements.



**DONLIN GOLD LLC**  
**STATEMENTS OF EQUITY**  
(U.S. dollars in thousands)

	Barrick contributions	NOVAGOLD contributions	Accumulated deficit	Total equity
December 1, 2020	\$ 222,778	\$ 222,778	\$ (376,325)	\$ 69,231
Partners' cash contribution	17,587	17,587	—	35,174
Net loss	—	—	(33,253)	(33,253)
November 30, 2021	\$ 240,365	\$ 240,365	\$ (409,578)	\$ 71,152
Partners' cash contribution	28,435	28,435	—	56,870
Net loss	—	—	(56,326)	(56,326)
November 30, 2022	\$ 268,800	\$ 268,800	\$ (465,904)	\$ 71,696
Partners' cash contribution	17,752	17,752	—	35,504
Net loss	—	—	(37,057)	(37,057)
November 30, 2023	\$ 286,552	\$ 286,552	\$ (502,961)	\$ 70,143

The accompanying notes are an integral part of these financial statements.

**DONLIN GOLD LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
(U.S. dollars in thousands)

**NOTE 1 – NATURE OF OPERATIONS AND ECONOMIC DEPENDANCE**

On December 1, 2007, Barrick Gold U.S. Inc. (“Barrick”) and NOVAGOLD Resources Alaska, Inc. (“NOVAGOLD”), formed Donlin Gold LLC, a Delaware limited liability corporation, (the “Company”) to advance the Donlin Gold Project in Alaska. Barrick and NOVAGOLD each own a 50% interest in the Company. Donlin Gold LLC has a board of four directors, with two nominees selected by each company. All significant decisions related to Donlin Gold LLC require the approval of both companies. The Company currently depends on Barrick and NOVAGOLD for all of its funding and has received commitments from its shareholders that they will fund the Company for the next twelve months. These financial statements have been prepared pursuant to Rule 3-09 of SEC Regulation S-X for inclusion in NOVAGOLD Resources Inc.’s 10-K, as the Company is an equity investee of NOVAGOLD Resources Alaska, Inc, a wholly owned subsidiary of NOVAGOLD Resources Inc.

The Company’s Board of Directors approved the Project’s Updated Feasibility Study in July 2012. The Company subsequently initiated the permitting process. The U.S. Army Corps of Engineers (the “Corps”) issued the final Environmental Impact Statement (EIS) on April 27, 2018. On August 13, 2018, the Corps and the Bureau of Land Management (BLM) issued a joint Federal Record of Decision (ROD) for the Donlin Gold Project along with their respective federal permit authorizations. Several major State of Alaska authorizations have also been issued, including the approval of the Donlin Gold Reclamation and Closure Plan, Waste Management Permit, Water Discharge Permit, Permit to Appropriate Water, Title 16 Fish Habitat Permits for the mine area and right of way agreements with the State and BLM. At the end of 2023, four appeals remained active in both the State of Alaska and U.S. Federal courts concerning permits granted for the project. These include: the appeal of the Alaska Department of Environmental Conservation (ADEC) Clean Water Act Section 401 Certificate of Reasonable Assurance at the State Superior Court level; appeals regarding the state pipeline right-of-way and the water rights in the State’s Supreme Court; and one appeal concerning the EIS, ROD, and associated federal permits in the U.S. Federal Court.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Presentation**

These financial statements are presented in United States dollars (\$) and have been prepared in accordance with accounting principles generally accepted in the United States (GAAP).

**Use of estimates**

The preparation of the Company’s financial statements requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the related disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. The more significant areas requiring the use of management estimates and assumptions relate to environmental, reclamation and closure obligations. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results will differ from amounts estimated in these financial statements.

**Plant and equipment**

On initial recognition, plant and equipment are recorded at cost subject to a ten-thousand-dollar threshold for capitalization. Plant and equipment are subsequently measured at cost less accumulated depreciation. Depreciation is recorded over the estimated useful life of the assets at the following annual rates:

- Computer equipment – 5 years straight-line;
- Computer software – 5 years straight-line;
- Furniture and equipment – 5 years straight-line; and
- Leasehold improvements – straight-line over the lease term.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**DONLIN GOLD LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
(U.S. dollars in thousands)

**Leases**

The Company reviews all contracts and determines if the arrangement represents or contains a lease, at inception. Operating leases are included in Right of use assets and Lease obligations (current and long-term) in the Balance Sheets. The Company does not have any finance leases.

Operating lease ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. The Company uses its estimated incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future payments. The operating lease ROU asset also includes any upfront lease payments made and excludes lease incentives and initial direct costs incurred. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Leases with a term of 12 months or less are not recorded on the balance sheet. The Company's lease agreements do not contain any residual value guarantees.

**Mineral properties**

All direct costs related to the acquisition of mineral property interests are capitalized. Mineral property exploration expenditures are expensed when incurred. When it has been established that a mineral deposit is commercially mineable, an economic analysis has been completed and permits are obtained, the costs subsequently incurred to develop a mine on the property prior to the start of mining operations are capitalized. Capitalized costs will be amortized following commencement of commercial production using the unit of production method over the estimated life of proven and probable reserves.

**Asset retirement obligations**

The Company records a liability based on the best estimate of costs for site closure and reclamation activities that the Company is legally or contractually required to undertake. The liability is estimated using expected discounted cash flows based on engineering and environmental reports and accreted to full value over time through periodic charges to income. Adjustments to the reclamation obligation arising from changes in estimates are recorded as a component of the mineral property.

**Income taxes**

The Company is not a taxable entity for income tax purposes. Accordingly, no recognition is given to income taxes for financial reporting purposes. Tax on the net income (loss) of the Company is borne by the owners through the allocation of taxable income (loss). Net income for financial statement purposes may differ significantly from taxable income for the owners as a result of differences between the tax basis and financial reporting basis of assets and liabilities and the taxable income allocation requirements under the shareholders agreement.

**Impairment of long-lived assets**

Management assesses the possibility of impairment in the carrying value of its long-lived assets whenever events or circumstances indicate that the carrying amounts of the asset or assets group may not be recoverable. Management calculates the estimated undiscounted future net cash flows relating to the asset or assets. When the carrying value of an asset exceeds the related undiscounted cash flows, the asset is written down to its estimated fair value, which is usually determined using discounted future cash flows. Management's estimates of mineral prices, mineral reserves, foreign exchange rates, production levels and operating capital and reclamation costs are subject to risk and uncertainties that may affect the determination of the recoverability of the long-lived asset. It is possible that material changes could occur that may adversely affect management's estimates.

**DONLIN GOLD LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
(U.S. dollars in thousands)

**Cash and cash equivalents**

Cash and cash equivalents consist of cash and highly liquid investments with original maturities of three months or less which are considered to be cash equivalents. The fair value of the Company's financial assets, which includes cash, approximates their carrying values due to their short-term nature.

**Trade payables**

The fair value of the Company's financial liabilities, such as accounts payable and accrued liabilities approximates their carrying values due to their short-term nature.

**Due to related parties**

The amounts due to Barrick and NOVAGOLD are non-interest bearing, unsecured and without specified terms of repayment.

**NOTE 3 – LEASES**

The Company leases office space under a non-cancelable operating lease with an original lease term of 3.25 years. The lease requires monthly lease payments that are subject to annual increases throughout the lease term. The lease also includes a renewal option at the election of the Company to renew or extend the lease for an additional four years. The optional periods have not been considered in the determination of ROU assets or lease liabilities associated with the lease as management did not consider it reasonably certain it would exercise the option. The Company also leases land, however, since the non-cancelable lease terms do not exceed 12 months, these are quantified below as short-term leases and are not recorded in the Balance Sheets.

The Company performed evaluations of its contracts and determined its identified leases are operating leases and short-term leases. No variable leases with non-cancelable terms greater than one month were identified.

Operating lease expenses are included on the Statement of Loss in *General and administrative expense* and *Mineral property leases* and include the following components for the year ended November 30, 2022:

Operating lease cost	\$	75
Variable lease cost		—
Short-term lease cost		671
	<u>\$</u>	<u>746</u>

There are no future minimum lease payments under non-cancellable operating leases as of November 30, 2023.

Other information regarding leases for the year ended November 30, 2023 includes the following:

Cash paid for operating leases	\$	87
Right-of-use assets obtained in exchange for lease liabilities	\$	—
Weighted average remaining lease term (years) – operating leases		—

**NOTE 4 – PLANT AND EQUIPMENT**

	At November 30,	
	2023	2022
Plant and equipment	\$ 8,296	\$ 8,239
Accumulated depreciation	(5,386)	(4,243)
	<u>\$ 2,910</u>	<u>\$ 3,996</u>

**DONLIN GOLD LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
(U.S. dollars in thousands)

**NOTE 5 – MINERAL PROPERTY**

	At November 30,	
	2023	2022
Acquisition cost	\$ 64,000	\$ 64,000
Asset retirement cost	1,230	1,230
	\$ 65,230	\$ 65,230

The Donlin Gold Project is located in the Kuskokwim region of southwestern Alaska on private, Alaska Native-owned mineral and surface land and Alaska state mining claims. The property is under lease for subsurface mineral rights from Calista Corporation and surface land rights from The Kuskokwim Corporation, two Alaska Native corporations. The mineral property was jointly owned by Barrick and NOVAGOLD through an unincorporated joint venture prior to the formation of the Company. Upon formation of the Company, the mineral property contributed was recorded based on the predecessor accounting values of Barrick and NOVAGOLD. As such, mineral property includes the historic acquisition cost as the partners' initial contribution to the Company.

**NOTE 6 – RELATED PARTY TRANSACTIONS**

The Company received management and administrative services from Barrick for \$332 in 2023, \$1,288 in 2022, and \$774 in 2021, and received from NOVAGOLD management and administrative services for 923 in 2023, \$681 in 2022 and \$nil in 2021. Both Barrick and NOVAGOLD amounts are included in General and Administrative, and drilling, studies and engineering expense.

The Company has accounts payable to Barrick at November 30, 2023 of \$474 (2021: \$425) for reimbursement of management and administrative services and to NOVAGOLD an of \$243 (2022: \$574) for reimbursement of third party contracted services on behalf of the Company.

**NOTE 7 – RECLAMATION AND REMEDIATION**

Significant reclamation and closure activities include rehabilitation and decommissioning of the camp and drill sites. Although the ultimate amount or timing of reclamation costs cannot be predicted with certainty, the estimated discounted cash flows required to settle the Company's obligations for work undertaken at the site to date is \$1,482.

	At November 30,	
	2023	2022
Reclamation and Remediation	1,403	1,310
Accretion	79	93
	\$ 1,482	\$ 1,403

**NOTE 8 – MINERAL PROPERTY LEASES**

The Company leases certain assets, such as mineral property leases, that are an exception to applying lease accounting under ASC 842. These mineral property leases coincide with the currently projected Donlin Gold mine life, with provisions for a further extension, should production continue beyond that. Future minimum annual mineral property lease payments are \$2,548 in 2024, \$3,548 in 2025, \$3,548 in 2026, \$3,548 in 2027, and \$3,548 in 2028 totaling \$16,740.



**DESCRIPTION OF COMMON SHARES**

The common shares of NOVAGOLD RESOURCES INC. (the “Common Shares”) are its only class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

The following description of our Common Shares is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our Notice of Articles and Amended and Restated Articles which are attached as exhibits to the Annual Report on Form 10-K. We are incorporated in the Province of British Columbia, Canada and are subject to the Business Corporations Act (British Columbia). The Company is authorized to issue 1,000,000,000 Common Shares without par value.

Holders of Common Shares are entitled to receive notice of and to attend any meetings of shareholders of the Company and at any meetings of shareholders to cast one vote for each Common Share held. Holders of Common Shares do not have cumulative voting rights. A simple majority of votes cast on a resolution is required to pass an ordinary resolution; however, if the resolution is a special resolution two-thirds of the votes cast on the special resolution are required to pass it. Holders of Common Shares are entitled to receive dividends as and when declared by the board of directors of the Company at its discretion from funds legally available therefor and to receive a pro rata share of the assets of the Company available for distribution to the shareholders in the event of the liquidation, dissolution or winding-up of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attached to any other series or class of shares ranking senior in priority to or on a pro-rata basis with the holders of Common Shares with respect to dividends or liquidation. There are no pre-emptive, subscription, conversion or redemption rights attached to the Common Shares nor do they contain any sinking or purchase fund provisions. For a discussion of certain tax matters, see “Certain Canadian Federal Income Tax Considerations for U.S. Residents” and “Certain United States Federal Income Tax Considerations for U.S. Holders” in the Form 10-K under Part II. Item 5. Market For Registrant’s Common Equity, Related Shareholder Matters And Issuer Purchases Of Equity Securities.

**NOVAGOLD RESOURCES INC.**  
**(the “Company”)**

**INSIDER TRADING POLICY**

**PURPOSE**

The Company is a publicly traded company listed on the Toronto Stock Exchange (the “TSX”) and the NYSE American (the “NYSE”), and together with the TSX, the “Exchanges”). As such, trades in the Company’s securities are subject to Canadian and U.S. securities laws, rules and regulations, as well as the rules and regulations of the Exchanges (collectively, “securities laws”). Securities laws generally prohibit trading or dealing in the securities of a company on the basis of material non-public information. Anyone violating these laws is subject to personal liability and could face criminal and civil penalties, fines, or imprisonment as well as causing significant damage to the Company’s reputation.

The purpose of this Policy is to assist Company Personnel (as defined below) in complying with their obligations. This Policy does not replace your responsibility to understand and comply with the securities laws, including the legal prohibitions on insider trading and, if applicable, your obligation for insider reporting.

Trading in securities of the Company, including without limitation the purchase and sale of common shares and the exercise of stock options, by Company Personnel, must also avoid the appearance of impropriety, as well as remain in full compliance with securities laws. Accordingly, you must exercise good judgment when engaging in securities transactions and when relaying to others information obtained as a result of your employment with or other relationship to the Company. If you have any doubt whether a particular situation requires refraining from effecting a transaction in the Company’s securities or sharing information with others, such doubt should be resolved *against* taking such action.

**COMPANY PERSONNEL**

The following persons are required to observe and comply with this Policy:

- (a) all directors, officers and employees of the Company or its subsidiaries;
- (b) any other person retained by or engaged by or on behalf of the Company or any of its subsidiaries (such as a consultant, independent contractor, adviser, or other service provider);
- (c) any family member, spouse or other person living in the household or a dependent child of any of the individuals referred to in Sections (a) and (b) above; and
- (d) partnerships, trusts, corporations, R.R.S.P.’s and other entities over which any of the above-mentioned individuals exercise control or direction.

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<sup>1</sup> “Securities” includes common shares and any other security that the Company may issue including preferred shares, options, debentures, warrants, puts, calls and other derivative instruments with respect to such securities and any other securities that are convertible or exchangeable into such securities.

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For the purposes of this Policy, the persons listed above are collectively referred to as “Company Personnel”. Sections (c) and (d) should be carefully reviewed by Company Personnel; those sections have the effect of making various family members or holding companies or trusts of the persons referred to in Sections (a) and (b) subject to the Policy.

### **MATERIAL NON-PUBLIC INFORMATION**

“Material non-public information” is information that:

- (i) could reasonably be expected to have a significant effect on the market price or value of the Company’s securities; or
- (ii) a reasonable investor would consider to be important in making an investment decision regarding the purchase or sale of the securities of the Company;

and that has not been previously disclosed or published by means of a broadly disseminated news release or securities filing with a reasonable amount of time having been given for investors to analyze the information.

Examples of material undisclosed information include but are not limited to: financial performance and significant changes in financial performance; projections and strategic plans; major corporate acquisitions and dispositions; significant changes to major assets and operations; changes in ownership of the Company’s securities that may affect the control of the Company; significant changes in senior management or to the Board of Directors; significant litigation; changes in corporate structure, such as reorganizations; changes in capital structure; significant new debt or material events of default; public or private sale of additional securities; entering into or loss of significant contracts; major labour disputes or disputes with major contractors, customers or suppliers; takeover bids and issuer bids; and any decision to implement such a change by the Company’s Board of Directors or by senior management who believe that confirmation of the decision by the Company’s Board of Directors is probable.

If you have any doubt whether certain information is “material,” you should ***not*** trade or communicate such information. Information is “non-public” until it has been made available to investors generally, such as in publicly available reports filed with the applicable stock exchange or securities commission or in press releases issued by a company. In general, information may be presumed to have been available to investors two business days after the formal release of such information.

### **PROHIBITED AND RESTRICTED ACTIVITIES**

***Insider Trading:*** You must not engage in transactions in any securities, whether of the Company or of any other public companies, while in possession of material, non-public information regarding such securities, (“insider trading”).

Under this Policy, “trading” includes any sale or purchase of securities of the Company, including but not limited to: (a) buying or selling puts or calls or other derivative securities on the Company’s securities; (b) the exercise of stock options granted under the Company’s stock option plan; and (c) the acquisition of shares or any other securities pursuant to any Company benefit plan or arrangement. Notwithstanding item (c) above, regular, ongoing purchases of Company stock under the Company’s Employee Stock Purchase Plan (the “ESPP”), or in accordance with a previously approved structured trading plan are exempt from the foregoing prohibition; however, starting, stopping, or making changes to your level of participation in the ESPP, or making changes to your Pre-Approved Trading Plan (defined below), is prohibited during any period of time you are in possession of material, non-public information about the Company.

**Tipping:** You must not disclose material, non-public or other confidential information relating to the Company or other companies, when obtained in the course of service to the Company, to anyone, inside or outside of the Company (including family members) (“tipping”), except on a strict need-to-know basis as is necessary in the course of the Company’s business and under circumstances that make it reasonable to believe that the information will not be misused or improperly disclosed by the recipient. You must treat all information concerning the Company as confidential and proprietary to the Company. Any uncertainty concerning the disclosure of any such information to other persons in the course of the Company’s business should be immediately brought to the attention of the General Counsel or Chief Financial Officer for resolution. You must also refrain from recommending or suggesting that any person engage in transactions in securities, whether of the Company or any other company, while in possession of material, non-public information about those securities or that company. Both the person who provides the information and the person who receives the information are liable under securities laws if the person who receives the information trades in securities based on the provided non-public information.

**Trading During Blackouts:** You must not, directly or indirectly, trade in securities of the Company during any Blackout Period (as described below).

**Hedging Transactions:** You must not engage in hedging transactions. Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow an employee to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow you to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, you may no longer have the same objectives as the Company’s other shareholders. Therefore, you are prohibited by this Policy from engaging in any such hedging transactions.

**Margin Accounts and Pledges:** You must not hold securities of the Company in a margin account or pledge Company securities as collateral. Securities held in a margin account may be sold by the broker without the customer’s consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material non-public information or otherwise is not permitted to trade in Company securities, you are prohibited from holding Company securities in a margin account or pledging Company securities as collateral for a loan.

**Pre-Clearance:** “Insiders” for U.S. reporting purposes (as such term is defined below under the heading “Insider Reporting Obligations – U.S. Reporting Obligations – Who is an Insider”) must not, directly or indirectly, trade in securities of the Company in Canada or the United States except in accordance with the pre-clearance procedures (as described below).

***Additional Trading Restrictions for Persons Deemed “Insiders” under U.S. Securities Laws:*** U.S. securities laws prohibit “Insiders” (as such term is defined below under the heading “Insider Reporting Obligations – U.S. Reporting Obligations – Who is an Insider”) from effecting “short sales” or “sales against the box” in equity securities of the Company. A “short sale” is the sale of securities that you do not own and where delivery is made with borrowed securities or securities subsequently purchased. If you are deemed an insider for U.S. securities law purposes, it is unlawful for you to sell Company securities you do not own, and the acquisition of a put or the issuance of a call for Company stock may result in a violation of the short sale prohibition. A “sale against the box” is the sale of securities you own but which you do not promptly deliver after the sale. It is unlawful for you to sell equity securities of the Company if the certificate representing the securities is not delivered within 20 days after the sale or deposited in the mail or other usual means of delivery within five days after the sale.

U.S. securities laws additionally prohibit Insiders from realizing any “short-swing profit” in securities of the Company. Any profit realized by you on a purchase and sale or sale and purchase of the Company’s equity securities within any six-month period belongs to and is recoverable by the Company. For purposes of this rule, equity securities include common stock, preferred stock and related derivative securities (e.g., options, warrants, convertible securities, puts, calls, stock appreciation rights (“SARs”), phantom stock units, equity swaps and other rights). Company securities acquired through stock option exercises, the vesting of PSUs or DSUs, since they are approved by the Company’s Board, do not count as purchases or acquisitions for purposes of determining “short-swing profit”. However, the sale of any of the securities in the open market (e.g., a cashless option exercise, or a sale to cover taxes) do count as a sale for purposes of determining “short-swing profit”.

### **BLACKOUT PERIODS**

The Company reserves the right to restrict trading by directors, officers, employees and agents in securities of the Company. Such restriction is generally referred to as a “Blackout Period” and is in place when there is, or is potential for, a significant event pending or there is information available but not yet disclosed.

The “Blackout Period” is:

- (a) for quarterly financial results, the period beginning at the end of the trading day that is three (3) weeks after the end of the quarter and ending at the end of the first trading day after the financial results are publicly disclosed. This Blackout Period applies to all directors, officers, finance and accounting staff and corporate communications staff directly involved in the dissemination of the financial results;
- (b) for annual financial results, the period beginning at the end of the trading day that is five (5) weeks after the end of the fiscal year and ending at the end of the first trading day after the annual financial results are publicly disclosed. This Blackout Period applies to all directors, officers, finance and accounting staff, corporate communications staff directly involved, and other Company’s employees as determined by senior management;
- (c) for news releases containing material information, other than financial results, one full trading day immediately following the time of the announcement. This Blackout Period applies to all directors and officers and other employees as determined by senior management; or
- (d) any other time and for any length of time as deemed necessary by the Company’s Board of Directors, Chief Executive Officer, Chief Financial Officer or General Counsel.

The trading restrictions of a Blackout Period shall not be applicable to trading activities pursuant to a pre-approved trading plan that complies with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, and an “automatic securities purchase plan,” as defined in National Instrument 55-104, provided such trading plan (1) is in writing; (2) was submitted to the Company for review prior to its adoption; and (3) was not adopted during a Blackout Period or at a time when the person was in possession of material non-public information.

All efforts will be made to advise of Blackout Periods as soon as possible, however, it is your responsibility to ensure that you are not in violation of the prohibition against trading during a Blackout Period by pre-clearing transactions in accordance with this Policy.

### **PRE-CLEARANCE**

Because “Insiders” for U.S. reporting purposes (as such term is defined below under the heading “Insider Reporting Obligations – U.S. Reporting Obligations – Who is an Insider”) are likely to obtain material non-public information on a regular basis, such persons must not, directly or indirectly, trade in securities of the Company without first obtaining prior approval from the General Counsel, Corporate Secretary, or such person as she or he may designate (the “Pre-Clearance Designee”). The General Counsel, Corporate Secretary or Pre-Clearance Designee shall record the date each request is received and the date and time each request is approved or disapproved. Unless revoked, a grant of permission will normally remain valid until the close of trading two business days following the day on which it was granted. If the transaction does not occur during the two-day period, pre-clearance of the transaction must be re-requested. Pre-clearance is not required for purchases and sales of securities under a Pre-Approved Trading Plan (as defined below). With respect to any purchase or sale under a Pre-Approved Trading Plan, the third party effecting transactions on behalf of the Insider should be instructed to send duplicate confirmations of all such transactions to the General Counsel, Corporate Secretary or Pre-Clearance Designee.

### **PRE-APPROVED TRADING PLANS**

Notwithstanding any of the prohibitions contained in this Policy, Company Personnel may trade in Company securities at any time pursuant to a trading plan that has been properly adopted and is properly administered in accordance with Rule 10b5-1 under the United States Securities Exchange Act of 1934, as amended (a “Rule 10b5-1 Plan”) and an automatic securities purchase plan, as defined in National Instrument 55-104 (an “Automatic Securities Purchase Plan,” and together with a Rule 10b5-1 Plan, a “Pre-Approved Trading Plan”). All adopted Pre-Approved Trading Plans must comply with all applicable policies established by the Company, in addition to complying with applicable Canadian and United States laws.

The rules applicable to Pre-Approved Trading Plans are complex and technical in nature, so you should not employ a Pre-Approved Trading Plan without obtaining advice from legal counsel. A Pre-Approved Trading Plan may not be adopted at any time when you are aware of material non-public information or are subject to a Blackout Period.

Prior to adopting or terminating a Pre-Approved Trading Plan, all directors and officers of the Company or any subsidiary of the Company must confer with, and, if applicable, provide a copy of the proposed contract to, the General Counsel and/or Corporate Secretary. Any such plan must be approved in advance by the Company after review by its legal counsel.

The Company reserves the right to consider and determine whether public announcement or disclosure of a Pre-Approved Trading Plan should or is otherwise required to be made.

## **INSIDER REPORTING OBLIGATIONS**

Canadian and U.S. securities laws impose reporting requirements on certain insiders of the Company. "Insiders" are defined differently under the Canadian and U.S. securities laws and you may be subject to distinct reporting requirements in both Canada and the U.S., regardless of citizenship. If you are a reporting insider, **you are personally responsible** for compliance with reporting requirements under applicable securities laws. The following summary is offered for informational purposes only and is not a substitute for legal advice regarding your individual circumstances.

### **Canadian Securities Law Obligations**

#### ***Who has to file reports?***

For Canadian reporting obligation purposes, "Insider" means a director, officer or 10% shareholder of the Company and a director or officer of a company that is an insider or a subsidiary of the Company.

"Reporting Insider" means (i) the CEO, CFO and COO of the Company, of a 10% shareholder of the Company and of a major subsidiary of the Company; (ii) directors of the Company, of a 10% shareholder and of a major subsidiary of the Company; (iii) a person responsible for a principal business unit, division or function of the Company; (iv) a 10% shareholder of the Company; (v) an individual performing any of the foregoing functions; and (vi) any other insider that in the ordinary course receives or has access to information as to material facts or material changes about the Company before they are generally disclosed and that directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the Company.

#### ***When do you have to report?***

Insider reports must be filed within **5 calendar days** (which includes weekends and holidays) of any change in the reporting insider's beneficial ownership of such securities. The deadline begins to run on the date of the **trade**, not the date of the settlement.

An initial insider report must be completed within **10 calendar days** of the date a person becomes a reporting insider (provided that an insider who does not own or control securities of the Company at that time is not required to file a "nil" report).

You must also file and update your insider profile (i) if there is a change in the Company's name, in your relationship to the Company or if you cease to be a reporting insider within **10 calendar days** of the event, or (ii) if there is any other change to your profile, at the time you next file an insider report.

***How do you report?***

Insider reports are completed by accessing [www.sedi.ca](http://www.sedi.ca) and registering as a SEDI user. You will thereafter login as a registered user and complete the filing online.

***What do you have to report?***

Each reporting insider is required to file reports with the Canadian securities commissions and the TSX (the "Regulators") as to his or her direct or indirect beneficial ownership of or control or direction over any securities of the Company. This includes, but is not limited to, purchases and sales of such securities, the grant and exercise of stock options, the exercise of warrants, the conversion or exchange of other securities, the acquisition of underlying securities on the exercise of options, warrants or other convertible or exchangeable securities, and the sale of shares acquired upon exercise of stock options. The following is the information required for filing insider reports:

- (a) Security designation (i.e., common shares, preferred shares, stock options);
- (b) Ownership type and registered holder (if applicable); ownership type includes:
  - Direct ownership – indicates that the security is held directly; for example, the reporting insider holds the securities in an account with a broker and the account is in his/her name;
  - Indirect ownership – indicates that the security is held indirectly; for example, the reporting insider beneficially owns common shares in the Company, but the registered owner is another entity, such as a holding company that the reporting insider owns;
  - Control or direction – indicates that the insider has control or direction over a security. The reporting insider has control or direction if, directly or indirectly, he/she has or shares voting power or investment power through any contract, arrangement, understanding or relationship. For example, the reporting insider may have been granted authority to vote or trade securities owned by family members, friends or associates.
- (c) Opening balance of securities held;
- (d) Date of transaction;
- (e) Nature of transaction – for example, acquisitions and dispositions (open market or private), grants of options, gifts, inheritances, exercises of options, sale of shares acquired upon exercise of options;
- (f) Number/value of securities acquired or disposed;
- (g) Unit price or exercise price;
- (h) Type of currency;
- (i) Closing balance of securities held.



## U.S. Securities Law Obligations

### *Who has to file reports?*

For U.S. securities law purposes, “Insider” means a director, executive officer or a shareholder who beneficially owns greater than 10% of any class of equity securities of the Company.

### *When do you have to report?*

An initial insider report on Form 3 must be completed within **10 calendar days** of the date you become an insider. **A Form 3 must be filed even if you do not beneficially own any securities of the Company.**

Changes in your beneficial ownership of equity securities of the Company must be reported to the SEC and to the Company on a Form 4 (unless the transaction is exempted from the Form 4 reporting requirement under applicable rules) by the **second business day** after the execution of the transaction.

Form 5 is an annual form that is required to be filed electronically with the SEC and the Company on or before the **45th calendar day** after the end of the Company’s fiscal year. No Form 5 is required to be filed if you have already reported all reportable transactions on a Form 4 (as described in greater detail below).

### *How do you report?*

You must timely notify the General Counsel and/or Corporate Secretary of the Company of any event that would require the filing of a report pursuant to this section. Each Insider is responsible for the accuracy and timeliness of his or her reporting requirements.

### *What do you have to report?*

#### *Initial Report: Form 3*

You are required to file with the SEC an initial statement of your beneficial ownership of equity securities of the Company upon becoming an Insider. When filing a Form 3, you must include any equity securities of the Company beneficially owned by you, including securities held by your spouse, minor children, other family members sharing your household or other persons or entities whose securities you are deemed to beneficially own (discussed below), and your holdings of “derivative securities” of the Company. “Derivative securities” include options, warrants, convertible securities, puts, calls, SARs, phantom stock units, equity swaps, and other rights or obligations with respect to the purchase or sale of any equity security of the Company.

#### *Subsequent Reports: Form 4*

Report changes in beneficial ownership. Generally, changes in your beneficial ownership of equity securities of the Company must be reported to the SEC and to the Company on a Form 4 unless the transaction is exempted from the Form 4 reporting requirement under applicable U.S. securities laws. Most transactions are required to be filed on Form 4.

*Reportable transactions.* Transactions that must be reported on Form 4 include:

- the grant of stock options, restricted stock or other stock awards (e.g., director share units (DSUs) or Performance Share Units (PSUs));
- the exercise or conversion of stock options, puts, calls, SARs, phantom stock units or other derivative securities;
- a tax withholding transaction under a Company stock plan or employee benefit plan involving stock of the Company;
- the allocation of phantom stock units relating to Company stock under a nonqualified deferred compensation plan;
- the transfer of funds into or out of the Company stock fund under the 401(k) plan or deferred compensation plan;
- purchases and sales of the Company stock held in your name or in “street name,” including purchases and sales made under a Pre-Approved Trading Plan;
- transactions involving shares held by your spouse, your minor children, other relatives who share your household, or other persons or entities if you have a direct or indirect “pecuniary interest” in the shares (discussed below);
- gifts of any equity security of the Company;
- the acquisition of any equity security of the Company, including any option, put, call, equity swap or other right or obligation with respect to the purchase or sale of any equity security of the Company, even if not presently exercisable; and
- any other acquisition or disposition of stock of the Company or related derivative securities not exempt from U.S. securities laws reporting obligations.

A change of beneficial ownership must be reported even if, as a result of offsetting acquisitions and dispositions, there is no net change in your beneficial ownership.

Transactions in Company stock plans. Transactions in Company stock plans or employee benefit plans may present special reporting and liability considerations under U.S. securities laws and the rules relating to these transactions are complex. **Please contact the Company’s General Counsel and/or Corporate Secretary to determine how and when any of these transactions must be reported.**

Reports after ceasing to be an Insider. You also may need to file a Form 4 even after you cease to be a director or executive officer if you engage in a transaction not exempt from U.S. securities laws that occurs after you cease to be an Insider. A person filing a report on Form 4 or Form 5 (discussed below) who has ceased to be a director or executive officer must indicate in a box on the Form that the person is exiting the reporting system. **Please contact the Company's General Counsel and/or Corporate Secretary to determine how and when any of these transactions must be reported.**

*Annual Reports: Form 5*

Transactions subject to annual reporting on Form 5 include certain transactions exempt from the recovery of short-swing profits (e.g., inheritances) and transactions that should have been reported previously but were not. Alternatively, these transactions may be reported voluntarily on a Form 4 at an earlier date. No Form 5 is required to be filed if all reportable transactions have already been reported on a Form 4. However, in that event, you will be required to provide a written representation to the Company confirming that no Form 5 is required to be filed.

**COMPLIANCE**

Your actions with respect to matters governed by this Policy are significant indications of your judgment, ethics, and competence. Any actions in violation of this Policy may be grounds for disciplinary action, up to and including immediate dismissal, as well as exposure to civil and criminal liability.

*Adopted January 29, 2014, amended May 18, 2023*

**Subsidiaries of NOVAGOLD RESOURCES INC.**

Name of Subsidiary	Jurisdiction of Organization
NOVAGOLD Resources (Bermuda) Limited (100% owned by NOVAGOLD RESOURCES INC.)	Bermuda
NOVAGOLD (Bermuda) Alaska Limited (100% owned by NOVAGOLD Resources (Bermuda) Limited)	Bermuda
NOVAGOLD US Holdings Inc. (100% Preferred Stock owned by NOVAGOLD RESOURCES INC. and 100% Common Stock owned by NOVAGOLD (Bermuda) Alaska Limited)	Delaware
NOVAGOLD Resources Alaska, Inc. (100% owned by NOVAGOLD US Holdings Inc.)	Alaska
Donlin Gold LLC (50% owned by NOVAGOLD Resources Alaska, Inc.)	Alaska
NOVAGOLD USA, Inc. (100% owned by NOVAGOLD US Holdings Inc.)	Delaware
AGC Resources Inc. (100% owned by NOVAGOLD US Holdings Inc.)	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-117370, No. 333-134871, No. 333-136493, No. 333-164083, No. 333-171630, No. 333-197648, and No. 333-239776) of NOVAGOLD RESOURCES INC. of our report dated January 24, 2024 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

We also hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-117370, No. 333-134871, No. 333-136493, No. 333-164083, No. 333-171630, No. 333-197648, and No. 333-239776) of NOVAGOLD RESOURCES INC. of our report dated January 19, 2024 relating to the financial statements of Donlin Gold LLC, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, Canada

January 24, 2024



**CONSENT OF PAUL CHILSON**

I consent to the inclusion in this Annual Report on Form 10-K of NOVAGOLD Resources Inc., which is being filed with the United States Securities and Exchange Commission, of references to my name and to the use of the scientific and technical information related to the Donlin Gold project (the “Technical Information”).

I also consent to the incorporation by reference in NOVAGOLD Resources Inc.’s registration statements on Form S-8 (Nos. 333-117370; 333-134871; 333-136493; 333-164083; 333-171630, 333-197648 and 333-239776) of the references to my name and the use of the Technical Information included in the Annual Report on Form 10-K.

Dated this 24<sup>th</sup> day of January, 2024

/s/ Paul Chilson

Paul Chilson, P.E.

## CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO RULE 13a-14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934

I, Gregory A. Lang, certify that:

1. I have reviewed this annual report on Form 10-K of NOVAGOLD Resources Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 24, 2024

By:           /s/ Gregory A. Lang            
Gregory A. Lang  
Chief Executive Officer



## CERTIFICATION OF CHIEF FINANCIAL OFFICER

## PURSUANT TO RULE 13a-14(a) OF THE

## SECURITIES EXCHANGE ACT OF 1934

I, David A. Ottewell, certify that:

1. I have reviewed this annual report on Form 10-K of NOVAGOLD Resources Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 24, 2024

By: /s/ David A. Ottewell  
David A. Ottewell  
Chief Financial Officer

**CERTIFICATION PURSUANT TO**

**18 U.S.C. §1350,**

**AS ADOPTED PURSUANT TO**

**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of NOVAGOLD Resources Inc. (the “Company”) on Form 10-K for the year ended November 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Gregory A. Lang, Chief Executive Officer of the Company, certify that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 24, 2024

By:           /s/ Gregory A. Lang            
Gregory A. Lang  
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO**

**18 U.S.C. §1350,**

**AS ADOPTED PURSUANT TO**

**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of NOVAGOLD Resources Inc. (the “Company”) on Form 10-K for the year ended November 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, David A. Ottewell, Chief Financial Officer of the Company, certify that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 24, 2024

By:           /s/ David A. Ottewell            
David A. Ottewell  
Chief Financial Officer

## NOVAGOLD RESOURCES INC.

## INCENTIVE COMPENSATION RECOVERY POLICY

**1. Introduction.**

The Board of Directors of NOVAGOLD RESOURCES INC. (the “**Company**”) believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company’s compensation philosophy. The Board has therefore adopted this policy, which provides for the recovery of erroneously awarded incentive compensation in the event that the Company is required to prepare an accounting restatement due to material noncompliance of the Company with any financial reporting requirements under the federal securities laws, and/or in the event of detrimental conduct by executive officers (the “**Policy**”). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), related rules and the listing standards of NYSE American or any other securities exchange on which the Company’s shares are listed in the future.

**2. Administration.**

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee (the “**Committee**”), in which case, all references herein to the Board shall be deemed references to the Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

**3. Covered Executives.**

Unless and until the Board determines otherwise, for purposes of this Policy, the term “**Covered Executive**” means a current or former employee who is or was identified by the Company as the Company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. Executive officers of the Company’s subsidiaries are deemed “Covered Executives” if they perform such policy-making functions for the Company. “Policy-making function” is not intended to include policy-making functions that are not significant. “Covered Executives” will include, at minimum, the executive officers identified by the Company pursuant to Item 401(b) of Regulation S-K of the Exchange Act. As of the date hereof, the Company’s “Covered Executives” are the Chief Executive Officer and the Chief Financial Officer, but the Board may identify other employees as “Covered Executives” as appropriate.

This Policy covers Incentive Compensation received by a person after beginning service as a Covered Executive and who served as a Covered Executive at any time during the performance period for that Incentive Compensation.

#### 4. Recovery: Accounting Restatement.

In the event the Company is required to prepare an accounting restatement of its financial statements filed with the Securities and Exchange Commission (the “SEC”) due to the Company’s material noncompliance with any financial reporting requirements under the federal securities laws (including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period) (an “**Accounting Restatement**”), the Company will recover reasonably promptly any excess Incentive Compensation received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an Accounting Restatement, including transition periods resulting from a change in the Company’s fiscal year as provided in Rule 10D-1 of the Exchange Act. Incentive Compensation is deemed “**received**” in the Company’s fiscal period during which the financial reporting measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period. The determination of the time when the Company is “required” to prepare an Accounting Restatement shall be made in accordance with applicable SEC and national securities exchange rules and regulations.

(a) Definition of Incentive Compensation.

For purposes of this Policy, “**Incentive Compensation**” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a “financial reporting measure” (as defined in paragraph (b) below), including, for example, bonuses or awards under the Company’s short and long-term incentive plans, grants and awards under the Company’s equity incentive plans, and contributions of such bonuses or awards to the Company’s deferred compensation plans or other employee benefit plans that are not tax-qualified plans. For avoidance of doubt, Incentive Compensation that is deferred (either mandatorily or voluntarily) under the Company’s non-qualified deferred compensation plans, as well as any matching amounts and earnings thereon, are subject to this Policy. Incentive Compensation does not include awards which are granted, earned and vested without regard to attainment of financial reporting measures, such as time-vesting awards, discretionary awards and awards based wholly on subjective standards, strategic measures or operational measures.

(b) Financial Reporting Measures.

Financial reporting measures are those that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements (including non-GAAP financial measures) and any measures derived wholly or in part from such financial measures. For the avoidance of doubt, financial reporting measures include stock price and total shareholder return. A measure need not be presented within the financial statements or included in a filing with the SEC to constitute a financial reporting measure for purposes of this Policy.

(c) Excess Incentive Compensation: Amount Subject to Recovery.

The amount(s) to be recovered from the Covered Executive will be the amount(s) by which the Covered Executive's Incentive Compensation for the relevant period(s) exceeded the amount(s) that the Covered Executive otherwise would have received had such Incentive Compensation been determined based on the restated amounts contained in the Accounting Restatement. All amounts shall be computed without regard to taxes paid.

For Incentive Compensation based on financial reporting measures such as stock price or total shareholder return, where the amount of excess compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the Board will calculate the amount to be reimbursed based on a reasonable estimate of the effect of the Accounting Restatement on such financial reporting measure upon which the Incentive Compensation was received. The Company will maintain documentation of that reasonable estimate and will provide such documentation to the applicable national securities exchange.

(d) Method of Recovery.

The Board will determine, in its sole discretion, the method(s) for recovering reasonably promptly excess Incentive Compensation hereunder. Such methods may include, without limitation:

- (i) requiring reimbursement of Incentive Compensation previously paid;
- (ii) forfeiting any Incentive Compensation contribution made under the Company's deferred compensation plans;
- (iii) offsetting the recovered amount from any compensation or Incentive Compensation that the Covered Executive may earn or be awarded in the future;
- (iv) some combination of the foregoing; or
- (v) taking any other remedial and recovery action permitted by law, as determined by the Board.

**5. Recovery: Detrimental Conduct.**

In the event the Board makes a good faith determination that a Covered Executive has engaged in Detrimental Conduct, then the Company may recover all or a portion of their Incentive Compensation, or benefits in which they have become vested under the terms of the Company's Deferred Compensation Plan.

The term "**Detrimental Conduct**" means any of the following in relation to the Covered Executive:

- (a) their deliberate and continued failure substantially to perform their duties and responsibilities, which failure has had an adverse effect on the Company;
- (b) their knowing and willful violation of any law, government regulation, the Company Code of Conduct or Company policy;
- (c) their act of fraud or dishonesty resulting, or intended to result in, their personal enrichment at the expense of the Company; or
- (d) their gross misconduct in performance of their duties that results in economic harm to the Company.

**6. No Indemnification or Advance.**

Subject to applicable law, the Company shall not indemnify, including by paying or reimbursing for premiums for any insurance policy covering any potential losses, any Covered Executives against the loss of any erroneously awarded Incentive Compensation, nor shall the Company advance any costs or expenses to any Covered Executives in connection with any action to recover excess Incentive Compensation.

**7. Interpretation.**

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted by the SEC or any national securities exchange on which the Company's securities are listed.

**8. Effective Date.**

The effective date of this Policy is November 17, 2023 (the “**Effective Date**”). This Policy applies to Incentive Compensation received by Covered Executives on or after the Effective Date that results from attainment of a financial reporting measure based on or derived from financial information for any fiscal period ending on or after the Effective Date. Incentive Compensation received by Covered Executives prior to the Effective Date remains subject to the Company’s prior Executive Compensation Clawback Policy dated November 16, 2017. In addition, this Policy is intended to be and will be incorporated as an essential term and condition of any Incentive Compensation agreement, plan or program that the Company establishes or maintains on or after the Effective Date.

**9. Amendment and Termination.**

The Board may amend this Policy from time to time in its discretion, and shall amend this Policy as it deems necessary to reflect changes in regulations adopted by the SEC under Section 10D of the Exchange Act and to comply with any rules or standards adopted by NYSE American or any other securities exchange on which the Company’s shares are listed in the future.

#### **10. Other Recovery Rights.**

The Board intends that this Policy will be applied to the fullest extent of the law. The Board may require that any employment agreement or similar agreement relating to Incentive Compensation entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recovery under this Policy is in addition to, and not in lieu of, any (i) other remedies or rights of compensation recovery that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, or similar agreement relating to Incentive Compensation, unless any such agreement expressly prohibits such right of recovery, and (ii) any other legal remedies available to the Company. The provisions of this Policy are in addition to (and not in lieu of) any rights to repayment the Company may have under Section 304 of the Sarbanes-Oxley Act of 2002 and other applicable laws.

#### **11. Impracticability.**

The Company shall recover any excess Incentive Compensation in accordance with this Policy, except to the extent that certain conditions are met and the Board has determined that such recovery would be impracticable, all in accordance with Rule 10D-1 of the Exchange Act and NYSE American or any other securities exchange on which the Company's shares are listed in the future.

#### **12. Successors.**

This Policy shall be binding upon and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

*Adopted November 17, 2023*