

Monday, February 11, 2019



The Rush to Bulk-up

~ “NuLegacy bulking up the old-fashioned way” ~

To my friends, family and NuLegacy shareholders/stakeholders:

Hi Folks,

[Click here to view the associated News Release](#)

I got some push back when suggesting, in the second of my current series of Chairman's Chats on the prospects for the gold industry, that the *“Randgold shareholders got the best of the Barrick Gold-Randgold merger”*, so I wanted to share the numbers:

2018 Production:

Barrick Gold:	4.54 million ounces (78%)
Randgold:	1.3 million ounces (22%)
Combined Total:	5.84 million ounces (100%)

New Barrick Shareholdings:

Existing Barrick shareholders:	1.166 billion shares (67%)
Issued to Randgold shareholders:	0.585 billion shares (33%)

My calculations show that the Randgold shareholders got a 50% premium: 33% of the stock for 22% of the gold production. The numbers are virtually the same on ounces of gold reserves, and that's without considering the qualitative difference in ounces in Nevada versus African ounces...so much for a no premium deal! Now I'm no rocket scientist, but any analyst -- should be able to figure this out, instead of repeating the same 'fake news'.

However, as we anticipated, the Rand-Barrick deal has precipitated a 'rush to merge/bulk-up' with the hastily conceived and executed Newmont-Goldcorp merger leading the way, in which Goldcorp is perhaps at a discount after the challenges of the last ten years.

As Jason Neal of TMAC Resources rightly points out in a quote in the [Globe & Mail](#), “the bulking up” amongst the juniors is *not* “getting bigger for the sake of getting bigger”, it's a case of “getting bigger for the sake of **getting relevant**”. In today's **passive investment world** your stock will trade at a discount to those that **are big enough** to be included in ETFs or Index funds. **“Size counts”!**

Currently at NuLegacy we are still bulking-up the old-fashioned way; drilling to affirm a seriously valuable and much coveted Carlin-style gold deposit/s (witness the Randgold 'take-over' of Barrick) on our 108 sq km property in the Cortez trend, with three such giants having been found to date just next door and on trend.

Bulking up the old-fashioned way: It's taken a year and the painstaking inch-by-inch relogging of all 223 holes (54,000 meters: 177,000 ft) NuLegacy has drilled to date, along with numerous geo-chemical and geophysical programs to completely change our understanding of the Red Hill property geology.

To quote our 'wizard behind the curtain' Charles Weakly (NuLegacy's District Geologist) on the results of our 2018 exploration programs:

"The three new target areas are exciting and have a good chance of leading us to the fire behind all the smoke [Serena and Iceberg zones] discovered to date".

It took the addition of Charles Weakly (Jan 1, 2018), with his meticulous analysis and 20 years' experience of Carlin gold-systems (including finding ounces for Barrick across at the Goldrush), and Derick Unger's (NuLegacy's Chief Geologist) re-interpretation of the geophysical data and the reanalysis of all historical data generated by our excellent geo-team **to completely reframe** our understanding of the Red Hill property.

And it took the drilling of numerous big-step outs and remote wildcat/outlier holes on our 108 sq km Red Hill property to fill in some of the information gaps and a willingness on senior management's part to countenance numerous 'apparent' dusters.

We have been criticized for taking this high-risk approach of stepping out major distances in our pursuit of the high grade core/s of our deposit instead of tending to our knitting and expanding the ocean of 'sea-water' we have found to date...with over a hundred million tonnes in the Serena-Iceberg complex, a vast quantity of material grading from 0.3 grams to 1 or 2 grams of gold/ton with the occasional modest length intervals spiking to 15 to 40 grams of gold/ton.¹

Trouble is that an ocean of such 'sea water' is challenging without the high-grade core. Sure, you can build a heap-leach mine and limp along as many have this past 10 years as you deplete your resources while finding it difficult to return value to the shareholders unless there's serious improvement in the gold price. There are several good companies in this situation, trading at very modest prices per ounce of gold resource, and I might just buy me some against the possibility of a serious run in the gold price...but they are challenging.

To create current value for our shareholders in NuLegacy we are intent on finding the "high-grade core or low-angle feeder zone" material that the Cortez and Carlin trend deposits have been so fortunately endowed with, and that will make the "ocean of sea water" valuable as well, since the high grade pays for the plant and equipment. And the fact that we've had a considerable number of albeit modest length (5 to 10 meters) of these high-grade 'spikes' (15 to 40 grams of gold/ton) encouraged us to continue taking the drilling risk, and viola.

The three Carlin-style deposits next door to our Red Hill property are 'giants' economically (not physically) and are amongst the 25 richest gold mines in the world! ²

For a complete report on our 2018 programs and 2019 plans please see:
<https://nulegacygold.com/news/news-releases/nulegacy-transforms-red-hill/>

Thank you and cheers,

Albert

Albert J. Matter
Chairman, Director
NuLegacy Gold Corporation | NUG:TSXV | NULGF:OTCQX

C: 604.512.7003 | www.nulegacygold.com

1. These figures are conceptual in nature and derived from a compilation of 149 historic and 111 NuLegacy drill holes. To date, there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the exploration target being delineated as a mineral resource.
2. The similarity and proximity of these Carlin-style deposits in the Cortez Trend is not necessarily indicative of the gold mineralization in NuLegacy's Red Hill property.

The foregoing is not intended to be relied upon as advice to investors or potential investors and does not constitute an offer to sell or the solicitation of an offer to buy any security nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, the foregoing contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions based on information currently available to the Company. Readers are cautioned that these forward-looking statements are neither promises nor guarantees and are subject to risks and uncertainties that may cause future results to differ materially from those expected. These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required under applicable securities legislation.