("Advance Gold")

Management's Discussion and Analysis
For the Quarter Ended August 31, 2017

The following discussion and analysis, prepared as of October 30, 2017, should be read together with the interim consolidated financial statements of Advance Gold for the quarter ended August 31, 2017, 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, 2017 and May 31, 2016 and related notes attached thereto and the related Management Discussion and Analysis for those years.

Forward looking 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 and Tabasquena, Mexico.

Management & Directors

Allan Barry Laboucan, Director, President & Chief Executive Officer – Allan is a First Nations mining entrepreneur that started working in the mining sector in 1993 as consultant in investor relations, strategic planning and digital marketing. During his career he has worked with some of the most talented people in geosciences that have mentored him throughout his career. In 2005, Allan founded Allan Barry Reports and the success of his reports opened doors for appearing many times on business television and online media. His reports are highly respected with some of the top talent in the sector appearing as guests on his online shows broadcast on his website.

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 past President of Cassidy Gold Corp.

Marie Cupello, Corporate Secretary & Chief Financial Officer - Ms. Cupello has more than 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.

Emily Hanson, Director, VP Exploration – Emily Hanson graduated with a BSc in Earth and Ocean Sciences from the University of British Columbia in 2004, followed by an MSc in Economic Geology from Rhodes University, South Africa in 2006. Her master's dissertation was a DeBeers funded project which utilized principles of sedimentology and erosion to re-model South African kimberlite diatremes. Miss Hanson began her career as a consultant sedimentologist for DeBeers in the Democratic Republic of the Congo. Later moving onto diamond projects in Northwest Territories and Nunavut, and various gold projects in British Columbia. She additionally worked with a uranium services company contracting out to companies throughout the world on green field exploration projects. Throughout her career she has utilized GIS in her work as an exploration geologist and most recently in applications related to the oil and gas industry. Ms. Hanson is also a director and VP Exploration with Alset Minerals Corp., a publicly listed company.

Mr. Jeffrey Scott Ackert, Director – 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 is President and CEO of Carube Copper Corp. and has previously held the positions of Vice-President of Exploration and Vice-President Technical Services for Orezone Resources Inc. until that company's sale to IAMGOLD.

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.

Duke Greenstein, Director - Duke Greenstein is a businessman with extensive experience in management of complex manufacturing systems for some of the most well-known consumer brands. He also has extensive experience in contract negotiations, and in sales and marketing. His skill set will help with guidance in several areas as we advance our projects. Mr. Greenstein is joining the board as an independent director.

Performance Summary

Kakamega Properties

Rosterman, Bukura and Sigalagala Gold Properties, Kenya East Africa

On November 1, 2012 Advance announced that **African Barrick Gold Plc.** ("ABG") 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.

On November 27, 2014, ABG announced that it had changed its name to Acacia Mining plc. ("Acacia").

On February 28, 2013 Advance announced that Acacia 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 Acacia'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 26, 2017, the Company elected to dilute their participation interest to 14% under the Option and Joint Venture agreement, giving Acacia Mining an 86% interest in the Kakamega Properties.

Qualified Person

Jeffrey Scott Ackert, a director of the Company, is a Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the exploration information and technical disclosure.

Tabasquena Property

On September 11, 2017 Advance announced that it had acquired a 100% interest in the Tabasquena Silver Mine in Zacatecas, Mexico. Upon receipt of regulatory approval, Advance will issue to Hot Spring Mining, a Mexican based corporation, 1,000,000 common shares which will be subject to a statutory four-month hold period, in exchange for which Hot Spring Mining will transfer a 100% interest in the Mining Concessions to Advance Mexico. Hot Spring Mining will retain a 2.5% NSR, of which Advance Mexico has the right to buy 1.5% at a rate of $500k CAD per 0.50%.

Qualified Person

Emily Hanson, a director of the Company and its Vice President Exploration, is a Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the exploration information and technical disclosure.

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 net loss of $37,049 for the quarter ended August 31, 2017, compared to a net loss of $8,517 for the three months ended August 31, 2016. The current period loss is higher due to the acquisition of the Tabasquena project

Summary of Quarterly Results

		Aug 31/17 IFRS	May 31/17 IFRS	Feb 28/17 IFRS	Nov 30/16 IFRS	Aug 31/16 IFRS	May 31/16 IFRS	Feb 29/16 IFRS	Nov 30/15 IFRS
Total assets	$	488,212	$ 437,629	$ 461,323	$ 412,473	$ 413,276	$ 412, 846	$ 414,458	$ 411,152
Exploration properties & deferred costs	$	465,945	$ 412,949	$ 410,432	$ 410,353	$ 410,323	$ 407,829	$ 407,330	$ 407,304
Working capital (deficiency)	$	(248,846)	$ (158,802)	$ (114,313)	$ (226,113)	$ (212,298)	$ (201,287)	$ (176,640)	$ (151,978)
Deficit	$	5,727,310	$ 5,690,261	$ 5,648,523	$ 5,627,865	$ 5,614,080	$ 5,605,563	$ 5,535,427	$ 5,510,792
Revenues	$	-	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net loss (income)	$	37,049	$ 84,698	$ 20,658	$ 13,919	$ 8,517	$ 70,209	$ 24,634	$ (94,472)
Earnings (loss) per share	$	(0.00)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.01)	$ 0.009	$ 0.003	$ (0.012)

The significant changes in key financial data from September 1, 2015 to August 31, 2017 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 quarter is due to an increase in assets with the acquisition of the Tabasquena project in Mexico. All other expenses are increased due to an increase in exploration activity, again with the acquisition of the Tabasquena project. As of August 31, 2017, the Company had current assets of $22,267, compared to current assets of $24,680 as at May 31, 2017, the decrease stemming from the partial payout on a debenture. As of August 31, 2017, the Company's current liabilities were $271,114 compared to current liabilities of $183,482 as at May 31, 2017, the increase is due to the cost of acquisition of the Tabasquena project. 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.

		Aug 31, 2017		Aug 31, 2016
Working capital (deficiency)	$	(248,846)	$	(212,298)
Deficit	$	5,727,310	$	5,614,080

Financing

On May 13, 2016, the Company closed a non-brokered private placement of 980,000 shares at $0.05 per unit for gross proceeds of $49,000 to a director of the Company. The Company incurred share issue costs of $3,012 in connection with this financing.

On February 28, 2017, the Company closed a non-brokered private placement of 1,813,332 shares at $0.075 per share for gross proceeds of $136,000. A director and an officer of the Company both participated in the private placement, having purchased an aggregate of 960,000 common shares. The Company incurred share issue costs of $3,697 in connection with this financing.

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 have covered exploration requirements at the three Kakamega properties.

First Quarter Results

Advance Gold had a net loss of $37,049 (2016 - $8,517) and general and administrative expenses of $37,137 (2016 - $8,667) during the quarter ended August 31, 2017. Such expenses included:

		Q1 2017		**Q1 2016**
Advertising and promotion	$	240	$	240
Interest, bank charges and foreign exchange loss		1,030		1,702
Management fees		15,000		-
Office and sundry		-		12
Professional fees		18,925		4,675
Rent and telephone		86		143
Transfer agent and filing fees		1,856		1,895
Gain on settlement of debt		(88)		(150)
	$	37,049	$	8,517

Administrative expenses have increased from the prior year due mainly to an increase in management and professional fees. Other administration expenses have increased only slightly from the prior year due to interest owing on debt. Advance Gold had a working capital deficiency of $248,846 for the three months ended August 31, 2017.

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 quarters ended August 31, 2017, and 2016:

		Quarter Ended Aug 31, 2017		Quarter Ended Aug 31, 2016
Management Fees	$	15,000	$	-
Consulting	$	310	$	-
Rent	$	86	$	-
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. During the year ended May 31, 2016, $63,540 of accounts payable was forgiven by the former CEO of the Company.

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. No impairment was recognized for the three months ended August 31, 2017.

(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 three months ended August 31, 2017 the Company recognized share-based compensation expense of $nil (2016 - $nil).

(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 August 31, 2017 and 2016 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, 2016. 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.

IFRS 15 *Revenue from Contracts with Customers*

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

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. Cash on hand at May 31, 2017 and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational needs. Therefore, the Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof.

Accounts payable and accrued liabilities are due within twelve months of the consolidated statement of financial position date.

(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 and Mexican Pesos as at August 31, 2017 and 2016 is as follows:

		Aug 31, 2017		Aug 31, 2016
Cash	$	(31)	$	-
Accounts payable and accrued liabilities	$	-	$	-
Rate to convert to $1.00 CDN		1.3500		1.3110

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 three months ended August 31, 2017.

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 August 31, 2017, $19,534 cash and amounts receivable are held in Canadian dollars, $453 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 October 30, 2017 there were 11,489,671 common shares issued and outstanding, of which 170,000 stock options were 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.

Subsequent Event

TSX approval for the acquisition of the Tabasquena property and share issuance was received on September 28, 2017. Shares have been issued to Hot Spring Mining.

On October 5, 2017, the Company announced the resignation of Christopher Wild and Osvaldo Iadarola and the appointment of Emily Hanson and Duke Greenstein as directors.

Approval

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