ADVANCE GOLD CORP.

(formerly "Africa West Minerals Corp.")
("Advance Gold")

Management's Discussion and Analysis
For the Year Ended May 31, 2010

The following discussion and analysis, prepared as of September 24, 2010, should be read together with the audited consolidated financial statements of Advance Gold for the year ended May 31, 2010, as well as the audited consolidated financial statements for the year ended May 31, 2009 and the period ended May 31, 2008 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. Additional information related to Advance Gold is available for view on SEDAR at www.sedar.com.

Description of Business

Advance Gold is an exploration stage company engaged in the evaluation and exploration of mineral property interests. It currently has interests in Tanzania and Kenya, East Africa. On April 15, 2010 Advance Gold held a special shareholders meeting and obtained shareholder approval for the consolidation of its issued common shares on the basis of two old shares for one new share. Upon receipt of TSX Venture Exchange approval on April 30, Advance Gold Corp.'s name was changed from Africa West Minerals Corp. and commenced trading under the symbol "AAX" on May 3, 2010.

Management & Directors

James T. Gillis, President & Chief Executive Officer – Since 1985 Mr. Gillis has been the President of James T. Gillis Management Co. Inc., a private company which provides management services to public companies. He is the President and Chief Executive Officer of Cassidy Gold Corp., Anglo Aluminum Ltd. and Island Arc Exploration Corp., and a director of Metrobridge Networks International Inc. and Audiotech Healthcare Corp.

Mr. Jeffrey Scott Ackert, Director and Vice-President, Exploration and Business Development – Mr. Ackert, a geologist, has been involved in gold exploration in Africa for over 10 years. Mr. Ackert has worked in Burkina Faso, Mali, Niger and Ghana in West Africa, and Tanzania and Kenya in East Africa. He has worked for several majors, including six years as a mine geologist at Barrick's Golden Patricia mine in Northern Ontario. Most recently Mr. Ackert held the positions of Vice-President of Exploration and Vice-President Technical Services for Orezone Resources Inc.

Christopher J. Wild, P.Eng, Director – Mr. Wild is currently a director and Vice President Exploration of Cassidy Gold Corp. and Island Arc Exploration Corp., a director, Vice President Exploration and Chief Operating Officer of Anglo Aluminum Ltd., and a director of Rockgate Capital Corp. Mr. Wild served as chief mine geologist at the Mount Polley Mine, east of Williams Lake, BC, and the Goldstream Mine, north of Revelstoke, BC, prior to opening his own geological consulting business.

Guido E.M. Pas, Non Executive Director on the Board of Directors – Mr. Pas is the founder and former Chairman of Mano River. He is a financier based in Geneva who has been involved in numerous start-up and early-stage resource ventures through Eastbound Resources and AddVenture Capital Partners. He was co-founder of The Addax & Oryx Group, an integrated African oil group in 1987 (its upstream affiliate Addax Petroleum was sold to Sinopec for US$7.2bn in 2009), and in 2004 of Afren. Guy co-founded and was the chairman of Samax Resources, in 1989, which listed as Samax Gold on the TSX in 1996. In 1995, he founded Mano River Resources. Prior to Addax & Oryx, he was a Vice President of Chase Manhattan Bank in structured and commodity finance, from 1973 to 1983 and was CFO of Africa-focused oil trading companies from 1984 to 1987.

Basha Hifato, Manager of East Africa Operations – Mr. Basha Hifato is a director of Gold Rim Exploration as well as the President and CEO of Hifato Enterprises Inc., a company devoted to the expansion of knowledge, trade and investment between Canada and Sub-Saharan Africa. A graduate of Ottawa's Algonquin College Business Administration program, Mr. Hifato has been a liaison between the Kenyan and Tanzanian High Commissions and prospective investors. He was recently instrumental in bringing the Karen Heart Institute from Kenya together with the University of Ottawa Heart Institute to facilitate the sharing of information and equipment. Mr. Hifato has built a strong network of contacts within the East African community including current and former government ministers. In Canada Mr. Hifato has been a charter member of the Nepean South Rotary Club and past Vice President of the Secretariat for African Trade Development and Information Services (SATDIS).

Debbie M. Silver, Corporate Secretary & Chief Financial Officer - Ms. Silver was a legal assistant from 1979 until 2002, involved in corporate, mining and securities law, and has been a public company administrator since 1997. She is currently the Corporate Secretary and Chief Financial Officer of Cassidy Gold Corp. and Anglo Aluminum Ltd., and is a director and Corporate Secretary and Chief Financial Officer of Island Arc Exploration Corp.

Performance Summary

Kanweaken Project, Liberia West Africa

On May 10, 2010, Advance Gold terminated the Kanweaken mineral exploration license, which has now been written off.

Ngira Migori Gold Project, Kenya East Africa

Red Rock Resources, PLC has agreed to earn in to 70% of the Ngira Migori gold project.

The 320 square kilometre Ngira-Migori property is located in the Migori Archean greenstone belt in southern Kenya, within 25 kilometres of the Tanzanian border. The project is adjacent to the former gold, silver and copper producing Macalder Mine, which operated between 1941 and 1963. Previous exploration work at Ngira-Migori has included reconnaissance geological mapping and soil sampling over the central portion of the property where current artisanal mining is taking place. The soil sampling has indicated several areas of gold in soil anomalies. Mineralization in this area is characterized by gold in quartz reefs as well as gold associated with massive to disseminated sulphides. The lithology of the area includes greywacke, tuffaceous volcanics and Banded Iron Formation. Surface grab sampling at two of the mineralized reefs returned from 30ppb to 16.7 gAu/t (grams of gold per tonne).

Kakamega Properties
Rosterman Gold Mine, Kenya East Africa

Under a recent MOU signed with Equatorial Mining Ltd, owned by Maris Africa, a UK managed African investment fund. (http://www.mariscapital.co.uk/maris-africa-fund), Equatorial will evaluate the extensive surface tailings left from the former producing Rosterman Gold Mine. Advance Gold owns 100% of the Rosterman Mine which was acquired from the Government of Kenya in 2008.

The Rosterman Mine operated between 1935 and 1953 and recovered over 250,000 ounces of gold at an average grade of 13.6 gAu/t. It is believed that close to 600,000 tonnes of tailings material resides on surface. Equatorial is currently drilling the tailings area in a systematic manner to better evaluate the contained tonnage and grade. Equatorial will have three years to develop and rehabilitate the Rosterman Mine tailings. If Equatorial proceeds with the program to recover the gold in the tailings, Advance Gold will receive a 5% Net Smelter Royalty.

Bukura and Sigalagala Gold Properties, Kenya East Africa

These two 100% owned properties have a combined size of 48 square kilometres and are in close proximity to the Rosterman Gold Mine property. The 2 areas contain over ten colonial mine sites that exploited gold between 1930 and 1950. Most of these sites had developed shafts and extensive underground workings. The geology in this Kakamega greenstone region of Kenya is Archean aged with a structural setting similar to the Abitibi in Canada. Advance Gold is in the process of documenting the historical data associated with the colonial aged mines. The Bukura and Sigalagala licences represent excellent prospects for a potential earn-in partner.

Sotik Application, Kenya East Africa

The Sotik project is a 483 square kilometre property in application with the Kenya Government. The project area lies on the eastern edge of the Nyanzan Greenstone belt in Southern Kenya and has not seen any modern exploration work.

Nyakagwe Project, Tanzania East Africa

The Nyakagwe Gold Project is located 6km north west of **Barrick's Bulyankhulu Gold Mine** and contiguous with Lakota Resources' Tembo Project. Advance Gold, through its wholly owned subsidiary Gold Rim Exploration Inc. is earning 100% of the Nyakagwe project by bringing the property to the Mining Licence category. The project consists of 46 Primary Mining Licences that have been put together by a local artisanal mining cooperative. A prospecting licence has recently been granted adjacent to and surrounding the Nyakagwe group which will increase the landholdings in a strategic area. A 1400m Aircore and RC drilling program was completed in 2008 that confirmed gold mineralized quartz reefs at depth. Hole NY012 intersected quartz reef from 22m to 26m down the hole and returned **7.03 gAu/t over 4 meters including 17.75 gAu/t over 1 meter.**

Qualified Person

Jeffrey Scott Ackert, a director of the Company and its Vice President Exploration and Business Development, is a Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the exploration information and technical disclosure in this MD&A.

Selected Annual Information

The financial information reported here in has been prepared in accordance with Canadian GAAP. Advance Gold uses the Canadian dollar ("CDN") as its reporting currency. The following table represents selected financial information for Advance Gold's 2010, 2009 and 2008 fiscal years:

Selected Statement of Operations Data

	Year ended May 31,		
	2010	**2009**	**2008**
Loss for the year (2008- 5 months ended)	$ (625,759)	$ (1,395,091)	$ (137,717)
Weighted average number of shares outstanding, basic and diluted	21,226,854	17,637,942	10,273,494
Loss per share, basic and diluted	$ (0.03)	$ (0.08)	$ (0.01)

The loss for the year decreases in 2010 mainly as a result of a signifigant drop in the write down of mineral properties.

Selected Balance Sheet Data

	Year ended May 31,		
	2010	**2009**	**2008**
Cash and cash equivalents and short term investments	$ 39,798	$ 36,490	$ 731,909
Net working capital	$ (14,398)	$ (14,848)	$ 657,532
Total assets	$ 2,795,132	$ 3,071,211	$ 2,539,442
Long term liabilities	-	-	-
Total shareholders' equity	$ 2,381,999	$ 2,642,123	$ 2,416,107

Cash and cash equivalents and short term investments decreased from $731,909 in 2008 to $36,490 in 2009 and $39,798 in 2010 due to a decrease in the funds raised through private placements in 2009 and 2010.

Results of Operations

Advance Gold has incurred a loss of $444,576 during the quarter ended May 31, 2010 compared to a loss of $767,810 for the quarter ended May 31, 2009. Most expenditures have decreased when compared to the same period in the prior year due to a decrease in activity during the current period. The decrease in loss is mainly due to drop in the amount of mineral property writeoffs. The decrease in activity is expected to continue into future periods until such time as the availability of capital from private placements improves.

Summary of Results

	Three Months Ended May 31/10	Three Months Ended Feb 28/10	Three Months Ended Nov 30/09	Three Months Ended Aug 31/09	Three Months Ended May 31/09	Three Months Ended Feb 28/09	Three Months Ended Nov 30/08	Three Months Ended Aug 31/08
Total assets	$2,795,132	$3,063,086	$3,073,386	$3,026,801	$3,071,211	$4,229,255	$4,093,195	$3,891,821
Exploration properties and deferred costs	$2,730,561	$2,891,527	$2,849,239	$2,050,911	$2,856,832	$3,969,087	$3,844,895	$3,437,802
Working capital (deficiency)	$(14,398)	$(8,897)	$31,650	$(914)	$(14,848)	$81,376	$(9,162)	$297,762
Deficit	$2,475,791	$2,031,215	$1,978,709	$1,914,260	$1,850,032	$1,082,222	$921,890	$719,241
Revenues	$-	$-	$-	$235	$188	$76	$653	$2,960
Net loss	$ 444,576	$52,506	$64,449	$64,228	$767,810	$169,208	$202,649	$264,300
Earnings (loss) per share	$(0.02)	$(0.01)	$(0.01)	$(0.01)	$(0.02)	$(0.01)	$(0.01)	$(0.01)

The significant changes in key financial data from June 1, 2008 to May 31, 2010 can be attributed to the closing of private placements and to increased exploration activity during the first part of the two year period and then the write down of mineral properties during later part of the two year period. The increase has slowed in the past four quarters and is expected to continue to be slower in the immediate quarters due to changes in the capital market making it more difficult to raise exploration funding through private placements. The Company closed a private placement on December 14, 2009 for gross proceeds of $99,900 and on March 5, 2010 for gross proceeds of $69,000 and on July 19, 2010 for gross proceeds of $120,000.

Liquidity

Advance Gold does not currently own or have an interest in any producing resource properties and has not yet derived any revenues from the sale of resource products. Advance Gold's exploration activities have been funded through the issuance of common shares pursuant to private placements and the exercise of stock options and warrants, and Advance Gold expects that it will continue to be able to utilize this source of financing until it develops cash flow from its operations. There can be no assurance, however, that Advance Gold will be able to obtain required financing in the future on acceptable terms, or at all. In the near term, Advance Gold plans to attract suitable partners in order to advance its currently held properties.

	May 31, 2010	May 31, 2009
Working capital (deficiency)	$ (14,398)	$ (14,848)
Deficit	$2,475,791	$1,850,032

Capital Resources

During the quarter ended May 31, 2010 Advance Gold issued 1,150,000 shares in connection wtih the closing of a private placement. Advance Gold does not have sufficient funds to meet its anticipated general and administrative expenses for the balance of this fiscal year. Advance Gold may from time to time choose to raise money in the capital markets if favourable conditions are present. Additional financing will be required for further exploration programs on Advance Gold's properties during the next fiscal year.

Off-Balance Sheet Arrangements

Advance Gold does not have any off-balance sheet arrangements which may affect its current or future operations or conditions.

Related Party Transactions

Related parties are directors and officers, and companies controlled by directors and officers of Advance Gold. The following summarizes Advance Gold's related party transactions for the periods ended May 31, 2010 and May 31, 2009:

	Three months Ended May 31, 2010	Three months Ended May 31, 2009
Consulting services	$ -	$ -
Management Fees	$15,000	$15,000
Reimbursement of expenses	$ 498	$ 4,580
Rent	$ 2,301	$ 2,581

Management fees and consulting and exploration fees were paid to a company controlled by a director of Advance Gold. Rent was paid to a company with common management.

Fourth Quarter Results

Advance Gold had a net loss of $444,576 (2009 - $767,810) and general and administrative expenses of $118,355 (2009- $(345,828)) during the quarter ended May 31, 2010. Such expenses included:

	Q4 2010	Q4 2009
Advertising	$ 381	$ (864)
Corporate Development	21,418	(1,624)
Amortization Expense	9	(21,925)
Conferences	309	-
Bank Charges	346	369
Investor Relations	-	-
Professional fees	13	(1,667)
Management Fees	15,000	15,000
Office Expenses	2,211	395
Insurance	-	-
Consulting Fees	(10,620)	26,990
Transfer Agent & Filing Fees	356	1,465
Office Rent & Telephone	3,012	2,906
Stock Based Compensation	78,065	(374,703)
Wages	7,855	7,830
Writedown of mineral properties	359,919	1,113,826
Interest income	-	(188)
Future income tax recovery	(33,698)	-
	$ 444,576	$ 767,810

Administrative expenses have increased from the prior year due to a increase in stock based compensation. All other administration expenses have remained relatively the same. Advance Gold Corp. had a working capital deficiency of $14,398 for the quarter ended May 31, 2010.

Critical Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions about future events that affect amounts reported in the financial statements. Actual results could differ from these estimates. Significant accounting estimates used in the preparation of Advance Gold's financial statements are:

(a) **Carrying value of mineral property interests**

The amounts shown for mineral property interests represent acquisition holding and exploration costs, and do not necessarily represent present or future recoverable values. The recoverability of these amounts is dependent upon the confirmation of economically recoverable reserves, the ability of Advance Gold to obtain the necessary financing to successfully complete their development and to meet the requirements from time to time, of lenders, including shareholders, who are providing this financing and upon future profitable production.

Advance Gold reviews the carrying values of its mineral property interests whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and undiscounted net cash flows. An impairment loss is recognized when the carrying value of those assets exceeds their fair value. During the year ended May 31, 2010, an impairment loss of $359,919 was recognized for the Kanweaken and Ugunja mineral property interests located in Liberia and Kenya.

(b) **Carrying value of other capital assets**

Advance Gold reviews the carrying values of its other capital assets whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and undiscounted net cash flows. An impairment loss is recognized when the carry value of those assets exceeds their fair value.

(c) **Asset retirement obligations**

Advance Gold recognized the fair value of liabilities for asset retirement obligations in the period in which they occur and/or in which a reasonable estimate of such costs can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expenditures using a systematic and rational method and is also adjusted to reflect year-to-year changes in the liability resulting from passage of time and revisions to either timing or the amount of the original estimate of the undiscounted cash flow.

(d) **Share based compensations and warrants**

Advance Gold accounts for warrants issued and stock options granted to directors, officers and employees using the fair value method of accounting. Accordingly, the fair value of the options at the date of the grant is determined using the Black-Scholes option pricing model, as required by generally accepted accounting principles, and stock-based compensation is accrued and charged to operations, with an offsetting credit to contributed surplus, on the basis of the vesting of the related option. Option pricing models require the input of highly subjective assumptions regarding the expected volatility and option term. Changes in assumptions can materially affect the fair value estimate, and therefore, the existing models may not necessarily provide a realistic measure of the fair value of the Company's stock options at the date of the grant or thereafter

(e) **Future income taxes and allowance**

Future income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the balance sheet and their corresponding tax values, using the enacted or substantively enacted, as applicable, income tax rates at each balance sheet date. Future income tax assets also result from unused loss carry-forwards and other deductions. The valuation of future income tax assets is reviewed quarterly and adjusted, if necessary, by use of a valuation allowance to reflect the estimated realizable amount

Changes in Accounting Policies

On June 1, 2009, the Company adopted three new accounting standards described in Section 3862 Financial Instruments – Disclosures, Section 3855 Financial Instruments – Recognition and Measurement and EIC 173 – Credit Risk and Fair Value of Financial Assets and Financial Liabilities of the Canadian Institute of Chartered Accountants ("CICA") Handbook. The requirements of these new standards applicable to the Company are:

(a) **Financial Instruments - Disclosures**

Section 3862 requires enhanced disclosure requirements, which include:

- reconciling beginning balances to ending balances for Level 3 measurements
- identifying and explaining movements between levels of the fair value hierarchy
- providing a maturity analysis for derivative financial liabilities based on how the entity manages liquidity risk, and
- disclosing the remaining expected maturities of non-derivative financial liabilities if liquidity risk is managed on that basis.

(b) **Financial Instruments – Recognition and Measurement**

Companies that have classified financial assets as held-to-maturity investments are now required to assess those financial assets using the impairment requirements of Handbook Section 3025 Impaired Loans. Section 3025 was consequentially amended to accommodate the changes to Section 3855. The amendments allow more debt instruments to be classified as loans and receivables. This allows those instruments to be evaluated for impairment using Section 3025. In addition, the amendments require reversal of previously recognized impairment losses on available-for-sale financial assets in specified circumstances and require that loans and receivables that an entity intends to sell immediately or in the near term be classified as held for trading.

(c) **Credit Risk and Fair Value of Financial Assets and Financial Liabilities**

EIC 173 provides guidance on the implications of credit risk in determining the fair value of an entity's financial assets and financial liabilities. The guidance clarifies that an entity's own credit risk and the credit risk of counterparties should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments, for presentation and disclosure purposes. The Company's fair value disclosures incorporate this new guidance.

There were no material changes to these financial statements as a result of the adoption of these standards.

New accounting pronouncements issued by the CICA and which the Company intends to evaluate and, when applicable, adopt in the preparation of its future financial statements are:

(d) **Business combinations**

In January 2009 the CICA issued Section 1582 Business Combinations, Section 1601 Consolidated Financial Statements and Section 1602 Non-Controlling Interests replacing Section 1581 Business Combinations and Section 1600 Consolidated Financial Statements. The new standards, equivalent to the standards under International Financial Reporting Standards, have shifted from a parent company conceptual view of consolidation theory (which results in the parent company recording the book values attributable to non-controlling interests) to an entity conceptual view (which results in the parent company recording the fair values attributable to non-controlling interests).

These sections are applicable to business combinations with acquisition dates on or after January 1, 2011 and for the Company's consolidated financial statements for its fiscal year beginning June 1, 2011. Adoption of these sections is not expected to affect the Company.

(e) **Convergence with International Financial Reporting Standards**

In 2006, the Accounting Standards Board of the Canadian Institute of Chartered Accountants (CICA) ratified a strategic plan that will result in Canadian GAAP, as used by public companies, evolving and being converged with IFRS over a transitional period currently expected to be completed by 2011. The International Accounting Standards Board currently has projects underway that should result in new pronouncements which will be included in the convergence process.

The Company is in the process of completing a detailed assessment of the requirements of the transition to IFRS, with the intention of identifying: (i) the timing of the implementation of the transition, (ii) major differences from existing accounting policies, (iii) new accounting policies which are appropriate for the Company, (iv) the appropriate disclosures in financial statements prepared under IFRS, and (v) refinement of the implementation plan.

Financial Instruments

Advance Gold's financial instruments consist of cash, investments, accounts receivable and accounts payable. The fair value of these financial instruments is approximately equal to their carrying values, unless otherwise noted. Unless otherwise noted, it is management's opinion that Advance Gold is not exposed to significant interest, currency or credit risks arising from these financial instruments. Interest rate risk is limited as the Company only invests in highly liquid securities with short-term maturities. The Company manages its currency risk through the preparation of short and long term expenditure budgets in different currencies and converting Canadian dollars to foreign currencies whenever exchange rates are favourable. Credit risk is minimal as accounts receivable consists primarily of goods and services tax refunds due from the Government of Canada.

As at May 31, 2010 $19,133 cash and cash equivalents are held in Canadian dollars, $8,165 cash and cash equivalents are held in US dollars and Kenya Schilling. Advance Gold does not use derivative instruments or foreign exchange contracts to hedge against gains or losses arising from foreign exchange fluctuations.

Financing

On December 14, 2009 Advance Gold closed a non-brokered private placement amounting to 1,665,000 units (the "Units") at a price of $0.06 per Unit for gross proceeds of $99,900. Each Unit was comprised of one common share of the Company and one-half of one non-transferable share purchase warrant. A whole warrant entitles the holder to purchase an additional common share at a price of $0.10 per share until December 14, 2010, subject to accelerated expiry in certain circumstances.

On March 5, 2010 Advance Gold closed a non-brokered private placement of 1,150,000 Units at a per Unit price of $0.06 for gross proceeds of $69,000. Each Unit was comprised of one common share of the Company and one non-transferable share purchase warrant. A warrant entitles the holder to purchase an additional common share at a price of $0.10 per share until March 5, 2012, subject to accelerated expiry in certain circumstances.

On July 19, 2010 Advance Gold closed a non-brokered private placement of 2,000,000 units (the "Units") at a per Unit price of $0.06 for gross proceeds of $120,000. Each Unit is comprised of one common share of the Company and one-half of one non-transferable share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of $0.10 per share until July 19, 2011, subject to accelerated expiry in certain circumstances.

Outstanding Share Data

The authorized capital of Advance Gold consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series with special rights and restrictions attached. As of September 24, 2010 there were 24,116,402 common shares issued and outstanding, of which 1,358,000 were held in escrow, 1,807,500 stock options outstanding, and the following warrants and broker's options outstanding:

Grant Expiry Date	Grant Price	Warrants Outstanding
December 14, 2010	$0.20	416,250
March 5, 2012	$0.20	575,000
July 19, 2010	$0.10	1,000,000

Disclosure of Controls and Internal Controls over Financial Reporting

The Company's Chief Financial Officer and Chief Executive Officer (the "Certifying Officers") are responsible for establishing and maintaining disclosure controls and procedures ("the Procedures") which provide reasonable assurance that information required to be disclosed by the Company under provincial or territorial securities legislation (the "Required Filings") is reported within the time periods specified. Without limitation, the Procedures are designed to ensure that material information relating to the Company is accumulated and communicated to management, including its Certifying Officers, as appropriate to allow for timely decisions regarding the Required Filings.

The Company's Certifying Officers are also responsible for establishing and maintaining internal controls over financial reporting ("Internal Controls") and have designed such Internal Controls, or caused it to be designed under their supervision, which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP.

During the year ended May 31, 2010 there were inherent weaknesses in the Company's internal controls which are typical of small companies, which have a limited ability to segregate incompatible functions. The Company expects to remedy these weaknesses by expanding the number of individuals involved in the accounting function as it grows. Effective disclosure controls were achieved, despite the inherent weaknesses in internal control over financial reporting, because of the President and Chief Executive Officer's direct involvement in the disclosure controls and procedures process.

The Certifying Officers evaluate the Company's Internal Controls on a regular basis throughout the year and have certified that there were no changes in the Company's Internal Controls during the Company's most recent fiscal period that materially affected, or is reasonably likely to materially affect, the Company's Internal Controls.

Investor Relations

Investor relations activities are currently being performed by directors, officers and key personnel.

Risk Factors

Exploration-stage mineral exploration companies face a variety of risks and, while unable to eliminate all of them, Advance Gold aims at managing and reducing such risks as much as possible. Few exploration projects successfully achieve development stage, due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. Advance Gold closely monitors its activities and those factors that could impact them, and employs experienced consultants to assist in its risk management and to make timely adequate decisions.

Environmental laws and regulations could also impact the viability of a project. Advance Gold has ensured that it has complied with these regulations, but there can be changes in legislation outside Advance Gold's control that could also add a risk factor to a project. Operating in a specific country has legal, political and a currency risk that must be carefully considered to ensure their level is commensurate to Advance Gold's assessment of the project.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A.