



**NSGOLD CORPORATION ANNOUNCES UPDATED INFERRED  
RESOURCE OF 523,000 OUNCES FOR MOOSELAND GOLD PROPERTY  
AND  
BOARD OF DIRECTORS TO SEEK OFFERS FOR 100% OF COMPANY**

**Bedford, Nova Scotia – September 16, 2020** – NSGold Corporation (TSXV:NSX) (“NSGold” or the “Company”) is pleased to report that it has received a “43-101 Resource Update on the Mooseland Gold Property” located in Halifax County, Nova Scotia, prepared by MineTech International Limited of Halifax, Nova Scotia. The Resource Update considers an underground mining operation and incorporates a 2.0 grams per tonne cut-off grade. Total inferred mineral resources for the Mooseland Gold Property are estimated at **3,454,000 tonnes with an average diluted grade of 4.71 grams per tonne containing 523,000 ounces of gold**. In this analysis, assays greater than 100 grams per tonne were reported as a value of 100 grams per tonne. This practice is known as “top cutting” and minimizes the impact of the “nugget effect” prevalent in this type of ore.

A summary of the updated resource estimate is provided in the table below and the updated mineral resource estimates at varying cut-off grades are presented in Appendix A.

<b>Mooseland Summary of Inferred Mineral Resources *</b>				
	<b>Cut-off Grade (g/tonne)</b>	<b>Tonnes Above Cut-off</b>	<b>Average Diluted Grade (g/tonne)</b>	<b>Ounces</b>
West Zone	2.0	2,011,000	4.64	300,000
East Zone	2.0	1,443,000	4.81	223,000
<b>Total</b>	<b>2.0</b>	<b>3,454,000</b>	<b>4.71</b>	<b>523,000</b>

*\* Refer to Appendix B “Notes for Mooseland Updated Mineral Resource Estimate” for additional details regarding the mineral resource estimate.*

**NSGold to Seek Offers for Company**

NSGold also announces that following receipt of the Resource Update, the Board of Directors of NSGold engaged in discussions with Van Hoof Industrial Holdings Ltd. (“VHIH”), NSGold’s principal shareholder, holding 50.7% of its outstanding shares. VHIH is a company controlled by Johannes H. C. van Hoof, Chairman, President and Chief Executive Officer of NSGold. The Board of Directors and VHIH agree that in light of renewed investor interest in the junior mining sector, this is an appropriate time to address the steep discount in NSGold’s market value compared to its asset value. The Board of Directors and VHIH believe that a major cause of the steep discount is NSGold’s very concentrated shareholder base, with its five largest shareholders owning approximately 80% of NSGold’s outstanding shares, resulting in illiquidity in the shares.

In light of these factors, the Board of Directors of NSGold unanimously decided that NSGold will actively seek offers for 100% of NSGold’s outstanding shares from prospective purchasers

other than VHIH. Alternatively, NSGold will consider any offers to purchase the Mooseland Gold Property. NSGold and VHIH believe that a sale at an appropriate price will crystallize the significant value of NSGold's assets.

No assurance can be given that a sale of NSGold or of the Mooseland Gold Property will be completed or as to the terms and conditions thereof.

### **Mooseland Gold Property**

The Mooseland Gold Property is 100% owned by NSGold and the mining claims are located entirely on Crown land. A 2% gross metal royalty is payable to Globex Mining Enterprises Inc. (TSX:GMX). The Property is located approximately 13 kilometers from Atlantic Gold Corporation's Moose River Consolidated Gold Mine which was acquired by Australian Stock Exchange listed St. Barbara Limited in July 2019 for total cash consideration of \$722 million. The Moose River Project comprises an open pit mine and a 2 million tonne per annum gold processing facility which achieved initial gold production in October 2017.

Mooseland is the site of the first recorded gold discovery in Nova Scotia in 1858. In the modern era, the Mooseland Property was the target of a succession of focused exploration programs by Hecla Mining Company of Canada and Acadia Mineral Ventures, Ltd. (1987-1992) and Azure Resources Corp. (2003-2004). These companies completed a total of 36,858 meters of diamond drilling on Mooseland. Mining infrastructure on the Mooseland property includes a three-compartment shaft sunk to a depth of 125 meters complete with a steel head frame, a 218 meter long ramp reaching a depth of 50 meters, a 12,000 cubic meter settling pond, access road and buildings.

NSGold acquired the Mooseland Property in 2010 and subsequently completed 42 diamond drill holes totaling 11,518 meters. A 43-101 compliant resource estimation was released in June 2012 (refer to NSGold news release dated June 5, 2012). In December 2012, the Company carried out a short-hole drilling program at Mooseland for purposes of evaluating the potential for open pit mining of the West Zone. The West Zone had been previously drill tested at depth and along strike for approximately 1,000 meters, however, the previous drilling campaigns were not designed to target the gold bearing veins within 75 meters from the surface

A total of 15 diamond drill holes were completed, including two that encountered old mine workings and were abandoned. Drill hole depths ranged from 66 to 80 meters and all encountered multiple zones of quartz bearing argillites that contained varying amounts of arsenopyrite, both in and around the quartz veins. Of particular significance, Hole NSG-8-12 returned gold values of **36.8 grams per tonne over 0.6 meters** starting at 30.9 meters and **15.21 grams per tonne over 1.7 meters** starting at 77.7 meters.

Other significant drill intercepts included the following:

- 9.93 gpt over 1.0 meter in Hole NSG-1-12 starting at 25.2 meters
- 7.10 gpt over 1.0 meter in Hole NSG-3-12 starting at 67.2 meters
- 6.25 gpt over 1.0 meter in Hole NSG-8-12 starting at 74.3 meters
- 11.49 gpt over 1.0 meter in Hole NSG-10-12 starting at 51.8 meters
- 8.44 gpt over 1.0 meter in Hole NSG-10-12 starting at 54.8 meters
- 9.44 gpt over 1.0 meter in Hole NSG-13-12 starting at 48.0 meters
- 18.76 gpt over 1.0 meter in Hole NSG-15-12 starting at 22.9 meters

In the 13 holes that were drilled to planned depths, there were 39 intercepts with gold values greater than 0.5 grams per tonne, including 26 intercepts with gold values greater than 1.0 grams per tonne. The average sample length and grade of the 39 intercepts were 0.92 meters and 4.57 grams per tonne respectively.

In 2013, NSGold commissioned a metallurgical scoping study for the Mooseland Property. The study was undertaken by Resources Mining Technologies (“RMT”). The scoping study entailed the completion of ore analysis including sample preparation, work index, head grades, and fractional analysis by size. Major gold processing routes were evaluated, including gravity, flotation and cyanidation recovery, and a preliminary gold extraction flow sheet was developed. Basic reagent consumptions were also determined. All analyses and assays were conducted by McLelland Laboratories in Sparks, Nevada, a well-respected independent laboratory.

The results from the metallurgical scoping study are summarized below:

- Cyanide leach test work resulted in gold recovery of 94.2% in 72 hours with low reagent consumptions of sodium cyanide (0.20 kilograms per metric tonne of ore) and lime consumption (1.1 kilograms per metric tonne of ore).
- Flotation test work yielded a gold recovery of 93.7% into a mass of 6.1%.
- Gravity concentration test work was carried out at a coarse grind and yielded a gold recovery of 53.7% into a mass of 0.13%. Although the gravity performance was only moderate, RMT commented that batch gravity concentration has the “potential to increase overall process recovery by removal of coarse free gold prior to a flotation treatment route”.
- Microscopic examination of the gravity concentrate clearly showed the presence of large “nugget-like” coarse gold particles. For this reason gravity recovery is considered to be an essential processing step for recovering gold from the Mooseland Property.

The test work carried out by RMT also highlighted the variability in the gold grade of the various samples. This inherent characteristic of the Nova Scotia Meguma gold deposits is well documented and is generally referred to as the “nugget effect”. The average gold grade of all assayed and calculated head grades in the scoping study was 3.15 grams per tonne. However, metallic screen assays returned an average head grade of 5.27 grams per tonne gold. The wide variance in assay values (low value of 1.15 gpt and high value of 8.81 gpt) indicates the presence of coarse disseminated gold. Furthermore, RMT reported that “the close agreement between the metallic screen assay value difference and the standard deviation indicates that the actual grade of the deposit is significantly higher than that indicated by the study average.”

### **NI 43-101 Report**

A technical report detailing the updated gold resource estimate for the Mooseland Gold Property will be filed on SEDAR within the next 45 days.

### **Qualified Person**

Patrick Hannon, M.A.Sc., P.Eng., FCIM and Doug Roy, M.A.Sc., P.Eng. are the Qualified Persons who carried out this resource estimate. Mr. Hannon and Mr. Roy are mining engineers with MineTech International Limited of Halifax, Nova Scotia who have carried out mineral resource estimates for numerous gold deposits.

Perry MacKinnon P. Geo., Chief Geologist, for NSGold, a qualified person as defined by National Instrument 43-101, has reviewed the information provided in this news release.

## **About NSGold**

NSGold's core asset is the 100% owned Mooseland Gold Property located in Halifax County, Nova Scotia. The Mooseland Property is located approximately 13 kilometers from the Moose River Consolidated Gold Mine, developed by Atlantic Gold Corporation. Atlantic Gold was acquired in 2019 by ASX listed St. Barbara Ltd. in an all-cash transaction valued at \$722 million.

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## **Cautionary Statement:**

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

## **Forward-Looking Statements**

This news release contains statements that may constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking information and statements may include, among others, statements regarding the future plans, costs, objectives or performance of NSGold Corporation ("NSGold"), or the assumptions underlying any of the foregoing. In this news release, words such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate" and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. No assurance can be given that any events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that NSGold or its shareholders will derive. Completion of any sale of NSGold or of the Mooseland Gold Property will be subject to numerous factors, many of which will be beyond NSGold's control, including, but not limited to, an agreement between NSGold and a potential purchaser on the terms and conditions of any such sale, the negotiation of one or more binding agreements with respect thereto, and the ability of NSGold to satisfy closing conditions for any such transaction, which may include shareholder approval. No assurance can be given that a sale of NSGold will be completed or as to the terms and conditions thereof. Forward-looking statements and information are based on information available at the time and/or management's good-faith belief with respect to future events and are subject to known or unknown risks, uncertainties, assumptions and other unpredictable factors, many of which are beyond NSGold's control. These risks, uncertainties and assumptions include, but are not limited to, those described under "Risks and Uncertainties" in NSGold's Management's Discussion and Analysis for the year ended December 31, 2019, which is available on SEDAR at [www.sedar.com](http://www.sedar.com), and could cause actual events or results to differ materially from those projected in any forward-looking statements. NSGold does not intend, nor does NSGold undertake any obligation, to update or revise any forward-looking information or statements contained in this news release to reflect subsequent information, events or circumstances or otherwise, except if required by applicable laws.

## Appendix A

### Mooseland Updated Mineral Resource At Varying Cut-off Grades

<b>Mooseland Summary of Inferred Mineral Resources <sup>(1)</sup></b>			
<b>Cut-off Grade (g/tonne)</b>	<b>Tonnes Above Cut-off</b>	<b>Average Diluted Grade (g/tonne)</b>	<b>Ounces</b>
5.0	1,072,000	8.39	289,000
4.0	1,472,000	7.31	346,000
3.0	2,154,000	6.09	422,000
<b>2.0</b>	<b>3,454,000</b>	<b>4.71</b>	<b>523,000</b>
1.0 <sup>(2)</sup>	6,640,000	3.12	666,000
0 <sup>(2)</sup>	13,924,000	1.80	804,000

Notes:

- 1) Planned dilution to 1.5 metre minimum width was included. Non-planned dilution was not included. Refer to Appendix B “Notes for Mooseland Updated Mineral Resource Estimate” for additional details regarding the mineral resource estimate.
- 2) Mineralisation below the 2.0 gram per tonne block cut-off is not considered to be a “Mineral Resource” and is shown here for information purposes only.

## **Appendix B**

### **Notes for Mooseland Updated Mineral Resource Estimate**

1. Cut-off grade for mineralised zone interpretation was 1 g/tonne.
2. Block cut-off grade for defining Mineral Resources was 2 g/tonne.
3. Based on lognormal probability analysis, the top-cut grade was 100 g/tonne. The capped samples were composited over the vein intercept, with a minimum horizontal width of 1.5 metres. For intercepts that were narrower than the 1.5 metre minimum horizontal mining width, they were diluted (at zero grade) to 1.5 metres.
4. Gold price was US\$1800 per troy ounce.
5. Zones extended up to 25 metres from the last intercept, both along strike and down-dip.
6. Minimum width was 1.5 metres.
7. Planned dilution, based on a minimum mining width of 1.5 metres, was included. Non-planned dilution was not included.
8. No mineral reserves were identified. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
9. Resource estimate prepared by Doug Roy, M.A.Sc., P.Eng., MineTech International Limited.
10. A specific gravity (bulk density) value of 2.65 was applied to all blocks - a typical value for the lithology.
11. Inverse distance weighting was used for estimating block grades, with "powers" of one and two for gold grades and vein thickness values, respectively.