

# NOVAGOLD Provides Comprehensive Response to Misleading and False Short-Seller Report

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VANCOUVER, June 08, 2020 - [NovaGold Resources Inc.](#) (NOVAGOLD; or the Company) (NYSE American, TSX: NG) today released a comprehensive response addressing the multiple misleading statements and patent falsehoods made by J Capital Research (JCAP) in its report on the Company issued on May 28, 2020. NOVAGOLD believes that JCAP, masquerading as a research firm, is perpetrating what is known as a short-and-distort scheme.

The NOVAGOLD team has been thoroughly reviewing the error-ridden report by JCAP since it was published on May 28, 2020, said Greg Lang, President and CEO of NOVAGOLD. Our response, while of necessity lengthy, clearly highlights the numerous false and misleading statements contained in the report. I encourage everyone to review this material in detail in order to fully understand the magnitude of the distortions and deceptions put forth by JCAP, and why NOVAGOLD is so determinedly assessing all of the legal options available to it in various jurisdictions.

The full response, which contains a line-by-line factual analysis of the inaccurate report, can be viewed in this matrix: [https://www.novagold.com/investors/news/index.php?content\\_id=2355](https://www.novagold.com/investors/news/index.php?content_id=2355).

Among other points, NOVAGOLD's response demonstrates:

- Donlin Gold (or the project), 50%-owned by NOVAGOLD, is clearly feasible as well as one of the world's largest and highest-grade known open-pit gold deposits, as supported by extensive environmental, technical, and social studies conducted by numerous reputable firms;
- NOVAGOLD and its partner Barrick Gold are advancing Donlin Gold toward development in a fiscally and socially responsible manner with a strong focus on technical excellence, safety, and environmental stewardship;
- The Company's highly experienced and well-regarded management team is steadfast in its strategy toward successful execution of the project when the gold price, market conditions, and project optimization render it ready for development;
- JCAP exhibited a fundamental lack of knowledge of geology, engineering, topography, technology, accounting and financial assessment methodology as it attempted to denigrate NOVAGOLD and its assets; and
- JCAP's misrepresentations, convenient omissions, and intentional muddling of chronology, events and data, as well as inappropriate comparisons and consistent reliance on unidentified, questionably credentialed experts, exposed its deep lack of legitimacy.

Additionally, Dr. Thomas S. Kaplan, Chairman of the Board of Directors of the Company, released a separate statement in which he comprehensively addressed for the investing public his take on JCAP. It can be viewed here: [https://www.novagold.com/investors/news/index.php?content\\_id=2353](https://www.novagold.com/investors/news/index.php?content_id=2353).

NOVAGOLD is vigorously assessing with counsel all of the legal options available to it in various jurisdictions against JCAP and any other parties who may be complicit in any effort to manipulate NOVAGOLD's share price through the dissemination of these and any other falsehoods and distortions.

The Company's Board of Directors and management are sincerely thankful for NOVAGOLD's shareholders' warm engagement and support, as the Company continues to

advance Donlin Gold, a truly unique gold development project, perfectly positioned for the next generation of mines.

## ABOUT NOVAGOLD

NOVAGOLD is a well-financed precious metals company focused on the development of its 50%-owned Donlin Gold project in Alaska, one of the safest mining jurisdictions in the world. With approximately 39 million ounces of gold in the measured and indicated mineral resource categories, inclusive of proven and probable mineral reserves (541 million tonnes at an average grade of approximately 2.24 grams per tonne in the measured and indicated resource categories on a 100% basis),<sup>1</sup> Donlin Gold is regarded to be one of the largest, highest-grade, and most prospective known open pit gold deposits in the world. According to the Second Updated Feasibility Study (as defined below), once in production, Donlin Gold is expected to produce an average of more than one million ounces per year over a 27-year mine life on a 100% basis. The Donlin Gold project has substantial exploration potential beyond the designed footprint which currently covers 1.9 miles (3 km) of an approximately five-mile (8 km) long gold-bearing trend. Current activities at Donlin Gold are focused on state permitting, optimization work, community outreach and workforce development in preparation for the construction and operation of this project. With a strong balance sheet, NOVAGOLD is well-positioned to fund its share of permitting and optimization advancement efforts at the Donlin Gold project.

## Scientific and Technical Information

Some scientific and technical information contained herein with respect to the Donlin Gold project is derived from the "Donlin Creek Gold Project Alaska, USA NI 43-101 Technical Report on Second Updated Feasibility Study"; prepared by AMEC with an effective date of November 18, 2011, as amended January 20, 2012 (the "Second Updated Feasibility Study" or "FSU2"). Kirk Hanson, P.E., Technical Director, Open Pit Mining, North America, (AMEC, Reno), and Gordon Seibel, R.M. SME, Principal Geologist, (AMEC, Reno) are the Qualified Persons responsible for the preparation of the independent technical report, each of whom are independent qualified persons; as defined by NI 43-101.

Clifford Krall, P.E., who is the Mine Engineering Manager for NOVAGOLD and a qualified person; under NI 43-101, has approved and verified the scientific and technical information related to the Donlin Gold project contained in this press release.

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## Cautionary Note Regarding Forward-Looking Statements

*This press release includes certain forward-looking information; and forward-looking statements; (collectively forward-looking statements;) within the meaning of applicable securities legislation, including the United States Private Securities Litigation Reform Act of 1995. 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; would; or should; occur or be achieved. Forward-looking statements are necessarily based on several opinions, estimates and assumptions that management of NOVAGOLD considered appropriate and reasonable as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, activity, performance or achievements to be materially different from those expressed or*

*implied by such forward-looking statements. All statements, other than statements of historical fact, included herein are forward-looking statements. These forward-looking statements include statements regarding the potential development and construction of Donlin Gold; perceived merit of properties; the advancement of optimization studies at Donlin Gold; potential opportunities to enhance or maximize the value of Donlin Gold; the timing and likelihood of permits; mineral reserve and resource estimates; work programs; capital expenditures; timelines; strategic plans; and benefits of the Donlin Gold project and market prices for precious metals, and potential actions against or redress from JCAP. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances are forward-looking statements. Forward-looking statements are not historical facts but instead represent NOVAGOLD's management expectations, estimates and projections regarding future events or circumstances on the date the statements are made.*

*Important factors that could cause actual results to differ materially from expectations include the need to obtain additional permits and governmental approvals; the timing and likelihood of permits; the need for additional financing to explore and develop properties and availability of financing in the debt and capital markets; the outbreak of the coronavirus global pandemic (COVID-19); uncertainties involved in the interpretation of drilling results and geological tests and the estimation of reserves and resources; the need for continued cooperation between NOVAGOLD and [Barrick Gold Corp.](#) for the continued exploration, development and eventual construction of the Donlin Gold property; the need for cooperation of government agencies and native groups in the development and operation of properties; risks of construction and mining projects such as accidents, equipment breakdowns, bad weather, natural disasters, climate change, 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; whether a positive construction decision will be made regarding Donlin Gold; continuing legal review of statements by JCAP; and other risks and uncertainties disclosed in reports and documents filed by NOVAGOLD with applicable securities regulatory authorities from time to time. The forward-looking statements contained herein reflect the beliefs, opinions and projections of NOVAGOLD on the date the statements are made. NOVAGOLD assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.*

#### Cautionary Note to United States Investors

*This press release has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all resource and reserve estimates included in this press release have been prepared in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101) and the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended (CIM Definition Standards). NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission (SEC) Industry Guide 7 (SEC Industry Guide 7), and resource and reserve information contained herein may not be comparable to similar information disclosed by U.S. companies. NOVAGOLD's disclosure concerning Reserve & Resources Estimates remains consistent with NI 43-101. Under SEC Industry Guide 7, 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. SEC Industry Guide 7 normally does not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" under SEC Industry Guide 7 in documents filed with the SEC. Investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. Under Canadian rules, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" under SEC Industry Guide 7 as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of SEC Industry Guide 7, and reserves reported by NOVAGOLD in compliance with NI 43-101 may not qualify as "reserves" under SEC Industry Guide 7. Donlin Gold does not have known reserves, as defined under SEC Industry Guide 7. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with SEC Industry Guide 7.*

*On October 31, 2018, the SEC adopted a final rule (New Final Rule) that will replace SEC Industry Guide 7 with new disclosure requirements that are more closely aligned with current industry and global regulatory practices and standards, including NI 43-101. Companies must comply with the New Final Rule for the Company's first fiscal year beginning on or after January 1, 2021, which for NOVAGOLD would be the fiscal year beginning December 1, 2021. The New Final Rule provides that SEC Industry Guide 7 will remain effective until all registrants are required to comply with the New Final Rule, at which time SEC Industry Guide 7 will be rescinded. While early voluntary compliance with the New Final Rule is permitted, NOVAGOLD has not elected to comply with the New Final Rule at this time.*

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<sup>1</sup> Donlin Gold data as per the Second Updated Feasibility Study (as defined herein). Donlin Gold measured resources of approximately 8 Mt grading 2.52 g/t and indicated resources of approximately 534 Mt grading 2.24 g/t, each on a 100% basis. Mineral resources have been estimated in accordance with NI 43-101.

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