



Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2021 and 2020
(Expressed in Canadian Dollars – Unaudited)

NULEGACY GOLD CORPORATIONCondensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars – Unaudited)

	Note	June 30, 2021	March 31, 2021
Assets			
Current assets			
Cash and cash equivalents		\$ 10,503,936	\$ 15,675,502
Receivables		16,381	48,394
Prepaid expenses	8	74,908	62,807
Investments	3	89,713	90,792
		10,684,938	15,877,495
Non-current assets			
Deposits	4	840,953	601,202
Fixed assets	5	405,804	420,404
Exploration and evaluation assets	6	38,251,435	33,316,356
		\$ 50,183,130	\$ 50,215,457
Liabilities and Shareholders' Equity			
Current liabilities			
Trade and other payables	7,8	\$ 1,378,822	\$ 648,000
Shareholders' Equity			
Share capital	9	58,621,966	58,621,966
Warrants reserve	9	14,670,145	14,670,145
Share options reserve	9	7,900,064	7,631,045
Revaluation reserve		(3,211,806)	(3,211,806)
Accumulated deficit		(29,176,061)	(28,143,893)
		48,804,308	\$ 49,567,457
		\$ 50,183,130	\$ 50,215,457

Corporate Information and Going Concern (Note 1)

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

NULEGACY GOLD CORPORATION

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

	Note	Three months ended June 30,	
		2021	2020
Operating Expenses			
Consulting		\$ 65,981	\$ 61,708
Depreciation	5	29,756	17,273
Directors' fees		15,000	15,000
Insurance		9,336	12,139
Investor relations		5,015	70,524
Management fees	8	207,100	105,340
Office and administration	8	94,691	94,902
Professional fees	8	10,044	34,031
Regulatory and transfer agent		12,881	8,185
Rent		27,875	31,624
Share based payments	8,9	269,019	181,007
Travel and accomodation		1,425	4,730
		\$ 748,123	\$ 636,463
Other items			
Foreign exchange gain (loss)		(284,114)	(243,627)
Interest income		69	102
		(284,045)	(243,525)
Net loss for the period		\$ (1,032,168)	\$ (879,988)
Other comprehensive loss			
Net change in fair value of available for sale financial assets	3	-	(6,411)
Comprehensive loss for the period		\$ (1,032,168)	\$ (886,399)
Basic and diluted loss per share			
Net loss for the period	9	\$ 0.00	\$ 0.00
Comprehensive loss for the period		\$ 0.00	\$ 0.00
Weighted average common shares outstanding		588,852,453	433,781,862

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

NULEGACY GOLD CORPORATION

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars – Unaudited)

	Three months ended June 30,	
	2021	2020
Operating activities		
Net loss for the period	\$ (1,032,168)	\$ (879,988)
Items not affecting cash and cash equivalents		
Depreciation	29,756	17,273
Share based payments	269,019	181,007
Unrealized gains	1,079	4,337
Changes in non-cash working capital		
Receivables	32,013	341
Prepaid expenses and deposits	(12,101)	(17,062)
Trade and other payables	(567,365)	(66,691)
Total cash outflows from operating activities	\$ (1,279,767)	\$ (760,783)
Financing activities		
Proceeds from issuance of common shares	-	5,625,000
Share issuance costs	-	(322,082)
Total cash inflows from financing activities	\$ -	\$ 5,302,918
Investing activities		
Deposits	\$ (239,751)	\$ 26,456
Purchased of fixed assets	(15,156)	(8,330)
Exploration and evaluation asset expenditures	(3,636,892)	(718,656)
Total cash outflows from investing activities	\$ (3,891,799)	\$ (700,530)
Net change in cash and cash equivalents	\$ (5,171,566)	\$ 3,841,605
Cash and cash equivalents, beginning of period	15,675,502	5,251,540
Cash and cash equivalents, end of period	\$ 10,503,936	\$ 9,093,145
Other non-cash items		
Change in fair market value of available for sale financial assets	\$ -	\$ 29,591
Warrants issued in private placement	-	1,567,485
Warrants issued as finders' fee	-	16,070
Exploration and evaluation assets in trade and other payables	1,196,557	127,088
Supplementary disclosures:		
Interest received	\$ 69	\$ 509

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
(Expressed in Canadian dollars – Unaudited)

	Note	Number of shares	Share capital	Warrants reserve	Share options reserve	Revaluation reserve	Accumulated deficit	Total
Balance, March 31, 2020		407,173,804	46,701,357	8,704,851	7,065,744	(3,205,395)	(24,740,605)	34,525,952
Shares issued, private placement	9	75,000,000	5,625,000	-	-	-	-	5,625,000
Share issuance costs, private placement	9		(529,965)	157,883	-	-	-	(372,082)
Share purchase warrants, private placement	9		(1,425,672)	1,425,672	-	-	-	-
Shares issued, finders' fee	9	666,666	50,000	-	-	-	-	50,000
Share based payments	9	-	-	-	181,007	-	-	181,007
Comprehensive loss for the period		-	-	-	-	(6,411)	(879,988)	(886,399)
Balance, June 30, 2020		482,840,470	50,420,720	10,288,406	7,246,751	(3,211,806)	(25,620,593)	39,123,478
Shares issued, private placement	9	100,000,000	12,500,000	-	-	-	-	12,500,000
Share issuance costs, private placement	9		(896,920)	196,332	-	-	-	(700,588)
Share purchase warrants, private placement	9		(4,362,001)	4,362,001	-	-	-	-
Warrants exercised	9	5,411,983	818,747	(176,594)	-	-	-	642,153
Stock options exercised	9	600,000	141,420	-	(51,420)	-	-	90,000
Share based payments	9	-	-	-	435,714	-	-	435,714
Comprehensive loss for the period		-	-	-	-	-	(2,523,300)	(2,523,300)
Balance, March 31, 2021		588,852,453	\$ 58,621,966	\$ 14,670,145	\$ 7,631,045	\$ (3,211,806)	\$ (28,143,893)	\$ 49,567,457
Share based payments	9	-	-	-	269,019	-	-	269,019
Comprehensive loss for the period		-	-	-	-	-	(1,032,168)	(1,032,168)
Balance, June 30, 2021		588,852,453	\$ 58,621,966	\$ 14,670,145	\$ 7,900,064	\$ (3,211,806)	\$ (29,176,061)	\$ 48,804,308

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

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended June 30, 2021 and 2020

1. Corporate Information and Going Concern

Corporate Information

NuLegacy Gold Corporation (the “Company”) is a publicly listed entity on the TSX Venture Exchange (the “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 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 12 months.

2. Significant Accounting Policies

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

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 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 August 25, 2021.

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended June 30, 2021 and 2020

Basis of presentation

The condensed interim 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 and available for sale 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, 2020, with the exception of certain amendments to accounting standards issued by the IASB, which were applicable from April 1, 2021. 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, 2021.

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. Inter-company balances and transactions, including any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the condensed interim consolidated financial statements.

Significant accounting judgments, estimates and assumptions

The preparation of the 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 consolidated financial statements and the reported expenses during the year.

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.

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

- (a) Economic recoverability and probability of future economic benefits of exploration and evaluation assets:

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended June 30, 2021 and 2020

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

(a) 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.

(b) Recovery of deferred tax assets:

Judgment is required in determining whether deferred tax assets are recognized on the 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.

Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

3. Investments

The fair value of GRIT common shares as at June 30, 2021 was \$89,713 (March 31, 2021 – \$90,792). During the three months ended June 30, 2021, the Company recorded a revaluation reserve loss on the investment of \$1,079 (June 30, 2020 – \$4,337) and an unrealized foreign exchange loss of \$nil (June 30, 2020 – \$6,411).

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

(Expressed in Canadian dollars – Unaudited)

For the three months ended June 30, 2021 and 2020

4. Deposits

	June 30, 2021		March 31, 2021	
Credit card collateral	\$	60,081	\$	60,497
Reclamation bonds		776,027		535,860
Security deposits		4,845		4,845
	\$	840,953	\$	601,202

5. Fixed Assets

	Computers		Vehicles		Equipment		Leasehold Improvements		Total	
Cost										
As at March 31, 2020		235,443		148,902		64,093		29,509		477,947
Additions		47,597		238,377		60,118		-		346,092
As at March 31, 2021		283,040		387,279		124,211		29,509		824,039
Additions		15,156		-		-		-		15,156
As at June 30, 2021	\$	298,196	\$	387,279	\$	124,211	\$	29,509	\$	839,195
Accumulated depreciation										
As at March 31, 2020		213,157		57,877		34,419		16,230		321,683
Charge for the period		24,503		37,726		13,821		5,902		81,952
As at March 31, 2021		237,660		95,603		48,240		22,132		403,635
Charge for the period		10,455		11,615		6,211		1,475		29,756
As at June 30, 2021	\$	248,115	\$	107,218	\$	54,451	\$	23,607	\$	433,391
Net book value										
As at March 31, 2021	\$	45,380	\$	291,676	\$	75,971	\$	7,377	\$	420,404
As at June 30, 2021	\$	50,081	\$	280,061	\$	69,760	\$	5,902	\$	405,804

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended June 30, 2021 and 2020

6. Exploration and Evaluation Assets

	Red Hill Properties			
	Iceberg Property	Wilson Property	Coal Canyon	Total
Balance March 31, 2020	\$ 26,495,345	\$ 1,875,937	\$ 36,278	\$ 28,407,560
Assays	182,937	-	-	182,937
Drilling	2,768,650	-	-	2,768,650
Geological consulting and salaries	1,106,465	-	-	1,106,465
Geophysics	261,243	-	-	261,243
Miscellaneous	152,331	-	-	152,331
Property maintenance	193,973	133,650	15,209	342,832
Travel and vehicle	94,338	-	-	94,338
Total Additions	\$ 4,759,937	\$ 133,650	\$ 15,209	\$ 4,908,796
Balance March 31, 2021	\$ 31,255,282	\$ 2,009,587	\$ 51,487	\$ 33,316,356
Assays	79,542	-	-	79,542
Drilling	4,292,675	-	-	4,292,675
Geological consulting and salaries	352,606	-	-	352,606
Miscellaneous	58,109	-	-	58,109
Property maintenance	558	-	-	558
Travel and vehicle	151,589	-	-	151,589
Total Additions	\$ 4,935,079	\$ -	\$ -	\$ 4,935,079
Balance June 30, 2021	\$ 36,190,361	\$ 2,009,587	\$ 51,487	\$ 38,251,435

Eureka County, Nevada*Iceberg Property:*

On September 16, 2010 (later amended on August 23, 2012), the Company entered into an exploration agreement with a joint venture election and option to purchase from Barrick Gold Exploration Inc. ("Barrick") for a 70% undivided interest in 818 unpatented mining claims in the Iceberg Property located in Eureka County, Nevada, U.S.A. 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%.

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended June 30, 2021 and 2020

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 (later 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:

- \$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 1st, April 1st, July 1st and October 1st 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 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.

Coal Canyon:

Sixty-four lode mining claims (5.1 km²) contiguous to the western margin of the Vio area were staked the first of September 2018 to control a highly prospective area. This brings the Red Hill land holding to a total of 108 km². The Coal Canyon claims contain both Carlin-type and epithermal-type targets.

7. Trade and Other Payables

	June 30, 2021	March 31, 2021
Trade payables and accruals	\$ 1,357,348	\$ 631,776
Related party payables	21,474	16,224
	\$ 1,378,822	\$ 648,000

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended June 30, 2021 and 2020

8. Related Party Transactions

Key management personnel include directors and officers that provide management and consulting service to the Company. Remuneration of key management personnel during the three months ended June 30 was as follows:

	Three months ended June 30,	
	2021	2020
Exploration and evaluation assets	\$ 6,442	\$ 3,869
Management fees	207,100	105,340
Directors' fees	15,000	15,000
Consulting fees	42,051	40,662
Office	3,600	8,483
Professional fees	10,044	24,928
Share issuance costs	-	36,996
Share based payments	4,882	26,701
	\$ 289,119	\$ 261,979

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

9. Share Capital and Reserves

Authorized Share Capital

Unlimited common shares without par value

Issued Share Capital

	Shares	Share capital (gross)	Share issue costs	Share capital (net)
Balance, March 31, 2020	407,173,804	\$ 49,124,919	\$ 2,423,562	\$ 46,701,357
Private placement	175,666,666	12,387,327	1,426,885	10,960,442
Warrants exercised	5,411,983	818,747	-	818,747
Stock options exercised	600,000	141,420	-	141,420
Balance, March 31, 2021 and June 30, 2021	588,852,453	\$ 62,472,413	\$ 3,850,447	\$ 58,621,966

- i. On January 19, 2021, the Company completed a non-brokered private placement of 100,000,000 units (the "Units") at a price of \$0.125 per unit for aggregate gross proceeds of \$12,500,000. Each Unit consists of one common share and one common share purchase warrant (each full warrant, a "Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at an exercise price of \$0.20 for a period of 36 months following the closing. The fair value attributable to these share purchase warrants was \$4,599,663. The Company paid the agents a cash commission of \$588,120 and issued 2,810,160 broker warrants (valued at \$196,333). Each broker warrant entitles the holder to purchase one common share of the Company at a price of \$0.20 for a period of 36 months following closing. In addition, the Company also incurred additional share issuance costs of \$112,468.

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended June 30, 2021 and 2020

- ii. On May 29, 2020, the Company completed a non-brokered private placement of 75,000,000 units (the “Units”) at a price of \$0.075 per unit for aggregate gross proceeds of \$5,625,000. Each Unit consists of one common share and one-half of one common share purchase warrant (each full warrant, a “Warrant”). Each Warrant entitles the holder to acquire one common share of the Company at an exercise price of \$0.125 for a period of 24 months following the closing. The fair value attributable to these share purchase warrants was \$1,425,672. The Company paid the agents a cash commission of \$247,964 and issued 2,941,520 broker warrants (valued at \$215,886). Each broker warrant entitles the holder to purchase one common share of the Company at a price of \$0.075 for a period of 36 months following closing. In addition, the Company also incurred share issue costs of \$149,920.

Warrants

A summary of the warrant activities is as follows:

	Number of shares	Weighted average exercise price
Balance, March 31, 2020	68,034,965	\$ 0.15
Issued	143,585,013	0.18
Exercised	(5,411,983)	0.12
Expired	(12,775,008)	0.30
Balance, March 31, 2021 and June 30, 2021	193,432,987	\$ 0.16

The following share purchase warrants were outstanding as at June 30, 2021:

Expiry date	Number of warrants	Exercise price	Remaining contractual life (years)
October 8, 2022	45,342,117	\$ 0.12	1.27
October 8, 2022	5,038,857	0.075	1.27
May 29, 2022	40,251,853	0.125	0.91
January 19, 2024	102,810,160	0.20	2.56
	193,432,987	\$ 0.16	1.88

The weighted average life of the warrants outstanding at June 30, 2021 is 1.88 years.

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 25,000,000 common shares to eligible recipients.

During the three months ended June 30, 2021:

- a. There were no stock options granted during the quarter.

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended June 30, 2021 and 2020

During the year ended March 31, 2021:

- a. In April 2020, the Company granted 7,000,000 stock options exercisable at \$0.10 per share to employees, directors and consultants of the Company. The fair value attributable to these stock options was \$292,035 using the Black Scholes option pricing model of which \$265,335 was expensed during the year.
- b. In May 2020, the Company granted 1,500,000 stock options exercisable at \$0.10 per share to a consultant of the Company. The fair value attributable to these stock options was \$81,607 using the Black Scholes option pricing model of which \$59,676 was expensed during the year.
- c. In June 2020, the Company granted 450,000 stock options exercisable at \$0.10 per share to an employee of the Company. The fair value attributable to these stock options was \$26,636 using the Black Scholes option pricing model of which \$18,309 was expensed during the year.
- d. In February 2021, the Company granted 7,525,000 stock options exercisable at \$0.15 per share to a director of the Company. The fair value attributable to these stock options was \$807,223 using the Black Scholes option pricing model of which \$117,565 was expensed during the year.
- e. In February 2021, the Company granted 575,000 stock options exercisable at \$0.15 per share to employees and consultants of the Company. The fair value attributable to these stock options was \$55,389 using the Black Scholes option pricing model of which \$5,557 was expensed during the year.

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:

	Three months ended June 30,	
	2021	2020
Risk-free interest rate	n/a	0.35% to 0.54%
Expected life	n/a	5.0
Annualized volatility	n/a	104.61% to 106.15%
Dividend rate	n/a	-
Grant date fair value	n/a	\$0.042 to \$0.059

A summary of the stock option activities is as follows:

	Number of options	Weighted average exercise price
Balance, March 31, 2020	33,450,000	\$ 0.20
Granted	17,050,000	0.12
Exercised	(600,000)	0.15
Forfeited	(625,000)	0.10
Expired	(6,500,000)	0.15
Balance, March 31, 2021	42,775,000	\$ 0.18
Expired	(1,775,000)	0.23
Balance, June 30, 2021	41,000,000	0.18

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended June 30, 2021 and 2020

The following table summarizes information about the options outstanding and exercisable as at June 30, 2021:

Expiry date	Options outstanding	Options exercisable	Exercise price	Remaining contractual life (years)
July 18, 2021	400,000	400,000	0.31	0.05
September 1, 2021	300,000	300,000	0.27	0.17
September 21, 2021	535,000	535,000	0.40	0.23
November 14, 2021	750,000	750,000	0.325	0.38
November 23, 2021	2,710,000	2,710,000	0.325	0.40
January 24, 2022	750,000	750,000	0.325	0.57
February 15, 2022	150,000	150,000	0.325	0.63
March 15, 2022	150,000	150,000	0.325	0.71
June 1, 2022	350,000	350,000	0.325	0.92
August 16, 2022	100,000	100,000	0.250	1.13
September 23, 2022	8,655,000	8,655,000	0.235	1.21
November 18, 2022	500,000	500,000	0.235	1.39
February 12, 2023	200,000	200,000	0.20	1.62
May 8, 2023	750,000	750,000	0.20	1.85
June 1, 2023	600,000	600,000	0.20	1.92
September 1, 2023	650,000	650,000	0.20	2.17
August 9, 2024	5,425,000	4,068,750	0.10	3.17
October 11, 2024	1,000,000	500,000	0.10	3.28
January 15, 2025	375,000	375,000	0.10	3.55
April 14, 2025	6,750,000	3,500,001	0.10	3.79
May 12, 2025	1,500,000	375,000	0.10	3.87
June 15, 2025	450,000	180,000	0.10	3.96
February 8, 2026	7,375,000	-	0.15	4.61
February 24, 2026	575,000	-	0.15	4.66
	41,000,000	26,548,751		

The weighted average life of stock options outstanding as at June 30, 2021 is 2.67 years.

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 InformationOperating segment:

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

Geographic segments:

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

	June 30, 2021	March 31, 2021
Non-current assets		
Canada	\$ 87,276	\$ 85,644
United States	39,410,916	34,252,318
	\$ 39,498,192	\$ 34,337,962

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended June 30, 2021 and 2020

11. Financial Instruments and Risk Management

Fair values

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

Financial Assets	Financial instrument classification	Fair Value	
		June 30, 2021	March 31, 2021
GRIT common shares	Available for sale	89,713	90,792
		\$ 89,713	\$ 90,792

Fair value hierarchy

The Company 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.

The following table summarizes the classification of the Company's financial instruments within the fair value hierarchy at June 30, 2021:

	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	89,713	-	-	89,713
	\$ 89,713	\$ -	\$ -	\$ 89,713

The following table summarizes the classification of the Company's financial instruments within the fair value hierarchy at March 31, 2021:

	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	90,792	-	-	90,792
	\$ 90,792	\$ -	\$ -	\$ 90,792

There were no transfers between levels of the fair value hierarchy during the three months ended June 30, 2021.

The aggregate fair value of investments with unrealized losses is:

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended June 30, 2021 and 2020

		Fair Value	Unrealized Loss
As at June 30, 2021			
GRIT common shares	\$	89,713	\$ -
As at March 31, 2021			
GRIT common shares	\$	90,792	\$ - 6,411

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 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.

(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.

NULEGACY GOLD CORPORATION

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended June 30, 2021 and 2020

(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 United States dollar and Euros. As at June 30, 2021, the Company has cash and cash equivalents denominated in US dollars of \$7,871,502 (March 31, 2021 - \$12,185,470), deposits in US dollars of \$626,131 (March 31, 2021 - \$449,131) and trade and other payables in US dollars of \$1,289,376 (March 31, 2021 - \$485,601). Each 1% change in the Canadian dollar versus the US dollar would result in a gain/loss of approximately USD \$72,083 (March 31, 2021 – USD \$121,490).

In addition, the Company holds an investment that is denominated in British Pounds (£). As such, it is subject to fluctuations in the exchange rates for the Canadian dollar and British Pounds. As at June 30, 2021, the Company has an available for sale investment denominated in British Pounds of £52,369 (March 31, 2021 - £52,369). Each 1% change in the Canadian dollar versus the British Pound will result in a gain/loss of approximately £524 (March 31, 2021 - £524).

(iv) 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 June 30, 2021, the Company owned 1,904,320 (March 31, 2021 – 1,904,320) GRIT common shares with each common share valued at £0.03 or \$0.05 (March 31, 2021 - £0.03 or \$0.05). Each £0.01 change in the value per common share will result in a gain/loss of approximately £19,043 or \$33,523 (March 31, 2021 - £19,043 or \$33,523).

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 \$48,804,308 (March 31, 2021 - \$49,567,457). 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 three months ended June 31, 2021.

13. Covid-19

In March 2020, the World Health Organization declared that coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, as well as financial markets globally, potentially leading to an economic downturn. Efforts to contain the virus have severely limited the mobility of people and businesses. While the health and safety of our employees, contractors and community at large remain a high priority, it is not possible for the Company at this time to predict the duration or magnitude of the impact of the pandemic towards the Company's business or results from its operations.