

094128

**1999 GEOLOGICAL and GEOCHEMICAL
ASSESSMENT REPORT
ON THE SPROGGE PROPERTY**

Quartz Claims

Justin 1-4	YB59913-916
Justin 5-25	YB70809-829
Snow 26-101	YB90799-874
Sprogge 1-10	YB85182-191
Sprogge 11-54	YB85338-381
Sprogge 55-74	YB85781-800
Sprogge 75-158	YB90875-958
Sprogge 159-202	YB91350-393

April 11, 2000

Watson Lake Mining District
NTS Sheet 105H/9

Latitude: 61°42' North
Longitude: 128°10' West

Owner: NovaGold Resources Inc.

Authors: Carl Schulze and Greg Johnson

Date of Work: August - September, 1999



This report has been examined by
the Geological Evaluation Unit
under Section 53 (4) Yukon Quartz
Mining Act and is allowed as
representation work in the amount
of \$ 7300.00.

M. B. S.
For Regional Manager, Exploration and
Geological Services for Commissioner
of Yukon Territory.

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SUMMARY

The Sprogge Property, jointly held by NovaGold Resources (60%) and Battle Mountain Canada Ltd. (40%), is located 175 kilometers north of the town of Watson Lake, within the Tintina Gold Belt of the Yukon Territory. The property consists of 303 Yukon quartz mining claims covering 15,635 acres (6327 hectares) within the Selwyn Mountains just east of Yukon Highway 10.

The Sprogge Project is underlain by a thick sequence of Selwyn Basin stratigraphy comprised primarily of shallow marine shelf to off-shelf sedimentary rock derived from the ancient North American Platform. The project area occurs near the eastern limit of the Tombstone-Tungsten Plutonic Suite, consisting of Late Cretaceous quartz monzonitic stocks and plutons extending from central Alaska to just east of the Yukon – Northwest Territories border. The Sprogge Project itself is underlain by Late Precambrian Hyland Group coarse clastic "grits", phyllite, calcareous phyllite and lesser limestone. This represents a shallow marine depositional environment, with coarse clastic members possibly representing deltaic or submarine channel emplacement. The Hyland Group package is separated from a broad unit of Cambro-Ordovician Rabbitkettle Formation thin to medium bedded limestone to the north by a pronounced northwest trending transcurrent fault.

NovaGold has identified four kilometeric-scale drill targets on the property: the Sugar Bowl, Dayo, Justin and Kangas Zones. Each of these areas consists of highly anomalous gold, arsenic, antimony, and bismuth values in surface rock chip and soil geochemical sampling. The Sugar Bowl Zone hosts a NW-SE trending zone of highly anomalous gold and associated pathfinder element mineralization measuring 2400m by 1200m. Within this, a 1,200 m by 600 m core area hosts gold-in-soil values greater than 200 ppb with a high value of 10.3g/t. This corresponds to a broad, altered, limonitic WNW trending Hyland Group coarse clastic member extending along much of a 2.5 kilometer ridge bisecting the system. More than 50 of the rock chip samples taken along this ridge returned multi-gram gold values to 26.5 g/t Au, with composite-grab samples to 34.8 g/t Au. Chip sampling nearby returned values of 6.9 g/t Au over 12.0 meters and 9.6 g/t Au over 4.0 meters. The sedimentary units are broadly folded along a regional south-east trending antiformal structure, with the axis extending south of the Sugar Bowl. The Dayo Zone, located just northwest of the Sugar Bowl Zone, measures 800m by 200m with values greater than 500 ppb gold, open to the west and north.

On the southern end of the property, two additional kilometeric-scale gold-arsenic-antimony-bismuth anomalies have been identified. The Justin Zone, the site of the original discovery in the area, consists of stratigraphically controlled copper-gold skarn mineralization with rock chip samples returning values to 2.38 g/t Au over 22.5 meters. Further exploration has identified a broad 1600m by 500m area underlain by silicified clay-altered sediments containing anomalous gold and trace metal values in rocks and soils. Within this zone, a core area measuring 600m by 500m contains abundant chalcedonic silicification and brecciation with widespread anomalous gold values. Chip sampling across exposed mineralization returned values to 4.24 g/t Au over 4.5 meters, including 7.0 g/t Au over 1.5 meters. Immediately north of the Justin Zone is the **Kangas Zone**, hosting a 1200m by 400m gold, arsenic, and antimony anomaly in rock and soil. Rock values to 1.38 g/t Au over 3.5m and soil values to 800 ppb were returned.

A total of \$7,300 in applicable exploration expenditures were incurred in 1999.

A two-stage exploration program is proposed for the year 2000 field season. The first stage is focused on prioritizing final drill targets for drill testing through detailed geological and structural mapping and selective surface sampling across high-level soil anomalies. The second stage is focused on drill testing the potential of the highest-priority targets to host a multi-million ounce bulk mineable gold system. This objective would be met by drilling a fence of five to eight "NQ"-size core drill holes totalling roughly 1,000 m across these targets.

Chapter 1: Introduction

1.1 Introductory Statement

The Sprogge property consists of 303 contiguous Yukon quartz mining claims held jointly by NovaGold Resources Inc. (60%) and Battle Mountain Gold Ltd. (40%). This report is a summary of results obtained from the 1995 through 1999 field projects. Exploration on the property has progressed from the original regional reconnaissance level, that led to discovery of a series of significant new mineralized areas, to systematic surface geological and geochemical surface sampling programs across large areas of the property. No mechanized trenching or drilling has occurred to date.

The project has received a full 5 year Class III exploration permit, allowing for unlimited drilling and trenching of the property. A corridor of quartz claims extends to the Nahanni Range Road to the northwest, eliminating the need for other land use permits for access.

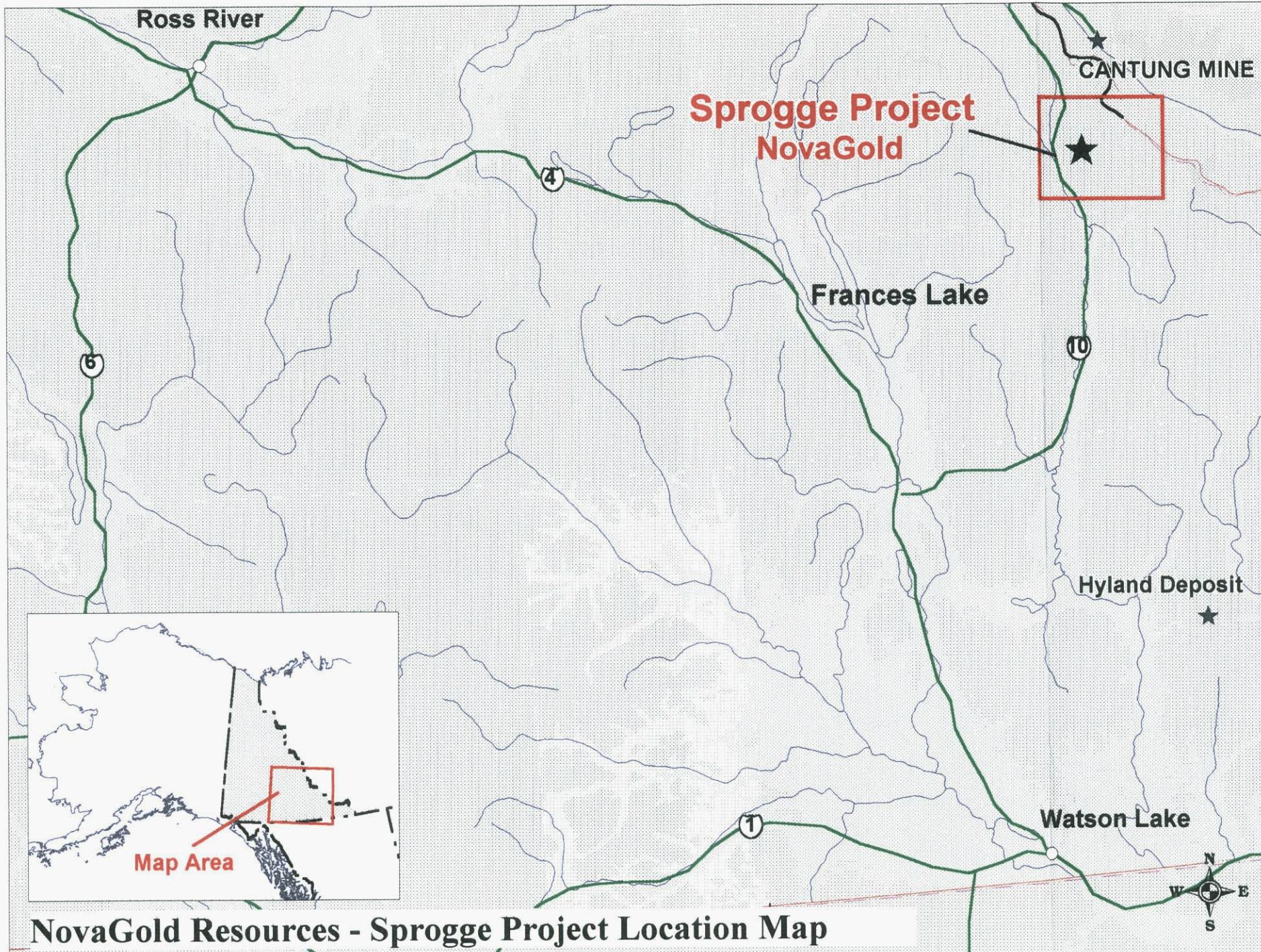
1.2 Location and Access

The Sprogge Project is located roughly 175 kilometers north of Watson Lake, Yukon Territory, centred at 61°42' North, 128° 10' West (Figure 1). The Nahanni Range Road (Yukon Highway 10), which passes three kilometers west of the property, is in good seasonal driving condition. Access is by helicopter, with staging capabilities at the road. Two exploration camps have been established in the Justin and Sugar Bowl areas.

1.3 Physiography and Vegetation

The property is covered by fairly rugged glaciated terrain typical of the Selwyn Mountains with elevations ranging from 1,200 to 2,000 metres. A prominent ridge extends along most of the property, with deep WNW trending valleys and somewhat more shallow north trending glacial valleys. Most of the property above the timber line hosts good outcrop and rubblecrop exposure, with lower, timbered areas largely covered by glacial till with lesser outcrop exposure.

Lower elevations are covered by sub-alpine fir forests; mid-elevation areas are commonly covered by thick buckbrush and scrub vegetation. Higher elevations host alpine vegetation or are barren.

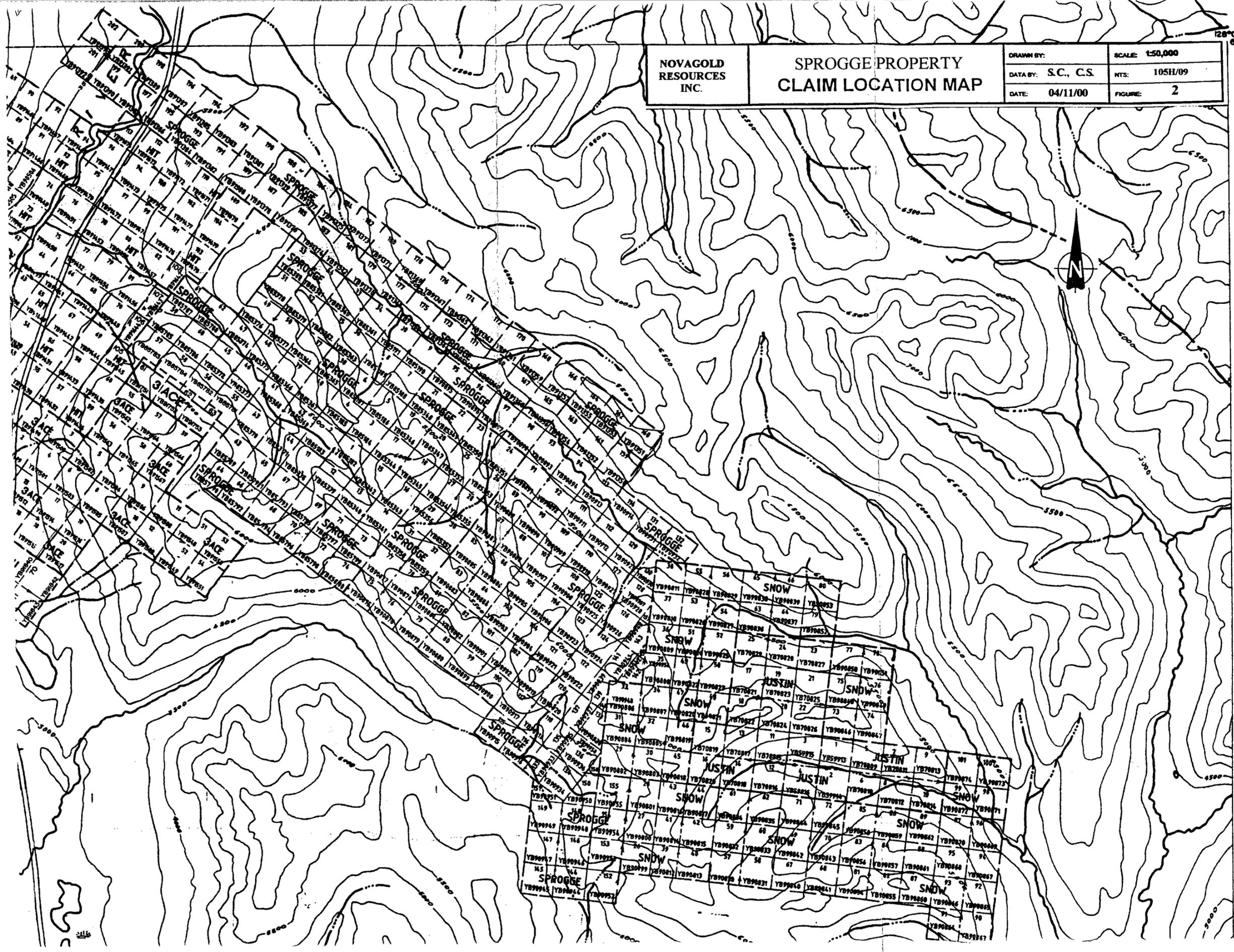


NovaGold Resources - Sprogge Project Location Map

NOVAGOLD
RESOURCES
INC.

SPROGGE PROPERTY CLAIM LOCATION MAP

DRAWN BY:	SCALE: 1:50,000
DATA BY: S.C., C.S.	NTS: 105H/09
DATE: 04/11/00	FIGURE: 2



1.4: Regional Exploration History and Competitor Activity

The Sprogge Project lies along the southern margin of the area which underwent extensive regional exploration for tungsten in the late 1970s and early 1980s. Intermittent property exploration has occurred nearby, mostly by Carbide Exploration in 1981 and later by Noranda Exploration and Crysi Exploration. These programs identified vein, stockwork and breccia-hosted molybdenite, chalcopyrite, pyrite, bismuthinite, scheelite, pyrrhotite and arsenopyrite associated with a mid-Cretaceous quartz-monzonite stock. Claims from this period of exploration have lapsed.

In 1996 Westmin Resources staked the FER claims covering several RGS silt anomalies roughly 25 kilometres to the northwest. Later that year Phelps-Dodge of Canada tied on the HY claims to the northwest.

In 1997 Hudson Bay Exploration and Development staked the HIT 1 – 32 claims just west of the Little Hyland River, 2.5 kilometres northwest of the Sprogge property boundary. Hudson Bay added the HIT 33 – 60 and 3 ACE 1-60 Claims in 1998, extending their claim block to adjoin the Sprogge claims. Late in 1998 Hudson Bay added the HAB 1-113 Claims (101 valid claims) to the northwest. Hudson Bay drilled four diamond drill holes in 1999, achieving promising results from one hole. Surface sampling returned values to 115 gpt Au.

1.5 Property Exploration History

In 1988, a joint venture between Vista Resources, Conquest Exploration and Vancliff Resources, completed a 389 m four drill hole program focused on a small outcropping zone of stratigraphically controlled high-grade copper-gold skarn mineralization known as the "Main Skarn" in the Justin area. The drill holes intercepted some anomalous mineralization that included grades to 1 g/t Au and 1% Cu. No further work was completed on the property and the Sun/Rain claims were allowed to lapse.

In 1995, the Justin 1-4 claims were staked by Bernard Kreft over the area of previous work (Figure 2). That same year Hemlo acquired the Justin 1-4 claims from Kreft and staked the Justin 5-25 claims. In 1996, Hemlo conducted a regional geochemical sampling program and identified additional prospective areas to the northwest with the return of widespread high gold values from rock chip sampling in the Sugar Bowl Area. The Sprogge 1-74 claims were staked during 1996 just prior to Hemlo's merger with Battle Mountain Gold Ltd; the resultant company retained the latter name.

In 1997, Viceroy entered into an option agreement with Battle Mountain Gold regarding both properties, and staked the Sprogge 75 - 158 claims and Snow 26 - 101 claims consolidating the properties into a contiguous claim block. In 1998, the Sprogge 159 – 202 claims were staked to provide an access corridor from the main block of claims to the Nahanni Range Road (Yukon Highway 10). After expending in excess of C\$500,000 on the property by the end of 1998 Viceroy earned a 60 percent interest in the property.

Table 1: Status of Sprogge Project claims after 1999 filing

Claim Name	Grant Number	No. of Units	New Expiry Date
JUSTIN 001-004	YB59913-916	4	24-Oct-2009
JUSTIN 005-025	YB70809-829	21	24-Oct-2009
SPROGGE 001, 002, 005, 007-010	YB85182, 183, 186, 188-191	7	24-Oct-2009
SPROGGE 003, 004, 006	YB85184, 185, 187	3	24-Oct-2010
SPROGGE 011-054	YB85338-381	44	24-Oct-2009
SPROGGE 055-074	YB85781-800	20	24-Oct-2009
SPROGGE 075-080, 082, 099-158	YB90875-880, 882, 90899-958	67	24-Oct-2002
SPROGGE 081, 083-098	YB90881, 883-898	17	24-Oct-2003
SNOW 026, 029-040, 053, 055-058, 067	YB90799, 802-813, 826, 828-831, 840	19	24-Oct-2002
SNOW 090-092, 094, 096, 098, 100	YB90863-865, 867, 869, 871, 873	7	24-Oct-2002
SNOW 027, 028, 041-052, 054, 059-066	YB90800, 801, 814-825, 827, 832-839	23	24-Oct-2003
SNOW 068-089, 093, 095, 097, 099, 101	YB90841-862, 866, 868, 870, 872, 874	27	24-Oct-2003
SPROGGE 159-202	YB91350-393	44	24-Oct-2003
		303	

In 1999, NovaGold Resources Inc. acquired 100% interest in the property. NovaGold completed an exploration program in 1999 to compile all of the previous surface work and to develop an exploration strategy to advance the property. Sampling and prospecting was focused on the most prospective areas of the property to determine the style and intensity of alteration and the potential extent of the mineralization. Soil and rock sampling confirmed the results from previous sampling, as well as, defined some new areas for future follow-up. In 1999, NovaGold completed a total of approximately \$75,000 dollars in direct exploration expenditures on the property.

Table 1 lists detailed claim status, including assessment status and expiry dates.

1.6 1999 Work Program

The 1999 field program by NovaGold Resources Inc. consisted of prospecting, rock sampling, and geological mapping and interpretation of the Sugar Bowl area of the Sprogge claims, as well as of the Main Skarn and Confluence Zone areas within the Justin Claims. A total of 38 rock samples were obtained. All applicable work was performed by NovaGold Personnel Rick Van Nieuwenhuysse, President; Greg Johnson, Regional Exploration Manager, and Carl Schulze, Project Manager.

Helicopter services were provided by Fireweed Helicopters of Whitehorse, Yukon.

1.6.1 Sample Preparation and Assay Procedure

All 1995 – 1998 samples were sent to Chemex Labs in North Vancouver. Soil sample preparation involved screening of a 100 gram sub-sample of -80 mesh material. Rock sample preparation consisted of crushing the sample to > 70% -10 mesh, followed by gold fire assaying of a 30 gram subsumable and 32-element ICP analysis of a 10 gram subsumable. ICP analysis was done using a standard aqua regia digestion of all elements except mercury. Samples taken in 1999 were sent to NAL Laboratories of Whitehorse for gold fire assay analysis, then sent to IPL Laboratories in Vancouver for 30-element ICP analysis.

All rock, soil and silt sampling was quantifiably recorded in the field to ensure a high degree of quality control, and entered into standardized spreadsheet programs. Criteria for each sample included: sample type, width of chip sampling, lithology, alteration and mineralization, and "UTM" location.

CHAPTER 2: GEOLOGY

2.1 Regional Geology

The Sprogge Project lies within the Selwyn Mountains and is underlain by a thick sequence of Selwyn Basin stratigraphy comprised primarily of shallow marine shelf to off-shelf sedimentary rock derived from the ancient North American Platform (Figure 3). The project area occurs near the eastern limit of the Tombstone-Tungsten Plutonic Suite, consisting of Late Cretaceous quartz monzonitic stocks and plutons extending from central Alaska to just east of the Yukon – Northwest Territories border. Several Tombstone Suite stocks occur in the area, and control much of the region's mineral emplacement, including the Cantung tungsten skarn 30 km. to the north.

The Sprogge Project area is underlain by Late Precambrian Hyland Group coarse clastic "grits", phyllite, calcareous phyllite and lesser limestone. This represents a shallow marine depositional environment, with coarse clastic members possibly representing deltaic or submarine channel emplacement. The Hyland Group package is separated from a broad unit of Cambro-Ordovician Rabbitkettle Formation thin to medium bedded limestone to the north by a pronounced northwest trending transcurrent fault.

The Sprogge project occurs in the area where the Selwyn Basin stratigraphy and the NW-SE-trending structural fabric begin to curve to the south. Emplacement of the Tombstone-Tungsten Plutonic Suite postdated regional faulting. Major linear fault-controlled drainages, primarily the Hyland and Little Hyland Rivers, indicate major north-south trending linears.

2.2 Property Geology

The Sprogge Project covers a broad package of Hyland Group, Yusezyu Formation sedimentary rocks, with extreme eastern areas underlain by Rabbitkettle Formation limestone (Figure 4, Table 2). Seven members of the Yusezyu Formation have been identified, including three of quartz-pebble-conglomeratic grits and sandstone occurring as thick units across the property. The uppermost member consists of a thick sequence of interbedded sandstone to siltstone, calcareous sandstone, shale and limestone underlying most of the Justin – Snow area. Strata on either side of the fault separating Hyland Group and Rabbitkettle Formation sediments has undergone intense structural deformation. Several NNW trending structurally controlled Tombstone Suite quartz-monzonite to quartz-biotite-monzonite dikes have intruded the sedimentary rocks, most notably in the Justin area.

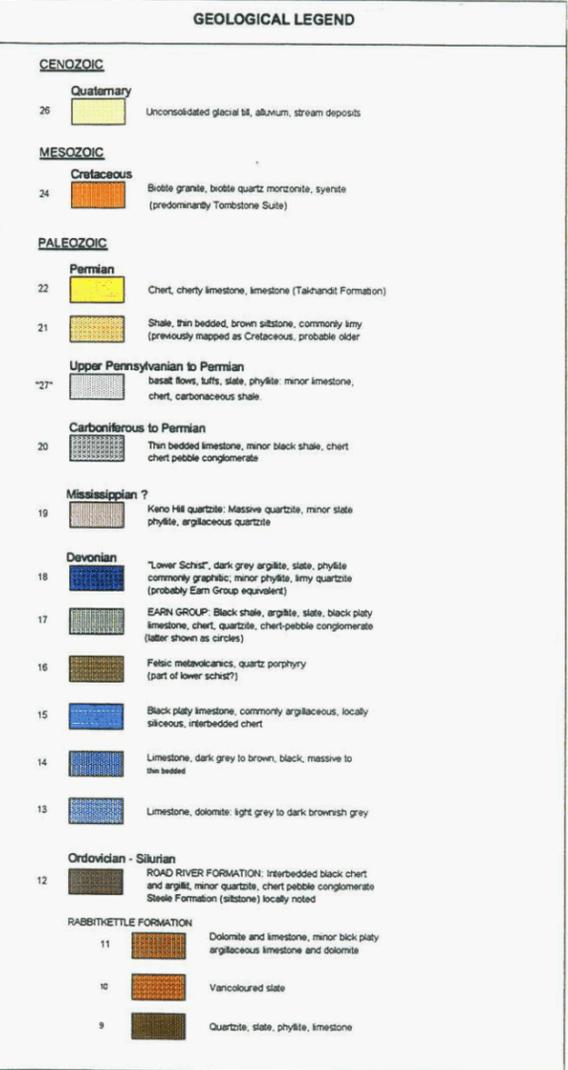
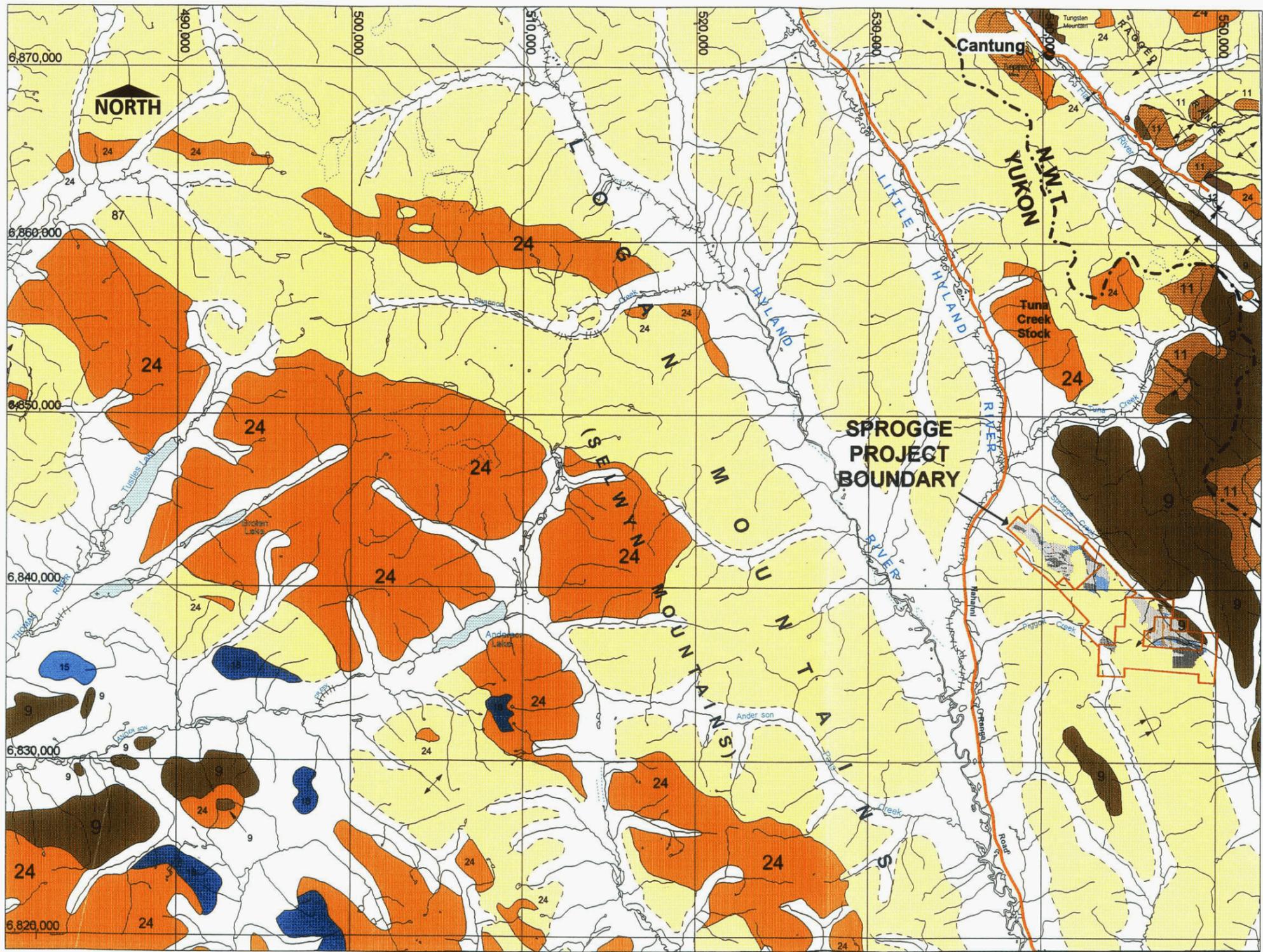
Northeast trending and east-west trending structural fabrics have resulted in a high degree of structural preparation across the property. The sedimentary rocks are broadly folded along a district-scale antiformal structure with the axis extending roughly along Dayo Creek south of the Sugar Bowl. A major NNW trending lineament in the central area bisects the property; structural mapping to the southeast in the Justin Area suggests multiple NW – SE trending antiformal structures.

Alteration is widespread across the property, and is pronounced in the Sugar Bowl and Justin areas. Pervasive argillic alteration of feldspar to clay minerals has occurred within the coarse clastic members, along with oxidation of fine sulfides resulting in strong limonitic staining. Silicification is pronounced along high angle quartz-arsenopyrite vein and breccia zones, and occurs sporadically elsewhere, resulting in localized near-chalcedonic textures. "Liesegang Banding" occurs in numerous locations within coarse clastics in the Sugar Bowl area. Stratigraphically controlled copper-gold skarn alteration and mineralization is abundant in the Justin Zone and Kangas Zone areas.

TABLE 2: SPROGGE PROJECT STRATIGRAPHIC COLUMN

(Modified after Gordey and Andersen, 1993)

Age	Group	Formation (Lithology)	Geology Map Designation	Description
Mid-Late Cretaceous (95-89Ma)	Tombstone-Tungsten Plutonic Suite	Diorite through Granite (Most commonly Quartz-Monzonite)	Kqm, Kg, Kdr	Felsic to intermediate, dioritic to granitic intrusives, most commonly monzonitic, quartz monzonitic to quartz dioritic. Frequently quartz-feldspar to feldspar porphyritic within upper emplacement levels and dykes. Tungsten Suite along Yukon - NWT border is now believed to be part of Tombstone Suite.
Cambrian - Early Ordovician		Rabbitkettle Formation	Cor	Buff - tan weathering, thin - medium bedded limestone, lesser slate, quartzite, phyllite, limestone, local basalt flows, tuffs, breccias.
Late Precambrian to Early Cambrian	Hyland Group	Narchilla Formation	Can (PrCh)	Maroon, brown, black to green thin bedded argillite, phyllite, siltstone. Lesser light brown weathering "grit" and sandstone. Minor limestone to sandy limestone.
Late Precambrian to Early Cambrian	Hyland Group	Yusezyu Formation	Py (PrCh)	Variably calcareous siltstone, sandstone, conglomerate, locally calcareous "grits". Also, abundant members comprised of phyllite, argillite, shale, lesser limestone.



NovaGold

NOVAGOLD RESOURCES INC.

SPROGGE PROJECT, YUKON
REGIONAL GEOLOGY MAP



NTS 105 H/9	DATE: 18-Apr-00	
Zone 9	SCALE: 1:250,000	FIGURE NO: 3

CHAPTER 3: MINERALIZATION

3.1 Introduction

Four major mineralized areas have been delineated: the Sugar Bowl Area, itself comprised of several zones; the Dayo Zone to the northwest; the Justin Zone, also comprised of several sub-zones nine kilometers to the southeast; and the Kangas Zone just to the north of the Justin Zone. Several settings of mineralization have been recognized, including retrograde skarn assemblages and chalcedonic veining and stockwork in the Justin Zone, and quartz-arsenopyrite vein and stringer mineralization and fine, fracture controlled oxidized sulfides in the Sugar Bowl area. The styles of these settings are controlled by local structural and lithological controls.

3.2 Characteristics of Mineralized Zones

3.2.1 Sugar Bowl Area

The Sugar Bowl area is expressed topographically as a NW trending ridge and a broad north-facing valley. The ridge is largely comprised of a thick package of NNW trending altered and limonitic coarse clastic sedimentary rocks within a major antiformal structure. The Sugar Bowl area has a highly anomalous gold and associated pathfinder element geochemical signature measuring 2400 by 1200 meters. Within this, a 1,200 by 600 meter core area averages more than 200 ppb Au in soils with values as high as 10.3 g/t Au in soils associated with the altered coarse clastic sediments. The highest gold values occur at lower elevations along both flanks of the ridge, with sharp increases of grade at discreet elevations along the south flank.

The coarse clastic sediments, primarily quartz-pebble conglomeratic grits, also host abundant high-grade quartz-arsenopyrite veining and brecciated structural zones that often exceed 20 g/t Au in rock sampling. A value of 6.79 g/t Au was obtained in 1999 from a grab sample of silicified vuggy sedimentary breccia along the northern flank of the Sugar Bowl ridge. Abundant fine NNE trending fracture controlled strongly limonitic mineralization occurs throughout the area. A value of 1.09 g/t Au over 4.0 m was returned from non-veined material hosting similar limonitic fissures near the base of the north flank.

A zone of abundant brittle fracture-controlled quartz-arsenopyrite vein and gouge material within altered, limonitic phyllite and Liesegang banding occurs in the northern most part of the Sugar Bowl Zone. Early rock chip sampling returned a value of 6.9 g/t Au over 12.0 meters. Sampling of the interstitial phyllite, avoiding siliceous material, returned values of 0.63 g/t Au from brecciated host rock with traces of scorodite. Sampling of vein material only returned values to 25.4 g/t Au. Sampling of vein and silicified host rock further west returned additional values up to 26.5 g/t Au over 1.5 meters. Grab sampling of abundant arsenical quartz vein float elsewhere in this part of the Sugar Bowl returned values to 34.8 g/t Au.

To the northeast of the central ridge, abundant quartz-arsenopyrite structures returned multi-gram values from rock chip sampling, with composite grab samples returning values as high as 15.0 g/t Au. Strongly altered limonitic dikes and altered coarse clastic and phyllitic members occur in this area. South of this area, along the south flank of the ridge, values to 9.55 g/t Au over 4.0 meters from quartz-arsenopyrite veining and associated wall rock were returned, with composite grab samples returning up to 11.6 g/t Au. Abundant arsenical mineralization returning multi-gram gold values, occurs outside of the major zones across the entire area.

3.2.2 Dayo Zone

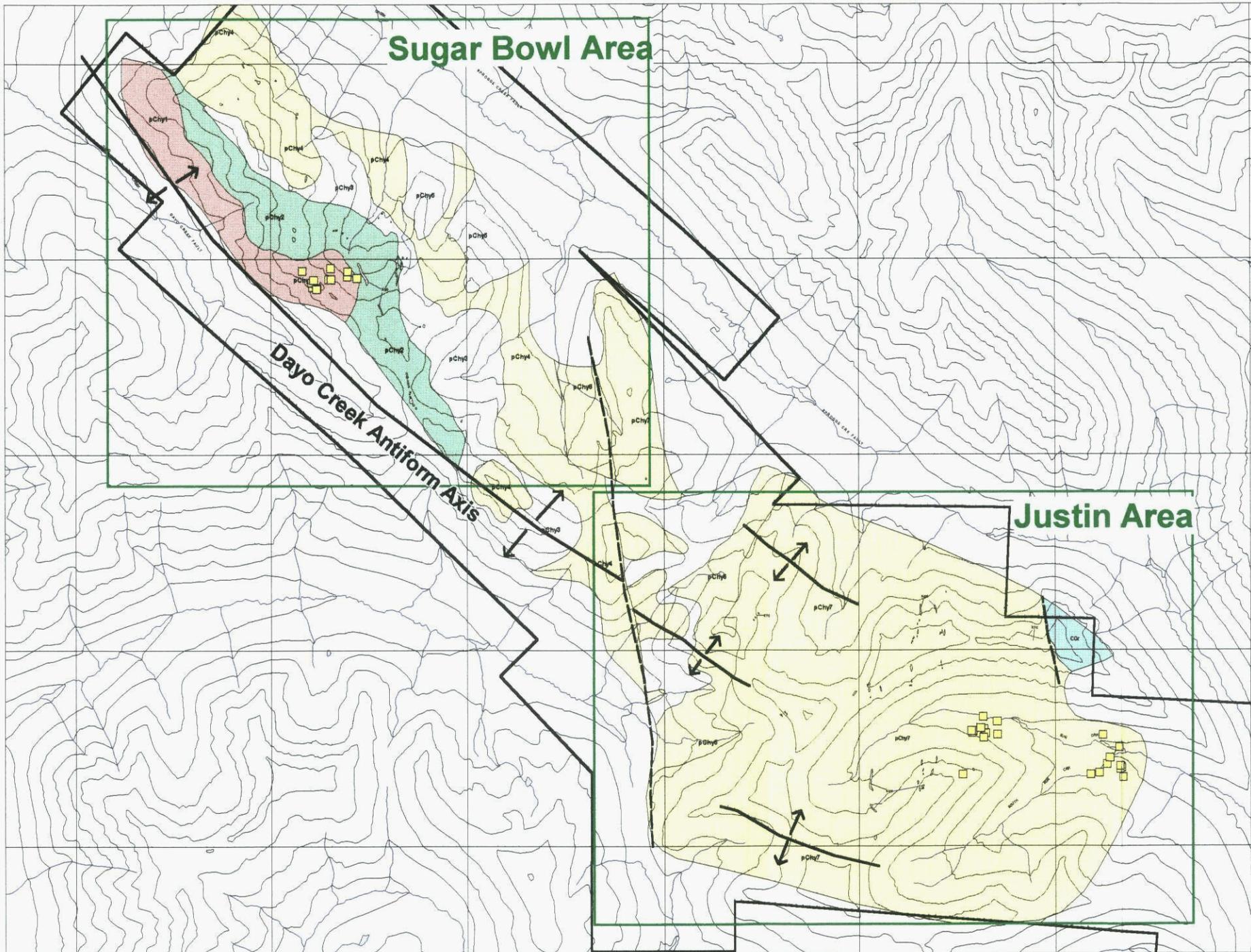
The Dayo Zone, located two kilometers northwest of the Sugar Bowl area, was discovered in 1998 through systematic, wide-spaced soil sampling. This 800 by 200 meter anomaly hosts values to 500 ppb Au, averaging just under 100 ppb Au. This is associated with limonitic, altered coarse clastic sediments, possibly the north-west extension of the Sugar Bowl Ridge Zone, and is open to the west and north. Limited rock chip sampling returned anomalous geochemical values. Follow-up sampling is required to further define the extent of the Dayo Zone anomaly.

3.2.3 Justin Zone

The Justin Zone hosts the original discovery area referred to as the "Main Skarn". Here, stratigraphically controlled copper-gold skarn mineralization with minor arsenopyrite occurs along a stream cut at the base of the south flank of a prominent east-west trending ridge. In 1988, a diamond drilling program of four holes totalling 389 meters, targeted this zone of stratigraphically controlled copper-gold mineralization and returned values to 1.0% copper and 1 g/t Au. Recent exploration revealed that the skarn mineralization extends along the east margin of a NNW trending dike, beyond the extent of the earlier drilling. Chip sampling across this zone returned values to 2.38 g/t Au over 22.5 meters, with values to 5.1 g/t Au from dike material. Additional sampling in 1999 by NovaGold returned values to 4.0 g/t Au from strongly pyritic sedimentary rock.

Although the Justin Zone area is poorly exposed, with abundant glacial cover, geochemical exploration has identified a broad, variably anomalous 1600m by 500m gold, bismuth, antimony, and arsenic anomaly from rock and soil sampling. The eastern portion of this consists of weakly pyritic, silicified and argillically altered quartz-pebble conglomerate with abundant chalcedonic veining across an area of 600 by 500 meters. Quartz-arsenopyrite vein and vein breccia zones are common, and rock sampling has returned anomalous values across the entire area. In 1999 NovaGold discovered a new area of strongly mineralized arsenical breccia and chalcedonic veining. The area is poorly exposed; however anomalous values to 2.00 g/t were returned from fairly abundant rubblecrop.

Trench sampling across moderately chalcedonic coarse clastic sediments in the south-eastern part of the Justin Zone returned a value of 4.24 g/t Au over 4.5 meters, open to the west. These high values were somewhat surprising due to the relatively subtle alteration of the host rocks. Additional re-sampling of this trench in 1999 returned a value of 5.1 g/t Au over 2.0 meters.



LEGEND

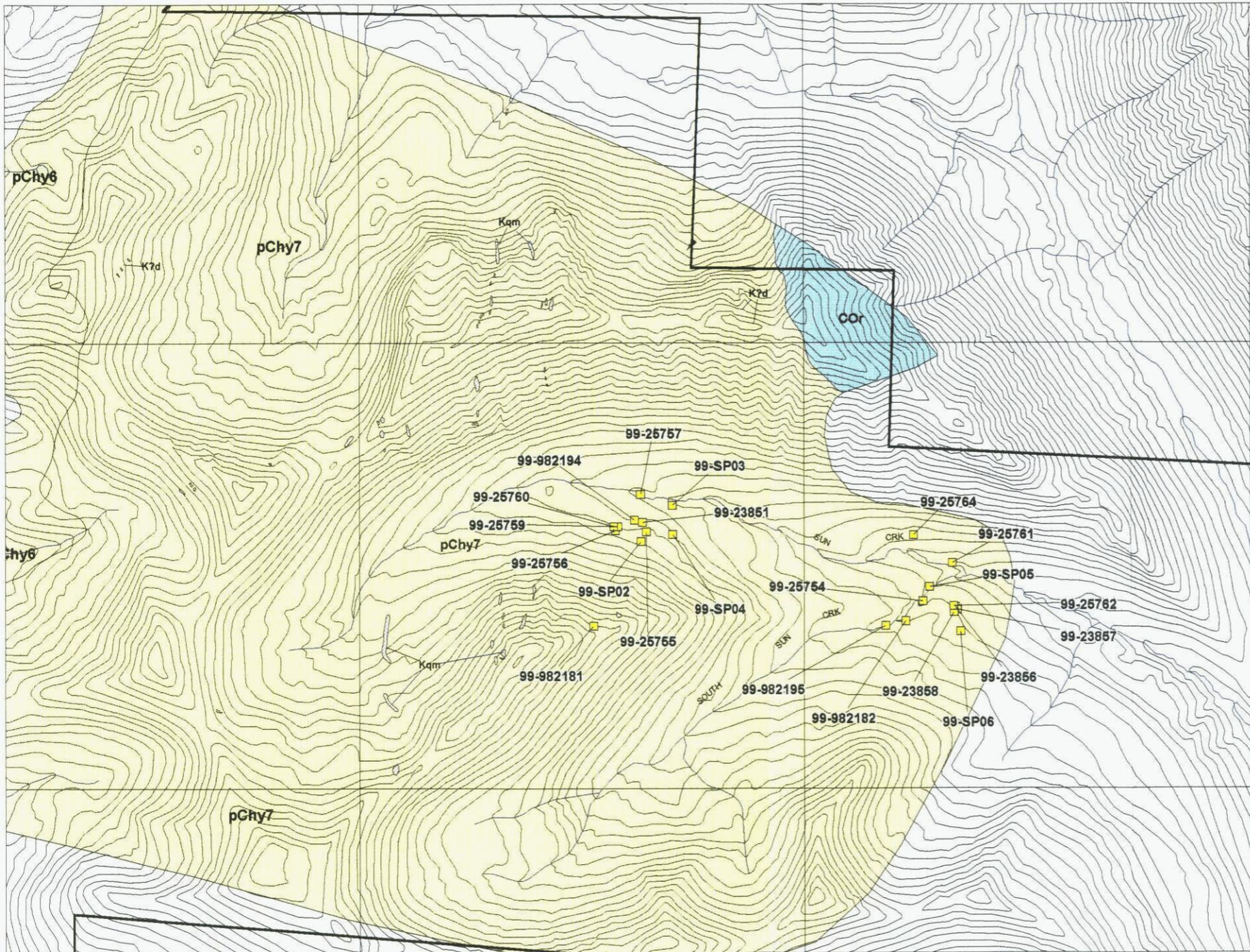
- K7d Mafic Dike
- Kqm Quartz monzonite and biotite quartz monzonite
- COr Rabbitkettle Limestone
- pChy** Hyland Group, Yusezyu Formation
- pChy7 Fine to med. interbedded shale, sandstone argillite and siltstone; Calcareous with limestone interbeds in western exposures
- pChy6 Quartz pebble conglomerate
- pChy5 Black limestone
- pChy4 Sandstone, conglomerate with minor shale, siltstone
- pChy3 Interbedded sandstone, calcareous siltstone limestone and calcareous phyllite
- pChy2 Interbedded shale (phyllite), sandstone and conglomerate; minor calcareous shale
- pChy1 Quartz-feldspar pebble conglomerate and sandstone with siltstone, shale interbeds

NovaGold Resources Inc.
Sprogge Property Geology
and 1999 Sample Locations



2 Kilometers





LEGEND

- K7d Mafic Dike
- Kqm Quartz monzonite and biotite quartz monzonite
- COr Rabbitkettle Limestone
- pChy Hyland Group, Yusezyu Formation
- Fine to med. interbedded shale, sandstone argillite and siltstone; Calcareous with limestone interbeds in western exposures
- pChy6 Quartz pebble conglomerate
- pChy5 Black limestone
- pChy4 Sandstone, conglomerate with minor shale, siltstone
- pChy3 Interbedded sandstone, calcareous siltstone limestone and calcareous phyllite
- pChy2 Interbedded shale (phyllite), sandstone and conglomerate; minor calcareous shale
- pChy1 Quartz-feldspar pebble conglomerate and sandstone with siltstone, shale interbeds

NovaGold Resources Inc.

**Sprogge Property
Justin Area Detail
Sample Locations**



1 Kilometer

3.2.4 Kangas Zone

The Kangas Zone, located about 0.5 kilometers north of the Justin Zone, consists of areas of stratigraphically controlled copper-gold skarn and replacement-style mineralization within calcareous siltstone and minor limestone. Replacement-style arsenopyrite, returning values to 1.6 g/t Au over 1.5 meters, is common, as are auriferous quartz-arsenopyrite veins. An anomalous gold-bismuth-antimony-arsenic geochemical signature determined from rock and soil sampling, measuring 1200 meters by 400 meters, extends westward from the skarn zone. Sampling in 1998 returned values to 1.38 g/t Au over 3.5 meters, open to the east; grab sampling returned values to 3.46 g/t Au. Sampling of coarse clastic sediments and dike material to the west of the skarn also returned anomalous values.

CHAPTER 4: CONCLUSION

The Sprogge Project lies within the Selwyn Mountains and is underlain by a thick sequence of Selwyn Basin stratigraphy comprised primarily of shallow marine shelf to off-shelf sedimentary rock derived from the ancient North American Platform. The project area occurs near the eastern limit of the Tombstone-Tungsten Plutonic Suite, consisting of Late Cretaceous quartz monzonitic stocks and plutons extending from central Alaska to just east of the Yukon – Northwest Territories border. Several Tombstone Suite stocks occur in the area, and control much of the region's mineral emplacement, including the Cantung tungsten skarn 30 km. to the north.

The Sprogge Project area is underlain by Late Precambrian Hyland Group coarse clastic "grits", phyllite, calcareous phyllite and lesser limestone. This represents a shallow marine depositional environment, with coarse clastic members possibly representing deltaic or submarine channel emplacement. The Hyland Group package is separated from a broad unit of Cambro-Ordovician Rabbitkettle Formation thin to medium bedded limestone to the north by a pronounced northwest trending transcurrent fault.

Four major geochemical anomalies have been identified from surface exploration: the Sugar Bowl, Dayo, Justin and Kangas Zones. The Sugar Bowl Zone hosts several styles of significant gold mineralization within a broad antiformal structure, hosted within a package of altered, limonitic coarse clastic sediments. A 2,400 by 1,200 meter geochemical anomaly extends across this zone, with rock values to 26.5 g/t Au over 1.5 meters and soil values to 10.3 g/t Au. The Dayo Zone to the northwest occurs along this same antiformal structure and consists of an 800 by 200 meter geochemical anomaly with soil values exceeding 500 ppb Au associated with a similar thick coarse clastic sedimentary units.

The Justin Zone and Kangas zones hosts both stratigraphically controlled gold-copper skarn mineralization and chalcedonic and breccia veining. Trench sample results of 2.38 g/t Au over 22.5 m and 4.24 g/t Au over 4.5 meters were respectively returned from these areas. A 1,600 by 500 meter gold, bismuth, antimony, and arsenic anomaly extends across the Justin anomaly. The Kangas Zone, just to the north, contains dike, coarse clastic sediment and stratigraphically controlled skarn mineralization.

The 1999 exploration program returned encouraging results from the Sugar Bowl and Justin Zone areas. A value of 6.79 g/t Au was obtained from a grab sample of silicified vuggy sedimentary breccia along the northern flank of the Sugar Bowl ridge, indicating a previously unrecognised auriferous mineralized setting. Re-sampling of the Main Skarn returned values to 4.0 gpt Au, repeating earlier encouraging values. Samples obtained from a trench yielding a value of 4.24 gpt Au/ 4.5 metres from earlier sampling returned values to 5.1 gpt Au/ 2.0 metres, repeating previous values. These high values were somewhat surprising due to the relatively subtle alteration of the host rocks.

With the exception of the Main Skarn, no significant mineralization was recognized prior to the first exploration programs conducted by Hemlo Gold mines in 1995. Results of surface geological and geochemical exploration to date strongly suggest that the Sprogge property has excellent potential to host multi-million ounce gold deposits at several locations along a WNW extending mineralized trend.

CHAPTER 5: RECOMMENDATIONS

The 2000 exploration program will consist of an early phase of detailed surface exploration aimed at delineation of drill targets for testing later in the 2000 field season. This program shall include detailed geological mapping, prospecting over the Sugar Bowl, Dayo, Justin and Kangas priority target areas.

Based on the results of the detailed surface exploration, final drill targets would be prioritized through integration of the detailed geologic and structural mapping, and surface geochemistry. Based on available funding, the highest-priority drill targets could be tested by drilling a fence of 5-8 NQ core drill holes totalling ~1000 m (3000 ft) across the highest-priority targets.

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STATEMENT OF QUALIFICATIONS

I, Carl Schulze, of the City of Whitehorse, Yukon Territory, Canada, do hereby certify that:

- 1) I held the position of Project Manager with NovaGold Resources Inc. during the 1999 exploration and remain as agent for NovaGold through Wolf Star Resources.
- 2) I graduated from Lakehead University with a Bachelor of Science Degree in Geology in 1984.
- 3) I have been continually active in mineral exploration since 1984.
- 4) I supervised the exploration program and performed part of the work described in this report.
- 5) I am the immediate past- president of the Yukon Chamber of Mines and a member of the Yukon Prospectors' Association.



Carl M. Schulze
Consulting Geologist
Wolf Star Resources

APPENDIX 1**APPLICABLE EXPENDITURES FOR ASSESSMENT CREDITS**

Srogge Property Expenditures	
Description	Expenditure
Labour	\$ 4,020
Helicopter	1,460
Geochemical Analyses	722
Pre-project Preparation	206
Report Writing, Map Prod.	842
Total	\$7,300

APPENDIX 2: ROCK SAMPLE GEOCHEMICAL RESULTS

2a) ROCK SAMPLE DESCRIPTION SHEET

Sample No.	Eastng	Northing	Traverse	Zone	Sample Type	Width (m)	Sample Descr.	Form.	Lithology	Modifier	Colour	Carb. Presence	Silidification	Argillie Ait.	Potassic Ait.	Phyllie Ait.	Limonite	Mineral #1	Amount %	Mineral #2	Amt %	Other Mineral	Amt %	Date	Sampler	Comments
23851	547269	6837195	Justin	9	C	2	Oe	PrCh	sh	laminated	buff	Cl					wk	Py	2				23/8/99	RVN	Dolomized siltstone, 2 stages of Py.	
23852	540424	6841710	Spragge	9	C	0.5	Oe	PrCh	sh	brecc	grn			A2			mod	As (?)	tr				23/8/99	RVN	5m wide fault zone adj. to sill breccia	
23853	540589	6841792	Ridge	9	C	5	Oe	PrCh	fractured	tan							mod						23/8/99	RVN	Strong N10 degree E limonite fractures	
23854	540610	6841792	Ridge	9	SG		Ta	PrCh	QPC	gouge	brn												23/8/99	RVN	Fines directly below cliff at 23853	
23855	540777	6841821	Ridge	9	G		Ta	PrCh	QPC	brecc	tan		S2			Ph3							23/8/99	RVN	Sericite/illite replacing breccia clasts	
23856	548671	6836814		9	G		Float	PrCh	sh?	brecc	dk gry							Py	5				23/8/99	RVN	Angular frags of qz, f.sp. intrus(?) sh	
23857	548684	6836801	Confl	9	G		Re	PrCh	sh?	skarn								Py	20-30	Cpy	2		23/8/99	RVN	Gosseneous diopside skarn	
23858	548668	6836790	Confl	9	G		Float	PrCh		brecc	dk gry		S1	A2			wk	Py	5	As	1		23/8/99	RVN	Hydrothermal breccia, sel. arg. alt.	
25754	548528	6836838	Confl	9	CG		Oe	PrCh	QPC	vein	gry		S3	A1			wk	As	10	Py	5		4/9/99	C.S.	Qz-As vein in fault near 16 gpt sample	
25755	547287	6837152	Justin	9	CG		Re	PrCh	Vein	brecc	wh						str	As	3	Py	8	Cpy	2	6/9/99	C.S.	Ahnt. vein float W. of Main Skarn
25756	547147	6837157	Justin	9	CG		Oe	PrCh	Vein	fol	wh						mod	Py	15	Cpy	2		6/9/99	C.S.	Qz-sulphide vein in fault zone	
25757	547260	6837320	Main Sk	9	G		Oe	PrCh	Phy	Vein?			S3					Py	high	As	high		6/9/99	C.S.	GOLDFIELDS: 1 cm "vein" in Py/As seds. Not skarn	
25758			Justin	9	G		Float	Kgm/PrCh	QPCor/Phy	Phy brwk													6/9/99	C.S.	GOLDFIELDS: Min phy + intr. phy brwk	
25759	547158	6837175	Justin	9	G		Oe	PrCh	Vein	band	tan						mod						6/9/99	C.S.	GOLDFIELDS: 10-15 cm wide polymetallic Qz vn	
25760	547140	6837175	Main Sk	9	G		Oe	PrCh	Vein	Qz-As	grey							As	high				6/9/99	C.S.	GOLDFIELDS: Qz-As "vein" mass	
25761	548659	6837010	Justin	9	G		Oe	PrCh	QPC	stwk	buff		S3				str	Py	mod	As	wk		6/9/99	C.S.	GOLDFIELDS: Qz +/- Py, Assy stwk in grit	
25762	548666	6836818	Confl	9	C	2	Tr	PrCh	QPC	vned	buff		S2	A1			tr						6/9/99	C.S.	GOLDFIELDS: Re-sample of 5.6 gpt sample	
25763	540416	6841760	Ridge	9	CG		Oe	PrCh	QPC	brecc	lt grn		S3	A1				Py	mod	As	wk?		6/9/99	C.S.	GOLDFIELDS: Sil. flood grits, N. margin, Ridge Zone	
25764	548485	6837135	Confl	9	G		Talus	PrCh	Phy	brecc	blk		S2				wk	Py	weak				6/9/99	C.S.	GOLDFIELDS: Brecc. bldr, black f. gr. sil matrix	
25864	540465	6841702	Ridge	9	CG		Ta	PrCh	QPC	gouge	brn		S2	A2			str						23/8/99	C.S.	Limonite gouge al. N-S fractures	
25865	540463	6841693	Ridge	9	G		Oe	PrCh	QPC	brecc	buff		S3	A1				Py	tr				23/8/99	C.S.	Chalcedonic qz. stocwork.	
25866	540604	6841907		9	G		Ta	PrCh	QPC?	brecc	dk gry		S3	A2			tr	Py	10				23/8/99	C.S.	F. Cr. Py, strong Py breccia	
25867	540780	6841873	Ridge	9	C	0.25	Oe	PrCh	QPC	gouge	brn		S2	A1				Py	tr				23/8/99	C.S.	Strong limonite after sulphides	
982181	547050	6836730	Main Sk	9	C	1	Oe	PrCh	Arg.				S3				mod	Py	2	As	1		4/9/99	D.M.	PLACER DOME: sulphide-rich argillite	
982182	548450	6836750	Confl	9	C	1	Tr	PrCh	QPC	stwk	buff		S2				tr	Py	tr	As	tr		4/9/99	D.M.	PLACER DOME: Tr with org. assay of 7.1 gpt Au	
982184	547234	6837204	Justin	9	C	2	Float	PrCh	QPC	vned			S1										4/9/99	D.M.	PLACER DOME: Large boulder in ch; 8 qz stwk	
982195	548360	6836730	Confl	9	C	2	Tr	PrCh	QPC	stwk	buff		S2	A1				Py	<0.5%				4/9/99	H.F.	PLACER DOME: Fresh adherent to 982182	
SP01	547218	6837207	Justin	9	G		Float	Kgm	QPMon	mass	lt. blnd		S2	A2	K1	Ph2	wk	Py	2				4/9/99	C.S.	F. Cr. Py in altered dyke flow	
SP02	547262	6837108	Justin	9	G		Float	PrCh	Phy	calcereous	lt. blk	Cl	S2				mod	Py	3				4/9/99	C.S.	Calc. phg. f. gr. dissem Pyrite	
SP03	547404	6837271	Main Sk	9	G		Oe	Kgm	QPMon	brecc	tan		S3	A2			str	As	3	Py	5		4/9/99	C.S.	Main Skarn dyke	
SP04	547406	6837139	Main Sk	9	G		Oe	PrCh	Phy?	brecc	tan		S2	A3				Py	15	As	1		4/9/99	C.S.	Qz-Py +/- As in breccia zone near dyke	
SP05	548559	6836904	Confl	9	G		Oe	PrCh	QPC	vein	grsy		S3					As	15	Py	15		4/9/99	C.S.	Same as 25754 sample - Qz-As vein	
SP06	548698	6836704	Confl	9	G		Tr	PrCh	QPC	Vned	buff		S2	A1		Ph1							4/9/99	C.S.	Chalcedonic veins in QPC: 7.1 gpt smn	
SP07	540306	6841963	Meadows	9	G		Re	PrCh	Phy	Qz-As	grn							As	20	Seor	str		4/9/99	C.S.	Qz-As gouge in Meadows zone	
SP08	540318	6841879		9	G		Re	PrCh	Stt	Vned	buff		S1	A2		Ph1	str						4/9/99	C.S.	Veined sandstone, arg. sil alt.	
SP09	540434	6841785		9	G		Oe	PrCh	Phy	brecc	grn		S3	A1			wk	As	10	Seor	mod		4/9/99	C.S.	Arenic veining + alt. in brecc. phy	
SP10	540874	6841805		9	G		Ta	PrCh	QPC	fractured	buff		S2	A3		Ph1	wk	Py	1				4/9/99	C.S.	Qz veins, banded pyrite in QPC	
SP11	547487	6837126	Main Sk	9	G		Oe	PrCh	Phy?	brecc	dk gry		S2	A1				Py	2				6/9/99	C.S.	Breccia zone, Main Skarn, loc. strong Py	

