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## **NovaGold hits high-grade intervals at Copper Canyon**

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Also News Release (C-EPL) Eagle Plains Resources Ltd

Mr. Greg Johnson of NovaGold reports

### **NOVAGOLD RESOURCES INC.: HIGHER GRADES AND EXPANDED TONNAGE INDICATED BY DRILLING AT GALORE CREEK GOLD-SILVER-COPPER PROJECT**

NovaGold Resources Inc. has released an update on its projects.

#### **Highlights:**

- Initial two holes drilled on the Copper Canyon target have returned exceptional results:
- drill hole CC04-022 intersected 74 metres of 1.7 per cent copper equivalent (CuEq) or 2.7 grams per tonne gold equivalent (AuEq) (1) and ended in mineralization; and
- drill hole CC04-023 intersected a total of 274 metres of 1.3 per cent CuEq (2.2 grams per tonne AuEq) in two composite intervals including a high-grade interval totalling 33.5 metres of 3.4 per cent CuEq (5.7 grams per tonne AuEq).
- Completion of a major ground-based, induced polarization geophysical survey, has identified a four-kilometre-long by up to one-kilometre-wide chargeability anomaly extending from below and adjacent to the main Galore Central deposit and projecting toward the surface to the north and east. The anomaly is partially coincident with the new Bountiful zone and indicates the potential for a very large zone of mineralization.
- The first two drill holes targeting the new Bountiful zone adjacent to the main Galore Central deposit discovered during last year's drill program (GC03-441) show significant potential to expand the known resource. Drill hole GC04-450 intersected a total of 113 metres of 1.5 per cent CuEq (2.5 grams per tonne AuEq) in three composite intervals.

First two holes from Copper Canyon confirm potential for additional near-surface higher-grade resource

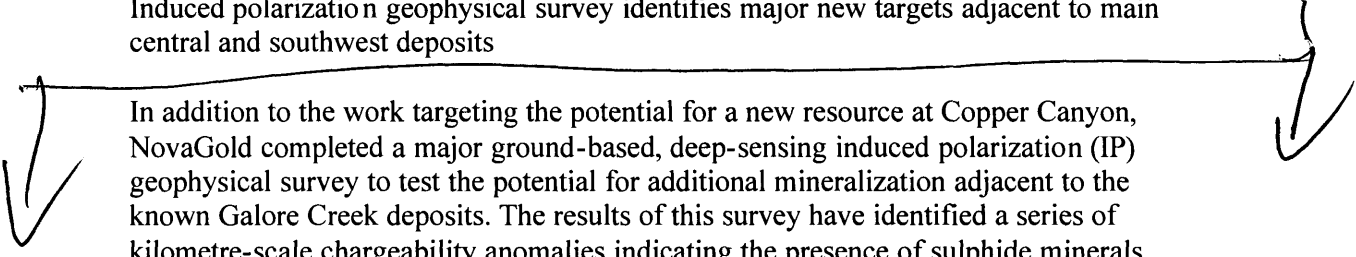
Initial results from the first two drill holes of an eight-hole program to test the potential for a new near-surface higher-grade resource on the Copper Canyon property have returned very strong gold, silver and copper mineralization over significant widths. The Copper Canyon property is under option from Eagle Plains Resources (TSX-V: EPL) and directly adjoins the main Galore Creek property. NovaGold is exploring the property as part of its overall Galore Creek program.

Previous work on the Copper Canyon prospect included 13 drill holes by Consolidated Rhodes in 1990 indicating the potential for high-grade gold, silver and copper mineralization. One of the major objectives of the Galore Creek exploration program is to delineate additional higher-grade mineralized zones that would allow for higher production levels beyond the first five years of the mine life as currently contemplated in the recently completed preliminary assessment study. That study showed that increasing the number of years of higher-grade throughput at Galore Creek would significantly increase the internal rate of return and overall net present value of the project.

Initial results confirm the presence of significant higher-grade mineralization at Copper Canyon. Drill hole CC04-022, which did not reach its intended target depth due to broken ground conditions, intersected 73.6 metres of 1.67 per cent CuEq (2.74 grams per tonne AuEq) grading 1.01 grams per tonne gold, 20.1 grams per tonne silver and 0.87 per cent copper, and ended in mineralization. Drill hole CC04-023, a 100-metre offset to the north, intersected a total of 274.4 metres of 1.3 per cent CuEq (2.16 grams per tonne AuEq) grading an average of 0.76 gram per tonne gold, 12.9 grams per tonne silver and 0.74 per cent copper in two composite intervals. Included in this hole was an intersection averaging 3.44 per cent CuEq (5.66 grams per tonne AuEq) over 33.5 metres and grading 1.78 grams per tonne gold, 23.4 grams per tonne silver and 2.16 per cent copper (see table 1 below).

With the drilling completed to date there are a total of 27 mineralized composite intervals in 13 drill holes at Copper Canyon averaging 71.2 metres grading 1.32 per cent CuEq (2.17 grams per tonne AuEq) (see table 2). As currently defined the mineralization extends over a 600-metre by 400-metre area and the deposit remains open to expansion in all directions. Mineralization at Copper Canyon begins at surface and occurs as a relatively flat-lying, roughly 50- to 270-metre-thick tabular zone of disseminated chalcopyrite hosted by an extensive orthomagmatic breccia unit. Results from the remaining six holes are pending and will be reported as they become available.

Induced polarization geophysical survey identifies major new targets adjacent to main central and southwest deposits



In addition to the work targeting the potential for a new resource at Copper Canyon, NovaGold completed a major ground-based, deep-sensing induced polarization (IP) geophysical survey to test the potential for additional mineralization adjacent to the known Galore Creek deposits. The results of this survey have identified a series of kilometre-scale chargeability anomalies indicating the presence of sulphide minerals possibly as disseminated gold and copper mineralization (see attached figures with cross-section and plan maps). These geophysical targets are largely untested by drilling.

The largest identified anomaly parallels the main Central deposit approximately 500 metres further to the east. This anomaly connects with the main Central deposit at depth through the recently recognized Bountiful zone and continues for approximately 4.0 kilometres in length and varies from 500 metres to as much as one kilometre in width. The anomaly projects toward the surface away from the main Central deposit toward the

north and east indicating the potential for previously unrecognized near surface mineralization. The anomaly extends to the north onto the Grace claims and remains open to the south toward the known high-grade Saddle mineralization, which lies an additional 1.5 kilometres beyond the survey. The survey also shows a significant chargeability anomaly related to the Southwest deposit and a possible connection with the Central deposit in the Gap area that is currently being drilled.

Results from the first two drill holes targeting the newly discovered Bountiful zone and coincident chargeability anomaly confirm the presence of a very large zone of disseminated gold, silver and copper mineralization. The Bountiful zone was originally discovered last fall by drill hole GC03-441 intersecting 65 metres grading 1.4 per cent CuEq (2.3 grams per tonne AuEq) and ending in mineralization. That drill hole was designed to test the potential for expansion of the main Central deposit at depth along its southeast margin. The first two follow-up drill holes in combination with the results of the geophysical survey demonstrate significant potential for the definition of new resources in this zone. Both drill hole GC04-448 and GC04-450 are 100-metre offsets from the 2003 discovery hole. GC04-448 intersected a total composited mineralized zone averaging 0.69 per cent CuEq (1.14 grams per tonne AuEq) over 159.7 metres grading 0.56 per cent copper, 0.15 gram per tonne gold and 4.3 grams per tonne silver. Drill hole GC04-450 intersected 112.5 metres of 1.52 per cent CuEq (2.50 grams per tonne AuEq) grading an average of 1.30 per cent copper, 0.19 gram per tonne gold and 12.1 grams per tonne silver in three composited intervals. The thickness of the new Bountiful zone is as yet undetermined as all of the first three drill holes ended in gold and copper mineralization due to depth limitations of the exploration drill rig.

This new zone of mineralization occurs under an unmineralized tabular porphyry intrusive body below and to the east of the main Central deposit. The mineralization is characterized by disseminated chalcopyrite in a thick sequence of pervasively altered volcanic rocks similar to main Central deposit. Continued exploration will attempt to determine the potential size of the new deposit with a particular focus on definition of higher grade zones within the broader mineralized package like those seen in the main Central deposit.

*i.e. not intrusive rx.  
"volcanic" mush TGS*

In addition to the chargeability anomaly associated with the Central deposit and Bountiful zone, a series of significant geophysical anomalies have also been identified further along strike to the north of the main Galore deposits on the Grace claims and to the west of the main Galore deposits in the Middle Creek area and the Junction zones.

TABLE 1  
2004 GALORE CREEK PROJECT  
SIGNIFICANT DRILL HOLE INTERCEPTS

Hole	Width m	Au g/t	Ag g/t	Cu %	Au	Cu
					e q g/t	e q %

Copper Canyon

CC04-022	73.5	1.01	20.1	0.87	2.74	1.66
CC04-023	172.4	0.77	14.2	0.88	2.44	1.48
Incl.	33.5	1.77	23.8	2.16	5.66	3.44
	102.0	0.73	10.4	0.47	1.65	1.00

Total	274.4	0.76	12.9	0.74	2.16	1.31
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#### Bountiful

GC04-448	159.7	0.15	4.4	0.56	1.14	0.69
GC04-450	39.2	0.17	15.0	1.79	3.33	2.03
	33.5	0.13	9.3	1.36	2.50	1.52
	39.8	0.27	11.5	0.75	1.68	1.02

Total	112.5	0.19	12.1	1.29	2.50	1.52
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This drill program and sampling protocol were completed with oversight by qualified person Scott Petsel, senior project geologist, for NovaGold. A rigorous quality control and quality assurance protocol was used on the project including blank and reference samples with each batch of assays. All drill samples were analyzed by fire assay at ALS Chemex Labs in Vancouver, B.C., Canada.

#### Independent preliminary economic assessment summary results

Hatch Limited, an independent engineering services company in Vancouver, B.C., Canada, recently completed a preliminary economic assessment study of the Galore Creek project. This study showed that the Galore Creek project as defined at that time has the potential in the first five years of the project to annually produce an average of 270,000 ounces of gold, 1.8 million ounces of silver and 200 million pounds of copper, at an average total cash costs of 15 cents per pound of copper, with precious metals as credits or negative \$180 per ounce of gold with copper and silver as a byproduct credit using the gold institute guidelines (based on long-term transportation and refining cost projections and metal prices of 90 U.S. cents per pound of copper; \$375 (U.S.) per ounce of gold and \$5.50 (U.S.) per ounce of silver). Using these long-term average metal prices the project would pay back the initial \$500-million (U.S.) in mine capital in just 3.4 years of its 23-year mine life and generate a pretax rate of return of 12.6 per cent and have an undiscounted after-tax net present value (NPV) of \$329-million (U.S.). At recent metal prices, the pretax rate of return doubles to 24.3 per cent and the undiscounted after-tax net present value increases to \$1.065-billion (U.S.).

#### About the Galore Creek project

The Galore Creek project is located approximately 75 kilometres northwest of Barrick Gold's Eskay Creek gold-silver mine that produces 350,000 ounces of gold annually. The project lies west of the Cassiar Highway and 150 kilometres northeast of the tidewater port of Stewart, B.C.

NovaGold holds its interests in the Galore Creek area through several agreements. The company is acquiring a 100-per-cent interest in the main Galore Creek property, which contains all currently reported resources, through an option agreement with subsidiaries of Rio Tinto PLC and Anglo American PLC. Under that option agreement, NovaGold can acquire its 100-per-cent interest by completing a prefeasibility study and making payments to the parties totalling \$20.3-million (U.S.) within a period of eight years. NovaGold has an option agreement with Eagle Plains Resources Ltd. on the adjoining Copper Canyon property under which NovaGold may acquire up to an 80-per-cent interest. NovaGold also has an option on the Grace property with Pioneer Metals Inc. under which NovaGold may acquire a 60-per-cent interest in the Grace claims. NovaGold has also staked claims in the surrounding area which it controls 100 per cent.

TABLE 2  
COPPER CANYON  
HISTORIC DRILL HOLE INTERCEPTS

Hole	Width m	Au g/t	Ag g/t	Cu %
CC90-001	61.3	0.62	24.8	1.122
Incl.	13.0	1.03	47.3	2.194
	28.0	3.54	11.5	0.611
Incl.	16.0	5.02	13.1	0.676
	29.0	0.64	4.5	0.218
Total	118.3	1.32	16.7	0.779
CC90-002	270.7	1.89	22.3	1.057
Incl.	66.0	2.19	42.0	2.297
Incl.	20.0	4.07	46.1	1.674
CC90-004	47.0	1.43	16.4	0.821
	108.0	1.03	18.0	0.769
Incl.	12.0	4.20	34.5	1.593
	76.0	0.26	20.0	0.343
Total	231.0	0.85	18.3	0.639
CC90-005	20.0	0.32	11.7	0.617
	16.0	4.24	25.6	1.030
Incl.	10.0	6.25	28.6	1.238
	39.0	0.17	14.0	0.419
	39.0	0.12	11.9	0.427
	15.8	0.22	15.3	0.468
Total	129.8	0.69	14.5	0.53
CC90-006	126.0	0.52	4.8	0.42
CC90-007	51.4	1.19	34.9	1.07
CC90-009	50.0	1.41	0.9	0.02
CC90-010	22.0	0.96	2.4	0.01
	48.0	0.76	4.5	0.26
	104.0	1.94	8.2	0.38
Incl.	16.0	6.27	24.5	1.24
	65.0	1.01	2.5	0.04

	24.0	1.02	1.8	0.01
Total	263.0	1.50	5.9	0.26
CC90-011	46.0	0.24	21.2	0.69
CC90-012	137.0	0.17	13.5	0.41
	98.0	0.38	7.8	0.29
Total	235.0	0.26	11.1	0.36
CC90-013	53.0	0.51	1.6	0.23

**WARNING:** The company relies upon litigation protection for "forward-looking" statements.