NOVAGOLD RESOURCES INC.

ANNUAL REPORT TO ACCOMPANY MANAGEMENT
INFORMATION CIRCULAR
FOR YEAR ENDED NOVEMBER 30, 2024

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NOVAGOLD RESOURCES INC.

OVERVIEW

NOVAGOLD RESOURCES INC. and its subsidiaries (collectively, "NOVAGOLD," the "Company," "our" and "we") operates 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 other such means.

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:

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201 South Main Street, Suite 400
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Telephone (801) 639-0511
Facsimile (385) 342-4620

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Toll free (866) 669-6227
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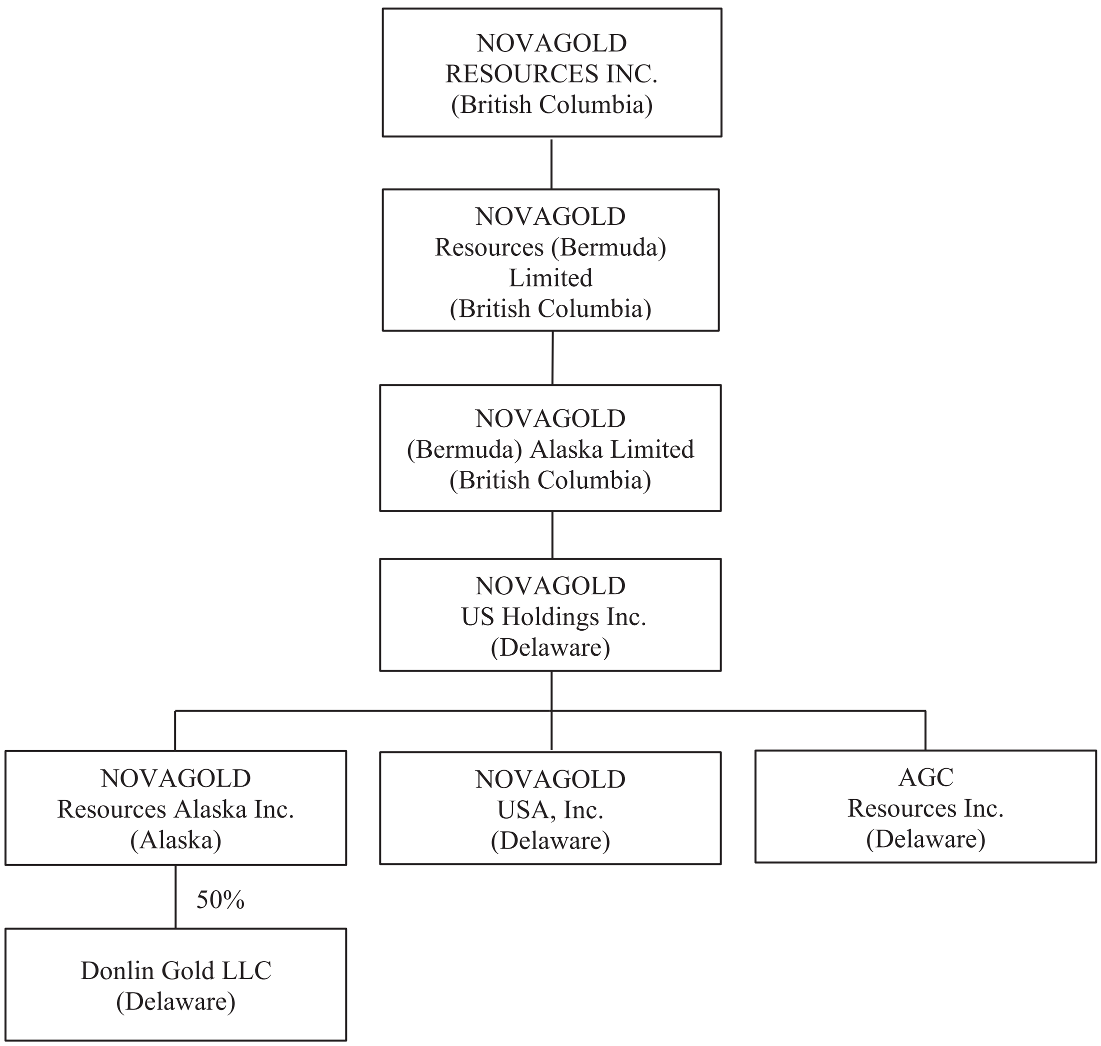
Corporate Structure

As of November 30, 2024, 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. On December 1, 2024, NOVAGOLD (Bermuda) Alaska Limited, NOVAGOLD Resources (Bermuda) Limited and NOVAGOLD Argentina Inc. were amalgamated with NOVAGOLD RESOURCES INC.

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 as of November 30, 2024. All ownership is 100% unless otherwise indicated.



Human Capital Resources

On November 30, 2024, we had 14 full-time employees, of which four are located in Canada and ten 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 2024, 50% 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 of directors (the "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 2024, neither Donlin Gold nor NOVAGOLD had any recordable injuries or lost time incidents ("LTIs"). Also see section *Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations"*, below.

Recent Developments

Donlin Gold project

Donlin Gold advanced key activities in 2024 to position the project to update technical work and cost estimates. Some of these activities wrapped up in December 2024, such as the completion of metallurgical test work (pilot plant) in Ontario, Canada to confirm proposed optimizations to the flowsheet; advanced work to update the Donlin Gold resource model; and the submittal of the preliminary design packages for Dam Safety Certification to the Alaska Department of Natural Resources ("ADNR"). Comments from the ADNR on the Dam Safety Certification preliminary design packages are anticipated in 2025.

NOVAGOLD and Barrick held a Donlin Gold workshop in Alaska in September 2024 to review the important work completed to date, as well as to discuss next steps for the Donlin Gold project and related activities for 2025. Subsequently, Donlin Gold's board approved a path forward with a 2025 budget of $43 million on a 100% basis. Camp operations will resume in the coming months to complete grid drilling to refine mine planning assumptions. Efforts will continue to advance key workstreams and preparation for a cost update. Additional work will include project and mine planning, further advancement of the Dam Safety Certificate applications with work on the Detailed Design Packages, steadfast support of pending litigation, and ongoing community relations and government affairs activities. 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.

In 2024, Donlin Gold, Calista Corporation ("Calista") and The Kuskokwim Corporations ("TKC") held public open houses in three locations in Anchorage, Bethel, and Crooked Creek, the closest community to the project, as well as two Subsistence Community Advisory Committee ("SCAC") meetings, the first in Aniak during the second quarter and the second in Anchorage in December. Donlin Gold also established three additional Shared Values Statements, for a total of 18. Donlin Gold's numerous partnerships in the Y-K region and statewide, aimed at supporting ecological projects, education, summer youth employment programs, and cultural awareness efforts, continue to grow. Together these efforts underscore Donlin Gold's ongoing engagement with and commitment to local communities, reinforcing existing long-term relationships and addressing specific community needs.

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 existing orders or directions relating to our current activities 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
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	$2,784	$1,985	$2,387
2025 (through January 13)	$2,687	$2,632	$2,658

On January 13, 2025, the afternoon LBMA gold price was $2,670 per ounce.

Data Source: lbma.org.uk

Available Information

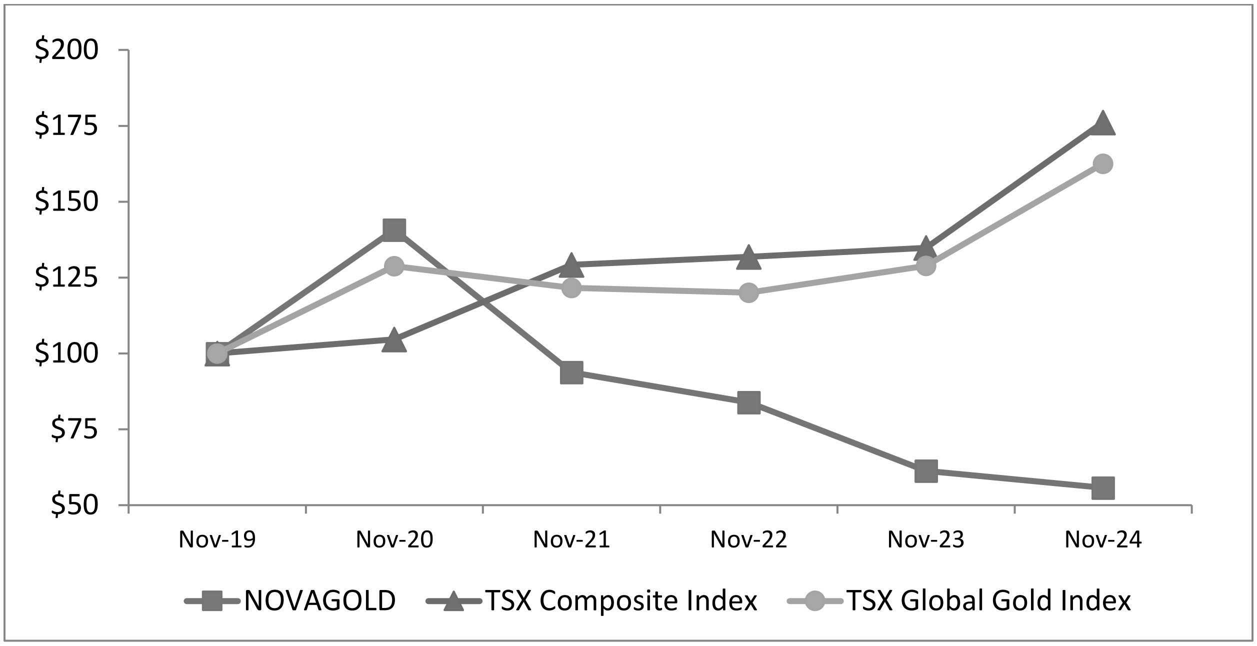
We maintain a website at www.novagold.com and make available, through the Investors section of the website, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Section 16 filings and all amendments to those reports, as soon as reasonably practicable after such material is electronically filed with the Securities and Exchange Commission ("SEC"). These reports are also available at the SEC website at www.sec.gov. 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.

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 13, 2025, there were 545 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.

Share Performance Graph

The following graph depicts the Company's cumulative total Shareholder returns over the five most recently completed fiscal years assuming a C$100 investment in Common Shares on November 30, 2019, compared to an equal investment in the S&P/TSX Composite Index (TSX ticker: ^TSX) and in the S&P/TSX Global Gold Index (TSX ticker: ^TTGD) on November 30, 2019. The Company does not currently issue dividends. The historical Common Share performance as depicted in the graph is not indicative of future price performance.



C$	2020	2021	2022	2023	2024
Value based on C$100 invested in the Company on November 30, 2019	141	94	84	61	56
Value based on C$100 invested in the S&P/TSX Composite Index on November 30, 2019	105	129	132	135	176
Value based on C$100 invested in the S&P/TSX Global Gold Index on November 30, 2019	129	122	120	129	163

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.

Management's Discussion and Analysis of Financial Condition and Results of Operations
(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 2024 and year-over-year comparisons between 2024 and 2023. Discussions of our consolidated financial condition and results of operations for 2023 and year-over-year comparisons between 2023 and 2022 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, 2023, filed with the Securities and Exchange Commission on January 24, 2024, 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. 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

Donlin Gold advanced key activities in 2024 to position the project to update technical work and cost estimates. Principal activities included the substantial completion of metallurgical test work at a pilot plant in Ontario, Canada to confirm proposed optimizations to the flowsheet, field and geochemical data collection to continue updating source characteristics for groundwater and surface water models for both operational and closure planning, as well as advancement of the Donlin Gold resource model. Results derived from the considerable technical work performed over these past twelve months will serve as inputs into updated feasibility work.

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 and 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.

Our outreach in Alaska, particularly in the Y-K region, and in Washington, D.C., has strengthened community engagement and reinforces the project's social license. The Company appreciates the diligent contributions of the Donlin Gold team, partners, and stakeholders, and remains dedicated to developing the project to its full potential. In collaboration with Calista and TKC, the mineral and surface rights holders, Donlin Gold LLC has made significant strides in local community and government engagement across the Y-K region, Alaska, and Washington, D.C., including advancing the project's development and permitting efforts. Over decades, our commitment to engaging with the 62 stakeholder communities in the Y-K region has built meaningful relationships, enhanced investment, and reinforced our social license. This longstanding dedication underscores the approach of the Donlin Gold project and its partners, Calista and TKC, to foster robust relationships with both local communities and governmental entities built on trust, transparency, respect and partnership.

To that end, Donlin Gold led numerous projects and activities in 2024. Calista, TKC, and Donlin Gold hosted public Open Houses in Anchorage, Bethel, and Crooked Creek providing Alaskans and local residents with the opportunity to learn more about the project and to engage in open and transparent discussions. Donlin Gold hosted a project site tour for a group of residents from Crooked Creek and Georgetown which are the project's closest neighboring villages.

NOVAGOLD remains committed to stakeholder engagement and community development working closely with Tribal communities and Alaska Native Corporations to identify needs and collaboratively develop solutions that enhance and uplift communities, fostering sustainable growth and shared prosperity for future generations. To that end, NOVAGOLD representatives were on the ground in Alaska providing extensive support to the Donlin Gold team in their outreach efforts. Donlin Gold established three additional Shared Values Statements for a total of 18, which formalize Donlin Gold's ongoing engagement with local communities, reinforce existing long-term relationships, and address specific community needs. In 2024, over 12,000 direct engagements were conducted with key stakeholders.

Donlin Gold, Calista, and TKC held two Subsistence Community Advisory Committee ("SCAC") meetings in 2024, the first in Aniak and second in Anchorage. This committee, which is composed of people from the Y-K region, reflects the ongoing commitment to establishing a structured process for communication, dialogue, problem-solving, and gathering input from the broader community on subsistence matters throughout the life of the project. The SCAC committee provides a forum for sharing information, questions and ideas from the communities in the Y-K region with Donlin Gold, Calista and TKC, as well as bringing information about the project back to their respective communities.

Environment and social investments

Recognizing the importance of ecological stewardship in the Y-K region, since mid-2023, Donlin Gold has intensified efforts with our Alaska Native Corporation partners to monitor, survey and engage in the dialogue on salmon fisheries in the Kuskokwim and Yukon River watersheds. In 2024, Donlin Gold launched a salmon smolt monitoring program on the George River, a tributary of the Kuskokwim River, in partnership with the Native Village of Napaimute to assess smolt health and migration patterns — an initiative that will continue into 2025. Restoration of a portion of the historic Lyman placer site, which included significant stream and pond habitat creation, including aquatic life access and use, was completed in 2024. Aquatic restoration work on a reach of Snow Gulch previously disturbed by historic mining will start in 2025.

In addition, Donlin Gold's "In It for The Long Haul" Backhaul Program, a long-standing initiative to collect and safely dispose of hazardous household electronic waste, including appliances, from Y-K villages, recycled approximately 140,000 pounds of material in 2024, for an impressive total of approximately 803,000 pounds of hazardous materials removed from the Y-K region since the program began in 2018.

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

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

Permitting

The preliminary design packages for Dam Safety Certification were submitted to the ADNR in 2024. Comments from the ADNR on the Dam Safety Certification preliminary design packages are anticipated in 2025 with potential issuance of the Certification in 2026/2027.

The Alaska Pollutant Discharge Elimination System permit, which was originally set to expire in 2023, as well as the Waste Management Permit, which was set to expire in January 2024, are administratively extended by the Alaska Department of Environmental Conservation until renewed. The Reclamation Plan, which was also set to expire in 2024, is administratively extended until 2027.

Donlin Gold applied for and received an 18-month extension of the construction deadline on its air quality permit through July 2026.

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

Litigation

On June 28, 2021, Earthjustice representing Orutsararmiut Native Council (“ONC”) filed an appeal of the ADEC Commissioner’s decision upholding the ADEC’s Clean Water Act Section 401 water quality certification in Alaska Superior Court. In December 2021, at the request of the State of Alaska and Donlin Gold, the Alaska Superior Court suspended the case and remanded it to ADEC to allow for consideration of additional technical materials on mercury and temperature. After an administrative process, the Commissioner reaffirmed ADEC’s issuance of the 401 Certification on August 18, 2023. The suspension of the previously filed Alaska Superior Court case was then lifted and Earthjustice filed its opening brief with the Alaska Superior Court in January 2024. Briefing is complete and oral arguments were held on August 30, 2024. A decision is anticipated from the Alaska Superior Court in 2025.

On September 20, 2021, Earthjustice, representing ONC, Cook Inletkeeper, and three Y-K villages, filed an appeal of the State pipeline ROW authorization in Alaska Superior Court. On April 12, 2023, the Alaska Superior Court affirmed ADNR’s issuance of the ROW lease in the Earthjustice case. Earthjustice appealed the Superior Court’s decision to the Alaska Supreme Court. On May 25, 2022, Earthjustice, representing ONC and five Y-K villages, filed an appeal of ADNR’s issuance of certain water rights permits to Donlin Gold in Alaska Superior Court. After briefing and oral argument, on September 1, 2023, the Alaska Superior Court affirmed ADNR’s decision on Donlin Gold’s water rights permits. On October 2, 2023, Earthjustice appealed the Superior Court’s decision to the Alaska Supreme Court. Earthjustice’s opening brief was submitted to the Alaska Supreme Court on January 4, 2024. Response briefs from the State of Alaska and Donlin Gold were completed in April 2024, and Earthjustice subsequently filed their reply brief in May 2024. Briefing on Earthjustice’s appeal of the Alaska Superior Court affirmation of ADNR’s issuance of the State pipeline ROW lease to the Alaska Supreme Court was completed in February 2024. Oral arguments for both the water rights permits and the State pipeline ROW were held November 12, 2024, and a decision is anticipated in 2025.

On April 5, 2023, Earthjustice representing ONC and six Y-K villages filed suit against the U.S. government in Anchorage Federal District Court (the “Federal District Court”) asking the Federal District Court to invalidate the Donlin Gold Joint Record of Decision, which included the U.S. Army Corps’ of Engineers’ issuance of the 404 permit and the Department of Interior, Bureau of Land Management’s issuance of the ROW lease for the portions of the pipeline on Federal lands. The U.S. Department of Justice (“DOJ”) is defending the issuance of the permits by those Federal agencies. The State of Alaska, Donlin Gold, and Calista were granted intervenor status in this case. The DOJ filed their brief supporting the issuance of the JROD and the sufficiency of the environmental analysis in the Final Environmental Impact Statement on April 2, 2024. Amicus briefs supporting the project were filed by the village of Crooked Creek and the Alaska federal Congressional delegation. Oral arguments were held on June 24, 2024, and the Federal District Court issued a decision on September 30, 2024. The decision rejected the plaintiffs’ arguments on two of the three issues raised in the litigation but agreed with plaintiffs that the federal agencies took too narrow of a view in analyzing the impact of a theoretical release from the TSF. The Federal District Court requested supplemental briefing on the appropriate remedy for addressing this issue. On October 7, 2024, the plaintiffs filed a request for reconsideration on one of the issues on which the Federal District Court had ruled against the plaintiffs and, at DOJ’s request, the Federal District Court suspended the schedule for briefing on the appropriate remedy until after the Federal District Court ruled on plaintiffs’ motion for reconsideration. On December 23, 2024, the Federal District Court denied plaintiffs’ request for reconsideration. The Court reestablished the remedy briefing schedule with initial briefs from all parties now due on January 31, 2025, and response briefs from all parties due on February 14, 2025.

To date, all permits and approvals granted to Donlin Gold by federal and state agencies remain issued and in place while the legal challenges described above proceed. 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 and are committed to working with the federal agencies and all stakeholders on an appropriate remedy to address the Federal District Court’s decision.

Other remediation

During 2024, $157 in remediation expenditures were incurred for fieldwork at the historic former New Gold House property in Nome, Alaska, including re-seeding. Monitoring, sampling and maintenance work (as needed, based on monitoring results) is planned for the 2025 field season.

Consolidated Financial Results

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

	Years ended November 30,		
	2024	2023	Change
Net loss	$(45,621)	$(46,803)	$(1,182)
Net loss per common share, basic and diluted	$(0.14)	$(0.14)	$0.00

Net loss decreased by $1,182 from 2023, primarily due to lower field expenses at Donlin Gold, partially offset by higher corporate general and administrative expenses, increased interest expense on the promissory note, lower interest income on cash and term deposits and other income related to a gain in the fair market value of marketable securities and proceeds received for the 2021 sale of the Company's interest in the San Roque mineral property. Donlin Gold expenses were lower with reduced site activity in 2024, compared to fieldwork and geotechnical drilling for the Alaska Dam Safety certificates and hydrological drilling to support mine planning and design in 2023. General and administrative costs increased primarily due to higher professional fees and employee compensation partially offset by lower stock-based compensation expense related to forfeiture of options and performance share units due to the departure of certain former employees.

Professional fees increased due to consulting fees primarily related to ongoing efforts to enhance the value of the Donlin Gold project by evaluating alternatives to further advance the project. Salaries and benefits increased primarily due to hiring of additional staff. Income tax expense relates to passive income taxable in Canada on a portion of interest income earned by U.S. subsidiaries, and for withholding taxes on the sale proceeds received during the first quarter of 2024 related to the 2021 sale of the Company's interest in the San Roque mineral property in Argentina.

Liquidity and Capital Resources

Liquidity overview

With total cash and term deposits of $101,224, the Company has sufficient working capital available to cover anticipated funding of the Donlin Gold project and corporate general and administrative costs for at least the next two years at current spending levels. Additional capital may be required to complete an updated Donlin Gold feasibility study. Considerable additional capital will be required if a decision to commence engineering and construction is reached by Donlin Gold. Future financing to fund construction is anticipated through debt and equity offerings, project specific debt, and/or other means. Our continued operations are dependent on our ability to obtain additional funding or to generate future cash flows. However, there is no assurance that we will be successful in our efforts to raise additional capital on terms favorable to us, or at all. For further information, see 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 2025 are approximately $37,500, including $21,500 to fund the Donlin Gold project, and $16,000 for corporate general and administrative costs.

Our financial position includes the following as of November 30, 2024:

- Cash and cash equivalents of $42,224, primarily held at three large Canadian chartered banks with investment grade credit ratings.
- Term deposits of $59,000 held at two large Canadian chartered banks with investment grade credit ratings with maturities of less than one year.
- Promissory note payable to Barrick of $151,522, including accrued interest at U.S. prime plus 2%, compounded semi-annually. The promissory note and accrued interest are payable from 85% of the Company's share of revenue from future Donlin Gold project production or from any net proceeds resulting from a reduction of the Company's interest in Donlin Gold. At the current interest rate of 9.5%, interest on the note in fiscal year 2025 will total approximately $14,942.

Cash flows

In 2024, cash and cash equivalents decreased by $3,525, mainly to fund our share of Donlin Gold, corporate administrative expenses partially offset by a net reduction of term deposits held.

Spending on operating activities in 2024 increased by $4,856 compared to the prior year primarily due to increased corporate general and administrative expenses, lower interest income on cash and term deposits and higher income tax withholding related to passive income taxable in Canada on a portion of interest income earned by U.S. subsidiaries. Cash provided from investing activities in 2024 increased by $19,683 compared to the prior year primarily due to a net reduction of term deposits held in 2024 and lower Donlin Gold funding requirements. Financing activities reflect $174 of withholding tax on PSUs (as defined below) that vested at 100% during the year and settled with the issuance of net common shares. The PSU awards that matured and vested in December 2024 at 25% of the grant amount were also settled with the issuance of net common shares.

Outstanding share data

As of January 13, 2025, the Company had 334,646,571 common shares issued and outstanding. Also, as of January 13, 2025, the Company had: i) a total of 8,838,001 stock options outstanding; 7,816,967 of those stock options with a weighted-average exercise price of $6.21 and the remaining 1,021,034 with a weighted-average exercise price of C$7.62; and ii) 1,225,100 performance shares units ("PSUs") and 284,378 deferred share units ("DSUs") outstanding. Upon exercise of the foregoing convertible securities, the Company would be required to issue a maximum of 10,960,029 common shares.

Related party transactions

As of November 30, 2024, the Company has accounts receivable from Donlin Gold of $212 (November 30, 2023: $203) 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 2024 we incurred a net loss of $10,860 compared to a net loss of $10,421 in the fourth quarter of 2023. The increase in net loss primarily resulted from higher corporate general and administrative expenses, increased interest on the promissory note, lower interest income, partially offset by reduced activity at Donlin Gold.

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, 2024. 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 $2,597 as of November 30, 2024. 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 an affiliate 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, 2024.

Income taxes

We account 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 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 the Board 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 2024, we incurred $7,237 in share-based compensation costs, a decrease of $1,494 over the prior year primarily due to the forfeiture of options and performance share units following the departure of the former Chief Financial Officer and other personnel during the year.

During 2024, we had 149,000 PSU awards that vested at 100% and 47,000 DSU awards that vested and were settled with the issuance of common shares. As of November 30, 2024, we had $2,348 of unrecognized compensation cost related to 4,361,486 non-vested stock options expected to be expensed and vest over a period of approximately two years. Also, as of November 30, 2024, we had 1,633,500 non-vested PSU awards outstanding of which 408,400 were fully expensed and vested in December 2024 at 25% of the grant amount, which were subsequently settled with the issuance of common shares. The remaining 1,225,100 non-vested PSU awards with $3,715 of unrecognized compensation cost will be expensed over a period of approximately two years.

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 at two Canadian chartered banks with investment grade credit ratings and have maturities of less than one year.

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, 2024, and assuming all other variables remain constant, a 1% change in the U.S. prime rate would result in an increase/decrease of approximately $1.5 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.

NYSE American Option Disclosure

As of December 1, 2023, there were 16,689,656 stock options available for grant pursuant to our 2004 Stock Award Plan, as amended, and as of November 30, 2024, there were 17,915,839 stock options available for grant. No outstanding stock option grants were repriced for any reason during fiscal year 2024.

NOVAGOLD RESOURCES INC.

Directors, Executive Officers and Corporate Governance

The following sets forth certain information with respect to our directors and executive officers as of November 30, 2024.

Name, Position	Principal Occupation	Principal Business of Employer
Dr. Elaine Dorward-King (1)	Corporate Director	Mining
Dr. Diane Garrett (1)	President and Chief Executive Officer of Hycroft Mining Holding Corporation	Mining
Dr. Thomas Kaplan (1)	Chairman, Chief Executive Officer and Chief Investment Officer of The Electrum Group LLC	Investment advisory and asset management
Hume Kyle (1)	Corporate Director	Mining
Gregory Lang (1)(2)	President and Chief Executive Officer of NOVAGOLD RESOURCES INC.	Mining
Kalidas Madhavpeddi (1)	Corporate Director	Mining
Kevin McArthur (1)	Corporate Director	Mining
Daniel Muñiz Quintanilla (1)	Founding Partner of Whetstone Resources, Inc.	Infrastructure Financing
Ethan Schutt (1)	Executive Vice President and General Counsel of Bristol Bay Native Corporation	Economic Development
Dawn Whittaker (1)	Corporate Director	Mining
Peter Adamek (2)	Vice President and Chief Financial Officer, NOVAGOLD RESOURCES INC.	Mining

(1) Director of NOVAGOLD RESOURCES INC.
(2) Executive officer of NOVAGOLD RESOURCES INC.

NOVAGOLD RESOURCES INC.

Financial Statements and Supplementary Financial Information

Financial Statements

The Report of Independent Registered Public Accounting Firm and the accompanying consolidated financial statements begin on page 20 below.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Cautionary Note Regarding 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, anticipated timing and impact of certain judicial and/or administrative decisions, continued support of the state and federal permitting process, future capital raising activities and their related dilutive effects, sufficiency of working capital, timelines, strategic plans, including our plans and expectations relating to the Donlin Gold project, permitting and the timing thereof, the Company's market price, market prices for precious metals, or other statements that are not statements of fact. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates may also be deemed to constitute "forward-looking statements" to the extent that they involve estimates of the mineralization that will be encountered if the property is developed.

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

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

- our ability to achieve production at the Donlin Gold project;
- dependence on cooperation of co-owner in exploration and development of the Donlin Gold project;
- 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: (i) the federal Joint Record of Decision ("JROD") and permits issued by the U.S. Army Corps of Engineers ("Corps") and U.S. Bureau of Land Management ("BLM"), (ii) the State Clean Water Act Section 401 Certification (as defined below), (iii) the state pipeline right-of-way ("ROW") agreement and lease (as defined below), and (iv) the 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, including the impact of inflation thereon;
- 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, including uncertainties resulting from the change in the U.S. federal administration;
- uncertainties relating to the stability of pre-existing tax regimes, including the potential introduction of tariffs, as a result of the change in the U.S. federal administration;
- risks related to environmental laws and regulations;
- risks related to our insurance;
- risks related to title and other rights to our mineral properties;
- risks related to increases in demand for equipment, skilled labor and services needed for exploration and development of the Donlin Gold project, and related cost increases;
- our need to attract and retain qualified management and technical personnel;
- uncertainty as to the outcome of potential litigation;
- risks related to the effects of global climate change on the Donlin Gold project;
- risks related to information technology systems;
- risks related to cybersecurity attacks and breaches; and
- risks related to the Company’s status as a “passive foreign investment company” in the United States.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and our actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in 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.

Additional Information

Additional information relating to the Company is available on the Company's website at www.novagold.com, on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov. The Company will furnish to shareholders, free of charge, a hard copy of the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2024, including the financial statements and financial statement schedules, upon request to Investor Relations at NOVAGOLD RESOURCES INC., 400 Burrard Street, Suite 1860, Vancouver, British Columbia, V6C 3A6, Canada, Telephone 604-669-6227, Toll-Free 866-669-6227, Fax 604-669-6272.

NOVAGOLD RESOURCES INC.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders 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 (the Company) as of November 30, 2024 and 2023, and the related consolidated statements of loss and comprehensive loss, equity (deficit) and cash flows for each of the three years in the period ended November 30, 2024, 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, 2024, 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, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended November 30, 2024 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, 2024, 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 the closing of the Galore Creek sale or in subsequent periods. Management's assessment did not change as of November 30, 2024. 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 owners of the project to the Company under the terms of the sale agreement.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, Canada
January 22, 2025

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

NOVAGOLD RESOURCES INC.
CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands)

	As of November 30,	
	2024	2023
ASSETS		
Cash and cash equivalents	$42,224	$45,749
Term deposits	59,000	80,000
Other assets (Note 6)	1,530	1,470
Current assets	102,754	127,219
Investment in Donlin Gold (Note 5)	2,597	3,071
Other assets (Note 6)	4,402	3,000
Total assets	109,753	$133,290
LIABILITIES		
Accounts payable and accrued liabilities	1,371	$703
Accrued payroll and related benefits	2,482	2,799
Income taxes payable	220	—
Other liabilities (Note 9)	413	404
Current liabilities	4,486	3,906
Promissory note (Note 7)	151,522	136,748
Other liabilities (Note 9)	1,161	859
Total liabilities	157,169	141,513
Commitments and contingencies (Notes 7, 8 and 9)		
EQUITY (DEFICIT)		
Common shares		
Authorized – 1,000 million shares, no par value		
Issued and outstanding – 334.6 and 334.2 million shares, respectively	1,989,245	1,986,938
Contributed surplus	93,377	88,621
Accumulated deficit	(2,104,932)	(2,059,311)
Accumulated other comprehensive loss	(25,106)	(24,471)
Total equity (deficit)	(47,416)	(8,223)
Total liabilities and equity	109,753	$133,290

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

Approved by the Board of Directors

/s/ Gregory A. Lang /s/ Hume Kyle

NOVAGOLD RESOURCES INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(U.S. dollars in thousands except per share amounts)

	Years ended November 30,		
	2024	2023	2022
Operating expenses:			
General and administrative (Note 12)	$24,936	$21,783	$20,109
Equity loss - Donlin Gold (Note 5)	12,921	18,529	28,163
	37,857	40,312	48,272
Loss from operations	(37,857)	(40,312)	(48,272)
Interest expense on promissory note (Note 7)	(14,774)	(13,063)	(7,962)
Interest and dividend income	5,378	5,791	1,591
Accretion of notes receivable (Note 4)	—	579	849
Remediation expense	(339)	(541)	(366)
Other income (expense), net (Note 14)	2,695	782	784
Loss before income taxes	(44,897)	(46,764)	(53,376)
Income tax recovery (expense) (Note 15)	(724)	(39)	33
Net loss	(45,621)	(46,803)	(53,343)
Other comprehensive income (loss):			
Foreign currency translation adjustments	(635)	(54)	(1,128)
	(635)	(54)	(1,128)
Comprehensive loss	$(46,256)	$(46,857)	$(54,471)
Net loss per common share – basic and diluted	$(0.14)	$(0.14)	$(0.16)
Weighted average shares outstanding			
Basic and diluted (thousands)	334,458	334,057	333,236

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

NOVAGOLD RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)

	Years ended November 30,		
	2024	2023	2022
Operating activities:			
Net loss	$(45,621)	$(46,803)	$(53,343)
Adjustments:			
Equity loss – Donlin Gold	12,921	18,529	28,163
Interest expense on promissory note	14,774	13,063	7,962
Share-based compensation	7,237	8,731	8,214
Remediation expense	339	541	366
Foreign exchange (gain) loss	(516)	43	(595)
Accretion of notes receivable	—	(579)	(849)
Change in fair value of marketable securities	(1,436)	(269)	(189)
Gain on sale of mineral property	(743)	(556)	—
Other operating adjustments	35	49	(44)
Net change in operating assets and liabilities (Note 17)	368	(535)	(2,056)
Net cash used in operating activities	(12,642)	(7,786)	(12,371)
Investing activities:			
Proceeds from term deposits	140,000	148,000	148,000
Purchases of term deposits	(119,000)	(166,000)	(132,000)
Funding of Donlin Gold	(12,447)	(17,752)	(28,435)
Proceeds from notes receivable	—	25,000	—
Proceeds from sale of mineral property	743	556	—
Other	59	(132)	73
Net cash provided from investing activities	9,355	(10,328)	(12,362)
Financing activities:			
Withholding tax on share-based compensation	(174)	—	(2,122)
Net cash used in financing activities	(174)	—	(2,122)
Effect of exchange rate changes on cash and cash equivalents	(64)	(19)	(387)
Net change in cash and cash equivalents	(3,525)	(18,133)	(27,242)
Cash and cash equivalents at beginning of year	45,749	63,882	91,124
Cash and cash equivalents at end of year	$42,224	$45,749	$63,882

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

NOVAGOLD RESOURCES INC.
CONSOLIDATED STATEMENTS OF EQUITY (DEFICIT)
(U.S. dollars and shares in thousands)

	Common shares		Contributed surplus	Accumulated deficit	AOCL*	Total equity (deficit)
	Shares	Amount				
November 30, 2021	332,416	$1,978,520	$82,216	$(1,959,165)	$(23,289)	$78,282
Share-based compensation	—	—	8,214	—	—	8,214
Performance share units (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)
Share-based compensation	—	—	7,237	—	—	7,237
PSUs settled in shares	149	800	(800)	—	—	—
DSUs settled in shares	47	224	(224)	—	—	—
Stock options exercised	124	1,283	(1,283)	—	—	—
Withholding tax on PSUs	—	—	(174)	—	—	(174)
Net loss	—	—	—	(45,621)	—	(45,621)
Other comprehensive loss	—	—	—	—	(635)	(635)
November 30, 2024	334,567	$1,989,245	$93,377	$(2,104,932)	$(25,106)	$(47,416)

* Accumulated other comprehensive loss

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

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 principal asset. 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 (U.S.) 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.

Recently Issued Accounting Pronouncements and Securities and Exchange Commission Rules

Updates to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." ASU 2023-07 expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss and interim disclosures of a reportable segment's profit or loss and assets. The standard is effective for the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2025, and subsequent interim periods, with early adoption permitted. The Company does not expect the adoption to have a material impact on the consolidated financial statements or disclosures.

Updates to Income Tax Disclosure

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." ASU 2023-09 enhances the transparency and decision usefulness of income tax disclosures through changes to the rate reconciliation and income taxes paid information. The standard is effective beginning with the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2025, and subsequent interim periods, with early adoption permitted. The Company is currently evaluating the impact of the guidance on the consolidated financial statements.

SEC Final Climate Rule

In March 2024, the SEC issued a final rule that requires registrants to disclose climate-related information in their annual reports and in registration statements. In April 2024, the SEC chose to stay the newly adopted rulemaking pending judicial review of related consolidated Eighth Circuit petitions. If the stay is lifted, certain disclosures may be required in annual reports for the year ending November 30, 2026, filed in 2027. The Company is currently monitoring the outcome of political and legal developments surrounding the new rules and in the meantime is evaluating the impact of the rules on its consolidated financial statements.

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,		
	2024	2023	2022
Balance – beginning of period	$—	$24,421	$23,572
Accretion of notes receivable	—	579	849
Payment received	—	(25,000)	—
Balance – end of period	$—	$—	$24,421

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, 2024.

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 payment due on November 1, 2022 in December 2022, and the C$1,000 note payment due on November 1, 2023 in January 2024.

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.

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

	Years ended November 30,		
	2024	2023	2022
Balance – beginning of period	$3,071	$3,848	$3,576
Share of losses:			
Mineral property expenditures	(12,351)	(17,918)	(27,690)
Depreciation	(530)	(571)	(427)
Accretion	(40)	(40)	(46)
	(12,921)	(18,529)	(28,163)
Funding	12,447	17,752	28,435
Balance – end of period	$2,597	$3,071	$3,848

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 for Donlin Gold than that of the Company.

	As of November 30,	
	2024	2023
Current assets: Cash, prepaid expenses, and other receivables	$3,745	$3,410
Non-current assets: Right-of-use assets, property and equipment	965	1,456
Non-current assets: Mineral property	32,654	32,615
Current liabilities: Accounts payable, accrued liabilities and lease obligations	(1,947)	(1,669)
Non-current liabilities: Reclamation and lease obligations	(820)	(741)
Net assets	$34,597	$35,071

NOTE 6 – OTHER ASSETS

	As of November 30,	
	2024	2023
Other current assets:		
Accounts receivable	$22	$43
Interest receivable	89	99
Receivable from Donlin Gold	212	203
Prepaid expenses	1,207	1,125
	$1,530	$1,470
Other long-term assets:		
Marketable equity securities	$3,387	$2,102
Right-of-use assets	896	757
Office equipment	119	141
	$4,402	$3,000

NOTE 7 – PROMISSORY NOTE

The Company has a promissory note payable to Barrick of $151,522, comprising $51,576 in principal, and $99,946 in accrued interest at U.S. prime plus 2%, compounded semi-annually. The average effective interest rate was 10.5%, 10.3%, and 6.8%, in 2024, 2023 and 2022, 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.

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

	Years ended November 30,		
	2024	2023	2022
Balance – beginning of period	$136,748	$123,685	$115,723
Interest expense on promissory note	14,774	13,063	7,962
Balance – end of period	$151,522	$136,748	$123,685

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 Right-of-Use ("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,		
	2024	2023	2022
Operating lease cost	$225	$232	$234
Variable lease cost	135	121	126
Short-term lease cost	6	5	5
	$366	$358	$365

Future minimum lease payments under non-cancellable operating leases as of November 30, 2024, were as follows:

2025	$216
2026	215
2027	226
2028	247
2029	141
Thereafter	14
Total future minimum lease payments	1,059
Less: imputed interest	(129)
	$930

Other information regarding leases includes the following:

	Years ended November 30,		
	2024	2023	2022
Cash paid for operating leases	$232	$193	$238
Variable lease cost	135	121	126
Short-term lease cost	6	5	5
	$373	$319	$369
ROU assets obtained in exchange for lease liabilities	$—	$—	$750
Weighted average:			
Remaining lease term (years) – operating leases	4.6	4.8	5.6
Discount rate – operating leases	6.7%	5.9%	5.8%

NOTE 9 – OTHER LIABILITIES

	As of November 30,	
	2024	2023
Other current liabilities:		
Remediation liabilities	$244	$212
Lease obligations	169	192
	$413	$404
Other long-term liabilities:		
Remediation liabilities	$400	$250
Lease obligations	761	609
	$1,161	$859

NOTE 10 – SHARE CAPITAL

Common shares

The Company is authorized to issue 1,000,000,000 common shares without par value, of which 334,567,187 were issued and outstanding as of November 30, 2024, and 334,246,859 were issued and outstanding as of November 30, 2023.

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, 2024 and 2023, 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).

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 $3,387 as of November 30, 2024 ($2,102 as of November 30, 2023), 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,		
	2024	2023	2022
Share-based compensation (Note 13)	$7,237	$8,731	$8,214
Salaries and benefits	7,958	7,009	6,710
Office expense	3,205	3,302	2,992
Professional fees	5,279	1,647	1,177
Corporate communications and regulatory	1,235	1,084	1,009
Depreciation	22	10	7
	$24,936	$21,783	$20,109

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. As of November 30, 2024, 29,350,311 common shares were available for future share incentive plan awards under all three plans.

The following table shows the recognized share-based compensation expense (see *Note 12 - General and administrative*) by award type:

	Years ended November 30,		
	2024	2023	2022
Stock options	$4,236	$4,594	$4,642
Performance share unit plan	2,727	3,910	3,345
Deferred share unit plan	274	227	227
	$7,237	$8,731	$8,214

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.

A summary of stock options outstanding as of November 30, 2024, and activity during the year ended November 30, 2024 are as follows:

	Number of stock options	Weighted-average exercise price per share	Weighted-average remaining contractual term (years)	Aggregate intrinsic value
November 30, 2023	7,606,200	$6.59		
Granted	3,088,900	4.12		
Exercised	(890,000)	3.67		
Forfeited	(765,663)	4.96		
Expired	(189,902)	7.16		
November 30, 2024	8,849,535	$6.12	2.37	$138
Vested and exercisable as of November 30, 2024	4,488,049	$7.39	1.25	$—

The following table summarizes key stock option valuation inputs:

	Years ended November 30,		
	2024	2023	2022
Weighted-average assumptions used to value stock option awards:			
Expected volatility	48.7%	48.4%	46.5%
Expected term of options (years)	4	4	4
Expected dividend rate	—	—	—
Risk-free interest rate	4.29%	3.85%	1.13%
Weighted-average grant-date fair value	$1.76	$2.40	$2.49
Intrinsic value of options exercised	$471	$2,339	$5,723
Cash received from options exercised	$—	$—	$—

As of November 30, 2024, the Company had $2,348 of unrecognized compensation cost related to 4,361,486 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 varies 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 a comparator index and the correlation of returns between the comparator index and the Company's shares. Expected volatility is based on the historical volatility of the Company's shares and the comparator index at the grant date. As new PSUs and stock options are generally granted on the same date, many of the key valuation input assumptions are the same for both share incentive award types.

A summary of PSU awards outstanding as of November 30, 2024, and activity during the year ended November 30, 2024 are as follows:

	Number of PSU awards	Weighted-average grant day fair value per award	Aggregate intrinsic value
November 30, 2023	1,605,500	$6.89	
Granted	886,800	4.20	
Retention awards vested	(181,700)	5.65	
Expired	(319,300)	9.92	
Forfeited	(339,200)	5.33	
Vested/Matured	(18,600)	5.32	
November 30, 2024	1,633,500	$5.32	$—

The following table summarizes key PSU valuation inputs:

	Years ended November 30,		
	2024	2023	2022
Weighted-average assumptions used to value PSU awards:			
Expected volatility of Company shares	42.5%	53.9%	52.4%
Expected volatility of TSX index	29.2%	37.5%	34.5%
Expected correlation between Company shares and TSX	78.3%	80.6%	80.7%
Expected term of PSUs (years)	3	3	3
Risk-free interest rate	4.22%	3.52%	1.07%
Number of PSUs granted	886,800	605,500	516,700
Weighted-average grant-date fair value	$4.20	$5.77	$6.75

As of November 30, 2024, the Company had 1,633,500 non-vested PSU awards outstanding of which 408,400 were fully expensed and vested in December 2024 at 25% of the grant amount and subsequently settled with the issuance of common shares. The remaining 1,225,100 non-vested PSU awards with $3,715 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 vested on June 30, 2024.

The following table summarizes other PSU-related vesting information:

	Years ended November 30,		
	2024	2023	2022
Performance multiplier on PSUs vested	100%	—%	93%
Common shares issued	149,559	—	430,045
Total fair value of common shares issued	$800	$—	$2,903
Withholding tax paid on PSUs vested	$174	$—	$2,122

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 76,781, 43,658, and 38,470 DSUs to directors with a weighted-average grant day fair value of $4.62, $5.04, and $5.74 per DSU during 2024, 2023, and 2022, respectively. The Company issued 46,405, 48,446, and 52,930 common shares under the DSU plan to directors that retired from the Company in 2024, 2023, and 2022, respectively. As of November 30, 2024, there were 314,715 DSUs outstanding.

NOTE 14– OTHER INCOME (EXPENSE), NET

	Years ended November 30,		
	2024	2023	2022
Gain on sale of mineral property	$743	$556	$—
Change in fair market value of marketable securities	1,436	269	189
Foreign exchange gain (loss)	516	(43)	595
	$2,695	$782	$784

NOTE 15 – INCOME TAXES

The Company's statutory tax rate is 27% and is expected to remain unchanged until at least 2025.

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

	Years ended November 30,		
	2024	2023	2022
Current:			
Canada	$—	$—	$—
Foreign	724	39	(33)
	724	39	(33)
Deferred:			
Canada	—	—	—
Foreign	—	—	—
	—	—	—
Income tax (recovery) expense	724	$39	$(33)

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

	Years ended November 30,		
	2024	2023	2022
Canada	$289	$(18,213)	$(17,062)
Foreign	(45,186)	(28,551)	(36,314)
	$(44,897)	$(46,764)	$(53,376)

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,					
		2024		2023		2022
Loss before income taxes		$(44,897)		$(46,764)		$(53,376)
Federal Income Tax Rate		15.00%		15.00%		15.00%
British Columbia Income Tax Rate		12.00%		12.00%		12.00%
Statutory income tax rate		27.00%		27.00%		27.00%
Combined federal and provincial statutory tax rate	*27.0%*	(12,122)	*27.0%*	(12,626)	*27.0%*	(14,412)
Reconciling items:						
Non-deductible expenditures	*-4.9%*	2,207	*-5.9%*	2,767	*-4.5%*	2,411
Foreign accrual property income	*-3.8%*	1,715	*-3.6%*	1,682	*-1.2%*	666
Effect of different statutory tax rates on earnings or losses of subsidiaries	*0.8%*	(359)	*0.9%*	(407)	*1.0%*	(518)
Withholding taxes	*-0.2%*	99		—		—
Change in valuation allowance on deferred tax assets	*-20.4%*	9,144	*-18.5%*	8,623	*-22.3%*	11,852
Other	*-0.1%*	40	—	—	*0.1%*	(32)
Income tax (recovery) expense	*-1.6%*	$724	*-0.1%*	$39	*0.1%*	$(33)

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

	As of November 30,	
	2024	2023
Deferred tax income assets:		
Net operating loss carry forwards	$200,693	$193,508
Capital loss carry forwards	46,528	47,995
Mineral properties	605	624
Intangible assets	448	462
Property and equipment	183	184
Investment in affiliates	48,486	47,522
Unpaid interest expense	2,105	2,105
Unrealized loss on investments	56	196
Asset retirement obligation	183	131
Other	970	1,129
	300,257	293,856
Valuation allowances	(299,829)	(293,536)
	428	320
Deferred income tax liabilities:		
Notes receivable	—	—
Capitalized assets and other	(428)	(320)
	(428)	(320)
Net deferred income tax assets (liabilities)	$—	$—

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

Year of Expiry	U.S.	Canada
2025	$13,382	$—
2026	18,493	17,252
2027	85	1,722
2028	11,223	—
2029	10,916	11,163
2030	16,580	14,854
2031	309,772	14,783
2032	14,529	18,042
2033	15,607	13,615
2034	16,383	9,795
2035	14,764	8,945
2036	14,111	8,802
2037	—	5,853
2038	—	5,965
2039	—	5,407
2040	—	6,439
2041	—	—
2042	—	6,644
2043	—	4,993
2044	—	9,411
Indefinite	92,423	—
	$548,268	$163,685

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 $344,655 as of November 30, 2024 (November 30, 2023: $355,516) 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 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 include the cumulative loss incurred as of November 30, 2024. 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, 2024, a valuation allowance of $299,829 (November 30, 2023: $293,536), has been recorded in order to measure only the portion of the deferred tax asset that more likely than not will be realized. However, the amount of deferred tax asset considered realizable may change if estimates of future taxable income during the carryforward period are positive or if objective negative evidence in the form of cumulative losses is no longer present in which case 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, 2024, 2023 and 2022. The Company recognizes 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, 2024, 2023 and 2022, 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, 2024, are 2018 to 2024 in Canada and 2019 to 2024 in the United States.

NOTE 16 – RELATED PARTY TRANSACTIONS

The Company provided management and administrative services to Donlin Gold for $731 in 2024 ($990 in 2023 and $681 in 2022). As of November 30, 2024, the Company has accounts receivable from Donlin Gold of $212 (November 30, 2023: $203) included in *Other current assets*.

NOTE 17 – NET CHANGE IN OPERATING ASSETS AND LIABILITIES

	Years ended November 30,		
	2024	2023	2022
Changes in operating assets and liabilities:			
Other assets	$(100)	$694	$(1,962)
Accounts payable and accrued liabilities	708	(62)	128
Accrued payroll and related benefits	(309)	268	(92)
Income taxes payable	226	—	—
Remediation liability	(157)	(1,435)	(130)
	$368	$(535)	$(2,056)

NOTE 18 – SUPPLEMENTAL CASH FLOW INFORMATION

	Years ended November 30,		
	2024	2023	2022
Interest and dividends received	$5,539	$5,754	$1,684
Income taxes refunded	—	$325	$17
Income taxes paid	$645	$75	$—

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