# **NovaGold Resources Inc.**

Scale, Growth, Leverage and Value...in the Right Address



# Precious Metals Summit & European Gold Forum

**TSX, NYSE-AMEX: NG** 



# **Forward-Looking Statements**

This presentation includes certain forward looking statements and forward looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws, including the United States Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included herein including, without limitation, statements relating to NovaGold's future operating or financial performance, are forward-looking statements. Forward-Looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could", or "should" occur or be achieved. These forward-looking statements are set forth principally under the slides pertaining to Donlin Gold feasibility study, the Galore Creek prefeasibility study and the Ambler preliminary economic assessment, and elsewhere in this presentation, and may include statements regarding perceived merit of properties; exploration results and budgets; mineral reserves and resource estimates; work programs; capital expenditures; timelines; strategic plans; completion of transactions; market price of precious base metals; or other statements that are not statements of fact. Forward-looking statements involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from NovaGold's expectations include the uncertainties involving the need for additional financing to explore and develop properties and availability of financing in the debt and capital markets; uncertainties involved in the interpretation of drilling results and geological tests and the estimation of reserves and resources; the need for continued cooperation with Barrick Gold and Teck Resources in the exploration and development of the Donlin Gold and Galore Creek properties; the need for cooperation of government agencies and native groups in the development and operation of properties; the need to obtain permits and governmental approvals; risks of construction and mining projects such as accidents, equipment breakdowns, bad weather, non-compliance with environmental and permit requirements, unanticipated variation in geological structures, ore grades or recovery rates; unexpected cost increases; fluctuations in metal prices and currency exchange rates; and other risk and uncertainties disclosed in NovaGold's Annual Information Form for the year ended November 30, 2011, filed with the Canadian securities regulatory authorities, and NovaGold's annual report on Form 40-F filed with the United States Securities and Exchange Commission and in other NovaGold reports and documents filed with applicable securities regulatory authorities from time to time. NovaGold's forward-looking statements reflect the beliefs, opinions and projections on the date the statements are made. NovaGold assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.



# The NovaGold Opportunity

Suite of Tier 1 Projects – Exceptional in Scale, Quality and Jurisdictional Safety

- Donlin Gold: In terms of combined size, grade, exploration potential, production profile and jurisdictional safety, arguably the most important gold development project in the world
- Ambler District: To be spun out into NovaCopper; richest known copper-dominant polymetallic district
- Galore Creek: Sale process underway; one of the largest known copper-gold deposits in the world





# **NovaGold Milestones of Value Creation**

**Creation of Shareholder Value Through Effective and Timely Execution of Strategy** 

### 2011

- Completed positive Donlin Gold Feasibility Study: re-confirmed it is arguably the most important gold development project in the world
- ✓ Delivered positive Preliminary Economic Assessment for Arctic deposit
- Encountered extraordinary high-grade drill results from Bornite deposit
- Produced positive Galore Creek Pre-Feasibility Study

#### 2012

- Attracted and retained best in the industry management talent
- Secured US\$318M in financing to execute on project development and exploration plans, providing sufficient capital to take Donlin Gold through permitting
- Achieved over 99% approval for NovaCopper spin-out
- Launch NovaCopper as independent company
- Commence formal permitting process at Donlin Gold
- Sell part or all of Galore Creek



### NovaGold to Become a Pure Gold Play

On March 28, 2012 Shareholders Overwhelmingly Approved Spin-Out of NovaCopper



# **Experienced Management Team**

With a Proven Track Record of Unlocking Value from Great Assets

<b>Gregory A. Lang</b> President and CEO of NovaGold	<u>The Engineer</u> • Most recently the President of Barrick Gold North America• 35 years of experience in building and operating major mines• Completed Cortez Expansion on schedule and within budget• Intimate knowledge of Donlin Gold project
<b>Rick Van Nieuwenhuyse</b> <i>President and CEO of</i> <i>NovaCopper</i>	<ul> <li><u>The Explorer</u></li> <li>Founder of NovaGold</li> <li>Discoverer of major North American deposits</li> <li>Winner of the 2009 Thayer Lindsley Award for discovery of Donlin Gold</li> </ul>
<b>Dr. Thomas S. Kaplan</b> <i>Chairman of NovaGold and</i> <i>NovaCopper</i>	<ul> <li><u>The Advocate</u></li> <li>Chairman and CEO of The Electrum Group LLC</li> <li>Successful entrepreneur in natural resources</li> <li>Most recently, Founder and Chairman of Leor Energy; sold assets to EnCana for \$2.55 billion in 2007</li> </ul>



# **Donlin Gold is Truly World Class**

Size, Grade, Exploration Potential, Production Profile and Jurisdictional Safety



Location	Alaska, US
Mining Method	Open Pit
Ownership	50/50 (NG/ABX)
P&P Reserves/Grade <sup>1,2</sup>	33.9 Moz @2.1g/t
M&I Resources/Grade <sup>1,3</sup>	39.0 Moz @ 2.2 g/t
Inferred Resources/Grade <sup>1</sup>	6.0 Moz @ 2.0 g/t
Estimate Mine Life	27 years
Gold Production (Year 1-5 & LOM)	1.5 Moz/yr & 1.1 Moz/yr
Cash Cost (Year 1-5 & LOM)	US\$409/oz & US\$585/oz

- In top 1% of all known gold deposits in the world
- One of the highest-grade high tonnage known gold deposits in the world
- Alaska is a Tier I jurisdiction
- Once in production Donlin Gold will be one of few mines producing >1M ounces per year
- Alaska Native Corporations are key stakeholders
- Solid relationship with 50/50 joint-owner Barrick, the largest gold mining company in the world

, 1) See "Cautionary Note Concerning Reserve & Resource Estimates" and "Reserve & Resource Base" with footnotes in the appendix.



3) M&I: Measured and Indicated Resources inclusive of Proven and Probable Reserves.



# **Donlin Gold Among the Largest Gold Deposits**

Most Peer Projects are Located in Geopolitically Risky Jurisdictions or Owned by Majors



Source: NovaGold news release dated 12/5/11, Intierra and public filings. Measured and indicated resources are inclusive of proven and probable reserves. See "Cautionary Note Concerning Reserve & Resource Estimates" and "Reserve & Resource Base" with footnotes in the appendix. Peer group includes exploration or development stage properties with more than 10 million ounces of contained gold in the Proven, Probable, Measured, and Indicated categories, where 75% or more of the project value is derived from the *in-situ* gold resource.



# **Donlin Gold Substantial Exploration Potential**

**Multiple Drill Prospects and Targets Exist Along 8-km Trend** 



- Future mine will be 2 km x 3km, within district of 8 km x 3 km
- Over the last five years, mineral endowment has more than doubled
- Located entirely on private land designated for mining



# Donlin Gold Top Tier M&I Grade

Among the Highest-Grade Large-Scale Open-Pit Gold Development Projects in the World



### Most other properties are located in risky jurisdictions or owned by majors, or both

Source: NovaGold news release dated 12/5/11, Intierra and public filings. Measured and indicated resources are inclusive of proven and probable reserves. See "Cautionary Note Concerning Reserve & Resource Estimates" and "Reserve & Resource Base" with footnotes in the appendix. Peer group includes exploration or development stage properties with more than 10 million ounces of contained gold in the Proven, Probable, Measured, and Indicated categories, where 75% or more of the project value is derived from the *in-situ* gold resource.



# **Donlin Gold Anticipated To be Top-Tier Producer**

Project Layout Conducive to Superior Economics in the Early Stage



### Most other properties are located in risky jurisdictions or owned by majors, or both

Source: Intierra and public filings. See also "Cautionary Note Concerning Reserve & Resource Estimates" and "Reserve & Resource Base" with footnotes in the appendix.

- 1) Projected annual gold production during first eight years of mine life.
- 2) Projected annual gold production during full life of mine.
- 3) Projected annual gold production during first five years of mine life.



# **Donlin Gold**

### Well Positioned to Reduce Capex by Sharing Upfront Costs with Third Parties

Areas	US\$M	Capital Reduction Opportunities
Mining	345	Leasing equipment ~\$170M
Site preparation/roads	236	
Process facilities	1,326	Oxygen plant could be built by third party ~\$130M
Tailings	120	Gas nineline could be built by third party ~\$700M: Settlement
Utilities	1,302	announced on 3/12/12 could yield further cost savings as a result
Ancillary buildings	304	of distribution of AK natural gas
Off-site facilities	243	
Total Direct Costs	3,876	
Owners' cost	414	
Indirects	1,405	
Contingency	984	Contingency increases confidence to 85%
Total Indirect & Contingency	2,803	
Total Project Cost	6,679	>\$1B potential capital reductions by working with third parties



### **Donlin Gold has Exceptional Leverage to Gold Price**

NPV Increases ~20x with ~2x Increase in Gold Price



Source: NovaGold news release announcing the results of updated feasibility study on the Donlin Gold Project, dated 12/5/11. All dollar figures are in USD and reflect after-tax net present value (at a 0% and 5% discount rates) of the Donlin Gold Project as of 1/1/2014. At a 5% discount rate, the net present value is: \$547 m @ \$1,200 gold; \$4,581 m @ \$1,700 gold; \$6,722 m @ \$2,000 gold; and \$10,243 m @ \$2,500 gold. Project development costs prior to that date are treated as sunk costs. See "Cautionary Note Concerning Reserve & Resource Estimates" and "Reserve & Resource Base" with footnotes in the appendix.



# Jurisdictional Risk is Pervasive in the Industry

### **Resource Nationalism is a Top Concern<sup>1</sup>**

Australia	•	Government passed Mineral Resources Rent Tax of 30% <sup>2</sup>
Peru	•	Construction halted at largest mine due to gov't review, amid social unrest <sup>3</sup>
Venezuela	•	Gold mining sector effectively nationalized <sup>4</sup>
Ecuador	•	Legislation and commercial deals discourage foreign investment in mining <sup>5</sup>
Mali	•	Recent military coup creating political uncertainty <sup>6</sup>
Ghana	•	New 10% windfall tax and higher corporate tax on mining <sup>7</sup>
Guinea	•	New law gives government a 35% stake; threat of nationalization <sup>8</sup>
Zambia	•	Plans to increase state stake in mining projects to 35% <sup>9</sup>
Congo	•	Plans to revise mining code, raise taxes, increase stake in mining projects <sup>10</sup>
Indonesia	•	Proposed new legislation limits foreign ownership of mines to 49% <sup>11</sup>
Philippines	•	New royalties and taxes being imposed on mining companies <sup>12</sup>
South Africa	•	Ongoing dialogue to nationalize mining industry

1) "Business Risks Facing Mining and Metals 2011-2012," Ernst & Young.

2) "Still a Great Place to Dig for Minerals," Sydney Morning Herald 3/19/12.

3) "Newmont Says Peru Review Is Expected in 'Next Few Weeks'," Liezel Hill & Margaret Brenna, Bloomberg News, 03/29/12.

- 4) Venezuela Decrees Nationalization of Nation's Gold Industry," Bloomberg BusinessWeek, 9/19/11.
- 5) "New Agreements Extract Big Bucks from Foreign Mining Operators in Ecuador," Mineweb, 12/6/11.
- 6) "Mali coup: West African leaders abandon visit," BBC News Africa, 02/29/12.
- 7) "National Coalition on Mining Commends Government on Mining Taxes," Ministry of Finance & Economic Planning, Republic of Ghana, 11/23/11.
- 8) "Guinea Passes Long-Awaited Mining Code, Launches Contract Review," IHS Global Insight: Country & Industry Forecasting, 9/14/11.
- 9) "Zambia Eyes 35 Pct Stake in Mine Projects: Minister," Reuters, 10/13/11.
- 10) Michael J. Kavanagh, "Congo to Boost State's Share of Mining Projects, Raise Taxes," Bloomberg News, 03/21/2012.
- 11) "Geoff Breen, "IAU.AX Luncheon Provides Greater Clarity but Timing Remains Uncertain," RBC Capital Markets Research Report, 03/26/12.
- 12) "Philippine mining rule change would hurt investor sentiment groups," Reuters, 2/14/12.



# **Redefining "World Class"**

### Location, Location, Location





# **Alaska Has a Vibrant Mining Industry**

Second Largest US Gold-Producing State: Seven Major Producing Mines and Counting





# **Donlin Gold is in The Right Location**

Right Project; Right Location; Right Stakeholders Should Lead to Orderly Permitting

- Strong commitment to environmental stewardship and social responsibility
- No proximity to major population areas
- Two Alaska Native Corporations are major stakeholders in the project
- Alaskan Government is committed to responsible mining (existing operations include Red Dog, Pogo, Fort Knox, Greens Creek, Kensington, Usibelli, and Nixon Fort)





## **Ambler Overview: Arctic Deposit**

Hosts a Mineral Resource with an Approximate 7% Copper-Equivalent Grade<sup>1</sup>



Arctic Deposit									
Location		AK, USA							
Mining Methods		Underground & Open Pit							
Resource Base	5	Contained Metal	Grade						
M&I Resources <sup>2</sup>	Copper	1.54 Blb	4.1%						
	Zinc	2.24 Blb	6.0%						
	Gold	0.45 Moz	0.83 g/t						
Inferred Resources <sup>2</sup>	Copper	939 Mlb	3.5%						
	Zinc	1.32 Blb	4.9%						
	Gold	0.26 Moz	0.67 g/t						

### Arctic Preliminary Economic Assessment (PEA)

Completed PEA in May 2011:

- Modest capital costs: US\$262 million startup, US\$134 million sustaining
- Low operating costs: US\$99.32/tonne milled, cash cost US\$0.89/lb. copper (net of by-products)
- Underground mining operation with projected 25-year mine life

Base Case: After-tax NPV of US\$505 million with an IRR of 25%1

Upside Case: After-tax NPV of US\$1.6 billion with an IRR of  $50\%^2$ 

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA's conclusions will be realized.

1) CuEq basis calculated using the following metal price assumptions (in USD): \$3.93/lb. Cu, \$1,815/oz Au, \$40.55/oz Ag, \$1.08/lb. Pb, and \$1.00/lb. Zn. Calculation excludes any adjustments for metal recoveries. Net of by-product credits





### Arctic Peer Group M&I Cu Equivalent Grade

Arctic Deposit is the World's Highest Grade Cu-Dominant Polymetallic Project



Source: Intierra and public filings. Copper-equivalent grade of publicly filed Measured & Indicated Resources at all 73 projects listed. Note: CuEq basis calculated using the following metals price assumptions (in USD): \$3.93/lb. Cu, \$1,815/oz Au, \$40.55/oz Ag, \$1.08/lb. Pb, and \$1.00/lb. Zn. Calculation excludes any adjustments for metal recoveries. Net of by-product credits. Based on Indicated Resources at Arctic Deposit only.



### **Ambler Overview: Bornite Deposit**

### Step-Out Drilling Encountered Mineralization of 4% Copper Over 178 Meters



### **2012** Activities

- Planned drilling campaign (15,000 to 20,000 meters)
- Advance engineering and environmental baseline studies
- South Reef will be focused on Bornite exploration drilling in 2012 to enable resource estimate to be completed on this highly prospective zone

### 2012 Budget

- NovaGold approved US\$4M interim budget
- Received US\$40M from NovaGold's recent financing



# **NovaCopper Spin-Out & Next Steps**

An Exciting Time for NovaGold/NovaCopper Shareholders

- Record date for voting February 24, 2012
- Shareholders meeting Spin-out overwhelmingly approved March 28/12
- Spinout NovaCopper on 6:1 ratio with US\$40M in cash
- NovaCopper to start trading on TSX and NYSE-AMEX on or about April 30



### **Galore Creek**

### Potential to be the Largest and Lowest-Cost Copper Producer in Canada

— 3046 м 3046 м 3046 м 3046 м	Location	BC, Canada	a			
MII Pits, 718M tonnes Pre-Feas Reserve Pits	Mining Method	Open Pit 50/50 (NG/TCK)				
(Upside Case) (518M tonnes)	Owners					
50 50	P&P Posonyos 1.2	Copper	6.8 Blb	0.6%		
	NESEIVES -/-	Gold	5.45 Moz	0.32 g/t		
Pre-Feas Resource Pits (1,161M tonnes)		Silver	102 Moz	6.0 g/t		
	M&I Resources	Copper	8.9 Blb	0.5%		
Upside Case Advanced Engineering Central Pit Section 6 3351 050N Looking West		Gold	8.0 Moz	0.3 g/t		
Measured & Indicated ≥\$10.08 NSR		Silver	136 Moz	5.2 g/t		

### World Class Asset

- ٠ Primarily a copper project but also in top 5% of known gold deposits in the world
- If developed on PFS basis would become one of the largest and lowest-cost copper producers in NA and largest in Canada

### 2012 Budget

- Approved 2012 budget of • ~C\$35M
- NovaGold's share ~C\$18M ٠
- Budget includes funds for ٠ 2012 infill drilling program, engineering studies and site care-and-maintenance

### Leverage to Copper

- NPV increases from \$137M • (Base Case) to \$2.75B (Upside Case)
- Does not included value of ٠ 2.1 Blb M&I Cu and 3.2 Blb Inferred Cu



- 2) P&P: Proven and Probable Reserves
  - 3) M&I: Measured and Indicated Resources inclusive of Proven and Probable Reserves.



# **Healthy Balance Sheet**

### **Clear Focus Begins with Strong Funding to Execute on All Fronts**

Balance Sheet Items	US\$ Millions <sup>1</sup>
Cash and Cash Equivalents <sup>2</sup>	\$350
Potential Proceeds From Exercise of Warrants <sup>3</sup>	\$57
Non-Recurring Expenditures After Reorganization <sup>4</sup>	
NovaCopper Spin-Out	(\$40)
Galore Creek	(\$18)
Property Closure	(\$50)
Sub-Total	(\$108)
Annual Expenditures <sup>4</sup>	
Donlin Gold	(\$20)
G&A and Miscellaneous	(\$25)
Sub-Total	(\$45)
Interim Year-End Cash Position Projection	\$254
Cash Available for Convertible Note Put Option <sup>5</sup>	(\$95)
Net Cash Available Pre-Galore Sale	\$159

-3) There are 38 million warrants outstanding at a strike price of \$1.50 with an expiry date of January 21, 2013.

4) 2012 anticipated budget expenditure disclosed on February 22, 2012.

5) The holders of the Convertible Notes have the right to require the Company to repurchase all or part of their Notes on May 1, 2013.



<sup>1)</sup> Please note that all amounts included are approximate figures and may vary from actual results.

<sup>2)</sup> Cash and cash equivalents as of February 22, 2012.

# Why Invest in NovaGold?

**Key Attributes for Institutional-Quality Core Holdings** 

- <u>Unique Assets</u>: In terms of combined size, grade, exploration potential, production profile and jurisdictional safety, arguably the most important gold development in the world
- **De-Risked Asset Base and Balance Sheet**: Donlin is through feasibility and has the cash to take the asset up the value chain to a production decision
- <u>Strong Management Team</u>: Proven track record of permitting and building mines on time and on budget
- <u>Solid Partnership</u>: True 50/50 joint ownership with world's largest gold company
- <u>Commitment to Deliver Value to Shareholders</u>: Focus on Donlin Gold pure gold play by spinning out NovaCopper and crystallizing value for Galore Creek
- <u>Go-To Safe Institutional Quality Developer:</u> Strong leverage to gold in a place where investors can keep it



### **APPENDIX**



## **Share Capitalization & Liquidity**

Basic Shares Outstanding <sup>1</sup>	278.0 Million
Options	12.9 Million
Warrants	37.9 Million
Fully Diluted <sup>2</sup>	328.9 Million
Market Capitalization (US\$) <sup>3</sup>	2.1 Billion
Shares Traded Daily on TSX & NYSE-AMEX	5.3 Million
Cash (US\$ millions)	~\$350 Million
Net Cash from Equity Financing (US\$)	\$318.9 Million
Debt (\$US) <sup>4</sup>	\$95.0 Million
Insider Ownership <sup>5</sup>	30.8%

1) As at February 14, 2012.

2) As at November 30, 2011. Fully diluted share count excludes convertible notes.

3) As at March 26, 2012. The holders of the Convertible Notes have the right to require the Company to repurchase all or part of their Notes on May 1, 2013

4) Includes convertible note (\$95M).

5) Source: Ipreo and SEDI filings.



# **Donlin Gold**

### First Five Years Cash Costs

Area	US\$/oz
Open-pit mining <sup>1</sup>	133
Processing	208
G&A <sup>1</sup>	39
Royalties, land & other	29
<u>Total</u>	<u>409</u>

### Life of Mine Cash Costs

Area	US\$/oz
Open-pit mining <sup>1</sup>	228
Processing	257
G&A <sup>1</sup>	46
Royalties, land & other	54
<u>Total</u>	<u>585</u>

- First 5 full years production at cash cost of \$409/oz, which accelerates payback
- Processing costs include power generation and natural gas delivery
- Portion of mine operation costs re: waste stripping deferred and excluded



# **Gold Mining Industry**

### **Facing Technical and Financial Challenges**

- As financial and macroeconomic developments have driven demand for gold higher, supply remains constrained:
  - Discovery costs have nearly doubled in the last two decades, while discovery rates have slowed
  - Deteriorating grades at producing mines and in new discoveries → higher production costs
  - To find new supply, gold companies have turned to transitional economies with infrastructure challenges and jurisdictional risk



### **Discovery and Production Grades Declining Rapidly**



**Source:** McKeith, T., Baltis E., and Schodde RC, "Analysis of Gold Exploration Industry Trends," Society of Economic Geologists Newsletter, April 2010. Note: Average grade of global discoveries on a three year rolling average basis for discoveries over one million ounces.



# **Copper Mining Industry**

### **Facing Technical and Financial Challenges**

- In the face of global demand growth (projected to grow at a 3.9% CAGR from 2011-16), supply expansion likely to be very slow or stagnant through 2016<sup>1</sup>:
  - Exploration costs have increased dramatically (both due to inflation and also degree of difficulty)
  - Deteriorating head grades → higher costs for future production
  - Lack of new high grade discoveries → mine life decreasing
  - Accelerating resource depletion and limited exploration opportunities at existing mines
  - For new development projects, substantial increase in capital intensity due to cost inflation and higher taxes
  - Constrained access to capital given concerns over jurisdictional risk

Exploration Expenditures Mt Cu Exploration Expenditures (2009 US\$B) Estimates Metal Discovered 120 \$4 90 \$3 60 \$2 30 \$1 **\$0** 1950 1960 1970 1980 1990 2000 2010

Fewer Discoveries; Costs Skyrocketing

#### Source: "The declining discovery rate – what is the real story?", MinEx Consulting, 3/23/10. **Grades Declining Rapidly** Copper Grade (%) 6% World USA 5% Canada 4.0% Australia in 190 4% 3% 2% Estimat 1.07% in 2010 1% 0% 1900 1950 1960 1970 1910 1920 1930 1940 1980 1990 2000 2010

**Source:** "The key drivers behind resource growth: an analysis of the copper industry over the last 100 years," MinEx Consulting, 3/3/10.





### **NovaGold Board of Directors**

Dr. Thomas S. Kaplan Chairman	Chairman and CEO of The Electrum Group LLC, a privately held natural resources investor that controls a diversified portfolio of precious and base metals assets
Dr. Marc Faber	Publishes a highly-regarded monthly investment newsletter, the author of several books, and a frequent television contributor
Tony Giardini	CFO of Ivanhoe Mines, formerly with Placer Dome Inc.
Gil Leathley	Senior Vice President and Chief Operating Officer of the Company and a Director
Igor Levental	President of The Electrum Group LLC, former VP of Homestake Mining and International Corona Corp.
Kalidas Madhavpeddi	Former Executive with Phelps Dodge
Gerald McConnell	Former Chairman and CEO of NovaGold, CEO of Namibia Rare Earths Inc.
Clynton Nauman	CEO of Alexco Resources, formerly with Viceroy Gold and Kennecott Minerals
Rick Van Nieuwenhuyse	CEO of NovaCopper, founder and former CEO of NovaGold
Anthony P. Walsh	Former President and Chief Executive Officer of Miramar Mining Corporation, which in 2007 was sold to Newmont Mining Company.



### **Reserve & Resource Base**

NovaGold Resources Inc.

Proven and Probable Mineral Reserves, Measured, Indicated and Inferred Mineral Resources for Gold (Au), Silver (Ag), Copper (Cu), Zinc (Zn) and Lead (Pb) As at December 5, 2011

#### Reserves

Property	Reserve	Tonnes	In Situ Grade				Total Contained Metal					NovaGold Share Net After Earn-Ins						
% Ownership	Category	Millions	Au g/t	Agg/t	Cu %	Zn %	Pb %	Moz Au	Moz Ag	Mlbs Cu	Mlbs Zn	Mlbs Pb	Moz Au	Moz Ag	Moz AuEq	Mlbs Cu	Mlbs Zn	Mlbs Pb
		-															-	
Donlin Gold (1) approximately 0.57 g/t Au Cutoff	Proven	7.7	2.32					0.57					0.29		0.29			
50% Ownership - 50% Owned by Barrick Gold U.S. Inc.	Probable	497.1	2.08					33.28					16.64		16.64			
	Total P&P	504.8	2.09					33.85					16.93		16.93			
												•						
Galore Creek (2) C\$10.08 NSR Cutoff	Proven	69.0	0.52	4.94	0.61			1.15	11.0	900			0.58	5.5	0.67	450		
50% Ownership - 50% Owned by Teck Resources Inc.	Probable	459.1	0.29	6.18	0.58			4.30	91.2	5900	1		2.15	45.6	2.91	2,950		
	Total P&P	528.0	0.32	6.02	0.59			5.45	102.2	6800			2.73	51.1	3.58	3,400		

#### **Resources** (Inclusive of Reserves)

Property	Resource	Tonnes		In	Situ Grade			Total Contained Metal					NovaGold Share Net After Earn-Ins					
% Ownership	Category	Millions	Au g/t	Ag g/t	Cu %	Zn %	Pb %	Moz Au	Moz Ag	Mlbs Cu	Mlbs Zn	Mlbs Pb	Moz Au	Moz Ag	Moz AuEq	Mlbs Cu	Mlbs Zn	Mlbs Pb
Donlin Gold (3) approximately 0.46 g/t Au Cutoff	Measured	7.7	2.52					0.63					0.31		0.31			
50% Ownership - 50% Owned by Barrick Gold U.S. Inc.	Indicated	533.6	2.24					38.38					19.19		19.19			
	Total M&I	541.3	2.24					39.01					19.50		19.50			
	Inferred	92.2	2.02					5.99					3.00		3.00			
																	,	
Galore Creek (4) C\$10.08 NSR Cutoff	Measured	108.4	0.48	4.04	0.48			1.70	14.30	1,147.0			0.85	7.15	0.97	573.5		
50% Ownership - 50% Owned by Teck Resources Limited	Indicated	706.3	0.29	5.32	0.50			6.40	122.10	7,786.0			3.20	61.05	4.21	3,893.0		
	Total M&I	814.7	0.31	5.21	0.50			8.10	136.40	8,933.0			4.05	68.20	5.18	4,466.5		
	Inferred	346.6	0.25	4.23	0.42			2.70	47.70	3,209.0			1.35	23.85	1.75	1,604.5		
Copper Canyon (5)(6) 0.6% CuEq Cutoff	Inferred	53.7	0.73	10.60	0.50			1.26	18.36	592.0			0.88	12.85	1.10	414.4		
70% Ownership - 30% Owned by Teck Resources Limited																		
	Total Inferred	400.3	0.31	5.13	0.43			3.96	66.06	3,801.0			2.23	36.70	2.84	2,018.9		_
Amples (7) ¢75 NCD / Tenne Cutoff	Manager	I		1							1						r	
100% Ownership	Indicated	16.0	0.02	50.62	4.14	6.00	0.04	0.45	22.20	1 520 2	2 227 0	250.2	0.45	22.20	0.00	1 520 2	2 227 0	250.2
100% Ownership	Tatel M9 T	10.0	0.83	59.62	4.14	6.02	0.94	0.45	32.29	1,550.5	2,237.0	350.3	0.45	32.29	0.98	1,530.3	2,237.0	350.3
	IOTAI MAT	10.0	0.85	59.02	4.14	0.02	0.94	0.45	32.29	1,556.5	2,237.0	350.3	0.45	32.29	0.98	1,556.5	2,237.0	350.5
	Inferred	12.1	0.67	48.04	3.53	4.94	0.79	0.26	18.67	939.9	1,316.9	211.6	0.26	18.67	0.57	939.9	1,316.9	211.6
Tatal Dravan & Drahable Deservice Contained Matel								20.20	102.2	6 800 0			10.66	F1 10	20 51	2 400 0	r	-
Iotal Proven & Probable Reserves Contained Metal						39.30	102.2	0,800.0	2 227 0	250.0	19.66	51.10	20.51	3,400.0				
Total measured & Indicated Contained Metal (inclusive of Reserves)						47.55	168.69	10,471.32	2,237.0	350.3	24.00	100.49	25.67	6,004.8	2,237.0	350.3		
lotal Inferred Contained Métal								10.21	84.73	4,740.9	1,316.9	∠11.6	5.49	55.37	6.41	2,958.8	1,316.9	211.6



### **Reserve & Resource Base Notes**

#### Notes:

- a. These resource estimates have been prepared in accordance with NI43-101 and the CIM Definition Standard, unless otherwise noted.
- b. See numbered footnotes below on resource information.
- c. AuEq gold equivalent is calculated using gold and silver in the ratio of gold + silver + (US\$1023 Au + US\$17 Ag) 2008 2010 average metal prices.
- d. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal content
- e. Tonnage and grade measurements are in metric units. Contained gold and silver ounces are reported as troy ounces, contained copper, zinc, and lead pounds as imperial pounds

#### **Resource Footnotes:**

(1) Mineral Reserves are contained within Measured and Indicated pit designs, and supported by a mine plan, featuring variable throughput rates, stockpiling and cut-off optimization. The pit designs and minimization and anticated grades using the following economic and technical parameters. Stockpiling and cut-off optimization. The pit designs and minimization. The pit designs and minimization and supported by a minimization and supported by a minimization. The pit designs and minimization. The pit designs and minimization. The pit designs and minimization and support of US\$2.27/t processed; stockpile rehandle costs of US\$2.27/t processed; stockpile rehandle costs of US\$2.19/t processed; stockpile rehandle costs of US\$2.27/t processed; stockpile rehandle costs of US\$2.19/t processed; stockpile rehandle costs of US\$2.27/t processed; stockpile rehandle costs of US\$2.27/t processed; stockpile rehandle costs of US\$2.19/t processed; stockpile rehandle costs of US\$2.27/t processed; stockpile rehandle costs of US\$2.27/t processed; stockpile rehandle costs of US\$2.19/t processed; stockpile rehandle costs of US\$2.27/t processed;

<sup>(2)</sup> Mineral Reserves are contained within Measured and Indicated pit designs using metal prices for copper, gold and sliver of US\$2.50/lb, US\$1,050/oz, and US\$16.85/oz, respectively. Appropriate mining costs, processing costs, metal recoveries and inter ramp pit slope angles varing from 42° to 55° were used to generate the pit phase designs. Mineral Reserves have been calculated using a 'cashflow grade' (\$NSR/SAG mill hr) cut-off which was varied from year to year to optimize NPV. The net smelter returm (NSR) was calculated as follows: NSR = Recoverable Revenue = - TCRC (on a per tonne basis), where: NSR = Net Smelter Return; TCRC = Transportation and Refning Costs; Recoverable Revenue = - TCRC (on a per tonne basis), at an exchange rate of CDN\$1.1 to US\$10, US\$1, 0.50/oz, and US\$16.85/oz, respectively, at an exchange rate of CDN\$1.1 to US\$10, US\$1, 0.50/oz, and US\$16.85/oz, respectively, is and throughputs were modeled by correlation with alteration types. Cashflow grades were calculated as the product of fNSR value in \$X\_1 and throughputs in th/r. The life of mine strip ratio is 2.16.

<sup>(1)</sup> Mineral Resources are inclusive of Mineral Resources. Mineral Resources that are not Mineral Resources do not have demonstrated economic viability. Mineral Resources are contained within a conceptual Measured, Indicated and Inferred optimized pit shell using the following assumptions: gold price (US\$1,200/oz\*1 viariable process cost based on 0.1874 \* (subjubur grade) + 10.65; administration cost of US\$2.297); refining, freight & marketing (selling cost) of US\$1,85/oz recovered; stockpile redived; variable process of US\$1.2001/r milled. The Net Sales Return was calculated using the formula: Net Sales Return = Au grade \* Recovery \* (US\$1200/oz - (1.85 + ((US\$1200/oz - 1.85) \* (0.55)); (0.55);

(4) Mineral Resources are inclusive of Mineral Reserves. Mineral resources are contained within a conceptual Measured, Indicated and Inferred optimized pit shell using the same economic and technical parameters as used for Mineral Reserves. Tonnages are assigned based on proportion of the block below topography. The overburden/bedrock boundary has been assigned on a whole block basis. Mineral resources have been estimated using a constant NSR cut-off of C\$10.08/t milled. The Net Smelter Return (NSR) was calculated as follows: NSR = Recoverable Revenue = TCRC (on a per tonne basis), where: NSR = Diluted Net Smelter Return; TCRC = Transportation and Refining Costs; Recoverable Revenue in Canadian dollars for recoverable gold, and recoverable silver using silver using the economic and technical parameters mentioned above. The mineral resources includes material within the conceptual M&I pit that is not scheduled for processing in the mine plan but is above cutoff. See "Cautionary Note Concerning Reserve & Resource Estimates".

<sup>(3)</sup> The copper-equivalent grade was calculated as follows: CuEq = Recoverable Revenue ÷ 2204.62 \* 100 ÷ 1.55. Where: CuEq = Copper equivalent grade; Recoverable Revenue = Revenue in US dollars for recoverable copper, recoverable gold and recoverable silver using metal prices of US\$1.55//b, US\$650/cz, and US\$11/oz for copper, gold, and silver, respectively; Cu Recovery = 100%. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Inferred Resources are in addition to Measured and Indicated Resources have a great amount of uncertainty as to their existence and whether they can be mined legally or economically. It cannot be assured that all or any part of the upgraded to a higher category. See "Cautionary Note Concernal"

(6) NovaGold Canada Inc. has agreed to transfer its 60% joint venture interest in the Copper Canyon property to the Galore Creek Partnership, which is equally owned by NovaGold Canada Inc.and a subsidiary of Teck Resources Limited. The remaining 40% joint venture interest in the Copper Canyon property is owned by another wholly owned subsidiary of NovaGold."

(<sup>7)</sup> Resources stated as contained within a potentially economically economically economically and US\$15.00/L NSR cut-off. NSR calculation is based on assumed metral prices of US\$21.00/lo for copert. JON/lo X of color, S11.00/lo X of S11.00/lo X



### **Cautionary Note Concerning Reserve & Resource Estimates**

Unless otherwise indicated, all reserve and resource estimates included in this presentation have been prepared in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves ("CIM Definition Standards"). NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission ("SEC"), and reserve and resource information contained in this presentation may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC. U.S. investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. Under Canadian rules, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an "inferred mineral resource" exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of the SEC, and reserves reported by NovaGold in compliance with NI 43-101 may not qualify as "reserves" under SEC standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable to information made public by companies that report in accordance with United States standards.



## **Technical Reports and Qualified Persons**

#### **Technical Reports and Qualified Persons**

The documents referenced below provide supporting technical information for each of NovaGold's projects.

Project	Qualified Person(s)	Most Recent Disclosure & Filing Date						
Donlin Gold	Kirk Hanson P.E., AMEC Gordon Seibel R.M. SME, AMEC Tony Lipiec, P. Eng., AMEC	December 5, 2011 Press Release						
Galore Creek	Robert Gill, P.Eng., AMEC Jay Melnyk, P.Eng., AMEC Greg Kulla, P.Geo., AMEC Greg Wortman, P.Eng., AMEC Dana Rogers, P.Eng., Lemley International	Galore Creek Copper-Gold Project, British Columbia, NI 43-101 Technical Report on Pre-Feasibility Study, filed on September 12, 2011						
Copper Canyon	Erin Workman, P.Geo., NovaGold Resources Inc.	Not publicly released - updated March 2008						
Ambler	Russ White, P.Geo., SRK Consulting Neal Rigby, C.Eng., MIMMM, Ph.D., SRK Consulting	NI 43-101 Preliminary Economic Assessment, Ambler Project - May 9, 2011						

Kevin Francis, R.M. SME., Vice President Resources of NovaGold and a qualified person as defined by NI 43-101, has reviewed and accepts responsibility for the technical information contained within this presentation.

