

Management Discussion and Analysis

2010

December 31, 2010



THREEGOLD Resources Inc.

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Management's Discussion and Analysis

This management's discussion and analysis (MD&A) for Threegold Resources Inc. should be read in conjunction with the audited annual financial statements of December 31, 2010. 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. All amounts in this MD&A are in Canadian dollars unless otherwise indicated.

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 26, 2011.

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.

General

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

During the fourth quarter of 2010, the Company increased its property portfolio by acquiring three new properties. In Abitibi-Témiscamingue, the Barraute property for gold, the Hop O'My Thumb property for gold and in Ontario, the Shinning Tree property for gold.

Management reorganization

On September 30, 2010, Mr. Victor Goncalves has accepted to join forces with Threegold by assuming the role of President and CEO. He brings to the Company a wealth of experience with the financial community, having established himself as a respected analyst and newsletter writer. This change has allowed Mr. Antoine Fournier to assume the newly created position of Vice President Exploration and COO. The Company has always been a field-oriented company with numerous active projects, and the new Vice President will now be able to overview field activities and monitor their progress more efficiently.

Mr. Richard Tanguay, Chairman of the Board, comments on the restructuring: "We spent considerable time over the summer putting together a strategy both at the corporate level and for field operations. After evaluating our current situation, we realized that we needed to strengthen our management and allow Mr. Fournier to commit more time to exploration. We strongly believe that Mr. Goncalves will greatly assist in giving our company the momentum and visibility it deserves." Mr. Fournier adds: "We feel privileged to have Mr. Goncalves joining our team as we feel he will be instrumental in energizing the Company. We now have a more balanced management team where everyone will be able to contribute in their best capacities."

Mr. Goncalves holds a BA in Economics and has nearly 10 years experience in the financial markets. His experience ranges from consulting for the Harvard Management Fund to writing for multiple financial publications.

As part of the reorganization, the Company mandated Arlen Hansen and a private consulting firm, Western Global Capital, as advisors in financing, undivided interest agreements, property acquisition and general development of the business,

At the same time, Victor Goncalves was appointed to the Board of Directors, replacing John Ryder. Daniel Duval also resigned as administrator and vice president of corporate development for the Company and will act as a corporate development consultant instead.

Financing

Issuance of common shares:

On September 20, 2010, the Company proceeded with the final closing of a private placement for an amount of \$500,000. Under the terms of the placement, the Company issued 10,000,000 common shares at a price of \$0.05 per share and 10,000,000 warrants, entitling the holder to purchase one additional common share at a price of \$0.10 per share in the twelve months following closing. Units and underlying securities are subject to a hold period and may not be sold before the end of this period. The Company may, at any time after the hold period of 4 months plus 1 day ending January 22, 2011, ask holders to exercise their warrants if the share price is equal to or greater than \$0.20 for a period of 10 consecutive trading days. Warrant holders, upon receipt of such notice, will have 30 days to exercise their warrants. After this period, the warrants will automatically expire. In connection with the private placement, a fee of \$11,400 in cash was paid to the agents.

On September 30, 2010, the Company proceeded with the final closing of a private placement for an amount of \$234,998. Under the terms of the placement, the Company issued 3,916,632 common shares at a price of \$0.06 per share and 3,916,632 warrants, entitling the holder to purchase one additional common share at a price of \$0.10 per share in the twelve months following closing. Units and underlying securities are subject to a hold period and may not be sold before the end of this period. The Company may, at any time after the hold period of 4 months plus 1 day ending January 31, 2011, ask holders to exercise their warrants if the share price is equal to or greater than \$0.20 for a period of 10 consecutive trading days. Warrant holders, upon receipt of such notice, will have 30 days to exercise their warrants. After this period, the warrants will automatically expire. In connection with the private placement, a fee of \$3,720 in cash was paid to the agents.

On December 10, 2010, the Company proceeded with the final closing of a private placement for an amount of \$1,200,000. Under the terms of the placement, the Company issued 4,800,000 common shares at a price of \$0.25 per share and 4,800,000 warrants for a two-year period, entitling the holder to purchase one additional common share at a price of \$0.35 per share in the twelve months following closing and, afterwards, at a price of \$0.50 per share in the next twelve months. Units and underlying securities are subject to a hold period and may not be sold before the end of this period. The Company may, at any time after the hold period of 4 months plus 1 day ending April 11, 2011, ask holders to exercise their warrants if the share price is equal to or greater than \$0.45 for a period of 20 consecutive trading days. Warrant holders, upon receipt of such notice, will have 30 days to exercise their warrants. After this period, the warrants will automatically expire. In connection with this private placement, a fee of \$84,000 in cash was paid and 267,400 non-transferrable warrants were granted to the agents. The warrants are valid at a price of \$0.35 for a period of 12 months following closing of the private placement.

Issuance of flow-through shares:

On October 20, 2010, the Company proceeded with the final closing of a private placement for an amount of \$249,974. Under the terms of the placement, the Company issued 1,785,525 flow-through shares at a price of \$0.14 per share. These securities are subject to a hold period of 4 months plus 1 day and may not be sold before the end of this period. In connection with this private placement, a fee of \$15,999 in cash was paid and 114,280 non-transferrable warrants were granted to the agents. The warrants are valid at a price of \$0.20 for a period of 12 months following closing of the private placement.

On December 10, 2010, the Company proceeded with the final closing of a private placement for an amount of \$300,000. Under the terms of the placement, the Company issued 1,000,000 flow-through shares at a price of \$0.30 per share. These securities are subject to a hold period of 4 months plus 1 day and may not be sold before the end of this period. In connection with this private placement, a fee of \$21,000 in cash was paid and 70,000 non-transferrable warrants were granted to the agents. The warrants are valid at a price of \$0.35 for a period of 18 months following closing of the private placement.

On December 14, 2010, the Company proceeded with the final closing of a private placement for an amount of \$250,000. Under the terms of the placement, the Company issued 833,333 flow-through shares at a price of \$0.30 per share. These securities are subject to a hold period of 4 months plus 1 day and may not be sold before the end of this period. In connection with this private placement, a fee of \$17,500 in cash was paid and 58,333 non-transferrable warrants were granted to the agents. The warrants are valid at a price of \$0.35 for a period of 18 months following closing of the private placement.

Warrants:

During the fourth quarter, warrant holders and agents exercised their rights to acquire one additional common share for each warrant for a total amount of \$436,320, 100,000 warrants at a price of \$0.18 per share for an amount of \$18,000 originally maturing on July 14, 2011, 200,000 warrants at a price of \$0.18 per share for an amount of \$36,000 originally maturing on August 24, 2011, 61,000 warrants at a price of \$0.12 per share for an amount of \$7,320 originally maturing on May 30, 2011, 1,666,666 warrants at a price of \$0.15 per share for an amount of \$250,000 originally maturing on December 8, 2010, 833,333 warrants at a price of \$0.15 per share for an amount of \$125,000 originally maturing on December 18, 2010.

Options to purchase common shares:

During the fourth quarter, an employee and a consultant exercised their rights to acquire one common share for each option to purchase shares at a price of \$ 0.125 per share for the sum of \$3,334. In connection with this right, the Company issued 26,667 common shares in favour of this employee and consultant. The result of exercising the options to purchase shares and the fair value of these options at the time of granting of \$3,733 was recorded as equity.

Analysis of Acquisition and Exploration Costs

The table below summarizes property acquisitions and deferred exploration costs for the year ended December 31, 2010 by expense type.

	Acquisition cash	Acquisition shares	Mining claims	Staking	Legal fees and transfer	Future income (note 1)	Total
	\$	\$	\$	\$	\$	\$	\$
Acquisition Costs 2010							
Adanac			1,000		15		1,015
Grenville			312		1,196		1,508
South Bay		18,500	5,460		1,459	6,800	32,219
Target A			1,612				1,612
Barraute		9,600			4,208	3,529	17,337
Shinning Tree	150,000	708,550			9,695	260,456	1,128,701
Hop O'My Thumb	50,000				8,277		1,612
	200,000	736,650	8,384	-	24,850	270,785	1,240,669

Deferred Exploration Expenses 2010

	General exploration	Drilling	Analysis	Geology	Geophysical expenses	Geochemistry	Technical reports, data compilation and maps	Stock-based payments	Future income (note 1)	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Adanac	9,656		1,000	20,260	11,633		3,325	6,391	3,183	55,448
Dôme-Lemieux	22,126	151,201	6,849	17,706			1,000	9,986	8,648	217,516
Mercier	92,909	301,863	134,160	24,287			6,322	556	234	560,331
Maisonneuve	3,270									3,270
Grenville	11,138						9,840	556	234	21,768
South Bay	15,662	20,652	3,366	30,930			1,493	3,892	1,639	77,634
Target A	12						30			42
Mont-de-l'Aigle	31,376	391,816	10,065	16,877			500	6,110	4,493	461,237
Barraute	8,069			1,886			60			10,015
	194,218	865,532	155,440	111,946	11,633	-	22,570	27,491	18,431	1,407,261

Note 1: This amount represents the tax on temporary differences between the price paid and the tax value of properties acquired or exploration expenses incurred.

Acquisition of Properties

During the fourth quarter of 2010, the Company signed two agreements to acquire new properties, bringing the total for the year to three new agreements. However, we excluded from the analysis the detailed calculation of future income taxes that apply to payments by share for new or previous agreements to acquire a property.

Adanac

During 2010, the Company paid an amount of \$1,000, plus transfer costs, for the acquisition of a mineral title, bringing the total for the year to \$1,015.

Grenville

During the fourth quarter of 2010, the Company paid \$312 for the acquisition of six new mineral titles.

The Company paid \$1,508 toward the total for 2010 for the acquisition of new mineral titles and transfer fees.

South Bay

During the fourth quarter of 2010, the Company issued, under the agreement concluded on October 15, 2009, 100,000 common shares worth \$18,500, to meet its obligation on the first anniversary of the signing of the agreement and for the acquisition of 53 new mining titles for the amount of \$5,460, plus transfer and legal fees.

The Company issued capital shares and paid for the acquisition of new mineral titles and transfer fees, bringing the total for 2010 to \$25,419.

Target A

During 2010, the Company paid \$1,612 for the acquisition of 33 new mineral titles.

Barraute

During the fourth quarter of 2010, the Company issued, under the agreement concluded on June 10, 2010, 120,000 common shares worth \$9,600, to meet its obligation on acceptance of the transaction by regulatory authorities and the conclusion of due diligence by the buyer, plus transfer and legal fees.

The Company issued capital shares and paid the transfer and legal fees for this new property, bringing the total for 2010 to \$13,808.

Shinning Tree

On October 20, 2010, the Company concluded an option agreement, agreement amended November 30, 2010, for the Shinning Tree Property, located in the Larder Mining Division, District of Sudbury, Ontario. Under the terms of the amended option agreement, the Company may earn a 100% interest in the Property in consideration of a cash payment of \$150,000 (paid November 15, 2010) and issuance of 3,500,000 common shares. A finder's fee of 330,000 common shares was paid in connection with this property acquisition. In total, the Company issued 3,663,333 shares before December 31, 2010 and 166,667 shares remain to be issued for a total value of \$708,550. These securities are subject to a hold period and may not be sold before the end of this period. The Vendors retain a 1% net smelter return (NSR) royalty, which may be bought back by the Company for an amount of \$1,750,000 or half (0.5%) in consideration of a payment of \$875,000.

The Company paid \$150,000 in cash, issued a value of \$708,500 in capital shares and paid transfer and legal fees of \$9,695, bringing the total for 2010 to \$868,245.

Hop O'My Thumb

On November 16, 2010, the Company concluded an option agreement for two properties, Hop O'My Thumb and Vauquelin, located in Vauquelin Township in the Abitibi region, about 35 km east of Val-d'Or and contiguous to the South Bay Property. Under the terms of the option agreement, the Company may earn a 75% interest in the properties in consideration of an initial cash payment of \$50,000 upon signing, (paid November 17, 2010) and \$50,000 in cash or, at the Vendor's discretion, in shares pending a minimum price of \$0.10 per share, on each following anniversary for the next four (4) years. The Company agrees to spend \$500,000 in exploration work over the next two years (null in 2010) and to deliver a NI 43-101 report on the two properties after the 4th year. The Vendors retain a 2% NSR royalty, half of which (1%) may be bought back at any time by the Company for an amount of \$1,000,000.

The Company paid \$50,000 in cash and paid transfer and legal fees of \$8,277, bringing the total for 2010 to \$58,277.

Exploration Work – Summary

We excluded details of the calculation of future income taxes that apply to determine the fair value of stock-based compensation reported as deferred exploration expenses.

Adanac Property

During 2010, the Company proceeded with an overview of the project to prepare a follow-up program based on the results of the 2009 drilling program.

Exploration work during the fourth quarter amounted to \$40,060, bringing the year-to-date total to \$52,265.

Dome-Lemieux Property

During the fourth quarter of 2010, the Company conducted surveys to resample the geological structures that produced the values of silver in 2008. A series of 10 holes were placed along the Brandy South and A4-B4 geological structures and all of these holes intersected the main structures. The analyses remain encouraging without being able to clarify the orientation of the silver systems.

Exploration work during the fourth quarter amounted to \$186,855, bringing the year-to-date total to \$208,868.

Mercier Property

During 2010, the Company conducted a survey campaign following the discovery of rare earth mineralization from 2008. A series of 14 holes totalling 3,112 metres were completed, described, sampled and analyzed. The surveys continued to show the high potential of the alkaline intrusive body in Mercier for rare earth elements. The Company plans to continue work on this project in a timely manner.

Exploration work during the fourth quarter amounted to \$3,858, bringing the year-to-date total to \$560,097.

Maisonneuve Property

During 2010, preparatory work for surveys scheduled for 2011 constituted the bulk of the work on this project. The surveys aim to intersect the well-defined pegmatite dyke in order to proceed with the initial full chemical analyses on this project that is the result of discovery made in 1881.

During the fourth quarter, the Company paid monitoring fees in the amount of \$2,121, bringing the total for the year to \$3,270.

Grenville Property

During 2010, the Company continued evaluation work to try to give direction to this project. The Company is continuing with its reflections to determine an appropriate follow-up.

Exploration work during the fourth quarter amounted to \$8,128, bringing the year-to-date total to \$21,534.

South Bay Property

During the fourth quarter of 2010, the Company performed stripping and mapping work. The results of this work justified an immediate follow-up in the form of five short surveys (205 metres in total) primarily to determine the direction and dip of the mineralized zone. These programs all demonstrated the potential of the project and the Company planned to move ahead with work on this project in 2011.

Exploration work during the fourth quarter amounted to \$64,866, bringing the year-to-date total to \$75,995.

Target A Property

During 2010, the Company purchased digital data to complete its database on this project and will soon begin a program to better understand the geological context of this pluton on which several multi-element anomalies have been identified on government geochemical collections of lake sediment.

Exploration work done in 2010 amounted to \$42.

Mont-de-L'Aigle Property

During the fourth quarter of 2010, the Company made a series of 5 vertical drilling holes. There were two main objectives with these drilling activities. The first was to expand the stratigraphic knowledge of the sector and to compare these data with the revised column prepared by the Company's geologists. The second was to intersect the skarn horizons that could theoretically be part of the specific geological horizons. The program was conclusive in terms of validating the stratigraphic column and deep skarn. However, the intersected skarn was ferriferous, not cupriferous. The Company will continue its work on this project in order to better understand the geology and ultimately find the sources of mineral deposits on the surface.

Exploration work during the fourth quarter amounted to \$443,366, bringing the year-to-date total to \$456,744.

Under the agreement reached with Appalaches Resources on January 10, 2007, the Company must carry out \$500,000 in exploration work in 2011 in order to exercise the option to acquire an undivided 50% interest in the property.

Barraute Property

During 2010, the Company visited the property, took a sampling of rocks and skimmed the surface. It also analyzed the rocks. The Company will carry devote more effort in 2011 to start the exploration work on this project.

Exploration work during the fourth quarter amounted to \$1,465, bringing the year-to-date total to \$10,015.

Results of Operation

The following table provides a comparative analysis with the previous year's activities for the three-month periods ended December 31, 2010 and 2009.

	Three-month periods ended December 31,		Favorable (unfavorable) variance	
	2010	2009		
	\$	\$	\$	
Interest revenues	2	-	2	
Administrative expenses:				
Salaries, fringe benefits and training	896	13,440	12,544	
Stock-based compensation	322,190	132,596	(189,594)	(1)
Office expenses	11,629	8,669	(2,960)	
Management fees	89,673	36,093	(53,580)	(1)
Advertising, promotion and entertainment	55,099	24,771	(30,328)	(1)
Professional fees	31,100	23,057	(8,043)	
Claims renewal	8,293	-	(8,293)	
Property research expenses	6,853	-	(6,853)	
Interest and bank charges	386	71	(315)	
Telecommunications	3,368	1,746	(1,622)	
Travel expenses - administration	25,747	13,965	(11,782)	
Depreciation of fixed assets	2,791	4,305	1,514	
Registration and information to shareholders	11,644	8,794	(2,850)	
Part XII, 6 taxes	(14)	(7,322)	(7,308)	
	569,655	260,185	(309,470)	
Loss before other items and taxes	(569,653)	(260,185)	(309,468)	
Other items:				
Loss on disposal of fixed assets	(4,018)	-	(4,018)	
Write-off of deferred exploration expenses	-	(152,779)	152,779	(1)
	(4,018)	(152,779)	148,761	
Loss before taxes	(573,671)	(412,964)	(160,707)	
Future income and mining taxes	1,273,243	(89,675)	(1,362,918)	(1)
Loss and comprehensive loss	(1,846,914)	(323,289)	(1,523,625)	

(1) See the explanation of the variances below.

The following table provides a comparative analysis with the previous year's activities for the twelve-month periods ended December 31, 2010 and 2009.

	Twelve-month periods ended December 31,		Favorable (unfavorable) variance
	2010	2009	
	\$	\$	\$
Interest revenues	146	931	(785)
Administrative expenses:			
Salaries, fringe benefits and training	36,853	42,759	5,906
Stock-based compensation	324,848	149,024	(175,824)
Office expenses	30,846	35,250	4,404
Management fees	244,833	138,754	(106,079)
Advertising, promotion and entertainment	116,059	83,897	(32,162)
Professional fees	71,704	59,850	(11,854)
Claims renewal	18,384	23,114	4,730
Property research expenses	15,245	3,214	(12,031)
Interest and bank charges	1,103	6,316	5,213
Telecommunications	8,392	5,623	(2,769)
Travel expenses - administration	67,118	28,395	(38,723)
Depreciation of fixed assets	15,084	17,081	1,997
Registration and information to shareholders	64,095	48,692	(15,403)
Part XII, 6 taxes	372	16,550	16,178
	1,014,936	658,519	(356,417)
Loss before other items and taxes	(1,014,790)	(657,588)	(357,202)
Other items:			
Gain on disposal of mining rights in a mining property	-	233,101	(233,101)
Loss on disposal of fixed assets	(6,366)	-	(6,366)
Write-off of mining properties	-	(1,700)	1,700
Write-off of deferred exploration expenses	-	(412,970)	412,970
	(6,366)	(181,569)	175,203
Loss before taxes	(1,021,156)	(839,157)	(181,999)
Future income and mining taxes	(878,418)	(89,675)	788,743
Loss and comprehensive loss	(142,738)	(749,482)	606,744

(1) See the explanation of the variances below.

General

As for 2009, the Company used the same stratagems to minimize its general and administrative expenses in light of the ongoing difficult economic situation for mining exploration companies. The main variances presented in the statement of operations and comprehensive income for the fourth quarter and the 2010 year-to-date compared with 2009 are explained below.

Stock-based compensation

During the fourth quarter and in the year 2010, the unfavorable variance was due to two grants of stock options for a total of 1,230,000 options to officers, directors and employees and 2,720,000 options to consultants, in October and December 2010.

According to the Company's stock option plan, the value of each option is estimated on the date granted using the Black-Scholes option price model. The fair value thus granted to directors, officers and employees is set and recognized on the date granted and the fair value of options granted to consultants is set when the rights are acquired and expensed gradually over a period 18 months for options for which services were not rendered at the time of grant.

Management Fees

During the fourth quarter of 2010, the unfavorable variance is due mainly to increased management fees paid to a shareholder company after administrative staff returned to a regular schedule, and to the management fees paid to the president of the Company.

During 2010, the unfavorable variance was due mainly to the decrease in management fees paid to a shareholder company because the latter negotiated a timeshare schedule with Service Canada for four (4) of its administrative employees by applying the formula of 2 days on and 3 days off, the effect of which reduced the payroll and thereby the monthly billing of management fees for the first quarter and returning to regular billing in the 2nd, 3rd and 4th quarters. In addition, the management fees paid to the Chief Financial Officer were charged at 100% of the agreement in 2010 and management fees for the new President of the Company were added in September 2010.

Travel expenses - administration

During the fourth quarter and for the year 2010, the unfavorable variance is due to the fact that a significant amount of travelling took place by Company representatives in connection with the arrival of the new President who lives outside the province, meetings with investors from Québec to Vancouver, in Europe, to secure new financing, including two financing deals closed on September 20 and 30, 2010, one on October 20, 2010, two on December 10, 2010 and the last on December 14, 2010.

Net gain on transfer of mining rights in a mining property

During 2010, the unfavorable variance is due to the fact that in 2009, under the terms of a partnership termination agreement, the Company waived its rights, titles and interests to the non-diamond portion of lands subject to the option agreement. The Company surrendered its interest in the project, initially acquired on April 17, 2008, to a shareholder company, Dianor Resources Inc.

Write-off of deferred exploration expenses

During the fourth quarter and for the year 2010, the favorable variance is due to the fact that in 2009, the Company wrote off exploration expenses incurred on each of the properties over which it had no power or control whatsoever, or where the work performed to date did not identify sufficient mineralization to justify maintaining its rights, interests or mining claims. The Company thus proceeded with the write-off of deferred exploration expenses on the "James Bay", "Abitibi Extension", "Hush Hush", "Pas de Dames", "Leclerc", "La Ronde" and "Le Tac" properties.

Write-off of future income and mining taxes

During 2010, the favorable variance is due to the reversal of loss in value for impairments other than capital losses that the Company expects to apply against payable discrepancies related to mining properties and deferred exploration expenses when they are cleared.

Other Administrative Expenses

The Company's other administrative expenses remained relatively stable during the 4th quarter and in 2010. These expenses are generally cyclical and can fluctuate in a manner that is not always predictable.

Selected Financial Information

(\$ thousands)

Years	2010				2009			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	-	-	-	-	-	-	-	1
Loss and comprehensive loss	(1 847)	2 008	(185)	(119)	(323)	(103)	(176)	(147)
Basic and diluted loss per share	(0.04)	0.04	(0,00)	(0,00)	(0,01)	(0,00)	(0,01)	(0,00)

Cash Flow and Sources of Financing

For the period ended December 31, 2010, the Company's total cash flow stood at \$1,945,960 compared to \$672,803 for the period ended December 31, 2009. The change in cash flow was due mainly to financing activities that generated \$3,042,132, investing activities that required \$1,146,770 and exploitation activities that totaled \$622,205.

Liquidity Situation

	December 31, 2010	December 31, 2009
	\$	\$
Cash	1,881,078	226,793
Cash reserved for exploration	64,882	446,010
Total of liquidity	1,945,960	672,803

Accounts receivable

	December 31, 2010	December 31, 2009
	\$	\$
Dianor Resources Inc., shareholder company, non-interest bearing	180,796	338,950
Goods and services tax	121,507	56,308
Tax credit for mining exploration expenses and mining duties	121,983	44,842
Subscriptions receivable	-	36,284
	424,286	476,384

During the year of 2010, the shareholder company, Dianor Resources Inc., made repayments in the amount of \$158,154. The balance will be repaid on a monthly basis.

The \$36,284 subscription receivable in 2009 from Desjardins Securities was recovered on January 4, 2010. The goods and services tax includes claims for the months of October, November and December 2010 and are generally reimbursed the month after the claims are made. The tax credits for mineral resources and mining rights from previous fiscal years and for the current year should be repaid before the end of the next fiscal year.

Subsequent events

a) Acquisition of the Standard Gold property

On January 25, 2011, the Company entered into an option agreement on the Standard Gold property located in Duvernoy Township in Abitibi, 19 km northeast of the town of Amos, Québec. Under the terms of the option agreement, the Company will acquire a 100% interest in the property in consideration of a cash payment of \$20,000 and issuance of 1,500,000 common shares on signing of the agreement, subject to regulatory approval. The agreement provides for a potential adjustment to the purchase price, by issuing 940,000 additional common shares annual for a period of five years, and the payment of \$25,000, \$30,000, \$50,000, \$60,000 and \$100,000 in cash on each anniversary if certain conditions are respected. The Vendors retain a variable net smelter return (NSR) royalty, part of which may be bought back by the Company in consideration of payment in cash.

b) Letter of agreement with Corporation Minière Osisko

On February 14, 2011, the Company signed a letter of agreement with Corporation Minière Osisko, to grant the latter an option to acquire 51% undivided interest in the Standard Gold property in consideration of a cash payment totaling \$300,000, in addition to exploration work totaling \$4,000,000 spread over five years and the option to acquire an additional undivided interest of 19% by performing additional exploration work for the amount of \$6,000,000 or by financing a feasibility study on the property.

c) Warrants and options to purchase shares

In 2011, holders of warrants and stock options exercised their right to acquire one additional common share for each warrant or option for a total of \$711,562: 180,000 warrants at a price of \$0.18 per share for the amount of \$32,400 and originally maturing on July 14 and August 24, 2011 respectively, 5,833,332 warrants at a price of \$0.10 per share for the amount of \$583,333 and originally maturing on September 20 and 30, 2011 respectively, 293,169 warrants at a price of \$0.12 per share for the amount of \$35,180 and originally maturing on May 30, 2011, 11,428 warrants at a price of \$0.20 per share for the amount of \$2,286 and originally maturing on October 20, 2011, 115,000 stock options at a price of \$0.125 for the amount of \$14,375, 20,000 stock options at a price of \$0.25 for the amount of \$5,000, 216,600 stock options at a price of \$0.18 for the amount of \$38,988. In connection with this right, the Company directed its transfer agent to issue 6,669,529 common shares in favor of these holders.

d) Private Placement

On April 25, 2011, the Company announced a private placement for an amount of \$1,050,000. Under the terms of the placement, the Company will issue 3,500,000 common shares at a price of \$0.30 per share and 3,500,000 warrants, entitling the holder to purchase one additional common share at a price of \$0.40 per share in the twelve months following closing. Units and underlying securities are subject to a hold period and may not be sold before the end of this period. The Company may, at any time after the hold period ask holders to exercise their warrants if the share price is equal to or greater than \$0.60 for a period of 20 consecutive trading days. Warrant holders, upon receipt of such notice, will have 30 days to exercise their warrants. After this period, the warrants will automatically expire. This private placement is subject to regulatory approval.

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 9a) of the financial statements. 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.

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 using a four step roadmap to convert to IFRS: diagnostic, design and planning, solution development, implementation and post implementation.

Diagnostic, design and planning

The initial diagnostic stage has been completed with a preliminary gap analysis of the accounting. For the design and planning, the Company is currently examining the transition options and policy choices presented under IFRS and evaluating the material impact on the future financial statements of the Company. Detailed policy analysis has been initiated based on the conclusions of the gap analysis. Many of the differences identified between IFRS and Canadian GAAP are not expected to have material impact on our reported results and financial position unless noted otherwise below. However, there may be significant changes as a result of IFRS' accounting principles and provisions for first time adoptions. The Company has not yet determined the full accounting effects of adopting IFRS, since some key accounting policy alternatives and implementation decisions are still being evaluated.

Solution development

The detailed analysis of accounting policies affected by the IFRS convergence was completed during the fourth quarter of 2010. In general, a great deal of effort will be required in the presentation of financial statements as the IFRS requires more disclosure.

The following list identifies the main areas where changes to accounting policies should affect the Company's financial statements. This list should not be considered a complete list of changes that will result from the conversion to IFRS. It aims to highlight the areas that the Company considers most important, however, the analysis of changes is not complete and the choice of IFRS accounting policies, if any, has not been made. The Canadian Accounting Standards Board disseminates the GAAP and IFRS and carries out major projects on an ongoing basis. These could affect the final differences between Canadian GAAP and IFRS, and their impact on the Company's financial statements in the years to follow. The following list covers the existing standards that are based on current Canadian GAAP and IFRS. For now, the Company is not able to reliably quantify the expected impact of these differences on its financial statements. The standards are:

Initial adoption (IFRS 1)

IFRS 1 provides guidance on the general approach to be taken when IFRS is adopted for the first time. The fundamental principle of IFRS 1 is the retrospective application of IFRS as of the date of initial adoption. IFRS 1 recognizes that full retrospective application may not be possible or appropriate in all situations and thus recommends the following in these situations:

- exemptions to certain specific aspects of certain IFRS for the preparation of the opening balance sheet

- mandatory exemptions in the retrospective application of certain IFRS

In addition, to ensure that financial statements contain high quality information that is transparent to users, IFRS 1 contains disclosure requirements to highlight the changes made to the financial statements following IFRS convergence.

The Company believes that the choices available under IFRS 1 should allow the opening balances of January 1, 2011 to remain similar to those in the closing balance of December 31, 2010. The Company expects that the main final decisions regarding exemptions permitted by IFRS 1 will be approved by Management during the month of May 2011.

Impairment (IAS 36)

IFRS requires a one-step impairment test (the impairment test is performed using updated cash flows) rather than the two-step test in the Canadian GAAP (which uses non-updated cash flows as an indicator to identify potential impairment).

IFRS requires the reversal of impairment losses (except for goodwill) where previously presented adverse conditions have changed. This is not allowed under Canadian GAAP.

The impairment test should be conducted with long-lived assets and intangible assets. If recoverable amounts cannot be estimated based on individual assets, they must be estimated based on the cash generating unit (CGU).

The Company believes that the changes in this policy should not affect the financial statements on the changeover. However, in subsequent years, this policy may generate more impairment because the one-step test will be used.

Share-based payment (IFRS 2)

Under IFRS, the forfeiture rate, with respect to the recognition of stock-based compensation, needs to be estimated on the grant date instead of only recording actual forfeitures as they occur.

If the acquisition is gradual, IFRS requires that each installment of the grant is assessed and recorded separately, because each installment is in a different acquisition period and the fair value of each is different.

The Company believes that the changes in this policy should have a limited effect on the financial statements. Furthermore, in subsequent years, the stock-based compensation expense for grants with a gradual acquisition period will be higher in the first months than with the linear method.

Exploration for and Evaluation of Mineral Resources (IFRS 6)

According to IFRS, the Company is obligated to develop an accounting policy to specifically and invariably identify which exploration and evaluation activity expenditures will be recorded as assets. Contrary to the IFRS, Canadian GAAP indicate that exploration costs can be capitalized initially if the Company believes that these costs have the same characteristics as fixed assets.

The exploration and evaluation assets must be classified as tangible or intangible according to the nature of the assets acquired.

The Company believes that changes to this policy will not affect the financial statements on the changeover date or in the years to follow.

Capital assets (IAS 16, IFRIC 1)

According to IFRS, the Company may choose the cost or revaluation model. Canadian GAAP records capital assets based on the cost model. The Company will not choose the revaluation model due to the difficulties and effort required to determine fair value.

According to IFRS, each component or part of an asset whose cost is significant in relation to the total cost of the asset must be depreciated separately. There is a similar requirement in Canada, however Canadian GAAP state that the breakdown is carried out when it is reasonably practicable. Consequently, it is common practice not to break down the significant components. IFRS can require more details to maintain the capital asset sub-register. IFRS requires that the depreciation method and useful life of the asset are reviewed annually. GAAP have the same requirement, but on a periodic basis.

The Company believes that changes to this policy will not affect the financial statements on the changeover date because the capital assets it held as of January 1, 2010 did not have significant individual components. Nevertheless, in the years to follow, it should pay special attention to identify the components of each asset.

Financial instruments (IAS 39)

All financial assets be classified as "loans and receivables", "held to maturity", "at fair value based on the income statement" or "available on sale". As with the IFRS, all financial assets must be classified as "loans and receivables", "held to maturity", "held for trading purposes" (at fair value based on the income statement) or "available on sale". However, Canadian GAAP have some differences compared to IFRS in terms of the types of assets that can be classified in each category.

On initial recognition, a financial instrument cannot be designated as being evaluated at fair value on the income statement unless it meets certain criteria. As in the case of IFRS, on initial recognition, a financial instrument cannot be designated as being held for trading purposes (and evaluated at fair value on the income statement) unless it meets certain criteria. However, these criteria are less restrictive than those stated in IFRS.

The Company is currently evaluating the impact of these potential changes.

Implementation

In this stage the Company will implement the changes that have been developed and will obtain sign off and testing. The tasks to be accomplished in this stage are to produce an opening balance sheet, complete system testing and end-user testing.

After the implementation

At this stage, the Company will review the transition to IFRS and will prepare financial statements that comply with IFRS.

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 favourable 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 outstanding securities (National Instrument 51-102)

Disclosure on April 26, 2011.

Outstanding common shares: **88,903,973**

Outstanding warrants: **16,926,616**

Number of warrants	Exercise price	Expiry Date
	\$	
14,731	0.12	May 30, 2011
1,270,000	0.18	July 14, 2011
1,010,000	0.18	August 24, 2011
5,200,000	0.10	September 20, 2011
2,883,300	0.10	September 30, 2011
102,852	0.20	October 20, 2011
1,250,000	0.15	December 8, 2011
5,067,400	0.35	December 10, 2011
70,000	0.35	June 10, 2012
58,333	0.35	June 14, 2012
16,926,616	0.19	

Outstanding options: **6,836,733**

Number of options	Weighted average exercise	Weighted average contractual life
	Year	\$
973,333	3.5	0.125
1,133,400	4.4	0.18
1,040,000	2.3	0.25
690,000	1.3	0.29
2,600,000	4.6	0.31
400,000	0.3	0.35
6,836,733	3.5	0.25

Val-d'Or, April 26, 2011.

GENERAL INFORMATION

EXCHANGE LISTING

Exchange: TSX Venture Exchange
Symbol: THG

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