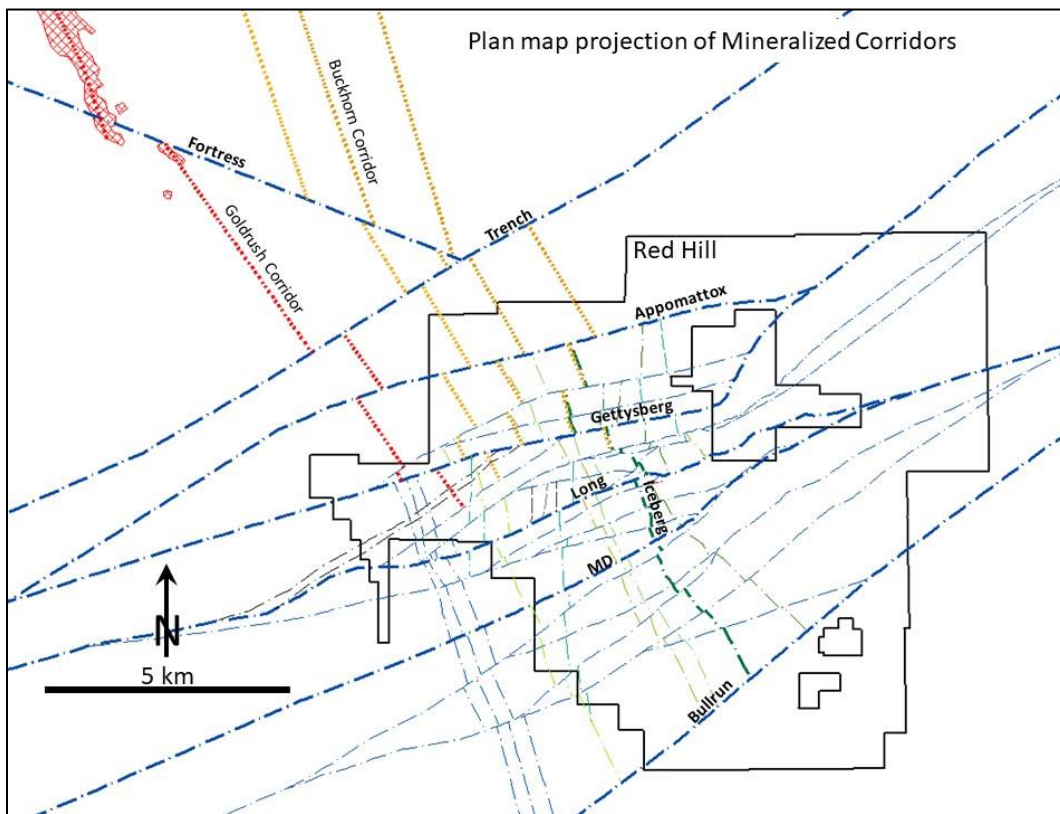


Au control, fault offset and other updates/observations

O1) South projection of Fourmile-Goldrush and Buckhorn trends show possible correlation of Buckhorn to CMZ to mid-rift area and Goldrush to the area east of VIO.



O2) SR17-08C mineralized zone starts in decarbonized marble of upper Wenban, 31 ppm Au sample in same, with possible minor mafic intrusive clasts. (Dw 5 is not the exclusive carbonate high-grade host).

13.13 ppm Au
507.1
30.80 ppm Au
508.3
21.00 ppm Au
510.3
8.86 ppm Au
513.2
1.59 ppm Au
516.5
3.21 ppm Au

SR17-08C
CENTIMETER
INCH

SR17-08C
Original geology log and notes from photos:
Relatively fresh Dw6-7 to 496 ft; minor low grade hit up hole associated with local marble and decarb alteration as interval below

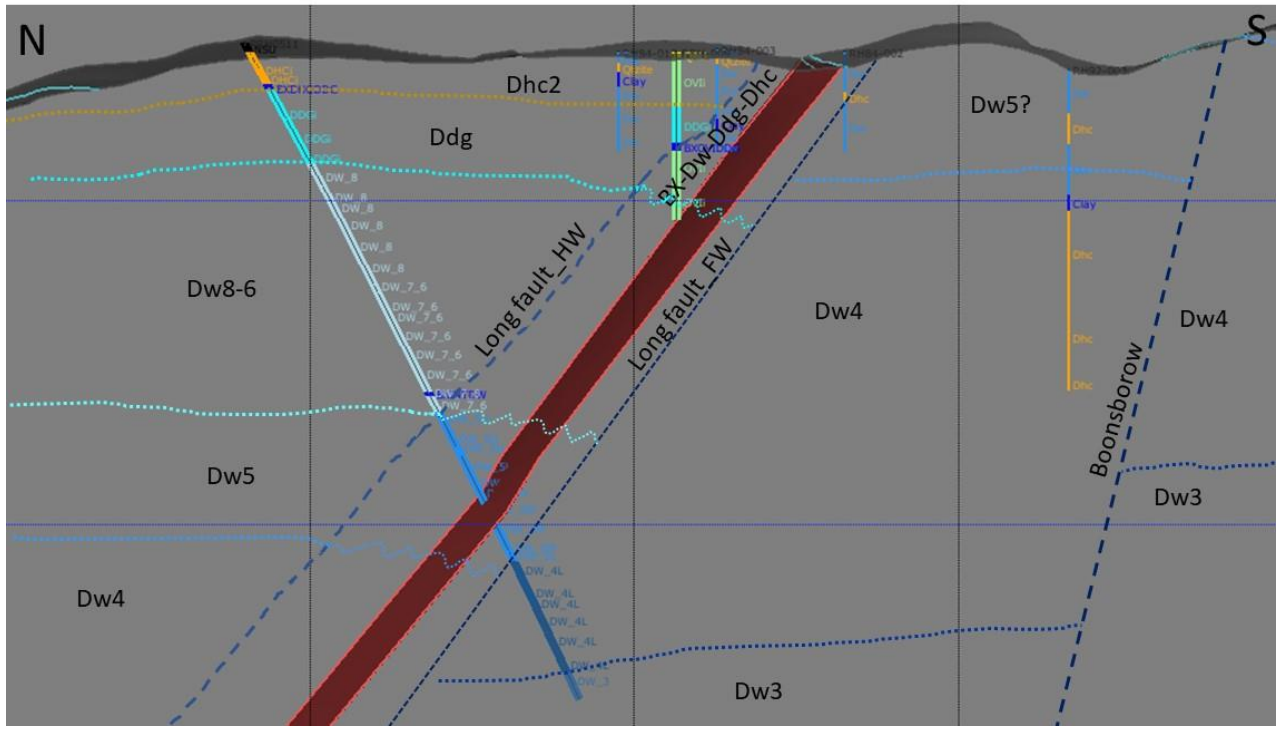
496-500.5: Dw6-7, decarb MB of argillaceous planar laminated lime mudstone with local small scale SSD features, bedding disruptions and wk bx with calcite, fairly sharp transition to 'bleaching' and decarb - looks like MB-front, relic laminations, sample from 497-502.6 runs 0.101 - likely most of grade is last 2 ft (hard to believe there is any, but same altn and 0.264 ppm Au at 479.5-483.3)

500.5-502.5: as above with stronger bx/shearing, some calcite with hematite-goethite stain

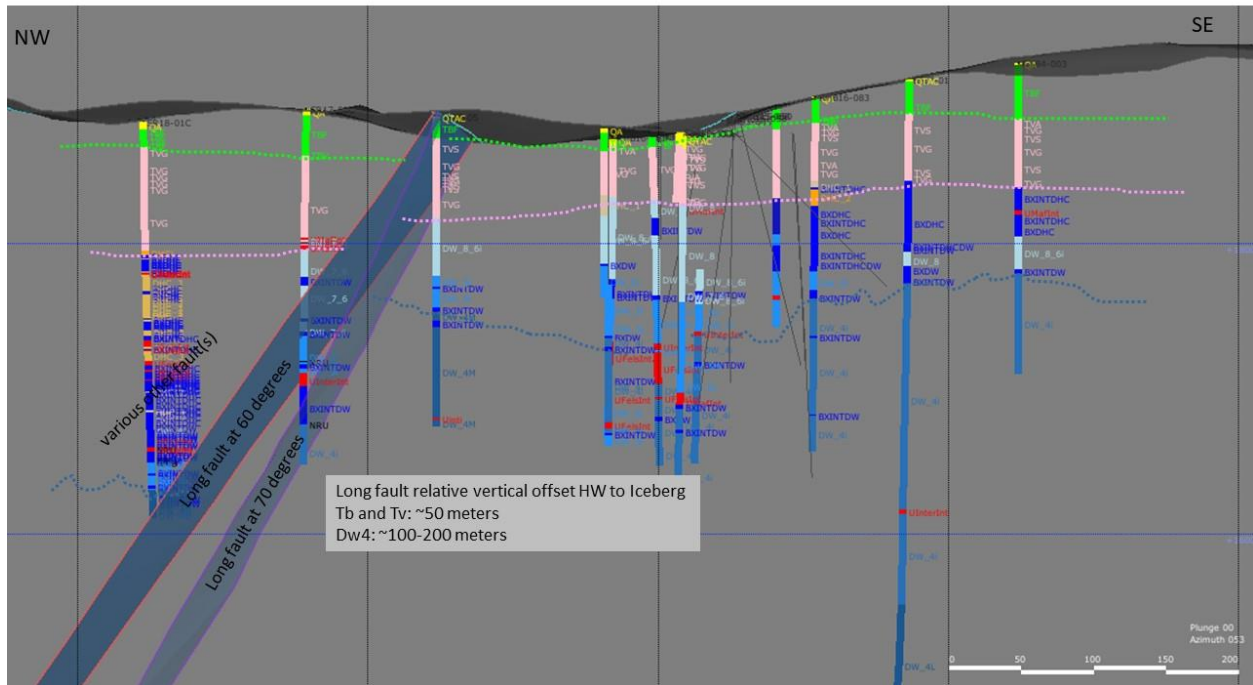
502.5-513.2: originally lumped as fault with argillized mafic intrusive and bleached decarb laminated lime mudstone, local strong hematite staining

- cut samples from photos 502.5-505.3 strong sheared decarb marble of Dw6-7 with few clasts of possible marble of Dw5 wakestone, some clasts with strong hematite-goethite pervasive stain, some with md-str goethite-jarosite stain, one 3 inch shear is gdy with possible fine sulfides, some of clayey matrix zones may be strong argillized mafic dike (9.65 ppm Au)
- 505.3-507 decarb marble, some relic laminations, mostly sheared and some fine bx, possibly some str agr'd mafic intrusive clasts, minor hematite-goethite stain (13.13 ppm Au)
- 507-508.3 more obvious decarb MB of planar lam'd argillaceous lime mudstone, bx'd-sheared with local strong hematite-goethite stain, few small intrusive clasts? (30.80 ppm Au)
- 508.3-510.3 coarse bx'd, str argillized mafic intrusive, few clasts of decarb marble (21.00 ppm Au)
- 510.3-513.2 first foot of strong sheared mixed intrusive and decarb marble as above with dark grey fine grained sooty sulfide and coarser brassy pyrite on bedding laminations, next foot decarb marble with md fine brassy to dull brassy pyrite on bedding lam's, last foot decarb to wk silf'd calcisilicate-marble with increase in dull fine grained brassy pyrite in fracts and on bedding - wk bx'd; still looks like Dw6-7 (8.86 ppm Au)
- 513.2-516.5: changes to silf'd, and looks like bx'd contact between Dw6-7 and Dw5 in the first 3 inches or so, fine-coarse brassy py on fracts (1.59 ppm Au); changes to marble to dolomite altered looking protolith and stronger, thin planar laminations below, then more bx'd to faulted, variably str silf'd possibly Dhc2+Dw5? - odd textures...

O3) Long fault offset: 320 meters of right lateral offset based on Iceberg fault. Dip slip is less certain with between 100 and 250 meters of apparent normal offset based on PRH0511 as shown below. Dip projection of 60 degrees fits overall damage zone well, but 70 degrees is closer for linking obvious surface trace to most significant offset at depth.



Long fault with cross section through Serena zone shows relative vertical offset of ~50 meters in Tb/Tv and 100-200 meters in Paleozoics. Model with dip projection of 70 degrees fits overall data better than 60 degree dip (from a few surface mapped points).



O4) Metamorphism of host rocks in mineralized zones occurs throughout the Central Mineralized Zone, mafic dike clasts and groundmass material are common in mineralized zones. Southeast of Cretaceous intrusive outcrop – relatively strong marble alteration of carbonate sequence continues for over 2km, unclear if this will lead to a target, but it is of interest – suggests a larger intrusive at depth.

O5) Steep dipping E-W mafic dikes may be one element of focus for higher grade Au.

O6) The CMZ fault zone in some areas is 100 meters + thick, modeling structural sub-unit(s) may be of benefit to differentiate this structural zone from intact units.

O7) Logging to date often assumes strong silicification is either Horse Canyon or Wenban unit 5. A review of SR17-07 shows strong silicification in Wenban unit 4 from 560-620 feet (formerly logged as Dw5). Relic textures with bioturbation and worm burrows are evident, and suggest Wenban unit 4.

O8) Initial mapping at the Coal Canyon area shows the Wenban unit 1 is 160 feet thick, which compares to 100 feet at Cortez Horse Canyon Haul Road (Cook, 2015), and a much thinner interval in drill hole PRH0511. The unit is characterized by debris flow with cobble to boulder sized reef facies clasts and phosphate nodules/fat lenses in thin to medium bedded wackestones. Wenban unit 2 is 80 feet thick at Coal Canyon, did not occur in drill hole PRH0511, and is 100 feet thick at Cortez Horse Canyon Haul Road. The unit is characterized by very thin planar laminated mudstone to wackestone. Wenban units 3 and lower unit 4 have structural complications in exposures visited to date at Coal Canyon.

O9) Review of core hole PRH0511 shows an abbreviated lower Wenban section due to structural complications. The Roberts Mountains section correlates well with that at Cortez Horse Canyon Haul Road, but shows repetition in units 5 and 4, and possibly within units 3 and 2. The entire Roberts Mountains Formation is characterized by thin laminated wackestone with significant fine to very fine grained quartz sand. Unit 5 is further characterized by the presence of phosphate lenses and thin turbidites. Unit 4 is characterized by an abundance of thin to relatively thick turbidites. Unit 3 had sparse, thin turbidites, and unit 2 is similar to unit 3 but also has relatively common monograptus graptolites. Unit 1 was not definitely intercepted in PRH0511, but is characterized phosphate lenses, and in some areas silicious interbeds. The property stratigraphic section will be updated after additional field checks of exposures in the Coal Canyon area.

O10) Sample selection for SEM, microprobe and petrographic analysis to better characterize deposit type is in progress. Criteria for high-priority samples include Au-mineralized ≥ 0.15 ppm, unoxidized, moderate to abundant sulfides, silicified or non-gougy. Core is best for getting intact samples for thin sections, but RC could be utilized with epoxy. Serena and the Central zone have some high-priority samples to choose from, VIO has a few moderate priority samples (lower grade and somewhat argillized), Avocado has no high-priority samples to choose from. There are 5 additional core holes pending review from the Central and South zones. If 6 high to moderate priority samples are not available at this point, a smaller subset of samples may be sent in for analysis now, and additional samples sent in by the end of year. A total of 6 samples will be sent in, at a cost estimate of \$12-13k. Deliverables of the analysis include:

- 1 Au mode of occurrence, assuming it is present in the selected samples.
- 2 Paragenesis, associated minerals, and elements, i.e, potential contaminants
- 3 Grain-size and contact
- 4 Au concentrations in pyrite
- 5 The thickness of mineralized rims
- 6 Physical characteristics and mineral associations are documented with photos and basic mineral maps

References:

Cook, H.E., 2015, Evolution of the Western North American Paleozoic Carbonate Platform, in Pennell, W.M. and Garside, L.J., eds, New Concepts and Discoveries, Symposium Proceedings, Geological Society of Nevada, Reno, Nevada, May 14-23, 1 p.

The foregoing contains forward-looking statements, which relate to future events or future performance (including future exploration plans and potential drill targets for the Red Hill property) and reflect management's current expectations and assumptions based on information currently available to NuLegacy. These forward-looking statements are made as of the date hereof, are neither promises nor guarantees and are subject to numerous risks and uncertainties that may cause future results to differ materially from those expected as more particularly described in NuLegacy's continuous disclosure documents on SEDAR at www.sedar.com. Readers are cautioned not to place undue reliance on forward-looking statements. The proximity and similarity of the geology, geochemistry and/or mineralization of other deposits in the Cortez gold trend of Nevada including Cortez Horse Canyon and Goldrush is not necessarily indicative of the geology, geochemistry and/or mineralization in NuLegacy's Red Hill property. The scientific and technical information in this progress update has been approved by Derick Unger, CPG 11927, NuLegacy's Chief Geologist and a qualified person as defined in National Instrument 43-101.