



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2015

NULEGACY GOLD CORPORATION
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GENERAL

The purpose of this Management Discussion and Analysis (“**MD&A**”) is to explain management’s point of view regarding the past performance and future outlook of NuLegacy Gold Corporation. (“**NuLegacy**”). This report also provides information to improve the reader’s understanding of the financial statements and related notes as well as important trends and risks affecting the Company’s financial performance, and should therefore be read in conjunction with the Company’s condensed interim consolidated financial statements and notes for the three and six months ended September 30, 2015 (the “**Interim Financial Statements**”), the annual audited consolidated financial statements (the “**2015 Annual Financial Statements**”) for the year ended March 31, 2015 and the Company’s annual management discussion and analysis (the “**2015 Annual MD&A**”).

All information contained in this MD&A is current as of November 30, 2015 unless otherwise stated.

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information on NuLegacy is available on SEDAR at www.sedar.com and at NuLegacy’s website, www.nulegacygold.com.

OVERVIEW

NuLegacy is a Nevada-focused exploration company with exploration properties in Eureka County, Nevada, in close proximity to multi-million ounce producing gold mines. NuLegacy has an experienced exploration team with several of its geologists credited with Nevada discoveries. Its team is focused on exploring its Iceberg property, acquired through an earn-in arrangement with Barrick Gold Corporation (“Barrick”) (refer to section “Summary of Exploration Activities”).

NuLegacy is listed on the TSX Venture Exchange under the symbol “NUG”.

STRATEGY

Management’s objective is to discover significant multi-million ounce Carlin-type gold deposits within the state of Nevada. Nevada is the sixth largest gold producing ‘nation’ in the world and contains one of the largest gold endowments globally with favorably oxidized low cost heap-leachable mineralization. NuLegacy’s Iceberg property is situated in the well-established and prolific Cortez gold trend of Nevada.

Management of NuLegacy is committed to maximizing its exploration dollars through detailed technical analysis, focusing on Carlin-style gold targets and resource discovery. With effective and efficient management of its exploration dollars and programs, management aims to deliver superior long-term returns to shareholders.

KEY HIGHLIGHTS

In June 2015, NuLegacy closed a private placement for 18,288,600 units at \$0.125 per unit for net proceeds of \$2,234,160, net of cash commission and expenses of \$51,915. Each unit consisted of one common share and one half share purchase warrant with each whole warrant entitling the holder to purchase one additional common share for a period of two years at an exercise price of \$0.15 during the first year and \$0.20 during the second year. In addition, NuLegacy issued 156,940 finder’s warrants in connection with the closing of this private placement. NuLegacy will continue to use the proceeds from the financing towards exploration of its properties in the Cortez trend of Nevada, general working capital and other corporate purposes.

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In April 2015, NuLegacy granted 4,675,000 stock options at a price of \$0.15 per share exercisable for a period of five years to various directors, officers and consultants. The fair value attributable to these stock options was \$529,910 using the Black Scholes option pricing model.

In September 2015, the Company completed the final expenditure earn-in requirement. In October 2015, NuLegacy provided a notice to Barrick of the completion of NuLegacy's option to earn-in to a 70% undivided interest in the mining claims in the Iceberg Property. Barrick will have a one-time option, exercisable within 90 days, to back into a 70% interest in the property. To complete the back in, Barrick must expend US\$15,000,000 over 5 years on the exploration and development of the property at a rate of at least US\$1,500,000 per year. If completed, NuLegacy's remaining 30% interest in the property will be free-carried by Barrick until the commencement of commercial production on the property. Refer to the "Summary of Exploration Activities" section for more information regarding this agreement.

OVERALL PERFORMANCE

Net loss for the six months ended September 30, 2015 was \$706,294 compared to a net loss of \$736,637 in the comparative period ended September 30, 2014. The slightly smaller net loss experienced in the current period is largely the result of reduced consulting and investor relations fees which was related to fewer consultants in the current period. However, this was partially offset by increased expenses which consisted of higher: (i) office expenses, professional fees and travel and accommodation related to more corporate activity and (ii) share based compensation due to more stock options being granted in the current period. In addition, the Company experienced a significant foreign exchange gain in the current period related to financial assets held in US dollars and British pounds.

Comprehensive loss in the six months ended September 30, 2015 was \$2,088,446 compared to a comprehensive loss of \$1,399,226 in the comparative period. NuLegacy recognized \$1,382,152 (September 30, 2014 - \$662,589) in other comprehensive loss due to a significant decrease in the fair value of its available for sale financial assets whereas the net decrease in the comparative period was lower.

The total net increase in cash and cash equivalents during the six months ended September 30, 2015 was \$1,675,445 compared to \$3,206,093 in the comparative period ended September 30, 2014. NuLegacy's financing activities in the current period resulted in net cash inflow of \$2,244,960 through the issuance of shares (from the close of a private placement and the exercise of warrants) compared to \$3,504,578 in the comparative period. However, NuLegacy spent \$1,608,952 on investing activities in the current period versus \$735,908 in the comparative period. A greater amount of cash was spent in the current period due to the higher expenditure commitment in the 2015 calendar year (compared to the 2014 commitment), pursuant to the Iceberg property agreement.

During the six months ended September 30, 2015, a total of \$1,456,446 and \$131,047 was incurred in deferred exploration costs on the Iceberg and Wilson properties, respectively, for total deferred exploration costs of \$1,587,493. In September 2015, NuLegacy met the final expenditure commitment of US\$2,000,000 (due on or before December 31, 2015) as a requirement to earn the 70% undivided interest in the Iceberg property. For a more detailed description of NuLegacy's exploration expenditures, interest in its exploration and evaluation assets and the terms and conditions of the underlying agreements, please refer to the "Summary of Exploration Activities" section.

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SUMMARY OF EXPLORATION ACTIVITIES

For the six months ended September 30, 2015, NuLegacy incurred a total of \$1,587,493 in deferred exploration costs compared to \$910,963 for the corresponding period ended September 30, 2014.

The following is a breakdown of the material components of NuLegacy's deferred exploration and development costs, on a property by property basis, for the six months ended September 30, 2015 and 2014:

	Iceberg Property \$	Wilson Property \$	Total \$
Six months ended September 30, 2015			
Assays	123,884	-	123,884
Deposits	(25,108)	-	(25,108)
Drilling	807,103	546	807,649
Geological consulting	329,087	29,952	359,039
Miscellaneous	15,576	234	15,810
Property maintenance	168,309	100,315	268,624
Travel	37,595	-	37,595
Total	1,456,446	131,047	1,587,493
Six months ended September 30, 2014			
Assays	63,549	-	63,549
Drilling	375,929	-	375,929
Geological consulting	200,784	42	200,826
Miscellaneous	12,858	179	13,037
Property maintenance	143,967	87,039	231,006
Travel	26,616	-	26,616
Total	823,703	87,260	910,963

The higher expenditures incurred in the current fiscal period were the result of:

- the larger work commitment under the Iceberg Property option agreement as NuLegacy was required to incur US\$2,000,000 by December 31, 2015 (versus US\$1,125,000 by December 31, 2014); and
- expanding the size of the potential exploration target identified in the Iceberg property which contributed to higher drilling and assays costs.

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The total cumulative acquisition and deferred exploration costs to September 30, 2015 are summarized as follows:

	Iceberg Property	Wilson Property	Total
	\$	\$	\$
Acquisition costs	16,153	189,038	205,191
Assays	379,447	26,228	405,675
Drilling	2,328,727	189,840	2,518,567
Geological consulting	1,533,907	124,935	1,658,842
Miscellaneous	76,885	6,848	83,733
Property maintenance	684,016	483,629	1,167,645
Travel	164,441	16,509	180,950
Accumulated expenditures since inception	5,183,576	1,037,027	6,220,603

Mineral properties:

Iceberg (Red Hill) Project, Eureka County, Nevada

The Iceberg (Red Hill) Project, located in Eureka County, Nevada, encompasses 1,300 unpatented lode mining claims covering approximately 98 square km and is comprised of two separate property agreements as follows:

- Iceberg Property (Barrick) option agreement – consists of 818 unpatented lode mining claims comprising approximately 60 square kilometers; and
- Idaho Resources (Wilson) Property option agreement – consists of 482 unpatented lode mining claims comprising approximately 38 square kilometers.

The Iceberg Property is located directly between Barrick's Cortez Hills operation and Goldrush property to the north, and McEwen Mining Inc.'s Tonkin Springs/Gold Bar gold operations to the south. Barrick's Cortez mining operations have reported reserves in excess of 14.5 million ounces of gold, plus additional indicated and inferred resources. Barrick's Goldrush property, which contains 15.4 million ounces of gold¹ in all categories, is located adjacent to NuLegacy's Iceberg Project.

The Iceberg Project has geology similar to that which hosts the existing three Carlin-type gold deposits in the Cortez Trend, which have their largest and best resources at depths between 500 and 1,200 feet. The geology of Barrick's Goldrush property represents a close analog to that found at NuLegacy's Iceberg Property.

NuLegacy's re-interpretation of both the geology and previous drilling results were the basis for the supposition that the Iceberg Property contained geological formations favorable for hosting Carlin-type gold deposits. The Iceberg gold deposit is in Devonian carbonates rocks, the same units that host the large gold deposits in the Cortez Trend, of which the Iceberg Property is a part. There are also several surface gold anomalies throughout the property that have not yet been drilled.

¹ As reported by Barrick Gold as of December 31, 2014, the Goldrush deposit contained a resource of 508,000 oz (3.1 million tons @ 5.09gm/tonne – measured), 10,066,000 oz. (65.0 million tons @ 4.82gm/tonne – indicated) and 4,868,000 oz (27.9 million tons @ 5.42gm/tonne – inferred). The close proximity of Iceberg to Goldrush may have little or no bearing on the level of gold mineralization in the Iceberg deposit.

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Iceberg (Barrick) Property:

On September 16, 2010 (further amended August 23, 2012), NuLegacy entered into an exploration agreement with a joint venture election and option to purchase with Barrick to acquire a 70% undivided interest in 818 unpatented mining claims located in Eureka County, Nevada, U.S.A. NuLegacy exercised the option, by completing a minimum of US\$5,000,000 in exploration or development expenditures on the claims (inclusive of maintenance fees).

In October 2015, NuLegacy notified Barrick that it had completed the required US\$5,000,000 in expenditures to earn a 70% undivided interest in the property. Barrick has a one-time option, exercisable within 90 days, to earn-back into a 70% interest in the property. To complete the earn-back, Barrick must expend US\$15,000,000 over 5 years on exploration and development of the property at a rate of at least US\$1,500,000 per year. If the earn-back is completed, NuLegacy's retains a 30% interest in the property and will be free-carried by Barrick until the commencement of commercial production on the property. Upon completion of the USD\$5,000,000 in exploration expenditures, NuLegacy and Barrick shall form a joint venture for further exploration of the property. If Barrick does not elect to exercise its earn-back right or fails to complete the expenditures, NuLegacy will hold a 70% interest and Barrick will hold a 30% interest in the joint venture.

Idaho Resources (Wilson) Property:

On October 18, 2010 (further amended February 23, 2012 and November 7, 2012), NuLegacy entered into a mining lease with Idaho Resources Corporation ("Idaho") for an initial 10 years, in which Idaho granted to NuLegacy exclusive possession and control to explore, develop, mine and operate on the Wilson property, which consists of 482 unpatented lode mining claims.

In order to maintain the mining lease, NuLegacy must make annual advance royalty payments of US\$25,000 and issue 100,000 common shares to Idaho in each of the first five years of the mining lease (all commitments have been made to date). Annual cash payments will then increase to US\$50,000 for year six and every year thereafter.

After the initial term of 10 years, the mining lease will continue in full force and effect provided that NuLegacy continues to maintain the property in good standing and make the requisite annual cash payments to Idaho. Upon commencement of commercial production, the annual cash payments will convert to an overriding royalty of 3% of the applicable royalty based on all gold, silver and other ores/metals produced from the property.

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2016 Fiscal Year Exploration Program:

Iceberg Property:

The exploration program began in March 2015 and included approximately 22,640 feet (6,900 meters) of drilling, which was concluded at the end of September 2015. The drilling was concentrated in and between the North, Central, and South zones of gold mineralization. It extends these three gold bearing zones and targeted the high-grade zones in the deposit.

The budgeted US\$1.3 million of direct exploration expenditures completed the earn-in to a 70% working interest in the Iceberg gold deposit (by which the Company provided a notice of completion to Barrick in October 2015).

(Follow this link <http://nulegacygold.com/s/2015-Drill-Program.asp> to view plan maps and cumulative table of assays for the 2015 program)

The following is a summary of the exploration program at Iceberg with an emphasis on drilling completed in 2015. Details of the results of this program are in the news releases that can be found at <http://nulegacgold.com> (specifically NRs dated 5/7/15, 6/11/15, 7/23/15, 8/26/15, and 9/30/15)

North Zone

Nineteen holes totaling 11,555 feet (3522 meters) were drilled during 2015 resulting in the expansion of the zone in all directions. Drilling continues to demonstrate that gold occurs in several horizons, all of which have typical Carlin-type gold deposit characteristics. Continuous zone of gold mineralization occur in Tertiary volcanics, Devonian Horse Canyon/Wenban 8 contact zone, and within Wenban 5. The geology and style of mineralization of all the Iceberg zones is very similar to Barrick's gold deposits in the Cortez Trend.

Two important aspects of the 2015 drilling are the many high-grade intercepts that were encountered (see table below), and the longer intervals of continuous mineralization. Of particular note are high-grade intervals in holes RHB-40, 58, and 68, and the substantial mineralized lengths in holes 49 and 64. These demonstrate the robust nature of the Iceberg deposit. Drilling has not defined the limits of mineralization of the North zone.

Central Zone

Twelve holes totaling 8,480 feet (2,585 meters) were drilled during 2015 which continued to expand the zone (details in NRs cited above). As with the North zone, continuous gold mineralization occurs in multiple layers within the volcanics and Devonian carbonates. The table at the end of this section summarizes the more important gold intervals in the Central zone. Drilling has not defined the limits of gold mineralization in most directions, and there is a significant generally undrilled gap between the North and Central zones. Geologic evidence indicates that drilling within this gap will connect the two zones.

South Zone

One hole (RHB-44) was drilled into the zone in 2015 to a depth of 500 feet (152 meters). The hole contains a narrow interval of gold mineralization. This coupled with other holes in the zone demonstrates that the South zone contains significant gold mineralization, but the limited drilling does not produce a good understanding of the zone's geology and extent. The South zone is still open in most directions and there is a significant essentially undrilled gap between it and the Central zone. Geologic evidence indicates that drilling within this gap will connect the two zones.

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West Iceberg

About 150 meters west of the Central zone there is a north-northwest trending gold in soil anomaly with a coincident gravity low. In 2014 hole RHB-37 was drilled as the initial test of the zone and encountered 35 feet (14.1 meters) of 0.19 g/t Au in silicified Devonian Horse Canyon Formation. In 2015 a second hole was drilled into the zone (RHB-59) which encountered 25 feet (7.6 meters) of 0.27 g/t Au in a similar geological environment). These two holes produced a strong indication that a parallel zone of gold mineralization exists to the west of Iceberg. More drilling is needed to determine the full extent of this mineralization.

Additional comments

The 2015 spring and summer drill program was reverted to predominantly reverse circulation drilling. At less than half the cost per hole, reverse circulation drilling resulted in more than twice as many holes in about half as much time, thus providing many more opportunities for discovering additional gold during the 2016 fiscal year exploration program.

In October 2015, the Company notice to Barrick Gold of the completion of the Company's option to earn-in to a 70% undivided interest in the 60 sq. km property that hosts the Iceberg gold deposit. The Company spent US\$5.0 million of direct property expenditures which included 74 drill holes and numerous geophysical and chemical surveys that have established the Iceberg gold deposit as an exploration target of 90-110 million tonnes of 0.9 to 1.1 grams of gold per tonne².

Idaho Resources (Wilson) Property:

The Company initiated exploration on the 100% controlled Idaho property which lies adjacent to the east of the Iceberg Project. During 2015 the program consisted of geological mapping, rock and soil sampling, and a gravity geophysical survey in preparation for drill target definition and drilling in 2016.

This program was completed on the IRC claims in parallel with the ongoing exploration of the Iceberg gold deposit. The IRC program will follow the exploration template that successfully delineated the Iceberg gold deposit; initial gravity surveys correlated with geochemistry surveys and then drilling.

²These figures are conceptual in nature and derived from a compilation of 149 historic and 34 NuLegacy drill holes in and around the Iceberg deposit. To date, there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

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2015 Fiscal Year Exploration Program Results:

NuLegacy completed a 26 drill hole exploration and delineation drilling program with the objectives of:

- i. Ensuring NuLegacy met the earn-in expenditure requirement of the Iceberg property agreement;
- ii. Expanding the size of the potential exploration target identified in the Iceberg gold deposit and delineating within it a "threshold" resource of NI 43-101 qualified oxide ounces sufficient to induce Barrick to earn-back to 70%; and
- iii. Identifying the higher grade oxide and/or sulphide cores usually associated with these Carlin-type oxide gold deposits, and testing additional targets outside of the Iceberg gold deposit that have potential for oxidized gold mineralization and/or deeper sulfide bearing gold deposits.

The 2015 fiscal year exploration program was as follows:

- Completed 17 reverse circulation holes that expanded the Iceberg deposit;
- Completed 2 reverse circulation holes on the central pediment, one into the Avocado anomaly and one into a second geophysical anomaly (see Avocado section below for a discussion),
- Completed 7 core holes in the Iceberg deposit primarily to confirm historic reverse circulation drilling and to enhance geological knowledge of the deposit,
- Completed a gravity survey in the Iceberg and Jasperoid Basin area to assist in identifying drill targets,
- Completed mapping, sampling, and target definition of the VIO and Jasperoid Basin area.

The Iceberg deposit is a Carlin-type gold deposit hosted in an interpreted 35 million year old volcanic and sedimentary unit, and underlying Devonian carbonates. Two mineralized horizons have been identified in the 'contact zone' between the Horse Canyon Formation (HC) and the upper Wenban 8 (W8) at depths ranging from 75 to 150 meters (246 to 492 feet) and in the overlying older volcanics. The compilation of 149 historic and 36 NuLegacy drill holes indicates the presence of a large tonnage near-surface Carlin-type exploration target³ of 90 to 110 million tonnes grading between 0.7 g/T and 1.0 g/T Au in the 'HC-W8' contact zone. There is also evidence of gold in the lower brecciated Wenban unit 5 (W5) carbonate horizon in a few holes drilled to depth at 250 to 400 meters (820 to 1,312 feet).

In May 2014, NuLegacy commenced drilling on its Iceberg gold project. The drilling program was designed to expand the two gold-bearing horizons (volcaniclastics and the HC-W8 contact zone) and explore for the higher-grade oxide cores and deeper sulphide gold mineralization that contribute to making the Cortez Carlin-style gold deposits such prizes. The other three Carlin-type targets on the property - VIO, Avocado and the Jasperoid Basin were explored in preparation for drilling in 2014 and 2015.

Plan maps and sections through the Iceberg gold deposits have been posted to NuLegacy's website at Iceberg Project: Presentations at <http://nulegacygold.com/i/pdf/Plan-maps-and-sections-Iceberg-gold-deposit-May-2014.pdf>.

In June 2014, the first 9 reverse circulation holes were drilled as substantial step-outs from the existing mineralized zones of the Iceberg gold deposit to test for the outer limits of the gold mineralization. The assays were integrated into the Iceberg deposit's exploration model to determine where to drill the next set of holes targeted to expand the deposit (see drill hole intercept table at the end of this section).

³ As reported in September 5, 2013 NR, these figures are a conceptual exploration target only and should not be construed as a calculated resource under NI 43-101 standards as insufficient exploration has been completed to date to define such a resource and there are no assurances that additional exploration will confirm the existence of a NI 43-101 resource.

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The Avocado zone, a 2,000 by 1,000 meter (6,562 by 3,281 feet) IP/Resistivity anomaly has evidence of a gold bearing pyrite zone in a hole drilled on its margins. It is on trend with Barrick's multi-million ounce Goldrush deposit located 4 km across a rift valley (view at <http://nulegacygold.com/i/maps/PPT-gallery-6.jpg>).

The two Iceberg holes RHB-18 and 19 are large step-outs from the south-western margin of the Central zone of the Iceberg deposit. RHB-18 is located 150 meters (492 feet) to the southwest and RHB-19 is 125 meters (410 feet) west of the Central zone. Both holes encountered the Iceberg deposit's gold bearing volcanic sequence and the contact zone (HC-W8) between the Horse Canyon Wenban 8 formations as well as the lower Wenban 5 formation.

These assays on the western margin of the Iceberg have numerous near-surface intervals of anomalous gold over a wide area both in the volcanic and the contact zones with associated anomalous Carlin-type gold deposit trace elements. Importantly deeper in both holes there are additional intervals of highly anomalous trace elements within Wenban 5 that provide an indication that this deeper horizon may be more favourably mineralized further to the west.

In June 2014, Iceberg hole RHB-24 was drilled as a 50 meter (165 feet) step-out along the southwestern margin of the North zone of the Iceberg deposit. It returned a notable intercept of 1.85 grams of gold/tonne over 15.2 meters (50 feet) (including 2.6 g/T Au over 10.7 meters (35 feet)) in the near-surface HC-W8 contact zone. As well it contained an encouraging 0.75 g/T Au over a 7.7 meters (25 feet) interval in the middle Wenban 5 formation.

In addition to expanding the North zone in excess of 400 meters (1,312 feet) these results have confirmed the presence of gold in the productive Wenban 5 formation on the south-western margin of the zone. The highlights of the assays that outline the North zone are reported in the table below.

Holes RHB-23 and RHB-25 drilled on the periphery of the North zone contained long intervals of anomalous gold.

Step-out drilling has also discovered the new South zone of gold mineralization and has confirmed a further north-west extension to the Central zone of the deposit. Hole RHB-27 was a wildcat exploration hole stepped out 970 meters/3,200 feet to the south along the strike of the Iceberg deposit's North and Central zones and returned two intervals of gold within the Devonian carbonates: 0.40 grams of gold/tonne over 12.2 meters/40 feet and 1.11 grams of gold/tonne over 6.1 meters/20 feet within 0.50 grams of gold/tonne over 18.3 meters/60 feet (see table below).

The presence of two mineralized intervals in silicified carbonates with favourable oxide gold grades establishes the Iceberg deposit extends a full 970 meters south of the previously identified zones of gold mineralization. RHB-27 is at the southern end of a geochemical 'gold in soil' anomaly that indicates a much larger exploration target. The three gold zones (North, Central and South) of the Iceberg deposit now extend over 3 kilometres have all of the characteristics of a well-mineralized Carlin-type gold deposit. Additional drilling will be planned to establish the dimensions of this new South zone and determine its connection to the Central zone.

Hole RHB-26, another large 200 meters/660 feet step-out to the northwest of the Central zone returned 0.18 grams of gold/tonne over 47.3 meters/155 feet from 93.0 to 140.3 meters. This lengthy interval effectively extends the mineralization in the Central Zone to 950 meters of strike length, and leaves the Central zone open in all directions.

Seven core holes were drilled into the Iceberg spread along the 3 km strike of the deposit (view nulegacygold.com/i/maps/maps-sections-2.jpg). They are located to confirm the stratigraphy, grade distribution and attitude of the three gold bearing horizons identified to date in the Iceberg gold deposit. They are designed to assist in locating the crests of the interpreted anticlines/fault zones that are often associated with the Cortez-trends' Carlin-type gold deposits making them such coveted prizes.

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A gravity survey over the entire Iceberg gold deposit was commissioned completed in early October. It contributed to the selection of sites for the 2015 drilling program and identified additional exploration targets.

In November 2014, NuLegacy reported gold assays from the first three of seven core holes drilled as part of its fall 2014 exploration program on the Iceberg gold deposit. Highlights of these core-hole assays include:

- Hole RHB-30 returned a substantial 3.16 grams/tonne gold (~1/10 ounce) over 12.1 meters in the Central Zone. This interval along with a 12.1 meter interval of 1.57 grams/tonne gold in RHB-29 are in oxidized and silicified breccia and together have established the continuity and expanded the size of the higher-grade core within the Central Zone.
- Hole RHB-28 confirmed the recently discovered South Zone (see News Release dated July 22, 2014) with 1.31 grams/tonne gold over 6.1 meters and 0.57 grams/tonne gold over 4.5 meters in two distinct stratigraphic horizons. These results, combined with previous reverse circulation drill hole results, have established a significant zone of mineralization located over 950 meters (3,200 feet) south-east of the Iceberg's Central Zone.

In January 2015, NuLegacy reported gold assays from the remaining four core holes (RHB14-31 to RBH 14-34) of the seven drilled during the fall 2014 exploration program on the Iceberg gold deposit in the Cortez gold-trend of Nevada, USA. Highlights of these core-hole assays include:

(Link to the plan map of drill holes and long-sections of the zones:
http://nulegacygold.com/s/Maps_Sections.asp)

- Hole RHB-33 was targeted to confirm higher grade gold mineralization in the North zone and successfully returned 2.06 grams of gold/tonne over 14.1 meters in a near surface horizon of oxidized and silicified limestone breccia. A second gold-bearing horizon in the Middle Wenban formation (Devonian limestone) returned 0.64 grams of gold/tonne over 24.4 meters including 4.6 meters of 2.89 grams of gold/tonne. This is the formation that contains the bulk of the gold in Barrick's multi-million ounce Goldrush deposit, immediately to the north-west of the Iceberg deposit.
- Holes RHB-31 and RHB-34 expand the Central zone to the northwest and north respectively. RHB-34 returned 1.60 grams of gold/tonne over 18.3 meters very near surface (including 5.47 grams of gold/tonne over 4.6 meters) with a second slightly lower intercept assaying 2.22 grams of gold/tonne over 9.1 meters at the contact of the Devonian Horse Canyon and Upper Wenban units.
- Hole RHB-32 targeted the southern extension of the recently discovered South zone (NR dated July 22, 2014) and returned a near-surface interval of 0.41 grams of gold/tonne over 10.7 meters. This drilling is defining a promising zone of gold mineralization.

Drilling continued to identify significant gold in the older overlying volcanics, as well as the principal near-surface gold-bearing Devonian carbonate contact horizons.

NuLegacy also reported gold assays from the last four reverse circulation holes drilled during the fall 2014 exploration program on the Iceberg gold deposit.

Two of the four holes (RHB-35 and 36) were drilled as extensions of the North zone of the Iceberg and two (RHB-37 and 38) were wildcat step outs. Of the two step-outs RHB 37 was drilled fully 600 meters/1,950 feet to the west of the Iceberg proper to test a gold in soil geochemical anomaly and results indicate a possible western extension (or parallel zone) to the Iceberg gold deposit. RHB 38 is 1,750 meters/5,700 feet to the northeast as an initial test of a CSAMT geophysical anomaly along the range front.

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Iceberg extensions - the high grade North zone is open in all directions:

- Hole RHB-35 returned a significant high-grade gold intercept of 3.3 grams of gold/tonne over 10.7 meters/35.1 feet (within a 32.0 meter/105 foot interval of 1.23 grams of gold/tonne) extending the high grade zone 45 meters/150 feet to the northeast with individual samples as high as 12.7 grams of gold/tonne.
- Both holes RHB-35 and 36 encountered significant gold mineralization within the strongly oxidized and altered Horse Canyon-Wenban 8 contact zone as reported below.

Wildcats – the 60 sq. km/23 sq. mile property is a target rich environment:

- Hole RHB-37 encountered gold mineralization in silicified siltstone/limestone within the HC-Wenban 8 contact zone. As an initial test of either a western extension or parallel zone to the Iceberg gold deposit, this is an important hole; it confirms gold mineralization beneath a large 'gold in soil anomaly' to the west of Iceberg. Additional drilling is needed to adequately test this anomaly.
- While hole RHB-38 detected no reportable gold, it did encounter 23 meters/75 feet of silicified siltstone and limestone with associated Carlin-type trace elements. This is the first hole in this large range front CSAMT anomaly which is being reassessed to identify additional drill targets.

NuLegacy reported that the results of an industry standard preliminary leach test conducted by American Assay Labs confirmed the Iceberg gold deposits' favourable leaching characteristics. The one hour 'tumble leach in cyanide' tests were conducted using previously assayed 30 gram sample pulps from the recently completed core-hole drilling. Atomic absorption assaying of the resulting leach liqueur demonstrated remarkably high average recoveries of 74.5% (within a range of 64.4% to 89.2%) from the oxidized Horse Canyon-Wenban contact horizon material wherein most of the Iceberg deposit's gold is contained.

The table below details the assay results from NuLegacy's 2014 drill program:

Hole Number	Zone	From	To	Length		Grade	Horizon
		(m)	(m)	(m)	(ft)	g/T Au	
RHB12-006	Central	57.9	67.1	9.1	30	0.44	Volcanics
and		120.4	147.8	27.4	90	1.4	Volcanics
including		128	138.7	10.7	35	2.6	Volcanics
and		170.7	190.5	19.8	65	0.2	Wenban
RHB 12-008	Central	36.6	42.7	6.1	20	0.26	Volcanics
and		120.4	167.6	47.2	155	0.73	Contact
Including		131.1	160	28.9	95	1.01	Contact
and		208.8	227.1	18.3	60	0.12	Wenban
RHB 12-009	Central	29	67.1	38.1	125	0.42	Volcanics
RHB 12-010	Central	36.6	51.8	15.2	50	0.63	Volcanics
Including		44.2	48.8	4.6	15	1.2	Volcanics
and		106.7	117.3	10.6	35	0.25	Contact
and		134.1	164.6	30.5	100	0.26	Contact
and	201.2	233.2	32	105	0.2	Wenban	
RHB-13	Central	108.2	131.1	22.9	75	0.71	Contact
including		111.3	120.4	9.1	30	1.13	Contact

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RHB-14	Central	105.2	121.9	16.7	55	0.51	Contact
including		114.3	118.9	4.6	15	1.12	Contact
RHB-17	North	71.6	112.8	41.2	135	1.02	Contact
including		91.4	97.5	6.1	20	5.62	Contact
RHB-18	Central	18.3	25.9	7.6	25	0.24	Volcanics
		57.9	67.1	9.2	30	0.13	Volcanics
		131.1	138.7	7.6	15	0.2	Contact
RHB-19	Central	44.2	47.2	3	10	0.52	Volcanics
		79.2	88.4	9.2	30	0.17	Volcanics
		111.3	114.3	6.1	20	0.23	Volcanics
		153.9	181.4	27.5	90	0.13	Contact
RHB-24	North	57.9	73.2	15.2	50	1.85	Contact
including				10.7	35	2.57	Contact
and		152.3	160	7.7	25	0.75	Wenban
RHB-27	South	56.4	68.6	12.2	40	0.4	Volcanics
and		82.3	100.6	18.3	60	0.5	Contact
Including		83.8	89.9	6.1	20	1.11	Contact
RHB-26	South	93	140.3	47.3	155	0.18	Contact
RHB-28	South	53	59.1	6.1	20	1.31	Volcanics
		83.3	87.8	4.5	15	0.57	Contact
RHB-29	Central	94	106.1	12.1	40	1.57	Contact
RHB-30	Central	53	59.1	6.1	20	0.58	Volcanics
		87.8	93.9	6.1	20	0.52	Volcanics
		127.3	139.4	12.1	40	3.16	Contact
RHB-31	Central	59.4	64	4.6	15	0.53	Volcanics
and		126.5	155.5	29	95	0.25	Contact
including		149.4	154	4.6	15	0.52	Contact
RHB-32	South	39.6	50.3	10.7	35	0.41	Volcanics
RHB-33	North	57.9	72	14.1	46	2.06	Contact
including		62.5	64	1.5	5	9.74	Contact
and		129.6	154	24.4	80	0.64	Wenban
including		149.4	154	4.6	15	2.89	Wenban
RHB-34	Central	30.5	48.8	18.3	60	1.6	Volcanics
including		44.2	48.8	4.6	15	5.47	Volcanics
and		64	65.5	1.5	5	1.34	Volcanics
and		93	102.1	9.1	30	2.22	Contact
RHB-35	North Iceberg	77.7	109.7	32	105	1.23	HC Contact
including		86.9	97.6	10.7	35.1	3.32	HC Contact
including		93	94.5	1.5	4.9	12.73	HC Contact

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RHB-36	North Iceberg	85.4	91.5	6.1	20	0.41	HC Contact
RHB-37	West Iceberg	112.8	123.5	14.1	35	0.19	HC Contact
RHB-38	Range Front	no significant interval					
RH92-2**	North	67.1	91.5	24.4	80	3.4	
RH93-5**	North	67.2	82.3	15.1	50	1.16	

Quality Control and Quality Assurance

The scientific and technical content and interpretation contained in this MD&A have been reviewed, verified and approved by Roger Steininger, NuLegacy's COO and CPG-7417, a Qualified Person as defined by NI 43-101, *Standards of Disclosure for Mineral Projects*.

SUMMARY OF QUARTERLY RESULTS

The following selected quarterly financial information is derived from the condensed interim consolidated financial statements of NuLegacy:

	Sept 30, 2015	June 30, 2015	Mar 31, 2015	Dec 31, 2014
	\$	\$	\$	\$
Net loss	(194,827)	(511,467)	(176,990)	(411,631)
Comprehensive loss	(1,509,068)	(579,378)	(242,201)	(755,761)
Loss per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Comprehensive loss per share - basic and diluted	(0.01)	(0.00)	(0.00)	(0.01)

	Sept 30, 2014	June 30, 2014	Mar 31, 2014	Dec 31, 2013
	\$	\$	\$	\$
Net loss	(351,595)	(385,042)	(404,869)	(250,619)
Comprehensive loss	(634,823)	(764,403)	(979,177)	(250,619)
Loss per share - basic and diluted	(0.00)	(0.01)	(0.01)	(0.00)
Comprehensive loss per share - basic and diluted	(0.01)	(0.00)	(0.02)	(0.00)

The variations in the losses from quarter to quarter are mainly due to the level of administrative expenses incurred by NuLegacy and are fairly consistent from quarter to quarter with the exception of:

- The quarters ended September 30, 2015, June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014, June 30, 2014 and March 31, 2014, where NuLegacy recorded an unrealized loss of \$1,314,241, \$67,911, \$65,211, \$344,130, \$283,228, \$379,361 and \$574,308, respectively, from the change in fair value of its available for sale financial assets; and
- The quarters ended September 30, 2015 and March 31, 2015 where NuLegacy recognized a larger foreign exchange gain in connection with the Company's US cash and US deposits along with the Company's available for sale financial assets denominated in British Pounds as both currencies continued to strengthen against the Canadian dollar.

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SELECTED QUARTERLY INFORMATION

The following financial data is derived from the condensed interim consolidated financial statements of the Company for the three and six months ended September 30, 2015 and 2014:

	For the three months ended September 30,		For the six months ended September 30,	
	2015 \$	2014 \$	2015 \$	2014 \$
Revenue	-	-	-	-
Operating expenses	(411,834)	(387,166)	(965,688)	(726,696)
Net loss	(194,827)	(351,595)	(706,294)	(736,637)
Comprehensive loss	(1,509,068)	(634,823)	(2,088,446)	(1,399,226)
Net loss per share-basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)
Comprehensive loss per share-basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)
Working capital	2,084,295	5,083,459	2,084,295	5,083,459
Exploration and evaluation assets	6,220,603	3,628,278	6,220,603	3,628,278
Total assets	8,620,713	9,067,691	8,620,713	9,067,691
Total liabilities	24,582	247,513	24,582	247,513

To date, all of NuLegacy's projects are at the exploration stage and NuLegacy has not generated any revenues other than interest income.

At September 30, 2015, NuLegacy had not yet achieved profitable operations and has an accumulated deficit of \$11,635,513 (March 31, 2015 - \$10,929,219) since inception. For the six months ended September 30, 2015, losses resulted in a net loss per share (basic and diluted) of \$0.00 (September 30, 2014 - \$0.01) and comprehensive loss per share (basic and diluted) of \$0.01 (September 30, 2014 - \$0.01).

RESULTS OF OPERATIONS

The table below details the major changes in operating expenses for the three months ended September 30, 2015 as compared to the corresponding three months ended September 30, 2014.

Expense	Amount of increase / decrease from comparative year	Explanation for Change
Consulting	Decrease of \$43,116	Decreased as there was a one-time consultant payment made in the comparative period
Investor relations	Decrease of \$17,258	Decreased as the Company engaged new IR consultants at reduced fees during the current period
Professional fees	Increase of \$14,505	Increased due to higher legal fees as a result of more corporate activity
Share based payments	Increase of \$44,993	Increase was associated with more stock options being granted in the current period

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The table below details the major changes in operating expenses for the six months ended September 30, 2015 as compared to the corresponding six months ended September 30, 2014.

Expense	Amount of increase / decrease from comparative year	Explanation for Change
Consulting	Decrease of \$36,997	Decreased as there was a one-time consultant payment made in the comparative period
Investor relations	Decrease of \$28,022	Decreased as the Company engaged new IR consultants at reduced fees during the current period
Office	Increase of \$20,838	Increased due to more general corporate activities
Professional fees	Increase of \$30,826	Increased due to higher legal fees as a result of more corporate activity
Share based payments	Increase of \$225,203	Increase was associated with more stock options being granted in the current period
Travel and accommodation	Increase of \$16,387	Increased travel expenses related to more trips made to the Reno office

LIQUIDITY

NuLegacy does not generate cash from operations and finances its exploration activities by raising capital from equity markets from time to time.

As at September 30, 2015, NuLegacy's liquidity and capital resources are as follows:

	September 30, 2015	March 31, 2015
	\$	\$
Cash and cash equivalents	1,675,445	1,497,559
Receivables	13,188	14,016
Prepaid expenses	122,350	101,495
Available for sale financial assets	297,894	1,565,060
Total current assets	2,108,877	3,178,130
Trade and other payable	24,582	59,520
Working capital	2,084,295	3,118,610

NuLegacy's operations consist primarily of the acquisition, maintenance and exploration of exploration and evaluation assets, including actively seeking joint venture partners to assist with exploration funding. NuLegacy's financial success will be dependent on the extent to which it can discover new mineral deposits.

During the six months ended September 30, 2015, the Company received (1) \$10,800 from the exercise of 108,000 warrants and (2) net proceeds of \$2,234,160, net of cash commission and expenses of \$51,915, in connection with a private placement whereby NuLegacy issued 18,288,600 units at \$0.125 per unit. Each unit consists of one common share and one half share purchase warrant with each warrant entitling the holder to purchase one additional common share for a period of two years (at a price of \$0.15 for the first year and \$0.20 in the second year, subject to an acceleration clause).

As at September 30, 2015, NuLegacy had cash and cash equivalents of \$1,675,445 (March 31, 2015 - \$1,497,559), consisting primarily of the net proceeds from the closing of the June 2015 private placement. As at September 30, 2015, NuLegacy had working capital of \$2,084,295 (March 31, 2015 - \$3,118,610).

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As at September 30, 2015, the fair value of the Global Resources Investment Ltd. ("GRIT") common shares was \$297,894 (March 31, 2015 – \$1,565,060). NuLegacy intends to liquidate the GRIT common shares and use the net proceeds from the future sale to fund further exploration delineation of its mineral properties in Nevada and for general corporate purposes.

NuLegacy's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management believes that the current working capital surplus is sufficient to maintain current operations as budgeted for the next 12 months. See "Risks and Uncertainties".

COMMITMENTS

The following commitments are pursuant to the Iceberg and Wilson Properties:

Iceberg property:

<u>Expenditure deadline</u>	<u>Expenditure commitment (US\$)</u>	<u>Total cumulative expenditure (US\$)</u>
December 31, 2011	375,000 (spent)	375,000
December 31, 2012	875,000 (spent)	1,250,000
December 31, 2013	625,000 (spent)	1,875,000
December 31, 2014	1,125,000 (spent)	3,000,000
December 31, 2015	2,000,000 (spent)	5,000,000

Wilson property:

NuLegacy must make annual advance royalty payments of US\$25,000 and issue 100,000 common shares to Idaho in each of the first five years of the Lease. Annual cash payments will then increase to US\$50,000 for year six and every year thereafter.

Refer to the Summary of Exploration Activities for further details on NuLegacy's commitments.

NuLegacy is also required to pay the annual United States Bureau of Land Management assessment fees, state and county filing and recording expenses, property taxes, advance minimum royalty and underlying lease payments, as applicable, associated with NuLegacy's mineral properties in order to maintain the Iceberg and Wilson properties in good standing. Such costs will form part of NuLegacy's exploration expenditures.

Notwithstanding the foregoing, if, at any time, NuLegacy's board of directors deems continued use of exploration expenditures on the Red Hill properties to be unwarranted based on the results of exploration up to that time, NuLegacy may suspend or discontinue exploration on such property and apply any remaining funds towards the exploration of one of NuLegacy's other properties, to the acquisition and exploration of new properties or, if required, the general working capital of NuLegacy.

Except as aforesaid, NuLegacy does not have any material commitments for capital expenditures, there are no known trends or expected fluctuations in NuLegacy's capital resources and has no sources of financing that have been arranged but not yet used.

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Contractual Obligations:

NuLegacy does not currently have any other material contractual obligations.

As at September 30, 2015, NuLegacy had no long term debt and no agreements with respect to borrowings entered into.

OFF BALANCE SHEET ARRANGEMENTS

NuLegacy has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the six months ended September 30, 2015, NuLegacy entered into the following transactions with related parties:

- a. Incurred consulting fees of \$37,500 (September 30, 2014 - \$41,328), investor relation fees of \$37,500 (September 30, 2014 - \$39,750) and office costs of \$5,850 (September 30, 2014 - \$6,525) to a company controlled by Albert Matter, the Chairman and director of NuLegacy. As at September 30, 2015, an advance of \$13,475 (March 31, 2015 - \$13,475), on account of future expenses was included in prepaid expenses.
- b. Incurred consulting fees of \$37,500 (September 30, 2014 - \$39,750), investor relation fees of \$37,500 (September 30, 2014 - \$43,400) and office costs of \$4,500 (September 30, 2014 - \$4,500) to a company controlled by James Anderson, CEO and director of NuLegacy. As at September 30, 2015, an advance of \$12,500 (March 31, 2015 - \$12,500), on account of future expenses was included in prepaid expenses.
- c. Incurred consulting fees of \$nil (September 30, 2014 - \$1,423), investor relation fees of \$nil (September 30, 2014 - \$1,212), other consulting fees capitalized to exploration and evaluation assets of \$82,500 (September 30, 2014 - \$69,309) and office costs of \$5,584 (September 30, 2014 - \$4,887) to Roger Steinger, COO and director of NuLegacy. As at September 30, 2015, an advance of \$14,606 (March 31, 2015 - \$13,764), on account of future exploration geological fees and office expenses was included in prepaid expenses.
- d. Incurred professional fees of \$19,500 (September 30, 2014 - \$21,750) to a company controlled by Michael Waldkirch, CFO of NuLegacy.
- e. Incurred professional fees of \$34,036 (September 30, 2014 - \$22,131) and share issuance costs of \$15,633 (September 30, 2014 - \$18,228) to a company controlled by Gregory Chu, Corporate Secretary of NuLegacy. As at September 30, 2015, \$6,242 (March 31, 2015 - \$16,355) was included in trade and other payables for professional fees.
- f. Incurred directors' fees of \$7,500 (September 30, 2014 - \$625) to Petra Decher, a former independent director of NuLegacy. As at September 30, 2015, \$nil (March 31, 2015 - \$3,750) was included in trade and other payables relating to accrued directors' fees.
- g. Incurred directors' fees of \$7,500 (September 30, 2014 - \$625) to Alex Davidson, an independent director of NuLegacy. As at September 30, 2015, \$nil (March 31, 2015 - \$3,750) was included in trade and other payables relating to accrued directors' fees.

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Summary of key management personnel compensation:

	Six months ended September 30,	
	2015	2014
	\$	\$
Consulting	90,000	84,376
Exploration and evaluation assets	82,500	69,309
Investor relations	75,000	84,362
Office	15,934	15,912
Professional fees	19,500	21,750
Share based payments	312,202	138,560
	595,136	414,269

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUES

There can be no assurance that financing, whether debt or equity, will always be available to NuLegacy in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to NuLegacy. See "Risks and Uncertainties" below.

RISKS AND UNCERTAINTIES

NuLegacy is in the mineral exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

- a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates.
- b) The only source of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available are the sale of equity capital or the offering by NuLegacy of an interest in its properties to be earned by another party carrying out further exploration or development. Management was successful in accessing the equity markets during the year, but there is no assurance that such sources will be available on acceptable terms in the future.
- c) Any future equity financings for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.
- d) NuLegacy must comply with environmental regulations governing air and water quality and land disturbance and provide for mine reclamation and closure costs.
- e) The continued operations require various licenses and permits from various governmental authorities. There is no assurance that NuLegacy will be successful in obtaining the necessary licenses and permits to continue its exploration and development activities in the future or, if granted, that the licenses and permits will remain in force as granted.
- f) There is no certainty that the properties which NuLegacy has capitalized as assets on its balance sheet will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value.

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- g) While management believes that control over bank accounts and assets is adequate, it is also aware that internal control weaknesses were identified in respect of a lack of segregation of duties, and a high risk of management override of controls and procedures. It is management's opinion that these weaknesses in internal controls over financial reporting are inherently related to the small size of the issuer.
- h) There is no certainty that the financial assets (which include the GRIT common shares) will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value as at the date of this report.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on any forward-looking statements. NuLegacy has not completed a feasibility study on any of its deposits to determine if it hosts a mineral resource that can be economically developed and profitably mined.

CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Interim Financial Statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities, income and expenses. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Information about critical accounting judgments, estimates and assumptions are summarized in Note 2 of the Interim Financial Statements.

CHANGES IN ACCOUNTING POLICIES

There were no changes to NuLegacy's accounting policies during the six months ended September 30, 2015.

Standards issued but not yet effective up to the date of issuance of the Financial Statements are listed below. This listing is of standards and interpretations issued, which NuLegacy reasonably expects to be applicable at a future date. NuLegacy intends to adopt those standards when they become effective and does not expect the impact of such changes on the financial statements to be material.

IFRS 9 Financial Instruments

Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

FINANCIAL AND OTHER INSTRUMENTS

NuLegacy has classified its financial instruments as follows:

Cash and cash equivalents	Fair value through profit or loss
Receivables	Fair value through profit or loss
Available for sale financial assets	Available for sale
Trade and other payables	Other financial liabilities

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For some of NuLegacy's financial assets and liabilities, including cash and cash equivalents, receivables, trade and other payables, the carrying amounts approximate their fair values due to the relatively short periods to maturity of the instruments.

The classification and fair values of the financial instruments at September 30, 2015 and March 31, 2015 are summarized in Note 11 of the Interim Financial Statements.

Foreign Currency Risk

Foreign currency risk is the risk that the future cash flows or fair value of the financial instruments that are denominated in a currency that is not NuLegacy's functional currency will fluctuate due to the change in foreign exchange rate.

The functional currency of NuLegacy and its wholly owned subsidiary is the Canadian dollar. While the parent is Canadian and its capital is raised in Canadian dollars, NuLegacy is conducting business activities in the United States. As such, it is subject to risk due to fluctuations in the exchange rates for the Canadian and United States dollar. All of the operations in the United States are in US dollars.

As at September 30, 2015, the Company has cash denominated in US dollars of \$864,125 (March 31, 2015 - \$1,079,169), deposits denominated in US dollars of \$189,737 (March 31, 2015 - \$178,327) and trade and other payables in US dollars of \$8,034 (March 31, 2015 - \$11,697). Each 1% change in the Canadian dollar versus the US dollar will result in a gain/loss of approximately USD \$10,458 (March 31, 2015 - USD \$12,458).

In addition, the Company holds an investment that is denominated in British Pounds (£). As such, it is subject to fluctuations in the exchange rates for the Canadian dollar and British Pounds. As at September 30, 2015, the Company has an available for sale investment denominated in British Pounds of £147,152 (March 31, 2015 - £830,976). Each 1% change in the Canadian dollar versus the British Pound will result in a gain/loss of approximately £1,472 (March 31, 2015 - £8,310).

Interest Rate Risk

Interest rate risk is the risk of financial loss to the Company if market rates of interest were to change adversely. The Company's exposure to interest rate risk is not material.

Credit Risk

Credit risk is the risk of financial loss to NuLegacy if a customer or counterparty to a financial instrument fails to meet its contractual obligations. NuLegacy manages credit risk by placing cash with major Canadian financial institutions. NuLegacy's receivables primarily consist of sales tax recoverable due from the Federal Government of Canada. Management believes that credit risk related to these amounts is nominal.

Liquidity Risk

Liquidity risk is the risk that NuLegacy will not be able to meet its financial obligations as they fall due. NuLegacy's approach to liquidity risk is to ensure that it always has sufficient cash and credit facilities to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to NuLegacy's reputation. Management typically forecasts cash flows for a period of six to twelve months to identify financing requirements. These requirements are then addressed primarily through access to capital markets. All of the financial liabilities mature within one year.

Other Price Risk

Other price risk is the risk that changes in market prices including commodity or equity prices will have an effect on future cash flows associated with financial instruments.

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The equity price risk associated with the Company's current available for sale investment primarily relates to the change in the market prices of the investments in the portfolio. As at September 30, 2015, the Company owned 1,731,200 (March 31, 2015 – 1,731,200) GRIT common shares with each common share valued at £0.085 or \$0.17 (March 31, 2015 - £0.48 or \$0.90). Each £0.01 change in the value per common share will result in a gain/loss of approximately £17,312 or \$35,046 (March 31, 2015 - £17,312 or \$32,605).

CAPITAL MANAGEMENT DISCLOSURES

NuLegacy's objectives when managing capital are to:

- (a) Provide an adequate return to shareholders;
- (b) Provide adequate and efficient funding for operations;
- (c) Continue the development and exploration of its mineral properties;
- (d) Support any expansion plans;
- (e) Allow flexibility to investment in other mineral revenues; and
- (f) Maintain a capital structure which optimizes the cost of capital at acceptable risk.

In the management of capital, NuLegacy includes all accounts included in shareholders' equity. As at September 30, 2015, NuLegacy had no bank indebtedness.

NuLegacy is not subject to any externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the fiscal period.

OUTSTANDING SHARE DATA, OPTIONS AND WARRANTS

	As at September 30, 2015	As at November 30, 2015
Common shares	159,850,479	159,850,479
Common shares – fully diluted**	202,361,099	205,661,099
Stock options – outstanding	19,600,000	22,900,000
Stock options – exercisable	15,326,250	18,170,000
Share purchase warrants	22,910,620	22,910,620

***The fully diluted number of common shares above represents the total number of shares that would be outstanding if all possible sources of conversion (all stock options outstanding and share purchase warrants) were exercised.*

DIVIDEND REPORT AND POLICY

NuLegacy has not paid any dividends to date and intends to retain its future earnings, if any, for use in its business and does not expect to pay dividends on its shares in the foreseeable future.

NULEGACY GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2015

INTERNAL CONTROLS OVER FINANCIAL REPORTING PROCEDURES

The management of NuLegacy is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and NuLegacy's condensed interim consolidated financial statements for the six months ended September 30, 2015.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The information provided in this report, including the Financial Statements, is the responsibility of management. In the preparation of these Financial Statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying Financial Statements.

Management maintains a system of internal controls to provide reasonable assurance that NuLegacy's assets are safeguarded and to facilitate the preparation of relevant and timely information.

FORWARD LOOKING STATEMENTS

Certain sections of this MD&A may contain forward-looking statements.

All statements, other than statements of historical fact, made by NuLegacy that address activities, events or developments that expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words.

Forward-looking statements contained or incorporated by reference in this MD&A may relate to the future financial condition, results of operations, plans, objectives, performance or business developments including, among other things, exploration and work programs, drilling plans and timing of drilling, plans for development and facilities construction and timing, method of funding and completion thereof, the performance characteristics of exploration and evaluation assets, drilling, results of various projects, the existence of mineral resources or reserves and the timing of development thereof, projections of market prices and costs, supply and demand for gold and other precious metals, expectations regarding the ability to raise capital and to acquire reserves through acquisitions and/or development, treatment under governmental regulatory regimes and tax laws, and capital expenditure programs and the timing and method of financing thereof. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of NuLegacy contained or incorporated by reference in this MD&A, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein or as otherwise expressly incorporated herein by reference as well as: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to

NULEGACY GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2015

equipment, adverse weather conditions or otherwise; (2) permitting, access, exploration, expansion and acquisitions at our projects (including, without limitation, land acquisitions for and permitting of exploration plans) being consistent with NuLegacy's current expectations; (3) the viability, permitting, access, exploration and development of the Red Hill project including, but not limited to, the establishment of resources being consistent with the NuLegacy's current expectations; (4) political developments in the State of Nevada including, without limitation, the implementation of the new Nevada state mining tax and related regulations being consistent with the NuLegacy's current expectations; (5) the exchange rate between the Canadian dollar and the U.S. dollar being approximately consistent with current levels; (6) certain price assumptions for gold and silver; (7) prices for and availability of equipment, labor, natural gas, fuel oil, electricity, water and other key supplies remaining consistent with current levels; (8) the results of the exploration program on the Red Hill project being consistent with expectations; (9) labor and materials costs increasing on a basis consistent with NuLegacy's current expectations; (10) the availability and timing of additional financing being consistent with NuLegacy's current expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as diesel fuel and electricity); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which NuLegacy may carry on business in the future; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with exploration or development activities; employee relations; the speculative nature of gold exploration and development, including the risks of obtaining necessary licenses and permits; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, geological, technical, drilling and processing problems, fluctuations in foreign exchange or interest rates and stock market volatility, changes in income tax laws or changes in tax laws and incentive programs relating to the mineral resource industry; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, NuLegacy. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made or incorporated by reference in this MD&A are qualified by these cautionary statements and those made in our other filings with applicable securities regulators in Canada. These factors are not intended to represent a complete list of the factors that could affect NuLegacy and readers should not place undue reliance on forward-looking statements in this MD&A. NuLegacy disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

OTHER MD&A REQUIREMENTS

Additional information relating to NuLegacy may be found on or in:

- NuLegacy's website at www.nulegacygold.com
- SEDAR at www.sedar.com
- The Company's condensed interim consolidated financial statements for the three and six months ended September 30, 2015 and 2014
- The Company's audited consolidated financial statements for the year ended March 31, 2015.

This MD&A has been approved by the Board effective November 30, 2015.



Condensed Interim Consolidated Financial Statements

For the three and six months ended September 30, 2015 and 2014
(Expressed in Canadian Dollars – Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

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NULEGACY GOLD CORPORATIONCondensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars – Unaudited)

	Note	September 30, 2015	March 31, 2015
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		1,675,445	1,497,559
Receivables		13,188	14,016
Prepaid expenses	8	122,350	101,495
Available for sale financial assets	3	297,894	1,565,060
		2,108,877	3,178,130
Non-current assets			
Deposits	4	279,079	230,848
Equipment	5	12,154	14,766
Exploration and evaluation assets	6	6,220,603	4,633,110
		8,620,713	8,056,854
Liabilities and Shareholders' Equity			
Current liabilities			
Trade and other payables	7,8	24,582	59,520
Shareholders' Equity			
Share capital	9	16,484,180	14,567,407
Warrants reserve	9	4,062,217	3,734,030
Share options reserve	9	2,713,637	2,271,354
Revaluation reserve	3	(3,028,390)	(1,646,238)
Accumulated deficit		(11,635,513)	(10,929,219)
		8,596,131	7,997,334
		8,620,713	8,056,854

Corporate Information and Going Concern (Note 1)
Subsequent Event (Note 13)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

NULEGACY GOLD CORPORATION

Condensed Interim Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars – Unaudited)

	Note	Three months ended September 30,		Six months ended September 30,	
		2015	2014	2015	2014
		\$	\$	\$	\$
Operating expenses					
Consulting	8	45,870	88,986	99,347	136,344
Depreciation	5	2,867	932	5,653	2,156
Insurance		7,935	7,332	14,257	14,575
Investor relations	8	91,632	108,890	173,827	201,849
Office	8	38,598	35,784	86,472	65,634
Professional fees	8	39,390	24,885	81,121	50,295
Regulatory and transfer agent		15,024	6,232	24,730	25,251
Rent		7,382	3,333	14,764	6,665
Share based payments	8,9	151,905	106,912	442,283	217,080
Travel and accommodation		11,231	3,880	23,234	6,847
		411,834	387,166	965,688	726,696
Other income (loss)					
Foreign exchange gain (loss)		216,759	40,603	258,615	(3,987)
Interest and other income		248	848	779	906
Unrealized loss on held for trading investment		-	(5,880)	-	(6,860)
		217,007	35,571	259,394	(9,941)
Net loss for the period		(194,827)	(351,595)	(706,294)	(736,637)
Other comprehensive loss					
Net change in fair value of available for sale financial assets	4	(1,314,241)	(283,228)	(1,382,152)	(662,589)
Comprehensive loss for the period		(1,509,068)	(634,823)	(2,088,446)	(1,399,226)
Basic and diluted loss per share					
Net loss for the period	9	(0.00)	(0.00)	(0.00)	(0.01)
Comprehensive loss for the period	9	(0.01)	(0.01)	(0.01)	(0.01)
Weighted average common shares outstanding		159,850,479	126,307,683	153,619,915	119,741,857

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

NULEGACY GOLD CORPORATION

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars – Unaudited)

	Six months ended September 30,	
	2015	2014
	\$	\$
Operating activities		
Net loss for the period	(706,294)	(736,637)
Items not affecting cash and cash equivalents		
Depreciation	5,653	2,156
Share based payments	442,283	217,080
Unrealized foreign exchange loss (gain)	(147,948)	41,623
Changes in non-cash working capital		
Receivables	828	(2,292)
Prepaid expenses	(20,855)	(84,449)
Trade and other payables	(31,789)	(26,978)
Total cash outflows from operating activities	(458,122)	(589,497)
Financing activities		
Proceeds from issuance of common shares	2,286,075	3,531,250
Share issuance costs	(51,915)	(26,672)
Proceeds from exercise of warrants	10,800	-
Total cash inflows from financing activities	2,244,960	3,504,578
Investing activities		
Purchase of equipment	(3,041)	(3,791)
Deposits	(15,269)	-
Exploration and evaluation asset expenditures	(1,590,642)	(732,117)
Total cash outflows from investing activities	(1,608,952)	(735,908)
Net change in cash and cash equivalents	177,886	2,179,173
Cash and cash equivalents, beginning of period	1,497,559	1,026,920
Cash and cash equivalents, end of period	1,675,445	3,206,093
Other non-cash items		
Change in fair market value of available for sale financial assets	1,382,152	662,589
Warrants issued in private placement	329,937	-
Warrants issued as finders' fee	5,943	-
Share issue costs in trade and other payables	-	9,213
Exploration and evaluation assets in trade and other payables	8,296	178,846
Reclassification of reserve to share capital on exercise of warrants	7,693	-

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

NULEGACY GOLD CORPORATION

Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars – Unaudited)

	Note	Number of shares	Share capital	Warrants reserve	Share options reserve	Revaluation reserve	Accumulated deficit	Total
Balance, March 31, 2014		113,103,879	\$ 11,062,042	\$ 3,734,030	\$ 1,889,156	\$ (574,308)	\$ (9,603,961)	\$ 6,506,959
Shares issued, private placement	9	28,250,000	3,531,250	-	-	-	-	3,531,250
Shares issuance costs	9	-	(35,885)	-	-	-	-	(35,885)
Share based payments	9	-	-	-	217,080	-	-	217,080
Comprehensive loss for the period		-	-	-	-	(662,589)	(736,637)	(1,399,226)
Balance, September 30, 2014		141,353,879	14,557,407	3,734,030	2,106,236	(1,236,897)	(10,340,598)	8,820,178
Shares issued, acquisition of exploration and evaluation assets	5	100,000	10,000	-	-	-	-	10,000
Share based payments	9	-	-	-	165,118	-	-	165,118
Comprehensive loss for the period		-	-	-	-	(409,341)	(588,621)	(997,962)
Balance, March 31, 2015		141,453,879	14,567,407	3,734,030	2,271,354	(1,646,238)	(10,929,219)	7,997,334
Shares issued, private placement	9	18,288,600	2,286,075	-	-	-	-	2,286,075
Share issuance costs	9	-	(57,858)	5,943	-	-	-	(51,915)
Share purchase warrants, private placement	9	-	(329,937)	329,937	-	-	-	-
Shares issued, exercise of warrants	9	108,000	18,493	(7,693)	-	-	-	10,800
Share based payments	9	-	-	-	442,283	-	-	442,283
Comprehensive loss for the period		-	-	-	-	(1,382,152)	(706,294)	(2,088,446)
Balance, September 30, 2015		159,850,479	16,484,180	4,062,217	2,713,637	(3,028,390)	(11,635,513)	8,596,131

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three and six months ended September 30, 2015 and 2014

1. Corporate Information and Going Concern

Corporate Information

NuLegacy Gold Corporation (the “Company”) is a publicly listed entity on the TSX Venture Exchange (the “Exchange”) and incorporated under the laws of the Province of British Columbia. The Company’s principal business activity is the acquisition and exploration of mineral properties. Its principal mineral property interests are located in Nevada, USA.

The head office, principal address, and records office of the Company are located at 355 Burrard Street, Suite 1000, Vancouver, British Columbia, Canada, V6C 2G8.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company’s mineral property interests are located outside of Canada and are subject to the risks associated with foreign investment, including increases in taxes and royalties, renegotiations of contracts, currency exchange fluctuations and political uncertainty. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Going Concern

These condensed interim consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and/or to achieve profitable operations. These condensed interim consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The continuance of the Company’s operations is dependent on obtaining sufficient additional financing in order to realize the recoverability of the Company’s investments in exploration and evaluation assets, which is dependent upon the existence of economically recoverable reserves and market prices for the underlying minerals. Management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur. The Company believes they have sufficient working capital to maintain operations for the next 12 months.

2. Significant Accounting Policies

The following is a summary of significant accounting policies used in the preparation of these condensed interim consolidated financial statements.

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting”, using accounting policies that are consistent and in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These condensed interim consolidated financial statements, including the comparative amounts, were approved and authorized for issue by the board of directors on November 30, 2015.

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three and six months ended September 30, 2015 and 2014

2. Significant Accounting Policies (continued)

Basis of presentation

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for cash and cash equivalents and other financial instruments classified as fair value through profit or loss and available for sale that have been measured at fair value at the reporting date. The unaudited condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise indicated.

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended March 31, 2015, with the exception of certain amendments to accounting standards issued by the IASB, which were applicable from April 1, 2015. These amendments did not have a significant impact on the Company's condensed interim consolidated financial statements.

The Company's interim results are not necessarily indicative of its results for a full year.

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited condensed interim consolidated financial statements. In addition, the preparation of financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in Note 2 to the Company's consolidated financial statements for the year ended March 31, 2015.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, NuLegacy Gold N.V., which was incorporated in Nevada, USA. The subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company balances and transactions, including any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the condensed interim consolidated financial statements.

Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the year.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation of share based compensation and income taxes.

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three and six months ended September 30, 2015 and 2014

2. Significant Accounting Policies (continued)

Significant accounting judgments, estimates and assumptions (continued)

Critical judgments exercised in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements are as follows:

- (a) Economic recoverability and probability of future economic benefits of exploration and evaluation assets:

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

- (a) Valuation of share based payments and warrants:

The Company uses the Black-Scholes Option Pricing Model for valuation of share based compensation and for the valuation of warrants. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and share option reserves.

- (b) Recovery of deferred tax assets:

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

Standards issued or amended but not yet effective:

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the six months ended September 30, 2015 and have not been applied in preparing these condensed interim consolidated financial statements. The Company is currently considering the possible effects of the new and revised standards which will be effective to the Company's consolidated financial statements for the year ending March 31, 2017 or later:

- IFRS 9 – Financial Instruments: Applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not expect any effect on the Company's consolidated financial statements.

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three and six months ended September 30, 2015 and 2014

3. Available for Sale Financial Assets

In March 2014, the Company completed a share exchange financing transaction with Global Resources Investment Ltd. (“GRIT”), a U.K. based public company which trades on the London Stock Exchange (“LSE”), whereby the Company issued 20,000,000 common shares at a price of \$0.16 per share (\$3,200,000) in return for 1,731,200 GRIT common shares at a deemed issue price of £1.00 per share, equivalent to \$3,210,510 on the transaction date.

The fair value of GRIT common shares as at September 30, 2015 is \$297,894 (March 31, 2015 – \$1,565,060). During the six months ended September 30, 2015, the Company recorded a revaluation reserve loss on the investment of \$1,382,152 (September 30, 2014 - \$662,589) and an unrealized foreign exchange gain of \$114,986 (September 30, 2014 – foreign exchange loss of \$34,049).

The Company intends to liquidate the GRIT common shares and use the net proceeds from the future sale to fund further planned exploration work on its exploration and evaluation assets in Nevada, USA and for general corporate purposes. There is a 3% finder’s fee payable on the net proceeds from the future sale of the GRIT shares.

4. Deposits

	September 30, 2015	March 31, 2015
	\$	\$
Credit card collateral	25,875	25,875
Reclamation bonds	253,204	204,973
	279,079	230,848

5. Equipment

	Computers
	\$
Cost	
As at March 31, 2014	29,982
Additions	19,891
As at March 31, 2015	49,873
Additions	3,041
As at September 30, 2015	52,914
Accumulated depreciation	
As at March 31, 2014	28,163
Charge for the year	6,944
As at March 31, 2015	35,107
Charge for the period	5,653
As at September 30, 2015	40,760
Net book value	
As at March 31, 2015	14,766
As at September 30, 2015	12,154

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three and six months ended September 30, 2015 and 2014

6. Exploration and Evaluation Assets

	Red Hill Properties		
	Iceberg Property	Wilson Property	Total
	\$	\$	\$
Balance March 31, 2014	1,940,864	776,451	2,717,315
Acquisition	-	39,320	39,320
Assays	121,161	-	121,161
Deposits	25,108	-	25,108
Drilling	889,732	-	889,732
Geological consulting	535,932	2,006	537,938
Miscellaneous	28,606	383	28,989
Property maintenance	144,215	87,398	231,613
Travel	41,512	422	41,934
Total Additions	1,786,266	129,529	1,915,795
Balance March 31, 2015	3,727,130	905,980	4,633,110
Assays	123,884	-	123,884
Deposits	(25,108)	-	(25,108)
Drilling	807,103	546	807,649
Geological consulting	329,087	29,952	359,039
Miscellaneous	15,576	234	15,810
Property maintenance	168,309	100,315	268,624
Travel	37,595	-	37,595
Total Additions	1,456,446	131,047	1,587,493
Balance September 30, 2015	5,183,576	1,037,027	6,220,603

Eureka County, Nevada

Iceberg Property

On September 16, 2010, the Company entered into an exploration agreement with a joint venture election and option to purchase from Barrick Gold Exploration Inc. ("Barrick") for a 70% undivided interest in 818 unpatented mining claims in the Iceberg Property located in Eureka County, Nevada, U.S.A. On August 23, 2012, the parties signed an Amended Agreement amending some of the requirements to be upheld by the Company. Under the Amended Agreement, in order to exercise the option, the Company must incur a minimum of US\$5,000,000 in exploration or development expenditures on the Iceberg Property (inclusive of maintenance fees) as follows:

Expenditure deadline	Expenditure commitment (US\$)	Total cumulative expenditure (US\$)
December 31, 2011	375,000 (spent)	375,000
December 31, 2012	875,000 (spent)	1,250,000
December 31, 2013	625,000 (spent)	1,875,000
December 31, 2014	1,125,000 (spent)	3,000,000
December 31, 2015	2,000,000 (spent)	5,000,000

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three and six months ended September 30, 2015 and 2014

6. Exploration and Evaluation Assets (continued)

Iceberg Property (continued)

If the Company completes the required US\$5,000,000 in expenditures and earns a 70% undivided interest in the property, Barrick will have a one-time option, exercisable within 90 days, to back into a 70% interest in the property. To complete the back in, Barrick must expend US\$15,000,000 over 5 years on the exploration and development of the property at a rate of at least US\$1,500,000 per year. If completed, the Company's remaining 30% interest in the property will be carried by Barrick until the commencement of commercial production on the property.

Upon completion of the Company's exploration expenditures of US\$5,000,000, the Company and Barrick shall form a joint venture for further exploration of the property. If Barrick does not elect to exercise the back in right or fails to complete the requirements, the Company will hold a 70% interest and Barrick will hold a 30% interest in the joint venture. If Barrick exercises the back in right and completes the requirements, the Company will hold a 30% interest and Barrick will hold a 70% interest in the joint venture.

In September 2015, the Company satisfied the final expenditure earn-in requirement and in October 2015, the Company provided a notice to Barrick of the completion of the Company's option to earn-in to a 70% undivided interest in the mining claims in the Iceberg Property.

Wilson Property

On October 18, 2010, the Company entered into a mining lease ("Lease") with Idaho Resources Corp. ("Idaho"), in which Idaho granted to the Company exclusive possession and control to explore, develop, mine and operate on the Idaho Property, which consists of 482 unpatented mining claims.

On November 7, 2012, the Company entered into a restated mining lease whereby future requirements for exploration expenditures were eliminated. In order to maintain the Lease, the Company must make annual advance royalty payments of US\$25,000 (paid for the first four years) and issue 100,000 common shares (issued for the first four years) to Idaho in each of the first five years of the Lease. Annual cash payments will then increase to US\$50,000 for year six and every year thereafter. In addition, the Company has incurred a total of US\$750,000 in exploration on the property as follows:

Expenditure deadline	Expenditure commitment (US\$)	Aggregate amount (US\$)
August 31, 2011	250,000 (spent)	250,000
December 31, 2012	500,000 (spent)	750,000

After an initial term of 10 years, the Lease will continue in full force and effect provided that the Company continues to maintain the property in good standing and make the requisite annual cash payments to Idaho. Upon commencement of commercial production, the annual cash payments will convert to an overriding royalty of 3% of the applicable royalty base on all gold, silver and other ores/metals from the property.

7. Trade and Other Payables

	September 30, 2015	March 31, 2015
	\$	\$
Trade payables and accruals	18,340	35,665
Related party payables	6,242	23,855
	24,582	59,520

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Notes to Condensed Interim Consolidated Financial Statements

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8. Related Party Transactions

During the six months ended September 30, 2015, the Company entered into the following transactions with related parties, not disclosed elsewhere in these condensed interim consolidated financial statements:

- Paid or incurred professional fees of \$34,036 (September 30, 2014 - \$22,131) and share issuance costs of \$15,633 (September 30, 2014 - \$18,228) to a company controlled by an officer of the Company. As at September 30, 2015, \$6,242 (March 31, 2015 - \$16,355) was included in trade and other payables to this company for professional fees.

As at September 30, 2015, advances of \$40,581 (March 31, 2015 - \$39,739), on account of future expenses was included in prepaid expenses to a director and companies controlled by directors and officers of the Company.

As at September 30, 2015, \$nil (March 31, 2015 - \$7,500) was included in trade and other payables for accrued directors fees owing to the independent directors of the Company.

All related party amounts were incurred in the normal course of operations, bear no interest and have no fixed terms of repayment.

Summary of key management personnel compensation:

	Six months ended September 30,	
	2015	2014
	\$	\$
Consulting	90,000	84,376
Exploration and evaluation assets	82,500	69,309
Investor relations	75,000	84,362
Office	15,934	15,912
Professional fees	19,500	21,750
Share based payments	312,202	138,560
	595,136	414,269

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9. Share Capital and Reserves

Authorized Share Capital

Unlimited common shares without par value

Issued Share Capital

	Shares	Share capital - gross	Share issue costs	Share capital - net
		\$	\$	\$
Balance, March 31, 2014	113,103,879	11,844,572	782,530	11,062,042
Private placement (iv)	28,250,000	3,531,250	35,885	3,495,365
Exploration and evaluation assets (iii)	100,000	10,000	-	10,000
Balance, March 31, 2015	141,453,879	15,385,822	818,415	14,567,407
Private placement (ii)	18,288,600	1,956,138	57,858	1,898,280
Exercise of warrants (i)	108,000	18,493	-	18,493
Balance, September 30, 2015	159,850,479	17,360,453	876,273	16,484,180

- i. In May and June 2015, a total of 108,000 warrants were exercised for \$0.10 per warrant for gross proceeds of \$10,800 and the Company transferred \$7,693 from warrants reserves to share capital.
- ii. On June 2, 2015, the Company closed a private placement for 18,288,600 units at \$0.125 per unit for gross proceeds of \$2,286,075. Each unit consisted of one common share and one half share purchase warrant with each whole warrant entitling the holder to purchase one additional common share for a period of two years at an exercise price of \$0.15 during the first year and \$0.20 during the second year. The fair value attributable to these share purchase warrants was \$329,937. Finders' fees totaled \$19,618 were paid and 156,940 finder's warrants (valued at \$5,943) were issued in connection with the closing of this private placement. In addition, the Company also incurred share issue costs of \$32,297. The finder warrants entitles the holder to purchase one additional common share of the Company at a price of \$0.15 in the first year and \$0.20 in the second year.

In the event the common shares of the Company trade on the Exchange at \$0.25 per share or more for 15 consecutive trading days during the first 11 months of the exercise period (the "Initial Acceleration Period") or \$0.35 per share or more for 15 consecutive trading days after the Initial Acceleration Period, the warrants will expire on the earlier of (1) the date of expiry of the warrants and (2) the date which is 30 calendar days after the Company gives notice to the holders of the warrants that the Acceleration event has occurred.

- iii. On January 26, 2015, the Company issued 100,000 common shares at \$0.10 per share in connection with the Wilson Property option agreement for a value of \$10,000.
- iv. On August 19, 2014, the Company completed a non-brokered private placement, selling a total of 28,250,000 shares at a price of \$0.125 per share for net proceeds of \$3,495,365, net of share issue costs of \$35,885.

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9. Share Capital and Reserves (continued)

Warrants

A summary of the warrant activities is as follows:

	Number of shares	Weighted average exercise price (\$)
Balance, March 31, 2014	31,471,562	0.20
Expired	(7,444,432)	0.38
Balance, March 31, 2015	24,027,130	0.17
Granted ¹	9,301,240	0.15
Expired	(10,309,750)	0.20
Exercised	(108,000)	0.10
Balance, September 30, 2015	22,910,620	0.17

¹ Each warrant entitles the holder to purchase one additional common share at \$0.15 in the first 12 months and \$0.20 in the last 12 months (subject to an acceleration clause).

The following share purchase warrants were outstanding as at September 30, 2015:

Expiry date	Number of warrants	Exercise price (\$)	Remaining contractual life (years)
December 9, 2015	250,000	0.25	0.19
November 12, 2016	¹ 7,234,380	0.20	1.12
November 25, 2016	¹ 3,675,000	0.20	1.16
December 10, 2016	¹ 2,450,000	0.20	1.20
June 2, 2017	² 9,144,300	0.15	1.67
June 2, 2017	² 156,940	0.15	1.67
	22,910,620		

¹ These warrants are subject to an acceleration clause whereby if the closing price of the Company's shares equals or exceeds \$0.25 per share during the first 17 months or \$0.35 per share after the first 17 months for a period of 20 consecutive trading days, the Company will have the right to accelerate the expiry date of the warrants upon 30 days notice. For the last 18 months of the term, the strike price increases to \$0.20.

² These warrants are subject to an acceleration clause whereby if the closing price of the Company's shares equals or exceeds \$0.25 per share for 15 consecutive trading days during the first 11 months of the exercise period (the "Initial Acceleration Period") or \$0.35 per share or more for 15 consecutive trading days after the Initial Acceleration Period, the warrants will expire on the earlier of (1) the date of expiry of the warrants and (2) the date which is 30 calendar days after the Company gives notice to the holders of the warrants that the acceleration event has occurred. For the last 12 months of the term, the strike price increases to \$0.20.

Stock Options

The Company had a fixed stock-based compensation plan (the "Plan") providing for the grant of stock options to purchase a maximum of 25,000,000 common shares to eligible recipients.

During six months ended September 30, 2015:

The Company granted 4,675,000 stock options at a price of \$0.15 per share exercisable for a period of five years to various directors, officers and consultants. 4,600,000 of these options vest 25% on grant and 25% every six months thereafter while the remaining options vest 25% after 90 days and 25% every six months thereafter. The fair value attributable to these stock options was \$529,910 using the Black Scholes option pricing model of which \$371,685 was expensed during the period.

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9. Share Capital and Reserves (continued)**Stock Options (continued)**

The fair value of each option granted is estimated at the time of the grant using the Black-Scholes option pricing model with weighted average assumptions for grants as follows:

	Six months ended September 30,	
	2015	2014
Risk-free interest rate	0.73%	1.68%
Expected life	5.0	5.0
Annualized volatility	117.94%	115.94%
Dividend rate	-	-
Grant date fair value	\$ 0.113	\$ 0.115

A summary of the stock options activities is as follows:

	Number of shares	Weighted average exercise price (\$)
Balance, March 31, 2014	13,725,000	0.20
Granted	1,750,000	0.15
Expired	(150,000)	0.20
Forfeited	(400,000)	0.18
Balance, March 31, 2015	14,925,000	0.23
Granted	4,675,000	0.15
Balance, September 30, 2015	19,600,000	0.18

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9. Share Capital and Reserves (continued)

Stock Options (continued)

The following table summarizes information about the options outstanding and exercisable at September 30, 2015:

Expiry date	Options outstanding	Options exercisable	Exercise price (\$)	Remaining contractual life (years)
December 9, 2015	4,200,000	4,200,000	0.25	0.19
January 6, 2016	250,000	250,000	0.32	0.27
March 1, 2016	50,000	50,000	0.30	0.42
June 23, 2016	500,000	500,000	0.25	0.73
September 1, 2016	75,000	75,000	0.16	0.92
October 1, 2016	250,000	250,000	0.20	1.01
November 14, 2016	25,000	25,000	0.20	1.13
December 9, 2016	100,000	100,000	0.20	1.19
January 1, 2017	100,000	100,000	0.20	1.26
February 6, 2017	150,000	150,000	0.25	1.36
July 18, 2017	300,000	300,000	0.15	1.80
October 15, 2017	250,000	250,000	0.15	2.04
November 5, 2017	75,000	75,000	0.15	2.10
March 5, 2018	2,350,000	2,350,000	0.20	2.43
July 3, 2018	500,000	500,000	0.15	2.76
September 15, 2018	400,000	400,000	0.15	2.96
February 3, 2019	2,700,000	2,700,000	0.15	3.35
March 24, 2019	900,000	720,000	0.15	3.48
September 15, 2019	1,200,000	900,000	0.15	3.96
September 29, 2019	250,000	125,000	0.15	4.00
October 3, 2019	250,000	125,000	0.15	4.01
October 14, 2019	50,000	12,500	0.15	4.04
April 2, 2020	4,600,000	1,150,000	0.15	4.51
April 2, 2020	75,000	18,750	0.15	4.51
	19,600,000	15,326,250		

Loss per share

The effect of dilutive securities including options and warrants has not been shown as the effect of all such securities is anti-dilutive.

10. Segmented Information

Operating segment:

The Company operated in one operating segment, which is mineral exploration in the United States.

Geographic segments:

The Company operates in two geographic segments: Canada and the United States.

	September 30, 2015	March 31, 2015
Non-current assets	\$	\$
Canada	37,253	39,201
United States	6,474,583	4,839,523
	6,511,836	4,878,724

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11. Financial Instruments and Risk Management

Fair values

The Company has the following financial instruments carried at fair value:

Financial Assets	Financial instrument classification	Fair Value	
		September 30, 2015 (\$)	March 31, 2015 (\$)
Cash and cash equivalents	Fair value through profit or loss	1,675,445	1,497,559
GRIT common shares	Available for sale	297,894	1,565,060
		1,973,339	3,062,619

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs have a significant effect on the recorded fair value that are not observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

All financial instruments measured at fair value use level 1 valuation techniques in each period, being the closing bid price of the shares as quoted on a public exchange, or, where not quoted, as determined by the share of fair values of the underlying net assets of the investee.

The following table summarizes the classification of the Company's financial instruments within the fair value hierarchy at September 30, 2015:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	\$	\$	\$	\$
Cash and cash equivalents	1,675,445	-	-	1,675,445
GRIT common shares	297,894	-	-	297,894
	1,973,339	-	-	1,973,339

The following table summarizes the classification of the Company's financial instruments within the fair value hierarchy at March 31, 2015:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	\$	\$	\$	\$
Cash and cash equivalents	1,497,559	-	-	1,497,559
GRIT common shares	1,565,060	-	-	1,565,060
	3,062,619	-	-	3,062,619

There were no transfers between levels of the fair value hierarchy during the period.

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

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For the three and six months ended September 30, 2015 and 2014

11. Financial Instruments and Risk Management (continued)

Fair value hierarchy (continued)

The aggregate fair value of investments with unrealized losses is:

	Fair Value	Unrealized Loss
	\$	\$
As at September 30, 2015:		
GRIT common shares	297,894	3,028,390
As at March 31, 2015:		
GRIT common shares	1,565,060	1,646,238

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign currency risk
- Other price risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

(i) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk by placing cash with major Canadian financial institutions. The Company's receivables primarily consist of sales tax recoverable due from the Federal Government of Canada. Management believes that credit risk related to these amounts is nominal.

(ii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to liquidity risk is to ensure that it always has sufficient cash and credit facilities to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Company's reputation. Management typically forecasts cash flows for a period of six to twelve months to identify financing requirements. These requirements are then addressed primarily through access to capital markets. All of the Company's financial liabilities mature within one year.

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11. Financial Instruments and Risk Management (continued)

Financial Risk Management (continued)

(iii) Interest rate risk:

Interest rate risk is the risk of financial loss to the Company if market rates of interest were to change adversely. The Company's exposure to interest rate risk is not material.

(iv) Foreign currency risk:

Foreign currency risk is the risk that the future cash flows or fair value of the Company's financial instruments that are denominated in a currency that is not the Company's functional currency will fluctuate due to the change in foreign exchange rate.

The functional currency of the Company and its wholly owned subsidiary is the Canadian dollar. While the Company's parent is Canadian and its capital is raised in Canadian dollars, the Company conducts business activities in the United States. As such, it is subject to risk due to fluctuations in the exchange rates for the Canadian and United States dollar. As at September 30, 2015, the Company has cash denominated in US dollars of \$864,125 (March 31, 2015 - \$1,079,169), deposits in US dollars of \$189,737 (March 31, 2015 - \$178,327) and trade and other payables in US dollars of \$8,034 (March 31, 2015 - \$11,697). Each 1% change in the Canadian dollar versus the US dollar will result in a gain/loss of approximately USD \$10,458 (March 31, 2015 – USD \$12,458).

In addition, the Company holds an investment that is denominated in British Pounds (£). As such, it is subject to fluctuations in the exchange rates for the Canadian dollar and British Pounds. As at September 30, 2015, the Company has an available for sale investment denominated in British Pounds of £147,152 (March 31, 2015 - £830,976). Each 1% change in the Canadian dollar versus the British Pound will result in a gain/loss of approximately £1,472 (March 31, 2015 - £8,310).

(v) Other price risk:

Other price risk is the risk that changes in market prices including commodity or equity prices will have an effect on future cash flows associated with financial instruments.

The equity price risk associated with the Company's current available for sale investment primarily relates to the change in the market prices of the investments in the portfolio. As at September 30, 2015, the Company owned 1,731,200 (March 31, 2015 – 1,731,200) GRIT common shares with each common share valued at £0.085 or \$0.17 (March 31, 2015 - £0.48 or \$0.90). Each £0.01 change in the value per common share will result in a gain/loss of approximately £17,312 or \$35,046 (March 31, 2015 - £17,312 or \$32,605).

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12. Capital Disclosure and Management

The Company's capital management policy is to maintain a strong, but flexible capital structure that optimizes the cost of capital, creditor and market confidence while sustaining the future development of the business.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Company's capital structure includes shareholders' equity of \$8,596,131 (March 31, 2015 - \$7,997,334). In order to maintain or adjust the capital structure, the Company may from time to time issue shares, seek additional debt financing and adjust its capital spending to manage current and projected debt levels. The Company is not subject to externally imposed capital requirements other than as noted above.

There were no changes to the Company's approach to capital management during the six months ended September 30, 2015.

13. Subsequent Event

In November 2015, the Company granted 3,300,000 stock options at an exercise price of \$0.15 per share for a period of five years to various officers, directors, staff and consultants of the Company.