

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTIONS

This Notice relates to the following actions (the "Actions"):¹

- *In re NovaGold Resources Inc. Securities Litigation*, Master File 1:08-CV-7041 (DLC) (JCF) in the United States District Court for the Southern District of New York (the "U.S. Action");
- *Philip Elliott and William Kormos v. NovaGold Resources Inc., et al.*, Court File No. CV-09-13833 in the Ontario Superior Court of Justice (the "Ontario Action"); and
- *Linda M. Elliott v. NovaGold Resources Inc., et al.*, Court File No. VLC-S-S-097866 in the Supreme Court of British Columbia (the "British Columbia Action").

If you purchased NovaGold Resources Inc. ("NovaGold") common stock on the American Stock Exchange (the "AMEX"),² the Toronto Stock Exchange (the "TSX"), or by any other means during the period from October 25, 2005 to and including January 16, 2008 (the "Class Period"), your rights may be affected by class action lawsuit(s) and you may be entitled to a payment from a proposed class action settlement.

This Notice was authorized and approved by the U.S. and Canadian Courts in charge of the Actions. This is not a solicitation from a lawyer.

- If approved by the courts, the "Settlement" described herein will create a "Gross Settlement Fund" of C\$28 million plus interest (approximately US\$26,600,000),³ for the benefit of class members who purchased NovaGold common stock during the Class Period.
- The Settlement resolves actions pending before the United States District Court for the Southern District of New York (the "U.S. Court"), the Supreme Court of British Columbia (the "British Columbia Court"), and the Ontario Superior Court of Justice (the "Ontario Court", and collectively, the "Courts") brought by Plaintiffs (defined in Question 2 below) against Defendants (defined below) alleging, among other things, false and misleading public statements concerning the economic feasibility of NovaGold's Galore Creek mining project.
- If the Courts approve the Settlement and you are a member of one of the Classes (see Question 6), your legal rights will be affected by this Settlement whether you act or do not act. Please read this Notice carefully.
- The U.S. Court will consider the Settlement at a hearing to be held on September 10, 2010. The British Columbia Court will consider the Settlement at a hearing on August 6, 2010. The Ontario Court will consider the Settlement at a hearing on August 4, 2010 (collectively, the "Settlement Hearings").

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM BY SEPTEMBER 15, 2010	The <i>only</i> way to get a payment.
EXCLUDE YOURSELF (OPT OUT OF THE CLASSES) BY JULY 14, 2010	Get no payment. This is the <i>only</i> option that allows you to ever bring or be part of any <i>other</i> lawsuit against Defendants and the other Released Parties about the Settled Claims (as those terms are defined in Question 13).
OBJECT BY JULY 14, 2010	Write about why you do not like the Settlement, Plan of Allocation, or Attorneys' Fee Applications. This will not exclude you from the Classes described below.
GO TO A HEARING ON AUGUST 4, 2010, AUGUST 6, 2010, OR SEPTEMBER 10, 2010	Ask in your written objection to speak to the Court at one of the Settlement Hearings.
DO NOTHING	Get no payment. Give up rights.

- These rights and options – **and the deadlines to exercise them** – are explained in this notice.
- The Courts in charge of the U.S. and Canadian actions subject to this Settlement still have to decide whether to approve the Settlement. Payments will be made only if all three Courts approve the Settlement, and after any appeals, if any, are resolved. Please be patient.

¹ Ceci est un Avis d'instance et de règlement proposé de Recours collectifs autorisé et approuvé par des tribunaux des États-Unis et du Canada. Si vous avez acheté des actions ordinaires de NovaGold sur l'AMEX, le TSX ou par tout autre moyen lors de la Période visée par le recours, vos droits peuvent être affectés par un ou plusieurs recours collectifs et vous pouvez avoir droit à un paiement dans le cadre d'un règlement de recours collectif proposé. Afin de recevoir une copie de cet avis en français, vous pouvez : (1) télécharger l'avis depuis ces sites Web : www.strosbergco.com/novagold, www.labaton.com, www.novagoldclassaction.com; ou (2) contacter l'Administrateur des réclamations au : 866-887-1306.

² AMEX refers to the stock exchange formerly known as the American Stock Exchange, now known as NYSE Amex Equities.

³ All U.S.\$ denominated figures in this Notice are based on a conversion rate of C\$1 dollar:US\$0.9516, which was the closing exchange rate on February 12, 2010, the day the agreement in principle to settle the Actions was reached by the parties. Exchange rates are subject to change, and may result in an increase or decrease in the U.S. dollar amounts at the time of distribution.

SUMMARY OF THIS NOTICE

Statement of Plaintiff Recovery:

Pursuant to the Settlement, a Gross Settlement Fund consisting of C\$28 million (approximately US\$26,600,000), plus interest as it accrues, has been established. Based on Plaintiffs' consulting damages expert's estimate that 89.6 million shares of common stock may have been damaged, and assuming that all those shares participate in the Settlement, Plaintiffs estimate that the average recovery per NovaGold share is approximately C\$0.313 (US\$0.296), before deduction of Court-approved attorneys' fees and expenses, the U.S. Lead Plaintiff's costs and expenses, and administrative costs. A Class Member who submits a valid and timely Proof of Claim and Release form ("Proof of Claim"), and whose claim is allowed, may receive more or less than this average amount, depending on the number of claims submitted; the number of shares the Class Member purchased; the exchange on which the Class Member transacted; the currency in which the transaction took place; and the timing of the purchases and sales (if any). See the Plan of Allocation (Question 26) for more information about the determination of each Class Member's Recognized Loss pursuant to the Settlement.

Statement of Potential Outcome if the Claims Continued to Be Litigated:

The parties in the Actions vigorously disagree on all elements of liability and damages, and do not agree on the average amount of damages per share that would be recoverable even if Plaintiffs were to have prevailed on each claim alleged in the Actions. Defendants deny that they are liable to Plaintiffs or to Class Members and deny that the Plaintiffs or Class Members have suffered any damages.

Statement of Attorneys' Fees and Expenses Sought:

Counsel for the U.S. Class in the U.S. Action will ask the U.S. Court for an award of attorneys' fees not to exceed C\$5,975,000 (approximately US\$5,700,000), or approximately 21.3% of the Gross Settlement Fund, plus interest, and reimbursement of litigation expenses incurred in connection with the prosecution of the U.S. Action in an amount not to exceed C\$275,000 (approximately US\$261,700), plus interest. Counsel for the British Columbia Class and Counsel for the Ontario Class will ask the respective courts in the Canadian Actions for an award of attorneys' fees, not to exceed C\$1,025,000 (approximately US\$975,400), or approximately 3.7% of the Gross Settlement Fund, plus interest and applicable taxes, and reimbursement of litigation disbursements incurred in connection with the prosecution of the Canadian Actions, in an amount not to exceed C\$45,000 (approximately US\$43,000), plus interest. Pursuant to the United States Private Securities Litigation Reform Act of 1995 ("PSLRA"), the U.S. Lead Plaintiff will also ask the U.S. Court to reimburse it for costs and expenses it incurred in representing the U.S. Class in an amount not to exceed C\$1050.90 (approximately US\$1,000).

In the aggregate, the total amount of fees and reimbursement of expenses requested by counsel for plaintiffs in the U.S., British Columbia, and Ontario Actions ("Plaintiffs' Counsel"), if approved in full by the Courts, would amount to approximately C\$0.081 (US\$0.077) per affected share.

Plaintiffs' Counsel have expended considerable time and effort prosecuting the Actions on a contingent fee basis, and have advanced the expenses of each of the Actions, in the expectation that, if they were successful in obtaining a recovery for Class Members, they would be paid from such recovery. In this type of litigation, it is customary for Plaintiffs' Counsel to be awarded a percentage of the common fund recovered as their attorneys' fees and reimbursement of litigation expenses.

Reasons for the Settlement:

Based upon their investigations and evaluations of the facts and law, Plaintiffs' Counsel, the U.S. Lead Plaintiff, and the Canadian Plaintiffs agreed to the Settlement after considering, among other things: (i) the immediate cash benefits to Class Members; (ii) the uncertainty of being able to prove the allegations asserted in the Actions; (iii) the attendant risks of litigation, especially in complex class actions, as well as the difficulties and delays inherent in such litigation (including appeals); (iv) the risk that one or more of the Actions would not be certified or authorized to proceed as a class action; (v) the uncertainty inherent in the parties' competing theories of damages, even if liability were established at trial; (vi) awareness of Defendants' likely positions on various liability and damages issues; (vii) the risk that NovaGold would not remain a going concern or be able to pay a larger judgment after trial; and (viii) their belief that the Settlement is fair, reasonable, and adequate. With respect to NovaGold's ability to survive as a going concern, NovaGold, in its quarterly report issued on October 13, 2009, and again in its annual report issued on February 10, 2010, disclosed that it would be unable to sustain business operations without near-term financing to support expenses and significant long-term financing to meet NovaGold's share of development costs on its mining projects.

Defendants have entered into the Settlement to bring to an end the substantial expense, burden, risk, and uncertainty associated with continued litigation; to put to rest the claims and the underlying matters raised in the Actions; and to avoid further expense and disruption of the management and operation of Defendants' business and affairs due to the Actions. The Settlement shall not be construed as, and is not, an admission of any liability, wrongdoing, or damages whatsoever by any of the Defendants.

Further information:

Further information regarding the Settlement and this Notice may be obtained from:

Claims Administrator: The Garden City Group, Inc., PO Box 9299, Dublin, OH 43017-4699, 866-887-1306, www.novagoldclassaction.com.

U.S. Lead Counsel: Joseph A. Fonti, Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, 888-753-2796, info@labaton.com, www.labaton.com.

Ontario Class Counsel: Jay Strosberg, Sutts, Strosberg LLP, 600 - 251 Goyeau Street, Windsor, Ontario, N9A 6V4, 877-214-4517, novagold@strosbergco.com, www.strosbergco.com/novagold.

British Columbia Class Counsel: Reidar Mogerman, Camp Fiorante Matthews, #400 - 856 Homer Street, Vancouver, BC, Canada V6B 2W5, 604-689-7555, info@cfmlawyers.ca.

Do Not Call the Courts With Questions About the Settlement.

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION

1. Why did I get this Notice Package?

You or someone in your family may have purchased NovaGold common stock during the Class Period (i.e., from October 25, 2005 to and including January 16, 2008), and, therefore, you may be a Class Member. The Courts have directed that this Notice be sent to Class Members because they should know about the Settlement of the Actions, and about all of their options, before the Courts decide whether to approve the Settlement. This Notice provides information about the Actions, the Settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them. The Courts in charge of the Actions and the consideration of the Settlement are:

Court	Action
United States District Court for the Southern District of New York Daniel Patrick Moynihan United States Courthouse 500 Pearl Street New York, NY 10007-1312 The Honorable Denise Cote	<i>In re NovaGold Resources Inc. Securities Litigation</i> , Civ. No. 08-7041 (DLC) (JCF)
The Supreme Court of British Columbia 800 Smithe Street Vancouver, British Columbia V6Z 2E1 Madam Justice Griffin	<i>Elliott v. NovaGold Resources Inc., et al.</i> , Court File No. VLC-S-S-097866
The Ontario Superior Court of Justice 245 Windsor Avenue Windsor, Ontario N9A 1J2 Madam Justice Leitch	<i>Elliott and Kormos v. NovaGold Resources Inc., et al.</i> , Court File No. CV-09-13833

The Canadian Courts will resolve the issues for members of the Canadian Classes, except for those who exclude themselves from the Canadian Classes. The U.S. Court will resolve the issues for members of the U.S. Class, except for those who exclude themselves from the U.S. Class. Class Members who are members of more than one Class are asked on the Proof of Claim to elect either the U.S. Court, the Ontario Court or the British Columbia Court (for British Columbia residents only) to exercise jurisdiction over their claim, if they choose to make one.

2. What are the Actions about?

The Corrected Consolidated Class Action Complaint, filed December 30, 2008, ("Complaint") in the U.S. Action originally alleged, among other things, that NovaGold and certain of its directors, senior officers, and representatives violated Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder by issuing false and misleading statements about the economic viability of its largest mining project, Galore Creek. The individual defendants, as control persons, were allegedly liable under Section 20(a) of the Exchange Act. The Complaint also alleged violations of the Securities Act of 1933 (the "Securities Act"). The Canadian Actions alleged that defendants negligently misrepresented the economic feasibility of the Galore Creek project.

The Plaintiffs' claims, which Defendants vigorously dispute, are based on allegations concerning whether the construction and operation of the Galore Creek mine was economically feasible. On October 25, 2005, NovaGold released the Preliminary Economic Assessment Report conducted by Hatch Ltd. ("Hatch"), an engineering firm. NovaGold commissioned Hatch to complete a "Feasibility Study" in order to attest to the economic viability of Galore Creek. On July 24, 2006, Barrick Gold Corp. launched a hostile bid for NovaGold. Through the summer of 2006, NovaGold urged shareholders to reject the bid. On October 24, 2006, Barrick increased its offer. The next trading day, NovaGold announced the completion of the Feasibility Study, estimating Galore Creek's capital cost at C\$2.2 billion. Plaintiffs alleged that Defendants knew or should have known that the estimated capital costs in the Feasibility Study were materially underestimated, but continued to publicly refer to the Feasibility Study as accurate and reliable. On November 26, 2007, Defendants disclosed that the capital cost of the project could approach as much as C\$5 billion, and that construction would be suspended. That day, NovaGold's stock price significantly decreased. On January 16, 2008, NovaGold explicitly advised investors that the Feasibility Study should not be relied upon.

The defendants in the U.S. Action included NovaGold and the Galore Creek Mining Corp. ("GCMC"); Rick Van Nieuwenhuysse, Robert J. McDonald, Douglas Brown, Peter W. Harris, George Brack, Michael H. Halvorson, Gerald J. McConnell, Clynton R. Nauman, and James L. Philip ("Individual Defendants"); Underwriter Defendants Citigroup Global Markets Inc., Citigroup Global Markets Canada Inc., RBC Dominion Securities Inc., Scotia Capital Inc., Cormark Securities Inc., and MGI Securities; and Hatch and Bruce Rustad (collectively, the "U.S. Defendants").

The defendants in the Canadian Actions include NovaGold, Van Nieuwenhuysse, Brack, Halvorson, McConnell, Cole E. McFarland, Nauman, Philip, MacDonald, Brown, and Hatch (the "Canadian Defendants," together with the U.S. Defendants, the "Defendants"). The U.S. Lead Plaintiff is the New Orleans Employees' Retirement System. The British Columbia Plaintiff is Linda M. Elliot, and the Ontario Plaintiffs are Philip Elliot and William Kormos (collectively, the "Canadian Plaintiffs"). The U.S. Lead Plaintiff and the Canadian Plaintiffs are collectively referred to in this Notice as "Plaintiffs;" Plaintiffs and Defendants are collectively referred to herein as the "Parties."

The Canadian and U.S. Actions seek money damages. Defendants deny that they did anything wrong, are liable to Class Members, or that Class Members have suffered damages.

3. What has happened in the Actions so far?

Beginning on August 7, 2008, three class actions were filed in the U.S. alleging violations of the federal securities laws against NovaGold and other defendants. Those cases were consolidated on November 5, 2008. After hearing fully-briefed motions regarding appointment of a lead plaintiff and lead counsel, the U.S. Court, by order entered November 5, 2008, appointed the New Orleans Employees' Retirement System "U.S. Lead Plaintiff" and appointed Labaton Sucharow LLP "U.S. Lead Counsel."

By Order entered November 3, 2008, the U.S. Court ordered the parties to the U.S. Action to pursue settlement discussions under the supervision of Magistrate Judge James C. Francis. On December 30, 2008, U.S. Lead Plaintiff filed the operative Complaint in the U.S. Action. On January 23, 2009, each defendant in the U.S. Action moved to dismiss the Complaint. On June 5, 2009, the U.S. Court denied Defendants' motion to dismiss as it related to U.S. Lead Plaintiff's Section 10(b) claim against NovaGold and its Section 20(a) claims against the Individual Defendants. All other claims were dismissed. Additionally, the U.S. Court dismissed, for lack of subject matter jurisdiction, all claims of putative class members who were foreigners purchasing shares abroad.

On June 30, 2009, U.S. Lead Plaintiff commenced discovery in the U.S. Action by serving document requests upon NovaGold and the Individual Defendants. U.S. Lead Plaintiff also issued numerous document subpoenas to various third-parties and reviewed and analyzed approximately 700,000 pages of documents.

On September 16, 2009, the parties to the U.S. Action engaged in a mediation session before the Hon. Layn Phillips (D. Okla.) (Ret.) to discuss a potential settlement. On October 15, 2009, the parties to the U.S. Action engaged in a second mediation session with Judge Phillips, but were unable to reach a settlement. Following this mediation, NovaGold produced additional documents to U.S. Lead Plaintiff, most of which originated from NovaGold's electronic information systems.

On October 14, 2009, the Ontario Action was commenced in the Ontario Court by plaintiff Vijay Goyal. The Ontario Action has been assigned to Madam Justice L.C. Leitch. On December 29, 2009, a Fresh Statement of Claim was filed in the Ontario Action which, *inter alia*, substituted plaintiffs Philip Elliot and William Kormos for Vijay Goyal. On October 28, 2009, the British Columbia Action was commenced in the British Columbia Court by plaintiff Linda M. Elliott. The British Columbia Action has been assigned to Madam Justice Griffin.

On January 22, 2010, the parties to the U.S. Action attended a previously scheduled pre-trial conference before the U.S. Court, provided an update of settlement discussions, and advised the U.S. Court of their intention to take part in a third mediation in February. The U.S. Court Judge, the Hon. Denise Cote, offered her assistance in the mediation, subject to the Parties' mutual consent.

On February 5, 2010, U.S. Lead Plaintiff filed its motion for class certification, which took into account the Court's order on Defendants' motion to dismiss and included a proposed class definition that is the same as the U.S. Class defined herein.

On February 12, 2010, the Parties participated in a mediation session before a mediator, Judge Phillips, and Judge Cote. U.S. Lead Counsel, Canadian Counsel, Defendants, and Defendants' insurance carriers engaged in extensive arm's-length settlement negotiations, with active participation from the mediator and Judge Cote. When the Parties reached an impasse, Judge Cote recommended a proposed settlement amount. The Parties accepted Judge Cote's recommendation, thus reaching an agreement in principle. A memorandum of understanding was then executed.

4. What is a class action?

In a class action, one or more people, called class representatives (in this case, the U.S. Lead Plaintiff in the U.S. Action and the Canadian Plaintiffs in the Canadian Actions), sue on behalf of people who have similar claims. All of these people are collectively called the "Class" or "Class Members." Bringing a case as a class action allows the resolution of many similar claims that might be economically too small to bring separately.

5. Why is there a settlement?

The Courts did not decide in favor of one side or the other in either the U.S. Action or the Canadian Actions. Instead, the Parties agreed to the Settlement. The Settlement avoids the risks and costs of a trial, and eligible Class Members who submit valid and timely claims receive compensation more quickly. See "Reasons for the Settlement" above. Plaintiffs' Counsel, U.S. Lead Plaintiff, and Canadian Plaintiffs believe that the Settlement is fair, reasonable, and adequate.

WHO IS IN THE SETTLEMENT

6. How do I know if I am eligible to take part in the Settlement?

If you purchased NovaGold common stock on the AMEX, the TSX, or by any other means, during the Class Period (*i.e.*, from October 25, 2005 to and including January 16, 2008), and are not one of the Excluded Persons (defined below), you are a member of one of the Classes of investors certified in the Actions. You may be eligible to get money from this Settlement. More specifically:

The U.S. Court has directed, solely for purposes of this proposed Settlement, that everyone who fits the following description is a member of the **U.S. Class**:

All Persons, other than Excluded Persons, who: (i) purchased NovaGold common stock on the AMEX during the Class Period; (ii) are United States residents that purchased NovaGold common stock on the TSX during the Class Period; or (iii) are United States residents that purchased publicly traded NovaGold common stock by any other means during the Class Period, and were allegedly damaged thereby.

The British Columbia Court has authorized, solely for purposes of the proposed Settlement, that everyone who fits the following description is a member of the proposed **British Columbia Class**:

All Persons resident in British Columbia, other than Philip Elliott and Excluded Persons, who purchased NovaGold common stock on the TSX or AMEX during the Class Period.

The Ontario Court has authorized, solely for purposes of the proposed Settlement, that everyone who fits the following description is a member of the proposed **Ontario Class**:

All Persons, other than the British Columbia Class and Excluded Persons, who purchased NovaGold common stock on the TSX during the Class Period and all persons in Canada who purchased NovaGold common stock on the AMEX during the Class Period.

Excluded Persons (as defined below) are excluded from all of the Classes. In addition, members of the British Columbia Class are excluded from the Ontario Class.

If you purchased NovaGold common stock on both the TSX and the AMEX or are a Canadian resident who purchased NovaGold common stock on the AMEX, you may be in more than one of the Classes. However, you may only receive one payment, if you are eligible. Throughout this Notice, the three classes are referred to as the "Class."

7. What are the exceptions to being included in the Class?

You are **not** a member of the U.S., British Columbia, or Ontario Class if you are an Excluded Person. "Excluded Persons" means: (i) current or former defendants in the Actions; (ii) members of the immediate family of each current or former individual defendant in the Actions; (iii) any entity in which NovaGold or one of the current or former individual defendants has a controlling interest; (iv) any parent, subsidiary, or affiliate of NovaGold; (v) any person who was an officer or director of NovaGold or any of its subsidiaries or affiliates during the Class Period; (vi) the legal representatives, heirs, predecessors, successors, or assigns of any current or former defendant in the Actions; (vii) Electrum Strategic Resources LLC; and (viii) any member of the Class who timely and validly requests exclusion in the manner approved by the Courts (see Question 14 below).

If you do not want to be a Class Member, for example, if you want to bring or continue with your own lawsuit against the Defendants for these claims, **you must** exclude yourself by submitting a request for exclusion in accordance with the requirements explained in Question 14 below.

If one of your mutual funds purchased or acquired shares of NovaGold during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you (or your broker on your behalf) purchased NovaGold common stock during the Class Period.

If you **sold** NovaGold shares during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you **purchased shares of NovaGold** during the Class Period and have an allowed claim pursuant to the Plan of Allocation described below.

8. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You should contact the Claims Administrator at: *NovaGold Resources Inc. Securities Litigation*, c/o The Garden City Group, Inc., PO Box 9299, Dublin, OH 43017-4699, 866-887-1306, www.novagoldclassaction.com. Alternatively, you may fill out and return the Proof of Claim described in Question 11 below to see if you qualify.

THE SETTLEMENT BENEFITS - WHAT YOU MAY RECEIVE

9. What does the Settlement provide?

In exchange for the Settlement, including the releases provided, NovaGold has agreed to pay C\$28 million (approximately US\$26,600,000), which will earn interest while held in escrow, to be divided among all eligible Class Members who submit valid and timely Proofs of Claim and who have a Recognized Loss pursuant to the terms of the Plan of Allocation, after payment of Taxes, Court-approved attorneys' fees and expenses, the U.S. Lead Plaintiff's Court-approved costs and expenses, and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing notices (the "Net Settlement Fund").

Defendants dispute every element of Plaintiffs' claims. Even if Plaintiffs could prove liability, the Parties dispute the period of time for which any liability could be proven and the amount, if any, of damages that could be proven if liability were established. In the U.S. Action, U.S. Lead Plaintiff alleged that the price of NovaGold's common stock was artificially inflated due to allegedly false or misleading misrepresentations, and brought suit on behalf of investors who purchased NovaGold common shares during a class period from October 25, 2006 through November 23, 2007. In the Canadian Actions, Canadian Plaintiffs alleged a different class period, based on similar allegations, on behalf of investors who purchased NovaGold common stock from October 25, 2005 to January 16, 2008. Defendants do not believe that the price of NovaGold common stock was inflated during either of those class periods. The U.S. Lead Plaintiff, the Canadian Plaintiffs, and the Defendants have reached a global settlement of all the Actions for the entire Class Period, from October 25, 2005 to and including January 16, 2008. As a material term of the Settlement, the U.S. Lead Plaintiff and the Canadian Plaintiffs agreed to the same Class Period. The Settlement releases the claims of all Class Members in all of the Actions for the Class Period.

10. How much will my payment be?

If you are entitled to a payment under the terms of the Plan of Allocation, your share of the Net Settlement Fund will depend on several things, including: how many Class Members timely submit valid Proofs of Claim; the total Recognized Losses for settlement purposes

represented by those valid Proofs of Claim; how many NovaGold shares you purchased; when you purchased them; on what exchange you transacted; how much you paid for your shares; when you sold them; and the price for which you sold them.

You may calculate your "Recognized Loss" according to the formula shown below in the Plan of Allocation. It is unlikely that you will get a payment for your entire Recognized Loss. After all Class Members have submitted their Proofs of Claim, your payment will be the portion of the Net Settlement Fund equal to your Recognized Loss divided by the total of all Class Members' Recognized Losses and multiplied by the total amount in the Net Settlement Fund. See the Plan of Allocation below for more information on your Recognized Loss.

HOW YOU GET A PAYMENT — SUBMITTING A PROOF OF CLAIM

11. How can I get a payment?

To qualify for a payment, you must timely send in a validly completed Proof of Claim with supporting documents (DO NOT SEND ORIGINALS of your supporting documents). A Proof of Claim is being circulated with this Notice. You may also get a Proof of Claim on the Internet at the websites for the Claims Administrator: www.novagoldclassaction.com, or U.S. Lead Counsel: www.labatton.com, or Canadian Counsel: www.strosbergco.com/novagold. Please read the instructions carefully, fill out the Proof of Claim, include all the documents the Proof of Claim asks for, sign it, and submit it to the Claims Administrator so that it is **received, or postmarked, on or before September 15, 2010**. *The Claims Administrator needs all of the information requested in the Proof of Claim in order to determine what you may be entitled to.*

12. When would I get my payment?

All three Courts must approve the Settlement for it to become Effective and for eligible Class Members to receive a payment. However, once the Courts decide these issues, there may be appeals. It is always uncertain whether any such appeals may be resolved favorably in support of the Settlement, and resolving them can take time, perhaps more than a year. It also takes time for all the Proofs of Claim to be accurately reviewed and processed. Please be patient.

13. What am I giving up by staying in the Class?

Unless you exclude yourself ("opt out"), you will stay in the Class. That means that, upon the Effective Date, you (and your personal representatives, heirs, executors, administrators, trustees, beneficiaries, current and former plan members and contributors, successors, and assigns) will release and forever discharge the "Released Parties" (as defined below) with respect to "Settled Claims" (as defined below) and will be barred and enjoined from suing, continuing to sue, or being part of any other lawsuit against the Released Parties relating to the Settled Claims. All of the U.S. Court's orders will apply to you and legally bind you if you are a member of the U.S. Class. Likewise the British Columbia Court's orders will apply to you if you are a member of the British Columbia Class, and the Ontario Court's orders will apply to you if you are a member of the Ontario Class.

"Released Parties" means Carl Gagnier, Gregory S. Johnson, Joseph R. Piekenbrock, Elaine M. Sanders, Douglas Nicholson, Defendants and each of their respective present and former parents, subsidiaries, affiliates, officers, directors, employees, general or limited partners or partnerships, foundations, trusts, principals, trustees, attorneys, auditors, accountants, investment bankers, consultants, agents, insurers, co-insurers, heirs, executors, administrators, predecessors, successors, and assigns.

"Released Plaintiff Parties" means U.S. Lead Plaintiff, Canadian Plaintiffs, their respective counsel and the Class Members.

"Settled Claims" means any and all claims, rights, causes of action, damages, or liabilities of any kind, nature, and character whatsoever in law, equity, or otherwise, including both known and Unknown Claims, which were, could have been, or could be asserted in any forum by the Class Members against any of the Released Parties, whether under United States or Canadian federal, state, provincial, local, statutory, or common law, or any other law, rule, or regulation, based upon, arising out of or relating to, directly or indirectly, any acts, facts, transactions, occurrences, representations, allegations, or omissions alleged in the Actions.

"Settled Defendants' Claims" means any and all claims, rights, causes of action, damages, or liabilities of any kind, nature, and character whatsoever in law, equity, or otherwise, including both known and Unknown Claims, which were, could have been, or could be asserted in any forum by the Released Parties against any of the Released Plaintiff Parties, whether under United States or Canadian federal, state, provincial, local, statutory or common law, or any other law, rule, or regulation, based upon, arising out of or relating to, directly or indirectly, the institution, prosecution or settlement of the Actions, but excluding any claims to enforce the terms of this Settlement.

"Unknown Claims" means any and all Settled Claims which any of the U.S. Lead Plaintiff, the Canadian Plaintiffs, or the Class Members do not know or suspect to exist in their favor at the time of the Effective Date and any Settled Defendants' Claims which any Defendant does not know or suspect to exist in his favor, as of the Effective Date, which if known might have affected the decisions with respect to the Settlement and releases therein. With respect to any and all Settled Claims and Settled Defendants' Claims, the parties stipulate and agree that, upon the Effective Date, U.S. Lead Plaintiff, Canadian Plaintiffs, and Defendants shall expressly waive, and each Class Member shall be deemed to have waived, and by operation of the Judgments shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state, province, or territory of the United States or Canada, or principle of common law or otherwise, which provides that a general release does not extend to claims which a creditor or releasor does not know or suspect to exist in their favor at the time of executing the release which, if known, might have materially affected their settlement and release of individuals and persons, including any provisions, rights or benefits under California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

U.S. Lead Plaintiff, Canadian Plaintiffs, and Class Members may hereinafter discover facts in addition to, or different from, those which they know or believe to be true with respect to the subject matter of the Settled Claims, but U.S. Lead Plaintiff and the Canadian

Plaintiffs shall expressly fully, finally, and forever settle and release, and each Class Member, upon the Effective Date, shall be deemed to have and, by operation of the Judgments shall have, fully, finally, and forever settled and released any and all Settled Claims. U.S. Lead Plaintiff, Canadian Plaintiffs, and Defendants acknowledge, and Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Settled Claims and Settled Defendants' Claims was separately bargained for and was a key element of the Settlement.

The "Effective Date" is conditioned upon, among other things, payment of the Gross Settlement Fund, all Courts approving the Settlement, and the Court orders provided for under the terms of the Settlement becoming final and not subject to appeal. (The precise definition of the Effective Date is contained in the Stipulation.)

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, and you want to keep any right you may have to sue or continue to sue the Defendants and the other Released Parties on your own about the Settled Claims, then you must take steps to get out of the Class of which you are a member. This is called excluding yourself from, or "opting out" of, the Class.

14. How do I "opt out" (exclude myself) from the Class?

To opt out (exclude yourself) from the Class, you must submit a signed letter stating that you "request exclusion from the Class in *NovaGold Resources Inc. Securities Litigation*." Your letter must state the date(s), price(s), and number of shares of all of your purchases, acquisitions, and sales of NovaGold common stock during the Class Period, and provide copies of records of your transactions. This information is needed to determine whether you are a Class Member. In addition, you must include your name, address, telephone number, and your signature. You must submit your exclusion request so that it is **received, or postmarked, on or before July 14, 2010**, to: *NovaGold Resources Inc. Securities Litigation* EXCLUSIONS, c/o The Garden City Group, Inc. Claims Administrator, PO Box 9299, Dublin, OH 43017-4699.

You cannot exclude yourself by telephone. Your exclusion request must comply with these requirements in order to be valid. If you write to request to be excluded, you will not get any settlement payment, and, if you are a member of the U.S. Class, you cannot object to the Settlement. However, if you are a Canadian and do not wish to exclude yourself before the resolution of your objection to the Settlement, you will have an additional 30 days after the Canadian Settlement Hearings in order to submit an exclusion request in the event your objection is denied. If you are a member of more than one Class, you only need to submit one exclusion request.

15. If I do not opt out, may I sue Defendants for the same thing?

No. Unless you opt out, you give up any right to sue the Defendants and the other Released Parties for the Settled Claims resolved by this Settlement. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case **immediately**. You must exclude yourself from **this** Class to continue your own lawsuit.

16. If I opt out, may I get money from this proposed Settlement?

No. If you opt out, do not mail in a Proof of Claim because you will be ineligible for compensation from the Settlement. However, you may sue, continue to sue, or be part of a different lawsuit against the Defendants and the other Released Parties concerning the Settled Claims resolved by this Settlement.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in the Actions?

The law firm of Labaton Sucharow LLP, represents the U.S. Class in the U.S. Action. The law firm of Camp Fiorante Matthews represents the British Columbia Class in the British Columbia Action. The law firm of Sutts, Strosberg LLP represents the Ontario Class in the Ontario Action, collectively ("Plaintiffs' Counsel"). You will not be separately charged for the services of any of these lawyers. The Courts will determine the amount of attorneys' fees, expenses, and disbursements those lawyers will receive, and this amount will be paid from the Gross Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

18. How will the lawyers be paid?

Plaintiffs' Counsel have not received any payment for their services in pursuing the claims against the Defendants on behalf of the Class, nor have they been reimbursed for their litigation expenses. At the Settlement Hearings, or at such other time as the Courts may order, U.S. Lead Counsel and Canadian Class Counsel will ask the Courts to collectively award them attorneys' fees from the Gross Settlement Fund in a total amount not to exceed 25% of the Gross Settlement Fund, plus interest on such fees at the same rate earned by the Gross Settlement Fund. Prior to the September 2009 mediation, U.S. Lead Plaintiff negotiated with U.S. Lead Counsel to limit attorneys' fees to 25% of any recovery. While this agreement was reached prior to the involvement of Canadian counsel in any mediation efforts, upon reaching the agreement in principle, U.S. Lead Plaintiff sought that the total attorneys' fees for both U.S. Lead Counsel and Canadian counsel not exceed 25% of the Settlement.

At the Settlement Hearing, U.S. Lead Counsel will make a motion for an award of attorneys' fees not to exceed C\$5,975,000 (approximately US\$5,700,000) or approximately 21.3% of the Gross Settlement Fund, plus interest, and reimbursement of litigation expenses incurred in connection with the prosecution of the U.S. Action in an amount not to exceed C\$275,000 (approximately US\$261,700), plus interest. Canadian Class Counsel will ask the courts in the Canadian Actions for an award of attorneys' fees not to exceed C\$1,025,000 (approximately US\$975,400) or approximately 3.7% of the Gross Settlement Fund, plus interest, and reimbursement of applicable taxes and litigation disbursements incurred in connection with the prosecution of the Canadian Actions in an amount not to exceed C\$45,000 (approximately US\$43,000), plus interest.

Pursuant to the PSLRA, the U.S. Lead Plaintiff will also ask the U.S. Court to reimburse it for costs and expenses it incurred in representing the U.S. Class in an amount not to exceed C\$1050.90 (US\$1,000).

If approved, the attorneys' fees requested would compensate Plaintiffs' Counsel for their efforts in achieving the Settlement for the benefit of the Class and for the risk in undertaking the litigation on a contingency basis. This request is reasonable given: (a) the time and labor spent by counsel; (b) the novelty and difficulty of the claims; (c) the risk that Plaintiffs would not prevail; (d) the risk that, if Plaintiffs prevailed, NovaGold would not remain a going concern or be able to pay a judgment after trial; (e) the quality of counsel's representation; and (f) the fees awarded in similar cases.

OBJECTING TO THE SETTLEMENT

19. How do I object?

If you are a Class Member, you may "object" to the Settlement or any of its terms, including the proposed Plan of Allocation, or to the applications by Plaintiffs' Counsel for awards of attorneys' fees, taxes, and expenses/disbursements. If you are a member of the U.S. Class, you must write to the U.S. Court and U.S. Lead Counsel. If you are a member of one of the Canadian Classes, you must write to the Claims Administrator. You must set out your objection and give reasons for it. You must also: (1) include your name, address, telephone number, and signature; (2) identify and supply copies of documentation showing the date(s), price(s), and number of NovaGold shares you purchased or sold during the Class Period; and (3) identify the exchange(s) on which you transacted. This information is needed to demonstrate your membership in the Class. The appropriate Court will consider your views if you file a proper objection according to these procedures. If you are a member of more than one Class, you may submit only one objection, as described below, and it will be decided by only one of the courts. (If you are a member of more than one Class and you submit more than one objection, the U.S. Court will decide your objection.)

If you are a **U.S. Class Member**, you must submit your signed letter saying that you object to the proposed Settlement in *NovaGold Resources Inc. Securities Litigation*, No. 08-7041 to each of the following so that it is **received, or postmarked, on or before July 14, 2010**:

U.S. Lead Counsel:
Joseph A. Fonti, Esq.
Labaton Sucharow LLP
140 Broadway
New York, NY 10005

The U.S. Court:
Clerk of the Court
United States District Court for the Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street
New York, NY 10007-1312

If you are a member of the U.S. Class **and** one of the Canadian Classes, and you file your objection with the U.S. Court, you are choosing to have your objection decided by the U.S. Court rather than one of the Canadian Courts. If you **do not** file your objection in the U.S. Court, your objection will be decided only by the Canadian Court that has jurisdiction over your Canadian Class.

If you are a **British Columbia Class Member**, you must submit your signed letter saying that you object to the proposed Settlement in *NovaGold Resources Inc. Securities Litigation*, Court File No. VLC-S-S-097866; or if you are an **Ontario Class Member**, you must submit your signed letter saying that you object to the proposed Settlement in *NovaGold Resources Inc. Securities Litigation*, Court File No. CV-09-13833, on the following so that it is **received, or postmarked, on or before July 14, 2010**: *NovaGold Resources Inc. Securities Litigation*, c/o The Garden City Group, Inc. Claims Administrator, PO Box 9299, Dublin, OH 43017-4699.

Canadian Class Counsel will ensure that your objection is brought to the attention of the Canadian Courts.

You do not need to attend either the Canadian Settlement Hearings or the U.S. Settlement Hearing to have your objection considered. However, if you wish to attend or to have a lawyer attend to speak about your objection, you must indicate this intention in your objection letter.

20. What is the difference between objecting and opting out?

Objecting is simply telling the Court that you do not like something about the Settlement. If you are a U.S. Class Member, you may object only if you stay in the Class. Opting out is telling the Court that you do not want to be part of the Settlement. If you opt out, you have no basis to object because the Action no longer affects you. If you are a Canadian who objects, and your objection is denied, you will have an additional 30 days after the denial of your objection to opt out from the Canadian Class.

THE SETTLEMENT HEARINGS IN THE CANADIAN AND U.S. COURTS

21. When and where will the Canadian and U.S. Courts decide whether to approve the Settlement?

The U.S. Court will hold the U.S. Settlement Hearing on September 10, 2010 at 2:00 p.m., in Courtroom 11B at the Daniel Patrick Moynihan United States Courthouse, the United States District Court for the Southern District of New York, 500 Pearl Street, New York, NY 10007-1312.

The British Columbia Court will hold the British Columbia Settlement Hearing on August 6, 2010, at 10:00 a.m., at the Supreme Court of British Columbia, 800 Smithe Street, Vancouver, British Columbia V6Z 2E1.

The Ontario Court will hold the Ontario Columbia Settlement Hearing on August 4, 2010, at 1:00 p.m., at the Ontario Superior Court of Justice, 245 Windsor Avenue, Windsor, Ontario N9A 1J2.

At these respective hearings, each Court will consider whether the Settlement is fair, reasonable, and adequate for the Class Members over which each Court presides, whether to approve the proposed Plan of Allocation, whether to award attorneys' fees and expenses, and whether to reimburse the U.S. Lead Plaintiff for its costs and expenses. If there are objections, the Courts will consider them, and the presiding judge may listen to people who have properly indicated, within the deadline identified in Question 19 above, an intention to attend the hearing; however, all decisions regarding the conduct of the hearings will be made by the respective presiding judge. The Courts may decide some or all of these issues at the hearings, or take them under consideration. We do not know how long these decisions will take.

22. Do I have to come to the hearings?

No. Plaintiffs' Counsel will answer any questions the Courts may have. You are welcome to attend at your own expense. If you mail an objection, you do not have to appear at a hearing to talk about it. Please be aware that the Courts may change the dates or times of the hearings without further notice to Class Members.

23. May I speak at the hearing and submit additional evidence?

If you object to the Settlement, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (see Question 19 above) a statement that it is your "notice of intention to appear in *NovaGold Resources Inc. Securities Litigation*." Persons who intend to object and want to present evidence at the Settlement Hearing must also include in their written objection the identity of any witness they may call to testify and exhibits they intend to introduce at the Settlement Hearing. You cannot speak at the hearing if you excluded yourself from the Class or if you have not provided written notice of your intention to speak at the Settlement Hearing according to the procedures described above and in the answer to Question 19.

IF YOU DO NOTHING

24. What happens if I do nothing at all?

If you do nothing, you will get no money from this Settlement and you will be precluded forever from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against the Defendants and the Released Parties about the Settled Claims. To share in the Net Settlement Fund, you must timely submit a valid Proof of Claim (see Question 11). To start, continue, or be part of any *other* lawsuit against the Defendants and the other Released Parties concerning the Settled Claims, you must exclude yourself (see Question 14).

GETTING MORE INFORMATION

25. Are there more details about the Settlement and the Actions?

For more information concerning the U.S. Action, the Ontario Action, the British Columbia Action, and the Settlement, you may review key documents on the websites of the Claims Administrator and Plaintiffs' Counsel: www.novagoldclassaction.com, www.labaton.com, and www.strosbergco.com/novagold. Specifically, please see the websites for downloadable copies of the complaints in the Actions, the U.S. Court's decision on Defendants' motions to dismiss, the Amended Stipulation and Agreement of Settlement, dated as of April 20, 2010 (the "Stipulation"), this Notice (in English and French), and the Proof of Claim.

This Notice summarizes the proposed Settlement. More details are in the Stipulation. All capitalized terms not defined in this Notice have the meanings set forth in the Stipulation.

You may also contact counsel as follows:

U.S. Lead Counsel:
Joseph A. Fonti, Esq.
Labaton Sucharow LLP
140 Broadway
New York, NY 10005
888-753-2796
info@labaton.com
www.labaton.com

Ontario Class Counsel:
Jay Strosberg, Esq.
Sutts, Strosberg LLP
600-251 Goyeau Street
Windsor, Ontario N9A 6V4
877-214-4517
novagold@strosbergco.com
www.strosbergco.com/novagold

British Columbia Class Counsel:
Reidar Mogerman, Esq.
Camp Fiorante Matthews
#400 - 856 Homer Street
Vancouver, BC
Canada V6B 2W5
604-689-7555
info@cfmlawyers.ca

PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

26. What is the Plan of Allocation?

The Net Settlement Fund will be distributed in accordance with the Plan of Allocation described below. Class Members who timely submit to the Claims Administrator valid Proofs of Claim that show a Recognized Loss, as defined below ("Authorized Claimants"), will be eligible to participate in the distribution of the Net Settlement Fund, but only if they have a net loss on all Class Period transactions in NovaGold shares. The Courts may approve the Plan of Allocation, with or without modifications agreed to among the Parties, or another Plan of Allocation without further notice to Class Members.

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Loss." The Recognized Loss formula is not intended to be an estimate of the amount of what an Authorized Claimant might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to Authorized Claimants. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Authorized Claimants who suffered economic losses as a result of the alleged fraud, as opposed to losses caused by market factors or non-fraud-related factors. The Plan of Allocation reflects Plaintiffs' consulting damages expert's estimate of the alleged artificial inflation in NovaGold common stock during the Class Period. Neither Defendants nor their counsel had any role in creating the Plan of Allocation.

For purposes of determining the amount an Authorized Claimant may recover under the Plan of Allocation, this Plan of Allocation reflects the Plaintiffs' damages theory advanced in the Actions (namely, that the prices of NovaGold shares were artificially inflated by various alleged misstatements and omissions during the Class Period, and that such inflation was removed when the allegedly corrective disclosures were made). The Class Period begins on October 25, 2005, the day that NovaGold released the Hatch Preliminary Economic Assessment Report estimating Galore Creek's capital cost at US\$1.1 billion. November 23, 2007 is the last trading day before NovaGold announced on November 26, 2007 that it was suspending operations at Galore Creek because revised projected costs rendered the project no longer economically feasible. January 16, 2008 is the date that NovaGold formally advised

investors that they should no longer rely on the feasibility study released in October 2006 that purportedly supported the economic feasibility of the Galore Creek project. The various Recognized Loss formulas described below are based on the timing of trades in NovaGold common stock relative to the alleged disclosure dates and the amount of allegedly artificial inflation removed by the disclosures.

The Plan of Allocation treats U.S. Class Members, Canadian Class Members, purchasers on the AMEX, and purchasers on the TSX in the same manner based principally upon NovaGold's historic share price movement on each exchange. Although Plaintiffs estimate that approximately 70-75% of the trading volume in NovaGold shares was on the AMEX during the Class Period, some Class Members had transactions on both exchanges, or only on the TSX. In order to reach a global resolution, U.S. Lead Plaintiff and Canadian Plaintiffs agreed that any plan of allocation would treat Class Members the same. (Defendants had no role in creating the Plan of Allocation.) During the litigation and settlement negotiations, the Parties raised various arguments concerning the relative strengths and weaknesses of the claims brought in the U.S. Action versus the claims brought in the Canadian Actions, including, for example, the risk of dismissal before trial, the likelihood of class certification, access to a jury trial, limitations on damages, and the burdens of proving that damages had been suffered. The Plan of Allocation created by Plaintiffs, with the assistance of their consulting damages expert, reflects that, *inter alia*: (i) the Parties do not agree about the relative strengths or weaknesses of the claims; (ii) placing different monetary values on the U.S. or Canadian claims could not be achieved with certainty; and (iii) more complex recognized loss formulas would increase the burdens and costs of processing claims, resulting in higher costs for the Classes and a longer administrative process.

Each Authorized Claimant will receive *pro rata* shares of the cash in the Net Settlement Fund based on his, her, or its Recognized Loss. To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's Recognized Loss. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Loss of each Authorized Claimant (the more likely scenario), then each Authorized Claimant will be paid the percentage of the Net Settlement Fund that each Authorized Claimant's Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants. In order to perform the proration, total Recognized Losses must be calculated in one currency. Accordingly, and solely for purposes of determining proration, all U.S. dollar-determined Recognized Losses will be calculated initially in U.S. dollars and then calculated in Canadian dollars using the exchange rate available at the time a motion for distribution is made, rounded up to the nearest cent. The determination of the proration is merely a calculation, with no exchange of Canadian dollars into U.S. dollars.

Members of the U.S. Class who submit valid and timely Proofs of Claim, only purchased shares of NovaGold common stock on the AMEX, and have allowed claims, will receive a distribution from the Net Settlement Fund in U.S. Dollars calculated pursuant to the exchange rate at the time a motion for distribution is made and rounded up to the nearest cent. Members of the Canadian Classes who submit valid and timely Proofs of Claim, only purchased shares of NovaGold common stock on the TSX, and have allowed claims, will receive a distribution from the Net Settlement Fund in Canadian Dollars. Members of any of the Classes who submit valid and timely Proofs of Claim and purchased shares of NovaGold common stock on both the AMEX and TSX must, on their Proofs of Claim, elect to receive a distribution from the Net Settlement Fund in U.S. Dollars, calculated pursuant to the exchange rate at the time a motion for distribution is made and rounded up to the nearest cent; if this election is not made, their distribution will be made in Canadian Dollars. For Class Members who held shares at the beginning of the Class Period or made multiple purchases or sales during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases, and sales for purposes of calculating a claim. Under the FIFO method, sales of shares during the Class Period will be matched, in chronological order, first against shares held at the beginning of the Class Period. The remaining sales of shares during the Class Period will then be matched, in chronological order, against additional shares purchased during the Class Period.

A purchase or sale of NovaGold shares shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. All transaction amounts for purchases and sales of NovaGold common stock should exclude commissions, taxes, and fees.

The date of covering a "short sale" is deemed to be the date of purchase of NovaGold common stock. The date of a "short sale" is deemed to be the date of sale of NovaGold common stock. The Recognized Loss for "short sales" is zero. In the event that there is an opening short position in NovaGold common stock, the earliest Class Period purchases shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

The receipt or grant by gift, devise, inheritance, or operation of law of NovaGold common stock during the Class Period shall not be deemed a purchase of such common stock for the calculation of an Authorized Claimant's Recognized Loss, nor shall it be deemed an assignment of any claim relating to the purchase of such common stock unless: (i) the donor or decedent purchased such shares during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, the decedent, or anyone else with respect to such shares; and (iii) it is specifically so provided in the instrument of gift or assignment.

Option contracts are not securities eligible to participate in the Settlement. Accordingly, shares of NovaGold common stock purchased during the Class Period through the exercise of a call option or the assignment of a put option shall be treated as a purchase on the date of exercise or assignment for the stated exercise price set forth in the call or put option, and any Recognized Loss arising from such transaction shall be computed as provided for purchases of common stock.

To the extent a claimant had an out-of-pocket gain from his, her, or its overall transactions in NovaGold common stock during the Class Period, the value of the Recognized Loss will be zero. To the extent that a claimant suffered an overall out-of-pocket loss on his, her, or its overall transactions in NovaGold common stock during the Class Period, but that loss was less than the Recognized Loss calculated below, then the Recognized Loss shall be limited to the amount of the actual out-of-pocket loss.

For purposes of determining whether a claimant had an out-of-pocket gain from his, her, or its overall transactions in NovaGold common stock during the Class Period or suffered a loss, the Claims Administrator shall determine the difference between (i) the Total

Purchase Amount⁴ and (ii) the sum of the Sales Proceeds⁵ and the Holding Value.⁶ This difference will be deemed a claimant's out-of-pocket gain or loss on his, her, or its overall transactions in common stock during the Class Period.

Distributions will be made to Authorized Claimants after all Proofs of Claim have been processed and after the Courts have finally approved the Settlement. No distributions to Authorized Claimants who would receive less than C\$10.00 (US\$9.52) will be made, given the administrative expenses of processing and mailing such checks. All checks shall become stale 90 days from the date of issuance. All funds remaining for such stale checks shall be irrevocably forfeited, and, if cost effective and efficient, such funds will be redistributed to Authorized Claimants who cashed their distribution checks; if it is not cost effective and efficient to redistribute those funds, they will be donated to non-sectarian, not-for-profit organizations, as provided in the Stipulation.

Payment pursuant to the Plan of Allocation set forth below shall be conclusive against all Authorized Claimants. No Class Member shall have any claim against U.S. Lead Counsel, Canadian Class Counsel, or against any of the Defendants, the Released Parties, or their counsel based on the investments, costs, expenses, administration, allocations, payments, and distributions that are made substantially in accordance with the Stipulation, the Plan of Allocation, or further order of the Courts. Each Court has the ability to allow, disallow, or adjust on equitable grounds the claim of any Class Member over which it presides. If you are a member of more than one of the Classes, you will have to choose on your Proof of Claim which Court will have jurisdiction over your claim. If you do not make a choice, the U.S. Court will have jurisdiction over your claim.

A Recognized Loss will be calculated as follows:

Plan of Allocation for Purchases on the AMEX

- I. For shares of common stock purchased between October 25, 2005 and November 23, 2007:
 - A. For shares held at the end of trading on April 14, 2008, the Recognized Loss shall be that number of shares multiplied by the lesser of:
 - (1) US\$9.92; or
 - (2) the difference between the purchase price per share and US\$9.89.⁷
 - B. For shares sold between October 25, 2005 and November 23, 2007, the Recognized Loss shall be zero.
 - C. For shares sold between November 26, 2007 and January 15, 2008, the Recognized Loss shall be that number of shares multiplied by the lesser of:
 - (1) US\$9.92; or
 - (2) the difference between the purchase price per share and the sales price.
 - D. For shares sold between January 16, 2008 and April 14, 2008, the Recognized Loss shall be the lesser of:
 - (1) US\$9.92; or
 - (2) the difference between the purchase price per share and the average closing price of NovaGold common stock between January 16, 2008 and the date of sale, to be calculated by the Claims Administrator using pricing data in Table 1, available at www.novagoldclassaction.com.⁸
- II. For shares of common stock purchased between November 26, 2007 and January 15, 2008, the Recognized Loss shall be zero.

Plan of Allocation for Purchases on the TSX

- I. For shares of common stock purchased between October 25, 2005 and November 23, 2007:
 - A. For shares held at the end of trading on April 14, 2008, the Recognized Loss shall be that number of shares multiplied by the lesser of:
 - (1) C\$9.78; or

⁴ The "Total Purchase Amount" is the total amount the claimant paid for all NovaGold common stock purchased during the Class Period.

⁵ The Claims Administrator shall match any sales of NovaGold common stock during the Class Period and sales during the PSLRA 90-day look-back period first against the claimant's opening position in NovaGold common stock (the proceeds of those sales will not be considered for purposes of calculating gains or losses). The total amount received for sales of the remaining NovaGold common stock during the Class Period and sales during the PSLRA 90-day look-back period that may be matched against Class Period purchases is the "Sales Proceeds."

⁶ The Claims Administrator shall ascribe a holding price for shares purchased during the Class Period and still held at the end of the PSLRA 90-day look-back period, with such holding price being US\$9.89 per share for shares purchased on the AMEX and C\$9.91 for shares purchased on the TSX (the "Holding Value").

⁷ Pursuant to Section 21(D)(e)(1) of the PSLRA, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated." US\$9.89 was the mean closing price of NovaGold common stock on the AMEX during the 90-day period beginning on January 16, 2008 and ending on April 14, 2008.

⁸ Pursuant to Section 21(D)(e)(2) of the PSLRA, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, if the plaintiff sells or repurchases the subject security prior to the expiration of the 90-day period described in paragraph (1), the plaintiff's damages shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the security and the mean trading price of the security during the period beginning immediately after dissemination of information correcting the misstatement or omission and ending on the date on which the plaintiff sells or repurchases the security."

- (2) the difference between the purchase price per share and C\$9.91.⁹
- B. For shares sold between October 25, 2005 and November 23, 2007, the Recognized Loss shall be zero.
- C. For shares sold between November 26, 2007 and January 15, 2008, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) C\$9.78; or
- (2) the difference between the purchase price per share and the sales price.
- D. For shares sold between January 16, 2008 and April 14, 2008, the Recognized Loss shall be the lesser of:
- (1) C\$9.78; or
- (2) the difference between the purchase price per share and the average closing price of NovaGold common stock between January 16, 2008 and the date of sale, to be calculated by the Claims Administrator using pricing data in Table 1, available at www.novagoldclassaction.com.¹⁰
- II. For shares of common stock purchased between November 26, 2007 and January 15, 2008, the Recognized Loss shall be zero.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased or otherwise acquired NovaGold shares for the beneficial interest of a person or organization other than yourself, the Courts have directed that WITHIN SEVEN (7) CALENDAR DAYS OF YOUR RECEIPT OF THIS NOTICE you must either: (1) send a copy of this Notice and Proof of Claim by first class mail, e-mail, or facsimile to all such persons; or (2) provide a list of the names and addresses of such persons to the Claims Administrator at:

NovaGold Resources Inc. Securities Litigation
c/o The Garden City Group, Inc.
Claims Administrator
PO Box 9299
Dublin, OH 43017-4699
(Toll Free) 866-887-1306
www.novagoldclassaction.com

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing. Upon such mailing, you are directed to send a statement to the Claims Administrator confirming that the mailing was made. Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for reasonable administrative costs actually incurred in connection with forwarding the Notice and Proof of Claim or ascertaining the names and addresses of beneficial owners after submission to the Claims Administrator of appropriate documentation.

PLEASE DO NOT CONTACT THE COURTS REGARDING THIS NOTICE

Dated: May 24, 2010

BY ORDER OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, THE SUPREME COURT OF BRITISH COLUMBIA, AND THE ONTARIO SUPERIOR COURT OF JUSTICE

⁹ Pursuant to Section 21(D)(e)(1) of the PSLRA, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated." C\$9.91 was the mean closing price of NovaGold common stock on the TSX during the 90-day period beginning on January 16, 2008 and ending on April 14, 2008.

¹⁰ Pursuant to Section 21(D)(e)(2) of the PSLRA, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, if the plaintiff sells or repurchases the subject security prior to the expiration of the 90-day period described in paragraph (1), the plaintiff's damages shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the security and the mean trading price of the security during the period beginning immediately after dissemination of information correcting the misstatement or omission and ending on the date on which the plaintiff sells or repurchases the security."