



TGX:TSX-V

TRUE NORTH GEMS

## True North Gems Awarded 30-Year Mining Licence for the Aappaluttoq Ruby Deposit

**Vancouver – March 3, 2014 – True North Gems Inc. (TGX: TSX-V)** (“True North” or the “Company”) is extremely pleased to announce that the Government of Greenland has awarded the Company an exclusive 30-year exploitation (mining) licence (the “Exploitation Licence”) for the Aappaluttoq Ruby Deposit, SW Greenland.

*“Today marks the culmination of our exploration, delineation and major permitting activity. Since 2004 we have worked hard to plan a sustainable mining operation that showcases the economic opportunities for our shareholders and the people of Greenland,”* said Nicholas Houghton, President and Chief Executive Officer. *“This also heralds the beginning of our transformation from an exploration company to a producer. It will enable us to showcase and deliver a new supply of rubies and pink sapphires to the worldwide gemstone industry. I would like to take this opportunity to publically thank all who have worked with us and helped to achieve this major milestone.”*

The Aappaluttoq Ruby Deposit will be an open pit development, and over its initial 9-year mine life it will directly create up to 80 new jobs in Greenland; these will range from mining operations at the Aappaluttoq site to gemstone grading in the Nuuk Processing Facility. The project will also act as a stimulus for other investment in both secondary and supporting industries.

### History:

Significant geological exploration and engineering has taken place over the last decade. Throughout this process, the Company has endeavored to engage with the local communities and utilize local support companies. The approximate US\$23 million investment by LNS-Greenland (“LNS-G”) announced on August 13, 2013 forms a strategic partnership that significantly reduces the Company’s financial requirements in exchange for 20% of the project. Final technical work was subsequently completed, and the Company entered the formal Exploitation Permitting process in mid-2011, successfully completing public hearings in the fall of 2013.

## Continued Development:

The granting of the Exploitation Licence is the catalyst for future development; as previously announced, the Company has been engaged in initial Impact Benefit Agreement (IBA) negotiations and continues to finalise the mine environmental monitoring and subsequent closure plan. The advanced process engineering design is also currently being finalised and will be completed in due course.

Under the Exploitation Licence, which will become officially effective on March 10, 2014, True North has agreed to pay a gross revenue royalty (the “Gross Royalty”) to the Government of Greenland of 5.5% on all sales of rubies and pink sapphires exploited from the Aappaluttoq Ruby Deposit. The Gross Royalty will be payable in each calendar year when the total aggregate paid by True North in corporate taxes, withholding taxes and “Surplus Royalty” are less than the calculated Gross Royalty in that calendar year, such that the Government receives a minimum amount. The Surplus Royalty is calculated at a rate of 15% on earnings before financial items and tax on any profit in any calendar year to the extent the annual profit exceeds the profit margin percentage of 40%. The new fiscal agreement will have no adverse impact on the net present value of the project.

For further information, contact:

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