(formerly "Africa West Minerals Corp.")

Management's Discussion and Analysis
For the Quarter Ended November 30, 2010

The following discussion and analysis, prepared as of January 28, 2011, should be read together with the interim consolidated financial statements of Advance Gold for the quarter ended November 30, 2010, as well as the audited consolidated financial statements for the years ended May 31, 2010 and May 31, 2009 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. Advance Gold trades on the TSX Venture Exchange under the symbol "AAX".

Management & Directors

James T. Gillis, President & Chief Executive Officer - Mr. Gillis has been the President of James T. Gillis Management Co. Inc. since 1985, 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.

Martin Bajic, Chief Financial Officer & Corporate Secretary - Mr. Bajic holds a Bachelor of Arts Degree and a Diploma in Accounting Degree from the University of British Columbia and is a member of the Institute of Chartered Accountant of BC. Mr. Bajic is currently the Chief Financial Officer and a director of MetroBridge Networks International Inc., Providence Resources Corp. and Patriot Petroleum Corp., all public companies whose shares trade on the TSX Venture Exchange. Mr. Bajic is also currently the Chief Financial Officer and director of both HT Capital Inc. and Drexel Capital Corp., both of which are Capital Pool Companies listed on the TSX Venture Exchange.

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.

Steve Bajic, Director – Since 1999 Mr. Bajic has been the President of Hexagon Ventures Inc., a company providing financial and business services consulting to private and publicly listed companies. Mr. Bajic has previously held numerous public company director and/or officer positions and is currently a director and CFO of Pembroke Capital Corp., a Capital Pool Company listed on the TSX Venture Exchange. He has been in the finance industry for over 15 years and has helped raise capital in various industries at all levels of company advancement. Mr. Bajic holds a Financial Management Diploma from the British Columbia Institute of Technology.

Doug Billingsley, Director - Mr. Doug Billingsley has been employed with Out Think Strategic Business Solutions since June, 2000 as a Partner of the company. Mr. Billingsley earned his MBA from the University of Saskatchewan in 1982. He has been a director of Trilliant Exploration Corp. which trades on the OTC Bulletin Board from July, 2006 until July 2007 and a director and corporate secretary of Adobe Ventures Inc. which trades on the Toronto Stock Exchange from June, 1999 to June, 2001.

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.

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. 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

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.

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.

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.

Summary of Results

	Three Months Ended Nov 30/10	Three Months Ended Aug 31/10	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
Total assets	$2,775,264	$2,821,112	$2,795,132	$3,063,086	$3,073,386	$3,026,801	$3,071,211	$4,229,255
Exploration properties and deferred costs	$2,747,861	$2,754,122	$2,730,561	$2,891,527	$2,849,239	$2,050,911	$2,856,832	$3,969,087
Working capital (deficiency)	$(12,538)	$26,623	$(14,398)	$(8,897)	$31,650	$(914)	$(14,848)	$81,376
Deficit	$2,556,610	$2,521,188	$2,475,791	$2,031,215	$1,978,709	$1,914,260	$1,850,032	$1,082,222
Revenues	$-	$-	$-	$-	$-	$235	$188	$76
Net loss	$45,422	$45,397	$444,576	$52,506	$64,449	$64,228	$767,810	$169,208
Earnings (loss) per share	$(0.01)	$(0.01)	$(0.02)	$(0.01)	$(0.01)	$(0.01)	$(0.02)	$(0.01)

The significant changes in key financial data from September 1, 2008 to November 30, 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 also due to a write down of mineral properties. Exploration expenditures has slowed in the past six 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 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.

Capital Resources

During the quarter ended November 30, 2010 Advance Gold issued 2,000,000 shares in connection with 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.

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.

(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 obligation**
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.

Changes in Accounting Policies

On June 1, 2008, the Company adopted three new accounting standards described in Section 1535 Capital Disclosures, Section 3862 Financial Instruments – Disclosures and Section 3863 Financial Instruments – Presentation of the Canadian Institute of Chartered Accountants ("CICA") Handbook. The requirements of these new standards applicable to the Company are:

(a) **Capital Disclosures**
Section 1535 requires the disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital, whether the entity has complied with any external capital requirements and, if it has not complied, the consequences of such non-compliance.

As a result of the adoption of this standard, additional disclosure on the Company's capital management has been included in Note 13 to the consolidated financial statements.

(b) **Financial Instruments - Disclosures and Financial Instruments– Presentation**
Sections 3862 and 3863 replace Handbook Section 3861 Financial Instruments - Disclosure and Presentation revising its disclosure requirements and carrying forward its presentation requirements. These new sections place increased emphasis on disclosure about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

Section 3862 requires disclosure which enable users to evaluate the significance of financial instruments on the entity's financial position and performance, the nature and extent of and exposure to risks arising from financial instruments and how the entity manages those risks. As a result of the adoption of this standard, additional disclosure on these risks has been included in Note 12 to the consolidated financial statements.

Section 3863 establishes standards for the presentation and classification of financial instruments and non-financial derivatives. The adoption of this standard did not have any impact on the classification or presentation of the Company's consolidated financial instruments.

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:

(c) **International Financial Reporting Standards ("**IFRS**")**
The Canadian Accounting Standards Board will require all public companies to use IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal year. The transition from Canadian GAAP to IFRS will be applicable for the Company for the first quarter of fiscal year ending September 30, 2012 when the Company will prepare both the current and comparative financial information using IFRS. The Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS and initial adoption alternatives have not been determined.

(d) **Business Combination, Consolidated Financial Statements and Non-controlling interest**
For interim and annual financial statements relating to fiscal years commencing on or after January 1, 2011, the Company will be required to adopt new CICA Section 1582 "Business Combinations", Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests". Section 1582 replaces existing Section 1581 "Business Combinations", and Sections 1601 and 1602 together replace Section 1600 "Consolidated Financial Statements". The adoption of Sections 1582 and collectively, 1601 and 1602 provides the Canadian equivalent to IFRS 3 "Business Combinations" and International Accounting Standard ("IAS") 27 "Consolidated and Separate Financial Statements" respectively. Management does not consider that the adoption of these standards will have a significant impact on the Company's 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.

Financing

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 January 28, 2011 there were 24,116,402 common shares issued and outstanding, of which 1,457,750 were held in escrow, 1,757,500 stock options outstanding, and 1,575,000 warrants and broker's options outstanding.

Related Party Transactions

Related party transactions are:

	For the six months ended November 30, 2010	For the six months ended November 30, 2009
Management fees paid to a company controlled by a director of the Company	$30,000	$30,000
Rent paid to a company with common management	$ 4,602	$ 4,666

Accounts payable at November 30, 2010 includes $5,600 (May31, 2010 - $24,385) payable to companies controlled by a director of the Company.

The loan of $10,000 payable at May 31, 2010 is payable to a private company controlled by a director of the Company and is unsecured. This loan has been repaid in full.

Financial Instruments

Advance Gold's financial instruments consist of cash, 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, 2010 $14,227 cash and cash equivalents are held in Canadian dollars, $8,107 cash and cash equivalents are held in US dollars and Kenya shilling. Advance Gold does not use derivative instruments or foreign exchange contracts to hedge against gains or losses arising from foreign exchange fluctuations.

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.