

“THE BRITISH ARE COMING- UPDATEDⁱ”

To Friends, Family & NuLegacy shareholders

Good day folks,

I've been asked to elaborate on the \$3.2.0 million share exchange financing that NuLegacy Gold closed on [March 7, 2014](#) with Global Resources Investment Trust (GRIT) of London, England.

History: While Paul Revere's cry forewarned of a failed military invasion, GRIT was established, in a long standing tradition of British Investment Trusts harking back over a hundred years, by which the British captured significant profits financing their foreign investment adventures.

The London listed investment company sector comprises over 400 companies and has investments in assets totalling circa £105 billion. Investment trusts, a sub-set of this asset class, are considered to be the most highly regarded form of Investment Companies. The first investment trusts were launched over 100 years ago and they have continued to prove a popular investment vehicle with both European institutional and retail investors.

Throughout history the investment trust structure has proved innovative in opening up previously inaccessible asset classes (diamond mines in South Africa, cattle ranches in the Argentine, nitrates in the Atacama Desert) to a greater investment audience and offers investors a wide choice of asset classes ranging from commercial property, private equity and structured credit.

GRIT, a UK-based investment trust, is to be listed on the premium list of the London Stock Exchange. It was established to generate medium and long-term capital growth through investing in small to medium sized listed junior natural resources companies with an initial portfolio of 40-50 companies across the globe (target £60 - £65m) to be acquired through share exchanges. The Trust must not own more than 20% of any company nor have any direct involvement with the management thereof in order to maintain its tax free status.

The GRIT investment team has a long track record of success identifying excellent natural resources projects and people. My experience with them includes their having helped to fund National Gold (a company that I co-founded with James McDonald and James Anderson) which became Alamos Gold Corporation. They invested through a previous trust - Resources Investment Trust PLC (TIGER) - in 2001, which investment contributed to TIGER's ultimately achieving an absolute return of 363% from inception.

Listing of the GRIT shares is being sponsored by the Beaumont Cornish Limited, well-known Corporate Broker for Aim and Main Market companies with strong relationships with key institutional investors in the AIM market.

Overview of Transaction with Global Resource Investment Trust: Basically NuLegacy is ‘swapping’ 20 million of its shares only (no warrants) for 1,731,200 GRIT ordinary shares at a deemed price of 1 British Pound per share, which at today's BP:C\$ ratio is nominally C\$3.2 million, or \$0.16 per NuLegacy share.

It is anticipated that the shares NuLegacy receives will become free-trading on the London Stock Exchange (LSE) within 2 weeks of launch. Mutual funds and investment trust initially trade at a

discount to Net Asset Value (in this instance NAV is simply the cumulative share values of the companies purchased via the share swaps) so we can expect that the initial will be at approximately 70% of NAV.

If we were to sell during the initial period we would effectively have raised capital at a 30% or more discounts to the nominal price of ten cents per share (i.e. at seven cents or less a share) without a warrant, in a market where financing for junior resource stocks is very difficult.

Since NuLegacy has funds on hand having closed its concurrent Private Placement ([news release](#) of Sept. 26, 2013), we intend to wait for a more mature market for the GRIT shares to develop before selling any of them. The first time these fund managers did this in 2001, the corporations on average realized 91%, while those that waited nine to twelve months ended selling their shares at a premium to the 'issue' price. Ultimately the shares of TIGER reach a premium of 363%.

Although the GRIT transaction is structurally more complicated than equity funding, the dilution percentages are comparable to a share with warrant transaction (which transactions for the most part have been difficult to achieve in this market) and it provides immediate balance sheet improvement.

Proven Fund Sponsor provides Orderly Market: Beaumont Cornish Limited is a leading mid-market Corporate Broker for AIM and Main Market Companies, providing corporate finance advice with specialisation on significant capital raisings.

Long-term Financial Backer: GRIT, by mandate, is closed ended and must be relatively passive or it loses its trust status in UK. As such, we anticipate that GRIT will continue to back companies it initially finances and place minimal selling pressure on their shares.

Risks to NuLegacy - Dilution with delay for the cash: NuLegacy is issuing its shares in exchange for GRIT shares that will not trade for several weeks and while we are confident that a market will be made for the shares there is no guarantee as to what the initial bid price will be.

Conclusion: In a market where investors are as concerned with company survival (or face oblivion) as with dilution the GRIT transaction provides an effective way for NuLegacy to strengthen its balance sheet and raise cash, which balance sheet improvement should help to improve the market for NuLegacy's shares.

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ⁱ Updated for the increases in the size and pricing of the financing.