ADVANCE GOLD CORP.

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

Management's Discussion and Analysis
For the Quarter Ended November 30, 2011

The following discussion and analysis, prepared as of January 23, 2012, should be read together with the interim consolidated financial statements of Advance Gold for the quarter ended November 30, 2011 as well as the audited consolidated financial statements for the years ended May 31, 2011, May 31, 2010 and May 31, 2009 and the Management Discussion and Analysis for those years. All amounts are stated in Canadian dollars unless otherwise indicated.

IFRS replaced the existing Canadian GAAP for publicly accountable enterprises, including the Company, effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Accordingly, the accompanying unaudited interim consolidated financial statements for the three months ended November 30, 2011 have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Statements, using accounting policies consistent with IFRS. The transition to IFRS resulted in changes to the Company's accounting policies. The fiscal 2011 comparative information presented in the financial statements and the MD&A reflect accounting policies consistent with IFRS.

Financial information in this MD&A for periods prior to June 1, 2010 have not been restated for the changes in accounting policy. For the purposes of this MD&A, the term "Canadian GAAP" or "CGAAP" refers to Canadian generally accepted accounting principles for the Company before the adoption of IFRS.

Readers of the MD&A should refer to "Changes in Accounting Policies" below, and Note 14 of the accompanying condensed consolidated financial statements, for a discussion of IFRS and its impact on the Company's financial statements.

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. Advance Gold trades on the TSX Venture Exchange under the symbol "AAX". It currently has interests in Kenya, East Africa.

Management & Directors

James T. Gillis, Director, 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 Anglo Aluminum Ltd. and a director of Cassidy Gold Corp., Clemson Resources Corp. 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. Mr. Ackert held the positions of Vice-President of Exploration and Vice-President Technical Services for Orezone Resources Inc. until that company's sale to IAMGOLD.

Christopher J. Wild, P.Eng, Director – Mr. Wild is currently a director of Cassidy Gold Corp. and a director, Vice President Exploration and Chief Operating Officer of Anglo Aluminum Ltd., and Vice President Exploration of Rockgate Capital Corp. Mr. Wild is a Professional Engineer with over 28 years of experience in mining and mineral exploration in North and South America and Africa. Mr. Wild earned a Bachelor of Applied Science degree from the University of British Columbia in 1984. He subsequently worked for a few major mining companies including Noranda and Minnova (Inmet Mining) before becoming

Chief Mine Geologist at Goldstream Mine, north of Revelstoke and then Mount Polley Mine near Likely, British Columbia. Mr. Wild has spent the last 10 years exploring and developing gold, bauxite, and uranium projects in West Africa.

Debbie M. Silver, Director and 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.

Performance Summary

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.

Kakamega Properties

Rosterman, Bukura and Sigalagala Gold Properties, Kenya East Africa

On April 27, 2011 Advance Gold entered into an Option and Joint Venture Agreement with Aviva Corporation Ltd. ("Aviva"). Under the terms of the agreement, Aviva has the right to earn a 75-per-cent equity in three prospective special licences in western Kenya, namely SL265 Bukura, SL266 Sigalagala and SL267 Rosterman.

The three licences are excisions within Aviva's existing West Kenyan special prospecting licence SPL213 Siaya. They cover a total of 64 square kilometres and include Kenya's largest historical gold mine, Rosterman, which is reported to have produced 250,000 oz. gold @ over 13 grams per tonne between 1932 and 1952.

Key terms of the agreement:

Option period
Aviva will spend a minimum of $100,000 (U.S.) in ground on the three licences within 12 months.
At the end of the initial 12-month period, Aviva will make a $100,000 (U.S.) cash payment to the company to secure an option to earn up to 75 per cent of the special licences.

Earn-in
First earn-in period
Aviva can move to 51-per-cent ownership by spending a further $500,000 (U.S.) on the three licences over a period of 12 months.
Second earn-in period
Aviva can move to 75 per cent by solely financing an additional $1-million (U.S.) over a period of 24 months.

Election period
Once Aviva has reached 75 per cent, the company may elect to contribute or dilute to 10 per cent after which Aviva may convert the company's interest in the property to a 3-per-cent net smelter royalty.

Under the terms of an existing agreement between Aviva and Lonmin, these properties fall within the designated two-kilometre area of interest and will be offered to the West Kenya joint venture after the commencement of the earn-in period.

Background to the three special licences
In addition to the potential in and around the old mines, prospects and artisanal workings themselves, all three special licences lie along regional structures that are interpreted to represent reactivated, inverted syn-sedimentary extensional faults on or close to the Kavirondian-Nyanzian unconformity. These structures are target areas considered to have potential to host gold deposits.

The three special licences comprise a total of about 64 square kilometres and were granted to the company's wholly owned subsidiary, Gold Rim Exploration Kenya Ltd., in October, 2008, and renewed for a further two years in 2010.

SL267 Rosterman

The most northerly of the three licences hosts the historic Rosterman mine, which is reported to have produced in excess of 250,000 ounces Au at in excess of 13 grams per tonne. Rosterman was subject to significant exploration activity during the mining period up until 1952, but since then, very little exploration appears to have been done. The potential for residual ore, more lodes and the value of selvedges to mined lodes justifies immediate further exploration activity.

Recent structural mapping has highlighted a major long-lived structure on the northern flank of the Kakamega dome combined with a number of occurrences of gold-in-stream anomalies that appear never to have been followed up.

SL Bukura 265 and SL266 Sigalagala

The southern licences, Bukura and Sigalagala, in addition to hosting numerous significant historical colonial mines and areas of active artisanal mining, lie along the western portion of the Liranda lineament known as the Bushiangala-Shitole segment. Kimingini, Busiangala, Isulu and Shitgoko all lie in close proximity to the mapped and interpreted structure. Sigalagala appears to lie on a different structure to the north of the main Liranda lineament.

Once again very little work has been completed since the 1950s. The Bukura gold and Sigalagala colonial workings represent walk-up drill targets. Stream-sediment anomalies on the Bukura licence require follow-up as do soil anomalies on the Sigalagala licence.

Proposed work program

Data collection, collation and interpretation will be undertaken by Aviva upon completion of due diligence. This will be followed by ground truthing and geological mapping.

Soil/auger geochemical sampling will be undertaken to further define existing geochemical anomalies and to test strike potential, geological, structural and conceptual targets.

Walk-up drill targets within the newly acquired special licences exist at the Rosterman, Bukura and Sigalagala. These will be drill tested when the diamond drill rig becomes available. Aviva expects that drilling on these newly acquired licences will take place in the fourth quarter of 2011.

Nyakagwe Project, Tanzania East Africa

The Nyakagwe Gold Project was written off at year end.

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.

Results of Operations

Advance Gold's focus continues to be the exploration of properties and consequently, no operating income is shown or expected.

Summary of Quarterly Results

	Nov 30/11 IFRS	Aug 31/11 IFRS	May 31/11 IFRS	Feb 28/11 IFRS	Nov 30/10 IFRS	Aug 31/10 IFRS	May 31/10 CGAAP[1]	Feb 28/10 CGAAP[1]
Total assets	$852,149	$711,780	$681,841	$2,772,417	$2,775,264	$2,821,112	$2,795,132	$3,063,086
Exploration properties and deferred costs	$654,648	$654,710	$654,723	$2,747,861	$2,747,861	$2,754,122	$2,730,561	$2,891,527
Working capital (deficiency)	$154,327	$(143,427)	$(73,847)	$(39,263)	$(12,538)	(26,623)	$(14,398)	$(8,897)
Deficit	$4,644,427	$4,590,600	$4,521,001	$2,593,335	$2,556,610	$2,521,188	$2,475,791	$2,031,215
Revenues	$-	$-	$-	$-	$-	$-	$-	$-
Net loss	$53,828	$69,599	$1,927,666	$26,725	$45,422	$45,397	$444,576	$52,506
Earnings (loss) per share	$(0.01)	$(0.01)	$(0.08)	$(0.01)	$(0.01)	$(0.01)	$(0.02)	$(0.01)

[1] Financial information in this MD&A for periods prior to June 1, 2010 have not been restated for changes in accounting policies on adoption of IFRS. Refer to Changes in Accounting Policies below, and to Note 15 of the accompanying condensed consolidated financial statements, for a discussion of IFRS and its impact on the Company's financial statements.

The significant changes in key financial data from December 1, 2009 to November 30, 2011 can be attributed to write down of mineral properties and to a decreased in exploration activity due to changes in the capital market making it more difficult to raise exploration funding through private placements. The ability to raise capital for exploration is expected to improve in the future as capital markets stabilize.

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.

	Nov 30, 2011	Nov 30, 2010
Working capital (deficiency)	$ 154,327	$ (12,538)
Deficit	$4,644,428	$2,566,610

Financing

On August 9, 2011 announced that it is conducting a non-brokered private placement of up to 8,000,000 units ("Units") of the Company at a price per Unit of $0.05 for aggregate proceeds of up to $400,000. Each Unit consists of one common share in the capital of the Company and one non-transferable share purchase warrant, each warrant entitling the holder to purchase one additional common share at a price of $0.10 for two years from the closing of the offering, subject to accelerated expiry in certain circumstances. The first tranche of the private placement raising $212,500 closed on September 19, 2011. The second tranche of the private placement raising $147,014.70 closed on October 25, 2011. The proceeds of the private placement will be used by the Company for general corporate purposes.

Capital Resources

Advance Gold now has 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.

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 November 30, 2011 and November 30, 2010:

	Three months Ended Nov 30, 2011	Three months Ended Nov 30, 2010
Consulting services	$-	$-
Management Fees	$15,000	$15,000
Reimbursement of expenses	$-	$-
Rent	$1,808	$2,301

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the realted parties. 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.

Critical Accounting Estimates and Judgements

The preparation of the condensed interim financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. The preparation of the condensed interim financial statements also requires management to exercise judgment in the process of applying the accounting policies. Changes in estimates, assumptions and judgements can have a significant impact on the financial statements.

Critical accounting estimates
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

i) *Impairment of non-financial assets*
When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. No impairments of non-financial assets have been recorded for the three months ended November 30, 2011 (November 30, 2010 –$ Nil).

ii) *Stock-based compensation*
Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statement of operations. For the three months ended November 30, 2011 the Company recognized approximately $Nil of stock-based compensation expense (November 30, 2010 - $Nil).

iii) *Useful life of equipment*
Equipment is amortized over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of depreciation recorded during the year and the carrying value of equipment. Total carrying value of equipment at November 30, 2011 was approximately $99 (May 31, 2011 - $111).

Critical judgements used in applying accounting policies

In the preparation of these financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

i) *Mineral properties under exploration*
Management is required to apply judgment in determining whether technical feasibility and commercial viability can be demonstrated for the mineral properties. Once technical feasibility and commercial viability of a property can be demonstrated, it is reclassified from mineral properties under exploration and subject to different accounting treatment. As at November 30, 2011 and May 31, 2010 management had determined that no reclassification of mineral properties was required.

ii) *Decommissioning liabilities*
Management is required to apply judgement in determining whether any legal or constructive obligation exist to dismantle, remove or restore its assets, including any obligation to rehabilitate environmental damage on its mineral properties. As of November 30, 2011 and May 31, 2010, the Company has not recognized any such obligations.

iii) *Income taxes*
The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Changes in Accounting Policies

IFRS replaced the existing Canadian GAAP for the Company, effective for its fiscal 2012 interim and annual financial statements. Accordingly, the Company is applying accounting policies consistent with IFRS beginning with its interim financial statements for this quarter ended November 30, 2011.

The adoption of IFRS resulted in changes to the Company's accounting policies. The accounting policies described in note 2 to the accompanying interim consolidated financial statements have been applied consistently to all periods presented. They also have been applied in the preparation of an opening IFRS balance sheet as at June 1, 2010.

The impact of the transition from Canadian GAAP to IFRS is explained in detail in note 15 to the accompanying condensed consolidated interim financial statements.

The changes in accounting policy have not been applied to any information within this MD&A for periods prior to June 1, 2010.

First-time Adoption – Impact at June 1, 2010

The first-time adoption of IFRS generally requires retrospective application of the resulting changes in accounting policies. Subject to certain optional exemptions and mandatory exceptions, the Company has applied the changes in accounting policies resulting from the adoption of IFRS retrospectively in the preparation of its opening IFRS balance sheet as at June 1, 2010, the Company's "Transition Date".

The expected changes in accounting policies were also disclosed in the Company's Management Discussion and Analysis for the year ended May 31, 2011. Additional accounting policy changes that were not included in that disclosure are as follows:

Income taxes

IFRS requires the recognition of deferred taxes on the temporary differences in the accounting and tax basis of non-monetary assets and liabilities of foreign operations arising from exchange rate fluctuations. Deferred taxes were not recognized on these types of temporary differences under current Canadian GAAP. The Company's accounting policies were changed to reflect this difference.

The changes in accounting policies did not result in significant changes to the recognition and measurement of assets, liabilities, equity, revenue and expenses within the comparative information included in the interim consolidated financial statements for the three months ended November 30, 2011. Further information on the impact of adopting IFRS is described in detail in note 15 to the accompanying interim consolidated financial statements.

Off-Balance Sheet Arrangements

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

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 November 30, 2011 $180,050 cash and cash equivalents are held in Canadian dollars, $8,504 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.

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 January 23, 2012 there were 31,306,696 common shares issued and outstanding, of which 1,715,000 were held in escrow, 1,557,500 stock options outstanding, and the following warrants and broker's options outstanding:

Grant Expiry Date	Grant Price	Warrants Outstanding
March 5, 2012	$0.20	575,000
Sept 19, 2013	$0.10	4,250,000
Oct 25, 2013	$0.10	2,940,294

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.

Forward Looking Statements

This discussion includes certain forward looking statements with respect to various issues including upcoming events. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although The Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future results and actual results may differ materially from those in forward looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration success, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future results and actual results or developments may differ materially from those projected in the forward-looking statements. Forward looking statements are based on the beliefs, estimates and opinions of The Company's management on the date the statements are made. Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge, and careful evaluation may fail to overcome. Exploration activities seldom result in the discovery of a commercially viable mineral resource. Exploration activities are also expensive. The Company will therefore require additional financing to carry on its business, and such financing may not be available when it is needed. Unless otherwise required by applicable securities laws, The Company expressly disclaims any intention and assumes no obligation to update or revise any forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change, whether as a result of new information, future events or otherwise.