



TGX:TSX-V

TRUE NORTH GEMS

True North Gems to Close Second Tranche of Brokered Private Placement

Vancouver – May 27th, 2013 – True North Gems Inc. (TGX: TSX-V) (“True North” or the “Company”) is pleased to provide an update respecting its previously announced brokered private placement pursuant to a best efforts agency agreement (the “Agency Agreement”) with Casimir Capital LP (“Casimir”) under which True North has agreed to issue up to 175,000,000 Class A common shares (“Shares”) at a price of \$0.09 per Share for gross proceeds of up to \$15.75 million.

The first tranche of the private placement, under which True North received gross proceeds of \$499,999.95 through the sale of 5,555,555 Shares, closed on April 5, 2013. With the comprehensive due diligence drawing to a successful conclusion, True North intends to close the second tranche of the financing, under which Lenomi Holdings Limited (“Lenomi”, a private investment company controlled by Joseph Gutnick), will subscribe for 47,701,948 Shares for \$0.09 per Share for gross aggregate proceeds of \$4,293,175, on or about the end of May 2013. Following closing of the second tranche, Lenomi will hold approximately 19.9% of True North’s issued and outstanding Shares.

The third tranche of the financing, under which True North is proposing to issue approximately 121,742,496 Shares to Lenomi for \$0.09 per Share for gross proceeds of \$10,956,825, will result in Lenomi holding approximately 45% of True North’s issued and outstanding Shares. Completion of the third tranche is subject to satisfaction of a number of conditions including, but not limited to, regulatory approval and the approval of True North’s shareholders. True North’s shareholders will be asked to approve the third tranche at True North’s annual general meeting of shareholders which will be held on June 13, 2013. Provided shareholder approval is obtained, closing of the third tranche is expected to take place on or before July 15, 2013, and in any event no later than August 1, 2013.

The Company intends to use the net proceeds of the financing to advance the development of the Company’s Aappaluttoq Ruby Project in Greenland as well as general working capital.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

For further information, contact:

Nicholas Houghton,
President and CEO

Telephone: 604-687-8055 or 1-800-399-8055

Visit our website: www.truenorthgems.com

Email: info@truenorthgems.com

www.truenorthgems.com

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This document contains “forward-looking information” and “forward-looking statements” (together, “forward-looking statements”) within the meaning of applicable securities legislation, which are made as of the date of this document or the document(s) referred to herein. Statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects”, “anticipates”, “plans”, “projects”, “estimates”, “intends”, “strategy”, “goals”, “objectives” or variations thereof or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements include, without limitation, statements with respect to: the amount of mineral reserves and mineral resources; the amount of future production over any period; net present value and internal rates of return of the proposed mining operation; capital costs; operating costs; strip ratios and mining rates; and mine life. The forward-looking statements are made based upon certain assumptions which, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by the forward-looking statements. These assumptions include, without limitation: the price of gemstone products produced; anticipated costs; the presence of and continuity of gemstones at modeled grades and values; the capacities of various machinery and equipment; the availability of personnel, machinery and equipment at estimated prices; exchange rates; appropriate discount rates; tax rates applicable to the proposed mining operation; financing structure and costs; anticipated mining losses and dilution; gemstone recovery rates; reasonable contingency requirements; and receipt of regulatory approvals on acceptable terms. By their very nature, forward-looking statements involve inherent risks and uncertainties that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements. These include, without limitation: price volatility, discrepancies between actual and estimated production, mineral reserves and resources and metallurgical recoveries, mining operational and development risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), currency fluctuations, the speculative nature of gemstone exploration, the global economic climate, dilution, share price volatility, competition, loss of key employees; additional funding requirements and defective title to mineral claims or property]. This list is not exhaustive. See also, for example, the risks disclosed in the Company’s other disclosure documents filed at www.sedar.com, including, without limitation, those disclosed in the Company’s management’s discussion & analysis. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, except as otherwise required by applicable securities legislation.