



CEO Update, July 5, 2011

**Re: Initial Assay Results From Red Hill 2011 Exploration Program**

*"In Pursuit of an Elephant"*

Dear Shareholders, friends and business associates,

Attached please find a copy of the initial drilling results from the ongoing 2011 Red Hill exploration program. The results give an early indication of our success in 'hunting for the elephants' of gold deposits - the possible discovery of a Carlin-type gold deposit.



NuLegacy Gold Corporation's Nevada Property Tour

June 19-21, 2011

Hosted by

Albert Matter and Roger Steininger

We have just completed a property visit with a number of analysts, joint venture partners/geologists and sophisticated investors (more on that in our next update), and two themes surfaced:

1. That the four Carlin-gold deposits and your Red Hill Prospect (in the [Cortez Segment](#)) are much closer to each other than appears in the maps, pictures and literature.
2. How subtle the discovery of these huge deposits can appear initially!

It's the second of these themes I will address now - we will deal with the first by adding some links to Google Earth on our website shortly.

**Subtle discoveries:** I want to put these holes in perspective...particularly for those of you who have been so patient and took the risk of investing in your Company when it was private.

When your COO, Dr. Roger Steininger, **discovered the South Pipeline** in 1989 the first few holes would not have impressed the average investor. You would have had to be a knowledgeable exploration geologist experienced in the discovery of Carlin-type deposits to have recognized the potential for 'success'.

Extract from Table 1 - Significant Drill Hole Intercepts in the Gas -2 area - South Pipeline

Hole #	0.31 GPT AU CUT-OFF			
	Interval		Width	Avg Grade
	Begins	Ends	meters	gpt
2	260	-	295	10.7
	435	-	455	6.1
	475	-	530	16.8
	865	-	880	4.6
				0.53
				0.75
				1.09
				0.40



Roger was sufficiently encouraged by these results and believed he was on to another major gold discovery. In fact he 'fessed-up' that he had drilled deeper than budgeted (below 150 meters<sup>1</sup>) and asked for and received an expanded budget to continue drilling and shortly thereafter delivered intercepts of 60 to 100 meters grading 2.5+ gpt (that's up to 300 feet of a tenth of an ounce of gold or over \$150/ton rock at today's gold prices)!

All this puts me in mind of a Wilbur Smith<sup>2</sup> novel about elephant hunting:

*Several great white hunters (GWHs) are out on safari with a little African bushman as the elephant hunting guide. The GWHs are on horseback and the little bushman, who couldn't have been more than 65 pounds soaking wet and could live off the land eating locusts, grubs and hyena droppings, was running on foot.*

*Suddenly he stops, drops to the ground and sniffs an imperceptible (to the eyes of GWHs) elephant pad print...after due consideration he declares, 'big bull five days ahead'...and trots forward leaving the GWHs wondering if he is having them on.*

*So they hurry on and the next day even the GWHs can see the elephant pad impressions, and again he drops to the ground, examines the impression closely and declares that its 'huge and lame...and thus only two days ahead'.*

*The following day they come upon some elephant droppings which the bushman smells and declares...'poor digestion...very old very large bull'...which they subsequently catch up with and there ensues a great brouhaha as always does with great discoveries ...which we'll read all about when it comes...*

The point is - to the experienced explorationist we may have the first sniff of an 'elephant' of a gold deposit in these results....please view [Roger's](#) comment.

In closing, thank you all again for your continued financial support and goodwill towards your company.

Sincerely yours,

*Albert*

Albert J. Matter, Chief Executive Officer

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*This summary contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and 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. See the cautionary statement "Forward-Looking Statements" and "Risk Factors" in the Company's prospectus dated November 10, 2010 available on SEDAR at [www.sedar.com](http://www.sedar.com). 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. This summary does not constitute an offer to sell securities and the Company is not soliciting an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.*

<sup>1</sup> Roger drilled to 350 meters whereas 'much of the historical drilling on the Red Hill Prospect was completed in the 1980s and '90s when gold prices were in decline and operators in Nevada were seeking low cost near surface (less than 500 feet or 165 meters) heap-leachable oxide gold resources'.

<sup>2</sup> A prolific South African novelist who wrote many fine books on Africa.