

Consolidated Condensed Interim Financial Statements  
*(Expressed in Canadian dollars)*

## **NULEGACY GOLD CORPORATION**

For the three-month periods ended June 30, 2012 and 2011  
*(Unaudited - Prepared by Management)*

### **NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

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

**General Information****Directors**

*Albert Matter*  
*Roger Steininger*  
*James Anderson*  
*Petra Decher*  
*David Awram*  
*Arv Gupta*

**Company Secretary**

*Gregory Chu*

**Registered Office**

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# NULEGACY GOLD CORPORATION

Consolidated Condensed Interim Statements of Financial Position  
 (Expressed in Canadian dollars)  
 (Unaudited)

	Note	June 30, 2012	March 31, 2012
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	4	\$ 958,881	\$ 2,090,862
Receivables		31,374	25,902
Prepaid expenses and deposits		113,037	230,718
Other financial assets	11	15,000	15,000
		<b>1,118,292</b>	<b>2,362,482</b>
<b>Non-current assets:</b>			
Equipment	5	22,274	15,264
Exploration and evaluation assets	6	4,505,002	3,414,442
		<b>\$ 5,645,568</b>	<b>\$ 5,792,188</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current liabilities:</b>			
Trade and other payables	7, 8	\$ 40,085	\$ 243,060
		<b>40,085</b>	<b>243,060</b>
<b>Shareholders' equity:</b>			
Share capital	9	5,168,053	4,893,958
Warrants reserve	9	2,683,935	2,518,880
Share option reserve	9	1,358,069	1,284,185
Share subscriptions payable		-	150,000
Accumulated deficit		(3,604,574)	(3,297,895)
		<b>5,605,483</b>	<b>5,549,128</b>
		<b>\$ 5,645,568</b>	<b>\$ 5,792,188</b>

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

Approved by the board on August 23, 2012.

"Albert J. Matter"

Director

"Petra Decher"

Director

Operations (Note 1)  
 Going concern (Note 2)

Basis of preparation (Note 2)  
 Capital commitments and other contingencies (Note 6)

# NULEGACY GOLD CORPORATION

Consolidated Condensed Interim Statements of Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited)

	Note	Three-month periods ended June 30,	
		2012	2011
<b>Operating expenses:</b>			
Amortization	5	\$ -	\$ 595
Bank charges		627	581
Consulting	8	52,107	78,779
Dues and subscriptions		2,022	383
Insurance		7,018	4,467
Interest		-	3
Investor relations	8	77,219	79,577
Office		42,678	4,371
Printing and reproduction		3,499	3,912
Professional fees		30,098	32,354
Regulatory and transfer agent		4,781	12,604
Rent		15,226	8,573
Telecommunication		2,095	1,015
Travel and accommodation		9,794	6,229
Share based payments	9	73,884	252,024
		<b>321,048</b>	<b>485,467</b>
<b>Other income (loss):</b>			
Foreign exchange (loss) gain		14,070	(10,767)
Property write off		-	(40,109)
Interest and other income		299	10
		<b>14,369</b>	<b>(50,866)</b>
<b>Net loss and comprehensive loss</b>		<b>\$ (306,679)</b>	<b>\$ (536,333)</b>
Basic and diluted loss per share amounts	9(f)	\$ (0.01)	\$ (0.01)
Weighted average common shares outstanding		<b>57,071,473</b>	<b>44,349,251</b>

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

# NULEGACY GOLD CORPORATION

Consolidated Condensed Interim Statements of Changes in Equity

(Expressed in Canadian dollars)

(Unaudited)

	Note	Number of shares	Share capital	Share subscriptions payable	Warrants	Share option reserve	Accumulated deficit	Accumulated other comprehensive income	Total
<b>Balances, April 1, 2011</b>		44,349,251	\$ 4,367,064	\$ -	\$ 1,233,547	\$ 563,017	\$ (1,526,070)	\$ -	\$ 4,637,558
Shares issued, acquisition of mineral properties		100,000	20,000	-	-	-	-	-	20,000
Shares issued, private placement, net of issue costs		12,500,000	506,894	150,000	1,285,333	-	-	-	1,942,227
Share based payments		-	-	-	-	721,168	-	-	721,168
Net loss		-	-	-	-	-	(1,771,825)	-	(1,771,825)
<b>Balances, March 31, 2012</b>		56,949,251	4,893,958	150,000	2,518,880	1,284,185	(3,297,895)	-	5,549,128
Shares issued, private placement, net of issue costs	9	2,200,000	274,095	(150,000)	165,055	-	-	-	289,150
Share based payments	9	-	-	-	-	73,884	-	-	73,884
Net loss		-	-	-	-	-	(306,679)	-	(306,679)
<b>Balances, June 30, 2012</b>		<b>59,149,251</b>	<b>\$ 5,168,053</b>	<b>\$ -</b>	<b>\$ 2,683,935</b>	<b>\$ 1,358,069</b>	<b>\$ (3,604,574)</b>	<b>\$ -</b>	<b>\$ 5,605,483</b>

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

# NULEGACY GOLD CORPORATION

Consolidated Condensed Interim Statements of Cash Flows

(Expressed in Canadian dollars)

(Unaudited)

	Three-month periods ended June 30,	
	2012	2011
<b>Operating activities:</b>		
Net loss	\$ (306,679)	\$ (536,333)
Adjustments for:		
Amortization	-	595
Property write off	-	40,109
Share based payments	73,884	252,024
Receivables	(5,472)	9,785
Prepaid expenses and deposits	117,681	(205,795)
Trade and other payables	(202,975)	176,411
Cash flow for operating activities	(323,561)	(263,204)
<b>Financing activities:</b>		
Proceeds from issuance of common shares, net of issue costs	439,150	-
(Decrease) Increase in subscriptions payable	(150,000)	-
Cash flow from financing activities	289,150	-
<b>Investing activities:</b>		
Purchase of equipment	(7,010)	(1,726)
Mineral property exploration costs	(1,090,560)	(581,927)
Cash flow for investing activities	(1,097,570)	(583,653)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(1,131,981)</b>	<b>(846,857)</b>
Cash and cash equivalents, beginning of period	2,090,862	3,476,786
<b>Cash and cash equivalents, end of period</b>	<b>\$ 958,881</b>	<b>\$ 2,629,929</b>
<b>Other items:</b>		
Taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

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

# NULEGACY GOLD CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian dollars)

For the three-month periods ended June 30, 2012 and 2011

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## 1. Corporate information:

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

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

The ability of the Company to realize its assets and discharge its financial obligations and commitments is dependent upon the ability of the Company to source appropriate exploration properties satisfactory to its investors and, thereafter, upon the existence of economically recoverable reserves, maintain interest in such properties, obtain the necessary financing to search and acquire and meet exploration commitments on the properties and upon future profitable operations, or proceeds from the disposition of the properties.

These Unaudited Condensed Interim Consolidated Financial Statements (the "consolidated financial statements") have been prepared on a going concern basis, which assumes the Company will be able to realize assets and discharge liabilities and commitments in the normal course of business for the foreseeable future. These consolidated financial statements do not include any adjustments that would be necessary should the Company be unable to continue as a going concern.

## 2. Basis of preparation:

### (a) Statement of compliance:

The consolidated financial statements of the Company and its subsidiary have been prepared in accordance with International Accounting Standard ("IAS") 1 Presentation of Financial Statements ("IAS 1"), using accounting policies that are consistent and in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and that are in effect at June 30, 2012.

The consolidated financial statements have been prepared on a historical cost basis, except for cash and cash equivalents and other financial instruments classified as fair value through profit or loss or available-for-sale that have been measured at fair value. The consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated.

These consolidated financial statements for the period ended June 30, 2012, including the comparative amounts, were approved and authorized for issue by the board of directors on August 23, 2012.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the IASB have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2012.

The accounting policies applied in preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended March 31, 2012, with the exception of certain amendments to accounting standards issued by the IASB, which were applicable from January 1, 2012. These amendments did not have a significant impact on the Company's unaudited condensed interim consolidated financial statements.

# NULEGACY GOLD CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian dollars)

For the three-month periods ended June 30, 2012 and 2011

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## 2. Basis of preparation (continued)

The Company's management makes judgements in its process of applying the Company's accounting policies in the preparation of its unaudited condensed interim consolidated financial statements. In addition, the preparation of financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgements and estimates applied in the preparation of the Company's unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in notes 3 and 4 to the Company's consolidated financial statements for the year ended March 31, 2012.

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

### (b) Going Concern:

These consolidated financial statements have been prepared on the basis that the Company is a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. However, the Company currently has no significant sources of revenue and has experienced recurring losses. At June 30, 2012, the Company had an accumulated deficit of \$3,604,574. The Company's ability to continue as a going concern is dependent on the Company's ability to obtain additional debt or equity financing to successfully advance the exploration and development of mineral property interests in its exploration portfolio and/or to be able to derive material proceeds from the sale or divestiture of those properties and/or other assets such as royalty rights and equity interests. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. Such adjustments and classifications could be material.

### (c) Basis of Consolidation:

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

### (d) Standards issued or amended but not yet effective:

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**

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and fair value measurement of financial liabilities to address own credit risk. The standard is effective for years beginning on or after January 1, 2015. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the



# NULEGACY GOLD CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
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## 2. Basis of preparation (continued)

Company's financial assets. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

### ***IFRS 10 Consolidated Financial Statements***

IFRS 10 is effective for annual periods beginning on or after January 1, 2013. The standard replaces IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation—Special Purpose Entities. The Standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities and redefines “control” more concisely. The adoption of this standard is not expected to have any impact on the financial statements of the Company, nor to redefine current relationships as “controlled”.

### ***IFRS 11 Joint Arrangements***

IFRS 11 is effective for annual periods beginning on or after January 1, 2013. The standard supersedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities—Non-Monetary Contributions by Venturers. The standard addresses the definition of a joint arrangement and establishes principles that are applicable to the accounting for all joint arrangements. The adoption of this standard is not expected to have any impact on the financial statements of the Company.

### ***IFRS 12 Disclosure of Interests in Other Entities***

IFRS 12 is effective for annual periods beginning on or after January 1, 2013. The IFRS requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities; and the effects of those interests on its financial position, financial performance and cash flows. The standard integrates and makes consistent the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities, previously required under IAS 27 Consolidated and Separate Financial Statements, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures. The adoption of this standard is expected to require additional disclosures regarding the nature of ownership of the Company's interest in its subsidiaries, but has yet to be determined by management.

### ***IFRS 13 Fair Value Measurement***

IFRS 13 is effective for annual periods beginning on or after January 1, 2013. The standard combines in a single standard the definition of fair value, thus improving consistency, sets out a framework for measurement of fair value, and outlines the disclosure requirements for items measured at fair value. Management is assessing the impact of adoption of this standard on the Company.

### ***IAS 1 Presentation of Financial Statements***

Amendment to IAS 1 is effective for years beginning on or after July 1, 2012. The amendment to IAS 1 improves how components of other comprehensive income are presented. Management is assessing the impact of adoption of this standard on the Company.

## 3. Financial risk management:

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

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

# NULEGACY GOLD CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
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### 3. Financial risk management (continued):

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

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

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

(i) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables, and cash and cash equivalents. The cash and cash equivalents consist mainly of short-term money market deposits and are held with reputable financial institutions, from which management believes the risk of loss to be remote. The Company's financial assets are held in institutions rated by Moody's as A- or higher.

The Company's receivables consist of taxes receivable from the government of Canada and are considered collectible with no risk.

(ii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to liquidity risk is to ensure that it always has sufficient cash and credit facilities to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Company's reputation. Management typically forecasts cash flows for a period of 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.

(iii) Interest rate risk:

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

(iv) Foreign currency risk:

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

The functional currency of the Company and its wholly owned subsidiary is the Canadian dollar. 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. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company is exposed to fluctuations between the US and Canadian dollars as many of its trade payables are denominated in US dollars. The Company's exposure to fluctuation in the US and Canadian dollars is not material.

# NULEGACY GOLD CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian dollars)

For the three-month periods ended June 30, 2012 and 2011

## 3. Financial risk management (continued):

### (v) Other price risk:

Other price risk is the risk that changes in market prices including commodity or equity prices will have an effect on future cash flows associated with financial instruments. The Company has no forward purchase or sale contracts negotiated at June 30, 2012.

### (vi) Capital risk management:

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

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. The Company's capital structure includes shareholders' equity of \$5,605,483. In order to maintain or adjust the capital structure, the Company may from time to time issue shares, seek additional debt financing and adjust its capital spending to manage current and projected debt levels.

The Company is not subject to externally imposed capital requirements other than as noted above.

There were no changes to the Company's approach to capital management during the period ended June 30, 2012.

### (vii) Summary of the carrying value of the Company's financial instruments:

The fair value of all financial instruments approximates their carrying value.

## 4. Cash and cash equivalents:

	June 30, 2012	March 31, 2012
Bank balances	\$ 441,632	\$ 1,573,613
Short term deposits	517,249	517,249
	<b>\$ 958,881</b>	<b>\$ 2,090,862</b>

## 5. Equipment:

	Computers	
<b>Cost</b>		
As at April 1, 2011	\$	4,185
Additions		15,122
As at March 31, 2012		19,307
Additions		7,010
<b>As at June 30, 2012</b>	<b>\$</b>	<b>26,317</b>
<b>Accumulated depreciation and impairment</b>		
As at April 1, 2011	\$	697
Charge for the period		3,346
As at March 31, 2012		4,043
Charge for the period		-
<b>As at June 30, 2012</b>	<b>\$</b>	<b>4,043</b>
<b>Net book value</b>		
As at March 31, 2012	\$	15,264
<b>As at June 30, 2012</b>	<b>\$</b>	<b>22,274</b>

# NULEGACY GOLD CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian dollars)

For the three-month periods ended June 30, 2012 and 2011

## 6. Exploration and evaluation assets:

	Red Hill Properties					Total
	Miranda Property	Barrick Property	Wilson Property	Wood Hills South Property	Half Ounce Property	
Balance April 1, 2011	\$ 563,691	\$ 58,609	\$119,686	\$ 325,598	\$ 40,109	\$ 1,107,893
Additions	901,584	572,356	327,501	545,217	263	2,346,921
Disposals	-	-	-	-	(40,372)	(40,372)
Balance March 31, 2012	1,465,275	630,965	447,387	870,815	-	3,414,442
Additions	683,134	193,267	93,459	120,700	-	1,090,560
<b>Balance June 30, 2012</b>	<b>\$2,148,409</b>	<b>\$824,232</b>	<b>\$540,846</b>	<b>\$ 991,515</b>	<b>\$ -</b>	<b>\$ 4,505,002</b>

(a) Red Hill Properties

### Eureka County, Nevada

#### Miranda Property

The Company has an exploration and joint venture agreement with Miranda Gold Corp. ("Miranda") to earn a 60% interest in this project by reimbursing Miranda for its 2009 – 2010 claim maintenance fees for the property in the amount of US\$11,000 cash (paid), issuing 200,000 common shares (issued), incurring a total of US\$200,000 in exploration expenditures before June 30, 2010 as a binding commitment (completed), and incurring a total US\$3,500,000 as follows:

Expenditure deadline	Expenditure commitment (\$US)	Total cumulative expenditure (US\$)
June 30, 2010	200,000 (spent)	200,000
December 31, 2010	300,000 (spent)	500,000
September 30, 2011	700,000 (spent)	1,200,000
September 30, 2012	1,050,000	2,250,000
September 30, 2013	1,400,000	3,650,000
September 30, 2014	1,850,000	5,500,000

The Company can elect to acquire a further 10% interest by preparing and bearing the costs of a feasibility study to be completed within 4 years, and incurring an additional US\$1,000,000 on exploration each year. If the feasibility study is not completed, the Company must incur exploration expenditures of US\$1,000,000 per year for 10 years from the date of the election in order to acquire the additional 10%. Thereafter, if either of the joint venture parties' interest falls below 10%, that party's interest reverts to a 0.5% NSR royalty.

#### Miranda (Coal Canyon) Option

On January 5, 2011 the Company signed an agreement that incorporates Miranda Gold Corp.'s two square mile Coal Canyon property in Eureka County, Nevada into the Red Hill Prospect. The principal terms of the option for the Coal Canyon require NuLegacy Gold to issue 50,000 common shares to Miranda and to spend an additional US\$1.5 million on either the Coal Canyon property or the previously-optioned Red Hill property. These expenditures are included in the table above and the Company is up to date with its commitments. Thus, NuLegacy can earn a 60% interest in both Miranda's Coal Canyon and Red Hill properties for a combined expenditure of US\$5.5 million over four years. NuLegacy can earn an additional 10% interest in the properties by completing a feasibility study.

# NULEGACY GOLD CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian dollars)

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## 6. Mineral properties (continued):

### *Barrick Property*

On September 16, 2010, the Company entered into an exploration agreement with a joint venture election and option to purchase from Barrick Gold Exploration Inc. ("Barrick") a 70% undivided interest in 818 unpatented mining claims in the Barrick Property located adjacent to the Miranda 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:

<u>Expenditure deadline</u>	<u>Expenditure commitment (\$US)</u>	<u>Total cumulative expenditure (US\$)</u>
December 31, 2011	375,000 (spent)	375,000
December 31, 2012	875,000	1,250,000
December 31, 2013	1,125,000	2,375,000
December 31, 2014	1,125,000	3,500,000
December 31, 2015	1,500,000	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 carried by Barrick until the commencement of commercial production on the property.

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

### *Wilson Property*

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

In order to maintain the Lease, the Company must make annual advance royalty payments of US\$25,000 (paid) and issue 100,000 common shares (issued) to Idaho in each of the first five years of the Lease. Annual cash payments will then increase to US\$50,000 for year six and every year thereafter. In addition, the Company must incur a total of US\$4,000,000 in exploration on the property during the first five years of the Lease as follows:

<u>Expenditure deadline</u>	<u>Expenditure commitment (\$US)</u>	<u>Aggregate amount (US\$)</u>
August 31, 2011	250,000 (paid)	250,000
December 31, 2012	500,000	750,000
December 31, 2013	1,250,000	2,000,000
December 31, 2014	1,000,000	3,000,000
December 31, 2015	1,000,000	4,000,000

# NULEGACY GOLD CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
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## 6. Mineral properties (continued):

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

(b) Wood Hills South Property

### Elko County, Nevada

The Company entered into an option agreement with Au-Ex, Inc. to earn a 70% interest in this prospect 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 as per the following table:

Expenditure deadline	Expenditure commitment (\$US)	Total cumulative expenditure (US\$)
December 31, 2010	150,000 (spent)	150,000
December 31, 2011	250,000 (spent)	400,000
December 31, 2012	500,000	900,000
December 31, 2013	1,000,000	1,900,000
December 31, 2014	1,000,000	2,900,000
December 31, 2015	1,000,000	3,900,000
December 31, 2016	1,100,000	5,000,000

## 7. Trade and other payables:

	June 30, 2012	March 31, 2012
Trade payables	\$ 29,780	\$ 243,060
Related party payables	10,305	-
	\$ 40,085	\$ 243,060

## 8. Related party transactions:

The Company's sole subsidiary is listed in the following table:

Name	Country of Incorporation	% equity Interest	
		As at June 30, 2012	As at March 31, 2012
NuLegacy Gold N.V.	United States	100%	100%

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## 8. Related party transactions (continued):

(a) The Company had the following balances and incurred the following expenses with related parties:

	Three-month periods ended	
	June 30,	
	2012	2011
Share based payments to key management	\$ 19,833	\$ 97,739
Accounting fees paid to a company controlled by an officer of the Company	10,500	10,500
Legal fees paid to a company controlled by an officer of the Company	9,100	27,745
Investor relations fees paid to a company in which an officer is a director	-	16,595
Fees payable to a director of the Company	47,250	56,500
Fees paid to a company controlled by a director*	47,421	54,899

\* A total of \$33,759 (2011: \$15,132) was capitalized to exploration and evaluation assets during the period.

(b) Due to Directors and Officers

A total of \$5,305 (March 31, 2012: \$Nil) is due to directors in expense reimbursements and administration fees. Moreover, a total of \$5,000 (March 31, 2012: \$Nil) in legal fees are due to a law firm of which an officer is a partner.

Balances payable are not interest bearing and have no specific terms of repayment and are included in trade and other payables.

## 9. Share capital:

(a) Authorized:

Unlimited common shares without par value

(b) Share capital:

	Shares	Warrants	Broker warrants	Share capital - gross	Share issue costs	Share capital - net	Warrants
Balances, April 1, 2011 Issued	44,349,251	17,314,250	730,000	\$4,867,963	\$500,899	\$ 4,367,064	\$1,233,547
Mineral properties (i)	100,000	-	-	20,000	-	20,000	-
Private placements (ii)	12,500,000	12,500,000	284,560	589,667	82,773	506,894	1,285,333
Balances, March 31, 2012 Issued	56,949,251	29,814,250	1,014,560	\$5,477,630	\$583,672	\$ 4,893,958	\$2,518,880
Mineral properties (i)	-	-	-	-	-	-	-
Private placements (iv)	2,200,000	2,200,000	-	440,000	850	274,095	165,055
<b>Balances, June 30, 2012</b>	<b>59,149,251</b>	<b>32,014,250</b>	<b>1,014,560</b>	<b>\$5,917,630</b>	<b>\$584,522</b>	<b>\$ 5,168,053</b>	<b>\$2,683,935</b>

- (i) On June 18, 2012, the Company announced a non-brokered private placement of up to 3.5 million units ("Units") at a price of \$0.20 per Unit to raise up to \$700,000. Each Unit consists of one common share and one share purchase warrant, each warrant entitling the holder thereof to purchase one additional common share of the Company for a period of 24 months at a price of \$0.30 during the first 12 months and \$0.45 during the last 12 months. On June 25, 2012, the Company closed the first tranche of this placement, selling a total of 2.2 million units of the 3.5 million offered for gross proceeds of \$440,000. All securities issued under the initial closing are subject to a four month and one day hold period expiring on October 26, 2012.

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## 9. Share capital (continued):

### (c) Escrow shares:

The Company has escrowed 6,990,001 of the issued shares of which 10% have been released for trade upon listing of the Company's shares with the balance being released over 3 years at 15% of the escrowed shares every six months. At June 30, 2012 there are 3,145,500 remaining escrowed shares.

### (d) Warrants:

A summary of the status of the Plan as of June 30, 2012, and changes during the two year period ended on that date is as follows:

	Number of shares	Weighted average exercise price in Canadian dollars
Balance, April 1, 2011	18,044,250	\$ 0.34
Granted *	12,500,000	0.35
Granted	284,560	0.15
Expired	(11,693,750)	0.32
Balance, March 31, 2012	19,135,060	\$ 0.33
Granted **	2,200,000	0.30
Expired	(460,000)	0.25
<b>Balance, June 30, 2012</b>	<b>20,875,060</b>	<b>\$ 0.33</b>

\* Each warrant entitles the holder to purchase one additional common share at a price of \$0.25 in the first 12 months and \$0.35 in the last 6 months.

\*\* Each warrant entitles the holder to purchase one additional common share at a price of \$0.30 in the first 12 months and \$0.45 in the last 12 months.

All warrants are shown at their current outstanding exercise price, if applicable.

The following share purchase warrants were outstanding as at June 30, 2012:

Expiry date	Number of warrants	Weighted average exercise price
June 23, 2013 *	4,125,266	\$ 0.25
September 10, 2012	4,640,500	\$ 0.39
September 17, 2012	1,000,000	\$ 0.40
July 26, 2013 *	313,636	\$ 0.25
August 3, 2013 *	1,128,598	\$ 0.25
June 5, 2013 *	6,932,500	\$ 0.25
June 5, 2013	16,550	\$ 0.15
June 23, 2013	268,000	\$ 0.15
June 25, 2014 **	2,200,000	\$ 0.30
December 9, 2015	250,000	\$ 0.25
	<b>20,875,060</b>	<b>\$ 0.33</b>

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

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



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## 9. Share capital (continued):

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

	Three-month periods ended June 30,	
	2012	2011
Risk-free interest rate	1.10%	-%
Expected life	1.0	-
Annualized volatility	136.36	-
Dividend rate	-	-
Grant date fair value	\$ 0.075	\$ NA

### (e) Stock options:

At June 30, 2012, the Company had a fixed stock-based compensation plan (the Plan) providing for the grant of stock options to purchase a maximum of 7,400,000 Common Shares to eligible recipients.

A summary of the status of the Plan as of June 30, 2012, and changes during the two year period ended on that date is as follows:

	Number of shares	Weighted average exercise price in Canadian dollars
Balance, April 1, 2011	5,525,000	\$ 0.26
Granted	200,000	0.29
Granted	675,000	0.25
Granted	150,000	0.15
Granted	925,000	0.20
Options amended	(182,500)	0.27
Forfeited	(250,000)	0.28
Balance, March 31, 2012	7,042,500	0.25
<b>Balance June 30, 2012</b>	<b>7,042,500</b>	<b>\$ 0.25</b>

The following table summarizes information about the options outstanding at June 30, 2012:

Options outstanding	Options exercisable	Exercise price	Remaining contractual life (years)	Expiry date
4,650,000	4,550,000	\$ 0.25	3.44	2015/12/09
250,000	100,000	\$ 0.32	3.52	2016/01/06
250,000	100,000	\$ 0.31	3.67	2016/03/01
500,000	500,000	\$ 0.25	3.98	2016/06/23
175,000	100,000	\$ 0.16	4.18	2016/09/01
250,000	93,750	\$ 0.20	4.26	2016/10/01
125,000	50,000	\$ 0.20	4.38	2016/11/14
150,000	112,500	\$ 0.20	2.38	2014/11/14
300,000	150,000	\$ 0.20	4.45	2016/12/09
100,000	-	\$ 0.20	4.51	2017/01/01
150,000	30,000	\$ 0.25	4.61	2017/02/06
30,000	30,000	\$ 0.25	0.51	2013/01/01
62,500	62,500	\$ 0.25	1.00	2013/06/30
50,000	40,000	\$ 0.32	1.42	2013/11/30
<b>7,042,500</b>	<b>5,918,750</b>	<b>\$ 0.25</b>	<b>3.57</b>	

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## 9. Share capital (continued):

### (e) Stock options (continued):

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

	Three-month periods ended June 30,	
	2012	2011
Risk-free interest rate	-%	2.18%
Expected life	-	5.0
Annualized volatility	-	86.70
Dividend rate	-	-
Grant date fair value	\$ -	\$ 0.18

### (f) Loss per share:

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

## 10. Segmented information:

### (a) Operating segments:

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

### (b) Geographic segments:

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

## 11. Financial instruments:

### Fair values

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

Financial Assets	Financial instrument classification	Fair Value	
		June 30 2012	March 31 2012
Cash and cash equivalents	Fair value through profit and loss	\$ 958,881	\$ 2,090,862
Acapulco Gold	Available-for-Sale	\$ 15,000	\$ 15,000
		<u>\$ 973,881</u>	<u>\$ 2,105,862</u>

All of financial assets classified as available-for sale were designated as such on initial recognition. Unrealized gains or losses are recorded in other comprehensive income.

### Fair value hierarchy

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

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

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

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

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

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## 11. Financial instruments (continued):

### Fair value hierarchy (continued)

The following table summarizes the classification of the Company's marketable securities within the fair value hierarchy at June 30, 2012:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Cash and cash equivalents	\$ 958,881	\$ -	\$ -	\$958,881
Private securities	-	15,000	-	15,000
	\$ 958,881	\$ 15,000	\$ -	\$973,881

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

The following table summarizes the classification of the Company's marketable securities within the fair value hierarchy at March 31, 2012:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Cash and cash equivalents	\$ 2,090,862	\$ -	\$ -	\$2,090,862
Private securities	-	15,000	-	15,000
	\$ 2,090,862	\$ 15,000	\$ -	\$2,105,862

The aggregate fair value of investments with unrealized losses and the aggregate amount of the unrealized losses are:

Unrealized Loss Position for less than 12 months	Fair Value	Unrealized Losses
June 30, 2012 – Private securities	\$ -	\$ -
March 31, 2012 – Private securities	\$ -	\$ -

There are no investment positions in an unrealized loss position. All are privately held securities. Fair value was determined as a best estimate based upon the anticipated initial public listing of the company.

## 12. Subsequent events:

On July 19, 2012, a total of 300,000 options to acquire common shares of the Company at a price of \$0.15 for a period of 5 years were granted to a director.

## 13. Comparative Information:

Certain comparative amounts from the prior year have been reclassified to conform to the current year's presentation.