



BEACON ROCK RESEARCH

JANUARY 17, 2008
RESEARCH NOTE

www.beaconrockresearch.com

Disclosures 1,2,3,4

5956 N.W. 213th, Portland, Oregon 97229

NovaGold Resources Inc. (AMEX, TSX: NG, US\$10.96)

Mike Niehuser, 503-307-3188

mike@beaconrockresearch.com

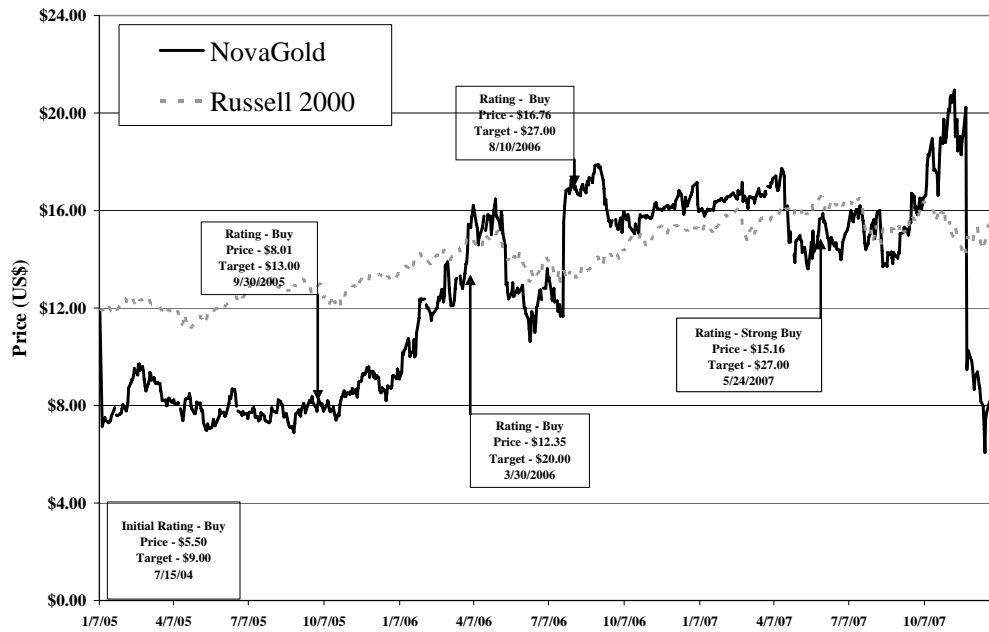
NovaGold and Teck Committed to Advance Galore Creek

NovaGold Resources Inc. (AMEX: NG) and Teck Cominco Ltd. (NYSE: TCK) announced a new management team to move the Galore Creek project through the next phase of optimization and reengineering. We believe that this demonstrates that both companies place value on the opportunity and are aligned in their focus to advance the Galore Creek project as quickly as possible. As this is the first joint announcement on Galore Creek since Thanksgiving weekend, investors were drifting through the end of the 2007 waiting for some sense of direction amidst a period of fierce tax-loss selling. We note that some in the industry had discounted the project completely, which we thought was overdone, especially when considering that Teck was funding an additional \$140 million to complete its earn-in to establish a 50% ownership position.

It is still too early to surmise the extent or areas that the new team will address in order to produce a "modified construction approach and execution plan." We believe that there remains several areas for potential improvement which should be highlighted over the coming year with additional time for study. We are encouraged with the statement from Teck's CEO, however that "clearly both NovaGold and Teck Cominco remain fully committed to unlocking the potential of the Galore Creek resource as rapidly as possible." We are also interested in additional drill results from the 2007 drill program, and further study of the overall waste management plan which may lead to improved pit design or reduction of the tailings facility. In addition, should this require some amendment of permits, the government will likely be brought back to the table, which may potentially lead to some participation with infrastructure or other assistance with project costs. While this additional study will take time, we suspect that banker's long-term price assumptions may creep toward current forward curve price levels, providing some additional lift for their models.

It is important for investors to revisit the Galore Creek project's contribution to value of NovaGold shares. While Galore Creek is being sorted out, we continue to believe the story for NovaGold and the mining industry itself may be Donlin Creek during 2008. We are looking for the compilation of the 2006 and 2007 drill programs into an update and upgrade of the resource. In addition, NovaGold and Barrick Gold Corporation (NYSE: ABX) are scheduled to produce a feasibility study mid-year to offer direction for an optimal approach to power and track for permitting. We suspect that the Donlin Creek project may exceed investor expectations by being less costly, and having a larger resource than investors anticipate.

Investors may not fully appreciate the contribution of Rock Creek reaching full production in 2Q08 and a resource upgrade at its Ambler project. We continue to believe that as scheduled events unfold in 2008, and additional insights are gained on Galore Creek, the fundamental value underlying NovaGold shares will be fully demonstrated.



This Information is obtained for sources believed to be reliable, but its accuracy and completeness are not guaranteed. Copying, faxing, replicating, or quoting from this report without permission is in direct violation of copyright laws. Beacon Rock Research employees and affiliates may have positions and effect transactions in the securities or options of the issuers reported herein. Please refer to the company index in the back of this issue for additional disclosures.

DISCLOSURES:

Beacon Rock Research, LLC provides information and analysis on selected companies, with a focus on small-cap and micro-cap companies.

This report has been written in accordance with current SEC regulations and the Standards of Practice developed by the Chartered Financial Analyst Institute (CFAI). Our research has been conducted by employing analytical practices generally accepted as standard within the analytical industry. In this instance, a comparison of financial strength, a bottom-up earnings projection based on a recovery in the U.S. economy, and relative multiples, were employed. The target price was calculated on comparative EPS, sales and book value multiples, and our knowledge of small-cap markets when enjoying both a sector and a cyclical rebound. Our conclusions are, by the very nature of forecasting, speculative, but are also reasonable, supportable and consistent.

Key to disclosures:

1. The research analyst or a member of the research analyst's household has a financial interest in the securities of the Subject Company in the form of a long position.
2. The Subject Company has paid SLB Equity Research, LLC., one of its affiliates, \$4,000.00 per month for arranging institutional introductions and other awareness building services.
3. The research analyst principally responsible for preparing this research report received compensation based upon various factors, including SLB Equity Research, LLC total revenue.
4. This report was prepared exclusively for the benefit of institutional investors and may or may not receive compensation directly or in soft dollar arrangements.

The analyst, Mike Niehuser, hereby certifies that the research conclusions and recommendation contained herein accurately reflects his personal views about the industry, company and shares and also hereby certifies that no part of his research compensation was or will be directly or indirectly related to the earnings estimates, target price or recommendation about the security.

The research provided herein should not be considered a complete analysis of every material fact regarding the companies, industries or securities named above. The opinions expressed herein reflect the analysis and judgment of the author on the date of publication and are subject to change without notice. Facts have been obtained from sources considered reliable but should not be construed as complete and are not guaranteed to be accurate. Beacon Rock Research, LLC; its members; employees and their families may have positions in the securities covered within the research material above and may make purchases or sales while this report is in circulation. Additional information on the subject companies is available upon request.

EQUITY RECOMMENDATION SYSTEM:

Strong Buy	Immediate purchase is recommended. The security is expected to outperform the market over the next six to 12 months.
Buy	Immediate purchase is recommended. The security is expected to outperform the market over the next 12 to 18 months.
Hold	Holding the stock is recommended because the share price's appreciation potential is less than or equal to the market.
Sell	The stock has reached the target price objective and/or conditions have changed sufficiently to alter the outlook for the stock.

EQUITY RISK SYSTEM:

High	The security is more volatile than the market and/or the company is more leveraged than its peer group.
Moderate	The security has about the same volatility as the market and/or the company carries a level of leverage in line with its peer group.
Low	The security is less volatile than the market and/or the company is less leveraged than its peer group.

DISTRIBUTION OF RECOMMENDATIONS:

At this time, there are an insufficient number of companies under coverage to generate usable distribution information or draw any conclusions regarding bias about the research methodology. Prospective companies are screened and evaluated by sales personal and research analysts with the investment thesis and overall research recommendation developed before the commission is established.