



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2013**

**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**” or the “**Company**”). 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, 2013 (the “**Financial Statements**”) and the Company’s annual management discussion and analysis (the “**2012 Annual MD&A**”) and annual audited consolidated financial statements (the “**2012 Annual Financial Statements**”) for the year ended March 31, 2013.

All information contained in this MD&A is current as of November 26, 2013 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](http://www.sedar.com) and at the Company’s website, [www.nulegacygold.com](http://www.nulegacygold.com). The date of this MD&A is November 26, 2013.

**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

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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 November 26, 2013.

#### **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.

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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 39 square km directly east and adjacent to the Barrick Property.

During the six months ended September 30, 2013, the Company incurred a total of \$455,214 and \$75,197 in deferred exploration costs on its Barrick and Wilson Property, respectively, for total deferred exploration costs of \$530,411.

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.

In May 2013, a five-hole drill program was completed with assay results released on June 26, 2013.

As at September 30, 2013, the Company had cash and cash equivalents of \$477,893 and a surplus working capital position of \$641,518. See "Liquidity, Financial Position and Capital Resources".

During the six months ended September 30, 2013, 12,784,560 share purchase warrants and 62,500 stock options expired, 1,100,000 stock options were granted and 500,000 stock options were forfeited. See "Disclosure of Data for Outstanding Common Shares, Options and Warrants".

Subsequent Event

In November 2013, the Company closed an initial tranche of the 7,234,380 units of the 12,500,000 unit non-brokered private placement at a price of \$0.10 per unit for gross proceeds of \$723,438. 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, \$0.15 during the first 18 months and \$0.20 during the last 18 months.

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In November 2013, the Company entered into a share exchange financing transaction with Global Resources Investment Ltd. ("GRIT"), a U.K. based company, whereby the Company will issue 20,000,000 common shares at a deemed price of \$0.10 per share (\$2,000,000) in return for 1,193,175 GRIT ordinary shares at a deemed price of 1 British Pound per share. The Company intends to use the net proceeds from the subsequent sale of the GRIT shares to fund further exploration delineation of its Iceberg gold deposit in Nevada, USA and for general corporate purposes (see "Summary of Exploration Activities" for further description of the Iceberg gold deposit).

**SUMMARY OF QUARTERLY RESULTS**

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

	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter
Three months ended	Sept 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012
	\$	\$	\$	\$
Net loss	(263,910)	(305,662)	(4,056,741)	(309,169)
Comprehensive loss	(268,488)	(310,933)	(4,056,741)	(309,169)
Loss per share-basic and diluted	(0.00)	(0.00)	(0.06)	(0.00)
Comprehensive loss per share-basic and diluted	(0.00)	(0.00)	(0.06)	(0.00)

	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter
Three months ended	Sept 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011
	\$	\$	\$	\$
Net loss	(398,568)	(306,679)	(467,269)	(483,449)
Comprehensive loss	(398,568)	(306,679)	(467,269)	(483,449)
Loss per share-basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)
Comprehensive loss per share-basic and diluted	(0.01)	(0.01)	(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, 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.

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**SELECTED QUARTERLY INFORMATION**

The following financial data is derived from the Company's Financial Statements for the three and six months ended September 30, 2013 and 2012:

	For the three months ended September 30,		For the six months ended September 30,	
	2013 \$	2012 \$	2013 \$	2012 \$
Revenue	-	-	-	-
Operating expenses	(248,637)	(389,431)	(590,404)	(710,479)
Net loss	(263,910)	(398,568)	(569,572)	(705,247)
Comprehensive loss	(268,488)	(398,568)	(579,421)	(705,247)
Basic and diluted loss per common share	(0.00)	(0.01)	(0.01)	(0.01)
Basic and diluted comprehensive loss per common share	(0.00)	(0.01)	(0.01)	(0.01)
Working capital	641,518	370,381	641,518	370,381
Exploration and evaluation assets	2,523,547	4,954,790	2,523,547	4,954,790
Total assets	3,223,654	5,410,436	3,223,654	5,410,436
Total liabilities	35,581	71,568	35,581	71,568

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

At September 30, 2013, the Company had not yet achieved profitable operations and has accumulated losses of \$8,938,624 (September 30, 2012 – \$4,003,142) since inception. These losses resulted in a net loss per share (basic and diluted) for the six months ended September 30, 2013 of \$0.01 (September 30, 2012 - \$0.01).

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**RESULTS OF OPERATIONS**

For the six months ended September 30, 2013, the Company incurred \$590,404 in operating expenses (September 30, 2012 - \$710,479), had a net loss of \$569,572 (September 30, 2012 - \$705,247) and comprehensive loss of \$579,421 (September 30, 2012 - \$705,247).

The table below details the changes in major expenditures for the six months ended September 30, 2013 as compared to the corresponding six months ended September 30, 2012.

<b>Expense</b>	<b>Amount of increase / decrease from comparative period</b>	<b>Explanation for Change</b>
Consulting	Decrease of \$37,591	Decreased due to reduction in various consultant fees
Investor relations	Decrease of \$70,542	Decreased due to less promotional and investor relations activity in the current period
Office	Decrease of \$17,573	Decreased due to reduction in office administration in the Vancouver office
Professional fees	Decrease of \$15,584	Decreased due to reduction in general legal services compared to the prior period
Rent	Decrease of \$13,631	Decreased due to lower rent out of Reno office
Travel and accommodation	Increase of \$11,537	Increase due to higher number of trips to Reno by consultants and senior executive officers
Share-based payment	Increase of \$26,129	Increased due to stock option grants during the current period

For the three months ended September 30, 2013, the Company incurred \$248,637 in operating expenses (September 30, 2012 - \$389,431), had a net loss of \$263,910 (September 30, 2012 - \$398,568) and comprehensive loss of \$268,488 (September 30, 2012 - \$398,568).

The table below details the changes in major expenditures for the three months ended September 30, 2013 as compared to the corresponding three months ended September 30, 2012.

<b>Expense</b>	<b>Amount of increase / decrease from comparative period</b>	<b>Explanation for Change</b>
Consulting	Decrease of \$35,023	Decreased due to reduction in various consultant fees
Investor relations	Decrease of \$98,211	Decreased due to less promotional and investor relations activity in the current period
Professional fees	Decrease of \$11,241	Decreased due to less corporate activity in the current period
Rent	Decrease of \$12,804	Decreased due to lower rent out of Reno office
Share-based payment	Increase of \$17,300	Increased due to stock option grants during the current period

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**SUMMARY OF EXPLORATION ACTIVITIES**

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

For the six months ended September 30, 2013, the Company incurred a total of \$530,411 in deferred exploration costs compared to \$1,540,348 for the corresponding six months ended September 30, 2012.

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 six months ended September 30, 2013 and September 30, 2012:

	Miranda Property	Barrick Property	Wilson Property	Wood Hills South Property	Total
	\$	\$	\$	\$	\$
<b>Six months ended September 30, 2013</b>					
Assays	-	15,695	-	-	15,695
Drilling	-	104,700	-	-	104,700
Geological consulting	-	192,591	-	-	192,590
Miscellaneous	-	4,733	46	-	4,780
Property maintenance	-	126,596	74,606	-	201,202
Travel	-	10,899	545	-	11,444
<b>Total</b>	<b>-</b>	<b>455,214</b>	<b>75,197</b>	<b>-</b>	<b>530,411</b>
<b>Six months ended September 30, 2012</b>					
Acquisition and legal	-	-	38,800	-	38,800
Assays	89,379	38,377	9,147	48,378	185,281
Drilling	460,956	119,014	60,377	-	640,347
Geological consulting	83,192	89,491	21,295	70,997	264,975
Miscellaneous	5,203	4,654	1,957	768	12,582
Property maintenance	90,181	114,714	67,386	71,535	343,816
Travel	23,636	22,171	6,846	1,894	54,547
<b>Total</b>	<b>752,547</b>	<b>388,421</b>	<b>205,808</b>	<b>193,572</b>	<b>1,540,348</b>



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The total cumulative acquisition and deferred exploration costs to September 30, 2013 are summarized as follows:

	Barrick Property	Wilson Property	Total
	\$	\$	\$
Acquisition and legal	16,153	109,305	125,458
Assays	134,402	26,228	160,630
Drilling	630,386	189,294	819,680
Geological consulting	529,501	92,976	622,477
Miscellaneous	27,647	6,230	33,877
Property maintenance	371,278	295,602	666,880
Travel	78,578	15,967	94,545
<b>Accumulated expenditures since inception</b>	<b>1,787,945</b>	<b>735,602</b>	<b>2,523,547</b>

**First and second quarter activities:**

The Company commenced drilling on the Barrick Option, Eureka County, Nevada to test for extensions of the Iceberg gold deposit which is a Carlin-type gold deposit with geological features similar to others in the Cortez Trend (Pipeline, Cortez Hills, and Goldrush).

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.

**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 14.1 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

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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.

On June 13, 2012, the Company announced the following significant result from the Central Mineralized Zone ("CMZ") area on the Barrick Property:

"NuLegacy Gold's hole RHB12-006 intersected several zones of oxidized gold mineralization in the Central Mineralized Zone (CMZ) of the Red Hill Project. Most notable is a near-surface 90 foot oxidized intercept (27.4 meters) of 1.4 grams gold/t, including 35 feet (10.7 meters) of 2.6 g/T.

The results of this vertical reverse circulation hole indicate the discovery of significant near-surface oxide gold mineralization. Historic drilling at the CMZ outlined a modest mineralized zone with grades up to 1-2 grams gold/t to the southeast of RHB12-006".

Drilling in the fall of 2012 further extended this zone of mineralisation. RHB12-008 returned 28.9 meters of 1.01 g/T gold (reported December 18, 2012).

Given the gold assay results of holes RHB12-006 and RHB 12-008, the Company focused on expeditiously delineating what could potentially be a large high grade near-surface oxidized zone of gold mineralization.

Additional drilling in the spring of 2013 continued to expand what has become known as the Central Zone of the Iceberg deposit (holes RHB-13 and 14) and drilling to the north (hole RHB-17) as a step-out from a cluster of historic drilling defined the North Zone of the Iceberg deposit. These important holes were reported on June 26, 2013 and are summarized below.

Hole Number	From (ft)	To (ft)	Length (ft)	From (m)	To (m)	Length (m)	Grade 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.

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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
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.

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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.

Iceberg gold deposit within the Central Mineralized Zone ("CMZ"):

In the spring of 2012, two holes drilled in the CMZ (RHB12-005 and 006) were completed to 1,500 feet (457m) and contain significant zones of alteration. Both holes encountered abundant iron oxides in limestone (from near-surface to 900 feet (275m) in hole 005 and 600 feet (180m) in hole 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 90 foot oxidized intercept (27.4 meters) of 1.4 g/t Au including 35 feet (10.7 meters) 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 RHB12-006 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 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 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](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 ft.] of 1.01 grams starting at 131.1m within 47.2 m of 0.73 g/T. It was drilled to the west at -60 degrees, 80 meters [265 ft.] 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 ft.] of 0.42 g/T. Hole RHB-010, located 30 meters 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 of 0.63 g/T, 10.6 meters of 0.25 g/T, 30.5 meters of 0.26 g/T and 32.0 meters of 0.2 g/T. The complete set of assays is posted at <http://nulegacygold.com/i/pdf/Table-1.pdf>.

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 Jasperoid Basin (1800 meters northeast of Iceberg) and at the western end of the project in the VIO zone (4000 meters 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 of strike length with higher grade oxide gold mineralization (6.1 meters of 5.62 grams of gold), and extended the Central zone of the Iceberg deposit to 750 meters (from 400 meters) of strike length".

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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 wide, 25 to 70 meters thick with gold grades of 0.5 grams/T to greater than 5.0 grams/T. They have a combined overall strike length in excess of 1,100 meters, separated by an as-yet untested intervening gap of approximately 900 meters where no historical holes were drilled deep enough to penetrate to the carbonates. (See diagram at <http://goo.gl/neaWz>). 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 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 ft) of 1.02 grams/T. It included 6.1 meters of 5.62 grams /T of gold (20 ft of 0.18 oz. gold/ton) indicating that the system is capable of generating very favorable oxide gold grades.

Hole Number	From (ft)	To (ft)	Length (ft)	From (m)	To (m)	Length (m)	Grade g/T Au
RHB-17	235	370	135	71.6	112.8	41.2	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 true widths 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 of 3.4 grams of gold/T (80 ft of 0.11 oz. gold/ton). 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 (75ft) of 0.71 grams gold/T and RBH-14 with 16.7 meters (55ft) of 0.51 grams/T (together with several deeper historical holes that they validated) have extended the strike length of the Central zone of the Iceberg to 750 meters.

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.

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 Avacado Deep IP Anomaly of the Central Pediment (located on the 60 sq. km Barrick Property) to a depth of 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.

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2013 Fiscal Year Exploration Program:

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.

**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*.

**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 September 30, 2013, the Company's liquidity and capital resources are as follows:

	September 30, 2013	March 31, 2013
	\$	\$
Cash and cash equivalents	477,893	443,306
Receivables	8,245	23,660
Prepaid expenses and deposits	190,961	148,974
Total current assets	677,099	615,940
Trade and other payable	35,581	83,030
Working capital	641,518	532,910

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 September 30, 2013, the Company had cash and cash equivalents of \$477,893 (March 31, 2013 - \$443,306), consisting primarily of the net proceeds from the April and May 2013 Financing. See "Overall Performance" above. As at September 30, 2013, the Company had a surplus working capital position of \$641,518 (March 31, 2013 - \$532,910).

In November 2013, the Company closed an initial tranche of 7,234,380 units of the 12,500,000 unit non-brokered private placement at a price of \$0.10 per unit for gross proceeds of \$723,438. 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, \$0.15 during the first 18 months and \$0.20 during the last 18 months.

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Given its current cash and working capital positions, the Company's budget for the remainder of fiscal 2014 provides for estimated overhead expenditures of \$280,000.

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 therefrom 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 APRIL AND MAY 2013 FINANCING**

During the six months ended September 30, 2013, the Company completed a private placement, totalling 10,284,250 units at a price of \$0.10 per unit for net proceeds of \$1,006,015, net of share issuance costs of \$22,410. The budgeted use of proceeds from the Fiscal 2014 Financing is as follows:

	\$			
Gross proceeds from Fiscal 2014 Financing	1,028,425			
Less: share issuance costs	(22,410)			
Net proceeds	1,006,015			
<b><u>Allocation:</u></b>	<b>Budget \$</b>	<b>Actual \$</b>	<b>Variances \$</b>	
Red Hill properties	750,000	530,411	219,589	
General corporate purposes	256,015	256,015	-	
	1,006,015	786,426	219,589	

As at September 30, 2013, the Company has incurred approximately \$530,411 and \$256,015 from the net proceeds of the Fiscal 2014 Financing to fund the Red Hill properties and general corporate purposes, respectively. As the fiscal 2014 exploration program is not complete, it is too early to analyze any variances in the budgeted use of proceeds.

**COMMITMENTS**

Commitments are outlined in Note 6 of the Financial Statements.

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.

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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 September 30, 2013 the Company had no long term debt and no agreements with respect to borrowings had been entered into by the Company.

**OFF BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

**RELATED PARTY TRANSACTIONS**

During the six months ended September 30, 2013, the Company entered into the following transactions with related parties:

Incurred consulting fees of \$35,250 (September 30, 2012 - \$47,250) and investor relation fees of \$33,000 (September 30, 2012 - \$47,250) to a company controlled by Albert Matter, a Chairman and director of the Company. As at September 30, 2013, an advance of \$11,000 (March 31, 2013 - \$11,000), on account of future expenses was included in prepaid expenses and \$2,363 (March 31, 2013 - \$20,160) was included in trade and other payables.

Incurred consulting fees of \$33,000 (September 30, 2012 - \$13,125) and investor relation fees of \$33,000 (September 30, 2012 - \$13,125) to a company controlled by James Anderson, CEO and director of the Company. As at September 30, 2013, an advance of \$11,000 (March 31, 2013 - \$11,000), on account of future expenses was included in prepaid expenses and \$Nil (March 31, 2013 - \$2,771) was included in trade and other payables.

Incurred consulting fees of \$14,747 (September 30, 2012 - \$23,525), investor relation fees of \$11,183 (September 30, 2012 - \$7,568) and other consulting fees capitalized to exploration and evaluation assets of \$32,994 (September 30, 2012 - \$66,628) to Roger Steininger, COO and director of the Company. As at September 30, 2013, an advance of \$6,685 (March 31, 2013 - \$11,187), on account of future expenses was included in prepaid expenses and \$4,668 (March 31, 2013 - \$9,952) was included in trade and other payables.

Incurred professional fees of \$18,700 (September 30, 2012 - \$nil) to a company controlled by Michael Waldkirch, CFO of the Company.

Incurred professional fees of \$18,858 (September 30, 2012 - \$21,475) and share issue costs of \$16,182 (September 30, 2012 - \$6,500) to a company controlled by Gregory Chu, Corporate Secretary of the Company. As at September 30, 2013, \$16,398 (March 31, 2013 - \$9,952) was included in trade and other payables.



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Summary of key management personnel compensation:

	<b>Six months ended September 30,</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Consulting	<b>82,997</b>	83,900
Exploration and evaluation assets	<b>32,994</b>	66,628
Investor relations	<b>77,183</b>	67,943
Professional fees	<b>37,558</b>	42,475
Share based payments	<b>104,955</b>	28,550
Share issue costs	<b>16,182</b>	6,500

**PROPOSED TRANSACTIONS**

Except as disclosed herein, there are no asset or business acquisitions or dispositions currently being proposed by the directors or senior management of the Company that will have a material effect on the financial condition, results of operations or cash flows of the Company.

**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.

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- 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.

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) Reserve and resource estimates:

Reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company does not have any currently defined reserves. The Company estimates its mineral resources based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the mineralized body, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the mineralized body.

Changes in resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, recognition of deferred tax assets, and depreciation and amortisation charges.

- (b) 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.

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(c) Impairment of assets:

The Company assesses each cash generating unit annually 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.

(d) 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.

(e) 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.

(f) 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.

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**CHANGES IN ACCOUNTING POLICIES AFTER INITIAL ADOPTION**

There were no changes to the Company's accounting policies during the six months ended September 30, 2013.

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 effective for annual periods beginning on or after January 1, 2015 with early adoption permitted. The Company does not expect any effect on the Company's financial statements.

***IFRS 10 Consolidated Financial Statements***

Consolidated Financial Statements amendment provides clarification on investment entities. 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 financial statements.

***IAS 27 Separate Financial Statements***

Separate Financial Statements amendment provides clarification on investment entities. 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 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 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
Receivables	Loans and receivables
Available for sale investment	Available for sale
Trade and other payables	Other financial liabilities

For certain 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 September 30, 2013 and March 31, 2013 are summarized in Note 11 of the Financial Statements.

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**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 the United States have been in US\$.

As at September 30, 2013, the Company has cash denominated in US dollars of \$324,281 (March 31, 2013 – \$236,849) and available for sale investment in US dollars of \$17,290 (March 31, 2013 – \$Nil), and trade and other payables in US dollars of \$1,426 (March 31, 2013 – \$20,311). Each 1% change in the Canadian dollar versus the US dollar will result in a gain/loss of approximately \$3,401 (March 31, 2013 – \$2,165).

**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 three to six 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 Company has no forward purchase or sale contracts negotiated at September 30, 2013.

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**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 September 30, 2013, 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 shares held in escrow at the date of this MD&A: 1,048,500.
- c) Number of common shares issued at the date of this MD&A: 86,878,879.

**OPTIONS**

A summary of stock options outstanding at the date of this report is as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price (\$)	Remaining contractual life (years)
December 1, 2014	150,000	150,000	0.20	1.17
December 9, 2015	4,200,000	4,200,000	0.25	2.19
January 6, 2016	250,000	250,000	0.32	2.27
March 1, 2016	50,000	50,000	0.30	2.42
June 23, 2016	500,000	500,000	0.25	2.73
September 1, 2016	75,000	75,000	0.16	2.92
October 1, 2016	250,000	250,000	0.20	3.01
November 14, 2016	25,000	25,000	0.20	3.13
December 9, 2016	300,000	300,000	0.20	3.19
January 1, 2017	100,000	60,000	0.20	3.26
February 6, 2017	150,000	120,000	0.25	3.36
July 18, 2017	300,000	225,000	0.15	3.80
October 15, 2017	250,000	250,000	0.15	4.04
November 5, 2017	75,000	30,000	0.15	4.10
March 5, 2018	2,850,000	1,175,000	0.20	4.43
July 3, 2018	500,000	125,000	0.15	4.76
September 15, 2018	600,000	120,000	0.15	4.96
	<b>10,125,000</b>	<b>7,905,000</b>		

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**WARRANTS**

A summary of warrants outstanding at the date of this report is as follows:

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<b>Expiry date</b>	<b>Number of warrants</b>	<b>Exercise price (\$)</b>	<b>Remaining contractual life (years)</b>
June 25, 2014 <sup>1</sup>	2,200,000	0.45	0.73
November 20, 2014	4,408,033	0.25	1.14
November 20, 2014	56,000	0.25	1.14
November 20, 2014	95,733	0.15	1.14
December 5, 2014	21,000	0.25	1.18
December 5, 2014	473,333	0.25	1.18
December 20, 2014	7,000	0.25	1.22
December 20, 2014	183,333	0.25	1.22
April 11, 2015	8,112,500	0.15	1.53
April 22, 2015	1,250,000	0.15	1.56
May 9, 2015	939,250	0.15	1.61
December 9, 2015	250,000	0.25	2.19
November 12, 2016	7,234,380	0.15	2.96
	<b>25,230,562</b>		

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<sup>1</sup> Last 12-months of term, strike price increases to \$0.45

**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 financial statements for the six months ended September 30, 2013.

Management of the Company has filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at [www.sedar.com](http://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.

**NULEGACY GOLD CORPORATION.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2013**

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**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these 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](http://www.nulegacygold.com)
- SEDAR at [www.sedar.com](http://www.sedar.com)
- The Company's condensed interim consolidated financial statements for the three and six months ended September 30, 2013
- The Company's audited consolidated financial statements for the year ended March 31, 2013.

This MD&A has been approved by the Board effective November 26, 2013.