ABOUT THIS REPORT

The 2011 Annual Integrated Report for NovaGold Resources Inc. (NovaGold or the Company) provides an overview of the Company's operational and financial accomplishments, as well as its social and environmental performance. Dollar figures are reported in Canadian dollars unless indicated otherwise.

NovaGold adopted the framework of the Global Reporting Initiative (GRI) in 2009. The 2011 Annual Integrated Report focuses on content most relevant to NovaGold's stakeholders.

The report includes qualitative and quantitative material about NovaGold's core assets—Donlin Gold and Galore Creek. In addition, information is provided on the recent spinout of Ambler and the progress toward the Rock Creek closure.

To better understand how content was evaluated, please go to the section titled "Assessing Materiality" on pages 39 and 40. In addition, NovaGold reports metrics for Donlin Gold and Galore Creek on a 100% basis; however, the projects are co-owned equally with Barrick Gold Corporation (Barrick) and Teck Resources Limited (Teck), respectively.

This report contains forward-looking statements and forward-looking information as defined under applicable securities laws. Please see, "Cautionary Note Regarding Forward-Looking Statements" on page 37.

FIVE PILLARS OF CORPORATE RESPONSIBILITY

NovaGold conducted a series of exercises in 2011 to better define our stakeholders and to link our activities and impacts with those stakeholders' expectations and interests. Through these exercises, a distinct pattern emerged allowing NovaGold to enhance its strategy by incorporating a number of well-defined, interconnecting elements.

These components have been identified as the five pillars supporting NovaGold's platform of corporate responsibility.

They are:

- Employee Safety & Well-Being,
- Education,
- Environmental Stewardship,
- Respect for Cultural Traditions, and
- Community Investment.

In that spirit, this report offers a focused look at how NovaGold creates shareholder value, plus the five factors that are critical to responsible development of a mining project.

Your opinion and input are important to NovaGold. Please provide your feedback by emailing info@novagold.net or filling out the feedback form found on the NovaGold website at www.novagold.net.

MESSAGE FROM THE PRESIDENT & CHIEF EXECUTIVE OFFICER

By many measures, 2011 was a transformational period in NovaGold's 15-year history. Across the entire arc of our asset base, positive developments de-risked our projects.

Our flagship project, Donlin Gold, successfully passed the feasibility study stage and showed itself to be perhaps the most important gold development asset in the world today. Our copper-and-gold asset, Galore Creek, successfully passed the pre-feasibility phase, and now has the potential to be Canada's largest copper mine. In the Ambler district, we delivered a positive Preliminary Economic Assessment (PEA) on the Arctic deposit, as well as extraordinary drill results on the Bornite deposit, showing it to be one of the industry's most exciting copper explorations.

Armed with these successes, the management team and Board of Directors devised a strategic plan to unlock the value of the Company's world-class mining exploration and development assets. With the successful execution of this strategy, we have created what may be the most significant risk-mitigated development-stage company in our sector.

Having come to NovaGold directly from my position as President of the North American business unit of Barrick Gold Corporation, where my responsibilities included representing Barrick's interest in , I am intimately familiar with all aspects of the project. Given the project's exceptional attributes, the prospect of leading NovaGold into the ranks of North America's principal gold producers is extremely compelling for me. I believe Donlin Gold represents an unrivaled opportunity for our shareholders to gain direct exposure to, and leverage from, what I consider to be one of the most important gold development projects in the world today.

This conviction was given a great boost in 2011, when NovaGold and Barrick Gold, equal co-owners of Donlin Gold, produced a financially positive and technically viable Feasibility Study update on the project. A significant milestone for the project, the Feasibility Study was the culmination of years of in-depth technical work, executed by some of the finest talent in our industry. As a result, we were able to refine the capital costs for the project and demonstrate that the future mine should have very competitive cash costs—below the industry average. A switch from diesel to natural gas, for example, has resulted in greater flexibility, lower operating costs and improved environmental-management practices for the project.

In my professional opinion, Donlin Gold has everything one could ask for in a great gold project. It starts with an extraordinary metal endowment. At 2.2 grams of gold per tonne, Donlin Gold is blessed with an excellent grade for an open-pit mine. And then there's its size—Donlin Gold's measured and indicated resource amounts to approximately 39 million gold ounces (541 million tonnes at 2.24 grams per tonne). I've known a few gold deposits that ultimately grew to this level, but I can't think of many that started with a resource base of this magnitude.

While Donlin Gold's size already places it comfortably within the top 1% of known global gold deposits, I'm extremely impressed with its additional exploration potential. We believe the current open-pit resource can be substantially expanded, both along strike and at depth. Considering that the current pit occupies only part of a two-mile (three-kilometer) portion of a five-mile (eight-kilometer) mineralized belt, Donlin Gold's mine life, already measured in decades, is likely to be much greater than anticipated.

Such large, long-lived, high-grade open-pit mines are rare. As such, our 50% interest in Donlin Gold is a real company-maker. Once in operation, Donlin Gold should average approximately 1.5 million ounces of gold per year for the first five years, followed by several decades of more than one million ounces per year, with the potential to expand production beyond that.

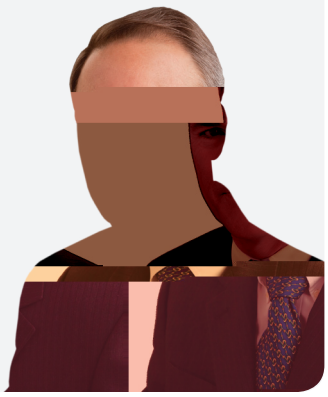
Not only is Donlin Gold big, it's in Alaska—one of the most politically stable and safe mining jurisdictions in the world. The geopolitical advantage of being in the United States, and governed by the rule of law, cannot be overstated. At a time when resource nationalism and jurisdictional risks of all kinds pose key threats to our industry, it's a huge advantage that Donlin Gold is located in the second-largest gold-producing state, in a country where mining is an important industry. Once in production, Donlin Gold should be the largest gold mine among seven major producing mines in Alaska.

Permitting activities for Donlin Gold are expected to begin in the first half of this year. We have worked diligently to plan for the routine environmental questions that may arise during the permitting process. We believe the process will go smoothly, primarily due to Donlin Gold's remote location, the fact that the land is privately owned and designated for mining and the fact that the project will provide infrastructure and economic opportunities for the surrounding communities.

It's not surprising that Donlin Gold has strong local support. The › that own the land and the mineral rights—Calista Corporation and the Kuskokwim Corporation—are stakeholders in our success. NovaGold and Barrick have long records of community engagement, and recognize the importance of stakeholder involvement. A relationship with the local community goes beyond the bounds of an individual project—it's predicated on mutual trust and support. A year ago, for example, when flooding inundated the community of Crooked Creek, the Donlin Gold team provided support and shelter to residents throughout the crisis-affected region. The local communities know we aren't simply neighbors—we're partners and friends.

On other fronts with our partners, the signing of a long-term agreement with NANA Regional Corporation, Inc., serves as an important foundation for the future success of the Ambler District in Alaska. As part of NovaGold's strategy for unlocking the value of its world-class assets, the Company announced that it would spin out pro rata to its shareholders its interest in NovaCopper Inc., which owns the Ambler District in Northwestern Alaska. On March 28, 2012, NovaGold shareholders voted overwhelmingly in favor of a special resolution approving the spinout. On April 30, 2012, 100%

Gregory A. Lang
President & CEO



SHAREHOLDER VALUE CREATION

Effectively executing strategies to develop and advance projects, fiscal stewardship, corporate governance, and timely and accurate disclosure

Milestones Achieved

NovaGold had a momentous year in 2011. Setting out to advance its high-quality North American assets up the value chain, the Company successfully achieved key milestones at each property.

The updated Feasibility Study on Donlin Gold showed that the project is financially positive and technically viable, marking a significant milestone for its development and reaffirming that Donlin Gold is arguably the most important gold-development project in the world in terms of size, grade, production profile, and jurisdiction. This world-class project is now well positioned to begin the permitting process.

NovaGold released a Preliminary Economic Assessment (PEA) of the Arctic deposit in the Ambler District in Northwest Alaska, which yielded valuations of US$500.0 million[1] to US$1.6 billion[2] at a range of commodity prices. An aggressive 2011 drilling program at the Bornite deposit in the Ambler District, one of a series of exploration targets, showed some of the best copper-exploration drill holes ever seen in the copper space including, DDH RC11-187, which encountered mineralization of 4% copper over 178 meters, including a very significant high-grade interception of 34.7 meters of 11.4% copper. Coupled with a progressive agreement between NovaCopper, a then wholly owned subsidiary of NovaGold, and NANA Regional Corporation, Inc., (NANA) these efforts have turned Ambler into one of the most exciting copper-focused exploration districts in North America. UKMP is held by NovaCopper, which was spun out to NovaGold shareholders on April 30, 2012.

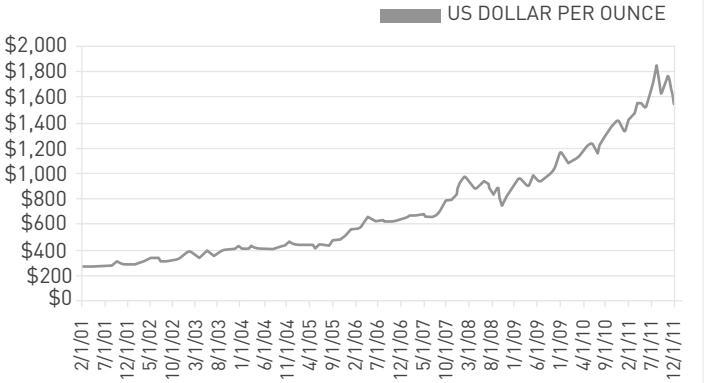
The Pre-Feasibility Study (PFS) completed at Galore Creek, which confirms the technical and economic viability of the project, has positioned it to become one of the largest and lowest-cost copper mines in Canada, as determined by industry reports. NovaGold also announced ongoing work on an Enhanced Plan to increase the mineable resources and further improve the project's economics.

A final closure plan for Rock Creek was approved by the State of Alaska in consultation with Sitnasuak Native Corporation and Bering Straits Native Corporation. The approved plan allows NovaGold to move toward final closure of the site in 2012.

By working to further define the value of each asset, NovaGold outlined a clear path to capitalize on each project's market potential. NovaGold announced a strategic plan to unlock the value of its world-class suite of mining development and exploration assets, which had not been fairly recognized within the market. The plan also encompassed engaging and redeploying the right management talent to advance these

[1] Base case using long-term metal prices: $2.50/lb copper, $1.05/lb zinc, $1.00/lb lead, $1,100/oz gold and $20/oz silver; post-tax NPV8% of $505 million, with an internal rate of return of 25%.

[2] Recent metal prices (per April 14, 2011 press release): $4.31/lb copper, $1.20/lb zinc, $1.20/lb lead, $1,425/oz gold and $36/oz silver; post-tax NPV8% of $1.6 billion with an internal rate of return of 50%.



Source: World Gold Council

Mines of Donlin's size and life span are rare. And there is room for continued growth once the mine is in production. Donlin Gold is a unique asset, in a class of its own in the top 1% of all known gold deposits, and exploration upside is believed to be excellent, with the potential for expanding the current open-pit resource along strike and at depth. With proven and probable mineral reserves estimated at 33.9 million ounces along just two miles (three kilometers) of a well-established mineralized corridor that is five miles (eight kilometers) long, the site will undoubtedly yield further discoveries. NovaGold executives are confident of the prospects for increasing mine life and expanding future production.

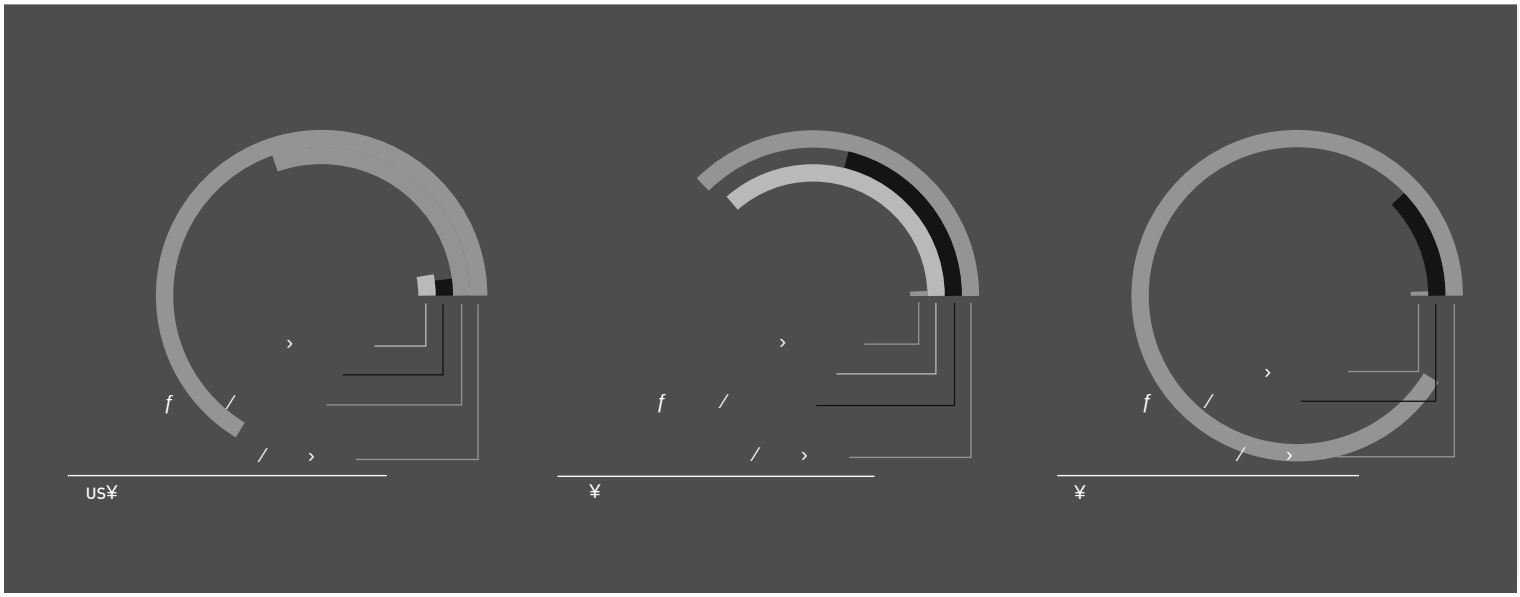
In-depth technical work to update the 2009 Feasibility Study and incorporate natural gas has uncovered opportunities to improve numerous project parameters, including lower operating costs and flexibility that allows for operational modifications and expansions. Power generation by natural gas not only reduces the environmental impact, it also decreases the volume of river traffic associated with transporting diesel to the site via barge on the Kuskokwim River. The use of natural gas is also viewed favorably by the State of Alaska, which holds long-term development of its gas resources as a high priority.

In the fiscal year that ended on November 30, 2011, Donlin Gold expended US$43.4 million, of which NovaGold and Barrick—co-owners in the project—each contributed 50%. In addition to completion of the Feasibility Study, the 2011 work program included collection of remaining baseline data and intensification of community relations activity, in preparation for permitting.

With the Feasibility Study complete, the project team at Donlin Gold will start the permitting process in the first half of 2012.

Permitting is expected to take three to four years. The State of Alaska understands the value of the resource sector to its economy, and throughout 2011, Donlin Gold's Alaska-based permitting team briefed state and federal agency staff in preparation for the permitting process. The team submitted preliminary drafts of permit documents to the agencies, to anticipate and address any issues prior to the formal start of permitting. The permitting team was actively supported by the environmental staff and resources of both NovaGold and Barrick, which have successfully secured permits for many projects in Alaska, as well as throughout North America and the world.

Co-owners NovaGold and Barrick will continue to explore ways to reduce up-front capital costs. These are likely to include opportunities for third-party participation in building project infrastructure, such as the gas pipeline, ports, and oxygen plant. The partners will also work to expand the project's workforce



development strategy, and to position the project for successful transitions into construction and operation.

The Donlin Gold Board of Directors has conditionally approved a 2012 budget of approximately US$37 million, of which NovaGold's 50% share is slightly less than US$19 million. The budget includes funds for permit activities, community relations, and development planning. Project permitting is expected to begin in the first half of 2012, following approval by Donlin Gold's Board of Directors.

AMBLER DISTRICT

Work on the Ambler District—home to the Upper Kobuk Mineral Project (UKMP)—in 2011 demonstrated that it hosts one of the world's richest known volcanogenic massive sulfide (VMS) copper-zinc-lead-gold-silver deposits, as well as a series of targets that constitute one of the most exciting copper-exploration projects.

The Preliminary Economic Assessment announced in May 2011 determined that the Arctic deposit contains indicated mineral resources of 17 million tonnes of 4.1% copper and 6.0% zinc, as well as lead, gold, and silver, and inferred mineral resources of 12 million tonnes of 3.5% copper and 4.9% zinc in addition to lead, gold, and silver.

Using the Preliminary Economic Assessment's base-case metal-price assumptions of US$2.50 per pound of copper, US$1.05 per pound of zinc, US$1 per pound of lead, US$1,100 per ounce of gold, and US$20 per ounce of silver, the project's net present value (NPV) at an 8% discount rate was assessed at US$718 million before tax and US$505 million after tax. The corresponding internal rates of return are estimated to be 30% and 25%. Post-tax cash flows are estimated to be US$1.7 billion, with full payback occurring in the fourth year of operations.

However, using recent prices of US$4.31 per pound of copper, US$1.20 per pound of zinc, US$1.20 per pound of lead, US$1,425 per ounce of gold, and US$36 per ounce of silver, the pre- and post-tax net present values are assessed at US$2.2 billion and US$1.6 billion, respectively, with corresponding internal rates of return of 59% and 50%. Under these conditions, full payback will occur within the second year of operations, with post-tax cash flows estimated at US$4.6 billion.

The Preliminary Economic Assessment is for Arctic—merely one deposit on a "string of pearls," as it is fondly referred to. VMS mineralization can be found along the entire 68-mile (110-kilometer) strike length. Typical of VMS deposits, there are a number of mineralized deposits within this trend that define a significant copper-zinc district. Past exploration work on the claim block has outlined potential resources at the Horse Creek, Sunshine Creek, BT, and Shungnak prospects. Limited exploration drilling, field mapping, stream-sediment sampling, and geophysics have identified numerous targets for exploration.

With the progressive agreement between NovaGold and NANA Regional Corporation, Inc. (NANA), founded on cooperative development of their respective resource interests and consolidation of their respective land holdings into an approximately 331,200-acre (134,032-hectare) package, there is potential for district-wide development of many deposits.

Indeed, initial drilling on the separate Bornite deposit in 2011 yielded exciting results. Exploration drill hole DDH RC11-187 intersected a continuous interval of 178 meters of 3.9% copper, including a very significant high-grade intersection of 34.7 meters of 11.4% copper. And 750 meters to the north, exploration drill hole DDH RC11-194 intersected two mineralized intervals totaling 110.6 meters of 2.6% copper, again including a high-grade zone of nearly 12 meters of 7.5% copper. These details were announced in a press release from NovaGold on November 10, 2011.

"DDH RC11-187 is the best hole drilled to date on Bornite," Mr. Van Nieuwenhuyse explains. "The fact that it is a step-out makes it even more encouraging. While further work is necessary to assess the extent of the Bornite deposit, these initial results demonstrate the exceptionally high-grade nature of this important and evolving mineral district. Given the level of previous exploration in the district, we are confident that we can continue to identify high-grade mineralization with additional exploration drilling. This project has the potential to evolve into one of the richest, most valuable polymetallic districts in the world."

NovaGold and NANA continued to participate in Alaska Department of Transportation & Public Facilities studies to evaluate access options in the Ambler District. Over the past two years, the State has allocated more than US$6 million to these studies under its Roads to Resources program, which helps mining companies access remote locations. In addition to engineering studies of alternative access routes, the 2011 program included extensive outreach to communities in the NANA region.

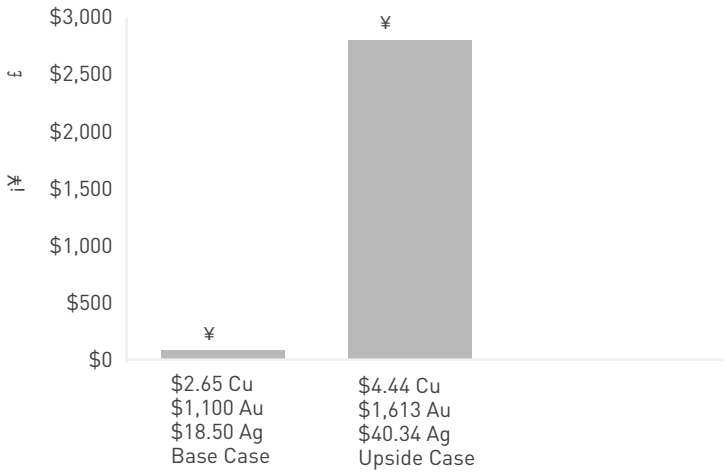
NovaGold invested US$10.0 million at the Upper Kobuk Mineral Project for exploration and development of the Ambler District in 2011. In addition to 5,900 meters of drilling on the Bornite deposit, project teams completed 1,200 meters of geotechnical and infill drilling on the Arctic deposit. NovaGold also established a new 50-person camp near the Bornite deposit, improving exploration efficiency and reducing helicopter support. Additional engineering and metallurgical work on the Arctic deposit is ongoing, to support further economic studies into how the resource can be best developed.

In many ways, the Upper Kobuk Mineral Project's value has been overshadowed by the demonstrated size and scale of NovaGold's other major assets, the Donlin Gold and Galore Creek projects. To maximize UKMP's value, NovaGold therefore decided in 2011 to

spin out the asset directly to shareholders, in the form of a separate company—NovaCopper Inc. The spinout was effective as of April 30, 2012. NovaCopper is currently listed on both the Toronto and New York Stock Exchanges.

NovaCopper will continue exploration drilling in the Ambler District in 2012, with four drill rigs and a plan to complete 15,000 to 20,000 meters of drilling.

In 2012, NANA and NovaCopper will continue to work together to ensure the protection of subsistence resources and to maximize the benefits and economic opportunities for NANA communities and shareholders. This will include taking part in community meetings with the Alaska Department of Transportation & Public Facilities, to better understand local villagers' perceptions of the Roads to Resources program and to answer their questions. The State of Alaska has also expressed interest in initiating an environmental impact statement for a proposed access route to the Ambler District.



Source: NovaGold news release dated July 27, 2011. All figures are in Canadian dollars and reflect the after-tax net present value (at a 7% discount rate) for the entire Galore Creek project.
Contained in 286.7 million tonnes at 0.27 g/t Au, 0.33% Cu, and 3.64 g/t Ag.
Contained in 346.6 million tonnes at 0.24 g/t Au, 0.42% Cu, and 4.28 g/t Ag.
See "Cautionary Note Concerning Reserve & Resource Estimates" and the other footnotes in "Reserve & Resource Table," on pages 36 through 38 of this report.

GALORE CREEK

NovaGold delivered a positive Pre-Feasibility Study (PFS) in July 2011, demonstrating the Galore Creek project's economic and technical viability. The study provides for a redesign and a significant increase in scale. Mine infrastructure has been separated from mill infrastructure, each located in adjacent valleys, to increase flexibility by allowing open-pit expansion, higher mill throughput, additional exploration, and greater waste deposition.

The PFS plan provides for a mining and operating facility with a capacity of 95,000 tonnes per day. Proven and probable mineral reserves total 528 million tonnes of 0.6% copper, 0.32 grams of gold per tonne, and 6.02 grams of silver per tonne. The project is expected to produce 6.2 billion pounds of copper, 4 million ounces of gold, and 65.8 million ounces of silver over approximately 18 years, with cash costs averaging C$0.80 per pound of copper at base-case price assumptions and C$0.42 per pound of copper at current price assumptions.

If developed on the basis of the conditions presented in the Pre-Feasibility Study, Galore Creek could become Canada's largest copper mine. Review of the PFS plan, however, has revealed opportunities to further improve the project's economics, and triggered work on an Enhanced Plan to further evaluate these opportunities.

The Enhanced Plan adds an optimized pit shell containing mineral resources that were previously excluded because of their inferred status. Additional drilling in the late summer and fall of 2011 showed that these mineral resources have high potential for upgrading. The Enhanced Plan also includes a second semi-autogenous grinding (SAG) mill, to be added in about the sixth year of operations. This will allow the project to maintain throughput at or above the 95,000-tonnes per day, as harder rock types are expected to be encountered as the pit deepens.

A total of C$36.3 million was spent at Galore Creek in 2011, to fund the Pre-Feasibility Study, engineering studies, and 18 exploration drill holes required to verify the project's potential for the Enhanced Plan. Teck Resources Ltd. funded 100% of the project expenses until June, when it completed its earn-in agreement. After July, Teck and NovaGold funded Galore on a fifty-fifty basis. NovaGold contributed C$12.7 million in cash to Galore between July and November.

To maximize the value of the project to shareholders, NovaGold has announced its intention to sell part or all of its interest in the Galore Creek Partnership and channel the proceeds toward development of Donlin Gold.

Anticipating that the sale process should occur by the end of 2012, NovaGold and Teck have approved a 2012 budget of approximately C$35 million for Galore Creek. NovaGold's 50% share (slightly less than C$18 million) will fund the 2012 infill drilling program, additional engineering studies, site care and maintenance, and continued baseline environmental monitoring in preparation for additional permitting. The portion of this budget that will actually be funded by NovaGold is contingent on the timing and success of its divestment process.

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FOR FISCAL YEAR ENDED NOVEMBER 30, 2011		AVERAGE PRICE
Shares issued and outstanding	239,984,562	
Warrants outstanding	40,421,186	$1.49
Options outstanding	10,848,610	$7.06
Fully diluted total	291,254,358	

	NG: NYSE-MKT	NG: TSX
Year high*	$15.14	$14.96
Year low*	$5.93	$6.26
Year average*	$10.68	$10.57
Year-end price*	$14.10	$13.37
Average daily trading volume*	3,629,626	469,188
Year-end market cap*	$3,383,782,324	$3,208,593,594

**For Calendar Year 2011*

ROCK CREEK

NovaGold spent US$13.0 million on activities related to the closure of Rock Creek in 2011.

The project has been in care and maintenance since 2008. In the third quarter of 2011, NovaGold decided to proceed with final closure of the mine. Throughout 2011, the Company worked closely with state regulatory authorities to obtain agreement on a revised closure plan that allowed final closure activities to begin early in 2012, with an anticipated completion date in 2013.

NovaGold has set a 2012 budget of approximately US$30 million to complete the closure, with an additional US$7 million for site care and maintenance. Many of the closure activities are expected to take place during 2012, with certain activities carrying over to 2013. Most of the closure activities are accounted for in the working capital that is part of NovaGold's current obligation for asset retirement. Subsequent to year-end, the Company increased its reclamation bond with the State of Alaska by US$13.4 million, for a total bond of US$20.3 million. Funds are expected to be returned to the Company once closure activities are complete.

FINANCIAL OBJECTIVES AND ECONOMIC PERFORMANCE

NovaGold's dedication to advancing its assets in 2011 was substantiated by its allocation of expenditures. Almost 74% of cash disbursements went to project activity.

NovaGold's cash balance on November 30, 2011, its fiscal year-end, was just under US$67.0 million, compared to US$152.0 million the year before. Net working capital at the 2011 year-end was US$37.0 million, and total assets were just below US$726.0 million.

The Company saw a decrease in total assets from the previous year, mainly as a result of three items: a write-off of its 130.8-kilovolt transmission rights at Galore Creek, when BC Hydro began construction of its Northwest Transmission Line; a write-down of inventory values at Rock Creek; and a write-down of certain equipment at Galore Creek.

CORPORATE GOVERNANCE

Prior to the end of NovaGold's 2011 fiscal year, the Company announced significant changes to its Board of Directors. Thomas S. Kaplan joined the Board and was appointed Chairman. Gil Leathley, NovaGold's Senior Vice President and Chief Operating Officer, also joined the Board of Directors.

Dr. Kaplan is also Chairman and Chief Executive Officer of the Electrum Group LLC, a privately held investor in global natural resources. An affiliate of Electrum currently holds approximately 21.65% of NovaGold's outstanding shares. One of the precious-metal sector's most prominent advocates, Dr. Kaplan is widely regarded as one of the industry's most successful entrepreneurs. He has an extensive track record in creating and unlocking substantial shareholder value in both public and private companies, most recently at Leor Exploration & Production LLC, a natural-gas exploration and development company that evolved under his leadership from its 2003 start-up to become the fastest-growing privately held hydrocarbon exploration and development company in the United States. In 2007, Leor's natural-gas assets were sold to Encana Oil & Gas (USA) Inc., a subsidiary of Encana Corporation, for US$2.55 billion. Dr. Kaplan holds bachelor's, master's, and doctoral degrees in history from Oxford University.

Mr. Leathley has been with NovaGold since January of 2010, when he joined the company as Senior Advisor to the President. With more than 50 years of mining experience, Mr. Leathley is one of the industry's most highly regarded mine operators and builders. He has worked globally in a variety of mining operations, retiring in 2000 as Senior Vice President and Chief Operating Officer of Homestake Mining Company. He serves on the Boards of several mining and mineral exploration companies.

Subsequent to the year end, NovaGold also welcomed Tony Walsh, Sharon Dowdall and Greg Lang to the board and James Philip stepped down. Profiles of Board members are available on the NovaGold website.

PUBLIC POLICY AND INFORMATION

NovaGold has a legal obligation and a moral responsibility to support the principles of full disclosure, and takes pride in exceeding expectations of transparency.

Full financial statements, director and executive compensation information, and other details about corporate governance are published annually in NovaGold's *Management Information Circular,* which is available to the public at SEDAR (www.sedar.com) and EDGAR (www.sec.gov).

5 pillars critical to the responsible development of mining projects

CORPORATE RESPONSIBILITY

2011 ACHIEVEMENTS

2012 GOALS

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- Zero loss-time incidents at Donlin Gold, Galore Creek and Rock Creek

- Zero loss-time incidents at all projects
- Hire senior safety consultant for UKMP*

- Continued support of scholarship and bursary programs
- Initiated off-season training programs, in cooperation with NANA Regional Corporation, Inc., and Calista Corporation

- Launch workforce development plan at Donlin Gold, including outreach programs to local schools in the Yukon-Kuskokwim region
- Ensure adequate training and guidance for operations teams
- Launch scholarship program to NANA shareholders*

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- Zero environmental noncompliance and enforcement actions at all projects
- Signed a memorandum of understanding with the US Army Corps of Engineers for preparation of an environmental impact statement for the Donlin Gold project
- Completed a fish habitat compensation project at Galore Creek

- Zero environmental violations for ongoing activities

- Formed a Management Oversight Committee for the Upper Kobuk Mineral Project, with equal representation by NovaCopper and NANA Regional Corporation, Inc.

- Continue to refine and implement subsistence resource protection practices at UKMP*
- Enhance caribou watch program at UKMP on NANA lands*
- Maintain strong relationship with Tahltan during Galore Creek sale
- Continue engagement with Alaska Native partners

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- Signed a long-term cooperative agreement with NANA Regional Corporation, Inc., to consolidate the two companies' respective land holdings in the Ambler District into an approximately 331,200-acre (134,032-hectare) package
- Doubled the number of villages visited by the Donlin Gold community relations team
- Continued meetings with Upper Kobuk villages by the UKMP community relations team

- Support development and implementation of enhanced community involvement program for Donlin Gold to carry through the permitting and environmental impact statement (EIS) processes
- Continue to support regional activities throughout the Yukon–Kuskokwim region through employee opportunities, sponsorships, scholarships, and educational programs

*Progress on goals at UKMP were undertaken by NovaGold prior to the NovaCopper spinout

OUR BUSINESS STRATEGIES

Relying on triple-bottom-line thinking to achieve a sustainable competitive advantage and long-term success

Clearly Different

When the founders of NovaGold began developing their vision for a mining company, their approach was considered unusual. Many observers wondered why they scrutinized projects so closely and spent so much time and effort meeting with Alaska Native groups and British Columbia First Nations in their project areas.

But Rick Van Nieuwenhuyse and his partners envisioned a holistic mining company that would understand its place in the whole ecosystem and be ultimately focused on operating as a social organization, with respect for each individual influenced by its existence.

They believed success in any project requires more than just exploration, development, and operational expertise—it also requires early and continuous community involvement and employees who are empowered and rewarded for their efforts. From the moment they set foot in an area, they strove for honest and transparent engagement with neighbors and regulators. Listening carefully to concerns, seeking win-win solutions and delivering actions—not promises—guided their business decisions.

NovaGold's leaders persisted because they believed—as NovaGold does today—that for a mining project to be successful, it must provide strong social and environmental leadership as well as financial integrity. Today, this is called triple-bottom-line performance. For NovaGold, it's always been the right way to do business.

NovaGold's commitment to the principles of sustainable development include the following:

- Conservation of natural resources and of the environment,
- Equitable sharing of the benefits of economic activity, and
- Enhancement of the well-being of people in local communities.

As a result of such progressive thinking, NovaGold is well positioned to reap the rewards of its 15-year efforts. The permitting process for Donlin Gold is expected to commence in the first half of 2012. It's a well-defined and extensive permitting process but the Donlin Gold team has spent many years analyzing the region and engaging with the people. As a result, the project is largely seen for the benefits it can bring to this local economy. NovaGold will also draw from Barrick Gold's expertise as a co-owner of the project.

Stakeholder engagement is continuous. It involves two-way communication with the two Alaska Native Regional Corporations that own the land—Calista Corporation and the Kuskokwim Corporation—as well as with the 70 neighboring villages in the Yukon–Kuskokwim region, along the pipeline route, and in the neighboring Doyon region. The Donlin team travels to about 30 villages per year, providing project updates and addressing

concerns, all of which has been key in communicating with the stakeholders.

Work and communication with local, state and federal regulators continues on many levels. Donlin Gold team members initiated a health-impact assessment in 2010, with the Department of Health and Social Services retaining the services of a consultant to lead the effort. The Yukon–Kuskokwim Health Corporation partnered with the State of Alaska to assist with data collection and provide technical expertise. The community health baseline report will be completed in early 2012. The related impact assessment will begin once the project proposal is formalized through submission of federal and state permits, which is expected to commence during the first half of 2012.

This level of engagement is modeled at all projects and is fueled by a defined group of corporate principles and policies that go beyond regulations and laws. They are more than shared values; they are the Company's commitment that NovaGold and its employees will strive to achieve the highest standards that are economically feasible.

POLICIES AND VALUES

NovaGold's values govern how we conduct day-to-day business. These values—safety, sustainability, accountability, communication, empowerment, integrity, respect, and teamwork—are embedded in company policy and business strategy, and regularly communicated to employees, shareholders and partners.

NovaGold's policies on personal rights, diversity, health and safety, social license, sustainable development, and environmental responsibility form the foundation upon which we make decisions for each of our projects. We review these policies annually, to be sure they continue to address the risks and opportunities facing the Company and the mining industry while reflecting our ethics and business standards.

These policies are shaped by international codes such as the United Nations Global Compact and by industry organizations such as International Council on Mining and Metals and the Mining Association of Canada.

ETHICS

NovaGold is committed to ethical business practices. We expect our people to work responsibly, ethically, and openly, with maximum transparency.

Every employee receives the *Employee Handbook,* which covers a wide range of topics, including ethical conduct, human rights and discrimination, bribery, confidentiality and use of technology, and must sign our *Code of Conduct, Social Media Policy* and *Information Technology Policy.*

NovaGold encourages employees and contractors to report any suspected misconduct to its confidential Whistleblower Hotline. By calling 1-866-286-7018, anyone can leave a voicemail for the Audit Committee. All voicemail messages are electronically altered or disguised to ensure the confidentiality of the callers' identities. No reports have been filed since the hotline was established in 2005.

NovaGold's policies and codes are available at www.novagold.net.

COMPENSATION AND PERFORMANCE

NovaGold has a pay-for-performance philosophy. Our compensation programs are designed to attract and retain people with the talent and experience necessary for the Company's success.

A significant portion of each senior team member's compensation depends on actual performance, measured against short- and long-term goals set for the Company, the group and the individual. Performance reviews are conducted at least three times a year, to set objectives and review progress and overall achievement. Each employee's direct supervisor assigns an overall performance rating, which is reviewed by the Chief Executive Officer and other members of the executive team. Executive and CEO compensation packages are reviewed by the Board of Directors.

NovaGold's core values are also considered when reviewing compensation. Employee performance ratings are directly tied to our core values, which include sustainability and safety performance, as appropriate to each employee's duties. The senior management team builds environmental, safety and community-

EMPLOYEE SAFETY & WELL-BEING

Providing a safe, healthy and respectful work environment that shows zero-tolerance for drug and alcohol abuse and for discrimination

Our Greatest Asset

NovaGold is all about its people. The Company measures its success through their success.

Therefore, NovaGold is committed to providing a safe and healthy workplace, career development, and competitive remuneration. The Company also insists that everyone be treated with respect, fairness, and integrity.

Recognizing that diversity is an asset, the workforce is recruited from local communities, where possible, providing the Company with a range of perspectives. Worker understanding of the local cultures, environments, and social sensitivities makes NovaGold a better company, allowing it to operate more efficiently and holistically.

Safety is a way of life at all project sites. It sets the tone at the start of every day, when a safety message is woven into the morning meeting, and continues to influence every task. From senior leaders to employees, everyone receives extensive safety training and is encouraged to challenge unsafe behavior.

NovaGold aims for zero fatalities, zero loss-time incidents and zero workplace health issues.

This goal is pursued by promoting awareness, investing in camp infrastructure that provides a safe, healthy environment, providing top-of-the-line safety equipment, and continually training employees and contractors.

When near-misses do occur, response is swift. The incidents are fully investigated. Lessons learned from these incidents are used to assess risks in other areas, and to remind everyone about safety procedures. See page 20 for more information.

The management team is accountable for project safety, and employees have a responsibility to themselves and to their families, friends, and co-workers to work and behave safely.

In 2011, Donlin Gold recorded its sixth consecutive year without a loss-time incident. This record received special recognition from regulators, as well as from the International Society of Mine Safety Professionals. Donlin Gold is also a six-time recipient of Barrick Gold's Safety Merit Award.

Safety is equally important at Galore Creek. Preparing for an intensive drill season in 2011, Galore Creek engaged a senior safety consultant on site to emphasize safety commitment, review procedures, and mentor safety officers. The site had zero loss-time incidents in 2011, and by December 31, 2011, the Galore Creek workforce had completed approximately 1.7 million person-hours without a loss-time incident.

Meanwhile, Rock Creek enjoyed its third year in a row without a loss-time incident.

Note: This reflects head counts and includes only direct hires and seconded employees, and does not include members of the workforce who are contract employees

24%	63%	24%
Donlin Gold	Ambler	Galore Creek

Instilling a culture of safety into the field season at Ambler was also a priority. Early in the season, NovaGold halted on-site operations for one week to provide instruction in working around helicopters, wildlife and in other field situations. An employee-based safety committee was established to proactively recognize and report safety issues to camp managers, who promptly addressed them. Despite this diligence, UKMP suffered two loss-time incidents. In preparation for increased site activity in 2012, the team is focused on lessons learned, and is taking measures to ensure further improvements in 2012. This includes hiring a senior safety consultant to provide on-site support.

WORKING TOGETHER

NovaGold's workforce is a blend of full-time, fixed-term, and seasonal employees, and contractors, united to satisfy the immediate and long-term needs of its projects and corporate office. The intricate arrangement also benefits from a commitment by NovaGold to hire from within the shareholder rosters and local communities of its Alaska Native and Tahltan Nation partners.

Promoting economic self-reliance through local-hiring commitments continues to be a priority for the Company. For example, Iñupiat shareholders of NANA made up 44% of the total seasonal workforce at UKMP in 2011.

Donlin Gold maintains its well-established commitment for hiring locally for both employees and contractors. Employees are based at the Anchorage corporate office, the Bethel and Aniak satellite offices, and the fly-in camp-based project site. Hundreds of Alaska Natives from the Yukon–Kuskokwim region have worked there over the last 16 years, doing exploration work, project management, community relations, and environmental studies, among other roles.

With activity at Donlin Gold moving from fieldwork to engineering, permitting, and community relations, the on-site workforce decreased in 2011, but local-hiring percentages did not fluctuate. Eight of the 10 site managers are Alaska Natives. At the peak of the 2011 field season, most of the 70 or so people based at camp were shareholders of partnering Alaska Native Corporations.

The nature of the work on development-stage projects often results in changing priorities. When Galore Creek redirected its on-site program to support robust infill drilling, for example, some employees were given opportunities to learn new skills in areas with vacancies.

The Galore Creek Mining Corporation's preferential local-hiring policy is governed in part through NovaGold's participation agreement with the Tahltan Nation. Twenty-four percent of the Galore Creek employee base is Tahltan, and nine of the contractors are Tahltan ventures.

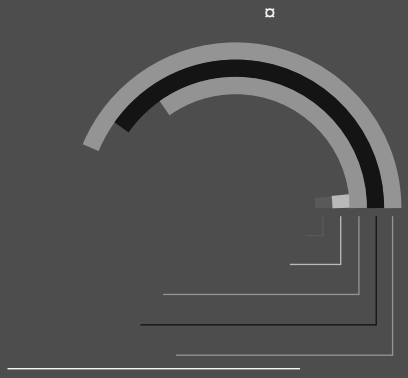
WORKPLACE WELLNESS

Corporate and site-based employees are often required to work long hours and/or away from home, to support project and business strategies and short field seasons. Programs and benefits are therefore designed to reinforce workplace wellness.

At Donlin Gold, where subsistence activities are critical for survival, rotation schedules were modified to two weeks on and two weeks off, to encourage productive hunting and fishing.

A performance management system guides employee compensation, training allowances, bonuses, and rewards for full-time employees at NovaGold. Contribution-matching retirement and share-purchase plans, option grants, and performance-share-unit grants encourage long-term financial stability, while offering eligible employees a vested interest in the Company's success. Permanent employees have access to a comprehensive benefits package.

NovaGold complies with all local and national employment standards and laws governing child and forced labor and human rights. NovaGold has had no violations of labor-relations or human-rights standards.



Note: This reflects head counts and includes seasonal employees

Donlin Gold's safety record shines — 6 years without a loss-time incident

Donlin Gold's Safety Culture Hits Home

It was six years ago when Lloyd Twitchell, aka Danny, first started as an environmental specialist for Donlin Gold, and he still likes to tell the story of how things began. "I was working as an environmental coordinator for the Native village of Napaimute. Along with other environmental coordinators throughout the region, we had some of the same concerns: could the mine be built and operated responsibly? And could the companies running the mine be trusted?"

Those concerns were put to rest soon after he arrived at the project site. "I was told by some people back home that I would just be 'going through the motions' and this wouldn't be a real job," he remembers. "That couldn't be further from the truth. My main responsibilities are ensuring our activities are conducted in compliance with state and federal agency regulations, and to collect data for our extensive environmental baseline studies program."

Danny says, "The way the company operates stays true to what they say in the village meetings—Donlin believes in safety for all, and resources are dedicated to protect workers and the environment. I've never seen a task pushed through, putting people and the environment aside, to meet a deadline."

Donlin Gold's safety policy is simple: every person is to go home safe and healthy every day. But in Danny's opinion, it's far more sophisticated than that.

"The Company spends a lot of time and money making sure the jobs here are safe for people and the environment. Their value system is unique—even the way they care for the equipment. If I didn't see it, it would be hard for me to imagine a company doing things this well."

Promoting a strong safety culture takes effort. Donlin employees all wear badges on their jackets to prompt them about the field-level risk-assessment process. And when a new task is started, the supervisor must complete and approve a field-level risk-assessment report. Daily meetings include safety topics, and every Sunday there's a two-hour camp safety meeting.

Donlin Gold had zero loss-time incidents in 2011, racking up six consecutive years without any. The project was recently recognized by the Alaska Department of Labor and Workforce Development for completing 1.4 million person hours without a single loss-time incident.

Aniak resident and Donlin Gold paramedic and safety officer Ricky Ciletti credits 50% co-owner, Barrick Gold, with setting a high standard through its Courageous Leadership safety program. "We really bought into Barrick's vision of everyone going home safe every day," he says. "It's personal. I wouldn't want any employee to be injured because someone was negligent. For me, it's not just telling them what to do, it's showing that you care."

Changing habits at camp also changes attitudes at home. "There are a lot of hazards at home. Our culture doesn't approach things with safety in mind," Ricky points out. "Too often, you hear of family or friends passing away from accidents that might have been avoided if the risks were assessed.

"But we can change that. Every one of us has a story about how we've used something we've learned at work to help us or someone else at home."

EDUCATION

Investing in the current and future workforce by training and preparing youth and skilled workers for the jobs of today and tomorrow

Expanding Horizons

When Gerald Beans, aka Bubba, arrived at the Donlin Gold project as contractor from Chiulista Services, Inc., his supervisors informed him that attitude and heart were the essential qualities for employment, and that knowledge would come with time.

They weren't kidding.

He started in 2007 with seasonal work as a driller's helper, and after a few years progressed to a role as one of the designated drillers on the gas line project. He's now a full-time environmental technician. Along the way, he also acquired the skills to become one of the on-site emergency responders.

"You're always learning and building upon the experience you've gained," he says. "The sky's the limit here. A lot of people don't have much when they show up here for work, but the company sets you up to succeed."

Bubba's experience is commonplace at NovaGold's projects. A strong local-hiring agenda means on-the-job training never stops. There are many barriers to education in remote regions like Alaska, and employees often start as seasonal workers with little to no mining-related skills. Scarce employment opportunities in these remote regions also mean field seasons become training grounds for many people who are employed for the first time. Through mentorship and formal and informal education programs, dedicated workers are able to develop the skills they need to play effective roles, both at work and in the economic and social lives of their communities.

Training typically focuses on four key areas: health and safety, emergency response, environmental issues, and skill improvement. Depending on the subject, programs are frequently offered to contractors and employees alike.

Every Donlin Gold employee, for example, receives basic first aid as part of his or her initial training. Eight employees are trained as emergency trauma technicians (ETT). With rotations, there are three ETTs on site at all times. ETT refresher training is conducted throughout the year, to keep everyone current on best practices, and at least four emergency response drills are conducted annually.

"Improving economic security by providing education and training leads to family-sustaining jobs and a dedicated workforce."

Sacha Iley
Vice President, Human Resources

100% Donlin Gold | 100% Ambler | 100% Galore Creek

Most site employees are trained at high-angle rescue procedures involving rope rescue with slope angles of 60 degrees and steeper, and refresher classes are conducted approximately four times a year. Three employees recently completed a two-day class on tower rescue.

As managers and employees continually look for opportunities to improve skills and performance, training takes on many forms throughout the year, and is often specifically tailored to meet each employee's needs. For a permanent NovaGold employee, a career development discussion is a key component of the annual performance review.

In 2011, employees participated in online learning, workshops, evening university classes, and conferences, studying a variety of materials to expand their knowledge. More than 3,600 person-hours were dedicated to education.

TOMORROW'S WORKFORCE

Because the Company believes elevating talent improves performance, it often targets people who are currently unemployed and encourages them to take off-season training designed to meet specific project needs.

For example, prior to spinning out NovaCopper, NovaGold put in place plans for NovaCopper to work with NANA in 2012 to develop a training program that provides an overview of the mining industry, including employment options and expectations, and Mine Safety and Health Administration (MSHA) training.

"This workshop is important to Ambler and to me, as project manager, as it helps individuals, local community residents who are interested in gaining employment in the industry and becoming familiar with all aspects of mining and exploration," says UKMP project manager Scott Petsel. "Facilitated by industry professionals, participants will gain exposure to each of the existing projects in the region, and learn the basics of the industry. They also find out what types of jobs are available, what's expected of people in those jobs and how their roles contribute to the overall building of a mine. This, in turn, creates ownership by those individuals, which ultimately contributes to the concept of a team and helps us attain project goals."

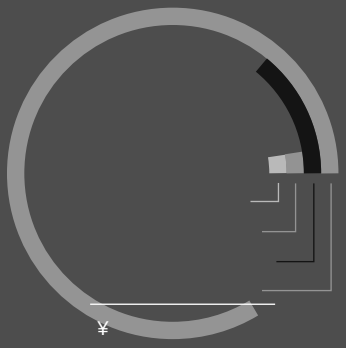
Donlin Gold faces an important challenge. In three to four years, following permitting, it will need to recruit a large construction and operational workforce. In preparation for this, the team is creating an extensive workforce development plan. Taking a cooperative approach that involves regional training resources and the State of Alaska, Donlin Gold is assessing the region's existing skills and training resources.

IN THE CLASSROOM

NovaGold promotes education and career training beyond high school by generously supporting a number of scholarship and bursary programs, designed in concert with NovaGold's participation agreements, for eligible Alaska Native and Tahltan Nation students. More than C$100,000 was granted to shareholders of Calista Corporation, The Kuskokwim Corporation, the Tahltan Nation and the Bering Straits Native Corporation in 2011. NovaGold has also promised to create a US$20,000 scholarship program for NANA shareholders in 2012.

Workforce development programs of all types are key to both company and community success. Students from Kobuk toured the UKMP project site in 2011 and saw a host of new opportunities in a community that has limited employment. A young girl who visited the Donlin Gold site was so captivated by the experience that she declared herself a future mining engineer.

Converted to Canadian Dollars



NovaGold and its projects granted

C$103,000

in scholarships and bursaries to help Alaska Native and Tahltan students advance their educations

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Have Laptop, Will Research

It's been a few years since Riannon Ball bought a laptop. And while it's looking a little worse for wear lately, the advantages it gives her still shine brightly through.

Completing both a major and a minor study program—Bachelor of Arts in environmental studies and ecosystems, as well as science management—at the University of Northern British Columbia within four years is no easy task. Try doing it on limited funds and without a laptop.

"It was always a struggle to find tuition," Riannon recalls. "I was working part time and picking up extra courses, taking six or seven classes every semester, plus I was at the university all hours of the evening, trying to use a computer." But when her geographic information system classes called for immediate access to software related to her studies, she knew she needed to find a better way.

Fortunately, she received support from the Galore Creek Mining Corporation (GCMC) Tahltan Nation Bursary Awards program. Every year, the bursary program presents 10 awards with a total value of C$15,000 to Tahltan youth. Riannon received the award twice—C$1,000 in 2008 and C$2,500 in 2009. She spent the money on tuition and a laptop.

Scholarships awarded in 2011 ranged from C$1,000 to C$2,500, and marked the sixth year of the program. This is just one of the commitments contained within the Tahltan participation agreement signed by NovaGold and the Tahltan Nation in 2006.

"These opportunities were so influential in my academic pursuit," Riannon explains. "Plus, having a laptop and being able to do my own research resulted in my being hired as a research assistant for a professor at the university. This allowed me to make money to survive, and take even more courses in the summer."

Within a year of graduation, Riannon found herself reconnecting with Galore Creek, this time as an employee. Hired in April, she spent the 2011 field season working as an environmental assistant at the Galore Creek site, primarily coordinating environmental reclamation of the drill program and also educating project personnel and contractors about environmental protection.

"I had a few different offers, but I chose GCMC, because of its high environmental standards," Riannon says. "They have a well-established program here, and there was an opportunity to learn from a team with senior experience.

"Everyone in Dease Lake has a Galore Creek experience. It sounded like I missed out on something. My three brothers, all drillers, have worked here, too." Riannon often wondered whether her brothers had worked at some of the historical drill sites she was monitoring.

Laptop in tow, Riannon was promoted and transferred to the GCMC head office in Vancouver to assist the corporate environmental team when the field season ended.

ENVIRONMENTAL STEWARDSHIP

In Harmony With Nature

NovaGold believes mines can benefit all stakeholders—with minimal impact to the environment. Respect for the environment drives the Company to continually seek comprehensive, all-encompassing approaches to projects, from the exploration, feasibility, and construction phases through operations, closure, and reclamation.

In this quest, NovaGold relies on a combination of established policies—such as its environmental, sustainability, and health-and-safety policies—as well as industry-leading practices implemented by skilled, experienced staff who are given specific environmental responsibilities. Many senior officers have experience with building and operating mines around the world, as well as in Alaska and other arctic and antarctic climates. They're always looking for ways to improve current practices.

This continuous pursuit of excellence has led to many advanced engineering decisions and superior technological purchases. In anticipation of new air-emission standards for mercury, for example, Donlin Gold has been designed with enhanced mercury controls that will not only comply with new standards, but also represent a state-of-the-art mining technology. And when it came to building a new camp at Ambler, NovaGold purchased energy-efficient and lower-emission products.

From the first drill hole until long after a project is closed and reclaimed, NovaGold conducts environmental-stewardship activities such as air- and water-quality testing and surveys of wildlife, birds, and fish. At UKMP, for example, NovaGold undertook a substantial amount of fieldwork to establish the region's environmental baseline.

Donlin Gold has accumulated data from 16 years of environmental and engineering studies. This data has helped guide infrastructure decisions and prepare the project for permitting—the next stage of development. This baseline information will also be used to evaluate and manage the environmental impacts that may occur during Donlin's 27-year mine life, and for many years after its closure.

> "The Donlin Gold permitting team is the most experienced and accomplished group that I have worked with in my 20 years of working on mining projects in Alaska. We could not be better prepared to formally start permitting in 2012."

Ron Rimelman
Vice President, Environment, Health, Safety & Sustainability

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1	8	1	5
Corporate	Donlin Gold	UKMP	Galore Creek

In 2011, the studies for the natural gas pipeline were completed. Environmental, geotechnical, and cultural/archaeological fieldwork were conducted along the proposed 313-mile (504-kilometer) pipeline corridor from Cook Inlet to the Donlin site.

Data from these activities have provided key engineering inputs, to ensure that the Donlin Gold project can be designed, operated, maintained, closed, and reclaimed while meeting and exceeding strict environmental-protection standards.

PREVENTING SPILLS AND ENSURING COMPLIANCE

No environmental-related fines or penalties were issued for any of NovaGold's projects in 2011.

With the current state of the projects, the use of petroleum products in helicopters, diamond drills, and other equipment poses the greatest spill threat. Spill response is well established at all project, and every employee is trained in safe operating procedures.

Finding ways to reduce the handling of fuel and minimize the risk of spills during transport, storage, and use is always a priority at the projects. The installation of electric heaters inside the new tents at the Bornite camp means the UKMP workers don't have the labor-intensive task of filling the many fuel bladders required to supply external diesel heaters. This modification is also planned for Donlin Gold in 2012, to reduce overall fuel handling.

In preparation for the permitting phase of the project, which is expected to be initiated during the first half of 2012, the Donlin Gold team started making revisions to the project plan—such as changes to the natural gas pipeline—suggested by the Feasibility Study update. Drafting of documents, meeting with federal and state agency representatives, and engaging in community discussion throughout the Yukon–Kuskokwim region are underway.

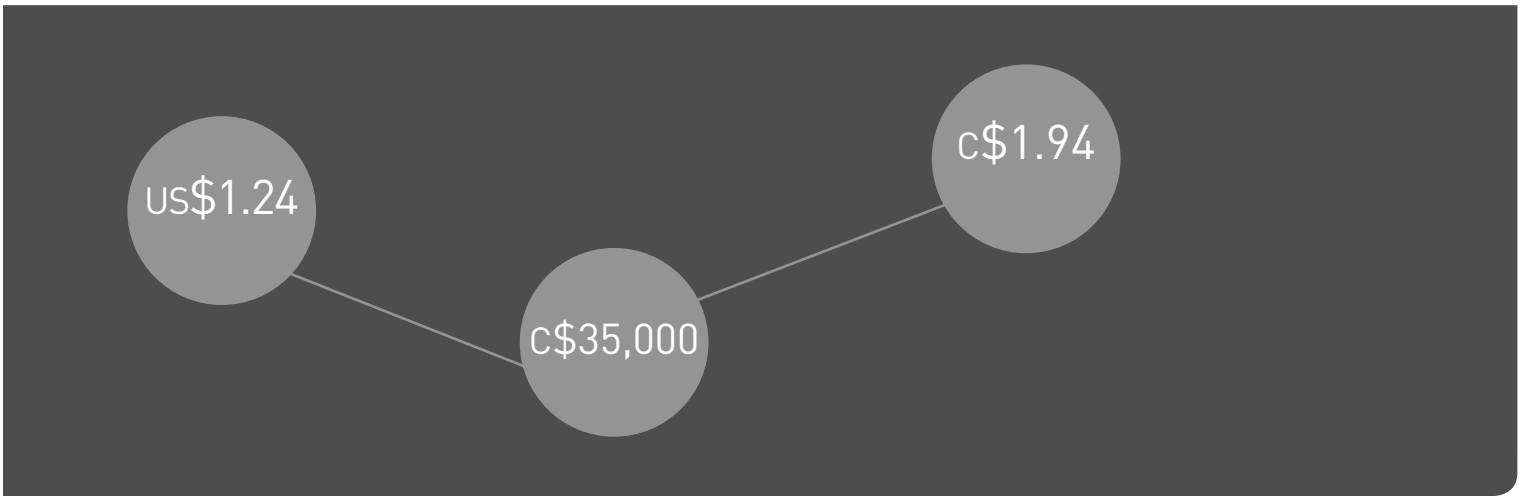
In October 2011, Donlin Gold and the US Army Corps of Engineers, the lead agency for the National Environmental Policy Act (NEPA) review of the project, signed a memorandum of understanding to guide preparation of Donlin's environmental impact statement (EIS). Because of all this planning work—and Alaska's resource-development experience—the NEPA review and our acquisition of project permits are expected to be completed within three to four years.

MANAGING LAND AND PROTECTING SUBSISTENCE ACTIVITIES

Responsible resource development requires good land stewardship. NovaGold approaches this by recognizing the value of ecological diversity, applying key stewardship principles to all land-use decisions and returning lands as closely as possible to their natural states once activities are complete.

Occasionally, a company must offset land and environmental impairments that cannot be avoided, such as impacts to fish habitat caused by installing bridges. This was the case at Galore Creek in 2011. In British Columbia, new fish habitat is constructed at a ratio of roughly two habitat units for each habitat unit a project has impacted.

One of Galore Creek's obligations related to past road construction was to create a wetland and provide new fish habitat in Little Moose Creek, a small stream adjacent to the access road. Work on the new wetland habitat began in January 2011. Before the end of summer, fish and toads were sighted in the lush new wetland. This fish habitat compensation plan was developed by Rescan Tahltan Environmental Consultants and GCMC, with involvement and oversight from Fisheries and Oceans Canada, the BC Ministry of Environment, and the Tahltan Heritage Resource Environmental Assessment Team (THREAT).



The Iñupiat of Alaska rely on caribou as a key subsistence food source. NANA and NovaCopper work together during the field season to mitigate impacts to the caribou's seasonal migratory routes. This past season, NovaGold halted activity if five or more caribou were spotted within a predetermined distance from a drill rig. A standard operating procedure was drafted to educate the team, and the Company stopped operations twice in 2011 while caribou moved through the area.

Rock Creek has been on care and maintenance since 2008. Efforts in 2011 were therefore focused on obtaining approval for a final closure plan, developed in consultation with the Sitnasuak Native Corporation and the Bering Straits Native Corporation. Closure activities were initiated in early 2012. In the meantime, NovaGold has been reclaiming and replanting disturbed areas, especially those where erosion could compromise water quality. The final closure plan emphasizes restoration of the site as closely as possible to its pre-project surface conditions, and is expected to be completed in 2013.

REDUCING AND MANAGING WASTE

None of the projects produced mining waste, such as waste rock, ore, or tailings in 2011. Waste-management activities therefore consisted of selecting alternatives to overpackaged and nonrecyclable products, to minimize our waste streams.

Reusable drinking containers are used at both Donlin and Galore to collect water, juice, milk, and pop from refillable bulk containers. Camp kitchens at Donlin and Galore also use washable dishes and stainless steel cutlery.

Materials are reused and recycled as much as possible. Batteries, aerosol cans, and other hazardous waste materials are hauled from the sites for proper disposal at established facilities. Galore Creek, which enjoys access to British Columbia's progressive recycling programs, recycles scrap metals, used oil, tires, paper, cardboard, and aluminum cans.

General waste is incinerated on site, in accordance with exacting principles for wildlife management. The new incinerator at UKMP meets emission standards for the State of California, which is leading the United States with its strict requirements.

Plans for UKMP in 2012 included avoiding the purchase of single-serving food and beverage products, such as disposable water bottles and juice boxes, and restricting the use of paper plates and plastic cutlery to the first few weeks at camp, until water access is established.

CONSERVING ENERGY AND CONTROLLING EMISSIONS

NovaGold is tackling critical energy needs by developing energy-efficient projects and replacing diesel with lower-emission energy sources, such as electricity and natural gas.

NovaGold released a Feasibility Study update for Donlin Gold in that confirmed the viability of generating power with natural gas, one of the cleanest-burning alternative fuels, rather than diesel.

Like most exploration projects, UKMP got its power from diesel-fueled generators. Therefore, when it came time to acquire infrastructure for the new Bornite camp, the Company was careful to purchase low-emission, energy-efficient generators.

PROTECTING WATER QUALITY

All projects are located in regions with abundant water accessibility. Water is primarily used for cooking and cleaning, to support camp personnel, and therefore not measured. We also used water in 2011 to support diamond-drill exploration rigs at the Ambler and Galore properties.

Although the projects use little water compared to what many operating mines use, water-quality protection is still held as a high priority. NovaGold works proactively with local communities to explain environmental procedures and answer questions or address concerns. Local communities are partners in our operations and in helping us protect the local environment.

In August 2011, NovaGold received a surface-water-discharge permit for the Rock Creek site, giving the Company another option for water management. The permit requires compliance with state water-quality standards that protect human health and aquatic life at the discharge points, with no mixing zones. A final closure plan was also developed for the site, which eliminates the need for long-term water treatment.

REDUCING TRANSPORTATION IMPACTS

All of NovaGold's projects are located in remote areas, and most are inaccessible by road. This contributes to a long logistic channel. People and supplies must all travel to the region by barge, plane, or freight truck and then be transported to the sites by fixed-wing aircraft or helicopters.

To lessen the environmental impact of transportation, NovaGold is looking for better ways to manage logistics. Using natural gas to generate power at Donlin Gold, for example, reduces the immediate environmental footprint and reduces barge traffic on the Kuskokwim River.

None of our projects experienced any environmental incidents related to transportation in 2011.

Donlin Gold spent

US$1.2 million

on environmental protection in 2011

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Protecting the Yukon and Kuskokwim Rivers

Maybe it was fate that encouraged Tisha Woolley to go from a career as a geologist, logging core on the Donlin Gold project, to providing quality assurance for an extensive water quality baseline study program in Alaska.

Tisha received a Bachelor of Science degree in geology from Southern Oregon University in 2005, and soon began working as a contracted geologist for the summer and fall field seasons at Donlin Gold.

"I worked on that for the first six months or so," she says, "and when the drilling slowed, I was asked to join the Donlin team full-time. At that point, there were opportunities for me to gain more experience by working with other departments and even other Barrick sites. I did a short-term assignment at the Cortez Mine in Nevada, and eventually I settled in with the environmental department, doing their water sampling and discharge data collection."

Tisha was raised in Bethel and Homer, Alaska. Bethel is the largest community of interest in the Donlin Gold project area. With many family members and friends in the Donlin project area, she has a vested interest in both the success of the project and protection of the land and waterways. "When I got the job at Donlin," she recalls, "my grandfather, a well-respected elder in the region, said to me, 'Remember the river.'"

Moving from field data collection into the quality assurance part of the water quality baseline research three years ago, Tisha now manages water data and various other data sets from the field. About 220 water samples are tested each year, taken from 23 wells and surface locations on the project site and in the watershed areas.

"It's critical that we understand the health of the environment before any activity takes place," she explains. "The data feed into bigger studies, helping to create the water management plan."

Water baseline data have been collected since 1996. Baseline and specialized studies are conducted in aquatics, flora and fauna, hydrology, hydrogeology, meteorology, air quality, water quality, and geochemistry (acid rock drainage and metal leaching prediction). Each study contributes to understanding the physical, chemical, and biological environments.

The baseline characterization is used to assess possible project impacts, allowing Donlin's environmental team to design projects that minimize or mitigate environmental effects and facilitate permit acquisition.

RESPECT FOR CULTURAL TRADITIONS

A World of Opportunity

NovaGold is mindful that it is, in many ways, a guest in the areas where its projects are located, and respects the connection the Alaska Native and BC First Nations have to their traditional lands. Appreciating that its activities make the Company an integral part of a connected society, NovaGold seeks open dialogue with project neighbors.

By collaborating with local people and businesses, the Company assesses how its decisions and actions may have an impact on others. This allows NovaGold to protect cultural heritage, as well as the fish and wildlife needed to maintain traditional ways of life. As centuries-old stewards, indigenous people offer traditional knowledge and wisdom that can influence project success.

Local-hiring commitments at all projects result in mixed workforces of Native and non-Native people, who have different cultures and styles. These dynamic groupings provide opportunities to learn from one another.

Being able to learn and adapt conventional management approaches to better suit the areas of the world in which NovaGold operates is critical to growing together with its Alaska Native and Tahltan Nation business partners.

The Oversight Committee at the Upper Kobuk Mineral Project (UKMP), which included senior NovaGold managers and board members of NANA Regional Corporation, Inc. (NANA), provided an open forum for acknowledging priorities and finding meaningful solutions to problems as they arose.

Donlin Gold and UKMP each hosted full-day cultural awareness sessions in 2011, to increase mindfulness among new employees and reaffirm ideal behaviors in others. These sessions were well attended by Alaska Native and non-Native managers and staff from both corporate and project sites.

Following the spin out of NovaCopper from NovaGold, the UKMP team continues to learn how best to operate in the NANA region, and is taking advantage of the off season to develop processes that increase engagement and establish trust and openness.

Donlin Gold, which is now a model of cultural integration, faced similar challenges in 1996, when the project began. By offering formal and informal learning opportunities, encouraging a family dynamic, and tailoring work schedules to allow for subsistence participation, Donlin now enjoys an enviously low turnover rate and a local-hire rate that leads the industry.

> "Small things, like Facebook friendships, hearty smiles and hugs during off-season visits, and the ability to look each other in the eye and discuss the issues openly, are some of our key accomplishments."
>
> Scott Petsel
> *Project Manager, UKMP*

100%
of NovaGold project sites have benefit agreements in place with Alaska Native or First Nation Corporations

A Like-Minded Approach

Recognized as setting a high standard for open, transparent, and mutually beneficial relationships with local communities when it signed a participation agreement in 2006 with the Tahltan Nation of British Columbia, NovaGold continues to foster positive synergies with its latest partnership in Northwest Alaska.

In 2011, after six years of close collaboration, NovaCopper, a then wholly owned subsidiary of NovaGold, that was spun out to NovaGold shareholders in April of 2012, and NANA Regional Corporation, Inc. (NANA), signed a progressive agreement founded on the cooperative development of their respective resource interests in the Ambler Mining District.

In addition to consolidating NovaGold's and NANA's land holdings into an approximately 331,200-acre (134,032-hectare) land package, the agreement provides a framework for exploration and development of this high-grade polymetallic belt.

A Management Oversight Committee with representation from NovaCopper and NANA will regularly review plans and activities for the project. NANA's representatives include NANA board members from each of the three neighboring villages of Kobuk, Shungnak, and Ambler.

Matching skills, expertise and resources for mutual benefit will strengthen business links and build connectivity between the two organizations, for the benefit of those who work and live in the NANA region.

The Oversight Committee is responsible for reviewing project matters, with particular interest in the following:

- Appointment of a general manager,
- Budget,
- Workforce strategy,
- Environmental matters,
- Construction and transportation, and
- Subsistence and sustainability issues.

"The partners have agreed that they want to have a project that recognizes local concerns and issues in an open and transparent manner," says NovaCopper President and Chief Executive Officer Rick Van Nieuwenhuyse, "and that is one of the purposes of the Oversight Committee. One could say the Oversight Committee is the heart of NovaCopper's agreement with NANA."

The Committee meets approximately three times a year and when necessary to ensure the realization of the Ambler District's exploration potential. Proactive sharing of information has already had a positive influence on project engagement.

The Donlin Gold Community Relations team visited 27 different villages this year and hosted 30 site tours

Donlin Gold Makes a Good Neighbor

Startled from a deep sleep at 3 a.m., Donlin Gold camp manager Bill Bieber got to his phone too late to take the call, but the message he picked up was alarming. Crooked Creek Traditional Council president Evelyn Thomas was frantic.

"They needed help. The village was flooding, and they were trying to evacuate in the middle of the night. It was dark, and she expected they'd lose power very soon."

Despite a few attempts, Bill was unable to get back to her, but that didn't deter him. He called the project site, which is 10 miles (16 kilometers) north of Crooked Creek, and set in motion a plan to get the medic and every team member, including pilots with Vanderpool Flying Service and Jayhawk Air, prepared to help at the first sign of daylight.

"We have a helicopter on site, but no pilot, so I was thinking we could get a pilot out to the site. But Jayhawk Air offered both the pilot and a helicopter with emergency floats. We were really fortunate, as the pilot was an ex-fire chief from Anchorage, and had rescue experience."

By the time Bill and the pilot arrived at Crooked Creek, Donlin camp crew members were evacuating people from their homes by boat. But the rushing ice quickly made this too dangerous.

The bridge over Crooked Creek was completely immersed, and there was no way to get people from the upriver side of the village to the airport. A small patch of higher ground, just large enough to land the helicopter, provided a tight but accessible congregation point. Forty-eight stranded Crooked Creek residents, including elders and children, were evacuated from there to the Donlin camp.

"Many people weren't dressed for the cold," Bill recalls. "Some didn't even have shoes."

In total, 53 people were safely transferred to the Donlin Gold project site, where they stayed for three days. Seventy percent of the homes were flooded, and families lost all their personal possessions, but there was no personal injury or loss of life.

"Once everyone was settled, we had a meeting in the gym, and realized we had four children without parents, so we had to go back and get them," Bill relates. "We also provided food and water to those who weren't displaced."

"No one from any agency or organization could have responded to our dire need so quickly and efficiently," Evelyn wrote to the *Anchorage Daily News*. "Donlin has been, and with this disaster proves once again, what a good, responsible neighbor they are."

Compensated by the Federal Emergency Management Agency (FEMA) for its expenses of $50,000, Donlin Gold then donated the compensation funds to the Crooked Creek Traditional Council at a thank-you potlatch the residents hosted for everyone involved.

SUSTAINABILITY SNAPSHOT

TRACKING NOVAGOLD'S KEY GRI PERFORMANCE INDICATORS
FISCAL YEAR: DECEMBER 1, 2010–NOVEMBER 30, 2011

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Total workforce	Direct-hired employees—main office	Head Count	35	24	0	12
	Seconded employees—main office	Head Count	5	8	0	4
	Supervised contractors—main office	Head Count	0	2	0	0
	Direct-hired employees—project site	Head Count	0	4	40	12
	Seconded employees—project site	Head Count	0	3	0	1
	Supervised contractors—project site	Head Count	0	Not tracked	70	Not tracked
Breakdown of senior managers	Permanent employees	Head Count	8	9	3	2
	Fixed Term or Temporary	Head Count	0	0	0	0
	Local Hires	Head Count	5	8	0	1
	Indigenous Hires	Head Count	0	1	0	0
	Shareholder Hires	Head Count	0	1	0	0
	Under 30	Head Count	0	0	0	0
	30 to 50	Head Count	4	7	1	0
	Over 50	Head Count	4	2	2	0
	Men	Head Count	6	5	3	2
	Women	Head Count	2	4	0	0
Breakdown of employees	Permanent employees	Head Count	26	23	2	24
	Fixed Term or Temporary	Head Count	1	2	35	1
	Local Hires	Head Count	25	24	21	22
	Indigenous Hires	Head Count	0	9	25	6
	Shareholder Hires	Head Count	0	9	22	0
	Under 30	Head Count	5	2	16	2
	30 to 50	Head Count	15	17	17	20
	Over 50	Head Count	7	6	4	2
	Men	Head Count	9	10	27	16
	Women	Head Count	18	15	10	8
Collective bargaining agreements	Employees represented by a labor union	%	N/A	N/A	N/A	N/A
Entry level and minimum wage comparison	Local minimum wage in region	$	C$9.50/hr	US$7.75/hr	US$7.75/hr	C$9.50/hr
	Workforce receiving minimum wage	%	0	0	0	0
	Entry level wage at location	$	C$16.77/hr	US$15.72/hr	US$14.00/hr	C$19.64/hr
	Workforce receiving entry level wage	%	0	0	3	0
Local hiring commitments	Workforce hired from local community—main office	%	86	18	N/A	100
	Management hired from local community—main office	%	63	4	N/A	100
	Workforce hired from local community—project site	%	N/A	89	53	83
	Management hired from local community—project site	%	N/A	50	0	75
	Permanent or indefinite employees participating in retirement plan	%	88	100	100	100
	Fixed-term or temporary employees participating in retirement plan	%	N/A	N/A	N/A	N/A
	Permanent or indefinite employees participating in medical/health benefits	%	100	100	100	100
	Fixed-term or temporary employees participating in medical/health benefits	%	0	0	N/A	N/A
Contributions to political parties, politicians, and related institutions	Monetary value of contributions	$	0	0	0	0
›	›		›			
Economic value generated and distributed	Revenues	$	C$2.26 M	0	0	0
	Operating costs	$	C$24.76 M	US$43.35 M	C$5.98 M	C$8.69 M
	Employee wages and benefits [direct hires]	$	C$10.61 M	US$1.87 M	C$2.49 M	C$3.37 M
	Employee wages and benefits [seconded employees]	$	C$28,000	US$2.26 M	N/A	C$944,000
	Payments to contractors from Alaska Native shareholder ventures	$	C$54,000	Undisclosed	C$591,000	0
	Payments to providers of operating capital	$	C$5.09 M	0	0	0
	Payments to governments [taxes]	$	C$63,000	0	0	0
	Payments to governments [payroll taxes]	$	C$460,000	US$106,831	C$99,000	C$878,000
	Land use payments	$	C$627,000	US$666,732	C$4.02 M	0
	Cash donations	$	C$31,703	US$374,703	C$1,094	C$621
	Infrastructure development	$	0	0	0	0
	In-kind donations	$	0	US$20,367	0	0
	Scholarships and bursaries	$	C$4,778	US$88,000	0	C$15,000
	Sponsorships	$	C$21,555	US$425,200	C$14,437	C$11,000
	Other contributions	$	0	0	Not tracked	C$295,392
Significant financial assistance received from government	Tax relief/credits	$	0	0	0	0
	Subsidies	$	0	0	0	0
	Investment grants, research and development grants, and other relevant grants	$	0	0	0	0
	Awards	$	0	0	0	0
	Royalty holidays	$	0	0	0	0
	Export credit agencies	$	0	0	0	0
	Other financial incentives	$	0	0	0	0

SUSTAINABILITY SNAPSHOT

TRACKING NOVAGOLD'S KEY GRI PERFORMANCE INDICATORS
FISCAL YEAR: DECEMBER 1, 2010–NOVEMBER 30, 2011

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Hours and employees worked during reporting period	Total hours worked during reporting period	Hours	60,383	162,157	31,285	231,968
	Total workforce (does not including contracts)	Number	35	41	40	25
Employees dedicated to health and safety	Yearly average of employees in the health & safety department	Number	1	3	2	2
Rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	Fatalities	Number	0	0	0	0
	Loss-time injuries	Number	0	0	2	0
	Medical injuries	Number	0	0	4	0
	Occupational diseases	Number	0	0	0	0
	Person-hours worked without loss-time injury during reporting period	Hours	N/A	104,647	19,080	231,968
	Total person-hours worked without loss-time injury	Hours	N/A	1,498,645	19,080	*1,700,000*
Noncompliance with health and safety laws and regulations	Total third-party health and safety audits conducted at premises	Number	N/A	0	1	0
	Total monetary value of significant fines	$	0	0	0	0
	Number of nonmonetary sanctions	Number	0	0	0	0
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Total training for employees	Health and safety training for employees	Hours	*3*	*408*	*224*	*23*
	Emergency response training for employees	Hours	0	*65*	0	*3*
	Environmental training for employees	Hours	*24*	*140*	0	*120*
	Skill improvement training for employees	Hours	*705*	*1,651*	*248*	*10*
	Number of employees receiving training	Number	*23*	*24*	*18*	*18*
	Percentage of employees receiving training	%	*66*	*100*	*45*	Not tracked
Total training for contractors	Health and safety training for contractors	Hours	N/A	*296*	*163*	*23*
	Emergency response training for contractors	Hours	N/A	*64.5*	*0*	*3*
	Environmental training for contractors	Hours	N/A	*81*	*0*	*200*
	Skill improvement training for contractors	Hours	N/A	0	0	Not tracked
	Number of contractors receiving training	Number	N/A	—		*200*
Performance and career development reviews	Employees receiving a formal performance appraisal and review during the reporting period	%	100	100	100	100
	Vacancies filled through internal promotion	%	9	5	8	4
	Cash donations to youth programs	$	C$8,539	Incl.	C$150	Incl.
	Number of youth programs supported	Number	4	Incl.	1	Not tracked
	Number of scholarships and bursaries provided	Number	1	Not tracked	0	10
	Total amount supporting scholarships and bursaries	$	C$4,778	US$88,000	0	C$15,000
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Employees dedicated to environmental work	Employees in the environmental department	Head Count	1	8	1	5
Direct energy consumption by primary energy source	Purchased electricity	kW-h	Not tracked	0	0	0
	Natural gas for mobile equipment	M^3	N/A	0	0	0
	Natural gas for stationary equipment	M^3	N/A	0	0	0
	Propane use for mobile equipment	M^3	N/A	0	Incl.	0
	Propane use for stationary equipment	M^3	N/A	0	*2*	*105*
	Diesel or aviation gas use for mobile equipment	M^3	N/A	*575*	Incl.	*860*
	Diesel or aviation gas use for stationary equipment	M^3	N/A	0	*206*	*312*
	Gasoline use for mobile equipment	M^3	N/A	*151*	*9*	*0.5*
	Gasoline use for stationary equipment	M^3	N/A	0	Incl.	*2.5*
	Butane	M^3	N/A	N/A	N/A	N/A
	Fuel oil	M^3	N/A	N/A	N/A	N/A
	Coal	M^3	N/A	N/A	N/A	N/A
	Wood or charcoal	M^3	N/A	N/A	N/A	N/A
	Purchased renewable energy	M^3	N/A	N/A	N/A	N/A
	Biodiesel	M^3	N/A	N/A	N/A	N/A
Land use	Previously disturbed and not yet rehabilitated	Hectares	N/A	0	*1.52*	0
	Newly disturbed	Hectares	N/A	*2.4*	*1.42*	*1*
	Newly reclaimed	Hectares	N/A	*0.01*	*0.26*	*0.6*
	Previously reclaimed	Hectares	N/A	0	Not tracked	*21.5*
	Protected habitat	Hectares	N/A	0	0	0
At-risk species	Number of at-risk species on or near the property	Species	N/A	2	0	1
	Total amount spent on protecting at-risk species	$	N/A	Not tracked	N/A	Not tracked

SUSTAINABILITY SNAPSHOT

LEGEND & EXPLANATIONS:

Italics=Estimate based on mathematical assumptions

0=Nil during this reporting period | Not tracked=No data was collected for this reporting period but activity took place
N/A=Does not exist at this time | Incl.=Not broken out from another data measurement

	Recycled wastes	Scrap metal	Tonnes	0	*1*	0	*18.5*
		Used oil	Liters	0	*95*	0	*8,400*
		Spent batteries	kg	Not tracked	*443*	*27*	*500*
		Tires	kg	N/A	0	0	*750*
		Paper and cardboard	kg	Not tracked	0	0	*3,000*
		Aluminum cans	kg	Not tracked	0	0	*100*
		Glass	kg	Not tracked	0	0	0
		Technology waste	kg	Not tracked	0	0	0
		Other	kg	0	0	0	*5,750*
	Mining wastes	Overburden	Tonnes	N/A	N/A	N/A	N/A
		Waste rock	Tonnes	N/A	N/A	N/A	N/A
		Tailings	Tonnes	N/A	N/A	N/A	N/A
		Sludges	Tonnes	N/A	N/A	N/A	N/A
	Total number and volume of reportable spills	Total reportable spills	Number	N/A	*6*	5	1
		Total volume of reportable spills	Liters	N/A	*142*	*72*	*315*
	Noncompliance with environmental laws and regulations	Monetary value of significant fines for noncompliance with environmental laws and regulations	$	0	0	0	0
		Total environmental noncompliance violations	Number	0	0	0	0
		Total third-party environmental audits conducted at premises	Number	N/A	0	1	0
	Transportation activity	Amount of helicopter support used at site for project activities	Hours	N/A	0	564	2,030
	Environmental protection expenditures and investments	By waste disposal	$	Not tracked	US$30,753	N/A	C$215,474
		By emissions treatment	$	N/A	US$8,897	N/A	N/A
		By remediation costs	$	N/A	US$96,113	C$500	C$430,948
		By prevention costs	$	N/A	US$29,524	C$21,118	Incl.
		By environmental management costs	$	N/A	US$1.07 M	C$13,667	C$1.08 M
	Discrimination	Incidents of discrimination	Number	0	0	0	0
	Indigenous peoples' territories	Indigenous territories adjacent to project site	Number	N/A	2	1	1
		Formal agreements in place with indigenous groups	Number	N/A	2	1	1
		Amount spent on archaeological studies or preservation	$	N/A	US$1.76 M	0	0
	Violations involving rights of indigenous peoples	Identified incidents involving indigenous rights	Number	0	0	0	0
/	Disputes relating to land use, customary rights of local communities, and indigenous peoples	Disputes relating to indigenous rights	Number	0	0	0	0
	Number and percentage of operations with closure plans	Closure plan in place		N/A	Yes	N/A	Yes
	Employees dedicated to community relations	Employees in the community relations department	Head Count	0	6	0	2
	Stakeholder engagement	Formal village meetings held in communities by project group	Number	N/A	27	4	3
		Attendees at village meetings held in communities	Number	N/A	*1,463*	*85*	Not tracked
		Formal village groups touring project site	Number	N/A	30	1	1
		Attendees touring project site	Number	N/A	338	4	7
	Spending on locally based suppliers	Total procurement	$	C$28.63 M	US$41.22 M	C$8.17 M	C$39.70 M
		Total procurement spent locally	$	C$16.28 M	US$25.46 M	C$4.10 M	C$38.45M
		Total procurement spent nationally	$	C$12.21 M	US$5.51 M	C$4.07 M	C$824,040
		Total procurement spent internationally	$	C$140,000	US$10.25 M	C$8,000	C$434,177
	Contractor agreements that include local hiring clauses	Number of contractor agreements with local hiring clauses	Number	N/A	Not tracked	6	21
		Percentage of contractor agreements with local hiring clauses	%	N/A	Not tracked	55	60
	Community investment	Cash donations to community-based programs or events	$	C$900	US$86,340	C$744	C$4,021
		Total amount spent on sponsorships of community-based events	$	C$1,500	US$427,150	C$7,750	0

RESERVE & RESOURCE TABLE

PROVEN AND PROBABLE MINERAL RESERVES AND MEASURED, INDICATED, AND INFERRED MINERAL RESOURCES FOR GOLD (Au), SILVER (Ag), COPPER (Cu), ZINC (Zn), AND LEAD (Pb) AS OF DECEMBER 5, 2011

RESERVES

50% Ownership—50% Owned by Barrick Gold U.S. Inc.	Proven	7.7	2.32					0.57			
	Probable	497.1	2.08					33.28			
50% Ownership—50% Owned by Teck Resources Ltd.	Proven	69.0	0.52	4.94	0.61			1.15	11.0	900	
	Probable	459.1	0.29	6.18	0.58			4.30	91.2	5900	

RESOURCES (Inclusive of Reserves)

50% Ownership—50% Owned by Barrick Gold U.S. Inc.	Measured	7.7	2.52					0.63			
	Indicated	533.6	2.24					38.38			
	Inferred	92.2	2.02					5.99			
50% Ownership—50% Owned by Teck Resources Ltd.	Measured	108.4	0.48	4.10	0.48			1.70	14.30	1,147.0	
	Indicated	706.3	0.28	5.38	0.50			6.40	122.10	7,786.0	
	Inferred	346.6	0.24	4.28	0.42			2.70	47.73	3,230.0	
70% Ownership—30% Owned by Teck Resources Ltd.	Inferred	53.7	0.73	10.60	0.50			1.26	18.36	592.0	
Formerly 100% Ownership *(NOTE: As of April 31, 2012, NovaGold no longer holds this interest)*	Measured										
	Indicated	16.8	0.83	59.62	4.14	6.02	0.94	0.45	32.29	1,538.3	2,237.0
	Inferred	12.1	0.67	48.04	3.53	4.94	0.79	0.26	18.67	939.9	1,316.9

CAUTIONARY NOTE CONCERNING RESERVE & RESOURCE ESTIMATES

This summary table uses the term "resources", "measured resources", "indicated resources", and "inferred resources". United States investors are advised that, while such terms are recognized and required by Canadian securities laws, the United States Securities and Exchange Commission (the "SEC") does not recognize them. Under United States 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. Mineral resources that are not mineral reserves do not have demonstrated economic viability. United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher category. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of "contained ounces" is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report "resources" as in-place tonnage and grade, without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in this release may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC.

NI 43-101 is a rule developed by the Canadian Securities Administrators, which established standards for all public disclosures an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all resource estimates contained in this Integrated Annual Report have been prepared in accordance with NI 43-101 and the CIM Definition Standards.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report includes certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian and United States securities legislation 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 the potential sale of NovaGold's interest in Galore Creek and the future operating or financial performance of NovaGold or NovaCopper, 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 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 prices for precious and 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 for the continued exploration and development of the Donlin Gold and Galore Creek properties; the need for cooperation of government agencies and indigenous 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, which could include significant increases in estimated capital and operating costs; 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

NOTES

a. These resource estimates have been prepared in accordance with NI 43-101 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 metals 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 are in 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 mine plan were optimized on diluted grades using the following economic and technical parameters: metal price for gold of US$975/oz.; reference mining cost of US$1.67/t, incremented US$0.0031/t/m, with depth from the 220 m elevation (equates to an average mining cost of US$2.14/t), variable processing cost based on the formula 2.1874 x (S%) + 10.65 for each US$/t processed; general and administrative cost of US$2.27/t processed; stockpile rehandle costs of US$0.19/t processed, assuming that 45% of mill feed is rehandled; variable recoveries by rock type, ranging from 86.66% in shale to 94.17% in intrusive rocks in the Akivik domain; refining and freight charges of US$1.78/oz. gold; royalty considerations of 4.5%; and variable pit slope angles, ranging from 23º to 43º. Mineral Reserves are reported using an optimized net sales return value based on the following equation: Net Sales Return = Au grade * Recovery * (US$975/oz. – (1.78 + ((US$975/oz. – 1.78) * 0.045))) Ð (10.65 + 2.1874 * (S%) + 2.27 + 0.19) and reported in US$/t. The life of mine strip ratio is 5.48. The assumed life-of-mine throughput rate is 53.5 kt/d.

(2) Mineral Reserves are contained within Measured and Indicated pit designs using metal prices for copper, gold, and silver of US$2.50/lb., US$1,050/oz., and US$16.85/oz., respectively. Appropriate mining costs, processing costs, metal recoveries and inter-ramp pit slope angles varying from 42º to 55º were used to generate the pit phase designs. Mineral Reserves have been calculated using a 'cash-flow grade' ($NSR/SAG mill hr) cut-off which was varied from year to year to optimize NPV. The net smelter return (NSR) was calculated as follows: NSR = Recoverable Revenue – TCRC (on a per tonne basis), where: NSR = Net Smelter Return; TCRC = Transportation and Refining Costs; Recoverable Revenue = Revenue in Canadian dollars for recoverable copper, recoverable gold, and recoverable silver using metal prices of US$2.50/lb., US$1,050/oz., and US$16.85/oz. for copper, gold, and silver, respectively, at an exchange rate of C$1.1 to US$1.0; Cu Recovery = Recovery for copper based on mineral zone and total copper grade; for Mineral Reserves this NSR calculation includes mining dilution. SAG throughputs were modeled by correlation with alteration types. Cashflow grades were calculated as the product of NSR value in $/t and throughput in t/hr. The life of mine strip ratio is 2.16.

(3) Mineral Resources are inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves 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 of US$1,200/oz.; variable process cost based on 2.1874 * (sulphur grade) + 10.65; administration cost of US$2.29/t; refining, freight & marketing (selling costs) of US$1.85/oz. recovered; stockpile rehandle costs of US$0.20/t processed assuming that 45% of mill feed is rehandled; variable royalty rate, based on a royalty of 4.5% – (Au price – selling cost). Mineral Resources have been estimated using a constant Net Sales Return cut-off of US$0.001/t milled. The Net Sales Return was calculated using the formula: Net Sales Return = Au grade * Recovery * (US$1200/oz. – (1.85 + ((US$1200/oz. – 1.85) * 0.045))) (10.65 + 2.1874 * (S%) + 2.29 + 0.20) and reported in US$/tonne. See "Cautionary Note Concerning Reserve & Resource Estimates".

(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 = Revenue in Canadian dollars for recoverable copper, recoverable gold, and recoverable silver using the economic and technical parameters mentioned above. The mineral resource 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."

(5) 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/lb., US$650/oz., 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. Inferred Resources have a great amount of uncertainty as to their existence and whether they can be mined legally or economically. It cannot be assumed that all or any part of the Inferred Resources will ever be upgraded to a higher category. See "Cautionary Note Concerning Reserve & Resource Estimates".

(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."

(7) Resources stated as contained within a potentially economically minable underground shapes above a US$75.00/t NSR cut-off. NSR calculation is based on assumed metal prices of US$2.50/lb. for copper, US$1,000/oz. for gold, US$16.00/oz. for silver, US$1.00/lb. for zinc, and US$1.00/lb. for lead. A mining cost of US$45.00/t and combined processing and G&A costs of US$31.00/t were assumed to form the basis for the resource NSR cut-off determination. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Inferred Resources are in addition to Measured and Indicated Resources. Inferred Resources have a great amount of uncertainty as to their existence and whether they can be mined legally or economically. It cannot be assumed that all or any part of the Inferred Resources will ever be upgraded to a higher category. See "Cautionary Note Concerning Reserve & Resource Estimates."

ASSESSING MATERIALITY

What's Important

Demonstrating good corporate responsibility starts with understanding one's stakeholders.

To examine and refine its understanding of the Company's own stakeholders, the NovaGold team put together a comprehensive list of individuals and groups who affect or are affected by its activities. These stakeholders were charted on a matrix and their interest in NovaGold's environmental, social, and governance performance was assessed, together with their power to influence the Company's business opportunities and profitability.

Appreciating that the size of the organization does at times restrict the depth of its engagement, the team identified nine sets of stakeholders with the most interest and influence on the Company's success. They are listed here in alphabetical order:

- Alaska Native and BC First Nations partners,
- Employees,
- Investors and shareholders,
- Project co-owners,
- Governments,
- Local communities,
- Media,
- Nongovernment organizations, and
- Regulators.

Next, the team looked at the Company's business goals and linked its activities to positive and negative economic, environmental, and social impacts. Then the team reflected on NovaGold's stakeholders' expectations and interests.

Through these exercises, the team was able to identify areas that could become sources of risk or opportunity during 2011 for the Company and its projects. They used the results to prioritize sustainability issues requiring active management or engagement, and identified focus points for NovaGold's Annual Integrated Report.

The results showed that the Company's platform of corporate responsibility rests on five pillars with shareholder value creation as the over-arching principle.

What it covers:

- Shareholder value,
- Asset development,
- Financial objectives,
- Economic performance, and
- Corporate governance.

Why it's important:

Shareholder confidence is critical to the Company's ability to raise funds and develop its assets on time and on budget.

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What it covers:

- Health and safety practices,
- Employee engagement and retention,
- Diversity, and
- Equal opportunity and treatment.

Why it's important:

Recruiting and retaining the best talent requires that NovaGold offer fair compensation, enforce corporate policies, take a positive view of work-life balance, support family dynamics, and strive for employee well-being.

What it covers:

- Career and workforce development, and
- Youth education programs.

Why it's important:

Progressive training, development, and education programs improve employee loyalty and value, and help people realize their full potential. These programs enable NovaGold to attract the most talented, committed people in a competitive market.

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What it covers:

- Impact management,
- Permitting and compliance,
- Energy use and climate change,
- Water-quality protection,
- Biodiversity and subsistence protection,
- Waste reduction and management, and
- Transportation issues.

Why it's important:

Mining is a highly regulated industry in which the Company's ability to operate depends on meeting stringent standards. And projects are based in remote areas, where people depend on the land, clean air and water, and aquatic and terrestrial species for subsistence.

What it covers:

- Human rights,
- Indigenous rights, and
- Traditional respect for the land.

Why it's important:

NovaGold's projects are sited on the traditional lands of indigenous peoples, therefore have Native and non-Native workforces with different cultures, styles, and expectations.

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What it covers:

- Community investment and engagement,
- Local procurement,
- Local hiring,
- Donations, and
- Community partnerships.

Why it's important:

Activities affect local communities. If we use care and concern, the Company's legacy can be positive, regardless of project outcomes.

A RESPONSIBLE MINING COMPANY

By identifying these five pillars—areas that contribute toward creating shareholder value and are critical to responsible development of a mining project—NovaGold is better able to interpret how emerging needs affect its stakeholders.

The team hopes this analysis helps you better understand the Company's activities.

NovaGold voluntarily participates in the Global Reporting Initiative (GRI) program, and used the GRI framework to plan the content of this Annual Integrated Report. The GRI produces one of the world's most respected sets of standards for sustainability reporting, a form of value reporting wherein an organization publicly communicates its economic, environmental, and social performance. NovaGold also reports additional content and metrics identified by its stakeholders, over and above the GRI requirements.

ASSURANCE

NovaGold has not undergone a formal assurance process. Instead, the team conducted an internal review to be sure it has adequately represented the information provided by its departments and projects to the Company's stakeholders.

NovaGold believes this report meets the GRI criteria for B-level reporting. The GRI Index, found on pages 41 and 42, summarizes the indicators included in this report.

SHARE YOUR FEEDBACK

NovaGold defined five pillars of its corporate responsibility platform and put together this Integrated Annual Report to provide you, our stakeholders, with the information you need to be confident in the Company's business approach.

Share your feedback, now and throughout the year, to help improve NovaGold's reporting.

604.669.6227 info@novagold.net www.facebook.com/novagold
866.669.6227 www.novagold.net www.twitter.com/novagold

GRI INDEX

G3.1 CONTENT INDEX – MINING & METALS SECTOR SUPPLEMENT - GRI APPLICATION LEVEL B

REPORTING LEVEL
- ● Fully Reported
- ◒ Partially Reported
- ○ Not Reported
- ⊗ Not Applicable

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1.1	Chief executive statement	●	4	
1.2	Description of key impacts, risks, and opportunities	●	4, 6–7, 8, 9–14	
2.1—2.10	Organizational profile, structure, and markets	●	Cover, 6–7, 16	
3.1—3.13	Reporting profile, boundary, assurance, and scope	●	2, 39–40	
4.1—4.7	Corporate governance	●	9–14, 16–17	
4.8—4.13	Guidelines and policies, codes of conduct, and commitments to external initiatives	●	16–17, website	
4.14—4.17	Stakeholder engagement	●	16, 28, 30, 35, 39	
EC1	Direct economic value generated and distributed	●	9–14, 31, 33, 35	
EC2	Financial implications, risks, and opportunities due to climate change	○		
EC3	Coverage of benefit plan obligations	●	19, 34	
EC4	Significant financial assistance received from government	●	33	
EC5	Standard entry level wage compared to local minimum wage	●	33	
EC6	Spending on locally based suppliers	●	31, 35	
EC7	Local hiring	●	28, 33	
EC8	Development and impact of investments for public benefit	●	11, 30–31, 33	No infrastructure investments were made in 2011
EC9	Indirect economic impacts	●	11, 30–31	
EN1	Materials used by weight or volume	○		Not measured
EN2	Materials used with recycled inputs	◒	24–26	
	Energy			
EN3	Direct energy	◒	26, 34	Greenhouse gas emissions not calculated
EN4	Indirect energy	◒	26, 34	Greenhouse gas emissions not calculated
EN5	Energy conservation	○	26	Not measured
EN6	Energy-efficient or renewable energy initiatives	◒	26, 35	Not measured
EN7	Initiatives to reduce indirect energy consumption	◒	26	Not measured
	Water			
EN8	Total water withdrawal by source	◒	26, 27	Water use is minimal and not considered material; once operations begin, we will fully report on water use
EN9	Water sources affected by withdrawal	●	21, 26, 27	None; withdrawal is not significant
EN10	Water recycled and reused	●	26, 27	None
	Biodiversity			
EN11	Land biodiversity	●	25, 27, 28, 35	
EN12	Impacts on biodiversity	●	25, 27, 28	
MM1	Land disturbed or rehabilitated	●	25, 34	
EN13	Habitats protected or restored	●	25	
EN14	Strategies for managing impacts on biodiversity	●	24–27	
MM2	Biodiversity management plans	⊗		None of the sites require a biodiversity management plan, although biodiversity and habitat impact identification and mitigation are essential features of each site's environmental impact assessment
EN15	IUCN Red List species and national conservation list species	●	34	There are zero IUCN Red Listed species
	Emissions, effluents, and waste			
EN16	Greenhouse gas emissions by weight	○		Not measured
EN17	Indirect greenhouse gas emissions	○		Not measured
EN18	Initiatives to reduce greenhouse gas emissions	◒	16, 24–27	Not measured
EN19	Emissions of ozone-depleting substances	○		Not tracked
EN20	NOx, SOx, and other significant air emissions by type and weight	○		Not tracked
EN21	Water discharge	◒	26, 27	Not measured
EN22	Waste	◒	26, 35	Not all waste is measured
MM3	Mining wastes such as overburden, rock, tailings, and sludges	●	26, 35	Mining waste is not created at this time
EN23	Significant spills	●	25, 35	
EN24	Hazardous wastes shipped internationally	●		None
EN25	Areas affected by discharges of water and runoff	○	26, 27	
	Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services	⊗		
EN27	Products sold and their packaging materials	⊗		
	Compliance			
EN28	Fines and nonmonetary sanctions for noncompliance with environmental laws and regulations	●	25, 35	
	Transport			
EN29	Transportation-related environmental impacts	◒	26, 35	
	Overall			
EN30	Environmental protection expenditures and investments	●	25, 35	
	f			
	Employment			
LA1	Total workforce	●	18–19, 33	
LA2	Employee turnover	○		Not tracked
LA3	Employee benefits	●	18–19	
LA15	Return to work and retention rates after parental leave	◒	18–19	
	Labor/management relations			
LA4	Collective bargaining agreements	●	33	None of NovaGold's projects are governed by a union body, and we do support the rights of our employees to freedom of association and collective bargaining
LA5	Minimum notice period(s) regarding significant operational changes	●		
MM4	Strikes and lockouts	●		
	Occupational health and safety			
LA6	Health and safety committees	●	18–19	
LA7	Injury rates	●	19, 34	
LA8	Education, training, counseling, prevention, and risk-control programs regarding serious diseases	◒	30	
LA9	Health and safety topics covered in formal agreements with trade unions	⊗		No formal agreements with trade unions

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	Training and education			
LA10	Training	●	21–22, 34	
LA11	Skills management and lifelong learning	●	21–22	
LA12	Performance and career development reviews	●	17, 34	
	Diversity and equal opportunity			
LA13	Composition of governance bodies	●	33	See website
	Equal remuneration for women and men			
LA14	Salary comparisons	○		Not material
	Investment and procurement practices			
HR1	Investment agreements and contracts that have undergone human rights screening	⊗		
HR2	Suppliers, contractors, and other business partners that have undergone human rights screening	⊗		
HR3	Human rights training	◒	17, 28	Not tracked
	Nondiscrimination			
HR4	Incidents of discrimination	●	35	None
	Freedom of association and collective bargaining			
HR5	Right to exercise freedom of association and collective bargaining	●		Fully support employees' rights
	Child labor			
HR6	Risk of child labor	●	19	None
	Prevention of forced and compulsory labor			
HR7	Risks of forced or compulsory labor	●	19	None
	Security practices			
HR8	Security personnel training	○		Not tracked
	Indigenous rights			
MM5	Indigenous peoples' territories and communities	●	19, 28, 29, 35	
HR9	Violations involving rights of indigenous peoples	●	35	No violations
	Assessment			
HR10	Human rights reviews and/or impact assessments	○		
	Remediation			
HR11	Grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms	●		No grievances
	Local communities			
SO1 (MMSS)	Programs and practices that assess and manage the impacts on communities	●	28, 29, 30–31	Beneficial agreements in place at all projects
SO1 (G3.1)	Implementation of local community engagement, impact assessments, and development programs	●	28, 29, 30–31	
MM6	Significant disputes relating to land use, customary rights, and indigenous peoples	●	35	No disputes
MM7	Grievance mechanisms used to resolve disputes relating to land use, customary rights of local communities, and indigenous peoples	●	29, 35	
	Artisanal and small-scale mining			
MM8	Artisanal and small-scale mining (ASM)	●		Projects work in conjunction with established small-scale mining on properties
	Resettlement			
MM9	Site resettlement	●		No upheaval occurred
	Closure planning			
MM10	Closure plans	●	35	
SO9	Potential or actual negative impacts on local communities	●	28, 29, 30–31	
SO10	Prevention and mitigation measures implemented in operations with significant potential for actual negative impacts on local communities	●		
	Corruption			
SO2	Business units analyzed for risks related to corruption	●		100%
SO3	Anticorruption policies and procedures	●		100%
SO4	Incidents of corruption	●		No incidents of corruption
	Public policy			
SO5	Public policy positions and participation	●	17	
SO6	Contributions to political parties and politicians	●	33	
	Anticompetitive behavior			
SO7	Legal actions for anticompetitive behavior, antitrust, and monopoly practices	●		None
	Compliance			
SO8	Significant fines and sanctions for noncompliance with laws and regulations	●	34	No fines or sanctions
	Materials Stewardship			
MM11	Materials stewardship	○		
	Customer health and safety			
PR1	Health and safety impacts of products and services	⊗		NovaGold is not in production and has no customers
PR2	Incidents of noncompliance with regulations and voluntary codes concerning health and safety impacts of products and services	⊗		
	Product and service labelling			
PR3	Product and service information requirements	⊗		
PR4	Incidents of noncompliance with regulations and voluntary codes concerning product and service information and labeling	⊗		
PR5	Customer satisfaction	⊗		
	Marketing communications			
PR6	Adherence to laws, standards, and voluntary codes related to marketing communications	●	14	We adhere to all laws, standards, and regulations associated with disclosure for public companies
PR7	Incidents of noncompliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship	●		No issues of noncompliance
	Customer privacy			
PR8	Substantiated complaints regarding breaches of customer privacy and losses of customer data	●	17	None
	Compliance			
PR9	Significant fines for noncompliance with laws and regulations concerning products and services	●		No fines

NovaGold reported on the basis of the Global Reporting Initiative (GRI) for the first time in our Sustainability Report 2009. The GRI aims to make international reporting comparable. The NovaGold Annual Integrated Report 2011 is aligned with the indicators of the current GRI guideline G3.1, including the Mining & Metals Sector Supplement. This short index shows where to find information on the GRI core and additional indicators. A brief explanation is also provided if no data are available for a given indicator. An extended overview is available online at www.novagold.net. The online index contains all GRI reporting elements, including all disclosures on management approach, and shows where details can be found in our printed and online reporting.

More information on GRI can be found at www.globalreporting.org

2012 ANNUAL GENERAL MEETING

The Annual and Special Meeting of Shareholders will be held:

Tuesday, May 29, 2012
2 p.m. Pacific (5 p.m. Eastern)
Fairmont Pacific Rim Hotel
Star Sapphire C Room
1038 Canada Place,
Vancouver, BC, Canada

The meeting will be webcast. If you are unable to attend, please visit our website at: › for log-in information.

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Kevin Francis, SME registered member, has reviewed and taken responsibility for the scientific and technical information contained in this report.

In support of our commitment to making positive, environmentally friendly choices, NovaGold is printing only 1,000 copies of this report and encouraging readers to use the online version. The printing of NovaGold's Annual Integrated Report used 952 pounds of paper, which is made from 100% recycled post-consumer paper.

This paper selection preserves 9 trees for the future, saves 3,882 gallons of waste-water flow and conserves 6,473,600 BTUs of energy. In addition, 26 pounds of water-borne waste were not created, 430 pounds of solid waste were not generated and 846 pounds of net greenhouse gases were prevented. These savings are achieved when post-consumer recycled fiber is used in place of virgin fiber.

Please remember to either share or recycle your report when you are done with it.

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