



TRUE GOLD MINING INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the nine months ended September 30, 2014

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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") condensed interim consolidated financial statements for the nine months ended September 30, 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 in 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 November 21, 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:

- **Project Finance – Karma Project Fully Funded:**
 - Secured financing of up to US\$120 million from Franco-Nevada Corporation ("Franco-Nevada") and Sandstorm Gold Inc. ("Sandstorm") to fully fund the Karma Project construction as well as certain corporate and Burkina general and administrative costs.
 - Commenced draw down under the financing agreement receiving an initial draw of US\$37 million. Draw down of the remaining balance will be made over the course of construction.
 - True Gold's Board of Directors approved a construction decision with a target of commercial operations by the end of 2015.
- **Permitting – Karma Project Fully Permitted:**
 - All five deposits within the Karma Project Feasibility Study ("Karma FS") mine plan are fully permitted. No other permits are required under the Karma FS mine plan.
- **Project Development – Karma Project Construction Underway**
 - Project construction well underway (earthworks on the plant site terraces 100% complete and civil works more than 20% complete), on schedule and on budget, with approximately US\$51.5 million (greater than 39%) of the total US\$131.5 million Karma Project initial capex spent and committed to date.
 - Long lead time capital items ordered, with all mining fleet vehicles and equipment expected on-site by January 2015.
 - Secured long-term cement contract at a price significantly lower than used in the Karma FS
 - Increases the Karma FS after-tax NPV by approximately US\$20 million to \$198.8M @ US\$1,250/oz Au
- **Potential Mine Expansion:**
 - Completed a Preliminary Economic Assessment ("PEA") on North Kao which indicated the potential to add US\$118 million in after-tax free cash flow to the Karma FS economics (see news release dated October 21, 2014). North Kao yields an after-tax IRR of over 200% and adds approximately US\$70.0 million to the Karma Project after tax NPV.

Exploration:

- Completed a 15,000 metre drill program designed to discover new domains of open-pit, leachable material that could be incorporated into the mine plan for potential mine life extensions or throughput increases. Assay results are expected in Q4 2014.

OUR BUSINESS

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

Our short term focus is getting our flagship Karma Project into production. In a short period of time, True Gold has advanced and significantly de-risked the Karma Project. Over the past 3 years the Company has made significant progress towards achieving its goal of becoming a leading low-cost West African gold producer by accelerating 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, permitting, fully funding the project and commencing construction in 27 months. With all mining permits secured to commence construction and with development fully funded, True Gold's Board of Directors approved a construction decision in Q3 and is targeting commercial production for the end of 2015. Karma will be the seventh mine built in Burkina Faso within the past five years.

For information on the Karma Project and Karma Project reserve and resources please see the "*Karma Project*" section below.

Our other 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 Resources Limited ("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 support True Gold, as a development company transitioning to an emerging producer.

OUR OBJECTIVES & OUTLOOK

Despite the challenging market conditions and ongoing volatility in the price of gold, since May 2013, True Gold has arranged approximately \$200 million in funding. In August 2014, we commenced mine construction and intend to be in production by the end of 2015.

According to the Karma FS, mine construction requires US\$131.5 million, including start-up and working capital. In August 2014, the Company secured up to US\$120.0 million in financing from Franco-Nevada and Sandstorm, to construct Karma. Combined with existing cash balances, the funds from the financing from Franco-Nevada and Sandstorm enable True Gold to construct the Karma Project without the need for any additional form of financing. Earlier in the year, we obtained the necessary project equity funding for the development and construction of the Karma Project with the closing of the \$51.9 million bought deal financing and private placement (as further described below).

We are currently negotiating long-term consumables contracts and procuring equipment to construct and operate the mine. True Gold recently secured a long-term cement contract at a price significantly lower than used in the Karma FS. We released the North Kao PEA which demonstrates the tremendous prospective upside, and potential economic viability of the Karma mining district, and how True Gold could potentially phase new discoveries into a future mine plan. North Kao represents just one of six new discoveries made in 2013. The North Kao PEA, together with the long-term cement contract, represent a potential increase in project value since September 2014. In addition, ongoing exploration at the Karma Project continues to focus on potential mine life extension or potential production expansion. Upcoming milestones include:

- Construction of major mining infrastructure has begun and is expected to be completed in Q3-2015;
- Procurement of equipment and materials is underway, and will continue until Q3-2015;
- Ore is expected to be placed on the leach pad in Q4-2015;
- First gold pour is expected by the end of 2015; and
- First full year of production expected in 2016, with year 1 production of more than 150,000 ounces of gold projected.

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

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 km² 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 five (GG I, GG II, Rambo, Kao and Nami) are covered by the Karma exploitation (mining) 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.

Karma Project - Phase 1:

Karma Project Feasibility Study

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.

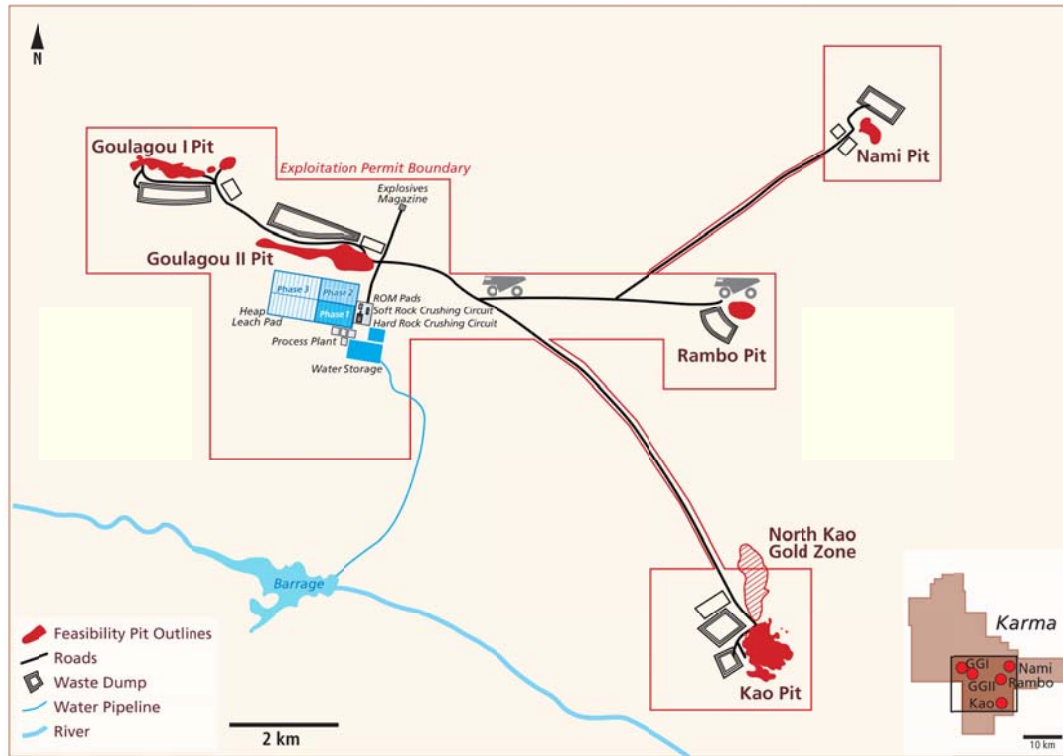
Base case highlights of the Karma FS include¹:

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
Production Costs	
Direct Cash Operating Costs ² (\$/oz)	\$591
Total Cash Costs ³ (\$/oz)	\$672
All-in Sustaining Cash Costs ⁴ (\$/oz)	\$720
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.
- 2) Includes all mining costs, processing costs, on-site G&A
- 3) Includes all direct cash operating costs plus refining cost and royalties
- 4) Includes total cash costs plus sustaining capex

The Karma FS supports an open pit heap leach mine scenario from currently defined 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. The two pits with the highest-grade mineral reserves (GG II and Rambo) will 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 1 shows an overall view of the Project site.

Figure 1. – Karma Project Site Plan



More information on the Karma FS can be found in our December 17, 2013 press release available on SEDAR at www.sedar.com and our website www.truegoldmining.com.

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 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

Development Update for Q3 2014

To date, the Company has spent and committed approximately US\$51.5 million at the Karma Project, or more than 39% of the US\$131.5-million initial capex. Pre-stripping of the Rambo Deposit, Karma's highest grade deposit and the first to be mined, will begin in December 2014. To date, all aspects of the Karma Project are on time and on budget. Additional mine development details include:

- Key personnel are in place; recent hires include the Mine Superintendent and the Mine General Foreman.
- Procurement was 33% complete at the end of October, ahead of the planned 23%.
- Earthworks on the plant site terraces are complete, one month ahead of schedule.
- Civil works were 20% complete at the end of October, ahead of the planned 14%.
- Work has started on foundations for the ADR plant, cement storage facility, and maintenance shop.
- Administration, security and medical buildings are built; mine offices are 90% complete.

- Two dozers and two graders, part of the mining fleet, were delivered to site November 11.
- All mining fleet vehicles and equipment are expected on-site by January 2015.
- Major earthwork projects, haul roads, raw water storage pond and the base for the heap leach pad will begin in January 2015.

In September 2014 the Company received the exploitation permits for the Kao and Nami deposits. As such, the Company has received all the required permits, both exploitation and environmental, to fully develop all five deposits within the current Karma mine plan. The initial five deposits (GG I, GG II, Rambo, Kao and Nami) at the Karma Project are held within one exploitation (mining) permit and are treated as extensions of the Karma exploitation permit. With the exploitation permit in place covering the initial five deposits, the terms governing the project over the life of the mine will now 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.

Karma Project Potential Cost Savings

True Gold recently secured a long-term, in-country, cement contract (the “Renewable Agreement”) at a price lower than used in the Karma FS. The 3.5 year contract, renewable on the same terms by mutual agreement, will generate approximately US\$35 million in total operating cost savings over the base-case Karma FS. The Renewable Agreement increases the Karma FS after-tax NPV by approximately US\$20 million to \$198.8 million @ US\$1,250/oz Au and after-tax IRR to 46.3% @ US\$1,250/oz Au.

Project Finance

On August 11, 2014, the Company secured financing of up to US \$120 million from Franco-Nevada and Sandstorm, fully funding the Karma Project Construction without the need for additional equity. The Company commenced draw down from the financing arrangement in September 2014 and has drawn US\$37 million, representing the initial draw on September 25, 2014. (Refer to ‘*Corporate Update*’ section below for further details).

Karma Project - Phase 2: Expansion Potential - North Kao

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 (North Kao, Rambo West and Watinoma). At North Kao, 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 the 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.

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.

As North Kao results represent a significant new resource at the Karma Project, True Gold completed a PEA to evaluate the potential economic impact of increasing the Karma mine life. The North Kao PEA, released in October 2014, confirms that North Kao has the potential to be economically viable. Further, the North Kao PEA demonstrates the potential to build on the 8.5 year mine life outlined in the Karma FS. North Kao will generate an additional US\$118M in after-tax free cash flow to the Karma Project. As a result of its high gold grades, low capital costs, and synergies to be realized by sharing future infrastructure, North Kao yields an after-tax IRR of over 200%. True Gold has advanced North Kao from blind discovery to an independent PEA in a little over a year. North Kao adds approximately US\$70 million to Karma’s after-tax net present value. If the North Kao Inferred resources are converted to a higher resource definition, the Company will optimize the Karma FS mine plan so that North Kao may be mined concurrently with the Kao deposit, however there is no certainty the resources will be converted to reserves.

North Kao PEA highlights Include¹:

North Kao PEA - Highlights	
Gold price	US\$1,250/oz Au
Inferred Resources	9.9 Mt @ 0.98 g/t containing 312,000 oz Au
Production	118,000 oz Au/year on average over 2.5-year mine life
Initial CAPEX	US\$17.7M (including contingency)
Cumulative After-tax Cash Flows	US\$118.6M
NPV @ 5% (after tax)	US\$69.6M (discounted from 2022-2026)
IRR (after tax)	213%
Payback (after tax)	~ 5 months
All-in Sustaining Cash Costs²	\$652/oz

- 1) The economic highlights throughout this MD&A represent True Gold's effective interest in the North Kao deposit, after allowing for the Burkina Faso Government's carried interest and all government and third-party royalties. It is presented on an unlevered basis. The PEA is preliminary in nature and is based on Inferred resources which are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mined reserves. There is no certainty the results of the PEA will be realized. *Refer to Inferred resources captured in PEA.
- 2) Includes operating costs, refining and royalties, plus sustaining capital.

More information on the North Kao PEA can be found in our October 21, 2014 press release available on SEDAR at www.sedar.com and our website www.truegoldmining.com.

Karma Project - Phase 3: Exploration Potential

True Gold's exploration successes in recent discoveries demonstrates the potential to add additional open-pit leachable material at the Karma Project for potential mine life extensions or potential incremental throughput expansions. North Kao represents just one of the six new discoveries made since 2013 (Refer to 'Karma Project - Phase 2: Expansion Potential - North Kao' section above for further details).

In 2014, the Company's Karma Project exploration strategy continues 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 the 2014 exploration program comprising 15,000 metres of drilling, 315 line-kilometres of IP, and a robust soil sampling program at key exploration targets at its Karma Project. In Q3 2014 we completed the 15,000 metre drill program and assay results are expected in Q4 2014. Mapping of the Kao Trend is currently underway. The Company has budgeted approximately US\$5 million for exploration through 2015.

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

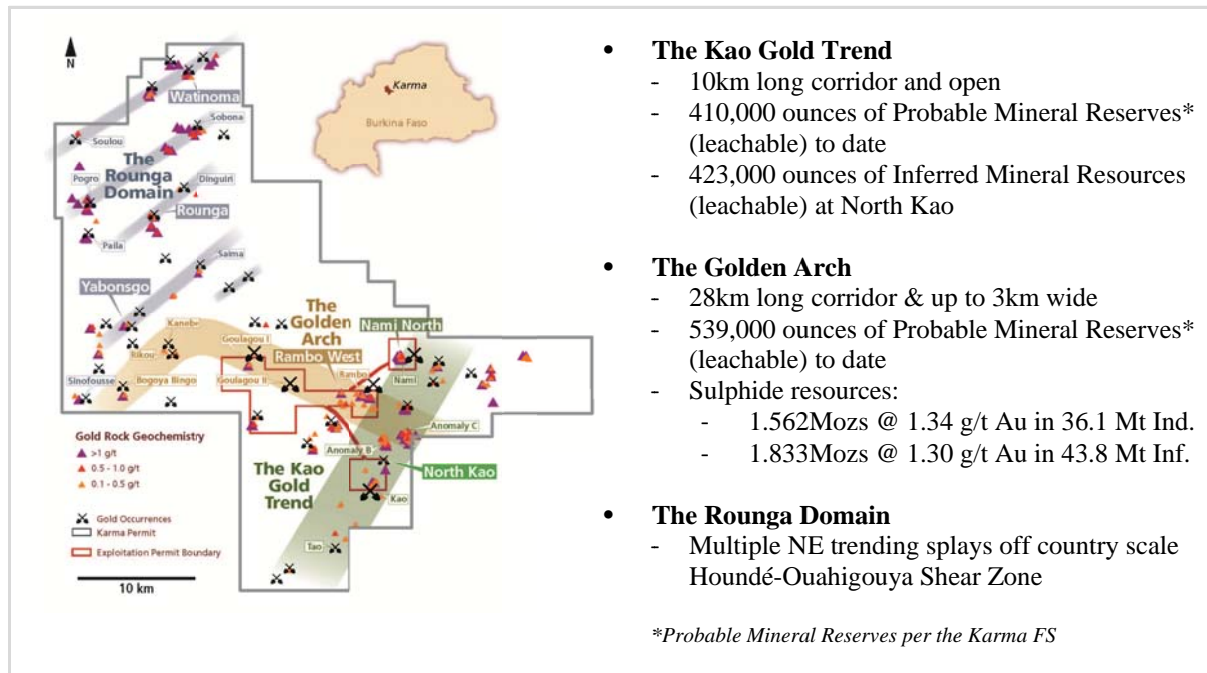
Details of the Company's exploration and evaluation expenditures on the Karma Project, which have been expensed in the condensed interim consolidated statement of comprehensive loss for the nine month period ended September 30, 2014 include:

	Drilling costs \$	Pre-Development \$	Wages & Salaries \$	Geology & Geophysics \$	Camp & Field Costs \$	Other costs \$	Total \$
Karma	2,540,744	606,559	995,058	550,339	520,237	2,462,129	7,675,066

Drilling in 2013 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 2) with an aggregate strike length in excess of 100 kilometres on the Karma Project.

Figure 2. Karma Project – Gold Trends & Camp Potential



Liguidi Project

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.

CORPORATE UPDATE

Financings

Despite the extremely challenging market conditions and the recent and ongoing volatility in price of gold, True Gold has arranged approximately \$200 million in funding over the past 18 months.

On August 11, 2014, the company entered into a definitive agreement for financing of up to US\$120-million with Franco-Nevada and Sandstorm (the "Agreement") to complete funding for the construction of the Karma Project.

In exchange for the initial US\$100-million in funding, True Gold is obligated to purchase and deliver 100,000 ounces of gold over five years, and thereafter 6.5% of equivalent production at Karma. In addition, True Gold holds sole option to increase funding by up to US\$20-million ("Increase Option") during the first 18 months following the date of the execution of the Agreement in return for the purchase and delivery of 30,000 ounces of gold (pro-rated for the amount of the Increase Option that is actually exercised). Key transaction terms include:

- Franco-Nevada and Sandstorm (the "Syndicate") will provide True Gold with US\$100 million in funding, currently split 75% for Franco-Nevada and 25% for Sandstorm.
- Over a period of five years, starting March 31, 2016 (the "Delivery Period"), True Gold shall purchase and deliver to the Syndicate an aggregate of 20,000 ounces of gold each year, for a total of 100,000 ounces of gold. During the Delivery Period, the Syndicate will pay True Gold 20% of the spot price of gold ("Ongoing Payment") for each ounce purchased and delivered by True Gold.

- Following the Delivery Period, True Gold shall purchase and deliver to the Syndicate an amount of refined gold equal to 6.5% of the gold produced at Karma for the life of the Project in exchange for Ongoing Payments.
- True Gold holds sole option to increase funding by up to US\$20-million during the first 18 months following the date of the execution of the Agreement. The Increase Option is repayable in eight quarterly deliveries totalling 30,000 ounces of gold, or the pro-rata portion of the amount drawn thereunder, starting 18 months from when the first tranche is drawn down.

In September 2014, True Gold commenced draw down on the initial US\$100 million project financing. Pursuant to the terms of the financing agreement, the Company has drawn down US\$37 million, representing the initial draw down. Draw down of the remaining balance of the initial US\$100 million will be made over the course of construction.

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 410,995 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 entitled the holder to purchase one common share of the Company at a price of \$0.47 until August 18, 2014. During the three month period ended September 30, 2014, 64,723,200 warrants expired unexercised.

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 reviewed and approved 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 the 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 4 of the Interim 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; the exploration for and development of gold projects, and was in the development stage at September 30, 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 and nine months ended September 30, 2014 and 2013 respectively.

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Total revenues	\$ -	\$ -	\$ -	\$ -
Net loss for the period	\$ (2.9)	\$ (7.8)	\$ (13.9)	\$ (22.8)
Basic and diluted loss per share	\$ (0.01)	\$ (0.03)	\$ (0.04)	\$ (0.11)

Three and nine month period ended September 30, 2014 vs. three and nine month period ended September 30, 2013

At September 30, 2014, the Company was in the development stage and therefore, does not have revenues from operations.

For the three and nine month period ended September 30, 2014, we reported a net loss of \$2.9 million and \$13.9 million respectively, compared to net losses of \$7.8 million and \$22.8 million for the three and nine month period ended September 30, 2013.

Operating expenses totalled \$2.9 million for the three months ended September 30, 2014 down 62% from \$7.8 million a year earlier. The principle reason for the change was a decrease in exploration and evaluation expenditures in the amount of \$5.1 million as the Company is now focused on development work on the Karma Project. The Company has commenced capitalizing costs related to development in the current period.

Operating expenses totalled \$14.5 million for the nine months ended September 30, 2014 down 36% from \$22.7 million a year earlier. The principle reason for the change was a decrease in exploration and evaluation expenditures in the amount of \$8.2 million as the Company is now focused on development work on the Karma Project.

Exploration and evaluation expenditures

In the three and nine month periods ended September 30, 2014, True Gold recorded \$1.1 million and \$7.7 million respectively (2013: \$6.2 million and \$15.9 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 9.

Office and general

In the three and nine month periods ended September 30, 2014, True Gold recorded \$0.6 million and \$2.1 million (2013: \$0.2 million and \$1.6 million) as office and general expenses. The increase over the comparative period for the three and nine month period was predominantly due to an increase in consulting fees. As well, in the 2013 period the Company had a one time cost recovery of expenses related to the corporate office premises which did not recur in the 2014 periods. Other office and general expenses were similar during the comparative three and nine months.

Salaries and benefits

In the three and nine month periods ended September 30, 2014, True Gold recorded \$0.6 million and \$1.9 million to salaries and benefits which was relatively in-line with our salary and benefits in the comparative period (2013: \$0.6 million and \$1.9 million).

Travel and Accommodation

In the three and nine month periods ended September 30, 2014, True Gold recorded \$0.3 million and \$0.9 million to travel and accommodation (2013: \$0.1 million and \$0.6 million). The increase over the comparative period for the three and nine month periods was predominantly due to increase in travel related to investor relations activity and general corporate business travel to Burkina Faso.

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 three and nine month periods ended September 30, 2014, totaled \$0.1 million and \$0.8 million respectively (2013: \$0.2 million and \$1.2 million). 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 the other quarters of the year.

Financial Position

The following financial data (in millions) is derived from our financial statements as at September 30, 2014, and as at December 31, 2013:

	September 30, 2014	December 31, 2013
Total assets	\$ 105.3	\$ 42.8
Non-current liabilities	\$ 24.8	\$ -
Cash dividends declared	\$ -	\$ -

Total assets

Total assets as at September 30, 2014 have increased since December 31, 2013 by \$62.6 million to \$105.3 million, mainly due to (i) to an increase in total cash and short term investments reflecting cash inflows from financing transactions through the nine months ended September 30, 2014; (ii) the capitalization of development costs related to the Karma Project, including: Site earthworks, civil construction, Phase 2 of the barrage and other construction activities (Refer to ‘Overall Performance’ section contained herein for further detail); (iii) deposits on the mining fleet and advances for construction materials and services for the Karma Project. This increase was partially offset by cash outflows from operations.

Non-current liabilities

At September 30, 2014 the Company entered into a US\$100-million definitive Agreement with Franco-Nevada Corporation and Sandstorm Gold Inc. to complete funding for the construction of the Karma Project. In exchange for US\$100-million in funding, True Gold is obligated to purchase and deliver 100,000 ounces of gold over five years, and thereafter 6.5% of equivalent production at the Karma Project. In addition, True Gold holds sole option to increase funding by up to US\$20-million (“Increase Option”) during the first 18 months following the date of the execution of the Agreement. Refer to ‘Corporate Update’ section herein for further detail. For the period ended September 30, 2014, the Company has drawn down US\$37.0M (\$41.3M CAD), representing the first draw down of the Deposit. During the period ended September 30, 2014 the Company recorded a gain on the change in fair value of the liability of \$2.1 million. On 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 (in thousands of \$, except per share amounts) 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 quarterly 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)	Sept 30, 2014	June 30, 2014	Mar 31, 2014	Dec 31, 2013	Sept 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012	Oct 31, 2012	(2 months)
Continuing Operations										
Total revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income (loss) for the period	(2,888)	(6,740)	(4,296)	(10,027)	(7,844)	(9,352)	(5,572)	(11,238)	(2,534)	
Other comprehensive income										
Net value gain (loss) on financial assets	(33)	(33)	(33)	5	-	(61)	(303)	(30)	-	
Income (loss) per share from continuing operations										
Basic and diluted	\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ (0.04)	\$ (0.03)	\$ (0.05)	\$ (0.03)	\$ (0.09)	\$ (0.02)	

- The most significant contributors to the loss for the quarter ended September 30, 2014 were exploration and evaluation expenditures, office and general expenses, salaries and benefits, travel and accommodation, transaction costs for the financing arrangement, loss on foreign exchange, and the change in fair value of the financial liability through profit and loss, collectively \$2.5 million. The quarter ended September 30, 2014 had lower losses compared to the previous quarter primarily due to lower exploration and evaluation expenditures amounting to \$1.1 million, (\$3.8 million less than the previous period) related to lower exploration activity, and a change in fair value of financial liability through profit and loss of \$2.1 million. The decrease from the prior quarter was offset by the one-time transaction costs for the financing arrangement, related to legal, advisory and securitization costs for the Agreement, that closed during the quarter ended September 30, 2014, in the amount of \$1.9 million.
- The most significant contributors to the loss for the quarter ended June 30, 2014 were exploration and evaluation expenditures, office and general expenses, salaries and benefits and stock based compensation, collectively \$6.1 million. The quarter ended June 30, 2014 had higher losses compared to the previous quarter due predominantly to higher exploration and evaluation expenditures of \$4.9 million (\$3.1 million higher than the previous period) as the majority of activity related to the 2014 drill campaign commenced in Q2-2014.
- 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 reduced 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.

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. At September 30, 2014, the Company has received US\$37.0M (\$41.3M CAD) as its first draw down of its US\$100.0M financing agreement with Franco-Nevada and Sandstorm, which is classified as a non-current liability. True Gold had working capital of approximately \$64.9 million at September 30, 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 \$46.0 million in cash and short term investments and US\$83.0 million in undrawn available funds under the Agreement. Refer to ‘*Project Finance*’ section above for further details.

The properties in which we currently have interests are in the exploration and development stages; accordingly, we are dependent on external financing to fund our activities. In order to carry out planned exploration, planned development, permitting activities, and pay for administrative costs, we will spend our existing working capital, draw down on current facilities, 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.

Contractual Obligations

Gold Purchase and Sale Agreement

On August 11, 2014, the Company entered into a US\$100-million definitive Agreement with Franco-Nevada Corporation and Sandstorm Gold Inc. to complete funding for the construction of the Karma Project. Key terms, conditions and commitments under this facility are disclosed in Note 10 of the September 30, 2014 Interim Financial Statements.

The Company's obligation to deliver gold under the Agreement is secured by (i) a performance guarantee by True Gold, and each of its subsidiaries that are party to the Agreement or hold a direct or indirect interest in the assets of the Karma Project ("True Gold Group Entities") in favour of the Syndicate; (ii) a pledge of the shares of each True Gold Entity (other than True Gold) in favour of the Syndicate; (iii) first ranking charges and security interests in favour of the Syndicate over the Karma Project, including any produced gold, and over all its respective present and after acquired property; and (iv) a written assignment, subordination and postponement of claims from the True Gold Group Entities in favour of the Syndicate.

Karma Project

True Gold has entered into a number of contractual commitments for items related to the development of the Karma Project. At September 30, 2014, these commitments totalled \$11.8 million, \$8.4 million of which are expected to be incurred during the remaining period in 2014.

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 commitments, including for the Karma Project and total future minimum lease payments, under non-cancellable operating leases as at September 30, 2014 are as follows:

Year	Karma Project		Net Lease Amounts		Total
2014	\$	8,394,191	\$	96,976	\$ 8,491,167
2015		3,248,556		382,127	3,630,683
2016		167,055		403,677	570,732
2017		-		310,724	310,724
2018+		-		1,643,778	1,643,778
	\$	11,809,802	\$	2,837,282	\$ 14,647,084

In Q1-2014, 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.

The Company is aware of the regional threat of the Ebola virus on its operations. While the affected countries include Guinea, Liberia, Sierra Leone, Nigeria and Mali, there are no known cases of Ebola currently reported in Burkina Faso. A contingency action plan has been put in place which dictates the appropriate response if the Ebola virus enters the project area. The intent of the plan is to mitigate the risk of Ebola to our operations and staff in the event of a known threat in Burkina Faso. Should the Ebola virus spread into Burkina Faso, it could have a material adverse affect on our financial condition and results of operations.

On October 30, 2014, civil unrest broke out in Ouagadougou and in another major city in Burkina Faso. On the following day, the incumbent president, Blaise Compaoré resigned, and both the national assembly and the government were dissolved. An interim leader has been appointed and a transitional government has been established and will remain in place until the next election in 2015. The Company continues to closely monitor the situation in Burkina Faso. The Company's operations at the Karma Project, located approximately 185 kilometres from the capital of Ouagadougou, are uninterrupted, on-site work continues as planned, and all of its employees are accounted for and safe.

While the decrease in the price of gold during 2013 and 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, fluctuations in the CFA (the currency in which the Company incurs a portion of its operating costs) against the Canadian and US dollar 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 its cash, short term investments, certain of its financial assets, and the loan component of the Agreement 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 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 current 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. True Gold's non-current financial liabilities consist of the Agreement with Franco-Nevada and Sandstorm, which will be payable through the scheduled delivery of 100,000 ounces of gold.

Currency Risk

The results of the Company's operations are exposed to currency fluctuations. Historically, the Company has raised funds primarily in Canadian dollars. As at September 30, 2014, True Gold has drawn down US\$37.0M (\$41.3M CAD), representing the first draw down of the Deposit from the Agreement with Franco-Nevada and Sandstorm. The majority of the Company's mineral property expenditures are incurred in CFA. The fluctuation of the Canadian dollar in relation to the CFA and the US dollar 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 current financial liabilities approximates their estimated fair value due to their short-term nature. True Gold has classified the loan component of the Agreement with Franco-Nevada and Sandstorm as a financial liability at fair value through profit or loss. The fair value of the loan component of the Agreement is determined at each reporting period using a discounted cash flow model. The cash flows arising from the liability are forecasted at each reporting period based on management's best estimates of the time of delivery of payable gold, the total amount of gold expected to be produced over the mine life, the timing of production, the forecasted gold prices, and an initial discount rate.

OFF BALANCE SHEET ARRANGEMENTS

True Gold has no off balance sheet arrangements other than as disclosed in the “*Contractual Obligations*” section herein.

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:

	Nine months ended	
	September 30, 2014	September 30, 2013
Salaries and other short-term employee benefits	\$ 2,031,156	\$ 1,627,747
Stock-based compensation	621,558	666,707
Total	\$ 2,652,714	\$ 2,294,454

Trade payables and accrued liabilities include vacation and director fees payable to certain officers and directors in the amount of \$0.3 million (December 31, 2013 - \$1.2 million).

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 long-term 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:

	Note	Nine months ended	
		September 30, 2014	September 30, 2013
Management services	(i)	\$ 1,385,158	\$ 1,083,309

- (i) The total amount included in management services includes:

	Nine months ended	
	September 30, 2014	September 30, 2013
Salaries and benefits	\$ 510,151	\$ 595,478
Exploration and evaluation expenditures	419,174	309,303
Office and general	409,466	152,784
Other	46,367	25,744
Total	\$ 1,385,158	\$ 1,083,309

Amounts due to Oxygen as at September 30, 2014 are \$0.3 million (December 31, 2013 - \$0.2 million).

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, 5 and 7 and the Interim Financial Statements, at Note 4.

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 398,841,229 common shares, and 19,083,995 options to purchase common shares outstanding as at the date of this MD&A.

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) risks related to the potential spread of the Ebola virus into Burkina Faso, (iii) the Company's expectations in connection with the projects, exploration programs and development plans discussed herein being met, (iv) 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), (v) the viability and development of the Karma Project on a basis consistent with the Company's current expectations including variations in rates of anticipated recovery, (vi) changes in project parameters as plans continue to be refined, (vii) changes in project development, construction, production and commissioning time frames, (viii) the possibility of project cost overruns or unanticipated costs, expenses and delays, (ix) higher prices for fuel, steel, power, labour and other consumables contributing to higher costs, (x) general risks of the mining industry, (xi) failure of plant, equipment or processes to operate as anticipated, (xii) unanticipated results of future studies, (xiii) costs and timing of the development of new deposits, (xiv) success of exploration and drilling activities, (xv) risks and uncertainties relating to the interpretation of drill results and other exploration data, and the geology, grade and continuity of mineral deposits, (xvi) the possibility that future exploration results will not be consistent with the Company's expectations, (xvii) risks related to metallurgical characteristics of mineralization contained within the Company's properties which may not be fully determined, (xviii) 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, (xix) permitting time lines, (xx) government regulation and the risk of government expropriation or nationalization of mining operations, (xxi) unanticipated environmental risks, (xxii) the continued employment of key employees, (xxiii) failure to raise adequate capital to meet obligations, (xxiv) insurance and tax risks, and (xxv) 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.