("Advance Gold")

Management's Discussion and Analysis
For the Year Ended May 31, 2015

The following discussion and analysis, prepared as of September 21, 2015, should be read together with the interim consolidated financial statements of Advance Gold for the year ended May 31, 2015, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated. The reader should also refer to the audited consolidated financial statements for the years ended May 31, 2015 and May 31, 2014 and related notes attached thereto and the related Management Discussion and Analysis for those years.

Forward looking financing financial statements & cautionary factors that may affect future results

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations. 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 Navasota Resources Inc., President and Director of Cassidy Gold Corp. and a director of Datum Ventures Inc., a capital pool company under the policies of the TSX Venture Exchange and was previously a director of Clemson Resources Corp. (now known as Oyster Oil and Gas Ltd.) and a director of Audiotech Healthcare Corp.

Christopher J. Wild, P.Eng, Director – Mr. Wild is currently a director of Cassidy Gold Corp. Mr. Wild is a Professional Engineer with over 30 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. Recently, Mr. Wild was named Chief Geologist at KGHM International's Ajax Project, near Kamloops, British Columbia.

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.

Marie Cupello, Corporate Secretary & Chief Financial Officer - Ms. Cupello has approximately 20 years of experience as a bookkeeper for a wide variety of companies including junior exploration companies, a management company, a non-profit society, among others. For the past ten years she has been head of the accounting department for a number of private companies and several publicly listed companies including Advance Gold Corp., Cassidy Gold Corp., and Navasota Resources Inc.

Ali Afif Fawaz, Director - Mr. Fawaz is an international transportation supply chain professional and a licensed customs broker. Since 2000, Mr. Fawaz has been the managing director of Villa Plast Ltd., a scrap-metal recycling plant in Dar es Salaam, Tanzania, and since 2001 he has been the managing director of BNM Company Ltd., a company providing clearing and freight forwarding liaison services to associated entities in the Democratic Republic of Congo. Mr. Fawaz also consults and provides services to a number of entities involved in freight forwarding, and the container freight and cargo transport industries operating out of Dar es Salaam, Tanzania, as well as being involved, since 2010, as a consultant to the mining industry in Tanzania. Mr. Fawaz is fluent in English, French, Arabic and Kiswahili.

Osvaldo Iadarola, Director - Mr. Iadarola is President and CEO of Audiotech Healthcare Corporation, a private company, and a director of Cassidy Gold Corp., a public company trading on the TSX Venture Exchange. He is also President of Excalibur Properties, a private real estate development company.

Performance Summary

Kakamega Properties

Rosterman, Bukura and Sigalagala Gold Properties, Kenya East Africa

On November 1, 2012 Advance announced that Acacia Mining plc (formerly **African Barrick Gold Plc.**) ('AMp'), was assigned an Option and Joint Venture Agreement that Advance had previously entered into with Aviva Corporation Ltd. regarding Special License 265 (Bukura), Special License 266 (Sigalagala) and Special License 267 (Rosterman) located in the Kakamega region of Kenya.

AMp has the right to acquire a 51% ownership interest in the three Advance Special Licenses in consideration for AMp incurring exploration expenditure of US$0.5 million in a defined period of 24 months in relation to those mineral rights. AMp can further increase its interest to 75 % by spending an additional US$ 1million within a further 24 month period.

On February 28, 2013 Advance announced that AMp would proceed with an exploration program on Advance's three projects in the Kakamega Dome area in Kenya, East Africa. The work done on the Advance projects would be in conjunction with AMp's regional exploration work on their West Kenya Joint Venture. The three Advance projects include Special License 265 (Bukura), Special License 266 (Sigalagala) and Special License 267 (Rosterman) that cover in total 64km^2.

On January 28, 2014 Advance announced that AMp had completed the drilling of 325 Aircore holes for 12,494 metres with results received for 192 holes. Over 20% of the holes assayed to date have returned significant intercepts of greater than 0.1 grams per tonne gold (g/t Au).

Initial results from 192 reconnaissance Aircore drill holes testing existing gold-in-soil anomalies have been returned with some initial positive results including:

Hole ID	Elevation metres	Azi °	Dip °	Length metres	From metres	To metres	Interval metres	Au g/tonne
KDAC0152	1524	180	-60	35	29.0	35.0	6.0	30.90
KDAC0135	1517	180	-60	10	0.0	10.0	10.0	1.75
KDAC0161	1485	180	-60	50.5	41.0	50.5	9.5	1.59
including					47.0	50.5	3.5	4.20
KDAC0180	1547	180	-60	80	47.0	80.0	33.0	0.38
KDAC0125	1515	180	-60	42	29.0	35.0	6.0	1.69
including					29.0	32.0	3.0	3.35
KDAC0043	1479	180	-60	12	0.0	5.0	5.0	1.85
KDAC0074	1462	180	-60	29	5.0	17.0	12.0	0.64
KDAC0188	1559	180	-60	23	0.0	23.0	23.0	0.28
including					8.0	14.0	6.0	0.89
KDAC0041	1477	180	-60	20	0.0	2.0	2.0	2.83

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 following selected annual information is derived from the Company's annual consolidated financial statements for each of the three most recently completed financial years.

		Year ended May 31, 2015 IFRS / C$		Year ended May 31, 2014 IFRS / C$		Year ended May 31, 2013 IFRS / C$
Total revenue		--		--		--
Net loss before other items	$	112,783	$	148,859	$	424,848
Impairment of exploration and evaluation assets	$	-	$	-	$	168,459
Loss and comprehensive loss	$	111,350	$	148,859	$	424,848
Basic and diluted loss per common share	$	(0.01)	$	(0.02)	$	(0.01)
Total assets	$	412,250	$	413,643	$	417,732
Total non-current financial liabilities	$	--	$	--	$	--
Distributions or cash dividends declared	$	--	$	--	$	--

Results and Discussion of Operations

Advance's focus continues to be the exploration of properties and consequently, no operating income is shown or expected. The Company incurred a loss and comprehensive loss of $111,350 for the year ended May 31, 2015, compared to a loss and comprehensive loss of $148,859 for the prior fiscal year. The most notable reduction in expenditures stemmed from lower professional fees and stock based compensation. As of May 31, 2015, the Company had current assets of $5,101 as compared to $9,433 for the prior fiscal year, the reduction being due to a lower amount of cash from reduced financing activities. As of May 31, 2015, the Company's current liabilities were $227,789, as compared to current liabilities of $118,643 for the prior fiscal year, the increase stemming from the difficulties in raising capital in current market conditions. Cash used for operating activities decreased from ($76,216) for the year ended May 31, 2014 to ($1,070) for the current fiscal year, the reduction stemming from decreased operating activities as a result of market conditions. Similarly, the cash used for investing activities increased from ($264) for the year ended May 31, 2014 to ($2,939) for the current fiscal year. Finally, the cash provided by financing activities decreased from $73,807 for the year ended May 31, 2014 to $Nil for the current fiscal year as a result of decreased financing activities and current market conditions.

Summary of Quarterly Results

		May 31/15 IFRS		Feb 28/15 IFRS		Nov 30/14 IFRS		Aug 31/14 IFRS		May 31/14 IFRS		Feb 28/14 IFRS		Nov 30/13 IFRS		Aug 31/13 IFRS
Total assets	$	412,250	$	421,948	$	411,097	$	408,731	$	413,643	$	414,117	$	411,452	$	443,264
Exploration properties & deferred costs	$	407,149	$	404,366	$	404,335	$	404,297	$	404,210	$	404,081	$	404,057	$	404,015
Working capital (deficiency)	$	(222,688)	$	(189,846)	$	(160,355)	$	(135,526)	$	(109,210)	$	(79,095)	$	(47,114)	$	(14,419)
Deficit	$	5,581,656	$	5,549,097	$	5,522,137	$	5,497,237	$	5,470,306	$	5,435,106	$	5,401,691	$	5,355,205
Revenues	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-
Net loss	$	32,558	$	26,961	$	24,900	$	26,931	$	35,198	$	33,417	$	46,486	$	33,758
Earnings (loss) per share	$	(0.01)	$	(0.01)	$	(0.01)	$	(0.01)	$	(0.00)	$	(0.01)	$	(0.01)	$	(0.01)

The significant changes in key financial data from June 1, 2013 to May 31, 2015 can be attributed to write down of mineral properties and to a decrease in exploration activity due to changes in the capital market making it more difficult to raise exploration funding through private placements. The decrease in the net loss for the year is due to a decrease in stock based compensation and professional fees. All other expenses are reduced due to a reduction in exploration activity. The reduction in exploration activity is due to the inability of the Company to raise exploration funds in today's capital market. As of May 31, 2015, the Company had current assets of $5,101, compared to current assets of $9,433 as at May 31, 2014, the decrease stemming from the inability to raise funding through private placements. As of May 31, 2015, the Company's current liabilities were $227,789 compared to current liabilities of $118,643 as at May 31, 2014, the increase is due to the Company not having sufficient funds to pay its expenses as they are incurred. The inability to raise capital has had a significant effect upon the Company's cash flow.

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, 2015		May 31, 2014
Working capital (deficiency)	$	(222,688)	$	(109,210)
Deficit	$	5,581,656	$	5,470,306

Financing

On September 10, 2013, the Company closed a non-brokered private placement of 120,000 units at $0.25 per unit for gross proceeds of $30,000. Each unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable at $0.50 per share until September 10, 2015, subject to accelerated expiry in certain circumstances. Of the $30,000 proceeds, $8,012 was allocated to the warrants, being their estimated issue date fair value. The fair value was determined using the Black-Scholes Option Pricing Model with the following assumptions: an expected life of two years; a volatility of 135.2%; a risk-free interest rate of 1.32%; and an expected dividend yield rate of nil. The Company incurred share issue costs of $6,193 in connection with this financing.

On March 10, 2014, the Company closed a $50,000 debenture financing (Note 8). A term of the debenture required the Company to issue 40,000 of its common shares, which were issued in March 2014 with a fair value of $6,000.

On December 1, 2014 the Company's common shares commenced trading on the TSX Venture Exchange on a 5:1 post-consolidated basis.

Capital Resources

Advance Gold does not have sufficient funds to meet its anticipated general and administrative expenses for the next 12 months and will therefore have to find alternative sources of funding to pay these anticipated expenses. 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 should new acquisitions occur. The earn-in requirements of Acacia Mining plc (formerly African Barrick) cover exploration requirements at the three Kakamega properties.

Fourth Quarter Results

Advance Gold had a net loss of $32,558 (2014 - $35,198) and general and administrative expenses of $32,689 (2014 - $35,198) during the quarter ended May 31, 2015. Such expenses included:

		Q4 2015		Q4 2014
Advertising and promotion	$	219	$	2,526
Amortization of equipment		-		59
Bad Debt		-		484
Interest, bank charges and foreign exchange loss		7,028		2,756
Management fees		15,000		15,000
Office and sundry		-		20
Professional fees		5,715		9,677
Rent and telephone		124		103
Stock based compensation		-		1,520
Transfer agent and filing fees		4,603		3,053
Gain on settlement of debt		(131)		-
	$	32,558	$	35,198

Administrative expenses have decreased from the prior year due mainly to a decrease in advertising and promotion, professional fees and stock based compensation. Most administration expenses have decreased from the prior year due to a decrease in exploration activity which is expected to pickup in the future. Advance Gold had a working capital deficiency of $222,688 for the year ended May 31, 2015.

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 years ended May 31, 2015, and 2014:

		Year Ended May 31, 2015		Year Ended May 31, 2014
Management Fees	$	60,000	$	60,000
Geological consulting	$	-	$	2,500
Rent	$	-	$	-
Salaries	$	-	$	-

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 related parties. Management 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

The preparation of consolidated financial statements in conformity with IFRS 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 consolidated financial statements are:

(a) 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. During the year ended May 31, 2013, the Company recognized an impairment of $168,459 representing the carrying values of the Ngira Migori and Nyakagwe Properties. No impairment was recognized for the year ended May 31, 2015 and 2014.

(b) Stock-based compensation

Management is required to make certain estimates when determining the fair value of share option awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as share-based compensation in the Company's consolidated statement of comprehensive loss. For the year ended May 31, 2015 the Company recognized share-based compensation expense of $811 (2014 - $25,626).

(c) Exploration and evaluation assets

Management is required to apply judgment in determining whether technical feasibility and commercial viability can be demonstrated for its mineral properties under exploration. Once technical feasibility and commercial viability of a property can be demonstrated, it is reclassified from exploration and evaluation assets and subject to different accounting treatment. As at May 31, 2015 and 2014 management had determined that no reclassification of exploration and evaluation assets was required.

(d) 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 becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

Accounting Standards Issued But Not Yet Effective

The following new or amended accounting standards have been issued by the International Accounting Standards Board ("IASB") for periods beginning on or after June 1, 2015. These new or amended standards are not yet effective, and the Company has not completed its assessment of their impact on its consolidated financial statements.

IFRS 9 *Financial Instruments*

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 Financial Instruments (IFRS 9) as a first phase in its ongoing project to replace IAS 39. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2015, with earlier application permitted.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities.

Amendments to IAS 32 *Financial Instruments: Presentation*

These amendments address inconsistencies when applying the offsetting requirements, and is effective for annual periods beginning on or after January 1, 2014.

Off-Balance Sheet Arrangement

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

Financial Instruments

The Company's financial instruments are exposed to certain financial risks, being credit risk, liquidity risk, and market risk, which are defined as follows:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and amounts receivable. The Company deposits the majority of its cash with high credit quality financial institutions in Canada and as a result, the Company considers its credit risk to be minimal.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity risk by maintaining adequate cash and short-term investment balances. The Company's expected source of cash flow in the upcoming year will be through equity financing and future loan facilities, and potential joint venture agreements. Cash on hand at May 31, 2015 is insufficient to fund the Company's ongoing operational needs for the next 12 months.

(c) Market risk

Market risk consists of interest rate risk, foreign currency risk and other price risk. These are discussed further below.

(i) Interest rate risk

Interest rate risk consists of two components:

- To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency. Currency risk is considered to be minimal.

The Company is exposed to foreign currency risk with respect to cash and accounts payable and accrued liabilities, as a portion of these amounts are denominated in US dollars. The Canadian equivalent of financial instruments denominated in US dollars as at May 31, 2015 and 2014 is as follows:

		May 31, 2015		**May 31, 2014**
Cash	$	31	$	7
Accounts payable and accrued liabilities	$	-	$	(313)
Rate to convert to $1.00 CDN		1.2437		1.0624

The Company manages foreign currency risk by minimizing the value of financial instruments denominated in foreign currency. The Company has not entered into any foreign currency contracts to mitigate this risk.

(iii) Other price risk

The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(d) Fair value of financial instruments

The fair values of the Company's amounts receivable, accounts payable and accrued liabilities and loan payable approximate their carrying values because of the short-term nature of these instruments.

The Company uses a fair value hierarchy that categorizes inputs used in valuation techniques to measure the fair value of financial instruments:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash is all classified at level one of the fair value hierarchy. The Company's remaining financial instruments are classified as Level 2.

Changes in Accounting Policies

Advance Gold has not changed its accounting policies for the year ended May 31, 2015.

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 May 31, 2015, $678 cash and amounts receivable are held in Canadian dollars, $957 cash is 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 September 21, 2015 there were 7,696,339 common shares issued and outstanding, 625,000 stock options outstanding, and the following warrants and broker's options were outstanding:

Grant Expiry Date	Grant Price	Warrants Outstanding
Nil	$ -	Nil
		Nil

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.