



Photo by Peggy Fagerstrom

**NEW SCHOOL SITE** — Looking down from the hill called White Mountain onto the town of White Mountain, the cleared area in the foreground is being prepared for building the new school.

# The Nome Nugget

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Photo by Diana Haecker

**THE STORM**— During high tide on Monday afternoon, the water level rose to a 5.9 feet above mean low water level. On the east beach, the waves washed out sand and spat out junk they had picked up elsewhere.

## Nome Hosts 2006 CHARR Convention

By Tara McCaw

Members of the Alaska Cabaret, Hotel, Restaurant and Retailers Association traveled to Nome earlier this week to participate in the 36th Annual CHARR Convention taking place from October 16 to 19.

According to the organization's mission statement, "The Alaska Cabaret, Hotel, Restaurant and Retailers Association is dedicated to serving the needs of the hospitality industry in the state of Alaska. The Association provides training programs, membership services, legislative and government relations, informational services, and promotes the industry for its members." Alaska CHARR is a non-profit

organization that was established in 1968 and currently has affiliate organizations in Anchorage, Fairbanks, Kodiak, Ketchikan, Juneau/Lynn Canal, Nome, Sitka and the Kenai Peninsula.

CHARR members participating in this year's convention in Nome will elect board members, take care of organizational business, attend award ceremonies, and have the opportunity to meet fellow CHARR members. The Alaska CHARR Annual Report was scheduled to be presented on Tuesday morning, and Ed Tinsley, the convention's keynote speaker, was scheduled to give the "National Restaurant Association Chairman Address" on

Wednesday morning.

Several other convention speakers were scheduled to give presentations on various subjects of interest to CHARR members including civil liabilities, underage drinking, "Guerilla Marketing" for restaurants, and the three-tier system.

The itinerary for the four-day convention in Nome allowed for plenty of time for visitors to enjoy Nome's establishments and see local sites. The convention kicked-off Monday night with an Icebreaker Reception at Polaris Bar and the finale event is a cocktail party and \$10,000 raffle drawing planned for Thursday night at the Bering Sea Saloon.

## Test storm coming through

By Diana Haecker

On Saturday afternoon October 14, the National Weather Service alerted Norton Sound residents to take precautions due to a coastal flood watch. Radio announcements cautioned the public to pull up boats and prepare for a potential flood in low-lying coastal areas. Winds up to 60 mph were forecast, and this message sent people scurrying to take care of that old plywood that

could fly around or pull up the suction dredges still sitting on the beach across from Swanberg Dredge. But the storm panned out less severe than it threatened to be, and the NWS could downgrade the warning on Monday morning to a high surf advisory.

Wes Adkins, meteorologist at the National Weather Service in Nome said that peak wind gusts were measured at 43 mph from a south-

easterly direction around 9 a.m. on Monday. "The strongest wind blew between 4 a.m. to 10 a.m. on Monday and then it started calming down," Adkins said. The highest sustained winds did not surpass 33 mph.

Water surging in with the high tide on Monday afternoon at 1:12 p.m. did not flood any parts of

*continued on page 20*

## Barrick extends NovaGold takeover offer again

By Diana Haecker

For the third time since its initial hostile takeover bid of NovaGold Resources Inc. on July 24, Barrick Gold extended its deadline. This time NovaGold has until October 24 to accept Barrick's \$1.5 billion offer.

NovaGold claims the offer at \$14.50 per share grossly undervalues NovaGold's assets.

Barrick announced the extension on October 12.

"As our long-term shareholders know, NovaGold has always focused on shareholder value and has delivered a compound annual

shareholder return of 70 percent over the past seven years," said Rick Van Nieuwenhuyse, president and CEO of NovaGold. "Holders of more than 99 percent of our shares continue to solidly reject Barrick's US\$14.50 bid as wholly inadequate for NovaGold's world-class assets and production potential, and have given NovaGold management the mandate to continue to grow shareholder returns."

NovaGold said in a press release that the company has achieved several major milestones over the past few months, including the start of

*continued on page 4*

## Kawerak board presses for Rock Creek environmental oversight committee

By Diana Haecker

During last month's full board meeting of Kawerak Inc., tribal council presidents of the 20 tribes of the Bering Strait region passed a motion pressing for an environmental monitoring oversight committee of Alaska Gold Company's Rock Creek and Big Hurrah mining operations.

In a letter to the Alaska Gold Company, Loretta Bullard, president of Kawerak, informed NovaGold Alaska vice president and general manager Doug Nicholson that the mines were discussed among board members and

that a motion was passed "that Kawerak encourages Nova Gold to form a committee to oversee environmental monitoring for the Rock Creek and Big Hurrah projects." The motion suggests that the environmental committee should consist of representatives from NovaGold, Bering Straits Native Corporation, Norton Sound Health Corporation, Norton Sound Economic Development Corporation, the City of Nome, Nome Eskimo Community, Solomon Native Corporation, Kawerak and perhaps Sitnasuak.

*continued on page 5*



Photo by Peggy Fagerstrom

**TRIPLETS**— The village of Golovin increased its population by three in June. Irene Sockpealuk of Golovin recently brought home her triplets born June 2 in Anchorage; Kaylee Rose Fagerstrom born 3:15 p.m. weighing 3 lbs., 9 oz.; Madison Claire Fagerstrom born 3:16 p.m. weighing 4 lbs., 7 oz.; Ethan John Fagerstrom born 3:17 p.m. weighing 3 lbs. 12 oz. Proud siblings are Tracy, 19; Covey, 17; Shendlyn, 13; and Trevor, 8. Proud grandmother is Alice Fagerstrom of Golovin.



•Barrick

continued from page 1

construction on its mine in Nome; a significant update of its gold, silver and copper resources; conversion of inferred resources to measured and indicated resources at Galore Creek and Nome Gold based on 2005 drilling results; and completion of several key permitting steps at the Galore Creek copper-gold-silver project.

“This is an exciting time for the company, and we are working on many fronts to deliver enhanced shareholder value. What Barrick has failed to recognize is that NovaGold shareholders will compare any offer to purchase the company against the value inherent in the company’s assets, and its potential future value as a low-cost gold and copper producer,” Van Nieuwenhuys continued. “NovaGold represents exceptional investment value, and our shareholders recognize that opportunity. We have received tremendous support from our shareholders, and we intend to reward that support by continuing to deliver outstanding shareholder returns.”

Despite the optimistic tone, NovaGold shares dropped about 22 cents, or 1.2 percent, to CAD\$17.46 on the Toronto stock exchange last Friday while Barrick gained 85 cents, or 2.6 percent, to CAD\$33.07.

On Friday, NovaGold also released its third quarter financial statement, blaming the increased loss to \$4.7 million in legal and advisory costs incurred in the quarter after Barrick made its unsolicited bid in June and spoiling NovaGold’s takeover bid for Pioneer Metals Corp. Pioneer was also bought up by Barrick recently. NovaGold accuses Barrick of trying to snap up the company’s interest in their Donlin Creek joint venture in southwestern Alaska for less than its true value.

“We are providing additional time for NovaGold shareholders to consider our offer which we believe should be substantially more attractive to NovaGold shareholders today than when it was announced in late July,” said Barrick’s Greg Wilkins, president and CEO. “The premium all-cash offer has insulated NovaGold shareholders from recent declines in gold prices and gold equities,” he said.

Wilkins justified the \$14.50 offer per share with arguments that the gold price has declined by approximately US\$40 per ounce, that NovaGold has not been successful in attracting another bidder despite running a full auction and that Barrick believes that NovaGold has been unable to demonstrate any additional value for its projects that was not well known before Barrick’s offer.

“NovaGold recently released its preliminary economic assessment for the Donlin Creek project. Barrick believes this assessment

uses very optimistic assumptions which could not be supported by a thorough feasibility study. It simply demonstrates that Donlin Creek is a challenging project, which will require a company of Barrick’s size, financial strength and development expertise to complete on an economic basis. This is especially true, given the large number of variables that arise over the lengthy period leading to commercial production. NovaGold itself now suggests Donlin Creek will not begin production until 2013, underscoring the complexities of the project’s development,” said a Barrick press release.

Barrick is seeking to consolidate its interest in the Donlin Creek project in Alaska and acquire 100 percent of the Galore Creek project in British Columbia, Canada. Barrick values the proposed transaction at approximately US\$1.3 billion or approximately US\$1.5 billion on a fully diluted basis.

According to a Gold Anti-Trust Action Committee, a US organization to advocate and undertake litigation against illegal collusion to control the price and supply of gold and related financial securities, Barrick is the equivalent of Star Wars’ Evil Empire that needs to be defeated. GATA sees the Barrick bid for NovaGold as the biggest thing in the gold world at this time. GATA accuses Barrick of suppressing the global price of gold for a long time in collaboration with the world’s central banks. GATA’s chairman Bill Murphy wrote on the GATA website on August 9, “Barrick Gold confessed to the gold price suppression scheme in U.S. District Court in New Orleans on February 28, 2003, when it filed a motion to dismiss Blanchard and Co.’s anti-trust lawsuit charging that Barrick was doing exactly what its motion admitted. The motion said that in borrowing gold from central banks and selling it, Barrick had become the agent of the central banks in the gold market, and, as the agent of the central banks, shared their sovereign immunity and thus could not be sued.”

A report by the International Monetary Fund confirms that central banks treat gold in the vault and gold receivables as the same line item. This means that gold loaned out or swapped to be sold into the market to suppress the gold price has been “invisible” to gold market participants, as it still appears on the central banks’ balance sheet as if it were in the bank vault. This gives a totally erroneous and deceptive impression of an abundant supply of gold when in fact mine supply cannot meet demand.

GATA consultant Adrian Douglas, also a substantial NovaGold shareholder, wrote on the GATA website, “If gold had only kept pace with inflation it would now be at \$2,000 per ounce, quite apart from the upward influ-

ence on the price of shrinking supply and increasing demand. A gold price like that would value NovaGold at \$145 per share, not the \$14.5 offered by Barrick. That is, Barrick is complicit in the scheme that has caused NovaGold to be 90 percent undervalued. So it is unthinkable then that Barrick should be allowed to acquire NovaGold at that price.”

NovaGold had enlisted the help of GATA to join in the fight against Barrick’s takeover. “If Barrick is forced to pay up for NovaGold, it will be a landmark deal that will affect the takeover of other gold companies,” wrote Murphy. “The price of gold is going to go nuts in the years ahead. The only reason the price of gold is not at least twice what it is today is because of the heinous and corrupt Gold Cartel. They must not be allowed to profit from this corruption,” wrote Murphy. “Barrick is going to pay a dear price for being what it is and for what it has done to help the Gold Cartel keep the gold price down. For starters, and we are only warming up, GATA would like its army to contact NovaGold’s major shareholders to oppose the Barrick offer for the reasons cited above.”

In the white collar world of shareholders and investors, mines are discussed in terms of measured and inferred ounces and whether or not the mine sites are in a political no-risk environment. According to the hostile exchange of words on Barrick, NovaGold and GATA websites, the issue for shareholders revolves around the right value, business practices and global manipulation of the gold market. Nome, Donlin Creek and the Galore mines are all judged to be situated in politically low-risk environments — presumably in mining-friendly communities — and are progressing in different stages toward production.



Photo submitted by Barbara Amarok

**WOOD WONDER** —Beautiful cutting boards were made by (from left) Bonnie Savok, Valerie Kakaruk, Kim Gilder, Kyle Griemsmann and Ricky Wideman in Mr. Sullivan’s wood shop class at Nome-Beltz.

•Kawerak

continued from page 1

“The Committee would be responsible for reviewing the environmental testing process, hearing reports on the testing results and making recommendations to insure that our environment, upon which we all depend, is kept clean,” Bullard wrote.

According to the letter, the committee would stand “for the life of the projects.”

The Kawerak board also made a motion to recommend to NovaGold to contract with Kawerak to do environmental testing.

“The reason we are suggesting that Kawerak be contracted with — is that we don’t have a fiscal interest in the mine and mining operations — and thus be unbiased in gathering and presenting the environmental testing results,” wrote Bullard.

She added that this would provide the public with a greater sense of trust in the environmental monitoring.

Alaska Gold Company vice president and general manager Doug Nicholson said in response to Kawerak’s proposal, “There is a management oversight committee in place with members of the company and the landowners, being Sitnasuak and Bering Straits Native Corporation. We have a management structure in place and it’s taken care of.”

Nicholson also added that contracting with Kawerak is not an option, since all testing data is sent out to a third party laboratory. “We’ve been always open about the test results. Any results we turn in are required as part of the permit stipulations. It’s all submitted to the state and it’s public information accessible to everyone.”

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