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**NOVAGOLD RESOURCES INC.  
(the "Company")**

**EXECUTIVE COMPENSATION CLAWBACK POLICY**

**PURPOSE**

The Board of Directors of the Company (the "Board") believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy. The Board has therefore adopted this policy which provides for the recoupment of certain executive incentive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws or a significant legal or compliance violation (the "Policy").

**COVERED EXECUTIVES**

This Policy applies to the Company's current and former executive officers, as determined by the Board in accordance with Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 16a-1 under the Exchange Act ("Covered Executives").

**ADMINISTRATION**

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee, in which case all references in the Policy to the Board shall be deemed to be references to the Compensation Committee. The Board shall make the determinations and take the steps contemplated in accordance with this Policy in its sole discretion and the Board's determinations shall be final and binding on all affected individuals.

**FINANCIAL RESTATEMENT**

If the Company is required to prepare an accounting restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, the Company will seek to recover, at the direction of the Board, after the Board has considered the costs and benefits of doing so, incentive compensation awarded or paid to a Covered Executive for a fiscal year if the result of a performance measure upon which the award was based or paid is subsequently restated or otherwise adjusted in a manner that would reduce the size of the award or payment.

A performance measure is a financial or operating metric that is used to determine a Covered Executive's incentive compensation. This may occur either by a formulaic calculation that uses the metric or through consideration of the metric as part of the assessment of a Covered Executive's performance.

Where the result of a performance measure is tied to compensation on a formulaic basis, the Company will seek to recover, at the direction of the Board, any amount awarded or paid in excess of the amount that would have been paid based on the correctly calculated performance measure result.

Where the result of the performance measure was considered in determining the incentive compensation awarded or paid, but the incentive compensation was not awarded or paid on a formulaic basis, the Company will seek to recover, at the direction of the Board, the amount, if any, by which the Board determines that the incentive compensation should be reduced.

Generally, the determination of financial or operating metric results occurs with the application of oversight and internal controls such that an error in determining a financial or operating metric should occur rarely. It is management's responsibility to advise the Board promptly if management learns that an erroneous result of a performance financial or operating metric was provided in connection with establishing a Covered Executive's incentive compensation. Management will provide the corrected result and supporting details. If the financial or operating metric was used in a formulaic calculation, the Board will be provided with a revised calculation where the recalculation would result in a lower incentive compensation award.

In exercising its business judgment under this policy, the Board may consider the relative significance of a financial or operating metric to the Company's business, the relative significance of the financial or operating metric as compared to other metrics or factors considered or used in establishing an incentive compensation award or payment amount, the size of any resulting adjustment to an incentive compensation award or payment, whether asserting a claim against the Covered Executive may violate applicable law or prejudice the Company's interests in any way, and any other factors it deems relevant to the determination.

### **LEGAL AND COMPLIANCE VIOLATIONS**

If the Board determines that a Covered Executive committed a significant legal or compliance violation in connection with the Covered Executive's employment, including a violation of the Company's policies, the Company, at the direction of the Board, after the Board has considered the costs and benefits of doing so, may seek recovery of all or a portion of the incentive compensation: i) awarded to the Covered Executive for performance during a fiscal year(s), and/or ii) vested and paid to the Covered Executive during the fiscal year(s) in which the violation occurred.

In addition, the Company, at the direction of the Board, after the Board has considered the costs and benefits of doing so, may determine that any of the Covered Executive's unpaid or unvested incentive compensation has not been earned and must be forfeited.

Taking action as provided in this Policy shall not preclude the Company from also taking other action with respect to the Covered Executive, as determined by the Board, including any disciplinary action permitted for a violation of a Company policy.

The Company may seek recovery or forfeiture of incentive compensation as provided in this Policy even if the misconduct did not result in an incentive compensation award or payment greater than would have been awarded absent the significant legal or compliance violation.

In determining whether to seek recovery and the amount, if any, by which the incentive compensation should be reduced, the Board may consider the seriousness of the legal or compliance violation, whether the Covered Executive was unjustly enriched, whether seeking the recovery would prejudice the Company's interests in any way, including in a proceeding or investigation, and any other factors it deems relevant to the determination.

Any action seeking to recover or forfeit incentive compensation as provided in this section of the Policy must be initiated within three years following the payment or vesting of the incentive compensation. The Board may seek recovery of funds in the manner it chooses, including by seeking reimbursement from the Covered Executive of all or part of the incentive compensation awarded or paid, by electing to withhold unpaid compensation, by set-off, or by rescinding or canceling unvested awards.

*Adopted November 16, 2017*