NuLegacy Gold

CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2014

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**" or the "**Company**"). This report also provides information to improve the reader's understanding of the consolidated 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 annual audited consolidated financial statements and notes for the year ended March 31, 2014 (the "**Financial Statements**").

All information contained in this MD&A is current as of July 25, 2014 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 the Company is available on SEDAR at www.sedar.com and at the Company's website, www.*nulegacygold*.com.

FORWARD LOOKING STATEMENTS

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

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company 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 Company's 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 the Company's exploration and evaluation assets, drilling, results of various projects of the Company, 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 by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company 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 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 the Company'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 Company'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 Company'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 Company's exploration program on the Red Hill project being consistent with the Company's expectations; (9) labour and materials costs increasing on a basis consistent with the Company's current expectations; (10) the availability and timing of additional financing being consistent with the Company'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 the Company 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 the Company's 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, the Company. 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 the Company and readers should not place undue reliance on forward-looking statements in this MD&A. The Company 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.

The forward looking statements contained herein are based on information available as of July 25, 2014.

DESCRIPTION OF BUSINESS

NuLegacy Gold Corporation (the "Company" or "NuLegacy") was incorporated on May 19, 2009 in the province of British Columbia. The Company has under option the 104 square km Red Hill Project in the well-established and prolific Cortez gold trend of Nevada. The Company's objective is to discover and vend significant multi-million ounce Carlin-type replacement gold deposits. It utilizes highly-focused exploration programs employing sophisticated techniques for targeting multi-million ounce deposits.

On December 9, 2010, the Company began trading on the TSX Venture Exchange under the symbol NUG as a Tier 2 mining issuer. The Company is in the process of exploring its mineral properties and has yet to determine whether these properties contain mineral reserves that are economically recoverable.

The Company has not earned revenues from its exploration activities and is considered to be in the exploration stage.

Overall performance

NuLegacy is a Canadian-based mineral resource company focused on the acquisition and exploration of mineral resource properties exclusively in the State of Nevada, United States.

The Company's flagship property is the Red Hill Project (the "Red Hill Project") located in Elko County, Nevada. The Red Hill Project encompasses 1,300 unpatented lode mining claims covering approximately 104 square km and is comprised of two separate property agreements: the Barrick Property and the Wilson Property. The Barrick Property consists of 818 unpatented lode mining claims comprising approximately 66 square km. The Wilson Property consists of 482 unpatented mining claims comprising approximately 38 square km directly east and adjacent to the Barrick Property.

During the year ended March 31, 2014, the Company incurred a total of $608,133 and $116,046 in deferred exploration costs on its Barrick and Wilson Property, respectively, for total deferred exploration costs of $724,179.

For a more detailed description of the Company's interest in its exploration and evaluation assets and the terms and conditions of the underlying agreements, please refer to the section "Summary of Exploration Activities".

In April and May 2013, the Company completed a non-brokered private placement of 10,284,250 units at a price of $0.10 per unit for gross proceeds of $1,028,045. Each unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months, subject to acceleration, at a price of $0.15 during the first 12 months and $0.20 during the last 12 months. The Company paid finders' fees of $1,750 cash and granted 17,500 finders' warrants with each finder's warrant exercisable at $0.10 for a period of 12 months and $0.20 during the last 12 months.

In November and December 2013, the Company completed a non-brokered private placement of 13,359,380 units at a price of $0.10 per unit for gross proceeds of $1,335,938. Each unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the Company for a period of 36 months, subject to acceleration, at a price of $0.15 during the first 18 months and $0.20 during the last 18 months. The Company paid finders' fees of $19,600 cash and granted 116,000 finders' warrants with each finder's warrant exercisable at $0.10 for a period of 18 months.

In December 2013, the Company issued 100,000 common shares at $0.12 per share in connection with the Wilson Property option agreement for a value of $12,000.

In March 2014, the Company issued 20,000,000 common shares at $0.16 per share in return for 1,731,200 GRIT common shares at a deemed price of £1.00 per share, equivalent to $3,210,510 on the transaction date.

As at March 31, 2014, the Company had cash and cash equivalents of $1,026,920 and a working capital position of $3,682,838. See "Liquidity, Financial Position and Capital Resources".

During the year ended March 31, 2014, 12,784,560 share purchase warrants and 62,500 stock options expired, 4,700,000 stock options and 23,777,130 share purchase warrants were granted and 500,000 stock options were forfeited. See "Disclosure of Data for Outstanding Common Shares, Options and Warrants".

SUMMARY OF QUARTERLY RESULTS

The following selected quarterly financial information is derived from the consolidated financial statements of the Company:

	Mar 31, 2014	Dec 31, 2013	Sept 30, 2013	Jun 30, 2013
	$	$	$	$
Net loss	(404,869)	(250,619)	(268,488)	(310,933)
Comprehensive loss	(979,177)	(250,619)	(268,488)	(310,933)
Loss per share-basic and diluted	(0.01)	(0.00)	(0.00)	(0.00)
Comprehensive loss per share-basic and diluted	(0.02)	(0.00)	(0.00)	(0.00)

	Mar 31, 2013	Dec 31, 2012	Sept 30, 2012	Jun 30, 2012
	$	$	$	$
Net loss	(4,056,741)	(309,169)	(398,568)	(306,679)
Comprehensive loss	(4,056,741)	(309,169)	(398,568)	(306,679)
Loss per share-basic and diluted	(0.06)	(0.00)	(0.01)	(0.01)
Comprehensive loss per share-basic and diluted	(0.06)	(0.00)	(0.01)	(0.01)

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

- The quarter ended March 31, 2014 where the Company recorded an unrealized loss of $574,308 from the change in fair value of its available for sale financial assets.
- The quarter ended March 31, 2013 where the Company wrote off $3,512,330 in exploration and evaluation assets due to the termination of the Miranda Property and Miranda (Coal Canyon) Option Agreements in January 2013 and the Wood Hills South Property Option Agreement in April 2013.

SELECTED ANNUAL INFORMATION

The following financial data is derived from the Company's annual audited consolidated financial statements for the years ended March 31, 2014, 2013 and 2012:

	2014 $	2013 $	2012 $
Revenue	-	-	-
Operating expenses	(1,284,830)	(1,546,920)	(1,762,549)
Net loss	(1,234,909)	(5,071,157)	(1,771,825)
Comprehensive loss	(1,809,217)	(5,071,157)	(1,771,825)
Loss per share-basic and diluted	(0.01)	(0.08)	(0.04)
Comprehensive loss per share-basic and diluted	(0.02)	(0.08)	(0.04)
Working capital	3,682,838	427,778	2,119,422
Exploration and evaluation assets	2,717,315	1,993,136	3,414,442
Total assets	6,593,391	2,620,251	5,792,188
Total liabilities	86,432	83,030	243,060

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

At March 31, 2014, the Company had not yet achieved profitable operations and has an accumulated deficit of $9,603,961 (2013 – $8,369,052) since inception. For the year ended March 31, 2014, these losses resulted in a net loss per share (basic and diluted) of $0.01 (2013 - $0.08) and comprehensive loss per share (basic and diluted) of $0.02 (2013 - $0.08).

RESULTS OF OPERATIONS

For the year ended March 31, 2014, the Company incurred $1,284,830 in operating expenses (2013 – $1,546,920), had a net loss of $1,234,909 (2013 – $5,071,157) and comprehensive loss of $1,809,217 (2013 – 5,071,157).

The table below details the major changes in operating expenses for the year ended March 31, 2014 as compared to the corresponding year ended March 31, 2013.

Expense	Amount of increase / decrease from comparative year	Explanation for Change
Consulting	Decrease of $67,152	Decreased due to reduction in various consultant fees as part of general cost saving initiatives
Investor relations	Decrease of $154,444	Decreased due to less promotional and investor relations activity as part of general cost saving initiatives
Office	Decrease of $10,449	Decreased due to reduction in office administration in the Vancouver office for the current year
Professional fees	Decrease of $58,884	Decreased due to reduction in legal and accounting fees compared to the prior year
Rent	Decrease of $41,867	Decreased due to reduced rent at Reno office
Share based payments	Increase of $71,297	Increased due to more stock options granted during the current year

The table below details the changes in major expenditures for the year ended March 31, 2013 as compared to the corresponding year ended March 31, 2012.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Consulting fees	Decrease of $97,461	Decreased due to a higher portion of fees paid to the Company's senior executive officers time allocated to investor relations activities.
Investor relations	Increase of $261,351	Increased due to more marketing focused activities and a higher portion of senior executive officers' time allocated to investor relations activities.
Professional fees	Increase of $42,810	Increased due to correcting un-accrued audit fee liabilities from prior year.
Share-based compensation	Decrease of $454,331	Decreased due to significantly lower stock options vesting in the year.

FOURTH QUARTER

For the quarter ended March 31, 2014, the Company incurred $425,279 in operating expenses (2013 – $529,278), had a net loss of $404,869 (2013 – $4,056,741) and comprehensive loss of $979,177 (2013 – 4,056,741).

The major operating expenses for the quarter ended March 31, 2014 were consulting fees of $13,233, investor relations fees of $130,082, office costs of $30,897, professional fees of $37,696 regulatory and transfer agent fees of $13,818 and share based payments of $162,554.

During the quarter ended March 31, 2014, the Company issued 20,000,000 common shares at $0.16 per share in connection with the GRIT transaction for a value of $3,210,510.

SUMMARY OF EXPLORATION ACTIVITIES

The Company's main properties of interest are the Red Hill properties located in Nevada, USA.

For the year ended March 31, 2014, the Company incurred a total of $724,179 in deferred exploration costs compared to $2,091,024 for the corresponding year ended March 31, 2013.

The following is a breakdown of the material components of the Company's deferred exploration and development costs, on a property by property basis, for the year ended March 31, 2014 and March 31, 2013:

	Miranda Property	Barrick Property	Wilson Property	Wood Hills South Property	Total
	$	$	$	$	$
Year ended March 31, 2014					
Acquisition and legal	-	-	40,413	-	40,413
Assays	-	15,695	-	-	15,695
Drilling	-	106,206	-	-	106,206
Geological consulting	-	331,977	-	-	331,977
Miscellaneous	-	9,790	48	-	9,838
Property maintenance	-	126,810	74,920		201,730
Travel	-	17,655	665	-	18,320
Total	**-**	**608,133**	**116,046**	**-**	**724,179**
Year ended March 31, 2013					
Acquisition and legal	-	-	38,800	-	38,800
Assays	89,642	73,873	9,147	48,377	221,039
Drilling	460,982	271,712	60,377	131,154	924,225
Geological consulting	91,906	188,215	22,850	120,392	423,363
Miscellaneous	7,362	9,658	2,503	4,544	24,067
Property maintenance	91,822	123,155	72,365	94,651	381,993
Travel	24,629	35,153	6,976	10,779	77,537
Total	**766,343**	**701,766**	**213,018**	**409,897**	**2,091,024**

The total cumulative acquisition and deferred exploration costs to March 31, 2014 are summarized as follows:

	Barrick Property	Wilson Property	Total
	$	$	$
Acquisition costs	16,153	149,718	165,871
Assays	134,402	26,228	160,630
Drilling	631,892	189,294	821,186
Geological consulting	668,888	92,977	761,865
Miscellaneous	32,704	6,230	38,934
Property maintenance	371,492	295,916	667,408
Travel	85,334	16,087	101,421
Accumulated expenditures since inception	**1,940,865**	**776,450**	**2,717,315**

Mineral properties:

Red Hill Project, Eureka County, Nevada

The Red Hill Project, located in Eureka County, Nevada, encompasses 1,300 unpatented lode mining claims covering approximately 104 square km and is comprised of two separate property agreements: the Barrick Property and the Idaho Property. The Barrick Property consists of 818 unpatented lode mining claims comprising approximately 66 square km. The Idaho Resources Property consists of 482 unpatented mining claims comprising approximately 38 square km directly east and adjacent to the Barrick Property.

The Red Hill Project is located directly between Barrick Gold Corporation's ("Barrick") Cortez Hills operation and Goldrush resource 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. Additionally, Barrick's recently announced Goldrush deposit, containing 15.6 million ounces of gold in all categories, is located adjacent to NuLegacy's Barrick Property.

The Red Hill Project encompasses most of the 39 square km 'JD' carbonate window, the largest and least explored of the five major carbonate windows in the Cortez Segment of the Battle Mountain/Eureka Trend. The JD window has geology similar to that which hosts the existing three Carlin-type deposits in the Cortez Segment, which have their largest and best resources at depths between 500 and 1,200 feet. The geology of Barrick's recently announced Goldrush gold discovery represents a close analog to that found at NuLegacy's Red Hill Project.

NuLegacy's re-interpretation of both the geology of the property and previous drilling results indicates that the majority of the Red Hill Project contains geological formations that are favorable for hosting Carlin-type gold deposits. A significant number of shallow drill holes (less than 150 meters in depth) have attractive gold intercepts at or near their bottom and there are several surface gold anomalies that have not yet been drilled. These anomalous features are in Devonian carbonates rocks, the same units that host the large gold deposits in the Cortez Trend, of which the Red Hill property is a part.

The terms of the Barrick and the Idaho property agreements are as follows:

Barrick Property:

On September 16, 2010 (further amended August 23, 2012), the Company entered into an exploration agreement with a joint venture election and option to purchase with Barrick Gold Exploration Inc. to acquire a 70% undivided interest in 818 unpatented mining claims in the Barrick Property located adjacent to the Red Hill

Property in Eureka County, Nevada, U.S.A. In order to exercise the option, the Company must incur a minimum of US$5,000,000 in exploration or development expenditures on the Barrick Property (inclusive of maintenance fees) as follows:

Due Date	Work Expenditure	Aggregate Amount
December 31, 2011	US$375,000	US$375,000 (completed)
December 31, 2012	US$875,000	US$1,250,000 (completed)
December 31, 2013	US$625,000	US$1,875,000 (completed)
December 31, 2014	US$1,125,000	US$3,000,000
December 31, 2015	US$2,000,000	US$5,000,000

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 free-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 its back-in right or fails to complete the expenditures, 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 expenditures, the Company will hold a 30% interest and Barrick will hold a 70% interest in the joint venture.

Idaho (Wilson) Property:

On October 18, 2010 (further amended February 23, 2012 and November 7, 2012), the Company entered into a mining lease with Idaho Resources Corporation ("Idaho") for an initial 10 years, 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.

In order to maintain the mining lease, the Company must make annual advance royalty payments of US$25,000 (paid) and issue 100,000 common shares to Idaho in each of the first five years of the mining lease (all commitments have been made). Annual cash payments will then increase to US$50,000 for year six and every year thereafter. In addition, the Company is required to complete exploration commitments on the property as follows:

Lease Year	Annual Requirement	Aggregate Amount
August 31, 2011	US$250,000	US$250,000 (completed)
December 31, 2012	US$500,000	US$750,000 (completed)

The commitments for years 2 through 5 which totalled US$4.25 million were eliminated in the agreement amendment dated November 7, 2012. After the initial term of 10 years, the mining 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 based on all gold, silver and other ores/metals from the property.

Iceberg Gold Deposit Within the Central Mineralized Zone ("CMZ"):

On June 13, 2012, the Company announced the following significant result from the Central Mineralized Zone ("CMZ") area on the Barrick Property. Two holes drilled in the CMZ (RHB12-005 and 006) were completed to 457 metres (1,500 feet) and contain significant zones of alteration. Both holes encountered abundant iron oxides in limestone (from near-surface to 275 metres (902 feet) in RHB12-005 and 180 metres (590 feet) in

RHB-006), below which the mineralization contains disseminated pyrite. Hole RHB12-006 intersected several zones of oxide gold mineralization, which is the discovery hole of the Iceberg gold deposit. of the Red Hill Project. Most notable is a near-surface 27.4 meters (90 feet) oxidized intercept of 1.4 grams/Ton ("g/T") Au including 10.7 meters (35 feet) of 2.6 g/T Au. The results of this vertical reverse circulation hole indicate the discovery of significant near-surface high-grade oxide gold mineralization that is likely the northwesterly extension of the previously identified gold mineralization in the CMZ. Historic drilling at the Iceberg deposit outlined a modest mineralized zone with grades up to 1-2 g/T Au. The oxidized mineralization in drill hole RHB-006 is mostly within silicified limestone with associated trace elements and alteration indicative of Carlin-type gold mineralization.

On December 18, 2012, the Company announced that it had extended the Iceberg deposit. Five of six holes completed in the Iceberg gold deposit were stepped out to the north of the initial discovery hole (RHB-006 with 27.4 meters of 1.40 g/T of gold as reported June, 2012) with the sixth hole drilled vertically to the south. The five northern holes were angled to the east or west to identify structures that are important in controlling the gold deposition in the Iceberg deposit.

Three of the six holes (See link below) have confirmed the continuity of the Iceberg deposit extending the zone of interest an additional 110 meters (361 feet) to the northwest, while the remaining three holes suggest more limited possibilities to the east and south.
http://nulegacygold.com/i/maps/The_Iceberg_Gold_Deposit_Dec_18_2012.jpg

Hole RHB-008 returned several intercepts of gold with the best being 28.9 meters (95 feet) of 1.01 grams starting at 131.1 metres (430 feet) within 47.2 metres (155 feet) of 0.73 g/T Au. It was drilled to the west at -60 degrees, 80 meters (265 feet) directly north of the discovery hole RHB-006. Hole RHB-009 was drilled from the same site to the east at -60 degrees and has a lengthy near-surface mineralized intercept of 38.2 meters (125 feet) of 0.42 g/T Au. Hole RHB-010, located 30 meters (98 feet) directly north of RHB-008 was drilled to the west at -60 degrees and appears to be slightly offset to the east of the more favorable northwest structure. It returned four intercepts of gold: 15.2 meters (50 feet) of 0.63 g/T, 10.6 meters (35 feet) of 0.25 g/T, 30.5 meters (101 feet) of 0.26 g/T and 32.0 meters (105 feet) of 0.2 g/T. The complete set of assays is posted at http://nulegacygold.com/i/pdf/Table-1.pdf.

Given the gold assay results of holes RHB-006 and RHB-008, the Company focused on expeditiously delineating what could potentially be a large high grade near-surface oxidized zone of gold mineralization.

Avocado Deep IP Anomaly of the Central Pediment:

The first reverse circulation (RC) hole of the 2013 fiscal year Red Hill Project drilling program (RHB12-004) was completed along the margin of the Avocado Deep IP Anomaly of the Central Pediment (located on the 60 sq. km Barrick Property) to a depth of 762 metres (2,500 feet) in limestone with abundant calcite veining. It is the first of several holes planned to test the Deep Induced Polarization ("IP") anomaly in the Central Pediment. The hole encountered anomalous gold and associated Carlin-style trace elements in favourable lithologies. More drilling is being considered to fully evaluate this target.

2014 Fiscal Year Exploration Program:

The 2014 fiscal year program is designed to (i) follow-up on significant drill results at the Iceberg gold deposit ; (ii) follow-up on the indications of gold mineralization in the VIO and Jasperoid Basin anomalies; and (iii) further explore the Avocado deep IP anomaly.

In May 2013**,** the Company commenced a reverse circulation drilling program. The $250,000 program was designed to expand the company's Iceberg gold deposit. It consisted of 5 holes. The drilling was intended to provide a preliminary assessment of how far north and south the Iceberg gold deposit extends, as well as testing a possible parallel system to the east. Field work will continue to develop additional drill targets in the adjacent Jasperiod Basin (1,800 meters (5,906 feet) northeast of Iceberg) and at the western end of the project in the VIO zone (4,000 meters (13,123 feet) west of Iceberg) where rock chip sampling and mapping has defined another area of intensely altered carbonates that contain anomalous gold.

In June 2013, the Company reported the results of the five-hole reverse circulation drilling program. "We are very pleased with these drill results', stated Dr. Steininger, NuLegacy's COO, "as we continue to intersect good grades of oxide gold in near surface Devonian carbonates, which is the material that hosts so much of the gold in the large Carlin-type gold deposits of the Cortez Trend. We have discovered a new Northern zone of at least 350 meters (1,148 feet) of strike length with higher grade oxide gold mineralization (6.1 meters (20 feet) of 5.62 grams of gold), and extended the Central zone of the Iceberg deposit to 750 meters (2,461 feet) (from 400 meters (1,312 feet)) of strike length".

These carbonate zones lie beneath a thin veneer of gold-bearing volcanics that was the focus of much of the historical drilling on the Red Hill project. The zone of carbonates that host gold mineralization stretches for four kilometers and includes the two zone of the Iceberg gold deposit. The two zones are at least 200 to 250 meters (656 to 820 feet) wide, 25 to 70 meters (82 to 230 feet) thick with gold grades of 0.5 g/T to greater than 5.0 g/T. They have a combined overall strike length in excess of 1,100 meters (3,609 feet), separated by an as-yet untested intervening gap of approximately 900 meters (2,953 feet) where no historical holes were drilled deep enough to penetrate to the carbonates. Plans are being made to drill to the north and south and in the intervening gap of these two zones.

Four of the five holes drilled in the spring of 2013 were targeted to extend the strike length of the Iceberg deposit. As summarized in the table below three of those four holes returned favorable gold grades and intervals. The fifth hole, RHB-15, which was drilled 800 meters (2,625 feet) to the east of the Central zone to test for a possible parallel system had no significant gold values.

The best result came from hole RBH-17 with a significant near-surface intercept of 41.2 meters (135 feet) of 1.02 g/T. It included 6.1 meters (20 feet) of 5.62 g/T of gold indicating that the system is capable of generating very favorable oxide gold grades.

Hole Number	From	To	Length	From	To	Length	Grade
	(ft)	(ft)	(ft)	(m)	(m)	(m)	g/T Au
RHB-17	235	370	135	71.6	112.8	44.2	1.02
including	300	320	20	91.4	97.5	6.1	5.62
RHB-14	345	400	55	105.2	121.9	16.7	0.51
including	375	390	15	114.3	118.9	4.6	1.12
RHB-13	355	430	75	108.2	131.1	22.9	0.71
including	365	395	30	111.3	120.4	9.1	1.13

These intercepts are not necessarily a true width as there is insufficient data at this time with respect to the shape of mineralization to calculate its true orientation.

The geometry of the new Northern zone (350 meter length) is supported by several historical holes that were drilled deep enough to intercept the underlying Devonian carbonates, particularly hole RH92-2 with 24.4 meters (80 feet) of 3.4 g/T Au. Hole RBH-16, drilled to test for a possible westerly extension of the gold mineralization in the Northern zone, contained several intervals of anomalous gold.

Holes RHB-13 with 22.9 meters (75 feet) of 0.71 g/T Au and RBH-14 with 16.7 meters (55 feet) of 0.51 g/T Au (together with several deeper historical holes that they validated) have extended the strike length of the Central zone of the Iceberg to 750 meters (2,461 feet).

These results have established the Iceberg as a significant near-surface oxide gold deposit in the Devonian carbonate horizon that hosts so much of the gold in the large Carlin-type gold deposits of the Cortez Trend and elsewhere in Nevada, one of the worlds' most prolific gold producing regions.

2015 Fiscal Year Exploration Program:

For the 2015 fiscal year program, the Company is planning a 45-50 holes (18,000 meters) 2014-15 exploration and delineation drilling program with the objectives of:

i. Completing the earn-in to 70% of the Barrick property,

ii. Expanding the size of the potential exploration target identified in the Iceberg gold deposit to date (see news release dated September 5, 2013), and delineating within it a "threshold" resource of NI 43-101 qualified oxide ounces sufficient to induce Barrick Gold to earn-back to 70% (30-35 holes),
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 (10-15 holes).

The plan is to drill 30-35 holes in the 2014 exploration season – from May to November as follows:

- An initial 8-10 reverse circulation holes scheduled to commence May 7, 2014 focused on the near-surface oxide horizon to expand the Iceberg gold deposit,
- Assay these holes and use the results to refine the siting of the next 8-10 holes,
- Repeat for two or three 'cycles' as needed to delineate the threshold resource for a total of 24 to 30 holes,
- Intersperse these drilling shifts with 5 to 7 deeper 'wildcat' exploration holes, including 2 or 3 core holes to improve the understanding of the stratigraphy with the intent of finding the deeper higher grade horizons.
- Assays of each cycle will be reported as received and processed.

In May 2014, the Company commenced drilling its Iceberg gold project. 30-35 holes are planned during the 2014 exploration season (from May to November) consisting of approximately 9,000 metres (29,528 feet) of reverse circulation drilling and 600 metres (1,969 feet) of core drilling.

The Iceberg deposit is a Carlin-typre gold deposit hosted in 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 and the upper Wenban-8 carbonate ('HC-W8') at depths ranging from 75 to 150 meters (246 to 492 feet). The compilation of 149 historic and 16 NuLegacy drill holes indicates the presence of a large tonnage near-surface Carlin-type exploration target1 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-5 carbonate horizon in a few holes drilled to depth at 250 to 400 meters (820 to 1,312 feet).

The drilling program is designed to expand the two gold-bearing horizons and explore for the higher-grade oxide cores and deeper sulphide gold mineralization that contribute to making the Cortez Carlin-style deposits such prizes. The other three Carlin-type targets on the property - VIO, Avocado and the Jasperoid basin will be explored in preparation for drilling later this fall/next spring.

Plan maps (including the first 15 drill holes proposed) 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.

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. Assays for the first two holes have been received and are reported in the table below. Assays for the remaining holes are anticipated over the next two to three weeks. The assays will be integrated into the Iceberg deposit's exploration model (90 to 110 million tonnes grading between 0.7 g/T and 1.0 g/T of gold) to determine where to drill the next set of holes targeted to expand the deposit.

In the interim we will proceed drilling two separate highly prospective zones outside of the Iceberg gold deposit as outlined in our May 8 news release on the 2014 exploration program.

The first of two holes planned near the center of the Avocado Anomaly, a very large geophysical feature just to the north of the Iceberg (view at http://nulegacygold.com/i/maps/PPT-gallery-15.jpg) is scheduled to commence drilling in the second week of July. 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 Gold Corporation's multi-million ounce Goldrush deposit located 4 km across a rift valley. (view at http://nulegacygold.com/i/maps/PPT-gallery-6.jpg)

Drilling of the first two of four holes planned for the Jasperiod Basin is scheduled after completion of the Avocado hole. The Jasperoid Basin is a large topographical depression; possibly a collapse breccia hosting a Carlin-type system located approximately 1,200 metres (4,000 feet) to the east of the North Zone of the Iceberg deposit. Within it there are several areas of alteration in association with anomalous gold values primarily in the jasperiod rocks. The Basin is approximately 1,000 metres (3,281 feet) in length and 500 metres (1,640 feet) in width and has had minimal historical exploration.

The two assayed holes RHB-18 and 19 are large step-outs from the south-western margin of the Central zone (which has current strike length of 750 meter (2,400 feet)) 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 between the Horse Canyon-upper Wenban-8 formations as well as the lower Wenban-5 formation.

Hole Number	Zone	From (ft)	To (ft)	Length (ft)	From (m)	To (m)	Length (m)	Grade g/T Au
RHB-18	Central	60	85	25	18.3	25.9	7.6	0.24
		190	220	30	57.9	67.1	9.2	0.13
		430	455	15	131.1	138.7	7.6	0.20
RHB-19	Central	145	155	10	44.2	47.2	3.0	0.52
		260	290	30	79.2	88.4	9.2	0.17
		360	380	20	111.3	114.3	6.1	0.23
		505	595	90	153.9	181.4	27.5	0.13

These intercepts are not necessarily a true width as there is insufficient data at this time with respect to the shape of mineralization to calculate its true orientation.

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 Unit-5 of the Wenban formation that provide an indication that this deeper horizon may be more favorably mineralized further to the west.

In June and July 2014, the step-out drilling of its Iceberg gold deposit in the Cortez trend of Nevada has intersected an important interval of gold in the middle Wenban-5 formation. The Wenban-5 horizon hosts the bulk of the gold in Barrick Gold's multi-million ounce (15.6 million) Goldrush deposit adjacent to the Iceberg Project.

To date most of the oxide gold discovered in the Iceberg deposit is hosted in the near-surface 'contact zone' between the Horse Canyon and the upper Wenban-8 carbonate horizons ['HC-W8'] at depths ranging from 75 to 125 meters (246 to 410 feet).

Hole RHB-24 was drilled as a 50 meters (165 feet) step-out along the south-western margin of the North zone of the Iceberg deposit. It returned a notable intercept of 1.85 grams of gold/ton 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 to 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.

Highlights from the North Zone Drilling								
Hole	**Zone**	**From**	**To**	**Length**	**From**	**To**	**Length**	**Grade**
Number		**(ft)**	**(ft)**	**(ft)**	**(m)**	**(m)**	**(m)**	**g/T Au**
RHB-24	North	190	240	50	57.9	73.2	15.2	1.85
Including							10.7	2.57
and		500	525	25	152.3	160.0	7.7	0.75
RHB-17*	North	235	370	135	71.6	112.8	41.2	1.02
RH92-2**	North	220	300	80	67.1	91.5	24.4	3.40
RH93-5**	North	220	270	50	67.2	82.3	15.1	1.16
*Previously reported, **Historical holes. NB. These intercepts are not necessarily true a widths as there is insufficient data at this time to calculate their true orientation.								

Holes RHB-23 and RHB-25 drilled on the periphery of the North zone contained long intervals of anomalous gold. Once all the holes have been received and reported they will be integrated into the current exploration model (90 to 110 million tonnes grading between 0.7 g/T and 1.0 g/T of gold) to determine the selection of the next set of drill holes targeted to expand the Iceberg deposit. As reported on September 5, 2013, these figures are conceptual in nature and derived from a compilation of 149 historic and 16 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.

Wood Hills South Property:

In February 2013, the Company commenced drilling on the Wood Hills South property. However, the drilling program was unable to identify noteworthy gold mineralization although preliminary reconnaissance exploration during 2010-2012 suggested the Wood Hills might host an extension to the West Pequop and Long Canyon gold mineralization. While this does not preclude the possibility that the Wood Hills South property may eventually host economic resources, the Company terminated the option agreement in April 2013.

The evaluation of the drilling at Wood Hills South project during the last quarter of fiscal 2013 resulted in the termination of the option agreement in April 2013.

Quality Control and Quality Assurance

The scientific and technical content and interpretation contained in this MD&A gave 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.*

DIVIDEND REPORT AND POLICY

The Company has not paid any dividends to date. The Company 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.

LIQUIDITY

The Company has no known mineral resources or reserves and is not in commercial production on any of its properties and accordingly, the Company does not generate cash from operations. The Company finances its exploration activities by raising capital from equity markets from time to time.

As at March 31, 2014, the Company's liquidity and capital resources are as follows:

	March 31, 2014	March 31, 2013
	$	$
Cash and cash equivalents	1,026,920	417,286
Receivables	11,451	23,660
Prepaid expenses	106,326	69,862
Available for sale financial assets	2,616,293	-
Held for trading investment	8,280	-
Total current assets	3,769,270	510,808
Trade and other payable	86,432	83,030
Working capital	3,682,838	427,778

The Company'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. The Company's financial success will be dependent on the extent to which it can discover new mineral deposits.

As at March 31, 2014, the Company had cash and cash equivalents of $1,026,920 (2013 - $417,286), consisting primarily of the net proceeds from the November and December 2013 private placements. See "Overall Performance" above. As at March 31, 2014, the Company had a working capital position of $3,682,838 (2013 - $427,778).

Given its current cash and working capital positions, the Company's fiscal 2015 budget provides for estimated mineral property lease obligations and tax levies of approximately $145,000, estimated annual overhead expenditures of $935,000 and a minimum exploration budget of approximately $950,000. However, the Company must raise additional financing to meet its fiscal 2015 budget.

The Company'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 Company's current working capital surplus combined with the additional financing completed subsequent to year end will be sufficient to maintain current operations as budgeted for the next 12 months. See "Risks and Uncertainties".

USE OF PROCEEDS FROM THE FISCAL 2014 FINANCINGS

During the year ended March 31, 2014, the Company completed two private placements, totalling 23,643,630 units at a price of $0.10 per unit for net proceeds of $2,291,337, net of share issuance costs of $73,026. The budgeted use of proceeds from the Fiscal 2014 Financings is as follows:

	$
Gross proceeds from Fiscal 2014 Financings	2,364,363
Less: share issuance costs	(73,026)
Net cash proceeds	2,291,337

Allocation:	**Budget $**	**Actual $**	**Variances $**
Red Hill properties	1,341,337	712,179	629,158
General corporate purposes	950,000	937,340	12,660
	2,291,337	1,649,519	641,818

As at March 31, 2014, the Company had incurred approximately $712,179 and $937,340 from the net proceeds of the Fiscal 2014 Financing to fund the Red Hill properties and general corporate purposes, respectively. The Company intends to use the remaining proceeds to fund the Company's fiscal 2015 exploration program and for general corporate purposes.

COMMITMENTS

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

Barrick property:

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	3,000,000
December 31, 2015	2,000,000	5,000,000

Wilson property:
The Company 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 the Company's commitments.

The Company 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 the Red Hill properties in order to maintain the Barrick and Wilson properties in good standing. Such costs will form part of the Company's exploration expenditures.

Notwithstanding the foregoing, if, at any time, the Company'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, the Company may suspend or discontinue exploration on such property and apply any remaining funds towards the exploration of one of the Company's other properties, to the acquisition and exploration of new properties or, if required, the general working capital of the Company.

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

Contractual Obligations:

Other than the Barrick and Wilson Properties, and miscellaneous stock option and consulting agreements, the Company does not presently have any other material contractual obligations.

As at March 31, 2014 the Company had no long term debt and no agreements with respect to borrowings entered into by the Company.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the year ended March 31, 2014, the Company entered into the following transactions with related parties:

a. Incurred consulting fees of $68,500 (2013 - $84,250), investor relation fees of $66,000 (2013 - $84,250) and office costs of $6,750 (2013 - $nil) to a company controlled by Albert Matter, the Chairman and director of the Company. As at March 31, 2014, an advance of $11,000 (2013 - $11,000), on account of future expenses was included in prepaid expenses and $nil (2013 - $20,160) was included in trade and other payables.

b. Incurred consulting fees of $68,500 (2013 - $48,500), investor relation fees of $66,000 (2013 - $43,250) and office costs of $3,750 (2013 - $nil) to a company controlled by James Anderson, CEO and director of the Company. As at March 31, 2014, an advance of $11,000 (2013 - $11,000), on account of future expenses was included in prepaid expenses and $nil (2013 - $2,771) was included in trade and other payables.

c. Incurred consulting fees of $1,065 (2013 - $32,835), investor relation fees of $1,065 (2013 - $30,967), other consulting fees capitalized to exploration and evaluation assets of $101,074 (2013 - $105,322) and office costs of $5,791 (2013 - $nil) to Roger Steininger, COO and director of the Company. As at March 31, 2014, an advance of $12,814 (2013 - $11,187), on account of future expenses was included in prepaid expenses and $nil (2013 - $9,952) was included in trade and other payables.

d. Incurred professional fees of $33,700 (2013 - $nil) to a company controlled by Michael Waldkirch, CFO of the Company. As at March 31, 2014, an advance of $2,500 (2013 - $nil) on account of future expenses was included in prepaid expenses.

e. Incurred professional fees of $36,893 (2013 - $45,100) and share issuance costs of $40,662 (2013 - $30,687) to a company controlled by Gregory Chu, Corporate Secretary of the Company. As at March 31, 2014, $21,723 (2013 - $9,952) was included in trade and other payables.

Summary of key management personnel compensation:

	Year ended March 31,	
	2014	2013
	$	$
Consulting	**138,065**	158,467
Exploration and evaluation assets	**101,074**	105,322
Investor relations	**133,065**	165,585
Office	**16,291**	-
Professional fees	**33,700**	42,000
Share based payments	**245,468**	145,744

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUES

There can be no assurance that financing, whether debt or equity, will always be available to the Company 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 the Company. See "Risks and Uncertainties" below.

RISKS AND UNCERTAINTIES

The Company 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 to the Company are the sale of equity capital or the offering by the Company 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 by the Company for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.

d) The Company 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 of the Company require various licenses and permits from various governmental authorities. There is no assurance that the Company 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 the Company has deferred as assets on its balance sheet will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value.

g) While management believes that control over bank accounts and Company 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 Company's financial assets (which include the GDX options and GRIT common shares) will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value.

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. The Company 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 ESTIMATES

The preparation of the 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 significant areas of estimation uncertainty considered by management in preparing the Financial Statements is described below:

(a) Exploration and evaluation expenditure:

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 expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available.

(b) Impairment of assets:

The Company assesses each cash generating unit at each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management has assessed its cash generating units as being an individual mine site, which is the lowest level for which cash inflows are largely independent of those of other assets.

(c) Contingencies:

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

(d) Recovery of deferred tax assets:

Judgment is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilise recognised 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 realise 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.

(e) Fair value hierarchy:

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

CHANGES IN ACCOUNTING POLICIES AFTER INITIAL ADOPTION

There were no changes to the Company's accounting policies during the year ended March 31, 2014.

Standards issued but not yet effective up to the date of issuance of the Company's Financial Statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company 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 tentatively effective for annual periods beginning on or after January 1, 2018 with early adopted permitted. The Company does not expect any effect on the Company's consolidated financial statements.

IFRS 10 Consolidated Financial Statements

Consolidated Financial Statements amendment provides clarification on investment entitles. The amendments are effective for annual periods beginning on or after January 1, 2014. The Company does not expect any effect on the Company's consolidated financial statements.

IAS 32 Financial Instruments: Presentation

Financial Instruments: Presentation amendment provides clarification on the application of offsetting rules. The amendments are effective for annual periods beginning on or after January 1, 2014. The Company does not expect any effect on the Company's consolidated financial statements.

FINANCIAL AND OTHER INSTRUMENTS

The Company has classified its financial instruments as follows:

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

For some of the Company's financial assets and liabilities, including cash and cash equivalents, 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 Company's financial instruments at March 31, 2014 and 2013 are summarized in Note 12 of the Financial Statements.

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 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 Company's operations in the United States have been in US$.

As at March 31, 2014, the Company has cash denominated in US dollars of $821,447 (March 31, 2013 – $236,849) and held for trading investment in US dollars of $7,490 (March 31, 2013 – $Nil), and trade and other payables in US dollars of $4,151 (March 31, 2013 – $20,311). Each 1% change in the Canadian dollar versus the US dollar will result in a gain/loss of approximately $8,248 (March 31, 2013 – $2,165).

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 March 31, 2014, the Company has an available for sale investment denominated in British Pounds of £1,419,584. Each 1% change in the Canadian dollar versus the British Pound will result in a gain/loss of approximately £14,196 (March 31, 2013 - $nil).

Interest Rate Risk

The Company is not exposed to interest rate risk on its receivables since they are not interest bearing.

Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents and receivables. The cash and cash equivalents consist mainly of short-term money market deposits. The Company has deposited the cash equivalents with reputable financial institutions, from which management believes the risk of loss to be remote. The Company has no trade receivables and balances relate to recoveries of consumption taxes paid by the Company. As with any tax receivable, collection is subject to changes in tax law, tax audit and changes in applicable tax rates. The Company mitigates this risk by recording only those amounts that management considers to be reasonably certain of collection.

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.

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 available for sale financial assets primarily relates to the change in the market prices of the investments in the portfolio. As at March 31, 2014, the Company owns 1,731,200 GRIT common shares with each common share valued at £0.82 (or $1.51). Each £0.01 change in the value per common share will result in a gain/loss of approximately £17,312 (or $31,906).

The equity price risk associated with the Company's held for trading investment primarily relates to changes to the market price of gold with all gains and losses being recognized through the statement of profit or loss. Management believes the price risk related to this investment is nominal.

CAPITAL MANAGEMENT DISCLOSURES

The Company'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, the Company includes all accounts included in shareholders' equity. As at March 31, 2014, the Company had no bank indebtedness.

The Company 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

a) Authorized share capital: unlimited common shares without par value
b) Number of common shares issued at the date of this MD&A: 113,103,879.

OPTIONS

A summary of stock options outstanding at the date of this MD&A:

Expiry date	Options outstanding	Options exercisable	Exercise price ($)	Remaining contractual life (years)
December 1, 2014	150,000	150,000	0.20	0.35
December 9, 2015	4,200,000	4,200,000	0.25	1.38
January 6, 2016	250,000	250,000	0.32	1.45
March 1, 2016	50,000	50,000	0.30	1.60
June 23, 2016	500,000	500,000	0.25	1.92
September 1, 2016	75,000	75,000	0.16	2.11
October 1, 2016	250,000	250,000	0.20	2.19
November 14, 2016	25,000	25,000	0.20	2.31
December 9, 2016	300,000	300,000	0.20	2.38
January 1, 2017	100,000	100,000	0.20	2.44
February 6, 2017	150,000	150,000	0.25	2.54
July 18, 2017	300,000	300,000	0.15	2.98
October 15, 2017	250,000	250,000	0.15	3.23
November 5, 2017	75,000	45,000	0.15	3.28
March 5, 2018	2,350,000	1,762,500	0.20	3.61
July 3, 2018	500,000	375,000	0.15	3.94
September 15, 2018	600,000	240,000	0.15	4.15
February 3, 2019	2,700,000	675,000	0.15	4.53
March 24, 2019	900,000	180,000	0.15	4.67
	13,725,000	**9,877,500**		

WARRANTS

A summary of warrants outstanding at the date of this MD&A:

Expiry date	Number of warrants	Exercise price ($)	Remaining contractual life (years)
November 20, 2014	4,408,033	0.35	0.32
November 20, 2014	56,000	0.25	0.32
November 20, 2014	95,733	0.15	0.32
December 5, 2014	21,000	0.25	0.36
December 5, 2014	473,333	0.35	0.36
December 20, 2014	7,000	0.25	0.41
December 20, 2014	183,333	0.35	0.41
April 11, 2015	8,112,500	0.15	0.71
April 22, 2015	1,250,000	0.15	0.74
May 9, 2015	939,250	0.15	0.79
May 12, 2015	8,000	0.10	0.80
May 25, 2015	60,000	0.10	0.83
June 10, 2015	48,000	0.10	0.88
December 9, 2015	250,000	0.25	1.38
November 12, 2016	7,234,380	0.15	2.30
November 25, 2016	3,675,000	0.15	2.34
December 10, 2016	2,450,000	0.15	2.38
	29,271,562		

INTERNAL CONTROLS OVER FINANCIAL REPORTING PROCEDURES

The management of the Company 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 the Company's consolidated financial statements for the year ended March 31, 2014.

Management of the Company has filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at www.sedar.com.

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 the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

OTHER MD&A REQUIRMENTS

Additional information relating to the Company may be found on or in:

- Company's website at www.nulegacygold.com
- SEDAR at www.sedar.com
- The Company's audited consolidated financial statements for the year ended March 31, 2014 and 2013.

This MD&A has been approved by the Board effective July 25, 2014.