

SUMMARY OF METALLURGICAL TEST WORK FOR THE ICEBERG GOLD DEPOSIT

INTRODUCTION

As part of the evaluation of the Iceberg gold deposit obtaining an initial indication of the leachability of the oxidized mineralization is an important aspect. A review of the historical database (pre-NuLegacy's involvement) indicated that only one drill hole had been tested for leaching characteristics. As part of NuLegacy's exploration of the Iceberg deposit three separate leaching tests have been conducted. In 2014 one hour "tumble leach in cyanide" tests were implemented to provide an initial leachability indication. In 2015 and 2017 industry standard bottle roll tests were conducted as a more enhanced indication of the leaching characteristics of the Iceberg mineralization. This document summarizes the results of those tests and presents an evaluation of the Iceberg leaching characteristics.

RECENT BOTTLE ROLL TESTS

Fifteen bottle roll (agitated cyanidation) tests were performed on composite drill hole samples of mostly oxidized mineralized intervals from the Iceberg North and Central zones. One drill hole composite for the South zone was also included. Coarse rejects of five foot intervals were submitted to McClelland Laboratories, Inc., Sparks, NV, who combined the material into the composite intervals outlined in Table 1 for each drill hole. The individual coarse rejects from each drill hole were combined and blended to produce the composite samples for the interval shown in Table 1. Each composite sample was then crushed to 80% passing 10 mesh. Four one kilogram splits were produced for each composite, one for the bottle roll test and three for head grade analyses. Head grades were analyzed by fire assay fusion. Each bottle roll sample was placed in a dilute cyanide solution with sufficient lime to control the pH, and agitated for 96 hours. The solution was analyzed after 2, 6, 24, 48, 72, and 96 hours to determine the amount of gold extraction as a function of time.

McClelland's overall conclusion was that the oxidized material was "amenable to agitated cyanidation treatment", and that the majority of the gold was extracted during the first two hours and was substantially complete after 24 hours. The tests also indicated low levels of cyanide consumption during gold extraction, and low-levels of lime were required to control the pH. Specifically, extraction from oxidized material ranged from 73.5% to 98.8%, and mixed material from 45.0% to 67.2%. The one sulfide bearing sample had an extraction of 35.2%, which is not unexpected.

CONCLUSION

While these are preliminary tests they do support the conclusion that the oxidized Iceberg gold deposit is amenable to cyanide leaching. The tests also indicate that gold extraction would occur in a relatively short time. Much of the mixed sulfide/oxide material is most likely leachable, but at a somewhat extended leach cycle. These tests indicate that the oxidized material in the Iceberg gold deposit has leaching characteristics similar to other Nevada Carlin-type gold deposits.

HISTORIC DATA

Within the historic data that NuLegacy was able to obtain the only available leach testing were cyanide shake analyses on the interval from 215 to 300 feet in hole RH92-2, drilled by Pathfinder Exploration Inc. in 1992 (Table 1). While there is no QC/QA data available for these analyses, if taken at face value an average of 93.8% of the gold was extracted, when compared to the fire assay gold values for this interval. While this data cannot be confirmed it is presented as an indication of the leachability of some of the mineralization in the Iceberg North zone.

PREVIOUSLY REPORTED NULEGACY LEACH TESTS

As reported in early 2015 (NR 1/20/15) samples from drill holes, one hole each from the North and South zones, and three holes from the Central zone were analyzed for leachability. Five foot analytical pulps from mineralized intervals in these holes that were previously analyzed for gold by fire assay/AA finish were reanalyzed by American Assay Labs' AuCN30 technique. The procedure starts with a 30 gram sample from each five foot interval which is leached for hour in an agitated NaCN solution, after which the leach liqueur is analyzed for gold content. The different between the two analyses is the amount of gold extracted by cyanidation.

The results of these analyses are presented in the attached tables. Table 1 summarizes the average extractions for the various intervals in each drill hole, while Table 2 presents the range of extractions for each interval. The gold extraction from oxidized material is extremely good, while modest for the mixed oxide/sulfide material. As expected, the extraction from sulfide bearing material is very low.

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Table 1-Summary of leaching tests of Iceberg mineralization

Drill hole	Interval	Head Assay	Extracted Grade	Tail Grade	Calculated Head	Au recovery %	Iceberg zone	Oxidation state
	(Feet)	(opt Au)	(opt Au)	(opt Au)	(opt Au)			
		BOTTLE ROLL TESTS						
RHB16-083	190-215	0.079	0.069	0.01	0.079	87.3	North	Oxidized
RHB16-084	275-295	0.072	0.065	0.009	0.074	87.8	North	Oxidized
RHB16-090	210-220	0.008	0.007	0.001	0.008	87.5	South	Oxidized
RHB16-091	335-360	0.020	0.015	0.005	0.020	75.0	Central	Oxidized
RHB16-094	445-460	0.007	0.006	0.002	0.008	75.0	Central	Oxidized
RHB16-107	240-260	0.024	0.017	0.006	0.023	73.9	North	Oxidized
RHB16-109	360-380	0.040	0.029	0.012	0.041	70.7	Central	Oxidized
RHB14-030C	420-460	0.073	0.036	0.044	0.080	45.0	Central	Mixed
RHB14-033C	195-220	0.094	0.091	0.018	0.109	83.5	Central	Oxidized
RHB14-033C	495-500	0.116	0.097	0.035	0.132	73.5	Central	Oxidized
RHB14-034C	130-165	0.040	0.019	0.035	0.054	35.2	Central	Reduced
RHB14-034C	300-335	0.055	0.045	0.022	0.067	67.2	Central	Mixed
RHB15-040	400-420	0.627	0.453	0.249	0.702	64.5	North	Mixed
RHB15-049	200-250	0.010	0.011	0.003	0.014	78.6	North	Oxidized
RHB15-500	220-225	0.048	0.032	0.018	0.050	64.0	North	Mixed
		Na-CN LEACH TESTS						
RHB14-029C	310-350	0.051	0.043			84.3	Central	Oxidized
RHB14-30C	420-465	0.092	0.060			65.2	Central	Mixed
RHB14-032C	125-170	0.012	0.009			75.8	South	Oxidized
RHB14-033C	190-230	0.074	0.059			79.7	North	Oxidized
RHB14-033C	490-505	0.093	0.066			71.0	North	Mixed
RHB14-034C	105-165	0.051	0.006			11.8	Central	Reduced
RHB14-034C	300-335	0.063	0.041			65.1	Central	Mixed
RH92-2	225-300	0.001	0.0009			93.8	North	Oxidized

Table 2-Ranges of extractions from five-foot assay pulps

AuCN30

Sample	Extraction range	Oxidization
RHB14-029C 310-350	74.0-100%	Oxidized
RHB14-030C 420-465	44.7-75.8	Mixed
RHB14-032C 125-170	34.8-99.7	Oxidized
RHB14-033C 190-230	64.3-84.0	Oxidized
RHB14-033C 490-505	63.7-76.0	Mixed
RHB14-034C 105-165	0-34.9	Reduced
RHB14-034C 300-335	56.6-83.9	Mixed

Avg. oxide-82.4%
 Avg. mixed-66.9%
 Avg. reduced-11.6%