



**Condensed Interim Consolidated Financial Statements**

For the Nine Months Ended December 31, 2023 and 2022  
*(Unaudited – Expressed in Canadian dollars)*

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

Under 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 the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of NuLegacy Gold Corporation (the "Company") have been prepared by and are the responsibility of management. These condensed interim financial statements as at December 31, 2023 and for the nine months then ended have not been reviewed or audited by the Company's independent auditors.

**NULEGACY GOLD CORPORATION**

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

	Note	December 31, 2023 (unaudited)	March 31, 2023 (audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$ 434,889	\$ 1,977,196
Receivables		17,517	11,186
Prepaid expenses		92,835	98,915
Investments	3	2,725	5,176
		547,966	2,092,473
<b>Non-current assets</b>			
Deposits	4	898,307	918,300
Fixed assets	5	87,815	116,855
Exploration and evaluation assets	6, 8	45,284,269	43,658,878
		\$ 46,818,357	\$ 46,786,506
<b>Liabilities and Shareholders' Equity</b>			
<b>Current liabilities</b>			
Trade and other payables	7	\$ 333,710	\$ 166,365
<b>Shareholders' Equity</b>			
Share capital	9	59,698,776	58,621,966
Warrants reserve	9	14,681,097	14,670,145
Share options reserve	9	8,918,216	8,827,934
Revaluation reserve		(3,297,032)	(3,294,622)
Accumulated deficit		(33,516,410)	(32,205,282)
		46,484,647	46,620,141
		\$ 46,818,357	\$ 46,786,506

Corporate Information and Going Concern (Note 1)

Approved by the Board of Directors on February 29, 2024

<u>"Alex Davidson"</u>	Director	<u>"Albert Matter"</u>	Director
Alex Davidson		Albert Matter	

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

**NULEGACY GOLD CORPORATION**

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

	Note	Three months ended December 31,		Nine months ended December 31,	
		2023	2022	2023	2022
<b>Operating expenses</b>					
Consulting	8	\$ 15,000	\$ 12,000	\$ 65,100	\$ 79,280
Depreciation	5	12,655	14,732	38,462	51,681
Directors' fees	8	-	4,000	15,057	19,000
Insurance		13,082	10,045	40,484	42,935
Investor relations		5,149	-	17,791	9,632
Management fees	8	90,000	56,209	210,000	279,828
Office and administration	8	170,070	61,169	516,686	263,389
Professional fees	8	36,185	5,784	124,012	122,128
Regulatory and transfer agent		27,032	22,870	59,051	59,270
Rent		29,559	23,465	81,526	71,678
Share-based payments	8, 9	5,144	27,909	90,282	357,418
Travel and accommodation		11,790	5,473	42,760	60,747
		415,666	243,656	1,301,211	1,416,986
<b>Other items</b>					
Foreign exchange gain (loss)		742	(55,731)	(17,424)	364,333
Interest income		2,522	27	7,507	63
		3,264	(55,704)	(9,917)	364,396
<b>Net loss for the period</b>		(412,402)	(299,360)	(1,311,128)	(1,052,590)
<b>Other comprehensive loss</b>					
Net change in fair value of available-for-sale financial assets	3	(561)	(24,753)	(2,410)	(27,866)
<b>Comprehensive loss for the period</b>		\$ (412,963)	\$ (324,113)	\$ (1,313,538)	\$ (1,080,456)
<b>Basic and diluted loss per share</b>					
Net loss for the period	9	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Comprehensive loss for the period		\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
<b>Weighted average number of common shares outstanding</b>		606,488,660	588,852,453	594,752,566	588,852,453

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

**NULEGACY GOLD CORPORATION**

Condensed Interim Consolidated Statements of Cash Flows  
(Unaudited – Expressed in Canadian dollars)

	<b>Nine months ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Operating activities</b>		
Net loss for the period	\$ (1,311,128)	\$ (1,052,590)
Items not affecting cash and cash equivalents		
Depreciation	38,462	51,681
Share-based payments	90,282	357,418
Unrealized gain	39,889	(306,772)
Changes in non-cash working capital		
Receivables	(6,331)	15,414
Prepaid expenses and deposits	6,080	(44,817)
Trade and other payables	136,650	(110,230)
<b>Total cash outflows from operating activities</b>	<b>(1,006,096)</b>	<b>(1,089,896)</b>
<b>Investing activities</b>		
Deposits	-	-
Purchase of fixed assets	(9,422)	(2,766)
Exploration and evaluation asset expenditures	(1,594,694)	(1,853,217)
Effect on cash of foreign exchange	(19,857)	235,878
<b>Total cash outflows from investing activities</b>	<b>(1,623,973)</b>	<b>(1,620,105)</b>
<b>Financing activities</b>		
Proceeds from private placement, net	1,087,762	-
<b>Total cash inflows from financing activities</b>	<b>1,087,762</b>	<b>-</b>
<b>Net change in cash</b>	<b>(1,542,307)</b>	<b>(2,710,001)</b>
Cash, beginning of period	1,977,196	5,174,535
<b>Cash, end of period</b>	<b>\$ 434,889</b>	<b>\$ 2,464,534</b>
<b>Other non-cash items</b>		
Change in fair market value of available-for-sale financial assets	\$ 2,410	\$ 27,866
Warrants issued in private placement	\$ -	\$ -
Warrants issued as finders' fee	\$ 10,952	\$ -
Exploration and evaluation assets in trade and other payables	\$ 30,695	\$ 17,012
<b>Supplementary disclosures</b>		
Interest received	\$ 7,507	\$ 63

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

## NULEGACY GOLD CORPORATION

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited – Expressed in Canadian dollars)

	Number of shares	Share capital \$	Warrants reserve \$	Share options reserve \$	Revaluation reserve \$	Accumulated deficit \$	Total \$
<b>Balance, March 31, 2022</b>	588,852,453	58,621,966	14,670,145	8,450,834	(3,264,627)	(30,712,476)	47,765,842
Share-based payments	-	-	-	357,418	-	-	357,418
Net loss and comprehensive loss for the period	-	-	-	-	(27,866)	(1,052,590)	(1,080,456)
<b>Balance, December 31, 2022</b>	588,852,453	58,621,966	14,670,145	8,808,252	(3,292,493)	(31,765,066)	47,042,804
Share-based payments	-	-	-	19,682	-	-	19,682
Net loss and comprehensive loss for the period	-	-	-	-	(2,129)	(440,216)	(442,345)
<b>Balance, March 31, 2023</b>	588,852,453	58,621,966	14,670,145	8,827,934	(3,294,622)	(32,205,282)	46,620,141
Private placement	47,721,500	1,193,038	-	-	-	-	1,193,038
Share issue cost	-	(116,228)	10,952	-	-	-	(105,276)
Share-based payments	-	-	-	90,282	-	-	90,282
Net loss and comprehensive loss for the period	-	-	-	-	(2,410)	(1,311,128)	(1,313,538)
<b>Balance, December 31, 2023</b>	636,573,953	59,698,776	14,681,097	8,918,216	(3,297,032)	(33,516,410)	46,484,647

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

## **NULEGACY GOLD CORPORATION**

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited – Expressed in Canadian dollars)

For the Nine Months Ended December 31, 2023 and 2022

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### 1. CORPORATE INFORMATION AND GOING CONCERN

#### **Corporate information**

NuLegacy Gold Corporation (the “Company”) 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, United States (“US”).

The head office, principal address and records office of the Company are located at 1055 West Hastings Street, Suite 300, Vancouver, British Columbia, Canada, V6E 2E9.

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

#### **Going concern**

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

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) Statement of compliance

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

These condensed interim consolidated financial statements, including the comparative amounts, were approved and authorized for issue by the Board of Directors on February 29, 2024.

## **NULEGACY GOLD CORPORATION**

Notes to Condensed Interim Consolidated Financial Statements

*(Unaudited – Expressed in Canadian dollars)*

For the Nine Months Ended December 31, 2023 and 2022

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Basis of presentation

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

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended March 31, 2023, with the exception of certain amendments to accounting standards issued by the IASB, which were applicable from April 1, 2023. These amendments did not have a significant impact on the Company's condensed interim consolidated financial statements.

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

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited condensed interim consolidated financial statements. In addition, the preparation of financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in Note 2 to the Company's audited consolidated financial statements for the year ended March 31, 2023.

#### (c) Basis of consolidation

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

#### (d) Significant accounting judgments, estimates and assumptions

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

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

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



## **NULEGACY GOLD CORPORATION**

Notes to Condensed Interim Consolidated Financial Statements

*(Unaudited – Expressed in Canadian dollars)*

For the Nine Months Ended December 31, 2023 and 2022

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) Significant accounting judgments, estimates and assumptions (continued)

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

##### i) Economic recoverability and probability of future economic benefits of exploration and evaluation assets:

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

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

##### i) Valuation of share-based payments and warrants:

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

##### ii) Recovery of deferred tax assets:

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

### 3. INVESTMENTS

The fair value of Global Resources Investment Ltd. ("GRIT") common shares as at December 31, 2023 was \$2,725 (March 31, 2023 - \$5,176). During the nine months ended December 31, 2023, the Company recorded a revaluation reserve loss on the investment of \$2,410 (2022 - \$27,866) and an unrealized foreign exchange gain of \$18 (2022 – loss \$221).

There is a 3% finder's fee payable on the net proceeds from the future sale of the GRIT shares.

**NULEGACY GOLD CORPORATION**

Notes to Condensed Interim Consolidated Financial Statements

*(Unaudited – Expressed in Canadian dollars)*

For the Nine Months Ended December 31, 2023 and 2022

## 4. DEPOSITS

	December 31, 2023	March 31, 2023
Credit card collateral	\$ 62,045	\$ 62,750
Reclamation bonds	830,947	850,235
Security deposits	5,315	5,315
	<b>\$ 898,307</b>	<b>\$ 918,300</b>

## 5. FIXED ASSETS

	Computers \$	Vehicles \$	Equipment \$	Leasehold improvements \$	Total \$
<b>Cost</b>					
As at March 31, 2022	313,633	152,725	116,300	29,509	612,167
Additions	11,146	-	-	-	11,146
As at March 31, 2023	324,779	152,725	116,300	29,509	623,313
Additions	9,422	-	-	-	9,422
<b>As at December 31, 2023</b>	<b>334,201</b>	<b>152,725</b>	<b>116,300</b>	<b>29,509</b>	<b>632,735</b>
<b>Accumulated depreciation</b>					
As at March 31, 2022	277,987	62,497	66,226	28,034	434,744
Charge for the year	31,352	23,880	15,007	1,475	71,714
As at March 31, 2023	309,339	86,377	81,233	29,509	506,458
Charge for the period	11,881	17,563	9,018	-	38,462
<b>As at December 31, 2023</b>	<b>321,220</b>	<b>103,940</b>	<b>90,251</b>	<b>29,509</b>	<b>544,920</b>
<b>Net book value</b>					
As at March 31, 2023	15,440	66,348	35,067	-	116,855
<b>As at December 31, 2023</b>	<b>12,981</b>	<b>48,785</b>	<b>26,049</b>	<b>-</b>	<b>87,815</b>

**NULEGACY GOLD CORPORATION**

Notes to Condensed Interim Consolidated Financial Statements

*(Unaudited – Expressed in Canadian dollars)*

For the Nine Months Ended December 31, 2023 and 2022

## 6. EXPLORATION AND EVALUATION ASSETS

	Red Hill Properties			Total \$
	Iceberg Property \$	Wilson Property \$	Coal Canyon \$	
<b>Balance, March 31, 2022</b>	39,412,225	2,137,646	65,950	41,615,821
Additions				
Assays	101,575	-	-	101,575
Drilling	846,680	-	-	846,680
Geological consulting and salaries	582,668	-	-	582,668
Miscellaneous	124,131	-	-	124,131
Property maintenance	191,207	108,860	14,600	314,667
Travel and vehicle	73,336	-	-	73,336
Total additions	1,919,597	108,860	14,600	2,043,057
<b>Balance, March 31, 2023</b>	41,331,822	2,246,506	80,550	43,658,878
Additions				
Assays	70,320	-	-	70,320
Drilling	591,743	-	-	591,743
Property maintenance	186,219	378,830	14,601	579,650
Geological consulting and salaries	271,400	-	-	271,400
Miscellaneous	86,740	-	-	86,740
Travel and vehicle	25,538	-	-	25,538
Total additions	1,231,960	378,830	14,601	1,625,391
<b>Balance, December 31, 2023</b>	<b>42,563,782</b>	<b>2,625,336</b>	<b>95,151</b>	<b>45,284,269</b>

**Eureka County, Nevada***Iceberg Property:*

On September 16, 2010 and amended on August 23, 2012, the Company entered into an exploration agreement with a joint venture election and option to purchase from Barrick Gold Corporation (“Barrick”) a 70% undivided interest in 818 unpatented mining claims in the Iceberg Property located in Eureka County, Nevada, USA. Under the amended agreement, the Company had to incur a minimum of US\$5,000,000 in exploration or development expenditures on the Iceberg Property (inclusive of maintenance fees) by December 31, 2015. In September 2015, the Company completed this US\$5,000,000 expenditure requirement and earned its 70% undivided interest in the property.

In February 2016, the Company entered into an exchange agreement with Barrick to acquire their 30% interest in the property. Pursuant to the terms of the exchange agreement, the Company issued 32,000,000 common shares (Note 9) to Barrick and granted a 2% net profits interest royalty from commercial production on the property. As a result of this transaction, the Company increased its working interest in the Iceberg Property to 100%. The Company also quitclaimed one (1) claim back to Barrick reducing the total property to 817 unpatented mining claims.

*Wilson Property:*

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

On November 7, 2012 and amended in January 2016, the Company entered into a restated mining lease whereby future requirements for exploration expenditures were eliminated. In order to maintain the Lease, the Company must make the following annual advance royalty payments:

## NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited – Expressed in Canadian dollars)

For the Nine Months Ended December 31, 2023 and 2022

### 6. EXPLORATION AND EVALUATION ASSETS (continued)

- \$75,000 of annual payments and issue 200,000 shares prior to execution of the restated mining lease (paid and issued);
- \$25,000 payment and issue 100,000 shares on January 1, 2014 and January 1, 2015 (paid and issued); and
- \$12,500 payment on January 1, April 1, July 1 and October 1 of all succeeding years (paid for the 2017 calendar year).

On July 9, 2017, the Company amended the agreement with Idaho. The quarterly payments of \$12,500 due each year have been replaced with one annual payment of \$15,000 due on January 1 of each year commencing on January 1, 2018. The amendment also includes a minimum exploration or development expenditure requirement of \$150,000 each calendar year commencing in 2018 and in all succeeding calendar years until commercial production commences.

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, makes the requisite annual cash payments to Idaho and incurs the requisite annual exploration expenditures on or for the benefit of the property. 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.

#### *Coal Canyon:*

This property consists of sixty-four lode mining claims (5.1 km<sup>2</sup>) that were staked the first of September 2018, bringing the Red Hill land holding to a total of 108 km<sup>2</sup>.

### 7. TRADE AND OTHER PAYABLES

	December 31, 2023	March 31, 2023
Trade payables and accruals	\$ 333,710	\$ 145,385
Related party payables	-	20,980
	\$ 333,710	\$ 166,365

### 8. RELATED PARTY TRANSACTIONS

Key management personnel include directors and officers that provide management and consulting services to the Company. Remuneration of key management personnel During the nine months ended December 31, 2023 and 2022 was as follows:

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Consulting fees	\$ 15,000	\$ 12,000	\$ 60,000	\$ 67,625
Directors' fees	-	4,000	15,000	19,000
Exploration and evaluation assets	-	16,983	-	37,912
Management fees	90,000	30,000	210,000	253,620
Office	3,600	3,600	10,800	10,800
Professional fees	38,663	10,261	112,311	77,858
Share-based payments	1,079	178,166	57,617	227,554
	\$ 143,663	\$ 255,010	\$ 465,728	\$ 694,369

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

## NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited – Expressed in Canadian dollars)

For the Nine Months Ended December 31, 2023 and 2022

### 9. SHARE CAPITAL AND RESERVES

(a) Authorized share capital

Unlimited number of common shares without par value

(b) Issued share capital

During the nine months ended December 31, 2023

On November 27, 2023, the Company closed a non-brokered private placement by issuing a total of 47,721,500 Units for aggregate gross proceeds of \$1,193,038. Each unit consists of one common share of the Company and one share purchase warrant exercisable for a period of five years at a price of \$0.05 per share. The Company paid finder's fees totaling \$9,275 cash and issued 371,000 non-transferable share purchase warrants to purchase up to 371,000 common shares at a price of \$0.05 per share for a period of five years.

For the year ended March 31, 2023

No shares were issued.

(c) Common shares purchases warrants

A summary of the warrant activities is as follows:

	Number of warrants	Weighted average exercise price
<b>Balance, March 31, 2022</b>	193,432,988	\$ 0.16
Expired	(90,622,828)	\$ 0.12
<b>Balance, March 31, 2023</b>	102,810,160	\$ 0.20
Issued	47,721,500	0.05
<b>Balance, March 31, 2023</b>	150,531,660	\$ 0.15

The following share purchase warrants were outstanding as at December 31, 2023:

Expiry date	Number of Warrants	Exercise price	Remaining contractual life (years)
January 19, 2024	102,810,160	\$ 0.20	0.05
November 27, 2028	47,721,500	\$ 0.05	4.91

The weighted average life of the warrants outstanding at December 31, 2023 is 1.59 (March 31, 2023 – 0.81) years.

**NULEGACY GOLD CORPORATION**

Notes to Condensed Interim Consolidated Financial Statements

*(Unaudited – Expressed in Canadian dollars)*

For the Nine Months Ended December 31, 2023 and 2022

## 9. SHARE CAPITAL AND RESERVES (continued)

## (d) Compensation warrants

	Number of warrants	Weighted average exercise price
<b>Balance, March 31, 2022 and March 31, 2023</b>	-	\$ -
Issued	371,000	0.05
<b>Balance, December 31, 2023</b>	371,000	\$ 0.05

The following compensation warrants were outstanding as at December 31, 2023:

Expiry date	Number of Warrants	Exercise price	Remaining contractual life (years)
November 27, 2028	371,000	\$ 0.05	4.91

The weighted average life of the compensation warrants outstanding at December 31, 2023 is 4.91 (March 31, 2023 – nil) years.

## (e) Stock options

The Company has a fixed stock-based compensation plan (the “Plan”) providing for the grant of stock options to purchase a maximum of 45,000,000 common shares to eligible recipients.

*During the nine months ended December 31, 2023:*

There were no stock options granted during the period.

**NULEGACY GOLD CORPORATION**

Notes to Condensed Interim Consolidated Financial Statements

*(Unaudited – Expressed in Canadian dollars)*

For the Nine Months Ended December 31, 2023 and 2022

## 9. SHARE CAPITAL AND RESERVES (continued)

## (d) Stock options (continued)

During the year ended March 31, 2023:

In April 2022, the Company granted 1,525,000 stock options exercisable at \$0.05 per share to employees, directors and consultants of the Company. The fair value of these stock options was \$70,648 using the Black-Scholes option pricing model, of which \$65,993 was expensed during the period.

In May 2022, the Company granted 500,000 stock options exercisable at \$0.06 per share to an officer and a consultant of the Company. The fair value of these stock options was \$21,875 using the Black-Scholes option pricing model, of which \$17,378 was expensed during the period.

In February 2023, the Company granted 6,750,000 stock options exercisable at \$0.05 per share to employees, officers and consultants of the Company. The fair value of these stock options was \$122,024 using the Black-Scholes option pricing model, of which \$59,329 was expensed during the period.

In March 2023, the Company granted 150,000 stock options exercisable at \$0.05 per share to a consultant of the Company. The fair value of these stock options was \$2,741 using the Black-Scholes option pricing model, of which \$740 was expensed during the period.

The fair value of each option granted is estimated at the time of the grant using the Black-Scholes option pricing model with a range of assumptions for grants as follows for the nine months ended December 31, 2023 and year ended March 31, 2023:

	December 31, 2023	March 31, 2023
Risk-free interest rate	3.40% – 4.92%	2.60% - 3.67%
Expected life	2.36 – 4.50	2.87 - 5.00
Annualized volatility	222.34% - 271.45%	131.91% - 220.54%
Dividend rate	-	-
Grant date fair value	\$0.017– \$0.030	\$0.02 - \$0.05

A summary of the stock option activities is as follows:

	Number of options	Weighted average exercise price
<b>Balance, March 31, 2022</b>	41,950,000	\$ 0.12
Granted	8,925,000	\$ 0.05
Expired	(6,175,000)	\$ 0.24
Cancelled/Forfeited	(4,950,000)	\$ 0.13
<b>Balance, March 31, 2023</b>	39,750,000	\$ 0.08
Expired	(1,750,000)	\$ 0.18
<b>Balance, December 31, 2023</b>	38,000,000	\$ 0.08

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## 9. SHARE CAPITAL AND RESERVES (continued)

## (d) Stock options (continued)

The following table summarizes information about the options outstanding and exercisable as at December 31, 2023:

<b>Expiry date</b>	<b>Options outstanding</b>	<b>Options exercisable</b>	<b>Exercise price</b>	<b>Remaining contractual life (years)</b>
August 19, 2024	4,250,000	4,250,000	\$ 0.10	0.64
October 11, 2024	1,000,000	1,000,000	\$ 0.10	0.78
January 15, 2025	375,000	375,000	\$ 0.10	1.04
April 14, 2025	5,325,000	5,325,000	\$ 0.10	1.29
May 12, 2025	1,500,000	1,500,000	\$ 0.10	1.36
June 15, 2025	225,000	225,000	\$ 0.10	1.46
November 16, 2025	250,000	250,000	\$ 0.15	1.88
February 8, 2026	5,500,000	5,500,000	\$ 0.15	2.11
March 14, 2027	10,250,000	10,250,000	\$ 0.05	3.20
April 11, 2027	350,000	350,000	\$ 0.05	3.28
April 26, 2027	1,075,000	1,075,000	\$ 0.05	3.32
May 27, 2027	500,000	500,000	\$ 0.06	3.41
January 13, 2024	500,000	500,000	\$ 0.10	0.04
February 9, 2026	6,750,000	3,375,000	\$ 0.05	2.11
March 27, 2026	150,000	75,000	\$ 0.05	2.24
	<b>38,000,000</b>	<b>34,550,000</b>	<b>\$ 0.08</b>	<b>2.08</b>

The weighted average life of stock options outstanding as at December 31, 2023 is 2.08 (March 31, 2023 – 2.71) years.

## (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

**Operating segment**

The Company operates in one operating segment, which is mineral exploration in the US.

**Geographic segments**

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

	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<b>Non-current assets</b>		
Canada	\$ 71,145	\$ 74,345
United States	46,199,246	44,619,688
	<b>\$ 46,270,391</b>	<b>\$ 44,694,033</b>



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**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

## (a) Fair values

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

Financial assets	Financial instrument classification	December 31, 2023	March 31, 2023
GRIT common shares	Fair value through other comprehensive income	\$ 2,725	\$ 5,176

## (b) Fair value hierarchy

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

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

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

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

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

The following table summarizes the classification of the Company's financial instruments within the fair value hierarchy at December 31, 2023:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
GRIT common shares	\$ 2,725	\$ -	\$ -	\$ 2,725

The following table summarizes the classification of the Company's financial instruments within the fair value hierarchy at March 31, 2023:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
GRIT common shares	\$ 5,176	\$ -	\$ -	\$ 5,176

There were no transfers between levels of the fair value hierarchy During the nine months ended December 31, 2023 and year ended March 31, 2023.

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### 11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

#### (b) Fair value hierarchy (continued)

The aggregate fair value of investments with unrealized losses is:

	Fair value	Unrealized loss
<b>As at December 31, 2023</b>		
GRIT common shares	\$ 2,725	\$ (2,451)
<b>As at March 31, 2023</b>		
GRIT common shares	\$ 5,176	\$ (29,995)

#### (c) Financial risk management

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

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

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

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

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

##### (i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk by placing cash with major Canadian financial institutions. Management believes that credit risk related to these amounts is nominal.

##### (ii) Liquidity risk

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

## NULEGACY GOLD CORPORATION

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### 11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

#### (c) Financial risk management (continued)

##### (iii) Interest rate risk

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

##### (iv) Foreign currency risk

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

The functional currency of the Company and its wholly owned subsidiary is the Canadian dollar. While the Company's parent is Canadian and its capital is raised in Canadian dollars, the Company conducts business outside of Canada. As such, it is subject to risk due to fluctuations in the exchange rates for the US dollar and euros. As at December 31, 2023, the Company has cash denominated in US dollars of \$248,694 (March 31, 2023 - \$1,217,031), deposits in US dollars of \$655,145 (March 31, 2023 - \$655,145) and trade and other payables in US dollars of \$655,145 (March 31, 2023 - \$60,609). Each 1% change in the Canadian dollar versus the US dollar would result in a gain/loss of approximately \$91,000 (March 31, 2023 - \$18,100). The Company does not currently hold any financial instruments in euros.

In addition, the Company holds an investment that is denominated in British pounds ("£"). As such, it is subject to fluctuations in the exchange rate for the Canadian dollar and British pound. As at December 31, 2023, the Company has an FVTOCI investment denominated in British pounds of £1,619 (March 31, 2023 - £3,094). Each 1% change in the Canadian dollar versus the British pound will result in a gain/loss of approximately £162 (March 31, 2023 - £214).

##### (v) Other price risk

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

The equity price risk associated with the Company's current available-for-sale investment primarily relates to the change in the market prices of the investments in the portfolio. As at December 31, 2023, the Company owned 190,432 shares (after a 10:1 share consolidation in January 2022) (March 31, 2023 - 190,432) GRIT common shares with each common share valued at £0.010 or \$0.014 (March 31, 2023 - £0.016 or \$0.025). Each £0.01 change in the value per common share will result in a gain/loss of approximately £1,904 or \$3,206 (March 31, 2023 - £1,904 or \$3,126).

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### 12. CAPITAL DISCLOSURE AND MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Company's capital structure includes shareholders' equity of \$46,484,647 (March 31, 2023 - \$46,620,141). 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 nine months ended December 31, 2023.