

Additional Matters to be Acted Upon

Non-Binding Advisory Vote on Executive Compensation

In accordance with Section 951 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Section 14A of the Exchange Act, the following proposal, commonly known as a “Say on Pay” proposal, gives our Shareholders the opportunity to vote to approve or not approve, on an advisory basis, the compensation received by Gregory Lang and David Ottewell (together, the “Named Executive Officers” or “NEOs”) during fiscal year 2023. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs and our compensation philosophy, policies and practices, as disclosed under the “Compensation Discussion and Analysis” section of this Circular.

Our executive compensation program is designed to recruit and retain key individuals and reward them with compensation that has long-term growth potential while recognizing that the executives work as a team to achieve corporate results and should be rewarded accordingly. To align executive pay with both the Company’s performance and the creation of sustainable shareholder value, a significant portion of compensation paid to our NEOs is allocated to performance-based, short-term and long-term incentive programs to make executive pay dependent on the Company’s performance (also known as “at-risk compensation”). In addition, as an executive officer’s responsibility and ability to affect the financial results of the Company increases, the portion of their total compensation deemed “at-risk” increases. Shareholders are urged to read the “Compensation Discussion and Analysis” section of this Circular, which more thoroughly discusses how our compensation policies and procedures are aligned with our compensation philosophy.

We are asking our Shareholders to indicate their support for our NEO compensation as described in this Circular by voting **FOR** the following resolution:

BE IT RESOLVED, as an ordinary resolution, that the compensation paid to the named executive officers in fiscal year 2023, as disclosed in the Company’s 2024 Circular pursuant to the SEC’s executive compensation disclosure rules (which disclosure includes the Compensation Discussion and Analysis, the compensation tables and the narrative discussion that accompanies the compensation tables), is hereby approved.

While we intend to carefully consider the voting results of this proposal, the final vote is advisory in nature and therefore not binding on us, our Board or the Compensation Committee. Our Board and Compensation Committee value the opinions of our Shareholders and will consider the outcome of this vote when making future compensation decisions for our NEOs. The Board believes that submitting the non-binding vote on compensation of the Company’s NEOs to Shareholders on an annual basis is appropriate for the Company and its Shareholders at this time.

In the absence of a contrary instruction, the person(s) designated in the form of proxy by the Company intend to vote FOR the approval of the non-binding resolution approving the compensation paid to the NEOs as disclosed in this Circular.

Shareholders may contact Kingsdale Advisors, the Company’s strategic advisor, by telephone at 1-866-228-8818 or 1-416-623-2514 (text and call enabled outside North America), or by email at contactus@kingsdaleadvisors.com. To obtain information about voting your NOVAGOLD Common Shares, please visit www.NOVAGOLDAGM.com.

COMPENSATION DISCUSSION & ANALYSIS

2023 Highlights:

- Company goals achieved slightly above target
- No payout of Performance Share Units (“PSUs”) in 2022 or 2023 as share price performance criteria was not met
- Executives granted PSU retention grants to incentivize remaining with Company through at least June 2024

Overview

The following section of the Circular presents information regarding the design, governance, and implementation of the Company’s compensation program. The Compensation Committee (referred to in this CD&A section as the “Committee”) regularly reviews executive compensation.

During 2012, the Company implemented a fundamental restructuring which repositioned it as a pure gold play focused on permitting and developing its 50%-owned Donlin Gold property, one of the world’s largest known undeveloped open-pit gold deposits. The restructuring included the spinout of the Company’s non-core properties into Trilogy Metals Inc. (formerly known as NovaCopper Inc.) to the Company’s Shareholders, the hiring of Gregory Lang as President and CEO, and his recruitment of a new executive team with demonstrated experience in permitting, engineering, building, and operating large, open-pit gold mines in remote locations.

Because of Donlin Gold’s unique attributes and the Company’s relationships with major international mining companies, the compensation program was designed to attract, retain, and incentivize individuals who have experience with complex, large-scale development properties and who have served in senior management roles with large international mining companies.

The Board and management believe that **every employee should be an owner of the Company** because ownership is fundamental to aligning management’s and employees’ interests with those of Shareholders. As a result, share-based compensation is an important component of the Company’s compensation program. In fiscal year 2023, based on recommendations from the Committee, the Board amended the Company’s Insider Trading Policy and adopted a new Incentive Compensation Recovery Policy (replacing and expanding the Company’s Executive Compensation Clawback Policy in place since 2017) to ensure compliance with new rules approved by the U.S. Securities and Exchange Commission (“SEC”) and NYSE American stock exchange. Additionally, upon recommendation from the Committee, the Board adopted a Policy on Granting Equity Awards to reflect the Board’s practices and procedures when granting equity instruments. Copies of these updated and/or new policies can be found on the Company’s website (www.novagold.com) under the Governance tab.

The Company is committed to aligning management compensation with Shareholder interests through performance-based compensation. As Donlin Gold is in the development stage, the Company is not able to use typical operating company metrics (e.g., revenues, operating cash flow, production, costs, net income) as the basis for the performance-based components of its compensation program. The Committee worked extensively with management and with its compensation consultant, Mercer (Canada) Limited (“Mercer” or the “Compensation Consultant”), to define criteria for all aspects of the Company’s 2023 compensation program, including the performance-based compensation.

NOVAGOLD employees were instrumental in the achievement of important milestones relative to Donlin Gold in fiscal year 2023, including:

- (i) Completed the Donlin Gold 2023 field program safely and on time, which included geotechnical drilling to support the project’s application for the Alaska Dam Safety Certifications, and hydrogeologic drilling to update the project’s ground water model,
- (ii) Made progress in the Donlin Gold permitting program, including receipt of decisions upholding the following permits that were appealed by parties opposed to the project: Alaska state pipeline right-of-way authorization, Alaska Clean Water Act Section 401 Certification of the Clean Water Act 404 permit, and Alaska state water rights. Additionally, Donlin Gold was issued a new air quality permit, and received extensions of the project’s Alaska Pollutant Discharge Elimination System permit, Reclamation and Closure Plan approval, and Integrated Waste permit.

- (iii) Continued to assist with Donlin Gold’s community outreach planning and execution, including the completion of an additional three shared values statements (formerly called friendship agreements) for a total of fourteen shared values statements with Yukon-Kuskokwim (Y-K) villages, and
- (iv) Completed six community investment projects in the Y-K region, including a waste backhaul event that Donlin Gold co-sponsored with more than a dozen Y-K regional partners that removed hazardous and electronic waste from more than 26 Y-K communities, and the annual Clean Up Green Up initiative.

Compensation Committee

The Compensation Committee is a standing committee of the Board and is appointed by and reports to the Board, with a mandate to assist the Board in fulfilling its oversight responsibilities related to the:

- appointment, performance evaluation, and compensation of the Company’s CEO and other executive officers of the Company;
- succession planning relating to the CEO, other executive officers and other key employees, including appointments, reassignments, and terminations;
- compensation structure for the CEO and other executive officers including annual, mid-term and long-term incentive plans involving share issuances or share awards;
- determination of Director compensation; and
- share ownership guidelines for the CEO, other executive officers, and Directors.

The charter of the Committee is available at www.novagold.com under the Governance tab. More information regarding the responsibilities and operation of the Committee and the process by which compensation is determined are discussed starting on page 36 in “Statement of Executive Compensation” and on page 70 under the heading “Non-Executive Director Compensation”.

For the year ended November 30, 2023, the Committee consisted of four independent Directors: Kalidas Madhavpeddi (Chair), Elaine Dorward-King, Daniel Muñoz Quintanilla, and Anthony Walsh. All current members of the Committee are non-executive Directors of the Company and satisfy all applicable independence standards of the NYSE American and applicable Canadian securities laws. The Committee met six times in the fiscal year ended November 30, 2023. More information regarding the qualifications of each of the members of the Committee is provided in “Information Concerning the Board of Directors, Director Nominees, and Executive Officers” above.

Compensation Committee’s Relationship with its Independent Compensation Consultant

The Committee has directly engaged Mercer to provide specific support to the Committee in determining compensation for the Company’s officers and Directors, including during the most recently completed fiscal year. Such analysis and advice from the Compensation Consultant includes, but is not limited to, executive compensation policy (for example, the choice of companies to include in the Peer Group (as defined below) and compensation philosophy), total compensation benchmarking for the NEOs, and incentive plan design. In addition, this support has also consisted of: (i) the provision of general market observations throughout the year with respect to market trends and compensation governance issues; (ii) the provision of benchmark market data; and (iii) attendance at Committee meetings. Decisions made by the Committee, however, are the responsibility of the Committee and may reflect factors and considerations other than the information and recommendations provided by the Compensation Consultant. In addition to this mandate, the Compensation Consultant provides general employee compensation consulting services to the Company; however, these services are limited in size and scope and are of significantly lesser value than those provided related to executive officer and Director compensation.



The Committee Chair pre-approves a Statement of Work provided by the Compensation Consultant prior to the start of the annual executive officer and Director compensation reviews, or any other special project. The Statement of Work confirms the work that the Compensation Consultant is asked to complete and the associated fees. The Committee has assessed the independence of the Compensation Consultant pursuant to SEC rules and concluded that the Compensation Consultant’s work for the Committee does not raise any conflict of interest. The Committee regularly assesses the performance of the Compensation Consultant and may, from time to time, determine that obtaining competitive proposals is appropriate.

The fees paid to the Compensation Consultant for services performed in fiscal year 2023 were C\$71,160 to assist the Committee in developing the Company’s compensation policies and programs. In fiscal year 2022, Mercer was paid C\$61,050 to perform similar services. The Compensation Consultant is a wholly owned subsidiary of Marsh & McLennan Companies, Inc. (MMC). Marsh Risk & Insurance Services (“Marsh”), an MMC affiliate, provides insurance broker services to the Company. The engagement of Marsh did not require or receive approval of the Board or the Committee. During the year ended November 30, 2023, Marsh billed the Company \$192,543 for insurance brokerage services. With respect to the engagement of Mercer, the Committee considered various factors that may impact the independence of Mercer, including the amounts payable to Mercer and Marsh as described above, and whether any other relationships existed between Mercer or Marsh, on the one hand, and any executive officer of the Company or any member of the Board, on the other hand, and the Committee determined that a conflict of interest did not exist.

Risk Assessment of Compensation Policies and Practices

Annually, the Committee conducts a risk assessment of the Company’s compensation policies and practices as they apply to all employees, including all executive officers. The design features and performance metrics of the Company’s cash and stock-based incentive programs, along with the approval mechanisms associated with each, are evaluated to determine whether any of these policies and practices would create risks that are reasonably likely to have a material adverse effect on the Company.

Checklist of Compensation Practices

|  WHAT WE DO |  WHAT WE DON'T DO |
|---|---|
| ✓ Base the vast majority of pay on performance; most compensation is therefore at-risk | x No repricing or exchange of underwater stock options |
| ✓ Align pay and performance | x No special change of control provisions for executives |
| ✓ Establish rigorous Company goals for annual incentive program | x No excessive perquisites |
| ✓ Prohibit hedging and pledging of Company stock | x No special tax gross ups |
| ✓ Include “double trigger” change of control provisions in equity plans | x No guaranteed annual salary increases or bonuses |
| ✓ Apply Incentive Compensation Recovery Policy to annual incentive program and equity awards | x No plans that encourage excessive risk-taking |

As part of the review, the following characteristics of the Company’s compensation policies and practices were noted as being characteristics that the Company believes reduce the likelihood of risk-taking by the Company’s employees, including the Company’s officers and non-officers:

- The Company’s compensation mix is balanced among fixed components such as salary and benefits, and variable components such as an annual incentive program opportunity and long-term performance-based incentives, including PSUs and stock options.
- The Committee, under its charter, has the authority to retain any advisor it deems necessary to fulfill its obligations and has engaged the Compensation Consultant. The Compensation Consultant assists the Committee in reviewing executive compensation and provides advice to the Committee on an as-needed basis.
- The annual incentive program for the executive management team, which includes each of the NEOs, is approved by the Board. Individual payments are based on a combination of quantitative and qualitative metrics, as well as discretionary factors. More information about the 2023 annual incentive program goals can be found on pages 46-51 of this Circular.
- Stock-based awards for **all employees** are recommended by the Committee and approved by the Board.
- The Board approves the compensation for the President and CEO based upon a recommendation by the Committee, which is comprised entirely of independent Directors.

- The nature of the business in which the Company operates requires some level of risk-taking to acquire reserves and to develop mining operations in the best interest of all stakeholders. Consequently, the executive compensation policies and practices have been designed to encourage actions and behaviors directed toward increasing long-term value while limiting incentives that promote excessive risk-taking.

Based on this assessment, the Committee concluded that the Company's compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

Employees of NOVAGOLD, including NEOs, and Directors are not permitted to purchase financial instruments, including, for greater clarity, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the employee or Director. Additionally, the Company does not permit any employees or Directors to pledge Company securities to secure personal debts or loans.

Peer Group for 2023 Executive Compensation Planning

The Committee retained the Compensation Consultant to assist the Committee in determining appropriate levels for each of the three main components of total direct compensation for the Company's Directors and NEOs for fiscal year 2023. The Compensation Consultant's work encompasses a review of the Company's executive compensation philosophies relative to a comparable group of mining companies using the publicly available filings of these peer companies.

A compensation peer group of mining companies was developed using the following selection criteria:

- Canadian and/or U.S. listed companies;
- market capitalization, enterprise value, and/or total assets similar to the Company;
- gold, diversified metals and mining, or precious metals/minerals industry;
- complexity of operation/business strategy relative to the Company; and
- experienced, full-time executive team.

The Company considers the above selection criteria to be relevant because it results in a group of companies in our industry that are similar in size by market capitalization, enterprise value and/or assets (within a range of 33% to 300% that of NOVAGOLD), operating jurisdictions and/or stage of development.

During August 2022, based upon considerations of the selection criteria, stage of development and operating jurisdictions, the following peer group companies were selected after reviewing the company data below as of June 30, 2022, which was current information near the time the Company's 2023 benchmarking peer group was selected. The Company's 2023 benchmarking peer group below (collectively, the "Peer Group") reflects the removal of Pretium Resources Inc. as it was acquired by Newcrest Mining in March 2022, but otherwise there were no changes from the 2022 benchmarking peer group.

All values in C\$ millions ⁽¹⁾

| Company Name | Market Cap. ⁽²⁾ | Total Assets ⁽³⁾ | Revenue ⁽³⁾ | GICS Description ⁽⁴⁾ | Primary Mining Location(s) | 1-yr TSR ⁽⁵⁾ % | 3-yr TSR ⁽⁵⁾ % | 5-yr TSR ⁽⁵⁾ % |
|--------------------------------|----------------------------|-----------------------------|------------------------|---------------------------------|-------------------------------|---------------------------|---------------------------|---------------------------|
| Pan American Silver Corp. | \$ 5,324 | \$4,592 | \$2,211 | Silver | Mexico, Americas, Canada | -27% | 16% | 4% |
| B2Gold Corp. | \$ 4,626 | \$4,650 | \$2,290 | Gold | Burkina Faso, Côte d'Ivoire | -13% | 6% | 5% |
| SSR Mining Inc. | \$ 4,572 | \$6,762 | \$1,898 | Gold | Americas | 12% | 7% | 12% |
| Alamos Gold Inc. | \$ 3,546 | \$4,640 | \$1,013 | Gold | Canada, Mexico, Turkey, US | -3% | 6% | 0% |
| Hecla Mining Company | \$ 2,741 | \$3,553 | \$1,016 | Silver | Canada, Mexico, US | -47% | 30% | -5% |
| Centerra Gold Inc. | \$ 2,597 | \$3,545 | \$1,257 | Gold | Int'l. | -5% | 0% | 5% |
| Equinox Gold Corp. | \$ 1,742 | \$4,974 | \$1,395 | Gold | Americas | -33% | -1% | 0% |
| OceanaGold Corporation | \$ 1,740 | \$3,034 | \$1,143 | Gold | Philippines, New Zealand, US | 5% | -12% | -8% |
| MAG Silver Corp. | \$ 1,537 | \$ 488 | \$ 0 | Silver | Mexico | -39% | 4% | -1% |
| Seabridge Gold Inc. | \$ 1,279 | \$1,035 | \$ 0 | Gold | Canada | -27% | -3% | 3% |
| Coeur Mining, Inc. | \$ 1,107 | \$2,357 | \$1,063 | Gold | Int'l. | -66% | -11% | -19% |
| IAMGOLD Corporation | \$ 991 | \$5,326 | \$1,571 | Gold | Int'l. | -43% | -22% | -21% |
| New Gold Inc. | \$ 934 | \$3,158 | \$ 980 | Gold | Australia, Mexico, Canada, US | -39% | 3% | -20% |
| Torex Gold Resources Inc. | \$ 853 | \$1,762 | \$1,080 | Gold | Mexico | -30% | -10% | -17% |
| NOVAGOLD RESOURCES INC. | \$2,050 | \$ 232 | \$ 0 | Gold | US | -38% | -7% | 1% |
| Percentile Rank | 56% | 0% | — | | | 34% | 29% | 61% |

Data source: Mercer

- (1) Financial figures in U.S. dollars have been converted to CAD using the Bank of Canada 36 month trailing average exchange rate as of June 30, 2022: \$1.000 USD = \$1.297 CAD.
- (2) Market capitalization as of June 30, 2022.
- (3) Trailing 12-month revenue and most recently reported total assets.
- (4) S&P/JP Morgan Chase Global Industry Classification Code (GICS).
- (5) TSR denotes annualized Total Shareholder Return or change in share price adjusted for dividends.

Relative to the Peer Group, NOVAGOLD's market capitalization was at the 56th percentile, and its asset value was at the nil percentile as of June 30, 2022, which was near the August 2022 date when the Peer Group for 2023 executive compensation planning was selected.

Peer Group for 2024 Executive Compensation Planning

The Committee followed a similar process for the selection of the peer group for 2024 executive compensation planning in the second half of fiscal year 2023. The 2024 benchmarking peer group is as follows:

| | | |
|--------------------------|------------------------|---------------------------|
| Alamos Gold Inc. | Hecla Mining Company | Pan American Silver |
| B2Gold Corp. | IAMGOLD Corporation | Seabridge Gold Inc. |
| Centerra Gold Inc. | MAG Silver Corporation | SSR Mining Inc. |
| Coeur Mining Inc. | New Gold Inc. | Torex Gold Resources Inc. |
| Equinox Gold Corporation | OceanaGold Corp. | |

The 14 peer group companies for 2024 executive compensation planning are the same as the peer group companies used for 2023 executive compensation planning.

Statement of Executive Compensation

This Compensation Discussion and Analysis describes and explains the significant elements of the Company's executive compensation program which were implemented during fiscal year 2023 to attract, retain, and incentivize the Company's NEOs.

The Company's NEOs during fiscal 2023 were:

- Mr. Gregory Lang, President and CEO (CEO); and
- Mr. David Ottewell, Vice President and CFO (CFO).

Executive Compensation Philosophy

NOVAGOLD has a pay-for-performance philosophy and the compensation programs of the Company are designed to attract and retain executive officers with the talent and experience necessary for the success of the Company. As directed by the Committee, the Company has a compensation philosophy to pay above the median of its Peer Group companies to attract and retain above average executive talent.

Why We Pay Above Median

Factors which influence this policy include the size and scale of the Company's flagship Donlin Gold project, which is in an extremely remote location and is much larger, and likely more complex, than any asset owned by our Peer Group companies. Our executive compensation program acknowledges that managing these resources requires an executive team with extensive experience and skills in advancing significant deposits into production. Additionally, the Company works with senior mining partners as it advances its complex, large-scale project and needs to attract and retain executives with specialized skills, knowledge, and experience which come from working for and with large mining companies. Such skills and knowledge include the areas of geology, engineering, logistical planning, preparation of feasibility studies, permitting, regulation, mine construction and operation, government and community affairs, compliance, marketing, finance, and accounting.

As part of its 2023 executive compensation planning, the Committee also referred to the compensation paid by senior mining companies to their incumbents in positions comparable to those held by the Company's NEOs. Although not included in the Peer Group, the Committee also referenced the compensation packages of Barrick Gold Corporation, Newmont Corporation, Agnico Eagle Mines Ltd., and Kinross Gold Corporation, as: (i) the NEOs have previously worked for at least one of those senior mining companies, (ii) to measure the competitiveness of the Company's compensation programs, and (iii) the Committee considers those companies to be competitors for the Company's executive talent. No changes to the Company's compensation programs were made as a result of the supplemental review of the compensation programs of these senior mining companies. Ultimately, the Peer Group companies were selected to reflect the fact that the Company's assets are in the development stage.

Our Annual Compensation Review Process

The Committee evaluates each executive officer position to establish skill requirements and levels of responsibility. The Committee, after referring to market information provided by its independent Compensation Consultant, Mercer, and after considering the CEO’s recommendations for compensation of the Company’s other officers, makes recommendations to the Board regarding compensation for the officers. The Company regularly meets with its major Shareholders to discuss a variety of matters relevant to the Company. At the request of the Committee, the Company includes the issue of executive compensation in such discussions and provides feedback from the Shareholders to the Committee.

The Committee believes that the Company’s executive compensation program structure has been successful in achieving the goals set out in the Committee’s compensation philosophy, namely attracting and retaining above-average executive talent who have worked for and with large mining companies, and who have specialized skills, knowledge and experience necessary to advance the Company’s significant and complex Donlin Gold project. As such, the executive compensation program targets remained unchanged from 2022 to 2023. The Committee currently targets NEO compensation as follows:

- Base Salary – 62.5th percentile of the Peer Group companies (as defined in the “Peer Group” section above);
- Total Cash Compensation (base salary & annual incentive) – 62.5th percentile of the Peer Group companies; and
- Total Direct Compensation (base salary, annual incentive & long-term incentive compensation) – 75th percentile of the Peer Group companies.

Executive Compensation Objectives and Elements

In establishing compensation objectives for the NEOs, the Committee seeks to accomplish the following goals:

- Recruit and subsequently retain highly qualified executive officers by offering overall compensation that is competitive with that offered for comparable positions at Peer Group companies;
- Incentivize executives to achieve important corporate and individual performance objectives and reward them when such objectives are met; and
- Align the interests of executive officers with the long-term interests of Shareholders through participation in the Company’s stock-based compensation plans.

During 2023, the Company’s executive compensation package consisted of the following principal components: base salary, annual incentive cash bonus, various welfare plan benefits, 401(k) retirement account (“401(k)”), including employer matching funds for U.S. NEOs, and long-term incentives in the form of stock options and Performance Share Units (“PSUs”).

The following table summarizes the different elements of the Company’s total compensation package for all employees, including the NEOs:

| Compensation Element | Objective | Key Feature | Compensation Element “At-Risk” |
|------------------------------|--|--|--------------------------------|
| Base Salary | Provide a fixed level of cash compensation for performing day-to-day responsibilities. | Base salary bands were created and are reviewed annually based on the 62.5 th percentile of the Peer Group market data for base salary. Actual increases are based on individual performance. | No |
| Annual Incentive Plan | Reward for short-term achievement of corporate and individual goals. | Cash payments based on a formula. Each NEO has a target opportunity based on the 62.5 th percentile of the Peer Group market data for total cash. Actual payout depends on performance against annual corporate and individual goals. | Yes |

| Compensation Element | Objective | Key Feature | Compensation Element "At-Risk" |
|-------------------------------------|---|--|--------------------------------|
| Stock Options | Align executives' interests with those of Shareholders, encourage retention and reward long-term Company performance. | Calculations for awards are based on targets for each NEO determined by targeting the 75 th percentile of the Peer Group market data for total direct compensation. Stock option grants vest over three years and have a five-year term. | Yes |
| Performance Share Units | Align executives' interests with those of Shareholders, encourage retention and reward long-term Company performance. | Calculations for grant amounts are based on targets for each NEO determined by targeting the 75 th percentile of the Peer Group market data for total direct compensation. Annual PSU grants cliff vest at the end of a three-year performance period and actual payout, if any, depends upon performance against corporate goals as established by the Board at the time of grant. | Yes |
| Employee Share Purchase Plan | Encourage ownership in the Company through the regular purchase of Company shares from the open market. | Employees may contribute up to 5% of base salary and the Company matches 50% of the employee's contribution. | No |
| Retirement Plans | Provide retirement savings. | 401(k) – Company matches 100% of the U.S. employee's contribution up to 5% of base salary, subject to applicable IRS limitations. RRSP – Company matches 100% of the Canadian employee's contribution up to 5% of base salary, subject to applicable CRA limitations. | No |
| Welfare Plan Benefits | Provide security to employees and their dependents pertaining to health and welfare risks. | Coverage includes medical, dental and vision benefits, short- and long-term disability insurance, life and AD&D insurance and an employee assistance plan. | No |

Annual Compensation Decision-Making Process

Each year, the executive team establishes goals for the upcoming year that include key priorities and initiatives. The CEO presents these goals to the Committee and Board for consideration and approval.

The Company's fiscal year 2024 corporate goals and weightings include:

ADVANCE DONLIN GOLD TOWARD FEASIBILITY STUDY / CONSTRUCTION / PRODUCTION DECISION: 25% WEIGHT

Advance Donlin Gold Permits and Approvals (25%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | Submit Alaska Dam Safety Certification Preliminary Design Packages |
| Target (~90-110% rating) | Submit Alaska Dam Safety Certification Preliminary Design Packages Execute signed financial assurance trust fund MOU with the State Complete lease agreement with CIRI for the pipeline ROW |
| Maximum (~110-150% rating) | Target items plus: Submit Alaska Dam Safety Certification Preliminary Design Packages and obtain the state's comments and concurrence, and BLM finalizes the mine area easement relocations |

Existing Permits (25%)

| | |
|-------------------------------|--|
| Threshold (~70-90% rating) | No substantive adverse decisions in state or federal court related to Donlin Gold permits |
| Target (~90-110% rating) | Threshold item plus: Obtain favorable decision upholding the 401 Certification in Alaska Superior Court |
| Maximum (~110-150% rating) | Target items plus: APDES permit, waste management permit, and reclamation plan approval approved, and any one of the following upheld: i) water rights in Alaska Supreme Court; ii) state pipeline ROW in Alaska Supreme Court; or iii) the JROD in federal court |

Donlin Gold Engineering Studies (25%)

| | |
|-------------------------------|--|
| Threshold (~70-90% rating) | Not applicable |
| Target (~90-110% rating) | Complete Donlin Gold project engineering work, including: i) the pilot plant, ii) advanced mine planning, and iii) pit design |
| Maximum (~110-150% rating) | Not applicable |

Donlin Gold Resource Model (25%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | Validate existing resources |
| Target (~90-110% rating) | Complete DG24 geologic and resource models by mid-2024 |
| Maximum (~110-150% rating) | Complete target items plus, NOVAGOLD to engage third-party consultant(s) to complete independent resource model |

**MAINTAIN A FAVORABLE REPUTATION OF THE COMPANY AND ITS PROJECT
AMONG SHAREHOLDERS:
25% WEIGHT**

IR Program and Outreach (80%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | Reach out to 100% of top 20 shareholders* during the year and engage with 70%. Maintain 12 out of 20 top shareholders* and attract two additions to the holders who hold greater than 0.5 million shares |
| Target (~90-110% rating) | Reach out to 100% of top 20 shareholders* during the year and engage with 80%. Maintain 14 or more out of 20 top shareholders* and attract three or more additions to the holders who hold greater than 0.5 million shares |
| Maximum (~110-150% rating) | Reach out to 100% of top 20 shareholders* during the year and engage with 90%. Maintain 16 or more out of 20 top shareholders* and attract three or more additions to the holders who hold greater than 0.75 million shares |

* 20 top shareholders does not include passive index funds or custodial funds

Shareholder Engagement (20%)

| | |
|-------------------------------|--|
| Threshold (~70-90% rating) | Proxy circular shareholder engagement campaign results in 60% eligible voter turnout at AGM |
| Target (~90-110% rating) | Proxy circular shareholder engagement campaign results in 70% eligible voter turnout at AGM and at least 80% of votes cast in support of each AGM proposal |
| Maximum (~110-150% rating) | Proxy circular shareholder engagement campaign results in 80% eligible voter turnout at AGM and at least 85% of votes cast in support of each AGM proposal |

**PROMOTE A STRONG ESG CULTURE INCLUDING SAFETY, COMMUNITY RELATIONS,
SUSTAINABILITY AND ENVIRONMENT:
15% WEIGHT**

Increase Level and Geographic Footprint of Donlin Gold Project Support and Reduce the Level of Stated Opposition in Y-K Region (30%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | No increase in the net number of villages/groups in Y-K region with opposing resolutions |
| Target (~90-110% rating) | Achieve 2 affirmative statements of support from key stakeholders, influencers, community Tribal Councils, City Councils, etc, Sign 2 new Shared Value Statements (SVS) villages/tribal councils/organizations Implement 3 community investment/development projects (Backhaul, Bethel Community Services Foundation, Education funds, Crooked Creek H2O, and AVCP H2O) while expanding and leveraging ongoing partnerships Objective with community investment/development projects is to foster common community engagement among the Y-K villages within the region and ensure that Donlin Gold is a trusted community member |
| Maximum (~110-150% rating) | Achieve 4 affirmative statements of support from key stakeholders, influencers, community Tribal Councils, City Councils, etc. Sign 3 new Shared Value Statements (SVS) villages/tribal councils/organizations Implement 5 community investment/development projects (Backhaul, Bethel Community Services Foundation, Education funds, Crooked Creek H2O, and AVCP H2O) while expanding and leveraging ongoing partnerships Objective with community investment/development projects is to foster common community engagement among the Y-K villages within the region and ensure that Donlin Gold is a trusted community member |

Increase Communications with Native Corporation Partners and Key Stakeholders (20%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | Work with Donlin Gold to update communications plan by end of Q1/2024 for the year. Assist with execution of 2024 communications plan |
| Target (~90-110% rating) | Threshold items plus: Support Donlin Gold to conduct 4 seminars with village corporations/tribes/regional organizations with a particular focus on groups/villages opposed/neutral on the project with support from Calista and TKC Donlin Gold to make presentations at two public engagements with Calista/TKC |
| Maximum (~110-150% rating) | Threshold items plus: Support Donlin Gold in conducting 6 seminars with village corporations/tribes/regional organizations with a particular focus on groups/villages opposed/neutral on the project with support from Calista and TKC Donlin Gold to make presentations at three public engagements with Calista/TKC |

Maintain Strong Safety Focus at Donlin Gold (15%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | No lost-time incidents. Medical incident rate of 2.5 to 3.5, not including non-work-related medical incidents or pre-existing conditions |
| Target (~90-110% rating) | No lost-time incidents and no more than 3 high potential incidents.* Medical incident rate of 1.5 to 2.5, not including non-work-related medical incidents or pre-existing conditions |
| Maximum (~110-150% rating) | No lost-time incidents and no more than 3 high potential incidents.* Medical incident rate of <1.5, not including non-work-related medical incidents or pre-existing conditions |

* A high potential incident is an event that has reasonable potential to result in: i) fatality, ii) permanent total disability, or iii) damage to a facility, structure or equipment in excess of US \$50,000

Environmental: Spills and Compliance (15%)

| | |
|-------------------------------|--|
| Threshold (~70-90% rating) | No spills to streams. No more than 4 spills of greater than 10 gallons each to land |
| Target (~90-110% rating) | No spills to streams. No more than 2 spills of greater than 10 gallons each to land. No citations for non-compliance with any permits from any issuing governmental agency |
| Maximum (~110-150% rating) | Complete target goals plus: no spills of more than de minimus levels to land |

Environmental: Fisheries (15%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | Reconnect Snow Gulch Pond to Crooked Creek and stabilize restoration area |
| Target (~90-110% rating) | Reconnect Snow Gulch Pond to Crooked Creek, stabilize restoration area, and demonstrate fish use in restored pond Complete one local fisheries project in the Y-K region with at least one key Donlin Gold stakeholder |
| Maximum (~110-150% rating) | Complete target goals plus: demonstrate presence of salmon in restored ponds and streams Complete two local fisheries projects in the Y-K region or one regional project with at least one key Donlin Gold stakeholder |

Sustainability: Sustainability Report (5%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | Not applicable |
| Target (~90-110% rating) | Issue NOVAGOLD Sustainability Report that is compliant with GRI standards |
| Maximum (~110-150% rating) | Not applicable |

**MANAGE COMPANY TREASURY EFFECTIVELY AND EFFICIENTLY; STREAMLINE CORPORATE STRUCTURE:
5% WEIGHT**

Company Budget (45%)

| | |
|-------------------------------|--|
| Threshold (~70-90% rating) | Complete 2024 over budget by no more than 5% excluding payroll |
| Target (~90-110% rating) | Complete 2024 on budget |
| Maximum (~110-150% rating) | Complete 2024 under budget by 5% or better excluding payroll |

Maintain Effective Internal Controls Over Financial Reporting (45%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | No material weaknesses |
| Target (~90-110% rating) | No material weaknesses and no unresolved significant deficiencies at year end |
| Maximum (~110-150% rating) | No material weaknesses and no significant deficiencies identified |

Streamline Corporate Structure (10%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | Not applicable |
| Target (~90-110% rating) | Wind Up Bermuda subsidiaries, or NovaGold Argentina, Inc. |
| Maximum (~110-150% rating) | Wind Up Bermuda subsidiaries and NovaGold Argentina, Inc. |

**STRATEGIC GOAL #1
30% WEIGHT**

| | |
|-------------------------------|----------------------|
| Threshold (~70-90% rating) | Description redacted |
| Target (~90-110% rating) | Description redacted |
| Maximum (~110-150% rating) | Description redacted |

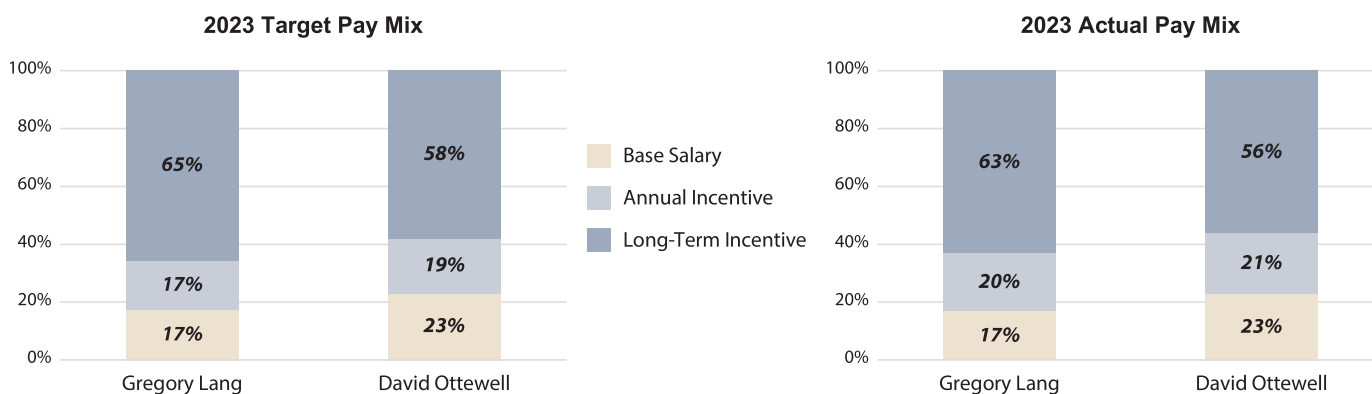
Achievement of the foregoing strategic goals will be measured at the end of fiscal 2024 by assessing completion of the underlying tactical goals. Based upon the level of completion of the goals, performance ratings are determined for the Company by the Board and for each of the NEOs by the Committee. These Company and individual performance ratings are used in making decisions and calculations related to base salary increases and annual incentive payments.

The Board can exercise discretion in determining the appropriate performance rating for the Company and for the executive officers based on their evaluation of performance against goals set at the beginning of the year. The size of any payment or award is dependent on the Company and the individual performance ratings as determined by the Committee and Board. The ratings can range from 0% to 150%, with 100% representing achievement of the target goal and 150% representing the maximum allowable rating for exceeding the target goal. The Board did not exercise any discretion with respect to the Company performance rating for the 2023 Company goals.

The Committee makes a recommendation to the Board regarding the NEOs' base salary and annual incentive payments. Stock option and PSU grants for NEOs are also approved by the Board and are based upon a fixed long-term incentive target for each NEO expressed as a percentage of the NEO's base salary.

Base salary increases, if granted, are effective January 1 of each year and annual incentive payments are usually made shortly after the end of the fiscal year, which concludes each year on November 30.

The chart below illustrates the 2023 targeted and actual pay mix for the CEO and other NEO. The actual 2023 pay mix is based on compensation earned in fiscal year 2023; however, the annual incentive amounts and long-term incentive amounts earned in 2023 were paid or awarded after the close of fiscal year 2023. The NEOs' target pay mix remains unchanged from fiscal year 2023 to fiscal year 2024.



Compensation Elements

After compiling information based on salaries, bonuses and other types of cash and equity-based compensation programs obtained from the public disclosure records of the Peer Group, the Compensation Consultant reported its findings and made recommendations to the Committee regarding compensation targets for Directors and NEOs.

The Committee has set the following compensation targets for the Company’s NEOs for the 2024 fiscal year, which were unchanged from fiscal year 2023:

- CEO
 - Base Salary – 62.5th percentile of Peer Group
 - Annual Incentive Target – 100% of base salary
 - Long Term Incentive Target – 375% of base salary
- CFO
 - Base Salary – 62.5th percentile of Peer Group
 - Annual Incentive Target – 80% of base salary
 - Long Term Incentive Target – 250% of base salary

In addition, our NEOs receive compensation in the form of Company-paid health and welfare benefits (medical, dental, vision, life, AD&D, short-term and long-term disability insurance) and a Company match on 401(k) and Employee Stock Purchase Plan contributions, which benefits are offered on par to all employees. Our NEOs are entitled to one paid executive physical per year, and Mr. Lang receives an auto allowance. The foregoing items of NEO compensation are reflected in the Summary Compensation Table on page 57 of this Circular.

Base Salary

Salaries for officers are determined by evaluating the responsibilities inherent in the position held and each individual’s experience and past performance, as well as by reference to the competitive marketplace for management talent at the Peer Group companies. The Committee refers to market information provided by the Compensation Consultant on an annual basis. The Compensation Consultant matches the executives to those individuals performing similar functions at the Peer Group companies. For the 2023 fiscal year, the Company set the 62.5th percentile of this market data as a target for base salaries.

As explained in the section “Executive Compensation Philosophy” above, the Company targets base salaries above the median of salaries paid by the Peer Group companies to assist in attracting and retaining the highly experienced people that the Company needs to be successful.

If an NEO is fully competent in their position, the NEO will be paid between 95% and 105% of the guidepost. 'Guidepost' refers to the midpoint of the applicable salary band. Developing NEOs are generally paid between 80% and 94% of the guidepost and NEOs who are highly experienced and consistently perform above expectations can be paid between 106% and 125% of the guidepost. The Company most recently updated its compensation guideposts for all employees during 2022 with the assistance of Mercer. The Compensation Committee reviewed and approved the guideposts for the NEOs in November 2022.

NEO Base Salary Compared to Salary Band Guideposts

| NEO | 2023 Base Salary Compared to Salary Band Guidepost | Reason |
|-----------------------|--|---|
| Gregory Lang | Above: 122% of guidepost | Mr. Lang's base salary is above the salary range guidepost for his role and level due to his past experience, current performance and long tenure at the Company. Specifically, Mr. Lang brings his previous experience as President of Barrick Gold North America, his mine engineering and operations experience, his good reputation in the industry, and his excellent relationships with the Company's stakeholders. |
| David Ottewell | At: 101% of guidepost | Mr. Ottewell's base salary is at the salary range guidepost for his role and level as he has now served as the Company's VP and CFO for eleven years. His current and past performance has been excellent, and his previous experience as the Vice President and Controller for Newmont Corporation prepared him for the additional responsibilities incumbent upon the Vice President and CFO position at the Company. |

Base Salaries for 2024

The Board agreed with the Committee's recommendations and approved the following base salaries to be effective as of January 1, 2024 for Mr. Lang and Mr. Ottewell:

| NEO | Title | 2023 Base Salary | 2024 Base Salary | % Change |
|-----------------------|-----------------|------------------|------------------|----------|
| Gregory Lang | President & CEO | \$838,600 | \$859,600 | 2.5% |
| David Ottewell | VP & CFO | \$463,900 | \$463,900 | 0.0% |

Annual Incentive Plan

At the end of each fiscal year, the Committee reviews individual performance and Company performance against the goals set by the Company for such fiscal year. The assessment of whether the Company's goals for the year have been met includes, but is not limited to, considering the quality and measured progress at the Company's development stage project, strong safety record, protection of the Company's treasury, corporate alliances and similar achievements.

Annual Incentive Payment for 2023

Annual incentive awards for 2023 were based on performance relative to goals set at the beginning of fiscal year 2023. Performance is measured in two areas: company and individual. The ratings can range from 0% to 150%, with 100% representing achievement of the target goal and 150% representing the maximum allowable rating for exceeding the target goal.

Discussions around Company goals for the following year commence during strategy sessions that usually begin in the fall of the preceding year. The NEOs, other officers and some managers are involved in the strategy sessions. These Company goals are reviewed and approved by the Committee and Board. Individual goals flow down from the Company goals to ensure that everyone’s efforts are aligned with the goals and linked to the success of the Company.

The Company also focuses on setting goals around its core values which include safety, sustainability, accountability, communication, empowerment, integrity, respect, and teamwork.

The 2023 Company goals included:

**ADVANCE DONLIN GOLD TOWARD CONSTRUCTION DECISION:
45% WEIGHT**

Advance Donlin Gold Permits and Approvals (10%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | New APDES permit and new air quality permit application complete in 2023. New air quality permit to be issued in 2023. Current APDES permit administratively extended indefinitely |
| Target (~90-110% rating) | Threshold items plus: Submit renewal applications for Reclamation and Closure Plan and Integrated Waste Permit. State intends to administratively extend existing permits indefinitely upon receipt of completed applications |
| Maximum (~110-150% rating) | Target items plus: State of Alaska finalizes both the Reclamation and Closure Plan and Integrated Waste Permit by the end of 2023 |
| Achievement Description | Air permit renewal granted July 1, 2023. APDES permit was administratively extended in December 2022. Noteworthy that major source air quality permit was not appealed. Reclamation and Closure Plan and Integrated Waste Permit applications were submitted September 19, 2023; these are both being administratively extended into 2024 due to state staffing priorities. |
| Achievement Rating: | 110% |

Existing Permits (25%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | Obtain favorable decision upholding the state pipeline right-of-way |
| Target (~90-110% rating) | Threshold item plus: Obtain favorable decision upholding the 401 Certification from Alaska Superior Court and/or Alaska Department of Environmental Conservation (ADEC) |
| Maximum (~110-150% rating) | Target items plus: Obtain favorable decisions on the following: i) from Alaska Superior Court and/or ADEC on the 401 Certification, ii) from Alaska Superior Court on the state pipeline right-of-way, and iii) from the Alaska Superior Court on the water rights. For clarity, if any of the foregoing permits/certifications are not upheld by Alaska Superior Court or the applicable state agency the maximum shall not be achieved |
| Achievement Description | State pipeline ROW upheld by Alaska Superior Court. 401 Certification decision upheld by ADEC. Water rights upheld in Alaska Superior Court. Water rights and pipeline ROW decisions have been appealed to Alaska Supreme Court. Discussions with USDOJ resulted in their agreement to defend challenge to JROD and final EIS in U.S. District Court. |
| Achievement Rating: | 130% |

Donlin Gold Engineering Studies (40%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | Complete 2023 geotechnical and hydrogeology work programs on budget |
| Target (~90-110% rating) | Complete 2023 geotechnical and hydrogeology work programs on budget Complete field work for the Alaska Dam Safety Certifications application Update ground water model Complete studies in preparation for FS update (i.e., geotechnical gap analysis, power trade-off, optimization studies gap analysis) Complete phase 3 metallurgy testing and commence pilot plant |
| Maximum (~110-150% rating) | Complete 2023 geotechnical and hydrogeology work programs under budget Complete target goals, plus: Propose infrastructure plan |
| Achievement Description | Geotechnical and hydrogeology 2023 field work programs completed on schedule, but portions of program were over budget. Field work for Dam Safety Certification applications completed. Existing ground water model update completed. Studies in preparation for FS update completed. Phase 3 metallurgical testing complete. Metallurgical trade-off studies complete. Pilot plant runs commenced in October 2023 and expected to run into 2024. Y-K region infrastructure project under discussion. |
| Achievement Rating: | 130% |

Donlin Gold Resource Model (25%)

| | |
|-------------------------------|--|
| Threshold (~70-90% rating) | Validate existing resources |
| Target (~90-110% rating) | Complete DG23 geologic and resource models in third fiscal quarter (June-August 2023) |
| Maximum (~110-150% rating) | N/A – no maximum payout |
| Achievement Description | DG23 geologic and resource models completed in third fiscal quarter. Validation results for DG23 models will be incorporated into next iteration of models |
| Achievement Rating: | 100% |

**MAINTAIN/INCREASE SUPPORT FOR THE DONLIN GOLD PROJECT AMONG NATIVE ENTITIES AND OTHER STAKEHOLDERS:
30% WEIGHT**

Increase Level and Geographic Footprint of Donlin Gold Project Support and Reduce the Level of Stated Opposition in Y-K Region (60%)

| | |
|-------------------------------|--|
| Threshold (~70-90% rating) | No increase in the net number of villages/groups in Y-K region with opposing resolutions |
| Target (~90-110% rating) | Achieve 2 affirmative statements of support from key stakeholders, influencers, community Tribal Councils, City Councils Sign 2 new Shared Value Statements (SVS) villages/tribal councils/organizations Implement 3 community investment/development projects (Backhaul, Bethel Community Services Foundation, Education funds, Crooked Creek H2O, and ACP H2O) while expanding and leveraging ongoing partnerships Objective with community investment/development projects is to foster common community engagement among the Y-K villages within the region and ensure that Donlin Gold is a trusted community member |
| Maximum (~110-150% rating) | Achieve 4 affirmative statements of support from key stakeholders, influencers, community Tribal Councils, City Councils Sign 3 new Shared Value Statements (SVS) villages/tribal councils/organizations Implement 5 community investment/development projects (Backhaul, Bethel Community Services Foundation, Education funds, Crooked Creek H2O, and ACP H2O) while expanding and leveraging ongoing partnerships Objective with community investment/development projects is to foster common community engagement among the Y-K villages within the region and ensure that Donlin Gold is a trusted community member |
| Achievement Description | No increase in the net number of villages/groups in Y-K region with opposing resolutions. Three new SVS completed in fiscal 2023. Completed six community investment projects in 2023. Affirmative statement of support received from Crooked Creek. Crooked Creek has lobbied federal administration in favor of the project in D.C. Donlin Gold assisted TKC in providing relief and emergency assistance to Crooked Creek in response to extreme spring flooding. |
| Achievement Rating: | 105% |

Increase Communications with Native Corporation Partners and Key Stakeholders (40%)

| | |
|-------------------------------|--|
| Threshold (~70-90% rating) | Work with Donlin Gold and Barrick to update communications plan by end of Q1/2023 for the year. Assist with execution of 2023 communications plan |
| Target (~90-110% rating) | Threshold items plus: Support Donlin Gold with Barrick to conduct four seminars with village corporations/tribes/regional organizations with a particular focus on groups/villages opposed/neutral on the project with support from Calista and TKC Recruit two additional Community Liaisons for the project for a total of seven |
| Maximum (~110-150% rating) | Threshold items plus: Support Donlin Gold with Barrick in conducting six seminars with village corporations/tribes/regional organizations with a particular focus on groups/villages opposed/neutral on the project with support from Calista and TKC Recruit three additional Community Liaisons for the project for a total of eight |
| Achievement Description | Communications plan completed in Q1/2023 for the year, adjustments made as needed. Company staff actively assisted with execution of Donlin Gold 2023 communications plan. Two SCAC Subsistence Subcommittee meetings: first held in May, second held in December. One community project informational meeting held in Aniak in March 2023, coinciding with the Middle Kusko meeting of all 10 TKC communities. New Community Liaisons recruited; net gain of 1 for total of 6 |
| Achievement Rating: | 95% |

**PROMOTE A STRONG ESG CULTURE INCLUDING SAFETY, SUSTAINABILITY AND ENVIRONMENT:
10% WEIGHT**

Maintain Strong Safety Focus at Donlin Gold (40%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | No lost-time incidents. Medical incident rate of 2.5 to 3.5, not including non-work-related medical incidents or pre-existing conditions. Develop and implement revised formal near miss reporting procedure that includes intensive auditing and reporting protocols |
| Target (~90-110% rating) | No lost-time incidents and no more than five high potential incidents.* Medical incident rate of 1.5 to 2.5, not including non-work-related medical incidents or pre-existing conditions. Develop and implement revised formal near miss reporting procedure that includes intensive auditing and reporting protocols |
| Maximum (~110-150% rating) | No lost-time incidents and no more than three high potential incidents.* Medical incident rate of <1.5, not including non-work-related medical incidents or pre-existing conditions. Develop and implement revised formal near miss reporting procedure that includes intensive auditing and reporting protocols |
| Achievement Description | Camp closed for season in July 2023. No lost-time incidents, no medical incidents, one high potential incident. Formal near miss reporting procedure that includes intensive auditing and reporting protocols adopted. 2023 medical incident rate is 0.0. |
| Achievement Rating: | 140% |

*A high potential incident is an event that has reasonable potential to result in: i) fatality, ii) permanent total disability, or iii) damage to a facility, structure or equipment in excess of US \$50,000

Environmental: Spills (25%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | No spills to water. No more than four spills of greater than 10 gallons each to land |
| Target (~90-110% rating) | No spills to water. No more than two spills of greater than 10 gallons each to land. No citations for non-compliance with any permits from any issuing governmental agency |
| Maximum (~110-150% rating) | Complete target goals plus: no spills of more than de minimus levels to land |
| Achievement Description | No spills to water and no spills of greater than 10 gallons to land. There were 15 <i>de minimus</i> spills, ten of which were less than one gallon, and five between one and three gallons. All 15 were successfully cleaned up. No citations for non-compliance from any governmental agency. |
| Achievement Rating: | 120% |

Sustainability: New Rating Agency Reports (15%)

| | |
|-------------------------------|--|
| Threshold (~70-90% rating) | Preview [two rating agency names redacted] report on Company for 2022 performance and provide comment as needed; file with [one rating agency name redacted] |
| Target (~90-110% rating) | Complete threshold items plus: Complete initial filing for Company with [two rating agency names redacted] |
| Maximum (~110-150% rating) | Improve Company sustainability ratings with [three rating agency names redacted] relative to 2022 ratings |
| Achievement Description | Company's [rating agency name redacted] water security and climate risk filings complete. Requested updates to Company's [rating agency name redacted] E&S data; submitted in July 2023. Initial [rating agency name redacted] report completed in September 2023. Work to comply with GRI underway, first report under these protocols will be in 2023 Sustainability Report. |
| Achievement Rating: | 100% |

Sustainability: Company Policies (20%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | NOVAGOLD to adopt a Climate Change Policy and a Biodiversity Policy |
| Target (~90-110% rating) | Threshold items plus: Work with Donlin Gold to develop and adopt either a project-level Climate Change Policy or a project-level Biodiversity Policy |
| Maximum (~110-150% rating) | Threshold items plus: Work with Donlin Gold to develop and adopt both a Climate Change Policy and a Biodiversity Policy |
| Achievement Description | The Company adopted a Climate Change Policy and Biodiversity Policy in January 2023. |
| Achievement Rating: | 100% |

**MAINTAIN A FAVORABLE REPUTATION OF THE COMPANY AND ITS PROJECT AMONG SHAREHOLDERS:
10% WEIGHT**

Shareholder Engagement (20%)

| | |
|-------------------------------|--|
| Threshold (~70-90% rating) | Proxy circular shareholder engagement campaign results in 60% eligible voter turnout at AGM |
| Target (~90-110% rating) | Proxy circular shareholder engagement campaign results in 70% eligible voter turnout at AGM and at least 80% of votes cast in support of each AGM proposal |
| Maximum (~110-150% rating) | Proxy circular shareholder engagement campaign results in 80% eligible voter turnout at AGM and at least 85% of votes cast in support of each AGM proposal |
| Achievement Description | Voter turnout was 85.17%, and all proposals passed with more than 85% approval. |
| Achievement Rating: | 150% |

IR Program and Outreach (80%)

| | |
|-------------------------------|--|
| Threshold (~70-90% rating) | Reach out to 100% of top 20 shareholders* during the year and engage with 70%. Maintain 12 out of 20 top shareholders* and attract two additions to the holders who hold greater than 0.5 million shares |
| Target (~90-110% rating) | Reach out to 100% of top 20 shareholders* during the year and engage with 80%. Maintain 14 or more out of 20 top shareholders* and attract three or more additions to the holders who hold greater than 0.5 million shares |
| Maximum (~110-150% rating) | Reach out to 100% of top 20 shareholders* during the year and engage with 90%. Maintain 17 or more out of 20 top shareholders* and attract three or more additions to the holders who hold greater than 0.75 million shares |
| Achievement Description | Reached out to 100% of top 20 shareholders and engaged with all of them either via email or a scheduled meeting save for two. Maintained 18 out of top 20 shareholders and attracted one new shareholder holding more than 0.5 million shares. Three existing top holders added significant shares during the year; one of more than 1.0 million shares and two of more than 0.5 million shares. |
| Achievement Rating: | 110% |

* 20 top shareholders does not include passive index funds or custodial funds

**MANAGE COMPANY TREASURY EFFECTIVELY AND EFFICIENTLY; STREAMLINE CORPORATE STRUCTURE:
5% WEIGHT**

Company Budget (50%)

| | |
|-------------------------------|--|
| Threshold (~70-90% rating) | Complete 2023 over budget by no more than 5% excluding payroll |
| Target (~90-110% rating) | Complete 2023 on budget |
| Maximum (~110-150% rating) | Complete 2023 under budget by 5% or better excluding payroll |
| Achievement Description | Completed 2023 on budget |
| Achievement Rating: | 100% |

Maintain Effective Internal Controls Over Financial Reporting (50%)

| | |
|-------------------------------|---|
| Threshold (~70-90% rating) | No material weaknesses |
| Target (~90-110% rating) | No material weaknesses and no unresolved significant deficiencies at year end |
| Maximum (~110-150% rating) | No material weaknesses and no significant deficiencies identified |
| Achievement Description | No material weaknesses or deficiencies |
| Achievement Rating: | 130% |

The Committee and Board determined that overall the 2023 Company goals were successfully achieved at the levels as described above, and the resulting Company rating was 114%, calculated as set out below.

Neither the Committee nor the Board exercised any discretion with regard to the Company achievement rating for 2023.

| Goal Category | Category Weight | Achievement by Category | Weighted Achievement by Category |
|--|-----------------|-------------------------|----------------------------------|
| Donlin Gold | 45% | 120.50% | 54.23% |
| Maintain/Increase Support for Donlin Gold | 30% | 101.00% | 30.30% |
| ESG Culture Including Safety, Sustainability & Environment | 10% | 121.00% | 12.10% |
| Favorable Reputation | 10% | 118.00% | 11.80% |
| Manage Treasury, Streamline Corporate Structure | 5% | 115.00% | 5.75% |
| Totals: | 100% | | 114.18% |

The formula for determining NEO annual incentive payments each year is as follows:

| | | | |
|----------------|--|---------------|---|
| STEP 1: | Company Performance Rating multiplied by 80% | PLUS | Individual Performance Rating multiplied by 20% |
| | The sum of Step 1 is multiplied by: | | |
| STEP 2: | The NEO's annual incentive target (%) | MULTIPLIED BY | The NEO's annual base salary (\$) |

The Company performance component is weighted more heavily than the individual performance component in the formula above for each of the NEOs due to the level of influence the NEOs are expected to have over the Company's performance.

NEO Individual Performance Ratings

In establishing the individual performance ratings for 2023, the Committee considered the following factors with respect to each of the NEOs.

| NEO | Fiscal Year 2023 Individual Performance Rating | 2023 Performance Highlights |
|-----------------------|--|--|
| Gregory Lang | 130% | <ul style="list-style-type: none"> Commendable leadership of NOVAGOLD's executive team. Provided direct support to Donlin Gold LLC to ensure completion of Donlin Gold 2023 work program on time. Served as Chair of the Donlin Gold LLC board in 2023, overseeing strategic advancement of the project in the areas of permitting, permitting defense, engineering, and community relations. |
| David Ottewell | 120% | <ul style="list-style-type: none"> Lead role in safeguarding the Company's treasury, ending fiscal 2023 on budget. No deficiencies in internal controls over financial reporting in fiscal 2023. Serves as executive primarily responsible for risk management. |

The NEOs' annual incentive payment for fiscal 2022 performance was paid in fiscal 2023. The following table describes the 2022 annual incentive payment calculation for NEOs based on performance in 2022 applying the annual incentive calculation formula above to the columns below as follows:

$$((A \times B) + (C \times D)) \times (E \times F) = G$$

| NEO | A 2023 Company | | C 2023 Individual | | E Annual Incentive Target (as a % of annual base salary) | F 2023 Annual Base Salary | G 2023 Annual Incentive Payment |
|-----------------------|-------------------|--------------------|----------------------|--------------------|---|------------------------------|------------------------------------|
| | Weight | Performance Rating | Weight | Performance Rating | | | |
| Gregory Lang | 80% | 114% | 20% | 130% | 100% | \$838,600 | \$982,839 |
| David Ottewell | 80% | 114% | 20% | 120% | 80% | \$463,900 | \$427,530 |

The foregoing table shows the actual annual incentive payment made to each NEO for their performance in 2023 in column G. The table in the section titled "Grants of Plan-Based Awards" below displays the target and maximum annual incentive payouts available to each NEO for fiscal year 2023.

Stock-Based Incentive Plans (Long-Term Incentives)

Stock-based grants are generally awarded to officers at the commencement of their employment and periodically thereafter. Annual grants of stock options and/or PSUs are made based on a target percentage of base salary for each NEO. The purpose of granting stock options and/or PSUs is to assist the Company in compensating, attracting, retaining, and motivating directors, officers, employees, and consultants of the Company, and to closely align the personal interests of such persons to those of the Shareholders. These equity vehicles were chosen because the Company believes that these vehicles best incentivize the team to focus their efforts on increasing Shareholder value over the long-term.

The Committee targeted the 75th percentile of the total direct compensation data provided by the Compensation Consultant for the NEOs. The Company uses two different plans for stock-based grants for its NEOs: the Stock Award Plan (stock options) and the PSU Plan. The percentage of stock options versus PSUs granted is determined by the Committee for each grant. The Company’s Stock Award Plan was adopted on May 11, 2004, and the PSU Plan was adopted on May 26, 2009. The Stock Award Plan is for the benefit of the officers, Directors, employees and consultants of the Company or any subsidiary company, and the PSU Plan is for the benefit of the officers, employees and consultants of the Company or any subsidiary company.

Stock options granted to the NEOs pursuant to the Stock Award Plan for performance in 2022 have a five-year life and vest over three years: 1/3 on the first anniversary of the grant date, 1/3 on the second anniversary of the grant date, and 1/3 on the third anniversary of the grant date. PSUs granted to the NEOs pursuant to the PSU Plan as of the date hereof have a three-year performance period between the grant date and the maturity date when a vesting determination is made.

On March 17, 2020, the Board approved an amendment to reduce the number of shares subject to the Stock Award Plan, to effect certain other U.S. tax related updates as a result of the Tax Cuts and Jobs Act of 2017 (the “TCJA”), and to modify the definition of Fair Market Value in the Stock Award Plan. The amendment (i) reduced the aggregate number of shares to be delivered upon the exercise of all awards granted under the Stock Award Plan from a maximum of 10% of the issued and outstanding shares of the Company at the time of grant to a maximum of 8%, on a non-diluted basis, (ii) removed the ability to grant new awards that qualify as performance-based compensation under Section 162(m) of the U.S. Internal Revenue Code, as amended, as a result of the repeal of the exemption for qualified performance-based compensation for grants made after the date of repeal, and (iii) removed the reference to using the last recorded sale of a board lot of Common Shares the day immediately preceding the date in question from the definition of Fair Market Value, leaving the closing price of the Common Shares the day immediately preceding the date in question as the predominant method of determining Fair Market Value. This amendment to the Stock Award Plan was submitted to the TSX for approval, and conditional approval was obtained on March 19, 2020. This amendment to the Stock Award Plan was approved by the Shareholders on May 14, 2020.

On March 17, 2020, the Board approved an amendment to the PSU Plan to effect certain other U.S. tax related updates as a result of the TCJA, and to modify the definition of Market Value in the PSU Plan. The amendment (i) removed the ability to grant new awards that qualify as performance-based compensation under Section 162(m) of the U.S. Internal Revenue Code, as amended, as a result of the repeal of the exemption for qualified performance-based compensation for grants made after the date of repeal, and (ii) removed the reference to using the sale of a board lot of Common Shares from the definition of Market Value, leaving the arithmetic average of the closing price of the Common Shares on the applicable stock exchange for the five trading days preceding the applicable date as the predominant method of determining Market Value. This amendment to the PSU Plan was submitted to the TSX for approval, and conditional approval was obtained on March 19, 2020. This amendment to the PSU Plan was approved by the Shareholders on May 14, 2020.

The value of each NEO’s long-term incentive (LTI) award is calculated as follows:

| The NEO’s annual base salary (\$) | MULTIPLIED BY | LTI Target % |
|-----------------------------------|---------------|--------------|
|-----------------------------------|---------------|--------------|

Half of the resulting LTI award value is then divided by the Black-Scholes value of the Company’s Common Shares at fiscal year-end to arrive at the number of stock options to be granted. Inputs used in the Black-Scholes valuation model include the Company’s historical stock price to determine the stock’s volatility, the expected life of the option, which is based on the average length of time similar option grants in the past have remained outstanding prior to exercise, and the vesting period of the grant.

The remaining half of the LTI award value is divided by the closing price of the Company’s Common Shares on the NYSE American at fiscal year-end to determine the number of PSUs to be granted. Annual grants of stock options and PSUs are granted based on the formulas described above; however, the Compensation Committee considers existing, outstanding equity grants made to individuals if special equity grants (e.g., new hire grants, off-cycle grants) are recommended to the Board for those individuals.

The Board of Directors approved the grant of 1,182,500 stock options and 512,500 PSUs in aggregate to Mr. Lang and Mr. Ottewell effective December 1, 2023, in recognition of their performance during fiscal year 2023. These grants comprise 50% of each NEO’s LTI award value in stock options and 50% in PSUs.

The PSUs granted to the NEOs on December 1, 2023 will mature in three years on or about December 1, 2026. The Committee anticipates that future PSU grants to the NEOs will mature over three years. The number of PSUs vesting for each NEO granted for 2023 performance will be based on the Company’s Common Share price performance relative to the share price performance of the S&P/TSX Global Gold

Index between the PSU grant date and November 30, 2026 (the “Performance Period”). The Committee has determined that applying other types of performance criteria to the PSUs based upon Company revenues or production targets is inappropriate at this time as the Company’s assets are in the development stage. The Company’s share price performance over the Performance Period will be converted to a percentage relative to the share price performance of the S&P/TSX Global Gold Index over the same Performance Period. The table below sets out the adjustment factors for determining the number of PSUs that will vest on or shortly after the maturity date upon the Committee’s certification of the Company’s share price performance relative to that of the S&P/TSX Global Gold Index over the applicable Performance Period:

| Company’s Share Price Return Relative to the S&P/TSX Global Gold Index Over the Performance Period | PSU Vest %* |
|--|------------------------------------|
| Greater than 25% | 150% |
| 25% | 150% |
| 20% | 140% |
| 15% | 130% |
| 10% | 120% |
| 5% | 110% |
| 0% | 100% |
| -5% | 90% |
| -10% | 80% |
| -15% | 70% |
| -20% | 60% |
| -25% | 50% |
| Less than -25% | Payout subject to Board discretion |

* In the event the Company’s share price return is negative over the Performance Period, vesting shall be capped at 100%.

Stock options granted to the NEOs in fiscal year 2024 based on performance in fiscal year 2023 represented approximately 0.35% of the total Common Shares issued and outstanding as of November 30, 2023. PSUs granted to the NEOs in fiscal year 2024 based on performance in fiscal year 2023 represented approximately 0.15% of the total Common Shares issued and outstanding as of November 30, 2023. Stock options granted to all Company Directors, employees, and service providers in fiscal year 2024 based on performance in fiscal year 2023 represented approximately 0.86% of the total Common Shares issued and outstanding as of November 30, 2023. PSUs granted to all Company employees and service providers in fiscal year 2024 based on performance in fiscal year 2023 represented approximately 0.27% of the total Common Shares issued and outstanding as of November 30, 2023.

The following table describes the long-term incentive awards to NEOs granted in fiscal 2024 based on performance in fiscal 2023:

| NEO | Long-term Incentive Target (as a % of Base Pay) % | Stock Option Grant # | Stock Option Grant as % of Total Shares Outstanding ⁽¹⁾ % | Stock Option Exercise Price \$ | PSU Grant # | PSU Grant as % of Total Shares Outstanding ⁽¹⁾ % |
|-----------------------|---|----------------------|--|--------------------------------|-------------|---|
| Gregory Lang | 375 | 863,900 | 0.26 | 4.20 | 374,400 | 0.11 |
| David Ottewell | 250 | 318,600 | 0.10 | 4.20 | 138,100 | .04 |

(1) As of November 30, 2023, the Company had a total of 334,246,859 Common Shares issued and outstanding.

Executive Special Retention Awards

In late 2022 the Compensation Committee engaged in an executive succession planning exercise with Mercer, the Compensation Committee’s independent compensation consultant. One outcome of this exercise was an effort to ensure continuity of the current

executive team through at least mid-2024. To accomplish this the Board approved special retention grants for the NEOs and three other Company executives. The special retention grants were awarded December 15, 2022, and are in the form of PSUs that will mature at 100% of the grant amount on June 30, 2024 and pay out shortly thereafter so long as the executive is still employed as an executive by the Company on June 30, 2024. Mr. Lang received a special retention grant of 44,300 PSUs, and Mr. Ottewell received a special retention grant of 35,500 PSUs. All five executives, including NEOs Lang and Ottewell, received special retention grants totaling 181,700 PSUs. One of the three non-NEO executives also received a special retention cash award of \$175,000 to be paid out on or shortly after June 30, 2024, so long as the executive is still employed with the Company on June 30, 2024.

Executive Share Ownership

In order to align the interests of the Company's senior executives with those of its Shareholders, the Company first implemented share ownership guidelines for its senior executives in April 2009 and updated them for the President and CEO effective August 12, 2020. Under the guidelines, a senior executive can satisfy the applicable share ownership requirement by holding Common Shares. Stock options and unvested PSUs do not count toward this requirement. Pursuant to the guidelines, senior executives must meet their share ownership requirements within five years of becoming a senior executive or within three years of any change to the executive's share ownership requirements. There are no equity holding period requirements.

For the President and CEO, the share ownership requirement is that amount equal to the value of five times his annual base salary. In the case of the CFO, the share ownership requirement is that amount equal to the value of two times his annual base salary and, in the case of other executives, one times their annual base salary. Upon meeting the share ownership requirement, an executive is deemed to have met the share ownership requirement going forward, regardless of changes in the price of a Common Share, so long as: (i) the executive's share ownership does not drop below the number of shares held at the time they first met the share ownership requirement, and (ii) the applicable share ownership requirement remains the same. Executives are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive. Executives are also not permitted to pledge Company securities to secure personal debts or loans.

Fiscal Year End NEO Share Ownership

The following table outlines the aggregate value of the Common Shares held by each NEO employed by the Company as of November 30, 2023.

| NEO | Eligible Share Holdings (Common Shares) # | Share Ownership Guidelines | | |
|-----------------------|--|----------------------------|--------------------------|---|
| | | Requirement | \$ | Proportion of Requirement Met ⁽¹⁾ % |
| Gregory Lang | 1,986,537 | 5 X base salary | 4,193,000 ⁽²⁾ | 199 |
| David Ottewell | 797,814 | 2 X base salary | 927,800 ⁽³⁾ | 361 |

(1) Based on the closing Common Share price on the NYSE American on November 30, 2023 of \$4.20.

(2) Based on Mr. Lang's annual salary effective January 1, 2023. Mr. Lang has until January 1, 2028 to meet the share ownership requirement equal to \$4,193,000. Mr. Lang received a subsequent annual salary increase effective January 1, 2024 and has until January 1, 2029 to meet the share ownership requirement associated with his 2024 annual salary.

(3) Based on Mr. Ottewell's annual salary effective January 1, 2023. Mr. Ottewell has until January 1, 2028 to meet the share ownership requirement equal to \$927,800. Mr. Ottewell has not received a salary increase since January 1, 2023.

Retirement Plans

The purpose of the Company's retirement plans is to assist eligible employees with accumulating capital toward their retirement savings. The Company has a RRSP plan for Canadian employees, whereby employees may contribute a portion of their base pay and receive a dollar-for-dollar match from the Company of up to 5% of their base pay, subject to CRA limitations. The Company has a 401(k) retirement savings plan for U.S. employees whereby they may contribute a portion of their pay and receive a dollar-for-dollar match from the Company of up to 5% of their pay, subject to IRS limitations.

Benefits

The Company's benefit programs provide employees with health and welfare benefits. The programs consist of medical, dental, vision, life, disability and accidental death and dismemberment insurance, and an employee assistance plan. The only benefits that NEOs receive beyond those provided to other employees is eligibility for a paid annual executive physical, and Mr. Lang receives an auto allowance.

Advisory Vote on Executive Compensation

In accordance with Section 951 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Section 14A of the Exchange Act, the Company is asking you pursuant to this Circular to consider and, if deemed advisable, pass a non-binding resolution approving the compensation of the Company's NEOs as disclosed herein (the "Executive Compensation Resolution"). See the "Non-Binding Advisory Vote on Executive Compensation" section under Additional Matters to be Acted Upon on page 11 in this Circular. At the Company's annual meeting of shareholders held on May 18, 2023, approximately 95% of votes cast indicated approval of an advisory say-on-pay proposal with respect to the 2022 fiscal year compensation of the Company's NEOs.

Compensation Committee Report

The Committee has reviewed and discussed with management the Company's Compensation Discussion and Analysis included herein. Based on such review and discussions, the Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K for the year ended November 30, 2023 and the Company's Circular for the year ended November 30, 2023.

Submitted by the following members of the Compensation Committee of the Board of Directors:

Kalidas Madhavpeddi, Chair
Elaine Dorward-King
Daniel Muñoz Quintanilla
Anthony Walsh

TABULAR DISCLOSURE OF EXECUTIVE COMPENSATION

Summary Compensation Table

The summary compensation table below sets out NEO compensation, including annual salary earned, incentive awards granted, and all other compensation earned, during the fiscal years ended November 30, 2023, 2022 and 2021. Additional information on the components of the total compensation package, including a discussion of the proportion of each element to total compensation, is discussed above under "Compensation Discussion & Analysis".

| Name and Principal Position | Fiscal Year | Salary \$ | Stock Awards ⁽¹⁾ \$ | Option Awards ⁽²⁾ \$ | Non-Equity Incentive Plan Compensation ⁽³⁾ \$ | All Other Compensation ⁽⁴⁾ \$ | Total Compensation \$ |
|--|-------------|-----------|--------------------------------|---------------------------------|--|--|-----------------------|
| Gregory Lang, President and CEO | 2023 | 835,908 | 1,763,378 | 1,511,824 | 982,839 | 54,899 | 5,148,848 |
| | 2022 | 806,300 | 1,528,705 | 1,511,773 | 940,146 | 52,872 | 4,839,796 |
| | 2021 | 804,342 | 1,504,881 | 1,467,584 | 919,182 | 52,059 | 4,748,048 |
| David Ottewell, Vice President and CFO | 2023 | 462,417 | 758,261 | 557,540 | 427,530 | 29,110 | 2,234,857 |
| | 2022 | 445,017 | 547,331 | 541,407 | 413,981 | 27,346 | 1,975,082 |
| | 2021 | 431,775 | 534,978 | 521,456 | 401,224 | 26,221 | 1,915,654 |

- (1) Amounts are based on the grant date fair value, calculated in accordance with FASB Accounting Standards Codification Topic 718, Compensation — Stock Compensation ("ASC 718"), utilizing the assumptions discussed in Note 13 to the Company's consolidated financial statements for the applicable fiscal year.
- (2) Amounts are based on the grant date fair value, calculated in accordance with ASC 718, utilizing the assumptions discussed in Note 13 to the Company's consolidated financial statements for the applicable fiscal year. Option-based awards granted during the years ended November 30, 2021, 2022 and 2023 include vested and unvested amounts.
- (3) Annual incentive payments were made subsequent to fiscal year-end.
- (4) Amounts in fiscal year 2023 include:
 - For Mr. Lang, \$16,396 in 401(k) Company matching contributions, \$20,898 in ESPP Company matching contributions, \$755 in Company-paid life insurance premiums, \$15,000 for auto allowance and \$1,850 for a Company-paid executive physical.
 - For Mr. Ottewell, \$16,396 in 401(k) Company matching contributions, \$11,560 in ESPP Company matching contributions and \$1,153 in Company-paid life insurance premiums.

Grants of Plan-Based Awards in Fiscal 2023

The following table provides information related to plan-based awards granted to our NEOs during fiscal year 2023 based on performance in fiscal 2022.

| NEO | Grant Date | Grants of Plan-Based Awards | | | | | | | |
|-----------------------|-------------|--|------------|--|-----------|--|---|---|--|
| | | Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾ | | Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾ | | All Other Stock Awards: Number of Shares of Stock or Units # | All Other Option Awards: Number of Securities Underlying Options ⁽³⁾ # | Exercise or Base Price of Option Awards \$/Sh | Grant Date Fair Value of Stock and Option Awards ⁽⁴⁾ \$ |
| | | Target \$ | Maximum \$ | Target # | Maximum # | | | | |
| Gregory Lang | 01-Dec-2022 | | | 262,000 | 393,000 | — | 619,600 | 5.77 | 1,511,824 |
| | 15-Dec-2022 | | | 44,300 | 44,300 | — | — | — | — |
| | | 838,600 | 1,257,900 | | | — | — | — | — |
| David Ottewell | 01-Dec-2022 | | | 96,600 | 144,900 | — | 228,500 | 5.77 | 557,540 |
| | 15-Dec-2022 | | | 35,500 | 35,500 | — | — | — | — |
| | | 371,120 | 556,680 | | | — | — | — | — |

- (1) Annual Incentive Plan estimated payments based upon performance targets for fiscal year 2023. The Annual Incentive Plan does not provide a threshold or minimum payout.
- (2) The performance criteria for Performance Share Unit Awards granted December 1, 2022 will be measured and paid out in December 2025, depending upon the level of achievement during the performance period. The PSU Plan does not provide a threshold or minimum payout. The special executive retention Performance Share Unit Awards granted December 15, 2022 will mature and be paid out at 100% of the grant amount if the NEO remains employed as an executive with the Company as of June 30, 2024.
- (3) Grants under the Stock Award Plan.
- (4) Amounts are based upon the grant date fair value, calculated in accordance with ASC 718, utilizing the assumptions discussed in Note 13 to the Company's consolidated financial statements for the fiscal year ended November 30, 2023.

No stock option awards were re-priced during fiscal year 2023.

Outstanding Equity Awards at Fiscal Year-End

The following table sets out information concerning all option-based and share-based awards outstanding for each NEO as of November 30, 2023.

| NEO | Option-Based Awards ⁽¹⁾ | | | | | Share-Based Awards | |
|-----------------------|---|---|-----------------------|------------------------|---|---|---|
| | Number of Securities Underlying Unexercised Options # Exercisable | Number of Securities Underlying Unexercised Options # Unexercisable | Option Exercise Price | Option Expiration Date | Value of Unexercised in-the-money Options ⁽²⁾ \$ | Number of Unearned Shares, Units or Other Rights that have not Vested # | Market or Payout Value of Unearned Shares, Units or Other Rights that have not Vested ⁽³⁾ \$ |
| Gregory Lang | 546,000 | — | \$6.96 | 30-Nov-2024 | — | | |
| | 265,867 | 132,933 | \$9.96 | 30-Nov-2025 | — | | |
| | 200,767 | 401,533 | \$6.75 | 30-Nov-2026 | — | | |
| | — | 619,600 | \$5.77 | 30-Nov-2027 | — | | |
| | | | | | | 147,400 | 619,080 ⁽⁴⁾ |
| David Ottewell | | | | | | 224,000 | 940,800 ⁽⁵⁾ |
| | | | | | | 262,000 | 1,100,400 ⁽⁶⁾ |
| | | | | | | 44,300 | 186,060 ⁽⁷⁾ |
| | 194,000 | — | \$6.96 | 30-Nov-2024 | — | | |
| | 94,467 | 47,233 | \$9.96 | 30-Nov-2025 | — | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | 52,400 | 220,080 ⁽⁴⁾ |
| | | | | | | 80,200 | 336,840 ⁽⁵⁾ |
| | | | | | | 96,600 | 405,720 ⁽⁶⁾ |
| | | | | | | 35,500 | 149,100 ⁽⁷⁾ |

- (1) The option-based awards listed in this table vest as follows: 1/3 on the first anniversary of the Grant Date, 1/3 on the second anniversary of the Grant Date, and 1/3 on the third anniversary of the Grant Date.
- (2) Based on the price of the Company's Common Shares on the NYSE American as of November 30, 2023 of \$4.20 less the option exercise price, as applicable.
- (3) Based on the price of the Company's Common Shares on the NYSE American as of November 30, 2023 of \$4.20. The Payout Value assumes that these PSUs are paid out at 100% of the grant amount.
- (4) The performance period for these PSUs ended on November 30, 2023. Subsequent to November 30, 2023, it was determined that these PSUs did not meet the performance criteria and were forfeited without any payout.
- (5) The performance period for these PSUs is scheduled to end on November 30, 2024. The payout, if any, is scheduled to be made on or shortly after December 1, 2024.
- (6) The performance period for these PSUs is scheduled to end on November 30, 2025. The payout, if any, is scheduled to be made on or shortly after December 1, 2025.
- (7) These special executive retention PSUs are scheduled to mature at 100% of the grant amount if the NEO remains employed as an executive with the Company as of June 30, 2024. The payout, if any, is scheduled to be made on or shortly after July 1, 2024.

Option Exercises and Stock Vested in Fiscal 2023

The following table provides information regarding stock that vested from PSU grants during fiscal 2023 and stock options that were exercised by the Company's NEOs during fiscal 2023. Stock award value is calculated by multiplying the number of vested PSUs by the market value of the underlying shares on the vesting date.

| NEO | Option Awards | | Stock Awards | |
|-----------------------|---|----------------------------------|--|---------------------------------|
| | Number of Shares Acquired on Exercise ⁽¹⁾ # | Value Realized on Exercise \$ | Number of Shares Acquired on Vesting ⁽²⁾ # | Value Realized on Vesting \$ |
| Gregory Lang | 969,000 | 461,934 | Nil | Nil |
| David Ottewell | 334,600 | 768,272 | Nil | Nil |

(1) A portion of these shares were withheld to cover the exercise price of the options.

(2) Certain PSU grants made on December 1, 2019 matured on December 1, 2022; however, these PSU grants were forfeited in full as the performance criteria was not met.

CEO Pay Ratio – 10.6 to 1

We believe our executive compensation program must be consistent and internally equitable to motivate our employees to perform in ways that enhance shareholder value. We are committed to internal pay equity, and the Compensation Committee monitors the relationship between the pay of our executive officers and the pay of our non-executive employees. The Compensation Committee reviewed a comparison of our CEO's annual total compensation in fiscal year 2023 to that of all other Company employees for the same period. The calculation of annual total compensation of all employees was determined in the same manner as the "Total Compensation" shown for our CEO in the "Summary Compensation Table" on page 57 of this Circular. Pay elements that were included in the annual total compensation for each employee are:

- salary received in fiscal year 2023
- annual incentive payment received for performance in fiscal year 2023
- grant date fair value of stock option and PSU awards granted in fiscal year 2023
- Company-paid 401(k) Plan or RRSP match made during fiscal year 2023
- Company-paid ESPP match made during fiscal year 2023
- Company-paid life insurance premiums during fiscal year 2023
- auto allowance paid in fiscal year 2023
- reimbursement for Company-paid executive physical during fiscal year 2023

Our calculation includes all employees as of November 30, 2023. We applied a Canadian to U.S. dollar exchange rate to the compensation elements paid in Canadian currency.

We determined the compensation of our median employee by: (i) calculating the annual total compensation described above for each of our employees, (ii) ranking the annual total compensation of all employees except for the CEO from lowest to highest (a list of twelve employees), and (iii) since we have an even number of employees when not including the CEO, determining that the average annual total compensation of the two employees ranked sixth and seventh on the list is the median employee (the "Median Employee").

In adopting the pay ratio rule, the SEC expressly sought to provide flexibility to each company to determine the methodology that best suits its own facts and circumstances. Our pay ratio should not be compared to other companies' pay ratios because it is based on a methodology specific to the Company and certain material assumptions, adjustments and estimates have been made in the calculation of the pay ratio.

The annual total compensation for fiscal year 2023 for our CEO was \$5,148,848 and for the Median Employee was \$487,156. The resulting ratio of our CEO's pay to the pay of our Median Employee for fiscal year 2023 is 10.6 to 1.

Pay Versus Performance

As required by and in accordance with Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the implementing rules under Item 401(v) of Regulation S-K, the following disclosure summarizes the relationship between the executive compensation actually paid by the Company and the financial performance of NOVAGOLD over a three-year performance period.

| Year | Summary Compensation Table Total for PEO ⁽¹⁾ | Compensation Actually Paid to PEO ⁽¹⁾ | Summary Compensation Table Total for Non-PEO NEO ⁽²⁾ | Compensation Actually Paid to Non-PEO NEO ⁽²⁾ | Value of Initial Fixed C\$100 Investment Based On: | | | |
|------|---|--|---|--|--|--|--------------------------------|---|
| | | | | | Total Shareholder Return | Peer Group Total Shareholder Return ⁽³⁾ | Net Loss ⁽⁴⁾ (000s) | Net Cash Used in Operations ⁽⁵⁾ (000s) |
| 2023 | \$5,148,848 | \$ (1,061,965) | \$2,234,857 | \$ 612,754 | \$43.01 | \$80.39 | \$46,803 | \$ 7,786 |
| 2022 | \$4,839,796 | \$ 793,106 | \$1,975,082 | \$ 927,235 | \$58.89 | \$76.66 | \$53,343 | \$12,371 |
| 2021 | \$4,748,048 | \$(11,834,819) | \$1,915,654 | \$(1,851,289) | \$65.81 | \$86.63 | \$40,536 | \$ 9,863 |

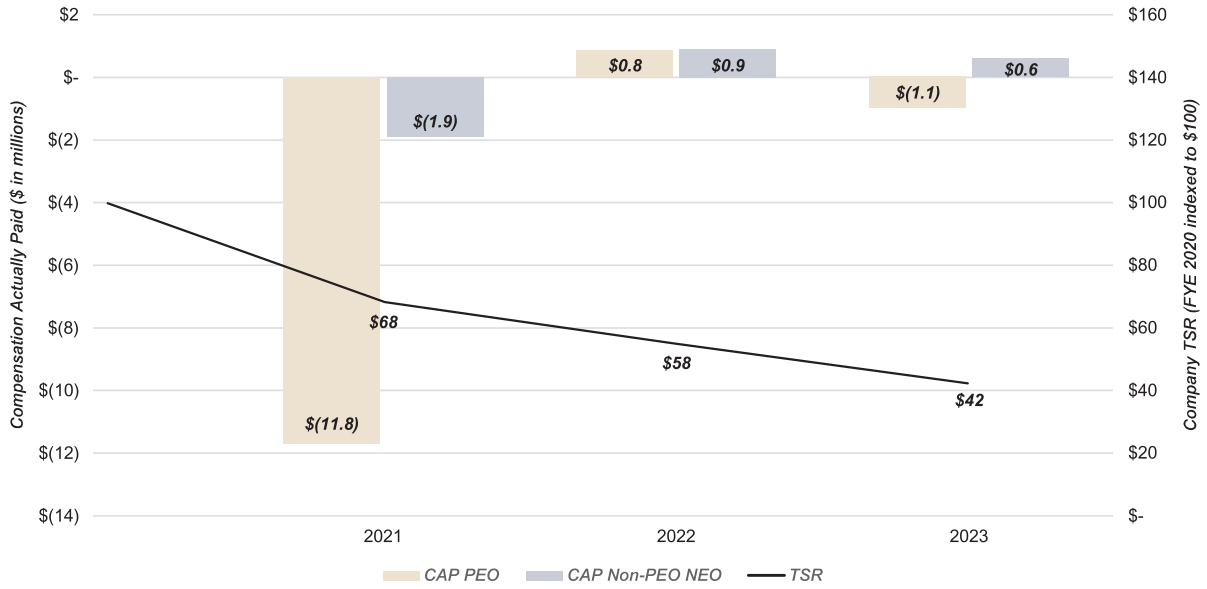
- (1) In his capacity as President and Chief Executive Officer, Mr. Lang is included as our PEO for 2023, 2022, and 2021. See the Summary Compensation Table Total versus Compensation Actually Paid Reconciliation Table below for additional details.
- (2) In his capacity as Vice President and Chief Financial Officer, Mr. Ottewell is included as our Non-PEO NEO for 2023, 2022, and 2021. See the Summary Compensation Table Total versus Compensation Actually Paid Reconciliation Table below for additional details.
- (3) Peer Group TSR average comprises the following companies (peers referenced for 2023 compensation planning as disclosed in the Compensation Discussion & Analysis above, and in NOVAGOLD's Management Information Circular published March 24, 2023): Alamos Gold Inc, B2Gold Corp., Centerra Gold Inc., Coeur Mining Inc., Equinox Gold Corporation, Hecla Mining Company, IAMGOLD Corporation, MAG Silver Corporation, New Gold Inc., OceanaGold Corp., Pan American Silver, Seabridge Gold Inc., SSR Mining Inc., and Torex Gold Resources Inc.
- (4) Represents NOVAGOLD's Net Loss as disclosed in respective year's Annual Report on Form 10-K.
- (5) Represents NOVAGOLD's Net Cash Used In Operations as disclosed in respective year's Annual Report on Form 10-K.

Summary Compensation Table Total versus Compensation Actually Paid Reconciliation Table

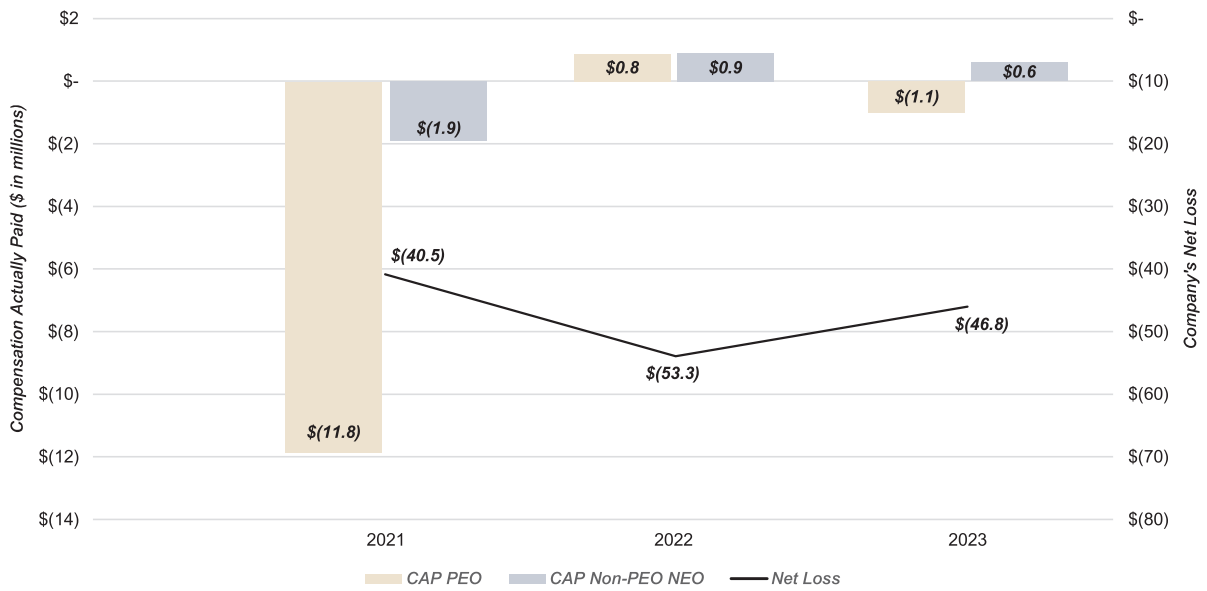
| Adjustments ⁽¹⁾⁽²⁾ | PEO | | | Non-PEO NEO | | |
|---|--------------------|------------------|---------------------|------------------|------------------|--------------------|
| | 2023 \$ | 2022 \$ | 2021 \$ | 2023 \$ | 2022 \$ | 2021 \$ |
| Summary Compensation Table Total | 5,148,848 | 4,839,796 | 4,748,048 | 2,234,857 | 1,975,082 | 1,915,654 |
| Deduction for amount reported in "Stock Awards" column of the Summary Compensation Table | (-) 1,763,378 | 1,528,705 | 1,504,881 | 758,261 | 547,331 | 534,978 |
| Deduction for amounts reported in "Option Awards" column of the Summary Compensation Table | (-) 1,511,824 | 1,511,773 | 1,467,584 | 557,540 | 541,407 | 521,456 |
| Addition of fair value at fiscal year (FY) end, of equity awards granted during the FY that remained outstanding | (+) 1,485,056 | 2,336,098 | 916,358 | 628,111 | 836,520 | 331,018 |
| Addition of change in fair value at FY end versus prior FY end for awards granted in prior FY that remained outstanding | (+) (4,523,702) | (3,797,454) | (14,456,405) | (971,466) | (950,159) | (3,009,005) |
| Addition of change in fair value at vesting date versus prior FY end for awards granted in prior FY that vested during the FY | (+) 201,793 | 1,067,197 | (70,354) | 72,161 | 371,903 | (32,522) |
| Deduction of the fair value at the prior FY end for awards granted in prior FY that failed to meet their vesting conditions | (-) 98,758 | 612,053 | — | 35,108 | 217,373 | — |
| Compensation Actually Paid | (1,061,965) | 793,106 | (11,834,819) | 612,754 | 927,235 | (1,851,289) |

- (1) Equity valuations have been calculated in accordance with the requirements for Compensation Actually Paid. Adjustment for stock options represents the sum of changes in fair value during the fiscal year. The stock option awards vest 1/3 over one year, 1/3 over two years, and 1/3 over three years. The awards have a five-year term. The FY2017 stock option fair value was \$5.39 at 11/30/2020. The FY2018 stock option fair value was \$6.21 at 11/30/2020 and \$2.94 at 11/30/2021. The FY 2019 stock option fair value was \$6.53 at 11/30/2020, \$3.34 at 11/30/2021, and \$2.25 at 11/30/2022. The FY2020 stock option fair value was \$4.78 at 11/30/2020, \$2.04 at 11/30/2021, \$1.14 at 11/30/2022, and \$0.08 at 11/30/2023. The FY2021 stock option fair value was \$3.68 at 12/01/2020, \$1.70 at 11/30/2021, \$1.00 at 11/30/2022 and \$0.17 at 11/30/2023. The FY2022 stock option fair value was \$2.51 at 12/01/2021, \$2.06 at 11/30/2022 and \$0.82 at 11/30/2023. The FY2023 stock option fair value was \$2.44 at 12/01/2022 and \$1.31 at 11/30/2023. See the Compensation Discussion and Analysis for a description of this award and the rationale.
- (2) Equity valuations have been calculated in accordance with the requirements for Compensation Actually Paid. Adjustment for performance stock units represents the sum of changes in fair value during the fiscal year. The performance stock unit awards vest with a three-year cliff. Pursuant to ASC 718, the grant date fair value of Performance Stock Units ("PSU") is determined by multiplying the target number of shares by a Monte Carlo calculation model which determined a grant date fair value. The FY2019 grant unit fair value was \$12.84 at 11/30/2020 and vest date fair value was \$8.08 at 11/30/2021. The FY2020 grant unit fair value was \$10.79 at 11/30/2021, \$2.99 at 11/30/2022 and vest date fair value was \$nil at 11/30/22. The FY2021 grant unit fair value was \$10.07 at 12/01/2020, \$1.72 at 11/30/21, \$0.67 at 11/30/2022 and vest date fair value was \$nil at 11/30/23. The FY2022 grant unit fair value was \$6.82 at 12/01/2021, \$4.89 at 11/30/22, and \$0.85 at 11/30/2023. The FY2023 grant unit fair value was \$5.74 at 12/01/2022 and \$1.86 at 11/30/2023. The Monte Carlo model is further described in NOVAGOLD's Annual Report on Form 10-K for the year ended November 30, 2023. The maximum value of the Performance Stock Units is 150% of target. See the Compensation Discussion and Analysis for a description of this award and the rationale.

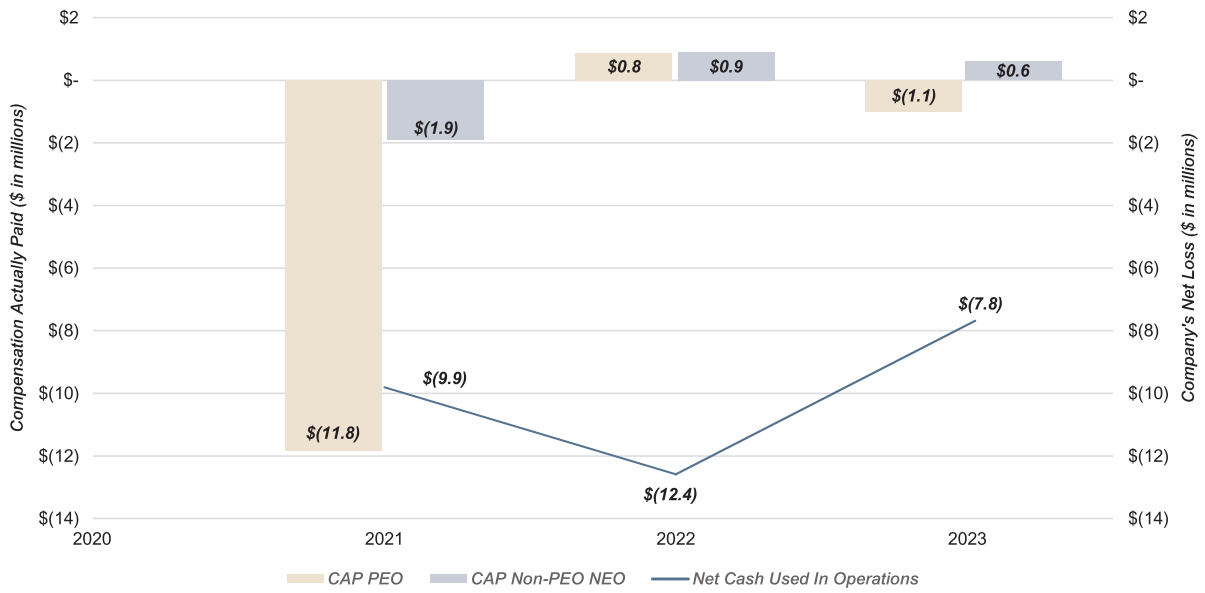
PEO and Non-PEO NEO Compensation Actually Paid versus the Company's TSR



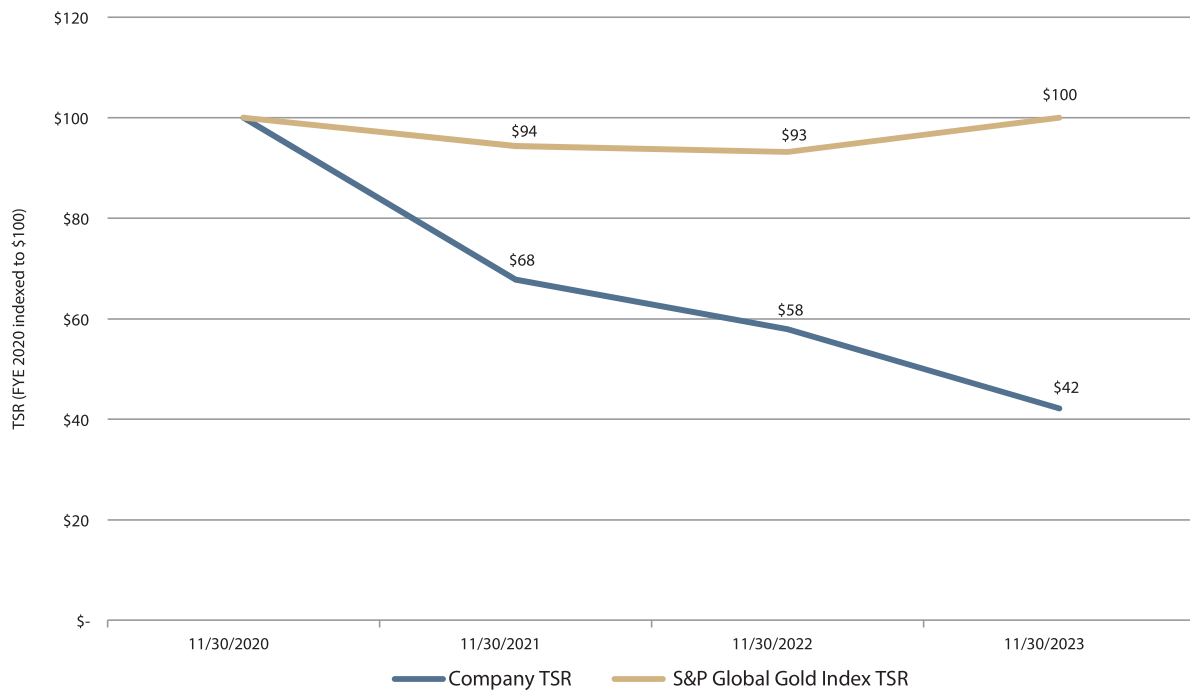
PEO and Non-PEO NEO Compensation Actually Paid versus the Company's Net Loss



PEO and Non-PEO NEO Compensation Actually Paid versus the Company's Net Cash Used In Operations



Company's TSR versus S&P Global Gold Index TSR



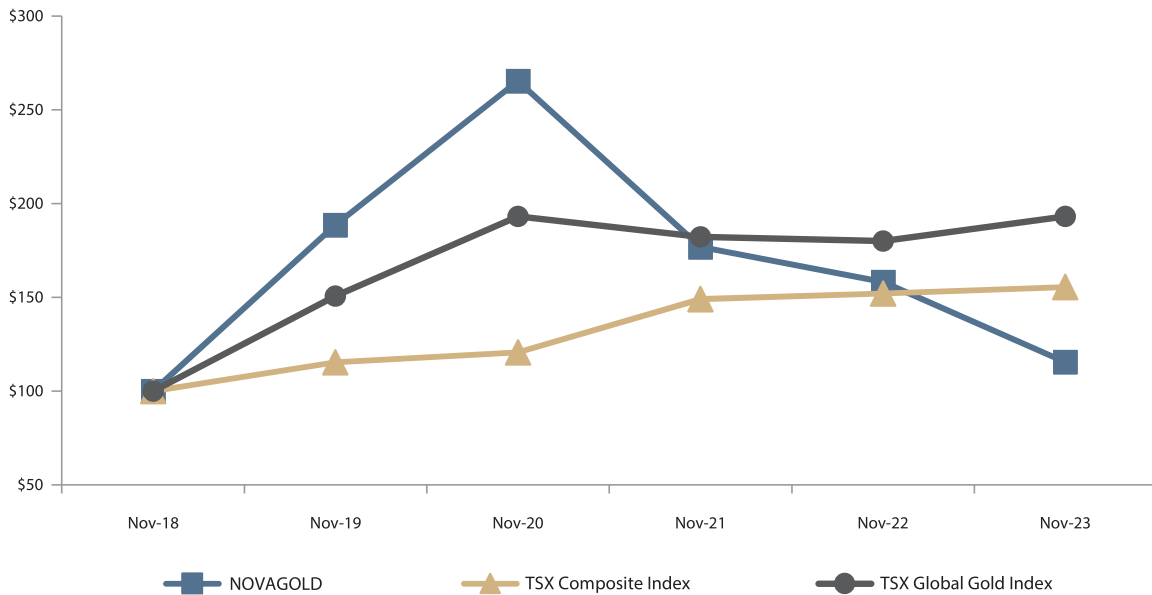
List of Most Important Financial and Non-Financial Measures

In accordance with Item 402(v) of Regulation S-K, the following is a list of the most important financial and non-financial measures that the Company considers having been the most important in linking Compensation Actually Paid to our CEO and other NEO for 2023 to Company performance. These measures are discussed in relation to executive compensation in more detail in the Compensation Discussion & Analysis section above and are not ranked.

- Environmental Compliance**
- Total Shareholder Return**
- Health & Safety**
- Social License to Operate**
- Maintenance and Retention of Project Permits**
- Maintenance of Company Treasury**

Performance Graph

The following graph depicts the Company’s cumulative total Shareholder returns over the five most recently completed fiscal years assuming a C\$100 investment in Common Shares on November 30, 2017, compared to an equal investment in the S&P/TSX Composite Index (TSX ticker: ^TSE) and in the S&P/TSX Global Gold Index (TSX ticker: ^TTGD) on November 30, 2017. The Company does not currently issue dividends. The Common Share performance as set out in the graph is not indicative of future price performance.



| C\$ | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|------|------|------|------|------|
| Value based on C\$100 invested in the Company on November 30, 2018 | 189 | 265 | 177 | 158 | 116 |
| Value based on C\$100 invested in the S&P/TSX Composite Index on November 30, 2018 | 115 | 121 | 149 | 152 | 155 |
| Value based on C\$100 invested in the S&P/TSX Global Gold Index on November 30, 2018 | 151 | 193 | 182 | 180 | 193 |

Pension Benefits and Nonqualified Deferred Compensation

The Company has no pension and no plans that provide for nonqualified deferred compensation to its NEOs.

Executive Employment Agreements

The Company has entered into employment agreements with each of the NEOs regarding, among other matters, the duties, tasks and responsibilities of each. Pursuant to an employment contract with the Company effective January 9, 2012, Mr. Lang is employed by the Company as President and CEO. Mr. Ottewell has entered into an employment agreement with NovaGold USA, Inc., a wholly owned subsidiary of the Company, effective November 13, 2012, and is employed as Vice President and Chief Financial Officer of the Company. References in this section to the "Company", as such references relate to Mr. Ottewell, are to NovaGold USA, Inc., except with respect to a change of control in which case such references are to a change of control of the Company. The employment agreements continue indefinitely, unless and until terminated.

Compensation

Mr. Lang's salary is reviewed at least annually by the Board. The Compensation Committee makes recommendations to the Board regarding appropriate salary adjustments. Mr. Ottewell's salary is reviewed at least annually by the CEO. The CEO may make recommendations to the Board or the Compensation Committee of the Board regarding appropriate salary adjustments. The Company is obligated to provide the NEOs with group life, long-term disability, extended medical and dental insurance coverage in accordance with the policies and procedures of the Company in effect from time to time.

Termination

Just Cause

The Company may terminate a Named Executive Officer's employment at any time for just cause.

Without Just Cause

The Company may terminate a Named Executive Officer's employment at any time without just cause upon making a severance payment in an amount equal to the Named Executive Officer's annual salary at the time of termination plus the annual incentive earned in the previous fiscal year, multiplied by two.

The Company will also continue the Named Executive Officer's group health and dental insurance benefits, if any, for a maximum period of 12 months or until such time as he subsequently becomes covered by another group health plan or otherwise loses eligibility for Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage, whichever is earlier, in accordance with COBRA and unless prohibited or restricted by applicable law. The Company will reimburse the Named Executive Officer on a tax-free basis for such COBRA premium payments. If the Company is unable to continue such group health and dental insurance benefits, or to provide them to the Named Executive Officer on a tax-favored basis, the Company will instead pay to the Named Executive Officer an amount equal to the present value of the Company's cost of providing such benefits, such amount to be paid as soon as possible following the Executive's termination but in any case by March 15 of the year following the year of termination. In addition, the Company will also pay to the Named Executive Officer, as soon as practical following termination of employment but in any event no later than March 15 of the year following the year of termination, a lump sum payment equal to the Company's cost of providing group life and long-term disability insurance coverage to the Named Executive Officer for a period of 12 months.

Material Breach or Default

A Named Executive Officer may terminate his employment agreement upon a material breach or default of any term of the employment agreement by the Company; provided, in the case of Mr. Lang, that Mr. Lang must advise the Company in writing of such breach or default within 90 days of the date he has become aware (or reasonably should have become aware) of the breach or default, and such breach or default has not been cured by the Company within 30 days from the receipt of such written notice and, in the case of Mr. Ottewell, that if such material breach or default is capable of being remedied by the Company, it has not been remedied within 30 days after written notice of the material breach or default has been delivered to the Company. If an employment agreement is terminated by the Named Executive Officer as a result of a material breach or default of any term of the employment agreement by the Company, the Named Executive Officer is entitled to receive the compensation to which the Named Executive Officer would be entitled if he were terminated without just cause.

Resignation

A Named Executive Officer may terminate his employment at any time upon providing three months' notice in writing to the Company.

Death or Disability

The Company may terminate a Named Executive Officer's employment at any time upon the Named Executive Officer's death or his becoming permanently disabled or disabled for a period exceeding 180 consecutive days or 180 non-consecutive days calculated on a cumulative basis over any two-year period during the term of the employment agreement. If the employment agreement is terminated due to the senior officer's death or disability, the Company will pay to the Named Executive Officer (or his estate) his then current salary accrued as of the date of termination and a lump sum equal to his then-current annual salary.

Change of Control

The employment agreements provide for certain payments upon a "double-trigger", which requires a "change of control", as defined below, and, within the 12-month period immediately following a change of control, either:

- a material change (other than a change that is clearly and exclusively consistent with a promotion) in the Named Executive Officer's positions, duties, responsibilities, titles or offices with the Company in effect immediately prior to any change of control;
- a material reduction in the Named Executive Officer's base salary in effect immediately prior to any change of control;
- any material breach by the Company of any material provision of the employment agreement; or
- any action or event that would constitute a constructive dismissal of the Named Executive Officer at common law.

If the Named Executive Officer advises the Company in writing of the condition set forth above within 90 days of the date the Named Executive Officer has become aware (or reasonably should have become aware) of the condition, and the Company has not cured the condition within 30 days from the receipt of written notice, the Named Executive Officer's employment will be deemed to have been terminated by the Company. The Company will, immediately upon such termination, and in all cases on or before March 15 of the year following the year in which such termination occurs, make a lump sum payment to the Named Executive Officer in an amount equal to the Named Executive Officer's annual salary at the time of termination plus the Named Executive Officer's annual incentive earned in the previous fiscal year, multiplied by two. The Named Executive Officer will also be entitled to the same benefits as if he were terminated without just cause.

For the purposes of the employment agreements, a "change of control" means any of the following:

- at least 50% in fair-market value of all of the Company's assets are sold to a party or parties acting jointly or in concert (as determined pursuant to the Ontario Securities Act, as amended (the "OSA")) in one or more transactions occurring within a period of two years;
- a direct or indirect acquisition of voting shares of the Company by a person or group of persons acting jointly or in concert that, when taken together with any voting shares owned directly or indirectly by such person or group of persons at the time of the acquisition, constitutes 40% or more of the Company's outstanding voting shares, provided that the direct or indirect acquisition of voting shares of the Company by Electrum, including all persons acting jointly or in concert with Electrum, shall not constitute a "change of control" unless the acquisition of such additional voting shares, when taken together with any voting shares or securities convertible into voting shares held directly or indirectly by Electrum at the time of acquisition, constitutes 50% or more of the Company's outstanding voting shares (all such convertible securities owned by Electrum will be deemed to be fully converted or exercised and the number of the Company's outstanding voting shares will be adjusted to reflect such conversion or exercise);
- a majority of the nominees of the then-incumbent Board of Directors of the Company standing for election to the Company's Board of Directors are not elected at any annual or special meeting of the Company's Shareholders; or
- the Company is merged, amalgamated, consolidated or reorganized into or with another body corporate or other legal person and, as a result of such business combination, more than 40% of the voting shares of such body corporate or legal person immediately after such transaction are beneficially held in the aggregate by a person or body corporate (or persons or bodies corporate acting jointly or in concert) and such person or body corporate (or persons or bodies corporate acting jointly or in concert) beneficially held less than 40% of the Company's voting shares immediately prior to such transaction.

Release

In order for a Named Executive Officer to receive the severance payment and the payments with respect to group health, dental, life and disability coverage in the event of termination without just cause or upon breach or default by the Company under an employment agreement, the severance payment upon the Named Executive Officer's death or disability or the severance payment and the payments upon a double-trigger event, the Named Executive Officer must agree to enter into a separation agreement and release in a form agreeable to the Company, including a release of claims in the form provided by the Company, on or prior to the date of the expiration of any consideration period under applicable law.

Non-Solicitation

The Named Executive Officers are subject to non-solicitation provisions for a period of six months following termination of their employment for any reason.

Potential Payments Upon Termination or Change of Control

The following table describes the estimated potential payments and benefits under the Company's compensation and benefit plans and contractual agreements to which the Named Executive Officers would have been entitled if a termination of employment or change of control occurred on November 30, 2023. The actual amounts to be paid out can only be determined at the time of the Named Executive Officer's departure from the Company. The amounts reported in the table below do not include payments and benefits to the extent they are provided generally to all salaried employees upon termination of employment and do not discriminate in scope, terms or operation in favor of the Named Executive Officers or include distributions of plan balances under the Company's 401(k) plan or savings plans. The amounts reported assume payment of all previously earned and unpaid salary, vacation pay and short- and long-term incentive awards.

| Named Executive Officer | Termination for "Just Cause" or Resignation \$ | Termination without "Just Cause" or Breach or Default by the Company \$ | Death or Disability \$ | Change of Control ⁽¹⁾ \$ | Double-Trigger ⁽²⁾ \$ |
|--|---|--|---------------------------|--|-------------------------------------|
| Gregory Lang | | | | | |
| Cash severance | — | 3,642,878 | 838,600 | — | 3,642,878 |
| Acceleration of equity awards ⁽³⁾ | — | — | — | — | 2,846,340 |
| Present value of group health and dental plan premiums ⁽⁴⁾ | — | 31,026 | — | — | 31,026 |
| Present value of group life and long-term disability premiums ⁽⁵⁾ | — | — | — | — | 7,733 |
| Total Termination Benefits | — | 3,673,904 | 838,600 | — | 6,527,977 |
| David Ottewell | | | | | |
| Cash severance | — | 1,782,860 | 463,900 | — | 1,782,860 |
| Acceleration of equity awards ⁽³⁾ | — | — | — | — | 1,111,740 |
| Present value of group health and dental plan premiums ⁽⁴⁾ | — | 27,451 | — | — | 27,451 |
| Present value of group life and long-term disability premiums ⁽⁵⁾ | — | — | — | — | 9,612 |
| Total Termination Benefits | — | 1,810,311 | 463,900 | — | 2,931,663 |

(1) Represents the value of all outstanding PSUs and stock options granted on or before December 1, 2018, the vesting of which will be fully accelerated upon the occurrence of a "change of control" under the Performance Share Unit Plan and the Stock Award Plan.

- (2) Represents payments upon the occurrence of a double-trigger event under: i) the executive employment agreements in the case of cash, and ii) the Performance Share Unit Plan and the Stock Award Plan for awards made after January 2019. Excludes accelerated vesting of PSUs and stock options granted prior to January 2019 to which the Named Executive Officers may be entitled upon the occurrence of a "change of control" under the Performance Share Unit Plan and the Stock Award Plan, which are reported under "Change of Control."
- (3) Value based on the closing price of the Company's common shares on November 30, 2023 on the NYSE American of \$4.20. For stock options, the exercise price has been deducted.
- (4) Represents reimbursement to the Named Executive Officer for premium payments for group health and dental insurance benefits, excluding gross ups to cover taxes and including a 2% COBRA administration markup.
- (5) Represents a lump sum payment equal to the Company's cost of providing group life and long-term disability insurance coverage to the Named Executive Officer for a period of twelve months following termination.

NON-EXECUTIVE DIRECTOR COMPENSATION

The Company has targeted non-executive Director total direct compensation above the median of the Peer Group for the following reasons:

- the Company seeks to attract directors with experience working for larger companies than that of our Peer Group because of our large joint venture partner; and
- the Company seeks to attract directors with experience working for larger companies than that of our Peer Group because of the scale and quality of the Company's Donlin Gold asset under development in comparison to our Peer Group's assets.

Compensation targets for non-executive Directors are:

- For annual cash retainers – 25th percentile of the market
- For chair fees and meeting fees – 62.5th percentile of the market
- For total direct compensation including equity awards – 75th percentile of the market

At the request of the Compensation Committee, a review of non-executive Directors' compensation was conducted in the fourth quarter of fiscal year 2023. The Compensation Committee, after referring to market information provided by Mercer, determined to recommend no changes to the Directors' fiscal year 2024 compensation program from that established by the Board for fiscal year 2023. The non-executive Directors' full compensation package is described below.

Market compensation data was sourced from compensation data disclosed in the proxy statements of other publicly traded companies. As with the Company's NEOs, the data was collected from the proxy statements of the companies included in NOVAGOLD's 2024 Peer Group consisting of: Alamos Gold Inc., B2Gold Corp., Centerra Gold Inc., Coeur Mining Inc., Equinox Gold Corporation, Hecla Mining Company, IAMGOLD Corporation, MAG Silver Corporation, New Gold Inc., OceanaGold Corp., Pan American Silver, Seabridge Gold Inc., SSR Mining Inc., and Torex Gold Resources Inc.

The largest portion of compensation paid to the non-executive Directors is in DSUs and stock option awards, which aligns the long-term interests of the non-executive Directors with those of the Shareholders as the value of the DSUs and stock option awards is dependent upon the Company's share price performance. Paying a larger portion of compensation to non-executive Directors in equity rather than cash also aligns the compensation program with the Company's strategy of protecting its treasury.

The table below describes the full compensation structure approved for non-executive Directors beginning in fiscal year 2024, which is unchanged from fiscal year 2023.

| Activity | Compensation | |
|--|--------------|-------------|
| Membership on Board – Annual Retainer ⁽¹⁾ | \$ 42,800 | per annum |
| Chairman of the Board | \$130,000 | per annum |
| Lead Director | \$ 19,000 | per annum |
| Preparation and attendance at Board and Committee meetings | \$ 1,100 | per meeting |
| Audit Committee Chair | \$ 17,000 | per annum |
| All Other Committee Chairs | \$ 13,200 | per annum |

(1) At least 50% of the annual retainers are paid to Directors in the form of DSUs.

Non-Executive Director Compensation Table

The table below summarizes the compensation provided to the Company's non-executive Directors during the fiscal year ended November 30, 2023.

| Director | Fees Earned or Paid in Cash \$ | Stock Awards ⁽¹⁾ \$ | Option Awards ⁽²⁾ \$ | All Other Compensation \$ | Total \$ |
|--------------------------|--------------------------------|--------------------------------|---------------------------------|---------------------------|----------|
| Elaine Dorward-King | 50,000 | 21,400 | 144,692 | — | 216,092 |
| Sharon Dowdall | 50,494 | 15,294 | 145,394 | — | 211,182 |
| Diane Garrett | 32,400 | 21,400 | 144,692 | — | 198,492 |
| Thomas Kaplan | 134,400 | 42,800 | 144,692 | — | 321,892 |
| Hume Kyle | 9,406 | 6,106 | 221,342 | — | 236,854 |
| Kalidas Madhavpeddi | 51,100 | 21,400 | 144,692 | — | 217,192 |
| Kevin McArthur | 33,500 | 21,400 | 144,692 | — | 199,592 |
| Daniel Muñoz Quintanilla | 10,506 | 6,106 | 231,000 | — | 247,612 |
| Clynton Nauman | 35,094 | 15,294 | 144,692 | — | 195,080 |
| Ethan Schutt | 41,200 | 21,400 | 144,692 | — | 207,292 |
| Anthony Walsh | 76,100 | 21,400 | 145,394 | — | 242,894 |
| Dawn Whittaker | 17,106 | 6,106 | 221,342 | — | 244,554 |

(1) The 2023 share-based grants for Directors are DSUs that vest when the Directors retire from the Board of the Company. The Company grants DSUs quarterly in arrears. Accordingly, the "Stock Awards" column in the table above includes DSUs granted to Directors with respect to the fourth quarter of fiscal 2022 and the first three quarters of fiscal 2023. Amounts are based upon the grant date fair value, calculated in accordance with ASC 718, utilizing the assumptions discussed in Note 13 to the Company's consolidated financial statements for the fiscal year ended November 30, 2023. The number of DSUs granted and the fair value on each grant date calculated in accordance with ASC 718 are as follows:

| Non-Executive Director | December 1, 2022 | | March 1, 2023 | | June 1, 2023 | | September 1, 2023 | |
|--------------------------|------------------|--------|---------------|--------|---------------|--------|-------------------|--------|
| | Fair Value \$ | DSUs # | Fair Value \$ | DSUs # | Fair Value \$ | DSUs # | Fair Value \$ | DSUs # |
| Elaine Dorward-King | 5,350 | 949 | 5,350 | 959 | 5,350 | 1,031 | 5,350 | 1,282 |
| Sharon Dowdall | 5,350 | 949 | 5,350 | 959 | 4,594 | 885 | — | — |
| Diane Garrett | 5,350 | 949 | 5,350 | 959 | 5,350 | 1,031 | 5,350 | 1,282 |
| Thomas Kaplan | 10,700 | 1,899 | 10,700 | 1,919 | 10,700 | 2,062 | 10,700 | 2,564 |
| Hume Kyle | — | — | — | — | 756 | 145 | 5,350 | 1,282 |
| Kalidas Madhavpeddi | 5,350 | 949 | 5,350 | 959 | 5,350 | 1,031 | 5,350 | 1,282 |
| Kevin McArthur | 5,350 | 949 | 5,350 | 959 | 5,350 | 1,031 | 5,350 | 1,282 |
| Daniel Muñoz Quintanilla | — | — | — | — | 756 | 145 | 5,350 | 1,282 |
| Clynton Nauman | 5,350 | 949 | 5,350 | 959 | 4,594 | 885 | — | — |
| Ethan Schutt | 5,350 | 949 | 5,350 | 959 | 5,350 | 1,031 | 5,350 | 1,282 |
| Anthony Walsh | 5,350 | 949 | 5,350 | 959 | 5,350 | 1,031 | 5,350 | 1,282 |
| Dawn Whittaker | — | — | — | — | 756 | 145 | 5,350 | 1,282 |

NON-EXECUTIVE DIRECTOR COMPENSATION

- (2) The Company grants stock options to Directors annually. The stock option grants for Directors made on December 1, 2022 vest 1/3 upon the first anniversary of the grant, 1/3 upon the second anniversary of the grant, and the final 1/3 on the third anniversary of the grant. Amounts are based upon the grant date fair value, calculated in accordance with ASC 718, utilizing the assumptions discussed in Note 13 to the Company's consolidated financial statements for the fiscal year ended November 30, 2023. Each Canadian resident Director was granted a total of 62,200 stock options in a single grant during fiscal 2023, and each non-Canadian resident Director was granted a total of 59,300 stock options in a single grant during fiscal 2023. Additionally, Hume Kyle, Daniel Muñoz Quintanilla, and Dawn Whittaker each received a new director grant of 100,000 stock options upon joining the Company's Board in May 2023. The fair value of these stock options on the grant date, December 1, 2022, and May 18, 2023 in the case of Mr. Kyle, Mr. Muñoz, and Ms. Whittaker, are calculated in accordance with ASC 718 and are reflected in this column.

DSU Plan

The DSU Plan has been established to promote the interests of the Company by attracting and retaining qualified persons to serve on the Board and to provide the Directors with an opportunity to receive a portion of their compensation for serving as a Director in the form of securities of the Company. This vehicle also aligns the interests of non-executive Directors with those of the Shareholders by linking Directors' compensation to long-term Shareholder value.

Under the DSU Plan, each non-executive Director can elect to receive between no less than 50% and up to a maximum of 100% of their annual retainer in the form of DSUs. Directors are not eligible to receive the underlying Common Shares until they retire from service with the Company. This plan has been in effect since December 1, 2009. More information about the DSU Plan can be found beginning on page 85.

The number of DSUs granted is determined quarterly by dividing the quarterly retainer amount by the volume weighted adjusted share price for the last five days of such quarter.

The following table sets forth the 2023 DSUs earned by each non-executive Director for service in fiscal year 2023, and the aggregate value of such payments is based on the \$4.20 closing price of the Common Shares on the NYSE American on November 30, 2023. A total of 48,458 DSUs were granted to all non-executive Directors for service in fiscal year 2023, which number represents 0.014% of the Common Shares issued and outstanding as of November 30, 2023.

| Director | DSUs Earned in Fiscal 2023 | | | | | | | | | |
|--------------------------|----------------------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|
| | Q1 | | Q2 | | Q3 | | Q4 | | Total | |
| | Value \$ | # of DSUs | Value \$ | # of DSUs | Value \$ | # of DSUs | Value \$ | # of DSUs | Value \$ | # of DSUs |
| Elaine Dorward-King | 4,028 | 959 | 4,330 | 1,031 | 5,384 | 1,282 | 5,456 | 1,299 | 19,198 | 4,571 |
| Sharon Dowdall | 4,028 | 959 | 3,717 | 885 | — | — | — | — | 7,745 | 1,844 |
| Diane Garrett | 4,028 | 959 | 4,330 | 1,031 | 5,384 | 1,282 | 5,456 | 1,299 | 19,198 | 4,571 |
| Thomas Kaplan | 8,060 | 1,919 | 8,660 | 2,062 | 10,769 | 2,564 | 10,916 | 2,599 | 38,405 | 9,144 |
| Hume Kyle | — | — | 609 | 145 | 5,384 | 1,282 | 5,456 | 1,299 | 11,449 | 2,726 |
| Kalidas Madhavpeddi | 4,028 | 959 | 4,330 | 1,031 | 5,384 | 1,282 | 5,456 | 1,299 | 19,198 | 4,571 |
| Kevin McArthur | 4,028 | 959 | 4,330 | 1,031 | 5,384 | 1,282 | 5,456 | 1,299 | 19,198 | 4,571 |
| Daniel Muñoz Quintanilla | — | — | 609 | 145 | 5,384 | 1,282 | 5,456 | 1,299 | 11,449 | 2,726 |
| Clynton Nauman | 4,028 | 959 | 3,717 | 885 | — | — | — | — | 7,745 | 1,844 |
| Ethan Schutt | 4,028 | 959 | 4,330 | 1,031 | 5,384 | 1,282 | 5,456 | 1,299 | 19,198 | 4,571 |
| Anthony Walsh | 4,028 | 959 | 4,330 | 1,031 | 5,384 | 1,282 | 5,456 | 1,299 | 19,198 | 4,571 |
| Dawn Whittaker | — | — | 609 | 145 | 5,384 | 1,282 | 5,456 | 1,299 | 11,449 | 2,726 |

This supplemental table has been included to provide shareholders with additional compensation information for the prior year. The Company believes this supplemental table better enables shareholders to understand non-executive Director compensation considering the Company's practice of granting DSUs quarterly in arrears. However, this supplemental information is not intended to be a substitute for the information provided in the Non-Executive Director Compensation Table beginning on page 71, which has been prepared in accordance with the SEC's disclosure rules.

The information contained in this supplemental table differs substantially from the compensation information contained in the Non-Executive Director Compensation Table beginning on page 71 because the stock awards column in the Non-Executive Director Compensation Table reports awards actually granted during fiscal 2023, as opposed to equity awards granted in respect of that specific performance year. In addition, the value of DSUs earned by the non-executive Directors in this supplemental table is not based on the grant date fair value but rather the closing price of the Company's Common Shares on November 30, 2023.

Directors' Share Ownership

The Board established a policy in April 2009, which was updated in August 2020, requiring each Director to maintain a minimum holding of Common Shares and/or DSUs equal to three times the annual retainer paid to Board members (currently \$42,800/year). Directors must meet these share ownership requirements within five years of becoming a Director or within three years of any change to the share ownership requirements, whichever is later. Until a Director meets their share ownership requirement, they may not sell or otherwise dispose of any securities of the Company unless, in connection with a stock option exercise, options or Common Shares are withheld or sold to cover the option exercise price, taxes, and/or fees. There are no equity holding period requirements. Upon meeting the share ownership requirement, a Director is deemed to have met the share ownership requirement going forward, regardless of changes in the price of a Common Share, so long as: (i) the Director's share ownership does not drop below the number of shares held at the time they first met the share ownership requirement, and (ii) the applicable share ownership requirement remains the same. Directors are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Director. Directors are also not permitted to pledge Company securities to secure personal debts or loans.

The following table outlines the aggregate value of the Common Shares and/or DSUs held by each non-executive Director on November 30, 2023.

| Director | Eligible Holdings ⁽¹⁾ # | Share Ownership Guidelines | |
|---|---------------------------------------|----------------------------|---|
| | | Requirement \$ | Proportion of Requirement Met ⁽²⁾ |
| Elaine Dorward-King ⁽³⁾ | 12,265 | \$128,400 | 40% |
| Diane Garrett ⁽⁴⁾ | 25,071 | \$128,400 | 100% |
| Thomas Kaplan | 104,162 | \$128,400 | 341% |
| Hume Kyle ⁽⁵⁾ | 1,427 | \$128,400 | 5% |
| Kalidas Madhavpeddi | 185,430 | \$128,400 | 607% |
| Kevin McArthur ⁽⁶⁾ | 5,481 | \$128,000 | 18% |
| Daniel Muñoz Quintanilla ⁽⁵⁾ | 1,427 | \$128,400 | 5% |
| Ethan Schutt | 36,991 | \$128,400 | 121% |
| Anthony Walsh | 45,025 | \$128,400 | 147% |
| Dawn Whittaker ⁽⁵⁾ | 1,427 | \$128,400 | 5% |

(1) Common Shares and/or DSUs.

(2) Based on the Company's closing Common Share price on the NYSE American as of November 30, 2023 of \$4.20.

(3) Dr. Dorward-King became a Director on May 14, 2020 and has until May 14, 2025 to meet the share ownership requirements.

(4) Dr. Garrett exceeded the Share Ownership Guidelines as of November 30, 2020, and since her share ownership has not decreased (and has, in fact, increased) since that date, she is deemed to meet the Company's Share Ownership Guidelines for Directors.

(5) Mr. Kyle, Mr. Muñoz, and Ms. Whittaker became Directors on May 18, 2023 and have until May 18, 2028 to meet the share ownership requirements.

(6) Mr. McArthur became a Director on May 18, 2022 and has until May 18, 2027 to meet the share ownership requirements.

Incentive Plan Awards

Outstanding Option-Based and Share-Based Awards

The following table sets information concerning all option-based and share-based awards outstanding for each non-executive Director as of November 30, 2023 including awards granted before the most recently completed fiscal year.

| Director | Grant Date | Option-Based Awards | | | | Share-Based Awards | | |
|---------------------------------|-------------|---|--------------------------|------------------------|---|--|--|--|
| | | Number of Securities Underlying Unexercised Options # | Option Exercise Price \$ | Option Expiration Date | Value of Unexercised in-the-money Options ⁽¹⁾ \$ | Number of Shares or Units of Shares that have not Vested # | Market or Payout Value of Shares or Units of Shares that have not Vested ⁽²⁾ \$ | Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed \$ |
| Elaine Dorward-King | 15-May-2020 | 100,000 | \$ 11.70 | 14-May-2025 | — | | | |
| | 01-Dec-2020 | 35,200 | \$ 9.96 | 30-Nov-2025 | — | | | |
| | 01-Dec-2021 | 54,700 | \$ 6.75 | 30-Nov-2026 | — | | | |
| | 01-Dec-2022 | 59,300 | \$ 5.77 | 30-Nov-2027 | — | | | |
| | | | | | | 12,264 | 51,508 | — |
| Diane Garrett | 01-Dec-2019 | 54,300 | \$ 6.96 | 30-Nov-2024 | — | | | |
| | 01-Dec-2020 | 35,200 | \$ 9.96 | 30-Nov-2025 | — | | | |
| | 01-Dec-2021 | 54,700 | \$ 6.75 | 30-Nov-2026 | — | | | |
| | 01-Dec-2022 | 59,300 | \$ 5.77 | 30-Nov-2027 | — | | | |
| | | | | | | 17,971 | 75,478 | — |
| Thomas Kaplan | 01-Dec-2019 | 54,300 | \$ 6.96 | 30-Nov-2024 | — | | | |
| | 01-Dec-2020 | 35,200 | \$ 9.96 | 30-Nov-2025 | — | | | |
| | 01-Dec-2021 | 54,700 | \$ 6.75 | 30-Nov-2026 | — | | | |
| | 01-Dec-2022 | 59,300 | \$ 5.77 | 30-Nov-2027 | — | | | |
| | | | | | | 92,452 | 388,298 | — |
| Hume Kyle | 19-May-2023 | 100,000 | C\$ 7.25 | 18-May-2028 | — | | | |
| | | | | | | 1,427 | 5,993 | |
| Kalidas Madhavpeddi | 01-Dec-2019 | 54,300 | \$ 6.96 | 30-Nov-2024 | — | | | |
| | 01-Dec-2020 | 35,200 | \$ 9.96 | 30-Nov-2025 | — | | | |
| | 01-Dec-2021 | 54,700 | \$ 6.75 | 30-Nov-2026 | — | | | |
| | 01-Dec-2022 | 59,300 | \$ 5.77 | 30-Nov-2027 | — | | | |
| | | | | | | 49,874 | 209,471 | — |
| Kevin McArthur | 19-May-2022 | 100,000 | \$ 5.72 | 18-May-2027 | — | | | |
| | 01-Dec-2022 | 59,300 | \$ 5.77 | 30-Nov-2026 | — | | | |
| | | | | | | 5,481 | 23,020 | — |
| Daniel Muñiz Quintanilla | 19-May-2023 | 100,000 | \$ 5.36 | 18-May-2028 | — | | | |
| | | | | | | 1,427 | 5,993 | |

| Director | Grant Date | Option-Based Awards | | | | Share-Based Awards | | |
|-----------------------|-------------|---|--------------------------|------------------------|---|--|--|--|
| | | Number of Securities Underlying Unexercised Options # | Option Exercise Price \$ | Option Expiration Date | Value of Unexercised in-the-money Options ⁽¹⁾ \$ | Number of Shares or Units of Shares that have not Vested # | Market or Payout Value of Shares or Units of Shares that have not Vested ⁽²⁾ \$ | Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed \$ |
| Ethan Schutt | 17-May-2019 | 100,000 | \$ 3.87 | 16-May-2024 | 33,000 | | | |
| | 01-Dec-2019 | 54,300 | \$ 6.96 | 30-Nov-2024 | — | | | |
| | 01-Dec-2020 | 35,200 | \$ 9.96 | 30-Nov-2025 | — | | | |
| | 01-Dec-2021 | 54,700 | \$ 6.75 | 30-Nov-2026 | — | | | |
| | 01-Dec-2022 | 59,300 | \$ 5.77 | 30-Nov-2027 | — | 13,315 | 55,923 | — |
| Anthony Walsh | 01-Dec-2019 | 56,200 | C\$ 9.24 | 30-Nov-2024 | — | | | |
| | 01-Dec-2020 | 36,500 | C\$13.00 | 30-Nov-2025 | — | | | |
| | 01-Dec-2021 | 55,700 | C\$ 8.66 | 30-Nov-2026 | — | | | |
| | 01-Dec-2022 | 62,200 | C\$ 7.75 | 30-Nov-2027 | — | 45,025 | 189,105 | — |
| Dawn Whittaker | 19-May-2023 | 100,000 | C\$ 7.25 | 18-May-2028 | — | 1,427 | 5,993 | |

(1) Based on the price of the Company's Common Shares on the: i) TSX as of November 30, 2023 of C\$5.66 less the option exercise price, or ii) NYSE American as of November 30, 2023 of \$4.20 less the option exercise price, as applicable. Canadian amounts were converted to US dollars using the November 30, 2023 exchange rate of C\$1.3582 = US\$1.00 as quoted by The Bank of Canada.

(2) Based on the price of the Company's Common Shares on the NYSE American as of November 30, 2023 of \$4.20.

Value Vested or Earned During the Year

An award of 62,200 stock options was granted to each of the Canadian resident non-executive Directors during the fiscal year ended November 30, 2023; and an award of 59,300 stock options was granted to each of the non-Canadian resident, non-executive Directors during the fiscal year ended November 30, 2023. One-third of these stock options granted in fiscal year 2023 vested on the first anniversary of the grant date, with another one-third scheduled to vest on the second anniversary of the grant date, and the final one-third scheduled to vest on the third anniversary of the grant date. The total number of non-executive Director stock options that vested during the fiscal year ending November 30, 2023 was 338,369, which represented 0.1% of the Company's issued and outstanding Common Shares as of that date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has adopted the Stock Award Plan, the PSU Plan and the DSU Plan. The Company last asked for and received Shareholder approval of these plans at the Annual Meeting of Shareholders held on May 18, 2023. The intent of these equity plans is to allow the Company to provide a flexible mix of compensation components to attract, retain, and motivate the performance of the plan participants in alignment with the success of the Company and its Shareholders, to encourage share ownership by executive officers and Directors, and to preserve cash where possible. The Company feels that DSUs align Directors' interests to those of the Shareholders more effectively than other equity programs. These equity plans assist to further align the interests of executive officers and Directors with the long-term interests of Shareholders.

Equity Compensation Plan Information

The Company currently grants equity under the Stock Award Plan, the PSU Plan, and the DSU Plan to attract and retain Directors, officers, employees, and eligible consultants to the Company and to motivate them to advance the Company's interests by affording them the opportunity to acquire an equity interest in the Company through options and performance-based share awards.

The following table sets out information concerning the number and price of securities to be issued under equity compensation plans to employees and others. All of the compensation plans referenced below have been approved by Shareholders. The Company does not have any equity compensation plans which have not been approved by Shareholders.

Equity Compensation Plan Information as of November 30, 2023

| Plan Category | Number of securities to be issued upon exercise of options, warrants and rights (a) | Weighted average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|--|---|---|---|
| Equity compensation plans approved by security holders | | | |
| Stock Award Plan | 7,606,200 ⁽¹⁾ | C\$8.81/\$6.60 ⁽²⁾ | 19,133,549 ⁽³⁾ |
| PSU | 1,605,500 ⁽⁴⁾ | n/a | 8,421,906 ⁽⁵⁾ |
| DSU | 287,072 ⁽⁶⁾ | n/a | 3,055,397 ⁽⁷⁾ |
| Equity compensation plans not approved by security holders | | | |
| Total | 9,498,772 | — | 30,610,851 |

- (1) The options issued and outstanding represent approximately 2.28% of the Company's Common Shares issued and outstanding as of November 30, 2023.
- (2) Of the 7,606,200 options issued and outstanding, 884,400 have a weighted average exercise price of C\$8.81 and 6,721,800 have a weighted average exercise price of \$6.60.
- (3) The number of options available for future issuance is a number equal to eight percent of the issued and outstanding Common Shares from time to time, less the number of outstanding options. The 19,133,549 options available for future issuance represent 5.72% of the Company's issued and outstanding Common Shares as of November 30, 2023.
- (4) Assumes vesting at 100% of PSU grant amount. PSUs can vest anywhere from 0% to 150% of the PSU grant amount depending upon performance against established quantitative performance criteria. The PSUs issued and outstanding represent approximately 0.48% of the Company's Common Shares issued and outstanding as of November 30, 2023.
- (5) The number of PSUs available for future issuance is a number equal to three percent of the issued and outstanding Common Shares from time to time, less the number of outstanding PSUs. The 8,421,906 PSUs available for future issuance represent 2.52% of the Company's issued and outstanding Common Shares as of November 30, 2023.
- (6) The DSUs issued and outstanding represent approximately 0.09% of the Company's Common Shares issued and outstanding as of November 30, 2023.
- (7) The number of DSUs available for future issuance is a number equal to one percent of the issued and outstanding Common Shares from time to time, less the number of outstanding DSUs. The 3,055,397 DSUs available for future issuance represent 0.91% of the Company's issued and outstanding Common Shares as of November 30, 2023.

Equity Compensation Plan Information as of March 6, 2024

| Plan Category | Number of securities to be issued upon exercise of options, warrants and rights (a) | Weighted average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|--|---|---|---|
| Equity compensation plans approved by security holders | | | |
| Stock Award Plan | 9,805,100 ⁽¹⁾ | C\$7.73/\$6.13 ⁽²⁾ | 16,944,598 ⁽³⁾ |
| PSU | 2,173,000 ⁽⁴⁾ | n/a | 7,858,137 ⁽⁵⁾ |
| DSU | 325,849 ⁽⁶⁾ | n/a | 3,017,863 ⁽⁷⁾ |
| Equity compensation plans not approved by security holders | | | |
| Total | 12,303,949 | — | 27,820,598 |

(1) The options issued and outstanding represent approximately 2.93% of the Company's Common Shares issued and outstanding as of March 6, 2024.

(2) Of the 9,805,100 options issued and outstanding, 1,344,800 have a weighted average exercise price of C\$7.73 and 8,460,300 have a weighted average exercise price of \$6.13.

(3) The number of options available for future issuance is a number equal to eight percent of the issued and outstanding Common Shares from time to time, less the number of outstanding options. The 16,944,598 options available for future issuance represent 5.07% of the Company's issued and outstanding Common Shares as of March 6, 2024.

(4) Assumes vesting at 100% of PSU grant amount. PSUs can vest anywhere from 0% to 150% of the PSU grant amount depending upon performance against established quantitative performance criteria. The PSUs issued and outstanding represent approximately 0.65% of the Company's Common Shares issued and outstanding as of March 6, 2024.

(5) The number of PSUs available for future issuance is a number equal to three percent of the issued and outstanding Common Shares from time to time, less the number of outstanding PSUs. The 7,858,137 PSUs available for future issuance represent 2.35% of the Company's issued and outstanding Common Shares as of March 6, 2024.

(6) The 325,849 DSUs issued and outstanding represent approximately 0.10% of the Company's Common Shares issued and outstanding as of March 6, 2024.

(7) The number of DSUs available for future issuance is a number equal to one percent of the issued and outstanding Common Shares from time to time, less the number of outstanding DSUs. The 3,107,863 DSUs available for future issuance represent 0.90% of the Company's issued and outstanding Common Shares as of March 6, 2024.

| Shares for Issuance from Plans Approved by Shareholders | Stock Award Plan | PSU | DSU |
|---|--|--------------------------|----------|
| Maximum number of Common Shares authorized for issuance to any one insider or such insider's associate under each plan within a one-year period | 10% of the total Common Shares outstanding | | |
| Maximum number of Common Shares reserved for issuance to any one person under each plan | 5% of the total Common Shares outstanding | 9,500,000 ⁽¹⁾ | No Limit |
| Maximum number of Common Shares authorized for issuance to insiders, at any time, under all share compensation arrangements of the Company | 10% of the total Common Shares outstanding | | |

(1) As of March 6, 2024, this represents approximately 2.84% of the Company's Common Shares issued and outstanding.

General Information – Stock Based Incentive Plans

Pursuant to the terms of the PSU Plan and the DSU Plan, the Company has the discretion to settle awards made under the Plans by the delivery of Common Shares issued from treasury, Common Shares purchased in the open market, in cash, or in any combination of the foregoing. For more information, refer to the sections entitled “Vesting”, “Maximum Number of Common Shares Issuable”, “Stock Award Plan”, “Performance Share Unit Plan” and “Deferred Share Unit Plan”.

Stock Award Plan

Background

The Board originally adopted the Stock Award Plan in 2004 for the benefit of the Company’s Directors, executives, employees and consultants, and Shareholders most recently approved the Stock Award Plan, as amended, in 2023. The Stock Award Plan has been established to assist the Company in the recruitment and retention of highly qualified executives, employees and eligible consultants by providing a means to reward performance, to motivate participants under the Stock Award Plan to achieve important corporate and personal objectives and, through the proposed issuance by the Company of Common Shares under the Stock Award Plan, to better align the interests of participants with the long-term interests of Shareholders.

Prior Grants under the Stock Award Plan

| <u>Stock Award Plan</u> | |
|---|---------------------------------|
| Name and Position | Number of Awards ⁽¹⁾ |
| Gregory Lang, Director, President & Chief Executive Officer | 3,030,600 |
| David Ottewell, Vice President and Chief Financial Officer | 1,098,500 |
| Executive Officers as a Group | 6,238,100 |
| Non-Executive Directors as a group | 2,665,300 |
| All Company Employees and Eligible Consultants (excluding Executive Officers and Non-Executive Directors) | 901,700 |
| Total: | 9,805,100⁽²⁾ |

(1) Options outstanding as of March 6, 2024.

(2) Represents 2.93% of the issued and outstanding Common Shares as at March 6, 2024.

Summary of the Stock Award Plan

Set out below is a summary of the Stock Award Plan, which is qualified in its entirety by reference to the complete copy of the Stock Award Plan incorporated by reference to Appendix A to the Company’s definitive proxy statement filed with the SEC on March 24, 2023.

Eligible Participants

Under the Stock Award Plan, Awards (as defined in the Stock Award Plan) may be granted to Directors, executives, employees and other eligible consultants of the Company and employees of its designated subsidiaries and certain enumerated affiliates. As of March 6, 2024, there were 15 employees of which 6 were executives, 5 eligible consultants and 9 non-executive Directors of the Company eligible to participate in the Stock Award Plan. The total number of Common Shares reserved for issuance in connection with Awards granted or that may be granted under the Stock Award Plan is eight percent (8%) of the total number of issued and outstanding Common Shares. Based on the total number of issued and outstanding Common Shares, a total of 16,944,598 Common Shares are available for issuance under the Stock Award Plan as of March 6, 2024. As of March 6, 2024, the total number of Common Shares issuable in connection with outstanding, unexercised Award grants under the Stock Award Plan is 9,805,100, which represents, in the aggregate, 2.93% of the total number of the Company’s issued and outstanding Common Shares. Of the 9,805,100 outstanding, unexercised Awards, Awards to purchase 4,532,950 Common Shares are fully vested, with 5,272,150 remaining unvested.

Summary of Award Types

Under the Stock Award Plan, stock options ("options"), stock appreciation rights ("SARs") and tandem SARs ("Tandem SARs") may be granted to participants at any time as determined by the Board. The participant's Award agreement shall list the term of the Award, as determined by the Board, as well as the period during which the Award may be exercised. The term of a Tandem SAR may not exceed the term of the option portion of the Award, which may not exceed five years, and a free-standing SAR's term may not exceed five years, provided however, that if at any time the expiry of the term of an Award should be determined to occur either during a period in which the trading of Common Shares by the holder of the Award is restricted under the insider trading policy or other policy of the Company or within ten business days following such a period, such expiry date will be deemed to be the date that is the tenth business day following the date of expiry of such restriction. All Awards must be granted with an exercise price no less than "fair market value" of the Common Shares on the date of grant. Unless determined otherwise by the Board, fair market value is generally defined under the Stock Award Plan as the last recorded sale price of the Common Shares on the TSX (for Canadian resident participants) or the NYSE American (for non-Canadian resident participants) for the preceding trading date. All options granted under the Stock Award Plan are nonqualified stock options for purposes of the U.S. Internal Revenue Code of 1986, as amended (the "Code").

A SAR may be granted in tandem with an option granted under the Stock Award Plan or on a free-standing basis and may be exercised upon such terms and conditions as the Board, in its sole discretion, determines. Upon exercise of a SAR, the participant shall be entitled to receive payment from the Company in an amount equal to the excess of the fair market value of a Common Share on the date of exercise over the price at which the SAR was originally granted (which shall not be less than the fair market value of a Common Share on the date of the SAR grant). All payments shall be made in Common Shares, the number of which shall be calculated by dividing the payment amount by the fair market value of the Common Shares on the exercise date.

Tandem SARs give the awardee the right to surrender to the Company all or a portion of the related option and to receive a distribution of Common Shares in an amount equal to the excess of the fair market value of a specified number of shares as of the date the SAR is exercised over the exercise price of the related option. To the extent a Tandem SAR is exercised, the related option will terminate at the time of such exercise. The effect of the exercise of a SAR or Tandem SAR would be a reduction in the total number of shares issued by the Company to a participant versus the exercise of an equivalent stock option.

The total number of Common Shares that may be issued to an individual participant under the Stock Award Plan upon the exercise of Awards granted thereunder shall not exceed, in the aggregate, 5% of the Company's total number of issued and outstanding Common Shares at the date of grant of such Award. In addition, no individual participant may be granted any Award or Awards for more than ten million Common Shares in any calendar year. The maximum number of shares issuable to insiders (as that term is defined by the TSX) pursuant to the Stock Award Plan together with any shares issuable pursuant to any other share compensation arrangement, at any time, shall not exceed 10% of the total number of issued and outstanding Common Shares. The number of Common Shares issued to insiders pursuant to the Stock Award Plan, together with any Common Shares issued pursuant to any other share compensation arrangement, within any one-year period, shall not exceed 10% of the total number of issued and outstanding Common Shares.

Administration

The Stock Award Plan is administered by the Compensation Committee appointed by the Board. Subject to the terms of the Stock Award Plan, the Compensation Committee may determine, among other things, the persons to whom Awards may be granted, the number of Awards to be granted to any participant, and the exercise price and the schedule and dates for vesting of Awards granted. The Compensation Committee may, but is not required to, impose a vesting schedule on any Award made under the Stock Award Plan.

If a participant ceases to be engaged by the Company for any reason other than death, they will have the right to exercise any vested Award not exercised prior to such termination within the lesser of six months from the date of the termination, unless otherwise extended by the Board, in its absolute discretion, or the expiry date of the Award; provided that if the termination is for just cause the right to exercise the vested Award shall terminate on the date of termination unless otherwise determined by the Board. The unvested portion of all Awards shall terminate on the date of termination.

The Board shall have the power to, at any time and from time to time, either prospectively or retrospectively, and without Shareholder approval, amend, suspend or terminate the Stock Award Plan or any Award granted under the Stock Award Plan, including, without limiting the generality of the foregoing, changes of a clerical or grammatical nature and changes regarding the vesting of Awards; provided, however, that:

- (a) such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Common Shares are listed, and with respect to Awards held by participants who are subject to U.S. federal income tax, in a manner consistent with the requirements of Section 409A of the *U.S. Internal Revenue Code of 1986, as amended*, to the extent applicable;
- (b) no such amendment, suspension or termination shall be made at any time to the extent such action would materially adversely affect the existing rights of a participant with respect to any then outstanding Award, as determined by the Board acting in good faith, without their consent in writing; and
- (c) the Board shall obtain Shareholder approval of the following:
 - (i) any amendment to the maximum number of Common Shares issuable pursuant to the Stock Award Plan, other than as contemplated by the Stock Award Plan;
 - (ii) any amendment that would reduce the award price of an outstanding Award other than as contemplated by the Stock Award Plan; and
 - (iii) any amendment that would extend the term of any Award granted under the Stock Award Plan beyond the expiry date.

In the event of, among other things, a take-over bid affecting the Company, the Board of the Company will notify each awardee under the Stock Award Plan of the full particulars of the offer whereupon Awards will become vested and may be exercised.

Transferability

No Awards granted under the Stock Award Plan shall be transferable or assignable other than by will or by the laws of succession. However, if permitted by all applicable laws and the rules of the TSX or the NYSE American, as applicable, a participant may assign any Award to a trust or a similar legal entity.

New Plan Benefits

The benefits that will be awarded or paid under the Stock Award Plan cannot currently be determined. Awards granted under the Stock Award Plan are within the discretion of the Compensation Committee, and the Compensation Committee has not determined future awards. As of March 6, 2024, the closing price of a Common Share on the TSX was C\$3.37, and the closing price of a Common Share on the NYSE American was \$2.48.

Certain United States Federal Income Tax Consequences

The following is a summary of the principal U.S. federal income tax consequences generally applicable to Awards made under the Stock Award Plan. The following description applies to Awards that are subject to U.S. federal income tax. The grant of options, SARs or Tandem SARs should not result in taxable income to a participant at the time of grant. When Awards are paid out, the participant will recognize ordinary income equal to the fair market value of the Common Shares and cash received in settlement of the Awards, less any exercise price paid, and the Company will be entitled at that time to a corporate income tax deduction (for U.S. federal income tax purposes) for the same amount, subject to the general rules concerning deductibility of compensation. A participant's basis in any Common Shares received will equal the amount recognized as ordinary income with respect to such Common Shares plus any exercise price paid. If, as usually is the case, the Common Shares are a capital asset in the participant's hands, any additional gain or loss recognized on a subsequent sale or exchange of the Common Shares will not be ordinary income but will qualify as capital gain or loss.

Change of Control

The Board approved an amendment to the Stock Award Plan to require a double trigger for accelerated vesting of Awards in the event of a change of control. With respect to grants made on or after January 23, 2019, if the employment of an awardee is terminated by the Company other than for cause or if the awardee resigns for good reason, in each case, within 12 months following a change of control, all of the awardee's unvested Awards shall vest immediately prior to the awardee's date of termination.

For Awards granted prior to January 23, 2019, in the event of a change of control, all outstanding Awards will become vested, whereupon such Award may be exercised in whole or in part by the holder.

For purposes of the Stock Award Plan and Performance Share Unit Plan, a “change of control” means the acquisition by any person or by any person and a “joint actor,” as defined in the Stock Award Plan, whether directly or indirectly, of voting securities, as defined in the *Securities Act* (British Columbia) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a joint actor, totals for the first time not less than 50% of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board.

Burn Rate

The Stock Award Plan burn rate for each of the three most recently closed fiscal years is shown in the table below. These burn rates for past fiscal years are not necessarily indicative of future burn rates.

| <u>Stock Award Plan</u> | |
|-------------------------|-----------|
| Fiscal Year | Burn Rate |
| 2021 | 0.38% |
| 2022 | 0.60% |
| 2023 | 0.69% |

Shareholder Approval

The TSX rules require Shareholder approval of all unallocated entitlements under the Stock Award Plan every three years. Shareholders last approved the unallocated entitlements under the Stock Award Plan at the Company’s annual meeting held in 2023.

Performance Share Unit Plan

Background

The Board adopted the Performance Share Unit (“PSU”) Plan in 2009 for the benefit of the Company’s executives, employees and consultants. The PSU Plan has been established to assist the Company in the recruitment and retention of highly qualified executives, employees, and eligible consultants by providing a means to reward performance, to motivate participants under the PSU Plan to achieve important corporate and personal objectives and, through the proposed issuance by the Company of Common Shares under the PSU Plan, to better align the interests of participants with the long-term interests of Shareholders.

The Board intends to use PSUs issued under the PSU Plan, as well as options issued under the Stock Award Plan, as part of the Company’s overall executive and employee compensation plan. Since the value of PSUs increase or decrease with the price of the Common Shares, PSUs reflect a philosophy of aligning the interests of executives and employees with those of the Shareholders by tying executive compensation to share price performance. In addition, PSUs assist in the retention of qualified and experienced executives and employees by rewarding those individuals who make a long-term commitment to the Company.

Outstanding Grants Under the PSU Plan

| <u>Performance Share Unit Plan</u> | |
|---|--------------------------------|
| Name and Position | Number of Units ⁽¹⁾ |
| Gregory Lang President & CEO | 904,700 |
| David Ottewell Vice President & CFO | 350,400 |
| Executive Officers as a Group | 1,903,600 |
| All Company Employees and Eligible Consultants (excluding Executive Officers) | 269,400 |
| Total | 2,173,000⁽²⁾ |

(1) PSU grants outstanding as of March 6, 2024 (does not include Common Shares issued under PSU Plan).

(2) Represents 0.65% of the issued and outstanding Common Shares as of March 6, 2024.

Summary of the PSU Plan

Set out below is a summary of the PSU Plan, which is qualified in its entirety by reference to the complete copy of the PSU Plan incorporated by reference to Appendix C to the Company's definitive proxy statement filed with the SEC on March 24, 2023.

Eligible Participants

The PSU Plan is administered by the Compensation Committee of the Board or such other committee of the Board as may be designated by the Board. Employees and eligible consultants of the Company and its designated subsidiaries are eligible to participate in the PSU Plan. As of March 6, 2024, there were approximately 15 employees and 5 consultants eligible to participate in the PSU Plan. Thirteen of the Company's fifteen current, full-time, permanent employees have received grants under the PSU Plan to date. In accordance with the terms of the PSU Plan, the Company, under the authority of the Board, will approve those employees and eligible consultants who are entitled to receive PSUs and the number of PSUs to be awarded to each participant. PSUs awarded to participants are credited to them by means of an entry in a notional account in their favor on the books of the Company. Each PSU awarded conditionally entitles the participant to receive up to a maximum of 1.5 Common Shares (or the cash equivalent) upon attainment of the PSU vesting criteria.

Vesting

The PSUs vest upon the expiry of a time-based vesting period, assuming the recipient remains in continuous service with the Company through the end of such vesting period. The duration of the vesting period applicable to a specific PSU grant shall be determined at the time of the grant by the Compensation Committee. In addition, the Compensation Committee may establish other terms or conditions with respect to the vesting of PSUs, including without limitation, provisions which make the vesting of PSUs conditional upon (i) the achievement of corporate or personal objectives, including the attainment of milestones relating to financial, operational, strategic or other objectives of the Company, (ii) the market price of the Company's Common Shares from time to time and/or the return to Shareholders, and/or (iii) any other performance criteria relating to the participant or the Company. Any such conditions shall be set out in a grant agreement, may relate to all or any portion of the PSUs in a grant, and may be graduated such that different percentages of the PSUs in a grant will vest depending on the extent of satisfaction of one or more such conditions. The Board may, in its discretion and having regard to the best interests of the Company, subsequent to the grant date of a PSU, waive any such terms or conditions or determine that they have been satisfied.

Once the PSUs in a grant vest, the participant is entitled to receive the equivalent number of Common Shares or cash equal to the Market Value (as defined below) of the equivalent number of Common Shares. The vested PSUs may be settled through the issuance of Common Shares from treasury, by the delivery of Common Shares purchased in the open market, in cash or in any combination of the foregoing (at the discretion of the Company). If settled in cash, the award amount shall be equal to the number of Common Shares in respect of which the participant is entitled multiplied by the Market Value of a Common Share on the payout date. Market Value per share as at any date is defined in the PSU Plan (if the Common Shares are listed and posted for trading on the TSX and/or the NYSE American) as the arithmetic

average of the closing price of the Common Shares traded on the TSX or the NYSE American for the five (5) trading days immediately preceding such date. The PSUs may be settled on the payout date, which shall be the third anniversary of the date of the grant or such other date as the Committee may determine at the time of the grant, which in any event shall be no later than the expiry date for such PSUs. The expiry date of PSUs will be determined by the Committee at the time of grant. All unvested, expired or previously settled PSUs are available for future grants.

Maximum Number of Common Shares Issuable

Under the PSU Plan, the maximum number of Common Shares reserved and available for issuance from treasury is a variable number equal to three percent (3%) of the issued and outstanding Common Shares of the Company (on a non-diluted basis) from time to time. As of March 6, 2024, three percent (3%) of the issued and outstanding Common Shares represents 10,031,137 Common Shares.

The PSU Plan provides that the maximum number of Common Shares issuable to insiders (as that term is defined by the TSX) pursuant to the PSU Plan, together with any Common Shares issuable pursuant to any other security-based compensation arrangement of the Company, will not exceed 10% of the total number of issued and outstanding Common Shares. In addition, the maximum number of Common Shares issued to insiders under the PSU Plan, together with any Common Shares issued to insiders pursuant to any other security-based compensation arrangement of the Company within any one-year period, will not exceed 10% of the total number of issued and outstanding Common Shares. The PSU Plan limits the number of PSUs that may be granted to any one person to 9,500,000 per year.

Cessation of Entitlement

Unless otherwise determined by the Company in accordance with the PSU Plan, PSUs which have not vested on a participant's termination date shall terminate and be forfeited. Except with respect to a participant whose PSUs are subject to U.S. federal income tax, if a participant who is an employee ceases to be an employee as a result of termination of employment without cause, at the Company's discretion (unless otherwise provided in the applicable grant agreement), all or a portion of such participant's PSUs may be permitted to continue to vest, in accordance with their terms, during any statutory or common law severance period or any period of reasonable notice required by law or as otherwise may be determined by the Company in its sole discretion. All forfeited PSUs are available for future grants.

Transferability

PSUs are not assignable or transferable by a participant other than by operation of law, except, if and on such terms as the Company may permit, to a spouse or minor children or grandchildren or a personal holding company or family trust controlled by the participant, the sole shareholders or beneficiaries of which, as the case may be, are any combination of the participant, the participant's spouse, minor children or minor grandchildren, and after the participant's lifetime shall inure to the benefit of and be binding upon the participant's designated beneficiary, on such terms and conditions as are appropriate for such transfers to be included in the class of transferees who may rely on a Form S-8 registration statement under the U.S. Securities Act of 1933, as amended, to sell Common Shares received pursuant to the PSUs.

New Plan Benefits

The benefits that will be awarded or paid under the PSU Plan cannot currently be determined. Awards granted under the PSU Plan are within the discretion of the Compensation Committee, and the Compensation Committee has not determined future awards. As of March 6, 2024, the closing price of a Common Share on the TSX was C\$3.37, and the closing price of a Common Share on the NYSE American was \$2.48.

Amendments to the PSU Plan

The PSU Plan provides that the Company may, without notice, at any time and from time to time, and without Shareholder approval, amend the PSU Plan or any provisions thereof in such manner as the Company, in its sole discretion, determines appropriate:

- (a) for the purposes of making formal minor or technical modifications to any of the provisions of the PSU Plan;
- (b) to correct any ambiguity, defective provision, error or omission in the provisions of the PSU Plan;

- (c) to change the vesting provisions of PSUs to reflect revised performance metrics or to accelerate vesting in the event that performance criteria is achieved earlier than expected;
- (d) to change the termination provisions of PSUs or the PSU Plan which does not entail an extension beyond the original expiry date of the PSUs; or
- (e) for the purposes of preserving the intended tax treatment of the benefits provided to a participant by the PSU Plan and PSU awards;

provided, however, that:

- (1) no such amendment of the PSU Plan may be made without the consent of each affected participant if such amendment would adversely affect the rights of such affected participant(s) under the PSU Plan; and
- (2) Shareholder approval shall be obtained in accordance with the requirements of the TSX or the NYSE American for any amendment that results in:
 - (i) an increase in the maximum number of Common Shares issuable pursuant to the PSU Plan other than as already contemplated in the PSU Plan;
 - (ii) an extension of the expiry date for PSUs granted under the PSU Plan;
 - (iii) granting of other types of compensation through Common Share issuance;
 - (iv) expansion of the rights of a participant to assign PSUs beyond what is currently permitted in the PSU Plan;
 - (v) the addition of new categories of participants, other than as already contemplated in the PSU Plan;
 - (vi) changes in eligible participants that may permit the introduction or reintroduction of non-employee directors on a discretionary basis; or
 - (vii) an amendment of the Board's authority to amend provisions of the PSU Plan.

Certain United States Federal Income Tax Consequences

The following is a summary of the principal U.S. federal income tax consequences generally applicable to PSUs awarded under the PSU Plan. The following description applies to PSUs that are subject to U.S. federal income tax. The grant of PSUs should not result in taxable income to a participant at the time of grant. When PSUs are paid out, the participant will recognize ordinary income equal to the fair market value of the Common Shares and cash received in settlement of the PSUs, and the Company will be entitled at that time to a corporate income tax deduction (for U.S. federal income tax purposes) for the same amount, subject to the general rules concerning deductibility of compensation. A participant's basis in any Common Shares received will equal the fair market value of the Common Shares at the time the participant recognized ordinary income. If, as usually is the case, the Common Shares are a capital asset in the participant's hands, any additional gain or loss recognized on a subsequent sale or exchange of the Common Shares will not be ordinary income but will qualify as capital gain or loss.

Section 409A of the Code may apply to PSUs granted under the PSU Plan. For such awards subject to Section 409A, certain U.S. officers may experience a delay of up to six months in the settlement of the PSUs in Common Shares.

Change of Control

The Board approved an amendment to the Performance Share Unit Plan to require a double trigger for accelerated vesting of PSUs in the event of a change of control. With respect to grants made on or after January 23, 2019, if at any time within 12 months from the date of a change of control: (i) a participant's relationship with the Company is terminated by the Company other than for cause or (ii) a participant resigns for good reason, all outstanding PSUs held by such participant shall become vested and the payout date in connection with such participant's vested PSUs shall be accelerated to the date of such participant's termination or resignation for good reason and the Company shall issue Common Shares to such participants with respect to such vested PSUs in accordance with Sections 6 and 8 of the Performance Share Unit Plan; provided that in the event that any PSUs are subject to performance-based vesting conditions, then the vesting of such PSUs shall accelerate only to the extent that such performance-based vesting conditions have been satisfied and further provided that if a performance-based vesting condition is, in the Board's discretion, capable of being partially performed, then vesting shall be accelerated on a pro rata basis to reflect the degree to which the vesting condition has been satisfied, as determined by the Board.

For PSUs granted prior to January 23, 2019, all outstanding PSUs will become vested on any change of control and the payout date in connection with such vested PSUs will be accelerated to the date of such change of control.

“Change of control” has the same meaning under the Performance Share Unit Plan as under the Stock Award Plan. See page 81 for a description, which forms a part of this summary.

Burn Rate

The Performance Share Unit Plan burn rate for each of the three most recently closed fiscal years is shown in the following table. These burn rates for past fiscal years are not necessarily indicative of future burn rates.

| <u>Performance Share Unit Plan</u> | |
|------------------------------------|-----------|
| Fiscal Year | Burn Rate |
| 2021 | 0.10% |
| 2022 | 0.16% |
| 2023 | 0.24% |

Shareholder Approval

The TSX rules require Shareholder approval of all unallocated entitlements under the PSU Plan every three years. Shareholders last approved the unallocated entitlements under the PSU Plan at the Company’s annual meeting held in 2023.

Deferred Share Unit Plan

Background

The Board adopted the Deferred Share Unit (“DSU”) Plan in 2009 for the benefit of the Company’s non-executive Directors. Currently there are ten non-executive Directors participating in the DSU Plan. The DSU Plan has been established to assist the Company in the recruitment and retention of qualified persons to serve on the Board and, through the proposed issuance by the Company of Common Shares under the DSU Plan, to promote better alignment of the interests of Directors and the long-term interests of Shareholders.

The Board intends to use the DSUs issued under the DSU Plan, as well as options issued under the Stock Award Plan, if any, as part of the Company’s overall director compensation plan. Since the value of DSUs increase or decrease with the price of the Common Shares, DSUs reflect a philosophy of aligning the interests of Directors with those of the Shareholders by tying compensation to long term share price performance.

Prior Grants under the DSU Plan

| <u>Deferred Share Unit Plan</u> | |
|---|--------------------------------|
| Name of Non-Executive Director | Number of Units ⁽¹⁾ |
| Elaine Dorward-King | 15,789 |
| Sharon Dowdall | 46,405 ⁽²⁾ |
| Diane Garrett | 21,496 |
| Thomas Kaplan | 99,502 |
| Hume Kyle | 4,952 |
| Kalidas Madhavpeddi | 53,399 |
| Kevin McArthur | 9,006 |
| Daniel Muñoz Quintanilla | 4,952 |
| Ethan Schutt | 16,840 |
| Anthony Walsh | 48,550 |
| Dawn Whittaker | 4,952 |
| Non-Executive Directors as a Group | 325,843 ⁽³⁾ |

(1) DSUs outstanding as of March 6, 2024.

(2) Ms. Dowdall resigned from the Board May 18, 2023. These DSUs remain outstanding and must be paid out by December 31, 2024.

(3) Represents 0.10% of the issued and outstanding Common Shares as at March 6, 2024. The group outstanding total varies slightly from the DSU Plan total outstanding due to rounding.

Summary of the DSU Plan

Set out below is a summary of the DSU Plan. A complete copy of the DSU Plan is incorporated by reference to Appendix E to the Company's definitive proxy statement filed with the SEC on March 24, 2023.

Administration of Plan

The DSU Plan provides that non-executive Directors (each, a "Participant") will receive 50%, and may elect to receive up to 100%, of their annual compensation amount (the "Annual Base Compensation") in DSUs. The cash portion of Annual Base Compensation shall be paid to the Participant quarterly. A DSU is a unit credited to a Participant by way of a bookkeeping entry in the books of the Company, the value of which is equivalent to the value of one Common Share. All DSUs paid with respect to Annual Base Compensation will be credited quarterly to the Participant by means of an entry in a notional account in their favor on the books of the Company (a "DSU Account") when such Annual Base Compensation is payable. The Participant's DSU Account will be credited on a quarterly basis with the number of DSUs, calculated to the nearest thousandth of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the grant date by the Share Price of a Common Share at that time. Share Price is defined in the DSU Plan as (if the Common Shares are listed and posted for trading on the TSX) the closing price of the Common Shares on the TSX averaged over the last five (5) consecutive trading days of the fiscal quarter. Fractional Common Shares will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

Generally, a Participant who is not a U.S. Eligible Participant (as defined in the DSU Plan) shall be entitled to redeem their DSUs during the period commencing on the business day immediately following the date upon which the Participant ceases to hold any position as a Director of the Company and its subsidiaries and is no longer otherwise employed by the Company or its subsidiaries, including in the event of death of the Participant (the "Termination Date") and ending on December 15 of the year following the Termination Date, to be paid out no later than December 31 of the year following the Termination Date. In the case of a U.S. Eligible Participant (as defined in the DSU Plan), redemption will occur on the earlier of (i) "separation from service" as defined under Internal Revenue Code Section 409A, or (ii) within 90 days of the U.S. Eligible Participant's death. Redemptions under the DSU Plan may be settled in Common Shares issued from treasury, Common Shares purchased by the Company on the open market for delivery to the Participant, cash, or any combination of the foregoing, subject to the restrictions set forth in the DSU Plan.

Maximum Number of Common Shares Issuable

The maximum number of Common Shares reserved and available for issuance from treasury under the DSU Plan is a variable number equal to one percent (1%) of the issued and outstanding Common Shares of the Company (on a non-diluted basis) from time to time. As of March 6, 2024, one percent (1%) of the issued and outstanding Common Shares represents 3,343,712 Common Shares reserved and available for issuance under the DSU Plan.

The DSU Plan provides that the maximum number of Common Shares issuable to insiders (as that term is defined by the TSX) pursuant to the DSU Plan, together with any Common Shares issuable pursuant to any other security-based compensation arrangement of the Company, will not exceed 10% of the total number of outstanding Common Shares. In addition, the maximum number of Common Shares issued to insiders under the DSU Plan, together with any Common Shares issued to insiders pursuant to any other security-based compensation arrangement of the Company within any one-year period, will not exceed 10% of the total number of outstanding Common Shares.

Transferability

No right to receive payment of deferred compensation or retirement awards shall be transferable or assignable by any Participant under the DSU Plan except by will or laws of descent and distribution.

New Plan Benefits

The benefits that will be awarded or paid under the DSU Plan cannot currently be determined. The amount of DSUs paid under the DSU Plan is dependent on the level of Annual Base Compensation as determined by the Board, the election of the individual Participants, and the Share Price at the end of each fiscal quarter. As of March 6, 2024, the closing price of a Common Share on the TSX was C\$3.37, and the closing price of a Common Share on the NYSE American was \$2.48.

Amendments to the DSU Plan

The DSU Plan provides that the Board may at any time, and from time to time, and without Shareholder approval, amend any provision of the DSU Plan, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation:

- (a) for the purposes of making formal minor or technical modifications to any of the provisions of the DSU Plan including amendments of a "clerical" or "housekeeping" nature;
- (b) to correct any ambiguity, defective provision, error or omission in the provisions of the DSU Plan;
- (c) amendments to the termination provisions of the DSU Plan;
- (d) amendments necessary or advisable because of any change in applicable securities laws;
- (e) amendments to the transferability of DSUs provided for in the DSU Plan;
- (f) amendments relating to the administration of the DSU Plan; or
- (g) any other amendment, fundamental or otherwise, not requiring Shareholder approval under applicable laws or the rules of the Toronto Stock Exchange or the NYSE American;

provided, however, that:

- 1) no such amendment of the DSU Plan may be made without the consent of each affected Participant in the DSU Plan if such amendment would adversely affect the rights of such affected Participant(s) under the DSU Plan; and
- 2) Shareholder approval shall be obtained in accordance with the requirements of the TSX and the NYSE American for any amendment:
 - (i) to increase the maximum number of Common Shares which may be issued under the DSU Plan;
 - (ii) to the amendment provisions of the DSU Plan; or
 - (iii) to the definition of "Participant".

Certain United States Federal Income Tax Consequences

The following is a summary of the principal U.S. federal income tax consequences generally applicable to DSUs awarded under the DSU Plan. The following description applies to DSUs that are subject to U.S. federal income tax. The grant of DSUs and the crediting of DSUs to a Participant's DSU Account should not result in taxable income to the Participant at the time of grant. When DSUs are paid out, the Participant will recognize ordinary income equal to the fair market value of the Common Shares and cash received in settlement of the DSUs, and the Company will be entitled at that time to a corporate income tax deduction (for U.S. federal income tax purposes) for the same amount, subject to the general rules concerning deductibility of compensation. A Participant's basis in any Common Shares received will equal the fair market value of the Common Shares at the time the Participant recognized ordinary income. If, as usually is the case, the Common Shares are a capital asset in the Participant's hands, any additional gain or loss recognized on a subsequent sale or exchange of the Common Shares will not be ordinary income but will qualify as capital gain or loss. To the extent that a Participant's DSUs are subject to U.S. federal income tax and to taxation under the Income Tax Act (Canada), DSUs awarded under the DSU Plan are intended to comply with Section 409A of the Internal Revenue Code and to avoid adverse tax consequences under paragraph 6801(d) of the regulations under the Income Tax Act (Canada). To that end, the DSU Plan includes certain forfeiture provisions that could apply to DSUs awarded under the DSU Plan in limited circumstances.

Burn Rate

The DSU Plan burn rate for each of the three most recently closed fiscal years is shown in the following table. These burn rates for past fiscal years are not necessarily indicative of future burn rates.

| <u>Deferred Share Unit Plan</u> | |
|---------------------------------|-----------|
| Fiscal Year | Burn Rate |
| 2021 | 0.01% |
| 2022 | 0.01% |
| 2023 | 0.01% |

Shareholder Approval

The TSX rules require Shareholder approval of all unallocated entitlements under the Deferred Share Unit Plan (the "DSU Plan") every three years. Shareholders last approved the unallocated entitlements under the DSU Plan at the Company's annual meeting held in 2023.



INDEBTEDNESS OF DIRECTORS AND OFFICERS

As of November 30, 2023, and the date hereof, the aggregate indebtedness to the Company and its subsidiaries of all executive officers, Directors and employees, and their respective associates, and former executive officers, Directors and employees of the Company or any of its subsidiaries was \$nil.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed or related person of the Company, which includes each person who has been a Director or executive officer of the Company since the beginning of the most recently completed fiscal year, nor any proposed nominee for election as Director, nor any associate or affiliate of such informed person or proposed nominee, has had any material interest, direct or indirect, in any transaction entered into by the Company since the beginning of the most recently completed fiscal year, or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. Generally speaking, under SEC rules, any transaction in which a related person has a material interest, other than transactions involving aggregate amounts less than \$120,000, must be approved or ratified by the Audit Committee. The policies apply to all executive officers, directors and their immediate family members. Since December 1, 2022, there were no related person transactions under the relevant standards. Please refer to the section titled "*Ethical Business Conduct*" beginning on page 93 of this Circular for a discussion about the Company's policies and procedures governing related party transactions.