

TOS
Sept 6/05
→ Galore
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Galore Creek Newsletter

NovaGold Canada Inc.

Successful Start to 2005 Season

Fieldwork began at the Galore Creek property of NovaGold Canada inc. with the arrival of a crew at site on April 16th. The crew was greeted by vast quantities of snow. More than 50,000 cubic metres of snow were moved in order to accommodate the expansion of the camp. Thirty-two trailers were flown into camp with a Kamov helicopter and by 27 May, the new kitchen, offices and wash facilities were complete and in use. Camp population by the end of May was 93, and has peaked at 192 in July. Other key additions to the camp included a water treatment plant, sewage treatment plant, new incinerator as well as a bear fence to surround the camp.

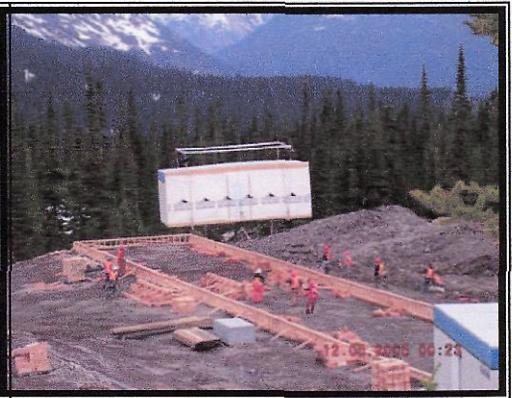
A total of 10 drills are now at site. Eight diamond drills are confirming known resources on the property as well as testing additional targets. Two additional drills are geotechnical rigs which are testing the locations for proposed plant foundations as well as potential dam structures. By the end of July, 19,326 m of core had been drilled. The entire property is presently supported by 6 helicopters, one of which is the S-61 which will carry a total of 19 passengers. The S-61 has been given the name Tuh'da det'ah (soaring eagle) by Tahltan elders. To date a total of 2,571 hours of helicopter time has been flown.



Peaks of tent frames show depth of snow at site, April 2005



Clearing the snow, April 2005



Placement of first trailer for kitchen by Kamov helicopter, May 2005



NovaGold Canada Inc.

July 2005

13.7 Moz Au, 15.6 Moz Ag, 12 B lbs Cu ⇒ 4.8 Moz Au Eq.

Net Gold: 7.5 Moz 250 to 350k oz Au
 " Silver: 97.6 Moz Total Cash Cost \$
 " Copper: 6.7 B lbs US = 250 to 275
 Cap. Cost = \$500M+ Prod Dec.: 2007-8



Discovered almost 50 years ago

Inferred Resource estimates indicate the deposit contains

- 13.7 million ounces gold
- 156 million ounces of silver
- 12.0 billion pounds of copper

Proposal for Galore Creek

Open Pit Mining Using Truck and Shovel

Mining Rate of 30,000 to 60,000 tonnes per day of ore
60,000 to 120,000 tonnes per day of waste

Milling: Conventional Copper Mill Producing Concentrate
3 stages: crushing, grinding and flotation

Annual Production: 300,000 to 600,000 tonnes of Copper Concentrate

Concentrate shipped via 6" buried pipeline along access route to
Highway 37; concentrate is dewatered and shipped via truck
to port of Stewart for shipping to world smelters

Cost to Build

- \$800—\$1,000 million US

Employment (Direct & Indirect)

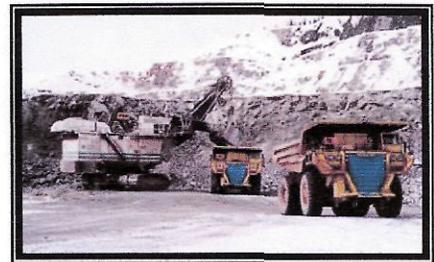
- Predevelopment (Exploration, Environmental, Engineering)
150-200 (~60 currently employed are Tahltan)
- Construction—700-1200
- Operations—500-800

Timeline:

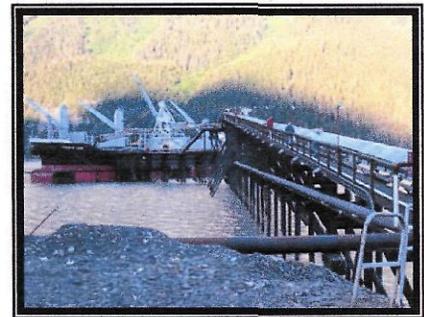
- 2004-2007—Exploration, Engineering, Environmental Studies
- 2007-2009—Construction
- 2010-2030—Operation (20 year mine life)



Mineralized drill core from Galore Creek

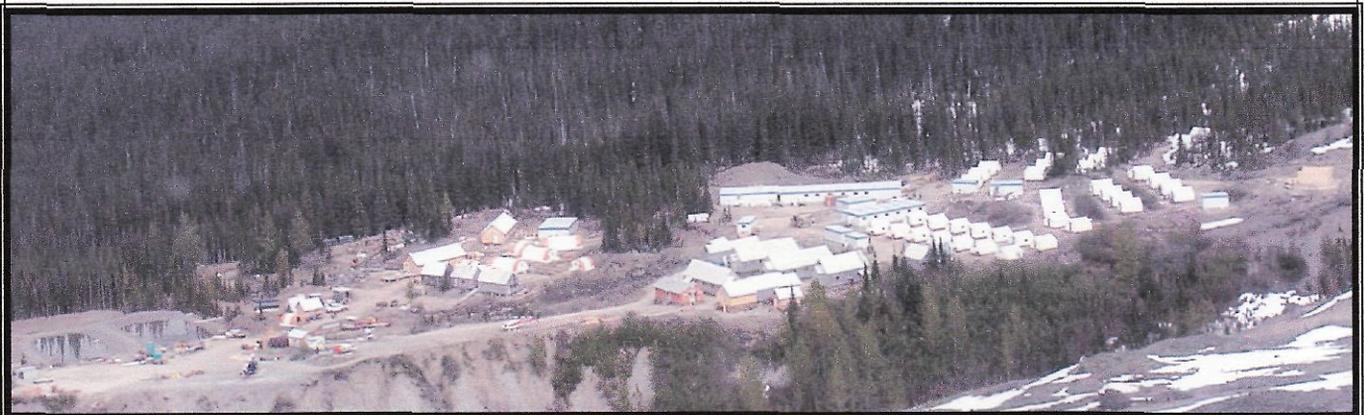


Example of open pit mining using truck and shovel



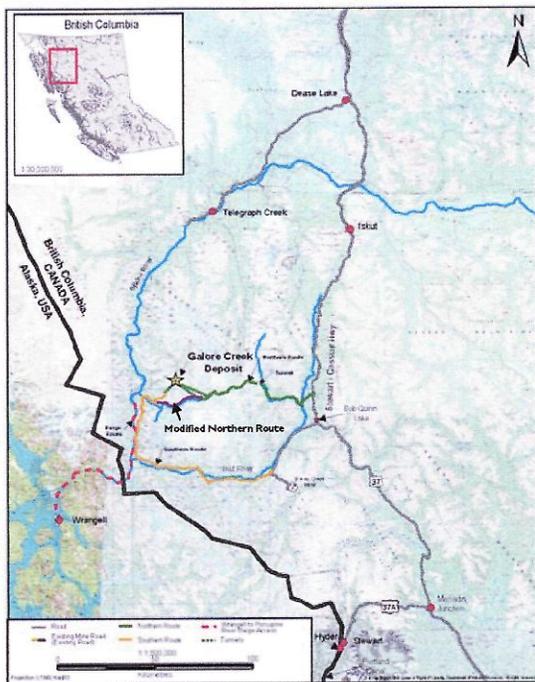
Example of concentrate loading facility at Stewart

Aerial view of camp June 2005





Galore Creek—Location and Proposed Access

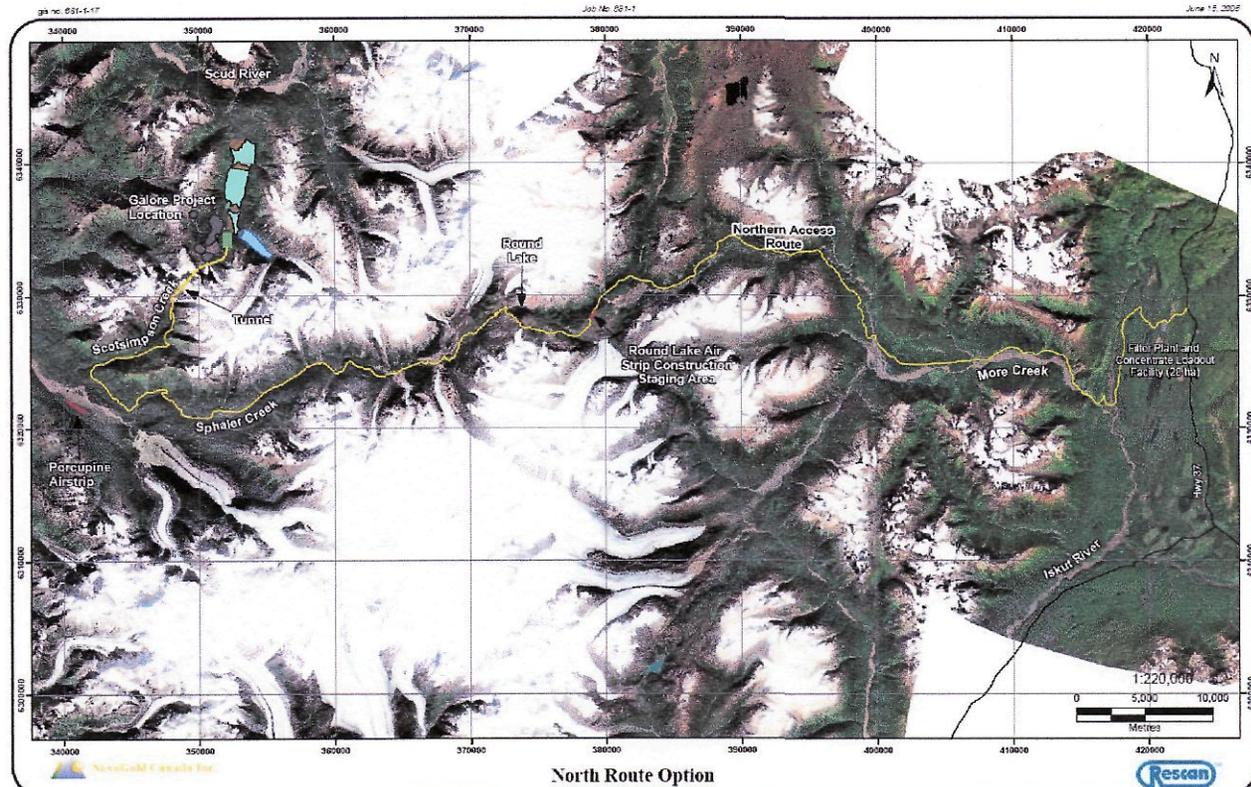


Location

The Galore Creek claim group is located approximately 110 kilometres southwest of Iskut, British Columbia and 75 km northwest of the Eskay Creek mine. Access to the property is presently by helicopter, a distance of 75 km from the Bob Quinn airstrip on the Stewart-Cassiar Highway. The property is located within the Tahltan Traditional Territory.

In August 2003, SpectrumGold Inc. (now NovaGold Canada Inc.) entered into an option agreement to acquire a 100% interest in the Galore Creek property from Stikine Copper Limited, a company owned by QIT-FER et Titane Inc. and Hudson Bay Mining and Smelting Co. Limited. NovaGold Canada has also entered into an option agreement to acquire up to 80% of the adjacent Copper Canyon exploration project from Eagle Plains, and 60% of the adjacent Grace property from Pioneer Metals. NovaGold has also acquired additional ground through staking.

Proposed Access - Modified Northern Route



North Route Option

In 2004 NovaGold studied several routes for road/power to the property, focusing on two alternatives, namely the "northern" and "southern" routes. NovaGold indicated in early 2005 the preferred alternative was the southern route. In response to a request from Tahltan leadership and technical advisors, NovaGold reviewed a modified northern route (shown on figure above). This route had been discounted previously due to the steep grades loaded concentrate trucks would be required to traverse. Shipping the concentrate through a buried pipeline along a single lane road corridor indicates the modified northern corridor is feasible. Engineering and Environmental programs are focusing on this route for 2005.



Environmental Assessment (EA)

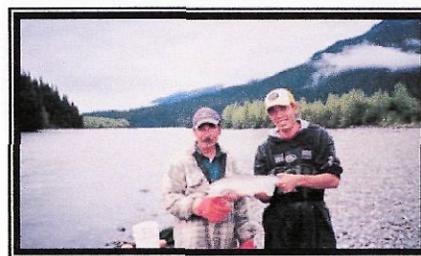
The Galore Creek project is in the pre-application phase for its environmental assessment. The environmental assessment document will be submitted to the provincial government in early 2006. Baseline studies were carried out in 2004, and are continuing in 2005. These studies are focused in the Galore Creek Valley Area and the proposed access corridor. Studies include:

- Atmosphere/Climate
- Surface Hydrology
- Aquatic (water & sediment quality, fish habitat & community)
- Soil Survey & Salvage
- Rock Geochemistry
- Habitat & Vegetation
- Terrestrial Wildlife
- Archaeology

Technical working groups have been set up in each of these areas to discuss the studies and results of the baseline work. The working groups are comprised of Tahltan Nation members with expertise in the relevant area; Tahltan technical advisors; government (federal, provincial and US) regulators as well as NovaGold and its consultants. The goal of these working groups is to have input to the design of the Galore Creek project in order to mitigate any potential impacts.



Grizzly bear print



2004 fisheries studies



Archaeology studies

Traditional Knowledge

Traditional Knowledge will be incorporated in the environmental assessment and the ultimate design of the project. NovaGold is working with the Tahltan Central Council on a pilot project regarding traditional knowledge as well as a protocol for the use of the traditional knowledge. This program is being supplemented by interviews with Tahltan members for the traditional and current use of the programs.

Socioeconomic Study

NovaGold is undertaking a socioeconomic study of the potential impacts of the project on the region, focusing on the communities of Telegraph Creek, Dease Lake and Iskut. Discussion and interview will take place with local residents of these communities to hear first hand how this project will affect their family and their community.



Hydrology studies



Wildlife studies



2004 fisheries studies



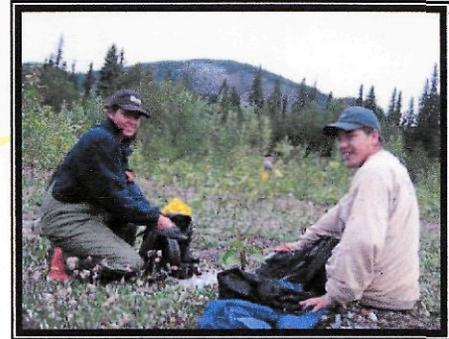
2004

In 2004 NovaGold opened an office in Dease Lake, and hired a Senior Project Coordinator. As well, NovaGold supported the formation of Rescan Tahltan Environmental Consultants (RTEC—see below). The company engaged several Tahltan companies (TNDC, Spatsizi Remote Services, Keda Propane). NovaGold also held open houses in the communities in June and October. Approximately 30 Tahltan members were employed at site in 2004.



2005

In 2005 NovaGold participated in the Tahltan special assembly held in January at the request of the Tahltan leadership. NovaGold also sponsored an environmental training course, in which 12 Tahltan members participated. As well, several Tahltan attended a drillers' helper training course in Smithers. As noted on the previous page, Traditional Knowledge and Socioeconomic studies have been initiated as well. Additional open houses have been held in the communities, and further open houses are planned. At present, there are approximately 40 Tahltan employees working directly for NovaGold. As well, RTEC is employing most of the Tahltan members who took the environmental training course. Spatsizi Remote Services has the camp catering contract and is doing an excellent job.



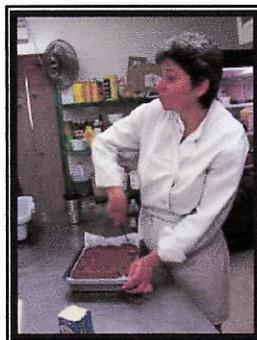
Rescan Tahltan Environmental Consultants (RTEC)

In 2004 Rescan Environmental Consultants formed a joint venture with Tahltan Nation Development Corporation to form Rescan Tahltan Environmental Consultants (RTEC). RTEC has an office in Dease Lake and two full time employees. Tahltan members are working alongside Rescan scientists to carry out the baseline work at Galore Creek, as well as at several other projects in the Tahltan Traditional Territory.



Participation Agreement

NovaGold is currently negotiating a Participation Agreement with the Tahltan Central Council. This agreement will cover the overall principles that NovaGold and the TCC will abide by, as well as cover specific issues such as : training, employment opportunities, business opportunities, operational and closure policies etc.





Frank Gish

Assistant Project Manager (Camp Manager)

Frank lives on Bowen Island. He has a 7 year old daughter, Jasmine. His first year in exploration was in the Yukon in 1976. He also worked for Indian and Northern Affairs in Whitehorse. He worked with Archer Cathro out of Whitehorse, they are an exploration company. He also previously worked for Equity Engineering for 4 years and came over to NovaGold in early 2005. Frank has been involved in the Galore Project since 2003. Frank does the majority of the hiring of laborers, carpenters, and some contractors at Galore, he has many other tasks as well. Frank cross shifts Jim Muntzert. Frank feels he has the best job in camp and he says, "The people make the camp". He feels that many people here are not just his employees but are good friends. He enjoys the variety in his job as everyday poses new challenges. In the close to 30 years he has been involved in exploration he has never been in a project of this magnitude and excitement.



Pat Ball

(Carpentry Foreman)

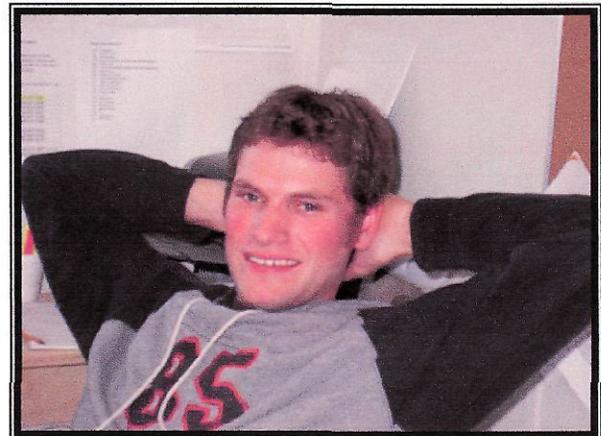
Pat resides in Dease Lake. Pat has numerous years of carpentry experience including cabinet making and boat building. He has knowledge in the mechanics field as well. Pat says, "He is at home, because he is in the bush". How well do you know Pat? Have you been at the end of one of his believe it or not stories? More than one of the crew at Galore Creek has been prey to Pat's jokes! You know who you are! His sense of humor is well known at Galore and he keeps people laughing. This is Pat's second year at Galore and he is a big part of Galore. This year he recently became the carpentry foreman. Pat says, "He really wants to see a nice campfire place for the Galore Com-



Travis Menderson

(Air Operations)

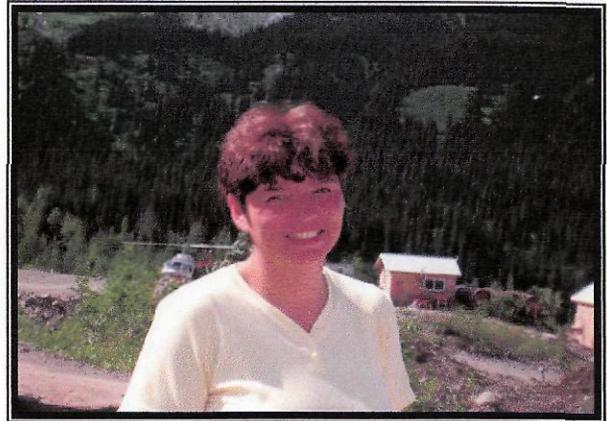
Travis calls home Smithers, BC. He is going for his 2nd year in robotics engineering at the University of Calgary. Travis is 21 years old and is single. He previously worked as a dispatcher for Northwest Fire Center. In the last 3 years however he has been self employed, and has been developing search and rescue robotics. He thinks Galore Camp is very beautiful. He finds his fellow employees fun to work with and the food is great, when he gets a chance to enjoy a meal; as he is always on the run with his air operations. He feels there is a lot of opportunity out here because of the growth in the Galore Project.





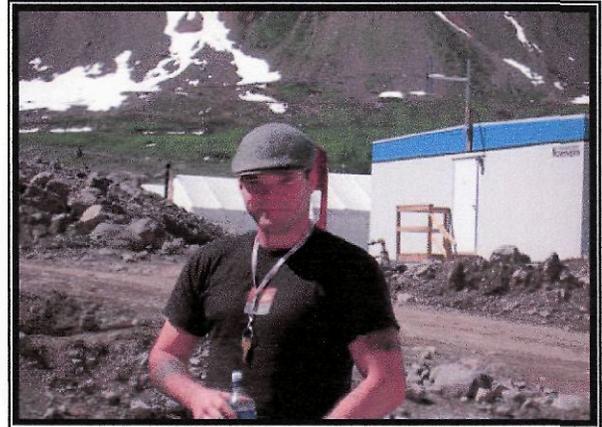
Rose Smith—Catering Manager

Rose resides in Edmonton, Alberta with her husband Russ. They have 2 sons, Jason and Brandon. Rose joined the army in 1981; and in the 20 years she was in the Armed Forces she had such highlights in her career as flying with 412 squadron, traveling the World and cooking for heads of State. She completed her 20 years of service as Master Corporal in the Canadian Armed Forces. She started working in camps 2 weeks after her retirement, so she already has 4 years camp experience. Two and half of those have been in Galore Creek. She thinks that this is a great crew in Galore and the training and opportunities are tremendous. She states that there are 4 cook/baker apprenticeships in Galore Creek alone right now. There is a real team spirit in camp. There is a lot of volunteer work done in camp after the long work day. She can foresee a long term commitment to NovaGold because she feels they are such a good company and they have really set the standard for other companies coming into Tahltan Traditional Territory.



Raymond Specialny—Rock Saw Boss

Ray calls Iskut, BC home. He has been in Iskut now for over a year. Ray will be getting married next August to Tanya Middleton, our Galore Creek secretary. He and Tanya recently purchased property in the area. He came up from the bright lights of Vancouver. Ray previously worked as a security guard and first aid attendant for 5 years in a very large office/mall complex in Vancouver. This is Ray's first camp job, but he is on his second year out at Galore. He feels it has been a pretty good overall experience. He finds that the people are great, and the food is good. Ray has a crew of usually 4 working with him in the saw shack, and he considers them an excellent crew.



Marty Marion—Yard Boss-NovaGold/Load Master-VIH

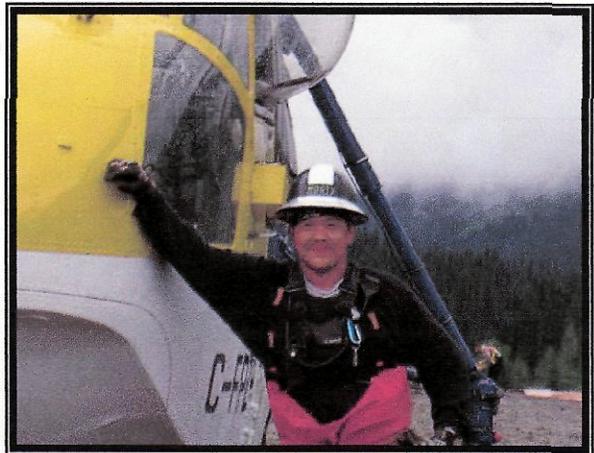
Marty resides in Smithers but Telegraph Creek is still home, where he was raised. Marty has been at Galore for 3 years now.

Marty has several years experience in the construction / highway maintenance field. He has worked at various jobs in the Traditional Tahltan Territory such as Golden Bear Mine, Eskay Creek Mine, Highway Maintenance Contractors, and TNDC and a few other places in the last 20 years.

Marty was hired as the Yard Boss this year at Galore, his duties entail looking after all incoming and outgoing helicopters and he will operate equipment as needed. Marty is Galore Creek's jack of all trades, he does a little bit of everything.

Marty was just acquired by VIH to be Shane Cyr's cross shift as Load Master. This makes VIH's ground crew 50% Tahltan. Some of his responsibilities include drill moves with Tuh' da det' ah, he is also responsible for grocery moves and anything over 3000 lbs., including crew changes as Tuh' da det' ah carries 19 passengers. He really enjoys both of his jobs. He likes camp; he gets along with everybody.

Marty feels that NovaGold and VIH have given him great opportunities. Marty says, "He is willing to train more Tahltan local people, he wants to see his people rise to the occasion and get the opportunities he has".





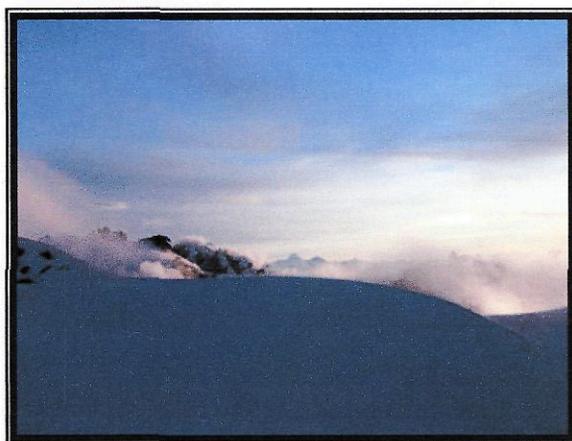
Galore Creek—July Photo Contest Winners



First Place: Kelly McLoughlin



Second Place: Rick Dutka



Third Place: Travis Menderson

*August Photo Contest Theme: "Working At Galore"
Deadline August 31st*

*For further information on the Galore Creek Project
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