TECHNICAL REPORT ON AN UPDATED FEASIBILITY STUDY (GGI, GGII, KAO, RAMBO & NAMI DEPOSITS) AND A PRELIMINARY ECONOMIC ASSESSMENT (NORTH KAO DEPOSIT) FOR THE KARMA GOLD PROJECT BURKINA FASO, WEST AFRICA

LATITUDE 13^{o} 32' 57" N LONGITUDE 2^{o} 13' 25" W
WGS84 UTM 30P 584,000m E 1,498,000m N

FOR

TRUE GOLD MINING INC.

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P&E Mining Consultants Inc.,
Report 290

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1.0 SUMMARY

1.1 INTRODUCTION

The following report was prepared by P&E Mining Consultants Inc., SRK Consulting (Pty) Ltd., Knight Piésold (Pty) Ltd., Roche Ltd. Consulting Group and SENET (Pty) Ltd., to provide an NI 43-101 technical report and updated Feasibility Study on the gold mineralization at the Karma Project, Burkina Faso, West Africa (the "Property" or the "Karma Project"). The Feasibility Study is being updated to reflect a significant improvement in operating costs resulting from reduced cement costs. This report also contains an initial Preliminary Economic Assessment of the North Kao deposit, one of six deposits on the Karma Project. The results of the technical and economic analysis of the North Kao deposit have not been included in the Feasibility Study.

Included under Section 24 'Other Relevant Data and Information' are the results of a Preliminary Economic Assessment of mining the North Kao mineral deposit. The Preliminary Economic Assessment is preliminary in nature. The Inferred mineral resources are considered too speculative geologically to have the economic consideration applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA will be realized. The Mineral Resources contained in the North Kao deposit are classified entirely in the Inferred category. It is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category. Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. The results of this Preliminary Economic Assessment have not been included with the economic analysis presented in Section 22; however they have been included as other relevant data and information in Section 24.

The Karma Property is comprised of eight Exploration Permits (Kao Nord, Kao Sud, Youba, Rounga, Tougou, Bogoya, Bonguirga, and Namissiguima-Ouest) and the Karma Exploitation Permit. In addition, as of the effective date of this report, the Kao and Nami Exploitation Permits had been approved by National Mines Committee and final approval was obtained from the Council of Ministers after the effective date. True Gold Mining Inc. ("True Gold" or the "Company") has a 100% interest in the permits which are subject to various royalty considerations including a 3% to 5% sliding scale royalty to the government of Burkina Faso. The Karma Property contains six known mineral deposits, namely the Goulagou I, Goulagou II, Rambo, Kao, North Kao and Nami Deposits.

The Karma Project is located in north-central Burkina Faso, near the city of Ouahigouya, approximately 185 km north-west of Ouagadougou, the capital city of Burkina Faso.

The project site lies 20 km east of the city of Ouahigouya (population 125,000) and is accessible via a series of paved and unpaved roads. Within the project area, access is via local tracks and paths which are suitable for two wheel drive vehicles in the dry season and four-wheel drive vehicles in the wet season. National Route 2 (N2) is a paved highway connecting Ouahigouya to the capital Ouagadougou which is 185 km away and serviced by international air flights. Burkina Faso is landlocked and relies on the ports of Tema in Ghana, Abidjan in Ivory Coast, Cotonou Benin and Lome in Togo for access to shipping.

1.2 GEOLOGY AND MINERAL RESOURCES

True Gold's Karma Project is located in the Paleoproterozoic Baolé-Mossi domain of the West African Craton. The Baolé-Mossi domain contains the highly prospective Birimian supracrustal rocks, which were probably developed upon a juvenile Paleoproterozoic crust (ca. 2.40-2.20 Ga).

The Karma Project is situated in the regionally east-west trending Goren greenstone belt, one of the larger Birimian greenstone belts in central north Burkina Faso. In the Karma Project area, the geology consists of a folded sequence of greywacke, siltstone, shale and volcaniclastic rocks. The western margin of the project area contains a broad north-south magnetic lineament that is interpreted as a first-order, crustal scale, sinistral, shear zone named the Ouahigouya Shear Zone (OSZ). The OSZ extends to the south into the Hounde Greenstone Belt and branches into a series of north-east trending sub-shears that cross the Karma Property.

Many of the significant gold deposits in the Birimian greenstone belts of Burkina Faso are related to major N to NE trending shear zones that result from transcurrent deformation during Eburnean D2 structural events. Regional gold metallogenesis is tightly constrained to the Eburnean Orogeny between 2,130 and 1,980 Ma.

Substantial areas of the Karma Project are covered by lateritic units, dominantly gravels and cuirasse, which form a highly indurated upper part of the lateritic regolith. A number of lateritization events have resulted in weathering to depths of up to 120 m. Laterites and sand cover limit the extent of bedrock outcrop in the project area and have limited the geological understanding of the region.

True Gold has defined six mineral deposits on the Karma Property. As estimated in this technical report, from largest to smallest on the basis of ounces of gold, these include the Kao, North Kao, Goulagou II (GGII), Goulagou I (GGI), Nami and Rambo Deposits.

The Kao Deposit, as defined in this Feasibility Study, extends about 1,200 m along the North-South strike direction, and extends approximately 1,000 m down-dip to the East. It is open along strike and down dip. It consists of a structurally-controlled alteration and veining system, hosted within a relatively uniform, single-phase, granodiorite intrusive. There are two principal sets of structures: (i) a dominant shallow east-dipping structure that extends the full length of the deposit in a north-south direction, which is transected by (ii) a steeper, northeast-dipping set of structures that cross-cut and offset the north-south structure. The bulk of the highest grades and thickest intercepts occur along the northeast-dipping structures, and in particular, at their intersections with the north-south structures. The structures are planar to tabular in form and can measure up to 35 metres in width. Additionally, the structures are weakly to intensely foliated, sericite-carbonate-silica altered and are host to multiple generations of quartz-carbonate-sericite-pyrite-arsenopyrite veining. Arsenopyrite and the presence of quartz veining generally correlate with higher gold grades.

The North Kao deposit is predominantly intrusive-hosted and consists of a stacked sequence of structurally-controlled tabular bodies, defined by pervasive quartz-sericite-pyrite (QSP) alteration, breccia and locally distributed stockwork, shear and extension QSP veins. Gold is closely associated with each of these features, with the sheared breccia and QSP veins carrying the highest grades. Sediment-hosted mineralization is more vein-dominated and localized at intrusive contacts, either with the main granodiorite intrusion, or related felsic dykes.

Mineralized zones are up to 86 metres thick. In comparison to the Kao deposit, the zones at North Kao tend to be slightly narrower and higher grade. The weathering profile is extensive at the North Kao deposit, gradually deepening from approximately 60 to 120 metres from south to north.

The GGI Deposit has continuous lenses of gold mineralized rock over an East-West strike length of 2,100 m. It consists of up to 10 discrete lenses, ranging from 5 to 40 m thick, dipping near vertically. The deposit is open along strike and down dip below 200 m, the limit of current drilling. The GGII Deposit is similar, with an East-West strike length of 2,400 m. There are 3 to 5 steeply dipping lenses, with widths ranging from 5 to 30 m. The deposit is open along strike and down dip. Higher grade steeply-plunging shoots that occur at distinct flexures along strike are targets for deeper drilling. One of these zones forms the central portion of the deposit which is thickened in a "Z" fold configuration.

The Rambo Main Deposit comprises several relatively small mineralized lenses with the main zone containing a steeply plunging mineralized shoot. The deposit has an East-West strike length of approximately 450 m and dips steeply to the South, along with a down-dip length of 230 m, and thicknesses of the mineralized zones ranging from about 2.5 to 25 m. The deposit is open to the east and down dip, and within it the mineralization exhibits good continuity.

The Nami Deposit is composed of 3 mineralized lenses with shallow dips of 20 to 25° toward the west-south-west. The strike length of the Nami Deposit is about 550 m, with a down-plunge extent of 300 m, and a thickness of the mineralized zone ranging from about 2.5 to 30 m. The deposit, which exhibits good continuity, is open to the west, north and south.

Rock types that host gold mineralization in the deposits include fine-grained meta-sedimentary rocks (GGI, GGII and Rambo) and medium-grained granitoid intrusive rocks (North Kao, Kao and Nami), although the identification is tentative in some cases since the deformation, metamorphism, replacement and veining have obscured the original textures. Dominant sulphide minerals associated with gold mineralization are arsenopyrite and pyrite that occur as disseminated grains within veins and on fractures. Trace amounts of chalcopyrite and covellite have been observed locally. Gold occurs predominantly as small grains associated with silica-carbonate alteration, quartz veins and sulphides. Visible gold has been observed in each of the deposits, but is not common.

The Karma Property deposits have characteristics of mesothermal, shear-hosted gold deposits associated with orogenic activity. Elements of stratigraphic control may result from mineralization/alteration being channelled along specific structural/lithological controls such as competency contrasts between intrusive and sedimentary rocks that have affected porosity and fluid flow. The Karma deposits may be best described as structurally controlled, orogenic, hydrothermal deposits.

A comprehensive Quality Assurance/Quality Control, ("QA/QC" or "QC") program was established for the Karma Project. Appropriate standards and coarse blanks are inserted into the assay stream at regular intervals. Rig, reject and assay duplicate samples are submitted at regular intervals. The results of the controls are monitored on a regular basis, before assays are entered into the master assay databases. Samples for the Project were and continue to be prepared by ALS in Ouagadougou and assayed for Au at their facility there; however significant numbers of pulps were assayed in Johannesburg, South Africa or in North Vancouver, Canada. Assaying for

Au is by fire assay/atomic absorption ("FA/AA"), and for samples grading in excess of 1 gram Au per tonne, prior to July 2013, and 5 grams Au per tonne thereafter, by fire assay with gravimetric finish ("FA/grav."). Gravimetric assay values are used in preference to FA/AA numbers.

Mr. Antoine Yassa, P.Geo., a qualified person according to the definition as set out in NI 43-101 standards for mineral resource disclosure, visited the Karma Project from November 1 to 3, 2011, August 15 to 17, 2012, December 13 to 14, 2012 and October 16, 2013 for the purpose of carrying out an independent verification sampling program. Fifty-four diamond drill core samples were collected from 18 diamond drill holes by taking a quarter split of the half core remaining in the box. Eighteen RC samples were also collected from stored chip bags. Mr. Yassa also reviewed the project data collection process in general, and was satisfied that the company adhered to industry best practices.

P&E reviewed the performance of reference standard materials, rig (chips and core) duplicates, coarse rejects and lab pulp duplicates, and blank materials. In P&E's opinion, the procedures adopted by the Company for sample handling and preparation, security and analyses are appropriate for the Karma Project. P&E declared the data acquired and analyzed by True Gold to be satisfactory for use in a mineral resource estimate calculation.

The drilling data provided by True Gold included a total of 1,824 drill holes of which 1,339 holes were inside the areas modelled for resource estimates. Surface drill hole plans are shown in Appendix-I. Assay data verification was performed totalling 97,127 assay intervals for the six Karma deposits. These verified assays were utilized in the resource calculations for the six Karma deposits.

The domain wireframes of the Goulagou I, Goulagou II, Kao, North Kao, Rambo and Nami deposits remain the same as the last resource estimate dated April 28, 2014. The deposit domain boundaries were determined from lithology, structure and grade boundary interpretation from visual inspection of drill hole sections, and in the case of Kao, using a combination of Leapfrog interpretations and Gemcom block model scripting. The domain outlines were influenced by the selection of mineralized material above 0.2 g/t Au that demonstrated a lithological and structural zonal continuity along strike and down dip. In some cases mineralization below 0.2 g/t Au was included for the purpose of maintaining zonal continuity. The Kao model includes a high-grade domain that captures elevated gold grades in the vicinity of the principal controlling structures in the deposit.

The 3D geological models of the Kao and North Kao Deposits were generated using the Leapfrog 3D geological modeling software by Christopher Lee, P.Geo. of True Gold. At North Kao, eight mineralized domains, subdivided into eighteen sub-domains by two faults were created and utilized for grade interpolation.

Three weathering zones were recognized for all deposits based on drill hole logging. The Oxide zone is defined as Saprolite and Laterite, weathered rock located on the top of the deposits. The Transition Zone is partially weathered rock, located between the Oxide and Sulphide zone. The Sulphide Zone is fresh rock below the Transition Zone. The contact surfaces of the Oxide and Transition Zones, and the Transition and Sulphide Zones were created using drill hole logging.

Grade capping was investigated on the raw assay values in the databases (except at the North Kao which was capped on the composites) within the constraining domains to ensure that the possible influence of erratic high values did not bias the database. The analysis resulted in grade capping being used for some of the domains with various capping values that were specific to the domains.

The sample lengths were two metres for the majority of the samples. In order to regularize the sampling for grade interpolation, assay compositing to 2 m lengths was carried out down hole within the constraints of the above-mentioned domains. These composites were calculated for Au over 2 m lengths starting at the first point of intersection between assay data hole and hanging wall of the 3D zonal constraint. The compositing process was halted upon exit from the footwall of the aforementioned constraint. Variography was attempted on the constrained composites of five Karma deposits (North Kao excluded) with variable success. Reasonable directional variograms were attained for the Kao, Goulagou I and Goulagou II. The Rambo and Nami deposits yielded reasonable omnivariograms. Reasonable variograms were not developed for North Kao deposit due to the wide drill hole spacing and limited data.

Bulk density samples were collected from all zones of the six deposits. Bulk densities varied from 1.64 to 1.96 t/m^3 for the oxide zones, 2.12 to 2.37 t/m^3 for the transition zones, and 2.56 to 2.69 t/m^3 for the sulphide zones. The North Kao laterite zone has a bulk density of 2.35 t/m^3.

The resource models of the Karma project were constructed separately. Five of the Karma project resource models were constructed using 5 x 5 x 5 m blocks, with the exception being the Rambo deposit where 2.5 x 2.5 x 2.5 m blocks were utilized. An inverse distance cubed ($1/d^3$) model was utilized for grade interpolation based on the Au composites that were extracted from drill hole profiles into point profiles. Multiple grade interpolation passes were utilized for all deposits.

The North Kao resource was classified as Inferred due to the wide spacing of the drill holes (100x100m). The resource classifications for Goulagou I, Goulagou II, Kao, Rambo and Nami deposits were determined from the Indicated and Inferred search ellipsoid parameters as reported in Section 14.11. The Karma Project resource estimates were derived from applying Au cut-off grades to the block model and reporting the resulting tonnage and grade for potentially mineable areas. Based on estimated operating costs, gold recovery, and a trailing average gold price of US$1,557/oz, a cut-off grade of 0.20 g/t Au was applied to oxide mineralization, 0.22 g/t Au was applied to transition mineralization, and 0.50g/t Au was applied to the sulphide mineralization for Goulagou I, Goulagou II and Kao deposits. A 0.22 g/t Au cut-off grade was used for the sulphide mineralization for the Nami and Rambo deposits where the sulphides are not refractory. The six Karma open pit resource models were further investigated with pit optimizations to ensure a reasonable strip ratio was applied. The following parameters were utilized in the pit optimizations:

Au Price	US$1,557/oz. (36 month trailing average price Oct 31/13)
Au Refining	US$4.60/oz.
Au Royalty	4%
Oxide Au Recovery	90%
Transition Au Recovery	80%
Sulphide Au Recovery	85%
Oxide & Trans Mining Cost	$1.61/tonne mined

Transition Mining Cost	$1.94/tonne mined
Sulphide Mining Cost	$2.05/tonne mined
Oxide/Transition Process Cost	$7.25/tonne milled
Sulphide Process Cost	$19.00/tonne milled
General/Administration	$1.35/tonne milled
Pit Slopes	50 degrees

The resulting In-pit resource estimate for the Karma deposits is tabulated in Table 1.1.

TABLE 1.1
KARMA DEPOSITS IN-PIT MINERAL RESOURCE ESTIMATE[1–7]

Deposit	Category	Cut-Off Au (g/t)	Zone	Tonnes	Au (g/t)	Au (oz.)
Goulagou I	Indicated	0.20	Oxide	6,264,000	0.63	126,100
		0.22	Transition	5,225,000	0.65	108,900
		0.50	Sulphide	6,669,000	0.99	211,600
			Subtotal	**18,158,000**	**0.76**	**446,600**
	Inferred	0.20	Oxide	752,000	0.83	20,100
		0.22	Transition	543,000	0.85	14,900
		0.50	Sulphide	2,836,000	1.26	114,900
			Subtotal	**4,131,000**	**1.13**	**149,900**
Goulagou II	Indicated	0.20	Oxide	5,874,000	1.12	211,500
		0.22	Transition	2,166,000	1.36	94,700
		0.50	Sulphide	7,092,000	1.74	397,000
			Subtotal	**15,132,000**	**1.45**	**703,200**
	Inferred	0.20	Oxide	615,000	0.72	14,200
		0.22	Transition	354,000	0.69	7,900
		0.50	Sulphide	1,537,000	1.25	61,700
			Subtotal	**2,506,000**	**1.04**	**83,800**
Kao	Indicated	0.20	Oxide	13,361,000	0.74	319,200
		0.22	Transition	4,094,000	0.91	120,300
		0.50	Sulphide	19,955,000	1.37	875,700
			Subtotal	**37,410,000**	**1.09**	**1,315,200**
	Inferred	0.20	Oxide	1,821,000	0.51	29,800
		0.22	Transition	445,000	0.51	7,200
		0.50	Sulphide	7,245,000	1.69	393,700
			Subtotal	**9,511,000**	**1.41**	**430,700**
Nami	Indicated	0.20	Oxide	531,000	0.95	16,300
		0.22	Transition	1,011,000	0.72	23,300
		0.22	Sulphide	1,857,000	0.77	45,900
			Subtotal	**3,399,000**	**0.78**	**85,500**
	Inferred	0.20	Oxide	120,000	0.81	3,200
		0.22	Transition	169,000	0.77	4,200
		0.22	Sulphide	365,000	0.72	8,500
			Subtotal	**654,000**	**0.76**	**15,900**

TABLE 1.1
KARMA DEPOSITS IN-PIT MINERAL RESOURCE ESTIMATE[1–7]

Deposit	Category	Cut-Off Au (g/t)	Zone	Tonnes	Au (g/t)	Au (oz.)
Rambo	Indicated	0.20	Oxide	219,000	2.30	16,200
		0.22	Transition	290,000	2.40	22,300
		0.22	Sulphide	556,000	1.79	32,000
			Subtotal	**1,065,000**	**2.06**	**70,500**
	Inferred	0.20	Oxide	102,000	0.74	2,400
		0.22	Transition	103,000	0.54	1,800
		0.22	Sulphide	446,000	1.05	15,000
			Subtotal	**651,000**	**0.92**	**19,200**
North Kao	Inferred	0.20	Oxide	14,212,000	0.79	360,000
		0.22	Transition	2,200,000	0.89	63,000
		0.50	Sulphide	31,396,000	1.23	1,239,000
			Subtotal	**47,808,000**	**1.08**	**1,662,000**
Total	**Indicated**	**0.20**	**Oxide**	**26,249,000**	**0.82**	**689,300**
		0.22	**Transition**	**12,786,000**	**0.90**	**369,500**
		0.22 & 0.50	**Sulphide**	**36,129,000**	**1.34**	**1,562,200**
			Total	**75,164,000**	**1.08**	**2,621,000**
	Inferred	**0.20**	**Oxide**	**17,622,000**	**0.76**	**429,700**
		0.22	**Transition**	**3,814,000**	**0.81**	**99,000**
		0.22 & 0.50	**Sulphide**	**43,825,000**	**1.30**	**1,832,800**
			Total	**65,261,000**	**1.13**	**2,361,500**

(1) Mineral Resource estimates were based on a gold price of US$1,557 per ounce, a 90%, 80% and 85% respective process recoveries for oxide, transition and sulphide; oxide mining costs of US$1.61/tonne, $US1.94 per tonne for transition and US$2.05 for sulphide ; process costs of US$7.25/tonne for oxide and transition and US$19 per tonne for sulphide; and General & Administrative costs of US$1.35 per tonne were used to determine the respective 0.20, 0.22 and 0.50 oxide, transition and sulphide open pit cut-off grades.

(2) Au grades were estimated in a 5m x 5m x 5m block model (except Rambo at 2.5m x 2.5m x 2.5m blocks) from capped 2.0m composites utilizing inverse distance cubed interpolation. Composites were capped up to 45 g/t depending on the individual mineralized domain.

(3) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

(4) The quantity and grade of reported Inferred mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred mineral resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

(5) The mineral resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

(6) Material within optimized pit shell has engineering mining aspects applied to the global mineral inventory.

(7) The effective date of this mineral resource estimate is August 10, 2014.

The Karma Project global sensitivity to the mineral resource estimate, within and outside of optimized pit shells, is presented in Table 1.2.

TABLE 1.2
GLOBAL SENSITIVITY TO THE MINERAL RESOURCE ESTIMATE

Deposit	Category	Cut-Off Au (g/t)	Zone	Tonnes	Au (g/t)	Au (oz)
Goulagou I	Indicated	0.20	Oxide	6,354,000	0.62	127,500
		0.22	Transition	5,406,000	0.64	111,100
		0.50	Sulphide	8,555,000	0.92	252,800
			Subtotal	**20,315,000**	**0.75**	**491,400**
	Inferred	0.20	Oxide	799,000	0.81	20,800
		0.22	Transition	771,000	0.74	18,300
		0.50	Sulphide	6,080,000	0.95	185,100
			Subtotal	**7,650,000**	**0.91**	**224,200**
Goulagou II	Indicated	0.20	Oxide	5,944,000	1.12	213,100
		0.22	Transition	2,177,000	1.36	94,800
		0.50	Sulphide	7,254,000	1.73	402,300
			Subtotal	**15,375,000**	**1.44**	**710,200**
	Inferred	0.20	Oxide	630,000	0.71	14,400
		0.22	Transition	410,000	0.65	8,600
		0.50	Sulphide	2,413,000	1.14	88,100
			Subtotal	**3,453,000**	**1.00**	**111,100**
Kao	Indicated	0.20	Oxide	13,542,000	0.74	321,700
		0.22	Transition	4,402,000	0.88	124,100
		0.50	Sulphide	23,997,000	1.25	962,900
			Subtotal	**41,941,000**	**1.04**	**1,408,700**
	Inferred	0.20	Oxide	2,009,000	0.49	31,900
		0.22	Transition	671,000	0.46	10,000
		0.50	Sulphide	12,508,000	1.31	526,400
			Subtotal	**15,188,000**	**1.16**	**568,300**
Nami	Indicated	0.20	Oxide	532,000	0.95	16,300
		0.22	Transition	1,018,000	0.71	23,400
		0.22	Sulphide	2,352,000	0.72	54,400
			Subtotal	**3,902,000**	**0.75**	**94,100**
	Inferred	0.20	Oxide	122,000	0.80	3,200
		0.22	Transition	183,000	0.75	4,400
		0.22	Sulphide	1,017,000	0.54	17,600
			Subtotal	**1,322,000**	**0.59**	**25,200**
Rambo	Indicated	0.20	Oxide	219,000	2.30	16,200
		0.22	Transition	291,000	2.39	22,400

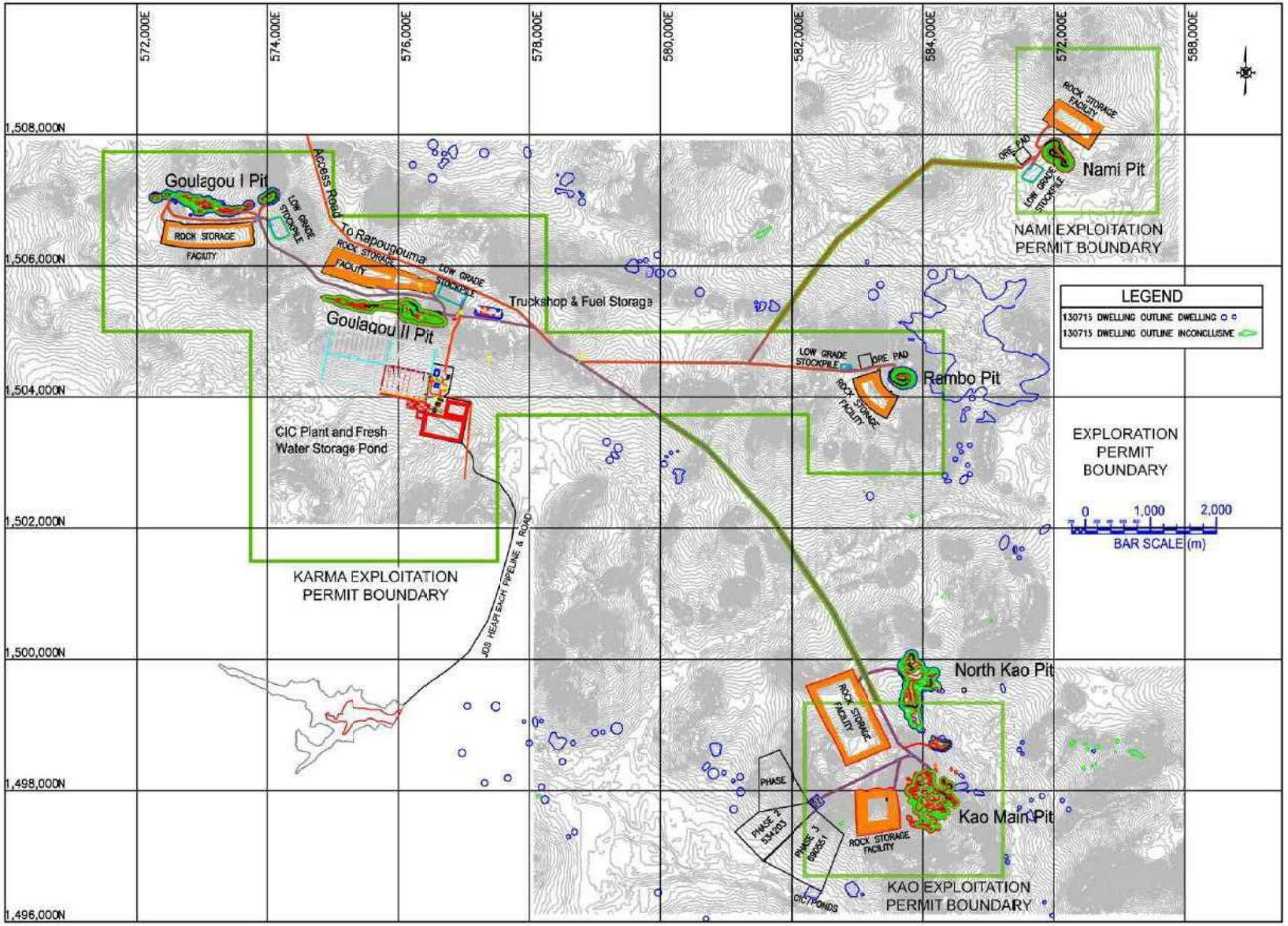
TABLE 1.2 GLOBAL SENSITIVITY TO THE MINERAL RESOURCE ESTIMATE						
Deposit	**Category**	**Cut-Off Au (g/t)**	**Zone**	**Tonnes**	**Au (g/t)**	**Au (oz)**
		0.22	Sulphide	589,000	1.73	32,700
			Subtotal	**1,099,000**	**2.02**	**71,300**
	Inferred	0.20	Oxide	104,000	0.74	2,500
		0.22	Transition	111,000	0.52	1,900
		0.22	Sulphide	719,000	1.00	23,200
			Subtotal	**934,000**	**0.92**	**27,600**
North Kao	Inferred	0.20	Oxide	14,411,000	0.78	361,800
		0.22	Transition	2,590,000	0.81	67,300
		0.50	Sulphide	34,468,000	1.19	1,318,400
			Subtotal	51,469,000	1.06	1,747,500
Total	**Indicated**	**0.20**	**Oxide**	**26,591,000**	**0.81**	**694,800**
		0.22	**Transition**	**13,294,000**	**0.88**	**375,800**
		0.22 & 0.50	**Sulphide**	**42,747,000**	**1.24**	**1,705,100**
			Total	**82,632,000**	**1.04**	**2,775,700**
	Inferred	**0.20**	**Oxide**	18,075,000	0.75	434,600
		0.22	**Transition**	4,736,000	0.73	110,500
		0.22 & 0.50	**Sulphide**	57,205,000	1.17	2,158,800
			Total	80,016,000	1.05	2,703,900

The block models were validated using a number of industry standard methods including visual and statistical methods.

1.3 MINING

Based on the Feasibility Study that did not include the North Kao deposit, five open pit areas will be developed in sequence to provide the ore feed for the heap leach operations. These open pit mining operations will exploit the GGI, GGII, Kao, Rambo and Nami mineral deposits. Target ore production during the life of the mine is 4.0 million tonnes per year, from no more than two open pits producing concurrently. The site layout in Figure 1.1 shows an overall view of the Project site.

Figure 1.1 Karma Project Site Plan



1.3.1 Geomechanical

Detailed Feasibility Study geotechnical investigations have been performed on the mineral deposits to characterize the rock mass and structural fabric of the dominant wall rocks that will make up the pits. As part of this investigation, a total of thirty-five geotechnical boreholes were drilled. These included three boreholes for the Nami deposit and eight for each of the other deposits.

A total of 231 tests were carried out on the samples of the bedrock:

- 93 uniaxial compressive strength tests
- 69 triaxial compressive strength tests
- 29 uniaxial indirect tensile strength tests (Brazilian method)
- 40 foundation indicator tests

To assess the effect of mining on the exposed rock mass, the rock mass rating ("RMR") values were empirically adjusted to account for the factors affecting the rock mass, namely: weathering, mining-induced stress, joint orientation and blasting. These factors were weighted according to their relative importance, with a maximum possible total rating of 100. The resultant adjusted values form the basis of subsequent empirical slope stability analysis.

The results of the slope stability analyses are summarised in Table 1.3.

TABLE 1.3
SUMMARY OF SLOPE LIMIT EQUILIBRIUM ANALYSES

Pit Name and Section			Lithology	Angle (°)	Overall Slope Angle (°)
GGI	1		Saprolite	42	41
			Trans/Rock	47	
	2		Saprolite	41	41
	3		Saprolite	48	40
			Trans/Rock	63	
	4		Saprolite	45	45
	5	North	Saprolite	46	46
		South	Saprolite	52	52
GGII	1		Saprolite	45	45
	2		Saprolite	42	42
	3		Saprolite	42	37
			Rock	29	
	4		Saprolite	55	27
			Transition	54	
			Transition	48	
	5		Saprolite	44	44
	6		Saprolite	47	29
			Saprolite	51	
Kao	1		Saprolite	38	32
	2	North	Saprolite	38	32
			Saprolite	41	

TABLE 1.3 SUMMARY OF SLOPE LIMIT EQUILIBRIUM ANALYSES					
Pit Name and Section			**Lithology**	**Angle (°)**	**Overall Slope Angle (°)**
		South	Saprolite	42	42
Rambo	1		Saprolite	45	45
			Transition	48	
	2		Saprolite	49	44
			Transition	56	
			Rock	43	
Nami	1		Saprolite	38	32
	2	North	Saprolite	41	33
			Saprolite	45	
		South	Saprolite	42	42

1.3.2 Hydrological

The groundwater flows from a central watershed ridge towards surface watercourses to the south and north-east of the proposed mine. Aquifer tests revealed low to moderate hydraulic conductivity within the saprolite and fractured transition zone.

Groundwater inflow and direct rainfall into the pits will need to be directed to in-pit sumps from where it will need to be pumped beyond the rim of the pit. This water can be used for dust suppression and or other mining process needs.

The anticipated average monthly pumping rate from the sump for average, dry and wet years are summarized in Table 1.4

TABLE 1.4 ANTICIPATED AVERAGE MONTHLY PUMPING RATE			
Pit	**Average Year (m^3/month)**	**Wet Year (m^3/month)**	**Dry Year (m^3/month)**
Goulagou I	55,000	58,000	53,000
Goulagou II	60,000	63,000	58,000
Kao	39,000	42,000	38,000
Nami	43,000	45,000	42,000
Rambo	29,000	30,000	28,000

A cone of drawdown will extend around each pit and the water levels in the nearby village water supply boreholes could be affected.

Terminal lakes will form in each of the pits once mining stops, however, no decant from pits is expected.

1.3.3 Mining Method

The mining method utilized will be conventional open pit mining, similar to that used at many other operations in Africa. Medium size mining equipment will be used (for example 90 tonne capacity haul trucks) to meet the production requirements.

Three types of material will be mined in the open pits. These are oxides, transition, and sulfide rock, with the oxides being the least competent rock and sulphides being the most competent. The oxides and some of the transition materials will not require blasting during excavation. However, as the pits deepen, harder rock will be encountered and some degree of drilling and blasting will be required.

Up to two hydraulic backhoe type excavators will be used as the primary loading units for the fleet of up to fourteen 90 tonne capacity haul trucks. A wheel loader will be available to be used in some instances. Waste dumps will be developed adjacent to all the pits, however at GGI some waste material may be placed in the mined-out pit area.

In some of the pits, minor amounts of 'preg-robbing' material may exist. Preg-robbing material contains components that absorb some of the gold released in the leaching process. It is assumed that this material will be stockpiled and processed at the end of the mine operational life to minimize its impact on the heap leach process.

1.3.4 Pit Optimization and Pit Design

Pit optimizations for design purposes were conducted using the Lerches-Grossman algorithm in CAE NPV Scheduler, This was based on a gold price of US$1,300/oz, process recoveries, as well as pit slope criteria and estimated mining, processing, and G&A costs for the different pits to create a series of nested pit shells for analysis. Inferred resources were considered as waste material in the mining process.

These optimized pits were further developed into operational design open pits with hauls roads, ramps, berms, etc., that would form the basis for the mine production plan.

A mining loss factor of 3% was applied to the ore recovered by the designed pits. Dilution was added according to estimated quantities and diluting grades for each ore type in each pit. This produced the Mineral Reserves for the project.

1.3.5 Mineral Reserves

The Mineral Reserves form the basis for the Feasibility Study production plan.

Inferred Mineral Resources are not included in the estimation of the Mineral Reserve.

The Mineral Reserves for the Project are summarized in Table 1.5. All are all classified as Probable Reserves and are comprised of oxide, transition and sulphide mineralization, which will all be processed in a heap leach facility.

TABLE 1.5 KARMA PROJECT PROBABLE MINERAL RESERVES*												
	Oxide			Transition			Sulphide			Total		
	Mt	g/t	K oz	Mt	g/t	K oz	Mt	g/t	K oz	Mt	g/t	K oz
GGI	6.5	0.59	123	4.3	0.64	86	-	-	-	10.8	0.61	209
GGII	6.1	1.03	200	1.5	1.47	72	-	-	-	7.6	1.12	272
Kao	9.0	0.89	260	1.9	1.32	80	-	-	-	10.9	0.96	340
Rambo	0.3	1.85	16	0.3	1.97	22	0.3	2.10	20	0.9	1.98	58
Nami	0.5	0.87	16	1.0	0.62	21	1.5	0.70	33	3.0	0.71	70
Total	**22.4**	**0.85**	**615**	**9.0**	**0.97**	**280**	**1.8**	**0.95**	**53**	**33.2**	**0.89**	**949**

**The effective date of this mineral resource estimate is August 10, 2014.*
***Some values have been rounded. The totals are accurate summations of the columns of data.*

1.3.6 Production Schedule

The production sequence for mining the various deposits is shown in Table 1.6.

TABLE 1.6 PRODUCTION SEQUENCE CHART										
Year	**-1**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
GGI										
GGII										
Kao										
Rambo										
Nami										

The Karma mining operation will require a workforce ranging from about 158 people in Year -1 to a peak of about 228 people in Year 6. It is expected that the workforce will consist largely of local personnel and that the Mine Superintendent, Training Coordinator and Maintenance General Supervisor roles will be assumed by expatriate personnel.

The Karma mine will also incorporate adequate support infrastructure, including mine offices, safety offices, security office, change house facilities, maintenance facilities, warehouse and laydown areas.

1.4 METALLURGY AND MINERAL PROCESSING

1.4.1 Metallurgical Testwork

In support of a Preliminary Economic Assessment ("PEA"), metallurgical test work was conducted at Kappes, Cassiday and Associates between 2010 and 2012 to initially assess the best gold processing method to be used at the Karma project. The PEA concluded that heap leaching is the best process method for recovering gold from the Karma mineral resources.

In support of this Feasibility Study, further test work was conducted at McClelland Laboratories in 2012 and 2013, which focused on developing recoveries and reagent consumptions for each ore type.

1.4.2 Mineral Processing

The proposed Karma process plant design will be based on gold heap leach technology, which will consist of two crushing circuits (for soft and hard ore respectively), agglomeration and stacking, heap leaching with cyanide solution followed by adsorption of the pregnant solution, elution and gold smelting. Services to the process plant will include reagent make-up, storage and distribution, water and air supply.

The heap leach plant will process 4 Mtpa of oxide and transition ore for the recovery and extraction of gold from five different pits; Goulagou I, Goulagou II, Kao, Rambo and Nami. Only a minimal amount of sulphides extracted from Rambo and Nami pits will be processed through the heap leach plant. Gold cannot be recovered by heap leaching sulphide material from GGI, GGII and Kao due to its refractory nature.

Recovery of gold will be accomplished via heap leaching whereby the heap is fed with a mixture of ore and a dilute solution of cyanide. The gold in the ore is extracted by dissolving it with the cyanide solution, which is collected via under drains to a pregnant solution pond and subsequently pumped to an adsorption column. Once sufficient gold has been adsorbed on to the carbon, the loaded carbon will be acid washed prior to elution, followed by reactivation of the eluted carbon. The solution from the elution circuit will be subjected to electrowinning, where gold will be deposited onto cathodes as sludge. Periodically the sludge will be washed off the cathodes and dried. The dried gold sludge will then be smelted to produce gold bullion, which will be shipped to a refinery.

The flow sheets of the Karma heap leach plant are shown in Figure 1.2 and Figure 1.3.

Figure 1.2 Karma Comminution Overall Flowsheet

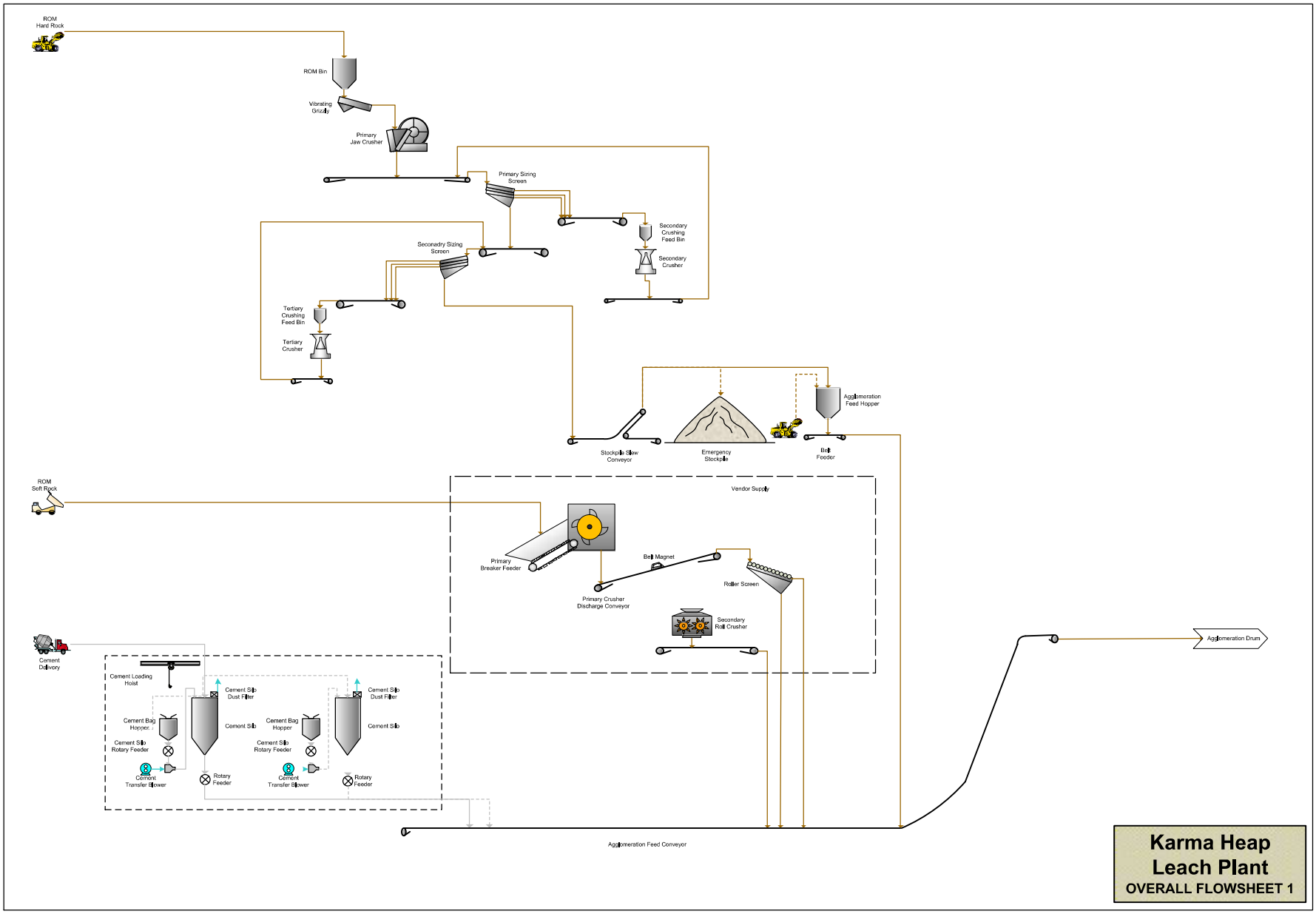
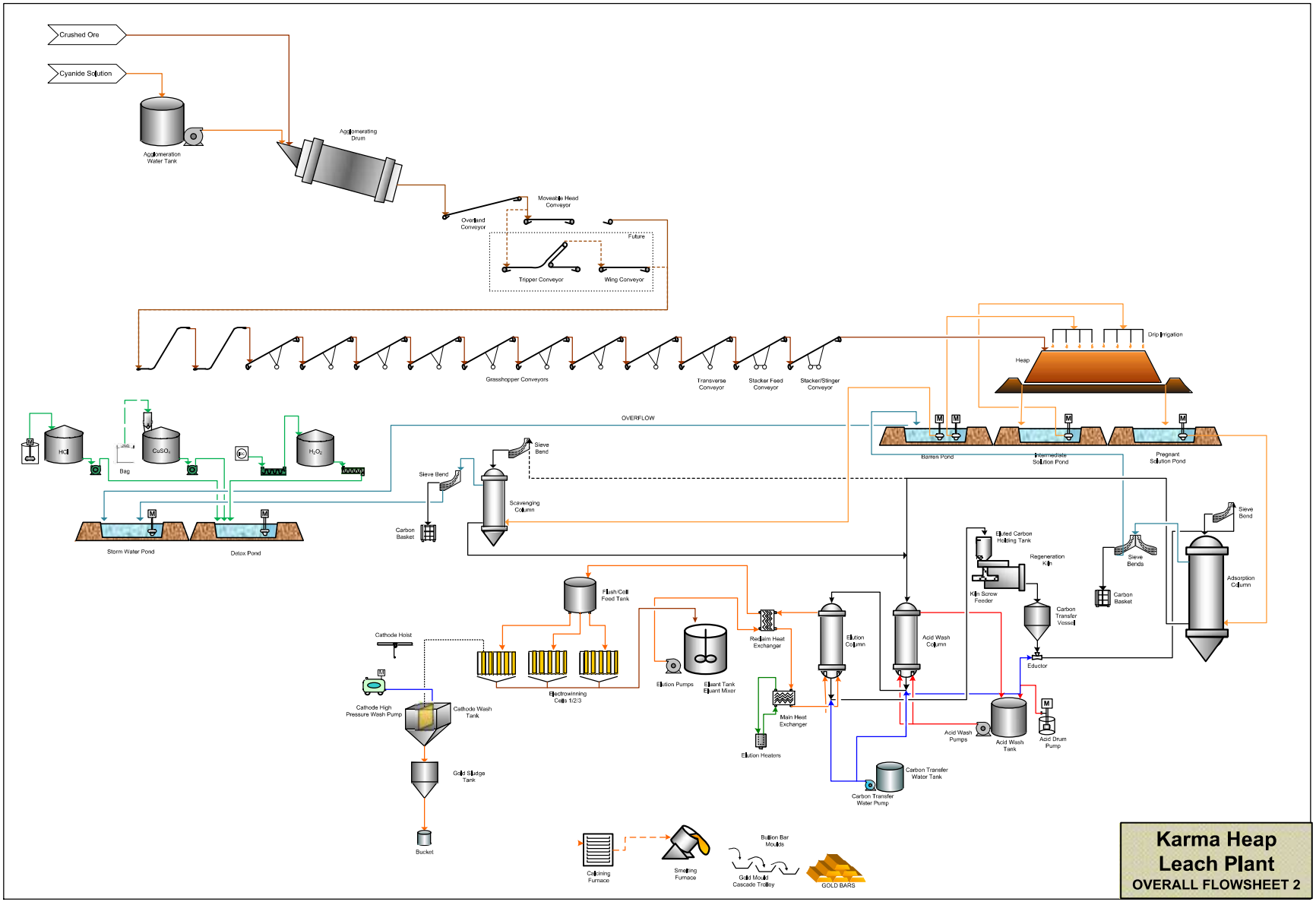


Figure 1.3 Karma Heap Leach & ADR Overall Flowsheet



1.5 PROJECT INFRASTRUCTURE

The Karma Project site is a 'green fields' site without any existing infrastructure. An existing gravel road currently passes to the south of the Karma Project site through Kononga village. The proposed infrastructure will support the mining, plant and construction operations. The main mine area will contain the mining workshop and operations to the north with the processing plant and administration buildings to the south of the mine. The open pit areas are located outside of the ring-fenced mine area and are controlled as separate operations.

In support of the mining operations, the project site will include haul roads, mining administration facilities, a mine dry building, equipment maintenance workshops, refuelling facilities and an explosives magazine.

Infrastructure related to the processing plant will include access roads, related office and administration buildings, assay laboratory, warehouse, laydown areas and equipment maintenance facilities.

In addition there will be storm water handling facilities, water supply network, site access road, sewage treatment plant, medical facilities and a kitchen /canteen.

The entire site will be serviced by a power supply network and diesel generators.

An overall view of the Project site is provided in Figure 1.1.

1.6 SOCIAL AND ENVIRONMENTAL ASPECTS

1.6.1 Community Relations

True Gold has developed a number of processes for ensuring that the project has a positive impact on the local community. These include:

- The Stakeholder Engagement and Communication Plan, which provides a description of how True Gold will engage and communicate with project area communities;
- The Cultural Heritage Plan, which outlines the manner in which True Gold will respect and preserve the cultural heritage of all local communities within the project area;
- The Community Development Plan, which is the primary vehicle for providing added-value development initiatives to the project area communities;
- The Community Health and Safety Plan which contains measures to ensure that project-related health and safety risks are minimised at the community level;
- The Local Employment and Training Plan by which True Gold will ensure that people both local to the project area and within the country of Burkina Faso have full opportunity to take advantage of the employment opportunities that will become available through the development of the Karma Gold Project; and
- The Resettlement Action Plan(s), in place to deal with relocation compensation and livelihood restoration activities that are the result of involuntary resettlement or economic displacement within the project area.

There will be no camp facilities on site due to the proximity of the town Ouahigouya. Most national employees will live at home in Ouahigouya or the surrounding villages.

1.6.2 Environmental

International good practices in project management include the preparation and implantation of an environmental and social management plan ("ESMP") in order to document environmental and social impacts along the life of a project. An ESMP is based on the prevention, attenuation and management of the environmental and social impacts identified into a project Environmental and Social Impact Assessment ("ESIA") study. It aims at the optimal management of significant environmental, social and health and safety impacts, in order to reduce or control the effects on local communities, workers and the environment.

The following environmental and social management plans were prepared and endorsed by True Gold for the Karma Project:

- Noise Management Plan;
- Dust and Air Emissions Management Plan;
- Water Resources Management Plan;
- Environmental Best Practice;
- Waste Management Plan;
- Hazardous Material Management Plan;
- Cyanide Management Plan;
- Occupational Safety and Health (OSH) Management Plan;
- Transport Management Plan;
- Stakeholder Engagement and Communication Plan;
- Resettlement Action Plan;
- Cultural Heritage Action Plan;
- Local Employment and Training Plan;
- Community Health and Safety Plan.

1.7 CAPITAL AND OPERATING COST ESTIMATES

The level of accuracy of the Karma Project capital cost estimate is within a -5%+15% range of the overall project costs as of the 3rd Quarter 2013.

1.7.1 Capital Cost Summary

The total project initial capital cost ("CAPEX") to bring the plant into production, is estimated at US$132 Million. This initial capital cost is inclusive of US$9 Million contingency. With an additional total sustaining capital cost of US$40 Million, the total life of mine ("LOM") CAPEX is US$171 Million.

Summaries of the initial and sustaining capital requirements are shown in Table 1.7 and Table 1.8 respectively.

TABLE 1.7 INITIAL CAPITAL COST SUMMARY			
Cost Location	**Installed Costs (US$000's)**	**Contingency %**	**Contingency Cost (US$000's)**
Mining Direct Costs	37,189	3.9%	1,441
Plant Direct Costs	55,907	8.3%	4,654
Project Indirect Costs	29,827	8.4%	2,502
Initial Capital Cost Total	122,923	7.0%	8,596
Initial Capital Costs Total (Including Contingency)			**131,519**

TABLE 1.8 SUSTAINING CAPITAL COST SUMMARY	
Cost Location	**Installed Costs (US$000's)**
Mining Direct Costs	18,274
Plant Direct Costs	18,879
Plant Indirect Costs	2,849
Total Sustaining Capital Cost	**40,002**

1.8 OPERATING COSTS

The Karma Project annual operating costs for the life of the mine were estimated for mining, processing, general and administration are summarized in Table 1.9 and Table 1.10.

The operating costs have been updated from the January 26, 2014 Feasibility Study ("FS") to reflect the new cost of cement that was negotiated between True Gold and CIMFASO. Through the supply agreement secured on the 5th of June 2014 the delivered price of cement was reduced.

TABLE 1.9
SUMMARY OF TOTAL YEARLY OPERATING COSTS

	Units	-1	1	2	3	4	5
Combined Tonnage Processed	kt	400	3,800	4,000	4,000	4,000	4,000
Combined Feed Grade	g/t Au	1.79	1.28	1.02	0.87	0.97	1.12
Combined Recovery	%		87.9	81.8	90.7	93.5	92.1
Gold Production	oz		155,000	108,000	101,000	116,000	133,000
Total Mining Operating Cost	US$000's		18,862	24,332	21,438	24,988	27,112
Total Process Plant Costs	US$000's		24,595	26,248	27,185	27,652	26,665
Total G&A Costs	US$000's		6,358	6,358	6,358	5,826	5,826
Total Operating Costs	**US$000's**		**49,816**	**56,938**	**54,982**	**58,466**	**59,602**
	Units	**6**	**7**	**8**	**9**	**Total**	
Combined Tonnage Processed	kt	4,000	4,000	4,000	928	33,128	
Combined Feed Grade	g/t Au	0.65	0.62	0.59	0.72	0.89	
Combined Recovery	%	87.6	80.4	84.7	63.3	87.3	
Gold Production	oz	73,000	64,000	64,000	14,000	828,000	
Total Mining Operating Cost	US$000's	28,519	21,119	16,422	2,684	185,476	
Total Process Plant Costs	US$000's	33,417	24,665	24,026	4,974	221,600	
Total G&A Costs	US$000's	5,825	5,826	5,826	1,456	50,807	
Total Operating Costs	**US$000's**	**67,762**	**51,610**	**46,273**	**9,114**	**454,563**	

Notes:

(1) *Some values have been rounded. The totals are accurate summations of the columns of data.*

(2) *Recoveries and gold production quoted in this section exclude 0.08% refinery losses which are accounted for in the financial model.*

TABLE 1.10
SUMMARY OF TOTAL YEARLY OPERATING UNIT COSTS

	Units	-1	1	2	3	4	5
Combined Tonnage Processed	kt	400	3,800	4,000	4,000	4,000	4,000
Combined Feed Grade	g/t Au	1.79	1.28	1.02	0.87	0.97	1.12
Combined Recovery	%		87.9	81.8	90.7	93.5	92.1
Gold Production	oz		155,000	108,000	101,000	116,000	133,000
Mining Operating Costs	US$/t		4.96	6.08	5.36	6.25	6.78
Total Process Plant Costs	US$/t		6.47	6.56	6.80	6.91	6.67
Total G&A Costs	US$/t		1.67	1.59	1.59	1.46	1.46
Total Operating Costs	**US$/t**		**13.11**	**14.23**	**13.75**	**14.62**	**14.90**
Total Operating Costs	**US$/oz**		**321**	**530**	**543**	**503**	**550**
	Units	**6**	**7**	**8**	**9**	**Total**	
Combined Tonnage Processed	kt	4,000	4,000	4,000	928	33,128	
Combined Feed Grade	g/t Au	0.65	0.62	0.59	0.72	0.89	
Combined Recovery	%	87.6	80.4	84.7	63.3	87.3	
Gold Production	oz	73,000	64,000	64,000	14,000	828,000	
Mining Operating Costs	US$/t	7.13	5.28	4.11	2.89	5.60	
Total Process Plant Costs	US$/t	8.35	6.17	6.01	5.36	6.69	
Total G&A Costs	US$/t	1.46	1.46	1.46	1.57	1.53	
Total Operating Costs	**US$/t**	**16.94**	**12.90**	**11.57**	**9.82**	**13.82**	
Total Operating Costs	**US$/oz**	**924**	**805**	**725**	**665**	**924**	

Note: *Recoveries and gold production quoted in this section exclude 0.08% refinery losses which are accounted for in the financial model.*

1.9 ECONOMIC ANALYSIS

Based on a gold price of US$1,250 per troy ounce, the project has a post-tax internal rate of return ("IRR") of 46.3% and a 1.3 year payback of initial preproduction capital costs. The project will realize a post-tax NPV of US$ 199 million at a discount rate of 5%.

Gold production will average 97,000 troy ounces per annum and total 827,000 troy ounces over the 8.5-year life of the mine.

Economic analysis results are summarized in Table 1.11.

TABLE 1.11
SUMMARY OF ECONOMIC ANALYSIS RESULTS

Economic Summary	Units	Results
LOM Tonnage Ore Processed	kt	33,128
LOM Feed Grade Processed	g/t Au	0.89
LOM Gold Recovery	%	87.2
LOM Gold Production	k oz	827
Production Period	years	8.5
Gold Annual Production- LOM	k oz	97
LOM Fuel Costs	US$/oz	109
LOM Direct Operating Costs	US$/oz	550
LOM Total Cash Operating Costs	US$/oz	630
LOM Total Cash Operating Costs	US$/t	15.7
Total Capital Costs	US$/oz	207
Post-Tax NPV @ 5% Discount	US$ million	199
IRR	%	46.3
Payback Period	years	1.3

The Project economics have been evaluated using the discounted cash flow method. This method considered process recoveries, metal price (revenue), operating costs and refining charges, royalties and capital expenditures (both initial and sustaining).

This Feasibility Study has been prepared using cost bids and estimates and production forecasts provided by qualified engineering consulting groups who possess recent bidding and actual cost structure experience relating to other similar projects under development.

A sensitivity analysis of potential variation in the financial parameters indicates that the Project is most sensitive to gold price and feed grade. From a cost perspective, the Project is more sensitive to operating expenditures than capital costs.

1.10 PRELIMINARY ECONOMIC ASSESSMENT OF THE NORTH KAO DEPOSIT

A Preliminary Economic Assessment ("PEA") was performed on the North Kao Deposit. This deposit contains only Inferred resources and as such, cannot be included in the Karma project Feasibility Study. Due to its potential nature and the fact that it is contained within the Karma Project, the results of this PEA were included as Other Relevant Data and Information in Section 24.

The Preliminary Economic Assessment is preliminary in nature. The Inferred mineral resources are considered too speculative geologically to have the economic consideration applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA will be realized.

The potential mine production/heap leach tonnage and grade at the North Kao deposit was determined as a basis for a Preliminary Economic Assessment of the property. This is summarized in Table 1.12.

TABLE 1.12
NORTH KAO POTENTIAL HEAP LEACH FEED SUMMARY

	Oxide			Transition			Sulphide			Total		
	Mt	**g/t**	**K oz**	**Mt**	**g/t**	**K oz**	**Mt**	**g/t**	**K oz**	**Mt**	**g/t**	**K oz**
North Kao	9.2	0.95	280	0.8	1.28	31	-	-	-	9.9	0.98	312

Note: *Values have been rounded. Totals are accurate summations of the quantities of material.*

The envisaged open pit mining methods are estimated to experience mining dilution in the order of 6.4% at a diluting grade of 0.16 g/t Au. Mineralization losses during extraction mining are estimated to be 3%.

A conceptual mining and processing plan has been developed to assess the potential of economically extracting metals from the North Kao deposit.

It is envisaged that the North Kao deposit would be mined with conventional open pit mining methods, at a nominal rate of 4 million tonnes per year of heap leach feed beginning in Year 9 of the Feasibility Study schedule. In addition, varying amounts of waste rock will be produced, with a life-of-mine average stripping ratio of 3.4:1.

The North Kao mining operation will share resources with the other Karma mining operations. The potential mine production will be processed at the Karma project heap leach operations near the Goulagou II deposit.

The total initial capital required to bring the North Kao mining operation into production is estimated at US$17,681,000.

Whereas the yearly mine operating cost will vary depending on mining depth, it has been estimated that the average cost over the mine life will be approximately $1.81 per rock tonne mined.

The total average processing and G&A cost is estimated to be in the order of $8.08 and $1.99 respectively per heap leach feed tonne.

The North Kao deposit economic valuation results are summarized in Table 1.13 and indicate an after-tax net present value ("NPV") of $69.6 million at a 5% discount rate, an internal rate of return ("IRR") of 213% and a 5 month payback from the start of production. These financial indicators are discounted back to 2014, or year -2 of the Feasibility Study schedule and reflects the North Kao project commencement approximately nine years later.

TABLE 1.13
SUMMARY OF FINANCIAL ANALYSIS

Financial Summary	Unit	Financial Indicator
LOM Tonnage Ore Processed	kt	9,925
LOM Feed Grade Processed	g/t	0.976
LOM Gold Recovery	%	94.6%
LOM Gold Production	oz	295,000
Production Period	years	4.0
Gold Annual Production- LOM	oz	118,000
LOM Fuel Costs	US$/oz	251
LOM Direct Operating Costs	US$/oz	577
LOM Total Cash Operating Costs	US$/oz	667
LOM Total Cash Operating Costs	US$/t	19
Total Capital Costs	US$/oz	60
Total Production Costs	US$/oz	726
Post Tax NPV at 5% discount rate	US$ million	69.6
IRR	%	213%
Undiscounted Payback Period from start of production	months	5
Undiscounted project net cash flow after tax and CAPEX	US$ million	118.6

The financial results are based on average metal prices of $US 1,250/oz gold.

Mineral resources that are not mineral reserves do not have economic viability.

1.11 CONCLUSIONS AND RECOMMENDATIONS

P&E concludes that this Feasibility Study demonstrates the viability of the Karma gold project as proposed, and that further development is warranted. P&E specifically recommends proceeding with detailed engineering and permitting based on the positive economics predicted by the designs and financial evaluations contained herein.

The Feasibility Study has also identified areas of opportunity and risk that would benefit from ongoing engineering studies, metallurgical test work and the review of the existing elements of the project design.

P&E also concludes that the North Kao deposit has economic potential as an open pit mining operation producing feed for the heap leach operations. P&E also recommends that the Company advance the project with infill drilling and advanced technical studies particularly in metallurgical, geotechnical and environmental matters with the intention to proceed to a Feasibility Study stage.

1.11.1 General

P&E recommends that True Gold puts into place effective training programmes prior to project implementation. Skilled labour could be sourced from West African French-speaking countries.

1.11.2 Geology and Exploration

Given the economic sensitivity to ore grade, exploration efforts should focus on finding and defining higher-grade mineralization in areas of potential low strip ratios.

P&E considers that the Karma Property has opportunity for resource expansion and merits further exploration. In particular, there is a significant opportunity to expand and upgrade the resources at North Kao that has been demonstrated with recent drilling results. P&E's exploration recommendations are largely based on step out and infill diamond drilling, RC drilling, with supporting geology, geochemistry and ground IP/Mag geophysics. A proposed $11,100,000 program is recommended in Table 1.14.

TABLE 1.14
PROPOSED EXPLORATION PROGRAM

Program	Units	Budget (000s)
Exploration RC Drilling	8,000 m	$1,000
Exploration Core Drilling	5,000 m	$950
Exploration RAB Drilling	3,600 m	$200
Infill-North Kao Diamond Drilling	14,000 m	$2,600
Infill-North Kao RC Drilling	28,000 m	$3,500
Geology, geochemistry, IP/Mag ground geophysics	200 line km	$200
Resource Estimation –North Kao, Rambo West, Other	1	$150
Management, support, G&A at 100% of unit cost		$2,500
Total		**$11,100**

1.11.3 Processing

1.11.3.1 Process Plant and Metallurgical Testing

- P&E recommends that the input parameters of the current detailed design should be updated once load permeability test work is finalized;
- P&E recommends that ongoing site heap leach test work be performed on all ore types, especially transition ore;
- P&E recommends that onsite permeability test work be performed on saprolitic ore prior to heap leach treatment.

1.11.3.2 Heap Leach Pad and Ponds

- Samples of ferricrete aggregate should be sent for testing for suitability as drainage layer material, while at the same time, the current detailed design should include further optimization of the drainage layer.
- Further geomechanical test work on the various ore types at Karma is recommended to better predict heap leach pad stability.

1.11.4 Mining

1.11.4.1 Pit Slopes (Geotechnical)

- P&E recommends that the slope geometry should be optimised on those sections which produced a Factor of Safety ("FoS") <1.3, namely GGI Section 5 North, GGI Section 5 South, GGII Section 1, GGII Section 2 and GGII Section 3. Optimization to reach the acceptance criteria of an FoS of 1.3 may result in a decrease in overall slope angle;
- P&E recommends that the optimization of inter-ramp angles be examined for those slopes where only transition material and fresh rock are exposed in the pit wall. It appears that the potential to increase the inter-ramp angles on several of the design sections may exist.

1.11.4.2 Drilling and Blasting

- Contingency plans should be considered to address the possibility that there may be more drilling and blasting required than currently planned.

1.11.4.3 Haulage

- P&E recommends that True Gold review its haul truck tire requirements with the local supplier and confirm that tires selected for overland haulage are suited to ambient conditions;
- P&E recommends that the ore haul from Rambo in the first two years of mining should be used as a test case for the performance of the haul truck tires on overland routes;
- Overland tire performance could be potentially improved by considering measures such as: lower speed limits, speed governors, hauling during cooler evening hours and optimizing road conditions;
- The use of 30 tonne highway-type trucks could be considered as an alternative to 90 tonne haul trucks if technical or economic conditions change.

1.11.4.4 Hydrological

- P&E recommends that a robust water monitoring program is developed, in order that appropriate sound water management measures can be implemented;
- P&E recommends that the pit perimeter diversion ditches be constructed as mining develops.

1.11.5 Environmental and Social

1.11.5.1 Environmental

- Develop and implement a re-vegetation trials program;
- To reduce noise emission, make sure mitigation measures are applied and that the equipment to be used is at the cutting edge of technology;
- Control dusting and atmospheric emissions according to the management plan;
- Adopt measures to reduce the risk of an environmental contamination by cyanides including effective lining of heap leach pads and ponds and applying industry best practices.
- In the event of extreme rainfall events, ensure that contaminated water is treated prior to release into the environment;
- Ensure that plant bleeds resulting in volumes of water containing high arsenic concentrations are fully utilized for the making of cement blocks and ensuring that those blocks are buried at the bottom of the pits;
- Special attention must be given to the surface of the heap to avoid solution ponding which could attract birds or other wildlife;
- The surface and groundwater monitoring programs should allow for a rapid detection of any possible contamination and the implementation of corrective measures.

1.11.5.2 Social

Focus on:

- Consultative approaches to problem solving with the community to manage social risk;
- Train and review use of the established grievance mechanism with True Gold personnel and community representatives;
- Report and monitor the effectiveness of the Community Liaison Committee
- Ensure that community development spending is aligned with company and community goals;
- Coordinate implementation of the various social management action plans into an overall social management system;
- Guide the implementation process of each social program or initiative in compliance with best practices;
- Establish metrics for monitoring the performance of social management plans;
- Establish community-based health programs;
- Address the need for employee and local resident access to healthcare;
- Consider social and community impacts when making detailed design decisions;
- Share site security plans with the local community in order that the activities and purpose of site security is understood;
- Develop and share with the community a detailed executable emergency response plan
- Conduct surveys to determine the need for pre-employment training in order to hire local area residents;
- Partner with local authorities and NGOs to implement the training of local area residents;

- Ensure that the Culture and Heritage Management Plan is executed in order to protect the cultural heritage of the project area;
- Implement the "Chance Find" procedure in the Cultural Heritage Plan as required;
- Review project development changes with the community during the detailed engineering process;
- Establish an inventory of physical and non-physical assets in each area affected by re-settlement;
- Conduct audits and reviews of compensation procedure to ensure that residents affected by re-location are being treated as planned;
- Ensure that social management activities comply with local laws and international standards;
- Perform due diligence to determine rightful ownership and entitlement to land, tenure and occupancy prior to undertaking any agreements.

2.0 TERMS OF REFERENCE

This report titled, "Technical Report on an Updated Feasibility Study (GGI, GGII, Kao, Rambo & Nami Deposits) and a Preliminary Economic Assessment (North Kao Deposit) for the Karma Gold Project Burkina Faso, West Africa" (the "Technical Report") with an effective date of August 10, 2014, was prepared to provide a NI 43-101 technical report and Feasibility Study of the gold mineralization at five of the deposits, and a PEA at one of the deposits, comprising the Karma Project, Burkina Faso, West Africa (the "Property" or the "Karma Project").

The Karma Gold Project is comprised of six named mineral deposits, namely the Goulagou I, Goulagou II, Rambo, Kao, Nami and North Kao, which are held within three permits (Kao Nord, Bogoya, and Bonguirga permits) of the eight Exploration Permits (Youba, Rounga, Kao Nord, Kao Sud, Tougou, Bogoya, Bonguirga, and Namissiguima Ouest) that comprise the Karma property. A Feasibility study was prepared previously on the GGI, GGII, Kao, Rambo and Nami deposits and published in the Technical Report titled "Updated Resource Estimate and Feasibility Study on the Karma Gold Project, Burkina Faso" with an effective date of December 17, 2013 ("January 2014 Feasibility Study Technical Report"). This Technical Report serves to update the January 2014 Feasibility Study Technical Report through the inclusion of lower negotiated cement costs and including for the first time, results from a Preliminary Economic Assessment that has been carried out on the North Kao deposit.

This Technical Report has been prepared in compliance with the requirements of Canadian National Instrument ("NI") 43-101 and in accordance with the guidelines of the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council and in force as of the effective date of this report.

This Technical Report has been prepared by P & E Mining Consultants Inc., ("P&E") at the request of Peter C. Carter, P. Eng., Chief Operating Officer and Vice President Engineering, of True Gold. True Gold is a Vancouver based company trading on the TSX Venture Exchange (TSX:V) under the symbol of "TGM", and the Frankfurt Stock Exchange under the symbol "3RV" with its corporate office at:

Suite 1900, 1055 West Hastings Street
Vancouver, British Columbia, V6E 2E9
Tel: 604 801-5020

This report has an effective date of August 10, 2014.

Mr. Antoine Yassa, of P&E Mining Consultants Inc., a qualified person under NI 43-101, conducted a site visit to the Karma Property on November 1 to 3, 2011 August 15 to 17, 2012, December 13 to 14, 2012 and October 16, 2013. An independent verification sampling program was conducted by Mr. Yassa at that time. Eugene Puritch, P.Eng., of P&E Mining Consultants Inc., conducted a site visit to the Karma Property on April 11, 2012. Ismail Mahomed Pr. Sci. Nat. of SRK Consulting (Pty) Ltd., conducted a site visit to the Karma property on December 12, 2012. Duncan Grant-Stuart, Pr. Eng., of Knight Piésold (Pty) Ltd., conducted a site visit to the Karma property on October 9-11, 2013.

In addition to the site visits, P&E held discussions with technical personnel from the Company regarding all pertinent aspects of the project and carried out a review of all available literature and documented results concerning the Property. The reader is referred to those data sources, which are outlined in the References section of this report, for further detail.

The present Technical Report is prepared in accordance with the requirements of NI 43-101F1 of the Ontario Securities Commission ("OSC") and the Canadian Securities Administrators ("CSA"). The Mineral Resources and Reserves in the estimate are considered compliant with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions.

2.1 SOURCES OF INFORMATION

This report is based, in part, on internal Company technical reports, and maps, published government reports, Company letters and memoranda, and public information as listed in Section 27 - "References" at the conclusion of this Technical Report. Several sections from reports authored by other consultants have been directly quoted in this Technical Report, and are so indicated in the appropriate sections. P&E has not conducted detailed land status evaluations, and has relied upon copies of public documents as well as statements and documents presented by the Company regarding Property status and legal title to the Karma Project.

2.2 UNITS AND CURRENCY

Unless otherwise stated all units used in this report are metric. Gold assay values (Au) are reported in grams per tonne gold ("g/t Au") unless ounces per ton ("oz/T Au") are specifically stated. The US$ is used throughout this report unless another currency is stated.

2.3 GLOSSARY AND ABBREVIATION OF TERMS

In this document, in addition to the definitions contained heretofore and hereinafter, unless the context otherwise requires, the following terms have the meanings set forth below.

Abbreviation	Meaning
"(Ai)"	means Bond Abrasion Work Index
"µm"	means micrometre or micron
"AA"	means Atomic Absorption, a technique used to measure metal content subsequent to fire assay
"Ag"	means silver
"anfo"	means ammonium nitrate-fuel oil mixture explosive
"artisanal mining"	means a rudimentary method of collecting oxidized and near surface material from which Au is extracted, (see "orpailleur" below)
"As"	means arsenic
"asl"	means above sea level
"Au"	means gold
"Azi"	means azimuth
"BBWi"	means Bond Ball Work Index

"bcm"	means bank cubic meter
"BOQ"	means bill of quantities
"C$"	means the currency of Canada, in dollars
"CAPEX"	means capital cost
"CDP"	means Community Development Plan
"CFAF"	means currency of Burkina Faso, in West African CFA Francs
"CHP"	means Cultural Heritage Plan
"CHSP"	means Community Health and Safety Plan
"CIL"	means carbon-in-leach mineral processing
"CIM"	means the “Canadian Institute of Mining, Metallurgy and Petroleum”
"COG"	means cut-off grade
“CoV”	means coefficient of variation
"CSA"	means the Canadian Securities Administrators
"CWi"	means bond Crushability Work Index
"DDH"	means diamond drillhole
"E"	means east
"el"	means elevation level
"EPCM"	means Engineering, procurement, and construction management
“ESIA”	means Environmental and Social Impact Assessment
"ESMP"	means environmental and social management plan
"est"	means estimated
"Exploration Permit"	means "Permis de recherché” the government issued permit conferring exploration rights on land in Burkina Faso.
“FA”	means fire assay
"FoS"	means factor of safety
"FS"	means Feasibility Study
"G&A "	means general and administration
"g/cm^3"	means grams per cubic centimetre
"g/m^3"	means grams per cubic metre
"g/t Au"	means grams of gold per tonne of rock
"g/t"	means grams per tonne
"Ga"	means billions of years
"GA"	means General Arrangement
“grav”	means gravimetric fire assay
"ha"	means hectare
"HCl"	means hydrochloric acid
"HCN"	means hydrogen cyanide
"HDPE"	means high density polyethylene
"ICP"	means inductively coupled plasma mass spectrometry
"IFC"	means World Bank/International Finance Corporation
"ILS"	means intermediate leach solution
"in"	means inches
"IP"	means Induced Polarization

"IRR"	means Internal Rate of Return
"IT"	means information technology
"K" or “k”	means thousand
"KCA"	means Kappes, Cassidy & Associates, Metallurgical Process Consultants.
"kg"	means kilogram
"kg/cm^3"	means kilograms per cubic meter
"kg/t"	means kilograms per tonne
"km"	means kilometre equal to 1,000 metres or approx. 0.62 statute miles
"kPa"	means kilopascals
"kWh/t"	means kilowatt hours per tonne
"LOM"	means life-of-mine
"m"	means metric metre distance measurement equivalent to approximately 3.27 feet
"M"	means million
"Ma"	means millions of years
"max"	means maximum
"MCC"	means motor control centre
"min"	means minimum
"mm"	means millimeter
"mm/an"	means millimetres per annum
"Mm^3"	means million cubic meters
"Mod AASHTO"	means American Association of State Highway and Transportation Officials
"MPa"	means megapascal
"MRMR"	means mining rock mass rating (Laubscher)
"Mt"	means millions of tonnes
"MTO"	means material take-off
"Mtpa"	means million tonnes per year
"N"	means north
"NaCN"	means sodium cyanide
"NE"	means north-east
"NGO's"	means non-governmental organizations
"NI 43-101"	means Canadian Securities Administrators National Instrument 43-101
“NPI”	means Net Profits Interest
"NPV"	means Net Present Value
"NSR"	means Net Smelter Return
"NW	means north-west
"OPEX"	means operating cost
"orpaillage"	means the act of collecting surface/subsurface oxidized material from which Au is extracted
"orpailleur"	means a traditional local miner using rudimentary means to collect oxidized surface/sub-surface material from which Au is extracted
"OSH"	means Occupational Safety and Health
"oz"	means troy ounce
"oz/T"	means troy ounces per short ton

"P&E"	means P & E Mining Consultants Inc.
"P&ID"	means piping and instrumentation diagram
"PEA"	means Preliminary Economic Assessment study
"pfd"	means process flow diagram
"pH"	means measure of the acidity or basicity of an aqueous solution
"PLS"	means pregnant leach solution
"ppb"	means parts per billion
"PPE"	means personal protective equipment
"ppm"	means parts per million
"Property"	means True Gold Mining's property holdings in Burkina Faso
"Q1"	means first quarter of the year
"Q2"	means second quarter of the year
"Q3"	means third quarter of the year
"Q4"	means fourth quarter of the year
"QA/QC"	means quality assurance/quality control
"RAB"	means reverse air blast
"RAP"	means Resettlement Action Plan
"RC"	means reverse circulation
"RMR"	means rock mass rating (Bieniawski)
"ROM"	means run-of-mine
"S"	means south
"S&S "	means strength and stability
"Sb"	means antimony
"SE"	means south-east
"SEDAR"	means the System for Electronic Document Analysis and Retrieval
"SENET"	means SENET (Pty) Ltd
"SG"	means specific gravity
"SGS"	means SGS Lakefield
"SRK"	means SRK Consulting UK Ltd.
"Stdev"	means standard deviation
"SW"	means south-west.
"t"	means metric tonne equivalent to 1,000 kilograms
"T"	means short ton (standard measurement), equivalent to 2,000 pounds
"t/a"	means tonnes per year
"TCS"	means triaxial compressive strength
"tpd"	means tonnes per day
"UCS"	means unconfined compressive strength
"US$"	means the currency of the United States of America, in dollars
"USCS"	means Unified Soil Classification System
"UTB"	means Brazilian Tensile Strength
"W"	means west
"XRD"	means x-ray diffraction

3.0 RELIANCE ON OTHER EXPERTS

P&E has relied on the assumption that all the information and existing technical documents listed in the References section of this Technical Report are accurate and complete in all material aspects. While we carefully reviewed all the available information presented to us, we cannot guarantee its accuracy and completeness. We reserve the right, but will not be obligated, to revise this Technical Report and conclusions if additional information becomes known to us subsequent to the date of this Report.

Although copies of the tenure documents, operating licenses, permits, and work contracts were reviewed, an independent verification of land title and tenure was not performed. P&E has not verified the legality of any underlying agreement(s) that may exist concerning the licenses or other agreement(s) between third parties but has relied (as indicated in Section 4 of this report) on True Gold's Burkina Faso solicitor to have conducted the proper legal due diligence. P&E has reviewed a copy of a letter dated August 26, 2014 from Kere, Avocats, True Gold's Burkina Faso solicitor that states, to the best of the solicitor's knowledge, the Karma Project Exploration Permits and Karma Exploitation Permit are in good standing. This was subject to the Kao and Nami Exploitation Permits receiving final approval from the Council of Ministers. This approval was obtained on September 17, 2014, after the August 10, 2014 effective date of this report.

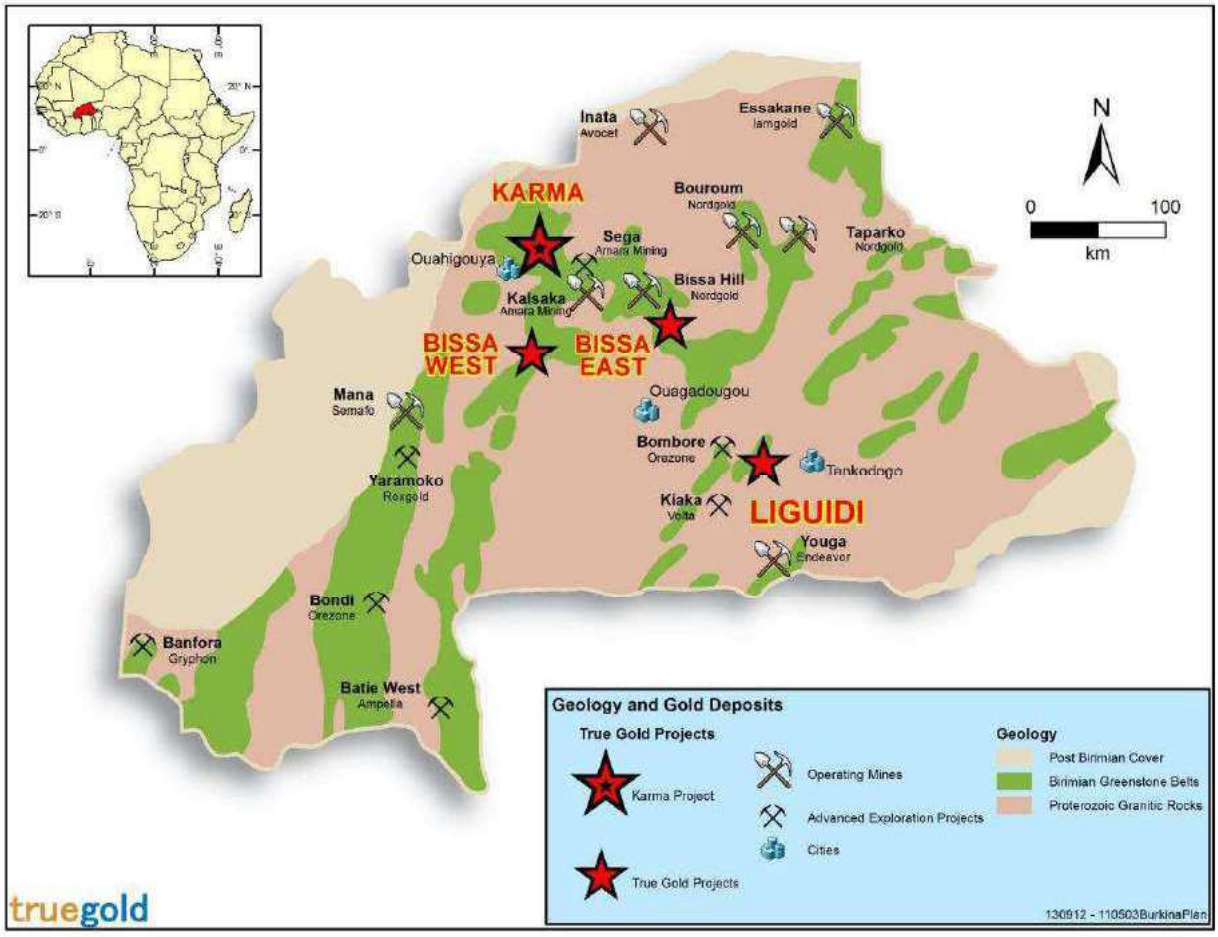
A draft copy of this Technical Report has been reviewed for factual errors by True Gold, and the authors have relied on True Gold's historical and current knowledge of the Property in this regard. Any statements and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this Technical Report.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 PROPERTY LOCATION

The Karma Project area is located in West Africa, in north-central Burkina Faso, near the city of Ouahigouya, approximately 185 km north-west of the capital city, Ouagadougou, (Figure 4.1). For reference, the Kao Deposit in the southern part of the Karma Project area is located at 13° 32' 57" N, 2° 13' 25" W (WGS 84 UTM 30P 584,000m E 1,498,000m N).

Figure 4.1 Location of Karma Project in Burkina Faso



Source: *True Gold Mining Inc.*

4.2 TENURE

The Karma Project began with the acquisition of the Rambo permit in 2003. This was True Gold's (formerly known as Riverstone) first project in Burkina Faso, and was acquired on the basis of examination of data from earlier work on the Rambo Main deposit by Incanore Gold Mines Ltd. ("Incanore"), including a substantial drilling program in 1997. Subsequently, the Kao permit was acquired by the Company in 2004, and a regional exploration program was initiated. Following this, the Goulagou, Youba and Rounga permits were optioned from Golden Star Resources Ltd. ("Golden Star") by way of an "Option to Purchase" agreement (the "Goulagou

Agreement") in 2007. At the time, the Goulagou II deposit had a NI 43-101 resource estimate and technical report.

In 2008, the Goulagou permit was reduced by 25% according to provisions of the Burkina Faso mining code. The shed portion was re-applied for as the Youba permit, and it came under the provisions of the Goulagou Agreement. Finally, the Tougou permit was optioned from Golden Star in 2010, by inclusion in the Goulagou Agreement. Subsequently, True Gold exercised its option under the Goulagou Agreement and acquired 90% interest in the Goulagou, Youba and Rounga permits and 100% interest in the Tougou permit in early 2012. On December 6, 2013, True Gold reported that it had acquired the remaining 10% interest in the Goulagou and Rounga permits (subject to a 5% NPI upon commencement of commercial production) through its 100% wholly-owned indirect subsidiary, Yatenga Holdings Limited SA.

4.2.1 Acquisition of Blue Gold Mining and Name Change to True Gold Mining

In December, 2012, True Gold, (formerly Riverstone) acquired all the outstanding common shares of Blue Gold Mining Inc. On February 25, 2013, Riverstone received TSX Venture Exchange approval for the Company to change its name to "True Gold Mining Inc.", which was approved by a resolution of the directors of the Company in accordance with the Company's articles. The Company commenced trading on the TSX Venture Exchange at the opening of market on February 25, 2013, under the new symbol "TGM".

4.2.2 NSR Royalty on Karma Project

On August 27, 2013, True Gold closed the sale of a 2% net smelter return royalty, ("NSR") on the Company's interest in the Karma Project to Liberty Metals & Mining Holdings, LLC ("LMM"). The Royalty is subject to the following repurchase options retained by True Gold:

- 50% of the Royalty may be repurchased subsequent to the third anniversary of commencement of commercial production at fair market value;
- 50% of the Royalty may be repurchased on March 31, 2014 for approximately US$12.5 million.

In addition, the Karma Project is subject to the following contractual royalties:

- 1-2% NSR on the company's interest in the Goulagou permit;
- 3% NSR on the Rambo permit; and
- 5% net profit interest in the Goulagou and Rounga

The government of Burkina Faso retains additional royalties on all of the permits and certain permits are subject to further royalties and interests.

4.3 PERMITS AND PERMITTING PROCESS

4.3.1 Basis for Mineral Title

The state owns title to all mineral resources in Burkina Faso. All permits conferring rights to explore and extract mineral resources are granted by the Minister of Mines, Quarries and Energy,

("MoM") under the Burkina Faso 2003 Mining Code (Code Minière, loi no. 31-2003/ AN du mai 2003). The Mining Code serves as the legal framework governing mining in Burkina Faso.

4.3.2 Exploration Permits

Rights and Obligations

In Burkina Faso, rights to conduct exploration are conferred by issue of a "Permis de recherche" or Exploration permit (the term used in this report). Exploration permits are issued for a three-year period, and they can be renewed twice for a total of nine years. After the second renewal the permit area is reduced by 25%. At the end of the nine years, exploration permits must be converted into exploitation (mining) permits or relinquished.

The surface area of an exploration permit cannot exceed 250 square kilometres. The minimum annual exploration expenditure per permit is FCFA 270,000 (approximately CAD$650) per square kilometre.

Project Exploration Permits

The Karma Project is comprised of eight exploration permits: Youba, Rounga, Kao Nord, Kao Sud, Tougou, Bogoya, Bonguirga, and Namissiguima Ouest exploration permits, as presented in Table 4.1 and shown on Figure 4.2.

TABLE 4.1
DESCRIPTION OF EXPLORATION PERMITS FORMING THE KARMA PROJECT, BURKINA FASO

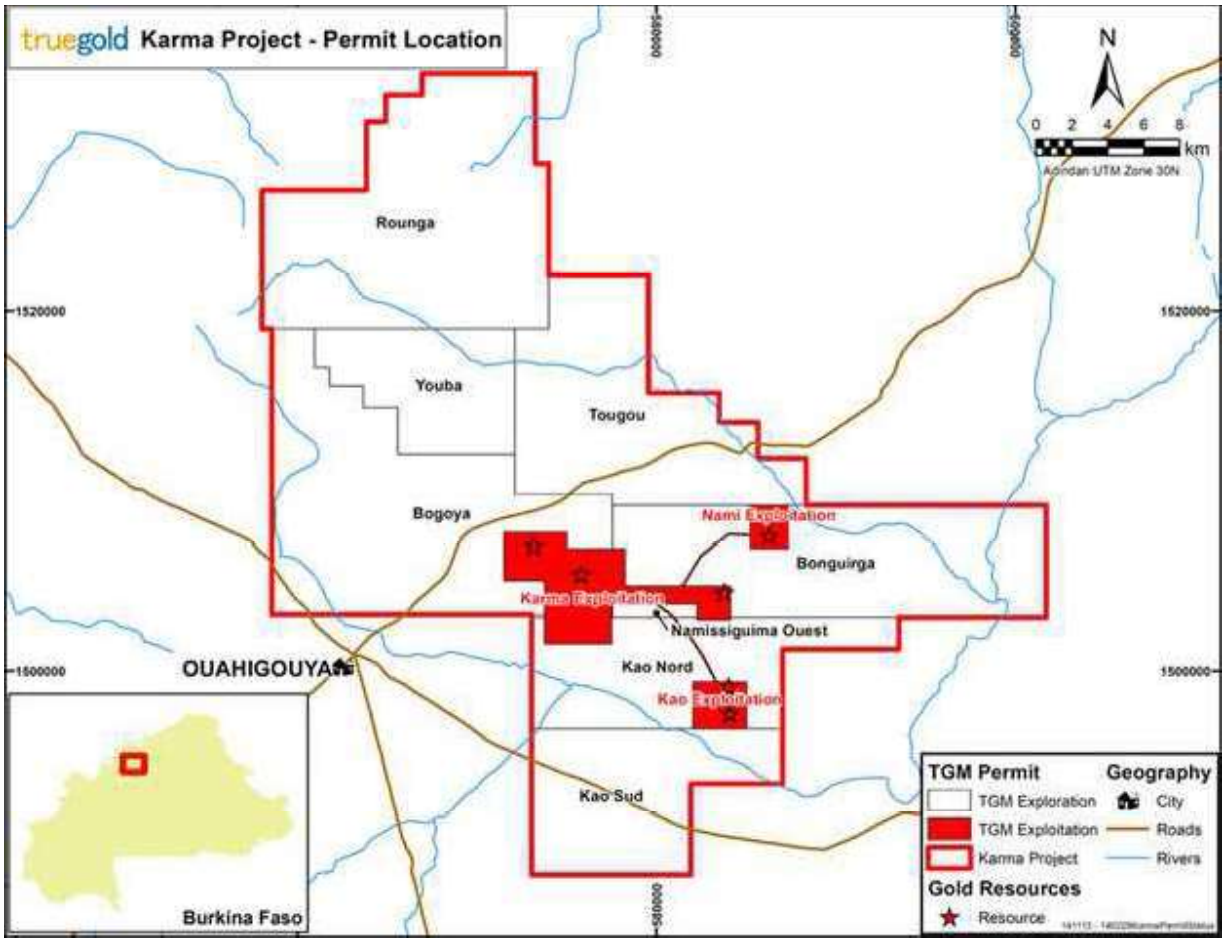
Permit Name	Decree Number	Mineral	Title Holder	Area Km²	Initial Grant Date	Current Expiry Date	Minimum Annual Expenditure (FCFA) 2012	Province
Youba[5]	2008/08-205/ MCE/SG/DGMGC 2012/12-027/ MCE/SG/DGMGC	Gold	Yatenga Holdings Ltd SA	61.75	October 17, 2008	October 17, 2014	16,672,500	Yatenga
Rounga[1]	2003/03-073/ MCE/SG/DGMGC 2004/04-150/ MCE/SG/DGMGC 2006/06-127/ MCE/SG/DGMGC 2011/11-111/ MCE/SG/DGMGC 2014/00-0115/ MME/SG/DGMG	Gold	Yatenga Holdings Ltd SA	180	September 10, 2003	September 10, 2015[1]	48,600,000	Yatenga
Kao Sud	2013/00-0215/ MME/SG/DGMG	Gold	Riverstone Resources Burkina SARL	88.40	December 31, 2013	December 31, 2016	23,868,000	Yatenga
Kao Nord	2013/00-0216/ MME/SG/DGMG	Gold	Riverstone Resources Burkina SARL	90.40	December 31, 2013	December 31, 2016	24,408,000	Yatenga
Tougou[4]	2008/08-155/ MCE/SG/DGMGC 2011/11-372/ MCE/SG/DGMGC	Gold	Golden Star Exploration Burkina SA	128	August 21, 2008	August 21, 2014	34,560,000	Yatenga
Bogoya[2]	2014/00-0105/ MME/SG/DGMG	Gold	Yatenga Holdings Ltd SA	168.9	April 23, 2014	April 23, 2017	45,603,000	Yatenga
Bonguirga[3]	2014/00-0107/ MME/SG/DGMG	Gold	Riverstone Resources Burkina SARL	138.6	April 23, 2014	April 23, 2017	37,422,000	Yatenga
Namissiguima -Ouest[3]	2014/00-0106/ MME/SG/DGMG	Gold	Riverstone Resources Burkina SARL	3.56	April 23, 2014	April 23, 2017	961,200	Yatenga

(1) The permit has been extended for an additional 3 years.
(2) The permit consists of the portion of the expired Goulagou exploration permit that does not form part of the Karma exploitation permit.
(3) The permit consists of the portion of the expired Rambo exploration permit that does not form part of the Karma exploitation permit.
(4) An application has been submitted and accepted by the Burkina Minister of Mines, to renew the Tougou exploration permit under new coordinates resulting in 75% of the previous permit area (as prescribed under Burkina Law).
(5) An application has been submitted and accepted by the Burkina Minister of Mines, to renew the Youba exploration permit under new coordinates resulting in 75% of the previous permit area (as prescribed under Burkina Law).

The original Rambo and Goulagou exploration permits, covering the Goulagou I, Goulagou II, Nami and Rambo deposits, expired in April 2012 and May 2012, respectively. Prior to their expiration, an application to convert parts of both exploration permits, covering the GGI, GGII and Rambo deposits into a single exploitation permit (the Karma Exploitation Permit) was made. This application included an Environmental and Social Impact Assessment (ESIA) and a Burkina Feasibility Study (project description). As a result of the changes to the project design resulting from completion of the PEA, the ESIA and project description was updated and the revised documents submitted for government review in July 2013. The Karma Exploitation Permit was approved in December of 2013 (see True Gold News Release, dated December 19, 2013) and subsequently received in January 2014 (see True Gold News Release, dated January 27, 2014).

The new Bogoya, Bonguirga, and Namissiguima-Ouest permits cover the remaining area of the former Rambo and Goulagou exploration permits that do not form part of the Karma Exploitation Permit application.

Figure 4.2 Karma Project Exploration and Exploitation Permits



Source: *True Gold Mining*

The Kao Nord and Kao Sud exploration permits encompass what was previously the Kao permit, and contain the Kao deposit that was a 'greenfield' discovery by True Gold. True Gold owns 100% of the Kao Nord and Kao Sud permits.

4.3.3 Exploitation Permits

Rights and Obligations

In Burkina Faso, a mining permit is called an "Exploitation" permit. The exploitation permit confers the right to undertake construction and bring the property into production. An exploitation permit is issued for five years and is renewable on the same basis until mining is completed. Once an exploitation permit is granted, the proponent can then apply to have the remaining portion of the original exploration permit reinstated to permit further exploration. Accepted practice is that the proponent will start mining or demonstrate good faith efforts to bring the property into production within two years of issue of the exploitation permit or there is a risk that the permit will be withdrawn.

Exploitation permits are defined by a boundary with no more than 14 corner points. An annual fee is payable of CFA 7,500,000 (approximately $15,300 USD) per square kilometre within the permit boundary. The area within the exploitation permit currently under review is 39 square kilometres.

Project Area Exploitation Permits

The revised Karma (Goulagou I, Goulagou II, and Rambo) exploitation permit application was submitted to regulatory authorities in Burkina Faso on July 18, 2013. This included the ESIA, Resettlement Action Plan ("RAP") and a description of the Karma Project. The RAP was subject to a public review and, upon its formal acceptance, a technical committee, convened by the Ministry of Mines, reviewed and validated the proposed operating plan. The exploitation permit was granted in December 2013 (True Gold news release December 19, 2013) and later received in January 2014 (True Gold news release January 27, 2014).

Upon grant of the exploitation permit, and in accordance with Mining Regulation, the Government of Burkina Faso is entitled to retain a 10% free carried interest in the share capital of the company that holds an exploitation permit, which interest may not be diluted even if there is an increase in the share capital, and is entitled to collect a 3 to 5% royalty (calculated based on the international market value of gold) on the revenues from gold production on the property covered by the exploitation permit.

The Karma Exploitation Permit coordinates are presented in and shown on Table 4.2.

The Kao exploitation permit application was submitted to regulatory authorities in Burkina Faso on July 22, 2013. The application included the ESIA, RAP, and a copy of the Karma Project description (inclusive of Kao) and was followed up with a Kao-specific project description document as requested by the Director General of the Ministry of Mines. The Kao permit will be subject to the same process as was the Karma application however, in this instance, validation will take place concurrently with that of the Nami application. The Kao Environmental Permit was received on January 6, 2014 (True Gold news release January 6, 2014) and the ESIA for the Nami deposit (part of the Rambo Permit) commenced in August and was completed and submitted in January of 2014. As of the effective date, the Kao and Nami Exploitation Permits have been approved by National Mines Committee. Final approval by the Council of Ministers was obtained on September 17, 2014.

TABLE 4.2 COORDINATES FOR KARMA EXPLOITATION PERMIT ADINDAN UTM ZONE 30N		
Points	**Easting**	**Northing**
1	571,500.000	1,507,738.519
2	575,000.000	1,507,738.519
3	575,000.000	1,506,758.675
4	578,254.962	1,506,765.175
5	578,258.383	1,504,985.191
6	584,324.356	1,505,000.000
7	584,324.356	1,502,831.645
8	582,259.570	1,502,834.202
9	582,259.570	1,503,733.024
10	577,500.000	1,503,727.737
11	577,500.000	1,501,500.000
12	573,750.745	1,501,500.000
13	573,750.745	1,505,000.000
14	571,500.000	1,505,000.000

4.4 GOVERNMENT ROYALTIES AND OTHER ENCUMBRANCES

The Government of Burkina Faso retains a 10% carried interest and a 3% to 5% sliding scale royalty on the revenues from mineral production. The Government also collects various taxes and duties on the importation of fuels, supplies, equipment and outside services as specified in the Mining Code.

4.5 ENVIRONMENTAL LIABILITIES AND SOCIAL CONSIDERATIONS

Environmental liabilities and social considerations as a result of mine development and closure are discussed in Section 20.0 Environmental Studies, Permitting and Social or Community Impact.