

**Access:** The State of Alaska spent \$7.3 million on a 3 mile Glacier Creek Road bypass which improved access from Nome to Rock Creek and other Nome District Mining areas. Funding for the project came from Former Governor Murkowski's Roads to Resources Program. The road opened in late July 2006 and provides access to the mine site. The road upgrade benefits Rock Creek and support mineral exploration in the area. NovaGold was contracted to provide the gravel for the project.

**Mine Power:** Nome Utility will supply the Rock Creek facility with power via a new 25 kV power line and diesel fueled power plant.

**Employment:** NovaGold will employ 135 employees when the mine achieves full production. It is estimated an additional 208 mine support jobs will be created in Nome to fulfill mine needs. \$13.6 million in wages is expected to be paid out every year to mine employees. Regional unemployment is an incredibly high 17% and the mine is offering year round employment and drawing on the goods and services of Nome, providing additional economic security to the area.

## Northern Alaska Environmental Center



830 College Road  
Fairbanks AK 99701  
(907) 452-5021  
[www.northern.org](http://www.northern.org)

*The Northern Alaska  
Environmental Center  
promotes conservation of the  
environment in Interior and  
Arctic Alaska through  
advocacy, education, and  
sustainable resource  
stewardship.*

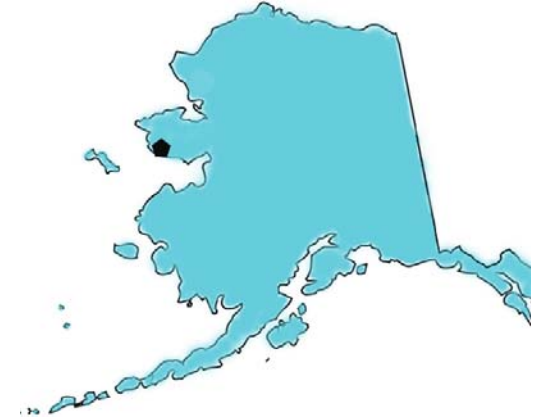
We always welcome  
new members and  
volunteers!



Northern Alaska  
Environmental Center

Rock Creek, Big Hurrah,  
Nome Gold Placer Mines

Updated August 2007



**Mine(s):** Rock Creek, Big Hurrah, and Nome Gold

**Owner/Operator:** Alaska Gold Company, a wholly owned subsidiary of NovaGold based in Vancouver B.C. has three projects located near the town of Nome, Alaska: Rock Creek, Big Hurrah and Nome Gold. NovaGold acquired Rock Creek along with 14000 acres of patented land in and around Nome in its 1999 purchase of Alaska Gold Company. Approximately 66% of the Rock Creek site land is owned by the Bering Straits Native Corporation.

**Location:** Rock Creek is 7 miles north of Nome, Alaska on the Seward Peninsula. Big Hurrah is 45 miles east of Nome. Nome Gold is within Nome city limits.

**Minerals:** Gold, sand, gravel.

**Rock Creek Current Status:** Mill facilities are under construction. Expect first gold pour in 3<sup>rd</sup> quarter 2007 and full commercial production by year end.

Construction began in August of 2006 and continued until mid-November when a group of Nome residents, the Bering Strait Citizens for Responsible Resource Development (BSC for RRD), challenged the U.S. Army Corps of Engineers' issuance of a wetlands permit for the project. The lawsuit did not name the Alaska Gold Co. or NovaGold but the Corps suspended the permit pending a review. The Army Corps of Engineers re-issued the permit in March after a "finding of no significant impact" in an environmental assessment for the project.

During the permit stay Alaska Gold was allowed to continue construction in areas already disturbed and to quote the NovaGold website: "Work continued throughout the winter in previously disturbed areas and delays to the project were minimal."

**Exploration of Big Hurrah:** Land and mineral rights are 100% owned by Nova Gold. Big Hurrah is a smaller but higher-grade satellite deposit located 40 miles east of Nome off the Nome-Council road. Ore from Big Hurrah will be trucked to the Rock Creek mill facility for processing, raising concerns from many residents regarding truck dust contaminating subsistence camps along the road. Alaska Gold Co. is currently target testing to define the initial mineral zone of 100,000 to 200,000 ounces of gold grading between 5 to 10g/t gold.

**Nome Gold Placer Operations:** Nova Gold continues to evaluate restarting gold production at the Nome Gold Project in conjunction with sand and gravel operations. Historically, 4 million ounces of gold has been recovered by Alaska Gold Company. The company is evaluating restoration of two bucket dredges for use in gold recovery. NovaGold also expects continued sales from its Nome sand-and-gravel business, which have consistently supplied \$1–3 million in annual cash flow since 1999.

**Geology:** Approximately 2.75 million tons of ore will be process during the 4 to 5 year mine life at Rock Creek. Nova Gold estimates 100,000 ounces of gold per

annum/ 7,000 tonnes a day costing less than \$300 per ounce based on the Preliminary Economic Study. Three quarters of Rock Creek gold is recoverable using simple gravity methods and when combined with flotation and cyanidation, overall gold recovery goes up to 88%.

As of August 2006, the combined Indicated Resource for the Rock Creek and Big Hurrah deposits totals 670,000 ounces of gold. In addition, an Inferred Resource has been estimated to contain 100,000 ounces of gold. The Rock Creek resource is based on data from 440 core and rotary holes totaling 38,000 meters (124,650 feet). The Big Hurrah resource is based on data from 273 core and rotary holes totaling 16,900 meters (55,450 feet).

**Tragedy and Setbacks:** Two construction workers died at the mine in July of 2007 when the lift they were standing on fell over, dropping them 50 feet to the ground.

NovaGold announced in mid July 2007 it will spend \$40 million more than expected on the Rock Creek mine construction, bringing the total cost of the mine to about \$120 million. Reasons stated for the rise in costs were listed as permitting delays, rising costs, unexpected repairs, replacement of equipment and increased labor costs.(Diana Haecker, Nome Nugget)