



Consolidated Financial Statements

For the years ended March 31, 2024 and 2023  
*(Expressed in Canadian Dollars)*

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NuLegacy Gold Corporation

Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of NuLegacy Gold Corporation (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of the material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024 and 2023 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company's continuing operations are dependent upon its ability to raise adequate financing and/or to achieve profitable operations. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

<b>Key audit matter:</b>	<b>How our audit addressed the key audit matter:</b>
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
<i>Refer to note 2 – Significant accounting judgements, estimates and assumptions, note 2(h) – Accounting policy for Mineral exploration, evaluation and development expenditures and note 6 Exploration and evaluation assets</i>	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:

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Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation assets may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment.

We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.

- Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment.
- Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit.
- Confirmed that the Company's right to explore the properties had not expired.
- Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets.
- Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

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## **Other Information**

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is James Roxburgh.

The image shows a handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

**Chartered Professional Accountants**

Vancouver, BC, Canada  
July 26, 2024

**NULEGACY GOLD CORPORATION**  
Consolidated Statements of Financial Position  
*(Expressed in Canadian dollars)*

	Note	March 31, 2024	March 31, 2023
<b>ASSETS</b>			
Current assets			
Cash		\$ 199,710	\$ 1,977,196
Receivables		3,208	11,186
Prepaid expenses		49,132	98,915
Investments	3	4,060	5,176
		256,110	2,092,473
Non-current assets			
Deposits	4	919,408	918,300
Fixed assets	5	9,928	116,855
Exploration and evaluation assets	6	45,417,533	43,658,878
		\$ 46,602,979	\$ 46,786,506
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current liabilities			
Trade and other payables	7,8	\$ 265,233	\$ 166,365
		265,233	166,365
Shareholders' Equity			
Share capital	9	59,105,392	58,621,966
Warrants reserve	9	15,274,482	14,670,145
Share options reserve	9	8,918,216	8,827,934
Revaluation reserve		(3,295,738)	(3,294,622)
Deficit		(33,664,606)	(32,205,282)
		46,337,746	46,620,141
		\$ 46,602,979	\$ 46,786,506

Nature and Continuance of Operations (Note 1)

Approved by the Board of Directors on July 26, 2024.

"Alex Davidson" Director

Alex Davidson

"Albert Matter" Director

Albert Matter

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

**NULEGACY GOLD CORPORATION**Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian dollars)

	Note	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>EXPENSES</b>			
Consulting		\$ 89,475	\$ 101,780
Depreciation	5	45,477	71,714
Directors' fees	8	28,182	26,500
Insurance		53,408	56,605
Investor relations		21,429	12,148
Management fees	8	255,000	374,637
Office and administration	8	571,581	372,466
Professional fees	8	143,422	206,767
Regulatory and transfer agent		78,338	71,182
Rent		102,373	93,755
Share based payments	8,9	90,282	377,100
Travel and accommodation		43,531	96,059
		(1,522,498)	(1,860,713)
<b>OTHER ITEMS</b>			
Foreign exchange gain (loss)		(11,067)	367,666
Interest income		8,396	241
Gain on sale of assets		65,845	-
<b>NET LOSS FOR THE YEAR</b>		<b>(1,459,324)</b>	<b>(1,492,806)</b>
<b>OTHER COMPREHENSIVE LOSS</b>			
Net change in fair value of financial assets at FVTOCI	3	(1,116)	(29,995)
<b>COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>\$ (1,460,440)</b>	<b>\$ (1,522,801)</b>
<b>Basic and diluted loss per common share</b>			
Net loss for the year	9	\$ (0.00)	\$ (0.00)
Comprehensive loss for the year	9	\$ (0.00)	\$ (0.00)
<b>Weighted average number of common shares outstanding</b>		<b>605,150,780</b>	<b>588,852,453</b>

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

**NULEGACY GOLD CORPORATION**

## Consolidated Statements of Cash Flows

*(Expressed in Canadian dollars)*

	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>CASH FLOWS PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	\$ (1,459,324)	\$ (1,492,806)
Items not affecting cash:		
Depreciation	45,477	71,714
Share based payments	90,282	377,100
Foreign exchange	3,759	(272,017)
Gain on sale of assets	(65,845)	-
Change in non-cash working capital items		
Receivables	7,978	12,735
Prepaid expenses	49,783	(37,677)
Trade and other payables	(20,340)	(38,471)
<b>Net cash used in operating activities</b>	<b>(1,348,230)</b>	<b>(1,379,422)</b>
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation asset expenditures	(1,650,241)	(2,016,493)
Purchase of fixed assets	(9,420)	(2,765)
Proceeds from sale of fixed assets	136,715	-
<b>Net cash used in investing activities</b>	<b>(1,522,946)</b>	<b>(2,019,258)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from private placement, net	1,098,557	-
<b>Total cash inflows from financing activities</b>	<b>1,098,557</b>	<b>-</b>
Effect on cash of foreign exchange	(4,867)	201,341
Change in cash during the year	(1,777,486)	(3,197,339)
Cash, beginning of year	1,977,196	5,174,535
<b>Cash, end of year</b>	<b>\$ 199,710</b>	<b>\$ 1,977,196</b>
<b>Other non-cash transactions:</b>		
Change of fair market value of investments	\$ 1,116	\$ 29,995
Exploration and evaluation assets in trade and other payables	\$ 148,160	\$ 39,746
Share issue cost included in trade and other payables	\$ 10,794	\$ -
Fixed assets included in trade and other payables	\$ -	\$ 8,381

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

**NULEGACY GOLD CORPORATION**Consolidated Statements of Changes in Equity  
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Warrants Reserves	Share Options Reserves	Revaluation Reserves	Deficit	Total
Balance, March 31, 2022	588,852,453	\$ 58,621,966	\$ 14,670,145	\$ 8,450,834	\$ (3,264,627)	\$(30,712,476)	\$ 47,765,842
Share based payments	-	-	-	377,100	-	-	377,100
Loss and comprehensive loss for the year	-	-	-	-	(29,995)	(1,492,806)	(1,522,801)
Balance, March 31, 2023	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	601,936	591,102	-	-	-	1,193,038
Share issue cost	-	(118,510)	13,235	-	-	-	(105,275)
Share based payments	-	-	-	90,282	-	-	90,282
Loss and comprehensive loss for the year	-	-	-	-	(1,116)	(1,459,324)	(1,460,440)
Balance, March 31, 2024	636,573,953	\$ 59,105,392	\$ 15,274,482	\$ 8,918,216	\$ (3,295,738)	\$(33,664,606)	\$ 46,337,746

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



## **NULEGACY GOLD CORPORATION**

Notes to Consolidated Financial Statements

*(Expressed in Canadian dollars)*

For the years ended March 31, 2024 and 2023

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

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 and principal address of the Company are located at 1055 West Hastings Street, Suite 300, Vancouver, British Columbia, Canada, V6E 2E9. The records office of the Company is located at Suite 1604, 1166 Alberni Street, Vancouver, British Columbia, Canada, V6E 3Z3.

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.

These 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 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. These conditions give rise to material uncertainties which may cast significant doubt as to whether the Company will 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.

### **2. MATERIAL ACCOUNTING POLICY INFORMATION**

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

#### **(a) Statement of compliance**

The consolidated financial statements of the Company and its subsidiary have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements, including the comparative amounts, were approved and authorized for issue by the Audit Committee and Board of Directors on July 26, 2024.

#### **(b) Basis of presentation**

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 (“FVTPL”) and fair value through other comprehensive income (“FVTOCI”) that have been measured at fair value at the reporting date. The consolidated financial statements are presented in Canadian dollars, unless otherwise indicated.

## **NULEGACY GOLD CORPORATION**

Notes to Consolidated Financial Statements

*(Expressed in Canadian dollars)*

For the years ended March 31, 2024 and 2023

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### 2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, NuLegacy Gold Corporation NV, 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 consolidated financial statements.

#### (d) Functional currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its wholly owned subsidiary is the Canadian dollar. The reporting currency of the Company is also the Canadian dollar.

#### (e) Foreign currencies

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities not stated at fair value are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities stated at fair value are translated using the historical rate on the date that the fair value was determined.

#### (f) Financial instruments

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes a party to the contractual provisions of the instrument.

At initial recognition, financial assets are measured at fair value and classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). At initial recognition, financial liabilities are measured at fair value and classified as, subject to certain exceptions, subsequently measured at amortized cost. For financial assets and financial liabilities not at FVTPL, fair value is adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks and on hand. Cash and cash equivalents are classified as subsequently measured at amortized cost.

##### *Trade receivables*

These receivables are non-interest bearing and are recognized at face amount, except when fair value is materially different and are subsequently measured at amortized cost. Trade receivables recorded are net of lifetime expected credit losses.

##### *Deposits*

Deposits are classified as subsequently measured at amortized cost.

## NULEGACY GOLD CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended March 31, 2024 and 2023

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### 2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (f) Financial instruments (continued)

##### *Investments in marketable equity securities*

Investments in marketable equity securities are classified, at the Company's election, as subsequently measured at FVTOCI. For new investments in marketable equity securities, the Company can elect the same classification as subsequently measured at FVTOCI, or it can elect to classify an investment as at FVTPL. This election can be made on an investment-by-investment basis and is irrevocable. Investment transactions are recognized on the trade date with transaction costs included in the underlying balance. Fair values are determined by reference to quoted market prices at the statement of financial position date.

When investments in marketable equity securities are disposed of, the cumulative gains and losses recognized in other comprehensive income (loss) are not recycled to profit or loss and remain within equity. Dividends are recognized in profit or loss and these investments are not assessed for impairment.

##### *Trade payables*

Trade payables are non-interest bearing if paid when due and are recognized at face amount, except when fair value is materially different. Trade payables are subsequently measured at amortized cost.

##### *Expected credit losses*

For trade receivables, the Company applies the simplified approach to determining expected credit losses, which requires expected lifetime losses to be recognized upon initial recognition of the receivables.

##### *Impairment*

The Company recognizes an allowance using the Expected Credit Loss ("ECL") model on financial assets classified as amortized cost. The Company has elected to use the simplified approach for measuring ECL by using a lifetime expected loss allowance for all amounts recoverable. Under this model, impairment provisions are based on credit risk characteristics and days past due. When there is no reasonable expectation of collection, financial assets classified as amortized cost are written off. Indications of credit risk arise based on failure to pay and other factors. Should objective events occur after an impairment loss is recognized, a reversal of impairment is recognized in the statement of loss and comprehensive loss.

#### (g) Equity

Equity instruments are classified as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

#### (h) Mineral exploration, evaluation and development expenditures

##### i) Pre-license costs:

Pre-license costs are expensed in the period in which they are incurred.

##### ii) Exploration and evaluation costs:

Once the legal right to explore has been acquired, exploration and evaluation expenditures are charged to profit or loss as incurred, unless the Company concludes that a future economic benefit is more likely than not to be realized. These costs include materials and fuel used, surveying costs, drilling costs and payments made to contractors. In evaluating if expenditures meet the criteria to be capitalized, several different sources of information are utilized. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### (h) Mineral exploration, evaluation and development expenditure (continued)

#### ii) Exploration and evaluation costs (continued):

Exploration and evaluation expenditure incurred on licences where a resource has not yet been established are expensed as incurred until sufficient evaluation has occurred in order to establish a resource. Costs expensed during this phase are included in 'exploration expenditure' in profit or loss.

Upon the establishment of a resource (at which point, the Company considers it probable that economic benefits will be realized), the Company capitalizes any further evaluation costs incurred for the particular licence to exploration and evaluation assets up to the point when a reserve is established. Once reserves are established and development is sanctioned, exploration and evaluation assets are tested for impairment and transferred to 'Mines under construction'. No amortization is charged during the exploration and evaluation phase.

### (i) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation for fixed assets is calculated using the straight-line method over the following expected useful lives:

• Computer equipment	2 years
• Vehicles	5 years
• Leasehold improvements	5 years
• Equipment	5 years

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

### (j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the asset is tested as part of a larger CGU. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

## **NULEGACY GOLD CORPORATION**

Notes to Consolidated Financial Statements

*(Expressed in Canadian dollars)*

For the years ended March 31, 2024 and 2023

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### **2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **(j) Impairment of non-financial assets (continued)**

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase and is recognized through other comprehensive income.

#### **(k) Share based payments**

The Company operates equity-settled share-based remuneration plans (share options plans) for its eligible directors, officers, employees and consultants. None of the Company's plans feature any options for a cash settlement. Occasionally, the Company also issues warrants to brokers.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless fair value cannot be reasonably estimated reliably. Where employees are rewarded using share-based payments, the fair value of the services rendered by the employees or a consultant providing similar services as employees is determined indirectly by reference to the fair value of the equity instruments granted. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

No adjustment is made to any expense recognized in the prior period if the number of share options ultimately exercised is different from that estimated on vesting. Share-based payments incorporate an expected forfeiture rate.

All equity-settled share-based payments under equity-settled share-based payment plans, except warrants to brokers, are ultimately recognized as an expense in profit or loss with a corresponding credit to the contributed surplus reserve, in equity. At the same time, upon exercise of a share option, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the share options recorded in the contributed surplus reserve are then transferred to share capital. Warrants issued to brokers are recognized as an issuance cost of equity instruments with a corresponding credit to the warrants reserve, in equity.

#### **(l) Income taxes**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

## **NULEGACY GOLD CORPORATION**

Notes to Consolidated Financial Statements

*(Expressed in Canadian dollars)*

For the years ended March 31, 2024 and 2023

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### 2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (l) Income taxes (continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### (m) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting year. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

#### (n) Comprehensive loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net profit such as unrealized gains or losses on investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to self-sustaining operations. The Company's comprehensive loss and components of other comprehensive loss are presented in the consolidated statements of comprehensive loss and the consolidated statements of changes in equity.

#### (o) Warrants

Share issuances during the year that include a warrant have been bifurcated into a share and warrant component for accounting purposes. The unit price is allocated to common shares and warrants based on their relative fair values. The fair value of common shares is the market price on the date of issue and the fair value of warrants is determined using the Black-Scholes Option Pricing Model. Because the Black-Scholes Option Pricing Model requires the input of highly subjective assumptions, including the volatility of share price, changes in subjective input assumptions can materially affect the fair value estimate. The warrant component is recorded as a separate line item in equity and is reclassified to share capital when exercised.

#### *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.

## NULEGACY GOLD CORPORATION

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### 2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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 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.

Going Concern

The assessment of the Company's ability to continue as a going concern involves critical judgment based on historical experience and expectations of the Corporation's ability to generate adequate financing. Significant judgment is used in the Company's assessment of its ability to continue as a going concern.

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 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.

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**3. INVESTMENTS**

The fair value of the GRIT Investment Trust PLC (“GRIT”) common shares as at March 31, 2024 was \$4,060 (March 31, 2023 – \$5,176). During the year ended March 31, 2024, the Company recorded a revaluation reserve loss on the investment of \$1,116 (March 31, 2023 – \$29,995).

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

**4. DEPOSITS**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Credit card collateral	\$ 62,790	\$ 62,750
Reclamation bonds	851,303	850,235
Security deposits	5,315	5,315
	<b>\$ 919,408</b>	<b>\$ 918,300</b>

**5. FIXED ASSETS**

	<b>Computers \$</b>	<b>Vehicles \$</b>	<b>Equipment \$</b>	<b>Leasehold improvements \$</b>	<b>Total \$</b>
<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	9,420	-	-	-	9,420
Disposals	-	(152,725)	(116,300)	-	(269,025)
<b>As at March 31, 2024</b>	<b>334,199</b>	<b>-</b>	<b>-</b>	<b>29,509</b>	<b>363,708</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 year	14,932	20,525	10,020	-	45,477
Disposals for the year	-	(106,902)	(91,253)	-	(198,155)
<b>As at March 31, 2024</b>	<b>324,271</b>	<b>-</b>	<b>-</b>	<b>29,509</b>	<b>353,780</b>
<b>Net book value</b>					
As at March 31, 2023	<b>15,440</b>	<b>66,348</b>	<b>35,067</b>	<b>-</b>	<b>116,855</b>
<b>As at March 31, 2024</b>	<b>9,928</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,928</b>



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## 6. EXPLORATION AND EVALUATION ASSETS

	<b>Red Hill Properties</b>			<b>Total \$</b>
	<b>Iceberg Property \$</b>	<b>Wilson Property \$</b>	<b>Coal Canyon \$</b>	
<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
<b>Total additions</b>	<b>1,919,597</b>	<b>108,860</b>	<b>14,600</b>	<b>2,043,057</b>
<b>Balance, March 31, 2023</b>	<b>41,331,822</b>	<b>2,246,506</b>	<b>80,550</b>	<b>43,658,878</b>
Additions				
Assays	81,015	-	-	81,015
Drilling	605,899	-	-	605,899
Geological consulting and salaries	352,270	-	-	352,270
Miscellaneous	104,364	(1,729)	-	102,635
Property maintenance	186,219	383,916	14,601	584,736
Travel and vehicle	32,100	-	-	32,100
<b>Total additions</b>	<b>1,361,867</b>	<b>382,187</b>	<b>14,601</b>	<b>1,758,655</b>
<b>Balance, March 31, 2024</b>	<b>42,693,689</b>	<b>2,628,693</b>	<b>95,151</b>	<b>45,417,533</b>

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 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.

## NULEGACY GOLD CORPORATION

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(Expressed in Canadian dollars)

For the years ended March 31, 2024 and 2023

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

#### Eureka County, Nevada (continued)

##### *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:

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

On July 9, 2017, the Company further amended the agreement with Idaho. The quarterly payments of US\$12,500 due each year have been replaced with one annual payment of US\$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 US\$150,000 each calendar year commencing in 2018 and in all succeeding calendar years until commercial production commences. During the year ended March 31, 2024 the Company paid the option holder cash totaling US\$181,818 representing the shortfall from prior years of the minimum US\$150,000 required expenditures.

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

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Trade payables and accruals	\$ 177,738	\$ 145,385
Related party payables	87,495	20,980
	<b>\$ 265,233</b>	<b>\$ 166,365</b>

**NULEGACY GOLD CORPORATION**

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*(Expressed in Canadian dollars)*

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**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 years ended March 31, 2024 and 2023 was as follows:

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Consulting fees	\$ 84,375	\$ 90,185
Directors' fees	28,125	26,500
Exploration and evaluation assets	-	37,914
Management fees	255,000	374,637
Office	14,400	14,400
Professional fees	109,962	117,390
Share issue cost	55,097	-
Share based payments	11,760	227,041
	<b>\$ 558,719</b>	<b>\$ 888,067</b>

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****(a) Authorized Share Capital**

Unlimited common shares without par value.

**(b) Issued Share Capital**During the year ended March 31, 2024

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 unit warrants were ascribed a value of \$591,102. The Company paid finder's fees totaling \$105,276 cash and issued 449,400 non-transferable share purchase warrants to purchase up to 449,400 common shares at a price of \$0.05 per share for a period of five years. The finder's warrants were ascribed a value of \$13,235 based on the following Black-Scholes assumptions: risk-free interest rate – 3.76% to 3.78%; expected life – 5 years; annualized volatility – 213.42% to 217.08%; dividend rate – 0%; and grant date fair of common shares – \$0.03.

For the year ended March 31, 2023

No shares were issued.

**(c) Common share purchase warrants**

A summary of the warrant activities is as follows:

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
<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
Expired	(102,810,160)	0.20
<b>Balance, March 31, 2024</b>	47,721,500	\$ 0.05

**NULEGACY GOLD CORPORATION**

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For the years ended March 31, 2024 and 2023

## 9. SHARE CAPITAL AND RESERVES

## (c) Common share purchase warrants (continued)

The following share purchase warrants were outstanding as at March 31, 2024:

<b>Expiry date</b>	<b>Number of Warrants</b>	<b>Exercise price</b>	<b>Remaining contractual life (years)</b>
November 3, 2028	37,721,500	\$ 0.05	4.06
November 27, 2028	10,000,000	\$ 0.05	4.66

The weighted average life of the warrants outstanding at March 31, 2024 is 4.66 (March 31, 2023 – 0.81) years.

## (d) Compensation warrants

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
<b>Balance, March 31, 2022 and March 31, 2023</b>	-	\$ -
Issued	449,400	0.05
<b>Balance, March 31, 2024</b>	449,400	\$ 0.05

The following compensation warrants were outstanding as at March 31, 2024:

<b>Expiry date</b>	<b>Number of Warrants</b>	<b>Exercise price</b>	<b>Remaining contractual life (years)</b>
November 3, 2028	78,400	\$ 0.05	4.60
November 27, 2028	371,000	\$ 0.05	4.66

The weighted average life of the compensation warrants outstanding at March 31, 2024 is 4.65 (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 year ended March 31, 2024:

There were no stock options granted during the year.

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## 9. SHARE CAPITAL AND RESERVES (continued)

## (e) 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 \$4,655 (2023 - \$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 \$4,497 (2023 - \$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 \$62,695 (2023 - \$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 \$2,001 (2023 - \$740) was expensed during the period.

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

	March 31, 2024	March 31, 2023
Risk-free interest rate	N/A	2.60% - 3.67%
Expected life (years)	N/A	2.87 - 5.00
Annualized volatility	N/A	131.91% - 220.54%
Dividend rate	N/A	-
Grant date fair value	N/A	\$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	(3,550,000)	0.13
<b>Balance, March 31, 2024</b>	36,200,000	\$ 0.08

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## 9. SHARE CAPITAL AND RESERVES (continued)

## (e) Stock Options (continued)

The following table summarizes information about the options outstanding and exercisable as at March 31, 2024:

<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	3,750,000	3,750,000	\$ 0.10	0.39
October 11, 2024	1,000,000	1,000,000	\$ 0.10	0.53
January 15, 2025	375,000	375,000	\$ 0.10	0.79
April 14, 2025	5,025,000	5,025,000	\$ 0.10	1.04
May 12, 2025	1,500,000	1,500,000	\$ 0.10	1.12
June 15, 2025	225,000	225,000	\$ 0.10	1.21
November 16, 2025	250,000	250,000	\$ 0.15	1.63
February 8, 2026	5,500,000	5,500,000	\$ 0.15	1.86
March 14, 2027	10,250,000	10,250,000	\$ 0.05	2.95
April 11, 2027	350,000	350,000	\$ 0.05	3.03
April 26, 2027	1,075,000	1,075,000	\$ 0.05	3.07
May 27, 2027	500,000	500,000	\$ 0.06	3.16
February 9, 2026	6,250,000	6,250,000	\$ 0.05	1.86
March 27, 2026	150,000	150,000	\$ 0.05	1.99
	<b>36,200,000</b>	<b>36,200,000</b>	<b>\$ 0.08</b>	<b>1.83</b>

The weighted average life of stock options outstanding as at March 31, 2024 is 1.83 (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

## (a) Operating segment:

The Company operates 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.

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Non-current assets</b>		
Canada	\$ 6,073	\$ 74,345
United States	46,340,796	44,619,688
	<b>\$ 46,346,869</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:

<b>Financial assets</b>	<b>Financial instrument classification</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
GRIT common shares	Fair value through other comprehensive income	\$ 4,060	\$ 5,176

**(b) 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 March 31, 2024:

	<b>Quoted prices in active markets for identical assets (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>	<b>Total</b>
GRIT common shares	\$ 4,060	\$ -	\$ -	\$ 4,060

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

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

There were no transfers between levels of the fair value hierarchy during the years ended March 31, 2024 and 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 March 31, 2024</b>		
GRIT common shares	\$ 4,060	\$ (1,116)
<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 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

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For the years ended March 31, 2024 and 2023

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

#### (c) Financial Risk Management (continued)

#### 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 March 31, 2024, the Company has cash and cash equivalents denominated in US dollars of \$121,416 (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 \$97,272 (March 31, 2023 - \$60,609). Each 1% change in the Canadian dollar versus the US dollar would result in a gain/loss of approximately USD \$6,793 (March 31, 2023 - USD \$18,100).

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 March 31, 2024, the Company has a FVTOCI investment denominated in British Pounds of £2,380 (March 31, 2023 - £3,094). Each 1% change in the Canadian dollar versus the British Pound will result in a gain/loss of approximately £24 (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 March 31, 2024, the Company owned 190,432 (March 31, 2023 - 190,432) GRIT common shares with each common share valued at £0.0125 or \$0.0210 (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).

### 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 \$46,337,746 (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 years ended March 31, 2024 and 2023.

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## 13. INCOME TAX

A reconciliation of the provision for income taxes is as follows:

	March 31, 2024	March 31, 2023
Net loss before income tax	\$ (1,459,324)	\$ (1,492,806)
Combined effective statutory rate	27.12%	26.78%
Expected income tax recovery at statutory tax rates	(395,799)	(399,709)
Non-deductible expenses and other items	(209,605)	(80,998)
Effect of foreign exchange on tax assets and liabilities	(2,413)	(556,879)
Unrealized benefit of non-capital losses	607,817	1,037,586
	\$ -	\$ -

The Company's deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

	March 31, 2024	March 31, 2023
Share issuance costs and other	\$ 288,754	\$ 533,979
Equipment	188,146	291,301
Exploration and evaluation assets	(8,483,872)	(7,823,505)
Tax loss carry-forwards	32,556,978	33,505,985
	\$ 24,550,006	\$ 26,507,760

At March 31, 2024, the Company has Canadian unrecognized losses for income tax purposes of approximately \$20,277,000 (2023 - \$18,546,000) which may be used to offset taxable incomes of future years. If unused, these losses will expire as follows:

	Canadian \$
2029	\$ 280,000
2030	465,000
2031	240,000
2032	1,088,000
2033	1,178,000
2034	743,000
2035	567,000
2036	279,000
2037	1,661,000
2038	1,694,000
2039	2,181,000
2040	1,710,000
2041	3,079,000
2042	2,011,000
2043	1,370,000
2044	1,731,000
	\$ 20,277,000

The Company also has US unrecognized losses for income tax purposes of approximately US\$12,280,000 (2023 - US\$11,054,000) which may be used to offset taxable income in future years. These losses do not expire.

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## 13. INCOME TAX (continued)

In assessing the Company's ability to utilize deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences are or become deductible or during the periods before expiry of the loss carry forwards. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which tax assets are deductible, management currently believes it is probable that the benefits of the deferred tax assets will not be realized.