TRUE GOLD MINING INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2014

True Gold Mining Inc.
Management's Discussion and Analysis
For the three months ended March 31, 2014

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with the True Gold Mining Inc. (in this MD&A also referred to as "True Gold", or "the Company", or "the Corporation", or "we", or "our", or "us" "Company") condensed interim consolidated financial statements for the three months ended March 31, 2014 and related notes (together, the "Interim Financial Statements") which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This MD&A contains forward-looking statements that involve numerous risks and uncertainties. The Company continually seeks to minimize its exposure to business risks, but by the nature of its business and exploration activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties, or those described under the heading "Risk Factors" in our AIF (as defined below) and those set forth in this MD&A under the headings "Cautionary Notes Regarding Forward-Looking Statements" and "Industry and Economic Factors that May Affect our Business" materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

The written disclosure of technical information in the MD&A has been approved by Peter C. Carter, P. Eng., Chief Operating Officer of the Company, and Scott Heffernan, M.Sc., P.Geo, Vice President, Exploration of the Company, both Qualified Person's ("QP") for the purposes of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). Readers are directed to the section "Scientific and Technical Disclosure" included within this MD&A.

All figures are in Canadian dollars ($) unless otherwise noted. This MD&A has been prepared as at May 29, 2014. Additional information relating to the Company, including the Company's Annual Information Form, dated April 28, 2014 ("AIF") for the 12 months ended December 31, 2013, are available under the Company's profile on SEDAR at www.sedar.com.

HIGHLIGHTS & SIGNIFICANT SUBSEQUENT EVENTS

Karma Project continual advancement:

- **Permitting:**
  - Received the Karma Project exploitation (mining) permit to conduct mining operations at the initial three deposits. A groundbreaking ceremony was held in May 2014.
- **Project Financing:**
  - Closed a public market bought deal financing and concurrent private placement with Liberty Metals & Mining Holdings, LLC, ("LMM") for total gross proceeds of $51.9 million (the "Offering"). These proceeds provide the project equity component required to develop and construct the Karma Project.
  - Signed an engagement letter giving Barclays Bank PLC and Société Générale Corporate & Investment Banking an exclusive mandate to act as lead arrangers for bank debt financing for the Karma Project.
  - Continued to advance discussions with providers of alternatives or complements to traditional bank debt project financing including fleet financing, gold streams and hybrid convertible notes.
- **Project Development:**
  - Continued to strengthen our mine-building team in Burkina Faso with the appointment of several key positions.
  - Completed detailed engineering and design, results of which indicate a potential for cost savings in a number of important areas.
  - Completed Phase 2 barrage construction ahead of schedule and under budget. The barrage will provide sufficient water for mine construction and operational needs, as well as providing a year-round water source for local communities.
  - Commenced construction activities including upgrading the site access road and the start of plant site earthworks.
  - Signed a letter of intent to purchase the initial mining fleet for the development of the Karma Project.
- **Resource Update:**
  - Reported a significant new resource north of the Kao deposit ("North Kao") that adds to Karma's production profile potential with 1.66 million ounces of gold (Inferred Mineral Resource of 47.8 Mt at 1.08 g/t Au) added. This includes in-pit leachable material of 423 kozs of gold (Inferred Mineral Resource of 16.4 Mt at 0.80 g/t Au), potentially doubling the leachable material at

Karma's largest deposit (Kao). The updated Karma Project mineral resource, including North Kao is as follows:

Category	Indicated			Inferred		
	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz
In-Pit (shell-constrained)	75.2	1.08	2,621	65.3	1.13	2,362
Global Mineral Inventory	82.6	1.04	2,776	80	1.05	2,704

(1) The Mineral Resource estimate is quoted at the same cut-off grades and economic parameters for the constrained pit optimizations that were used for mineral resources in the updated Karma Technical Report: 0.20 grams per tonne ("g/t") gold ("Au") for Oxide, 0.22 g/t Au for Transition and 0.5 g/t Au for Sulphide, and a gold price of US$1,557/oz (refer to NI 43-101 technical report titled "Technical Report and Updated Resource Estimate on the Karma Gold Project, Burkina Faso, West Africa", dated March 13, 2014 and filed on SEDAR on April 28, 2014).

(2) 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, sociopolitical, marketing, or other relevant issues.

(3) 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.

(4) The mineral resources in this MD&A 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.

- Commenced a Preliminary Economic Assessment ("PEA") on the new inferred resource to evaluate the potential economic impact of an increased production profile or an extention of the mine life as laid out in the technical report entitled "Updated Resource Estimate and Feasibility Study on the Karma Gold Project," prepared by P&E Mining Consultants Inc. dated effective December 17, 2013 ("Karma FS"), a copy of which is available under the Company's profile on SEDAR at www.sedar.com. The PEA is anticipated to be completed by July 2014.

Exploration:

- Commenced a 15,000 metre drill program at key exploration targets at the Karma Gold Project. The program is designed to discover new domains of open-pit, leachable material that could ultimately be incorporated into the current feasibility mine plan for potential mine life extensions or throughput increases.
- Reported positive drilling results at priority targets that expand and demonstrate continuity of gold mineralization and the potential to add more near-surface leachable material within the Karma Project.

OUR BUSINESS

Our vision is to build a successful gold exploration, development and production company. Our two material projects are located in Burkina Faso, West Africa, a country with proven gold production, favourable geology and a government that supports mining. To advance our material projects and execute on our visions we have established an Owner's Team with the full spectrum of talent and expertise in strategy, finance, exploration, development, construction and mine production.

We are focused on advancing our flagship Karma Project. Over the past 18 months the Company has made significant progress towards achieving its goal of becoming a leading low-cost West African gold producer by fast tracking the development of a stand-alone heap leach operation at the Karma Project. Our plan has enabled us to progress from a preliminary economic assessment on the Karma Project through to the completion of the Karma FS in 16 months. The Company anticipates considering a production decision on the Karma Project in Q2 2014. For information on the Karma Project and Karma Project reserve and resources please see the *"Karma Project"* section below.

Our other material project, the Liguidi Project, is undergoing exploration and does not yet have a defined resource. Additional information about the Karma and Liguidi Projects is summarized in our AIF and detailed in technical reports available under the Company's profile on SEDAR at www.sedar.com.

LMM, our largest shareholder, owns approximately 19.5% of our shares and a 2% net smelter return royalty on our interest in the Karma Project. LMM is a subsidiary of Boston-based Liberty Mutual Insurance.

Teck, our second largest shareholder, owns approximately 11.5% of our shares. Teck is one of Canada's largest mining companies. Both LMM and Teck are strategic shareholders whose long-term investment strategy and financial strength are ideally suited to True Gold, as a company transitioning from exploration to an emerging developer.

OUR OBJECTIVES & OUTLOOK

Despite the challenging market conditions and ongoing volatility in the price of gold, we remain on track to make a production decision for the Karma Project in Q2 2014. We intend to begin mine construction in the second half of 2014 and commence production by the end of 2015. The Company has already commenced pre-development activity, including completion of the Phase 2 barrage construction and commencing site earthworks.

According to the Karma FS, mine construction would require US$131.5 million, including start-up and working capital. We are in advanced negotiations with providers of traditional bank debt as well as with alternatives or compliments to bank debt such as fleet finance, gold streams and hybrid convertible notes, and expect to complete project financing by mid 2014. In February 2014, we obtained the necessary project equity funding for the development and construction of the Karma Project with the closing of the $51.9 million Offering.

Our 2014 Karma exploration campaign has commenced and we plan to continue exploration drilling to add additional leachable material to our resource base, in order to lengthen mine life or increase annual gold production.

For the Liguidi Project, the 2014 objective is to further demonstrate mineralization potential of the project's widespread, near-surface gold system which remains one of the largest gold anomalies in the country.

We continue to minimize non-core expenditures in an effort to streamline operations while focusing on the goals established at the beginning of the year for each of our material projects.

OVERALL PERFORMANCE

Material Projects

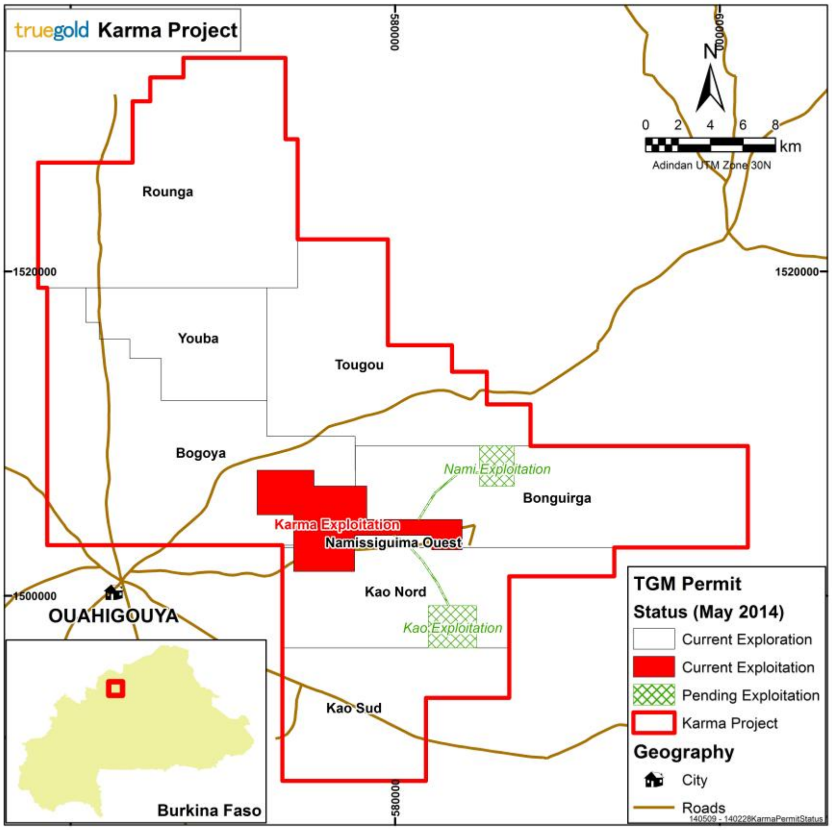
The Company's principal asset, the Karma Project, hosts a mineral reserve and mineral resources prepared pursuant to National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"), as described in this MD&A. The potential quantities and grades disclosed relating to targets at our other exploration projects are conceptual in nature and there has been insufficient exploration to define a mineral resource for the targets disclosed. It is uncertain if further exploration will result in these targets being delineated as a mineral resource.

All of the Corporation's mineral properties are located in Burkina Faso, West Africa.

Karma Project, Burkina Faso (100% Owned)

The Karma Project is located in the north-central part of Burkina Faso, approximately 185 km northwest of the capital city of Ouagadougou and 20 km east of the regional center, Ouahigouya (population 122,677). The Karma Project covers approximately 900 km^2 and consists of eight contiguous exploration permits and one exploitation permit. To date, there have been six gold deposits (Goulagou I ("GG I"), Goulagou II, ("GG II") Kao, Rambo, Nami and North Kao) identified at the Karma Project, of which three (GG I, GG II and Rambo) are covered by the Karma exploitation permit granted to the Company in December 2013, and two (Kao and Nami) are under application as geographical extensions to the Karma exploitation permit. The newly identified North Kao deposit, which was not included in the Karma FS, will be applied for as an extension to the Karma exploitation permit. The various concessions comprising the Karma Project are shown in Figure 1 below.

Figure 1. Karma Project Concessions



Karma Project Feasibility Study

Overview

On December 17, 2013, the Company announced the results of the Karma FS (a copy of which is available under the Company's profile on SEDAR at www.sedar.com.), which supports a technically simple open-pit heap leach project from currently defined open pit deposits containing 949,000 ounces of gold (33.2 Mt at 0.89 g/t Au) of probable mineral reserves. The proposed implementation schedule covers a period of 18 months with pre-stripping beginning 12 months prior to the first gold pour, which is anticipated at the end of 2015. Based on the Karma FS, the project will require initial capital of US$131.5 million (including onsite working capital and a US$8.6 million contingency) to support the construction of a mine and associated facilities with a process capacity of 4.0 Mtpa, and total life of mine capital expenditures of US$171.4 million. The mine would produce an average of 97,000 ounces of gold per year over 8.5 years, with direct cash operating costs of approximately US$591 per ounce.

Base case highlights of the Karma FS include[1]:

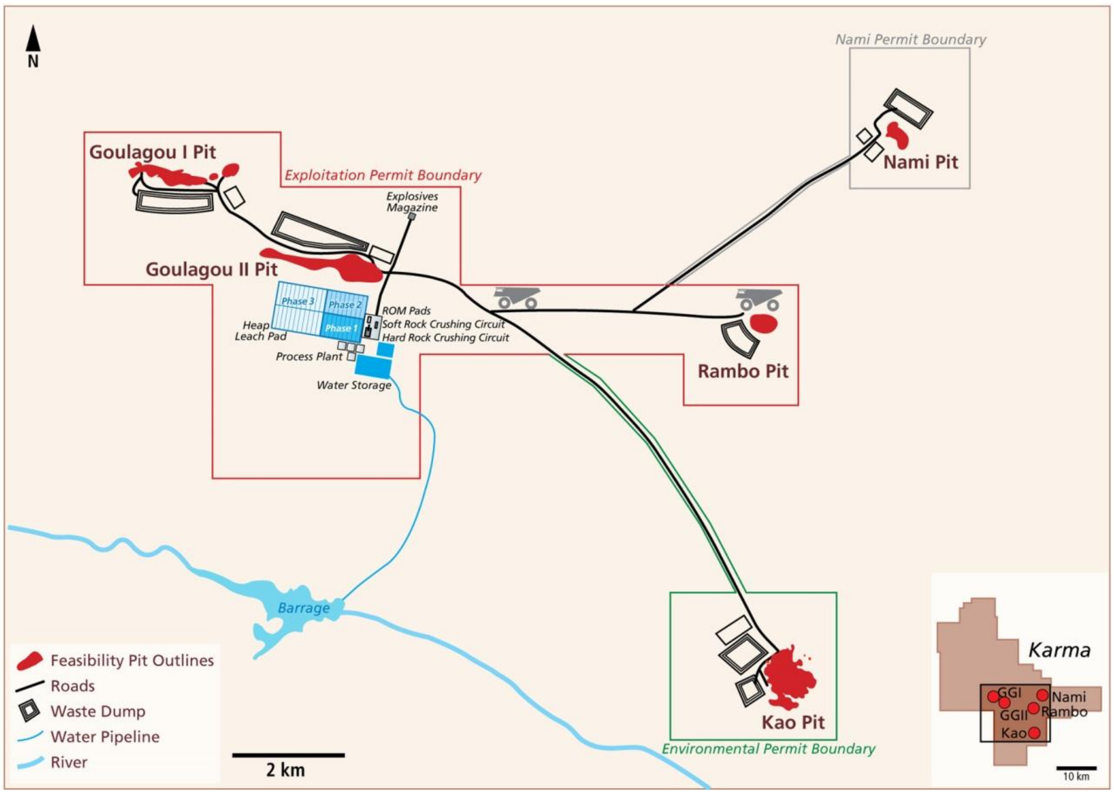
Karma FS - Base Case Highlights	
Gold price	US$1,250/oz Au
Probable Mineral Reserves	33.2 Mt @ 0.89 g/t Au containing 949,000 oz Au
Production	97,000 oz Au/year (average) over an 8.5-year mine life
Initial CAPEX	US$131.5 million (includes working capital and contingency)
NPV @ 5% (after tax)	US$178.2 million
IRR (after tax)	43.1%
Payback (after tax)	1.4 years

Resilience	21.3% IRR at US$1,000/oz Au

1) The Karma FS economic highlights throughout this MD&A represent True Gold's effective 90% interest in the Karma Project, after allowing for Burkina Faso's 10% carried interest and all government and contractual royalties. Karma's 100% after-tax project value at a US$1,250/oz gold price is US$200.7 million NPV (5%) and an IRR of 46.0%. All results are reflected on an owner-operator basis.

The Karma FS supports a heap leach mine scenario from currently defined open pit deposits containing 949,000 ounces (33.2 Mt at 0.89 g/t Au) of probable mineral reserves. The heap leach pad is designed to process oxide and transition ore from five shallow pits, with a small amount of leachable sulphide ore extracted from two of these pits. The 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, with no more than two open pits producing concurrently. The two pits with the highest-grade mineral reserves (GG II and Rambo) would be mined first, providing True Gold with the potential for rapid payback and strong cash flow from the outset of commercial production. The site layout in Figure 2 shows an overall view of the Project site.

Figure 2. – **Karma Project Site Plan**



It is anticipated that the Karma Project would employ approximately 500 people during construction, and create approximately 300 permanent local jobs during operations along with significant economic benefits in an area of Burkina Faso that has seen little foreign investment.

SENET Pty Ltd. ("SENET") led the preparation of the Karma FS, which included input from leading consultants such as P&E Mining Consultants Inc., SRK Consulting, Knight-Piesold (Pty) Ltd., Roche Ltd. Consulting Group, McClelland Laboratories, Inc., and MacCormick International Mining Consultancy.

Base Case Operating Highlights and Project Performance (US$1,250 per ounce gold)

Financial Analysis	
Pre-tax	
IRR	47.8%
NPV @5%	US$226.3M

After-tax	
IRR	43.1%
NPV@5%	US$178.2M
Payback	1.4 years

Capital Costs US$M	
Pre-production (including working capital and US$8.6M contingency)	131.5
Sustaining	40.0
Total (LOM)	171.5

Unit Costs (Average LOM) US$	
Direct Cash Operating Costs[1] ($/oz)	$591
Total Cash Costs[2] ($/oz)	$672
All-in Sustaining Cash Costs[3] ($/oz)	$720

[1] Includes all mining costs, processing costs, on-site G&A
[2] Includes all direct cash operating costs plus refining cost and royalties
[3] Includes total cash costs plus sustaining Capex

Production

Operating Plan	
Pre-strip period (yrs)	1.0
Operating life (yrs)	8.5
Mining (days/yr)	350
Process (days/yr)	365

Mining	
Average mining rate (tpd)	36,000
Average annual mine production (Mt)	12.7
Total material mined (LOM Mt)	113.8
Overall average Strip ratio (W:O)	2.43:1

Process	
Process rate (Mtpa)	4.0
Average annual gold production (oz)	97,000
Total gold production (koz)	828
Metallurgical recovery (Av LOM)	87.2

Mining

Based on results of the Karma FS, approximately 113.8 Mt of material would be mined from five open pits over the course of the estimated project life. This will deliver approximately 33.2 Mt of ore to the process facility and 80.6 Mt of waste to storage facilities located near each pit. The overall strip ratio for the project is 2.43:1 with mining being conducted 350 days/yr by an owner-operated fleet at total material movement rates ranging from 35,000 to 45,000 tpd. While the Karma FS is based on slightly less than one million ounces of reserves, True Gold's 2013 exploration success in discoveries demonstrated the potential to add open-pit leachable material at the Karma Project for potential mine life extension or potential production expansion.

The mining operation is planned to employ conventional truck and shovel methods. Two 200t hydraulic excavators configured in backhoe mode will load a fleet of ten 90t trucks for the transport of ore and waste to the primary crusher and respective near pit waste dumps. Four additional 90t trucks will be employed for overland haulage to deliver ore directly from the pits to the process facilities without the need for ore rehandling.

The soft nature of the open pit ore and waste material will allow the majority to be "free-digging" (excavated without blasting). Twenty-five percent of the transition ore and all of the sulphide ore material will be drilled and blasted at low powder factors. This comprises only about 10% of the total material to be excavated over the mine life.

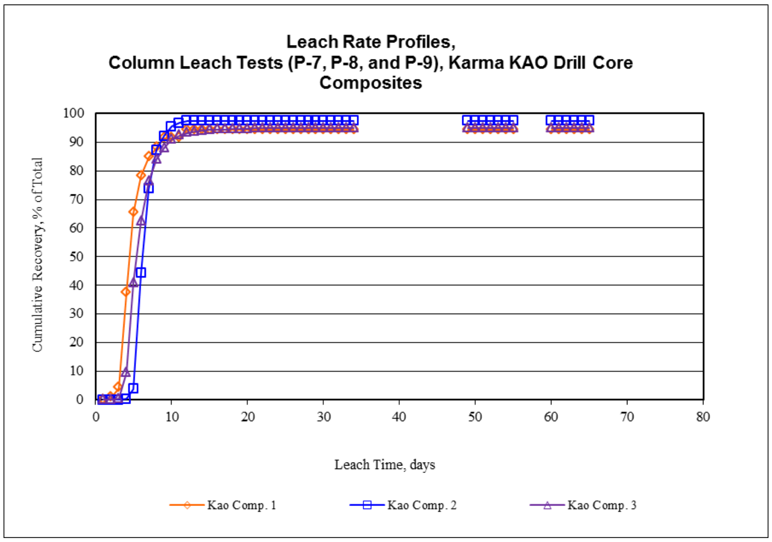
Metallurgy

A comprehensive program of metallurgical testing was executed to support the Karma FS. Test work included ore characterization, determination of physical and mechanical properties, bottle roll testing to establish the size-recovery relationship, column leach testing to relate bottle roll results and cyanide solubilities to heap leach performance, and load permeability testing to accurately project cement consumption. A total of 832 metallurgical variability samples and 24 columns were tested as part of the feasibility metallurgical test work program.

The program was undertaken for each material type in each of the five deposits. Overall metallurgical recovery was calculated at 87.2% with recovery by material type for oxide 93.3%, transition 75.7%, and sulphide 83.4%. Average consumption for cement of 14.7 kg/t for all material processed was found to be consistent with a design heap height of 20 m.

Average cyanide consumption for all material types was determined to be 0.58 kg/t. Of particular note is the oxide material's rapid leach kinetics, which indicates gold extraction being substantially complete in a period of 10 days during lab column leach tests with final heap leach recoveries ranging from 90.4% to 95.5%. Figure 3 below illustrates column leach performance for the Kao deposit which is typical of all oxide material at the Karma project. Approximately 94% of the probable mineral reserves at Karma consist of oxide and transition material and exhibit similar leach kinetics.

Figure 3. Column Leach Recovery Curve for Kao Oxide



Process

The Karma Project process design is based on the use of conventional heap leach technology with a production capacity of 4.0 Mtpa. Mined ore will be crushed, agglomerated, and conveyed to the leach pad where it will be stacked in two 10 m lifts and irrigated with dilute cyanide solution. Gold dissolved by the cyanide will then be adsorbed onto activated carbon in a carbon-in-column (CIC) circuit. The loaded carbon is then stripped of the gold using Zadra-type elution and the resulting product will be subjected to electrowinning and smelting to produce dore on site.

Capital Costs

The total pre-production capital cost (capex) is estimated at US$131.5 million, inclusive of onsite working capital (US$3.7 million) and an US$8.6 million contingency. The total life of mine capex is US$171.4 million. Initial capital costs include the design and development of plant and mine infrastructure, such as mobile mining equipment, haul roads, transport, leach pad, ADR plant, ponds, and power plant.

Based on the Karma FS results, True Gold is confident of the Karma Project's long-term success and plans to invest in an owner-operator development model. An owner-operator scenario includes purchased equipment and imposes slightly higher up-front capital expenditures compared to contract mining but offers lower long-term operating costs, greater operational flexibility and healthier life of mine cash flow.

Capital costs (US$ M)		
Pre-strip	$M	12.2
Mining	$M	25.0
Processing plant	$M	29.7
Leach pad	$M	6.4
Infrastructure	$M	19.8
Direct costs	**$M**	**93.1**
Owner's costs	$M	20.6
EPCM	$M	9.2
Indirect costs	**$M**	**29.8**
Contingencies	$M	8.6
Total pre-production capital costs	**$M**	**131.5**

Operating Costs

Unit and total operating costs were estimated for the Karma Project over the life of the project. Operating costs were developed from first principles for mining, processing, and administration using operating plans as the basis and considering labour, materials, consumables, and certain contract services.

Primary operating cost drivers include diesel fuel ($1.37/L), cement ($240/t), and sodium cyanide ($3,300/t). Labour costs were modeled on existing operations in Burkina Faso employing industry standard work schedules while taking into account local labour legislation. Power costs are all based on diesel-generation despite the potential to be connected to the national power grid in two to three years.

Camp costs are relatively low for the Karma Project because most administrative facilities will be in the city of Ouahigouya, which is 23 kilometres from the project. As such, administrative and operational employees will travel to and from home every day rather than living in a remote camp on site.

Area	Unit Cost	Units	LOM (US $M)
Mining	1.77	$/t mined	185.5
Process	7.51	$/t processed	248.6
Administration	1.66	$/t processed	55.0

Mineral Resources

As part of the Karma FS the previous mineral resource estimates on the Karma Project, detailed in the independent Technical Report titled, "Technical Report and Updated Resource Estimate on the Karma Project, Burkina Faso, West Africa", dated effective October 1, 2012 and filed on SEDAR November 7, 2012, was updated to reflect new engineering data and an updated geological model. The new resource model contains 2.621 million ounces of gold (75.2 Mt at 1.08 g/t Au) of Indicated mineral resources and 700,000 ounces of gold (17.5 Mt at 1.25 g/t Au) of Inferred mineral resources within optimized pit shells. The Karma FS and Mineral Resource estimates in the table below do not include the North Kao resource estimate as referred to in *'The Kao Gold Trend'* section below.

Category	Indicated			Inferred		
	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz
In-Pit (shell-constrained)	75.2	1.08	2,621	17.5	1.25	700
Global Mineral Inventory	82.6	1.04	2,776	28.5	1.05	956

(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, sociopolitical, 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 in this MD&A 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 shells have engineering mining aspects applied to the global mineral inventory.

Mineral Reserves

Project mineral reserves were derived exclusively from the leachable portion (above the cut-offs listed in the second table below) of the Indicated mineral resource as this represents the lowest cost mineralized material in the Karma Project deposits and has the highest value available for extraction. Mineral reserves were developed using a Lerchs-Grossman pit optimization process; appropriate operating costs, recoveries, and pit slopes; and a gold price of US$1300/oz. Reserves were defined by minable pit designs and incorporate mining losses and dilution.

The Probable mineral reserves were based exclusively on Indicated mineral resources. Inferred mineral resources falling within the pits were treated as waste regardless of its grade. A US$1300/oz gold price was selected because it represented a forward-looking, long-term projection of metal price shared by many financial institutions while providing a resource that performed well even if prices remained low.

Probable Mineral Reserves

Deposit	**Oxide**			**Transition**			**Sulphide**			**Total**		
	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz
GG1	6.5	0.59	123	4.3	0.64	86	-	-	-	10.8	0.61	209
GG2	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 Probable mineral reserves are 67% oxide, 27% transition, and 6% sulphide on the basis of ore tonnage. Cut-off grades varied by pit and material type. The following table identifies the various cutoff grades used to define the Karma Project Probable mineral reserve.

Karma Project Cut-off Grades by Deposit and Material Type

		GG1	**GG2**	**Kao**	**Rambo**	**Nami**
Oxide	Au g/t	0.19	0.23	0.32	0.20	0.20
Transition	Au g/t	0.21	0.26	0.36	0.21	0.21
Sulphide	Au g/t	-	-	-	0.22	0.23

Environment

The Karma Project mining operation plans to conduct progressive reclamation. A bond will be posted with the Burkina Faso government before the development of each pit. When the waste dump from each pit is fully re-sloped and re-vegetated the bond could be recovered. In this way, the bulk of reclamation will be completed by the time operations conclude.

At closure the heap leach pad will be rinsed, re-sloped, and vegetated; all mobile equipment and facilities removed; and fixed infrastructure such as the barrage, pipeline, water ponds with pumps, and haul roads turned over to the local community. A comprehensive monitoring program including surface water quality, noise, as well as climate and air quality is in place and will remain operational throughout the mine life.

Due to the high proportion of oxide and transition ore in the project mineral reserves, there is little potential for acid rock drainage (ARD).

The project has been designed to meet International Cyanide Management Code (ICMC) standards. The leach pad is sited to take advantage of highly impermeable, naturally-occurring laterite which will limit the effects of a leak if the multiple-layer, liner design is damaged during operation.

Social Management

The project area hosts a number of scattered villages and two well-established towns are situated at the east end of the project area. The primary occupation in the project area is subsistence farming. Water is an important commodity to the region and True Gold has already constructed Phase 1 of the water barrage, which will be accessible by the communities for agricultural use. Phase 2 of the barrage was completed in May 2014. Refer to *'Water Resource Management'* section below for further details.

The project has been designed to minimize impact on the local population with a 250 m buffer zone established between project infrastructure and nearby communities. The originally proposed project development plan entails two separate relocations: 1) 35 people at Tang-Zugu in the leach pad area will need to be relocated prior to the start of construction and 2) 400 people in the village of Boulonga will need to be relocated in the second year of operations to permit the development of the Kao Pit. Since the completion of the Karma FS, rescheduling of the leach pad development has allowed the relocation of Tang-Zugu to be deferred until later in the mine life or avoided altogether.

In addition to the resettlement of these communities, compensation is to be paid for disturbance of 520 ha of farm land in the areas of the barrage, GG2, and Kao. Agreements are in place with the community to govern both resettlement and land compensation.

Artisanal miners are widespread throughout Burkina Faso. Artisanal miners working on the Karma Project sites continue to be moved away without conflict through dialogue and consultation. One of the project objectives is to provide local residents an alternative to artisanal mining, which often employs practices that are unsafe and potentially harmful to the environment. In May 2014, True Gold concluded an agreement with orpailleurs at the Nami deposit to cease work at the site in exchange for compensation.

In March 2014, the Company was named a leader in corporate social responsibility ("CSR") among 100 of the largest junior exploration, development and production companies. The 2nd Annual Social Responsibility Index (the "SR Index"), developed by MacCormick International Mining Consultancy ("MacCormick IMC"), analyzes the top 100 mining companies based on TSX-Venture Exchange market capitalization against criteria in 10 CSR categories. True Gold ranked No. 2 overall and topped all exploration companies on the SR Index. The Company received top-level honours in local capacity development, consultation, local employment, monitoring and evaluation, and code of conduct.

True Gold's recognition on the SR Index follows an independent, third-party review of the Company's environmental and social management policies and practices by EBS Consulting of South Africa. The review, completed in January 2014, found that the Karma Project complies in all aspects with the Equator Principles, a framework used by major financial institutions to ensure potential investments meet international standards for environmental and social management.

Development Schedule

The proposed project development allows for 18 months for the project execution, which includes mining pre-strip, procurement, transportation, construction and commissioning. Assuming the project procurement and construction starts in July of 2014, the first gold production would be expected in December of 2015.

Key project execution schedule milestones include the following:

- Start bulk earthworks — month 2
- Start mine pre-strip — month 7
- Complete process water storage ponds — month 12
- Start ore production — month 13
- Start Phase 1 leach pad loading — month 17
- Complete process plant construction — month 17
- Complete process plant commissioning — month 18

- First gold production month 18

Permitting

The initial five deposits at the Karma Project are to be held within one exploitation (mining) permit: On January 27, 2014, the Company announced that the President of Burkina Faso had signed a Decree approving the Karma exploitation permit (containing the GG I, GG II and Rambo deposits). The exploitation permit is equivalent to a final mining permit, and will allow True Gold to develop the Karma mine. The exploitation applications for the Kao and Nami deposits are well advanced and will be treated as extensions of the Karma exploitation permit. Permits for development of all deposits in the Karma Project are expected to be in hand in Q3 2014. Once the exploitation permit is in place covering the initial five deposits, the terms governing the project over the life of the mine will be set out in a Mining Convention to be signed with the government of Burkina Faso, at which time, and in accordance with mining regulations, the Government of Burkina Faso is entitled to retain a 10% free carried interest in the company holding the exploitation permit.

Environmental permits were received by the Company from the Burkina Faso Ministry of Environment and Sustainable Development for Karma in September 2013, for Kao in January 2014 and Nami in May 2014. These permits included approval of the Environmental and Social Impact Assessments ("ESIA") and Relocation Action Plans for the exploitation of all five deposits. The Company is also in possession of all permits required to construct the barrage and water holding ponds for the Karma Project. Construction of the barrage was completed in May 2014.

Royalties and Other Interests

Gold mining activities in Burkina Faso are subject to a 3% - 5% government royalty on all revenue from gold production. The Government of Burkina Faso also retains a statutory 10% (free-carried) interest in any Burkina Faso mining company formed for the purpose of gold production.

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

- 2% net smelter return (“NSR”) on the Company’s interest in the Karma Project;
- 1-2% NSR on the Company’s interest in the Goulagou deposits;
- 3% NSR on the Rambo deposit; and
- 5% net profits interest on the Goulagou deposit.

Project Finance

True Gold is utlilizing the Karma FS results to source project financing for the construction of the Karma Project. The Karma Project’s short payback period and strong early cash flow makes it economically attractive and appealing to lenders. The company has secured the project equity required to develop and construct the Karma Project. Discussions are under way and advancing with project debt, gold streams, equipment, and other finance providers to fund the Karma Project through development to production.

On January 16, 2014, the Company announced that it had signed an engagement letter (the “Engagement Letter”) giving Barclays Bank PLC (“Barclays”) and Société Générale Corporate & Investment Banking (“SGCIB”) an exclusive mandate to act as lead arrangers for bank debt financing (the “Senior Debt Facility”) for the Karma Project. The Engagement Letter sets forth the steps under which the mandated banks are appointed to arrange a senior loan for the Karma Project of up to US$90 million, True Gold’s debt financing target. Steps include agreement on final terms, conditions and requisite documentation for the Senior Debt Facility; completion of due diligence; and procurement of credit approvals.

On February 18, 2014, the Company closed a $51.9 million bought deal financing and concurrent private placement. The Company will use the net proceeds for proposed development and construction activities at the Karma Project, exploration activities at the Company’s mineral projects and for working capital purposes (Refer to *‘Corporate Update’* section below for further details).

True Gold’s financing strategy is based on a combination of the Senior Debt Facility, equipment financing and equity contributions. The Company is pursuing several financing options concurrently, providing maximum flexibility for True Gold to obtain all capital required to develop the Karma Project.

Detailed Engineering and Design

In May 2014 we completed detailed engineering and construction-level design work, on schedule and under budget, for the Karma Project. Results indicate a potential for cost savings in a number of important areas.

In total, detailed engineering results indicate a potential savings of up to US$9.7 million. This represents a possible 7% decrease in initial CAPEX from the US$131.5 million estimated in the Karma Feasibility Study. Given that the Feasibility Study estimate is considered accurate to within a +/- 15% range, the results of detailed engineering suggest a very low risk of a cost overrun as the project advances through construction.

Potential cost savings were identified in a number of areas, including:

- Earthworks, civil construction, and fuel storage costs can be reduced by employing a construction methodology proven during the building of the recently completed barrage;
- Freight costs can be reduced through in-country fabrication and local and regional sourcing of materials; and
- Relocation costs for the settlement of Tang-Zugu can be eliminated by rescheduling the construction of the leach pad without impacting the production plan.

The detailed engineering work was undertaken by SENET, the consulting engineering firm that successfully completed the Karma FS in December 2013, and more recently assisted True Gold in overseeing construction of the recently completed barrage.

Water Resource Management

The company has completed construction of a water dam (the "barrage") to support mine development and operations, and provide water to local communities. The barrage is an important element of the Company's plan to develop and operate a heap leach mine at the Karma Project. It will enable True Gold to collect water during the 2014 rainy season and ensure the Company has sufficient water available to meet mine construction needs in 2015. The barrage also offers residents a new and valued source of water, which will assist people in agriculture and raising livestock.

The barrage was constructed in two phases across a seasonal watercourse about four kilometres from the Karma Project. Phase 1 was completed in 2013 and involved construction of a one-metre-high dam with sufficient capacity to provide water for exploration operations. Phase 1 barrage construction utilized a Burkinabé contractor and employed more than 130 people from surrounding villages. Phase 2 (commenced construction in January 2014 utilizing local labour) added 1.5 metres to the barrage height and significantly expanded the amount of water available. This reduces water-related project risk while providing an anticipated year-round water source for local communities. Phase 2 construction was completed in May 2014 ahead of schedule and under budget.

Early Construction Activity

In addition to the barrage, other pre-finance construction activities have commenced; including upgrading the site access road and the start of plant site earthworks. The plant site will be located on hard laterite, which will permit earthworks to continue throughout the rainy season.

Mining Fleet

In May 2014, the Company signed a letter of intent to purchase its initial mining fleet for the development of the Karma Project. The supplier selected was Equipment & Services BIA, a licenced dealer of Komatsu heavy equipment, with operations in 14 African nations.

The offer from Equipment & Services BIA was chosen based on price competitiveness, purchase terms and conditions, and its dealer presence in Burkina Faso. Locally-based dealer support will provide spare parts, technical expertise, and training not otherwise available from an offshore supplier. Equipment & Services BIA is a company of the group BIA, a Belgian-based company with over 50 years of experience serving the construction and mining industries on the African continent.

The delivery of the fleet is scheduled for December, 2014, with bulk earthworks for pond and leach pad construction beginning the following month in January, 2015. Additional auxiliary equipment will be purchased to support the primary mining fleet, assist in project construction, and ultimately aid in the operation of the mine. Pre-production mining will account for 8 Mt of material moved during the construction period to permit the start of heap leach operations in the last quarter of 2015.

Once production has started, the fleet will be augmented with a second primary excavator and eight additional trucks to achieve an average mining rate of approximately 14 Mtpa over the life of mine, as outlined in the Karma FS mine plan.

Mine Builders and Operations Team

The Company continues to build out and stengthen its mine building team in Burkina Faso. In January 2014, Peter Carter, the Company's Chief Operating Officer and Vice President of Engineering, relocated to Burkina Faso from head office in Vancouver. Mr. Carter is responsible for all aspects of Karma Project construction, from the recently released Feasibility Study through to planning and mine-building. Mr. Carter has a proven track record of operating and constructing projects in developing countries. He has more than 25 years of experience in mining, with assignments in engineering, production management and project development. He was involved in the construction and start-up of the Kumtor Gold Mine in Kyrgyzstan and, as Operations Manager, helped oversee construction at the Boroo Gold Project in Mongolia.

In January 2014, True Gold appointed Chris Wentzel as Construction Manager for the Karma Project. Mr. Wentzel is an experienced project manager and civil superintendent. He has supervised gold and copper mine construction projects in African jurisdictions such as Guinea, Sierra Leone, Eritrea and Mali from planning to completion.

Mr. Carter and Mr. Wentzel will work with Project Manager Steve Cole to lead development of the Karma Project. Mr. Cole played a key role in delivering the Karma FS, and has over 20 years of experience in mine development, plant design, and process metallurgy.

Opportunities and Next Steps

The Karma FS confirms that the Karma Project is scalable. While the Karma FS is based on slightly less than one million ounces of reserves, True Gold's 2013 exploration success in discoveries demonstrated the potential to add open-pit leachable material at the Karma Project for potential mine life extension or potential production expansion. The Karma FS does not take into account Karma Project drilling and exploration in 2013 (Kao North, Rambo West and Watinoma). At Kao North, recent drilling extended gold mineralization 2,000 metres from the existing Kao deposit and more than doubled the potential resource footprint at Kao, the Karma Project's largest deposit.

In March 2014, the Company announced an initial Inferred resource estimate for North Kao at the Karma Project, adding 1.66 million ounces of gold (47.8 Mt at 1.08 g/t Au) and doubling in-pit leachable resource at the Kao deposit - the largest of five deposits within the Karma Project mine plan as set out in the technical report titled "Technical Report and Updated Resource Estimate on the Karma Gold Project, Burkina Faso, West Africa", dated effective March 13, 2014 (the "North Kao Report"), a copy of which was filed under the Company's profile on SEDAR on April 28, 2014. The North Kao mineral resource estimate is not included in the mineral reserve and updated mineral resource estimate released as part of the Karma FS. A North Kao PEA is expected in July 2014. See *'Karma Exploration'* Section below for further details.

<u>Karma Exploration</u>

For 2014, the Company's Karma Project exploration strategy will continue to focus on the discovery of new domains of open-pit, leachable material that could ultimately be incorporated into the current feasibility mine plan for potential mine life extensions or production expansions. In April 2014, the Company commenced a $5.6 million program that combines 15,000 metres of drilling, 315 line-kilometres of IP, and a robust soil sampling program at key exploration targets at its Karma Project. The simple and flexible mine plan at the Karma Project, as laid out in the Karma FS, is specifically designed to enable the Company to capture incremental opportunities for potential mine life extensions or incremental throughput ramp-up, as new potential mining centres emerge across the Karma Project through ongoing exploration.

Over the past year, True Gold's refined exploration model has had a 100% success rate at new targets and the Company has proven its ability to identify a target and rapidly advance it from drill-ready through discovery to resource definition.

Based on the 2013 Kao drill campaign, in March 2014, we announced an initial mineral resource estimate for North Kao (Refer to *'Kao Gold Trend'* section below), as set out in the North Kao Report. The new mineral resource adds 47.8 Mt at 1.08 g/t Au, or 1,662,000 ounces of gold to Karma's Inferred Mineral

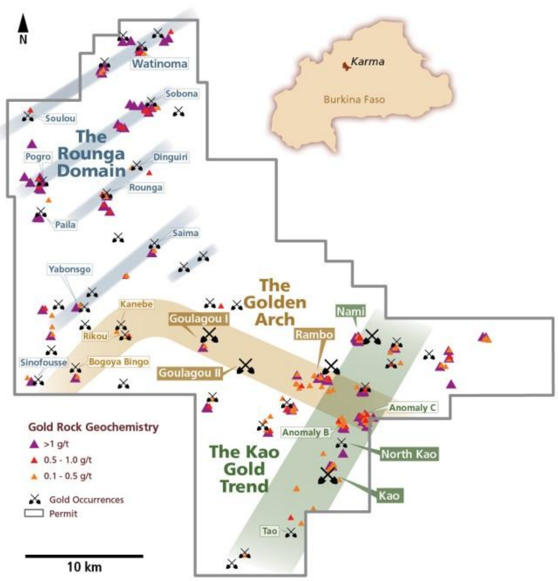
Resources. Of this, 423,000 ounces of gold (16.4 Mt at 0.80 g/t Au) fall into the leachable category, with similar preliminary metallurgical recoveries to the adjacent Kao reserve.

Details of the Company's exploration and evaluation expenditures on the Karma Project, which have been expensed in the condensed interim consolidated statement of comprehensive loss for the three month period ended March 31, 2014 include:

	Drilling costs $	Pre-Development $	Wages & Salaries $	Geology & Geophysics $	Camp & Field Costs $	Other costs $	**Total** **$**
Karma	156,647	257,387	333,527	182,439	134,104	679,520	**1,743,624**

Drilling in 2013 had established five new areas that have the potential to meaningfully add to the current Karma Project resource base. Continued fieldwork is providing further guidance on prioritizing an additional 35 drill-ready targets within three major gold trends (refer to Figure 5) with an aggregate strike length in excess of 100 kilometres on the Karma Project.

Figure 5. Karma Project – Three Major Gold Trends



- **The Kao Gold Trend**
  10km long corridor and open
  410,000 ounces of Probable Mineral Reserves* (leachable) to date
  423,000 ounces of Inferred Mineral Resources (leachable) at North Kao

- **The Golden Arch**
  - 28km long corridor & up to 3km wide
  - 539,000 ounces of Probable Mineral Reserves* (leachable) to date

- **The Rounga Domain**
  - Multiple NE trending splays off country scale Houndé-Ouahigouya Shear Zone

**Probable Mineral Reserves per the Karma FS*

The Kao Gold Trend (Kao Permit)

The Kao Gold Trend is defined by a NNE-trending structural corridor containing the Kao, North Kao, and Nami intrusive-hosted gold deposits along with numerous early stage exploration targets. 2014 exploration is set to identify up to four new centres of gold mineralization. At Nami and the nearby Idriss target, 1,800 metres of RC drilling is targeted from 40 line-km IP survey (2 grids), soil geochemistry and RAB sampling. Anomalies B & C are respectively located 1 and 3 kilometres to the northeast from the North Kao discovery and cover an area in excess of 3 square kilometres with surface rock samples up to 28.8 g/t Au. The area will be tested with 1,800 metres of RC drilling targeted from 40 line-km IP survey, RAB and RC drilling, and soil and rock sampling

Based on results from the 2013 Kao exploration campaign, on March 13, 2014, the Company announced an initial Inferred resource estimate for North Kao at the Karma Project adding 1.66 million ounces of gold (47.8 Mt at 1.08 g/t Au) and doubling the in-pit leachable material at the Kao deposit, as detailed in the 43-101 technical report titled "Technical Report and Updated Resource Estimate on the Karma Gold Project, Burkina Faso, West Africa", dated March 13, 2014 (filed on SEDAR on April 28, 2014). North Kao Inferred resource highlights include:

- **North Kao Resource:** Total Inferred Mineral Resource (oxide, transition and sulphide) of 1,662,000 ounces gold (Au), contained within 47.8 million tonnes (Mt) at an average grade of 1.08 grams/tonne gold (g/t Au).

- **North Kao Leachable Material (included in total resource):** Inferred Mineral Resource of 423,000 ounces of leachable gold (oxide and transition) contained within 16.4 Mt at an average grade of 0.80 g/t Au. This complements the current Probable Mineral Reserves at the adjacent Kao Deposit, which hosts 340,000 ounces Au contained within 10.9 Mt at 0.96 g/t Au.
- **Metallurgy:** 137 bottle roll tests indicate metallurgical recoveries averaging 96% and 92% respectively for the oxidized and transition material. Feasibility metallurgical results for the adjacent Kao deposit established that bottle roll test results are highly indicative of the ultimate column test work results.
- **Deep Leachable Horizon:** The combination of a deep (~120 m) weathering profile, along with the shallow dip (~30 degrees), and near surface nature of mineralization makes North Kao amenable to open pit mining with additional potential mineralization down dip.
- **Confirms Organic Growth:** North Kao extends the Kao deposit more than 1.6 km to the north, demonstrating the continuity of this mineralized system and exemplifies both Karma's growth potential and its potential for a systematic approach to production expansion.

Karma Project Inferred Mineral Resource (including North Kao):

Deposit	Oxide			Transition			Sulphide			Total		
	Mt	**g/t**	**koz**	**Mt**	**g/t**	**koz**	**Mt**	**g/t**	**koz**	**Mt**	**g/t**	**koz**
GG1	0.8	0.83	20	0.5	0.85	15	2.8	1.26	115	4.1	1.13	150
GG2	0.6	0.72	14	0.4	0.69	8	1.5	1.25	62	2.5	1.04	84
Kao	1.8	0.51	30	0.4	0.51	7	7.2	1.69	394	9.5	1.41	431
North Kao	14.2	0.79	360	2.2	0.89	63	31.4	1.23	1,239	47.8	1.08	1,662
Rambo	0.1	0.74	2	0.1	0.54	2	0.4	1.05	15	0.7	0.92	19
Nami	0.1	0.81	3	0.2	0.77	4	0.4	0.72	9	0.7	0.76	16
Total	**17.6**	**0.76**	**430**	**3.8**	**0.81**	**99**	**43.8**	**1.30**	**1,833**	**65.3**	**1.13**	**2,362**

(1) The Mineral Resource estimate is quoted at the same cut-off grades and economic parameters for the constrained pit optimizations that were used for mineral resources in the updated Karma Technical Report: 0.20 grams per tonne ("g/t") gold ("Au") for Oxide, 0.22 g/t Au for Transition and 0.5 g/t Au for Sulphide, and a gold price of US$1,557/oz (refer to NI 43-101 technical report titled "Technical Report and Updated Resource Estimate on the Karma Gold Project, Burkina Faso, West Africa", dated effective March 13, 2014 a copy of which was filed under the Company's profile on SEDAR on April 28, 2014).

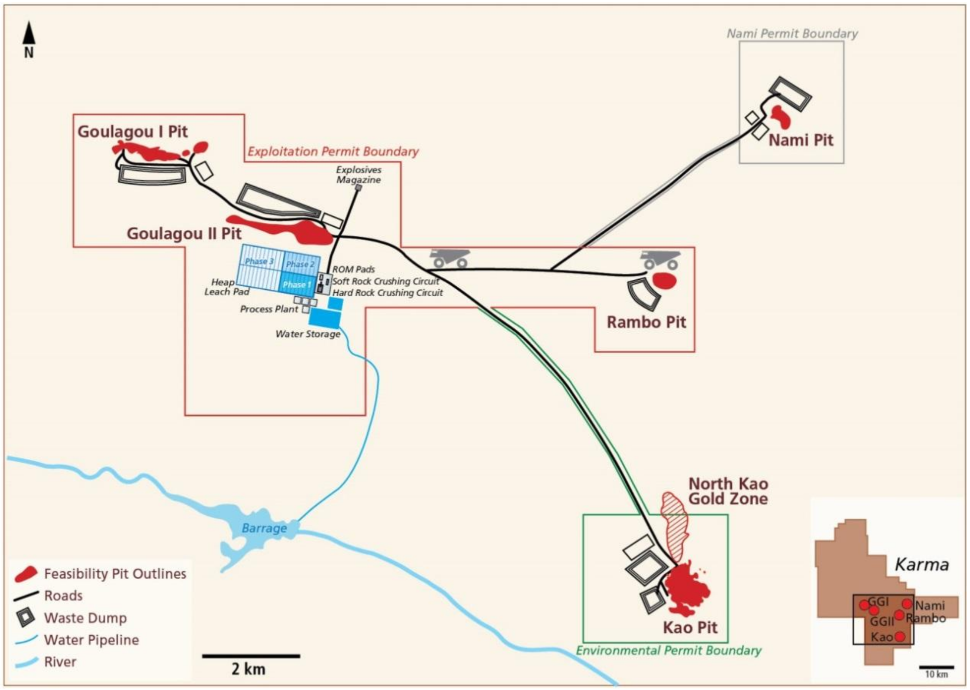
(2) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

(3) 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.

(4) The mineral resources in this MD&A 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.

The site layout in Figure 6 shows an overall view of the Karma Project site including the North Kao Gold Zone.

Figure 6. – **Karma Project Site Plan including North Kao Gold Zone**



As the North Kao results represent a significant change from the Karma FS, True Gold has commenced a PEA on the new resource to evaluate the potential economic impacts of increasing annual production and/or mine life as laid out in the Karma FS. The PEA is anticipated to be completed by July.

The Golden Arch

The Golden Arch is a WNW-trending arcuate structural corridor containing the Goulagou I, Goulagou II and Rambo deposits along with numerous exploration targets. The structural corridor is defined by a 2-3 km wide zone of intensely sheared sediments (siltstone and shale) with sub-parallel dykes and gold-bearing quartz veins, bounded by large felsic intrusive masses.

The strong continuity of the Golden Arch structure, mineralization style, and known gold occurrences within the trend identify it as a key target area within the project area. Extensions to Goulagou II and Rambo will be tested with 2,400 metres of core drilling. An additional 7 targets have been identified within the trend, based on the same combination of IP delineated structures and surface sampling. These targets will be tested pending results from the Rambo West and Goulagou drilling.

The Rounga Domain

The high-grade Rounga Domain is a broad region straddling at least four regional-scale, NE-trending shear zones which are interpreted as first-order splays off the country-scale Ouahigouya Shear Zone (OSZ)-Hounde Belt. Gold mineralization in this domain is distinct in its proliferation of high grade gold occurrences, comparable to those in the southern extensions of the OSZ in the Hounde Belt.

While there are no mineral resources to date, one of the principal targets, Yabonsgo, has been delineated with sufficient dimensions and understanding of controls on mineralization to warrant future infill drilling, resource modelling and estimation. For 2014, 1,800 metres of core drilling is designed to create a frame work for the high-grade mineralization expanding far beyond the initial 600 metre zone.

Watinoma and the adjacent Watigue target (4 kilometres northeast) highlight a strongly mineralized area spanning over 12 square kilometres that will be explored with a 55 line-km IP survey and 2,700m of core drilling. The recently discovered Soulou area is located on the same northeast-trending shear zone as the above Watinoma target and likewise hosts structurally controlled gold mineralization over several kilometres of strike length. Soulou will be tested with 2,700 metres of core drilling targeted on a 120 line-km IP survey. The northeast-trending structure connecting the Watinoma and Soulou areas exhibits numerous jogs, and splays typical of shear-hosted lode gold systems will be evaluated with a robust soil sample survey.

The 2014 program also includes a 60 line-kilometre IP of the Sobona target. Sobona, with a soil geochemistry footprint of 3,800 metres by 2,400 metres, is located some 4 kilometres to the south of Watinoma, and along with several other early stage exploration targets is situated on another major northeast trending shear zone.

An additional 1,800 metres of core drilling will be allocated as results warrant.

At Rounga and Yabonsgo, results from 9 new core holes (1,477 metres) released in March 2014, further demonstrate the potential for domains of high-grade gold mineralization within trucking distance of the proposed processing site in the FS. At Yabonsgo, True Gold drilled three of five holes in areas of historic workings and stepped out 200 and 300 metres along strike with holes GLG13DD-157 and GLG13DD-158. The two step-out holes hit high-grade gold and all five drill holes intersected significant oxide gold mineralization. At Rounga, True Gold hit oxide gold mineralization in all four holes drilled. Gold mineralization at both targets is associated with multiple phases of quartz veining within a variably sheared sequence of metavolcanic, volcaniclastic and intrusive rocks. Highlights from this campaign include, from Yabonsgo:

- 12.61 g/t Au over 5.60 metres, including: 30.60 g/t Au over 1.50 metres, in GLG13DD-157; and
- 10.82 g/t Au over 4.50 metres, including: 31.70 g/t Au over 1.50 metres, in GLG13DD-155.

And from Rounga:

- 5.94 g/t Au over 3.00 metres, including: 10.50 g/t Au over 1.50 metres, in hole RNG-DD-13-011; and
- 0.89 g/t Au over 16.33 metres, including: 5.45 g/t Au over 1.00 metres, in hole RNG-DD-13-012.

Liguidi Project, Burkina Faso (100%-owned)

The Liguidi Project is located in east-central Burkina Faso, near the village of Liguidi-Malguem, approximately 125 kilometres south-east of the capital city, Ouagadougou and approximately 200 kilometres southeast of the Karma Project. The Liguidi project is comprised of one exploration permit that covers 168 square kilometres. Cumulative exploration results indicate a widespread, in-situ near-surface gold system.

Since the first drilling program on the property in 2005, cumulative drilling totals more than 6,200 metres in 47 RC holes.

For the Liguidi Project, the 2014 mandate is to further demonstrate mineralization potential of the project's widespread, near-surface gold system which remains one of the largest gold anomalies in the country.

CORPORATE UPDATE

Financings

Despite the extremely challenging market conditions and the recent and ongoing volatility in price of gold, on February 18, 2014, the Company closed a $51.9 million bought deal financing and private placement. Pursuant to the bought deal offering, 105,110,000 units (the "Units") of True Gold were issued at a price of $0.40 per Unit, for aggregate gross proceeds to the Company of approximately $42.0 million. True Gold concurrently closed its private placement to LMM for aggregate gross proceeds to the Company of approximately $9.9 million, which consisted of 24,358,400 Units at a price of $0.40 per Unit and 410,994 common shares of the Company at a price of $0.30 per share. Each Unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant will entitle the holder to purchase one common share of the Company at a price of $0.47 until August 18, 2014.

SELECTED FINANCIAL INFORMATION

Management is responsible for the Interim Financial Statements referred to in this MD&A, and provides officers' disclosure certifications filed with the Canadian provincial securities commissions. The Audit

Committee of the Company's Board of Directors (the "Board") has been delegated the responsibility to review and approve the Interim Financial Statements and MD&A.

The Interim Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting, and should be read in conjunction with True Gold's audited consolidated financial statements for the year ended December 31, 2013 (the "Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The presentation currency of our Annual Financial Statements is Canadian dollars.

Our significant accounting policies are presented in Note 4 of the Annual Financial Statements. Details of new accounting standards, effective the reporting period beginning January 1, 2014, and their effect on the financial information can be found in Note 5 of the Annual Financial Statements. No material changes were noted.

The financial data presented below for the current and comparative periods was prepared in accordance with IFRS.

The Company's operations are in one industry being the exploration for and development of gold projects, and is in the exploration stage at March 31, 2014. True Gold has two geographic locations: Canada and Burkina Faso. Information discussed herein reflects the Company as a consolidated entity, consistent with our determination that the one industry in which we operate provides the most meaningful information to a user.

The selected period information and summary of financial results in this MD&A should be read in conjunction with the Annual Financial Statements.

Results of Operations

The following financial data (in millions, except per share data) are derived from our condensed interim consolidated financial statements for the three months ended March 31, 2014 and 2013 respectively.

	March 31, 2014		March 31, 2013	
Total revenues	$	-	$	-
Net loss for the period	$	(4.3)	$	(5.6)
Basic and diluted loss per share	$	(0.01)	$	(0.03)

Three months ended March 31, 2014 vs. three months ended March 31, 2013

The Company is in the exploration stage and therefore, does not have revenues from operations.

For the three months ended March 31, 2014, the net loss for the period was $4.3 million or $0.01 per share, compared to a loss of $5.6 million or $0.03 per share for the same period in the prior year.

Operating expenses totalled $4.8 million for the three months ended March 31, 2014 down 14% from $5.5 million a year earlier. The principle reason for the decrease was lower exploration and evaluation expenditures of $1.8 million (as compared to $3.1 in the comparative period) as the Company has begun pre-development work on the Karma Project. The Company has commenced capitalizing costs related to pre-development in the current period. Decreases in professional fees also contributed to the decrease in operating expenses. An increase in office and general expenses offset the comparative decrease in operating expenses.

Exploration and evaluation expenditures

In the 3 month period ended March 31, 2014, True Gold recorded $1.8 million (March 31, 2013: $3.1 million) to exploration and evaluation expenditures. Further discussion and comparative analysis of the Company's exploration and evaluation expenditures on a property-by-property basis can be found in our Interim Financial Statements, at Note 7 and the *'Projects Update'* section contained herein.

Office and general

In the 3 month period ended March 31, 2014, True Gold recorded $1.0 million (March 31, 2013: $0.4 million) as office and general expenses. The increase over the comparative period was mainly due to consulting costs and miscellaneous expenses related to our ongoing project financing initiatives which we expect to conclude in the second half of 2014. The Company is pursuing several financing options concurrently, providing maximum flexibility for True Gold to obtain all capital required to develop the Karma Project. Other office and general expenses were similar during the comparative three months.

Salaries and benefits

In the 3 month period ended March 31, 2014, True Gold recorded $0.7 million to salaries and benefits which was relatively in-line with our salary and benefits in the comparative period (March 31, 2013: $0.7 million).

Stock-based compensation

Stock based compensation expense, arising from the granting and vesting of granted employee stock options to purchase Common Shares ("Options") for the period ended March 31, 2014, totaled $0.6 million (March 31, 2013: $0.6 million). The expense in the current period is realtively in-line with the prior period. Generally, stock-based compensation expense should be expected to vary from period to period depending on several factors, including whether options are granted in a period and whether options have fully vested or are cancelled in a period. It is expected that options will typically be granted once each year, resulting in a higher stock-based compensation expense in the particular quarter of the grant, as opposed to those other quarters of the year.

In determining the fair market value of stock-based compensation granted to employees and non-employees, management makes significant assumptions and estimates. These estimates have an effect on the stock-based compensation expense recognized and the reserve balance on our statements of financial position. Management has made estimates of the life of stock options, the expected volatility and the expected dividend yields that could materially affect the fair market value of this type of security. The estimates were chosen after reviewing the life of the options and analyzing share price history to determine volatility.

Financial Position

The following financial data (in millions) are derived from our financial statements as at March 31, 2014, and as at December 31, 2013:

	March 31, 2014	December 31, 2013
Total assets	$ 87.8	$ 42.8
Non-current liabilities	$ -	$ -
Cash dividends declared	$ -	$ -

Total assets

Total assets as at March 31, 2014 have increased since December 31, 2013 by $45.0 million to $87.8 million, mainly due to (i) to an increase in cash and short term investments reflecting cash inflows from financing transactions through the three months ended March 31, 2014; and (ii) the capitalization of pre-development costs related to the Karma Project. This increase was partially offset by cash outflows from operations.

Non-current liabilities

At March 31, 2014 and December 31, 2013 the Company had no non-current liabilities.

Shareholders' equity

Refer to the discussion in this MD&A under the heading *"Outstanding Share Data"*. The Company has not declared any dividends since incorporation.

Summary of Quarterly Results

The following information is prepared in accordance with IFRS and is derived from and should be read in conjunction with, our unaudited condensed interim consolidated financial statements for each of the past nine quarters, as well as the Annual Financial Statements. As reflected in the quartlery information below, in December 2012 the Company changed its financial year-end from October 31 to December 31 in order to align the Company's year end with that of its subsidiaries, which operate on a calendar fiscal-year.

	IFRS								
Condensed statements of income (loss) and comprehensive income (loss)	Mar 31, 2014	Dec 31, 2013	Sept 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012 (2 months)	Oct 31, 2012	Jul 31, 2012	Apr 30, 2012
Continuing Operations									
Total revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net income (loss) for the period	(4,302,556)	(10,027,498)	(7,844,286)	(9,351,773)	(5,572,447)	(11,237,563)	(2,533,765)	(12,145,112)	(6,932,779)
Other comprehensive income									
Net value gain (loss) on financial assets	(32,771)	5,000	-	(60,542)	(302,710)	(30,271)	-	1,466,000	(11,461,000)
Income (loss) per share from continuing operations									
Basic and diluted	$ (0.01)	$ (0.04)	$ (0.03)	$ (0.05)	$ (0.03)	$ (0.09)	$ (0.02)	$ (0.09)	$ (0.05)

- The most significant contributors to the loss for the quarter ended March 31, 2014 were exploration and evaluation expenditures, office and general expenses, salaries and benefits and stock based compensation, collectively $4.1 million. The quarter ended March 31, 2014 had lower losses compared to the previous quarter due to (i) lower exploration and evaluation expenditures of $1.8 million ($2.6 million less than the previous period) related to lower exploration activity; (ii) lower salaries and benefits reflecting the accrual of the 2013 bonus ($1.1 million) to employees in the three month period ended December 31, 2013. Further, in the three month period ended December 31, 2013 a one-time $2.4 million write down of the value of acquisition expenditures relating to the Ball Creek Project was recognized.

- In the three month period ended December 31, 2013 our loss from continuing operations was predominantly due to exploration and evaluation expenditures, a write down of the value of acquisition expenditures, salaries and benefits and professional fees, collectively $8.8 million. The quarter ended December 31, 2013 had higher losses compared to the previous quarter due predominately to: i) the recognition of a one-time $2.4 million write down of the value of acquisition expenditures relating to the Ball Creek Project; (ii) higher salaries and benefits than in previous periods reflecting a $1.1 million accrual of the 2013 bonus to employees (paid in 2014). This increase was slightly offset with exploration and evaluation expenditures which were $1.8 million lower than the previous quarter.

- In the three month period ended September 30, 2013 our loss from continuing operations was predominantly due to exploration and evaluation expenditures, salaries and benefits, professional fees, and stock-based compensation, collectively $7.3 million. The quarter ended September 30, 2013 had lower losses compared to the previous quarter due to: (i) lower exploration and evaluation expenditures of $6.2 million ($0.4 million less than the previous period); (ii) a one-time $0.2 million recovery of costs related to our new office premises which we moved into in Q3 2013 as part of our ongoing efforts to reduce non-core expenditures and streamline operations.

- In the three month period ended June 30, 2013 our loss from continuing operations was predominantly due to exploration and evaluation expenditures, salaries and benefits, stock-based compensation and office and general, collectively $8.2 million. The quarter ended June 30, 2013 had higher losses compared to the previous quarter due predominantly to higher exploration and evaluation expenditures of $6.6 million ($3.5 million higher than the previous period).

- In the three month period ended March 31, 2013 our loss from continuing operations was predominantly due to exploration and evaluation expenditures, salaries and benefits, stock-based compensation and travel costs, collectively $4.7 million. The quarter ended March 31, 2013 had lower losses compared to the previous quarter due predominantly to the $7.9 million write down related to the Blue Gold Mining Inc. acquisition (“Blue Gold Acquisition”) recognized in the previous quarter.

- In the two month period ended December 31, 2012 our loss from continuing operations was primarily driven by the $7.9 million write down related to the Blue Gold Acquisition and ongoing exploration and other operating costs. The write down was the primary contributor to higher losses compared to the previous quarter.

- In the three month period ended October 31, 2012 our loss from continuing operations was predominantly due to exploration and evaluation expenditures, professional fees, salaries and benefits, travel costs and stock-based compensation, collectively $6.7 million. This was partially offset by a $3.9 million non-recurring gain recorded on the recovery of exploration costs. The quarter ended

October 31, 2012 had lower losses compared to the previous quarter due predominantly to the: (i) $3.9 million non-recurring gain recorded on the recovery of exploration costs in the quarter; and (ii) $5.4 million loss recorded on the disposition of marketable securities in the prior quarter.

- In the three month period ended July 31, 2012 our loss from continuing operations primarily reflected the $5.4 million loss recorded on the disposition of marketable securities and $4.4 million in exploration and evaluation expenditures. The higher losses in the three month period ended July 31, 2012 compared to the prior quarter where predominantly due to the $5.4 million loss recorded on the disposition of marketable securities.

- In the three month period ended April 30, 2012 our loss from continuing operations was predominantly due to $7.0 million in exploration and evaluation expenditures, interest and related charges on a credit facility of $0.6 million and salaries and benefits of $0.4 million. This loss was partially offset by a $1.7 million gain recorded on the disposition of marketable securities. The quarter ended April 30, 2012 had higher losses compared to the previous quarter due predominantly to higher exploration and evaluation expenditures of $7.0 million ($3.6 million higher than the previous period).

LIQUIDITY AND CAPITAL RESOURCES

True Gold manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and, if warranted, the development of mineral properties. We have no long-term debt and have working capital of approximately $63.0 million at March 31, 2014. The Company does not generate any cash flows from operations and earns minimal investment income on surplus funds and occasionally as a result of the disposition of an exploration asset.

On an ongoing basis, management evaluates and adjusts its planned level of activities, including planned exploration, development, permitting activities, and committed administrative costs, to ensure that adequate levels of working capital are maintained. Management believes that this approach, given the relative size of True Gold, is reasonable. At the date of this MD&A, we have approximately $58.4 million in cash and short term investments. The Company will require additional funding to meet it’s 2014 planned activity. Refer to *‘Project Finance’* section above for further details.

The properties in which we currently have interests are in the exploration stage; accordingly, we are dependent on external financing to fund our activities. In order to carry out planned exploration, possible development, permitting activities, and pay for administrative costs, we will spend our existing working capital and raise additional amounts as needed. Circumstances that could impair our ability to raise additional funds, or our ability to undertake transactions are discussed in our current AIF under the heading *“Risk Factors”* therein. The AIF has been filed with the applicable Canadian securities regulatory authorities and is available under the Company’s profile on SEDAR at www.sedar.com. There is no assurance that we will be able to raise the necessary funds through capital raisings in the future.

We have not issued any dividends and management does not expect this will change in the near future.

Investments

At the effective date of this MD&A, the market value of our investment holdings is approximately $0.1 million and includes the fair value of our investment in Paget. Pursuant to the Blue Gold Acquisition, the Company acquired 6,054,212 units of Paget. Each unit is comprised of one common share and one half of one common share purchase warrant. Effective December 4, 2013, the Company terminated the Ball Creek Option Agreement. In consideration for the Company terminating the Ball Creek Option Agreement, Paget issued 500,000 common shares of Paget to the Company valued at a price of $0.015 per Paget share.

Contractual Obligations

Management and Technical Services Agreement

The Company has entered into a Management and Technical Services Agreement with Oxygen Capital Corp. (“Oxygen”), a private company owned by two directors and an officer of the Company as well as another individual. Pursuant to the Oxygen Agreement (defined below), and without limiting the authority of True Gold’s senior management team, Oxygen provides the Company:

- access to, and the use of the assets contained in, office space leased by Oxygen; and

- services, staff and expertise as determined necessary to properly and efficiently manage the assets, operations, business and administrative affairs of True Gold.

The Company pays Oxygen for the cost of management and technical services, including the wage allocations of some Oxygen employees (plus tax and applicable benefits) at cost; there is no mark-up or additional direct charge to the Company from Oxygen under the Oxygen Agreement.

The Oxygen Agreement is intended to provide the Company with a number of technical and management services and access, on an as-needed basis, to Oxygen's roster of geologists, mining engineers, investor relations, financial and administrative professionals that would not necessarily otherwise be available to True Gold at this stage of the Company's development.

The Oxygen Agreement is for an initial term of three years, and shall be automatically renewed from time to time thereafter for additional terms of one year unless otherwise terminated. Pursuant to the Oxygen Agreement, the Company has paid to Oxygen a security deposit estimated at an amount equal to three months of management and technical services. This amount is recorded in the Annual Financial Statements as a non-current asset. The Oxygen Agreement may be terminated by either party giving at least 180 days' prior written notice of such termination.

Leases

The Company is party to operating leases for office premises in Canada. This includes an operating lease for shared office premises the Company occupies with Oxygen. The Company is committed to paying its attributable percentage of costs pursuant to the Oxygen Agreement (defined below). Upon termination of the Oxygen Agreement, the Company is required to indemnify Oxygen for costs associated with those agreements or obligations which had been executed or incurred by Oxygen in connection with or related to the services provided to the Company by Oxygen, these amounts are included in the table below. The percentage allocated to the Company by Oxygen for the operating lease is subject to change. The lease terms are between five and ten years; each lease is renewable at the end of the lease period at market rate.

Total future minimum lease payments, under non-cancellable operating leases as at March 31, 2014 are as follows:

Year		Net Amount
2014	$	360,374
2015		385,451
2016		407,001
2017		311,832
2018+		1,643,778
	$	3,108,436

During the three month period ended March 31, 2014, the Company entered into an agreement whereby it subleased certain of its office premises in Canada for the remaining term of the Company's lease commencing May 1, 2014. Future payments to be received pursuant to the sublease agreement have been netted against future minimum lease payments.

INDUSTRY AND ECONOMIC FACTORS THAT MAY AFFECT OUR BUSINESS

Industry and economic risk factors that may affect our business, in particular those that could affect our liquidity and capital resources, are substantially unchanged from those described under the heading "Risk Factors" in our AIF, available on True Gold's SEDAR profile at www.sedar.com. In particular, there remain significant uncertainties in capital markets impacting the availability of equity financing for the purposes of mineral exploration and development in addition to uncertainties with respect to operating in a foreign jurisdiction. There are also significant uncertainties and increased volatility in the prices of gold, copper, other precious and base metals and other minerals as well as increasing volatility in the foreign currency exchange markets as assets continue to be repriced against a backdrop of uncertainty relating to the foreign exchange rate and the United States Federal Reserves Qualitative Easing programs potential tapering, ongoing deferral of, and debate relating to, budget issues in the United States, and as a rebalancing of the global growth forecast is digested by the capital, commodity and currency markets.

While the decrease in the price of gold during 2013 and Q1 2014 and ongoing uncertainties in capital markets do not have a direct impact on the Company's ability to carry out exploration and development, the

Company may be impacted should it become more difficult to gain access to capital (e.g. possible debt or equity financing for the purposes of mineral exploration and development) when and if needed. Difficulty in accessing capital on favourable terms may limit the Company's ability to develop and/or further explore and develop the mineral properties in which we have an interest. Further, the recent strengthening of the CFA (the currency in which the Company incurs a portion of its operating costs) against the Canadian dollar (the currency in which True Gold has historically raised capital) will impact the rate at which the Company's treasury is consumed.

The specific risks noted in our AIF, may limit the Company's ability to develop and/or further explore its mineral property interests.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial assets and liabilities are recognized when True Gold becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and True Gold has transferred substantially all risks and rewards of ownership.

At initial recognition, True Gold classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(i) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges. True Gold has classified certain of its cash and other financial assets in this category.

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the statement of comprehensive loss. Gains and losses arising from changes in fair value are presented in the statement of comprehensive loss within other gains and losses in the period in which they arise.

Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond 12 months of the statement of financial position date, which is classified as non-current.

(ii) Available-for-sale investments: Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. True Gold has classified certain of its short and long-term investments in this category.

Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive income (loss). Available-for-sale investments are classified as non-current, unless the investment matures within 12 months, or management expects to dispose of them within 12 months, in which case management classifies them as marketable securities.

Interest on available-for-sale investments, calculated using the effective interest method, is recognized in the statement of comprehensive loss as part of interest income. Dividends on available-for-sale equity instruments are recognized in the statement of comprehensive loss as part of other gains and losses when True Gold's right to receive payment is established. When an available-for-sale investment is sold or considered impaired, the accumulated gains or losses are moved from accumulated other comprehensive income (loss) to the statement of comprehensive loss and included in other gains and losses.

(iii) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. True Gold's loans and receivables are comprised of receivables and are included in current assets due to their short-term nature. Loans and receivables are initially recognized at the amount expected to be received less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment. Loans and receivables are classified as current except for the portion expected to be realized beyond 12 months of the statement of financial position date, which is classified as non-current.

(iv) Held to maturity: Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that True Gold's management has the positive intention and ability to hold to maturity. They are measured at amortized cost less any allowance for impairment. Amortization of premiums or discounts and losses due to impairment are included in current period income (loss). True Gold holds no instruments in this category. Held to maturity investments are classified as current except for the portion expected to be realized beyond 12 months of the statement of financial position date, which is classified as non-current.

(v) Financial liabilities at amortized cost: Financial liabilities at amortized cost include trade payables. Trade payables are initially recognized at the amount required to be paid less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables and accrued liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are classified as current liabilities if payment is due within 12 months. Otherwise, they are presented as non-current liabilities.

Risks Associated with Financial Instruments

We are exposed in varying degrees to a variety of financial instrument related risks. The Board provides oversight of our risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to its liquid financial assets. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its receivables. Management considers this risk minimal given receivables typically consist of refundable government sales taxes.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its capital in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and the Company's holdings of cash and cash equivalents. The Company may from time to time issue additional shares to ensure there is sufficient capital to meet long term objectives. The Company's financial liabilities consisting of trade payables and accrued liabilities are normally payable within a 30 day period and are expected to be funded from cash held.

Currency Risk

The results of the Company's operations are exposed to currency fluctuations. To date the Company has raised funds entirely in Canadian dollars. The majority of the Company's mineral property expenditures are incurred in CFA. The fluctuation of the Canadian dollar in relation to the CFA will consequently have an impact upon the financial results of the Company. Management has not entered into any derivative contracts to manage foreign exchange risk at this time.

Interest Rate Risk

Interest rate risk refers to the risk that future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk with respect to its investments in cash and short term investments which includes deposits at variable interest rates. This risk is considered minimal.

Fair Value Estimation

The carrying value of the Company's financial assets and liabilities approximates their estimated fair value due to their short-term nature.

OFF BALANCE SHEET ARRANGEMENTS

True Gold has no off balance sheet arrangements.

Indemnifications

Oxygen Capital Corporation

Upon termination of the Oxygen Agreement (as defined below), True Gold is required to indemnify Oxygen (as defined below) for costs associated with those agreements or obligations which had been executed or incurred by Oxygen in connection with or related to the services provided to the Company by Oxygen. The associated commitment relating to the discharge of such agreements and obligations is included in the summary of contractual obligations in this MD&A.

RELATED PARTY TRANSACTIONS

Details of transactions between the Company and its related parties are disclosed below.

Compensation of key management personnel

Key management includes members of the Board and executive officers of the Company. The aggregate compensation paid, or payable to key management for employee services is shown below:

	3 months ended			
	March 31, 2014		March 31, 2013	
Salaries and other short-term employee benefits	$	724,700	$	615,871
Stock-based compensation		476,245		374,072
Total	$	1,200,945	$	989,943

Trade payables and accrued liabilities include vacation and director fees payable to certain officers and directors in the amount of $169,829 (December 31, 2013 - $1,230,391).

Oxygen Capital Corp.

The Company is party to a management services agreement (the "Oxygen Agreement") with Oxygen Capital Corp. ("Oxygen"), a privately held management services company owned by two directors and an officer of True Gold in addition to another individual. Oxygen provides services to the Company at cost including staffing, office rental and other administrative functions. The Oxygen Agreement calls for True Gold to reimburse Oxygen for its share of office costs and salaries and wages of Oxygen employees for time spent by Oxygen personnel on projects and activities of True Gold. As part of the Oxygen Agreement, the Company provided a security deposit amounting to $0.4 million (December 31, 2013 - $0.4 million), equal to an estimated three months of services. The security deposit will be applied to the last invoice under the Oxygen Agreement, with any remaining amount being refunded to True Gold. The Company incurred expenses with Oxygen as follows:

		3 months ended			
	Note	March 31, 2014		March 31, 2013	
Management services	(i)	$	520,230	$	455,790

(i) The total amount included in salaries and benefits is $0.2 million (March 31, 2013 - $0.2 million), exploration costs is $0.2 million (March 31, 2013 - $0.1 million), rent is $0.1 million (March 31, 2013 - $26,441) and other miscellaneous is $0.1 million (March 31, 2013 - $0.1 million).

Amounts due to Oxygen as at March 31, 2014 are $274,672 (December 31, 2013 - $177,318).

PROPOSED TRANSACTIONS

As is typical of the mineral exploration and development industry, we are continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. We are also continually reviewing and discussing opportunities with third parties regarding the sale of nonstrategic properties in our portfolio. There is no guarantee that any contemplated transaction will be concluded.

With the exception of ongoing reviews of opportunities to expand our property portfolio in Burkina Faso, there are no proposed asset or business acquisitions or dispositions before the Board for consideration, other than those discussed in this MD&A and those in the ordinary course. While we remain focused on our plans to continue exploration and, if warranted, the development on our material properties, should we enter into agreements in the future on new properties, we may be required to make cash payments and complete work expenditure commitments under those agreements.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning True Gold's capitalized or expensed exploration costs and general and administration costs is provided in the Company's audited financial statements for the year ended December 31, 2013.

CHANGES IN ACCOUNTING POLICIES & NEW ACCOUNTING PRONOUNCEMENTS

For information on the Company's accounting policies and new accounting pronouncements, please refer to our disclosure in our Annual Financial Statements, at Notes 4 and 7.

LEGAL MATTERS

True Gold is not currently, and has not at any time during our most recently completed reporting period been a party to, nor has any of its property been the subject of, any material legal proceedings or regulatory actions. True Gold does respond to periodic queries from regulators and may incur professional fees in responding to such requests.

OUTSTANDING SHARE DATA

True Gold's authorized capital is unlimited common shares without par value. There are 397,570,228 common shares, 20,043,995 options and 64,734,200 warrants to purchase common shares outstanding as at the date of this MD&A.

SUBSEQUENT EVENTS NOT OTHERWISE DESCRIBED HEREIN

(i) On April 16, 2014, the Company granted 200,000 stock options to an officer to purchase common shares at an exercise price of $0.38 per option, expiring April 16, 2019.

(ii) On April 21, 2014, the remaining 312,390 common shares held in escrow were released.

APPROVAL

The Audit Committee has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it of us, and will be posted to our website at www.truegoldmining.com.

ADDITIONAL INFORMATION

For further information regarding True Gold, refer to True Gold's filings with the Canadian securities regulatory authorities available under True Gold's company profile on SEDAR at www.sedar.com.

CAUTIONARY NOTES REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities legislation, concerning the business, operations and financial performance and condition of the Company. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may constitute forward-looking statements. Often, but not always, forward-looking statements and forward-looking information can be identified by words such as "pro forma", "plans", "expects", "may", "should", "could", "will", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", or variations including negative variations thereof of such words and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved.

Forward-looking statements contained in this MD&A include statements with respect to:

- expectations regarding the potential mineralization, geological merits and economics of the Company's projects, including the Karma Project and the Liguidi Project;
- the Company's goals regarding development of the Karma Project and regarding raising capital and conducting further exploration and development of its projects;
- the Company's proposed plans for advancing its projects, including drilling and other exploration work;
- expectations regarding the continuity of mineral deposits, including in relation to adjacent or other properties (including producing or past-producing properties) that are in the vicinity or same region as the Company's projects;
- expectations regarding any environmental issues that may affect planned or future exploration programs;
- mineral exploitation and exploration program cost estimates;
- statements with respect to the future price of gold and other metals;
- timing and completion of geological studies and reports;
- receipt and timing of the Karma Project exploitation permits and other third party approvals; and
- government regulation of mineral exploration and development operations in Burkina Faso.

Estimates of mineral resources and mineral reserves may also constitute forward-looking statements and information in that they represent estimates of mineralization that may be encountered if mining is commenced, and/or economic viability of such mineralization.

Forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements or forward-looking information, including but not limited to: (i) political developments in Burkina Faso, whether generally or in respect of the mining industry specifically, which may not be consistent with the Company's current expectations, (ii) the Company's expectations in connection with the projects, exploration programs and development plans discussed herein being met, (iii) the impact of general business and economic conditions, global liquidity and credit availability on the timing of cash flows and the values of assets and liabilities based on projected future conditions, fluctuating metal prices and currency exchange rates (such as the West African CFA franc versus the Canadian Dollar), (iv) the viability and development of the Karma Project on a basis consistent with the Company's current expectations, (v) changes in project parameters as plans continue to be refined, (vi) changes in project development, construction, production and commissioning time frames, (vii) the possibility of project cost overruns or unanticipated costs and expenses, (viii) higher prices for fuel, steel, power, labour and other consumables contributing to higher costs, (x) general risks of the mining industry, (x) failure of plant, equipment or processes to operate as anticipated, (xi) unanticipated results of future studies, (xii) costs and timing of the development of new deposits, (xiii) success of exploration and drilling activities, (xiv) risks and uncertainties relating to the interpretation of drill results and other exploration data, and the geology, grade and continuity of mineral deposits, (xv) the possibility that future exploration results will not be consistent with the Company's expectations, (xvi) risks related to metallurgical characteristics of mineralization contained within the Company's properties which may not be fully determined, (xvii) potential delays in completion of geological reports (including preliminary economic assessments, pre-feasibility and feasibility studies), or that the contents of geological reports will not be consistent with the Company's expectations, (xviii) permitting time lines, (xix) government regulation and the risk of government expropriation or nationalization of mining operations, (xx) unanticipated environmental risks, (xxi) the continued employment of key employees, (xxii) failure to raise adequate capital to meet obligations, (xxiii) insurance and tax risks, and (xxiv) general risks and uncertainties related to the Company's prospects, properties and business strategy. Additional factors are discussed in the section entitled "Risk Factors" in the Company's AIF which is available under the Company's profile on the SEDAR website at www.sedar.com and those set forth in this MD&A under the heading "Industry and Economic Factors that May Affect Our Business". Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

These forward-looking statements are based on certain assumptions which the Company believes are reasonable, including that:

- current gold and other commodity prices will be sustained, or will improve, and global market conditions will stabilize;
- additional financing required by the Company will be available on reasonable terms;
- all necessary government and third party permits, approvals and licences necessary for the planned exploration and development of the Company's mineral projects will be obtained in a timely manner and on terms acceptable to the Company;
- the Company will not experience any material accident, labour dispute or failure of plant or equipment or other material disruption in the Company's planned exploration programs;
- exploration equipment and personnel will continue to be available on reasonable terms;
- key management and directors will continue to be retained by the Company; and
- any proposed future development of the Company's mineral projects will be viable operationally and economically and proceed as expected.

Assumptions relating to the potential mineralization on the Company's Karma Project are discussed in the Karma FS (defined below), in respect thereof which is available under the Company's profile on the SEDAR website at www.sedar.com.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems to be immaterial, may also materially and adversely affect the Company's business and prospects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update any of the forward-looking statements or forward-looking information on this MD&A, other than as may be required by applicable laws.

NATIONAL INSTRUMENT 43-101 COMPLIANCE

Unless otherwise indicated, information that is of a scientific or technical information regarding in this MD&A (the “Technical Information”) the Karma Project is derived from a technical report (the “Karma Technical Report”) titled "Technical Report and Updated Resource Estimate on the Karma Project, Burkina Faso, West Africa" dated effective March 13, 2014, and executed on April 28, 2014 prepared by independent consultants and 'qualified persons' under NI 43-101, Eugene Puritch, P.Eng., Richard Sutcliffe, Ph.D., P. Geo., Yungang Wu, P.Geo., Antoine Yassa, P.Geo., Alfred Hayden, P.Eng., Ismail Mahomed Pr. Sci. Nat., Peter Terbrugge Pr. Sci. Nat., Duncan John, Grant-Stuart, Pr. Eng., Martin Stapinsky, Ph.D., P. Geo., Neil Senior, MSc Mech.Eng FSAIMM and all of P & E Mining Consultants Inc. The Karma Technical Report is filed under the Company's profile on the SEDAR website at www.sedar.com.

Unless otherwise indicated, information that is Technical Information regarding the Liguidi Project is derived from a technical report titled *"Technical Report on the Liguidi Project, Burkina Faso, West Africa"* dated effective March 1, 2013, and executed on April 18, 2013 (the "P&E Liguidi Report"). The report was prepared by independent consultants and 'qualified persons' under NI 43-101, including Wayne Ewert, P.Geo., Tracy Armstrong, P.Geo., and Antoine Yassa, P.Geo., all of P & E Mining Consultants Inc. The P&E Liguidi Report is filed under the Company's profile on the SEDAR website at www.sedar.com.

In addition to the Karma Technical Report and the P&E Liguidi Report, certain Technical Information is derived from news releases (collectively, the “Disclosure Documents”) available under the Company's profile at www.sedar.com. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

Our Disclosure Documents were prepared by or under the supervision of an independent QP. Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Mr. Peter C. Carter, P. Eng., is a Qualified Person as defined by NI 43-101. Mr. Carter is True Gold's Chief Operating Officer, and, unless otherwise indicated, has prepared or supervised the preparation of the technical information related to development and engineering contained in this MD&A and/or reviewed, verified and approved such disclosure. For more information, see the individual technical reports and news releases available under the Company's profile at www.sedar.com and in this MD&A.

Mr. Scott Heffernan, M.Sc., P.Geo., is a Qualified Person as defined by NI 43-101. Mr. Heffernan is True Gold's Vice President Exploration, and, unless otherwise indicated, has prepared or supervised the preparation of other technical information, including that related to exploration, contained in this MD&A and/or reviewed, verified and approved such disclosure. For more information, see the individual technical reports and news releases available under the Company's profile at www.sedar.com and in this MD&A.

Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources

This MD&A uses the terms "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource", Canadian mining terms as defined in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") under guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council. While the use of such terms is recognized and required by Canadian regulators, the United States Securities and Exchange Commission does not recognize such terms. As such, information contained on this MD&A concerning descriptions of mineralization and resources under Canadian standards may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the United States Securities and Exchange Commission.

Mineral resource estimates in this MD&A are only estimates and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified resource will ever qualify as a commercially mineable or viable deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from the one indicated by drilling results and the difference may be material.

An "Inferred Mineral Resource" has a great amount of uncertainty as to its existence and as to its economic and legal feasibility. It cannot be assumed that all or any part of an "Inferred Mineral Resource" will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. Readers are cautioned not to assume that all or any part of Measured or Indicated Resources will ever be converted into Mineral Reserves. Readers are also cautioned not to assume that all or any part of an "Inferred Mineral Resource" exists, or is economically or legally mineable. In addition, the definitions of "Proven Mineral Reserves" and "Probable Mineral Reserves" under CIM standards differ in certain respects from the standards of the United States Securities and Exchange Commission. Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve calculation is made.