

**NU LEGACY GOLD CORPORATION**

Consolidated Financial Statements  
(Unaudited)

Three Months Ended June 30, 2010

# NU LEGACY GOLD CORPORATION

Consolidated Balance Sheets as at  
(Stated in Canadian Dollars)

	June 30, 2010 (unaudited)	March 31, 2010 (unaudited)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,325,036	\$ 1,291,960
Taxes receivable	11,107	7,969
	1,336,143	1,299,929
<b>Mineral property costs (note 4)</b>	332,200	249,589
<b>Other assets (note 5)</b>	40,000	40,000
	\$ 1,708,343	\$ 1,589,518
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 29,521	\$ 130,060
Due to related parties	-	7,325
	29,521	137,385
<b>Shareholders' equity</b>		
Share capital (note 6)	2,044,876	1,760,626
Deficit	(366,054)	(308,493)
	1,678,822	1,452,133
	\$ 1,708,343	\$ 1,589,518

Nature and continuance of operations (note 1)  
Subsequent events (note 9)  
Initial public offering (note 10)

## Approved by the Board of Directors:

*"Albert J. Matter "*

Director

*"Roger C. Steininger"*

Director

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

# NU LEGACY GOLD CORPORATION

## Consolidated Statements of Operations and Comprehensive Loss

	Three months ended June 30, 2010 (unaudited)	From incorporation on May 15, 2009 to June 30, 2009 (unaudited)
<b>Expenses</b>		
Automobile	\$ -	\$ -
Bank charges	80	52
Consulting	30,750	-
Dues and subscriptions	107	-
Interest	3	-
Office	6,456	-
Printing and reproduction	1,224	-
Professional fees	32,924	-
Travel and accommodation	5,849	-
<b>Loss before other item</b>	77,393	52
Other item:		
Foreign exchange (gain) loss	(19,832)	-
Loss and comprehensive loss for the period	\$ 57,561	\$ (52)
Deficit, beginning of period	(308,493)	-
Deficit, end of period	(366,054)	(52)
<b>Basic and diluted loss per common share</b>		
	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding		
	27,051,357	-

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

# NU LEGACY GOLD CORPORATION

## Consolidated Statement of Shareholders' Equity

	Number of Shares	Common Shares \$	Deficit \$	Shareholders' Equity \$
Private placements at \$0.01	5,250,000	52,500	-	52,500
Private placements at \$0.05	13,450,000	672,500	-	672,500
Private placements at \$0.10	1	-	-	-
Private placements at \$0.125	8,285,000	1,035,626	-	1,035,626
Net loss for the period			(288,493)	(288,493)
Excess paid for repurchase of shares	-	-	(20,000)	(20,000)
<b>Balance – March 31, 2010</b>	26,985,001	1,760,626	(308,493)	1,452,133
Mineral properties at \$0.125	50,000	6,250	-	6,250
Private placements at \$0.20	1,420,000	284,000	-	284,000
Share issue costs	-	(6,000)	-	(6,000)
Loss for the period	-	-	(57,561)	(57,561)
<b>Balance – June 30, 2010</b>	28,455,001	2,044,876	(366,054)	(1,678,822)

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

# NU LEGACY GOLD CORPORATION

## Consolidated Statements of Cash Flows

	Three months ended June 30, 2010 (unaudited)	From incorporation on May 15, 2009 to June 30, 2009 (unaudited)
<b>Operating activities</b>		
Net loss for the period	\$ (57,561)	\$ (52)
Changes in non-cash working capital items:		
Amounts receivable	(3,138)	-
Due to related parties	(7,325)	-
Accounts payable and accrued liabilities	(100,539)	4,500
<b>Cash used in operating activities</b>	<b>(168,563)</b>	<b>4,448</b>
<b>Investing activities</b>		
Mineral property exploration costs	(76,361)	-
<b>Cash used in investing activities</b>	<b>(76,361)</b>	<b>-</b>
<b>Financing activities</b>		
Share subscriptions received	-	412,500
Issuance of share capital, net of costs	278,000	-
<b>Cash used in financing activities</b>	<b>278,000</b>	<b>412,500</b>
Increase in cash and equivalents	33,076	416,948
Cash and cash equivalents, beginning of period	1,291,960	-
<b>Cash and cash equivalents, end of period</b>	<b>\$ 1,325,036</b>	<b>\$ 416,948</b>

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

# NU LEGACY GOLD CORPORATION

Notes to the Consolidated Financial Statements  
Three Months Ended June 30, 2010

---

## 1. NATURE AND CONTINUANCE OF OPERATIONS

Nu Legacy Gold Corporation (the "Company") is incorporated under the laws of the province of British Columbia, and its principal business activity is the acquisition and exploration of mineral properties. Its principal mineral property interests are located in Nevada, USA.

These interim period consolidated financial statements have been prepared using Canadian generally accepted accounting principles assuming a going concern. The Company has incurred losses since inception and its ability to continue as a going concern depends upon its capacity to develop profitable operations and to continue to raise adequate financing. These consolidated financial statements do not reflect adjustments, which could be material, to the carrying values of assets and liabilities which may be required should the Company be unable to continue as a going concern.

## 2. BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and are presented in Canadian dollars.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Nu Legacy Gold N.V., which is incorporated in Nevada, USA.

All material intercompany balances and transactions have been eliminated.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated interim financial statements of NuLegacy Gold Corp. and its wholly owned subsidiary have been prepared in accordance with generally accepted accounting principles in Canada, which were the same accounting policies and methods of computation as the audited consolidated financial statements as at March 31, 2010, with the exception of the changes discussed herein.

The disclosure which follows is incremental to the disclosure included in the annual consolidated financial statements. These interim financial statements to June 30, 2010 should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the year ended March 31, 2010.

### (a) *International Financial Reporting Standards ("IFRS")*

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company has commenced training of staff and has identified the key differences in the convergence process.

# NU LEGACY GOLD CORPORATION

Notes to the Consolidated Financial Statements

Three Months Ended June 30, 2010

## 4. MINERAL PROPERTIES

	Balance at March 31, 2010	Additions during the period	Balance at June 30, 2010
<b>Red Hill Property</b>			
Acquisition costs	\$ 21,604	\$ -	\$ 21,604
Assay	1,727	-	1,727
Geological consulting	48,202	23,086	71,288
Maps	1,965	-	1,965
Other	93,114	593	93,707
Property maintenance	-	32,715	32,715
Travel	11,222	14,352	25,574
	177,834	70,746	248,580
<b>Wood Hills South Property</b>			
Acquisition costs	\$ 21,088	\$ -	\$ 21,088
Geological consulting	20,036	-	20,036
Maps	98	-	98
Other	11,255	773	12,028
Property maintenance	134	4,842	4,976
Travel	1,012	-	1,012
	53,623	5,615	59,238
<b>Half Ounce Property</b>			
Acquisition costs	\$ -	\$ 6,250	\$ 6,250
Other	18,132	-	18,132
	18,132	6,250	24,382
<b>Total mineral properties</b>	\$ 249,589	\$ 82,611	\$ 332,200

### Red Hill Property Eureka County, Nevada

The Company has an exploration and joint venture agreement with Miranda Gold Corp. to earn a 60% interest in this project by reimbursing Miranda for its 2009 – 2010 claim maintenance fees for the property in the amount of US\$11,000 cash (paid), issuing 200,000 common shares (issued), incurring a total of US\$200,000 in exploration expenditures before June 30, 2010 as a binding commitment (completed), incurring an additional US\$300,000 in exploration expenditures before December 31, 2010, of which US\$150,000 is a binding commitment, and incurring an additional US\$3,500,000 as follows:

# NU LEGACY GOLD CORPORATION

Notes to the Consolidated Financial Statements

Three Months Ended June 30, 2010

---

## 4. MINERAL PROPERTIES *(continued)*

<b>Expenditure Deadline</b>	<b>Expenditure Commitment</b>	<b>Total Expenditures</b>	<b>Cumulative</b>
September 30, 2011	US\$500,000	US\$1,000,000	
September 30, 2012	US\$750,000	US\$1,750,000	
September 30, 2013	US\$1,000,000	US\$2,750,000	
September 30, 2014	US\$1,250,000	US\$4,000,000	

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

### **Wood Hills South Prospect** **Eureka County, Nevada**

The Company entered into an option agreement with Au-Ex Ventures to earn a 70% interest in this prospect by paying US\$20,000 cash (paid), incurring a minimum US\$5,000,000 in exploration expenditures over seven years, and completing a feasibility study.

### **Half Ounce Property** **Eureka County, Nevada**

The Company entered into an agreement to earn a 70% interest in this property by issuing 50,000 common shares (issued) and incurring US\$1,500,000 in exploration expenses within five years.

## 5. OTHER ASSETS

These amounts consist of a retainer and work fee totaling \$20,000 paid to the Company's agent and a \$20,000 advance paid to the Company's lawyer in regards to the Company's IPO. These amounts are to be deducted against share capital when incurred.

## 6. SHARE CAPITAL

### *(a) Authorized share capital*

The Company's authorized share capital consists of an unlimited number of common shares without par value.



# NU LEGACY GOLD CORPORATION

Notes to the Consolidated Financial Statements  
Three Months Ended June 30, 2010

---

## 6. SHARE CAPITAL *(continued)*

### *(b) Issued and outstanding common shares*

At June 30, 2010, the Company had 28,455,001 common shares issued and outstanding.

### *(c) Share purchase option compensation plan*

The Company has adopted a “fixed” share purchase option compensation plan that allows the Company to grant options to purchase up to an aggregate of 6,521,000 shares of the Company, subject to regulatory terms and approval, to its directors, employees, officers, and consultants.

The exercise price of each option may be set equal to or greater than the closing market price of the common shares on the TSX Venture Exchange on the day prior to the date of the grant of the option, less any allowable discount from market, have a maximum term of ten years and must terminate within a reasonable period of time as fixed by the directors (not to exceed one year) following the termination of the optionee's employment.

Stock options to purchase up to 2,850,000 common shares at a price of CDN\$0.25 per share for a period of 5 years from the date of listing of the Company's shares on the TSX Venture Exchange were issued during the period ended June 30, 2010. No stock-based compensation expense has been recorded for the period but will be recorded from the date of listing of the Company's shares on the Exchange.

### *(d) Warrants*

Share purchase warrants to purchase up to 1,420,000 common shares at a price of CDN\$0.30 per share until the earlier of December 31, 2012 and 12 months from the date of listing of the Company's shares on the TSX Venture Exchange were issued during the period ended June 30, 2010.

### *(e) Escrow shares*

The Company has escrowed 6,990,001 of the issued shares of which 10% are releasable for trade; upon listing of the Company's shares and the balance over 3 years at 15% of the escrowed shares each six months

## 7. RELATED PARTY TRANSACTION

The Company entered into the following transactions with related parties:

- a) Paid or accrued \$30,750 for management fees to one director.
- b) Paid or accrued \$19,936 for geological fees to a director of the Company, which amounts are included in deferred development expenditures.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

# NU LEGACY GOLD CORPORATION

Notes to the Consolidated Financial Statements

Three Months Ended June 30, 2010

---

## 8. FINANCIAL INSTRUMENTS

### a) *Fair Value of Financial Instruments*

The carrying amounts of cash and cash equivalents, amounts receivable, amounts due to/from the related parties and accounts payable and accrued liabilities approximate their fair values due to the short term to maturity of such instruments.

During 2009, CICA handbook section 3862 “Financial Instruments – Disclosures” was amended to require enhanced disclosure of financial instrument fair value measurements and liquidity risks. Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3: Inputs that are not based on observable market data.

The carrying values, fair market values, and fair value hierarchal classification of the Company’s financial instruments as at June 30, 2010 are as follows:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Cash and cash equivalents	1,325,036	-	-
	<b>1,325,036</b>	<b>-</b>	<b>-</b>

During the period, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

### b) *Financial Instrument Risk Exposure and Risk Management*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of documented treasury policies, counterparty limits, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### (i) Credit Risk

The Company's credit risk is primarily attributable to its liquid financial assets. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents in high quality investments with major financial institutions and in federal government-backed treasury bills. The Company does not have any financial assets that are invested in asset backed commercial paper.

# NU LEGACY GOLD CORPORATION

Notes to the Consolidated Financial Statements

Three Months Ended June 30, 2010

---

## 8. FINANCIAL INSTRUMENTS *(continued)*

### (ii) Liquidity Risk

The Company ensures that there is sufficient cash in order to meet its short term business requirements, after taking into account the Company's holdings of cash and cash equivalents. The Company's cash and equivalents are invested in business accounts, commercial paper and treasury bills, which are immediately available on demand for the Company's use.

The Company has sufficient cash and cash equivalents to meet commitments associated with its financial liabilities.

### (iii) Price Risks

The significant price risk exposures to which the Company is exposed are foreign exchange risk, interest rate risk and commodity price risk. The Company does not have any contracts in place to mitigate the risk, however, the Company's price risks do not affect the Company's result of operations.

### (iv) Foreign Exchange Risk

The Company incurs substantially all of its expenditures in the United States and a significant portion of its cash and cash equivalents are denominated in Canadian dollars ("CAD"). The Company is exposed to foreign exchange risk to the extent of exchange rate fluctuation and a resultant change in the value of its cash and cash equivalents held in US dollars ("USD"). The exposure of the Company's financial assets to foreign exchange risk is as follows:

Expressed in CAD equivalents	June 30, 2010
Financial assets	
United States dollars	\$500,017

Substantially all of the Company's liabilities are denominated in Canadian dollars. The Company currently does not engage in foreign currency hedging. The following significant exchange rates applied during the year:

USD to CAD	June 30, 2010
United States dollars – closing rate	1.0646
United States dollars – average rate	1.0379

### (v) Interest rate risk

The Company is subject to interest rate price risk with respect to its investments in cash equivalents. The Company's policy is to invest cash in fixed rate financial instruments having maturity dates of three months or less from the date of acquisition and cash reserves are to be maintained in cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Changes in market interest rates have a direct effect on the fair value of cash equivalents.

# NU LEGACY GOLD CORPORATION

Notes to the Consolidated Financial Statements

Three Months Ended June 30, 2010

---

## 9. SUBSEQUENT EVENTS

### (a) Private Placement

Subsequent to June 30, 2010, the Company issued an additional 100,000 seed units at CDN\$0.20 per unit for gross proceeds of \$20,000. Each seed unit consists of one common share and one seed warrant, with each seed warrant entitling the holder to purchase one common share at CDN\$0.30 on or before the earlier of 12 months from the listing date of the Company and December 31, 2012.

### (b) Stock Options

The Company amended its “fixed” share purchase option compensation plan to increase the total number of shares issuable thereunder to 7,400,000 shares.

Subsequent to June 30, 2010, the Company granted stock options to its directors, executives, and consultants to purchase up to an additional 2,300,000 common shares at a price of CDN\$0.25 per share exercisable for a period of five years from the listing date of the Company.

### (c) Option Agreement with Barrick Gold Exploration Inc.

On September 16, 2010, the Company entered into an exploration agreement with joint venture election and option to purchase with Barrick Gold Exploration Inc. to acquire a 70% undivided interest in 818 unpatented mining claims in the Barrick Property located adjacent to the Red Hill Property in Eureka County, Nevada, U.S.A. In order to exercise the option, the Company must incur a minimum of US\$5,000,000 in exploration or development expenditures on the Barrick Property (inclusive of maintenance fees) as follows:

Due Date	Work Expenditure (US\$)	Aggregate Amount (US\$)
December 31, 2011	375,000	375,000 (firm)
December 31, 2012	875,000	1,250,000 (firm)
December 31, 2013	1,125,000	2,375,000
December 31, 2014	1,125,000	3,500,000
December 31, 2015	1,500,000	5,000,000

If the Company completes the required US\$5,000,000 in expenditures and earns a 70% undivided interest in the property, Barrick will have a one-time option, exercisable within 90 days, to back into a 70% interest in the property. To complete the back in, Barrick must expend US\$15,000,000 over 5 years on the exploration and development of the property at a rate of at least US\$1,500,000 per year. If completed, the Company’s remaining 30% interest in the property will be carried by Barrick until the commencement of commercial production on the property.

# NU LEGACY GOLD CORPORATION

Notes to the Consolidated Financial Statements

Three Months Ended June 30, 2010

---

## 9. SUBSEQUENT EVENTS *(continued)*

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

### (d) Mining Lease with Idaho Resources Corporation

On October 18, 2010, the Company entered into a mining lease, effective September 1, 2010, with Idaho Resources Corporation for an initial 10 years, in which Idaho granted to the Company exclusive possession and control to explore, develop, mine and operate on the Idaho Property, which consists of 482 unpatented mining claims. An advance royalty payment of US\$25,000 and reimbursement of 2010-2011 BLM fees for the property totaling US\$67,480 was paid to Idaho by the Company upon execution of the Mining Lease.

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

Lease Year	Annual Requirement (US\$)	Aggregate Amount (US\$)
1	250,000	250,000 (firm)
2	750,000	1,000,000 (firm)
3	1,000,000	2,000,000
4	1,000,000	3,000,000
5	1,000,000	4,000,000

After the 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.

### (e) Special Warrants

Subsequent to June 30, 2010 the Company has sold, by way of private placement, a total of 5,573,750 special warrants at CDN\$0.20 per special warrant for gross proceeds of \$1,114,750. Each special warrant entitles the holder to receive, without payment of any additional consideration, one common share of the Company and one share purchase warrant to acquire an additional common share a price of CDN\$0.30 until the earlier of December 31, 2012 and 12 months from the date of the listing of the Company's shares on the Exchange. The common shares and share purchase warrants issuable upon deemed exercise of the special warrants will be qualified for distribution under the Company's prospectus noted in Note 10 below.

# NU LEGACY GOLD CORPORATION

Notes to the Consolidated Financial Statements  
Three Months Ended June 30, 2010

---

## **10. INITIAL PUBLIC OFFERING**

The Company is in the process of filing a prospectus with the British Columbia, Alberta and Ontario Securities Commissions offering 4,000,000 units at a price of \$0.25 per unit as an initial public offering to raise gross proceeds \$1,000,000. Each unit will consist of one share and one share purchase warrant, each warrant exercisable for a period of 12 months from listing of the Company's shares at a price of \$0.35. The Company's agent will receive a commission of 8%, 200,000 shares as a corporate finance fee, a work fee of \$10,000 and agent's warrants to purchase common shares in an amount up to 10% of the number of units sold at a price of \$0.25 per share for a period of 18 months. The agent also has an Over-Allotment option to purchase up to 600,000 units (15% of the total offering of units) under the prospectus. The proposed transaction is subject to regulatory approval. A preliminary prospectus was filed on SEDAR on August 13, 2010.