

Management Discussion and Analysis

2010

Second Quarter
June 30, 2010



THREEGOLD Resources inc.

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Management's Discussion and Analysis

This management's discussion and analysis ('MD&A') should be read in conjunction with Threegold Resources' June 30, 2010 unaudited interim financial statements. The Company's unaudited interim 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 August 25, 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

No financing was realized or is in progress for this quarter.

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 June 30, 2010.

	Mercier	Adanac	Dome-Lemieux	Mont de l'Aigle	Grenville	South Bay	Target A	Maisonneuve	Barraute	Total
	\$	\$	\$	\$	\$	\$	\$		\$	\$
Acquisition Costs 2010										
Share acquisitions										-
Mining claims							1,612			1,612
Staking										-
Legal fees and transfer					1,196	740			1,023	2,959
	-	-	-	-	1,196	740	1,612	-	1,023	4,571
Deferred Exploration Expenses 2010										
General exploration	90,415	3,792	1,272	636	6,738				164	104,344
Drilling	301,862									301,862
Analysis	123,024		3,446	1,722						128,192
Geology	24,287	4,260	4,427	2,214						35,188
Geophysical expenses										-
Geochemistry										-
Technical reports, data compilation and maps	6,322		1,000	500	5,290				60	13,172
Stock-based payments		2,174	3,878	1,943						7,995
	545,910	10,226	14,023	7,015	12,028	-	-	1,327	224	590,753

Acquisition of Properties

During the second quarter of 2010, the Company concluded an agreement to acquire the new Barraute property.

Barraute

On June 10, 2010, the Company concluded an option agreement for the Barraute property located in the Barraute Township in Abitibi, approximately 50 km north-northeast of Val-d'Or. According to the terms of the option agreement, the Company will acquire a 100% interest in the property in exchange for issuing 360,000 common shares, of which 120,000 common shares will be issued upon approval of the transaction by regulatory authorities and the completion of the purchaser's due diligence, and 120,000 shares will be issued on each of the first and second anniversaries in addition to a \$15,000 cash payment on the second anniversary. The agreement also stipulates that the Company will commit to \$250,000 in exploration expenditures (\$224 spent to date) over a period of three years, of which \$100,000 must be carried out before the second anniversary. Furthermore, the Company must also issue a bonus of 250,000 common shares to the vendors upon producing resources of at least 100,000 troy ounces of gold. The vendors will retain a 2% net smelter return (NSR) of which half (1%) can be bought back by the Company for a cash payment of \$1,000,000.

During the second quarter of 2010, the Company paid \$1,023 in legal expenses.

Exploration Work – Summary

Mercier Property

During the second quarter of 2010, most of the Company's expenses were for the analysis of samples collected during the drilling program that took place in the first quarter of 2010. The first set of results was revealed in the press release of April 30, which confirmed the potential of the project. The final results of this program are expected shortly.

Exploration work during the second quarter of 2010 amounted to \$93,046 bringing the yearly total to \$545,910.

Adanac Property

During the second quarter of 2010, the Company made some adjustments to the structure of the computerized drill hole database and generated diagrams and plans.

Exploration work during the second quarter of 2010 amounted to \$2,833, bringing the yearly total to \$10,226.

Dôme-Lemieux Property

During the second quarter of 2010, the Company continued towards the completion of the compilation project it started in 2009 by performing some synthesis and compilation work. The Company intends to finalize an ambitious action plan for this project during the third quarter.

Exploration work during the second quarter of 2010 amounted to \$4,265, bringing the yearly total to \$14,023.

Mont-de-L'Aigle Property

During the second quarter of 2010, the Company continued towards the completion of the compilation project it started in 2009 by performing some synthesis and compilation work. The Company intends to finalize an ambitious action plan for this project during the third quarter.

Exploration work during the second quarter of 2010 amounted to \$2,134, bringing the yearly total to \$7,015.

Under the agreement reached on January 10, 2007 with Appalaches Resources Inc., the Company must carry out \$500,000 in exploration work in 2010 (the fourth year) and 2011 (the fifth year) in order to exercise the option to acquire an undivided 50% interest in the property.

Grenville Property

During the second quarter of 2010, the Company performed assessment and targeting work to prepare an exploration program that would follow up on the work started in 2009, and to quickly advance the assessment of the project's potential in view of upcoming claim renewal dates in 2011.

Exploration work during the second quarter of 2010 amounted to \$8,353, bringing the yearly total to \$12,028.

Maisonneuve Property

During the second quarter of 2010, the Company began its assessment of the project with particular emphasis on the geology and the mineralized showings in order to determine the optimal drill hole locations for the preliminary drill program that should start in the winter of 2011.

Exploration work during the second quarter amounted to \$1,327, bringing the yearly total to \$1,327.

Barraute Property

During the second quarter of 2010, the Company started the work on this new project with an initial field visit to conduct a general assessment of the property and the state of the project. Work will continue in the fall of this year when more focused activities will consist of detailed prospecting and short-hole drilling on the main showings.

Exploration work during the second quarter amounted to \$224, bringing the yearly total to \$224.

Results of Operation

The following tables provide a comparative analysis with the previous year's activities for the three and six month periods ended June 30, 2010:

	Three month periods ended June 30		Favorable (unfavorable) variance
	2010	2009	
	\$	\$	\$
Interest revenues	134	-	134
Administrative expenses:			
Salaries, fringe benefits and training	11,239	12,488	1,249
Stock-based compensation	698	983	285
Office expenses	6,555	10,803	4,248
Management fees	67,101	40,098	(27,003) (1)
Advertising, promotion and entertainment	19,382	20,144	762
Professional fees	25,452	15,169	(10,283) (1)
Claims renewal	2,106	6,500	4,394
Interest and bank charges	54	220	166
Telecommunications	1,340	1,003	(337)
Travel expenses - administration	13,307	8,026	(5,281)
Depreciation of fixed assets	4,172	4,259	87
Registration and information to shareholders	29,381	14,225	(15,156) (1)
Part XII, 6 taxes	-	13,179	13,179 (1)
	185,827	147,097	(38,730)
Loss before other items and taxes	(185,693)	(147,097)	(38,596)
Other items:			
Write-off of mining properties (note 6)	-	(1,700)	1,700
Write-off of deferred exploration expenses	-	(27,090)	27,090 (1)
	-	(28,790)	28,790
Loss before taxes	(185,693)	(175,887)	(9,806)
Future income and mining taxes	-	-	-
Net loss and comprehensive loss	(185,693)	(175,887)	(9,806)

(1) See the explanation of the variances below.

	Six month periods ended June 30		Favorable (unfavorable) variance	
	2010	2009		
	\$	\$	\$	
Interest revenues	144	899	(755)	
Administrative expenses:				
Salaries, fringe benefits and training	22,905	28,287	5,382	
Stock-based compensation	1,953	15,433	13,480	(1)
Office expenses	12,827	20,577	7,750	
Management fees	101,661	80,196	(21,465)	(1)
Advertising, promotion and entertainment	47,918	44,271	(3,647)	
Professional fees	32,857	24,801	(8,056)	
Claims renewal	5,723	18,977	13,254	(1)
Property research expenses	5,040	763	(4,277)	
Interest and bank charges	429	460	31	
Telecommunications	2,670	2,186	(484)	
Travel expenses - administration	18,077	10,112	(7,965)	
Depreciation of fixed assets	8,297	8,471	174	
Registration and information to shareholders	43,676	23,203	(20,473)	(1)
Part XII, 6 taxes	386	16,894	16,508	(1)
	304,419	294,631	(9,788)	
Loss before other items and taxes	(304,275)	(293,732)	(10,543)	
Other items:				
Write-off of mining properties	-	(1,700)	1,700	
Write-off of deferred exploration expenses	-	(27,090)	27,090	(1)
	-	(28,790)	28,790	
Loss before taxes	(304,275)	(322,522)	18,247	
Future income and mining taxes	-	-	-	
Net loss and comprehensive loss	(304,275)	(322,522)	18,247	

(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 second quarter and the 2010 year-to-date compared with 2009 are explained below.

Stock-Based Compensation

During the first six months of 2010, the favourable variance was due mainly to the fact that the options granted prior to May 22, 2008, that is 2007, were distributed to its directors, officers, administrative employees and consultants on a basis of 18 months. This allocation method resulted in an increase, for the same period in 2009, in the stock-based compensation of some of the options granted in 2007 in addition to the new allocation methodology as of May 22, 2008.

Management Fees

During the second quarter of 2010, the unfavourable variance is due mainly to the increase in management fees paid to a related company following the return to a regular schedule for administrative staff, and to the management fees paid to the Chief Financial Officer which were charged at 100% of the agreed amount (\$30,000), whereas in 2009 he charged only 50% of his fees (\$15,000).

During the first six months of 2010, the unfavourable variance was due mainly to the decrease in management fees paid to a related 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. In addition, the management fees paid to the Chief Financial Officer were charged at 100% of the agreed amount (\$30,000), whereas in 2009, he charged only 50% of his fees (\$15,000).

Professional Fees

During the second quarter of 2010, the unfavourable variance is due to the increase in legal expenses relating to the production of a proxy circular that was sent out to shareholders regarding the Company's annual meeting in June 2010.

Claims Renewal

During the first six months of 2010, the favourable variance is due to the fact that the Company had less claims to be renewed in comparison to 2009. The rights renewed on the mining claims are valid for a period of 24 months.

Registration and information to shareholders

During the second quarter of 2010, the unfavourable variance is due to the cost of printing circulars and notices, the cost of mailing letters of proxy, and SEDAR filing fees.

During the first six months of 2010, the unfavourable variance was due to the cost of printing circulars and notices, the cost of mailing letters of proxy, SEDAR filing fees, and the cost of transfer agent services which increased due to the addition of a shareholder's rights plan.

Part XII, 6 Taxes

During the second quarter and for the 2010 year, the favourable variance is due to the fact that the exploration work to be carried out at the end of 2009 took place during the first quarter of 2010, compared with 2009 when exploration work took place over a longer period, which engendered a higher cost for the Part XII,6 tax expense.

Write-off of deferred exploration expenses

During the second quarter of 2010, the favourable variance is due to the fact that the Company did not write-off any deferred exploration expenses compared to 2009 when the costs of the work on the "Pas de Dames" property were written-off because the Company no longer held any of the claims.

Other Administrative Expenses

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

Selected Financial Information

(in thousands of \$)

Years	2010		2009				2008	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Income	-	-	-	-	-	1	1	10
Net loss and comprehensive loss	(185)	(119)	(323)	(103)	(176)	(147)	(150)	(309)
Basic and diluted net loss per share from continuing operations	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)

Cash Flow and Sources of Financing

For the period ended June 30, 2010, the Company's total cash flow stood at \$37,898 compared to \$672,803 for the period ended December 31, 2009. The change in cash flow was due mainly to investing activities totalling \$525,675 and exploitation activities totalling \$109,230.

Liquidity Situation

	June 30 2010	December 31 2009
Cash	\$ 37,898	\$ 226,793
Cash reserved for exploration	-	446,010
Total liquidity	37,898	672,803

Accounts receivable

	June 30, 2010	December 31, 2009
Dianor Resources Inc., shareholder company, non-interest bearing	248,116	338,950
Goods and services tax	18,770	56,308
Tax credit for mining exploration expenses and mining duties	103,370	44,842
Subscriptions receivable	-	36,284
Total	370,256	476,384

During the first six months of 2010, the shareholder company, Dianor Resources Inc., made repayments in the amount of \$90,834. The balance will be repaid on a monthly basis.

The \$36,284 subscription receivable from Desjardins Securities was recovered on January 4, 2010. The goods and services tax includes claims for the months of May and June 2010 but these are generally reimbursed the month after the claims are made. The mining duties credit from previous fiscal years should be repaid before the end of the 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.

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 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 securities outstanding (NI 51-102)

Disclosure on August 25, 2010

Outstanding common shares: **51,461,288**

Outstanding warrants: **6,878,899**

Number of warrants	Exercise price	Expiration date
	\$	
1,500,000	0.18	July 14, 2011
1,260,000	0.18	August 24, 2011
2,916,666	0.15	December 8, 2010
833,333	0.15	December 18, 2010
368,900	0.12	May 30, 2011
6,878,899	0.16	

Outstanding options: **3,265,000**

Exercise Price	Number of options	Weighted average exercise price	Weighted average contractual life
\$		ans	\$
0.125	1,115,000	4.1	0.125
0.25	1,060,000	3.0	0.25
0.29	690,000	2.0	0.29
0.35	400,000	1.0	0.35
	3,265,000	2.9	0.23

Val-d'Or, August 25, 2010

GENERAL INFORMATION

EXCHANGE LISTING

Exchange: TSX Venture Exchange
Symbol: THG

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