

July 12, 2006

In the Matter of
the Securities Legislation of
Manitoba, Nova Scotia and Newfoundland and Labrador
(collectively, the Jurisdictions)

and

In the Matter of the Mutual Reliance Review System
for Exemptive Relief Applications

and

In the Matter of NovaGold Resources Inc.
(the Filer)

MRRS Decision Document

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer be exempt from the requirement under the Legislation that the offer or circular in respect of a take-over bid contain a summary of a valuation of the offeree issuer (the Valuation Requirement) in connection with any second step business combination or going private transaction pursued by the Filer (the Requested Relief).

2. Under the Mutual Reliance Review System for Exemptive Relief Applications:

2.1 The Manitoba Securities Commission is the principal regulator for this application; and

2.2 this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

3. Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

4. This decision is based on the following facts represented by the Filer:

4.1 The Filer is a Nova Scotia corporation engaged in the business of exploration and development of mineral properties. The Filer's head office is in British Columbia. The common shares of the Filer are listed on the Toronto Stock Exchange and the American Stock Exchange.

4.2 On June 19, 2006 the Filer commenced an offer (the Offer) to purchase all of the issued and outstanding common shares (Shares) of Pioneer Metals Corporation (other than those owned by the Filer) at a price of \$0.57 per Share, by publishing an advertisement containing a brief summary of the Offer. On the same day, the Offer and the take-over bid circular in connection with the Offer (the Circular) were filed on SEDAR with the securities regulatory authorities in each of the provinces and territories of Canada and copies of the Offer and Circular were delivered to Pioneer Metals Corporation.

4.3 The Offer is an unsolicited offer and the Filer lacks access to relevant information that would enable the Filer to satisfy the Valuation Requirement.

4.4 The Filer and persons acting jointly or in concert with the Filer do not beneficially own more than 10% of the outstanding Shares, and therefore the Offer is not an "insider bid" for the purposes of the Legislation. Neither the Filer nor any joint actor with the Filer has, or has ever had, any board or management representation in respect of Pioneer Metals Corporation, or, after reasonable inquiry, has knowledge of any material information concerning Pioneer Metals Corporation or its securities that has not been generally disclosed.

4.5 If, within 120 days after the date of the Offer, the Offer has been accepted by holders of not less than 90% of the issued and outstanding Shares, other than Shares held at the date of the Offer by the Filer or an affiliate or associate of the Filer (as such terms are defined under the Business Corporations Act (British Columbia) (BCBCA), the Filer may elect to acquire the remainder of the Shares under the compulsory acquisitions provisions of the BCBCA on the same terms as under the Offer (a Compulsory Acquisition).

4.6 If the Filer takes up and pays for the securities validly deposited under the Offer and the statutory right of Compulsory Acquisition is not available or not exercised, the Filer reserves the right (and currently intends to do so in appropriate circumstances) to use all reasonable efforts to complete an amalgamation, plan of arrangement, capital reorganization, share consolidation or other transaction involving Pioneer Metals Corporation and/or the Filer and/or one or more affiliates of the Filer (a Subsequent Acquisition Transaction).

4.7 In connection with any Subsequent Acquisition Transaction, the Filer intends to rely on the exemption available under subparagraph 4.4(1)5 of Ontario Securities Commission Rule 61-501 Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions (Rule 61-501) from the formal valuation requirement, in that:

4.7.1 the business combination of Pioneer Metals Corporation will be effected by the Filer or an affiliate(s) of the Filer following the formal bid constituted by the Offer and will be in respect of the Shares that will be the subject of the Offer;

4.7.2 the business combination will be completed no less than 120 days after the expiry of the Offer;

4.7.3 the consideration per Share paid by the Filer or an affiliate of the Filer in the business combination will be:

4.7.3.1 at least equal in value to the consideration per Share that is being paid by the Filer under the Offer; and

4.7.3.2 in cash, which is the same form as the consideration per Share being paid by the Filer under the Offer;

4.7.4 the intent of the Filer to effect a business combination is disclosed in the Offer and the Circular; and

4.7.5 the Offer and the Circular disclose:

4.7.5.1 that if the Filer acquires Shares under the Offer, the Filer intends to acquire the remainder of the outstanding Shares by Compulsory Acquisition or Subsequent Acquisition Transaction; and

4.7.5.2 the expected tax consequences of the Offer and the Subsequent Acquisition Transaction, to the extent currently known to the Filer.

4.8 The Filer intends to mail the Offer and Circular to all offeree security holders within two business days following receipt from Pioneer Metals Corporation of a list of security holders, which the Filer requested June 19, 2006. Under section 49(4) of the BCBCA, Pioneer Metals Corporation is required to furnish the list of security holders promptly following receipt of the request.

Decision

5. Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

6. The decision of the Decision Makers pursuant to the Legislation is that the Requested Relief is granted provided that the Filer complies with the other requirements in the Legislation applicable to formal take-over bids.

"Chris Besko"

Chris Besko

Deputy Director – Legal

The Manitoba Securities Commission