

Wednesday, March 14, 2018



THE PDAC AND CHEAP GOLD STOCKS BASING

To NuLegacy shareholders/stakeholders:

Hi Folks,

We had numerous excellent meetings during the 2018 Prospector & Development Association Conference (Toronto Mar 4-7) particularly with our industry partners OceanaGold and Barrick Gold; they are keen to have us continue our focus on exploring for the elephant 'lurking' amongst the sea of modest to good grade material we've discovered to date.

The mood at the PDAC was one of cautious optimism...as reflected in Adam Hamilton's article on how "***Cheap Gold Stocks [are] Basing***" which is linked below. It's lengthy but he does a very good job of articulating what we should expect after ***the dramatic run up we experienced in the spring of 2016***.

You will recall in the spring of 2016 gold prices surged from US\$1040 to \$1350 in six short months... that's after a four-year bear market that took gold down approximately 45% (US\$1925 to US\$1040) with gold stocks down as much as 80 to 90% - i.e. ABX down from US\$55 to US\$6!!!

That short sharp upturn in gold prices produced a dramatic increase in the flow of funds to the gold stocks and provided 300 to 600% share price increases... (ABX from US\$6 to US\$24) from their overly depressed levels.

Our expectation was that such a dramatic 'bottom and run up/irrational enthusiasm' would likely be followed **a 14 to 18 month 'hang over'**...and that's certainly been the case. Which is why, having anticipated the surge, we were ready and capitalized on it with three financings during 2016 that raised C\$20 million...and funded our 2016 and 2017 exploration programs with C\$8.5 remaining for 2018.

The expectation is that following the typical 14 to 18 months 'hang over/correction and

consolidation' period the second stage of this bull market (starting around May/June 2018) usually starts off slower ...lasts longer and reaches new multi-year highs.

With profits already improving (tight cost controls) for the miners, and the gold price increasing together with their rapidly declining gold output profiles, miners will increasingly look to add to their resources.

It's our intent to capitalize NuLegacy's values during this next surge in the metal and stock prices.

Cheap Gold Stocks Basing <https://seekingalpha.com/article/4155262?source=ansh>

All the best and cheers,

Albert

Albert J. Matter

Chairman, Director

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