

Management Discussion and Analysis

2009



December 31, 2009

THREEGOLD Resources Inc.

649, 3rd Avenue, 2nd Floor
Val-d'Or, Quebec, J9P 1S7
T: (819) 825-3883 F: (819) 825-7545

www.threegold.ca



TSX-V: THG

Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A) should be read in conjunction with Threegold Resources' audited annual financial statements for the year ended December 31, 2009. The Company's audited annual financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The Company presents its results in Canadian (CDN) dollars, and unless otherwise indicated, all amounts in this MD&A are in Canadian dollars.

Forward Looking Statements

Certain statements in this document that are not supported by historical facts are forward-looking, which means that they are subject to risks, uncertainties and other factors that may result in actual results differing from those anticipated or implied by such forward-looking statements. There are many factors that may cause such a disparity, notably unstable metal prices, the impact of fluctuations in foreign exchange markets and interest rates, inaccurate reserves estimates, environmental risks (more stringent regulations), unexpected geological events, unfavourable mining conditions, political risks arising from mining in developing countries, changing regulations and government policies (laws or policies), failure to obtain required permits and approval from government authorities, or any other risk related to mining and development.

Even though the Company believes that the assumptions relating to the forward-looking statements are plausible, readers are cautioned to not place undue reliance on such statements, which are valid only as of the date of this document. The Company does not intend and is not obliged to update or revise any forward-looking statement, whether or not the statement warrants revision based on new information, new situations or any other new factor.

Additional information about the Company can be found under the Threegold Resources Inc. profile on the SEDAR website (www.sedar.com).

Date

This MD&A was prepared as of April 28, 2010.

Description of the Business

Threegold Resources Inc. (the Company) was incorporated under Part 1A of the *Quebec Companies Act* on March 19, 2002 and began operations in December 2003. The Company currently focuses on acquiring and exploring properties that demonstrate a strong potential for mineralization, primarily gold or base metals, with a view toward developing mineral occurrences and discovering economically viable mineral deposits.

In 2005, the Company initiated the process to list its common shares on the TSX Venture Exchange. The process was successfully completed in June 2006 upon the completion of a private placement. The Company's common shares are now trading on the TSX Venture Exchange under the symbol THG.

Overview

Since the listing of the Company's shares on the TSX Venture Exchange in June 2006, management has focused on advancing exploration on various projects located primarily in the Abitibi region and Gaspésie region. In the Abitibi region, exploration work commenced on the Adanac property for gold, on the Frotet-Robert property for copper, zinc and precious metals, on the Mercier property for copper mineralization and rare earth element, and in the Gaspésie region, on the Dôme-Lemieux and Mont-de-l'Aigle properties for copper mineralization, zinc, lead and silver. The fieldwork will help establish future exploration priorities by way of systematic geological, geophysical and geochemical surveys.

Financing

On July 14, 2009, the Company completed a first closing of a private placement for \$150,000. Under this offering, the Company issued 1,500,000 common shares at a price of \$0.10 per share and 1,500,000 warrants exercisable for two (2) years and entitling the holder to purchase an additional common share at a price of \$0.14 per share for twelve months after the closing of the offering and, thereafter, at a price of \$0.18 per share for the next twelve months. The placement is presented net of the warrants, which were valued at \$37,500. A fee of \$4,160 in cash was paid to the agents for this placement.

On August 24, 2009, the Company completed the final closing of a private placement for an amount of \$126,000. Under the offering, the Company issued 1,260,000 common shares at a price of \$0.10 per share and 1,260,000 warrants exercisable for two (2) years and entitling the holder to purchase an additional common share at \$0.14 per share for twelve months after the closing and, thereafter, at a price of \$0.18 per share for the next twelve months. The offering is presented net of the warrants, which were valued at \$32,760. A fee of \$6,320 in cash was paid to the agents for this placement.

On November 30, 2009, the Company completed the closing of a private placement for an amount of \$604,800. Under the offering, the Company issued 3,456,000 flow-through shares at a price of \$0.14 per share and 1,008,000 common shares at a price of \$0.12. As part of this private placement, a fee of \$49,980 in cash was paid and 368,900 warrants valued at \$26,073 were granted to an agent. The non-transferable warrants are valid at a price of \$0.12 for eighteen months after the closing of the placement.

On December 8, 2009, the Company completed a first closing of a private placement for an amount of \$350,000. Under the offering, the Company issued 2,916,666 common shares at a price of \$0.12 per share and 2,916,666 warrants exercisable for two (2) years and entitling the holder to purchase an additional common share at \$0.15 per share for twelve months after the closing and, thereafter, at a price of \$0.18 per share for the next twelve months. No value has been assigned to the warrants. A fee of \$5,000 in cash was paid to the agents for this placement.

On December 18, 2009, the Company completed a final closing of a private placement for an amount of \$100,000. Under the offering, the Company issued 833,333 common shares at a price of \$0.12 per share and 833,333 warrants exercisable for two (2) years and entitling the holder to purchase an additional common share at \$0.15 per share for twelve months after the closing and, thereafter, at a price of \$0.18 per share for the next twelve months. No value has been assigned to the warrants. A fee of \$3,000 in cash was paid to the agent for this placement.

On December 11 and 23, 2009, the agent, Desjardins Securities, exercised its right to purchase an additional common share for each warrant at a price of \$0.10 per share for an amount of \$46,284 and that was to expire on December 29, 2009. Under this right, the Company directed its transfer agent to issue 462,840 common shares in favour of this agent (issued in January 2010). The proceeds from the exercise of these warrants and the value of these warrant upon issuance of \$19,900 were credited to share capital as shares to be issued.

For the year 2009, the Company issued, under these placements, 3,456,000 flow-through shares and 7,980,839 common shares totalling \$483,840 and \$893,244, respectively. In total, the Company has issued 11,436,839 shares for cash inflows of \$1,377,084 before commissions and other related expenses.

For the year 2010, additional funds will be required to fund budgeted exploration work. Future sources of funds available to the Company include additional issuances of share capital and borrowing. There is no assurance that such financing will be available to the Company given the current economic climate. Moreover, even if such financing is successfully completed, there is no assurance that it will be obtained on terms favorable to the Company or that the funds will be sufficient to meet the Company's objectives, which could adversely affect the Company's operations and financial condition.

To achieve its exploration objectives for 2010, the Company is considering a partnership with undivided interest for an amount of \$500,000. In addition, it will have to obtain additional funds through the issuance of share capital of about \$600,000 and to cover general and administrative expenses of \$550,000, for a total of \$1,650,000. The table below shows the cash flow forecast for 2010:

2010 Cash Flow Forecast:

	\$	\$	\$
Cash, beginning of year			672,800
Add:			
Dianor Resources Inc., shareholder company		339,000	
Goods and services tax		56,000	
Subscriptions receivable		36,300	
Partnership		500,000	
Issue of share capital		<u>1,150,000</u>	2,081,300
Less:			
Deferred exploration expenses 2010:			
Mercier	400,000		
Adanac	400,000		
Dôme-Lemieux	100,000		
Mont-de-l'Aigle	500,000		
Grenville	100,000		
South Bay	<u>100,000</u>	1,600,000	
General and administrative expenses		550,000	
Accounts payable, beginning of year		<u>147,600</u>	<u>-2,297,600</u>
Cash, end of year			<u>456,500</u>

Analysis of Acquisition and Exploration Costs

The table below provides a summary, by expense type, of the property acquisition costs and deferred exploration costs for the year ended December 31, 2009.

	Mercier	Adanac	Dome-Lemieux	Mont de l'Aigle	Grenville	South Bay	Maisonneuve	Adelme	*Other properties	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Acquisition Costs										
Share acquisitions						13,500			-	13,500
Mining claims	156		3,939		20,020		900	650	2,964	28,629
Staking						5,520			-	5,520
Legal fees and transfer					2,392	3,146			-	5,538
	156	-	3,939	-	22,412	22,166	900	650	2,964	53,187

* The "Other properties" column includes the following properties: Des Vents and Target A.

Deferred Exploration Expenses

General exploration	29,535	63,354	68,088	38,998	11,493		1,200		(7,056)	205,612
Drilling	1,200	308,783	1,077	538	1,280				-	312,878
Analysis	13,788	81,832	26,486	13,143					483	135,732
Geology	10,189	65,328	40,400	81,983	26,684		26		-	224,610
Geophysical expenses					351	1,444	1,426	32,620	709	36,550
Geochemistry		7,020							-	7,020
Technical reports, data compilation and maps	23	4,588	44,309	19,042	2,839	3,562	9,216	1,479	3,970	89,028
Stock-based payments		1,167	6,270	3,134					-	10,571
	54,735	532,072	186,630	156,838	42,647	5,006	11,868	34,099	(1,894)	1,022,001

* The "Other properties" column includes the following properties: James Bay, Frotet-Robert, Gaspéite, Le Tac and Des Vents.

Acquisition of Mining Properties

During the fourth quarter of 2009, the Company signed an agreement to acquire a new property, South Bay.

South Bay Property

On October 15, 2009, the Company signed an option agreement on the South Bay property located in the Vauquelin Township of Abitibi about 40 km east of Val-d'Or. Under the terms of the option agreement, the Company will acquire a 100% interest in the property in exchange for the issuance of 300,000 common shares, 100,000 of which are to be issued upon signing (100,000 shares to be issued (issued in January 2010) for an amount of \$13,500) and 100,000 shares to be issued on the first and second anniversaries. The Company undertakes to perform \$300,000 (\$5,006 incurred) in exploration work over three years. In addition, the Company undertakes to issue a bonus of 250,000 common shares to the sellers upon resource production of at least 100,000 Troy ounces of gold. The sellers retains a net smelter return of 2% (NSR), half of which (1%) may be bought back by the Company for \$1,000,000.

In addition, the Company completed the staking of twenty-three (23) new claims on the property to protect and extend the boundaries of the central block, bringing the total, with the agreement, to thirty-four (34) mining titles, plus legal fees.

The Company paid \$8,666 for these acquisitions, bringing the total investment for 2009 to \$22,166.

Dôme-Lemieux Property

During the fourth quarter of 2009, the Company paid \$1,235 to purchase twenty (20) new claims and transfer fees.

During the year 2009, the Company paid \$3,939 to purchase seventy-two (72) new claims and transfer fees.

Mercier Property

During the year 2009, the Company purchased three (3) new claims for \$156.

Grenville Property

During the fourth quarter of 2009, the Company paid \$2,444 to purchase one (1) new claim and transfer fees. In total for 2009, the equivalent of 218 km² was staked to cover certain targets in the Grenville geological province, which is similar to the signature produced by the intrusion on the Mercier project.

In total for 2009, the Company paid \$22,412 to purchase three-hundred and eighty-five (385) new claims and transfer fees.

Maisonneuve Property

During the year 2009, the Company purchased eighteen (18) new claims for \$900.

Adelme Property

During the fourth quarter of 2009 and the year 2009, the Company purchased sixteen (16) new claims for \$650.

Target A Property

During the fourth quarter of 2009 and the year 2009, the Company purchased thirty-four (34) new claims for \$1,768.

Des Vents Property

During the fourth quarter of 2009 and the year 2009, the Company purchased twenty-three (23) new claims for \$1,196.

Exploration Work – Summary

James-Bay Property

No fieldwork was undertaken in 2009. On September 15, 2009, pursuant to a partnership termination agreement, the Company waived its rights, title and interest to the non-diamond portion of the territory subject to this option. The Company surrendered its interest in this project, initially acquired April 17, 2008, to a shareholder company, Dianor Resources Inc.

This termination resulted in a correction to past wages and in billing charged to a partner in 2009 for an amount of (\$7,358).

Mercier Property

During the fourth quarter of 2009, mineralogy, petrology and geophysical evaluations were performed to enable the resumption of drilling in 2010. In addition to this work, the geochemical rock analyses from the 2008 program were completed earlier this year. These re-analyses proved essential given the high levels of rare elements in several samples. The results of our discoveries were announced in a press release during the third and fourth quarters.

During the fourth quarter of 2009, exploration work amounted to \$5,254, for a total of \$54,735 for the year 2009.

The Company is preparing a new drilling program on specific targets of the property in early 2010. The exploration work is estimated at \$400,000.

Adanac Property

During the fourth quarter of 2009, the Company initiated and completed an initial drilling program of 4,474 meters. This program was the culmination of 3 years of preliminary work covering geology, soil geochemistry and geophysics. The preparatory work highlighted 7 areas showing anomalous features to justify the survey. As a result of this work, a new gold corridor was discovered south of the former Adanac deposit.

During the fourth quarter of 2009, exploration work amounted to \$414,347, for a total of \$532,072 for the year 2009.

The Company is preparing a new drilling program on specific targets of the property in early 2010. The exploration works are estimated at \$400,000.

Dôme-Lemieux Property

During the fourth quarter of 2009, the data compilation work for this project continued. After two years of sustained work, including 16,000 meters of drilling and several geological and geochemical surveys, the Company performed an extensive study to identify the various aspects of the project by isolating highlights of the geology, geochemistry, geophysics, surface rock alteration, lineament interpretation, and structural geology. This synthesis aims to strengthen our current knowledge and to develop an exploration strategy to resume work by addressing new concepts. The results of this study are expected during the second quarter of 2010.

During the fourth quarter of 2009, exploration work amounted to \$37,333, for a total of \$186,630 for the year 2009.

The Company is preparing a work program on the property in early 2010. The exploration work is estimated at \$100,000.

Mont-de-L'Aigle Property

During the fourth quarter of 2009, the data compilation work for this project continued. A short trenching program was conducted in less well-known areas to the north to cover some aspects of the Hattie, Mount Calvert occurrences and the Brandy West occurrence. The results of this work will be provided in a field report in 2010. Furthermore, after two years of sustained work, including 16,000 meters and several geological and geochemical surveys, the Company undertook a major study to identify the various aspects of the project by isolating highlights of the geology, geochemistry, geophysics, surface rock alteration, lineament interpretation, and structural geology. This synthesis aims to strengthen our current knowledge and to develop an exploration strategy to resume work by addressing new concepts. The results of this study are expected during the second quarter of 2010.

During the fourth quarter of 2009, exploration work amounted to \$19,871, for a total of \$156,838 for the year 2009.

The Company is preparing a work program on the property in early 2010. Under the agreement reached on January 10, 2007 with Appalaches Resources Inc., the Company must carry out \$500,000 in exploration work in the fourth and fifth years in order to exercise the option to acquire an undivided 50% interest in the property.

Grenville Property

During the fourth quarter of 2009, the Company conducted a brief reconnaissance exploration by helicopter. The Company is planning a follow-up and intends to focus its target on each of the five blocks staked.

During the fourth quarter of 2009, exploration work amounted to \$32,791, for a total of \$42,647 for the year 2009.

The Company is preparing a work program on the property in early 2010. The exploration work is estimated at \$100,000.

South Bay Property

During the fourth quarter of 2009, the Company continued compiling and evaluating geological and geophysical data to validate the project.

During the fourth quarter of 2009, exploration work amounted to \$30 for a grand total of \$5,006 for the year 2009.

The Company is preparing a work program on the property in early 2010. The exploration work is estimated at \$100,000.

Maisonneuve Property

During the fourth quarter of 2009, the Company continued compiling and evaluating data after a preliminary reconnaissance at the site of the former mine, during which samples were collected in order to guide the future work planned for 2010.

During the fourth quarter of 2009, exploration work amounted to \$4,300, for a total of \$11,868 for the year 2009.

Adelme Property

During the fourth quarter of 2009, the Company continued compiling and evaluating data from the airborne geophysical survey that was completed on the project to make up for the limited data available for the area. The surface features suggest a potential for base metals in this area. The Company will examine possible avenues for this project in 2010.

During the fourth quarter of 2009, exploration work amounted to \$700, for a total of \$34,099 in 2009.

Other Properties

Gaspéite

During 2009, the Company completed a technical report in accordance with National Instrument 43-101. Produced by Jean-Pierre Cloutier, P. Geo, the report discusses the previous work and sets out a number of assumptions for the resumption of work on this project.

Frotet-Robert, Le Tac and Des Vents

During 2009, the Company commenced and completed a survey of data on these projects.

Results of Operation

The following tables provide a comparative analysis with the previous year's activities for the three and twelve month periods ended December 31, 2009:

	Three month periods ended December 31		Favorable (unfavorable) variance	
	2009	2008		
	\$	\$	\$	
Interest revenues	-	1,303	(1,303)	
Administrative expenses:				
Salaries, fringe benefits and training	13,440	46,711	33,271	(1)
Stock-based compensation	132,596	28,021	(104,575)	(1)
Office expenses	8,669	8,992	323	
Management fees	36,093	23,499	(12,594)	(1)
Advertising, promotion and entertainment	24,771	20,858	(3,913)	
Professional fees	23,057	3,425	(19,632)	(1)
Claims renewal	-	3,779	3,779	
Interest and bank charges	71	191	120	
Telecommunications	1,746	1,336	(410)	
Travel expenses - administration	13,965	17,007	3,042	
Depreciation of fixed assets	4,305	3,144	(1,161)	
Registration and information to shareholders	8,794	4,535	(4,259)	
Part XII, 6 taxes	(7,322)	(10,642)	(3,320)	
	260,185	150,856	(109,329)	
Loss before other items and taxes	(260,185)	(149,553)	(110,632)	
Other items:				
Profit on transfer of mining rights in a mining property	233,101	-	233,101	(1)
Write-off of deferred exploration expenses	(385,880)	-	(385,880)	(1)
	(152,779)	-	(152,779)	
Loss before taxes	(412,964)	(149,553)	(263,411)	
Future income and mining taxes	(89,675)	-	89,675	
Net loss and comprehensive loss	(323,289)	(149,553)	(173,736)	
Basic and diluted net loss per share	(0.01)	(0.01)	0.00	

(1) See the explanation of the variances below.

	Twelve month periods ended December 31		Favorable (unfavorable) variance	
	2009	2008		
	\$	\$	\$	
Interest revenues	931	61,635	(60,704)	(1)
Administrative expenses:				
Salaries, fringe benefits and training	42,759	179,925	137,166	(1)
Stock-based compensation	149,024	237,091	88,067	(1)
Office expenses	35,250	37,252	2,002	
Management fees	138,754	98,038	(40,716)	(1)
Advertising, promotion and entertainment	83,897	102,292	18,395	(1)
Professional fees	59,850	37,717	(22,133)	(1)
Claims renewal	23,114	13,736	(9,378)	
Property research expenses	3,214	-	(3,214)	
Interest and bank charges	6,316	1,033	(5,283)	
Telecommunications	5,623	5,467	(156)	
Travel expenses - administration	28,395	72,975	44,580	(1)
Depreciation of fixed assets	17,081	8,931	(8,150)	
Registration and information to shareholders	48,692	57,617	8,925	
Part XII, 6 taxes	16,550	53,368	36,818	(1)
	658,519	905,442	246,923	
Loss before other items and taxes	(657,588)	(843,807)	186,219	
Other items:				
Profit on transfer of mining rights in a mining property	233,101	-	233,101	(1)
Write-off of mining properties	(1,700)	-	(1,700)	
Write-off of deferred exploration expenses	(412,970)	-	(412,970)	(1)
	(181,569)	-	(181,569)	
Loss before taxes	(839,157)	(843,807)	4,650	
Future income and mining taxes	(89,675)	-	89,675	
Net loss and comprehensive loss	(749,482)	(843,807)	94,325	
Basic and diluted net loss per share	(0.02)	(0.03)	0.01	

(1) See the explanation of the variances below.

General

Given the difficult economic situation prevailing for mining exploration companies, in 2009 the Company had to use various stratagems to minimize its general and administrative expenses. The main variances presented in the statement of operations and comprehensive income for the fourth quarter and full year 2009 compared with 2008 are explained below.

Interest Revenues

For 2009, the unfavorable variance was due to the decrease of interest rates to 0.0% on GICs offered by financial institutions. The rates offered were between 0.15% and 0.20% over periods that ranged from medium to long term and could not apply to a company that must use its daily working capital.

Wages, Fringe Benefits and Training

During the fourth quarter of 2009 and the year 2009, wages include only those of the President (\$40,000 per year) with benefits, whereas in 2008, wages included those of the President (\$40,000 per year) and those of the Chief Financial Officer (\$100,000 per year) with benefits.

Stock-Based Compensation

During the fourth quarter of 2009, the Company granted stock options to its directors, officers, employees and consultants. The value of options granted to directors, officers and administrative employees are recognized as an expense when they are granted and those granted to consultants are spread over 18 months. For the same period in 2008, the expenditure consisted solely of stock-based compensation for consultants, as no stock options had been granted.

For 2009, the Company granted 1,125,000 options to purchase common shares to directors, officers, employees and consultants, the value of which have been calculated at \$0.14 per unit, compared to 1,095,000 stock options at a value of \$0.1181 per unit in 2008. Moreover, the favorable variance in 2009 was mainly due to the fact that options granted prior to May 22, 2008, covering 2006 and 2007, were distributed to all directors, officers, employees and consultants on the basis of 18 months. This allocation method resulted in an increase, in 2008, in the stock-based compensation of some of the options granted in 2006 and 2007 in addition to the new allocation methodology as of May 22, 2008.

Management Fees

During the fourth quarter of 2009, the unfavorable variance in management fees was due mainly to the management fees of the Chief Financial Officer and Corporate Development Consultant, who, in 2008, were paid directly in wages. However, the management fees paid to a related company decreased because that Company negotiated, with Service Canada, a timeshare schedule for four (4) of its administrative employees, i.e., applying the formula of 2 days on and 3 days off, the effect of which reduced its payroll and thereby its monthly billing of management fees.

For 2009, the unfavorable variance was due primarily to the management fees paid to the Chief Financial Officer and Corporate Development Consultant, who, in 2008, were paid directly in wages. However, the management fees paid to a related company have decreased since April 2009 because that company negotiated, with Service Canada, a timeshare schedule for four (4) of its administrative employees, i.e., applying the formula of 2 days on and 3 days off, the effect of which reduced its payroll and thereby its monthly billing of management fees.

Advertising, Promotion and Entertainment

In 2009, given the more difficult economic situation for mining exploration companies, the favorable variance was due primarily to more vigilant solicitation activity and advertisements choices whether in magazines, newspapers or sponsorships. In addition, our participation in the Vancouver and Toronto conferences were cancelled or saw a reduction in the number of participants or area leased compared to the 2008 event.

Professional Fees

During the fourth quarter of 2009, the unfavorable variance was due to fees paid to our new law firm, which reviewed our corporate file and made the necessary corrections to the register of the minutes, and to whom we entrusted the study and/or implementation of various administrative mandates such as the shareholder rights plan. In addition, the provision for auditor fees in 2009 was distributed more evenly throughout the year, whereas in 2008 the provision for the first three quarters was overstated, which meant that we had to reduce this provision in the fourth quarter of 2008.

For 2009, the unfavorable variance was mainly due to the same reasons provided in the preceding paragraph, plus additional mandates that were entrusted to our external auditors, such as the IFRS briefing session, assistance in preparing our financial statements and MD&As, and assistance in responding to the AMF. The annual audit fees remained the same as those in 2008.

Travel Expenses - Administration

For 2009, the favorable variance was due mainly to the fact that, in 2008, the Company had organized a tour of properties located in the Gaspésie for administrative employees. In addition, in 2009, given the difficult economic climate for mining exploration companies in general, the Company significantly reduced its travel expenses by minimizing travel, modes of travel, and meals, for both board members and others. Conference calls were increasingly favored when the situation allowed.

Part XII, 6 Taxes

For 2009, the favorable variance was due mainly to the fact that, in 2009, the exploration work to be carried out following the financing in December 2008 was approximately \$973,600 compared to \$2,653,609 in 2008 following the financing in December 2007. In addition, interest rates varied between 4.0% and 3.0% in 2009 compared to 6.0% and 5.0% in 2008. Therefore, the amount of exploration work to be performed and the higher interest rates higher in 2008 compared to the amount of work and interest rates in effect in 2009, reduced, for 2009, the Part XII, 6 tax expense.

Other Administrative Expenses

The Company's other administrative expenses remained relatively stable during the fourth quarter of 2009 and year 2009. These expenses are generally cyclical and can fluctuate in a manner that is not always predictable.

Profit on Transfer of Mining Rights in a Mining Property

During the fourth quarter of 2009 and the year 2009, the Company, pursuant to a partnership termination agreement, waived its rights, title and interest of the non-diamond portion of the territory subject to this option. The Company surrendered its interest in this project, initially acquired April 17, 2008, for an amount of \$233,101, to a shareholder company, Dianor Resources Inc.

Write-off of Mining Property and Deferred Exploration Expenses

During the fourth quarter of 2009 and the year 2009, the Company agreed to write off the amounts incurred on each of the properties and the related deferred exploration expenses and on which it has no power or control whatsoever or for which the work did not identify any mineralization to justify retaining the rights, interests or claims. The Company therefore wrote off the "Pas de Dames" property and the deferred expenses of the following properties: "James Bay," "Abitibi Extension," "Hush Hush," "Pas de Dames," "Leclerc," "La Ronde" and "Le Tac."

Selected Financial Information

(in thousands of \$)

Years	2009				2008			
Period	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income	-	-	-	1	1	10	16	34
Net loss and comprehensive loss	(323)	(103)	(176)	(147)	(150)	(309)	(214)	(171)
Basic and diluted net loss per share from continuing operations	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)

Cash Flow and Sources of Financing

For the period ended December 31, 2009, the Company's total cash flow stood at \$672,803 compared to \$1,175,270 for the period ended December 31, 2008. The change in cash flow was due mainly to financing activities totalling \$1,220,236, investing activities totalling \$1,017,448 and exploitation activities totalling \$705,255.

Liquidity Situation

	December 31 2009	December 31 2008
	\$	\$
Cash	226,793	201,670
Cash reserved for exploration	446,010	973,600
Total liquidity	672,803	1,175,270

Accounts receivable

	2009	2008
	\$	\$
Dianor Resources Inc., shareholder company, non-interest bearing	338,950	203,169
Goods and services tax	56,308	49,775
Tax credit for mining exploration expenses and mining duties	44,842	195,300
Subscriptions receivable	36,284	-
Others	-	4,700
	476,384	452,944

During the year 2009, the shareholder company, Dianor Resources Inc., made repayments in the amount of \$91,767, billed for various expenses in the amount of \$5,553 and acquired the Company's interest in the James Bay property for an amount of \$233,101. The balance will be repaid on a monthly basis.

The \$36,284 subscription receivable from Desjardins Securities was recovered in early January 2010. Goods and services tax include claims for the months of November and December 2009 and are generally reimbursed the month after their claim. The taxes of mining duties with reference to prior years should be repaid before the end of next fiscal year.

Off-Balance Sheet Arrangement

None.

Significant Accounting Policies and Estimates

Described below are the significant accounting policies as well as the ones that rely more on judgment and estimates in the preparation of the Company's financial statements:

Mining Properties and Deferred Exploration Expenses

Mining properties are recorded at cost. Exploration and development expenditures, net of related government assistance, are deferred. When a decision to bring an ore body into production is made, the costs related to the ore body, recorded under mining properties and deferred exploration expenses, are transferred to fixed assets. These costs will then be amortized based on the units of production for the year and proven and probable ore reserves. However, when a project is abandoned, the related costs are charged against earnings. These assets are written down when no more work is planned for the foreseeable future or if no work has been carried out for a period of more than three years.

Impairment of Long-Lived Assets

The CICA Handbook Section 3063, "Impairment of Long-Lived Assets" provides guidance on the recognition, measurement and disclosure of the impairment of long-lived assets. According to the provisions in the Section, an impairment loss must be recognized when the carrying amount of a long-lived asset held for use exceeds the amount of the undiscounted cash flows expected from its use and eventual disposal. The impairment loss is measured as the amount by which the carrying amount exceeds fair value.

Stock-Based Compensation and Other Stock-Based Payments

The Company maintains a stock option plan, which is described in note 9b. Under Canadian generally accepted accounting principles, the compensation expense for this plan is recognized when options are granted to plan participants. Any consideration received from plan participants upon the exercise of options is credited to share capital and, for options granted since May 1, 2002, the amount previously credited to contributed surplus is transferred to share capital.

Financial Instruments and Other Instruments

The Company has determined an estimated fair value for its financial instruments. These estimates rely on the use of judgement and may not represent the amounts that the Company could currently obtain on markets. Use of different assumptions or methods could have a significant impact on the estimated fair values. The short-term financial assets and liabilities on the balance sheet are presented at book value and represent a reasonable estimate of fair value, given their relatively short maturities.

The Company is not exposed to the risk of currency fluctuations as it does not trade abroad. It is also not exposed to credit risk as it does not carry out sales; it solely incurs exploration and administrative expenses. The Company is not affected by interest rates because it has no long-term debt.

Changes in Accounting Policies

During the year 2009, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA):

a) Goodwill and intangible assets

In February 2008, the CICA issued Section 3064, "Goodwill and intangible assets," which replaced Section 3062, "Goodwill and other intangible assets," and Section 3450, "Research and development costs." Changes were made to other sections of the CICA Handbook for consistency purposes, including the withdrawal of EIC-27 "Revenues and expenditures during the pre-operating period" and updates made to AcG-11 "Enterprises in the development stage." The new section applies to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company adopted the new standards for its fiscal year beginning January 1, 2009. The Section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The application of these new policies had no significant impact on the Company's financial statements.

b) Mining Exploration Costs

On March 27, 2009 the Emerging Issues Committee (EIC) issued EIC-174. In this EIC, the Committee reached a consensus that an enterprise that initially capitalized exploration costs is required, in the current and subsequent accounting periods, to test such costs for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. EIC-174 applies to financial statements issued after March 27, 2009. The Company has adopted EIC-174. The adoption of this standard had no impact on the Company's financial statements.

c) Financial Instruments – Disclosures:

In June 2009, the Accounting Standards Board (AcSB) issued amendments to CICA Handbook Section 3862, "Financial Instruments – Disclosures," in order to align with International Financial Reporting Standard IFRS 7, "Financial Instruments: Disclosures." The amendments include additional disclosure requirements for fair value measurements of financial instruments and enhancements to liquidity risk disclosure. The amendments establish a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: level 1, defined as observable inputs such as quoted prices in active markets; level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Future Accounting Changes

a) International Financial Reporting Standards (IFRS)

The AcSB plans to converge the Canadian GAAP used by publicly accountable enterprises with IFRS over a transition period that will end with the adoption of IFRS on January 1, 2011. On February 13, 2008, the AcSB announced that publicly accountable profit-oriented enterprises would have to adopt IFRS by 2011. The changeover date applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company will present its first set of IFRS compliant financial statements for the year ending December 31, 2011. IFRS uses a conceptual framework similar to Canadian generally accepted accounting principles, but there are significant differences in recognition, measurement and disclosure requirements.

The Company is currently in the assessment and evaluation phase of its IFRS implementation project to determine how IFRS adoption will impact processes, systems and financial statements.

b) Business combinations

In January 2009, the CICA issued Section 1582 "Business Combinations," which replaces Section 1581 of the same title. On the same date, the CICA also issued new sections 1601, "Consolidated Financial Statements" and 1602, "Non-controlling Interests." These two new sections replace Section 1600, "Consolidated Financial Statements."

The purpose of Section 1582 is to improve the relevance, reliability and comparability of the information that a reporting entity provides in its financial statements about a business combination and its effects. Section 1601 establishes standards for the preparation of consolidated financial statements following a business combination that involves a purchase of an equity interest by one company in another. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

Section 1582 must be applied to business combinations for which the acquisition date is in a fiscal year beginning on or after January 1, 2011, and sections 1601 and 1602 are effective for fiscal years beginning on or after January 1, 2011. The Company will apply these new sections as of January 1, 2011. The Company's management is unable to measure the impact that the application of these new standards will have on the financial statements.

Business Risks

Risks and Uncertainties

The following discussion outlines a number of risks that management believes could impact the Company's business.

Financial Risk

Additional funds may be required in the future to finance exploration and development work. The Company has access to funds through the issuance of additional equity and borrowing. There can be no assurance that such funding will be available to the Company under current economic conditions. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or that it will provide the Company with sufficient funds to meet its objectives, which could adversely affect the Company's business and financial condition.

Title to Properties

Although the Company has taken reasonable measures to ensure proper title to its properties, there is no guarantee that titles to any of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests.

Industry Conditions

Mineral resource exploration and development involves a high degree of risk that even a combination of careful assessment, experience and know-how cannot eliminate. While the discovery of a deposit may prove extremely lucrative, few properties that undergo prospecting ever generate a producing mine. Substantial amounts may be required to establish ore reserves, develop metallurgical processes and build mining and processing facilities at a given site. There can be no assurance that the exploration and development programs planned by the Company will result in a profitable mining operation. The economic viability of a mineral deposit depends on a number of factors, some of which relate to the particular characteristics of the deposit, particularly its size, grade and proximity to infrastructure, as well as the cyclical nature of metal prices and government regulations, including those regarding prices, royalties, production limits, importation and exportation of minerals, and environmental protection. The impact of such factors cannot be precisely assessed but may prevent the Company from providing an adequate return on investment.

Government Regulation

The Company's activities must comply with the applicable legislation on exploration and development, environmental protection, obtaining of permits, and authorization of mining operations in general. The Company believes that it is in compliance in all material respects with such laws. Changing government regulations could have an adverse impact on the Company's operations.

Outlook

Management will continue to manage its funds very rigorously, its primary objective being to optimize return on investment for its shareholders. Its development strategy is focused on the discovery of economically viable deposits that will generate profits from mining and ensure the Company's survival. In applying its development strategy, management will take into account the global exploration context, stock market trends and the prices of gold and metals.

Disclosure of securities outstanding (NI 51-102)

Disclosure on April 28, 2010

Outstanding common shares: 51,461,288

Outstanding warrants: 7,526,899

Number of warrants	Exercise price	Expiration date
	\$	
648,000	0.45	July 11, 2010
1,500,000	0.14	July 14, 2010
1,260,000	0.14	August 24, 2010
2,916,666	0.15	December 8, 2010
833,333	0.15	December 18, 2010
368,900	0.12	May 30, 2011
7,526,899	0.17	

Outstanding options: 3,310,000

Exercise Prices	Number of options	Weighted average exercise price	Weighted average contractual life
\$		Year	\$
0.125	1,125,000	4.5	0.125
0.25	1,075,000	3.3	0.25
0.29	710,000	2.3	0.29
0.35	400,000	1.3	0.35
	3,310,000	3.3	0.23

Val-d'Or, April 28, 2010

GENERAL INFORMATION

EXCHANGE LISTING

Exchange: TSX Venture Exchange
Symbol: THG

HEAD OFFICE

649 3rd Avenue, 2nd floor
Val-d'Or, Quebec J9P 1S7
Tel.: (819) 825-3883
Fax: (819) 825-7545

OFFICERS

Antoine Fournier, P.Geo, President and CEO
Octavio Soares, FCA, CFO

WEBSITE

www.threegold.ca

TRANSFER AGENT

Computershare Investor Services Inc.
1500 University Street
Suite 700
Montreal, Quebec H3A 3S8

E-MAIL

info@threegold.ca

LEGAL COUNSEL

Miller Thomson Pouliot LLP
1155 Blvd. René-Lévesque West
CIBC Tower, 31st Floor
Montreal, Quebec H3A 3S6

BOARD MEMBERS

Richard Tanguay, Chairman of the Board
Antoine Fournier, P.Geo and Company
Secretary
Daniel Duval
John Ryder, P.Geo
Octavio Soares, FCA

AUDITORS

Samson Bélair/Deloitte & Touche
s.e.n.c.r.l.
450 3rd Avenue
Val-d'Or, Quebec J9P 1S2

