1.0

RESOURCE ESTIMATE
COPPER CANYON PROPERTY

Latitude: 57°07’30”N **Longitude: 131°20’56”W**

NTS Map sheet 104G/03

Submitted to:
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3.0 SUMMARY

Moose Mountain Technical Services (MMTS) was retained by Mr. Charles Downie, Vice President Exploration for Copper Canyon Resources Ltd. (Copper Canyoin), to prepare an independent Technical Report on the Copper Canyon copper-gold occurrence in northwestern British Columbia. MMTS has examined the resource estimate prepared by NovaGold Resources Ltd. (NovaGold), we have conducted appropriate due diligence and made a reasonable effort to verify quality and integrity on the resource estimate prepared by NovaGold. Because of this verification, Mr. Morris takes responsibility for the estimates prepared by NovaGold. The purpose of this report is to update the Mineral Resource estimate. This Technical Report conforms to NI 43-101 Standards of Disclosure for Mineral Projects. The author, Robert J. Morris, conducted a site visit during the week of October 10, 2004 at which time access to the area was noted, drill sites were examined, and mineralized outcrop was observed. As well, drill core from the project was examined by the author, and significant copper mineralization was observed. Another site visit is proposed for this summer when the weather permits.

The Copper Canyon property is located within the historic Stikine Gold Belt of northwestern British Columbia, approximately 1,030 kilometres northwest of Vancouver, British Columbia and 90 kilometres northeast of Wrangell, Alaska at latitude 57°07’30’’N and longitude 131°21’W, on NTS map sheets 104G/03 and 104G/04. The property is situated approximately six kilometres east of the Galore Creek deposits.

In 2004, SpectrumGold Inc. (now NovaGold Canada Inc.) entered into an option agreement with Eagle Plains Resources Ltd. (now Copper Canyon Resources Ltd.) giving NovaGold the exclusive right to earn up to 80% interest in the Copper Canyon property. On February 12, 2008, Copper Canyon and NovaGold agreed to form a 40/60 joint venture to explore and develop the Copper Canyon property.

Since 2004 NovaGold has conducted a series of diamond drilling campaigns to further define and delineate the known mineral zones and test for new mineralization within the Copper Canyon area. An updated resource model was constructed by NovaGold personnel using all data that were available through the 2008 season (there has been no drilling on the property since 2007). An updated geologic model was constructed to define major lithologies, alteration assemblages associated with grade, mineralization zones, and fault structures. The geologic domains utilized in grade estimation were the alteration and mineralization domains. Copper, gold and silver grades were estimated into 25m by 25m by 12m high blocks using 6m drillhole composites. Prior to compositing the drillhole assays grades, high-grade outlier values were capped based on an analysis of cumulative probability plots. The grade models were validated by visual and statistical methods and are regarded to be globally unbiased. All blocks are classified as Inferred Resource category.

Two mineral resource estimates have been developed for the Copper Canyon property; the first is an unconstrained estimate for the entire property, while the second estimate has been constrained by a 0.60% CuEq grade shell.

Table 3-1 shows the unconstrained mineral resource estimate which shows the mineral resource potential for the explored portion of the property. At 0.35% CuEq cutoff, the estimated, inferred, mineral resource for the property is 152.6 million tonnes grading 0.31% Cu, 0.515g/t Au, and 6.32g/t Ag.

In 2005, a NI 43-101 compliant Inferred Mineral Resource of 164.8 million tonnes grading 0.351% Cu, 0.539 g/t Au and 7.154 g/t Ag at a 0.35%CuEq cutoff was completed by Hatch Ltd., GR Technical Services Ltd., and Giroux Consultants Limited for the Copper Canyon Property. The resource was based on 21 core holes, drilled between 1990 and 2004. The current unconstrained resource includes an additional 16 diamond drillholes completed by NovaGold. On a property wide basis, the mineral resource compares favourably, with a reduction of approximately 7% in tonnes, 13% lower copper grades, 4% lower gold grades, and 12% lower silver grades.

Table 3-1 Copper Canyon – Inferred[2] Resource Estimated by Ordinary Kriging with Copper Equivalent Cutoff (Total Property)

Cutoff[1] (%CuEq)	Tonnes > Cutoff (tonnes)	Grade > Cutoff				Million Pounds	Million Ounces	
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu	Au	Ag
0.20	272,800,000	0.215	0.388	4.271	0.497	1296	3.40	37.46
0.25	209,800,000	0.253	0.448	5.126	0.580	1170	3.02	34.58
0.30	177,100,000	0.281	0.484	5.745	0.636	1097	2.75	32.71
0.35	**152,600,000**	**0.306**	**0.515**	**6.315**	**0.687**	**1030**	**2.53**	**30.98**
0.40	129,100,000	0.335	0.549	7.029	0.743	954	2.28	29.17
0.45	105,400,000	0.378	0.580	8.023	0.816	878	1.97	27.18
0.50	90,200,000	0.406	0.617	8.646	0.873	808	1.79	25.08
0.55	76,500,000	0.437	0.657	9.358	0.936	738	1.62	23.02
0.60	64,400,000	0.471	0.701	10.061	1.004	669	1.45	20.84
0.65	54,700,000	0.501	0.753	10.589	1.071	604	1.32	18.62
0.70	47,800,000	0.526	0.797	11.056	1.128	555	1.23	17.01
0.75	42,700,000	0.547	0.836	11.428	1.177	515	1.15	15.69
0.80	38,200,000	0.569	0.869	11.844	1.224	480	1.07	14.56
0.85	34,200,000	0.590	0.906	12.232	1.271	445	1.00	13.44
0.90	30,100,000	0.614	0.946	12.680	1.324	408	0.92	12.28
0.95	26,900,000	0.640	0.975	13.169	1.372	379	0.84	11.38
1.00	23,800,000	0.665	1.011	13.598	1.424	349	0.77	10.41
1.05	21,600,000	0.686	1.037	13.966	1.464	327	0.72	9.70
1.10	19,800,000	0.703	1.064	14.265	1.501	306	0.68	9.06
1.15	17,400,000	0.726	1.101	14.714	1.552	279	0.62	8.23
1.20	15,500,000	0.751	1.128	15.138	1.598	257	0.56	7.55
1.25	13,800,000	0.775	1.162	15.469	1.646	235	0.51	6.85
1.30	12,000,000	0.802	1.202	15.904	1.702	211	0.46	6.11
1.35	10,500,000	0.831	1.227	16.429	1.752	194	0.42	5.58
1.40	9,500,000	0.862	1.236	17.007	1.793	181	0.38	5.20
1.45	8,400,000	0.890	1.259	17.537	1.841	165	0.34	4.75
1.50	7,300,000	0.926	1.280	18.145	1.897	150	0.30	4.27

*Note: (1) The copper equivalent grade was calculated as follows: CuEq = Recoverable Revenue / 2204.62 *100 / 1.55. Where: CuEq = Copper equivalent grade; Recoverable Reserves = Revenue in US dollars for recoverable copper, recoverable gold and recoverable silver using metal prices of US$1.55/lb, US$650/oz, and US$11/oz for copper, gold, and silver, respectively; Cu Recovery = 100% (Section 19).*

(2) Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration.

Based on the geometry of the ore body, which is elongate and steeply-dipping, in conjunction with the sheer terrain, an open pit scenario may not be ideal at Copper Canyon at this point in time. To evaluate the potential for an underground block-caving operation, a 0.6% CuEq grade shell was generated in MineSight®. A wireframe was constructed based on the grade shell and resources within the potential mineable geometry are reported in Table 3-2. Further studies are required to define a future mining method including geotechnical, geochemical, metallurgical and economic evaluations.

At 0.35% CuEq cutoff, the estimated, inferred, mineral resource within the 0.6% CuEq grade shell is 58.3 million tonnes grading 0.48% Cu, 0.697g/t Au, and 10.3g/t Ag.

Table 3-2 Summary of Copper Canyon Inferred[2] Mineral Resources, Constrained by a 0.6% CuEq Grade Shell

Cutoff (%CuEq)[1]	Tonnes > Cutoff (tonnes)	Grade > Cutoff				Million Pounds	Million Ounces	
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu	Au	Ag
0.20	58,900,00	0.477	0.693	10.2	1.007	620	1.31	19.38
0.25	58,700,00	0.479	0.695	10.3	1.010	619	1.31	19.37
0.30	58,500,00	0.480	0.696	10.3	1.012	619	1.31	19.36
0.35	58,300,00	0.481	0.697	10.3	1.014	619	1.31	19.35
0.40	58,200,00	0.483	0.698	10.3	1.017	618	1.30	19.32
0.45	57,800,00	0.484	0.701	10.4	1.020	617	1.30	19.27
0.50	57,200,00	0.487	0.704	10.4	1.025	614	1.30	19.17
0.55	56,200,00	0.491	0.712	10.5	1.035	608	1.29	18.93
0.60	53,700,00	0.500	0.729	10.6	1.056	592	1.26	18.36
0.65	48,600,00	0.519	0.766	10.9	1.100	557	1.20	17.05
0.70	43,900,00	0.539	0.803	11.2	1.147	522	1.13	15.84
0.75	39,700,00	0.558	0.839	11.5	1.190	489	1.07	14.75
0.80	36,200,00	0.576	0.871	11.9	1.231	460	1.01	13.82
0.85	32,600,00	0.595	0.906	12.2	1.276	428	0.95	12.83
0.90	28,900,00	0.619	0.944	12.7	1.327	394	0.88	11.77
0.95	25,900,00	0.643	0.974	13.1	1.375	367	0.81	10.92
1.00	23,000,00	0.667	1.009	13.6	1.424	338	0.75	10.02

Note: *(1) The copper equivalent grade was calculated as follows: CuEq = Recoverable Revenue / 2204.62 *100 / 1.55. Where: CuEq = Copper equivalent grade; Recoverable Reserves = Revenue in US dollars for recoverable copper, recoverable gold and recoverable silver using metal prices of US$1.55/lb, US$650/oz, and US$11/oz for copper, gold, and silver, respectively; Cu Recovery = 100% (Section 19).*

(2) Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration.

A four hole, $1,000,000.00 exporation program is proposed to test the extension of mineralized zones and to follow-up on several high-grade gold intercepts.

Mr. Morris and associates with MMTS have conducted appropriate due diligence and made a reasonable effort to verify quality and integrity on the resource estimate prepared by NovaGold. Because of this verification, Mr. Morris takes responsibility for the estimates prepared by NovaGold.

4.0 INTRODUCTION

Moose Mountain Technical Services (MMTS) was retained by Copper Canyon to assist with the evaluation of the property, examine the resource estimate prepared by NovaGold, and to prepare a Technical Report compliant with NI 43-101 (the Instrument) and Form 43-101F1. MMTS has conducted appropriate due diligence and made a reasonable effort to verify quality and integrity on the resource estimate prepared by NovaGold. Because of this verification, Mr. Morris takes responsibility for the estimates prepared by NovaGold.

Copper Canyon Resources Ltd. (Copper Canyon) and NovaGold Canada Inc. (NovaGold), a wholly owned subsidiary of NovaGold, have agreed to form a 40/60 joint venture to explore and develop the Copper Canyon property in northwestern British Columbia, Figure 6-1.

Portions of the material in this report were originally reported in “Geology and Resource Potential of the Copper Canyon Property” 2009, by Erin Workman and Kevin Francis for NovaGold Canada Inc.

Mr. Robert J. Morris of MMTS completed a site visit during the week of October 14, 2004 and an update visit is planned for the summer of 2010. Based on his experience, qualifications and review of the data, the author, Mr. Morris, is of the opinion that the programs have been conducted in a professional manner and the quality of data and information produced from the efforts meet or exceed acceptable industry standards. It is also believed that for the most part, the work has been directed or supervised by individuals who would fit the definition of a Qualified Person in their particular areas of responsibility as set out by the Instrument.

While actively involved in the preparation of the report, MMTS had no direct involvement or responsibility in the collection of the data and information or any role in the execution or direction of the work programs conducted for the project on the property or elsewhere. Much of the data has undergone thorough scrutiny by NovaGold staff as well as certain data verification procedures by MMTS; see Data Verification, Item 16.

Sources of information are listed in the references, Item 23.

5.0 DISCLAIMER

Portions of the material in this report were originally reported in "Geology and Resource Potential of the Copper Canyon Property" 2009, by Erin Workman and Kevin Francis for NovaGold Canada Inc."

Moose Mountain Technical Services (MMTS) prepared this report for Copper Canyon Resources Ltd. (Copper Canyon). The quality of information, conclusions and estimates contained herein are based on industry standards for engineering and evaluation of a mineral project. The report is based on: i) information available at the time of preparation, ii) data supplied by outside sources, iii) engineering, evaluation, and costing by other technical specialists and iv) the assumptions, conditions and qualifications set forth in this report. No warranty should be implied as to the accuracy, especially with longer term estimates of forward looking economic assumptions for the future operations such as but not limited to, metal prices, exchange rates, labour costs, and energy, equipment, and supply costs.

This report is intended to be used by Copper Canyon subject to the terms and conditions of its contract with MMTS. MMTS disclaims any liability to any third party in respect of any reliance upon this document without MMTS's written consent.

MMTS has not verified the legal aspects of the ownership of the mineral claims nor the rights granted by the Government of British Columbia. MMTS has not verified environmental and political issues.

Parts of this report, relating to the legal aspects of the ownership of the mineral claims, rights granted by the Government of British Columbia, and environmental and political issues, have been prepared or arranged by Copper Canyon. While the contents of those parts have been generally reviewed for reasonableness by the authors of this report, for inclusion into this report, the information and reports on which they are based have not been fully audited by the authors.

6.0 PROPERTY DESCRIPTION AND LOCATION

6.1 Location

The Copper Canyon property (Figure 6.1) is located within the Liard Mining Division of northwestern British Columbia, approximately 150 kilometres north of Stewart, British Columbia at latitude 57°07’30’’N and longitude 131°21’W, on NTS map sheets 104G/03 and 104G/04. The property lies north of the East Fork of Galore Creek and is situated approximately 6 kilometres east of the Galore Creek deposits.

6.2 Land Tenure and Claim Status

NovaGold has an option agreement with Eagle Plains Resources Ltd. (Eagle Plains) to acquire up to 80% interest in the Copper Canyon property to the east of the GCMC claims, dating from March 2004.

The Copper Canyon claims were initially staked by American Metals Corp. (AMAX) in August, 1956, but were forfeited during the 1990s. Eagle Plains acquired 100% of the claims from prospector Bernard Kreft, of Whitehorse. Copper Canyon was spun-off from the holdings of Eagle Plains in June 2006. The Copper Canyon property is now held by Copper Canyon Resources Ltd.

Under the option agreement, NovaGold has issued 296,296 common shares to Eagle Plains and incurred property expenditures of C$3 million to earn a 60% interest. To earn another 20% interest, NovaGold has to make a payment of C$1 million within 90 days of exercising the first option and complete a feasibility study within eight years of the agreement effective date.

In addition, NovaGold assumed the commitments of the underlying option agreement dated May 28, 2002 with Bernard Kreft that included payments totalling C$250,000 and a 2% net smelter return (NSR).

The claims surrounded eleven two-post claims (Bik 1, Bik 2, Bik 3, and eight Penny claims) originally held by Silver Standard Resources. In 2004, SpectrumGold Inc. acquired the claims from Silver Standard Resources Inc. and Teck-Cominco Limited. In June 2005, NovaGold transferred its 100% interest in the eleven two-post claims (Bik 1, Bik 2, Bik 3 and eight Penny claims) to Eagle Plains as per Section 15.1 of the option agreement.

In July 2005, NovaGold converted the Copper Canyon claims with the exception of VIA 35 and VIA 37 legacy claims to cell mineral claims. The VIA 35 and VIA 37 claims were not converted, since a portion of their held area would be surrendered to the adjacent cell claim holder on conversion. In 2006, the option agreement land schedule was revised to include mineral claims subject to the option agreement area of interest and replacement cell claims. This revised schedule was presented to Copper Canyon Resources Ltd. and Bernard Kreft for approval.

On November 23, 2006 NovaGold applied drilling expenditures incurred on the Copper Canyon property as assessment work to advance claim expiry dates to December 1, 2016 the maximum allowed under the Mineral Tenure Act. Claim details are shown in section 6.3.

On November 14, 2007, NovaGold advised Copper Canyon Resources Ltd. that NovaGold had completed the requirements to earn the 60% interest. Copper Canyon has accepted NovaGold's earn-in requirements and the Copper Canyon Venture agreement became effective as of February 12, 2008.

In February 2008, NovaGold notified Copper Canyon that it would not exercise its right to increase its interest in the property to 80%.

On July 30, 2008, assessment work completed on claim 516174 in 2007 and totaling $227,901 was filed as BC tenure event number 4229546. This extended all claim expiry dates to December 1, 2018. The supporting document, the 2007 Diamond Drilling Assessment Report on the Copper Canyon Property was submitted on August 28, 2009.

The operating joint venture has executed the advance royalty payment of $15,000 to Bernard Kreft. This annual requirement is due May 31 of each calendar year as is defined in the underlying Kreft-Eagle Plains document.

Table 6-1 Copper Canyon Mineral Tenures
(BRITISH COLUMBIA MINERAL TENURES, REVIEWED AND VERIFIED April 2010)

Tenure Number	Claim Name / Type	Map Number	Expiry Date	Mining Division	Area (ha.)	Claim Status
516169	Cell Claim	104G	1-Dec-18	Liard	316.102	Copper Canyon claim
516174	Cell Claim	104G	1-Dec-18	Liard	1598.83	Copper Canyon claim
516181	Cell Claim	104G	1-Dec-18	Liard	1002.122	AMI - NG claim
516230	Cell Claim	104G	1-Dec-18	Liard	1055.42	AMI - NG claim
516257	Cell Claim	104G	1-Dec-18	Liard	1072.055	AMI - NG claim
516265	Cell Claim	104G	1-Dec-18	Liard	1177.971	AMI - NG claim
516279	Cell Claim	104G	1-Dec-18	Liard	913.438	AMI - NG claim
516281	Cell Claim	104G	1-Dec-18	Liard	1386.77	AMI - NG claim
516282	Cell Claim	104G	1-Dec-18	Liard	930.595	AMI - NG claim
516283	Cell Claim	104G	1-Dec-18	Liard	1140.709	AMI - NG claim
408616	VIA 35 /Legacy Claim	104G	1-Dec-18	Liard	250	AMI - NG claim
408618	VIA 37/Legacy Claim	104G	1-Dec-18	Liard	500	AMI - NG claim

Total area = 11,344.01

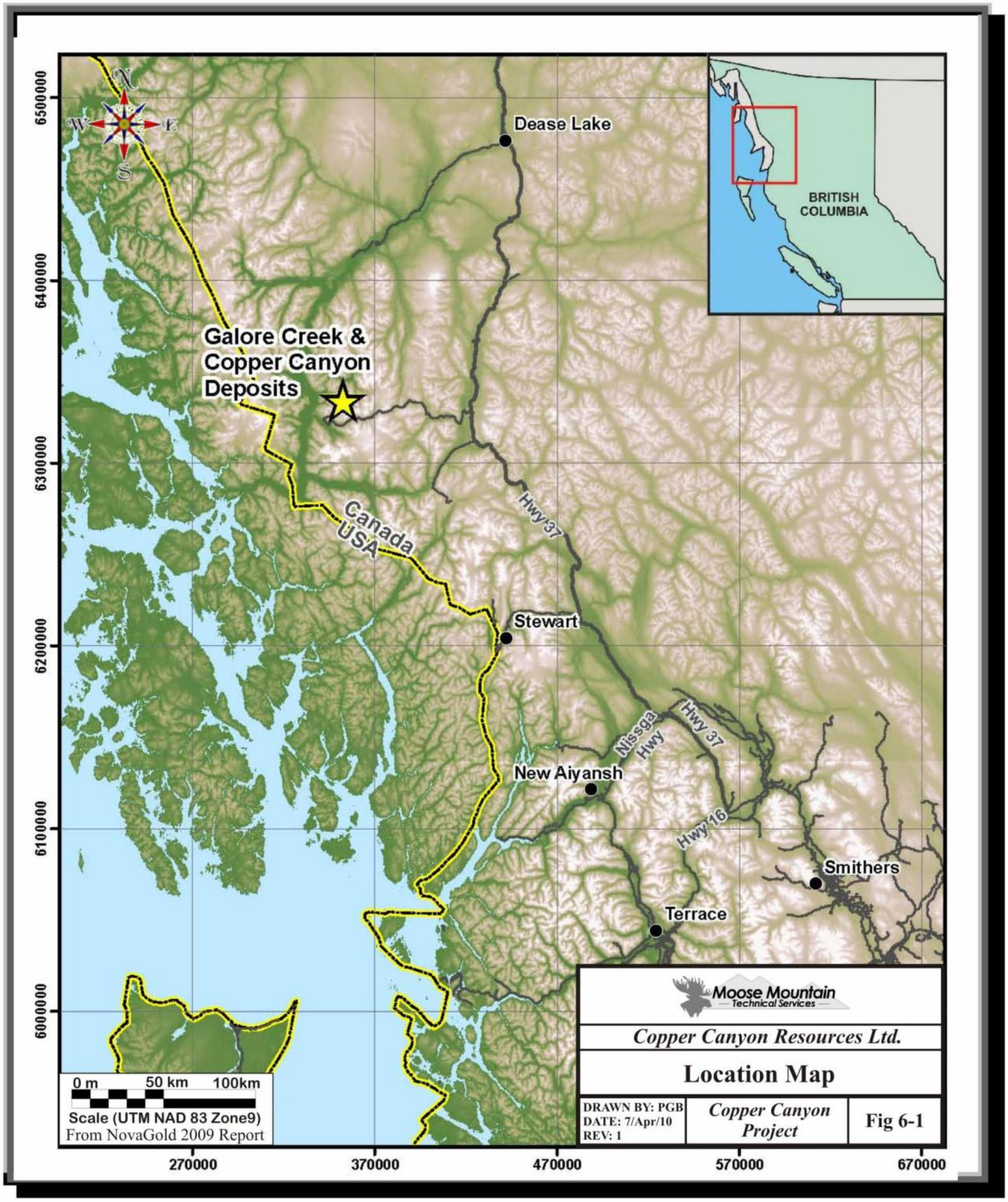


Figure 6-1 **Location Map, Copper Canyon**

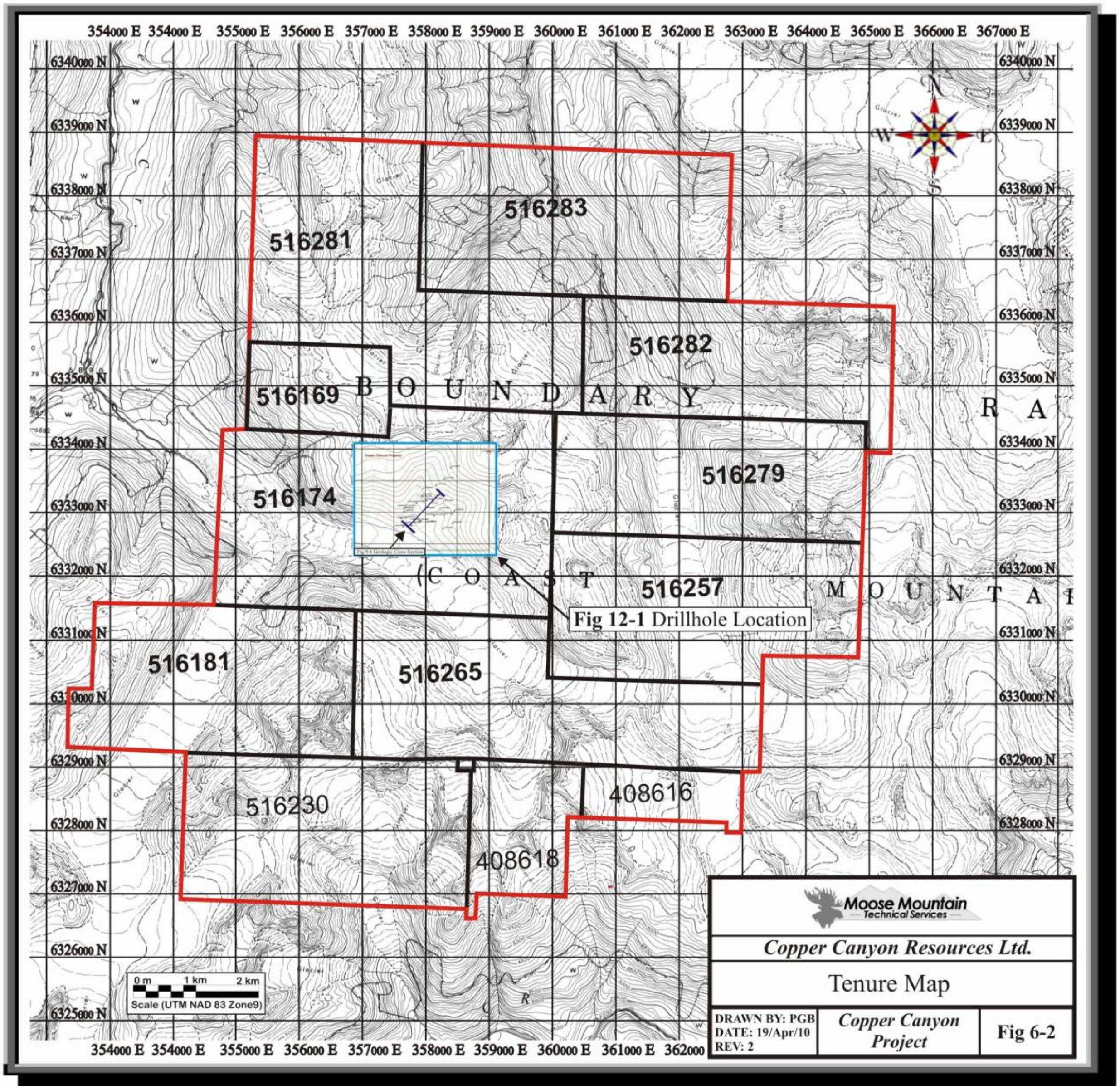


Figure 6-2 Copper Canyon Claim Map

7.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

7.1 Accessibility

7.1.1 Air

The town of Smithers, located 370 kilometres to the southeast, is the nearest major supply centre to Copper Canyon. Most personnel, supplies, and equipment are staged from the Bob Quinn airstrip, on the Stewart-Cassiar Highway (Highway 37) and transported via helicopter to the Galore Creek camp (Ut łūn Camp).

Bob Quinn is serviced by contract flights from Smithers and Terrace, each of which has daily flights from Vancouver. Contract flights were scheduled Monday through Friday, via Hawkair Aviation Services Ltd. of Terrace. Flight time from Vancouver to Smithers/Terrace is about 90 minutes, then an additional 45 minutes to Bob Quinn. The helicopter flight from Bob Quinn to the Galore Creek camp is about 30 minutes. The helicopter landing pad is constructed about 500 metres southwest of the main Galore Creek camp.

7.1.2 Water

The Stikine area has also been accessed by shallow draft barges and riverboats, in particular during the Stikine–Cassiar and Klondike gold rushes of the late 19^{th} century, but continuing into the late 1960s. These boats were used to transport goods from Wrangell, Alaska to Telegraph Creek, British Columbia, a distance of 302 kilometres. The Stikine River is navigable for this type of watercraft from about mid-May to October. The nearest point on the Stikine River to the property is the mouth of the Anuk River, about 16 kilometres west of the camp.

7.1.3 Road

During early exploration efforts in the 1960s, Kennecott constructed 48 kilometres of road from the mouth of the Scud River to the Galore Creek camp. The road is in very poor condition and would require repair along the Scud River and portions of the Galore Creek Valley before it could be used. No plans exist to conduct this work at present.

The 130 kilometre long access road, under construction until November 2007, was designed to proceed west from Highway 37 at a point approximately 8 kilometres north of Bob Quinn, rising up along the More Creek Valley, down Sphaler Creek valley to the Porcupine River then north up Scotsimpson Creek to a tunnel through to Galore Creek valley.

As at the effective date of this report, 67.4 kilometres of roads and bridges have been pioneered, an additional 46km of road right-of-way have been cleared and 45km or road is substantially complete. The first bridge construction, across the Isuk River, was completed in August 2007, ten bridges have been completed and 22 temporary water crossings are in place.

The access tunnel has advanced 79.8 metres.

7.2 Climate

The project area is characterized by cold winters and short, cool, summers.

Average monthly temperatures at Copper Canyon range from 13°C in January to 11°C in July. The extreme temperatures range from 18°C in January 1968 to 21°C in July 1965.

Precipitation begins to fall as snow in early October and continues until the end of May. The estimated long term average annual precipitation for Copper Canyon is approximately 2300mm rainfall equivalent. June and July tend to receive the least amount of precipitation on an annual basis (typically 40 to 60mm of rain per month).

Average stream flows are high and annual freshet runoff rates very high, as remnant glaciers are present within the headwaters of many watersheds in the area. Recent glacial retreat within the Cordillera of North America has exposed large areas previously covered by millions of tonnes of snow and ice. These areas are now subject to precipitation and runoff erosion that results in large quantities of rock and sediments being introduced into the aquatic environment.

7.3 Local Resources and Infrastructure

7.3.1 Local Resources

The nearest large communities to the project site are Terrace and Smithers to the south and southeast. The total population residing along Highway 37 is approximately 1,000 people.

The Copper Canyon project falls within the broader traditional territory of the Tahltan Nation. Mining has long been an important segment of the Tahltan economy. The Tahltan participated in the exploration, construction, operations and reclamation of the recently closed Golden Bear Mine north of Dease Lake. The largest mining operation within the Tahltan Traditional Territories at present is the Eskay Creek gold mine located 80 kilometres southeast of Copper Canyon. Approximately 35% of the Eskay Creek work force (including contractors), are Tahltan Nation people.

The Tahltan Nation Development Corporation (TNDC) carries out road construction, maintenance and provides services for projects in the region. Services provided to the mining industry through TNDC include catering, trucking (through a JV with Arrow Transport) and environmental services (through a JV with Rescan Environmental Services).

7.3.2 Camp

During 2007, the Galore Creek camp (Ut łūn Camp) was used as the primary logistical station for the Copper Canyon work. The Galore Creek camp was one of seven camps, together hosting 810 persons, which was established to aide in NovaGold exploration and construction activities.

7.3.3 Transport

Stewart is British Columbia's most northerly ice free port and is capable of accommodating large ocean going vessels. Any concentrates produced from the Copper Canyon deposits would be shipped out of this port.

7.3.4 Power

Power is currently supplied to the exploration camp via diesel generators.

Currently, the closest point of the BC Hydro grid is approximately 135 kilometres south of Bob Quinn. Power to support any planned mining infrastructure would be via overhead transmission lines, routed through the proposed access tunnel, to the Galore valley. Supply of two different voltage options, 138 kV and 287 kV, have been assessed.

7.3.5 Communications

The Galore Creek camps communicate to the outside world using VOIP (for telephones) and Internet protocols (for regular computer business) over a satellite link. The satellite link terminates in Langley, BC where it connects to regular land lines.

7.3.6 Water

The potable water is currently supplied from wells. Process water can also be obtained from wells. Detailed hydrological studies completed from 2004 to 2006 indicate sufficient water to support future project development.

7.4 Physiography

The Copper Canyon Valley is a U-shaped glacially scoured valley with thick glacial and glacio-lacustrine deposits covering the lower elevation slopes. The material has been reworked by fluvial action and then overridden in places by colluvium. The surrounding terrain is mountainous and covered by glaciers and ice fields. A glacier exists in the East Fork of Galore Creek, but is currently retreating. The steep upper slopes are generally exposed bedrock.

The area is a transitional landscape between Coast and Mountain, Sub-Boreal Interior and Northern Boreal Mountains ecosystems. Typical biogeoclimatic zones (geographic areas having similar patterns of vegetation and soils as a result of a homogenous climate) range from Coastal Western Hemlock and Mountain Hemlock zones to the west of the Copper Canyon property to Interior Cedar Hemlock and Engelmann Spruce–Subalpine Fir zones to the east. Alpine tundra is present at higher elevations.

The property lies within a regional structure known as the Stikine Arch. Medium to steep slopes, populated with grass and small brush, characterize the local terrain in the central part of the Copper Canyon property. The surrounding topography is mountainous. The elevation of the tree line is variable, but alpine vegetation predominates above 1,100 metres. The forests below consist of Balsam fir, Sitka spruce and cedar. A variety of unique habitat types exist within the larger regional project area, including extensive floodplain habitat and wetlands, moist alpine meadows and mature and old growth forest.

The greater Copper Canyon project area includes major watersheds of both the Stikine and Iskut river drainages. The Stikine watershed is recognized as a major wilderness area of significant ecological value to both Canada and the United States.

The Stikine, Iskut, More, Sphaler and Porcupine valleys themselves are relatively pristine areas with road access currently limited to the upper reaches of the Iskut Valley. The Stikine and Iskut rivers and their tributaries provide important habitat for all five species of Pacific salmon as well as other resident fish species such as Dolly Varden. The area is also one of the more important remaining grizzly bear habitats in British Columbia. Wetlands along the Porcupine and Stikine rivers provide breeding habitat and migration staging areas for waterfowl. The valleys and associated floodplains provide important moose winter range and the rugged Coast Range supports high densities of mountain goats. There are resident populations of black bears, wolves, foxes, martens and other mammals.

7.5 Seismicity

The Copper Canyon area is located in a moderately high seismic zone. The national seismic hazard map produced by the Geological Survey of Canada for use in the 1995 National Building Code of Canada, indicates that the project is located in acceleration zone 2, characterized by a peak horizontal ground acceleration (PGA) of 0.8 to 0.11 g with a 10% chance of exceedance in 50 years (1 in 475). Revised seismic hazard maps for incorporation into the 2005 National Building Code of Canada show that the site has a PGA of approximately 0.1 to 0.2g with a 2% chance of exceedance in 50 years (1 in 2,475).

8.0 HISTORY

8.1 Early Exploration

The Copper Canyon claims were staked in August, 1956 by the American Metal Co. Ltd., (which, through several corporate restructurings become Canamax Resources Inc. (and most recently, North American Tungsten Corp.)) to cover prominent gossans and malachite staining. Geological mapping, chip sampling and diamond drilling were carried out in 1957 (Dobell, 1957). Seven holes totaling 1,009 metres of BQ and AQ core were drilled on the Copper Canyon claims #2 through #5 claims in 1957; Hole 57-2 was drilled across the claim gap between claims #2 and #4 (Dobell et al, 1967). Based on this drill program, Dobell and Spencer (1958) estimated reserves on the Copper Canyon claims #2,4,5 and 6 claims of 27 million tonnes grading 0.72% copper, 0.43 grams per tonne (0.012 oz/ton) gold and 10.3 grams per tonne (0.30 oz/ton) silver. It should be noted that these reserves were based on four drill holes (57-1, 57-2, 57-5 and 57-7) and that poor core recovery and the unreliability of surface data due to surface weathering makes these reserves an estimate at best. In addition, this calculation does not take into account the gap between the claim #2 and #4.

In 1962, an airborne magnetometer survey was flown over Copper Canyon by Newmont Mining Corporation of Canada on behalf of Southwest Potash Corporation (Norman, 1962). A magnetic high was found to be associated with the Copper Canyon syenite and Norman further concluded that the syenite is a steep, easterly dipping body as the western margin of the anomaly is abrupt.

Induced polarization surveys were carried out in 1964 and 1966 over the Copper Canyon property, defining anomalous chargeability over an area of 450 metres by 500 metres (Bell and Hallof, 1967). At this same time, a total of 151 soil samples were collected and analyzed for copper and molybdenum. The sample results were very anomalous as the samples were mostly taken in areas of known copper mineralization (Snively, 1966). In 1964, Ridgeway W. Hilson and Associates conducted exploration on the adjoining Penny claims on behalf of the Racicot Syndicate. This work consisted of geological mapping, contour soil sampling, and trench sampling (Naylor, 1965), a petrographic study (Carswell, 1964) and a ground magnetometer survey (Falconer, 1965). In 1965, a survey of existing claims was completed by Underhill and Underhill.

The property remained dormant until 1988 when Canamax Resources Inc. re-examined the Copper Canyon property for its gold potential (Hitchins, 1988). Twenty-seven rock samples were collected during this survey, five of which returned gold assays in excess of 1.0g/t. During the summer of 1988, five rock samples from the Copper Canyon property were submitted for analysis by the Ministry of Mines, Energy and Petroleum Resources as part of a regional mapping program in the Galore Creek area; two of these samples contained gold values in excess of 1,800 parts per billion (Logan et al, 1989).

In 1989, an airborne geophysical survey was conducted over the neighbouring Trophy project. It covered the entire Copper Canyon property with VLF-EM, magnetometer and resistivity surveys on 100m line spacing (Aerodat, 1990).

During 1990-1991, Consolidated Rhodes Resources Ltd. entered into option agreements with both Canamax and Silver Standard. Rhodes carried out a two Phase program consisting of detailed geological mapping of the property, 12,415' (3785m) of NQ core diamond drilling in 13 holes (many of which twinned 1957 holes), and trenching along extensions of the Western (Central) and Eastern Copper zones. Throughout the 1990 drilling program, drillhole collars were tied-in to previously surveyed claims and all drill core was split in 1.0 metre intervals and assayed for gold, silver and copper.

Work in 1990-1991 was completed under the supervision of G.M. Leary.

8.2 SpectrumGold/NovaGold Exploration

In 2004, SpectrumGold Inc. (now NovaGold Canada Inc.) completed an eight hole, 3,024 metre diamond drill program to upgrade and expand the existing Copper Canyon mineral resource. Historic drill core was re-logged for lithology to assimilate the Copper Canyon nomenclature into the Galore Creek naming scheme. Geological mapping and an airborne helicopter magnetic and radiometric survey (Farquhar, 2004) were conducted to assist in exploratory drill targeting. The results of the 2004 exploration program provided the basis for geological modeling, resource estimation, and economic evaluation at a pre-feasibility level. Hatch Ltd., GR Technical Services Ltd. and Giroux Consultants Ltd (2005) defined an inferred resource category estimate of 2.86 million ounces of gold, 37.9 million ounces of silver and 1.16 billion pounds of copper at a 0.35% copper equivalent cutoff grade.

In 2005, NovaGold completed a three hole, 924 metre diamond drill program at the Copper Canyon property and supported the research of M.Sc candidate Evan Twelker, from the University of Alaska Fairbanks. Adjacent to Copper Canyon, a two kilometre long line of 100 metre pole-dipole IP was run along the East Fork of Galore Creek (Frontier Geosciences, 2005). The following year, 2006, saw a reduction in exploration activity with NovaGold completing a one hole, 489 metre diamond drill program at Copper Canyon.

In 2007, NovaGold completed a twelve hole, 4,940 metre diamond drill program at the Copper Canyon property. Geological mapping and detailed re-logging of historic 1990's drill core for lithology, alteration, and mineralization were conducted to help delineate the orientation and extent of Copper Canyon mineralization and provide the basis for an updated 3D geology model. 3D wireframes were built for fault structures, alteration zones, and the three major lithology types: volcanic host rock, intrusive, and breccia. The updated 3D model provides the geological constraints utilized in the 2009 Copper Canyon resource estimate.

Work in 2004-2007 was completed by NovaGold geologists under the supervision of Scott A. Petsel, a qualified person as defined by NI 43-101.

In 2008, AMEC Earth and Environmental, a division of AMEC Americas Limited (AMEC) was retained by the Galore Creek Mining Corporation (GCMC) to complete a one hole, 756 metre diamond drill program on the Copper Canyon property. Drilling was conducted for the purposes of geotechnical sampling for tunnel alignment. Drillhole GCT-104 is drilled outside deposit limits and is not included in the resource model update.

8.3 Historical Resource Estimates

There is one historical mineral resource estimates for the Copper Canyon property, by American Metals Co. Ltd. in 1957 which reported 27 million tonnes grading 0.72% copper, 0.43 grams per tonne gold, and 10.3 grams per tonne silver. This estimate does not conform to NI 43-101 standards and is reported as a historical estimate only.

A more recent, NI 43-101 compliant, mineral resource estimate was performed by Hatch Ltd., GR Technical Services Ltd., and Giroux Consultants Limited in 2005 and reports an inferred mineral resource of 164.8 million tonnes grading 0.351% copper, 0.539 grams per tonne gold and 7.154 grams per tonne silver at a 0.35% copper equivalent cut-off. This NI 43-101 compliant estimate was finalized February 9, 2005.

Table 8-1 Summary of Exploration Work

Period	Company	Work Completed
1956	American Metal Co. Ltd. (Becoming Canamax Resources Ltd. then North American Tungsten Corp.)	Claims first staked
1957	Canamax Resources Ltd.	Geological mapping, chip sampling and diamond drilling, 7 holes, 1009m
1962	Newmont Mining Corporation of Canada (on behalf of Southwest Potash Corporation)	Airborne magnetometer survey flown over Copper Canyon
1964 & 1966	Amax Exploration, Inc. (Ridgeway W. Hilson Assoc. for Racicot Syndicate)	Induced polarization surveys, 151 contour soil samples, geological mapping and trench sampling, a petrographic study, and a ground magnetometer survey
1965	Amax Exploration, Inc.	Survey of existing claims, completed by Underhill and Underhill
1988	Amax Exploration, Inc.	Twenty-seven rock samples, assess gold potential
1988	BC Ministry of Mines, Energy and Petroleum Resources (Logan, 1989)	Regional mapping program
1989	Amax Exploration, Inc.	Airborne geophysical survey conducted over the neighbouring Trophy project, covering the entire Copper Canyon property with VLF-EM, magnetometer and resistivity surveys on 100 metre line spacing
1990-1991	Consolidated Rhodes Resources (option agreements with both Canamax and Silver Standard Ltd.)	Detailed geological mapping, 3785m of NQ-core diamond drilling in 13 holes, and trenching
2001	Canadian Tungsten	Original claims lapsed
2001	Bernie Kreft	Kopper King 1 and 2 claims staked
2002	Eagle Plains Resources Ltd.	Kopper King 1 and 2 claims optioned
2002	Eagle Plains Resources Ltd.	KK-3 and KK-4 claims staked
2002	Eagle Plains Resources Ltd.	Samples collected from 1990 drill core and analyzed for Pt, Pd
2004	SpectrumGold Inc. (Becoming NovaGold Canada Inc.)	Detailed geological mapping, 3024m of NQ and BQ-core diamond drilling in 8 holes, 3D geological modeling
2004	Fugro Airborne Surveys (for SpectrumGold Inc.)	Airborne helicopter magnetic and radiometric survey over the Copper Canyon property
2005	Hatch Ltd., GR Technical Services Ltd. And Giroux Consultants Ltd. (for NovaGold Resources Inc.)	NI 43-101 compliant inferred resource estimate
2005	NovaGold Canada Inc.	924m of NQ-core diamond drilling in 3 holes
2005	Frontier Geosciences (for NovaGold Canada Inc.)	2km long line of 100 metre pole-dipole IP run along the East Fork of Galore Creek
2006	NovaGold Canada Inc.	One hole, 489m diamond drill program at Copper Canyon
2007	University of Alaska Fairbanks with the support of NovaGold Canada Inc. (Twelker, 2007)	M.Sc thesis "A Breccia-Centered Ore and Alteration Model for the Copper Canyon Alkalic Cu-Au Porphyry Deposit, British Columbia"
2007	NovaGold Canada Inc.	Detailed geological mapping, re-logging of historic 1990's drill core, 4940m of HQ and NQ-core diamond drilling in 12 holes, 3D geological modeling
2008	NovaGold Resources Inc.	NovaGold Resources Inc. and Copper Canyon Resources Ltd. form 60/40 joint venture to explore and develop the Copper Canyon Property
2008	Galore Creek Mining Corp.	756 metres of geotechnical drilling in one hole

9.0 GEOLOGICAL SETTING

9.1 Regional Geology

The Galore Creek deposits lie in Stikinia Terrane, an accreted package of Mesozoic volcanic and sedimentary rocks intruded by Cretaceous to Eocene plutonic and volcanic rocks. The eastern boundary of the Coast Plutonic Complex lies about 7 kilometres to the west of the claims. The property lies within a regional transcurrent structure known as the Stikine Arch.

9.1.1 Stratigraphy

Stikine Terrane at this latitude can be grouped into four tectonostratigraphic successions. The first and most important one in this area is a Late Paleozoic to Middle Jurassic island arc suite represented by the Stikine assemblage of Monger (1977), the Stuhini Group (Kerr, 1948) and Hazelton Group equivalent rocks. The other successions are: Middle Jurassic to early Late Cretaceous successor-basin sediments of the Bowser Lake Group (Tipper and Richards, 1976); Late Cretaceous to Tertiary transtensional continental volcanic-arc assemblages of the Sloko Group (Aiken, 1959); and Late Tertiary to Recent post-orogenic plateau basalt bimodal volcanic rocks of the Edziza and Spectrum ranges.

The oldest stratigraphy in the area is known as the Stikine assemblage and comprises Permian and older argillites, mafic to felsic flows and tuffs. These rocks grade upward into two distinctive Mississippian limestone members separated by intercalated volcanics and clastic sediments. The topmost stratigraphy consists of two regionally extensive Permian carbonate units that suggest a stable continental shelf depositional environment.

The Middle to Upper Triassic Stuhini Group unconformably overlies the Stikine assemblage. Stuhini Group rocks comprise a variety of flows, tuffs, volcanic breccias and sediments, and are important host rocks to the alkaline intrusive-related gold-silver-copper mineralization at Galore Creek. They define a volcanic edifice centred on Galore Creek and represent an emergent Upper Triassic island arc characterized by shoshonitic and leucitic volcanics (de Rosen-Spence, 1985), distal volcaniclastics and sedimentary turbidites. The succession at Galore Creek was divided by Panteleyev (1976) into a submarine basalt and andesite lower unit overlain by more differentiated, partly subaerial alkali-enriched flows and pyroclastic rocks.

A fault-bounded wedge of unnamed Jurassic sediments unconformably overlies the Stuhini Group rocks. Within this unnamed Jurassic succession is a basal purple to red polymictic boulder and cobble conglomerate with an arkosic matrix. It contains granitic clasts including distinctive K-feldspar porphyries that are Galore Creek syenite equivalents.

9.1.2 Intrusives

Three intrusive episodes have been recognized in the region. The earliest and most important is the Middle Triassic to Middle Jurassic Hickman plutonic suite that is coeval with Upper Triassic Stuhini Group volcanic flows. The Mount Hickman batholiths comprise three plutons known as

Hickman, Yehino and Nightout. The latter two are exposed north of the map area. The Schaft Creek porphyry copper deposit is associated with the Hickman stock, and is located 39 kilometres northeast of Galore Creek. This stock is crudely zoned with a pyroxene diorite core and biotite granodiorite margin. Alkali syenites of the Galore complex like those found at the nearby Copper Canyon deposit and the pyroxene diorite bodies of the zoned Hickman pluton have been interpreted as differentiated end members of the Stuhini volcanic - Hickman plutonic suite by Souther (1972) and Barr (1966). The alkali syenites are associated with important gold-silver-copper mineralization at Galore Creek and at Copper Canyon. These rocks are believed to be at least as old as Early Jurassic in age, based on K-Ar dating of hydrothermal biotite in the syenites intruding the sequences (Allen, 1966). An Ar-Ar age of 212 Ma (Logan et al., 1989) in syenite may give the time of crystallization of the intrusive rocks at Copper Canyon, to the east of Galore Creek. More recent U-Pb dates of Galore Creek syenites have given ages ranging from 205-210 Ma (Mortensen, 1995).

Coast Range intrusions comprise the large plutonic mass west of the map area. Three texturally and compositionally distinct intrusive phases were mapped by previous workers. From inferred oldest to youngest, they are K-feldspar megacrystic granite to monzonite; biotite hornblende diorite to granodiorite; and biotite granite. Small tertiary intrusive stocks and dykes are structurally controlled in their distribution. At Galore Creek young post-mineral basalt and felsite dykes are abundant as a dyke swarm in the northwest part of the property. Elsewhere, Tertiary intrusions may be important in their association with small gold occurrences.

9.1.3 Structure

The regional geology has been affected by polyphase deformation and four main sets of faults. The oldest phase of folding is pre-Permian to post-Mississippian and affected the Paleozoic rocks between Round Lake and Sphaler Creek. This deformation is characterized by bedding plane parallel foliation in sediments and fragment flattening in volcaniclastics. Pre-Late Triassic folding is characterized by large, upright, tight to open folds with north to northwest trending axial plane traces and westerly fold vergence. Metamorphism accompanying the first two phases of deformation reached greenschist facies. The third phase of folding is manifested as generally upright chevron folds with fold axes pointed west northwesterly.

The oldest and longest-lived fault structures in the area have a north strike and subvertical dip. The best example occurs on the west flank of the Hickman batholith, where a major fault juxtaposes Permian limestone with a narrow belt of Stuhini Group volcanics. The second important fault type occurs at Copper Canyon as a west directed thrust fault with a north strike and east dip of 30 to 50 degrees. It juxtaposes overturned Permian limestone and Middle Triassic shale with Stuhini volcanics below. Early to Middle Jurassic syenite intrusions occupy this contact. A third important set of faults with northwest strike mark the boundary between Upper Triassic and Paleozoic rocks between Scud River and Jack Wilson Creek. The youngest faults have a northeast strike direction and are of great local importance. At Galore Creek, some of these faults show considerable post-mineral movement of up to 200 metres while others appear to control the emplacement of mineralized intrusive phases and breccia bodies.

More detail on the geology of the deposit is available at Workman and Francis, 2009 as well as Termuende, 2002.

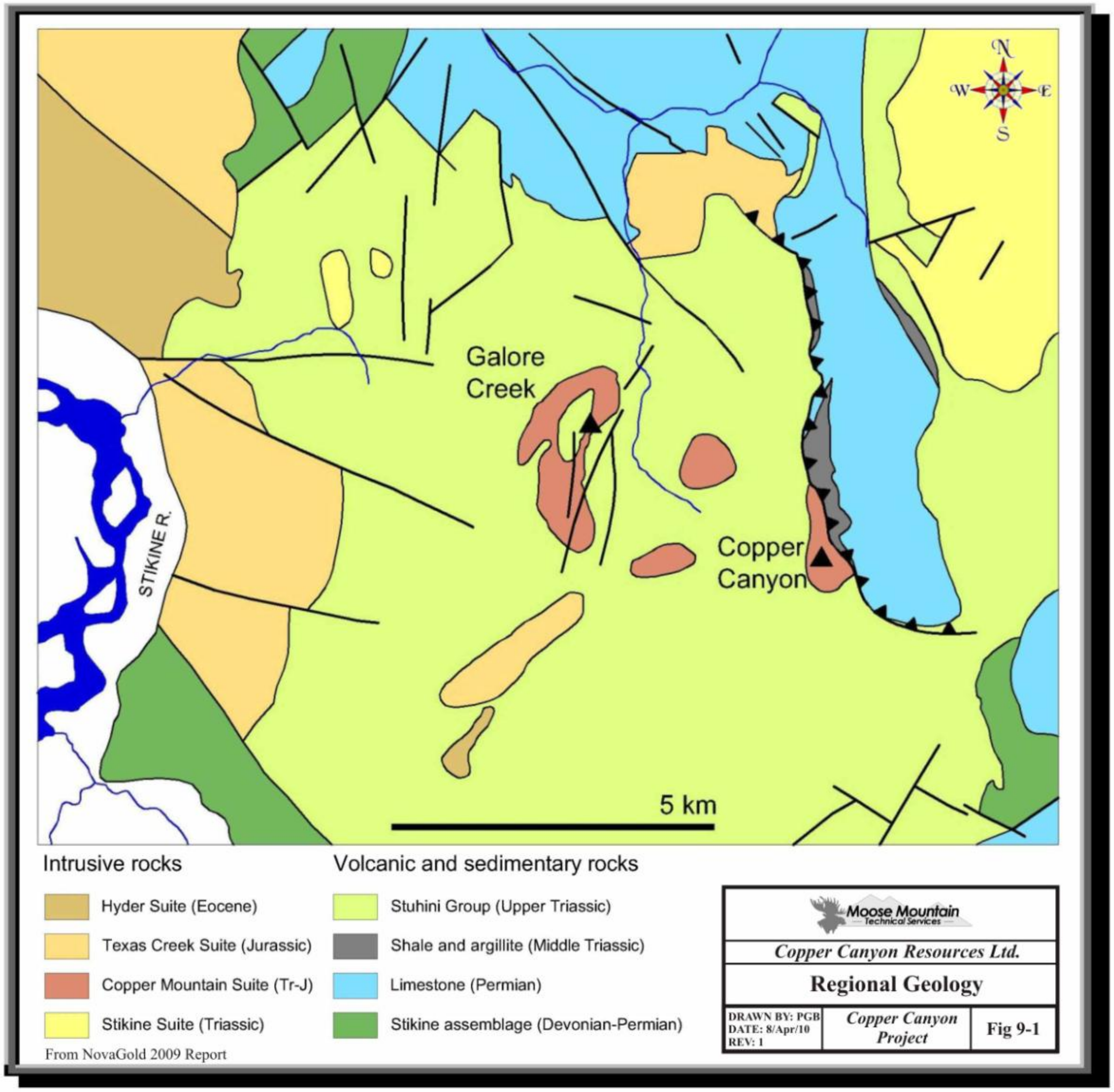


Figure 9-1 Geology of the Copper Canyon and Galore Creek area

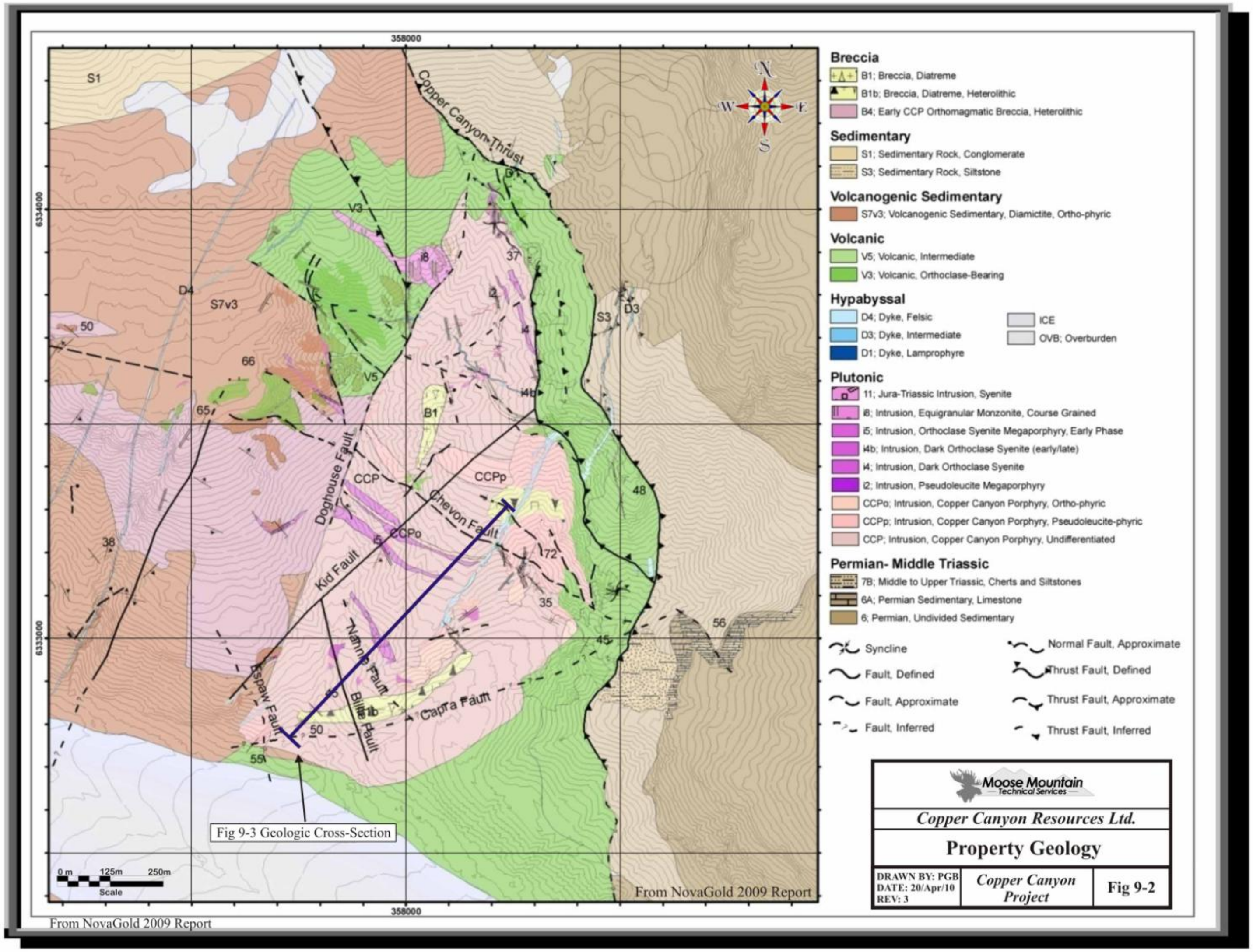


Figure 9-2 **Property Geology**

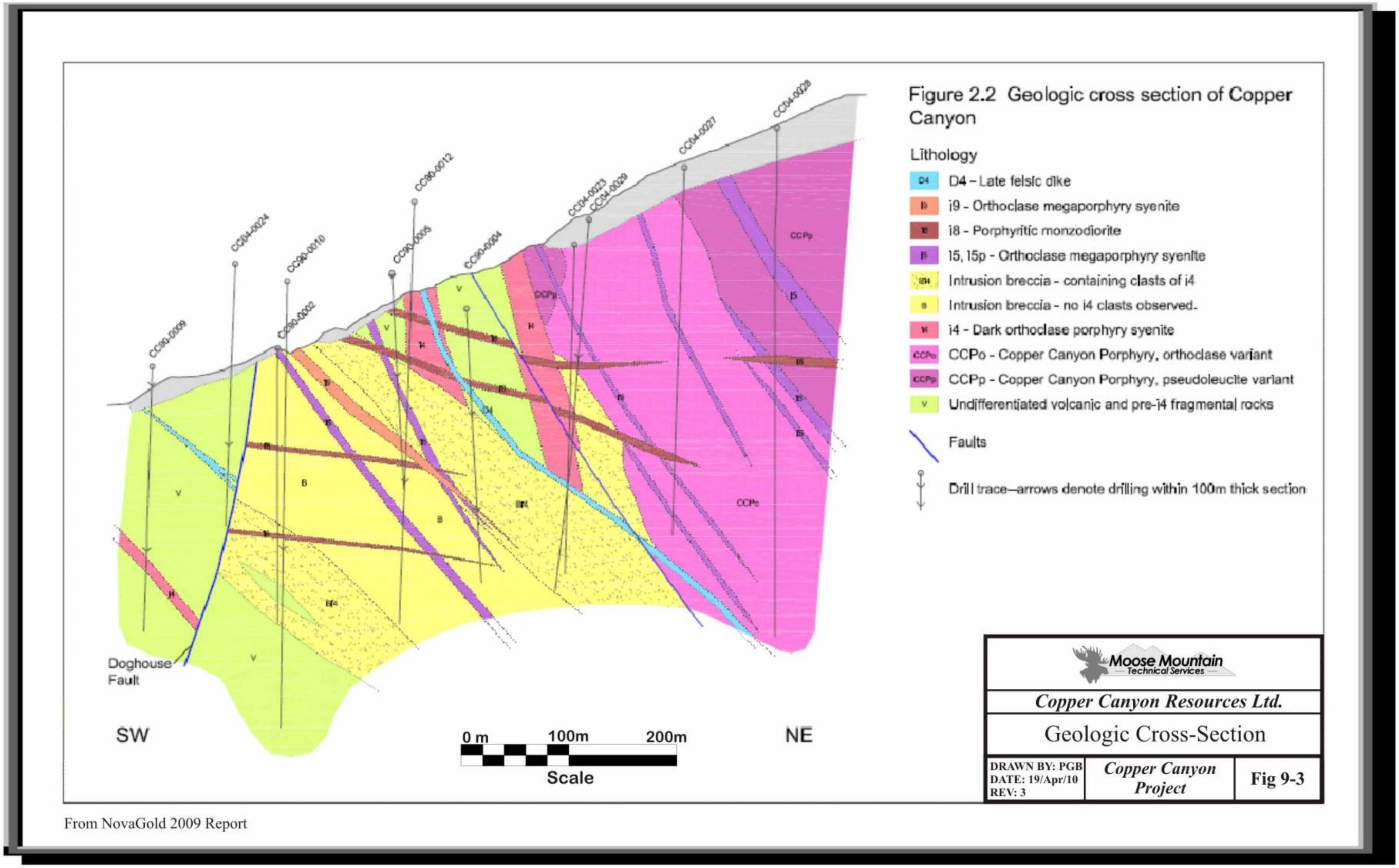


Figure 9-3 **Geologic Cross-Section (cross-section location shown on Figure 9-2)**

10.0 DEPOSIT TYPES

The Copper Canyon occurrence is an alkalic porphyry copper-gold-silver system located near the Galore Creek deposit in northwestern British Columbia.

Alkalic copper-gold porphyry deposits are a direct product of alkalic magmas generated, evolved, and emplaced under the correct circumstances. More so than ordinary intrusions, alkalic intrusions are of interest because of their worldwide association with major gold-rich porphyry copper and epithermal deposits (Muller and Groves, 2000).

The designation alkalic is applied to rocks which are abnormally enriched in the alkali elements (K and Na) with respect to the amount of silica present. Potassic igneous rocks are a subset of alkalic rocks which are particularly enriched in potassium. Two tectonic settings generate the majority of alkalic igneous magmas: arc magmatism at convergent margins, and continental rift zones (Wilson, 1989). Of the two settings, the first is apparently the most important for Cu-Au mineralization, having produced such giants as Bajo de la Alumbrera, Argentina, and Bingham, Utah (Muller and Groves, 2000).

The geologic context of Copper Canyon favors origin in a volcanic arc tectonic setting. Bimodal volcanic stratigraphy characteristic of continental rifting is absent in Mesozoic Stikinia (Logan and Koyanagi, 1994). The Copper Canyon and Galore Creek alkalic intrusions occur together with coeval intrusions of subalkaline affinity, as well as subalkaline and alkalic volcanic rocks of mafic, intermediate and felsic composition. All of these details are consistent with the widely held interpretation that Stikinia was a late stage oceanic island arc during the formation of the Copper Canyon prospect.

Ore deposits related to alkalic and potassic rocks tend to have higher concentrations of gold than do deposits related to calcalkaline or other types of rocks (McMillan and others, 1995; Muller and Groves, 2000). Primary enrichment of copper and gold in potassic rocks may be first due to their source: the mantle is inherently enriched in these generally incompatible, chalcophile elements. Enhanced retention and transport of gold in alkalic magmas is due to a high oxidation state (fO_2) environment, which promotes sulphate species over sulfides: maintaining a sulfide undersaturated melt is essential for preventing loss of gold fractionating into sulfides. Higher fO_2 in subduction regimes is thought to stem from metasomatic alteration of the mantle by dehydration and decarbonation of the subducting lithospheric slab (Muller and Groves, 2000, citing Arculus, 1985; Haggerty, 1990; Lange and Carmichael, 1990).

MMTS agrees that Copper Canyon should be classified as an alkalic porphyry copper-gold-silver system

11.0 MINERALIZATION

Economically significant mineralization occurs in two styles: an inner zone of chalcopyrite-gold (plus silver) mineralization which develops in conjunction with strong calc-potassic (K-feldspar-biotite-garnet) alteration, and gold-only mineralization occurring adjacent to chalcopyrite-bearing mineralization in areas of ankerite-sericite-pyrite alteration. Biotite-garnet stockworks occupy the centre of the chalcopyrite-gold zone, and both mineralization styles are most strongly developed within and around the intrusive breccia unit. Other alteration, strong K-feldspathization in particular, is distributed widely on the property, while traditional propylitic alteration of pre-mineralization rocks is uncommon within the study area.

11.1 Styles of copper and gold mineralization

Similar to Galore Creek, mineralization at Copper Canyon is a disseminated body hosted in pre-mineralization lithologies containing economically significant copper, gold and silver. However, Copper Canyon differs significantly from the Galore Creek Central Zone on two points: bornite is almost entirely absent in the copper-bearing zone, and a second style of high fS_2 gold mineralization carrying insignificant copper occurs adjacent to the main chalcopyrite-gold mineralized zone.

Economically significant copper mineralization is associated with chalcopyrite, though bornite and covellite occur in the periphery on the deposit in trace amounts. Chalcopyrite mineralization is accompanied by gold, which is positively correlated with copper within the chalcopyrite-gold zone (Figure 11-1). Petrographic evidence suggests that gold grains are associated with disseminated pyrite and chalcopyrite in replacements of primary mafic minerals. Silver is also closely related to copper mineralization; the host mineral of silver is unclear but may be argentite or possibly tennantite. Zinc, in the form of sphalerite, is also present in significant but sub-economic quantities in chalcopyrite-gold mineralization.

Economically significant chalcopyrite-gold mineralization forms the core of the prospect (Figure 11-1) and is associated with stockwork and pervasive calc-potassic alteration. Such mineralization is characterized by log Cu:Au ratios near 4.0 (±0.5), with higher values approaching log Cu:Au of 5.0 found surrounding mineralized biotite veining. Log Cu:Au ratios highlight the absolute mineralogical similarity between the chalcopyrite-gold zone and the weakly mineralized northeastern portion of the 'deposit'. Both areas have a log Cu:Au ratio around 4.0 and both are altered to calc-potassic mineralogy, the difference being that only trace chalcopyrite and selective replacement by secondary biotite and garnet occur with sub-economic mineralization. In other words, a large amount of rock was subjected to thermal and chemical conditions similar to the chalcopyrite-gold zone but did not experience significant copper or gold deposition.

Although it is spatially associated with the chalcopyrite-gold zone, gold-only mineralization contains drastically less copper and exhibits mineralogy which contrasts sharply with the chalcopyrite-gold zone. This style of mineralization occurs west of the Doghouse Fault and below the chalcopyrite-gold zone (Figure 11-1). Gold is associated with pyrite, sericite, and carbonate alteration and is not accompanied by significant silver or zinc. Petrographic evidence shows gold occurring as free grains loosely associated with pyrite.

The predominant sulfide mineral in the gold-only zone is pyrite. In polished section, gold grains are often found near pyrite in replacements of mafic minerals. A single sample (05ET020) from west of the Doghouse Fault contains trace hypogene covellite and bornite, implying a very high fS_2 for some gold mineralization. Other samples are notably free of even trace chalcopyrite.

Gold-only mineralization and immediately adjacent unmineralized areas are typified by log Cu:Au ratios of around 3.0±0.5. Such ratios contrast sharply with those of the chalcopyrite-gold mineralization and may in part reflect the chemical differences of the hydrothermal fluids (in addition to simple temperature differences) suggested by the contrasting mineralogy of the two zones. The high and low Cu:Au ratio zones seem to be gradationally connected, at least at the scale of drillhole assays.

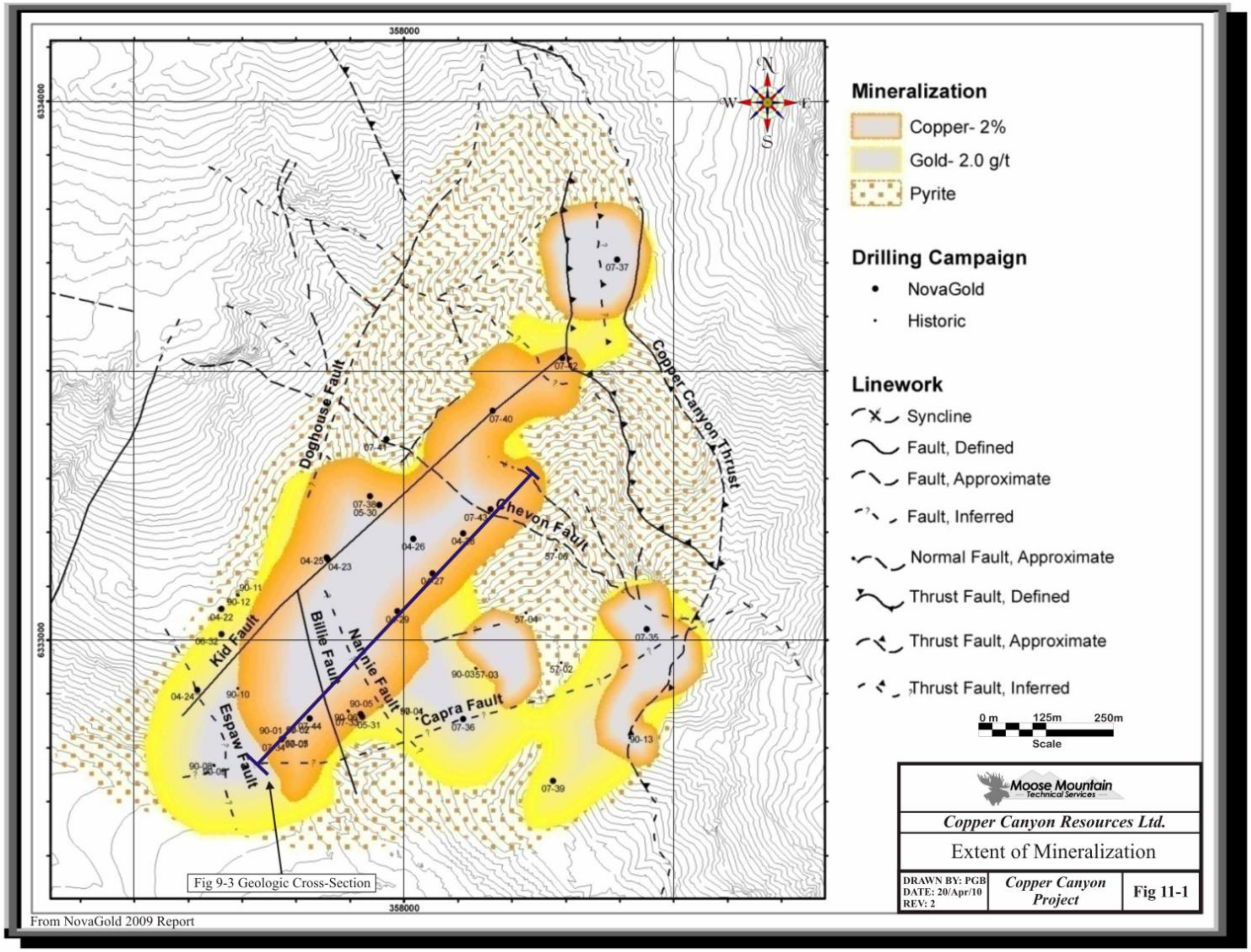


Figure 11-1 **Plan projection of gold-only (yellow), copper and gold (orange), and pyrite zones of mineralization, Copper Canyon**

12.0 EXPLORATION

The Copper Canyon copper-gold-silver property target represents an advanced-stage project. Early exploration work targeted prominent gossans and near surface malachite staining. Exploration work in 1990 and again in 2004-2007 was directed at gaining knowledge about the area geology and expanding the resource base of the central mineralized zone.

A proposed exploration program is outlined in Item 22, Recommendations.

12.1 Extent of All Relevant Exploration

A summary of the exploration work completed to date on the Copper Canyon deposit is shown in Table 12-1. A drillhole location plan is presented in Figure 12-1. Drilling on the property is discussed in Section 13.

Table 12-1 Exploration Completed to March 2008, Copper Canyon

Exploration Program	Company Name	Year	Description and Comments
Geological Mapping	Canamax Resources Inc.	1957	Scale and area unknown
	AMAX Exploration Inc.	1964-1966	Scale and area unknown
	BC Ministry of Mines	1988	Regional mapping program, Galore Creek region
	Consolidated Rhodes Resources Ltd.	1990-1991	1 inch equals 200 feet scale
	NovaGold Resources Inc.	2004	1:2000 scale over about 150 hectares
	NovaGold Resources Inc.	2007	
Geophysical Surveys	Newmont Mining Corporation	1962	Airborne magnetic survey
	AMAX Exploration Inc.	1964-1966	IP and ground magnetometer surveys
	AMAX Exploration Inc.	1989	Acquired data from adjacent Trophy project airborne data; included VLF-EM, magnetometer and resistivity surveys on 100m line spacing
	NovaGold Resources Inc.	2004	400 linear km of aeromagnetic and radiometric survey
	NovaGold Resources Inc.	2005	IP survey
Reconnaissance Sampling	Canamax Resources Inc.	1957	Unknown
	AMAX Exploration Inc.	1964-1966	156 contour soil samples. Trench sampling
	AMAX Exploration Inc.	1988	27 rock chip samples (gold)
	Consolidated Rhodes Resources Ltd.	1990-1991	Trench sampling; "systematic" soil and rock chip sampling
	Eagle Plains Resources Ltd	1992	62 samples taken from 1990 drilling for PGM analysis
Exploration Drilling	Canamax Resources Inc.	1957	7 BQ and AQ diamond holes for 1,009m
	Consolidated Rhodes Resources Ltd.	1990-1991	13 NQ size holes for 3,785m
	NovaGold Resources Inc.	2004	8 NQ size holes for 3,018m. Re-logging 1990-1991 drill core
	NovaGold Resources Inc.	2005	2 HW core holes for 730m
	NovaGold Resources Inc.	2006	1 NQ size hole for 489m
	NovaGold Resources Inc.	2007	12 NQ and HQ diamond holes for 4,940m
Laboratory	TSL Laboratories	1990	Geochemical analysis
	ALS Chemex	2004-2007	Geochemical analysis
Geotechnical and Hydrology	NovaGold Resources Inc.	2006	1 NQ diamond hole for 51m; Test pit program of 4 pits to improve characterization of subsurface foundation conditions under the East Fork Diversion Dam
Mineralogy and Petrology	AMAX Exploration Inc.	1964-1966	Petrology
Research Studies	University of Alaska, Fairbanks	2007	Twelker, E., 2007, M.Sc thesis "A Breccia- Centered Ore and Alteration Model for the Copper Canyon Alkalic Cu-Au Porphyry Deposit, British Columbia"

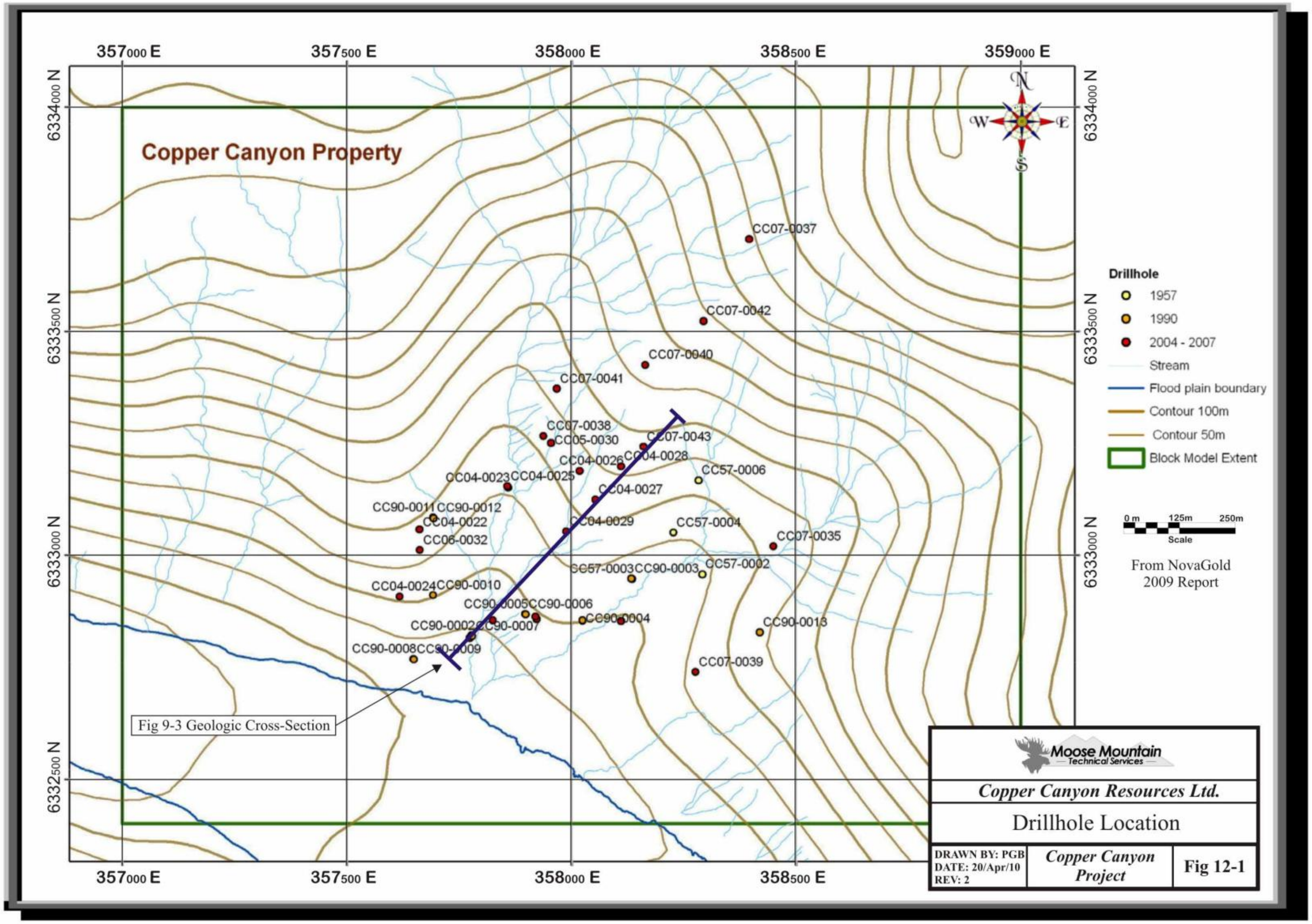


Figure 12-1 Drillhole Location Plan and Block Model Limits, Copper Canyon

12.2 Reliability of Data

The procedures followed in the field and through the interpretation stage of exploration have been professional. Various crews under the supervision of professional geologists carried out the exploration work. It is considered that the reliability of the data obtained with exploration is very high.

13.0 DRILLING

To the effective date of this Report, 43 diamond holes for 14,002 metres had been completed within the Copper Canyon deposit (Table 13-1).

Reportedly the 1957 drilling was AX and BX diameter with poor recovery (Leary 1990). It has been excluded from use in resource estimation.

The 1990 Consolidated Rhodes Resources Ltd. program completed six NQ diamond drillholes by an unspecified contractor using a Longyear 38 wireline core rig. Recovery exceeded 98 percent. Drillhole collar locations were surveyed by tying them into previously surveyed claim corners. The 1990 core was sampled on 1 metre increments, and samples were shipped to TSL Laboratories in Saskatoon, Saskatchewan where they were analysed for gold, silver and copper.

In 2004, remaining drill core from this program was reboxed and transported to Galore Creek where it was relogged by NovaGold geologists using geological codes devised for Galore Creek. Due to deterioration of the original boxes, some 793 metres of core (about 21%) is missing (Table 13-2). In 2007, the core was relogged again by NovaGold geologists for detailed lithology, alteration, and mineralization.

Eight holes for 3018 metres were drilled at Copper Canyon during 2004. NovaGold used a helicopter-transported rig operated by Britton Brothers Diamond Drilling of Smithers, BC. Holes were drilled at azimuths from 0 to 135°, dips from -90 to -55°, and depths from 235 to 515 metres. Drillhole collars were picked up in the field using a differential GPS.Casing was left in the hole to mark the hole collar. Downhole surveys were completed using an Icefield M13 Autoshot digital borehole tool. Four holes had survey issues due to the downhole camera becoming stuck in the rods.

Core was transported to the Galore Creek exploration camp for geological logging and sampling. Logging included geological, lithological, mineralogical, structural and geophysical data. Additional codes to those used at Galore Creek were developed where necessary to allow for accurate logging.

Two holes for 729 metres were drilled at Copper Canyon during 2005. The NQ-size holes were drilled by Hy-Tech Drilling Ltd. Azimuths ranged from 135° to 260°, dips were -65° for both holes, and the holes ranged from 288 to 466 metres in depth. Logging, survey, sampling and storage methodologies are described in Sections 13.1 and 13.2.

During 2006, NovaGold completed two drillholes: one exploration hole, totalling 489 metres and one geotechnical hole, totalling 50.79 metres. The exploration hole was drilled at an azimuth of 140°, and dip of -80°, and was sited to test a down-dip extent of mineralization encountered in an earlier hole 200 metres to the south. The geotechnical hole tested lithologies in the area of the proposed East Fork Diversion Dam. The exploration drilling used Hy-Tech, whereas the geotechnical program used Foundex Explorations Ltd. Logging, survey, sampling and storage methodologies are described in Sections 13.1 and 13.2.

In 2007, 12 holes for 4,940 metres were completed. Hy-Tech Drilling Ltd. of Smithers, BC provided two S-5 custom built fly rigs designed to drill HQ and NQ core. Holes were designed to investigate soil sample results as well as test for extensions of known mineralized zones. Holes were drilled primarily at 0 and 270 degree azimuths, -70 to -90 degree dips, and ranged in depth from 216 to 633 metres. Logging, survey, sampling and storage methodologies are described in Sections 13.1 and 13.2.

Table 13-1 Drillhole Collars and Orientation, Copper Canyon

Hole ID	Program	UTM East[1]	UTM North[1]	Elevation[2]	Azimuth	Dip	Actual depth
CC57-0001[3]	1957	58024.10	32854.50	1178.33	315	-30	165.51
CC57-0002[3]	1957	58290.70	32957.90	1231.64	105	-30	187.00
CC57-0003[3]	1957	58134.20	32947.20	1207.43	315	-45	127.70
CC57-0004[3]	1957	58226.20	33050.60	1248.30	315	-45	309.00
CC57-0005[3]	1957	57777.50	32819.60	1143.01	315	-45	144.50
CC57-0006[3]	1957	58282.30	33167.00	1296.42	315	-45	67.00
CC57-0007[3]	1957	57778.20	32820.50	1143.40	105	-75	9.14
CC90-0001	1990	57777.10	32820.90	1143.93	315	-45	229.80
CC90-0002	1990	57778.00	32820.00	1143.09	0	-90	276.30
CC90-0003	1990	58132.57	32948.15	1207.99	315	-45	167.90
CC90-0004	1990	58023.90	32854.70	1178.49	315	-45	398.50
CC90-0005	1990	57896.30	32868.70	1211.18	315	-45	308.76
CC90-0006	1990	57897.00	32868.00	1211.12	0	-90	179.53
CC90-0007	1990	57778.90	32819.10	1142.45	135	-65	333.76
CC90-0008	1990	57647.40	32768.00	1122.55	0	-90	158.50
CC90-0009	1990	57648.00	32767.30	1122.20	135	-60	312.42
CC90-0010	1990	57691.50	32910.90	1206.47	135	-75	468.00
CC90-0011	1990	57691.20	33084.10	1290.79	135	-58	181.97
CC90-0012	1990	57692.30	33083.00	1290.33	135	-57	516.94
CC90-0013	1990	58418.89	32827.88	1375.11	315	-61	276.50
CC04-0022	2004	57661.13	33057.66	1291.15	135	-65	235.14
CC04-0023	2004	57858.15	33150.64	1248.60	135	-60	384.05
CC04-0024	2004	57616.89	32907.75	1229.57	135	-55	323.17
CC04-0025	2004	57856.86	33153.63	1249.31	0	-90	371.86
CC04-0026	2004	58017.07	33188.06	1339.01	0	-90	423.61
CC04-0027	2004	58052.91	33123.92	1326.24	0	-90	371.86
CC04-0028	2004	58109.42	33198.17	1367.14	0	-90	515.11
CC04-0029	2004	57987.91	33053.18	1274.68	135	-70	399.29
CC05-0030	2005	57953.99	33251.01	1308.84	260	-65	441.66
CC05-0031	2005	57922.02	32857.41	1214.72	135	-65	287.80
CC06-0032	2006	57661.81	33011.47	1280.59	140	-80	489.00
CC07-0033	2007	57919.16	32862.70	1215.87	220	-70	633.00
CC07-0034	2007	57773.02	32815.44	1142.00	270	-70	504.00
CC07-0035	2007	58449.25	33019.73	1294.22	170	-60	216.00
CC07-0036	2007	58109.59	32853.23	1191.69	0	-90	306.00
CC07-0037	2007	58395.21	33706.29	1649.86	270	-70	252.21

Hole ID	Program	UTM East[1]	UTM North[1]	Elevation[2]	Azimuth	Dip	Actual depth
CC07-0038	2007	57937.07	33266.78	1324.23	276	-70	557.82
CC07-0039	2007	58275.66	32738.88	1292.25	0	-90	291.00
CC07-0040	2007	58164.27	33425.23	1485.88	250	-80	553.81
CC07-0041	2007	57966.62	33372.36	1390.73	0	-90	312.00
CC07-0042	2007	58293.36	33523.27	1564.83	0	-90	498.00
CC07-0043	2007	58160.09	33242.50	1395.08	0	-90	456.44
CC07-0044	2007	57824.77	32854.86	1156.84	220	-70	360.00

Note: 1) Truncated UTM NAD83, zone 9. 2) To maintain consistency, all drill collar elevations have been adjusted to the digital topography model to compensate for the 2007 drill surveys which registered approximately 10 metres above the topographic surface. 3) The assay results from the 1957 drill program have been excluded from the resource estimate.

Table 13-2 Missing Intervals from 1990 Core, Copper Canyon

Hole ID	From	To	Remarks	Hole ID	From	To	Remarks
CC90-0001	8.00	13.00	Core Missing	CC90-0009	177.00	189.00	Core Missing
CC90-0001	17.00	26.00	Core Missing	CC90-0009	203.00	209.00	Core Missing
CC90-0001	39.00	40.00	Core Missing	CC90-0009	233.00	238.00	Core Missing
CC90-0001	52.00	94.00	Core Missing	CC90-0009	249.00	254.00	Core Missing
CC90-0001	116.00	135.00	Core Missing	CC90-0010	208.00	234.00	Core Missing
CC90-0001	142.00	166.00	Core Missing	CC90-0010	239.00	253.00	Core Missing
CC90-0001	169.00	173.00	Core Missing	CC90-0010	257.00	268.00	Core Missing
CC90-0002	27.00	50.00	Core Missing	CC90-0010	278.00	283.00	Core Missing
CC90-0002	55.00	59.00	Core Missing	CC90-0010	288.00	294.00	Core Missing
CC90-0002	64.00	74.00	Core Missing	CC90-0010	299.00	304.00	Core Missing
CC90-0002	79.00	84.00	Core Missing	CC90-0010	305.00	310.00	Core Missing
CC90-0002	101.00	106.00	Core Missing	CC90-0010	320.00	338.00	Core Missing
CC90-0002	119.00	126.00	Core Missing	CC90-0010	353.00	372.00	Core Missing
CC90-0002	142.00	150.00	Core Missing	CC90-0010	384.00	390.00	Core Missing
CC90-0002	154.00	167.00	Core Missing	CC90-0010	398.00	401.00	Core Missing
CC90-0003	55.00	71.00	Core Missing	CC90-0010	423.00	452.00	Core Missing
CC90-0003	86.00	90.00	Core Missing	CC90-0010	464.00	468.48	Core Missing
CC90-0003	104.00	108.00	Core Missing	CC90-0011	23.00	30.00	Core Missing
CC90-0004	47.00	52.00	Core Missing	CC90-0011	48.00	59.00	Core Missing
CC90-0004	116.00	121.00	Core Missing	CC90-0011	87.00	90.00	Core Missing
CC90-0004	197.00	208.00	Core Missing	CC90-0011	99.00	125.00	Core Missing
CC90-0004	231.00	236.00	Core Missing	CC90-0011	130.00	140.00	Core Missing
CC90-0005	76.00	90.00	Core Missing	CC90-0011	150.00	155.00	Core Missing
CC90-0005	173.00	187.00	Core Missing	CC90-0011	161.00	167.00	Core Missing
CC90-0005	220.00	226.00	Core Missing	CC90-0012	32.00	42.00	Core Missing
CC90-0006	116.00	132.00	Core Missing	CC90-0012	87.00	93.00	Core Missing
CC90-0006	169.00	179.53	Core Missing	CC90-0012	101.00	107.00	Core Missing
CC90-0007	61.00	62.00	Core Missing	CC90-0012	194.00	200.00	Core Missing
CC90-0007	66.00	70.00	Core Missing	CC90-0012	219.00	248.00	Core Missing
CC90-0007	278.00	284.00	Core Missing	CC90-0012	322.00	327.00	Core Missing
CC90-0007	305.00	307.00	Core Missing	CC90-0012	429.00	435.00	Core Missing
CC90-0007	333.00	333.76	Core Missing	CC90-0012	473.00	491.00	Core Missing
CC90-0008	29.00	34.00	Core Missing	CC90-0012	514.00	516.00	Core Missing
CC90-0008	56.00	66.00	Core Missing	CC90-0013	47.00	57.00	Core Missing
CC90-0008	79.00	89.00	Core Missing	CC90-0013	98.00	103.00	Core Missing
CC90-0008	121.00	126.00	Core Missing	CC90-0013	109.00	119.00	Core Missing
CC90-0009	30.00	35.00	Core Missing	CC90-0013	144.00	148.00	Core Missing
CC90-0009	40.00	52.00	Core Missing	CC90-0013	186.00	196.00	Core Missing
CC90-0009	76.00	83.00	Core Missing	CC90-0013	226.00	261.00	Core Missing
CC90-0009	99.00	105.00	Core Missing	CC90-0013	264.00	270.00	Core Missing
CC90-0009	126.00	136.00	Core Missing	CC90-0013	276.00	276.50	Core Missing
CC90-0009	158.00	162.00	Core Missing				

13.1 NovaGold Drilling Procedures

13.1.1 Logging

The same procedures have been used for all NovaGold and SpectrumGold drill programs, and are thoroughly documented in a sampling manual (Workman, 2005) that is given to all geologists. NovaGold maintains a reference core library of all lithology types encountered in drilling. Geotechnical data are recorded according to procedures documented in a site-specific geotechnical manual (BGC, 2005).

The flow of core begins with the transport of core from the drill to the core lay-down area in camp. Geotechnicians organize the unloading, palletizing, and transferring of core to the south side of the designated core tent. When a core bench is available, the geotechnicians move the core into the core tent. First, the boxes are checked for driller errors, run-block positions are recorded, and blocks are converted from feet to metres, if needed. Box “from–to” lengths are determined and boxes are labeled.

Once the set-up is complete, the geotechnician records geotechnical information such as recovery, rock quality designation (RQD), number of fractures, joint condition, and joint alteration. These data are written up on a specifically-designed geotechnical log sheet.

Next, the core logging geologist records geological information about the core, commencing with looking over the core for mineralization, lithic breaks, alteration boundaries, and major structures. Sample intervals are determined and alteration, mineralization, rock units, and structures are described and recorded. The complete log includes a graphic log, descriptive section, and coded alteration and mineralization information.

Next, the core is moved into the core photography tent where specific gravity and rock strength is tested. Wet core is then digitally photographed, three boxes at a time, and subsequently moved to the saw shack lay-down area. Core photographs are uploaded to a computer, and filed under folders that are named with the appropriate hole identifier.

The completed logs are given to the data entry clerks who enter the information into an Access database using the in-house front-end data entry program DDH-Tool. Once the data are in the database, each geologist signs a “data verification” form to ensure that data collection/entry for the appropriate hole is complete and checked.

Working cross-sections are maintained for each drillhole, where the drillhole trace, lithological contacts, major structures, and mineralized zones are plotted on the appropriate cross-section at the completion of the drillhole log. As completed, each hole is correlated on these sections with adjacent holes.

The original geological log, geotechnical log, and downhole survey for each drillhole are filed in a designated filing cabinet in the geology office onsite at Galore Creek. Digital back-up copies of the geological logs are maintained.

13.1.2 Recovery

Core recovery values for the 2004, 2005, 2006 and 2007 campaigns were 80%, 91.5%, 95%

and 88% respectively. The 1990 drilling recovery exceeded 98%; however, only 79% of the representative core remains in the archive. Recovery is worse in the near surface environment where gypsum veinlets have been dissolved and the rock is broken.

13.1.3 Collar Surveys

The proposed drill site was located in the field by a geologist using a hand-held GPS unit; a pad was then built and the drill rig placed on the site by helicopter. The orientation of the drillhole was set by the geologist with a set of pickets to provide the azimuth for the angle hole. The inclination (dip) of the drillhole was also noted on the alignment pickets. Typically most drills were checked by a geologist before drilling began to verify azimuth and inclination. Upon completion, drillhole collars were surveyed using a differential GPS with an Ashtech receiver. Nominal accuracy of these positions is "capable of delivering centimetre level static post produced point reconnaissance" (Workman, 2006a).

A total of 23 drillholes have been surveyed at Copper Canyon by SpectrumGold/NovaGold representing the 2004 to 2007 field seasons.

13.1.4 Downhole Surveys

SpectrumGold/NovaGold collected down-hole survey data using various methods and instrumentation from 2004 to 2007. The methods are as follows:

2004: IceField Tool – data stored on electronic data files

2005–2007: Reflex EZ Shot – data entered from original downhole survey records included with scanned drill logs.

The following magnetic declination correction factors have been applied:

2007 campaign: correction factor applied was 22°E

2006 campaign: correction factor applied was 22°E

2005 campaign: correction factor applied was 23°E

2004 campaign: no correction factor. Magnetic declination is applied automatically in the processing software used by the IceField tool.

13.1.5 Reclamation

In most cases the drill pipe was removed from the hole with surface casing occasionally left to mark the hole location. When casing was not left in the hole a cement plug and wooden stake were used to identify hole locations. Digital photographs of the reclaimed site are uploaded to a computer, and filed under folders that are named with the appropriate hole identifier. To date, all sites have been fully reclaimed except for a rebar and wooden retaining wall on the site of CC07-0042.

13.2 Sample Length/True Thickness

Sample intervals were determined by the geological relationships observed in the core and limited to a 3-metre maximum length and 1-metre minimum length. An attempt was made to terminate sample intervals at lithological and mineralization boundaries.

The term "true thickness" is not generally applicable to porphyry-like deposits as the entire rock mass is potentially ore grade material and there is often no preferred orientation to the mineralization. Because of the potential of ore grade material through the entire length of the hole, sampling was generally continuous from the top to the bottom of the drillhole. The mineralization is generally confined to three main lithologies: volcanic rocks, intrusive rocks, and breccias. These lithologies form large massive bodies underlying Dog House Creek and the ridge east of the creek.

14.0 SAMPLING METHOD AND APPROACH

There is limited information available in regards to the 1957 drilling. The poor core recovery and poor reproducibility of grades compared to 1990 follow-up drilling has made the 1957 drill core assay results unreliable and they have not been used in resource estimation.

Core acquired during the 1990 drilling program was split using a core splitter, and sampled on 1 metre intervals. Samples were shipped to TSL Laboratories in Saskatoon, Saskatchewan.

NovaGold supervised core sampling from 2004 through 2007. Sampling methodologies for Copper Canyon were the same as Galore Creek and are as follows.

All drill core was transported by helicopter in secure core “baskets” to the Galore camp for logging and sampling. Sample intervals were determined by the geologist during the geological logging process. Sample intervals were labeled with white paper tags and butter tags which were stapled to the core box. Each tag has a unique number which corresponds to that sample interval. Core was brought into the saw shack where it was split in half by the rock saw, divided into sample intervals, and bagged by the core cutters. If core was not competent, it was split by using a spoon to transfer half of the core into the sample bag.

Sample intervals were determined by the geological relationships observed in the core and limited to a 3 metre maximum length and 1 metre minimum length. An attempt was made to terminate sample intervals at lithological and mineralization boundaries. Sampling was generally continuous from the top to the bottom of the drillhole. When the hole was in unmineralized rock, the sample length was generally three metres, whereas in mineralized units, the sample length was shortened to two metres.

Beginning in 2005, one sample for approximately every 10 metres of core was selected for point load testing and specific gravity measurements.

Once the core was sawed, half was sent to ALS Chemex Laboratories (Vancouver) for analysis and the other half stored at the Galore Creek camp.

In addition to the core, quality assurance / quality control samples were inserted into the shipments at the approximate rate of one standard, one blank and one duplicate per
20 core samples:

Standards: there are 13 standards at Copper Canyon. The core cutter inserted a sachet of the appropriate standard, as well as the sample tag, into the sample bag

Blanks: are composed of an unmineralized landscape aggregate. The core cutter inserted about 150 grams of blank, as well as the sample tag, into the sample bag.

Duplicates: the assay laboratory split the sample and ran both splits. The core cutter inserted a sample tag into an empty sample bag.

The Copper Canyon project area is approximately 800 metres in an east-west direction, 1000 metres north-south, and over 1000 metres vertical. The average drill spacing ranges from 60 to 130 metres, while the deepest hole is 633.00 metres. A list of all significant assay composites from the 2007 drilling program is provided in Table 14-1.

Table 14-1 Composite Assay Results (2007 drilling)

Hole ID	From (m)	To (m)	Assayed Length (m)	Cu %	Au ppm	Ag ppm
CC07-0033	25	38	13	0.481	0.634	4.158
CC07-0033	45	56	11	0.283	0.264	2.059
CC07-0033	76	91	15	0.604	1.036	10.3
CC07-0033	98.5	205	106.5	0.333	0.785	7.439
CC07-0033	438.22	491	52.78	0.842	1.421	25.196
CC07-0033	502.5	597	94.5	0.433	0.504	7.341
CC07-0034	4.6	124.6	120	0.359	0.881	9.826
CC07-0034	168	198	30	0.017	1.494	0.22
CC07-0034	213.55	248	34.45	0.016	0.874	0.1
CC07-0035	28	38	10	0.149	0.268	1.12
CC07-0035	44	58	14	0.425	0.728	1.832
CC07-0036	60.18	306	245.82	0	0	0
CC07-0037	38	49.68	11.68	0.298	0.347	4.122
CC07-0037	147.25	161.5	14.25	0.955	0.631	50.052
CC07-0038	277	305	28	0.496	0.576	10.416
CC07-0038	325	340.28	15.28	0.314	0.263	7.537
CC07-0039	8.6	291	282.4	0	0	0
CC07-0040	13	38.6	25.6	0.251	0.206	6.423
CC07-0040	470.5	490.1	19.6	0.279	0.258	2.48
CC07-0040	526	544.17	18.17	0.165	0.23	1.126
CC07-0041	80	93.5	13.5	0.326	0.112	7.419
CC07-0042	212.5	238.5	26	0.192	0.156	1.129
CC07-0042	338	360.5	22.5	0.148	0.418	1.859
CC07-0042	367.5	404.43	36.93	0.198	0.65	2.678
CC07-0043	157.5	174	16.5	0.382	0.265	1.515
CC07-0043	330	342	12	0.224	0.165	1.483
CC07-0043	371	395	24	0.103	0.537	1.115
CC07-0043	404	431.91	27.91	0.215	0.377	1.739
CC07-0044	24	113.8	89.8	0.298	0.404	8.059
CC07-0044	119.36	207.5	88.14	0.345	0.605	10.163
CC07-0044	287.35	323	35.65	0.029	0.969	0.71

15.0 SAMPLE PREPARATION, ANALYSIS AND SECURITY

15.1 Historic Drilling

There is limited information available to NovaGold in regards to the 1957 drilling. Although the laboratory is known for the 1990 drilling and electronic scans of the assay certificates exist, there is no information available to NovaGold in relation to sample preparation, methodology or sample security.

In 1990 the drill core was halved using a core splitter. Half of the core was retained in core boxes left on site, while the other half of the core was sampled in 1 metre intervals. The samples were shipped to TSL Laboratories in Saskatoon, Saskatchewan. No details are known concerning the preparation, analysis or security of these samples.

Historical Copper Canyon diamond drill core was previously stored at the old Copper Canyon camp site. In 2004, all historical core was transferred into HDPE plastic core trays and then into stackable metal trays so that the trays could be flown back to the Galore Creek Camp for archive in the Coreyard. Seventy-nine percent of the 1990 core was recaptured.

15.2 NovaGold

From 2004 through 2007 Copper Canyon drilling was processed by NovaGold.

15.2.1 Sample Tracking

In the Galore Creek saw shack the core cutters and the Saw Shack Manager insured that samples were properly cut and bagged and that any relevant information was recorded. Samples were transferred into plastic bags, numbered with the sample tag inserted in the bag. Four of these sample bags were placed into one larger white rice bag, along with an ‘Assay Instruction’ sheet. The outside of the bag had the sample numbers, hole number, and shipping address printed on the side. Beginning in 2005, the rice bag was secured using a red tamper-proof, numbered security tag. The security tag number was recorded by the Saw Shack Manager, along with the sample numbers and hole number for the white rice bag.

There are typically 40 or so rice bags per hole, depending on depth of hole. Typically up to 20 white rice bags are bundled into a batch, depending on the weight of the core. Then the batch of core is labelled with an arbitrary batch number (which is also recorded alongside the security tag number, hole, and sample numbers), and the address to ALS Chemex Laboratory.

2004 to 2006

Rice bags were assembled into sling loads for transport by helicopter to the Bob Quinn airstrip, where they were stored in a secure metal container. The samples were then transported by truck by Banstra (2004) and by Canadian Freightways (2005 to 2006), and delivered directly to ALS Chemex Laboratory in Vancouver.

2007

The batches were shipped via helicopter (Quantum 205) to the NovaGold Staging Area and Filter Camp, and placed out of the way in a lay-down area usually near the propane tanks until shipment by Canadian Freightways. Core was not stored in a secured area; however, access to the area is limited to authorized employees. Upon arrival of the core at Staging, the warehouse attendants would record the batch and hole numbers of the core, as well as the condition in which it arrived and the date it was shipped out. They would then take the corresponding receipt with a way-bill number from Canadian Freightways and send a copy of that along with their other recorded info to the Saw Shack Manager at Galore Creek camp, where it was filed for tracking purposes. Using the way-bill number, NovaGold could track the core via their website, or by calling them if need be.

NovaGold had difficulty getting the warehouse attendants to send the sheets to camp, but eventually managed to get them to comply. ALS Chemex and Canadian Freightways were instructed to contact NovaGold if there was a problem with a broken security tag or bag, there have been no reported problems.

At Terrace the samples were stored at the ALS Chemex receiving facility. Unless specifically checking on a sample shipment with ALS Chemex or Canadian Freightways NovaGold would not receive notification of the sample arriving in Terrace until ALS started preparing the samples for assay.

15.2.2 Assays

ALS Chemex Labs of Vancouver carried out all of the assay work between 2004 and 2007, representing approximately 49% of the total assays. TSL Labs, of Saskatoon, completed the 1990 assay work. Both labs are widely used by the mining and exploration industry, and both are still in business today. ALS Chemex carries the highest certification as registered assayers and operates in compliance with ISO 17025.

In total, excluding quality control samples, 1,940 samples from Copper Canyon were submitted to ALS Chemex for analyses during the 2007 field season. Samples were logged into a tracking system on arrival at ALS Chemex, and weighed. Samples were then crushed, dried, and a 250 gram split pulverized to greater than 85% passing 75 microns.

Copper analyses were completed by atomic absorption spectrometry (AAS), following a triple acid digestion. Gold assays were determined using fire analysis followed by an AAS finish. An additional 34-element suite was assayed by ICP_AES methodology, following nitric acid aqua regia digestion. Assays were received electronically from ALS Chemex via email.

In 2007, as in the prior NovaGold programs, a comprehensive quality assurance/quality control (QA/QC) program was completed on samples from Copper Canyon. Duplicate samples were used to monitor and measure precision (reproducibility), blank samples represent material with very low concentrations of copper and gold and were used to test for contamination of the samples, while standard samples and assay checks were used to test the degree of accuracy. In 2007, about 348 samples were sent for quality control purposes, as blind duplicates, blanks or standards, representing approximately 15% of the samples collected.

15.2.3 Database

All data collected in the field was transferred into the database via a set of prescribed steps, outlined in detail within the Galore Creek Procedures Manual (Workman, 2005). First, geological (including lithology, mineralization, alteration, structure etc.) and geotechnical data (RQD, recovery, fracture, weathering, hardness, etc.) was collected and recorded on paper logging sheets by on-site geologists and geotechnicians. These sheets were then transferred to two data entry personnel who input the data into the Access database via a Visual Basic interface, DDH-Tool, a proprietary internal software program developed in 1995. DDH-Tool produces an entry log which is saved along with each zipped and date tagged version of the database. Data entry was overseen by the Database Manager, to ensure proper procedures. Survey data was entered in the same manner, although the original data was produced and recorded by the drillers, and was transferred to the data entry personnel via the drill foreman and geologists. At the end of each field season, a 100% line-by-line check of all database tables was conducted, comparing values in the database to the those recorded on the original documents (which were scanned and filed at camp), to ensure that the data transfer was accurate.

Assay data was received from the lab via CSV data files. These files were compiled and imported by the Database Manager using Excel importers, text files and another Visual Basic interface called Import Edit Log. After data was imported, visual checks were done in MineSight®, a commercial 3D mine planning software package, to ensure that data placement was correct within the various database fields.

Databases

All drilling related data are stored in a Microsoft Access database. There are currently three Access databases for Copper Canyon (Copper Canyon data is stored in the same databases as NovaGold's Galore Creek data):

GaloreCC DDH2: This database has twenty tables: Alteration, Assay Composites, Certificate Data, Certificate Header, Collar, Core Photos, Corrections, Descriptions, Geotech, Grids, Litho, Minerals, Pima, Quicklog, Remarks, SG, Soluble Cu, Structs, Survey, Units, Various.

SG_PointLoad: This database has one table: Point Load

GaloreDrillStatus: Project and Rig Geologists use this database to monitor drill site status.

15.2.4 Core Storage

Copper Canyon drill core from the historical and NovaGold era programs is stored onsite at Galore Creek. Core is stored in an orderly, catalogued manner in the Coreyard. Post-assaying, all pulps and rejects from NovaGold era programs are stored in the NovaGold warehouse in Langley, British Columbia.

16.0 DATA VERIFICATION

MMTS has completed a desk review of composite data (capped) and the 3DBM. Data was provided by Copper Canyon.

Data provided included the following:

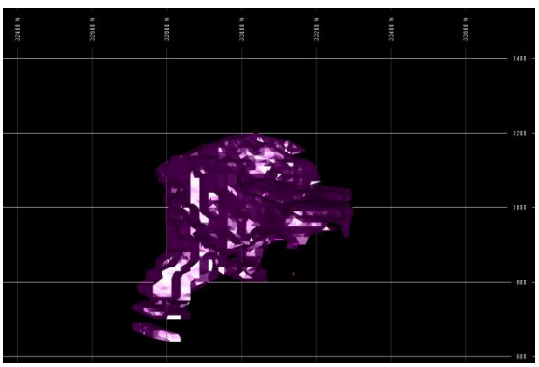
- Assay dumps of both capped and uncapped database.
- Composite dumps of capped database.
- ASCII dump of the Ordinary Kriged (OK) 3DBM, (cap15.ok).
- Final Shapes of alteration, geology, mineralization and structures.
- MineSight gradeshells of 0.6% CUEQ (block model unknown).

A project was set up in MineSight using the same parameters as were used in the May 2009, GEOLOGY AND RESOURCE POTENTIAL OF THE COPPER CANYON PROPERTY report.

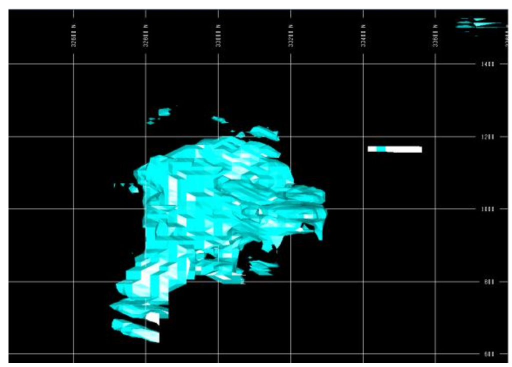
Data files for assays (CCEP11.dat), for surveys (CCEP12.dat), composites (CCEP09.dat) and 3DBM (CCEP15.OK) were initialized using the items descriptors provided in the same report Sec 19.2.3. For the composites, because the ASCII dump only provided the midpoints for X, Y, and Z, DHID1 and DHID2 were added. This enabled DH identification however, drillhole traces do not show up, only the composite intervals. Therefore for this review, the assay file DH view provided the drill trace, while the composite file DH view provided the downhole composite values.

- To verify the 3DBM ASCII dump cap15.ok that was imported into the file15 CCEP15.OK, a 0.6% CuEQ gradeshell clipped to topo was generated. The generated gradeshell (gradeshell-A) was then visually compared with the supplied 0.6% gradeshell (gradeshell-B).

Copper Canyon 0.6% CuEQ
Gradeshell-A



MMMC 0.6% CuEQ
Gradeshell-B



The two gradeshells are very similar with the exception of some small satellite "blobs" that probably Copper Canyon deleted from their gradeshell.

In addition to a visual inspection, using PITRES, the estimated insitu tonnage was calculated for the gradeshell-B and compared with the reported tonnage by NovaGold.

	Cutoff (% CuEq)	Ktonnes	Cu(%)	Au (g/t)	Ag (g/t)	CuEq (%)
Gradeshell-A	0.35	58.3	0.481	0.697	10.3	1.014
Gradeshell-B	0.35	58.342	0.473	0.689	10.1	1.000

The two reported tonnages and grades are very close which validates the imported block model for further comparisons and study.

Drillhole comparison Composite vs 3DBM on east/west 25 metre sections showing DH composite values (capped) and 3DBM values have been examined. Both are colour coded to make it easy to correlate DH to block. Composites from 1957 were not included.

- Cu composites with CuOK block values
- AG composites with AgOK block values
- Au composites with AuOK block values

To facilitate less clutter, all block grades in the first cutoff interval (i.e. Cu 0-0.3%) were not included on the cross-sections: instead, the outline of the same gradeshell was used. All composites were displayed on the sections. Please note that the composite values that are displayed along the DH trace have been aligned to the centre of the interval. As well, the composite ASCII dump provided MIDX, MIDY, and MIDZ for the x,y,z coordinates. Therefore there may be some discrepancy with the exact placement of the composite value.

- Visual review of the composites and the 3DBM, in both cross-section and plan, appear to be fairly good, with a range of influence >125m. The Cu and Ag sections correlated better than the Au sections. In the Au sections there were composites near blocks not appearing to have more influence than more distance composites, although this could be a function of ordinary kriging as was used for the block model.

17.0 ADJACENT PROPERTIES

The Copper Canyon Property is completely surrounded by Galore Creek Mining Corporation (GCMC, a joint venture between NovaGold Resources Ltd. and Teck Cominco Ltd.) owned claims. These claims contain the Galore Creek deposits. There are a number of operating and mothballed mines in the area surrounding the Copper Canyon property, and a number of claims and leases that are at a grassroots exploration level. Over 400 mineral occurrences are also known.

A technical report titled "Galore Creek Property NI 43-101 Technical Report British Columbia – Canada" was completed in January 2008 and reported 785.7 million tonnes of Measured and Indicated Mineral Resources at a 0.21% copper equivalent cut-off grade grading 0.52% copper, 0.37 grams per tonne gold, and 4.4 grams per tonne silver. Inferred Mineral Resources are 357.7 million tonnes at a 0.21% copper equivalent cut-off grade grading 0.36% copper, 0.18 grams per tonne gold, and 3.7 grams per tonne silver. The copper equivalent grade was calculated as follows:

- CuEq = Recoverable Revenue / 2204.62 * 100 / 1.55 / Cu Recovery / 100
- Where:
- CuEq = Copper equivalent grade

Recoverable Revenue = Revenue in US dollars for recoverable copper, recoverable gold, and recoverable silver using metal prices of US$1.55/lb, US$650/oz, and US$11/oz for copper, gold and silver, respectively

Cu Recovery = Recovery for copper determined by mineral zone and total copper grade

At least 12 mineralized zones have been identified on the Galore Creek property. The resource estimate noted above is for the Bountiful, Central (which includes the North Gold Lens, the Central Replacement Zone and the South Gold Lens), Junction, North Junction, Middle Creek, Southwest and West Fork Zones. Other less explored zones in the Galore Creek area include Butte, South Butte, West Rim, North Rim and Saddle.

Information from adjacent properties has not been used in the resource estimation for the Copper Canyon property.

18.0 MINERAL PROCESSING AND METALURGICAL TESTING

Preliminary metallurgical testwork was conducted in 2004 by G&T Laboratories, of Kamloops, BC, on two composites from mineralization from diamond drillhole CC04-0024. Initial results indicate that Copper Canyon mineralized rock may be significantly harder than Galore Creek rock. More testing is required.

There are no immediate plans for metallurgical studies for Copper Canyon.

19.0 MINERAL RESOURCE AND MINERAL RESERVES ESTIMATES

NovaGold completed an estimate of the mineral resources for the Copper Canyon property in 2009 (Workman and Francis, 2009). MMTS has access to the data and computer models generated by NovaGold and has conducted appropriate due diligence and made a reasonable effort to verify quality and integrity on the resource estimate prepared by NovaGold. Because of this verification, Mr. Morris takes responsibility for the estimates prepared by NovaGold.

In summary, NovaGold completed the following steps in preparing their resource model and mineral resource estimate, including:

1. Drillhole assay data was verified through various QA/QC programs and deemed acceptable.
2. Assay data was analyzed to determine metal association (correlation), and grades within various rock types (three major types), and alteration types (two major types), to determine the best grade constraints.
3. A 3D geological model was constructed using drillhole and surface mapping data using MineSight®. The model includes solids for the two alteration types, the three rock type, and a mineralized shell. Mineralization is somewhat associated with rock type, though the alteration type (ALT 6, orthoclase-biotite-garnet-chalcopyrite) is closely associated with mineralization. A mineralized body outside of the ALT 6 solid (East Zone) was constructed using grade constraints.
4. A block model was superimposed on the 3D model. The blocks measure 25m x 25m x 12m vertically. The model extends 2,000m east/west, 1,600m north/south and 1,500m vertically. Each block was coded with its 3D location, grade (Cu, Au, and Ag values, capped and composited), SG, rock type, alteration type, and mineralize zone (for the East Zone) on a whole block basis.
5. The assay data was capped to reduce the influence of erratic high-grade values. The capping levels were determined from lognormal probability plots and were placed where significant deviation occurs. Table 19-1 shows the capping by alteration type.

Table 19-1 Capping Levels by Alteration Type

Zone	Cu (%)	Au (g/t)	Ag (g/t)
ALT 5	0.9	6	12
ALT 6	3	6	80

6. The capped assay data was composited to generate fixed length, 6m downhole composites. Small intervals, <1.5m, were merged up to the previous interval. Composites were not broken at alteration or mineralization shell boundaries because of the ambiguous nature of alteration boundaries. The 2,089 composite values were inspected to ensure proper capping and composite calculation. Each composite was tagged with majority rock type, alteration type, and mineralization type (in or out of the East Zone). Table 19-2 is a summary of the composites.

Table 19-2 Summary Statistics, 6m Composites

	ALL			ALT 5			ALT 6		
	Cu (%)	**Au (g/t)**	**Ag (g/t)**	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**
Valid (non-missing) Samples	2089	2089	2089	998	998	998	1063	1063	1063
Minimum	0.0002	0.0020	0.1000	0.0002	0.0020	0.1000	0.0050	0.0020	0.1000
Maximum	3.0000	5.0000	69.1430	0.8103	3.4875	11.3710	3.0000	5.0000	69.1430
Average	**0.1772**	**0.3066**	**3.7879**	**0.0443**	**0.2062**	**1.1258**	**0.2971**	**0.4006**	**6.1944**
Variance	0.0999	0.2946	51.0818	0.0039	0.1343	1.6865	0.1545	0.4302	82.6560
Standard Deviation	0.3160	0.5428	7.1472	0.0625	0.3665	1.2987	0.3931	0.6559	9.0915
CV	**1.78**	**1.77**	**1.89**	**1.44**	**1.78**	**1.15**	**1.32**	**1.64**	**1.46**

**Note: Erratic high sample values were removed in order to reduce the coefficient of variation (CV) to below 2. A CV greater than 2 indicates the presence high sample values that may have significant impact on the final estimates.*

7. Topography was generated from high resolution aerial photos in 2004 based on the UTM NAD83, zone 9 grid.
8. Specific gravity (SG) data was generated from 907 tests from drill core. SG values were assigned to the block model by rock type. Table 19-3 summarizes the SG data.

Table 19-3 Specific Gravity by Rock Type

Rock Type	BM Code	Specific Gravity	Standard Deviation
Air	1	0	0
Volcanic	7	2.7190	0.0922
Intrusive	3	2.6469	0.1632
Breccia	4	2.6931	0.1603
Overburden	8	2*	0

**SG values were not recorded within the overburden, thus a SG value of 2 was assigned to blocks coded as overburden.*

9. Copper, gold, and silver grade variograms were computed for the two alteration zones, ALT 5 and ALT 6. Downhole and experimental variograms in 73 directions were computed at directional increments of 30° azimuth and 15° dip and the minimum number of pairs was 50. Table 19-4 shows the variogram models.

Table 19-4 Parameters for Variogram Models at Copper Canyon

Variable	Zone	Nugget	C1	Axis	Range	Azimuth	Dip	1st rotation	2nd rotation	3rd rotation
Cu	ALT 5	0.210	0.790	Z	38.0	108	56	14		
				X	131.6	102	-34		3	
				Y	465.4	14	3			-34
	ALT 6	0.270	0.730	Z	335.5	205	77	23		
				X	61.9	113	0		13	
				Y	209.0	23	13			0
Au	ALT 5	0.400	0.600	Z	11.2	143	41	55		
				X	133.5	148	-49		-3	
				Y	372.8	55	-3			-49
	ALT 6	0.400	0.600	Z	439.8	148	87	38		
				X	119.4	128	-2		1	
				Y	202.1	38	1			-2
Ag	ALT 5	0.054	0.946	Z	13.8	49	71	-74		
				X	81.0	13	-15		10	
				Y	6.5	286	10			-16
	ALT 6	0.300	0.700	Z	517.1	220	71	-53		
				X	354.4	37	19		-1	
				Y	103.5	307	-1			19

10. Three grade estimation models were completed by NovaGold using the 6m length fixed-length composites, ordinary kriging (OK), nearest neighbor (NN), and inverse distance to a power of two (ID2). The variogram parameters are specific to alteration shells, and the parameters for ALT5 were applied to MIN1 (the East Zone). Copper, gold, silver grade estimates within the two alteration shells and the mineralized shell were stored in each block, along with the average distance to composites, the number of composites, and the number of drillholes used. For gold estimates within ALT5 and MIN1 any gold value located >50m from the block were capped at 1g/t to restrict the influence of sporadically high gold values. Table 19-5 summarizes the interpolation parameters for kriging (the search parameters are similar for the NN and ID2 models).

Table 19-5 Interpolation Parameters for the Ordinary Kriged Model [cap15.ok]

	Cu			**Au**			**Ag**		
	Pass 1	Pass 2	Pass 3	Pass 4	Pass 5	Pass 6	Pass 7	Pass 8	Pass 9
Search distance from block on Model -X	1000	1000	1000	1000	1000	1000	1000	1000	1000
Search distance from block on Model -Y	1000	1000	1000	1000	1000	1000	1000	1000	1000
Search distance from block on Model -Z	1000	1000	1000	1000	1000	1000	1000	1000	1000
Max 3D distance from block to accept	130	130	130	130	130	130	130	130	130
Min # composites to use for a block	4	4	4	4	4	4	4	4	4
Max # composites to use for a block	12	12	12	12	12	12	12	12	12
Max # composites per hole	4	4	4	4	4	4	4	4	4
Handling of uninterpolated blocks	RESET	OMIT	OMIT	RESET	OMIT	OMIT	RESET	OMIT	OMIT
Optional block discretization in X	2	2	2	2	2	2	2	2	2
Optional block discretization in Y	2	2	2	2	2	2	2	2	2
Optional block discretization in Z	2	2	2	2	2	2	2	2	2
Ellipsoidal Search Parameters: Distance along major axes	130	130	130	130	130	130	130	130	130
Ellipsoidal Search Parameters: Distance along minor axes	130	130	130	130	130	130	130	130	130
Ellipsoidal Search Parameters: Distance along vertical axes	130	130	130	130	130	130	130	130	130
Block limiting item #1	ALT	MIN	ALT	ALT	MIN	ALT	ALT	MIN	ALT
Interger Codes #1	6	1	5	6	1	5	6	1	5
Block vs. Composite Code Matching: Model	ALT	MIN	ALT	ALT	MIN	ALT	ALT	MIN	ALT
Block vs. Composite Code Matching: Comps	ALT	MIN	ALT	ALT	MIN	ALT	ALT	MIN	ALT
Select block after geologic matching	yes	yes	yes	yes	yes	yes	yes	yes	yes

Optional Composite Data Selection	Item	Keyword	Min	Max	Item	Keyword	Min	Max	Item	Keyword	Min	Max
	LNGTH	OMIT	0	3	LNGTH	OMIT	0	3	LNGTH	OMIT	0	3
	CU	RANGE	0	100	AU	RANGE	0	100	AG	RANGE	0	10000
	REF #	OMIT	24	30	REF #	OMIT	24	30	REF #	OMIT	24	30

	Pass 1	Pass 2	Pass 3	Pass 4	Pass 5	Pass 6	Pass 7	Pass 8	Pass 9
Check for fixed length/Zmid composites	yes	yes	yes	yes	yes	yes	yes	yes	yes
Outlier cutoff					1	1			
Max 3D search distance for outliers					-50	-50			

11. NovaGold compared the three grade estimates and found that the kriged model compares reasonably well with the nearest neighbor model. Table 19-6 shows the average grades and coefficients of variance for the three models.

Table 19-6 Comparison of Model Block Grades for Cu, Au and Ag

		Ordinary Kriged		Inverse Distance		Nearest Neighbour	
		Average	CV	Average	CV	Average	CV
Cu (%)	ALL	0.111	1.351	0.109	1.391	0.105	1.879
	ALT 5	0.048	0.979	0.047	0.962	0.047	1.517
	ALT 6	0.222	0.892	0.219	0.936	0.207	1.383
Au (g/t)	ALL	0.192	1.250	0.191	1.334	0.191	2.018
	ALT 5	0.135	1.119	0.135	1.203	0.135	2.072
	ALT 6	0.293	1.099	0.290	1.186	0.291	1.751
Ag (g/t)	ALL	2.162	1.519	2.137	1.558	2.034	1.980
	ALT 5	0.998	0.745	0.995	0.808	1.007	1.215
	ALT 6	4.240	1.114	4.176	1.154	3.869	1.578

12. NovaGold has classified the mineral resources at Copper Canyon as inferred using logic consistent with the CIM Standard Definitions as dictated by National Instrument 43-101. An ‘Inferred Mineral Resource’ is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological grade and continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes.

    Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies (CIM, 2005).

    In general, the limit of the Mineral Resource is based on the following criteria: a minimum of one drillhole was within 130 metres horizontally and 130 metres vertically of the estimated block. No economic studies have been completed at Copper Canyon at this time to establish an economic cutoff.

    The Copper Canyon resource classification is based on demonstrated quality assurance/quality control (QA/QC) protocols at the assay lab which provide information reasonable for Inferred classification. Due to the limited drill data, preliminary understanding of the geologic model and limited metallurgical test-work it is impossible to classify any material as Measured or Indicated at this time. Preliminary metallurgical test-work indicate that Copper Canyon mineralized rock may be significantly harder than Galore Creek rock, implying more testing is required before it can be assumed grade recoveries at Copper Canyon are analogous to Galore Creek. As a result, copper equivalent grades were calculated assuming 100% grade recovery where: CuEq = In situ metal value / 2204.62 * 100/1.55 and where: CuEq = Copper equivalent grade. In situ metal value = Value in US dollars for in situ copper, gold, and silver using metal prices of US$1.55/lb, US$650/oz, and US$11/oz, respectively. Table 19-7 shows the global mineral resource estimate.

Table 19-7 Copper Canyon – Inferred Resource Estimated by Ordinary Kriging with Copper Equivalent Cutoff (Total Property)

	NovaGold 2009							
Cutoff (%CuEq)	Tonnes > Cutoff (tonnes)	Grade > Cutoff				Million Pounds	Million Ounces	
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu	Au	Ag
0.20	272,800,000	0.215	0.388	4.271	0.497	1296	3.40	37.46
0.25	209,800,000	0.253	0.448	5.126	0.580	1170	3.02	34.58
0.30	177,100,000	0.281	0.484	5.745	0.636	1097	2.75	32.71
0.35	**152,600,000**	**0.306**	**0.515**	**6.315**	**0.687**	**1030**	**2.53**	**30.98**
0.40	129,100,000	0.335	0.549	7.029	0.743	954	2.28	29.17
0.45	105,400,000	0.378	0.580	8.023	0.816	878	1.97	27.18
0.50	90,200,000	0.406	0.617	8.646	0.873	808	1.79	25.08
0.55	76,500,000	0.437	0.657	9.358	0.936	738	1.62	23.02
0.60	64,400,000	0.471	0.701	10.061	1.004	669	1.45	20.84
0.65	54,700,000	0.501	0.753	10.589	1.071	604	1.32	18.62
0.70	47,800,000	0.526	0.797	11.056	1.128	555	1.23	17.01
0.75	42,700,000	0.547	0.836	11.428	1.177	515	1.15	15.69
0.80	38,200,000	0.569	0.869	11.844	1.224	480	1.07	14.56
0.85	34,200,000	0.590	0.906	12.232	1.271	445	1.00	13.44
0.90	30,100,000	0.614	0.946	12.680	1.324	408	0.92	12.28
0.95	26,900,000	0.640	0.975	13.169	1.372	379	0.84	11.38
1.00	23,800,000	0.665	1.011	13.598	1.424	349	0.77	10.41
1.05	21,600,000	0.686	1.037	13.966	1.464	327	0.72	9.70
1.10	19,800,000	0.703	1.064	14.265	1.501	306	0.68	9.06
1.15	17,400,000	0.726	1.101	14.714	1.552	279	0.62	8.23
1.20	15,500,000	0.751	1.128	15.138	1.598	257	0.56	7.55
1.25	13,800,000	0.775	1.162	15.469	1.646	235	0.51	6.85
1.30	12,000,000	0.802	1.202	15.904	1.702	211	0.46	6.11
1.35	10,500,000	0.831	1.227	16.429	1.752	194	0.42	5.58
1.40	9,500,000	0.862	1.236	17.007	1.793	181	0.38	5.20
1.45	8,400,000	0.890	1.259	17.537	1.841	165	0.34	4.75
1.50	7,300,000	0.926	1.280	18.145	1.897	150	0.30	4.27

13. In 2005, a NI 43-101 compliant Inferred Mineral Resource of 164.8 million tonnes grading 0.351% Cu, 0.539 g/t Au and 7.154 g/t Ag at a 0.35 percent copper equivalent cutoff was completed by Hatch Ltd., GR Technical Services Ltd., and Giroux Consultants Limited for the Copper Canyon Property. The resource was based on 21 core holes, from the 1990 and 2004 exploration campaigns; assays from 1957 drill core were excluded from the estimate. The model used a 3D solid around the mineralized zone developed by NovaGold geologists as a geologic boundary during interpolation. Table 19-7 shows that the new model, on a property wide basis, has approximately 7% less tonnes, 13% lower copper grades, 4% lower gold grades, and 12% lower silver grades.

14. Based on the geometry of the ore body, which is elongate and steeply-dipping, in conjunction with the sheer terrain, an open pit scenario may not be ideal at Copper Canyon at this point in time. To evaluate the potential for an underground block-caving operation, a 0.6% CuEq grade shell was generated in MineSight®. A wireframe was constructed based on the grade shell and resources within the potential mineable geometry are reported in Table 19-8. The application of the 0.6% CuEq grade shell reduces the unconstrained resources by approximately 62%. Further studies are required to define a future mining method including geotechnical, geochemical, metallurgical and economic evaluations.

Table 19-8 Summary of Copper Canyon Inferred Mineral Resources

	Summary of Copper Canyon Inferred Mineral Resources							
Cutoff (%CuEq[1])	Tonnes > Cutoff (tonnes)	Grade > Cutoff				Million Pounds	Million Ounces	
		Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Cu	Au	Ag
0.20	58,90	0.477	0.693	10.2	1.007	620	1.31	19.38
0.25	58,70	0.479	0.695	10.3	1.010	619	1.31	19.37
0.30	58,50	0.480	0.696	10.3	1.012	619	1.31	19.36
0.35	58,30	0.481	0.697	10.3	1.014	619	1.31	19.35
0.40	58,20	0.483	0.698	10.3	1.017	618	1.30	19.32
0.45	57,80	0.484	0.701	10.4	1.020	617	1.30	19.27
0.50	57,20	0.487	0.704	10.4	1.025	614	1.30	19.17
0.55	56,20	0.491	0.712	10.5	1.035	608	1.29	18.93
0.60	53,70	0.500	0.729	10.6	1.056	592	1.26	18.36
0.65	48,60	0.519	0.766	10.9	1.100	557	1.20	17.05
0.70	43,90	0.539	0.803	11.2	1.147	522	1.13	15.84
0.75	39,70	0.558	0.839	11.5	1.190	489	1.07	14.75
0.80	36,20	0.576	0.871	11.9	1.231	460	1.01	13.82
0.85	32,60	0.595	0.906	12.2	1.276	428	0.95	12.83
0.90	28,90	0.619	0.944	12.7	1.327	394	0.88	11.77
0.95	25,90	0.643	0.974	13.1	1.375	367	0.81	10.92
1.00	23,00	0.667	1.009	13.6	1.424	338	0.75	10.02

*Note: The copper equivalent grade was calculated as follows: CuEq = Recoverable Revenue / 2204.62 * 100 / 1.55. Where: CuEq = Copper equivalent grade; Recoverable Reserves = Revenue in US dollars for recoverable copper, recoverable gold and recoverable silver using metal prices of US$1.55/lb, US$650/oz, and US$11/oz for copper, gold, and silver, respectively; Cu Recovery = 100% (Section 19) Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration.*

MMTS has examined the resource estimate prepared by NovaGold, and has conducted appropriate due diligence and made a reasonable effort to verify quality and integrity on the resource estimate prepared by NovaGold. Because of this verification, Mr. Morris takes responsibility for the estimates prepared by NovaGold.

20.0 OTHER RELEVANT DATA AND INFORMATION

No relevant data or information has knowingly been omitted by the author.

21.0 INTERPRETATION AND CONCLUSION

Copper Canyon is an alkaline porphyry-style copper-gold-silver occurrence. Disseminated chalcopyrite mineralization is hosted by a syenite porphyry, breccia and adjacent volcanic strata. Geological work in 2007 included mapping and drilling which confirmed previous results. Drilling extended the known area of mineralization to the northeast and down dip, while the zone remains open to the north, northwest, south, southeast, and at depth.

The mineral resource estimate for the Copper Canyon property incorporates the 2007 drill results and has benefited from a revised geological interpretation. The model integrates 12,991.71 metres of drilling in 36 core holes with a total of 7,186 assays. The estimates are based on a 3-dimensional computer block model with grades estimated into individual 25 metre by 25 metre by 12 metre high blocks. The grade interpolation used ordinary kriging procedures and mineralization was composited on 6 metre intervals with high-grade samples capped based on lognormal probability plots. Because of the wide drill spacing and the preliminary metallurgical testing all resources are classified as Inferred. Tables 19-7 and 19-8 summarize the estimate.

The copper equivalent (CuEq%) calculations use metal prices of US$650/oz for gold, US$11/oz for silver and US$1.55/lb for copper. Copper equivalent calculations are based on 100% grade recovery as metallurgical testing is required to determine metallurgical recoveries.

The author has estimated an unconstrained mineral resource estimate for the explored part of the property. At 0.35% CuEq cutoff, the unconstrained mineral resource for the property is 152.6 million tonnes grading 0.31% Cu, 0.515g/t Au, and 6.32g/t Ag.

The current unconstrained resource compares favorably to the 2005, NI 43-101 compliant Inferred Mineral Resource prepared by Hatch Ltd., GR Technical Services Ltd., and Giroux Consultants Limited for the Copper Canyon Property. It indicated a resource of 164.8 million tonnes grading 0.351% Cu, 0.539 g/t Au and 7.154 g/t Ag at a 0.35%CuEq cutoff. The resource was based on 21 core holes, drilled between 1990 and 2004. The current unconstrained resource includes an additional 15 diamond drillholes completed by NovaGold. On a property wide basis, the current mineral resource indicates a reduction of approximately 7% in tonnes, 13% lower copper grades, 4% lower gold grades, and 12% lower silver grades.

Based on the geometry of the ore body, which is elongate and steeply-dipping, in conjunction with the sheer terrain, an open pit scenario may not be ideal at Copper Canyon at this point in time. To evaluate the potential for an underground block-caving operation, a 0.6% CuEq grade shell was generated in MineSight®. The application of the 0.6% CuEq grade shell reduces the unconstrained resources by approximately 61.8%. Further studies are required to define a future mining method including geotechnical, geochemical, metallurgical and economic evaluations.

The author has estimated an Inferred mineral resource of 58.3 million tonnes at a 0.35% copper equivalent cut-off grade grading 0.48% copper, 0.696 g/t gold, and 10.3 g/t silver.

Bulk density used for the tonnage estimate is assigned by rock type and averages 2.7190 for volcanic rock, 2.6469 for intrusive rock and 2.6931 for breccia. During subsequent drill programs bulk density tests should be performed on drill core from varying lithological units and grade ranges.

Comparisons for the resource between Ordinary Kriging, Nearest Neighbor and Inverse Distance to a Power are very good with this level of data.

I have reviewed the methodology and classification and found that the work by NovaGold, in terms of their geostatistical analysis and parameters for resource classification and interpolating or estimating grades into the block models, were reasonable and appropriate, and consistent with my knowledge on the style of mineralization at Copper Canyon. I am satisfied that the mineral resource estimate outline in the following subsections is in compliance with the requirements set out in NI 43-101.

22.0 RECOMMENDATIONS

It is recommended that the following tasks be completed in the future.

Drill a reasonable number of core holes to investigate the limits of the mineralized zone. At present, there is high-grade mineralization at depth, encountered in CC07-0033, which is poorly understood. Effort should focus on testing for vertical continuity between this lower zone and the main body of mineralization, as well as testing at depth in the south, east, north and north-east directions. Additional near-surface drilling is required in the north-east direction, along trend with mineralization; future drilling should focus on the area between the Kid Fault Zone and the Capra Fault as 2007 step-out drilling fell on the western side of the Kid Fault Zone. Exploration potential remains to the south of the deposit, especially at depth, however drilling conditions are made difficult by steep topography and the presence of a glacier.

Ground based exploration should be expanded over the entire property area, including silt sampling, soil geochemical sampling, geological mapping, and ground based geophysics in order to locate other mineralized zones to be tested by diamond drilling.

Drilling in 2005-2007 helped increase the number of bulk density measurements of the various lithologic units. Since more recent drilling has focused on grade extensions, future bulk density measurements should endeavor to test the high-grade core of the deposit.

More drillholes are required to increase the confidence and allow for the classification of measured and indicated resource. Now that it is understood that the deposit is steeply dipping, drillholes should be oriented appropriately to allow for better semivariograms and confidence in classification.

More metallurgical testwork is recommended to verify the recovery and metal relationships of the mineralization.

The 2007 drillhole collar survey elevations plot suspiciously on average +11 metres above the topographic surface. Effort to confirm the survey elevations should be a priority in future exploration campaigns.

Monitor the performance of blanks and duplicates more closely. All sample batches associated with blanks that fail should be re-assayed. The costs associated with this activity are considered by the author to be a fixed cost to NovaGold as all the monitoring work would be routinely done in house.

NovaGold has made significant progress in refining the geologic interpretation, they should continue the effort. Future drill campaigns may benefit from 3D modeling of syn and post-mineral intrusions and generation of high Au – low Cu mineralization shells.

The author recommends an initial four hole 2000m diamond drill program for the Copper Canyon property. The drilling should focus on expanding current deposit boundaries as well as testing areas with better gold mineralization. The proposed hole locations are shown in Figure 22-1.

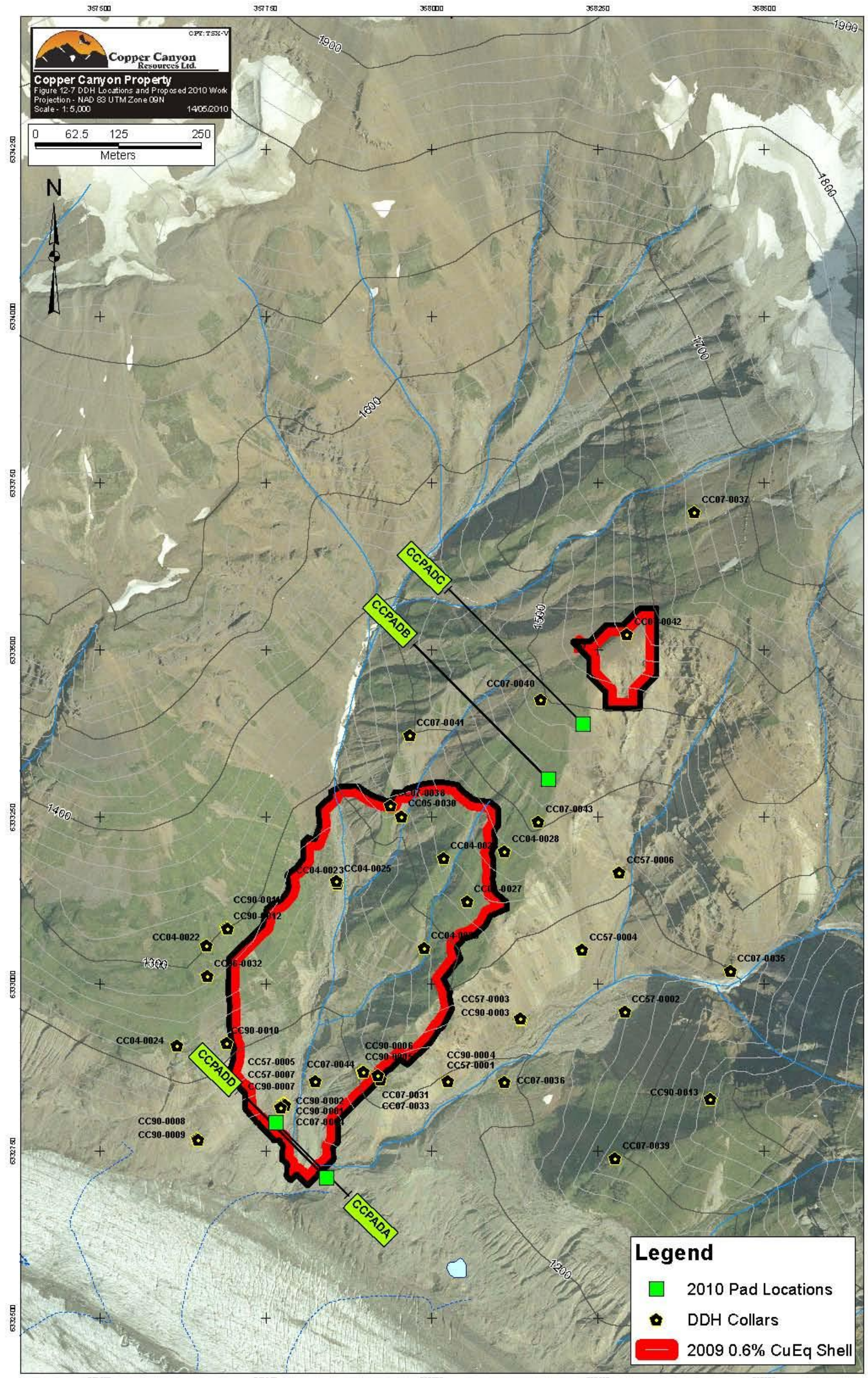


Figure 22-1 Proposed Drillhole Locations

CCPADA will test for extensions of mineralization intersected in CC07-033, which could potentially push the grade shell out to the southeast. CCPADD will test for extensions and continuity of the high-grade gold copper mineralization intersected in CC90-02, which was a vertical hole.

CCPADB and CCPADD will test for continuity of the deposit between the northeastern part of the main deposit and the mineralization intersected in CC07-042. Geological interpretation of the block model indicates that CC07-040 was likely collared in the hanging wall of the major SW – NE trending Kid Fault fault and missed the main mineralization. The holes should be located within the geometric search parameters of the block model in order to establish continuity between the two grade shells.

Table 22-1 Proposed Diamond Drill Locations

Hole ID	UTM East	UTM North	Elevation	Azimuth	Dip	Actual depth
CCPADA1	357765	6332792	1130	135	-55	500
CCPADB1	358175	6333306	1442	315	-55	500
CCPADC1	358227	6333389	1485	315	-55	500
CCPADD1	357806	6332745	1130	135	-55	500

Drilling should be carried out using minimum NQ2 sized core to maximize core recovery. It is anticipated that the program will take approximately 30 – 40 days to complete.

A proposed budget for the drilling follows:

Table 22-2 Exploration Budget

PROJECT NAME: COPPER CANYON

PERSONNEL PRE FIELD: Include research, data compilation, permitting, project planning etc.

TerraLogic Exploration:	person/job description/number of persons x no. of mandays x day rate	no. of persons	rate	no. of days	
office	President of Exploration	1	$600.00	2.00	$1,200.00
geological	Project Geologist	1	$525.00	10.00	$5,250.00
technical	GIS Technician	1	$475.00	5.00	$2,375.00
Copper Canyon Resources:					
Management	VP Exploration	1	$600.00	3.00	$1,800.00
Management	President	1	$600.00	1.00	$600.00
		TOTAL PERSONNEL (PRE FIELD):			**$11,225.00**

PERSONNEL FIELD

TerraLogic Exploration:	person/job description/number of persons x no.	no. of persons	rate	no. of days	
office	President of Exploration	1	$600.00	5.00	$3,000.00
geological	Project Geologist	2	$525.00	40.00	$42,000.00
technical	GIS Technician	1	$475.00	40.00	$19,000.00
	Geological Technician II	1	$375.00	40.00	$15,000.00
Copper Canyon Resources:					
Management	VP Exploration	1	$600.00	5.00	$3,000.00
Management	President	1	$600.00	5.00	$3,000.00
Contractors:	Cook / Level III First Aid	1	$350.00	30.00	$10,500.00
		TOTAL PERSONNEL (FIELD):			**$95,500.00**

PERSONNEL POST FIELD

TerraLogic Exploration:	person/job description/number of persons x no. of mandays x day rate	no. of persons	rate	no. of days	
geological	Project Geologist	1	$525.00	10.00	$5,250.00
technical	GIS Technician	1	$475.00	5.00	$2,375.00
		TOTAL PERSONNEL (POST FIELD):			**$7,625.00**
		TOTAL PERSONNEL:			**$114,350.00**

ANALYTICAL	type x no.of samples x cost	no of samples	cost	
Based on Stewart Group Pricing 2010	rocks (prep)	50	$7.60	$380.00
	rocks (ICP-AES)	50	$6.40	$320.00
	Cu assay	50	$7.20	$360.00
	Ag assay	50	$7.20	$360.00
	Au assay (30g)	50	$11.60	$580.00
	drill core (prep)	1000	$7.60	$7,600.00
	drill core (ICP-	1000	$6.40	$6,400.00
	Cu assay	500	$7.20	$3,600.00
	Ag assay	350	$7.20	$2,520.00
	Au assay (30g)	350	$11.60	$4,060.00
	TOTAL ANALYTICAL:			**$26,180.00**

TERRALOGIC EQUIPMENT RENTAL quantity of equipment x no.of days x

	quantity	no of months	rate	
4WD vehicle	1	1.50	$2,500.0 0	$3,750.00
mileage:(km x rate)		4000.00	$0.30	$1,200.00
				$4,950.00
5-ton trailer	1	1.5	$2,000.0 0	$3,000.00
Rock Saw	1	1.5	$350.00	$525.00
Hand Held Radio w/charger	6	1.5	$600.00	$5,400.00

	Satellite phone w/ charger	2	1.5	$250.00	$750.00
	Field supply kit (including GPS, field packs, vests, first aid etc)	4	1.5	$250.00	$1,500.00
	Computer	2	1.5	$100.00	$300.00
	High Speed Internet/VOIP Satellite System	1	1.5	$1,000.0	$1,500.00
	Complete fly camp - 4 people (tents, cots, generator, kitchen etc)	1	40	$500.00	$20,000.00
				TOTAL TERRALOGIC RENTAL:	**$37,925.00**
AIRCRAFT CHARTER			rate/hour	no of hours	
	Bell 204 mob / demob		1950.00	30	$58,500.00
	Hughes 500 drill moves / crew moves		1025.00	160	$164,000.00
				TOTAL AIRCRAFT CHARTER:	**$222,500.00**
FUEL		Consumption (l/hr)	Fuel Cost ($/l)	Hours (hr)	
	Fuel - Jet B: Bell 204	350	1.40	30.00	$14,700.00
	Fuel - Jet B: Hughes 500	100	1.40	120.00	$16,800.00
	Fuel – Automotive Trucks, ATV				$2,000.00
	Fuel - Other Bulk Gas, Diesel, Propane				$2,000.00
				TOTAL FUEL:	$35,500.00
DIAMOND DRILLING			no.of meters	cost/m	
	Diamond drilling : (no. of meters x cost/meter prorated)		2,000	$150.00	$300,000.00
			no.of months	cost/mo	
	Down hole survey tool (no. of months x $2200/mo)		1	$2,200.00	$2,200.00
				TOTAL DIAMOND DRILLING:	**$302,200.00**
TRAVEL EXPENSES: to / from projects					
	Accommodation: hotel/motel				$2,000.00
	Meals:				$1,000.00
	Airfare:				$5,000.00
				TOTAL TRAVEL EXPENSES:	**$8,000.00**
OTHER					
	Consultants / Subcontractors: Pad Building				$40,000.00
	Meals: (no.of men x no.of days x rate)	10	40	$50.00	$20,000.00
	Groceries:				$5,000.00
	Expediting				$2,000.00
	Shipping:				$3,000.00
	Repairs & Maintenance - Equipment:				$2,000.00
	Field supplies:				$1,000.00
	Report writing: Updated Resource Calculation				$25,000.00
	Misc.:				$10,000.00
				TOTAL OTHER:	**$108,000.00**
				Subtotal:	**$854,655.00**
				15% Admin on 3rd party purchases:	**$93,957.00**
				10% Contingency:	**$85,465.50**
				TOTAL:	**$1,034,077.50**

23.0 REFERENCES

Gray, J.H., Morris, R.J., and Giroux, G.H. (2005): Geology and Resource Potential of the Copper Canyon Property: unpublished technical report to NovaGold Resources Inc. by Hatch Ltd., GR Technical Services Ltd., and Giroux Consultants Ltd., effective date February 9, 2005.

Termuende, T.J. (2002): Geological report for the Copper Canyon project, Kopper King 1–2, KK 3–4 Claims (Tenure numbers 389151-52; 395836-7) Liard Mining Division NTS Map sheets 104G013, 014 UTM 6334000/357000: Internal report prepared for Eagle Plains Resources LTD.

Workman, E.E. and Francis, K. (2009): Geology and Resource Potential of the Copper Canyon Property, May 2009

24.0 DATE AND SIGNATURE PAGE

Signature of Robert J. Morris

Dated the 25th day of May, 2010.

M.Sc., P.Geo.

Moose Mountain Technical Services
Principal Geologist

Certificate of Qualified Person

I, Robert J. Morris, M.Sc., P.Geo. do hereby certify that:

1. I am a Principal of Moose Mountain Technical Services, 6243 Kubinec Road, Fernie BC V0B 1M1.
2. I graduated with a B.Sc. in geology from the University of British Columbia in 1973.
3. I graduated with a M.Sc. in geology from Queen's University in 1978.
4. I am a member of the Association of Professional Engineers and Geoscientists of B.C. (#18301).
5. I have worked as a geologist for a total of thirty-seven years since my graduation from university.
6. My past experience in copper-gold porphyry projects includes a previous report on Copper Canyon, work on Huckleberry, Quebrada Blanca, Gibraltar, and Kemess North.
7. I have read the definition of "qualified person" set out in NI 43-101 and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfill the requirements to be a "qualified person" as defined in National Policy 43-101.5.
8. I am responsible for all aspects of the technical report titled "Resource Estimate Copper Canyon Property", dated 25 May 2010.
9. I visited the Copper Canyon property during 11 October 2004 at which time access to the property, drill sites, mineralized outcrop, and drill core was examined. I was co-author of a resource estimate for the property in 2004. A site visit is planned for the summer of 2010.
10. As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
11. I am independent of the issuer applying all of the tests in section 1.4 of National Instrument 43-101, and work as a consultant to the mining industry.
12. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

Date this 25th day of May 2010,

"Signed and sealed"

Robert J. Morris, M.Sc., P.Geo.

Consent of Qualified Person

To: Autorite des Marches Financiers
Ontario Securities Commission
Manitoba Securities Commission
Saskatchewan Financial Services Commission – Securities Division
Alberta Securities Commission
British Columbia Securities Commission

I, Robert J. Morris, consent to the public filing of the technical report titled "Resource Estimate Copper Canyon Property", dated 25 May 2010, and to extracts from, or a summary of, the technical report in the written disclosure being filed, and confirm that I have read the written disclosure being filed and that it fairly and accurately represents the information in the technical report that supports the disclosure.

Dated this 25th day of May 2010

____
Signature of Qualified Person

Robert J. Morris, M.Sc., P.Geo.
Print Name of Qualified Person

25.0 ADDITIONAL REQUIREMENTS FOR TECHNICAL REPORTS ON DEVELOPMENT PROPERTIES AND PRODUCTION PROPERTIES

To the best of my knowledge, no further technical information is available for the Copper Canyon property.

26.0 ILLUSTRATIONS

Illustrations are included within the relevant sections of the report.