

NOVAGOLD RESOURCES INC

Form SUPPL

April 18, 2007

This prospectus supplement relates to an effective registration statement under the Securities Act of 1933, as amended, but is not complete and may be changed. This prospectus supplement is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Filed pursuant to General Instruction II. L. of Form F-10
File No. 333-141410

SUBJECT TO COMPLETION, DATED APRIL 18, 2007

**PROSPECTUS SUPPLEMENT
(To Prospectus Dated April 16, 2007)**

Shares
NovaGold Resources Inc.
12,500,000 Common Shares
US\$ per share

NovaGold Resources Inc. (the Company or NovaGold) is selling 12,500,000 of its common shares (each a Common Share). The Company has granted the underwriters an option (the Over-allotment Option) to purchase up to 1,875,000 additional common shares to cover over-allotments.

The outstanding common shares of the Company are listed for trading on the American Stock Exchange (AMEX) and the Toronto Stock Exchange (the TSX) under the symbol NG. On April 17, 2007, the closing price of the Common Shares on AMEX and the TSX was US\$17.57 and Cdn\$19.85, respectively.

Investing in the notes involves risks. See Risk Factors beginning on page S-6.

This offering is made by a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare this prospectus supplement and the accompanying base shelf prospectus to which it relates in accordance with Canadian disclosure requirements. Prospective investors should be aware that such requirements are different from those of the United States. Financial statements included or incorporated herein have been prepared in accordance with Canadian generally accepted accounting principles, and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies.

Prospective investors should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be described fully herein.

The enforcement by investors of civil liabilities under the federal securities laws may be affected adversely by the fact that the Company is incorporated under the laws of Nova Scotia, Canada, that some of its officers and directors are residents of Canada, that some or all of the underwriters or experts named in the registration statement are residents of Canada, and that a substantial portion of the assets of the Company and said persons are located outside the United States.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public Offering Price	\$	\$
Underwriting Commission	\$	\$
Proceeds to NovaGold (before expenses)	\$	\$

The public offering price for the Common Shares offered in the United States is payable in U.S. dollars, and the public offering price for the Common Shares offered in Canada is payable in Canadian dollars at the Canadian dollar equivalent of the U.S. dollar public offering price based on the prevailing exchange rate on the date of this prospectus supplement.

The underwriters expect to deliver the Common Shares to purchasers on or about _____, 2007.

Citi **RBC Capital Markets**
_____, 2007

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying base shelf prospectus. The Company has not authorized anyone to provide you with different information. The Company is not making an offer of these Common Shares in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying base shelf prospectus is accurate as of any date other than the date on the front of this prospectus supplement.

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This document is in two parts. The first part is the prospectus supplement, which describes the terms of the Offering and adds to and updates information contained in the accompanying base shelf prospectus and the documents incorporated by reference. The second part is the accompanying base shelf prospectus, which gives more general information, some of which may not apply to the Offering. This prospectus supplement is deemed to be incorporated by reference into the accompanying base shelf prospectus solely for the purpose of this Offering.

Unless the context otherwise requires, references in this prospectus supplement to NovaGold or the Company includes NovaGold Resources Inc. and each of its material subsidiaries.

CURRENCY AND FINANCIAL STATEMENT PRESENTATION

Unless stated otherwise or the context otherwise requires, all references to dollar amounts in this prospectus supplement are references to Canadian dollars. References to \$ or Cdn\$ are to Canadian dollars and references to US\$ are to U.S. dollars. See Exchange Rate Information . The Company's financial statements that are incorporated by reference into this prospectus supplement have been prepared in accordance with generally accepted accounting principles in Canada, and the financial statements for the year ended November 30, 2006 are reconciled to generally accepted accounting principles in the United States as described in note 16 to the Company's audited consolidated annual financial statements for fiscal 2006.

CAUTIONARY NOTE TO UNITED STATES INVESTORS

This prospectus supplement and the accompanying base shelf prospectus have been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States securities laws. Unless otherwise indicated, all reserve and resource estimates included in this prospectus supplement and the accompanying base shelf prospectus have been prepared in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101) and the Canadian Institute of Mining and Metallurgy Classification System. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 permits the disclosure of an historical estimate made prior to the adoption of NI 43-101 that does not comply with NI 43-101 to be disclosed using the historical terminology if the disclosure: (a) identifies the source and date of the historical estimate; (b) comments on the relevance and reliability of the historical estimate; (c) states whether the historical estimate uses categories other than those prescribed by NI 43-101, and (d) includes any more recent estimates or data available. Such historical estimates are presented concerning the Company's Ambler project and the Saddle mineralization adjacent to the Rock Creek property.

Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission (SEC), and reserve and resource information contained or incorporated by reference into this prospectus supplement and the accompanying base shelf prospectus may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term resource does not equate to the term reserves . Under U.S. standards, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning measured mineral resources , indicated mineral resources or inferred mineral resources or other descriptions of the amount of mineralization in mineral deposits that do not constitute reserves by U.S. standards in documents filed with the SEC. U.S. investors should also understand that inferred mineral resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimated inferred mineral resources may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or

is economically or legally mineable. Disclosure of contained ounces in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute reserves by SEC standards as in place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of reserves are also not the same as those of the SEC, and reserves reported by NovaGold in compliance with NI 43-101 may not qualify as reserves under SEC

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standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with United States standards.

See Preliminary Notes Glossary and Defined Terms in the Company's Annual Information Form for the fiscal year ended November 30, 2006, which is incorporated by reference, for a description of certain of the mining terms used in this prospectus supplement and the accompanying base shelf prospectus and the documents incorporated by reference herein and therein.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying base shelf prospectus and the documents incorporated by reference herein and therein contain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 concerning the Company's plans at the Galore Creek, Donlin Creek, Nome Operations and Ambler projects, production, capital, operating and cash flow estimates and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning mineral reserve and resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as expects, anticipates, plans, estimates, intends, strategy, goals, objectives or stating that certain a or results may, could, would, might or will be taken, occur or be achieved, or the negative of any of these terms similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

commodity price fluctuations;

risks related to the Company's ability to finance the development of its mineral properties;

risks related to the Company's ability to commence production and generate material revenues or obtain adequate financing for its planned exploration and development activities;

the risk that permits and governmental approvals necessary to develop and operate mines on the Company's properties will not be available on a timely basis or at all;

uncertainty of capital costs, operating costs, production and economic returns;

risks related to management of the Donlin Creek project by Barrick Gold Corporation (Barrick) and the effect of disputes with Barrick over management and ownership of the project or its development;

the possible dilution of the Company's interest in the Donlin Creek project if Barrick successfully completes the back-in requirements and earns an additional 40% interest in the project or if Calista Corporation exercises its right to acquire an interest in the project;

risks involved in the Company's litigation over the Grace claims with Pioneer Metals Corporation (Pioneer), which is owned by Barrick, and Pioneer's opposition to the use by the Company of a portion of the Grace

property for a tailings and waste rock facility for the Galore Creek project;

risks involved in litigation opposing the Company's permits at Rock Creek;

uncertainty inherent in litigation including the effects of discovery of new evidence or advancement of new legal theories, and the difficulty of predicting decisions of judges and juries;

the Company's need to attract and retain qualified management and technical personnel;

risks related to the integration of new acquisitions into the Company's existing operations;

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uncertainty of production at the Company's mineral exploration properties;

risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of the Company's mineral deposits;

mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes or other unanticipated difficulties with or interruptions in development, construction or production;

risks related to governmental regulation, including environmental regulation;

risks related to reclamation activities on the Company's properties;

uncertainty related to title to the Company's mineral properties;

uncertainty related to unsettled aboriginal rights and title in British Columbia;

the Company's history of losses and expectation of future losses;

uncertainty as to the Company's ability to acquire additional commercially mineable mineral rights;

currency fluctuations;

increased competition in the mining industry; and

risks related to the Company's current practice of not using hedging arrangements.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this prospectus supplement and the accompanying base shelf prospectus under the heading "Risk Factors" and elsewhere in this prospectus supplement, the accompanying base shelf prospectus and in the documents incorporated by reference herein and therein. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

EXCHANGE RATE INFORMATION

The following table sets forth (i) the rate of exchange for the Canadian dollar, expressed in U.S. dollars, in effect at the end of the periods indicated, (ii) the average exchange rates on the last day of each month during such periods, and (iii) the high and low exchange rates during such periods, each based on the noon rate of exchange as reported by the Bank of Canada for conversion of Canadian dollars into U.S. dollars:

Fiscal Year Ended

November 30

**Three Month Period
Ended February 28**

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	2006	2005	2004	2006	2007
Rate at the end of period	0.8760	0.8566	0.8401	0.8787	0.8547
Average rate during period	0.8846	0.8259	0.7674	0.8702	0.8536
Highest rate during period	0.9099	0.8613	0.8493	0.8787	0.8759
Lowest rate during period	0.8522	0.7872	0.7159	0.8522	0.8437

On April 17, 2007, the exchange rate based on the Bank of Canada noon rate was \$1.00 per US\$0.8721.

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THE OFFERING

The following summary contains basic information about the Offering and is not intended to be complete. It does not contain all the information that is important to you. You should carefully read the entire prospectus supplement, the accompanying base shelf prospectus and the documents incorporated by reference herein and therein before making an investment decision. Unless otherwise indicated, the information in this prospectus supplement assumes that the Underwriters do not exercise their Over-allotment Option to purchase additional Common Shares.

Issuer	NovaGold Resources Inc.
Securities offered	12,500,000 Common Shares.
Over-allotment Option	The Underwriters have been granted an Over-allotment Option to purchase up to 1,875,000 additional Common Shares at the Offering price. The Over-allotment Option is exercisable for 30 days from the date of closing of the Offering.
Use of proceeds	The net proceeds from this Offering will be approximately \$233.7 million (or approximately \$269.1 million if the Underwriters exercise their Over-allotment Option in full), after deducting the Underwriting Commission and estimated expenses. The Company intends to use approximately \$200.0 million of the net proceeds of this Offering to fund further exploration at, and initial construction of, the Galore Creek project and to fund general exploration and development on the Company's other projects and intends to use the remaining proceeds for general corporate purposes.
Stock Exchange symbols	The Common Shares are listed on the AMEX and on the TSX under the symbol NG .
Income Tax considerations	<p>The Common Shares will be subject to special and complex tax rules for U.S. taxpayers. Holders are urged to consult their own tax advisors with respect to the U.S. and Canadian federal, state, provincial, territorial, local and foreign tax consequences of purchasing, owning and disposing of the Common Shares. See Certain Income Tax Considerations for U.S. Holders .</p> <p>Potential investors that are U.S. taxpayers should be aware that we believe we are currently a passive foreign investment company, or PFIC, and we expect to be a PFIC for all taxable years prior to the time the Rock Creek and Big Hurrah projects generate revenue sufficient to cause us to cease to be a PFIC. For more information on tax considerations related to our PFIC status see Certain Income Tax Considerations for U.S. Holders United States Federal Income Tax Considerations .</p>
Risk Factors	See Risk Factors in this prospectus supplement and the accompanying base shelf prospectus for a discussion of factors you should carefully

consider before deciding to invest in the Common Shares.

THE COMPANY

NovaGold is a growing company engaged in the exploration and development of mineral properties in Alaska and western Canada, with one of its properties currently under development and two of its properties progressing toward development. The Company conducts its operations through wholly-owned subsidiaries and joint ventures. Since 1998, the Company has assembled a portfolio of gold and base metal properties. The Company is focused primarily on gold properties, some of which have significant copper and silver resources. The Company's Galore

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Creek project is the subject of a feasibility study and construction is expected to start following receipt of permits and approvals. The Company's Donlin Creek project is an advanced stage exploration project. Construction on the Company's Rock Creek project commenced in the summer of 2006. The Ambler project is an earlier stage polymetallic massive sulphide deposit.

Galore Creek is a large copper-gold deposit located in northwestern British Columbia with proven and probable reserves of 5.3 million ounces of gold, 92.6 million ounces of silver and 6.6 billion pounds of copper. The project's measured and indicated resources, inclusive of proven and probable reserves, total 8.3 million ounces of gold, 141.8 million ounces of silver and 10.2 billion pounds of copper. In addition, Galore Creek hosts inferred resources of 5.3 million ounces of gold, 85.4 million ounces of silver and 4.4 billion pounds of copper.

Donlin Creek, a joint venture with a subsidiary of Barrick, is one of the largest known undeveloped gold deposits in the world, based on publicly reported resources. Donlin Creek contains measured and indicated resources of 16.6 million ounces of gold and additional inferred resources of 17.1 million ounces of gold according to a NI 43-101 compliant report conducted by SRK Consulting (US), Inc. in September 2006.

The Nome Operations include the Rock Creek, Big Hurrah and Nome Gold projects (Nome Operations). Construction on Rock Creek commenced in the summer of 2006. The Company expects production from Rock Creek and Big Hurrah to be at an average annual production rate of approximately 100,000 ounces of gold with production expected to commence in late 2007.

Ambler, in which NovaGold has an option to acquire a joint venture interest through an agreement with subsidiaries of Rio Tinto plc, is a large, high grade polymetallic massive sulphide deposit with a non-compliant NI 43-101 historical inferred resource estimate. Ambler was estimated in 1995 to contain 817,000 ounces of gold, 64 million ounces of silver, 3.2 billion pounds of copper and 4.4 billion pounds of zinc.

In addition, NovaGold holds a portfolio of earlier stage exploration projects that do not have a defined resource. The Company is also engaged in the sale of sand, gravel and land, and receives royalties from placer gold production, largely from its holdings around Nome, Alaska. For the purposes of NI 43-101, NovaGold's material properties are the Galore Creek project and the Donlin Creek project.

RISK FACTORS

An investment in the Common Shares offered hereby involves certain risks. In addition to the other information contained in this prospectus supplement, the accompanying base shelf prospectus and the documents incorporated by reference herein and therein, prospective investors should carefully consider the factors set out under Risk Factors in the accompanying base shelf prospectus and the factors set out below in evaluating NovaGold and its business before making an investment in the Common Shares.

The trading price for the Company's securities is volatile.

The trading price of the Company's common shares has been and may continue to be subject to large fluctuations, which may result in losses to investors. The trading price of the Company's common shares and warrants and any securities convertible into or exchangeable for, common shares or warrants may increase or decrease in response to a number of events and factors, including:

the price of gold and other metals;

the Company's operating performance and the performance of competitors and other similar companies;

the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities;

changes in earnings estimates or recommendations by research analysts who track the Company's common shares or the shares of other companies in the resource sector;

changes in general economic conditions;

the number of the Company's common shares to be publicly traded after an offering pursuant to any prospectus supplement;

the arrival or departure of key personnel;

acquisitions, strategic alliances or joint ventures involving the Company or its competitors; and

the factors listed under the heading **Cautionary Statement Regarding Forward-Looking Statements**.

In addition, the market price of the Company's common shares is affected by many variables not directly related to the Company's success and therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Company's share, and the attractiveness of alternative investments. The effect of these and other factors on the market price of common shares on the exchanges on which the Company trades has historically made the Company's share price volatile and suggests that the Company's share price will continue to be volatile in the future.

Sales of a significant number of our common shares in the public markets, or the perception of such sales, could depress the market price of the Common Shares.

Sales of a substantial number of our common shares or other equity-related securities in the public markets by the Company or its significant shareholders could depress the market price of the Common Shares and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of our common shares or other equity-related securities would have on the market price of our common shares. The price of our common shares could be affected by possible sales of our common shares by hedging or arbitrage trading activity which we expect to occur involving our common shares.

We believe we are a passive foreign investment company under the U.S. Internal Revenue Code and if we are or become a passive foreign investment company there may be adverse U.S. tax consequences for investors in the United States.

Potential investors that are U.S. taxpayers should be aware that we believe we are currently a passive foreign investment company under Section 1297(a) of the U.S. Internal Revenue Code (PFIC) and we expect to be a PFIC for all taxable years prior to the time the Rock Creek and Big Hurrah projects generate sufficient revenue to

cause us to cease to be a PFIC. If we are or become a PFIC, any gain recognized on the sale of our common shares and any excess distributions (as specifically defined) paid on our common shares must be ratably allocated to each day in a U.S. taxpayer's holding period for the common shares. The amount of any such gain or excess distribution allocated to prior years of such U.S. taxpayer's holding period for the common shares generally will be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such prior year, and the U.S. taxpayer will be required to pay interest on the resulting tax liability for each such prior year, calculated as if such tax liability had been due in each such prior year.

If our Rock Creek and Big Hurrah projects are placed into production, we expect that we will not be a PFIC for the taxable year during which sufficient revenue is generated from the mine, and we expect that we will not be a PFIC for each subsequent taxable year thereafter. The determination of whether we will be a PFIC for a taxable year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether we will be a PFIC for any taxable year generally depends on our assets and income over the course of each such taxable year and, as a result, cannot be predicted with certainty as of the date of this prospectus supplement. Accordingly, there can be no assurance that the IRS will not challenge the determination made by us concerning our PFIC status or that we will not be a PFIC for any taxable year.

Alternatively, a U.S. taxpayer that makes a QEF election generally will be subject to U.S. federal income tax on such U.S. taxpayer's pro rata share of our net capital gain and ordinary earnings (calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by us. We intend to satisfy the record keeping requirements and provide the required information under the QEF rules in the event that we are a PFIC and a U.S. taxpayer wishes to make a QEF election.

As a second alternative, a U.S. taxpayer may make a mark-to-market election if we are a PFIC and the common shares are marketable stock (as specifically defined). A U.S. taxpayer that makes a mark-to-market election generally will include in gross income, for each taxable year in which we are a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the common shares as of the close of such taxable year over (b) such U.S. taxpayer's tax basis in such common shares.

For additional discussion, see *Certain Income Tax Considerations for U.S. Holders* United States Federal Income Tax Considerations .

USE OF PROCEEDS

The Company estimates that the net proceeds from the Offering will be approximately \$233.7 million, based on an assumed public offering price of \$19.85 per share, which was the closing price of NovaGold's common shares on the TSX on April 17, 2007, and after deducting the Underwriting Commission and the Company's estimated fees and expenses. If the Underwriters' Over-allotment Option is exercised in full, the net proceeds will be approximately \$269.1 million. The Company intends to use approximately \$200.0 million of the net proceeds from the Offering to fund further exploration at, and initial construction of, the Galore Creek project and to fund general exploration and development of the Company's other projects. The Company expects to use the remaining proceeds, and the proceeds from the exercise of the Over-allotment Option, if any, for general corporate purposes.

The actual amount that the Company spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including those listed under *Risk Factors* in this prospectus supplement and the accompanying base shelf prospectus.

PRICE RANGE AND TRADING VOLUME

The Company's common shares are listed for trading on the TSX and AMEX under the trading symbol NG. The following tables set out the market price range and trading volumes of the Company's common shares on the TSX and AMEX for the periods indicated.

Toronto Stock Exchange

Year(1)		High (\$)	Low (\$)	Volume (No. of Shares)
2007	April 1-17	20.44	19.03	1,881,026
	March	19.88	18.50	4,167,934
	First Quarter	20.26	18.10	11,625,772
2006	Fourth Quarter	20.19	16.89	18,399,295
	Third Quarter	19.86	11.62	33,071,839
	Second Quarter	19.09	13.27	19,321,709
	First Quarter	14.71	9.59	22,208,171
2005	Fourth Quarter	11.25	8.57	9,883,912
	Third Quarter	10.93	8.13	9,682,955
	Second Quarter	11.40	8.47	8,507,772
	First Quarter	12.15	7.80	9,669,080

Note:

(1) The Company's fiscal year end is November 30.

On April 17, 2007, the closing price of the Company's common shares on the TSX was \$19.85 per common share.

American Stock Exchange

Year(1)		High (US\$)	Low (US\$)	Volume (No. of Shares)
2007	April 1-17	17.82	16.75	4,151,154
	March	17.10	16.19	7,475,155
	First Quarter	17.46	15.50	32,999,018
2006	Fourth Quarter	18.20	14.55	71,416,400
	Third Quarter	17.90	10.55	47,299,500
	Second Quarter	16.72	11.72	37,884,400
	First Quarter	12.79	8.16	43,965,800
2005	Fourth Quarter	9.60	7.30	18,307,100
	Third Quarter	8.86	6.77	18,036,800

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Second Quarter	9.40	6.67	22,321,600
First Quarter	9.79	6.40	23,334,800

Note:

(1) The Company's fiscal year end is November 30.

On April 17, 2007, the closing price of the Company's common shares on the AMEX was US\$17.57 per common share.

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DIVIDEND POLICY

The Company has not declared or paid any dividends on its common shares since the date of its incorporation. The Company intends to retain its earnings, if any, to finance the growth and development of its business and does not expect to pay dividends or to make any other distributions in the near future. The Company's Board of Directors will review this policy from time to time having regard to the Company's financing requirements, financial condition and other factors considered to be relevant.

CONSOLIDATED CAPITALIZATION

The following table sets forth the cash and cash equivalents, long term debt and capitalization of NovaGold as of November 30, 2006 and February 28, 2007 on an actual basis and as of February 28, 2007, as adjusted to give effect to this Offering (based on an assumed public offering price of \$19.85 per share, which was the closing price of NovaGold's common shares on the TSX on April 17, 2007) as though it had occurred on such date. This table should be read in conjunction with the Company's audited consolidated financial statements for the year ended November 30, 2006 and the quarter ended February 28, 2007.

	As at November 30, 2006 (In thousands)	As at February 28, 2007 (In thousands)	As at February 28, 2007 After Giving Effect to the Issuance of the Common Shares(2) (In thousands)
Cash and cash equivalents ⁽³⁾	\$ 106,583	\$ 53,699	\$ 287,418 ⁽¹⁾
Long term debt ⁽⁴⁾	\$ NIL	\$ NIL	\$ NIL
Outstanding common shares ⁽⁵⁾⁽⁶⁾ (1,000,000,000 authorized)	91,574	91,980	104,480

Notes:

- (1) After deduction of the Underwriting Commission and the estimated expenses of the Offering.
- (2) Prior to the exercise of the Over-allotment Option.
- (3) These figures do not include short term investments that the Company intends to sell within the next 12 months with a fair market value (mark to market) of \$29,829,000 and \$28,646,000 at November 30, 2006 and February 28, 2007, respectively.
- (4) These figures do not include \$34,039,000 and \$51,188,000 of other liabilities at November 30, 2006 and February 28, 2007 that almost entirely relate to costs on the Donlin Creek project at 70% ownership funded by Barrick and payable from the Company's future cash flow from Donlin Creek.

- (5) These figures do not include 8,838,000 and 8,795,000 common shares reserved for issuance pursuant to outstanding stock options, which were exercisable at a weighted average exercise price of \$8.13 and \$8.57 as at November 30, 2006 and February 28, 2007, respectively.
- (6) These figures include approximately 9,000 common shares held by a wholly-owned subsidiary of the Company.

DESCRIPTION OF SHARE CAPITAL

The Company's authorized share capital consists of 1,000,000,000 common shares without par value and 10,000,000 preferred shares, issuable in series. As at April 17, 2007, the Company had 92,073,823 common shares and no preferred shares issued and outstanding.

Common Shares

All of the common shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and the entitlement to dividends. The holders of the common shares are entitled to receive notice of all meetings of shareholders and to attend and vote the shares at the meetings. Each common share carries with it the right to one vote.

In the event of the liquidation, dissolution or winding-up of the Company or other distribution of its assets, the holders of the common shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the Company has paid out its liabilities. Distributions in the form of dividends, if any, will be set by the board of directors.

Provisions as to the modification, amendment or variation of the rights attached to the common shares are contained in the Company's articles of association and the *Companies Act* (Nova Scotia). Generally speaking, substantive changes to the share capital require the approval of the shareholders by special resolution (at least 75% of the votes cast) and in certain cases approval by the holders of a class or series of shares, including in certain cases a class or series of shares not otherwise carrying voting rights, in which event the resolution must be approved by no less than two-thirds of the votes cast by shareholders who vote in respect of the resolution.

Preferred Shares

The Company's preferred shares may be issued from time to time in one or more series, the number of shares, designation, rights and restrictions of which will be determined by the board of directors of the Company. The preferred shares rank ahead of the common shares with respect to the payment of dividends and the payment of capital. There are no preferred shares outstanding at the date of this prospectus supplement.

CERTAIN INCOME TAX CONSIDERATIONS FOR U.S. HOLDERS

Canadian Income Tax Considerations

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Company, and McCarthy Tétrault, LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax consequences of the purchase, ownership and disposition of the Common Shares generally applicable to purchasers of Common Shares pursuant to this prospectus supplement who are U.S. Holders (as defined below under the heading "Certain United States Federal Income Tax Considerations") and, who, at all relevant times, are not and never have been residents of Canada for the purposes of the *Income Tax Act* (Canada) (the "Tax Act") and the regulations thereunder (the "Regulations"), hold their Common Shares as capital property, deal at arm's length and are not affiliated with the Company for the purposes of the Tax Act, and do not use or hold and are not deemed to use or hold such Common Shares in connection with a business carried on in Canada. Common Shares will generally be considered to be capital property to a U.S. Holder unless the shares are held in the course of carrying on a business of trading or dealing in securities or were acquired in one or more transactions considered to be an adventure in the nature of trade. This summary does not apply to a U.S. Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere; and such holders should consult their own tax advisers.

This summary is based upon the current provisions of the Tax Act, the Regulations, all specific proposals (the "Proposals") to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and the provisions of the *Canada-United States Income Tax Convention (1980)* (the "Convention") as in effect on the date hereof. No assurance can be given that the Proposals will be enacted as proposed, if at all. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, nor does it take into account tax laws of any province or territory of Canada or of any jurisdiction outside of Canada. For the purposes of the Tax Act, all amounts must be determined in Canadian dollars.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular U.S. Holder. The tax liability of a U.S. Holder will depend on the holder's particular circumstances. Accordingly, U.S. Holders should consult with their own tax advisors for advice with respect to their own particular circumstances.

Dividends

Dividends paid or credited or deemed to be paid or credited to a non-resident of Canada for purposes of the Tax Act in respect of the Common Shares will be subject to Canadian withholding tax at a rate of 25% of the gross

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amount of the dividends. Under the Convention, the rate of Canadian withholding tax on dividends paid or credited or deemed to be paid or credited by the Company to a U.S. Holder that is a resident of the United States for purposes of the Convention and that beneficially owns such dividends is generally 15% unless the beneficial owner is a company which owns at least 10% of the Company's voting stock at that time in which case the rate of Canadian withholding tax is reduced to 5%. U.S. Holders that are Limited Liability Corporations should consult their own tax advisors for advice with respect to their entitlement, if any, to relief under the Convention.

Dispositions

A U.S. Holder will not be subject to tax in Canada on any capital gain realized on a disposition of Common Shares provided that the shares do not constitute taxable Canadian property of the U.S. Holder at the time of disposition. Generally, Common Shares will not constitute taxable Canadian property to a U.S. Holder provided that such shares are listed on a prescribed stock exchange (which currently includes the TSX and AMEX) at the time of the disposition and, during the 60 month period immediately preceding the disposition, the U.S. Holder, persons with whom the U.S. Holder does not deal at arm's length, or the U.S. Holder together with all such persons has not owned 25% or more of the issued shares of any series or class of the capital stock of the Company and has not owned an interest in or an option to acquire 25% or more of any class or series of shares of the Company..

United States Federal Income Tax Considerations

The following is a summary of certain material U.S. federal income tax consequences to a U.S. Holder (as defined below) arising from and relating to the acquisition, ownership, and disposition of common shares of the Company (Common Shares).

This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax consequences that may apply to a U.S. Holder as a result of the acquisition, ownership, and disposition of Common Shares. This summary applies only to U.S. Holders that hold Common Shares as capital assets (generally, property held for investment) within the meaning of Section 1221 of the United States Internal Revenue Code of 1986, as amended (the Code). In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. Each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the U.S. federal income, U.S. state and local, and foreign tax consequences (including the potential application of and operation of any tax treaties) of the acquisition, ownership, and disposition of Common Shares.

Scope of this Summary

Authorities

This summary is based on the Code, Treasury Regulations (whether final, temporary, or proposed), published rulings of the Internal Revenue Service (the IRS), published administrative positions of the IRS, the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the Canada-U.S. Tax Convention), and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this prospectus. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive basis. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive basis.

U.S. Holders

For purposes of this summary, a U.S. Holder is a beneficial owner of Common Shares that, for U.S. federal income tax purposes, is (a) an individual who is a citizen or resident of the U.S., (b) a corporation, or any other entity classified as a corporation, for U.S. federal income tax purposes, that is created or organized in or under the laws of the U.S. or any state in the U.S., including the District of Columbia, (c) an estate if the income of such estate is subject to U.S. federal income tax regardless of the source of such income, or (d) a trust if (i) such trust has validly

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elected to be treated as a U.S. person for U.S. federal income tax purposes or (ii) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of such trust.

Non-U.S. Holders

For purposes of this summary, a non-U.S. Holder is a beneficial owner of Common Shares other than a U.S. Holder. This summary does not address the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares to non-U.S. Holders. Accordingly, a non-U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the U.S. federal income, U.S. state and local, and foreign tax consequences (including the potential application of and operation of any tax treaties) of the acquisition, ownership, and disposition of Common Shares.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares to U.S. Holders that are subject to special provisions under the Code, including the following U.S. Holders: (a) U.S. Holders that are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) U.S. Holders that are financial institutions, insurance companies, real estate investment trusts, or regulated investment companies; (c) U.S. Holders that are dealers in securities or currencies or U.S. Holders that are traders in securities that elect to apply a mark-to-market accounting method; (d) U.S. Holders that have a functional currency other than the U.S. dollar; (e) U.S. Holders that are liable for the alternative minimum tax under the Code; (f) U.S. Holders that own Common Shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (g) U.S. Holders that acquired Common Shares in connection with the exercise of employee stock options or otherwise as compensation for services; (h) U.S. Holders that hold Common Shares other than as a capital asset within the meaning of Section 1221 of the Code; (i) U.S. expatriates or former long-term residents of the United States; and (j) U.S. Holders that own (directly, indirectly, or by attribution) 10% or more, by voting power or value, of the outstanding shares of the Company. U.S. Holders that are subject to special provisions under the Code, including U.S. Holders described immediately above, should consult their own financial advisor, legal counsel or accountant regarding the U.S. federal income, U.S. state and local, and foreign tax consequences of the acquisition, ownership, and disposition of Common Shares.

If an entity that is classified as a partnership (or pass-through entity) for U.S. federal income tax purposes holds Common Shares, the U.S. federal income tax consequences to such partnership (or pass-through entity) and the partners of such partnership (or owners of such pass-through entity) generally will depend on the activities of the partnership (or pass-through entity) and the status of such partners (or owners). Partners of entities that are classified as partnerships (or owners of pass-through entities) for U.S. federal income tax purposes should consult their own financial advisor, legal counsel or accountant regarding the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares.

Tax Consequences Other than U.S. Federal Income Tax Consequences Not Addressed

This summary does not address the U.S. state and local, U.S. federal estate and gift, or foreign tax consequences to U.S. Holders of the acquisition, ownership, and disposition of Common Shares. Each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the U.S. state and local, U.S. federal estate and gift, and foreign tax consequences of the acquisition, ownership, and disposition of Common Shares.

U.S. Federal Income Tax Consequences of the Acquisition, Ownership, and Disposition of Common Shares

Distributions on Common Shares

General Taxation of Distributions

Except as discussed below under *Additional Rules that May Apply to U.S. Holders* *Passive Foreign Investment Company*, a U.S. Holder that receives a distribution, including a constructive distribution, with respect

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to the Common Shares will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated earnings and profits of the Company. To the extent that a distribution exceeds the current and accumulated earnings and profits of the Company, such distribution will be treated (a) first, as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the Common Shares and, (b) thereafter, as gain from the sale or exchange of such Common Shares. (See more detailed discussion at [Disposition of Common Shares](#) below). Dividends paid on the Common Shares generally will not be eligible for the dividends received deduction available to domestic corporations.

Reduced Tax Rates for Certain Dividends

For taxable years beginning before January 1, 2011, a dividend paid by the Company generally will be taxed at the preferential tax rates applicable to long-term capital gains if (a) the Company is a qualified foreign corporation (as defined below), (b) the U.S. Holder receiving such dividend is an individual, estate, or trust, and (c) such dividend is paid on Common Shares that have been held by such U.S. Holder for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date.

The Company generally will be a qualified foreign corporation under Section 1(h)(11) of the Code (a QFC) if (a) the Company is eligible for the benefits of the Canada-U.S. Tax Convention, or (b) the Common Shares are readily tradable on an established securities market in the U.S. However, even if the Company satisfies one or more of such requirements, the Company will not be treated as a QFC if the Company is a passive foreign investment company (as defined below) for the taxable year during which the Company pays a dividend or for the preceding taxable year.

As discussed below, the Company believes that it was a passive foreign investment company for its current taxable year, and expects that it may be a passive foreign investment company for the taxable year ending in one or more subsequent taxable years. (See more detailed discussion at [Additional Rules that May Apply to U.S. Holders' Passive Foreign Investment Company](#) below.) Accordingly, the Company does not expect to be a QFC for the taxable year and one or more subsequent taxable years.

If the Company is not a QFC, a dividend paid by the Company to a U.S. Holder, including a U.S. Holder that is an individual, estate, or trust, generally will be taxed at ordinary income tax rates (and not at the preferential tax rates applicable to long-term capital gains). The dividend rules are complex, and each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the dividend rules.

Distributions Paid in Foreign Currency

The amount of a distribution paid to a U.S. Holder in foreign currency generally will be equal to the U.S. dollar value of such distribution based on the exchange rate applicable on the date of receipt. A U.S. Holder that does not convert foreign currency received as a distribution into U.S. dollars on the date of receipt generally will have a tax basis in such foreign currency equal to the U.S. dollar value of such foreign currency on the date of receipt. Such a U.S. Holder generally will recognize ordinary income or loss on the subsequent sale or other taxable disposition of such foreign currency (including an exchange for U.S. dollars).

Disposition of Common Shares

Except as discussed below under [Additional Rules that May Apply to U.S. Holders' Passive Foreign Investment Company](#), a U.S. Holder will recognize gain or loss on the sale or other taxable disposition of Common Shares in an amount equal to the difference, if any, between (a) the amount of cash plus the fair market value of any property received and (b) such U.S. Holder's tax basis in the Common Shares sold or otherwise disposed of. Any such gain or

loss generally will be capital gain or loss, which will be long-term capital gain or loss if the Common Shares are held for more than one year. Gain or loss recognized by a U.S. Holder on the sale or other taxable disposition of Common Shares generally will be treated as U.S. source for purposes of applying the U.S. foreign tax credit rules. (See more detailed discussion at Foreign Tax Credit below.)

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Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

Foreign Tax Credit

A U.S. Holder that pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on the Common Shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's foreign source taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either foreign source or U.S. source. In addition, this limitation is calculated separately with respect to specific categories of income. Dividends paid by the Company generally will constitute foreign source income and generally will be categorized as passive income. The foreign tax credit rules are complex, and each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the foreign tax credit rules.

Information Reporting: Backup Withholding Tax

Payments made within the U.S., or by a U.S. payor or U.S. middleman, of dividends on, or proceeds arising from the sale or other taxable disposition of, Common Shares generally will be subject to information reporting and backup withholding tax, at the rate of 28%, if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, U.S. Holders that are corporations generally are excluded from these information reporting and backup withholding tax rules. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder timely furnishes required information to the IRS. Each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the information reporting and backup withholding tax rules.

Additional Rules that May Apply to U.S. Holders

If the Company is a passive foreign investment company (as defined below), the preceding sections of this summary may not describe the U.S. federal income tax consequences to U.S. Holders of the acquisition, ownership, and disposition of Common Shares.

Passive Foreign Investment Company

The Company generally will be a passive foreign investment company under Section 1297 of the Code (a PFIC) if, for a taxable year, (a) 75% or more of the gross income of the Company for such taxable year is passive income or (b) 50% or more of the assets held by the Company either produce passive income or are held for the production of

passive income, based on the fair market value of such assets (or on the adjusted tax basis of such assets, if the Company is not publicly traded and either is a controlled foreign corporation or makes an election). Passive income includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. However, gains arising from the sale of commodities generally are excluded from passive income if substantially all of a foreign corporation's commodities are (a) stock in trade of such foreign corporation or other property of a kind which would properly be included in inventory of such foreign corporation, or property held by such foreign corporation primarily for sale to customers

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in the ordinary course of business, (b) property used in the trade or business of such foreign corporation that would be subject to the allowance for depreciation under Section 167 of the Code, or (c) supplies of a type regularly used or consumed by such foreign corporation in the ordinary course of its trade or business. In addition, if the Company is classified as a PFIC for any taxable year in which a U.S. Holder has held Common Shares, the Company may continue to be classified as a PFIC for any subsequent taxable year in which such U.S. Holder continues to hold Common Shares even if the Company's income and assets are no longer passive in nature in such subsequent taxable year.

For purposes of the PFIC income test and asset test described above, if the Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another foreign corporation, the Company will be treated as if it (a) held a proportionate share of the assets of such other foreign corporation and (b) received directly a proportionate share of the income of such other foreign corporation. In addition, for purposes of the PFIC income test and asset test described above, passive income does not include any interest, dividends, rents, or royalties that are received or accrued by the Company from a related person (as defined in Section 954(d)(3) of the Code), to the extent such items are properly allocable to the income of such related person that is not passive income. If the Company is a PFIC and if one or more of its non-U.S. corporate subsidiaries were treated as a PFIC (lower-tier PFICs), U.S. Holders of Common Shares would be considered to own, and also would be subject to the PFIC rules with respect to, their proportionate share of the lower-tier PFIC stock that the Company owns, regardless of the percentage of their ownership in the Company. In such circumstances a U.S. Holder of Common Shares could elect an alternative taxation regime in respect of its indirect ownership interest in a lower-tier PFIC, subject to certain conditions as discussed below.

Based on currently available information, the Company expects that it will be a PFIC for the taxable year ending December 31, 2007, and may be a PFIC for future years. The determination of whether the Company was, or will be, a PFIC for a taxable year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether the Company will be a PFIC for the taxable year ending December 31, 2007 and subsequent taxable years depends on the assets and income of the Company over the course of each such taxable year and, as a result, cannot be predicted with certainty as of the date of this prospectus supplement. Accordingly, there can be no assurance that the Company was not, or will not be, a PFIC for any taxable year.

Default PFIC Rules Under Section 1291 of the Code

If the Company is a PFIC, the U.S. federal income tax consequences to a U.S. Holder of the acquisition, ownership, and disposition of Common Shares will depend on whether such U.S. Holder makes an election to treat the Company as a qualified electing fund or QEF under Section 1295 of the Code (a QEF Election) or a mark-to-market election under Section 1296 of the Code (a Mark-to-Market Election). A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a Non-Electing U.S. Holder.

A Non-Electing U.S. Holder will be subject to the rules of Section 1291 of the Code with respect to (a) any gain recognized on the sale or other taxable disposition of Common Shares and (b) any excess distribution paid on the Common Shares. A distribution generally will be an excess distribution to the extent that such distribution (together with all other distributions received in the current taxable year) exceeds 125% of the average distributions received during the three preceding taxable years (or during a U.S. Holder's holding period for the Common Shares, if shorter).

Under Section 1291 of the Code, any gain recognized on the sale or other taxable disposition of Common Shares, and any excess distribution paid on the Common Shares, must be ratably allocated to each day in a Non-Electing U.S. Holder's holding period for the Common Shares. The amount of any such gain or excess distribution allocated to prior taxable years of such Non-Electing U.S. Holder's holding period for the Common Shares (other than years prior

to the first taxable year of the Company beginning after December 31, 1986 for which the Company was not a PFIC) will be subject to U.S. federal income tax at the highest tax applicable to ordinary income in each such prior taxable year. A Non-Electing U.S. Holder will be required to pay interest on the resulting tax liability for each such prior taxable year, calculated as if such tax liability had been due in each such prior taxable year. Such a

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Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as personal interest, which is not deductible. The amount of any such gain or excess distribution allocated to the current year of such Non-Electing U.S. Holder's holding period for the Common Shares will be treated as ordinary income in the current year, and no interest charge will be incurred with respect to the resulting tax liability for the current year. In addition, if the Company is a PFIC and own shares of another foreign corporation that also is a PFIC, under certain indirect ownership rules, a disposition by the Company of the shares of such other foreign corporation or a distribution received by the Company from such other foreign corporation generally will be treated as an indirect disposition by a U.S. Holder or an indirect distribution received by a U.S. Holder, subject to the rules of Section 1291 of the Code discussed above. To the extent that gain recognized on the actual disposition by a U.S. Holder of common shares or income recognized by a U.S. Holder on an actual distribution received on common shares was previously subject to U.S. federal income tax under these indirect ownership rules, such amount generally will not be subject to U.S. federal income tax.

If the Company is a PFIC for any taxable year during which a Non-Electing U.S. Holder holds Common Shares, the Company will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether the Company ceases to be a PFIC in one or more subsequent years. A Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above) as if such Common Shares were sold on the last day of the last taxable year for which the Company was a PFIC.

QEF Election

A U.S. Holder that makes a QEF Election generally will not be subject to the rules of Section 1291 of the Code discussed above. However, a U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such U.S. Holder's pro rata share of (a) the net capital gain of the Company, which will be taxed as long-term capital gain to such U.S. Holder, and (b) the ordinary earnings of the Company, which will be taxed as ordinary income to such U.S. Holder. Generally, net capital gain is the excess of (a) net long-term capital gain over (b) net short-term capital loss, and ordinary earnings are the excess of (a) earnings and profits over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each taxable year in which the Company is a PFIC, regardless of whether such amounts are actually distributed to such U.S. Holder by the Company. However, a U.S. Holder that makes a QEF Election may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as personal interest, which is not deductible.

A U.S. Holder that makes a QEF Election generally (a) may receive a tax-free distribution from the Company to the extent that such distribution represents earnings and profits of the Company that were previously included in income by the U.S. Holder because of such QEF Election and (b) will adjust such U.S. Holder's tax basis in the Common Shares to reflect the amount included in income or allowed as a tax-free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of Common Shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely made. A QEF Election will be treated as timely if such QEF Election is made for the first year in the U.S. Holder's holding period for the Common Shares in which the Company was a PFIC. A U.S. Holder may make a timely QEF Election by filing the appropriate QEF Election documents at the time such U.S. Holder files a U.S. federal income tax return for such first year. However, if the Company was a PFIC in a prior year, then in addition to filing the QEF Election documents, a U.S. Holder must elect to recognize (a) gain (which will be taxed under the rules of Section 1291 of the Code discussed above) as if the Common Shares were sold on the qualification date or (b) if the Company was also a controlled foreign corporation, such U.S. Holder's pro rata

share of the post-1986 earnings and profits of the Company as of the qualification date. The qualification date is the first day of the first taxable year in which the Company was a QEF with respect to such U.S. Holder. The election to recognize such gain or earnings and profits can be made only if such U.S. Holder's holding period for the Common Shares includes the qualification date. By electing to recognize such gain or earnings and profits, such U.S. Holder will be deemed to have made a timely QEF Election. In

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addition, under very limited circumstances, a U.S. Holder may make a retroactive QEF Election if such U.S. Holder failed to file the QEF Election documents in a timely manner.

A QEF Election will apply to the taxable year for which such QEF Election is made and to all subsequent taxable years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent taxable year, the Company ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those taxable years in which the Company is not a PFIC. Accordingly, if the Company becomes a PFIC in another subsequent taxable year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any such subsequent taxable year in which the Company qualifies as a PFIC. In addition, the QEF Election will remain in effect (although it will not be applicable) with respect to a U.S. Holder even after such U.S. Holder disposes of all of such U.S. Holder's direct and indirect interest in the Common Shares. Accordingly, if such U.S. Holder reacquires an interest in the Company, such U.S. Holder will be subject to the QEF rules described above for each taxable year in which the Company is a PFIC.

Each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the availability of, and procedure for making, a QEF Election. The Company intends to satisfy record keeping requirements that apply to a QEF, and to supply U.S. Holders with information that they require to report under the QEF rules, in the event that the Company is a PFIC and a U.S. Holder wishes to make a QEF Election.

Mark-to-Market Election

A U.S. Holder may make a Mark-to-Market Election only if the Common Shares are marketable stock. The Common Shares generally will be marketable stock if the Common Shares are regularly traded on a qualified exchange or other market. For this purpose, a qualified exchange or other market includes (a) a national securities exchange that is registered with the Securities and Exchange Commission, (b) the national market system established pursuant to section 11A of the Securities and Exchange Act of 1934, or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (i) such foreign exchange has trading volume, listing, financial disclosure, surveillance, and other requirements designed to prevent fraudulent and manipulative acts and practices, remove impediments to and perfect the mechanism of a free, open, fair, and orderly market, and protect investors (and the laws of the country in which the foreign exchange is located and the rules of the foreign exchange ensure that such requirements are actually enforced), and (ii) the rules of such foreign exchange effectively promote active trading of listed stocks. If the Common Shares are traded on such a qualified exchange or other market, the Common Shares generally will be regularly traded for any calendar year during which the Common Shares are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter.

A U.S. Holder that makes a Mark-to-Market Election generally will not be subject to the rules of Section 1291 of the Code discussed above. However, if a U.S. Holder makes a Mark-to-Market Election after the beginning of such U.S. Holder's holding period for the Common Shares and such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the Code discussed above will apply to certain dispositions of, and distributions on, the Common Shares.

A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each taxable year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Common Shares as of the close of such taxable year over (b) such U.S. Holder's tax basis in such Common Shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the lesser of (a) the excess, if any, of (i) such U.S. Holder's adjusted tax basis in the Common Shares over (ii) the fair market value of such Common Shares as of the close of such taxable year or (b) the excess, if any, of (i) the amount included in ordinary income because of

such Mark-to-Market Election for prior taxable years over (ii) the amount allowed as a deduction because of such Mark-to-Market Election for prior taxable years.

A U.S. Holder that makes a Mark-to-Market Election generally also will adjust such U.S. Holder's tax basis in the Common Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of Common Shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or loss (not to exceed the excess, if any, of

- (a) the amount included in ordinary income because of such Mark-to-Market Election for prior taxable years over
- (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior taxable years).

A Mark-to-Market Election applies to the taxable year in which such Mark-to-Market Election is made and to each subsequent taxable year, unless the Common Shares cease to be marketable stock or the IRS consents to revocation of such election. Each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the availability of, and procedure for making, a Mark-to-Market Election.

Other PFIC Rules

Under Section 1291(f) of the Code, the IRS has issued proposed Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of Common Shares that would otherwise be tax-deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which Common Shares are transferred.

Certain additional adverse rules will apply with respect to a U.S. Holder if the Company is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example, under Section 1298(b)(6) of the Code, a U.S. Holder that uses Common Shares as security for a loan will, except as may be provided in Treasury Regulations, be treated as having made a taxable disposition of such Common Shares.

The PFIC rules are complex, and each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares.

UNDERWRITING

Citigroup Global Markets Inc. and RBC Dominion Securities Inc. are acting as joint bookrunning managers of the Offering, and are acting as representatives of the Underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement (the Underwriting Agreement), each Underwriter named below has agreed to purchase, and we have agreed to sell to that Underwriter, the number of Common Shares set forth opposite the Underwriter's name.

Underwriter	Number of Common Shares
Citigroup Global Markets Inc. RBC Dominion Securities Inc.	
Total	12,500,000

In addition, Citigroup Global Markets Canada Inc. (Citigroup Canada), an affiliate of Citigroup Global Markets Inc., has agreed in the Underwriting Agreement to use reasonable efforts to effect sales in Canada pursuant to this prospectus supplement. In the event that any such sales are effected, Citigroup Canada will purchase such Common Shares from Citigroup Global Markets Inc. concurrently with, and conditional upon, the closing of the purchase of the Common Shares by the Underwriters at the public offering price for the Common Shares in Canada less an amount to be mutually agreed upon by Citigroup Global Markets Inc. and Citigroup Canada, which amount shall not be greater than the Underwriting Commission.

The Underwriting Agreement provides that the obligations of the Underwriters to purchase the Common Shares included in this Offering are subject to approval of legal matters by counsel and to other conditions. The Underwriters are obligated to purchase all the Common Shares (other than those covered by the Over-allotment Option described below) if they purchase any of the Common Shares.

The Underwriters propose to offer some of the Common Shares directly to the public at the public offering price set forth on the cover page of this prospectus supplement and some of the Common Shares to dealers at the public offering price less a concession not to exceed US\$ per Common Share. The Underwriters may allow, and dealers may reallow a concession not to exceed US\$ per Common Share on sales to other dealers. After the initial offering of the Common Shares to the public, the representatives may change the public offering price and concessions.

The public offering price for the Common Shares offered in Canada is payable in Canadian dollars, and the public offering price for Common Shares offered in the United States is payable in U.S. dollars at the U.S. dollar equivalent of the Canadian dollar public offering price based on the prevailing exchange rate on the date of this prospectus supplement.

We have granted to the Underwriters the Over-allotment Option, exercisable for 30 days from the date of the closing of this Offering to purchase up to 1,875,000 additional Common Shares at the public offering price less the

Underwriting Commission. The Underwriters may exercise the Over-allotment Option solely for the purpose of covering over-allotments, if any, in connection with this Offering. To the extent the Over-allotment Option is exercised, each Underwriter must purchase a number of additional Common Shares approximately proportionate to that Underwriter's initial purchase commitment. Under applicable Canadian securities laws, this prospectus supplement and the accompanying base shelf prospectus also qualifies the grant of the Over-allotment Option and the distribution of the additional Common Shares issuable on exercise of the Over-allotment Option.

The Company, its executive officers and directors, and certain members of its senior management have agreed that, for a period of 90 days from the date of the Underwriting Agreement, it and they will not, without the prior written consent of the Underwriters, directly or indirectly, offer, sell or otherwise dispose of, or enter into any agreement to offer, sell or otherwise dispose of, any securities of the Company other than grants of options or rights or issuances of common shares (i) pursuant to existing director or employee stock option or purchase plans;

(ii) under such director or employee stock options granted subsequently in accordance with regulatory approval; or
 (iii) as a result of the exercise of currently outstanding share purchase warrants or options. The Underwriters at their discretion may release any of the securities subject to these lock-ups.

This Offering is being made concurrently in all of the provinces of Canada other than Québec and in the United States pursuant to the multi-jurisdictional disclosure system implemented by the securities regulatory authorities in the United States and Canada. The Common Shares will be offered in the United States and Canada by the Underwriters either directly or through their respective U.S. or Canadian broker-dealer affiliates or agents, as applicable. Subject to applicable law, the Underwriters may offer the Common Shares outside of Canada and the United States.

The following table shows the Underwriting Commission that we are to pay to the Underwriters in connection with this Offering. These amounts are shown assuming both no exercise and full exercise of the Underwriters Over-allotment Option to purchase additional Common Shares.

	Paid by NovaGold	
	No Exercise	Full Exercise
Per Common Share	\$	\$
Total	\$	\$

In connection with the Offering, Citigroup Global Markets Inc. and RBC Dominion Securities Inc., on behalf of the Underwriters, may purchase and sell Common Shares in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment involves syndicate sales of Common Shares in excess of the number of Common Shares to be purchased by the Underwriters in the Offering, which creates a syndicate short position. Covered short sales are sales of Common Shares made in an amount up to the number of Common Shares represented by the Over-allotment Option. In determining the source of Common Shares to close out the covered syndicate short position, the Underwriters will consider, among other things, the price of Common Shares available for purchase in the open market as compared to the price at which they may purchase Common Shares through the Over-allotment Option. Transactions to close out the covered syndicate short involve either purchases of the Common Shares in the open market after the distribution has been completed or the exercise of the Over-allotment Option. The Underwriters may also make naked short sales of Common Shares in excess of the Over-allotment Option. The Underwriters must close out any naked short position by purchasing Common Shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Common Shares in the open market after pricing that could adversely affect investors who purchase in the Offering. Stabilizing transactions consist of bids for or purchases of Common Shares in the open market while the Offering is in progress.

The Underwriters also may impose a penalty bid. Penalty bids permit the Underwriters to reclaim a selling concession from a syndicate member when Citigroup Global Markets Inc. or RBC Dominion Securities Inc., in covering syndicate short positions or making stabilizing purchases, repurchases Common Shares originally sold by that syndicate member in order to cover syndicate short positions or make stabilizing purchases.

Any of these activities may have the effect of preventing or retarding a decline in the market price of the Common Shares. They may also cause the price of the Common Shares to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The Underwriters may conduct these transactions in the over-the-counter market or otherwise. If the Underwriters commence any of these transactions, they may discontinue them at any time.

We estimate that our total expenses for this Offering will be \$2.0 million.

The Underwriters have performed investment banking and advisory services for us from time to time for which they have received customary fees and expenses. The Underwriters may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business.

A prospectus supplement in electronic format may be made available on the websites maintained by one or more of the Underwriters. The representatives may agree to allocate a number of Common Shares to Underwriters for sale to their online brokerage account holders. The representatives will allocate Common Shares to Underwriters that may make Internet distributions on the same basis as other allocations. In addition, Common Shares may be sold by the Underwriters to securities dealers who resell Common Shares to online brokerage account holders.

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We have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933 and applicable Canadian securities legislation, or to contribute to payments the Underwriters may be required to make because of any of those liabilities.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of Common Shares described in this prospectus supplement may not be made to the public in that relevant member state prior to the publication of a prospectus in relation to the Common Shares that has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, except that, with effect from and including the relevant implementation date, an offer of securities may be offered to the public in that relevant member state at any time:

to any legal entity that is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

to any legal entity that has two or more of (a) an average of at least 250 employees during the last financial year; (b) a total balance sheet of more than 43,000,000 and (c) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts; or

in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each purchaser of Common Shares described in this prospectus supplement located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of Article 2(1)(e) of the Prospectus Directive.

For purposes of this provision, the expression an offer to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

The sellers of the Common Shares have not authorized and do not authorize the making of any offer of Common Shares through any financial intermediary on their behalf, other than offers made by the Underwriters with a view to the final placement of the Common Shares as contemplated in this prospectus supplement. Accordingly, no purchaser of the Common Shares, other than the Underwriters, is authorized to make any further offer of the Common Shares on behalf of the sellers or the Underwriters.

Notice to Prospective Investors in the United Kingdom

This prospectus supplement is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Qualified Investors) that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000

(Financial Promotion) Order 2005 (the Order) or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). This prospectus supplement and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

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Notice to Prospective Investors in France

Neither this prospectus supplement nor any other offering material relating to the Common Shares described in this prospectus supplement has been submitted to the clearance procedures of the Autorité des Marchés Financiers or by the competent authority of another member state of the European Economic Area and notified to the Autorité des Marchés Financiers. The Common Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus supplement nor any other offering material relating to the Common Shares has been or will be:

released, issued, distributed or caused to be released, issued or distributed to the public in France; or

used in connection with any offer for subscription or sale of the Common Shares to the public in France.

Such offers, sales and distributions will be made in France only:

to qualified investors (investisseurs qualifiés) and/or to a restricted circle of investors (cercle restreint d'investisseurs), in each case investing for their own account, all as defined in, and in accordance with, Article L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier; or

to investment services providers authorized to engage in portfolio management on behalf of third parties; or

in a transaction that, in accordance with article L.411-2-II-1^o-or-2^o-or 3^o of the French Code monétaire et financier and article 211-2 of the General Regulations (Règlement Général) of the Autorité des Marchés Financiers, does not constitute a public offer (appel public à l'épargne).

The common shares may be resold directly or indirectly, only in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Code monétaire et financier.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon on behalf of the Company by Blake, Cassels & Graydon LLP with respect to Canadian legal matters and by Dorsey & Whitney LLP with respect to U.S. legal matters and on behalf of the Underwriters by McCarthy Tétrault LLP with respect to Canadian legal matters and Skadden, Arps, Slate, Meagher & Flom LLP with respect to U.S. legal matters. The partners and associates of Blake, Cassels & Graydon LLP as a group beneficially own, directly or indirectly, less than one percent of the outstanding securities of the Company. The partners and associates of McCarthy Tétrault LLP as a group beneficially own, directly or indirectly, less than one percent of the outstanding securities of the Company.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors for the Company are PricewaterhouseCoopers LLP of Vancouver, British Columbia.

The transfer agent and registrar for the Common Shares in Canada is Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia and Toronto, Ontario. The co-transfer agent and registrar for the Common Shares in the United States is Computershare Trust Company Inc. at its office in Denver, Colorado.

DOCUMENTS INCORPORATED BY REFERENCE

This prospectus supplement is deemed to be incorporated by reference into the accompanying base shelf prospectus solely for the purposes of this Offering. Other documents are also incorporated, or are deemed to be incorporated, by reference into the base shelf prospectus and reference should be made to the base shelf prospectus for full particulars thereof.

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The following documents which have been filed by the Company with securities commissions or similar authorities in Canada, are also specifically incorporated by reference into, and form an integral part of, the base shelf prospectus, as supplemented by this prospectus supplement:

- (a) annual information form of the Company for the year ended November 30, 2006, dated February 27, 2007;
- (b) audited comparative consolidated financial statements of the Company for the years ended November 30, 2006 and 2005 together with the notes thereto and the auditors' report thereon, including management's discussion and analysis for the year ended November 30, 2006;
- (c) management information circular of the Company dated April 28, 2006 prepared in connection with the Company's annual and special meeting of shareholders held on May 31, 2006;
- (d) material change report, dated December 15, 2006, announcing the approval of a new Shareholder Rights Plan, to take effect December 7, 2006, the day following the expiry of Barrick's takeover bid;
- (e) material change report, dated February 20, 2007, announcing that the Galore Creek copper-gold-silver project in northwestern British Columbia is rapidly advancing toward the start of construction in the second quarter of 2007, upon receipt of permits. The project is in the last stages of permitting, with the final public comment and review period underway; and
- (f) interim unaudited comparative consolidated financial statements of the Company for the three months ended February 28, 2007 together with the notes thereto, including management's discussion and analysis for the three months ended February 28, 2007.

Any statement contained in the base shelf prospectus, in this prospectus supplement or in any document incorporated or deemed to be incorporated by reference in this prospectus supplement or the base shelf prospectus for the purpose of this Offering shall be deemed to be modified or superseded, for purposes of this prospectus supplement, to the extent that a statement contained herein or in the base shelf prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein or in the base shelf prospectus modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this prospectus supplement, except as so modified or superseded.

PROSPECTUS

APRIL 16, 2007

NOVAGOLD RESOURCES INC.

US\$500,000,000
Debt Securities
Preferred Shares
Common Shares
Warrants to Purchase Equity Securities
Warrants to Purchase Debt Securities
Share Purchase Contracts
Share Purchase or Equity Units

NovaGold Resources Inc. (NovaGold or the Company) may offer and issue from time to time, debt securities (the Debt Securities), preferred shares and common shares (the Equity Securities), warrants to purchase Equity Securities and warrants to purchase Debt Securities (the Warrants), share purchase contracts and share purchase or equity units (all of the foregoing, collectively, the Securities) or any combination thereof up to an aggregate initial offering price of US\$500,000,000 during the 25 month period that this short form base shelf prospectus (the Prospectus), including any amendments thereto, remains effective. Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying shelf prospectus supplement (a Prospectus Supplement).

Investing in our securities involves a high degree of risk. You should carefully read the Risk Factors section beginning on page 31 of this Prospectus.

This offering is made by a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare this Prospectus in accordance with Canadian disclosure requirements. Prospective investors should be aware that such requirements are different from those of the United States. Financial statements included or incorporated herein have been prepared in accordance with Canadian generally accepted accounting principles, and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies.

Prospective investors should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be described fully herein. Prospective investors should read the tax discussion contained in the applicable Prospectus Supplement with respect to a particular offering of Securities.

The enforcement by investors of civil liabilities under the federal securities laws may be affected adversely by the fact that the Company is incorporated under the laws of Nova Scotia, Canada, that some of its officers and directors are residents of Canada, that some or all of the underwriters or experts named in the registration statement are residents of a foreign country, and that a substantial portion of the assets of the Company and said persons are located outside the United States.

Neither the Securities and Exchange Commission, nor any state securities regulator has approved or disapproved the Securities offered hereby or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offence.

The specific terms of the Securities with respect to a particular offering will be set out in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, the maturity, interest provisions, authorized denominations, offering price, covenants, events of default, any terms for redemption or retraction, any exchange or conversion terms, whether the debt is senior or subordinated and any other terms specific to the Debt Securities being offered; (ii) in the case of Equity Securities, the designation of the particular class and series, the number of shares offered, the issue price, dividend rate, if any, and any other terms specific to the Equity Securities being offered; (iii) in the case of Warrants, the designation, number and terms of the Equity Securities or Debt Securities issuable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; (iv) in the case of share purchase contracts, the designation, number and terms of the Equity Securities to be purchased under the share purchase contract, any procedures that will result in the adjustment of these numbers, the purchase price and purchase date or dates of the Equity Securities, any requirements of the purchaser to secure its obligations under the share purchase contract and any other specific terms; and (v) in the case of share purchase or equity units, the terms of the share purchase contract and Debt Securities or third party obligations, any requirements of the purchaser to secure its obligations under the share purchase contract by the Debt Securities or third party obligations and any other specific terms. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to such Securities will be included in the Prospectus Supplement describing such Securities.

Warrants will not be offered for sale separately to any member of the public in Canada unless the offering is in connection with, and forms part of, the consideration for an acquisition or merger transaction or unless the Prospectus Supplement describing the specific terms of the Warrants to be offered separately is first approved for filing by each of the securities commissions or similar regulatory authorities in Canada where the Warrants will be offered for sale.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

This Prospectus constitutes a public offering of these Securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such Securities. The Company may offer and sell Securities to, or through, underwriters or dealers and also may offer and sell certain Securities directly to other purchasers or through agents pursuant to exemptions from registration or qualification under applicable securities laws. A Prospectus Supplement relating to each issue of Securities offered thereby will set forth the names of any underwriters, dealers, or agents involved in the offering and sale of such Securities and will set forth the terms of the offering of such Securities, the method of distribution of such Securities including, to the extent applicable, the proceeds to the Company and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution. The common shares of NovaGold are listed on the Toronto Stock Exchange (TSX) and the American Stock Exchange (AMEX) under the symbol NG . Unless otherwise specified in the applicable Prospectus Supplement, Securities other than the common shares of NovaGold will not be listed on any securities exchange. The offering of Securities hereunder is subject to approval of certain legal matters on behalf of NovaGold by Blake, Cassels & Graydon LLP, with respect to Canadian legal matters, and Dorsey & Whitney LLP, with respect to U.S. legal matters.

The earnings coverage ratio of NovaGold for the fiscal year ended November 30, 2006 was less than one-to-one. See Earnings Coverage .

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You should rely only on the information contained in or incorporated by reference into this Prospectus. The Company has not authorized anyone to provide you with different information. The Company is not making an offer of these Securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this Prospectus and any Prospectus Supplement is accurate as of any date other than the date on the front of those documents.

Unless stated otherwise or the context otherwise requires, all references to dollar amounts in this Prospectus and any Prospectus Supplement are references to Canadian dollars. References to \$ or Cdn\$ are to Canadian dollars and references to US\$ are to U.S. dollars. See Exchange Rate Information . The Company s financial statements that are incorporated by reference into this Prospectus and any Prospectus Supplement have been prepared in accordance with generally accepted accounting principles in Canada (Canadian GAAP), and are reconciled to generally accepted accounting principles in the United States (U.S. GAAP) as described therein.

Unless the context otherwise requires, references in this Prospectus and any Prospectus Supplement to NovaGold or the Company includes NovaGold Resources Inc. and each of its material subsidiaries.

CAUTIONARY NOTE TO UNITED STATES INVESTORS

This Prospectus has been, and any Prospectus Supplement will be, prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States securities laws. Unless otherwise indicated, all reserve and resource estimates included in this Prospectus and any Prospectus Supplement have been, and will be, prepared in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101) and the Canadian Institute of Mining and Metallurgy Classification System. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 permits the disclosure of an historical estimate made prior to the adoption of NI 43-101 that does not comply with NI 43-101 to be disclosed using the historical terminology if the disclosure: (a) identifies the source and date of the historical estimate; (b) comments on the relevance and reliability of the historical estimate; (c) states whether the historical estimate uses categories other than those prescribed by NI 43-101, and (d) includes any more recent estimates or data available. Such historical estimates are presented concerning the Company's Ambler project and the Saddle mineralization adjacent to the Rock Creek property.

Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission (SEC), and reserve and resource information contained or incorporated by reference into this Prospectus and any Prospectus Supplement may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term resource does not equate to the term reserves . Under U.S. standards, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning measured mineral resources , indicated mineral resources or inferred mineral resources or other descriptions of the amount of mineralization in mineral deposits that do not constitute reserves by U.S. standards in documents filed with the SEC. U.S. investors should also understand that inferred mineral resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimated inferred mineral resources may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of contained ounces in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute reserves by SEC standards as in place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of reserves are also not the same as those of the SEC, and reserves reported by NovaGold in compliance with NI 43-101 may not qualify as reserves under SEC standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with United States standards.

See Preliminary Notes Glossary and Defined Terms in the Company's Annual Information Form for the fiscal year ended November 30, 2006, which is incorporated by reference herein, for a description of certain of the mining terms used in this Prospectus and any Prospectus Supplement and the documents incorporated by reference herein and therein.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus and the documents incorporated by reference into this Prospectus contain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 concerning the Company's

plans at the Galore Creek, Donlin Creek, Nome Operations and Ambler projects, production, capital, operating and cash flow estimates and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning mineral reserve and resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using

words or phrases such as expects , anticipates , plans , estimates , intends , strategy , goals , objectives or statements of intent (or similar expressions) or statements of certain actions, events or results may , could , would , might or will be taken, occur or be achieved, or the negative consequences of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

commodity price fluctuations;

risks related to the Company's ability to finance the development of its mineral properties;

risks related to the Company's ability to commence production and generate material revenues or obtain adequate financing for its planned exploration and development activities;

the risk that permits and governmental approvals necessary to develop and operate mines on the Company's properties will not be available on a timely basis or at all;

uncertainty of capital costs, operating costs, production and economic returns;

risks related to management of the Donlin Creek project by Barrick Gold Corporation (Barrick) and the effect of disputes with Barrick over management and ownership of the project or its development;

the possible dilution of the Company's interest in the Donlin Creek project if Barrick successfully completes the back-in requirements and earns an additional 40% interest in the project or if Calista Corporation (Calista) exercises its right to acquire an interest in the project;

risks involved in the Company's litigation over the Grace claims with Pioneer Metals Corporation (Pioneer), which is owned by Barrick, and Pioneer's opposition to the use by the Company of a portion of the Grace property for a tailings and waste rock facility for the Galore Creek project;

risks involved in litigation opposing the Company's permits at Rock Creek;

uncertainty inherent in litigation including the effects of discovery of new evidence or advancement of new legal theories, and the difficulty of predicting decisions of judges and juries;

the Company's need to attract and retain qualified management and technical personnel;

risks related to the integration of new acquisitions into the Company's existing operations;

uncertainty of production at the Company's mineral exploration properties;

risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of the Company's mineral deposits;

mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes or other unanticipated difficulties with or interruptions in development, construction or production;

risks related to governmental regulation, including environmental regulation;

risks related to reclamation activities on the Company's properties;

uncertainty related to title to the Company's mineral properties;

uncertainty related to unsettled aboriginal rights and title in British Columbia;

the Company's history of losses and expectation of future losses;

uncertainty as to the Company's ability to acquire additional commercially mineable mineral rights;

currency fluctuations;

increased competition in the mining industry; and

risks related to the Company's current practice of not using hedging arrangements.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this Prospectus under the heading "Risk Factors" and elsewhere in this Prospectus, in any applicable Prospectus Supplement, and in the documents incorporated by reference herein and therein. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

EXCHANGE RATE INFORMATION

The following table sets forth (i) the rate of exchange for the Canadian dollar, expressed in U.S. dollars, in effect at the end of the periods indicated, (ii) the average exchange rates on the last day of each month during such periods, and (iii) the high and low exchange rates during such periods, each based on the noon rate of exchange as reported by the Bank of Canada for conversion of Canadian dollars into U.S. dollars:

	Fiscal Year Ended November 30		
	2006	2005	2004
Rate at the end of period	0.8760	0.8566	0.8401
Average rate during period	0.8846	0.8259	0.7674
Highest rate during period	0.9099	0.8613	0.8493
Lowest rate during period	0.8522	0.7872	0.7159

On April 13, 2007, the exchange rate based on the Bank of Canada noon rate was \$1.00 per US\$0.88.

THE COMPANY

The following description of the Company is derived from selected information about the Company contained in the documents incorporated by reference into this Prospectus. This description does not contain all of the information about the Company and its properties and business that you should consider before investing in any Securities. You should carefully read the entire Prospectus and the applicable Prospectus Supplement, including the section titled "Risk Factors" that immediately follows this description of the Company, as well as the documents incorporated by reference into this Prospectus and the applicable Prospectus Supplement, before making an investment decision. This Prospectus contains forward-looking statements concerning the Company's plans at its properties, production, capital costs, operating costs and cash flow estimates and other matters. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause the Company's results to differ from those expressed or implied by the forward-looking statements. See "Cautionary Statement Regarding Forward-Looking Statements".

Summary Description of NovaGold's Business

NovaGold is a growing company engaged in the exploration and development of mineral properties in Alaska and western Canada, with one of its properties currently under development and two of its properties progressing toward development. The Company conducts its operations through wholly-owned subsidiaries and joint ventures. Since 1998, the Company has assembled a portfolio of gold and base metal properties. The Company is focused primarily on gold properties, some of which have significant copper and silver resources. The Company's Galore Creek project is the subject of a feasibility study and construction is expected to start following receipt of permits and approvals. The Company's Donlin Creek project is an advanced stage exploration project. Construction on the Company's Rock Creek project commenced in the summer of 2006. The Ambler project is an earlier stage polymetallic massive sulphide deposit.

Galore Creek is a large copper-gold deposit located in northwestern British Columbia with proven and probable reserves of 5.3 million ounces of gold, 92.6 million ounces of silver and 6.6 billion pounds of copper. The project's measured and indicated resources, inclusive of proven and probable reserves, total 8.3 million ounces of gold, 141.8 million ounces of silver and 10.2 billion pounds of copper. In addition, Galore Creek hosts inferred resources of 5.3 million ounces of gold, 85.4 million ounces of silver and 4.4 billion pounds of copper.

Donlin Creek, a joint venture with a subsidiary of Barrick, is one of the largest known undeveloped gold deposits in the world, based on publicly reported resources. Donlin Creek contains measured and indicated resources of 16.6 million ounces of gold and additional inferred resources of 17.1 million ounces of gold according to a NI 43-101 compliant report conducted by SRK Consulting (US), Inc. in September 2006.

The Nome Operations include the Rock Creek, Big Hurrah and Nome Gold projects ("Nome Operations"). Construction on Rock Creek commenced in the summer of 2006. The Company expects production from Rock Creek and Big Hurrah to be at an average annual production rate of approximately 100,000 ounces of gold with production expected to commence in late 2007.

Ambler, in which NovaGold has an option to acquire a joint venture interest through an agreement with subsidiaries of Rio Tinto plc, is a large, high grade polymetallic massive sulphide deposit with a non-compliant NI 43-101 historical inferred resource estimate. Ambler was estimated in 1995 to contain 817,000 ounces of gold, 64 million ounces of silver, 3.2 billion pounds of copper and 4.4 billion pounds of zinc.

In addition, NovaGold holds a portfolio of earlier stage exploration projects that do not have a defined resource. The Company is also engaged in the sale of sand, gravel and land, and receives royalties from placer gold production, largely from its holdings around Nome, Alaska. For the purposes of NI 43-101, NovaGold's material properties are the Galore Creek project and the Donlin Creek project.

The following table sets forth the reserves and resources at the Company's Galore Creek project, Donlin Creek project, Nome Operations and Ambler property, and the Company's share of those resources.

Project Reserve and Resource Estimates Summary⁽⁷⁾

Galore Creek Reserves⁽¹⁾

Class	Run of Mine	Contained			Contained		
	Tonnage (Millions)	Cu (%)	Au (g/t)	Ag (g/t)	Copper (B lbs)	Gold (M ozs)	Silver (M ozs)
Proven	239.5	0.625	0.343	6.01	3.30	2.64	46.28
Probable	301.3	0.503	0.271	4.78	3.34	2.63	46.30
Total	540.7	0.557	0.303	5.32	6.64	5.27	92.58

Total Project Resources

	Measured ⁽³⁾			Indicated ⁽³⁾			Measured and Indicated ⁽³⁾			Inferred ⁽³⁾		
	Au Million ozs.	Ag Million oz.	Cu Billion lbs.	Au Million ozs.	Ag Million oz.	Cu Billion lbs.	Au Million ozs.	Ag Million oz.	Cu Billion lbs.	Au Million ozs.	Ag Million oz.	Cu Billion lbs.
Galore Creek ⁽²⁾⁽⁸⁾	3.0	51.2	3.7	5.3	90.6	6.6	8.3	141.8	10.2	4.8	77.8	4.2
Donlin Creek ⁽²⁾	1.6			15.0			16.6			17.1		
Nome Operations ⁽⁵⁾	0.8			1.4			2.2			0.4		
Ambler ⁽⁶⁾										0.8	64.1	3.2
Total Project Resources	5.4	51.2	3.7	21.7	90.6	6.6	27.1	141.8	10.2	23.0	141.9	7.4

NovaGold Net Share of Projects⁽⁴⁾

	Measured ⁽³⁾			Indicated ⁽³⁾			Measured and Indicated ⁽³⁾			Inferred ⁽³⁾		
	Au Million ozs.	Ag Million oz.	Cu Billion lbs.	Au Million ozs.	Ag Million oz.	Cu Billion lbs.	Au Million ozs.	Ag Million oz.	Cu Billion lbs.	Au Million ozs.	Ag Million oz.	Cu Billion lbs.
Galore Creek (100%) ⁽²⁾	3.0	51.2	3.7	5.3	90.6	6.6	8.3	141.8	10.2	4.8	77.8	4.2
	1.1			10.5			11.6			12.0		

Donlin Creek (70%) ⁽²⁾													
Nome Operations (100%) ⁽⁵⁾	0.8		1.4			2.2				0.4			
Ambler (51%) ⁽⁶⁾										0.4	32.7	1.6	
Total NovaGold Share	4.9	51.2	3.7	17.2	90.6	6.6	22.1	141.8	10.2	17.6	110.5	5.8	

Notes:

- (1) Cutoff grade of 0.25% copper equivalent (CuEq). CuEq calculation is based on net smelter return and uses metal prices of US\$1.25/lb of copper, US\$450/oz of gold and US\$7/oz of silver.
- (2) Assumes the following commodity prices: US\$450/oz gold, US\$7/oz silver and US\$1.25/lb copper for the Galore Creek project, US\$500/oz gold for the Donlin Creek project.
- (3) Although Measured Resources, Indicated Resources and Inferred Resources are categories of mineralization that are recognized and required to be disclosed by Canadian regulations, the SEC does not recognize them. Disclosure of contained ounces is permitted under Canadian regulations, however, the SEC generally permits resources to be reported only as in place tonnage and grade. See Cautionary Note to United States Investors.
- (4) Assumes net inventory to NovaGold of 70% at Donlin Creek, 100% Galore Creek (80% of Copper Canyon inferred resource), 100% Nome Operations and 51% of the Ambler project. Assumes (i) Barrick will not be able to earn an additional 40% interest in the Donlin Creek project, and (ii) no exercise of Calista's right to earn up to 15% of the Donlin Creek project. See Properties Donlin Creek Project and Risk Factors Barrick and Calista each retain back-in right on the Donlin Creek project which, if exercised, could dilute NovaGold's interest in the project.
- (5) These resources do not include 260,000 ounces of gold at the Saddle deposit, which is an historical estimate and not NI 43-101 compliant.

- (6) These resources are based on historical estimates and are not NI 43-101 compliant.
- (7) Rounding differences may occur.
- (8) Assumes net inventory to NovaGold of 100% (80% of Copper Canyon inferred resource).

Assuming the Company is successful in executing its business plan, the Company believes its annual production, assuming 100% ownership of each project (except for Donlin Creek for which a 70% interest is assumed) will grow from approximately 100,000 ounces of annual production of gold beginning in late 2007 to over 4.0 million ounces of silver and 400 million pounds of copper by 2012 and over 1.0 million ounces of gold by early 2013. The Company intends to enter into a joint venture agreement on the Galore Creek project which would reduce the Company's ownership and corresponding production profile. The Company also expects to advance the Ambler project to the pre-feasibility level during this period. None of these properties are currently in production. Prior to commencing production, studies which demonstrate the economic feasibility of the project must be completed, all necessary permits must be obtained, a production decision must be made by NovaGold's Board of Directors, financing for construction and development must be arranged and construction must be completed. In addition, in order to proceed to development, NovaGold may have to obtain additional rights including, without limitation, surface rights, access rights, rights of way and other easements. See Risk Factors NovaGold requires various permits and property rights in order to conduct its current and anticipated future operations and delays or a failure to obtain such permits and property rights, or a failure to comply with the terms of any such permits that NovaGold has obtained, could have a material adverse effect on NovaGold.

Recent Developments

Galore Creek Project

Pre-construction activities related to tunnel and road infrastructure at the Galore Creek project started in the latter half of 2006. On February 23, 2007, NovaGold announced that it had received the Environmental Assessment Certificate from the Province of British Columbia. Mine production start-up is anticipated to begin in mid-2012 after three months commissioning. Prior to production commencing on the Galore Creek project, all additional permits must be received, financing for construction and development must be obtained and construction must be completed. A delay in any of the critical permits could result in a delay in construction and production. In particular, if the permits are not received in time to take full advantage of the summer construction period to construct roads, tunnels and bridges, the project's schedule could be negatively affected. See Galore Creek Project Construction and Galore Creek Project Environmental Assessment and Permitting.

As part of the current permitting process, NovaGold has filed an application with the Province of British Columbia to obtain a surface lease over a portion of the Grace claims, under option from Pioneer, which is now 100% owned by Barrick, where NovaGold intends to build a tailings and waste rock storage facility for the Galore Creek project. Pioneer is opposing the application and is seeking, among other things, an injunction to restrict NovaGold from continuing its surface lease application and from placing any waste or tailings facility on the Grace claims. A final decision on granting the surface lease by the Province of British Columbia is expected in the second quarter of 2007. However, there can be no assurance that the surface lease will be granted at such time.

Donlin Creek Joint Venture

Effective July 14, 2001, the Company entered into an earn-in agreement with Placer Dome U.S. Inc. (Placer Dome), now Barrick Gold U.S., Inc. (referred to herein, interchangeably with Barrick Gold Corporation, as Barrick), a wholly

owned subsidiary of Barrick, to acquire a 70% interest in the Donlin Creek project in southwestern Alaska, subject to a back-in right reserved by Barrick. To earn its interest, the Company was required to spend US\$10 million on exploration and development on the project by July 14, 2011. On November 13, 2002, the Company completed US\$10.6 million of expenditures on the Donlin Creek project and earned a 70% interest in the property from Barrick. On February 10, 2003, Barrick elected to exercise an option to earn an additional 40% interest from the Company, for a total of 70%, in the Donlin Creek project by spending a total of US\$31.9 million on the property, completing a bankable feasibility study, and making a board decision to construct a mine at Donlin Creek to produce not less than 600,000 ounces of gold per year, all by November 13, 2007. Under this option, Barrick may not earn any incremental interest in the project, above the 30% level, until, and unless, all of the above

conditions are met by November 13, 2007. In February, 2003, Barrick elected to become manager of the joint venture and to initiate development work such that it would be in a position to exercise its back-in right. The Company was not required to contribute any additional funding until Barrick completed the US\$31.9 million expenditure, and the Company had the right to elect that Barrick fund additional expenditures beyond the US\$31.9 million, subject to accruing interest at prime rate plus 2% and granting a security interest on the property. All such funds would be repayable from 85% of the Company's cash flows from Donlin Creek. Barrick is also required to assist the Company with third party financing for the Company's share of construction costs. In May 2006, Barrick provided notice that it had met the required minimum US\$31.9 million of expenditures effective March 31, 2006.

On August 25, 2006, NovaGold announced it had filed a lawsuit in Alaska alleging that Barrick had violated U.S. securities laws by making material misstatements in documents relating to a hostile takeover bid for NovaGold. In addition to the U.S. securities laws claims, NovaGold's lawsuit against Barrick alleges:

breach of contract by Barrick under the back-in agreement; and

breach of fiduciary duties owed by Barrick to NovaGold as joint venture partners;

and seeks, among other remedies:

a declaratory judgement to clarify the requirements Barrick must satisfy to earn an additional 40% interest in Donlin Creek; and

an order to the effect that it is impossible for Barrick to satisfy the requirements, in which case NovaGold is asking to be appointed as manager of the project.

Subsequent to the commencement of the lawsuit, Barrick sent supplementary information to NovaGold shareholders which the Alaska court found to be sufficient disclosure. However, the Alaska court found in an order filed September 13, 2006 that there is a genuine dispute as to the meaning of the terms of the back-in agreement and the possibility of Barrick meeting the terms by November 13, 2007. NovaGold believes it will not be possible for Barrick to meet the requirements for it to earn an additional 40% interest in the Donlin Creek project. However, the outcome of the litigation and Barrick's ability to meet the requirements under the back-in agreement remains uncertain. See Risk Factors Barrick and Calista each retain back-in rights on the Donlin Creek project which, if exercised, could dilute NovaGold's interest in the project and Legal Proceedings Litigation Regarding the Donlin Joint Venture .

Rock Creek Project

Construction on Rock Creek commenced in the summer of 2006. On December 7, 2006, the U.S. Army Corps of Engineers (the Corps) announced that it was reviewing the permit evaluation and decision documents with regard to a permit issued on August 21, 2006 for NovaGold's Rock Creek project, and suspended the permit while it completed the review. The permit was issued to NovaGold's subsidiary, Alaska Gold Company (Alaska Gold), pursuant to Section 404 of the *Clean Water Act*, and authorized Alaska Gold to conduct dredging and fill operations at the Rock Creek and Big Hurrah sites. The Corps allowed NovaGold to continue work in uplands and areas previously disturbed.

A group of individuals from Nome, Alaska filed a lawsuit against the Corps in mid-November 2006, alleging that the Corps issued the Section 404 permit for Rock Creek in violation of the governing legislation. Although neither NovaGold nor Alaska Gold are named as defendants, the Alaskan court granted NovaGold's motion to intervene in the case. NovaGold received a modified permit on March 13, 2007, entitling it to resume work in areas where work was prohibited while the permit was suspended.

NovaGold continued to work on the plant site and the foundations for the shop and mill buildings as the Company has obtained the Air Quality permit. The Company has prepared the plant site for construction of the mill facilities and has cleared a significant portion of the wetlands covered by the permit in the areas of the tailings facility and waste dump, as part of normal construction activities. However, mine construction at the Rock Creek project may be impeded if the permit is challenged again and if a court enters an order in the litigation temporarily or permanently enjoining the project.

Takeover Bid by Barrick

In July 2006, Barrick initiated a hostile takeover bid to acquire all the outstanding common shares of the Company. The bid expired on December 6, 2006, and Barrick announced it had taken up and paid for approximately 14.8% of the Company's then issued and outstanding shares.

Shareholder Rights Plan

NovaGold's Board of Directors approved a new Shareholder Rights Plan (the "Rights Plan"), which took effect December 7, 2006, immediately upon the expiry of Barrick's hostile takeover bid. NovaGold originally adopted a shareholder rights plan on May 31, 2006, but waived its application to Barrick's bid on September 25, 2006.

The new Rights Plan, which includes substantially the same terms as the original shareholder rights plan, was adopted to ensure the fair treatment of shareholders in connection with future unsolicited takeover bids and other stock acquisitions above 20% that are not offered to all shareholders on the same terms. Shareholder approval of the Rights Plan will be sought at NovaGold's Annual General and Special Meeting of shareholders, scheduled for May 2007. If ratified by shareholders, the Rights Plan will expire at NovaGold's Annual General Meeting in 2010, unless terminated at an earlier date. The Rights Plan is subject to regulatory approval.

Acquisition of Coast Mountain Power Corp.

On August 3, 2006, NovaGold completed the acquisition of all of the outstanding common shares and stock options of Coast Mountain Power Corp. and its wholly owned subsidiaries (collectively, "Coast Mountain") pursuant to a Plan of Arrangement between NovaGold and Coast Mountain. The Plan of Arrangement was approved by the Supreme Court of British Columbia on July 31, 2006. NovaGold issued approximately 2,512,000 common shares valued at \$44.4 million in connection with the acquisition. See "Legal Proceedings - Litigation Regarding Dissenting Shareholder of Coast Mountain".

Coast Mountain is a "green power" company with planned run-of-river hydro-electric projects located near NovaGold's Galore Creek project in northwestern British Columbia. Coast Mountain's largest asset is the Forrest Kerr run-of-river hydroelectric project which is designed to generate and transmit up to 115 megawatts (MW) of electricity into the British Columbia hydroelectric grid. Forrest Kerr qualifies as a "green power" project under B.C. Hydro's Green Power Initiative designed to encourage the development of renewable, low-impact and socially responsible power generation in the Province of British Columbia.

By acquiring Coast Mountain, NovaGold secured the rights to develop the Forrest Kerr run-of-river hydroelectric project and its associated electrical transmission infrastructure which is required to connect both the Galore Creek project and the Forrest Kerr generating facility to the B.C. Hydro grid. NovaGold is working with Hatch Energy to update and optimize the design of the Forrest Kerr generating facility and to evaluate the possibility of expanding its design capacity beyond Coast Mountain's previously designed 115MW capacity. In the event this expansion is deemed to enhance economics, additional permits will be required. NovaGold possesses, through Coast Mountain, all required permits and authorizations to construct a 138 kilovolts (kV) transmission line and interconnection facility extending from Bob Quinn, the eastern terminus of Galore Creek's proposed transmission line, south to Meziadin Junction, the northernmost extent of the existing B.C. Hydro grid. Under Galore Creek's current construction schedule, construction of this line is not required to commence until mid-2008 at the earliest.

While 138kV transmission infrastructure remains NovaGold's base case for planning, the Company was formally approached by the Government of the Province of British Columbia in late 2006 to explore the possibility of replacing

this 138kV system with a larger 287kV system which would be built, owned and operated by the British Columbia Transmission Commission and B.C. Hydro. As the construction and operation of transmission infrastructure is not NovaGold's core business, the Company is currently engaged in a dialogue with the Government of the Province of British Columbia to determine how NovaGold can support this initiative. Although these discussions are in early stages, if a formal agreement is reached and this initiative can obtain its required approvals, the Company believes that both its Forrest Kerr and Galore Creek projects could benefit from its development.

On March 26, 2007 Coast Mountain changed its name to NovaGreenPower Inc.

Financings

On February 8, 2006, the Company issued by way of a public offering 14,950,000 common shares at \$13.43 (US\$11.75) per common share for net proceeds of \$188.5 million after commissions and expenses of \$12.3 million.

Properties

The following description summarizes selected information about the Company's Galore Creek project, Donlin Creek project, Nome Operations and Ambler project. Please refer to the Company's Annual Information Form for the fiscal year ended November 30, 2006, and the various NI 43-101 compliant reports referenced below for a further description of these properties, including their location, accessibility, climate, local resources, infrastructure, physiography, geological setting, mineralization, past drilling programs and history.

Galore Creek Project

The Galore Creek property is an advanced stage copper-gold project located in northwestern British Columbia. NovaGold holds the Galore Creek project's known resources under two option agreements. The main Galore Creek property, which consists of the Southwest, Central, Junction and West Fork deposits, contains all the project's reserves and most of the project's known resources. Under an option agreement originally with subsidiaries of Rio Tinto plc and Anglo American plc, the then shareholders of the company that owned the main Galore Creek property, NovaGold can acquire 100% of such company by completing a pre-feasibility study and making payments to the shareholders totalling US\$20 million by October 26, 2011. On March 29, 2007 NovaGold delivered notice under the option agreement that it was exercising its option to acquire 100% of the Galore Creek project. As of the date of this Prospectus, the Company has made US\$7.8 million in payments to the shareholders. Payments of US\$2.5 million are due on October 26th of each year between 2007 and 2011 inclusive. There are no royalties or back-in rights on the main Galore Creek property.

Under a second option agreement with Eagle Plains Resources Ltd. (Eagle Plains), NovaGold may acquire up to an 80% interest in the Copper Canyon property which is immediately east of the main Galore Creek property. An initial 60% interest may be earned by expending \$3 million on the property, issuing 296,296 common shares of NovaGold (all of which have been issued), and making property payments of up to \$0.25 million. An additional 20% interest may be earned by paying \$1 million to Eagle Plains and completing a feasibility study by September 2011. The Copper Canyon property is subject to a 2% net smelter returns royalty which may be reduced to 0.5% by the payment of \$2 million to the royalty holder.

In addition, under a further option agreement NovaGold may earn a 60% interest in the Grace claims which are immediately to the north of the main Galore Creek property pursuant to an option agreement with Pioneer by purchasing approximately \$1 million of shares of Pioneer (which purchase was completed in 2004) and expending \$5 million on the Grace claims over five years. Pioneer, which is now controlled by Barrick, is seeking to rescind the option agreement. See [Legal Proceedings - Litigation Regarding the Grace Claims](#).

The Company has also acquired mineral rights in the Galore Creek vicinity through staking. NovaGold now holds, or has an interest in, greater than 870 square kilometres in the Galore Creek area.

On February 13, 2006, the Company announced that it had entered into a comprehensive agreement with the Tahltan First Nation for their participation in, and support of, the development of the Galore Creek project. Financial contributions will be made by NovaGold to the Tahltan Heritage Trust Fund which will be used to mitigate any adverse social and cultural impacts of mine development. During mine operations, Trust Fund payments are guaranteed to be no less than \$1 million annually. Upon reaching certain agreed financial targets, and subject to

positive mine operating cash flow, the Trust Fund will receive the greater of \$1 million or a 0.5% to 1.0% net smelter royalty each year.

Feasibility Study

In October 2006, Hatch Ltd., an independent engineering services company, together with a number of specialized consultants, completed a feasibility study (the Galore Creek Feasibility Study) for the Galore Creek project. This study confirms the economic viability of a conventional open-pit mining operation using long-term

metals prices and provides the basis for the Company's first proven and probable reserves for copper, gold and silver. The Galore Creek Feasibility Study was completed under the coordination of Bruce Rustad, P.Eng., Director of P&CM/Project Manager for Hatch Ltd. and an independent Qualified Person as defined by NI 43-101. An NI 43-101 compliant summary of the Galore Creek Feasibility Study has been filed on the System for Electronic Document Analysis and Retrieval (SEDAR), providing a complete description of the Galore Creek Feasibility Study results. The information set out below is a summary of information contained in the Feasibility Study and is subject to important qualifications, assumptions and exclusions, all of which are set out in the summary of the Galore Creek Feasibility Study. For a complete description of assumptions, qualifications and procedures associated with the following information, reference should be made to the full text of the Galore Creek Feasibility Study. Any information with respect to developments after the base date of the Galore Creek Feasibility Study is solely attributable to NovaGold and has not been verified by the authors of the Galore Creek Feasibility Study.

Using base case prices of US\$1.50/lb of copper, US\$525/oz of gold and US\$8/oz of silver, estimates of annual production and cash costs for the Galore Creek project are summarized as follows.

First 5 Years of Production (Averages)	Total Cash Costs (US\$)	Copper (lbs)	Gold (ozs)	Silver (ozs)
Average total cash costs (net precious metals credits)	\$ 0.38/lb Cu			
Average total cash costs (net copper and silver credits)	- \$ 889/oz Au			
Annual Production (Recovered Metal)		432 M	341,000	4.0 M

Life of Mine Production (Averages)	Total Cash Costs (US\$)	Copper (lbs)	Gold (ozs)	Silver (ozs)
Average total cash costs (net precious metals credits)	\$ 0.62/lb Cu			
Average total cash costs (net copper and silver credits)	- \$ 874/oz Au			
Annual Production (Recovered Metal)		262 M	165,000	2.7 M
Total Recovered Metal (Life of Mine)		5.8 B	3.6 M	58.5 M

A financial analysis using the base case parameters set out below indicates that the Galore Creek project is expected to generate an after-tax internal rate of return of approximately 10.6% and have an undiscounted after-tax net present value of US\$1.74 billion. An analysis has also been performed using spot prices, 3-year trailing average prices and a conservative metals price case. The Galore Creek Feasibility Study evaluated the capital costs, operating and processing costs, taxes and treatment charge for the project. Key project economic parameters and financial results are summarized below.

Galore Creek Summary Financial Results

	Units	Base Case
Mine Basis		
Mine Life	Years	22
Ore Tonnage milled	M tonnes	522
Strip Ratio (waste to ore)		1.64
Mill throughput (nominal)	Tonnes per day	65,000
Total capital cost (mine facilities + infrastructure) ⁽¹⁾	US \$(millions)	1,805
Sustaining capital cost ⁽¹⁾	US \$(millions)	122
Unit Operating Costs		
Mining cost per tonne mined ⁽¹⁾	US\$/t	1.22
Milling / Process cost per tonne ore ⁽¹⁾	US\$/t	3.05
G&A cost per tonne ore ⁽¹⁾	US\$/t	0.80
Total Cash Cost First 5 Years (net of precious metal credits) ⁽³⁾	US\$/lb Cu	0.38
Total Cash Cost First 5 Years (net of copper and silver credits) ⁽³⁾	US\$/oz Au	(889)
Total Cash Cost Life of Mine (net of precious metal credits) ⁽³⁾	US\$/lb Cu	0.62
Total Cash Cost Life of Mine (net of copper and silver credits) ⁽³⁾	US\$/oz Au	(874)
Total Co-product Cost First 5 Years (copper)	US\$/lb Cu	0.67
Total Co-product Cost First 5 Years (gold)	US\$/oz Au	150
Total Co-product Cost Life of Mine (copper)	US\$/lb Cu	0.82
Total Co-product Cost Life of Mine (gold)	US\$/oz Au	200

	Units	Base Case	3-Year Trailing Average	Spot Case (Sept 1/06)	Conservative Case ⁽²⁾
Metal price assumptions					
Copper	US\$/lb	1.50	1.70	3.50	1.27
Gold	US\$/oz	525	461	626	495
Silver	US\$/oz	8.00	7.72	12.87	6.70
US\$/CA\$ exchange Rate		0.81	0.81	0.89	0.75
Financial Results					
Project IRR (pre-tax)	(%)	14.1	16.6	39.0	12.9
Project IRR (after-tax)	(%)	10.6	12.7	30.7	9.5
NPV 0% discount (pre-tax)	US \$(millions)	2,935	3,689	13,822	2,101
NPV 0% discount (after tax)	US \$(millions)	1,736	2,189	8,287	1,235
NPV 5% discount (pre-tax)	US \$(millions)	1,187	1,604	7,224	833
NPV 5% discount (after tax)	US \$(millions)	599	856	4,254	395
Payback	Years	4.0	3.7	1.5	3.9
Cashflow					
Annual Average After-tax Net Cashflow (years 1-5) ⁽⁴⁾	US \$(millions)	414	445	936	384

Cumulative After-tax Net Cashflow (years 1-5) ⁽⁴⁾	US \$(millions)	2,069	2,227	4,678	1,921
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- (1) Converted from Canadian dollars to U.S. dollars at the base case \$1.00 = US\$0.81 long-term exchange rate.
- (2) Average metal price based on N. Seldon Marketing Report with long-term staggered metal prices.
- (3) Cash cost is not a term recognized by Canadian GAAP or U.S. GAAP and includes mining costs, processing costs (including transportation and refining), and local production taxes and royalties but excludes end-of-mine reclamation accruals.
- (4) After-tax net cash flow is defined as the revenue, less operating, capital costs and cash taxes.

The Galore Creek Feasibility Study was designed to assist the Company in making a decision as to whether to commence construction on the Galore Creek project. The Company has since updated its construction schedule which has lengthened the planned construction time and extended the start of production into 2012, assuming the timely receipt of all necessary permits and assuming the Company is able to raise adequate financing. The Company believes that this revised construction schedule will reduce overall project development risk. However, the revised schedule also results in an approximate US\$130 million reduction in the base case after-tax net present value (at a 5% discount rate) and a reduction in the base case after-tax internal rate of return to approximately 9%, as of January 1, 2007. This reduction in net present value and internal rate of return is not expected to affect the Company's decision as to whether to commence construction or to proceed to production.

Construction

As currently envisioned, the Galore Creek project capital estimates include Phase 1 infrastructure associated with providing road and power access to the Galore Creek Valley and Phase 2 construction of the mine facilities. The Phase 1 work represents approximately 20% of the overall capital costs for the project. Electrical power will be supplied from a connection to the B.C. Hydro grid where the project access road meets Highway 37.

Phase 1 construction is anticipated to take 24 months, with access to the Galore Valley in the second half of 2009. Significant activities during Phase 1 include the construction of approximately 128 kilometres of mine access roads, 40 small bridges and 13 large bridges, 4.5 kilometres of access tunnels, the design of concentrate and diesel fuel pipelines in the access road and the construction of an approximately 130 kilometre power transmission line from Bob Quinn to the Galore Valley. Most of the Phase 1 work is scheduled to be completed during the summer months.

The largest portion of the capital expenditures will be the Phase 2 construction which will focus on mine facilities, including the tailings dam. Phase 1 and Phase 2 construction activities will overlap in the latter stages of Phase 1. Mine production start-up is anticipated to begin in mid-2012 after three months of commissioning. Significant activities during Phase 2 include the construction of mine infrastructure, the diversion of Galore Creek, the completion of the concentrate and fuel pipeline, construction of the tailings dam structure, construction of the process plant, construction of the mine infrastructure and completion of the power transmission line.

The completion of the tailings dam in Phase 2 will require three summer seasons. Core dam material can only be placed during optimum conditions as excessive moisture and inclusion of frozen materials is unacceptable. Therefore, work during the winter months will be limited accordingly.

The mine is envisioned as a conventional open-pit operation with a 65,000 tpd processing plant based on crushing, grinding, flotation, thickening and filtrating of a copper concentrate, which would be shipped to the Port of Stewart for off-site smelting and refining of the copper, gold and silver.

As at November 30, 2006, NovaGold had commitments outstanding in the amount of \$30.8 million for pre-construction activities related to tunnel and road infrastructure at the Galore Creek project, which started in the latter half of 2006. These goods and services are anticipated to be delivered by the end of 2007. Subsequent to November 30, 2006, NovaGold awarded contracts for road, tunnel and support activities related to the Galore Creek project with minimum commitments of \$31.7 million. As of February 27, 2007, NovaGold made payments of \$5.0 million under certain of these Galore Creek commitments entered into before and after November 30, 2006.

NovaGold is considering financing alternatives for the development of the Galore Creek project including a sale of a significant interest in the project, project debt, a strategic alliance with a company involving the sale of copper concentrates from the property, equity finance or a combination of some or all of these alternatives. Depending upon

the financing alternative ultimately chosen, NovaGold may have less control over the management of the Galore Creek project than it currently possesses. While NovaGold ultimately intends to enter into a joint venture or other strategic alliances in connection with the development of this project, NovaGold may also issue Securities as described herein in order to make certain that adequate funds are in place to ensure the development plans proceed as scheduled. See Risk Factors NovaGold will require external financing or may need to enter into a strategic alliance or sell property interests, to develop its mineral properties.

Prior to production commencing on the Galore Creek project, all additional permits must be received and financing for construction and development must be obtained and construction must be completed. Based on the provincial and federal permitting schedule, the project is on target to receive permits in the second quarter of 2007. However, there can be no assurance that all of the required permits will be received in accordance with the schedule. NovaGold believes that completion of the first phase of construction will add substantial value to the project and reduce overall project development risk by providing road access and power to the Galore Creek mine site in preparation for the second larger phase of actual mine construction.

Environmental Assessment and Permitting

The Galore Creek environmental assessment process was initiated in February 2004. As part of the environmental assessment review process, a series of public meetings were held in various communities in the Galore Creek region, with the public and regulatory comment periods running from July 10, 2006 to September 8, 2006 and September 22, 2006, respectively. The Galore Creek team prepared responses to the comments, with consultation with regulators and the Tahltan First Nation on the process. The Tahltan Central Council submitted their comments to the British Columbia Environmental Assessment Office on October 18, 2006 supporting NovaGold's application for an Environmental Assessment Certificate.

As part of the concurrent permitting process, NovaGold has filed an application with the British Columbia Government to obtain a surface lease over a portion of the Grace claims, under option from Pioneer which is now controlled by Barrick, where NovaGold intends to build a tailings and waste rock storage facility for the Galore Creek project. Pioneer is opposing the application and is seeking, among other things: (a) an injunction to restrict NovaGold from continuing its surface lease application and from placing any waste or tailings facility on the Grace claims; and (b) a declaration that NovaGold holds any surface lease in trust for Pioneer and must transfer to Pioneer any surface lease it obtains. A recent report from the British Columbia Ministry of Energy, Mines and Petroleum Resources has concurred that NovaGold's drilling on the Grace property is sufficient to confirm that there is no economic mineralization in the area proposed for the tailings and waste storage facility. A final decision on granting a surface lease from the British Columbia government is expected in the second quarter of 2007. However, there can be no assurance that the surface lease will be granted at such time.

On February 23, 2007, NovaGold announced that it had received from the Province of British Columbia, the Environmental Assessment Certificate for the Galore Creek project. The current provincial and federal environmental assessment process is targeted to be concluded in the second quarter of 2007, with construction targeted to begin in the second quarter of 2007 upon issuance of appropriate permits. A delay in any of the critical permits could result in a delay in construction and in production. In particular, a delay in the permits to construct roads, tunnels and bridges could negatively impact the construction schedule. There can be no assurance that all of the required permits will be received in accordance with this schedule. See Risk Factors NovaGold requires various permits and property rights in order to conduct its current and anticipated future operations and delays or a failure to obtain such permits and property rights, or a failure to comply with the terms of any such permits that NovaGold has obtained, could have a material adverse effect on NovaGold.

Reserve and Resource Estimates

The Galore Creek Feasibility Study estimates proven and probable reserves for the Galore Creek project as set out in the NI 43-101 report by Hatch Ltd. in October 2006, and as summarized below.

Galore Creek Reserve Estimate⁽¹⁾

Class	Run of Mine Tonnage (Millions)	Cu (%)	Au (g/t)	Ag (g/t)	Contained Copper (B lbs)	Contained Gold (M ozs)	Contained Silver (M ozs)
Proven	239.5	0.625	0.343	6.01	3.30	2.64	46.28
Probable	301.3	0.503	0.271	4.78	3.34	2.63	46.30
Total	540.7	0.557	0.303	5.32	6.64	5.27	92.58

⁽¹⁾ Cutoff grade of 0.25% copper equivalent (CuEq). CuEq calculation is based on net smelter return and uses metal prices of US\$1.25/lb of copper, US\$450/oz of gold and US\$7/oz of silver.

The project reserves have been estimated using a C\$3.82/t net smelter return (net of offsite concentrate and smelter charges and onsite plant recovery) as a cutoff for break-even ore/waste selection and for the grade bins for

cashflow optimization. Detailed pit phases were engineered from the results of a Lerchs-Grossman sensitivity analysis and yielded phase reserves using a 3.6% dilution for all material above the 0.25% CuEq cut-off grade and assuming mining losses of 2.4%. Reserves have been estimated assuming metal recoveries based on detailed metallurgical recovery program results, specific to each individual pit area, ranging from 88-92% recovery for copper, 68-76% recovery for gold and 57-71% recovery for silver, and a copper concentrate grade ranging from 26-28% copper. Proven and probable reserves are considered to be ore, which by definition is economically recoverable.

The updated resource estimate used for the Galore Creek Feasibility Study was filed on SEDAR on September 12, 2006 which was reviewed by Mike Lechner, Registered Professional Geologist of Resource Modeling Inc., an NI 43-101 Qualified Person.

Galore Creek Measured, Indicated and Inferred Resource Estimate⁽¹⁾

Resource Category	Tonnes (Millions)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq ⁽²⁾ (%)	Copper (B lbs)	Gold (M ozs)	Silver (M ozs)
Measured	263.6	0.62	0.35	5.9	0.81	3.6	3.0	50.0
Indicated	485.3	0.46	0.28	4.3	0.63	4.9	4.4	67.1
Measured and Indicated	748.9	0.52	0.30	4.9	0.69	8.5	7.4	117.1
Inferred⁽³⁾	431.9	0.36	0.31	4.8	0.58	3.4	4.3	66.0

(1) Measured and Indicated Resources include Proven and Probable Reserves.

(2) Copper-equivalent (CuEq) calculations use metals prices of US\$1.25/lb of copper, US\$450/oz of gold and US\$7/oz of silver. Copper-equivalent calculations (CuEq%) reflect gross metal content that has been adjusted for metallurgical recoveries based on the metallurgical domain testwork completed by Hatch Ltd. Copper recovery is expressed as a formula unique to each metallurgical domain necessary to derive copper concentration grades. Gold and silver recoveries of each metallurgical domain are expressed as a proportion of copper recovery.

(3) Includes the Copper Canyon Inferred Resource on an 80% basis calculated using a 0.35% CuEq cut-off grade, as stated in the technical report titled "Geology and Resource Potential of the Copper Canyon Property" issued in February 2005. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Inferred Resources have a great amount of uncertainty as to their existence and whether they can be mined legally or economically. It cannot be assumed that all or any part of the Inferred Resources will ever be upgraded to a higher category. Although Measured Resources, Indicated Resources and Inferred Resources are categories of mineralization that are recognized and required to be disclosed by Canadian regulations, the SEC does not recognize them. Disclosure of contained ounces is permitted under Canadian regulations, however, the SEC generally permits resources to be reported only as in place tonnage and grade. See "Cautionary Note to United States Investors".

The reserve and resource model in the Feasibility Study was based on all data available through the 2005 season and constructed by Kevin Francis, P.Geo., Resource Manager for NovaGold and Mike Lechner, Registered Professional

Geologist of Resource Modeling Inc., who are both NI 43-101 Qualified Persons. The reserve and resource estimates are based on a 3-D computer block model with copper, gold and silver block grades estimated into 25 metre x 25 metre x 15 metre high blocks using 5-metre-long drill hole composites. Prior to compositing the drill hole grades, high-grade outlier values were cut based on an analysis of cumulative probability plots. The grade models were validated by visual and statistical methods and are deemed to be globally unbiased. The blocks were then classified into Measured, Indicated and Inferred Mineral Resource categories using the number of data and distance to data method. No environmental, permitting, legal, title, taxation, sociopolitical, marketing or other issues are expected to materially affect the above estimates of mineral reserves or resources.

An updated resource estimate incorporating the results of the 2006 exploration drill campaign was completed by the Company in March 2007. The updated estimate increased Measured and Indicated Resources for copper, gold and silver by 20%, 12% and 21%, respectively. Inferred Resources increased by 32%, 23% and 33% for copper, gold and silver, respectively. Proven and probable reserves for the Galore Creek project were estimated in the Galore Creek Feasibility Study in October 2006 and have not been updated. Less than 3% of the 2006 drilling, which was the subject of the resource estimate update, is contained within the pit that was the basis of the Galore Creek Feasibility Study and for which NovaGold must receive applicable permits prior to construction. The updated resource estimates are summarized below.

Updated Galore Creek Measured, Indicated and Inferred Resource Estimate⁽¹⁾⁽⁴⁾

Resource Category	Tonnes (Millions)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq⁽²⁾ (%)	Copper (B lbs)	Gold (M ozs)	Silver (M ozs)
Measured	282.1	0.59	0.33	5.6	0.79	3.7	3.0	51.2
Indicated	646.3	0.46	0.25	4.4	0.60	6.6	5.3	90.6
Measured and Indicated	928.4	0.50	0.28	4.7	0.65	10.2	8.3	141.8
Inferred⁽³⁾	533.4	0.36	0.28	4.5	0.52	4.2	4.8	77.8

Notes:

- (1) Measured and Indicated Resources include Proven and Probable Reserves.
- (2) Copper-equivalent (CuEq) calculations use metals prices of US\$1.25/lb for copper, US\$450/oz for gold and US\$7/oz for silver. Copper-equivalent calculations (CuEq%) reflect gross metal content that has been adjusted for metallurgical recoveries based on the metallurgical domain testwork completed by Hatch Ltd. Copper recovery is expressed as a formula unique to each metallurgical domain necessary to derive copper concentration grades. Gold and silver recoveries of each metallurgical domain are expressed as a proportion of copper recovery.
- (3) Includes the Copper Canyon Inferred Resource on an 80% basis calculated using a 0.35% CuEq cut-off grade, as stated in the technical report titled "Geology and Resource Potential of the Copper Canyon Property" issued in February 2005. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Inferred Resources have a great amount of uncertainty as to their existence and whether they can be mined legally or economically. It cannot be assumed that all or any part of the Inferred Resources will ever be upgraded to a higher category. Although Measured Resources, Indicated Resources and Inferred Resources are categories of mineralization that are recognized and required to be disclosed by Canadian regulations, the SEC does not recognize them. Disclosure of contained ounces is permitted under Canadian regulations, however, the SEC generally permits resources to be reported only as in place tonnage and grade. See Cautionary Note to United States Investors.
- (4) Rounding differences may occur.

The 2006 drill program and sampling protocol was completed with oversight by Scott Petsel, Manager Exploration, Canada for the Company, who is a NI 43-101 Qualified Person. The updated resource estimate is based on a 3-D geologic and mineralization model that integrated all exploration work on the Galore Creek project, including over 216,806 meters (711,304 feet) of drilling in 806 holes.

Future Work

Drilling in 2007 will likely focus on: (i) high-grade breccia mineralization known to exist at the Saddle prospect just to the east of the Central deposit; (ii) recently discovered mineralization at the Butte prospect lying roughly between the Junction and Southwest deposits; and (iii) the scoping of potential higher grade underground scenarios to augment and optimize the long term mine production scheduling. The Company currently expects to drill in excess of 15,000 metres in 2007.

Donlin Creek Project

The Donlin Creek property is an advanced stage gold project located in southwestern Alaska and is one of the largest known undeveloped gold deposits in the world, based on publicly reported resources. The Donlin Creek property contains a measured and indicated resource estimated at 16.6 million ounces of gold and an additional inferred resource estimated at 17.1 million ounces of gold. The property is under lease from Calista and the Kuskokwim Corporation, two Alaska native corporations. The Calista lease is in effect until 2015 and so long thereafter as mining operations are carried out at the Donlin Creek property. Under the Calista lease, Calista, the owner of the subsurface rights of the property, has a right, within 90 days of issuance of a bankable feasibility study on the Donlin Creek project, to elect to acquire between a 5% and 15% participating operating interest in the project covered by the feasibility study by delivering a notice of election and payment for the elected pro rata share of project capitalized costs incurred on the project to that date. As part of its payment, Calista would receive credit for any public funding or other funding sources it secures to deliver equipment, professional services or any other goods or services or infrastructure necessary to the Donlin Creek project. If a feasibility study is also issued on an additional stand-alone operation that does not rely on the facilities or economic viability of the original facility, then Calista will have an additional mutually exclusive back-in right on the same terms with respect to that facility.

Effective July 14, 2001, the Company entered into an earn-in agreement with Placer Dome, now Barrick, to acquire a 70% interest in the Donlin Creek project, subject to a back-in right reserved by Barrick. To earn its interest, the Company was required to spend US\$10 million on exploration and development on the project by July 14, 2011. On November 13, 2002, the Company completed US\$10.6 million of expenditures on the Donlin Creek project and earned a 70% interest in the property from Barrick. On February 10, 2003, Barrick elected to exercise an option to earn an additional 40% interest from the Company, for a total of 70%, in the Donlin Creek project by spending a total of US\$31.9 million on the property, completing a bankable feasibility study, and making a board decision to construct a mine at Donlin Creek to produce not less than 600,000 ounces of gold per year, all by November 13, 2007. Under this option, Barrick may not earn any incremental interest in the project, above the 30% level, until, and unless, all of the above conditions are met by November 13, 2007. The Company was not required to contribute any additional funding until Barrick completed the US\$31.9 million expenditure, and the Company had the right to elect that Barrick fund additional expenditures beyond the US\$31.9 million, subject to accruing interest at prime rate plus 2% and granting a security interest on the property. All such funds would be repayable from 85% of the Company's cash flows from Donlin Creek. Barrick is also required to assist the Company with third party financing for the Company's share of construction costs. In February 2003, Barrick elected to become manager of the joint venture and to initiate development work such that Barrick would be in a position to exercise its back-in right. If Calista exercises its back-in right under the Calista Lease, Barrick's and the Company's interest will be proportionately reduced to provide for the Calista interest. In May 2006, Barrick provided notice that it had met the required minimum US\$31.9 million of expenditures effective March 31, 2006. If construction is commenced, Barrick agreed to assist NovaGold in obtaining third party financing for NovaGold's share of the costs of the construction. If both the Barrick and Calista rights are exercised in full, the Company's interest in the Donlin Creek project would decrease to 25.5%. NovaGold does not believe it will be possible for Barrick to meet the requirements for it to earn an additional 40%. See *Legal Proceedings* *Litigation Regarding the Donlin Joint Venture* and *Risk Factors* Barrick and Calista each retain back-in rights on the Donlin Creek project which, if exercised, could dilute NovaGold's interest in the project.

An advance minimum royalty (AMR) on the Donlin Creek property of US\$200,000 is payable by the joint venture to Calista annually until a feasibility study is completed, after which the AMR will increase to US\$500,000 per year. Upon commencement of production, a net smelter return royalty on production equal to the greater of 1.5% of the revenues from valuable minerals production and US\$500,000 is payable to Calista, until the earlier of the expiry of five years or the payback of all pre-production expenses incurred by Barrick and the Company. Thereafter, the annual net smelter return royalty on production will be increased to the greater of 4.5% of the revenues from valuable minerals production and US\$500,000.

Resource Estimate

In January 2006, a new resource estimate was completed by the Donlin Creek joint venture which supersedes previous resource estimates on the Donlin Creek project. The new resource estimate was based on an updated geologic and mineralization model that integrated 28,240 metres of drilling completed by Placer Dome in 2005 and 193,598 metres of drilling previously completed by Placer Dome and NovaGold. The model contained a total of 109,595 assay intervals from 221,838 metres of drilling and trenching.

A technical report was prepared and filed on SEDAR in accordance with NI 43-101 by Kevin Francis, P.Geo., Resource Manager of the Company, Stanton Dodd, P.Geo., an employee of the Company, and Lynton Gormely, Ph.D., P.Eng. of AMEC Americas Limited, each of whom is a Qualified Person under NI 43-101. The resource estimate was verified by Kevin Francis.

In September 2006, in support of a preliminary economic assessment (PEA) by SRK Consulting (SRK), an updated tabulation of the January 2006 resource estimation was completed for a pit using metal prices of US\$500/oz of gold

and US\$8.30/oz of silver and a base case of 0.76 g/t gold cut-off grade assuming a 60,000 tpd. The PEA was prepared in accordance with NI 43-101 by Kevin Francis, P.Geo., Resource Manager of the Company, Stanton Dodd, P.Geo., an employee of the Company, and Gordon Doerksen, P.E. of SRK, each of whom is a Qualified Person under NI 43-101. Unless stated otherwise the following information is summarized from the PEA which has been filed on SEDAR. SRK conducted a preliminary review of Placer Dome's data and found the methodology to be satisfactory and possibly conservative in terms of contained metal at the 0.76 g/t gold cut-off grade. An NI

43-101 compliant technical report for the resource estimate, relied upon as the basis for this study, was filed in January 2006. Based on a 0.76 g/t cut-off grade, the Donlin Creek resource estimates as at September 2006 are as follows.

Total Resources⁽¹⁾ at 0.76 g/t cut-off Donlin Creek Project

	Tonnes⁽¹⁾⁽²⁾ (Millions)	Grade (g/t)	Contained Ounces⁽¹⁾⁽²⁾ (Millions)
Measured	20	2.56	1.6
Indicated	196	2.39	15.0
Total Measured and Indicated	215	2.40	16.6
Inferred	227	2.34	17.1

(1) Although Measured Resources, Indicated Resources and Inferred Resources are categories of mineralization that are recognized and required to be disclosed by Canadian regulations, the SEC does not recognize them.

Disclosure of contained ounces is permitted under Canadian regulations; however, the SEC generally permits resources to be reported only as in place tonnage and grades. See Cautionary Note to United States Investors.

(2) Rounding differences may occur.

In February 2007, Barrick published an initial interim resource model to meet its year-end reporting requirements. The estimates in this resource model are not based on a published NI 43-101 compliant Technical Report. The interim resource model was based on the results of 39,000 metres of drilling (out of the total 82,000 metres of drilling) carried out in 2006. The 39,000 metres of drilling results in the interim model were primarily from the Acma area and the 43,000 metres of drilling not reflected in the interim model were primarily in the Lewis area. In preparing the interim resource model, Barrick used a more restrictive estimation methodology that had previously been used by Placer Dome and which formed the basis of the January 2006 report. Compared with the January 2006 report, this interim update shows an increase of 4.9 million ounces in Measured and Indicated Resources for the project from 14.9 million ounces to 19.8 million ounces, representing a 33% increase. At the Acma deposit, the Measured and Indicated Resources increased by 2.9 million ounces from 8.2 million ounces to 11.1 million ounces. The Barrick interim resource model shows an overall decrease in the Inferred Resource from 13.6 million ounces to 1.6 million ounces, with 4.9 million ounces being converted to the Measured and Indicated category and a decrease of 7.1 million ounces largely due to the change in methodology used by Barrick to define Inferred Resources. The January 2006 resource estimates were updated in the September 2006 Report as set forth in the table above.

Of the decrease in Inferred ounces, 6.0 million were in the Lewis area where the vast majority of the remaining 43,000 metres of 2006 drilling not included in Barrick's interim update took place. NovaGold anticipates that additional Measured and Indicated Resources and Inferred Resources will be added to those shown in Barrick's interim estimate once the full results from the Lewis area are included.

NovaGold anticipates that the final 2006 drill assays and a complete 2006 resource estimate will be released in the second quarter of 2007. See Risk Factors. The figures for NovaGold's reserves and resources are estimates based on

interpretation and assumptions .

Preliminary Economic Assessment

The September 2006 Preliminary Economic Assessment (the PEA) by SRK confirmed the economics of a conventional open-pit mining operation at a production rate of 60,000 tpd with the potential to produce on average 1.4 million ounces of gold per year over the 22-year life of the project. Costs, appropriate with this level of the PEA, have been estimated and form the foundation of the economic analysis of the project on a 100% basis. The PEA prepared by SRK was based on a technical and economic review by a team of consultants who are specialists in the fields of mineral exploration, mineral resource estimation and classification, open-pit mining, mineral processing and mineral economics. The PEA was completed under the direction of Gordon Doerksen, P.E., an independent Qualified Person as defined by NI 43-101.

It is important to note that the PEA is preliminary in nature, and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied that would allow them to be categorized as mineral reserves, and there is no certainty that the conclusions reached in the PEA will be realized. Inferred mineral resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category.

SRK also completed a sensitivity analysis to determine the economic effects of changes to the capital and operating costs and the gold price, to determine the economic potential of the Donlin Creek project. In the first seven years, the analysis projects an average annual production of approximately 1.885 million ounces of gold at an average cash cost of US\$223/oz of gold. The project would generate an average annual pre-tax cash flow of approximately US\$482 million for the first seven years using a long-term gold price of US\$500/oz, resulting in payback of all mine capital in less than five years.

SRK's analysis indicates that using a gold price of US\$500/oz, Donlin Creek could generate a pre-tax rate of return of 12.1% and a net present value at a 5% discount rate (NPV5%) of US\$1,001 million, resulting in a capital cost payback period of less than 5 years. A sensitivity analysis on the project shows that the NPV is most sensitive to changes in the gold price, followed by changes to operating costs and capital costs. For example, a gold price of US\$550/oz increases the after-tax NPV5% to US\$1,453 million, and a gold price of US\$450/oz decreases the after-tax NPV5% to US\$554 million.

This financial analysis includes capital costs to construct a powerline connecting the Donlin Creek project site to the existing Anchorage/Fairbanks power grid. This analysis also includes Inferred Resources. Inferred Resources have a great amount of uncertainty as to their existence and whether they can be mined legally or economically. It cannot be assumed that all or any part of the Inferred Resources will ever be upgraded to a higher category. Inferred Resources are excluded from estimates forming the basis of a feasibility study.

Assumptions Used in the Preliminary Economic Analysis

Parameter	Units	Value
Metal Price		
Gold	US\$/oz	500.00
Silver	US\$/oz	8.30
Production		
Pre-Production Period (Pre-strip)	Years	2
Mine Start Date		2013
Mine Life (after Pre-Production)	Years	22
Life of Mine Ore Tonnage	Million tonnes	482.3
Life of Mine Mill Head Grade (diluted)	Gold g/t	2.17
Contained Gold	Million oz	33.5
Metallurgical Recovery	%	90.6
Recovered Gold	Million oz	30.3
Recovered Silver	Million oz	7.2
Target Production Rate	Tonnes per day	60,000
Average Annual Gold Production (Years 1-7)	Million oz per year	1.885

Average Annual Gold Production (Life of Mine)	Million oz per year	1.379
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Estimated Life of Mine Operating Costs

Parameter	Units	Estimate (US\$)
Mining	\$/tonne mined	\$ 0.92
Processing	\$/ore tonne milled	\$ 9.58
Mine Consumables	\$/ore tonne milled	\$ 0.41
G&A	\$/ore tonne milled	\$ 1.06
Refining and shipping	\$/recovered oz	\$ 5.25
NSR (royalties)	\$/tonne milled	\$ 1.12

Total life of mine operating costs are estimated at US\$17.44 per tonne milled and US\$276/oz of recovered gold.

Estimated Project Capital Costs

Description	Estimate (US\$)
Direct Construction Capital (ex. Power Line)	\$ 976M
Indirect Construction Capital	\$ 423M
Contingency @ 15%	\$ 210M
Subtotal Construction (ex Power Line)	\$ 1,609M
Intertie Power Line	\$ 408M
Total Construction	\$ 2,017M
Permitting, Exploration, Studies, 1 st Fills, Spares ⁽¹⁾	\$ 113M
Life of Mine Sustaining	\$ 427M

⁽¹⁾ Capital costs in 2006 for exploration, EIS/permitting and studies are assumed to be sunk costs and are not included.

Estimated Cash Costs⁽¹⁾

Average Total Cash Costs	Years 1 - 7	US\$	223/oz of gold
(total operating expense per recovered ounce of production)	Life of mine	US\$	276/oz of gold
Total Costs	Years 1 - 7	US\$	303/oz of gold
(total operating expense plus depreciation per recovered ounce of production)	Life of mine	US\$	362/oz of gold

⁽¹⁾ Cash costs is not a term recognized by Canadian GAAP or U.S. GAAP and includes mining costs, processing costs (including transportation and refining), local production taxes and royalties, but excludes end of mine reclamation accruals.

The following table shows 100% of Donlin Creek's NPV from the PEA at varying discount rates, as well as project payback for the base case scenario. It should be noted that the NPV calculation uses cash flows from January 1, 2007 onward, including the three years (2007–2009) of pre-construction costs such as an Environmental Impact Study, permitting, a final bankable feasibility study, engineering design, and similar items.

Gold Price Sensitivity After Tax (US\$ millions)

Gold Price (\$/oz)	\$450	(Base Case) \$500	\$550	\$600	\$700
NPV0%	2,123	3,009	3,930	4,821	6,615
NPV5%	554	1,001	1,453	1,888	2,761

Mine Plan

SRK, with the assistance of other professionals, performed the open-pit mine design, scheduling and costing for the project. The basic assumptions used in the Mine Plan are summarized below.

Basic Assumptions Used in the Mine Plan (US\$)

Parameter	Unit/Comments	Value
Run of Mine production rate	Tonnes per Day	60,000
Gold price	Per oz of gold	\$500
Mine operating costs ⁽¹⁾	Per tonne of rock mined	\$0.88
Marketing, refining, shipping	Per tonne milled	\$0.34
Process costs	Per tonne milled	\$9.58
G&A costs	Per tonne milled	\$1.06
Mining & Processing Break-even Cost (Pit Rim costs)	Per tonne milled	\$10.99
Process recovery average	Variable, depending on mineralization type	90.6%
Mining dilution	Waste grade at 0.61 g/t gold	12.8%
Mining loss	Of total ore tonnes	3%
Pit slopes	Depends on various geotechnical domains	30 ° to 48 °

⁽¹⁾ Mine operating costs exclude the additional cost incurred for rehandling ore once it has been mined from the pit.

These assumptions were used to determine the 0.76 g/t gold cut-off grade. It should be noted that due to the complex nature of the correlation between resource types and process recovery, an average recovery was assumed for the cut-off grade determination.

For the PEA, a 60,000 tpd processing rate was determined as optimal by SRK, in consultation with NovaGold, based on the size of the deposit, infrastructure requirements and the nature of the metallurgical process. Past reported throughput rates have not considered processing at this level due to the restrictions of onsite power capacity. These restrictions have been overcome through consultation with the regional power utility and by including the capital cost of the necessary power infrastructure in this study, such that Donlin Creek can tie in to the existing Anchorage-Fairbanks intertie powerline. The capital costs and financial results presented in the PEA reflect permitting and development timelines consistent with this processing rate and power delivery strategy.

The on-site mineral processing plant is envisioned to take the ore to a doré product. Difficult transportation logistics supported the decision to build a plant for complete ore processing, rather than shipping concentrate. The suggested processing unit operations include tertiary crushing, primary ball milling, single-stage flotation, autoclave oxidation, carbon in leach and refining to doré.

In March 2007, as part of Barrick's year-end disclosures, Barrick published information suggesting that the capital costs to construct a 50,000 tonne per day project (NovaGold's PEA estimates assume a 60,000 tonne per day project) at Donlin Creek may be significantly higher (possibly 80-90% higher or more) than the capital costs estimated in NovaGold's PEA, and that operating costs are likely to be materially higher as well. In light of Barrick's disclosure, NovaGold and SRK reviewed certain information provided by Barrick to NovaGold for the purpose of confirming the

PEA estimates. Based on the limited information provided by Barrick, NovaGold and SRK believe that Barrick's published estimates are the result of a significantly different scope and approach to the project. In particular, the Barrick estimates are based on utilizing on-site diesel and wind generation as the sources of operating power, whereas NovaGold and SRK contemplated construction of a power line to the Anchorage-Fairbanks power grid. This fundamental difference in approach resulted in increased capital costs, increased operating costs and reduced throughput in the Barrick estimates. In addition there were further conceptual or philosophical differences in estimating mineral processing costs, mining costs, mine and grade modeling as well as additional costs in certain other areas. NovaGold and SRK were not provided with adequate information or background on the estimates to comment on the appropriateness of Barrick's approach. As a result, NovaGold and

SRK do not believe the two estimates can be reasonably compared. As part of its review, SRK considered its capital cost estimate in the PEA in light of current trends in capital cost increases as well as other developments in the sector such as product availability, lead times, premiums and U.S. dollar depreciation. SRK has concluded that given the intended purpose of the PEA, and the parameters and operating philosophy upon which it was based, the cost estimates set forth in the PEA continue to be valid as of the dates therein, within the contingencies and accuracy level outlined in the PEA.

Future Work

In 2007, Barrick has advised NovaGold that it has continued environmental baseline studies and refining the layout and design of the mine facilities. Barrick is currently completing a pre-feasibility level study on the project in preparation for the final feasibility study and the start of the mine permitting process. Barrick had advised NovaGold that it has budgeted US\$87 million for expenditures at Donlin Creek in calendar 2007, including 70,000 metres of in-fill and in-pit exploration drilling, environmental baseline studies, studies of alternative power sources, permitting work, and feasibility and engineering work.

Nome Operations

The Nome Operations consist of the Rock Creek and Big Hurrah open-pit gold deposits, the Nome Gold gold-in-gravel resource, the Nome sand-and-gravel resource, and various other gold deposits, all of which are located around the town of Nome, Alaska.

Rock Creek

In September 2006, Harry Parker, P.Geol. of AMEC Engineering and Construction Services Inc., a Qualified Person as defined by NI 43-101 prepared a NI 43-101 compliant report (the AMEC Technical Report). Unless stated otherwise the following information is summarized from the AMEC Technical Report which has been filed on SEDAR.

Rock Creek is the Company's first development stage project and is expected to be its first production project. The project is partly located on 5,700 hectares (14,000 acres) of patented private land that is 100% owned by the Company's wholly-owned subsidiary, Alaska Gold and partly on land owned by the Bering Straits Native Corporation (BSNC). Alaska Gold holds an exploration and mining lease on approximately 8,100 hectares (20,000 acres) of BSNC lands, as well as a surface use agreement with Sitnasuak Native Corporation (Sitnasuak), the local village corporation. These mineral surveys are fee simple and have no annual requirements. Based on the current preliminary mine plan, the Company advises that approximately 90% of the currently defined resources for the mine plan are located on lands owned by Alaska Gold.

Pursuant to an exploration and option agreement dated March 13, 2002, between Golden Glacier, Inc. (GGI), and the Company, the Company acquired the rights to explore and develop the lode deposits on an additional 15,000 acres of mineral claims held by GGI pursuant to four mining leases from BSNC to GGI. Pursuant to the exploration and option agreement, GGI granted the Company a five year option to acquire a mining sublease. In order to maintain the option in effect, the Company agreed to make annual payments to GGI ranging from US\$15,000 to US\$25,000 and to complete annual work commitments ranging from US\$50,000 to US\$150,000. The Company advises that it exercised its option and concluded a Mining Sublease in April 2006. The terms of the Sublease obligate the Company to pay an advance royalty of US\$126,560 for each year that the mining Sublease is in place. The Company is also obligated to perform US\$316,400 of exploration and development work per year, with excess work performed in any year able to be carried forward and applied in subsequent years. GGI is entitled to a 2.5% net smelter returns royalty and a 5% net proceeds royalty from production from BSNC lands. NovaGold is also a party to an exploration surface use agreement with Sitnasuak. In May 2006, the Company entered into a Surface Use Agreement with Sitnasuak. The agreement

gives the Company exclusive use of the surface estate surrounding the Rock Creek Project for the purposes of conducting mining and milling operations. The agreement obligates the Company to pay an annual fee of US\$70,000 for seven years or as long as mining, milling or marketing takes place, or until completion of active reclamation. The Company is also obligated to pay US\$900 for each acre of disturbed lands.

Resource Estimate

Prior to the AMEC Technical Report, the Company completed an internal resource estimate for the Rock Creek project (including Rock Creek and the adjacent Saddle mineralization) in March 2000, which estimated Measured and Indicated Resources at Rock Creek of 6.4 million tonnes grading 2.7 grams per tonne gold (g/t) containing 555,000 ounces of gold. In 2003 and 2004, additional core drilling was carried out at Rock Creek. In comparing the various drilling campaigns in general, core drilling data yielded between 20% and 40% lower grades than reverse circulation data which made up a majority of the data for the March 2000 study.

Further resource estimation was undertaken in 2004 and 2005 prior to the AMEC Technical Report by the Company and various models and adjustment factors were employed by the Company's consultants that adjusted downwards the actual RC drilling data used in the models. Though little conclusive evidence of a systematic cause for the differences between the various reverse circulation and core drill campaigns was determined, resources were downgraded to reflect a conservative basis for contained gold. Norwest Corporation, using the same adjustment factors, revised the in-pit indicated estimated resource at Rock Creek (the 2005 Rock Creek Project Economic Update Review) that forms the basis of the above-mentioned internal resource estimate to 7.5 million tonnes grading 1.4 g/t containing 335,000 ounces of gold. NovaGold is using these reduced tonnages and grades for base case planning purposes.

The current resource model was based on all data available through the 2004 season and constructed under the supervision of Harry Parker, P.Geo. of AMEC Engineering and Construction Services Inc., a Qualified Person as defined by NI 43-101. The resource estimate is based on a 3-D computer block model with gold block grades estimated into 10 metre (north-south) x 5 metre (east-west) x 5 metre high blocks using 5-metre-long drill hole composites. Prior to compositing the drill hole grades, high-grade outlier values were cut based on metal at risk analysis. Additionally, samples collected via reverse circulation drilling had their grades adjusted downward to match the expected grades indicated from core drilling. The grade estimation model was validated by visual and statistical methods and are deemed to be globally unbiased. The blocks were then classified into Indicated and Inferred Mineral Resource categories using the number of data and distance to data method. The reported resource has been constrained by a conceptual pit shell constructed by Mike Lechner of Resource Modeling Inc., using the base case resource estimate, a gold price of US\$500/oz and other economic parameters from the 2005 Rock Creek Proje