

## Risk Factors Comparison 2025-01-23 to 2024-01-24 Form: 10-K

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You should carefully consider the following risk factors in addition to the other information included in this Annual Report on Form 10-K. Each of these risk factors could adversely affect our business, operating results and financial condition, as well as adversely affect the value of an investment in our common shares. The risks described below are not the only ones facing the Company. Additional risks that we are not presently aware of, or that we currently believe are immaterial, may also adversely affect our business, operating results and financial condition. We cannot assure you that we will successfully address these risks and caution that other unknown risks may exist or may arise that may affect our business. An investment in our securities is speculative and involves a high degree of risk due to the nature of our business and the present stage of exploration and development of our mineral properties. The following risk factors, as well as risks not currently known to us, could materially adversely affect our future business, operations and financial condition and could cause them to differ materially from the estimates described in the forward-looking statements relating to us.

**Risks Related to Our Business** We have no history of commercially producing precious metals from our mineral exploration properties and there can be no assurance that we will successfully establish mining operations or profitably produce precious metals. The Donlin Gold project is not in production or currently under construction, and we have no ongoing mining operations or revenue from mining operations. Mineral exploration and development has a high degree of risk and few properties that are explored are ultimately developed into producing mines. The future development of the Donlin Gold project will require obtaining permits and financing ~~and~~ the construction and operation of mines, processing plants and related infrastructure. As a result, we are subject to all of the risks associated with establishing new mining operations and business enterprises, including: • the need to obtain **and maintain** necessary environmental and other governmental approvals and permits, and the timing and conditions of those approvals and permits; • the availability and cost of funds to finance construction and development activities; • the timing and cost, which can be considerable, of the construction of mining and processing facilities as well as related infrastructure; • potential opposition from NGOs, environmental groups or local groups which may delay or prevent development activities; • potential increases in construction and operating costs due to changes in the cost of labor, fuel, power, materials and supplies, services, and foreign exchange rates; • the availability and cost of skilled labor and mining equipment; and • the availability and cost of appropriate smelting and / or refining arrangements. The costs, timing and complexities of mine construction and development are increased by the remote location of our mineral properties, with additional challenges related thereto, including access, water and power supply, and other support infrastructure. Cost estimates may increase significantly as more detailed engineering work and studies are completed on a project. New mining operations commonly experience unexpected costs, problems and delays during development, construction, and mine start-up. In addition, delays in the commencement of mineral production often occur. Accordingly, there are no assurances that our activities will result in profitable mining operations, or that we will successfully establish mining operations, or profitably produce precious metals at the Donlin Gold project. In addition, there is no assurance that our mineral exploration activities will result in any discoveries of new ore bodies. If further mineralization is discovered there is also no assurance that the mineralized material would be economical for commercial production. Discovery of mineral deposits is dependent upon a number of factors and significantly influenced by the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit is also dependent upon a number of factors which are beyond our control, including the attributes of the deposit, commodity prices, government policies and regulation, and environmental protection requirements. We are dependent on **the cooperation of** a third party in the exploration and development of our Donlin Gold project. Our success with respect to the Donlin Gold project depends on the cooperation of a third party with whom we have an agreement; we hold a 50 % interest and the remaining 50 % interest is held by the third party that is not under our control or direction. We are dependent on the **cooperation of a** third party for the progress and development of the Donlin Gold project. The third party may ~~also~~ have different priorities which could impact the timing and cost of development of the Donlin Gold project. ~~The~~ **If the** third party ~~may also be in default~~ **defaults of on** its agreement with us, **with or** without our knowledge, ~~which it~~ may put the mineral property and related assets at risk. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on our ability to achieve our business plan, profitability, or the viability of our interests held with the third party, which could have a material adverse impact on our business, future cash flows, earnings, results of operations and financial condition: (i) disagreement with the third party on how to develop and operate the Donlin Gold project efficiently; (ii) inability to exert influence over certain strategic decisions made in respect of the jointly-held Donlin Gold project; (iii) inability of the third party to meet its obligations to the joint business or other parties; and (iv) litigation with the third party regarding joint business matters.

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

terms favorable to it, or at all. We have a history of net losses and expect losses to continue for the foreseeable future. The Donlin Gold project has not advanced to the commercial production stage and we have no history of earnings or cash flow from operations. We expect to continue to incur net losses unless and until such time the Donlin Gold project commences commercial production and generates sufficient revenues to fund continuing operations. The development of our mineral properties to achieve production will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the process of obtaining required government permits and approvals, the availability and cost of financing, the participation of our partners, and the execution of any sale or joint venture agreements with strategic partners. These factors, and others, are beyond our control. There is no assurance that we will be profitable in the future. We have a limited property portfolio. At present, our only material mineral property is the interest that we hold in the Donlin Gold project. Unless we acquire or develop additional mineral properties, we will be solely dependent upon this property. If no additional mineral properties are acquired by us, any adverse development affecting our operations and further development at the Donlin Gold project may have a material adverse effect on our financial condition and results of operations. Our ability to continue the exploration, permitting, development, and construction of the Donlin Gold project, and to continue as a going concern, will depend in part on our ability to obtain suitable financing. We have limited financial resources. We will need external financing to develop and construct the Donlin Gold project. According to the S- K 1300 Report (as defined below), the total initial capital cost estimate for the Donlin Gold project is approximately \$ 7, 402 million which includes the costs related to the natural gas pipeline (100 % basis). These cost estimates may change materially as our studies are updated. Our failure to obtain sufficient financing could result in the delay or indefinite postponement of exploration, development, construction, or production at the Donlin Gold project. The cost and terms of such financing may significantly reduce the expected benefits from development of the Donlin Gold project and / or render such development uneconomic. There can be no assurance that additional capital or other types of financing will be available when needed or that, if available, the terms of such financing will be favorable. Our failure to obtain financing could have a material adverse effect on our growth strategy and results of operations and financial condition. We intend to fund our near- term business plan from working capital. Longer term, our ability to continue future exploration, permitting, development, and construction activities, if any, will depend in part on our ability to obtain suitable equity, debt, or other forms of financing. If we raise additional funding by issuing additional equity securities or other securities that are convertible into equity securities, such financing may substantially dilute the interest of existing or future shareholders. Sales or issuances of a substantial number of securities, or the perception that such sales could occur, may adversely affect the prevailing market price for our common shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in earnings per share. NOVAGOLD RESOURCES INC. There can be no assurance that we will commence production at the Donlin Gold project or generate sufficient revenues to meet our obligations as they become due or obtain necessary financing on acceptable terms, if at all. Our failure to meet our ongoing obligations on a timely basis could result in the loss or substantial dilution of our interests (as existing or as proposed to be acquired) in the Donlin Gold project. In addition, should we incur significant losses in future periods, we may be unable to continue as a going concern, and realization of assets and settlement of liabilities in other than the normal course of business may be at amounts materially different than our estimates. Actual capital costs, operating costs, production and economic returns may differ significantly from those we have anticipated and there are no assurances that any future development activities will result in profitable mining operations. The capital costs to take the Donlin Gold project into production may be significantly higher than anticipated. As a result of the content updates included in the 2021 Technical Report (as defined below) and S- K 1300 Report, the total initial capital cost estimate for the Donlin Gold project is \$ 7, 402 million and, Likewise, the total sustaining capital estimate is \$ 1, 723 million. We do not have an operating history upon which we can base estimates of future operating costs. Decisions about the development of the Donlin Gold project will ultimately be based upon feasibility studies. Feasibility studies derive estimates of cash operating costs based upon, among other things: ● anticipated tonnage, grades and metallurgical characteristics of the ore to be mined and processed; ● anticipated recovery rates of gold and other precious metals from the ore; ● cash operating costs of comparable facilities and equipment; and ● anticipated climatic conditions. Capital costs, operating costs, production and economic returns, and other estimates contained in studies or estimates prepared by or for us may differ significantly from those anticipated by our current or future studies and estimates, and there can be no assurance that the initial capital costs incurred to construct, and the sustaining capital and operating costs incurred in operating the Donlin Gold project will not be higher than currently anticipated. Changes in the market price of gold, which in the past has fluctuated widely, affect our financial condition. Our profitability and long- term viability will depend, in large part, upon the market price of gold that may be produced from our Donlin Gold project. The market price of gold is volatile and is impacted by numerous factors beyond our control, including: ● global or regional consumption patterns; ● expectations with respect to the rate of inflation; ● the relative strength of the U. S. dollar and certain other currencies; ● interest rates; ● global or regional political or economic conditions, including interest rates and currency values; ● supply and demand for jewelry and industrial products containing gold; and ● sales or purchases by central banks and other holders, speculators, and producers of gold in response to any of the above factors. We cannot predict the effect of these factors on the price of gold. A decrease in the market price of gold could affect our ability to finance the development of the Donlin Gold project, which would have a material adverse effect on our financial condition and results of operations. There can be no assurance that the market price of gold will remain at current levels or that such prices will improve. An increase in worldwide supply, and consequent downward pressure on prices, may result over the longer term from increased production from the development of new or expansion of existing mines. There is no assurance that if commercial quantities of gold are discovered, that a profitable market may exist or continue to exist for a production decision to be made or for the ultimate sale of gold. General economic conditions may adversely affect our growth, future profitability and ability to finance. Some key

impacts which can contribute to financial market turmoil potentially impacting the mining industry include contraction in credit markets resulting in a widening of credit risk, imposition of trade tariffs among various countries, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. The prices of gold and gold mining company equities have experienced significant volatility over the past few years. NOVAGOLD RESOURCES INC. A decrease in the price of gold or tightening of credit in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our ability to finance development and construction of the Donlin Gold project. Specifically:

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

Opposition to our operations from local stakeholders or NGOs could have a material adverse effect on us. There is ongoing public concern relating to the effect of mining production on its surroundings, communities, and environment. Local communities and NGOs, some of which oppose resource development, are often vocal critics of the mining industry. While we seek to operate in a socially responsible manner, opposition to extractive industries or our operations specifically or adverse publicity generated by local communities or NGOs related to extractive industries, or our operations specifically, could have an adverse effect on our reputation and financial condition or our relationships with the communities in which we operate. As a result of such opposition or adverse publicity, we may be unable to obtain permits necessary for our operations or to continue our operations as planned or at all. See “Recent Developments” above. We require various permits to conduct our current and anticipated future operations, and delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that we have obtained, could have a material adverse impact on us. Our current and anticipated future operations, including further exploration and development activities and commencement of production on the Donlin Gold project, require permits from various United States federal, state, and local governmental authorities. There can be no assurance that all permits that we require for the construction of mining facilities and to conduct mining operations will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that we have obtained, could have a material adverse impact on us. The duration and success of efforts to obtain and renew permits are contingent upon many variables not within our control. Shortage of qualified and experienced personnel in the various levels of government could result in delays or inefficiencies. Backlog within the permitting agencies could affect the permitting timeline of the various projects. Other factors that could affect the permitting timeline include (i) the number of other large- scale projects currently in a more advanced stage of development which could slow down the review process and (ii) significant public response regarding a specific project. Also, it can be difficult to assess what specific permitting requirements will ultimately apply to the Donlin Gold project. The quantities for our mineral resources and mineral reserves are estimates based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated. Unless otherwise indicated, mineralization quantities presented in this Annual Report on Form 10- K and in our other filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by our personnel and independent professionals. In addition, these estimates are imprecise and depend upon geologic interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that:

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

NOVAGOLD RESOURCES INC. Because we have not commenced commercial production at the Donlin Gold project, mineralization estimates may require adjustments, including potential downward revisions based upon further exploration or development work, actual production experience, or changes in the price of gold. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that the percentage of minerals recovered in small- scale tests will be duplicated in large- scale tests under on- site conditions or at production scale. Mineral resource estimates for mineral properties that have not commenced production are based, in many instances, on limited and widely spaced drill hole information, which is not necessarily indicative of the conditions between and around drill holes. Accordingly, such mineral resource estimates may require revision as more drilling information becomes available or as actual production experience is gained. No assurance can be given that any part or all of our mineral resources constitute or will be converted into reserves. The estimating of mineral reserves and mineral resources is a subjective process that relies on the judgment and experience of the persons preparing the estimates. The process relies on the quantity and quality of available data and is based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. By their nature, mineral resource and reserve estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. There can be no assurances that actual results will meet the estimates contained in studies. Estimated mineral reserves or mineral resources may have to be recalculated based on changes in metal prices, further exploration or development activity, or actual production experience. In addition, if production costs increase, recovery rates decrease, if applicable laws and regulations are adversely changed, there is no assurance that the anticipated level of recovery will be realized or that mineral reserves or mineral resources as currently reported can be mined or processed profitably. This

could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence mineral reserve or mineral resource estimates. The extent to which mineral resources may ultimately be reclassified as mineral reserves is dependent upon the demonstration of their profitable recovery. Any material changes in mineral resource estimates and grades of mineralization will affect the economic viability of placing a mineral property into production and a mineral property's return on capital. We cannot provide assurance that mineralization identified at the Donlin Gold project can or will be mined or processed profitably. The mineral resource and mineral reserve estimates contained in this Annual Report on Form 10-K have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for gold may render portions of our mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of our ability to extract this mineralization, could have a material adverse effect on our ability to implement our business strategy, the results of operations or our financial condition. We have established the presence of proven and probable mineral reserves at the Donlin Gold project in accordance with the disclosure definition and standards contained in S-K 1300 (as defined below) and in National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). There can be no assurance that additional mineral resources will ultimately be reclassified as mineral reserves. The failure to increase mineral reserves could restrict our ability to successfully implement our strategies for long-term growth and could impact future cash flows, earnings, results of operation and financial condition. Lack of infrastructure could delay or prevent us from developing the Donlin Gold project. Completion of the development of the Donlin Gold project is subject to various requirements, including the availability and timing of acceptable arrangements for power, water, transportation, access, and facilities. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay development of the project. There can be no assurance that adequate infrastructure, including access and power supply, will be built, that it will be built in a timely manner or that the cost of such infrastructure will be reasonable or that it will be sufficient to satisfy the requirements of the project. If adequate infrastructure is not available in a timely manner, there can be no assurance that:

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

NOVAGOLD RESOURCES INC. Access to the Donlin Gold project is limited and there is no infrastructure that serves the project area. An approximately 507-kilometer natural gas pipeline is needed to supply fuel to the proposed on-site generating plant to provide power for the Donlin Gold project. The proposed pipeline would traverse generally undeveloped areas in Alaska that are difficult to access. Transportation of most of the supplies needed to construct and operate the Donlin Gold project would be accomplished by barging materials on the Kuskokwim River during the annual shipping season which typically occurs from late April to mid-October. Two ports would be needed on the Kuskokwim River, the first located in Bethel, Alaska, where ocean barges would transition materials to river barges; and the second located approximately 320 kilometers upriver from Bethel. A 48-kilometer access road from the upriver port to the project site is needed to deliver the materials. Additionally, a 1,500-meter airstrip would be built to provide year-round access to the project. Terrain, geologic conditions, ground conditions, steep slopes, river levels, ice breakup, weather, climate change impacts and other natural conditions that are beyond our control along the pipeline and transportation routes present design, permitting, construction, and operational challenges for the project. Cost and schedule estimates may increase significantly as more detailed engineering work, geotechnical and geological studies are completed. Title and other rights to our mineral properties are subject to agreements with other parties. The subsurface mineral and surface rights at the Donlin Gold project are owned by Calista Corporation ("Calista") and The Kuskokwim Corporation (TKC), respectively, two Native corporations. Donlin Gold operates on these lands pursuant to a Mining Lease with Calista ("Calista Lease") and a Surface Use Agreement ("SUA") with TKC. The ability of Donlin Gold to continue to explore and develop the Donlin Gold project depends upon its continued compliance with the terms and conditions of the Calista Lease and SUA. Furthermore, our ability to continue to explore and develop other mineral properties may be subject to agreements with other third parties, including agreements with Native corporations, for instance. Our largest shareholder has significant influence on us and may also affect the market price and liquidity of our securities. Electrum Strategic Resources L. P. ("Electrum") and its affiliate GRAT Holdings LLC hold in the aggregate 25.4% of our issued and outstanding common shares as of January 16-13, 2024-2025. Accordingly, Electrum and its affiliates will have significant influence in determining the outcome of any corporate transaction or other matter submitted to the shareholders for approval, including mergers, consolidations, and the sale of all or substantially all of our assets and other significant corporate actions. Unless full participation of all shareholders takes place in such shareholder meetings, Electrum and its affiliates may be able to approve such matters itself. The concentration of ownership of the common shares by Electrum and its affiliates may: (i) delay or deter a change of control of the Company; (ii) deprive shareholders of an opportunity to receive a premium for their common shares as part of a sale of the Company; and (iii) affect the market price and liquidity of the common shares. In conjunction with the January 22, 2009 financing, we provided Electrum with the right to designate an observer at all meetings of the board of directors (the "Board") and any committee thereof so long as Electrum and its affiliates hold not less than 15% of our common shares. In November 2011, Dr. Thomas S. Kaplan, was appointed Chairman of our Board. Dr. Kaplan is also the Chairman, Chief Executive Officer, and Chief Investment Officer of The Electrum Group LLC. As long as Electrum and its affiliates maintain its shareholdings in the Company, Electrum will have significant influence in determining the members of the Board. Without the consent of Electrum, we could be prevented from entering into transactions that are otherwise beneficial to us. The interests of Electrum and its affiliates may differ from or be adverse to the interests of our other shareholders. The effect of these rights and Electrum's influence may impact the price that investors are willing to pay for our shares. If Electrum or its affiliates sell a substantial number of our common shares in the public market, the market price of the common shares could be adversely impacted. The perception among the public that these sales will occur could also contribute to a decline in the market price of our common shares. Some

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

NOVAGOLD RESOURCES INC. We have ongoing reclamation on some of our mineral properties and may be required to fund additional work that could have a material adverse effect on our financial position. Land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) to minimize long term effects of land disturbance. Reclamation may include requirements to:

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

Exploration and other activities at the Donlin Gold project site have created disturbance that must be reclaimed. Financial resources spent on reclamation might otherwise be spent on further exploration and development programs. In addition, regulatory changes could increase our obligations to perform reclamation and mine closure activities. There can be no assurance that we will not be required to fund additional reclamation work at the site that could have a material adverse effect on our financial position. We are exposed to credit, liquidity, and interest rate risk. Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Our cash equivalents and term deposit investments are held through large Canadian chartered banks with high investment-grade ratings. These investments mature at various dates over the current operating period. A portion of the proceeds from the sale of our Galore Creek assets include notes receivable from a subsidiary of Newmont Corporation ("Newmont"), a publicly traded company with investment-grade credit ratings. The notes receivable included a \$ 75 million note receivable of which payment was received on July 27, 2021 and included a \$ 25 million note receivable of which payment was received on July 27, 2023. An additional \$ 75 million will be receivable if and when a Galore Creek project construction plan is approved by the owner (s). No value was assigned to the final \$ 75 million contingent note receivable due to the uncertainty with regards to the approval of a Galore Creek project construction plan. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents our maximum exposure to credit risk. Liquidity risk is the risk that we will not be able to meet our financial obligations as they come due. We manage liquidity risk through regular cash flow forecasts to assess our current and future financial position as well as maintaining a prudent capital structure. Accounts payable and accrued liabilities are due within one year from the balance sheet date.