

NOVAGOLD RESOURCES INC

Form 6-K

March 19, 2007

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of March, 2007**

**Commission File Number: 001-31913**

**NOVAGOLD RESOURCES INC.**

(Translation of registrant's name into English)

**Suite 2300 200 Granville Street, PO Box 24**

**Vancouver, BC Canada V6C 1S4**

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T

Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T

Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If  Yes  is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**NovaGold Resources Inc.**  
(Registrant)

Date: March 19, 2007

By: */s/ R.J. (Don) MacDonald*

R.J. (Don) MacDonald  
Title: Senior Vice President and Chief Financial  
Officer

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**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**ITEM 1. *Name and Address of Company***

NovaGold Resources Inc. (the **Company** )  
Suite 2300  
200 Granville Street  
Vancouver, British Columbia V6C 1S4

**ITEM 2. *Date of Material Change***

December 7, 2006

**ITEM 3. *News Release***

A press release was issued by the Company on December 7, 2006 at Vancouver, British Columbia and distributed through the facilities of CCN Matthews. Also, on December 15, 2006 the Company filed a Form 8-A with the Securities and Exchange Commission.

**ITEM 4. *Summary of Material Change***

The Company announced the approval of a new Shareholder Rights Plan, to take effect December 7, 2006, the day following the expiry of Barrick Gold Corporation's takeover bid.

**ITEM 5. *Full Description of Material Change***

Please see the attached press release and Form 8-A describing material change.

On December 7, 2006, the Board of Directors (the **Board** ) of the Company adopted a Shareholder Rights Plan Agreement (the **Rights Plan** ). The Rights Plan has been adopted to ensure the fair treatment of shareholders in connection with any take-over bid for common shares of the Company. The Rights Plan seeks to provide shareholders with adequate time to properly assess a take-over bid without undue pressure. It also provides the Board with more time to fully consider an unsolicited take-over bid and, if applicable, to explore other alternatives to maximize shareholder value. The Rights Plan became effective on December 7, 2006, subject to the ratification of the Company's shareholders within 6 months of the date of the Rights Plan and if ratified will expire after the Company's annual meeting of shareholders in 2010.

The full text of the Rights Plan is attached hereto.

**ITEM 6. *Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102***

Not applicable.

**ITEM 7. *Omitted Information***

No significant facts have been omitted from this report.

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**ITEM 8. *Executive Officer***

Robert J. (Don) MacDonald, Senior Vice President & CFO  
Phone: (604) 669-6227

**ITEM 9. *Date of Report***

December 15, 2006

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**News Release**

**TSX, AMEX Symbol: NG**

**NovaGold Ready to Advance its Projects with Expiry of Barrick Hostile Takeover Bid  
NovaGold Adopts New Shareholder Rights Plan**

**December 7, 2006 Vancouver, British Columbia NovaGold Resources Inc.** (TSX: NG, AMEX: NG) today announced that it can once again focus 100% of its efforts on advancing its projects and generating long-term value for shareholders, following the expiry of the unsolicited US\$16.00 per share takeover bid by Barrick Gold Corporation (TSX: ABX, NYSE: ABX). Barrick has announced that it will take up the last shares tendered during the final extension of the bid, for a total ownership of 12.7% of NovaGold shares on a fully diluted basis. NovaGold's Board of Directors approved a new Shareholder Rights Plan, to take effect December 7, 2006, immediately upon the expiry of Barrick's bid. NovaGold originally adopted a rights plan on May 31, 2006, but waived its application to Barrick's takeover bid on September 25, 2006.

NovaGold received outstanding support from its shareholders throughout this prolonged takeover attempt, said Rick Van Nieuwenhuysse, President and CEO of NovaGold. Our shareholders were the white knights in this process, and NovaGold is committed to justifying their confidence in the future of this Company.

NovaGold has world-class assets and a world-class team of people working to build the Company into a North American mid-tier gold and copper producer. We will continue to work hard to advance our projects and build shareholder value in 2007 and beyond.

NovaGold would like to thank its shareholders, advisors, employees and contractors for their support throughout this process. NovaGold retained RBC Dominion Securities Inc., a member company of RBC Capital Markets, and Citigroup Global Markets Inc. as financial advisors; Borden Ladner Gervais LLP and Dorsey & Whitney LLP as legal counsel; and Lute and Company, Innisfree M&A Incorporated and Joele Frank, Wilkinson Brimmer Katcher for corporate and shareholder communications.

**About the Shareholder Rights Plan**

With the expiry of Barrick's bid, NovaGold's Board of Directors has adopted a new Shareholder Rights Plan ( Rights Plan ), on substantially the same terms as the original plan, to ensure the fair treatment of shareholders in connection with future unsolicited takeover bids and other stock acquisitions above 20% that are not offered to all shareholders on the same terms. The new Rights Plan exempts Barrick to the extent it has taken up shares under its existing takeover bid, which expired last night.

Shareholder approval of the new Rights Plan will be sought at NovaGold's Annual General Meeting of shareholders, scheduled for May 2007. If ratified by shareholders, the new Rights Plan will have an initial term identical to that of the original plan and will expire at NovaGold's Annual General Meeting in 2010, unless terminated at an earlier date. The new Rights Plan is subject to regulatory approval.

A copy of the new Rights Plan, which prevents the acquisition of 20% or more of NovaGold's outstanding shares, other than in certain permitted circumstances where all shareholders are treated fairly, will be available for review at [www.sedar.com](http://www.sedar.com).

**About NovaGold**

NovaGold is one of the fastest growing gold and copper companies in the industry. The Company owns 70% of the Donlin Creek gold project in Alaska and 100% of the Galore Creek copper-gold project in British Columbia, two of the world's largest gold and copper deposits. The Company is rapidly moving to production at its 100%-owned Nome Operations in Alaska, which includes Rock Creek, Big Hurrah and Nome Gold. Also in Alaska, NovaGold is earning a 51% interest as manager of the high-grade Ambler copper-zinc-silver-gold project in partnership with Rio Tinto.

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NovaGold is well financed with no long-term debt, and has one of the largest reserve and resource bases of any exploration or development-stage precious metals company. NovaGold trades on the TSX and AMEX under the symbol NG. More information is available online at: [www.novagold.net](http://www.novagold.net) or by e-mail at: [info@novagold.net](mailto:info@novagold.net).

**Cautionary Note Concerning Forward-Looking Statements**

*This press release includes certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding anticipated dates for receipt of permits and approvals, construction and production, and other milestones; anticipated results of drilling programs, feasibility studies and other analyses; and NovaGold's future operating or financial performance and future share prices, are forward-looking statements. Information concerning mineral reserve and resource estimates also may be deemed to be forward-looking statements in that it reflects a prediction of the mineralization that would be encountered if a mineral deposit were developed and mined. Forward-looking statements involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from NovaGold's expectations include uncertainties involved in litigation, including litigation concerning Barrick and the Donlin Creek property, and Pioneer Metals and the Galore Creek property; uncertainties arising from environmental litigation relating to the permit at the Rock Creek project; uncertainties arising out of Barrick's management of the Donlin Creek property and disagreements with Barrick with respect thereto; fluctuations in gold, copper and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies and native groups in the exploration and development of properties; the need to obtain additional financing to develop properties; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other government approvals for Galore Creek and other projects; and other risks and uncertainties disclosed under the heading Caution Regarding Forward-Looking Statements in NovaGold's Directors' Circular with respect to Barrick's tender offer and under the heading Risk Factors and elsewhere in NovaGold's Annual Information Form for the year ended November 30, 2005, filed with the Canadian securities regulatory authorities, and NovaGold's annual report on Form 40-F filed with the United States Securities and Exchange Commission.*

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**Contacts**

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**U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-A  
For Registration of Certain Classes of Securities  
Pursuant to Section 12(b) or (g) of the  
Securities Exchange Act of 1934  
NOVAGOLD RESOURCES INC.  
(Exact name of registrant as specified in its charter)**

**NOVA SCOTIA**  
(State or other jurisdiction of  
incorporation or organization)

**N/A**  
(I.R.S. Employment  
Identification No.)

**200 Granville Street, Suite 2300  
Vancouver, BC V6C 1S4**  
(Address of principal executive offices)

Title of each class of securities  
to be so registered:

Name of each exchange on which  
each class is to be registered:

**Rights to purchase Common Shares**

**American Stock Exchange  
Toronto Stock Exchange**

If this form relates to the registration of a class of securities pursuant to Section 12(b) of the Exchange Act and is effective pursuant to General Instruction A.(c), check the following box.

If this form relates to the registration of a class of securities pursuant to Section 12(g) of the Exchange Act and is effective pursuant to General Instruction A.(d), check the following box.

Securities Act registration statement file number to which this form relates (if applicable): **N/A**

Securities to be registered pursuant to Section 12(g) of the Act: **None**

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## INFORMATION REQUIRED IN REGISTRATION STATEMENT

### EXPLANATORY NOTE

The Board of Directors of NovaGold Resources Inc. (the Board ) adopted a shareholder rights plan (the Rights Plan ) effective December 7, 2006 (the Effective Date ) in order to ensure the fair treatment of shareholders in connection with any take-over bid for common shares of NovaGold Resources Inc. (the Company ). The Rights Plan was not adopted in response to any proposal to acquire control of the Company.

For those interested in the specific terms of the Rights Agreement as made between the Company and Computershare Trust Company of Canada, as Rights Agent, dated December 7, 2006, we provide the following summary description. Please note, however, that this description is only a summary, and is not complete, and should be read together with the entire Rights Agreement, which has been filed as an exhibit to this Registration Statement on Form 8-A.

### Item 1. Description of Registrant's Securities to be Registered.

#### PURPOSE OF RIGHTS PLAN

The primary objective of the Rights Plan is to (a) provide shareholders with adequate time to properly assess a take-over bid without undue pressure and (b) provide the Board with more time to fully consider an unsolicited take-over bid, and, if applicable, to explore other alternatives to maximize shareholder value.

#### SUMMARY OF RIGHTS PLAN

##### *Issue of Rights*

The Corporation issued one right (a Right ) in respect of each Common Share outstanding at 12:01 a.m. (Vancouver, Canada local time) on December 7, 2006 (the Record Time ). The Corporation will issue Rights on the same basis for each Common Share issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time (both defined below).

##### *Rights Certificates and Transferability*

Before the Separation Time, the Right will be evidenced by certificates for the Common Shares which are not transferable separate from the Common Shares. From and after the Separation Time, the Rights will be evidenced by separate Rights Certificates which will be transferable separate from and independent of the Common Shares.

##### *Exercise of Rights*

Rights are not exercisable before the Separation Time. After the Separation Time and before the Expiration Time, each Right entitles the holder to acquire one Common Share for the Exercise Price of \$75 (subject to certain antidilution adjustments). This Exercise Price is expected to be in excess of the estimated maximum value of the Common Shares during the term of the Rights Plan. Upon the occurrence of a Flip-In Event (defined below) prior to the Expiration Time

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(defined below), each Right (other than any Right held by an Acquiring Person, which will become null and void as a result of such Flip-In Event) may be exercised to purchase that number of Common Shares which have an aggregate Market Price equal to twice the Exercise Price of the Rights for a price equal to the Exercise Price. Effectively, this means a Shareholder of the Corporation (other than the Acquiring Person) can acquire additional Common Shares from treasury at half their Market Price.

*Definition of Acquiring Person*

Subject to certain exceptions, an Acquiring Person is a person who is the Beneficial Owner (defined below) of 20% or more of the outstanding Common Shares.

*Definition of Beneficial Ownership*

A person is a Beneficial Owner if such person or its affiliates or associates or any other person acting jointly or in concert owns the securities in law or equity, and has the right to acquire (immediately or within 60 days) the securities upon the exercise of any convertible securities or pursuant to any agreement, arrangement or understanding.

However, a person is not a Beneficial Owner under the Rights Plan where:

- (a) the securities have been deposited or tendered pursuant to a takeover bid, unless those securities have been taken up or paid for;
- (b) such person (including a fund manager, trust company, pension fund administrator, trustee or nondiscretionary client accounts of registered brokers or dealers) is engaged in the management of mutual funds or investment funds for others, as long as that person:
  - (i) holds those Common Shares in the ordinary course of its business for the account of others;
  - (ii) holds not more than 30% of the Common Shares (in the case of a pension fund administrator); and
  - (iii) is not making a take-over bid or acting jointly or in concert with a person who is making a takeover bid;  
or
  - (iv) such person is a registered holder of securities as a result of carrying on the business of or acting as a nominee of a securities depository.

*Definition of Separation Time*

Separation Time occurs on the tenth trading day after the earlier of:

- (a) the first date of public announcement that a person has become an Acquiring Person;
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- (b) the date of the commencement or announcement of the intent of a person to commence a take-over bid (other than a Permitted Bid or Competing Bid) or such later date as determined by the Board; and
- (c) the date on which a Permitted Bid or Competing Bid ceases to qualify as such or such later date as determined by the Board.

*Definition of Expiration Time*

Expiration Time occurs on the date being the earlier of

- (a) the time at which the right to exercise Rights is terminated under the terms of the Rights Plan; and
- (b) the date immediately after the Corporation's annual meeting of Shareholders to be held in 2010.

*Definition of a Flip-In Event*

A Flip-In Event occurs when a person becomes an Acquiring Person provided the Flip-In Event is deemed to occur at the close of business on the tenth day after the Stock Acquisition Date. Upon the occurrence of a Flip-In Event, any Rights that are beneficially owned by an Acquiring Person or any of its related parties to whom the Acquiring Person has transferred its Rights will become null and void as a result of which the Acquiring Person's investment in the Corporation will be greatly diluted if a substantial portion of the Rights are exercised after a Flip-In Event occurs.

*Definition of Permitted Bid*

A Permitted Bid is a take-over bid made by a person (the Offeror) pursuant to a take-over bid circular that complies with the following conditions:

- (a) the bid is made to all registered holders of Common Shares (other than Common Shares held by the Offeror), and for all Common Shares (other than the Common Shares held by the Offeror);
  - (b) the Offeror agrees that no Common Shares will be taken up or paid for under the bid for at least 60 days following the commencement of the bid and that no Common Shares will be taken up or paid for unless at such date more than 50% of the outstanding Common Shares held by Shareholders other than the Offeror and certain related parties have been deposited pursuant to the bid and not withdrawn;
  - (c) the Offeror agrees that the Common Shares may be deposited to and withdrawn from the take-over bid at any time before such Common Shares are taken up and paid for; and
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(d) if, on the date specified for take-up and payment, the condition in paragraph (b) above is satisfied, the bid shall remain open for an additional period of at least 10 business days to permit the remaining Shareholders to tender their Common Shares.

*Definition of Competing Permitted Bid*

A Competing Bid is a take-over bid that:

- (a) is made while another Permitted Bid is in existence; and
- (b) satisfies all the requirements of a Permitted Bid except that the Common Shares under a Competing Bid may be taken up on the later of 35 days after the Competing Bid was made and 60 days after the earliest date on which any other Permitted Bid or Competing Bid that was then in existence was made, and at such date more than 50% of the outstanding Common Shares held by Shareholders other than the Offeror and certain related parties have been deposited pursuant to the bid and not withdrawn.

*Redemption of Rights*

The Rights may be redeemed by the Board at its option with the prior approval of the Shareholders at any time before a Flip-In Event occurs at a redemption price of \$0.00001 per Right. In addition, the Rights will be redeemed automatically in the event of a successful Permitted Bid, Competing Bid or a bid for which the Board has waived the operation of the Rights Plan.

*Waiver*

Before a Flip-In Event occurs, the Board may waive the application of the Flip-In provisions of the Rights Plan to any prospective Flip-In Event which would occur by reason of a take-over bid made by a take-over bid circular to all registered holders of Common Shares. However, if the Board waives the Rights Plan with respect to a particular bid, it will be deemed to have waived the Rights Plan with respect to any other takeover bid made by take-over bid circular to all registered holders of Common Shares before the expiry of that first bid. Other waivers of the Flip-In provisions of the Rights Plan will require prior approval of the Shareholders of the Corporation. The Board may also waive the Flip-In provisions of the Rights Plan in respect of any Flip-In Event provided that the Board has determined that the Acquiring Person became an Acquiring Person through inadvertence and has reduced its ownership to such a level that it is no longer an Acquiring Person.

*Term of the Rights Plan*

Unless otherwise terminated, the Rights Plan will expire on the date immediately after the Corporation's annual meeting of Shareholders to be held in 2010.

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*Amending Power*

Except for minor amendments to correct typographical errors and amendments to maintain the validity of the Rights Plan as a result of a change of law, Shareholder or rightsholder approval is required for amendments to the Rights Plan.

*Rights Agent*

The Rights Agent is Computershare Trust Company of Canada.

*Rightsholder not a Shareholder*

Until a Right is exercised, the holders thereof as such, will have no rights as a Shareholder of the Corporation.

The foregoing description of the Rights Plan does not purport to be complete and is qualified in its entirety by reference to the Rights Plan.

**Item 2. Exhibits.**

Exhibit Number:	Description of Exhibit:
4.1	Shareholder Rights Plan Agreement dated as of December 7, 2006, between NovaGold Resources Inc. and Computershare Trust Company of Canada, as Rights Agent, which includes the Form of Rights Certificate as Schedule 2.2(3)

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**SIGNATURE**

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereto duly authorized.

Dated: December 15, 2006

**NOVAGOLD RESOURCES INC.**

By: /s/ R.J. (Don) MacDonald

Name: R.J. (Don) MacDonald

Title: Senior Vice President and Chief  
Financial Officer

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**INDEX TO EXHIBITS**

Exhibit Number:	Description of Exhibit:
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**NOVAGOLD RESOURCES INC.**  
and  
**COMPUTERSHARE INVESTOR SERVICES INC.**  
as Rights Agent

**SHAREHOLDER RIGHTS PLAN AGREEMENT**  
December 7, 2006

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**SCHEDULE**

SCHEDULE 2.2(3)

(ii)

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### SHAREHOLDER RIGHTS PLAN AGREEMENT

**THIS AGREEMENT** dated December 7, 2006 between NovaGold Resources Inc. (the "**Corporation**"), a corporation incorporated under the laws of Nova Scotia, and, Computershare Investor Services Inc., a trust company existing under the laws of Canada, as rights agent (the "**Rights Agent**", which term shall include any successor Rights Agent hereunder).

#### **WHEREAS:**

- (1) The Board of Directors has determined that it is advisable and in the best interests of the Corporation to adopt and maintain this Agreement;
- (2) In order to implement the adoption of this Agreement, the Board of Directors has authorized the issuance of one Right:
  - (i) effective at the Record Time in respect of each Common Share outstanding at the Record Time; and
  - (ii) in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time;
- (3) Each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth in this Agreement; and
- (4) The Corporation desires to appoint the Rights Agent to act on behalf of the Corporation, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates, the exercise of Rights and other matters referred to in this Agreement.

**NOW THEREFORE**, in consideration of the foregoing premises and the respective covenants and agreements set forth herein, the parties hereby agree as follows:

### ARTICLE 1 INTERPRETATION

#### **Section 1.1 Certain Definitions.**

For purposes of the Agreement, the following terms have the meanings indicated:

- (a) **Acquiring Person** means, any Person who is the Beneficial Owner of twenty percent (20%) or more of the outstanding Voting Shares of the Corporation; provided, however, that the term **Acquiring Person** shall not include:
    - (i) the Corporation or any Subsidiary of the Corporation;
    - (ii) any Person who becomes the Beneficial Owner of twenty percent (20%) or more of the outstanding Voting Shares of the Corporation as a result of any one or any combination of: (A) Corporate Acquisitions, (B) Permitted Bid Acquisitions, (C) Corporate Distributions, (D) Exempt Acquisitions, or (E) Convertible Security Acquisitions; provided, however, that if a Person shall become the Beneficial Owner of twenty percent (20%) or more of the Voting Shares of the Corporation then outstanding by reason of one or more or any combination of a Corporate Acquisition, Permitted Bid Acquisition, Corporate Distribution, Exempt Acquisition or Convertible Security Acquisition and, after such Corporate
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Acquisition, Permitted Bid Acquisition, Corporate Distribution, Exempt Acquisition or Convertible Security Acquisition, becomes the Beneficial Owner of an additional one percent (1%) or more of the outstanding Voting Shares of the Corporation other than pursuant to Corporate Acquisitions, Permitted Bid Acquisitions, Corporate Distributions, Exempt Acquisitions or Convertible Security Acquisitions, then as of the date of such acquisition, such Person shall become an Acquiring Person;

- (iii) for a period of ten (10) days after the Disqualification Date (as hereinafter defined), any Person who becomes the Beneficial Owner of twenty percent (20%) or more of the outstanding Voting Shares of the Corporation as a result of such Person becoming disqualified from relying on Clause 1.1(e)(3) hereof solely because such Person makes or proposes to make a Take-over Bid in respect of securities of the Corporation alone or by acting jointly or in concert with any other Person (the first date of public announcement (which, for the purposes of this definition, shall include, without limitation, a report filed pursuant to section 111 of the Securities Act (British Columbia)) by such Person or the Corporation of a current intent to commence such a Take-over Bid being herein referred to as the **Disqualification Date** );
  - (iv) an underwriter or member of a banking or selling group that acquires Voting Shares of the Corporation from the Corporation in connection with a distribution of securities (including, for greater certainty, by way of private placement of such securities) to the public; and
  - (v) a Person (a **Grandfathered Person** ) who is the Beneficial Owner of 20% or more of the outstanding Voting Shares as of the Record Time; provided, however, that the exemption shall not be applicable to any Grandfathered Person in the event that such Grandfathered Person shall, after the Record Time, become the Beneficial Owner of additional Voting Shares such that its Beneficial Ownership of Voting Shares is increased by more than one Voting Share (otherwise than pursuant to any one or more of a Corporate Acquisition, Permitted Bid Acquisition, Corporate Distribution, Exempt Acquisition or Convertible Security Acquisition).
  - (b) **Affiliate** when used to indicate a relationship with a specified Person, means a Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person.
  - (c) **Agreement** means this agreement as amended, modified or supplemented from time to time.
  - (d) **Associate** when used to indicate a relationship with a specified Person, means any relative of such specified Person who has the same home as such specified Person, or any Person to whom such specified Person is married or with whom such specified Person is living in a conjugal relationship outside marriage, or any relative of such spouse or other Person who has the same home as such specified Person.
  - (e) A Person shall be deemed the **Beneficial Owner** , and to have **Beneficial Ownership** of, and to **Beneficially Own** :
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- (i) any securities of which such Person or any Affiliate or Associate of such Person is the owner at law or in equity;
  - (ii) any securities as to which such Person or any of such Person's Affiliates or Associates has the right to acquire (A) upon the exercise of any Convertible Securities, or (B) pursuant to any agreement, arrangement or understanding, including, without limitation, pursuant to the take-over bid (the **Barrick Take-Over Bid**) made by Barrick Gold Corporation (**Barrick**) and described in Barrick's offering circular dated August 4, 2006 which expired at 9:00 p.m. (Toronto time) on December 6, 2006, in each case if such right is exercisable immediately or within a period of 60 days thereafter whether or not on condition or the happening of any contingency (other than customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of securities or pursuant to a pledge of securities in the ordinary course of business); and
  - (iii) any securities that are Beneficially Owned within the meaning of Clause 1.1(e)(i) or (ii) hereof by any other Person with whom such Person is acting jointly or in concert;
- provided, however, that a Person shall not be deemed the **Beneficial Owner**, or to have **Beneficial Ownership** of, or to **Beneficially Own**, any security as a result of the existence of any one or more of the following circumstances:
- (1) such security has been deposited or tendered, pursuant to a Take-over Bid made by such Person or made by any Affiliate or Associate of such Person or made by any other Person acting jointly or in concert with such Person, unless such deposited or tendered security has been accepted unconditionally for payment or exchange or has been taken up and paid for, whichever shall first occur provided that, all common shares that Barrick announces will be taken up pursuant to the Barrick Take-Over Bid will be considered accepted unconditionally for payment for the purposes of this sub-section;
  - (2) such Person or any Affiliate or Associate of such Person or any other Person acting jointly or in concert with such Person, holds such security; provided that (i) the ordinary business of any such Person (the **Fund Manager**) includes the management of mutual funds or investment funds for others (which others may include or be limited to one or more employee benefit plans or pension plans) and/or includes the acquisition or holding of securities for a non-discretionary account of a Client (as defined below) by a dealer or broker registered under applicable securities laws to the extent required, and such security is held by the Fund Manager in the ordinary course of such business in the performance of such Fund Manager's duties for the account of any other Person (a **Client**), (ii) such Person (the **Trust Company**) is licensed to carry on the business of a trust company under applicable law and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons or in relation to other accounts and holds such security in the ordinary course of such duties for the estate of any such deceased or incompetent Person (each an **Estate Account**) or for such other accounts (each an **Other Account**), (iii) the Person (the **Statutory Body**) is an independent Person established by statute for purposes that include, and the ordinary business or activity of such person includes, the management of investment funds for employee benefit plans,
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pension plans, insurance plans of various public bodies and the Statutory Body holds such security for the purposes of its activities as such, (iv) the ordinary business of any such Person includes acting as an agent of the Crown in the management of public assets (the **Crown Agent** ), or (v) the Person is the administrator or the trustee of one or more pension funds or plans (each a **Pension Fund** ) registered under the laws of Canada or any province thereof or the United Kingdom or the United States or any state thereof (the **Independent Person** ), or is a Pension Fund and holds such securities for the purposes of its activities as an Independent Person or as a Pension Fund, and further provided that such Pension Fund or Independent Person does not hold more than thirty percent (30%) of the Voting Shares of the Corporation;

provided, however, that in any of the foregoing cases no one of the Fund Manager, the Trust Company, the Statutory Body, the Crown Agent, the Independent Person or the Pension Fund makes or announces a current intention to make a Take-over Bid in respect of securities of the Corporation alone or by acting jointly or in concert with any other Person (other than pursuant to a distribution by the Corporation or by means of ordinary market transactions (including prearranged trades entered in the ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over-the-counter market);

- (4) such Person is a Client of the same Fund Manager as another Person on whose account the Fund Manager holds such security, or such Person is an Estate Account or an Other Account of the same Trust Company as another Person on whose account the Trust Company holds such security, or such Person is a Pension Fund with the same Independent Person as another Pension Fund;
- (5) such Person is a Client of a Fund Manager and such security is owned at law or in equity by the Fund Manager, or such Person is an Estate Account or an Other Account of a Trust Company and such security is owned at law or in equity by the Trust Company, or such Person is a Pension Fund and such security is owned at law or in equity by the Independent Person; or
- (6) such Person is a registered holder of securities as a result of carrying on the business of, or acting as a nominee of, a securities depository.

For purposes of this Agreement, the percentage of Voting Shares Beneficially Owned by any Person, shall be and be deemed to be the product of one hundred (100) and the number of which the numerator is the number of votes for the election of all directors generally attaching to the Voting Shares Beneficially Owned by such Person and the denominator of which is the number of votes for the election of all directors generally attaching to all outstanding Voting Shares. Where any Person is deemed to Beneficially Own unissued Voting Shares, such Voting Shares shall be deemed to be issued and outstanding for the purpose of calculating the percentage of Voting Shares Beneficially Owned by such Person in both the numerator and the denominator, but no other unissued Voting Shares which may be acquired pursuant to any other outstanding Convertible Securities shall, for purposes of that calculation, be deemed to be outstanding.

- (f) **Board of Directors** means, at any time, the duly constituted board of directors of the Corporation.
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- (g) **Business Day** means any day other than a Saturday, Sunday or a day on which banking institutions in Vancouver are authorized or obligated by law to close.
- (h) **Canadian-U.S. Exchange Rate** shall mean on any date the inverse of the U.S. Canadian Exchange Rate.
- (i) **Canadian Dollar Equivalent** of any amount which is expressed in United States dollars shall mean on any day the Canadian dollar equivalent of such amount determined by reference to the Canadian-U.S. Exchange Rate on such date.
- (j) **close of business** on any given date means the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the office of the transfer agent for the Common Shares in the City of Vancouver (or, after the Separation Time, the office of the Rights Agent in the City of Vancouver) is closed to the public.
- (k) **Common Shares** , when used with reference to the Corporation, means the common shares in the capital of the Corporation as constituted at the Record Time.
- (l) **Competing Permitted Bid** means a Take-over Bid that: (i) is made while another Permitted Bid is in existence, and (ii) satisfies all the components of the definition of a Permitted Bid, except that the requirements set out in Clause (ii) of the definition of a Permitted Bid shall be satisfied if the Take-over Bid shall contain, and the take up and payment for securities tendered or deposited thereunder shall be subject to, an irrevocable and unqualified condition that no Voting Shares shall be taken up or paid for pursuant to the Competing Permitted Bid prior to the close of business on the date that is no earlier than the date which is the later of thirty-five (35) days after the date the Competing Permitted Bid is made or sixty (60) days after the earliest date on which any other Permitted Bid or Competing Permitted Bid that is then in existence was made and only if at that date, more than fifty percent (50%) of the then outstanding Voting Shares held by Independent Shareholders have been deposited or tendered to the Competing Permitted Bid and not withdrawn.
- (m) A Person is **controlled** by another Person or two or more other Persons acting jointly or in concert if:
- (i) in the case of a body corporate, securities entitled to vote in the election of directors of such body corporate carrying more than 50% of the votes for the election of directors are held, directly or indirectly, by or for the benefit of the other Person or Persons acting jointly or in concert and the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such body corporate; or
- (ii) in the case of a Person which is not a body corporate, more than 50% of the voting or equity interests of such entity are held, directly or indirectly, by or for the benefit of the other Person or Persons and **controls** , **controlling** and **under common control with** shall be interpreted accordingly.
- (n) **Convertible Security** means at any time:
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- (i) any right (regardless of whether such right constitutes a security) to acquire Voting Shares from the Corporation; and
  - (ii) any securities issued by the Corporation from time to time (other than the Rights) carrying any exercise, conversion or exchange right;  
in each case pursuant to which the holder thereof may acquire Voting Shares or other securities which are convertible into or exercisable or exchangeable for Voting Shares.
- (o) **Convertible Security Acquisition** means the acquisition of Voting Shares upon the exercise, conversion or exchange of Convertible Securities received by a Person pursuant to a Permitted Bid Acquisition, Exempt Acquisition or a Corporate Distribution.
- (p) **Corporate Acquisition** means an acquisition by the Corporation or a Subsidiary of the Corporation or the redemption by the Corporation of Voting Shares of the Corporation which by reducing the number of Voting Shares of the Corporation outstanding increases the proportionate number of Voting Shares Beneficially Owned by any Person.
- (q) **Corporate Distribution** means an acquisition as a result of:
- (i) a stock dividend or a stock split or other event pursuant to which a Person receives or acquires Voting Shares on the same pro rata basis as all other holders of Voting Shares of the same class; or
  - (ii) any other event pursuant to which all holders of Voting Shares of the Corporation are entitled to receive Voting Shares or Convertible Securities on a pro rata basis, including, without limiting the generality of the foregoing, pursuant to the receipt or exercise of rights issued by the Corporation and distributed to all the holders of a class of Voting Shares to subscribe for or purchase Voting Shares or Convertible Securities of the Corporation, provided that such rights are acquired directly from the Corporation and not from any other Person and provided further that the Person in question does not thereby acquire a greater percentage of Voting Shares, or Convertible Securities representing the right to acquire Voting Shares of such class, than the percentage of Voting Shares of the class Beneficially Owned immediately prior to such acquisition.
- (r) **Disqualification Date** has the meaning ascribed thereto in Section 1.1(a)(iii) hereof.
- (s) **Effective Date** has the meaning ascribed thereto in Section 5.13 hereof.
- (t) **Election to Exercise** has the meaning ascribed thereto in Section 2.2(4) hereof.
- (u) **Exempt Acquisition** means an acquisition:
- (i) in respect of which the Board of Directors has waived the application of Section 3.1 hereof pursuant to the provisions of Section 5.1(2), 5.1(3) or 5.1(4) hereof;
  - (ii) which was made on or prior to the Record Time;
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- (iii) which was made pursuant to a dividend reinvestment plan of the Corporation or other similar share purchase plan made available to the holders of shares of the Corporation generally; or
  - (iv) pursuant to an issuance and sale by the Corporation of Voting Shares or Convertible Securities by way of a private placement or a securities exchange takeover bid circular by the Corporation, provided that (x) all necessary stock exchange approvals for such distribution have been obtained and such distribution complies with the terms and conditions of such approvals, and (y) the purchaser does not become the Beneficial Owner of more than 25% of the Voting Shares outstanding immediately prior to the private placement or securities exchange takeover bid (and in making this determination, the securities to be issued to such purchaser on the private placement or securities exchange takeover bid shall be deemed to be held by such purchaser but shall not be included in the aggregate number of outstanding Voting Shares immediately prior to the private placement or securities exchange takeover bid).
  - (v) **Exercise Price** means, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Right. Until adjustment thereof in accordance with the terms hereof, the Exercise Price shall be \$75.
  - (w) **Expiration Time** means the earlier of: (i) the Termination Time, and (ii) the close of business on the date immediately following the date of the Corporation's annual meeting of shareholders to be held in 2010.
  - (x) **Flip-in Event** means a transaction in or pursuant to which any Person becomes an Acquiring Person provided, however, that a Flip-in Event shall be deemed to occur at the close of business on the tenth day (or such later date as the Board of Directors may determine) after the Stock Acquisition Date.
  - (y) **Independent Shareholders** means holders of Voting Shares of the Corporation, but shall not include (i) any Acquiring Person or any Offeror, or any Affiliate or Associate of such Acquiring Person or such Offeror, or any Person acting jointly or in concert with such Acquiring Person or such Offeror, or (ii) any employee benefit plan, stock purchase plan, deferred profit sharing plan or any similar plan or trust for the benefit of employees of the Corporation or a Subsidiary of the Corporation, unless the beneficiaries of any such plan or trust direct the manner in which the Voting Shares are to be voted or direct whether the Voting Shares are to be tendered to a Take-over Bid; and for greater certainty shall include any Person referred to in Clause 1.1(e)(3) hereof (other than any Person who pursuant to Clause 1.1(e)(3) is deemed to Beneficially Own the Voting Shares).
  - (z) **Market Price** per security of any securities on any date of determination shall mean the average of the daily Closing Price Per Security of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the price used to determine the Closing Price Per Security on any Trading Day not to be fully comparable with the price used to determine the Closing Price Per Security on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the price per security used to determine the Closing
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Price Per Security on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The Closing Price Per Security of any securities on any date shall be:

- (i) the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for such securities as reported by the principal Canadian stock exchange on which such securities are listed or admitted to trading, or if for any reason neither of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange, the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for such securities as reported by such other securities exchange or national securities quotation system on which such securities are listed or admitted for trading on which the largest number of such securities were traded during the most recently completed calendar year;
- (ii) if, for any reason, none of such prices is available on such date or the securities are not listed or admitted to trading on a Canadian stock exchange or other securities exchange or on a national securities quotation system, the last sale price, or in case no sale takes place on such date, the average of the high bid and low asked prices for such securities in the over-the-counter market, as quoted by any reporting system then in use (as selected by the Board of Directors); or
- (iii) if the securities are not listed or admitted to trading as contemplated in clause 1.1(z)(i) or (ii), the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities provided, however, that if on any such date the Closing Price Per Security cannot be determined in accordance with the foregoing, the Closing Price Per Security of such securities on such date shall mean the fair value per share of such securities on such date as determined in good faith by an internationally recognized investment dealer or investment banker with respect to the fair value per share of such securities.

The Market Price shall be expressed in Canadian dollars and, if initially determined in respect of any day forming part of the 20 consecutive Trading Day period in question in United States dollars, such amount shall be tr