NuLegacy Gold
CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2012

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of financial position and operations of NuLegacy Gold Corporation (the "Company") as of December 31, 2012 should be read in conjunction with the Company's consolidated condensed interim financial statements and related notes as at and for the nine-months ended December 31, 2012. Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the Forward Looking Statement included with this MD&A. The consolidated condensed interim financial statements and MD&A are presented in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards, as adopted in Canada ("IFRS").

Unless otherwise indicated, all funds in this document are in Canadian dollars. This MD&A is prepared as at February 28, 2013.

Additional information relating to the Company may be found on SEDAR at www.sedar.com or on the Company's website at www.nulegacygold.com.

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 116 square km Red Hill Project in the well-established and prolific Cortez gold trend and the 90 square km Wood Hills South Project in the newly emerging Pequop 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.

DISCUSSION OF HISTORY OF OPERATIONS

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

MINERAL PROPERTIES

Exploration Programs:

During the next two years the Company intends to execute highly-focused exploration programs on the Red Hill and Wood Hills South projects employing sophisticated techniques for targeting multi-million ounce Carlin-type replacement gold deposits.

Red Hill Project, Eureka County, Nevada

The Red Hill Project, located in Eureka County, Nevada, encompasses 1,300 unpatented lode mining claims covering approximately 105 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 39 square km directly east and adjacent to the Barrick Property. On January 25, 2013, the Company terminated an option on the Miranda property, consisting of 144 unpatented mining claims (approximately 11.25 sq km). The Company was able to meet cumulative required expenditure commitments (to September 30, 2012) of US$2,250,000 (inclusive of allowable property-related expenditures and administrative fees). However, required future investments of $3,250,000 by September 30, 2014 were considered by management to be non-accretive to shareholder value. Hence, the Company advised Miranda of termination of the option in January, 2013. Refer Note 6 of the Unaudited Condensed Interim Consolidated Financial Statements for an outline of required property-related expenditures.

The Red Hill Project is located directly between Barrick Gold Corporation's ("Barrick") Cortez Hills operation 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 four 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-style gold mineralization. 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. There were a few deeper holes drilled when the properties were acquired with several having significant gold intercepts, indicating the property is capable of hosting potentially economic mineralization.

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 that is likely the north westerly extension of the previously identified gold mineralization in the CMZ. Historic drilling at the CMZ outlined a modest mineralized zone with grades up to 1-2 grams gold/t. Drilling in November, 2012, further extended this zone of mineralisation. RHB12-008 returned 28.9 meters of 1.01 g/T gold .

"We are very pleased with the gold assay results of holes RHB12-006 and RHB 12-008", says Dr. Roger Steininger, NuLegacy's COO, "We will now focus on expeditiously delineating what could potentially be a large high grade near-surface oxidized zone of gold mineralization"."

The close proximity to the major deposits of the Cortez trend and the analogous nature to their geology was the basis for the three separate option agreements with Barrick Gold Exploration Inc., Miranda U.S.A. Inc. (two properties – now terminated) and Idaho Resources Corp., to consolidate the 116 square km (now 104 square km) Red Hill Project in the well-established Cortez Segment of the Battle Mountain-Eureka gold trend of Nevada.

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 (completed)	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.

Woods Hill South Project, Elko County, Nevada

The Wood Hills South Property consists of 451 unpatented lode mining claims and 90.6 square km of fee lands located in Elko County, Nevada. The Company entered into an option agreement (amended on October 22, 2012) with Renaissance Gold Inc. (formerly Au-Ex Ventures) to earn a 70% interest in this project by paying US$20,000 cash (paid), incurring a minimum US$5,000,000 in exploration expenditures over seven years, and completing a feasibility study, in accordance with the following schedule:

Expenditure deadline	Expenditure commitment ($US)	Total cumulative expenditure (US$)
December 31, 2011 (completed)	250,000	400,000
December 31, 2012 (completed)	500,000	900,000
December 31, 2013	500,000	1,400,000
December 31, 2014	1,000,000	2,400,000
December 31, 2015	1,000,000	3,400,000
December 31, 2016	1,600,000	5,000,000

NuLegacy's initial review of the geology of the Wood Hills South Project indicated that it is similar to that of the emerging West Pequop and the established Long Canyon gold discoveries. The northern third of the Wood Hills Project has surface exposures of gold and silver bearing jasperoids in Paleozoic carbonate rocks. These gold-bearing silicified zones and the associated trace element suite are characteristic of the margins of large areas of gold mineralization throughout Nevada.

Previous geological mapping and limited geophysics indicate the southern two-thirds of the Wood Hills South Project has a pediment (bedrock) area with a relatively thin veneer of gravel covering the important potential gold host rocks and igneous intrusives that are associated with the existing gold deposits of the Pequop.

The Company's February 6, 2012 news release stated the following:

"The Wood Hills South Project, optioned from Renaissance Gold Inc. (REN: TSX), is located eight miles southwest of and contiguous to the West Pequop and Long Canyon gold deposits (in the Pequop Gold district of north-central Nevada) that were acquired in 2011 by Newmont Mining Corp. for approximately $2.3 billion. Basin and Range faulting has offset the Wood Hills South gold project which may otherwise have been a direct extension of the West Pequop/Long Canyon discoveries.

The most significant hole, WHS11-007, returned a near surface oxidized 10.7 meter interval from 83.8 to 94.5 meters down hole that averaged 0.40 g/t gold within approximately 60 meters of anomalous gold (>10 ppb) mineralization and the associated Carlin-type style trace elements. This mineralization occurs in iron oxide bearing silicified inter-layered silty limestones and dolomites (carbonates). Immediately below the higher grade interval is an altered and gold-bearing mineralized intrusive, which is an important relationship in the Pequop Gold District.

Dr. Roger C. Steininger, NuLegacy Gold COO says, "This is a remarkable result from the first holes ever drilled on this 100 sq km project. Drill hole WHS11-007 has identified very important gold mineralization and thus supports our thesis that the Wood Hills geology is similar to that of both the adjacent West Pequop and Long Canyon multi-million ounce gold discoveries. Most importantly, drill hole WHS11-007 encountered a substantial 10.7 meter interval with economically significant gold grades within a thick interval of anomalous gold mineralization and Carlin-type pathfinder elements.""

With geology similar to that of the Pequop discoveries, NuLegacy's management believes the Wood Hills South Project has significant potential.

Mineral Property Expenditures

Note 6 of the consolidated condensed interim financial statements outline the Company's mineral property and deferred exploration cost expenditures. A summary of work completed during the year is outlined below.

As at December 31, 2012, cumulative expenditures of $4,174,889 were spent on the Miranda, Barrick and Idaho Properties and $1,082,873 on the Wood Hills South Property. Subsequent the to end of the period, a total of $2,231,205 was written off with respect to the Miranda Property on termination of the option ground by the Company (refer above).

Red Hill Project:

An extract on significant expenditures on the Red Hill Project is as follows:

	Miranda	Barrick	Idaho	December 31, 2012 Total
Acquisition and legal	$ 105,420	$ 16,153	$ 109,305	$ 230,878
Geological consulting	321,118	291,231	92,573	704,922
Geophysical and survey	164,416	-	-	164,416
Property maintenance	166,071	244,681	220,996	631,748
Assays	194,068	118,707	26,228	339,003
Drilling	1,179,583	525,686	189,294	1,894,563
Travel	71,630	65,667	15,422	152,719
Miscellaneous	28,899	21,574	6,167	56,640
Accumulated expenditures since inception	**$ 2,231,205**	**$ 1,283,699**	**$ 659,985**	**$ 4,174,889**

2012 Exploration Program:

The 2012 program is designed to (i) follow-up on significant drill results at the CMZ and the former Miranda Property Long Fault anomaly; (ii) follow-up on the indications of gold mineralization in the Central Pediment and Jasperoid Basin anomalies; and (iii) explore East Pediment & Miranda Property's Coal Canyon targets.

See map at http://nulegacygold.com/i/pdf/NUG_2012_Drill_Site_Map.pdf.

Long Fault Anomaly:

One core hole as part of the Miranda Property program (RHM12-013C) was drilled just west of the Long Fault anomaly to intersect/transverse the mineralized zone discovered in the historical reverse circulation hole BRH-13 (45 feet of 0.24 oz./t Au or 13.7m of 8.11 g/t Au).

RHM12-013C was angled to the south at -75 degrees and was completed to 2,645 feet (800m), deeper than the original 2,500 foot (760m) planned as the Company intersected another horizon of the black carbonaceous pyritic rock that commonly hosts the gold bearing sulfide mineralization in Carlin-style deposits. The core has several intersections of this favorable (black carbonaceous pyritic limestone) material both above and around the BRH-13 mineralized horizon (circa 1,800 feet/550m) and again at depth to 2,645 feet (800m). This core provides a more detailed understanding of the geology and assists in determining controls for this higher grade gold mineralization. Due to drill hole deflections, RHM12-013C intersected the favorable mineralized interval about 75 meters to the northwest of hole BRH-13 and contained three long intervals of anomalous gold with associated trace elements that confirm a Carlin-type gold deposit. Although the gold values in RHM-013C do not correspond directly with the intercept in the historic hole BRH-13, the favorable alteration and geochemistry affirms the presence of the gold-bearing Carlin-type system.

Six reverse circulation exploration holes have been completed in the Long Fault anomaly. Several of these holes show significant intersections of favorable material: i.e. hole RHM12-017 contains a 315 foot (96m) zone of silicified, brecciated, quartz veined, and iron-oxide rich rock (which is often associated with ore-grade oxidized gold mineralization in Nevada), along with two deeper 20-30 foot intervals of quartz-pyrite. The last two of the six holes were completed on the eastern margin of the Long Fault anomaly and they contained significant pyrite in favorable rocks units. Assays have been received for all six reverse circulation exploration holes drilled in the Long Fault anomaly. These holes encountered encouraging anomalous gold mineralization within favorable host rocks associated with Carlin-type gold deposit trace element and alteration intervals. Four widely spaced holes, in conjunction with previous drilling at the Long Fault anomaly indicate the potential for a large Carlin-type gold system. Compilation of all of the NuLegacy (and historic) drilling results is in progress to identify areas where higher grade gold may exist. When this study is completed, additional drilling at the Long Fault anomaly will be considered.

<u>Central Mineralized Zone ("CMZ"):</u>

The 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 in the CMZ 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. Complete assays are shown in Table 1 below. The results of this vertical reverse circulation hole indicate the discovery of significant near-surface high-grade oxide gold mineralization that is likely the westerly extension of the previously identified gold mineralization in the CMZ. Historic drilling at the CMZ outlined a modest mineralized zone with grades up to 1-2 g/t Au. RHB12-005 was drilled to the east and returned anomalous gold. This may be an extension of the gold mineralization encountered last year in RHM11-003 (85 feet of 0.14 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. Located within the Barrick Property, both holes contain substantial thickness of silicified and oxidized near-surface gold mineralization. This hole, in conjunction with RHB12-005 and RHB12-003 (PR-7/5/11), indicate a much larger mineralized zone than previously indicated by historic drilling is present at CMZ. Detailed logging of the chips and incorporation of the NuLegacy drill holes with the historic data is in progress which will lead to a drill plan that will follow-up on these promising results. Follow up drilling to expand this zone of near-surface oxide gold mineralization will commence as soon as targeting and permitting of the additional drill sites is completed.

On December 18, 2012, the Company announced that it had extended the Iceberg Deposit in the CMZ. 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 at the confluence of two structures to determine which of these two governs the gold deposition in the Iceberg deposit.

Three of the six holes (Table 1 below) have confirmed the continuity of the Iceberg deposit extending the zone of interest an additional 110 meters to the north-west, while the remaining three holes suggest more limited possibilities to the east and south. The principal horizon of higher grade oxide gold mineralization now extends over 360 meters [1,200 ft.] in silicified and decalcified Devonian carbonates.
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.

Central Pediment Anomaly:

The first reverse circulation (RC) hole of the 2012 Red Hill Project drilling program (RHB12-004) was completed in the Central Pediment anomaly (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 (located to the west of the BRH-013 - view at http://nulegacygold.com/Deep_IP_view.pdf). The hole encountered anomalous gold and associated Carlin-style trace elements in favourable lithologies. More drilling is being considered to fully evaluate this target.

East Pediment:
The last two holes on the Red Hill Project were completed on the East Pediment and encountered weakly anomalous gold in favorable host limestones.

The compilation of all the geophysics (from NuLegacy and previous operators including Barrick) from the Central Pediment and northern part of the East Pediment has been completed. Analysis of the compilation suggests that hole BRH-13 is along the northern margin of an east-west up lifted block and that the gold values from the hole may be leakage from the large system represented by the deep IP anomaly in the Central Pediment. When integrated with the historic and current drill data, it should assist in the development of further specific drill targets.

Wood Hills South:

NuLegacy's initial review of the geology of the Wood Hills South Project (70% optioned from Renaissance Gold Inc.in December, 2009) indicated it could be similar to that of the emerging West Pequop and the established Long Canyon gold discoveries. The current geophysical and soil sample results support that initial conclusion. Additional information on the Wood Hills South Property can be obtained from the technical report of Nancy J. Wolverson, C.P.G. dated March 31, 2010, as amended October 27, 2010 and entitled "Technical Report on the Wood Hills South Property, Elko County, Nevada (the "Wood Hills South Hill Report") prepared in compliance with NI 43-101. The full text of the Wood Hills South Report may be accessed on the SEDAR website at www.sedar.com.

An extract on significant expenditures on the Wood Hills South Project is as follows:

Wood Hills South Project Expenditures		December 31, 2012
Acquisition and legal	$	21,088
Geological consulting		309,656
Property maintenance		266,401
Assays		181,568
Drilling		267,637
Travel		20,589
Miscellaneous		15,934
Accumulated expenditures since inception	**$**	**1,082,873**

In 2010, the Company completed initial geophysical and geochemical surveys and concluded that the Wood Hills South Project has discontinuous breaks in what is likely a bedrock of limestone and dolomite formations, anomalous gold in soil samples corresponding to the apparent breaks, and favourable stratigraphy for hosting gold mineralization below thin alluvial cove. The interpretation is that the best areas for potential gold mineralization at Wood Hills South are likely under the thin gravel cover on the pediment. Subsequent analytical results from an additional 899 soil samples support the conclusion from 2010 that anomalous gold, and other trace elements, define anomalies that are aligned with the apparent breaks in the carbonates as defined by the resistivity survey. Drilling reveals that the alluvial cover is generally less than 60 metres thick up to a couple of miles south of the range front. Based upon our initial surface and drilling results from 2011, we conclude that mineralization occurs in iron oxide bearing silicified interlayered silty limestone and dolomite. The most significant drill hole intercept was in WHS11-007 which contains 10.7 meters of 0.40 g/t Au starting at 84 meters below the surface. This intercept is in silicified limestone, and immediately below the higher grade interval is an altered and mineralized intrusive, which has proven to be a key geologic relationship in the Pequop gold district.

To assist in planning an effective follow-up drilling program of the gold mineralization in hole WHS11-007, and other holes, a microgravity and infill soil sampling survey was conducted. An additional 488 soil sites were sampled in the northeastern portion of the property to add detail to the 21 km of east-west orientated soil geochemical surveys completed in 2010 and 2011 (See NuLEgacy's news releases of Dec 20, 2010 and June 16, 2011). This new soil sampling consisted of 25 km in eight north-south orientated lines at 600 meters spacing with samples collected at 50 meters along the lines.

The 15 square km high-resolution detailed microgravity survey centered on hole WHS11-007 was completed, with the initial results indicating gravity lows that indicate areas where the carbonates may contain the right combination of fault zones, decalcified areas, and/or karst features to serve as potential hosts for large volumes of higher grade gold mineralization (as at the Long Canyon deposit just across the valley). Hole WHS11-007 appears to have encountered one of the limestone 'country rock' blocks approximately 150 meters east of such a favorable area. Several other holes with anomalous gold also appear to be at the margins of some of these favorably disrupted zones suggesting that there are indications of several more areas of gold mineralization.

2012 Exploration Program:

Ten holes were drilled in early 2012 totaling 2,937 meters to continue the testing of the IP/resistivity and soil surveys conducted in 2010 and 2011. Additional soil sampling lines were surveyed to tighten control on the existing geochemical anomalies and a detailed gravity survey was conducted in the northeastern portion of the property. The additional soil sampling and 2012 drilling confirmed the presence of anomalous gold in the northeastern portion of the Red Hill Project. The gravity survey identified several significant lows that are interpreted as being areas where the bedrock carbonates are intensely fractured and probably related to faulting and solution cavities. The most significant of which is immediately east of WHS11-007 and represents a significant drill target that could host a sizeable area of gold mineralization.

RESULTS OF OPERATIONS

For the nine-months ended December 31, 2012, the Company earned no revenue and incurred a comprehensive loss of $1,014,416 compared to $1,332,744 for the comparative period of 2011, a decrease of $318,328. The decrease in comprehensive loss is the result of reduced share-based payments as a result of lower stock options vesting in the period (which are valued using the Black Scholes valuation method).

As the Company has no revenues, recent volatility of commodity prices has not adversely affected operations. However, refer to comments under "Risks and Uncertainties".

Significant changes in costs include:

- Stock-based compensation of $117,945 (2011: $615,626) relates to stock options granted and vested during the period. Assumptions regarding volatility, risk free rates, term and details of options granted are included in Note 9 of the condensed interim consolidated financial statements. The intrinsic value of these options at the date of this MD&A is $Nil;
- Consulting fees of $174,832 (2011: $289,234) consisted primarily of fees paid to the Company's executive officers. A higher proportion of fees were allocated to Investor Relations activities in the current year. Related party fees are disclosed in Note 8 of the condensed interim consolidated financial statements;
- Professional fees of $136,243 (2011: $102,856) relate to legal fees incurred with respect to satisfaction of regulatory compliance and fees paid to an executive officer of the Company and accounting staff.

Refer to Note 8 of the condensed interim consolidated financial statements for amounts paid to the Company's senior management;

- Investor relations costs of $361,229 (2011: $140,790) were incurred in the promotion of the Company and include travel costs for promotional trips and site visits by investors. Total promotional and investor travel was $157,653, consulting fees were $168,273 and other costs related to financing were $35,303 in the nine-months ended December 31, 2012. Higher costs are related to an increase in promotional focused activity and an increase in senior officer time allocated to investor relations activities;
- Office expenses of $82,698 (2011: $57,736) is higher due to permanent staff hired at the Company's Vancouver and Reno locations to assist with office administration;
- Foreign exchange gain of $2,680 (2011: $68,468) is due to fluctuations in USD:CAD rates. The Company's transactions in Nevada are denominated U.S. dollars.

The Company has not paid any dividends to date. See "Dividend Report and Policy" below.

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

<u>Requirement of Additional Equity Financing</u>
The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations. The Company has relied entirely on equity financings for all funds raised to date for its operations. The Company will need more funds to secure the acquisition of its optioned mineral properties and to fund the future exploration and development thereof. Until the Company starts generating profitable operations from exploration, development and sale of minerals, the Company intends to continue relying upon the issuance of securities to finance its operations and acquisitions pursuant to private placements, the exercise of warrants and stock options, and short term or long term loans. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's shares, restricting access to some institutional investors. The Company's growth and success is dependent on external sources of financing which may not be available on acceptable terms.

Operating cash outflows consist mainly of head office costs and exploration costs. Head office costs are mostly fixed in nature and are monitored by senior management.

Variable components of exploration costs, and the source of most of the Company's cash outflow in the fiscal period, include consulting fees, drilling, assay and geological consulting. These have been kept under strict control. Drilling is planned for the next fiscal year and, accordingly, the Company expects exploration costs to make up a greater proportion of cash outflows.

The Company's committed capital expenditures and mineral property commitments for the next fiscal period are outlined in Note 6 of the condensed interim consolidated financial statements.

<u>Cash and Cash Equivalents</u>
As at December 31, 2012, the Company had cash and cash equivalents of $1,036,748. Management of cash balances is conducted in-house based on internal investment guidelines. Cash and cash equivalents are deposited with major Canadian financial institutions. Cash required for immediate operations is held in a chequing account. Excess of funds may be invested in conservative money market instruments that bear interest and carry a low degree of risk. Some examples of instruments in which the Company may invest its cash are treasury bills, money market funds, bank guaranteed investment certificates and bankers' acceptance notes. The objective of these investments is to preserve funds for the advancement of the Company's properties.

Cash Used in Operating Activities

Cash used in operating activities was $967,460 during the nine-months ended December 31, 2012 compared to $744,586 for the corresponding nine-months ended December 31, 2011. Cash was mostly spent on general and administrative costs, professional fees and consulting fees, travel and accommodation, and trade and other payables.

Cash Used in Investing Activities

Total cash used in investing activities during the nine-months ended December 31, 2012 was $1,836,330 (2011 - $1,836,806) and consisted of exploration expenditures and maintenance fees for the Company's Red Hill and Wood Hills South Properties.

Cash Generated by Financing Activities

Total cash generated by financing activities during the nine-months ended December 31, 2012 was $1,749,676 (2011: $1,632,825). Refer to "Capital Resources" below for a detailed description of share issuances during the period.

Working Capital:

As at December 31, 2012, the Company had a working capital surplus of $1,147,989 which included a cash balance of $1,036,748.

As at March 31, 2012, the Company had a working capital surplus of $2,119,422 which included a cash balance of $2,090,862. Cash has been used mainly for the continued exploration of the Company's properties and administration of these activities; resulting in a cash outflow of $1,825,607.

CAPITAL RESOURCES

All share issuances are outlined in Note 9 of the condensed interim consolidated financial statements.

Commitments:

Commitments are outlined in "Mineral Properties" above and Note 6 of the condensed interim consolidated 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 and Wood Hills South properties in order to maintain the Miranda, Barrick and Idaho 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 or Wood Hills South 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 Miranda, Barrick and Idaho Properties, and miscellaneous stock option and consulting agreements, the Company does not presently have any other material contractual obligations.

As at December 31, 2012 the Company had no long term debt and no agreements with respect to borrowings had been entered into by the Company.

SELECTED ANNUAL AND QUARTERLY INFORMATION ($)

	Year ended March 31	
	2012	2011
Financial results:		
Net loss for the year	$ (1,771,825)	$ (1,217,577)
Net loss and comprehensive loss for the year	(1,771,825)	(1,217,577)
Basic and diluted loss per share	(0.04)	(0.04)
Net expenditures on resource properties	2,346,921	858,304
Financial position:		
Cash and short term deposits	$ 2,090,862	$ 3,476,786
Resource properties	3,414,442	1,107,893
Total assets	5,792,188	4,717,545
Shareholder's equity	5,549,128	4,637,558

SELECTED FINANCIAL DATA

	Net loss for the quarter	Basic and diluted loss per share for the quarter
Fiscal 2013 quarter ended:		
December 31, 2012	$ 309,169	$0.00
September 30, 2012	398,568	0.01
June 30, 2012	306,679	0.01
Fiscal 2012 quarter ended:		
March 31, 2012	467,269	0.01
December 31, 2011	483,449	0.01
September 30, 2011	284,774	0.01
June 30, 2011	536,333	0.01
Fiscal 2011 quarter ended:		
March 31, 2011	448,542	0.02

(1) Based on the weighted average number of shares outstanding during the period.

RELATED PARTY TRANSACTIONS

Several directors of the Company supply administrative, geological services and legal services to the Company at arm's length rates. Details of these related party transactions and recorded amounts and balances outstanding at the period-end are identified in Note 8 in the condensed interim consolidated financial statements.

OUTSTANDING SHARE DATA

a) Authorized Share capital: unlimited common shares without par value
b) Number of shares held in escrow: 2,097,000 common shares subject to a 36 month release
c) Number of common shares issued at the date of this MD&A: 69,360,249.

OPTIONS

A summary of stock options outstanding at December 31, 2012 is as follows:

Options outstanding	Options exercisable	Exercise price	Remaining contractual life (years)	Expiry date
4,350,000	4,300,000	$0.25	2.9	2015/12/09
250,000	150,000	$0.32	3.0	2016/01/06
50,000	50,000	$0.30	3.2	2016/03/01
500,000	500,000	$0.25	3.5	2016/06/23
75,000	75,000	$0.16	3.7	2016/09/01
250,000	156,250	$0.20	3.8	2016/10/01
25,000	15,000	$0.20	3.9	2016/11/14
150,000	150,000	$0.20	1.9	2014/12/01
300,000	225,000	$0.20	3.9	2016/12/09
100,000	20,000	$0.20	4.0	2017/01/01
150,000	60,000	$0.25	4.1	2017/02/06
30,000	30,000	$0.25	0.0	2013/01/01
62,500	62,500	$0.25	0.5	2013/06/30
300,000	75,000	$0.15	4.5	2017/07/18
250,000	125,000	$0.15	4.8	2017/10/15
75,000	-	$0.15	4.8	2017/11/05
6,917,500	**5,993,750**	**$0.24**	3.2	

WARRANTS

A summary of warrants outstanding at December 31, 2012 is as follows:

Expiry date		Number of warrants	Weighted average exercise price
2015/12/09		250,000	$0.25
2013/06/05		6,949,060	$0.35
2013/06/23		4,393,266	$0.34
2013/01/26	*	313,636	$0.25
2013/02/03	*	1,128,598	$0.25
2013/06/25	**	2,200,000	$0.30
2013/11/20	***	4,408,033	$0.25
2014/11/20		151,733	$0.19
2013/12/05	***	473,333	$0.25
2014/12/05		21,000	$0.25
2013/12/20	***	183,333	$0.25
2014/12/20		7,000	$0.25
		20,478,992	$0.31

* Last six-months of term, strike price increases to $0.35
** Last 12-months of term, strike price increases to $0.45
*** Last 12-months of term, strike price increases to $0.35

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements. Commitments are outlined in Note 6 of the condensed interim consolidated financial statements.

PROPOSED TRANSACTIONS

Save 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.

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
Other financial assets	Available for sale
Accounts payable and accrued liabilities	Other financial liabilities

For certain of the Company's financial assets and liabilities, including cash and cash equivalents, accounts payable and accrued liabilities, 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 December 31, 2012 and 2011 are summarized in Notes 3 and 11 of the condensed interim consolidated financial statements.

Currency Risk

The functional currency of the Company is the Canadian dollar. Many property-related commitments are denominated in US dollars. This gives rise to significant exposure to market risks from changes in foreign currency rates. The financial risk is the risk to the Company's operations that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. A detail of currency exposure is outlined in Note 3 of the condensed interim consolidated financial statements. Management of the Company does not consider this risk to be material at period end.

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 equivalents and receivables. The 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.

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 December 31, 2012.

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 December 31, 2012, 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.

RECENT ACCOUNTING PRONOUNCEMENTS

Changes in Accounting Policies

There were no significant changes in the Company's accounting policies during the period ended December 31, 2012 or 2011.

ADDITIONAL DISCLOSURE FOR JUNIOR ISSUERS

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.

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.

OTHER INFORMATION

Additional information is available on the Company's website at www.nulegacygold.com or on SEDAR at www.sedar.com.

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 nine-months ended December 31, 2012 (together the "Annual Filings").

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 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.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Except for historical information contained in this discussion and analysis, disclosure statements contained herein are forward-looking. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those in such forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

SUBSEQUENT EVENTS

Events occurring after the end of the period, are disclosed in Note 12 of the unaudited condensed interim consolidated financial statements.

CORPORATE INFORMATION (as at February 28, 2013)

Head Office:	Suite 1000 – 355 Burrard Street Vancouver, BC V6C 2G8
Directors:	Albert Matter Roger Steininger James Anderson Petra Decher Arv Gupta
Officers:	Albert Matter, Chairman James Anderson, CEO Roger Steininger, COO Adrian Rothwell, CFO
Auditor:	DeVisser Gray LLP, Chartered Accountants Suite 401 905 West Pender Street, Vancouver, BC V6C 1L6
Legal Counsel:	Gregory T. Chu, A Law Corporation Suite 650 – 1188 West Georgia Street Vancouver, BC V6E 4A2
Transfer Agent:	Computershare Investor Services 2nd Floor – 510 Burrard Street Vancouver, BC V6C 3B9