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VGS → Galore Creek  
Jan. 12/05  
MFB

# A Review of NovaGold's Galore Creek Project, Northern British Columbia Scott Petsel - NovaGold Resources Inc.

NovaGold Resources Inc. is earning a 100% interest in the Galore Creek gold-silver-copper project from subsidiaries of Rio Tinto and Anglo American. Under the terms of the agreement, NovaGold will acquire a total interest in the property with no retained royalties or back-in rights after making payments totaling US\$20.3 million over 8 years.

The Galore Creek Project lies approximately 75 kilometers northwest of Barrick Gold's Eskay Creek, 75 kilometers west of the Bob Quinn Lake on the Cassiar Highway, and 150 kilometers northeast of the tidewater port of Stewart, British Columbia. The property lies along Galore Creek which flows into the Scud River, a tributary of the Stikine River.

During 2003, NovaGold commenced exploration on the property by drilling to assess and validate the historical resource as well as confirm the presence of high-grade mineralization. Also in 2003, additional land holdings were acquired, including options to earn majority interests at Copper Canyon, a property adjoining Galore Creek to the east and joint ventured with Eagle Plains Resources Ltd.; and the Grace claims adjoining the Galore property to the north and in joint venture with Pioneer Metals Inc.

Exploration during 2004 has focused on developing an integrated model of the Main or Central Zone geology, alteration and mineralization as well as expanding the overall resource by focusing on high-grade Au-rich extensions of the Main Zone and a series of satellite targets including Copper Canyon, the Junction Deposit and the Grace claims. Exploration drilling was completed on November 7<sup>th</sup> and totaled 25,967m in 64 holes with 4 rigs on site. A fifth rig completed 488m of geotechnical drilling on the property.

Significant discoveries have been made in both of NovaGold's 2003 and 2004 drill programs on the property. During 2003, the Bountiful Zone, consisting of chalcopryrite replacement mineralization below and to the east to Main zone, was discovered. A comprehensive 150 meter dipole-dipole IP survey completed in 2004 shows the Bountiful Zone expanding at depth and to the east. All holes into it to date have bottomed in ore. In 2004, spectacular high-grade bonanza mineralization comprised of massive magnetite, bornite and chalcopryrite was encountered in the West Fork area, 1 km south of the Main Zone. Although the extent of the zone appears limited, recent re-interpretation of historic geophysical data combined with our new 2004 ground mag and IP surveys and our airborne geophysical study suggests that more of these types of deposits may be encountered on the property. Additional newly discovered intervals of mineralization have been encountered below the bonanza mineralization and suggest an extensive flat-lying sheet of strong bornite and chalcopryrite mineralization from 30 to >100 meters in width.

Though described in the literature as one of the BC Triassic alkaline porphyry copper deposits, the mineralization at Galore is far more analogous with a replacement or skarn deposit. The vast majority of mineralization occurs as disseminated bornite and chalcopryrite in pervasively altered alkaline volcanics which grade from basal andesitic basalts through pseudoluecite-bearing tuffs, breccias and flows culminating in a variable epiclastic section. Significant pre-mineral orthomagmatic breccias also occur at Copper Canyon and the SW deposit. A very complex series of post-mineral intrusions as both dikes and sills cross cuts the deposit. The intrusions are strongly alkaline and have spectacular mega-crystic textures. Alteration is characterized by an early biotite-rich garnet alteration with strong chalcopryrite/pyrite mineralization zoned laterally into a K-spar epidote magnetite hematite dominant alteration containing chalcopryrite and bornite and in general low pyrite. Extremely gold-rich intervals have been encountered in the bornite/Fe-oxide mineralization.

Early in 2004, NovaGold released a positive scoping study on the Galore Creek project. With robust project economics for the existing resource, the study highlighted significant upside for development by increasing the overall project throughput. The success of the 2004 drilling will undoubtedly have a positive impact in expanding the overall resource. A pre-feasibility study is well underway and updated resource that includes the Copper Canyon and Junction deposits will be available in 2005. Planning has begun for 2005 delineation and exploration drilling.

Intro: Tom S.  
Thanks: Rob C  
~130

"alkalic",  
intrusive related  
Cu-Ag-Au

Junction - N. 64  
- add. to res. base  
in 2005

Eq. Hole: 465 = .86 Au  
1.67 Cu  
(could be mined  
in early phase)

West Fork Zone  
- new discovery  
- glacier refected  
1/2 km.  
Opulent Vein  
- up to 23% Au, 25% Ag  
400 m - ms  
- replacement ve

Bountiful Zone  
- South Gold lens  
- below pit  
outline not east  
(~150m)

= 65m  
1.47 Au  
+ Au  
159m @ .69 Cu Eq  
6 holes in zone  
- bottomed in mth  
[ 65m - 180m thick  
→ later vs. in  
production

1955- disc.  
to 23, 26 km  
@ Galore only

84 dch  
25, 967m  
Galore Copper (Ag)

60-90 people  
(50% First Nat)

\$15M budget

Gap Zone  
(between Central  
& SW Zones)

Main Zone  
1. North Gold lens  
2. Central Replacement Zone (+ garnet)  
3. South Gold lens  
(80% of mth  
in volcs.)

Southwest Zone  
- starter pit  
for post  
tabular zone  
- strikes E-W @ 5  
Circ. diff. than  
main zone  
- high grade  
in deep  
pit

I9 - post-min.  
megacrystic  
symbite

'Excitement' to come from deeper (below pit) drilling - Central Zone  
(North Gold Lens)  
- 'Broken' rk. (near surface) = weathered out anhydrite

OVER

West Fork Zone - at depth below 'Opulent Vein'  
(Opulent vein) 139m @ 1.12% Cu Eq.

- will add to resource base in '05
- could tie in with SW zone (800-m 'gap' untested)

WF Zone: 85m width over 400 x 300m area (~175m at depth)

Copper Canyon - por Cu-Au por. (not replacement/skam) - "Copper Canyon Porphyry"  
- sig. work planned for 2005 Little bn (mainly dissem cpy) - 70% of min. in it  
- Au assoc. w/ py.

GALORE ck. → will be significantly upgraded/changed!!  
2004 Scoping Study (with new releases)

385 MT : 5.2% Au 0.42 g/t Au  
67m Ag 5.4 g/t Ag  
5.8-b lbs Cu 1.68% Cu

New Disc.  
1) West Fork Zone  
2) Beautiful Zone  
3) Opulent Vein  
4) ~~Shubert Vein~~

- Lots of JP targets to drill in '05

20m wide - strike  
below SW - Main zone  
Au up to 0.5 opt. Au  
(5 holes only to date)

Opulent Vein - core; West Fork zone

004- GS04-0480: 50.9-53.75m = 24.34% Cu, 1.404 g/t Au, 24.4 g/t Ag

2005: 8 rigs

50-80,000 m dddh

175-person camp

fix in trailers, etc.

mid-2005 - pre-feas. Study Release

North Sch. Res. - by Roundup

West Fork zone (+ 'Opulent' vein) - Spring

West fork core - at depth below opulent vein  
(opulent vein) 139m @ 1.12% Cu Eq.

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- could tie in with SW zone (800-m 'gap' untested)

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Opulent Vein - core; West Fork zone

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- Scott Petsel, Project Geologist, Galore
- Jim Muntzert, Project Manager, Galore
- Carl Gagnier, General Manager, Galore
- Erin Workman, Phil Gordon + Mel + Mel Roberts, Geologists @ Galore

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## Schroeter, Tom EM:EX

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**From:** Schroeter, Tom EM:EX  
**Sent:** Wednesday, January 12, 2005 3:07 PM  
**To:** Lefebure, Dave EM:EX  
**Cc:** Freer, Geoff EM:EX  
**Subject:** MEG Talk: Galore Creek

+ RGS + John Logan

Just a quick note to let you know that today's luncheon talk on Galore Creek was (in my mind) one of the single most significant/important 'events' for the mineral exploration business in BC in the last decade or more. Approx. 130 'hard core' explorationists attended, including all the Van.-based majors (i.e Placer Dome, Teck Cominco, BHP Billiton and Phelps Dodge) - and this was despite the loss of several to the launch of MTO. NovaGold announced a significant resource update for its Copper Canyon deposit (option with Eagle Plains) a couple of days ago and will be releasing new resource estimates for several other zones on its Galore Creek property over the next several weeks. By the time NovaGold releases its pre-feasibility study in mid-2005, it should be abundantly clear that this project has the potential to be a huge (world-class) CAMP. The cat is out of the bag (now, finally) - I think people finally see what this project could develop into, and more importantly, highlights the excellent mineral endowment in BC!

### Tom

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