

# GOLD DEVELOPMENT COMPANY for the 21<sup>st</sup> Century

NYSE-MKT, TSX: NG | September 2015



**NOVAGOLD** | SOLID.  
SECURE.  
GOLDEN.

[novagold.com](http://novagold.com)



# CAUTIONARY STATEMENTS

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## REGARDING FORWARD-LOOKING STATEMENTS

This presentation includes certain “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 Donlin Gold’s future operating or financial performance, are forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as “plans”, “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 in the slides pertaining to the implementation of the Donlin Gold second updated Feasibility Study and pertaining to the implementation of the Galore Creek Pre-Feasibility Study, the factors that may influence future gold price performance, and the potential future value of gold, 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 or 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 our 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 between NOVAGOLD and Barrick Gold in the exploration and development of the Donlin Gold property; the need for continued cooperation between NOVAGOLD and Teck Resources Ltd. in the exploration and development of the Galore Creek property; 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 risks and uncertainties disclosed in reports and documents filed by NOVAGOLD with applicable securities regulatory authorities from time to time. The forward-looking statements made herein reflect our beliefs, opinions and projections on the date the statements are made. Except as required by law, we assume no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.

## REGARDING SCIENTIFIC AND TECHNICAL INFORMATION

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”). 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 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. At this time, both of Donlin Gold and Galore Creek projects are without known reserves, as defined under SEC Industry Guide 7. 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 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.

**All dollar amounts quoted in this report are in U.S. currency unless otherwise noted.**



# WHAT MAKES NOVAGOLD UNIQUE?

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A DEVELOPMENT-STAGE COMPANY WITH TWO PROJECTS OF EXCEPTIONAL SCALE, QUALITY, AND JURISDICTIONAL SAFETY

## DONLIN GOLD

50/50 with Barrick

Poised to become one of the largest gold producers in the world

## GALORE CREEK

50/50 with Teck

Expected to be the largest and lowest cost copper mine in Canada



# DONLIN GOLD: THE RIGHT PROJECT

ARGUABLY THE MOST IMPORTANT GOLD PROJECT IN THE WORLD TODAY

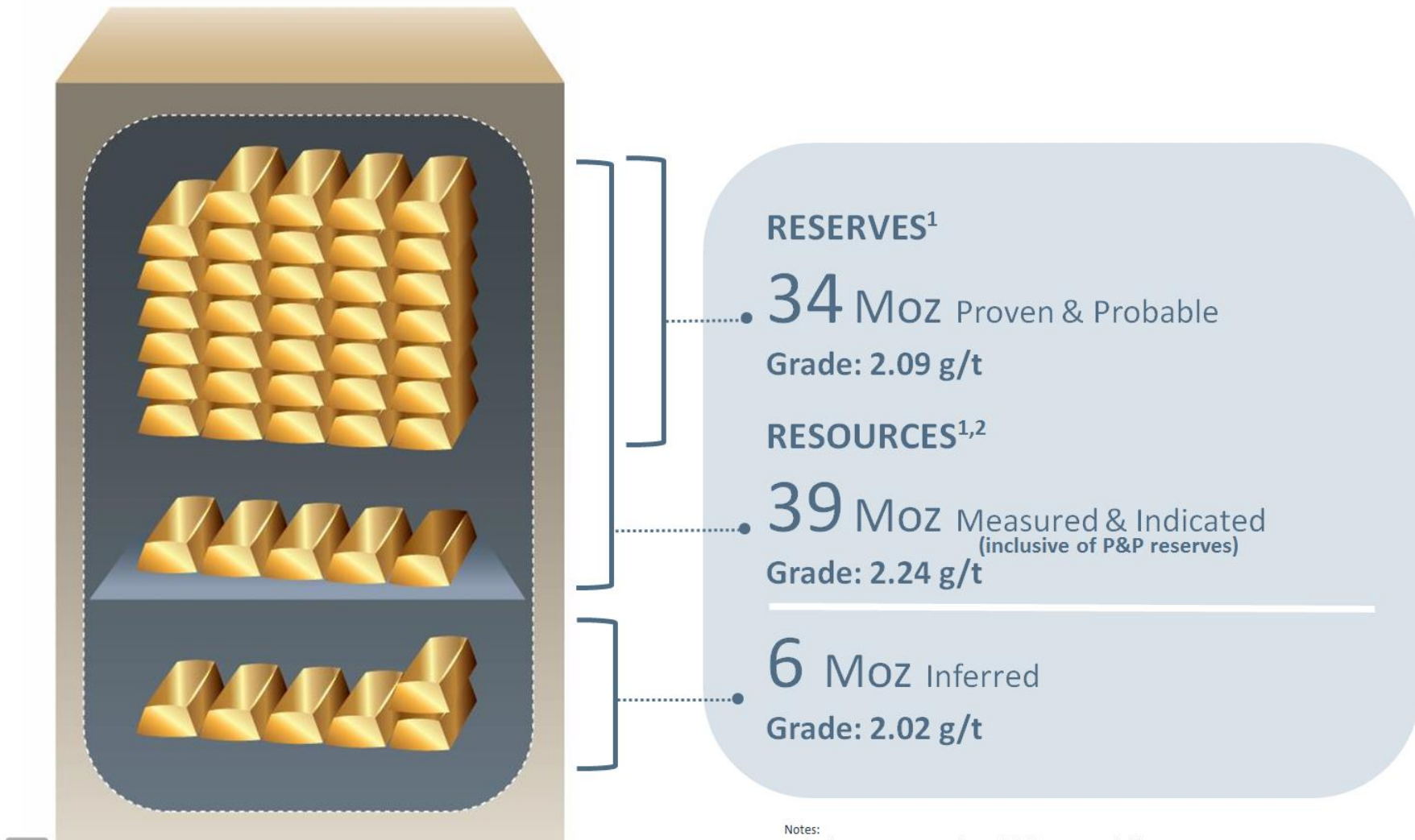
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# DONLIN GOLD: A LARGE HIGH-GRADE GOLD PROJECT

AMONG THE WORLD'S MOST SIGNIFICANT AND HIGHEST-GRADE GOLD DEPOSITS

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Notes:

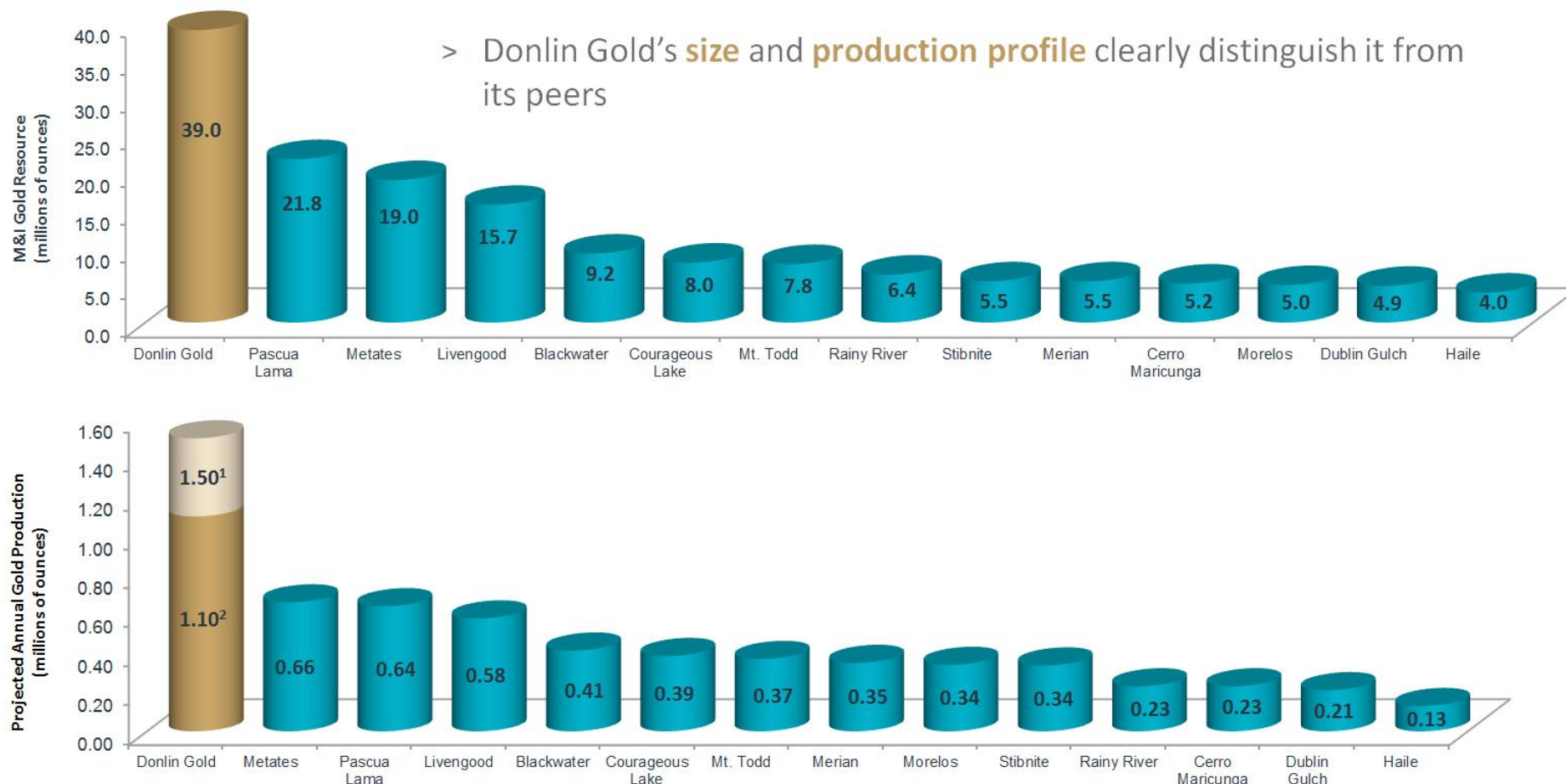
- 1) Shown on 100% project basis, of which NOVAGOLD holds a 50% interest
- 2) Measured and indicated resources inclusive of proven and probable reserves. See "Cautionary Note Concerning Reserve & Resource Estimates" and "Reserve & Resource Base" with footnotes in the appendix.



# DONLIN GOLD: THE EMERGING TOP-TIER PRODUCER IN THE SAFEST JURISDICTION

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## A REMARKABLE RESOURCE AMONG EMERGING OPEN-PIT GOLD DEPOSITS



### Notes:

- Peer group data as per latest company documents, public filings and websites. Comparison group based on large (M&I+P&P 4Moz cut off), North/South American and Oceanian gold-focused development projects where the majority of the M&I resource is open-pit.
- Donlin Gold data as per the second updated feasibility study effective November 18, 2011, as amended January 20, 2012. Represents 100% of measured and indicated resources of which NOVAGOLD's share represents 50%. Measured and indicated resources inclusive of proven and probable reserves. See "Cautionary Note Concerning Reserve & Resource Estimates" and "Reserve & Resource Base" with footnotes in the appendix.

(1) Projected annual gold production during first five full years of mine life; (2) Projected annual gold production during full life of mine.

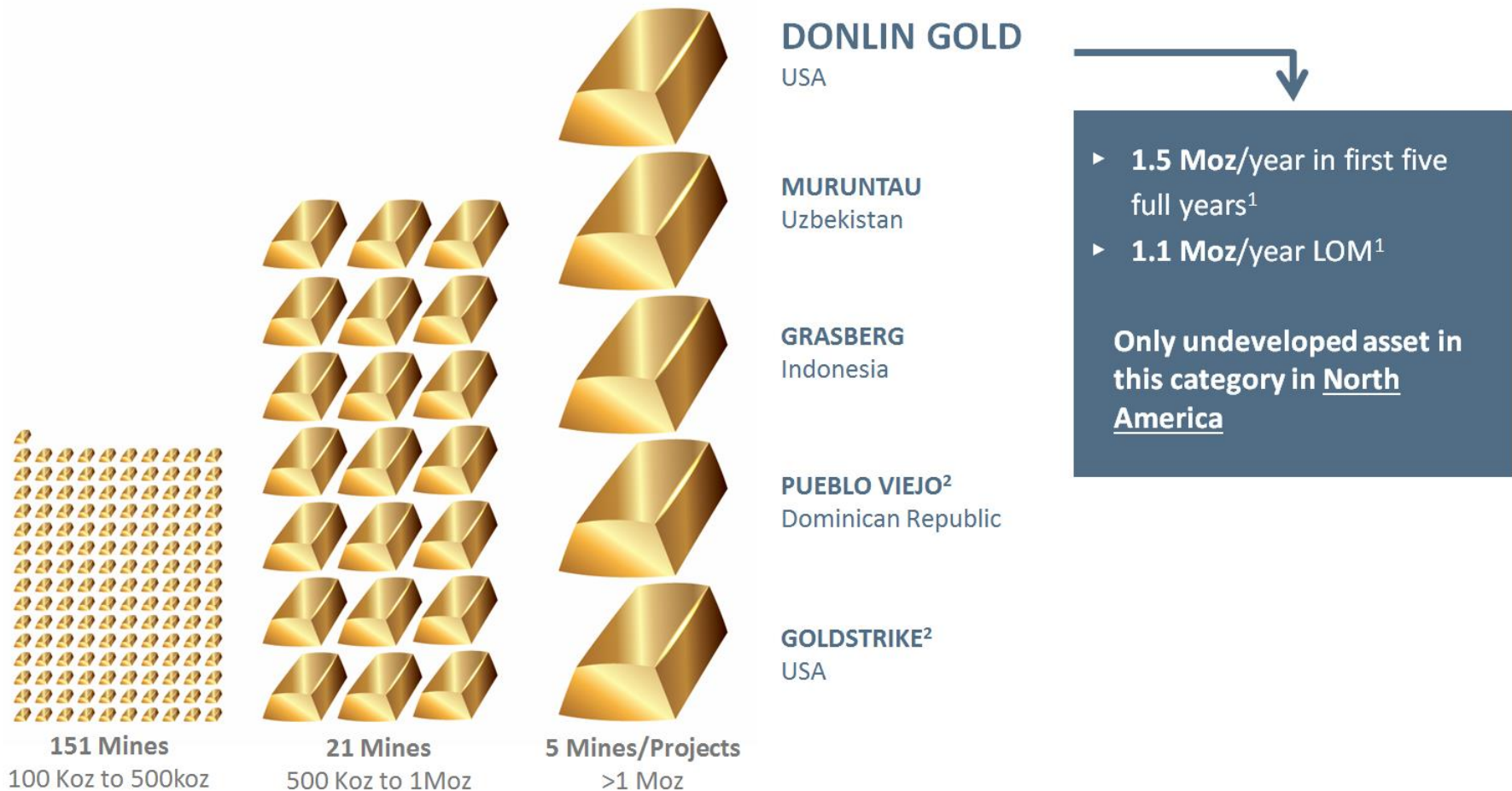




# MINES THE SIZE OF DONLIN GOLD ARE SCARCE

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ONLY FIVE MINES/PROJECTS IN THE WORLD ARE SLATED TO PRODUCE >1 MOZ/YEAR



Notes:

Donlin Gold projected annual production represents 100% of which NOVAGOLD's share is 50%. All other production estimates, with the exception of Goldstrike and Pueblo Viejo, are based on published 2014 annual gold production sourced from SNL Metals & Mining. Muruntau 2014 production sourced from Mineweb, Metals Focus. Excludes Newmont's Nevada Operations and Kloof/Diefontein Complex that consist of multiple mines. Analysis includes life of mine data for Donlin Gold.

1) If put into production as contemplated by the second updated feasibility study effective November 18, 2011, as amended January 20, 2012

2) Goldstrike and Pueblo Viejo published guidance for gold production in 2015.



# DONLIN GOLD: IS DOUBLE THE GRADE OF THE AVERAGE GOLD DEPOSIT IN THE WORLD

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## DONLIN GOLD'S HIGH GRADE ENDOWMENT PROVIDES RESILIENCE TO GOLD PRICE CYCLES



Average grades in the industry have been **declining** and sources for emerging production to replace mined-out capacity have become increasingly **scarce**



Notes:

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

1) 2014 average grade of open-pit and underground deposits with gold as primary commodity and over 1 Moz in measured and indicated resources, sourced from SNL Metals & Mining.

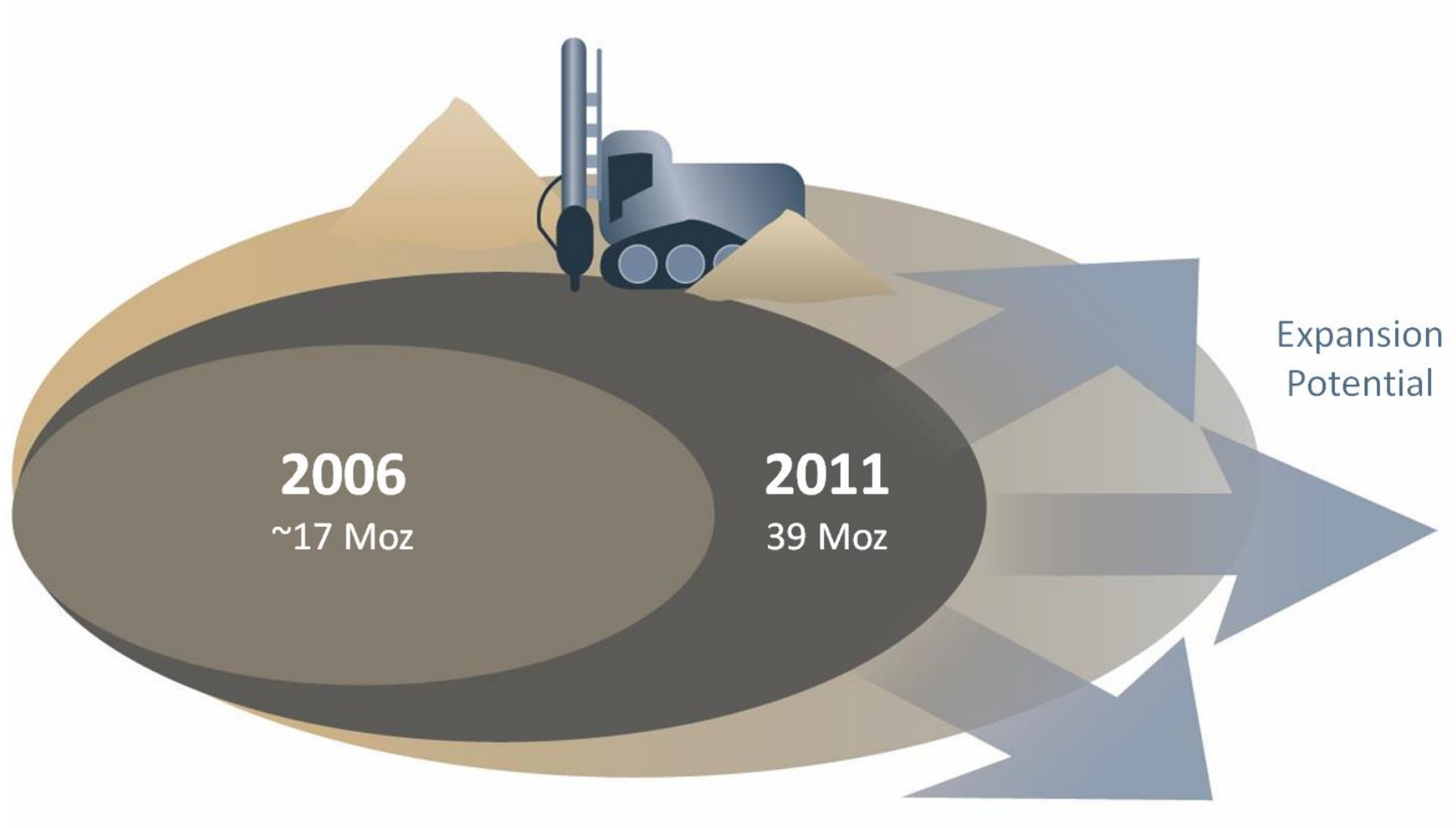
2) Donlin Gold data as per the second updated feasibility study effective November 18, 2011, as amended January 20, 2012. Represents 100% of measured and indicated resources of which NOVAGOLD's share is 50%. Measured and indicated resources are inclusive of proven and probable reserves.



# DONLIN GOLD: RESERVE & RESOURCE GROWTH

OVER FIVE YEARS RESOURCES INCREASED 135%

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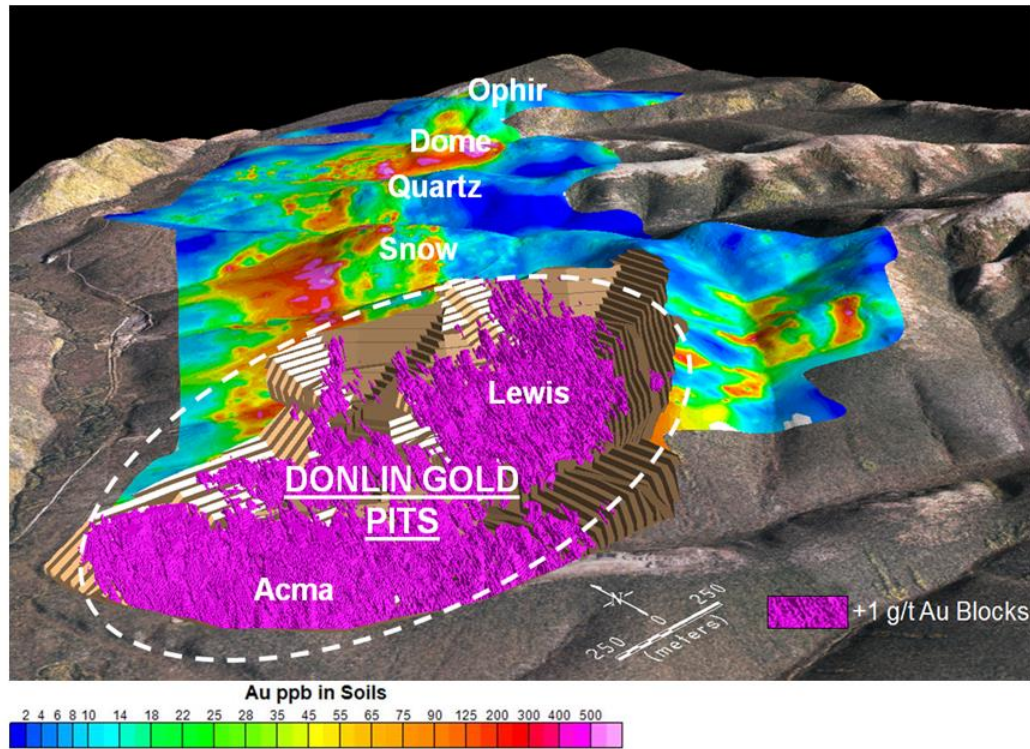
Notes:

Donlin Gold data as per NOVAGOLD public documents. Represents 100% of measured and indicated resources of which NOVAGOLD's share represents 50%. 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.

# DONLIN GOLD: EXCELLENT EXPLORATION POTENTIAL

MULTIPLE DRILL PROSPECTS AND TARGETS EXIST ALONG 8KM TREND

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## The next big gold discovery?

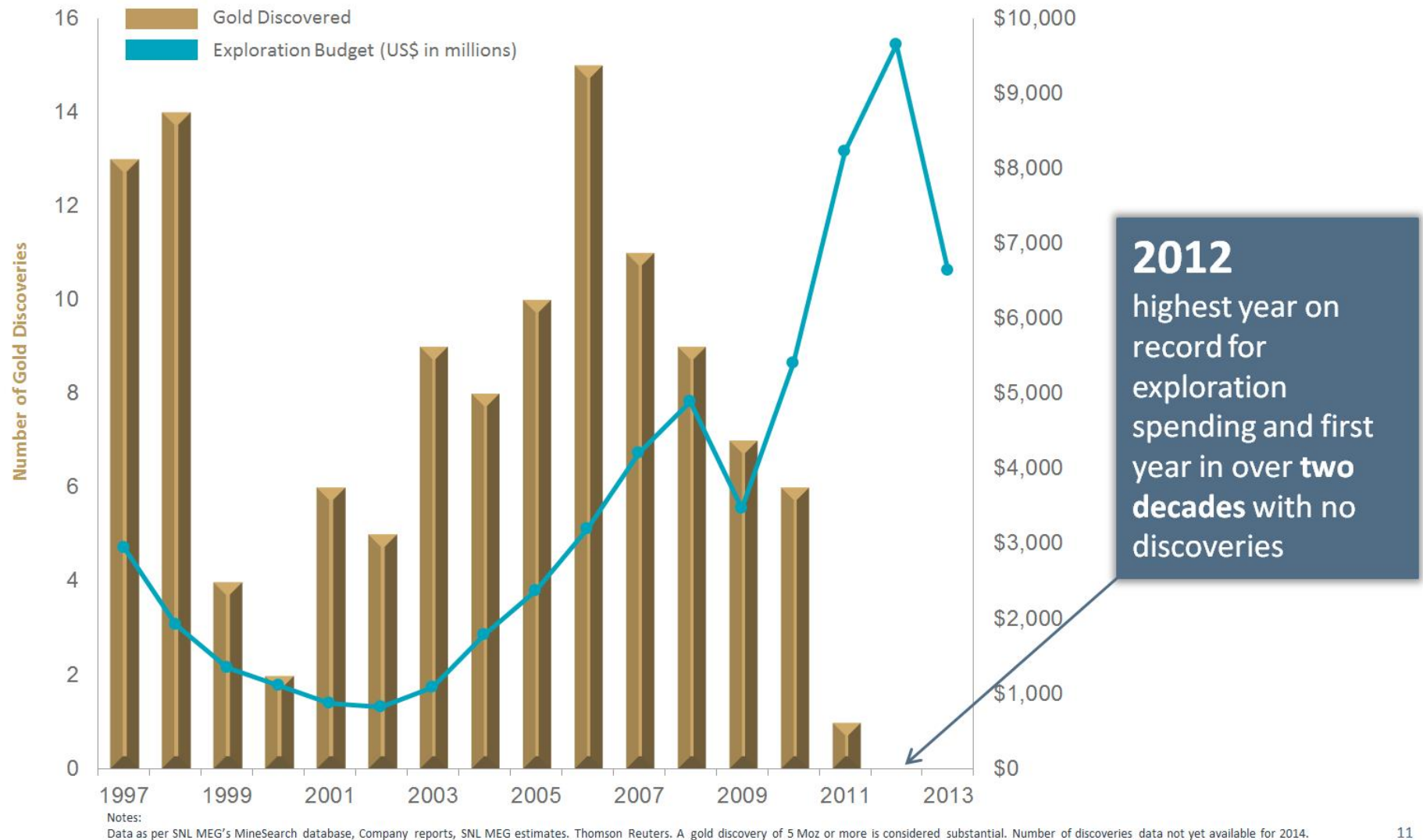
- > Potential to expand current open-pit resources along strike and at depth
- > Good prospects to discover meaningful deposits outside current mine footprint
  - Reserves and resources are contained within just 3 km of an 8 km long trend
- > Inferred mineral resource: 6 Moz of gold mainly inside the reserve pit
  - Upside potential to project economics
- > In-pit area covers 1,600 acres (~2%) of the 80,000 acres comprising the entire land package



# WHY DONLIN GOLD? NO NEW SUBSTANTIAL DISCOVERIES

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DESPITE RECORD HIGH EXPLORATION SPENDING LEVELS THE GOLD INDUSTRY HAS EXPERIENCED A RECENT DROP IN DISCOVERIES



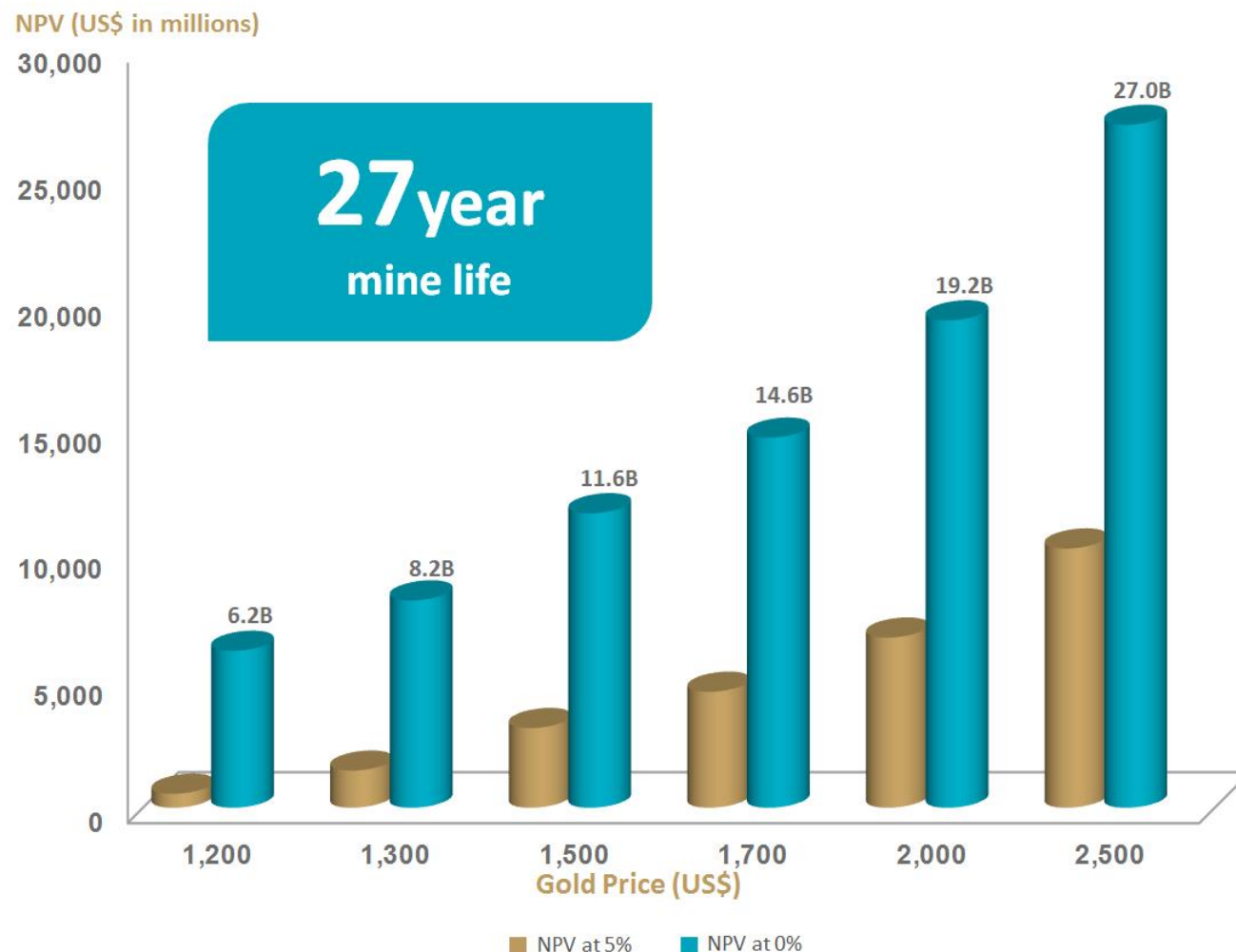


# DONLIN GOLD: SIGNIFICANT VALUE UPSIDE WITH HIGHER GOLD PRICES

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NPV INCREASES ~20X WITH ~2X INCREASE IN GOLD PRICE

- > Project has a positive return that increases substantially with higher gold prices
- > Good payback at a broad range of gold prices
- > Significant exploration upside on the mineralized trend
- > Long mine life offers high likelihood of enjoying one or more cyclical bull markets over the period of the mine's operation



Notes:

Donlin Gold estimates as per the second updated feasibility study effective November 18, 2011, as amended January 20, 2012. 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; \$1,465m @ \$1,300 gold; \$3,147m @ \$1,500 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 1/1/2014 are treated as sunk costs.

# DONLIN GOLD: COMMITTED PARTNERS ADVANCING THE PROJECT

## COLLABORATING WITH OUR PARTNER TO COMPLETE THE EIS PROCESS

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Barrick and NOVAGOLD are jointly committed to working together to create shareholder value from Donlin Gold's unique optionality

- > Project activities continue to progress as planned
- > Focused on advancing Donlin Gold through permitting to a record of decision
- > Neither partner has a build at any gold price mentality

*“Both companies are happy to take a sober and constructive view. We don't want to subsidize the world's consumption of gold by squandering the treasures that Mother Nature has given us and we're happy to wait for the higher gold prices that will make the project's economics sing.”*

– Thomas S. Kaplan, Chairman of NOVAGOLD



# DONLIN GOLD: LEVERAGE IN A PLACE WHERE YOU CAN KEEP THE REWARDS

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## LOCATION, LOCATION, LOCATION

- > Alaska's jurisdictional appeal is comprised of five cornerstones:
  - Mineral potential
  - Established mining industry
  - Political and social stability
  - Excellent local partnerships
  - A full embrace of the rule of law

*Donlin Gold is one of only a handful of large projects located in a safe jurisdiction*





# DONLIN GOLD: STRONG PARTNERSHIPS WITH LOCAL STAKEHOLDERS

## ALASKA NATIVE CORPORATIONS: LEADERS OF REGIONAL ECONOMIC DEVELOPMENT

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- > ANCSA established 40 years ago; resolved legal issues related to Native land claims
- > Lands valuable for resource potential selected by Regional Corporations under ANCSA
- > Native corporations have an owners' interest in the development of the selected lands to support the economic prosperity of their shareholders
- > **Donlin Gold is located on private land specifically selected for its resource development potential**
- > Enhancing awareness among our broader stakeholder base through active outreach and engagement with communities as well as various organizations in Alaska
  - Workforce development
  - Education (mine tours, village visits, Yup'ik language materials, documentary video and newsletters)
  - Safety
  - Environmental initiatives
- > A unique partnership with the National Fish and Wildlife Foundation that supports regional solutions driven by locals in Alaska to enhance and protect wildlife habitat



# DONLIN GOLD: LIFE OF MINE AGREEMENTS WITH THE NATIVE CORPORATIONS

## STRONG AND TIME-HONORED RELATIONSHIPS WITH STAKEHOLDERS

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Donlin Gold has the support of the land owners through a 20+ year relationship

“Calista and TKC are not only stakeholders, but are the legislatively mandated landowners charged with the responsibility of seeing the project to fruition in an environmentally responsible manner.”

June MacAtee, Vice President, Calista Corporation (mineral owner)

“Since 1995, Donlin Gold has worked constructively in our region and I know our partnership will benefit our shareholders for many generations. Today's agreement sets the basis for a long and productive relationship that with construction of the mine will provide jobs and financial value to the shareholders in our 10 villages.”

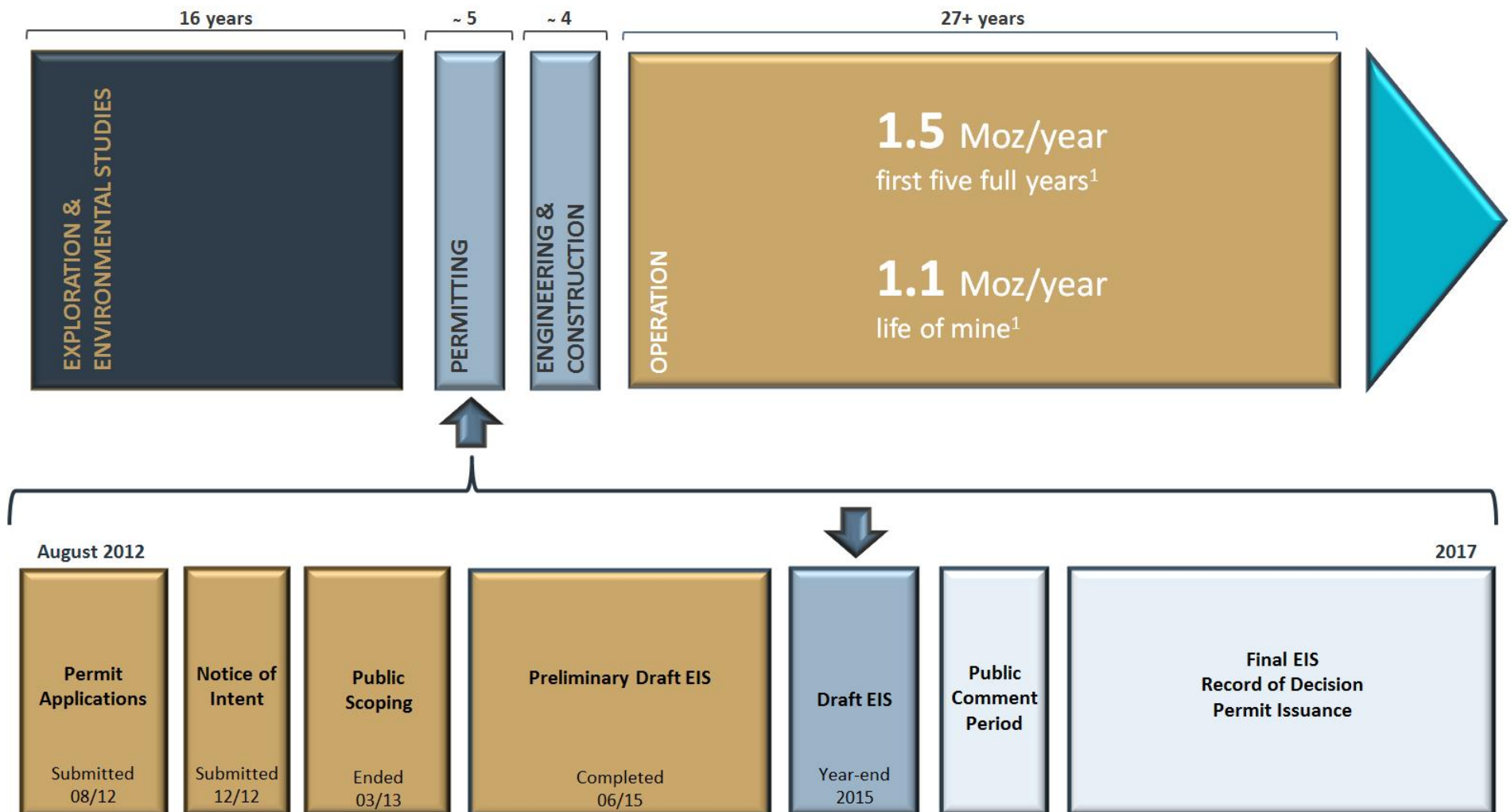
Maver Carey, President & CEO  
The Kuskokwim Corporation (surface owner)



# DONLIN GOLD: PROJECT PERMITTING IS ON TRACK

## DEVELOPMENT & ENVIRONMENTAL IMPACT STATEMENT/PERMITTING TIMELINE

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Notes:

1) Donlin Gold data as per the second updated feasibility study. Projected average annual production represents 100% of which NOVAGOLD's share is 50%.

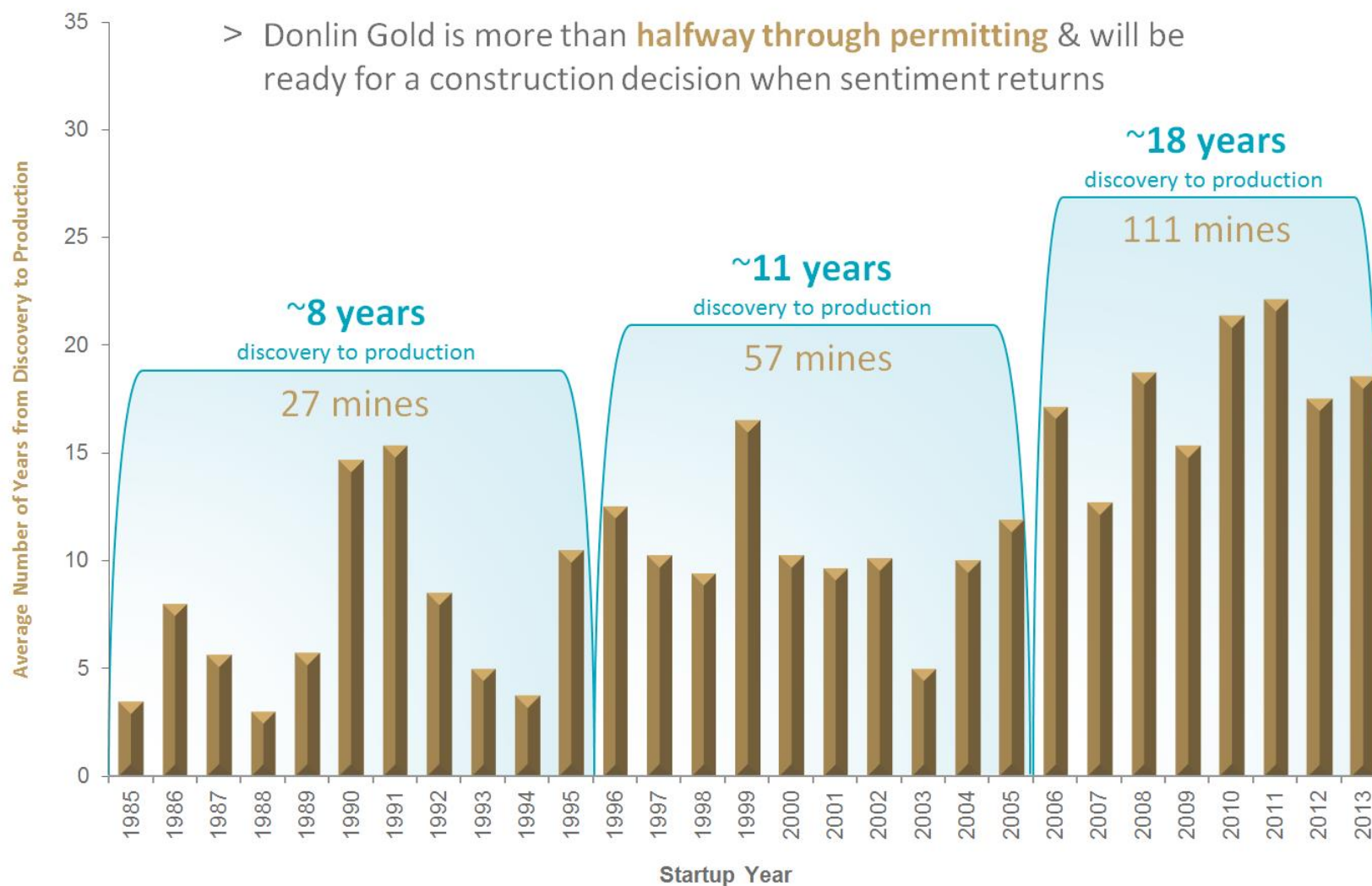


# KEEPING TO OUR TIMETABLE: PROJECT PROGRESSING AS FORECASTED

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## DEVELOPMENT TIMELINE OF NEW GOLD PROJECTS HAS MORE THAN DOUBLED

- > Donlin Gold is more than **halfway through permitting** & will be ready for a construction decision when sentiment returns



Notes:

Data sourced from SNL Metals & Mining.

1) Based on announced mining startup dates. Expansions and mine redevelopments are not included as they are not comparable with new mine developments.

# DONLIN GOLD: DISCIPLINED & TRANSPARENT ENVIRONMENTAL IMPACT STATEMENT

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## AGENCY COORDINATION AND PUBLIC INVOLVEMENT

- US Army Corps of Engineers, lead agency for Environmental Impact Statement (EIS)
- Coordinating with 11 cooperating agencies, working together at each stage of the NEPA process
  - 5 Federal/State agencies ensuring EIS meets their project permitting/approval needs
  - 6 Native groups, providing local input/knowledge
- At start of EIS, scoping meetings held in 13 Y-K villages and Anchorage (in Yup'ik and English)
- The Corps has continued emphasis on public involvement
  - [www.donlingoldeis.com](http://www.donlingoldeis.com), newsletters, radio/TV, village visits, workshops, conferences
- Next Step: Draft EIS release for public comment in Q4 15
- Constructive, informed dialogue and no organized opposition to the project to date
- Continuing to advance major project permit applications (e.g., air quality, water and waste management)



# DONLIN GOLD: EXPECTED TO PROVIDE THREE DECADES OF LOW COST PRODUCTION

## LOW OPERATING CASH COSTS AND ALL-IN SUSTAINING COSTS

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First Five Years	
Cash Costs <sup>1</sup> Per Ounce	
Open-pit mining <sup>2</sup>	133
Processing	208
G&A, royalties, land & other <sup>3</sup>	70
<b>Total</b>	<b>\$411</b>
All-in Sustaining Costs Per Ounce	
Cash costs <sup>1</sup>	411
Sustaining capex	83
Corporate administration	21
Reclamation	17
<b>Total</b>	<b>\$532</b>

Life of Mine	
Cash Costs <sup>1</sup> Per Ounce	
Open-pit mining <sup>2</sup>	270
Processing	257
G&A, royalties, land & other <sup>3</sup>	108
<b>Total</b>	<b>\$635</b>
All-in Sustaining Costs Per Ounce	
Cash costs <sup>1</sup>	635
Sustaining capex	50
Corporate administration	28
Reclamation	22
<b>Total</b>	<b>\$735</b>

Notes:

Donlin Gold estimates as per the second updated feasibility study effective November 18, 2011, as amended January 20, 2012.

1) US GAAP cost of sales, excluding depreciation and reclamation.

2) Net of deferred costs

3) Based on \$1,200/oz gold price



# DONLIN GOLD: CAPITAL EXPENDITURES

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## WELL POSITIONED TO SHARE UPFRONT COSTS WITH THIRD PARTIES

Areas	US\$M <sup>1</sup>	Opportunities <sup>1</sup>
Mining	345	➡ Leasing equipment ~\$170M of \$345M
Site preparation/roads	236	
Process facilities	1,326	➡ Oxygen plant could be built by third party ~\$130M of \$1,326M
Tailings	120	
Utilities	1,302	➡ Pipeline could be built by third party \$834M of \$1,302M
Ancillary buildings	304	
Off-site facilities	243	
Total Direct Costs	3,876	
Owners' cost	414	
Indirect Costs	1,405	
Contingency	984	
Total Owner's & Indirect Costs, and Contingency	2,803	
<b>Total Project Cost</b>	<b>6,679</b>	➡ <b>&gt;\$1B potential owners initial capital reductions</b>



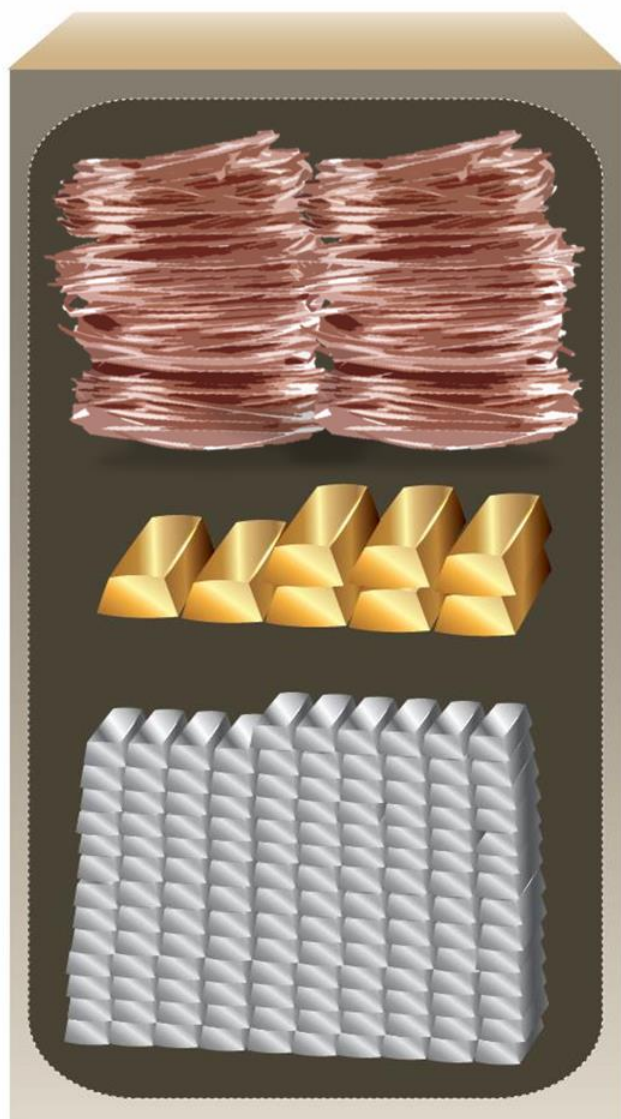
Notes:

1) Donlin Gold data as per the second updated feasibility study. Represent 100% of projected capital costs of which NOVAGOLD's share is 50%.

# GALORE CREEK: A SIGNIFICANT COPPER-GOLD-SILVER ASSET IN CANADA

THE KIND OF ASSET YOU CAN BUILD A COMPANY AROUND

NOVAGOLD



## M&I RESOURCES<sup>1</sup>

copper

**9 Blbs**  
Grade: 0.50%

gold

**8 Moz**  
Grade: 0.31 g/t

silver

**136 Moz**  
Grade: 5.21 g/t

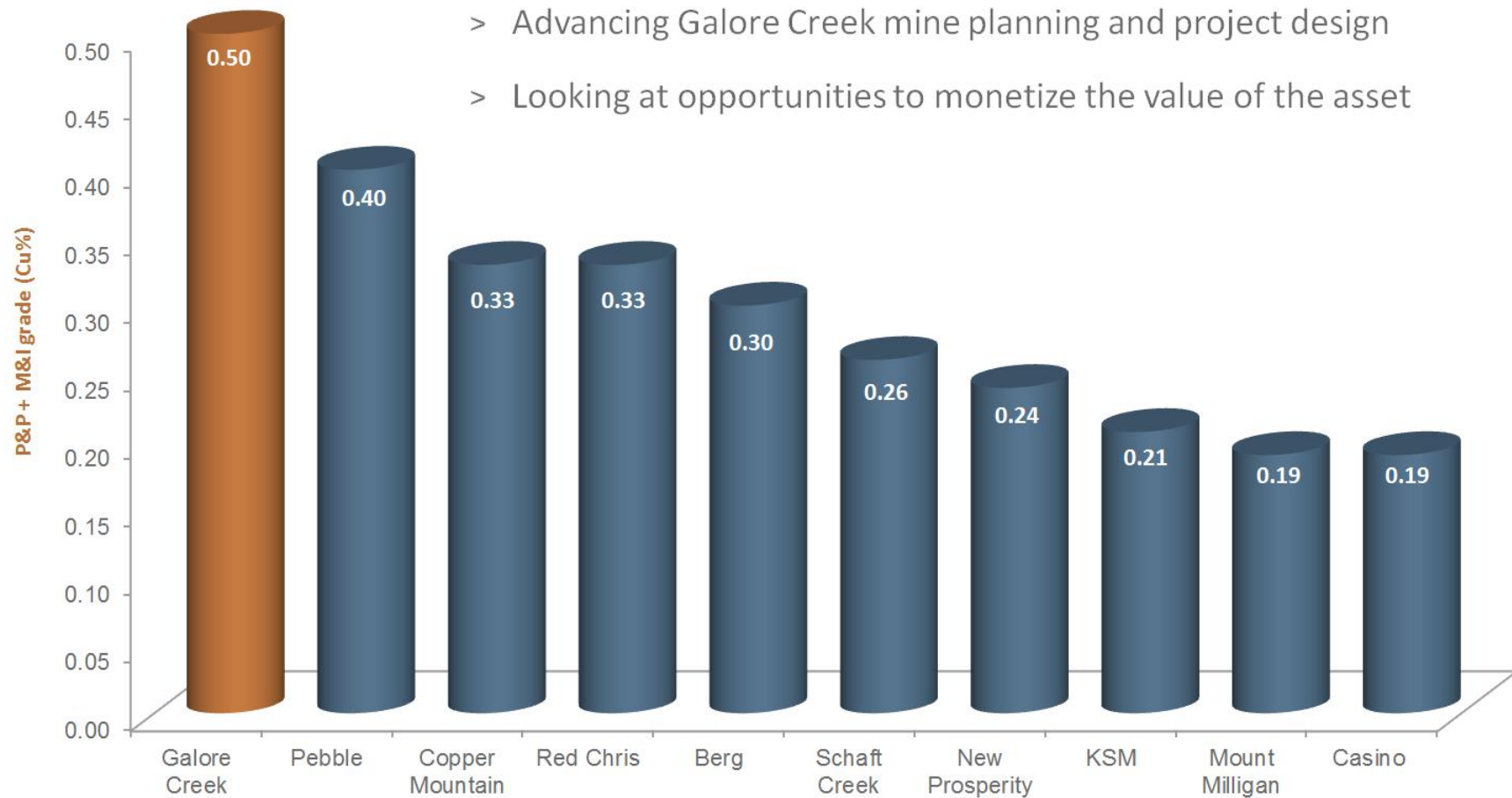
Notes:

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# GALORE CREEK: PEER COMPARISON

AMONG HIGHEST COPPER GRADE COMPARED TO NORTH AMERICAN ASSETS

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Notes:  
Peer group data as per latest company documents, public filings and websites.



## CLEAR FOCUS AND STRONG FUNDING TO EXECUTE ON ALL FRONTS

SUFFICIENT CASH ON HAND TO PROGRESS DONLIN GOLD THROUGH PERMITTING AND  
MEET FINANCIAL OBLIGATIONS

NOVA GOLD

**\$135M** in cash and term deposits<sup>1</sup>

### 2015 Budget<sup>2</sup>

Donlin Gold	<b>\$13M</b>
Galore Creek	<b>\$2M</b>
G&A, interest & Donlin Gold joint studies	<b>\$14M</b>
Repayment of outstanding convertible notes <sup>3</sup>	<b>\$16M</b>

1) Includes \$85 million in term deposits as of May 31, 2015.

2) 2015 anticipated budget expenditure disclosed on January 28, 2015.

3) The convertible notes were repaid on May 1, 2015.

## 2015 FOCUS

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### CONTINUE TO EXECUTE AND DELIVER ON OUR BUSINESS PLAN

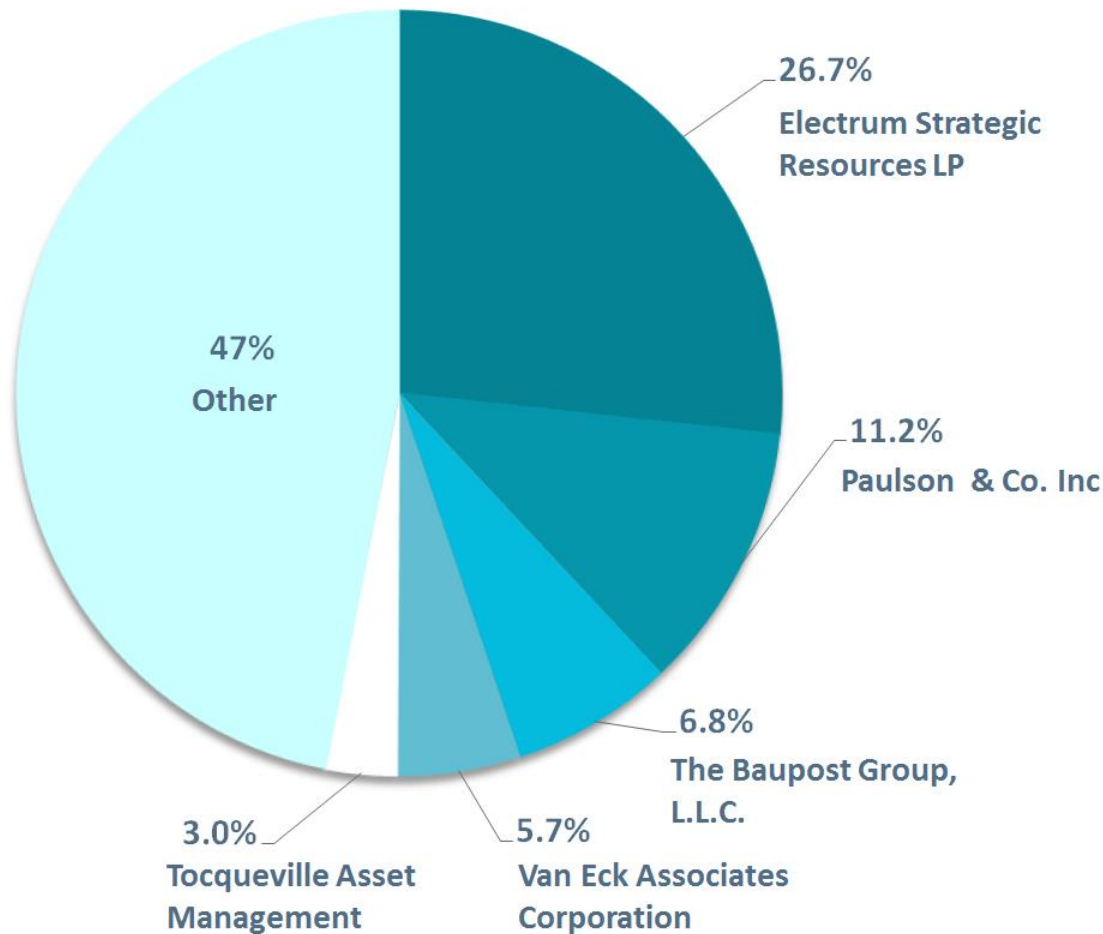
- > Advance Donlin Gold permitting to a construction decision
- > Maintain strong relationships with all stakeholders
- > Advance Galore Creek mine planning and project design
- > Monetize the value of Galore Creek
- > Safeguard our cash position

**COMMITTED TO GOLD AND WELL-POSITIONED TO EXCEL  
THROUGH MARKET CYCLES**

# WHY INVEST IN NOVAGOLD?

A BLUE CHIP INSTITUTIONAL QUALITY INVESTMENT

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Market Cap<sup>1</sup>

**\$1.11B**

**53%**

Held by top  
5 shareholders<sup>2</sup>

**NYSE-MKT, TSX: NG**

1) Market Capitalization as of September 10, 2015 based on 317.9 million shares issued and outstanding and NG share price of \$3.49.

2) Shareholder positions are based on the latest 13-F filings.



# WHY GOLD? DESPITE RECENT PRICE TURBULENCE, FUNDAMENTAL DRIVERS REMAIN UNCHANGED

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## SUPPLY AND DEMAND PRESSURES SUPPORT GOLD'S UPWARD TRAJECTORY

### SUPPLY PRESSURES

- > Decreasing reserve grades
- > Escalating production costs
- > Declining production growth rates
- > Low discovery rates
- > Reduced exploration budgets
- > Jurisdictional risk
- > Reduced sales of central bank reserves

### DEMAND DRIVERS

- > Asset diversification
- > Historic safe haven appeal
- > Currency debasement protection
- > Central bank purchasing
- > Deflation/inflation protection
- > Emerging market demand “love trade”



Fundamental drivers of gold demand remain unchanged while supply is constrained by low discovery rates, rising costs, declining grades and jurisdictional risk.

# WHY NOVAGOLD WHY NOW

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## Safe Geo-Political Environment:

Alaska and British Columbia,  
top-rated mining jurisdictions

## Strong Balance Sheet:

\$135m cash + term deposits  
as of May 31, 2015

## Accomplished Team:

185 years cumulative  
experience

## Prolific Production Profile:

Donlin Gold expected to be one of industry's top  
producing assets; strong leverage to gold

## Supportive Stakeholders:

Long standing shareholders and  
engaged partners

