Consolidated Financial Statements

True Gold Mining Inc.

For the twelve months ended December 31, 2014

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
True Gold Mining Inc.

We have audited the accompanying consolidated financial statements of True Gold Mining Inc., which comprise the consolidated statements of financial position as at December 31, 2014 and 2013 and the consolidated statements of comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of True Gold Mining Inc. as at December 31, 2014 and 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

April 27, 2015

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Fax (604) 687-6172

TRUE GOLD MINING INC.

Consolidated statements of comprehensive loss
(Expressed in Canadian Dollars)

	Note	Twelve months ended December 31, 2014	December 31, 2013
		$	$
Expenses			
Exploration and evaluation expenditures	13	9,452,079	20,314,266
Salaries and benefits		2,908,218	3,520,182
Office and general		2,692,999	2,054,368
Travel and accommodation		1,205,603	916,915
Stock-based compensation	17	941,629	1,178,162
Professional fees		822,163	1,109,579
Investor relations, promotion and advertising		541,113	580,881
Amortization	11	40,756	66,485
Interest and charges		17,841	14,305
Write-down of equipment	11	-	185,671
Loss from operations		(18,622,401)	(29,940,814)
Other items			
Transaction costs for financing arrangement	14	(2,185,988)	-
Loss on foreign exchange		(545,901)	(646,374)
Change in fair value of financial liability	14	3,156,840	-
Change in fair value of financial assets	14	(6,149)	(34,517)
Interest and other income		583,483	285,955
Recovery of exploration costs	13	488,909	-
Write-down of exploration and evaluation assets	13	-	(2,445,789)
		1,491,194	(2,840,725)
Loss for the year		(17,131,207)	(32,781,539)
Other comprehensive loss			
Net fair value loss on financial assets	14	(98,313)	(358,252)
Other comprehensive loss for the year		(98,313)	(358,252)
Comprehensive loss for the year		(17,229,520)	(33,139,791)
Comprehensive loss for the year attributed to:			
Common shareholders for the Company		(17,024,030)	(33,139,791)
Non-controlling interest	24	(205,490)	-
		(17,229,520)	(33,139,791)
Loss per share			
Basic and diluted		$ (0.05)	$ (0.15)
Weighted average number of shares outstanding			
Basic and diluted		380,676,978	223,566,172

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

TRUE GOLD MINING INC.

Consolidated statements of financial position
(Expressed in Canadian Dollars)

	Note	As at December 31, 2014	As at December 31, 2013
		$	$
Assets			
Current assets			
Cash	8	54,837,619	2,953,041
Restricted cash	9	1,594,150	-
Short term investments		301,059	21,061,370
Receivables	10	73,182	73,217
Prepaid expenses		879,039	264,118
Total current assets		57,685,049	24,351,746
Non-current assets			
Property, plant and equipment	11	46,643,719	176,847
Deposits and advances on equipment and materials	12	21,350,290	-
Exploration and evaluation assets	13	1,519,314	17,645,970
Long term deposit	21	413,461	413,461
Financial assets	14	65,542	170,004
Total non-current assets		69,992,326	18,406,282
Total assets		127,677,375	42,758,028
Liabilities and Equity			
Current liabilities			
Trade payables and accrued liabilities	15, 21	6,642,261	3,162,074
Non-current liabilities			
Financial liabilities	14	48,673,938	-
Total liabilities		55,316,199	3,162,074
Equity			
Share capital	16	152,836,862	105,266,846
Commitment to issue shares	11, 16	-	700,533
Reserves		9,088,699	5,963,440
Accumulated other comprehensive income (loss)	14	(486,836)	(388,523)
Accumulated deficit		(88,872,059)	(71,946,342)
		72,566,666	39,595,954
Non-controlling interest	24	(205,490)	-
Total equity		72,361,176	39,595,954
Total liabilities and equity		127,677,375	42,758,028
Commitments	20		
Related party transactions	21		
Segmented information	23		
Subsequent events	25		

These consolidated financial statements are approved by the Board of Directors and authorized for issue on April 27, 2015:

"Donald McInnes" , Director *" Robin Merrifield"* , Director

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

TRUE GOLD MINING INC.

Consolidated statements of cash flows
(Expressed in Canadian Dollars)

	Twelve months ended December 31, 2014	December 31, 2013
	$	$
Cash flows from operating activities		
Loss for the year	(17,131,207)	(32,781,539)
Adjusted for:		
Amortization	40,756	66,485
Stock-based compensation	941,629	1,178,162
Change in fair value of financial assets	6,149	34,517
Change in fair value of financial liabilities	(3,156,840)	-
Write-down of exploration and evaluation assets	-	2,445,789
Write-down of equipment	-	185,671
Interest on short term investments	-	(65,857)
Movements in working capital:		
Receivables	35	203,217
Prepaid expenses	(614,921)	(135,369)
Trade payables and accrued liabilities	(1,946,692)	577,708
Cash deposit to Oxygen Capital	-	(113,461)
Net cash used in operating activities	(21,861,091)	(28,404,677)
Cash flows from financing activities		
Proceeds from issuance of common shares, gross	52,400,952	28,271,941
Common share issuance costs	(3,347,839)	(385,565)
Proceeds from financial liability	51,830,778	-
Net cash generated by financing activities	100,883,891	27,886,376
Cash flows from investing activities		
Development asset and Equipment costs	(39,880,776)	-
Deposits and advances on equipment and materials	(20,821,549)	-
Increase in restricted cash	(1,594,150)	-
Redemption (purchase) of short term investments	20,760,311	(16,920,513)
Proceeds from metal stream or royalty sale	14,397,942	6,041,700
Exploration and evaluation asset costs	-	(632,983)
Net cash used in investing activities	(27,138,222)	(11,511,796)
Change in cash	51,884,578	(12,030,097)
Cash at beginning of year	2,953,041	14,983,138
Cash at end of the year	54,837,619	2,953,041
Supplemental Information		
Shares issued and commitment to issue for exploration and evaluation assets	700,533	744,533
Development asset costs included in trade payables and accrued liabilities	4,898,138	-
Deposits and advances on equipment and materials included in trade payables and accrued liabilities	528,741	-
Change in fair value of non-current investments	98,313	358,252
Fair value of options exercised	362,914	377,609
Fair value of warrants exercised	433	609,136
Amortization capitalized to development asset	47,386	-
Shares issued on property option cancellation	-	7,500
Interest received	565,642	271,650
Interest paid	-	-
Taxes paid	-	239,641

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

TRUE GOLD MINING INC.

Consolidated statements of changes in shareholders' equity
(Expressed in Canadian Dollars)

	Note	Attributable to equity shareholders								
	Note	Number of shares	Share capital	Commitment to issue shares	Reserves	Accumulated other comprehensive income (loss)	Accumulated deficit	Total	Non-controlling interest	Total
			$	$	$	$	$	$	$	$
Balance as at December 31, 2012		178,335,591	76,349,725	-	5,772,023	(30,271)	(39,164,803)	42,926,674	-	42,926,674
Shares issued as a result of financing		83,058,278	27,409,217	-	-	-	-	27,409,217	-	27,409,217
Shares issue costs - cash		-	(385,565)	-	-	-	-	(385,565)	-	(385,565)
Commitment to issue shares		-	-	700,533	-	-	-	700,533	-	700,533
Shares issued on exercise of warrants		1,813,465	452,799	-	-	-	-	452,799	-	452,799
Fair value of warrants exercised		-	609,136	-	(609,136)	-	-	-	-	-
Shares issued on exercise of options		1,835,000	409,925	-	-	-	-	409,925	-	409,925
Fair value of options exercised		-	377,609	-	(377,609)	-	-	-	-	-
Shares issued for property		100,000	44,000	-	-	-	-	44,000	-	44,000
Stock-based compensation		-	-	-	1,178,162	-	-	1,178,162	-	1,178,162
Unrealized loss on long-term investments		-	-	-	-	(358,252)	-	(358,252)	-	(358,252)
Loss for the year		-	-	-	-	-	(32,781,539)	(32,781,539)	-	(32,781,539)
Balance as at December 31, 2013		265,142,334	105,266,846	700,533	5,963,440	(388,523)	(71,946,342)	39,595,954	-	39,595,954
Shares and units issued as a result of financing	16	129,879,395	49,363,680	-	2,546,977	-	-	51,910,657	-	51,910,657
Share issue costs - cash	16	-	(3,347,839)	-	-	-	-	(3,347,839)	-	(3,347,839)
Shares issued for property	16	1,773,500	700,533	(700,533)	-	-	-	-	-	-
Shares issued on exercise of warrants	16	11,000	5,170	-	-	-	-	5,170	-	5,170
Fair value of warrants exercised		-	433	-	(433)	-	-	-	-	-
Shares issued on exercise of options	16	2,035,000	485,125	-	-	-	-	485,125	-	485,125
Fair value of options exercised	17	-	362,914	-	(362,914)	-	-	-	-	-
Stock-based compensation	17	-	-	-	941,629	-	-	941,629	-	941,629
Unrealized loss on long-term investments	14	-	-	-	-	(98,313)	-	(98,313)	-	(98,313)
Loss for the year		-	-	-	-	-	(16,925,717)	(16,925,717)	(205,490)	(17,131,207)
Balance as at December 31, 2014		398,841,229	152,836,862	-	9,088,699	(486,836)	(88,872,059)	72,566,666	(205,490)	72,361,176

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

1. GENERAL INFORMATION

True Gold Mining Inc. ("True Gold" or the "Company") was incorporated in British Columbia in October 1987 and was transitioned under the Business Corporations Act (BC) in May 2004. In February 2013, articles of amendment were filed to change the name of the Company to True Gold Mining Inc. The Company's head office and principal address is Suite 1900, 1055 West Hastings Street, Vancouver, British Columbia, Canada V6E 2E9. The registered and records office is located at 10th floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

2. NATURE OF OPERATIONS

As at December 31, 2014, True Gold is a development stage business engaged in the development of the Company's Karma Project and the acquisition and exploration of other mineral properties in Burkina Faso, West Africa.

These consolidated financial statements have been prepared on the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company currently earns no operating revenues. Management believes that the Company has sufficient working capital to maintain its operations for the next year. As at December 31, 2014, the Company secured funding to commence the construction of the Karma Project and maintain its operations. While the Company has been successful in raising funds in the past, there can be no assurance that it will be able to do so in the future. The Company's Karma Project is supported by a Feasibility Study which demonstrates that the mineral reserves are economically recoverable. The Company has not yet determined whether any of its other properties contain mineral reserves that are economically recoverable. The continued acquisition and exploration activities of the Company and the recoverability of the amounts capitalized for the mineral properties are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and, if warranted the development of the properties and upon future profitable production.

3. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), effective as of December 31, 2014. The Company's significant accounting policies are described in Note 4.

These consolidated financial statements were authorized for issue by the Board of Directors on April 27, 2015.

4. ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are as follows:

a) Basis of measurement
These consolidated financial statements have been prepared on a historical cost basis, except for assets and liabilities measured at fair value. Additionally, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

b) Currency of presentation
The Company's presentation currency is the Canadian dollar ("$"). All amounts are expressed in Canadian dollars, unless otherwise stated.

c) Basis of consolidation
The consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date of the acquisition up to the effective date of disposition or loss of control.

(Expressed in Canadian Dollars, unless otherwise noted)

4. ACCOUNTING POLICIES (continued)

The principal subsidiaries of True Gold that are included in these consolidated financial statements were as follows:

	Country of incorporation	December 31, 2014	December 31, 2013
Riverstone Resources Burkina S.a.r.l.	Burkina Faso	100%	100%
Liguidi Malguem Joint Venture – S.a.r.l.	Burkina Faso	80%	80%
Liguidi HoldCo S.a.r.l.	Burkina Faso	100%	100%
Blue Gold Mining Inc.	Canada	100%	100%
West Africa Energy S.a.r.l.	Burkina Faso	100%	100%
Golden Star Exploration – Burkina SA	Burkina Faso	100%	100%
Bissa HoldCo S.a.r.l	Burkina Faso	100%	100%
Yatenga Holdings Limited SA	Burkina Faso	100%	100%
Riverstone Karma SA	Burkina Faso	90%	90%
TGM Finance Corp.	Barbados	100%	-

Intercompany assets and liabilities, equity, income, expenses, and cash flows between the Company and its subsidiaries are eliminated.

d) Foreign currencies
Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company and its subsidiaries is the Canadian dollar.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date, giving rise to foreign exchange gains and losses in the statement of loss.

e) Cash
Cash comprises cash on hand, deposits in banks and other short-term highly liquid investments with an original maturity of 90 days or less that are readily convertible into a known amount of cash.

f) Short term investments
Short term investments are cashable Guaranteed Investment Certificates ("GICs") with original terms to maturity greater than 90 days.

g) Exploration and evaluation assets
Exploration and evaluation expenditures incurred in respect of a property before the acquisition of a mineral interest are expensed as incurred to general mineral exploration expense. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities, with the exception of acquisition costs, are charged to profit or loss in the period in which they are incurred. Acquisition costs are capitalized to exploration and evaluation assets and classified as non-current assets. Costs related to the acquisition of mineral properties are capitalized on a property-by-property basis until such time as the property is placed in production, is sold or abandoned or determined to be impaired.

Option payments received on mineral property interests optioned to third parties are credited against previous capitalized acquisition costs for that mineral property interest and to income to the extent that amounts exceed those costs. All capitalized acquisition expenditures are monitored for indicators of impairment. Where a potential impairment is indicated,

4. ACCOUNTING POLICIES (continued)

assessments are performed for each area of interest. To the extent that the expenditure is not expected to be recoverable, the expected impairment loss is charged to income.

Once the economic recoverability of the extraction of mineral resources in an area of interest are demonstrable, and development is approved, capitalized exploration and evaluation costs for that area of interest are first tested for impairment and then are reclassified to development assets.

Although management of the Company has taken steps to verify title to mineral properties in which the Company has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects.

h) Development assets

Development expenditures, including reclassified acquisition exploration and evaluation assets, are those costs incurred subsequent to the establishment of economic recoverability and after receipt of project development approval from the Board of Directors. The approval from the Board of Directors will be dependent upon the Company obtaining sufficient financial resources, permits, and licenses to develop the mineral property.

Costs related to pre-construction work, such as early on-site infrastructural upgrades, are capitalized in mining property and development assets. Costs associated with mine development, net of incidental revenue, are capitalized as mine development costs and included in the carrying amount of the related property until commercial production is rendered. The Company will determine that a project will be considered to have reached commercial production once the asset is capable of operating in a manner intended by management.

Mine development costs incurred during the commercial production phase are production costs that are included in the costs of inventory produced during the period that the these costs are incurred, unless the mine development activity can be shown to give rise to future benefits from the mineral property such as increased reserves, in which case the costs would be capitalized to mineral property.

Mining property and development costs capitalized are amortized using the units-of-production method over the estimated life of the proven and probable reserves.

i) Equipment

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses. Cost consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to True Gold and the cost can be measured reliably. Repairs and maintenance costs are charged to the statement of loss during the period in which they are incurred.

(Expressed in Canadian Dollars, unless otherwise noted)

4. ACCOUNTING POLICIES (continued)

The major categories of equipment noted below are amortized over their estimated useful life using the following annual rates and methods:

Heavy equipment	10%	Straight line
Light vehicles	33%	Straight line
Office equipment	20%	Declining balance
Furniture and fixtures	20%	Declining balance
Other equipment	20 – 33%	Straight line
Computer hardware	25 – 30%	Straight line
Communication equipment	33%	Straight line
Computer software	20 – 50%	Straight line
Leasehold improvements		Term of lease

Management reviews the estimated useful lives, residual values and amortization methods of the Company's equipment at the end of each financial year and when events and circumstances indicate that such a review should be made.

Changes to estimated useful lives, residual values or amortization methods resulting from such review are accounted for prospectively.

Where an item of equipment comprises major components with different useful lives, the components are accounted for and amortized as separate items of equipment.

j) Impairment of long-lived assets
Equipment and exploration and evaluation assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment is assessed on an asset-by-asset basis. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

k) Provisions and constructive obligations
Provisions, including environmental restoration, restructuring costs and legal claims are recognised when:

(i) The Company has a present obligation (legal or constructive) as a result of a past event;
(ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
(iii) A reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Constructive obligations are obligations that derive from the Company's actions where:

(i) By an established pattern of past practice, published policies or a sufficiently specific current statement, the Company has indicated to other parties that it will accept certain responsibilities; and
(ii) As a result, True Gold has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Provisions are recorded and reviewed at the end of each reporting period and adjusted to reflect management's current best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Provisions are reduced by actual expenditures for which the provision was originally recognized. Where

4. ACCOUNTING POLICIES (continued)

discounting has been used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase (accretion expense) is included in finance costs in the statements of comprehensive loss. As at December 31, 2014, the Company has recorded $nil for provisions and constructive obligations.

l) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

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

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

m) Financial 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. The Company has also designated the loan portion of the Gold Purchase and Sale Agreement as a financial liability at fair value through profit or loss.

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.

4. ACCOUNTING POLICIES (continued)

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 twelve 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 financial assets 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 twelve months, or management expects to dispose of them within twelve 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 twelve 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 twelve 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 and accrued liabilities. Trade payables and accrued liabilities 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 twelve months. Otherwise, they are presented as non-current liabilities.

n) Gold Purchase and Sale Agreement (the "Agreement")

The Agreement (refer to Note 14) contains two components, a loan which is designated as a financial liability at fair value through profit or loss, and a sale of a metal stream on the Karma Project. The sale of the stream was measured using a fair value model based on discounted cash flows at the time of the sale. The liability is also measured using a fair value model based on discounted cash flows. Management's best estimates of the cash flows arising from the liability at each reporting period, including 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 at each reporting period and a discount rate are determined

4. ACCOUNTING POLICIES (continued)

to be key inputs. The changes in fair value of the liability are recorded in the consolidated profit or loss for the period.

o) Impairment of Financial Assets
At each reporting date, management of True Gold assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, True Gold recognizes an impairment loss, as follows:

(i) Financial assets carried at amortized cost: The loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

(ii) Available-for-sale financial assets: A significant or prolonged decline in the fair value of the financial instrument below its cost is evidence that the assets are impaired. The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statement of comprehensive loss. This amount represents the cumulative loss in accumulated other comprehensive income (loss) that is reclassified to net income.

p) Share-based payments
An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. The fair value of option grants to employees is measured at the date of grant using the Black-Scholes option-pricing model and the compensation amount, equal to the option's fair value, is recognized over the period that the employees earn the options. The vesting periods of the stock options granted range from vesting immediately to vesting over a three-year period. Each tranche is recognised on a straight-line basis over the vesting period. True Gold recognizes an expense or addition to exploration properties and deferred exploration expenditures for options granted under the employee stock option plan, arising from stock options granted to employees using the fair value method with a corresponding increase in equity. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of options expected to vest.

q) Earnings or loss per share
Earnings per share is calculated by dividing the net earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during the reporting period. The calculation of diluted earnings per share assumes that outstanding options and warrants, if applicable, are exercised and the proceeds are used to repurchase Common Shares at the average market price of the shares for the period. The effect is to increase the number of shares used to calculate diluted earnings per share and is only recognized when the effect is dilutive.

r) Non-controlling interest
Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Their share of net income and other comprehensive income is recognized directly in equity even if the results of the non-controlling interests have a deficit balance. The Company treats transactions with non-controlling interests as transactions with equity shareholders. Changes in the Company's ownership interest in subsidiaries that do not result in loss of control are accounted for as equity transactions.

5. CHANGES IN ACCOUNTING POLICIES

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2014. These changes were made in accordance with the applicable transitional provisions.

Accounting for levies imposed by governments
IFRIC 21, Accounting for levies imposed by governments ("IFRIC 21") is an interpretation on the accounting for levies. IFRIC 21 will affect entities that are subject to levies that are not income taxes within the scope of IAS 12 Income Taxes. This interpretation has had no impact on the consolidated financial statements of the Company.

Financial Instruments: Presentation
The amendments to IAS 32 pertained to the application guidance on the offsetting of financial assets and financial liabilities. The application of this IAS did not have any material impact on the amounts reported for the current or prior periods but may affect the presentation of future transactions or arrangements.

Impairment of Assets
The amendments to IAS 36, Impairment of Assets ("IAS 36") address the disclosures required regarding the recoverable amount of impaired assets or CGUs for periods in which an impairment loss has been recognized or reversed. The application of this IAS did not have any material impact on the amounts reported for the current or prior periods but may affect the presentation of future transactions or arrangements.

Several other amendments apply for the first time in 2014. However, they do not impact the consolidated financial statements of the Company.

6. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense, the accompanying disclosures and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Actual results may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The Company has also identified the following areas where significant judgements were made. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the consolidated financial statements.

a) Contingencies
By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

b) Review of asset carrying value and impairment assessment
The application of True Gold's accounting policy for exploration and evaluation acquisition costs and development

6. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

expenditures requires judgment in determining whether future economic benefits are likely, which may be based on assumptions about future events or circumstances, including geologic and metallurgic information, potential for conversion of mineral deposits to proven and probable reserves, the outcome of scoping and feasibility studies, accessible facilities, existing permits and life of mine plans. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of an expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive loss in the period when new information becomes available.

c) Functional currency
The functional currency for the parent entity and each of its subsidiaries is the currency of the primary economic environment in which the entity operates. The parent entity has determined the functional currency of each entity is the Canadian dollar. Determination of functional currency may involve certain judgements to determine the primary economic environment and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

d) Gold Purchase and Sale Agreement
Management determined that the financial liability component in the Agreement contains one or more embedded derivatives and has designated the entire instrument as a financial liability at fair value through profit and loss. Management considers measurement of the fair value of the two components in the Agreement as critical accounting estimates. Management used a discounted cash flow technique which requires the use of estimates and assumptions such as forward gold prices, mineral reserve and resource estimates, long term foreign exchange rates and discount rates. These estimates and assumptions are subject to certain risks and uncertainties that may affect the determination of the fair value of the financial liability. Although management has made its best estimates of fair value, the interpretation of these factors is subjective and will not necessarily result in precise determinations. Should an underlying assumption change, the resulting estimates could change by a material amount.

e) Fair value measurement
The Company measures financial instruments, such as derivatives, at fair value at each statement of financial position date. Also, from time to time, the fair values of non-financial assets and liabilities are required to be determined, e.g., when the entity acquires a business, or where an entity measures the recoverable amount of an asset or cash-generating unit ("CGU") at fair value less costs of disposal.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Changes in estimates and assumptions about these inputs could affect the reported fair value.

f) Determination of the fair value of share-based payments
The fair value of stock options granted and warrants issued is computed to determine the relevant charge to the consolidated statement of comprehensive loss, and related obligation as applicable. In order to compute this fair value, the Company uses Black-Scholes; this inherently requires management to make various estimates and assumptions in relation to the expected life of the award, expected volatility, risk-free rate and forfeiture rates.

6. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Changes in any of these inputs could cause a significant change in the stock-based compensation expense charged in a period.

g) Deferred tax assets and liabilities
The determination of the Company's tax expense for the period and deferred tax liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes.

The Company provides for such differences, where known, based on management's best estimate of the probable outcome of these matters.

h) Decommissioning, restoration and similar liabilities
Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of certain of the Company assets. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

7. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Financial Instruments: Disclosure
The amendments to IFRS 7, Financial Instruments – Disclosure ("IFRS 7") require additional disclosures on transition from IAS 39 to IFRS 9. The amendments to IFRS 7 are effective for annual periods commencing on or after January 1, 2015. The Company is currently evaluating the impact of applying the amendments to IFRS 7 on its consolidated financial statements.

Financial Instruments: Classification and Measurement
IFRS 9, Financial Instruments – Classification and Measurement ("IFRS 9") is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. The new IFRS 9 standard is effective for annual periods commencing on or after January 1, 2018. The Company is currently evaluating the impact of applying the new IFRS 9 standard on its consolidated financial statements.

Several other standards or amendments to standards have been issued but are not yet effective. However, they do not impact the consolidated financial statements of the Company.

(Expressed in Canadian Dollars, unless otherwise noted)

8. CASH

The carrying amount of the Company's cash is denominated in the following currencies:

	December 31, 2014		December 31, 2013	
Canadian dollars	$	23,313,003	$	2,699,961
United States dollars ("USD")		30,360,340		-
West African CFA franc ("CFA")		1,164,276		253,080
	$	54,837,619	$	2,953,041

9. RESTRICTED CASH

At December 31, 2014, the Company has a restricted cash balance of $1,594,150 (US$1,373,489) (December 31, 2013 - $nil) which represents a US dollar term deposit securing a letter of credit in favour of a vendor.

10. RECEIVABLES

	December 31, 2014		December 31, 2013	
GST receivable	$	73,182	$	67,897
Other receivables		-		5,320
	$	73,182	$	73,217

(Expressed in Canadian Dollars, unless otherwise noted)

11. PROPERTY, PLANT AND EQUIPMENT

Cost:	Mineral properties $	Development expenditure $	Heavy Equipment $	Light Vehicles $	Computer software & equipment $	Furniture, fixtures and other $	Leasehold improvements $	**Total $**
Balance as at December 31, 2012	-	-	-	27,316	214,756	93,876	227,351	**563,299**
Additions	-	-	-	-	-	-	(227,351)	**(227,351)**
Balance as at December 31, 2013	-	-	-	27,316	214,756	93,876	-	**335,948**
Transfer from exploration and evaluation assets	16,126,656	-	-	-	-	-	-	**16,126,656**
Additions	-	26,592,255	16,900,694	793,969	330,436	161,560	-	**44,778,914**
Capitalized amortization	-	47,386	-	-	-	-	-	**47,386**
Gold Purchase and Sale Agreement	(14,397,942)	-	-	-	-	-	-	**(14,397,942)**
Balance as at December 31, 2014	1,728,714	26,639,641	16,900,694	821,285	545,192	255,436	-	**46,890,962**
Amortization:								
Balance as at December 31, 2012	-	-	-	19,429	73,097	11,457	30,313	**134,296**
Amortization	-	-	-	6,761	31,873	16,484	11,367	**66,485**
Write-downs	-	-	-	-	-	-	(41,680)	**(41,680)**
Balance as at December 31, 2013	-	-	-	26,190	104,970	27,941	-	**159,101**
Amortization	-	-	-	11,645	60,006	16,491	-	**88,142**
Balance as at December 31, 2014	-	-	-	37,835	164,976	44,432	-	**247,243**
Net Book Value:								
As at December 31, 2013	-	-	-	1,126	109,786	65,935	-	**176,847**
As at December 31, 2014	1,728,714	26,639,641	16,900,694	783,450	380,216	211,004	-	**46,643,719**

During the year ending December 31, 2014, management determined that the technical feasibility and commercial viability of the Karma Project had been established, and the Board of Directors had approved the development of the Karma Project, and accordingly, the Company reclassified capitalized costs associated with the Karma Project, net of the LMM Royalty, from Exploration and Evaluation Assets (Note 13) to mineral properties within Property, Plant and Equipment. Capitalized mineral property costs will be carried at cost until the Karma Project is placed in commercial production, sold, abandoned or determined by management to be impaired in value.

Costs related to development work, such as earthworks, plant civils, and on-site infrastructure, are capitalized in property, plant and equipment as development expenditures. The Company's development expenditure asset all pertains to the Karma Project.

As part of the Agreement (Note 14), True Gold sold a stream on the Karma Project, which was recorded as a recovery to acquisition costs.

Amortization expense for the year ended December 31, 2014, in the amount of $47,386, is capitalized in property, plant and equipment as a development expenditure.

11. PROPERTY, PLANT AND EQUIPMENT (continued)

Karma Project, Burkina Faso:

The Karma Project is located in the north-central part of Burkina Faso east of Ouahigouya. It comprises six contiguous permits, Goulagou, Kao, Rambo, Rounga, Youba, and Tougou. True Gold owns a 100% interest in each of these permits. The Government of Burkina Faso is entitled to retain a statutory 10% (free-carried) interest in any Burkina Faso mining company formed for the purpose of gold production.

a) Goulagou, Rounga, Youba and Tougou Permits

These permits are 100% owned by the Company and are subject to an NSR royalty of between 0% and 2% depending on the quantity of gold produced.

In December 2013, the Company exercised its option to acquire the remaining 10% interest in the Goulagou and Rounga permits, from a third party holder. The Company now holds a 100% interest in these permits. Pursuant to the original terms, the option was exercisable for consideration of US$1,000,000 and a 5% net profits interest but not until the commencement of commercial production. The Company negotiated the early exercise of its option to purchase the 10% interest for consideration consisting of US$500,000, the issue of 1,773,500 common shares of True Gold, and a 5% net profits interest on the Goulagou and Rounga permits. The 1,773,500 common shares were issued for $700,533 reflecting the fair value of the Company's shares on January 30, 2014, the date the shares were issued.

b) Rambo Permit

The property is 100% owned by the Company and subject to a 3% net smelter return royalty ("NSR") 2% of which may be purchased by the Company for US$1,500,000.

c) Kao Permit

This permit is 100% owned by the Company.

d) LMM Royalty

In August 2013, the Company entered into an agreement with Liberty Metals & Mining Holdings, LLC ("LMM"), pursuant to which LMM purchased a 2% net smelter return royalty on the Company's interest in the Karma Gold Project (the "LMM Royalty") for $6,041,700, which was recorded as a recovery to acquisition costs. The LMM Royalty is subject to certain repurchase options retained by True Gold.

12. DEPOSITS AND ADVANCES ON EQUIPMENT AND MATERIALS

During the period ended December 31, 2014, the Company advanced $21,350,290 (December 31, 2013 - $nil) as non-refundable deposits on the purchase of the primary mining fleet as well as advances for construction materials and services for the Karma Project.

(Expressed in Canadian Dollars, unless otherwise noted)

13. EXPLORATION AND EVALUATION ASSETS

(i) Details of the Company's acquisition expenditures are as follows:

		December 31, 2012	Additions	Write-down	December 31, 2013	Additions	Reclassification to Development Asset	December 31, 2014
		$	$	$	$	$	$	$
Burkina Faso								
Karma		**20,934,838**	1,233,518	-	**22,168,356**	-	(22,168,356)	-
Liguidi Malguem		**1,295,777**	144,000	-	**1,439,777**	-	-	**1,439,777**
Bissa East		**79,537**	-	-	**79,537**	-	-	**79,537**
Royalty payment received	(Note 11 (c))	-	(6,041,700)	-	**(6,041,700)**	-	6,041,700	-
Total Burkina Faso		**22,310,152**	**(4,664,182)**	**-**	**17,645,970**	**-**	**(16,126,656)**	**1,519,314**
British Columbia	(Note 13 (vi))	**2,453,289**	(7,500)	(2,445,789)	**-**	-	-	**-**
Total		**24,763,441**	**(4,671,682)**	**(2,445,789)**	**17,645,970**	**-**	**(16,126,656)**	**1,519,314**

(ii) Details of the Company's exploration and evaluation expenditures, which have been cumulatively expensed in the condensed interim consolidated statements of comprehensive loss are as follows:

	December 31, 2012	Drilling costs	Other costs	December 31, 2013	December 31, 2013	Drilling costs	Other costs	December 31, 2014
	$	$	$	$	$	$	$	$
Burkina Faso								
Karma	**37,335,849**	5,901,733	13,584,797	**56,822,379**	**56,822,379**	2,515,380	6,856,180	**66,193,939**
Liguidi Malguem	**1,831,560**	281,691	477,717	**2,590,968**	**2,590,968**	-	30,113	**2,621,081**
Bissa East	**2,735,518**	46,441	(42,320)	**2,739,639**	**2,739,639**	-	22,401	**2,762,040**
Bissa West	**182,084**		33,315	**215,399**	**215,399**	-	28,005	**243,404**
Total Burkina Faso	**42,085,011**	**6,229,865**	**14,053,509**	**62,368,385**	**62,368,385**	**2,515,380**	**6,936,699**	**71,820,464**
Other	**398,641**	-	30,892	**429,533**	**429,533**	-	-	**429,533**
Total	**42,483,652**	**6,229,865**	**14,084,401**	**62,797,918**	**62,797,918**	**2,515,380**	**6,936,699**	**72,249,997**

13. EXPLORATION AND EVALUATION ASSETS (continued)

(iii) Liguidi Permit, Burkina Faso:

In fiscal 2007, the Company acquired an 80% interest in the Liguidi mineral permit (the "Liguidi Permit") in Burkina Faso under the terms of an option agreement from a Burkinabe company (Orex Resources Sarl ("Orex")). A joint venture company was formed to hold each company's respective interests in the permit.

In October 2008, Orex began legal proceedings to withdraw from the joint venture and to block the Company's efforts to have the Liguidi Permit transferred to the new joint venture company. The Company suspended all work on the property at that time. The legal challenge proceeded through several Burkina courts, with the Company winning a number of judgments. Burkina Faso court heard the dispute in January 2009 and a decision was rendered in favour of the Company. Orex filed an appeal of the decision and in June 2009, the appeal court reversed the January 2009 decision.

In December of 2011, an agreement was reached with Orex to resolve the legal dispute, and to resume exploration on the property. As per the terms of the agreement, the Company paid 22,000,000 CFA ($45,000) and issued 100,000 shares (issued at a fair value of $64,000) for a 100% interest in the exploration permit. As part of the agreement, Orex was to retain a 14% non-participating interest in any exploitation permit that is granted on the permit area.

In September 2012, the Company reached an agreement with Orex to acquire their 14% non-participating interest in any exploitation permit that is granted. As consideration, the Company paid Orex $400,000 and issued them 100,000 common shares valued at $58,000. Also, in September 2012, the Company announced that it had received the final transfer documentation from the Burkina Faso Ministry of Mines evidencing the transfer of the Liguidi Malguem exploration permit to True Gold. In February of 2013, the Company received a 3-year extension of the Liguidi Permit and paid $100,000 and issued 100,000 common shares to Orex (issued at a fair value of $44,000). Upon the date of first commercial production True Gold will pay to Orex $500,000, and issue to Orex an additional 100,000 common shares.

(iv) Bissa East Permits, Burkina Faso:

The Company holds two permits (Tangapella and Biliga) in north-central Burkina Faso.

(v) Bissa West Permits, Burkina Faso:

The Company holds two permits (Pella and Bissiga) in central Burkina Faso.

(vi) Ball Creek Property, British Columbia:

Pursuant to the Blue Gold Mining Inc. acquisition (the "Blue Gold Acquisition"), the Company acquired the Ball Creek option agreement that Blue Gold entered into with Paget Minerals Corporation ("Paget"); whereby, the Company has the exclusive right and option to acquire up to a 65% interest in certain claims within Paget's Ball Creek project. 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 $0.015 per Paget share. The carrying value of the Ball Creek property was subsequently written down to $nil.

During the year ended December 31, 2014, the Company recovered $488,909 of exploration costs as a result of receiving refundable mining exploration tax credits on its previously held British Columbia property.

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial Assets

From time to time, the Company may make strategic investments in other private or publicly traded entities. These investments are treated as long-term investments, unless the investment matures within twelve months, or management expects to dispose of them within twelve months, in which case management classifies them as marketable securities, and may take the form of common shares and share purchase warrants.

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

For accounting purposes, True Gold has determined that any share purchase warrants held are derivative financial instruments and any change in fair value is included in income (loss) for the period. The fair value of share purchase warrants is measured using the Black-Scholes option-pricing model that uses inputs that are primarily based on market indicators. Any common shares (equities) held are designated as available-for-sale and any change in fair value is included in other comprehensive income (loss), until such time as the common shares are sold or otherwise disposed of at which time any gains or losses will be included in income (loss) for the period.

Financial Liabilities

On August 11, 2014, the Company entered into a US$100-million definitive Agreement with Franco-Nevada Corporation and Sandstorm Gold Inc. (the "Syndicate") to complete funding for the construction of the Karma Project. In exchange for US$100 million in funding (the "Deposit"), True Gold is obligated to deliver 100,000 ounces of gold over five years (the "Delivery Period"). During the Delivery Period, which starts on March 31, 2016, True Gold shall deliver to the Syndicate an aggregate of 20,000 ounces of gold each year. The Syndicate will pay True Gold 20% of the spot price of gold ("Ongoing Payment") for each ounce delivered by True Gold. The Deposit is reduced on each delivery by the excess of the prevailing market value of the gold delivered over the Ongoing Payment made by the Syndicate. Following the Delivery Period, True Gold shall deliver to the Syndicate an amount of refined gold equal to 6.5% of the equivalent amount of gold production at the Karma Project for the life of the Project in exchange for Ongoing Payments.

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. If the Increase Option is exercised in full, True Gold would deliver an additional 30,000 ounces of gold in exchange for Ongoing Payments. The Increase Option is repayable in eight quarterly deliveries totalling up to 30,000 ounces of gold based on the pro-rata portion of the amount drawn thereunder, starting 18 months from when the first tranche of the Increase Option is drawn down.

If True Gold constructs a processing plant, and the Karma Project produces gold equal to or greater than four million ounces, the price paid for the Syndicate as part of the Ongoing Payment will be 40% instead of 20%.

The proceeds of any advances under the Deposit and Increase Option may only be used to pay for costs associated with the Karma Project.

If by the expiry of the initial forty-year term True Gold has not sold and delivered an amount of refined gold sufficient to reduce the uncredited balance of the Deposit to nil, then True Gold shall pay such uncredited balance of the Deposit to the Syndicate within 30 days after the expiry of that initial term.

The Company's obligation to deliver gold under the Agreement will be 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 Group 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.

As the Delivery Period starts on March 31, 2016, the entire fair value of the financial liability through profit and loss is classified as a long-term liability at December 31, 2014.

(Expressed in Canadian Dollars, unless otherwise noted)

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

For the year ended December 31, 2014, the Company has drawn down US$57.7M ($66.2M CAD), representing the first and second drawdowns of the Deposit. For the loan portion of the Agreement, during the year ended December 31, 2014, the Company recorded a gain on the change in fair value of the liability of $3,156,840. Changes in fair value of this financial liability through profit and loss are recorded in the consolidated statement of operations. True Gold allocated $14,397,942 for the sale of the stream on the Karma Project, based on the fair value at the date of the sale.

		December 31, 2014
Initial cash drawdown received	$	66,228,720
Fair value attributable to metal stream		(14,397,942)
Change in fair value of financial liability throught profit and loss		(3,156,840)
Fair value of financial liability through profit and loss	$	48,673,938

The loan component of the Agreement meets the definition of a derivative as it does not meet the own use exemption and it also contains certain other embedded derivatives as set out above. As allowed under IAS 39, the Company elected to designate the entire loan instrument at fair value through profit and loss instead of bifurcating the separate embedded derivatives from the host contract and separately accounting for them. Per IAS 39, the Agreement is measured in its entirety at fair value through profit and loss. The fair value of the Agreement is determined at each reporting period using a discounted cash flow model. 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.

Inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement are summarized in the three level hierarchies below:

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

(Expressed in Canadian Dollars, unless otherwise noted)

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The following table illustrates the classification of True Gold's financial instruments with the fair value hierarchy:

		Financial assets and liabilities at fair value as at December 31, 2014			
		Level 1	Level 2	Level 3	Total
Cash, restricted cash and short term investments		$ 56,732,828	$ -	$ -	$ 56,732,828
Equities - long term	(a)	65,542	-	-	65,542
Financial liabilities through profit and loss		-	-	(48,673,938)	(48,673,938)
Total		$ 56,798,370	$ -	$ (48,673,938)	$ 8,124,432

		Financial assets and liabilities at fair value as at December 31, 2013			
		Level 1	Level 2	Level 3	Total
Cash and short term investments		$ 24,014,411	$ -	$ -	$ 24,014,411
Equities - long term	(a)	163,855	-	-	163,855
Share purchase warrants	(a)	-	6,149	-	6,149
Financial liabilities through profit and loss		-	-	-	-
Total		$ 24,178,266	$ 6,149	$ -	$ 24,184,415

a) 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. Each whole warrant shall be exercisable into one common share of Paget at an exercise price of $0.30 expiring August 8, 2014. During the year ended December 31, 2014, the warrants expired unexercised, resulting in a loss on the fair value of financial assets in the amount of $6,149. Blue Gold shall maintain a pre-emptive right to maintain its equity ownership position in Paget for a period of three years from the date of closing of the private placement.

In consideration for the Company terminating the Ball Creek Option Agreement, Paget issued 500,000 common shares of Paget to the Company valued at $0.015 per Paget share (Note 13 (vi)).

The other comprehensive loss of $98,313 (December 31, 2013 - $358,252) included in the comprehensive loss for the year is comprised entirely of the net value loss on financial assets relating to the revaluation of common shares True Gold holds in Paget.

15. TRADE PAYABLES AND ACCRUED LIABILITIES

	December 31, 2014	December 31, 2013
Trade payables	$ 1,725,022	$ 1,093,495
Accrued liabilities	4,917,239	2,068,579
	$ 6,642,261	$ 3,162,074

Trade payables and accrued liabilities are non-interest bearing and are normally settled on 30-day terms.

(Expressed in Canadian Dollars, unless otherwise noted)

16. SHARE CAPITAL

Authorized

Unlimited number of common shares and preferred shares with no par value. No preferred shares are issued and outstanding.

Share Issuances

In December 2013, the Company exercised its option to acquire the remaining 10% interest in the Goulagou and Rounga permits. As part of the option exercise the Company committed to issue 1,773,500 common shares of True Gold (Note 11 (a)). The 1,773,500 common shares were issued subsequent to December 31, 2013 and as such were recorded in shareholder's equity, as at that date, as a commitment to issue shares for $700,533, reflecting the fair value of the Company's shares on January 30, 2014, the date the shares were issued. In January, 2014, these shares were issued and reallocated from commitment to issue shares to share capital.

During the year ended December 31, 2014, 2,035,000 options were exercised for total proceeds of $485,125, resulting in the issuance of 2,035,000 True Gold common shares.

During the year ended December 31, 2014, pursuant to a bought deal financing and private placement, the Company issued 129,879,395 units for total proceeds of $51,910,657 of which $49,363,680 was allocated to share capital and $2,546,977 to reserves. The bought deal financing consisted of 105,110,000 units at $0.40 per unit for aggregate proceeds of $42,044,000. The Company also completed a private placement to LMM consisting of 24,358,400 units at $0.40 per unit and 410,995 common shares at $0.30 for aggregate proceeds of $9,866,657. The Company incurred costs of $3,347,839 in relation to the bought deal financing and private placement which were allocated to share capital.

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. The warrants had an estimated grant date fair value of $2,546,977 which was allocated to reserves. The fair value was determined using the Black-Scholes option pricing model with the following assumptions: expected life of six months; a volatility of 55%; a risk free interest rate of 1.02%; and a dividend yield of nil%.

Escrow Shares

Pursuant to the Blue Gold Acquisition, 937,170 of the common shares issued to certain directors and employees of Blue Gold were subject to an escrow agreement. On April 21, 2014, the remaining 312,390 common shares held in escrow were released. At December 31, 2014, no shares remain held in escrow.

Share Purchase Warrants

Details of issued and outstanding warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance as at December 31, 2012	11,677,798	$ 1.62
Expired	(1,813,465)	0.25
Exercised	(9,864,333)	1.88
Balance as at December 31, 2013	-	-
Issued	64,734,200	0.47
Exercised	(11,000)	0.47
Expired	(64,723,200)	0.47
Balance as at December 31, 2014	-	-

(Expressed in Canadian Dollars, unless otherwise noted)

16. SHARE CAPITAL (continued)

During the year ended, December 31, 2014, 11,000 warrants with an exercise price of $0.47 were exercised for total proceeds of $5,170.

On August 18, 2014, the remaining 64,723,200 warrants with an exercise price of $0.47 expired unexercised.

Stock Options

The Company has a fixed number stock option plan (the "Plan") reserving a total of 26,033,567 shares which represented approximately 20% of the issued and outstanding common shares of the Company ("Common Shares") as at May 3, 2012, for issuance or exercise of stock options granted under the Plan. The board of directors is authorized to set the exercise price, expiry date, and vesting provisions for each grant under the Plan, subject to the policies of the TSX Venture Exchange. All options granted under the current Plan have a maximum five year term, are generally exercisable at the last closing market price of the Common Shares prior to the date of grant. All stock options granted under the current Plan are subject to mandatory vesting unless otherwise specified by the Board: (i) all options granted prior to December 31, 2013 will vest in stages over a period of 12 months, with 25% of the number of options granted in any three-month period vesting three months from the grant date and 25% of such options vesting every three months thereafter; and (ii) options granted after December 31, 2013 vest in stages of 1/3 each year over a period of 3 years.

Details of issued and outstanding stock options are as follows:

	Number of Options	Weighted Average Exercise Price
Balance as at December 31, 2012	18,696,904	$ 0.61
Granted	800,000	0.46
Exercised	(1,835,000)	0.22
Expired	(687,099)	0.70
Cancelled	(237,000)	0.32
Balance as at December 31, 2013	16,737,805	0.65
Granted	6,630,000	0.40
Exercised	(2,035,000)	0.24
Expired	(2,426,870)	0.79
Balance as at December 31, 2014	18,905,935	$ 0.60

(Expressed in Canadian Dollars, unless otherwise noted)

16. SHARE CAPITAL (continued)

At December 31, 2014, the following options were outstanding:

Number of Options Outstanding	Weighted Average Remaining Contractual Life	Exercise Price	Number of Options Exercisable	Weighted Average Exercise Price of Options Exercisable
300,000	4.62	$ 0.44	-	$ -
200,000	4.29	0.38	-	-
6,030,000	3.92	0.40	2,900,000	0.40
400,000	3.14	0.62	400,000	0.62
250,000	2.97	0.62	250,000	0.62
3,115,000	2.86	0.62	3,115,000	0.62
100,000	2.64	0.43	100,000	0.43
1,050,000	2.35	0.37	1,050,000	0.37
750,000	2.07	0.67	750,000	0.67
1,380,000	1.88	0.64	1,380,000	0.64
500,000	1.80	0.64	500,000	0.64
1,250,000	1.76	0.47	1,250,000	0.47
2,350,935	1.67	1.19	2,350,935	1.19
300,000	1.67	0.48	300,000	0.48
200,000	0.77	0.80	200,000	0.80
505,000	0.67	0.69	505,000	0.69
125,000	0.18	0.72	125,000	0.72
100,000	0.03	0.28	100,000	0.28
18,905,935	2.73	$ 0.60	15,275,935	$ 0.64

17. RESERVES

Stock Options

The stock option reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. During the twelve month period ended December 31, 2014 a balance of $362,914 was transferred from reserves to share capital as a result of options exercised.

The weighted average fair value of the options granted during the twelve month period ended December 31, 2014 was $0.19 (2013 - $0.21) per option. The fair value of each option granted was determined using the Black-Scholes option pricing model and used the following weighted average assumptions:

	December 31, 2014	December 31, 2013
Risk free interest rate	1.70%	1.16%
Expected Life	3 years	3 years
Expected Volatility	71%	71%
Expected dividend yield	0%	0%
Forfeiture rate	0%	0%

For the year ended December 31, 2014, the Company charged a total of $941,629 (December 31, 2013 – $1,178,162) of stock-based compensation expense to the statement of comprehensive loss as a result of options granted

17. RESERVES (continued)

and the timing of vesting requirements.

Warrants

The warrant reserve records the fair value of warrants issued in conjunction with a financing until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

18. CAPITAL DISCLOSURES

True Gold considers the items included in shareholders' equity and the financial liabilities as capital, which at December 31, 2014 totalled $121,035,114 (December 31, 2013 – $39,595,954). Management of the Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares or return capital to shareholders. The Company is not subject to externally imposed capital requirements, other than as disclosed in Note 14 relating to the Agreement.

True Gold's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. To effectively manage its capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives.

19. FINANCIAL RISK MANAGEMENT

Financial Risk Management
The Company is exposed in varying degrees to a variety of financial instrument related risks. The Company's board of directors approves and monitors the risk management processes, inclusive of documented treasury policies, counterparty limits, and controlling and reporting structures. 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 with planning and budgeting in order to meet short term business requirements, by 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 that 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. The Company is required to deliver 20,000 ounces of gold each year commencing March 31, 2016. 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 discount rate.

19. FINANCIAL RISK MANAGEMENT (continued)

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 December 31, 2014, True Gold has drawn down US$57.7M ($66.2M CAD), representing the first and second drawdowns of the Deposit from the Agreement with Franco-Nevada and Sandstorm. The Company's exposure to the CFA relates to mineral property expenditures. 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. A 1% increase or decrease in the exchange rate of the US dollar against the Canadian dollar would result in a $303,603 increase or decrease respectively, in the Company's cash balance. 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, restricted cash, and short term investments which include deposits at variable interest rates. This risk is considered minimal.

Commodity Price Risk
Commodity Price risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Future profitability of the Company will depend on gold prices. Metal prices are affected by numerous factors such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the US dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major producing countries through the world. Management has not entered into any derivative contracts to manage commodity price risk at this time.

20. COMMITMENTS

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 14.

True Gold has entered into a number of contractual commitments for items related to the development of the Karma Project (December 31, 2014 - $13.6 million).

The Company is party to operating leases for office premises in Canada, including an operating lease for shared office premises with Oxygen Capital Corp. ("Oxygen") (Note 21). The Company is committed to paying its attributable percentage of costs pursuant to a management services agreement (the "Oxygen Agreement") (Note 21). 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.

(Expressed in Canadian Dollars, unless otherwise noted)

20. COMMITMENTS (continued)

Total commitments, including for the Karma Project and total future minimum lease payments, under non-cancellable operating leases as at December 31, 2014 are as follows:

Year	Karma Project	Net Lease Amounts	Total
2015	$ 12,087,340	$ 473,399	$ 12,560,739
2016	1,522,877	403,632	1,926,509
2017	-	307,032	307,032
2018+	-	1,643,778	1,643,778
	$ 13,610,217	$ 2,827,841	$ 16,438,058

During the year ended December 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.

21. 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:

	Twelve months ended	
	December 31, 2014	December 31, 2013
Salaries and other short-term employee benefits	$ 2,909,547	$ 3,518,130
Stock-based compensation	687,845	698,407
Total	$ 3,597,392	$ 4,216,537

Trade payables and accrued liabilities (Note 15) include bonuses, vacation and director fees payable to certain officers and directors in the amount of $716,215 (December 31, 2013 - $1,230,391).

The Company has committed to deferred compensation to certain officers, payment of which is conditional upon certain future milestones.

Oxygen Capital Corp.

The Company is party to the Oxygen Agreement with Oxygen, a privately held management services company owned by certain directors of True Gold. 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 $413,461 (December 31, 2013 - $413,461), equal to an estimated three months of services. The long-term 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:

		Twelve months ended	
	Note	December 31, 2014	December 31, 2013
Management services	(i)	$ 2,113,409	$ 1,872,982

(Expressed in Canadian Dollars, unless otherwise noted)

21. RELATED PARTY TRANSACTIONS (continued)

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

	Twelve months ended			
		December 31, 2014		December 31, 2013
Salaries and benefits	$	902,630	$	950,435
Exploration and evaluation expenditures		572,712		569,930
Office and general		544,709		247,367
Other		93,358		105,250
Total	$	2,113,409	$	1,872,982

Amounts due to Oxygen as at December 31, 2014 are $341,582 (December 31, 2013 - $177,318).

22. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		December 31, 2014		December 31, 2013
Earnings (loss) for the year	$	(17,131,216)	$	(32,781,539)
Statutory tax rate		26.00%		25.75%
Expected income tax (recovery)	$	(4,454,000)	$	(8,441,000)
Change in statutory, foreign tax, foreign exchange rates and other		(433,000)		966,000
Permanent Differences		803,000		434,000
Share issue cost		(870,000)		(99,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses		(1,499,000)		(453,000)
Change in unrecognized deductible temporary differences		6,453,000		7,593,000
Total income tax expense (recovery)	$	-	$	-

The significant components of the Company’s deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

		December 31, 2014		December 31, 2013
Deferred income tax assets				
Exploration and evaluation assets	$	10,061,000	$	7,517,000
Property and equipment		42,000		38,000
Canadian eligible capital (CEC)		4,000		4,000
Share issue costs		904,000		364,000
Marketable securities		236,000		105,000
Allowable capital losses		366,000		366,000
Non-capital losses available for future period		7,397,000		5,351,000
Other items		1,660,000		-
		20,670,000		13,745,000
Unrecognized deferred tax assets		(20,670,000)		(13,745,000)
Net deferred tax assets	$	-	$	-

(Expressed in Canadian Dollars, unless otherwise noted)

22. INCOME TAXES (continued)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2014	Expiry Date Range	2013
Temporary Differences				
Unused tax losses	$	28,480,000	2027 to 2034	$ 20,826,000
Unused tax credits		152,000	2032 to 2033	205,000
Other deductible temporary differences		70,790,000	No expiry date	38,673,000

Tax attributes are subject to review, and potential adjustment, by tax authorities.

23. SEGMENTED INFORMATION

The Company's operations are in one segment, the mineral development and exploration industry. At December 31, 2014 and at December 31, 2013, True Gold has two geographic locations: Canada and Burkina Faso. The total non-current assets attributable to the geographic locations relate primarily to the Company's development and exploration mineral properties and deferred development expenditures located in Burkina Faso, disclosed in Note 11 and Note 13, as well as deposits and advances on equipment and materials for the Karma Project, disclosed in Note 12.

Non-current assets, excluding financial instruments, are distributed by geographic segment per the table below:

	December 31, 2014		December 31, 2013	
Canada	$	575,283	$	589,181
Burkina Faso		69,351,501		17,647,097
Total	$	69,926,784	$	18,236,278

The Company is in the development stage and accordingly, has no reportable segment revenues.

24. NON-CONTROLLING INTEREST

The Karma Project comprises six contiguous permits, Goulagou, Kao, Rambo, Rounga, Youba, and Tougou. True Gold owns a 100% interest in each of these permits. The Government of Burkina Faso is entitled to retain a statutory 10% (free-carried) interest in any Burkina Faso mining company formed for the purpose of gold production.

	December 31, 2014		December 31, 2013	
Government of Burkina Faso - 10% in Riverstone Karma SA	$	(205,490)	$	-
Total	$	(205,490)	$	-

25. SUBSEQUENT EVENTS

(i) On January 14, 2015, a demonstration at the Karma Project resulted in damage to equipment and site infrastructure and the Company temporarily suspending operations at site. True Gold is working with its insurance providers to finalize the quantum and coverage for the damage incurred.

(ii) Subsequent to December 31, 2014, the Company granted 625,000 stock options to certain employees to purchase common shares at an exercise price of $0.20 per option, expiring March 2, 2020. The Company also granted 600,000 stock options to purchase common shares at an exercise price of $0.19 per option, expiring March 26, 2020.

25. SUBSEQUENT EVENTS (continued)

(iii) Subsequent to December 31, 2014, the Company granted under the terms of the True Gold Deferred Share Unit Plan ("DSU Plan") and Restricted Share Unit Plan ("RSU Plan") respectively, 170,000 DSUs to directors of the Company and 530,000 RSUs to officers and employees of the Company. The RSUs expire on December 31, 2018. The Company also granted 4,495,000 Share Appreciation Rights ("SARs") to directors, officers and employees of the Company. The SARs expire on February 28, 2017.

(iv) Subsequent to December 31, 2014, 100,000, 476,250, 225,000, 200,000, 75,000 and 125,000 stock options with an exercise price of $0.28, $0.40, $0.62, $0.64, $0.69 and $0.72 per option expired unexercised.