
Interim Report to the Shareholders

April 29, 1999

We are pleased to report herein the financial statements for the three month period ended February 28, 1999, together with an update of the company's activities.

NovaGold has taken a major step toward achieving its objective of long-term growth and sustainability with the recent acquisition of Alaska Gold Company. This important acquisition provides NovaGold with a significant land position in two of Alaska's most prolific gold districts - the Nome and Fairbanks mining districts. Alaska Gold holds approximately 14,000 acres of patented mining claims which include the Rock Creek lode gold deposit. Rock Creek is located in the Nome mining district and has a reported gold resource of approximately 750,000 ounces. The most significant target on the Alaska Gold holdings in the Nome district is the Third Beach area, which has produced over 3 million ounces of gold from placer deposits resting directly on bedrock. The Fairbanks holdings comprise some 8,500 acres of patented mining claims including certain claims under option to Newmont Mining Corporation.

The Alaska Gold acquisition was in part funded by a \$4 million debt financing arranged with Viceroy Resource Corporation. The financing was comprised of a \$2 million convertible debenture and a \$2 million bridge facility.

NovaGold has also completed the acquisition from Viceroy of 22 exploration properties located in the Tintina Gold Belt in the Yukon. These acquisitions add to the already substantial northern property base that NovaGold has assembled in Alaska which includes the Shotgun property where a gold resource of approximately 1 million ounces has been defined.

We look forward to reporting exciting results from the Alaskan and Yukon exploration programs in the months ahead.

ON BEHALF OF THE BOARD OF DIRECTORS

[signed: Gerald J. McConnell]

Gerald J. McConnell

Chairman of the Board & Chief Executive Officer

Report to Shareholders

Corporate Information

Directors

Pierre Besuchet
Geneva, Switzerland

Fred Knight
Toronto, Ontario

Angus MacIsaac
Dartmouth, Nova Scotia

Gerald McConnell
Dartmouth, Nova Scotia

William Young
Toronto, Ontario

Officers

Pierre Besuchet
Vice President

Donald Burton, M.Sc.
VP Exploration

Anthony Hayes, CFA
VP Corp. Development

Glenn Holmes, C.A.
VP Finance

Angus MacIsaac
Secretary Treasurer

Gerald McConnell, Q.C.
Chairman & CEO

Rick Van Nieuwenhuysse, M.Sc.
President & COO

William Young, Ph.D. P.Eng.
Vice President

Stock Listing

The Toronto Stock Exchange
(Trading Symbol: NRI)

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Auditors

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Halifax, Nova Scotia

Bankers

The Toronto-Dominion Bank
Royal Bank of Canada
Halifax, Nova Scotia

Registrar & Transfer Agent

Montreal Trust Company
Halifax, Nova Scotia

NovaGold Resources Inc.

(NRI – TSE)

Interim Financial Statements

**For The First Quarter
Ended February 28, 1999**

NovaGold Resources Inc.

Report to Shareholders

1999 First Quarter Report

Consolidated Balance Sheet (Unaudited)

As at February 28,	1999 \$	1998 \$
Assets		
Current assets		
Cash	49,644	520,838
Amounts receivable	116,869	196,085
Deposits and prepaid amounts	88,122	20,309
	254,635	737,232
Long-term investments	77,317	137,316
Capital assets	23,422	899,964
Reclamation deposit	879,465	853,034
Deferred pre-production costs	-	1,143,106
Mineral properties and related deferred costs	8,968,735	10,335,021
	10,203,574	14,105,673
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	2,805,378	1,898,040
Loans payable	200,000	626,973
	3,005,378	2,525,013
Amount payable to Etruscan Resources Inc.	6,907,400	4,575,906
Provision for reclamation costs	1,012,900	1,012,900
Non-controlling interest in subsidiary company	-	900,530
	10,925,678	9,014,349
Shareholders' Equity		
Capital stock (issued and outstanding - 12,232,911; 1998 - 10,487,245)	63,292,244	60,771,346
Deficit	(64,014,348)	(55,680,022)
	(722,104)	5,091,324
	10,203,574	14,105,673

Consolidated Statement of Operations and Deficit (Unaudited)

For the three months ended February 28,	1999 \$	1998 \$
Expenses (Income)		
General and administrative	246,214	477,950
Depreciation	1,176	765
Interest on long-term debt	7,026	15,835
Property investigation	-	2,521
Murray Brook property maintenance	32,052	-
Interest	(6,831)	(7,193)
Net loss for the period	279,637	489,878
Deficit - beginning of period	63,734,711	55,190,144
Deficit - end of period	64,014,348	55,680,022

Consolidated Statement of Cash Flows (Unaudited)

For the three months ended February 28,	1999 \$	1998 \$
Operating Activities		
Net loss for the period	(279,637)	(489,878)
Items not affecting cash -		
Interest on reclamation deposit	(6,677)	(6,485)
Interest on advances from Etruscan Resources Inc.	128,812	59,939
Depreciation	1,176	765
	(156,326)	(435,659)
Changes in non-cash working capital balances related to operations -		
Amounts receivable	(2,611)	(130,480)
Deposits and prepaid amounts	(75,697)	(787)
Accounts payable and accrued liabilities	52,932	222,732
	(25,376)	91,465
	(181,702)	(344,194)
Financing Activities		
Proceeds from issuance of common shares	-	682,001
Advances from Etruscan Resources Inc.	282,661	661,335
	282,661	1,343,336
Investing Activities		
Expenditures on mineral properties and related deferred costs - net	(118,839)	(598,274)
Increase (Decrease) in cash during the period	(17,880)	400,868
Cash - Beginning of period	67,524	119,970
Cash-End of Period	49,644	520,838

