



NovaGold Resources Inc.

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Mr. Mike McKinnon
Senior Planner
Alaska State Department of Transportation
3132 Channel Drive, Suite 200
Juneau AK 99801

Fax: (907) 465-4069

Dear Mike;

First of all, I want to commend you on a very well written paper documenting the transportation needs of northwestern Alaska. This is a very mineral rich region of Alaska with many well established resources in zinc, copper, tin, silver and gold already identified. With improved transportation access these identified resources could be developed, and further exploration would certainly result in additional discoveries making resource development a cornerstone of the economy of this region in particular as well as adding to the benefit of the economy statewide.

Before outlining my specific comments I thought a few general comments might be appropriate. I understand that the current draft covers only the Community Transportation Analysis (CTA) and not the Resource Transportation Analysis (RTA). It was not clear to me in reading the draft that there will actually be a second part to the current draft. The current draft certainly discusses both community and resource related issues. I would recommend making it clear that this report only covers the CTA. Furthermore, I find it difficult to separate community needs and priorities from resource development needs and priorities at the level of providing access into and out of the region. It seems inconsistent to me to separate the two in view of developing a sustainable economy. The creation of jobs and a sustainable economy – not one dependent on government subsidies, should be a fundamental message of this report.

Following this theme further – I was dismayed to find that the first recommendation in this report is against an overland route of any kind connecting the region to the existing state highway system along the Dalton Highway. Although this may reflect the attitudes of a few villages, I do not believe it reflects the attitude of most of the residence of the region. In addition, it is totally inconsistent with a long-term plan to develop the mineral wealth of the region and create a sustainable economy. I would also point out that the region is currently heavily subsidized and that development of rail/road access corridors to specific development projects would greatly support the establishment of a sustainable economy. Without it, the region will languish and social problems will only get worse.

Another area of general comment pertains to expanding the commercial shipping port in Nome. There is no question that in order for this region to have a sustainable economy it needs to be

able to bulk ship supplies into and out of a deep water regional port. I believe Nome is the best location for such a facility. This report mentions this, but does not elaborate. I believe that it should be one of the cornerstones of a long term infrastructure development plan. With a deep water port accessible to Panamax size vessels much of the regions mineral wealth could reach markets around the world. Coal, zinc, lead, tin, copper, silver and gold as well as sand and gravel aggregate products could all be produced in the region and shipped through a central year-round port facility in Nome.

Following on the development of a deep water port in Nome, I believe the rail link to access Western Arctic Coal, Red Dog Lead-Zinc-Silver, Ambler Copper-Zinc-Silver-Gold deposits, and the huge sand and gravel aggregate deposits of the Nome Coastal Plain (Steve Borell's rail concept), should still be on the table. Each of these resources is world class in its own right. Combined they represent a means of providing the basis for a sustainable economy for the region. All they require is access to world markets for these commodities. A port and rail system would provide this.

Below are some specific summary comments to the NW AK Transportation Study Draft. The comments have a couple of principal proposals that include: 1) the concept of developing Nome as a Deepwater port for Western Alaska with Road and Rail connection to the Yukon and Northwestern Alaska regions and 2) the idea of more broadly stating the need for transportation infrastructure development in the region to unlock the potential for economic development of promising mineral resource areas. These areas include the Ambler mining district and the Seward Peninsula gold districts. Specific comments include:

- 1) Page 1-25 Recommendation 1: No overland routes from the Dalton Highway into the Western Brooks Range area.

I do not believe that this negative recommendation deserves to be the first recommendation of this report. It is totally inconsistent with the purpose of the report and I believe does not accurately reflect the views of the region. I propose that the first recommendation should be to identify potential routes into the region that fit with the long term objective of developing a sustainable economy for the region. I attach a map that has several possible routes.

- 2) Page 1-25

Recommend the mention of the possibility of development of a Yukon River Rail Connection between Nome and Fairbanks as part of a RTA to facilitate year around transport of materials in support of economic/resource development. Associated with this would be the expansion of the Nome Port Facility to become a full service deep water port.

- 3) Page 1-7 Mineral/Energy Resource Development

Sentence: While currently not practical to develop, in many cases they remain promising prospects for the future.

Recommend: Many promising prospects in the region will require improved infrastructure to develop into mines. Resource Transportation Analysis studies are underway to prioritize the most promising areas for potential transportation improvement.

4) Page 1-7 Mineral/Energy resource Development

Sentence: Large placer mining districts in the Seward Peninsula, while not large scale industrial developments will continue to play an important role in the peninsula's development.

Recommend: First this is an inaccurate statement – Alaska Gold's Nome Gold project has in excess of a 2 million ounce gold resource established and certainly would qualify as a large scale operation (it certainly has been the centerpiece of large scale mining in Nome historically (it was the sole reason for Nome's existence) with several million ounces mined by large scale dredging and open pit methods. Furthermore, we are currently conducting a feasibility study to determine if current gold prices justify re-starting operations, again on a large scale – not a mom and pop operation. We are also looking at expanding our already substantial sand and gravel aggregate production as a co-product to gold mining.

- 5) Page 4-10 include mention of deepwater port expansion to upgrade port to handle bulk material handling ships for the transport of sand and gravel, coal and sulfide metal concentrates or other mineral materials from other parts of the region.
- 6) Page 4-6 Change to: Sand and Gravel for construction material come from less than 3 miles from the port. Quarry stone shipments come from a granite quarry located 12 miles from Nome.
- 7) Page 4-12 in the context of shipping bulk materials out of a Nome deep water port eventually tied in with a Yukon River Rail and Road system it would justify expansion of the Nome port facility for long term regional development.
- 8) Page 13 – last sentence first paragraph : “The communities depend on ports and harbors, and barge transfer sites for commercial freight purposes.”

Recommendation – this would appear to be a great spot to mention the economies of scale with respect to a deep water port in Nome and tie back into the discussion on lowering the cost for delivered fuel and supplies, and shipping resources out → Sustainable Development.

- 9) Chapter 5 – Rename Section to Roads and Rail Plan
Include mention of Yukon River Rail Connection and North Slope to Nome Rail Connection.
- 10) Page 5-7 Sentence: A road corridor identified in the RTA between the Ambler Mining District and the Delong Mountain Terminal to transport fuel and freight to the district could potentially provide fuel and freight transportation service to area communities.

Recommend change to: Several alternate road/rail corridors are being studied as part of the RTA from the Ambler Mining District to transport fuel and freight from the district which could potentially provide fuel and freight transportation service to the area communities. These routes include a route to Kotzebue Sound, to a deep water port at Nome, to the Yukon River or to the Dalton Highway.

- 11) Page 5-9 – Sentence referring to RTA between NPR and Point Lay to the Delong Terminal.

Should also mention possible extension to an expanded deepwater Port of Nome via road or rail. Also mention RTA's underway to review possible RTA studies extending access of existing road system to other parts of the Seward Peninsula that would see increased possibility of economic development with improved transportation infrastructure.

I hope these comment scan provide you with some useful feedback on developing a long term plan for infrastructure development in Northwestern Alaska. It is vital to the long term sustainable economy of the region and the great State of Alaska. I would also request that you extend the comment period by two weeks to allow comments from the Alaska Miners Association, Resource Development Council and The Council of Alaska Producers. All three groups I know want to provide comment but have been very busy with end of the year conventions and such.

Again, thank you for the opportunity to comment on this draft transportation plan. I look forward to our continued good working relationship and to providing additional assistance and information if required. Please do not hesitate to contact me if you have any questions or require clarification on any issues.

Best regards,
Kindest Regards,
NovaGold Resources, Inc.

Rick Van Nieuwenhuysen
President