

NOVAGOLD RESOURCES INC

Form SUPPL

March 20, 2008

Filed pursuant to General Instruction II. L. of Form F-10
File No. 333-141410

Prospectus Supplement

To prospectus, dated April 16, 2007

US\$95,000,000

5.50% Senior Convertible Notes due May 1, 2015

Interest payable May 1 and November 1

Issue price: 100%

The notes will bear interest at a rate of 5.50% per year. Interest will be payable semiannually in arrears on May 1 and November 1 of each year, beginning November 1, 2008. The notes will mature on May 1, 2015.

Holders may convert their notes based on a conversion rate of 94.2418 common shares per US\$1,000 principal amount of notes, equivalent to a conversion price of approximately US\$10.61 per share, subject to adjustment, at their option at any time prior to maturity. Subject to the satisfaction of certain conditions, we may, in lieu of delivering common shares upon conversion of all or a portion of the notes, elect to pay cash or a combination of cash and common shares. In addition, following certain corporate transactions described in this prospectus supplement, we will increase the conversion rate for holders who elect to convert notes in connection with such corporate transactions in certain circumstances.

We may not redeem any of the notes at our option prior to maturity, except upon the occurrence of certain changes to the laws governing Canadian withholding taxes.

Holders may require us to repurchase for cash all or a portion of their notes on May 1, 2013 at a price equal to 100% of the principal amount of the notes to be repurchased plus any accrued and unpaid interest up to, but excluding, the date of repurchase. In addition, if we experience specified types of fundamental changes, we will be required to offer to repurchase for cash all of the outstanding notes at a price equal to 100% of the principal amount of the notes to be repurchased plus any accrued and unpaid interest up to, but excluding, the date of repurchase.

For a more detailed description of the notes, see the *Description of notes* section of this prospectus supplement.

The notes will not be listed on any securities exchange. Our common shares are listed for trading on the American Stock Exchange (*AMEX*) and on the Toronto Stock Exchange (the *TSX*) under the symbol *NG*. On March 19, 2008, the closing price of the common shares on *AMEX* and the *TSX* was US\$7.86 and Cdn\$7.87, respectively.

		Public offering price		Underwriter's fee		Net proceeds to the Company
Per note	US\$	1,000	US\$	30	US\$	970
Total	US\$	95,000,000	US\$	2,850,000	US\$	92,150,000

We have granted to the underwriter an option exercisable not later than 30 days after the closing date of this offering to purchase from us an additional US\$14,000,000 principal amount of notes to cover over-allotments, if any.

Investing in the notes involves a high degree of risk. See Risk factors beginning on page S-11.

Our earnings coverage ratio as at the fiscal year ended November 30, 2007 was less than one to one. See Earnings coverage for more information.

This offering is made by a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare this prospectus supplement in accordance with Canadian disclosure requirements. Prospective investors should be aware that such requirements are different from those of the United States. The financial statements incorporated herein have been prepared in accordance with Canadian generally accepted accounting principles, and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies.

Prospective investors should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be described fully herein.

The enforcement by investors of civil liabilities under the federal securities laws may be affected adversely by the fact that the Company is incorporated under the laws of Nova Scotia, Canada, that some of its officers and directors are residents of Canada, that some of the experts named in the prospectus supplement are residents of Canada, and that a substantial portion of the assets of the Company and said persons are located outside the United States.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book-entry form through the facilities of The Depository Trust Company on or about March 26, 2008.

JPMorgan

March 20, 2008

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General matters

This document is in two parts. The first part is the prospectus supplement, which describes the terms of the offering and adds to and updates information contained in the accompanying base shelf prospectus and the documents incorporated by reference. The second part is the accompanying base shelf prospectus, which gives more general information, some of which may not apply to the offering. This prospectus supplement is deemed to be incorporated by reference into the accompanying base shelf prospectus solely for the purpose of this offering.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying base shelf prospectus. We and the underwriter have not authorized anyone to provide you with different information. We and the underwriter are not making an offer of the notes in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus supplement, the accompanying base shelf prospectus or the documents incorporated by reference herein and therein is accurate as of any date other than the date on the front of such documents.

Unless the context otherwise requires, references in this prospectus supplement to **NovaGold, the Company or the terms we, us and our** includes NovaGold Resources Inc. and each of its material subsidiaries.

References in this prospectus supplement to the **base shelf prospectus** refer to the short form base shelf prospectus of the Company dated April 16, 2007.

Currency and financial statement presentation

Unless stated otherwise or the context otherwise requires, all references to dollar amounts in this prospectus supplement are references to Canadian dollars. References to \$ or Cdn\$ are to Canadian dollars and references to US\$ are to U.S. dollars. See Exchange rate information. The Company's financial statements that are incorporated by reference into this prospectus supplement have been prepared in accordance with generally accepted accounting principles in Canada (Canadian GAAP), and the financial statements for the fiscal year ended November 30, 2007 are reconciled to generally accepted accounting principles in the United States (U.S. GAAP) as described in note 16 to the Company's audited consolidated annual financial statements for fiscal 2007.

Cautionary note to United States investors

This prospectus supplement and the accompanying base shelf prospectus have been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States securities laws. Unless otherwise indicated, all reserve and resource estimates included or incorporated by reference in this prospectus supplement and the accompanying base shelf prospectus have been prepared in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101) and the Canadian Institute of Mining and Metallurgy Classification System. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 permits the disclosure of an historical estimate made prior to the adoption of NI 43-101 that does not

comply with NI 43-101 to be disclosed using the historical terminology if the disclosure: (a) identifies the source and date of the historical estimate; (b) comments on the relevance and reliability of the historical estimate; (c) states whether the historical estimate uses categories other than those prescribed by NI 43-101, and (d) includes any more recent estimates or data available. Such historical estimates are presented concerning the Company's Saddle and Shotgun mineralization.

Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission (SEC), and reserve and resource information contained in or incorporated by reference into this prospectus supplement and the accompanying base shelf prospectus may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term resource does not equate to the term reserves. Under U.S. standards, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning measured mineral resources, indicated mineral resources or inferred mineral resources or other descriptions of the amount of mineralization in mineral deposits that do not constitute reserves by U.S. standards in documents filed with the SEC. U.S. investors should also understand that inferred mineral resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category or that any of the resources described in this prospectus supplement will ever be reclassified as reserves. Under Canadian rules, estimated inferred mineral resources may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of contained ounces in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute reserves by SEC standards as in place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of reserves are also not the same as those of the SEC, and reserves reported by NovaGold in compliance with NI 43-101 may not qualify as reserves under SEC standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with United States standards.

See Preliminary notes Glossary and defined terms in the Company's Annual Information Form for the fiscal year ended November 30, 2007, which is incorporated by reference, for a description of certain of the mining terms used in this prospectus supplement and the accompanying base shelf prospectus and the documents incorporated by reference herein and therein.

Cautionary statement regarding forward-looking statements

This prospectus supplement, the accompanying base shelf prospectus and the documents incorporated by reference herein and therein contain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and Canadian securities laws concerning the Company's plans at the Donlin Creek, Nome Operations, Galore Creek and Ambler projects, production, capital, operating and cash flow estimates and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning mineral reserve and resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as expects, anticipates, plans, estimates, intends, strategy, goals, objectives or stating that certain results may, could, would, might or will be taken, occur or be achieved, or the negative of any of these terms or similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

Risks relating to the notes and the offering

the notes are unsecured and are effectively subordinated to all of our existing and future secured indebtedness;

the notes are effectively subordinated to all liabilities of our subsidiaries;

we expect to incur substantially more debt or take other actions which may affect our ability to satisfy our obligations under the notes;

we may not have the ability to repurchase the notes in cash upon a redemption for changes in Canadian withholding tax law, at the option of the holder or upon the occurrence of a fundamental change;

some significant restructuring transactions may not constitute a fundamental change, in which case we would not be obligated to offer to repurchase the notes;

upon conversion of the notes, we will have the right to elect to deliver cash in lieu of some or all the common shares to be delivered upon conversion, the amount of cash to be delivered per note being calculated on the basis of average prices over a specified period, and you may receive less proceeds than expected;

the adjustment to the conversion rate for notes converted in connection with a specified corporate transaction may not adequately compensate you for any lost value of your notes as a result of such transaction;

the conversion rate of the notes may not be adjusted for all dilutive events;

the notes may not have an active market and their price may be volatile; you may be unable to sell your notes at the prices you desire or at all;

the notes may not be rated or may receive a lower rating than anticipated;

if you hold notes, you will not be entitled to any rights with respect to our common shares, but you will be subject to all changes made with respect to our common shares;

the price of our common shares, and therefore the price of the notes, may fluctuate significantly, which may make it difficult for holders to resell the notes or the common shares issuable upon conversion of the notes when desired or at attractive prices;

sales of a significant number of our common shares in the public markets, or the perception of such sales, could depress the market price of the notes, our common shares, or both;

the notes will initially be held in book-entry form and, therefore, you must rely on the procedures and the relevant clearing systems to exercise your rights and remedies;

we may not be able to refinance the notes or other indebtedness if required or if we so desire;

the conversion of notes for cash or for a combination of cash and common shares will be taxable to holders of the notes for Canadian and United States tax purposes;

U.S. holders may have to pay taxes if we make or fail to make certain adjustments to the conversion rate of the notes even though you do not receive a corresponding cash distribution;

we believe we are a passive foreign investment company under the U.S. Internal Revenue Code and if we are or become a passive foreign investment company there may be adverse U.S. tax consequences for investors in the United States;

Risks relating to the Company's business

uncertainty of production at the Company's mineral exploration and development properties;

risks related to the Company's ability to commence production and generate material revenues or obtain adequate financing for its planned exploration and development activities;

uncertainty of estimates of capital costs, operating costs, production and economic returns;

risks related to the Company's ability to finance the development of its mineral properties;

the risk that permits and governmental approvals necessary to develop and operate mines on the Company's properties will not be available on a timely basis or at all;

risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of the Company's mineral deposits;

commodity price fluctuations;

risks related to the Company's current practice of not using hedging arrangements;
currency fluctuations;

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risks related to current or future government regulation, including environmental regulations as well as the potential impact of two clean water initiatives proposed in the State of Alaska;

risks related to the need for reclamation activities on the Company's properties and uncertainty of cost estimates related thereto;

the Company's need to attract and retain qualified management and technical personnel;

mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes or other unanticipated difficulties with or interruptions in development, construction or production;

uncertainty related to unsettled aboriginal rights and title in British Columbia;

uncertainty related to title to the Company's mineral properties;

the Company's history of losses and expectation of future losses;

risks related to the integration of new acquisitions into the Company's existing operations;

uncertainty inherent in litigation including the effects of discovery of new evidence or advancement of new legal theories, and the difficulty of predicting decisions of judges and juries;

risks related to increases in demand for equipment, skilled labour and services needed for exploration and development of mineral properties, and related cost increases;

risks related to the impact of current and future indebtedness of the Company and its subsidiaries, including the impact of the terms of any such indebtedness on the notes;

increased competition in the mining industry; and

uncertainty as to the Company's ability to acquire additional commercially mineable mineral rights.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this prospectus supplement, the accompanying base shelf prospectus and the Company's Annual Information Form for the fiscal year ended November 30, 2007 under the heading "Risk factors" and elsewhere in this prospectus supplement, the accompanying base shelf prospectus and in the documents incorporated by reference herein and therein. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

Exchange rate information

All dollar amounts in this prospectus supplement are expressed in Canadian dollars unless otherwise indicated. The following table sets forth the rate of exchange for the Canadian dollar, expressed in U.S. dollars (i) in effect at the end of the periods indicated, (ii) the average exchange rates on the last day of each month during such periods, and (iii) the high and low exchange rates during such periods, each based on the closing rate of exchange as reported by the Bank of Canada for conversion of Canadian dollars into U.S. dollars.

		Fiscal year ended November 30,				
		2007	2006	2005		
Rate at end of period	US\$	1.0000	US\$	0.8755	US\$	0.8570
Average rate based on last day each month	US\$	0.9249	US\$	0.8848	US\$	0.8249
High for period	US\$	1.0852	US\$	0.9105	US\$	0.8601
Low for period	US\$	0.8435	US\$	0.8524	US\$	0.7876

On March 19, 2008, the exchange rate based on the Bank of Canada closing rate was \$1.00 per US\$0.9849 and on November 30, 2007 was \$1.00 per US\$1.0000.

The Company

The following description of the Company, its properties and its business highlights selected information contained in the documents incorporated by reference into this prospectus supplement and the accompanying base shelf prospectus. This description does not contain all of the information about the Company and its properties or business that you should consider before investing in the notes. You should carefully read the entire prospectus supplement, the accompanying base shelf prospectus and the documents incorporated by reference herein and therein, including the sections titled "Risk factors" in this prospectus supplement, the accompanying base shelf prospectus and the Company's Annual Information Form for the fiscal year ended November 30, 2007, before making an investment decision regarding the notes. Technical information about the Company's properties, including reserve and resource estimates, estimated capital costs to develop the properties, and drilling results, are based on information contained in technical reports and other documents that were prepared or reviewed by, or under the supervisions of, "Qualified Persons" as defined in NI 43-101, as described in further detail in the Company's Annual Information Form for the fiscal year ended November 30, 2007 and the other documents incorporated by reference into this prospectus supplement and the accompanying base shelf prospectus.

Description of the business

NovaGold is a gold and copper company engaged in the exploration and development of mineral properties in Alaska and British Columbia. The Company conducts its operations through wholly-owned subsidiaries, partnerships, limited liability companies and joint ventures. Since 1998, the Company has assembled a portfolio of gold and base metal properties. The Company is primarily focused on gold properties, some of which have significant copper and silver resources. The Company's portfolio of properties includes:

Donlin Creek, an advanced-stage exploration project held by a limited liability company that is owned 50% by the Company and 50% by Barrick Gold U.S. Inc., a subsidiary of Barrick Gold Corporation (collectively "Barrick"), is one of the largest known undeveloped gold deposits in the world, based on publicly reported sources, with measured and indicated resources of 29.4 million ounces of gold and additional inferred resources of 3.5 million ounces of gold.

Rock Creek and Big Hurrah, which together are anticipated to be NovaGold's first production project. Rock Creek and Big Hurrah have 0.5 million ounces of gold reserves with additional indicated resources of 0.3 million ounces of gold and inferred resources of 0.1 million ounces of gold. Construction on Rock Creek commenced in the summer of 2006. Anticipated production from Rock Creek and Big Hurrah is expected to be at an average annual rate of approximately 100,000 ounces of gold with commercial production starting in mid-2008.

Galore Creek, which is a large copper-gold-silver project located in northwestern British Columbia held by a partnership in which NovaGold and Teck Cominco Limited ("Teck Cominco") each have a 50% interest (the "Galore Creek Partnership"). The Galore Creek project is the subject of an October 2006 feasibility study; however, construction at the Galore Creek project has been suspended while the Company and Teck Cominco reassess the project and evaluate alternative development strategies in light of information indicating increased capital costs and a longer construction schedule from those contemplated by the feasibility study. A revised resource estimate for the Galore Creek project totals measured and indicated resources of 8.9 billion pounds of copper, 7.3 million ounces of gold and 123 million ounces of

silver, with additional inferred resources, including the Copper Canyon deposit of which NovaGold holds 60% (held in trust for the Galore Creek Partnership), of 3.6 billion pounds of copper, 3.8 million ounces of gold and 65 million ounces of silver.

Ambler, in which NovaGold is earning a 51% interest in joint venture with subsidiaries of Rio Tinto plc (Rio Tinto), is a large, high-grade earlier stage polymetallic massive sulphide deposit with indicated resources of 1.5 billion pounds of copper, 2.2 billion pounds of zinc, 0.45 million ounces of gold, 32.3 million ounces of silver and 350 million pounds of lead, with additional inferred resources of 0.9 billion pounds of copper, 1.3 billion pounds of zinc, 0.3 million ounces of gold, 18.6 million ounces of silver and 210 million pounds of lead.

In addition, NovaGold holds a portfolio of earlier stage exploration projects that have not advanced to the resource definition stage. The Company is also engaged in the sale of sand, gravel and land, and receives royalties from placer gold production, largely from its holdings around Nome, Alaska, earning \$1 million to \$3 million annually.

For the purposes of NI 43-101, NovaGold's material properties are the Donlin Creek project, the Rock Creek project and the Galore Creek project.

Summary of reserves

Property	Reserve Category	Tonnes Millions	In Situ	Total Contained	NovaGold Share Net After
			Grade Au g/t	Metal Au Moz	Earn-Ins Au Moz
100% Ownership					
Rock Creek 0.6 g/t Cutoff (assumed US\$500/oz Au price)	Probable	7.8	1.3	0.3	0.3
Big Hurrah 1.33 g/t Cutoff (assumed US\$500/oz Au price)	Probable	1.2	4.8	0.2	0.2
Total Probable Reserves		9.0	1.8	0.5	0.5

Summary of measured, indicated, inferred and historical resources⁽¹⁾

Donlin Creek⁽²⁾ approximately 0.8 g/t gold

50% Ownership 50% Owned by Barrick Gold Corporation (Calista Corporation has the right to acquire up to a 15% interest)

Resource Category	Tonnes Millions	In Situ	Total Contained	NovaGold Share Net After
		Grade Au g/t	Metal Au Moz	Earn-Ins Au Moz

Measured	4.3	2.7	0.4	0.2
Indicated	367.4	2.5	29.0	14.5
Total M&I	371.7	2.5	29.4	14.7
Inferred	46.5	2.3	3.5	1.7

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Galore Creek⁽³⁾ 0.21% CuEq Cutoff

50% Ownership 50% Owned by Teck Cominco Limited

Resource Category	Tonnes Millions	In Situ Grade			Contained Metal			Au Moz	Ag Moz	NovaGold Share Net After Earn-Ins	
		Au g/t	Ag g/t	Cu %	Au Moz	Ag Moz	Cu Mlbs			AuEq Moz	Cu Mlbs
Measured	4.7	0.4	4.4	0.5	0.1	0.7	54	0.03	0.3	0.04	27
Indicated	781.0	0.3	4.9	0.5	7.2	122.4	8,872	3.61	61.2	4.64	4,436
Total M&I	785.7	0.3	4.9	0.5	7.3	123.1	8,926	3.64	61.6	4.68	4,463
Inferred	357.7	0.2	3.7	0.4	2.1	42.5	2,858	1.03	21.2	1.39	1,429

Copper Canyon⁽⁴⁾ 0.35% CuEq Cutoff

60% Ownership NovaGold interest held in trust for the Galore Creek Partnership

Resource Category	Tonnes Millions	In Situ Grade			Contained Metal			Au Moz	Ag Moz	NovaGold Share Net After Earn-Ins	
		Au g/t	Ag g/t	Cu %	Au Moz	Ag Moz	Cu Mlbs			AuEq Moz	Cu Mlbs
Inferred	164.8	0.5	7.2	0.4	2.9	37.9	1,160	1.7	22.8	2.1	696

Rock Creek 0.6 g/t Cutoff

100% Ownership

Resource Category	Tonnes Millions	In Situ Grade Au g/t	Total Contained Metal Au Moz	NovaGold Share Net After Earn-Ins	
				Au Moz	Cu Moz
Indicated					