

Thursday March 3, 2016



NuLegacy Completes the Acquisition of Barrick Gold's Interest in the Iceberg Deposit

- Barrick Becomes NuLegacy's Largest Shareholder at 16.7%
- NuLegacy to develop the Iceberg Gold Deposit, Nevada

To friends, family and NuLegacy shareholders/stakeholders,

Hi Folks, hope you are all well?

+ [To view todays new release.](#)

Barrick Gold has entrusted the development of 'the best undeveloped gold project in Nevada' to your company! This is the first of several significant announcements planned for 2016.

Two concerns have been raised (the 'elephants' in the room) about this transaction:

1. What does this say about Barrick's confidence in the Iceberg?

First let me note that Barrick Gold has been an excellent partner for NuLegacy on many levels. Their sharing of their understanding of the geology of the deposits in the Cortez trend helped a great deal in our success with the Iceberg, and their sharing of some logistical resources helped keep our costs down and increased our productivity from the US\$5.0 million of direct property expenditures that earned our interest.

Locally, the Barrick geological staff is bullish on the Iceberg. However, when big companies decide to cut back and stop spending as Barrick announced in 2014-15 it's impractical for them to make exceptions, no matter how positive a project's prospects are.

If you follow what Barrick has done this past year you might conclude it has reverted to the old philosophy that junior exploration companies make better and more motivated explorers than the staff of senior producers.

So Barrick's geologists have been directed back to focusing on what they do best - extending the resources of their existing producing mines, which is no easy task...and they do it well.

Barrick has achieved its Chairman's twin objectives in the past 18 months; **reducing Barrick's debt by US\$3 billion by selling assets and partnering with numerous companies** such as Zijin Mining, Antofagasta Plc. Waterton Global, Kinross, etc.

- In the instance of producing assets, their philosophy is to have a majority position and operatorship, with a minority partner helping to carry the load. Witness the [Arturo deal with Premier Gold](#).
- In exploration opportunities, they are happy to have a minority position and leave the heavy lifting to the junior. Witness Rye Patch Gold (Patty property), Quantum Pacific and NuLegacy Gold.

That way Barrick gets the highly motivated principals of the junior and maintains a leg up position for when the opportunity turns into [an elephant](#).

Finally, one of the significant features of these Carlin-type deposits (in the Carlin and Cortez trends) and why they are so coveted is that once you have found one, they are like the Energizer battery. They just keep on going...and going.

For example take the batch of deposits that were discovered in the last great exploration cycle in Nevada in the late '80s/early '90s. Initially they had resources of one to three million ounces; all of them grew to have gold endowments of between five and 50 million ounces. [Visit this link](#) to see the Iceberg's potential future, particularly slides 9 through 12 and 18.



2. Confusion about the difference between a 2% Net Profits Interest (NPI) royalty (that we have provided Barrick) and a Net Smelter Return (NSR) royalty.

A 2% NPI entitles the holder to 2% of the profits **net of all costs of production, amortization of the invested capital, etc., etc. including the deduction of all losses incurred in the event of low selling prices for the gold.**

Whereas 2% NSR royalty would entitle the holder to 2% of the gross proceeds of the sale of all the gold produced on the property (less the miniscule smelter charges)...nice work if you can get it!

Never-the-less we expect, given the possible size of the Iceberg deposit that the **2% NPI** will be a meaningful number, thus insuring the 98% shared by NuLegacy's shareholders will be a substantial number.

Cheers all,

Albert

Albert J. Matter

Chairman, Director

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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. The proximity of Barrick's gold mining operations in the Cortez Trend is not necessarily indicative of the gold mineralization in the Iceberg project.