

NovaGold Resources Inc.

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NovaGold Resources to acquire Copper Canyon for \$54.4 million

NovaGold Resources (TSE:NG)(AMEX:NG) said Monday it has agreed to acquire junior explorer Copper Canyon Resources (CVE:CPY) in an all-stock deal worth C\$54.4 million.

The acquisition, which follows NovaGold's previous C\$34.1 million hostile bid for the company back in December, will allow the company to consolidate its position in the Copper Canyon copper-gold-silver property in British Columbia. NovaGold currently owns 60% of the property, while Copper Canyon holds the rest.

The new C\$1.05-per-share consideration represents a 25% premium to Copper Canyon's closing share price on Friday, and a 150% premium to its price before the first offer was made. Under the deal, a newly incorporated company will hold almost all of Copper Canyon's assets, including its 40% stake in the BC property.

Copper Canyon shareholders will receive one share in the new company for every four Copper Canyon shares held. They will also receive 0.0735 NovaGold shares for each Copper Canyon share held.

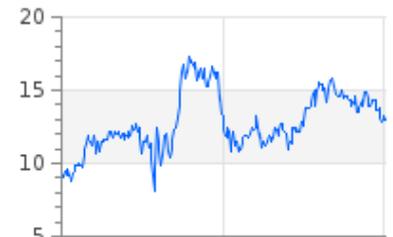
The deal, subject to the approval of regulators and Copper Canyon's shareholders, is expected to close in May. Should the deal fall apart in lieu of a superior offer, Copper Canyon must pay a \$2 million break-up fee to NovaGold.

Since the announcement, Copper Canyon's shares rallied 19% to trade at \$1.00 as of 1:13 pm EST.

Price: 12.96

Market Cap: \$4.28 billion

1 Year Share Price Graph



November 2019 May 2020 November 20

Share Information

Code: NG

Listing: TSX NYSE Amex

52 week High Low
18 6.4

Sector: Gold & silver

Website: www.novagold.com

Company Synopsis:

NovaGold (NYSE-AMEX, TSX: NG) is a growth-focused precious metals company with exploration, development and mining properties in Alaska and Western Canada.

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