Management's Discussion and Analysis

For the Three and Six Months Ended June 30, 2015

Dated: August 18, 2015

NOTICE TO READER

The following discussion, prepared as of August 18, 2015, is management's discussion and analysis ("MD&A") of the results and financial condition of AM Gold Inc. (the "Company" or "AM Gold") for the three and six months ended June 30, 2015. The following information should be read in conjunction with the annual audited consolidated financial statements of AM Gold for the year ended December 31, 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and the unaudited condensed consolidated interim financial statements of the Company for the three and six months ended June 30, 2015, which have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board effective for the Company's reporting period ending December 31, 2015. **All dollar amounts, unless otherwise indicated, are in Canadian dollars.**

The Company is a reporting issuer in the Provinces of British Columbia and Alberta in Canada and is listed on the TSX Venture Exchange ("TSX.V") in Canada under the symbol AMG and the Frankfurt Exchange under the symbol AMX.

Additional information related to the Company is available on SEDAR at www.sedar.com.

OVERVIEW

The Company's main business focus is to acquire and explore mineral properties for precious and base metals and other minerals. Since 2004, the Company has been focused on developing its 100% controlled Pinaya gold-copper project located in southern Peru, and its 100% controlled Red Mountain gold project located in the Yukon Territory, Canada. The Red Mountain gold project consists of the original 52 ICE and JC claims (1,168 hectares). In June 2011, the Company also acquired 100% interest in the 131 Frost claims (2,430 hectares). AM Gold also has a 100% interest in two grassroots gold projects located in Peru: La Mamita and Minas Lucho. To date, the Company has not earned any revenues from its mineral property interests and is considered to be an exploration stage company.

MINERAL PROPERTIES

Pinaya Project, Southern Peru

Through its ownership of a Peruvian subsidiary, the Company owns a 100% interest in the Pinaya Property in Southern Peru.

The Pinaya gold-copper Project is located in southern Peru approximately 775 kilometers southeast of Lima, the capital of Peru, and 110 kilometers north-northeast of Arequipa, the second largest city in Peru. The property consists of thirty five mineral concessions covering approximately 19,200 hectares. AM Gold holds a 100% interest in the concessions through its wholly owned Peruvian subsidiary Canper Exploraciones S.A.C ("Canper").

Canper originally held the rights to thirteen of the thirty-five mineral concessions that make up the project. In April of 2004, AM Gold acquired Canper for a total of 300,000 shares over a three year period.

An additional 25,000 shares of the Company may be issued as follows:

- **(i)** If a probable reserve of 750,000 ounces of gold is outlined at Pinaya, then 12,500 shares will be issued; and
- **(ii)** If a probable reserve of 2,500,000 ounces of gold is outlined at Pinaya, then a further 12,500 shares will be issued.

Compañia Minera Aurifera Los Andes de Pinaya S.A.C ("COMAPI") originally owned three of the thirty five mineral concessions. AM Gold completed a property option agreement with COMAPI to earn 100% interest in these concessions by paying COMAPI US$2,500,000 over a three-year period.

One of the mineral concessions, Don Pedro 2000, was originally owned by a Peruvian company. To earn a 100% interest in the concession, AM Gold made staged payments to the Peruvian company totalling US$250,000 over a three-year period.

All of the other concessions were acquired by direct application to the Peruvian Ministry of Mines.
In mid-February 2011, AM Gold geologists initiated a heavy mineral stream sediment and soil sampling program covering approximately 6,000 hectares at the southern end of the Pinaya property. A portable XRF unit was utilized to rapidly assess collected samples. In March, 2011, the Company conducted a combined Z-tipper Electromagnetic ("VTEM") and Cesium-magnetometer survey of the Pinaya Property.

A summary of the resource at the Pinaya property is as follows:

Pinaya Project (Two Zones)	
Porphyry Zones	
Measured & Indicated Resource[1]	**Inferred Resource**
452,000 oz Au *	**307,000 oz Au ****
280 million lbs Cu *	**314 million lbs Cu ****
* Measured & Indicated Resource: 32.3 Mt @ 0.39% Cu and 0.44 g/t Au	** Inferred Resource: 35.4 Mt @ 0.40% Cu and 0.27 g/t Au
[1]Measured 5.5 Mt @ 0.44 % Cu and 0.49g/t Au	
[1]Indicated 26.7Mt @ 0.38 % Cu and 0.42g/t Au	
Gold Oxide Skarn Zone	
Measured & Indicated Resource[2]	**Inferred Resource**
164,000 oz Au †	**46,000 oz Au ‡**
13 million lbs Cu †	**4.3 million lbs Cu ‡**
† Measured & Indicated Resource: 6.4 Mt @ 0.80 g/t Au and 0.09 % Cu	‡ Inferred Resource: 2.4 Mt @ 0.60 g/t Au and 0.08% Cu
[2]Measured 2.2Mt @ 0.92g/t Au and 0.09% Cu	
[2]Indicated 4.2Mt @ 0.74 g/t Au and 0.09% Cu	
For further information see AM Gold's news release of June 6, 2011, a copy of which is available at www.sedar.com	

The airborne VTEM survey was completed in June 2011. On May 10, 2012 the results of the completed geophysical surveys at the Company's Pinaya gold copper-silver project outlined 19 EM anomalies indicative of sulphide mineralization, within a wider area of moderate chargeability and lower magnetic response interpreted as altered volcanic or intrusive rocks, (see the Company's news release dated May 10, 2012, a copy of which is available at www.sedar.com).

Option and Joint Venture Agreement

On July 16, 2012, the Company entered into an option and joint venture agreement with Rokmaster which was subsequently amended on September 11, 2013. The Company granted Rokmaster an option to earn up to a 75% interest in 35 mineral claims located in the Caylloma and Lampa Provinces of Peru, known as the Pinaya Gold/Copper Project. The agreement was approved by the TSX.V on September 11, 2012 ("effective date"). Under the terms of the agreement:

Rokmaster may earn an initial 51% interest in the property by:

- Paying to the Company, a total of $2,825,000 as follows:
  - **(i)** $400,000 (paid) on or before the effective date;
  - **(ii)** an additional $75,000 (paid) on or before September 11, 2013;
  - **(iii)** an additional $125,000 (paid) on or before January 11, 2014;
  - **(iv)** an additional $125,000 (paid) on or before May 1, 2014;
  - **(v)** an additional $400,000 on or before September 11, 2014 and which is overdue and has not been paid;
  - **(vi)** an additional $400,000 on or before the day which is three years after the effective date; and
  - **(vii)** an additional $1,300,000 on or before the day which is four years after the effective date, $500,000 of which, at the discretion of Rokmaster, may be paid in cash or in common shares of Rokmaster ("Rokmaster Shares") using the volume weighted average trading price of the Rokmaster Shares on the TSX.V for the 20 consecutive trading days preceding such payment.

- Incurring an aggregate of $12,100,000 in exploration work on the property ("expenditures") within four years of the effective date as follows:
  - **(i)** $1,000,000 on or before the day which is one year after the effective date (incurred);
  - **(ii)** an additional $1,500,000 on or before the day which is two years after the effective date;
  - **(iii)** an additional $3,500,000 on or before the day which is three years after the effective date; and
  - **(iv)** an additional $6,100,000 on or before the day which is four years after the effective date.

- Completing a minimum of 10,000 meters of drilling on the property, within four years of the effective date as follows:
  - **(i)** a minimum of 3,000 metres of drilling within two and a half years of the effective date; and
  - **(ii)** a minimum of an additional 7,000 metres of drilling within four years of the effective date.

Rokmaster may earn an additional 24% interest in the property by paying the Company an additional $1,300,000 (of which Rokmaster may elect to pay $500,000 with common shares of Rokmaster), completing a preliminary economic assessment on the property, and incurring no less than an additional $9,700,000 in expenditures, all within 5 years of the effective date.

After Rokmaster has earned either a 51% interest (and elected not to earn an additional 24% interest in the property) or earned a 75% interest in the property, Rokmaster and the Company will form a joint venture. Any party whose interest in the joint venture dilutes below 10% will have its interest converted into a 3% Net Smelter Royalty ("NSR") which may be reduced from 3% to 2% by paying the NSR holder $2,000,000, and which NSR may be further reduced from 2% to 1% by paying the NSR holder a further $5,000,000.

In accordance with terms of the amended option and joint venture agreement dated September 11, 2013, approval of which was received by the TSX.V on October 18, 2013, the Company received 1,000,000 common shares of Rokmaster that had a total fair value of $85,000.

On June 19, 2013, the Company loaned Rokmaster U.S. $114,824 (CDN $120,771 at June 30, 2013) for the payment of property taxes on the Pinaya property in Peru. This loan was repaid by Rokmaster on July 18, 2013.

Annual payments may be required in order to keep the Peruvian claims in good standing. During 2013, payments totalling U.S. $114,824 were made. Payments totalling U.S. $109,189 were made in 2012.

On April 5, 2013, Rokmaster applied for, through its wholly-owned Peruvian subsidiary, a 1,000 hectare mining concession area bounded on the south and west by BHP Billiton World Exploration Inc. and on the northwest by Golden Ideal Gold Mining S.A.C. (the "Concession"). The Concession falls within the area of interest contemplated in the option and joint venture agreement between AM Gold and Rokmaster (the "Option and JV Agreement").

AM Gold has elected to exercise its right to have the Concession form part of the property under the Option and JV Agreement and pursuant to the terms of such agreement the related acquisition costs of the Concession will be set-off against Rokmaster's earn-in expenditures.

On July 15, 2014, Rokmaster notified the Company that its team of geologists completed an assessment and evaluation of historical drill core, trench data, geo-physical IP data and surface mapping of the known mineralized systems at the Pinaya gold-copper project and has discovered a new potential of a gold-copper skarn pebble dyke system.

On August 7, 2014, Rokmaster notified the Company that they have commenced a diamond drill program on its Pinaya Copper-Gold project.

On September 11, 2014, the Company expected to receive a further $400,000 that was due from Rokmaster per the terms of the Option and JV Agreement. On September 22, 2014, Rokmaster delivered a notice of force majeure. The Company has challenged the validity of Rokmaster's notice of force majeure. On September 24, 2014, the Company issued Rokmaster a notice of default under the Option and Joint Venture Agreement when Rokmaster failed to (i) remit a cash option payment to the Company in the amount of $400,000 ("Option Payment") and (ii) incur a further $1,500,000 in exploration expenditures. Such cash payment and exploration expenditures were required to be paid/incurred on or before September 11, 2014, but the $400,000 cash payment is currently in default. On October 17, 2014, the Company announced that it notified Rokmaster that, among other things, it does not accept Rokmaster's position that the force majeure, if there is one, applies to the Option Payment. Specifically, the Option Payment was due on or before September 11, 2014 and Rokmaster declared a force majeure on September 22, 2014 – 11 days after the Option Payment was due and was in default.

On November 12, 2014, Rokmaster notified the Company of its initiation of the process to arbitrate with respect to the Company's challenge of the validity of Rokmaster's declaration of force majeure along with the Company's subsequent notice of default to Rokmaster. On November 24, 2014, the Company was notified by Rokmaster that it had filed a domestic commercial arbitration notice (the "Arbitration Notice") with the British Columbia International Commercial Arbitration Centre (the "BCICAC"). In the Arbitration Notice, Rokmaster seeks: (a) an order declaring that its declaration of force majeure was valid and that the notice of default provided by the Company was invalid, (b) injunctive relief preventing the Company from taking any steps to breach or end the Option and JV Agreement or to adversely deal with the Pinaya Gold/Copper Project, (c) an award of damages with respect to the misrepresentations and breach of contract of at least $3,040,095, broken down as follows: $725,000 representing all cash payments made by Rokmaster to the Company to date, $2,165,095 in exploration expenditures on the Pinaya Gold/Copper Project incurred by Rokmaster as at September 30, 2014 and an additional $150,000 in respect of the 1,000,000 common shares of Rokmaster issued to the Company, plus interest and costs, and such further and other relief as Rokmaster may seek and the arbitrators deem meet and just.

Both parties have agreed on the selection of one arbitrator. The arbitration procedures as set out in the Option and Joint Venture Agreement require:

- the appointing authority will be the BCICAC;
- the case will be administered by the British Columbia International Commercial Arbitration Centre in accordance with its "Procedures for Cases under the BCICAC Rules;
- the place of arbitration will be Vancouver, British Columbia;
- the language used in the arbitral proceedings will be English;
- the award of the arbitrator will be final and binding on the parties who will abide by the award; and
- the arbitrators fees will be paid by both parties in equal parts during the course of the arbitration but upon final decision of the dispute, the defeated party will pay all costs and reimburse all arbitration costs, including the amounts paid by the prevailing party, subject to the contrary decision of the arbitrators.

On January 2, 2015, the Company announced that it, along with its wholly-owned Peruvian subsidiary, has filed a joint statement of defense and has also initiated a counterclaim against Rokmaster as part of the arbitration proceedings commenced by Rokmaster. The Company maintains that the basis for Rokmaster's claims against it are unfounded and without merit and the Company is seeking that Rokmaster's claim against the Company be dismissed with costs against Rokmaster on a substantial indemnity scale. With respect to the counterclaim, the Company is seeking an award for damages, in an amount to be assessed, including but not limited to damages on account of the loss in value of the Company's Pinaya gold-copper project due to the significant and material effect of alleged false, malicious and defamatory statements made or authorized by Rokmaster. See recent developments under the section titled "Proposed Transaction" in this MD&A regarding the definitive acquisition agreement between the Company and Kaizen Discovery Inc. pursuant to which the Company, its wholly-owned Peruvian subsidiary and Rokmaster have suspended the arbitration proceedings pending closing of the definitive acquisition agreement.

Red Mountain Project, Yukon Territory, Canada

The Company owns a 100% interest in the Red Mountain property located in the Yukon Territory, Canada.

The Red Mountain project is located in central Yukon Territory approximately 55 kilometers northwest of the community of Mayo in the Tintina Gold Belt. The Company earned its 100% interest in the 52 mineral property claims covering 1,168 hectares by fulfilling the following requirements:

- **(i)** $50,000 upon execution of the agreement (paid);
- **(ii)** $50,000 (paid) and 20,000 common shares (issued) within 7 days upon approval by regulatory authorities;
- **(iii)** $25,000 (paid) and 17,500 common shares (issued) on or before August 17, 2011;
- **(iv)** $25,000 (paid) and 17,500 common shares (issued) on or before August 17, 2012;
- **(v)** $50,000 (paid) and 45,000 common shares or $450,000, at the Company's discretion, on or before August 17, 2013 (issued – 45,000 common shares).

The 52 mineral claims covering 1,168 hectares on the property are subject to a 2% NSR to be paid to the vendor following commencement of commercial production. The NSR payable may be reduced from 2% to 0.5% by the Company agreeing to pay $1,000,000 for the first 1% of the NSR and $750,000 for the next 0.5% of the NSR at any time, at the Company's discretion.

Red Mountain is a dome rising 500 meters above the surrounding valley elevation of 1,000 meters. Geological, geophysical and geochemical data together with 16,572 meters of drilling in 61 diamond drill holes to date show that much of Red Mountain is prospective for gold mineralization. A volume of prospective rock measuring 3.5 by 2 kilometers in surface extent and extending to at least 500 meters depth has been established from the geological and geochemical data framework. Geophysical data indicates the intrusive rock forms the core of the dome extending to over 1000 meters in depth. The prospective intrusive host rock is interpreted to comprise a volume potentially exceeding 5 cubic kilometers.

In 2011, a drill program commenced with primary focus on expanding the inferred 1.32 million ounce gold resource (79.3 million tonnes grading 0.52 g/t gold) that was previously announced on December 2, 2010. By September 30, 2011, the Company had completed approximately 8,000 meters drilling in 24 holes located to the north, east, south and west end of the resource area. To date, drilling in and around the inferred resource area has not closed gold mineralization in any direction laterally or at depth, with the strongest mineralization open to extension at the east and west ends of the inferred resource along strike of the Jethro Structure and at depth.

On June 22, 2011, the Company substantially increased its Yukon land position at Red Mountain through the staking of 131 quartz claims covering approximately 2,400 hectares. The recently acquired claims are contiguous to the original 52 claims (1,168 hectares) that previously constituted the Red Mountain Property and are situated to the south and east of the Company's 1.32 million troy ounce gold inferred resource (79.3 million tonnes grading 0.52g/t gold) (see the Company's news release of December 2, 2010, a copy of which is available at www.sedar.com). With the addition of the new claim block, AM Gold more than tripled the size of its land package at Red Mountain to approximately 3,600 hectares in total.

On November 21, 2011, the first 14 core hole assays had increased the mineralized area inclusive of the resource from 650 metres in length by approximately 150 metres in width by over 300% to a minimum of 900 metres in length by 500 metres in width. AM Gold contracted Geotech, who flew VTEM geophysics at Red Mountain. The Company expects to review and interpret the data at a future date to further delineate primary higher grade target areas. Potential mineralization at Red Mountain remains open in all directions laterally and at depth.

On January 23, 2012, the Company demonstrated through its 2010-2011 drill programs, that Red Mountain is comprised of an extensive gold-mineralized Tombstone intrusive rock complex enveloped by a carapace-like zone of altered sedimentary rocks, which are also mineralized with gold. The Company has established the potential for extensive tonnages of material extending to depth from surface that will require additional drilling to delineate its overall distribution.

This section includes a comprehensive tabulation summarizing the previously disclosed intervals identified from the completed 2010 and 2011 diamond drill holes - all of which exhibited gold mineralization. In total, the Company drilled 36 holes at Red Mountain in 2010 and 2011. The results from the 36 drill holes were disclosed in the Company's news releases dated October 5, 2010, October 25, 2010, November 4, 2010, November 16, 2010, November 22, 2010, November 30, 2010, September 12, 2011, October 3, 2011, November 21, 2011 and January 11, 2012, copies of which are available under the Company's SEDAR profile at www.sedar.com. A chart summarizing a comprehensive list of all the holes drilled by the Company to date at Red Mountain is posted on the Company's website at www.amgold.ca.

The Company filed an updated National Instrument 43-101 technical report for its Red Mountain property in the first quarter of 2012. The updated technical report incorporated the results from the Company's 2011 drill program. The previous inferred mineral resource estimate for Red Mountain is 79 M tonnes @ 0.52 g/t gold containing 1.32 million troy ounces of gold, utilizing a cut-off grade of 0.2 g/t gold (see the Company's news release of December 2, 2010 for the first time disclosure of the inferred resource estimate). For significant intervals from the 2010 and 2011 diamond drill holes programs, totaling 12,043 metres, please refer to the Company's website at www.amgold.ca.

A summary of the resource at the Red Mountain property is as follows:

Inferred Resource Estimate Model Red Mountain Property			
Cu-Off Grade (g/t)	Tonnes (x 1,000)	Tenor (g/t)	Troy Oz. (x 1,000)
0.10	190,004	0.40	2,441
0.20	181,715	0.41	2,396
0.25	159,889	0.43	2,235
0.30	**127,236**	**0.48**	**1,947**
0.35	96,423	0.52	1,626
0.40	71,484	0.58	1,326
Dilution below 0.3 within Wire Frame	*62,910*	*0.24*	*495*

** Inferred Resource, 1.95 million oz Au; open in all directions laterally and at depth;*
(127 Mt@ 0.48 g/t Au at a cut-off grade of 0.3 g/t Au)
For further information see AM Gold's news release of March 8, 2012

Notes:

1. CIM Definition Standards were followed for Inferred Mineral Resource.
2. Inferred Mineral Resource is reported at a cut-off grade of 0.3 g/tAu.
3. High assays capped at 15g/t Au
4. Inferred mineral resources are not mineral reserves and have not demonstrated economic viability.

The inferred resource estimate was prepared by Brian Cole, P.Geo., of St. Catharines, Ontario, Canada, who was also responsible for the 2010 inferred resource estimate. The table above demonstrates the inferred mineral resource estimate at the 0.3g/t Au cut-off grade and at several other cut-off grades for comparison.

The inferred mineral resource is based on a total of 36 diamond drill holes from the 2010-2011 seasons (totaling 12,020 metres) and an additional 25 diamond drill holes from previous seasons (totaling 4,552 metres) for a combined total of 16,572 metres drilled. A conventional approach of geological interpretation and block type modeling was utilized for the inferred resource estimate.

The inferred resource estimate is located within a large prospective intrusive host rock and through geophysical interpretation the host rock potentially exceeds 5 cubic kilometers. The prospective target area inclusive of the inferred resource measures approximately 3.5 by 2 kilometers in surface extent and extends to at least 500 meters depth as established from the geological and geochemical data framework. Geophysical data indicates the intrusive rock forms the core of the dome.

The technical report (prepared in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*) in respect of the inferred resource estimate disclosed herein is available on SEDAR at www.sedar.com and on the Company's website at www.amgold.ca. A chart summarizing a comprehensive list of all the holes drilled by the Company to date at Red Mountain has also been posted on the Company website.

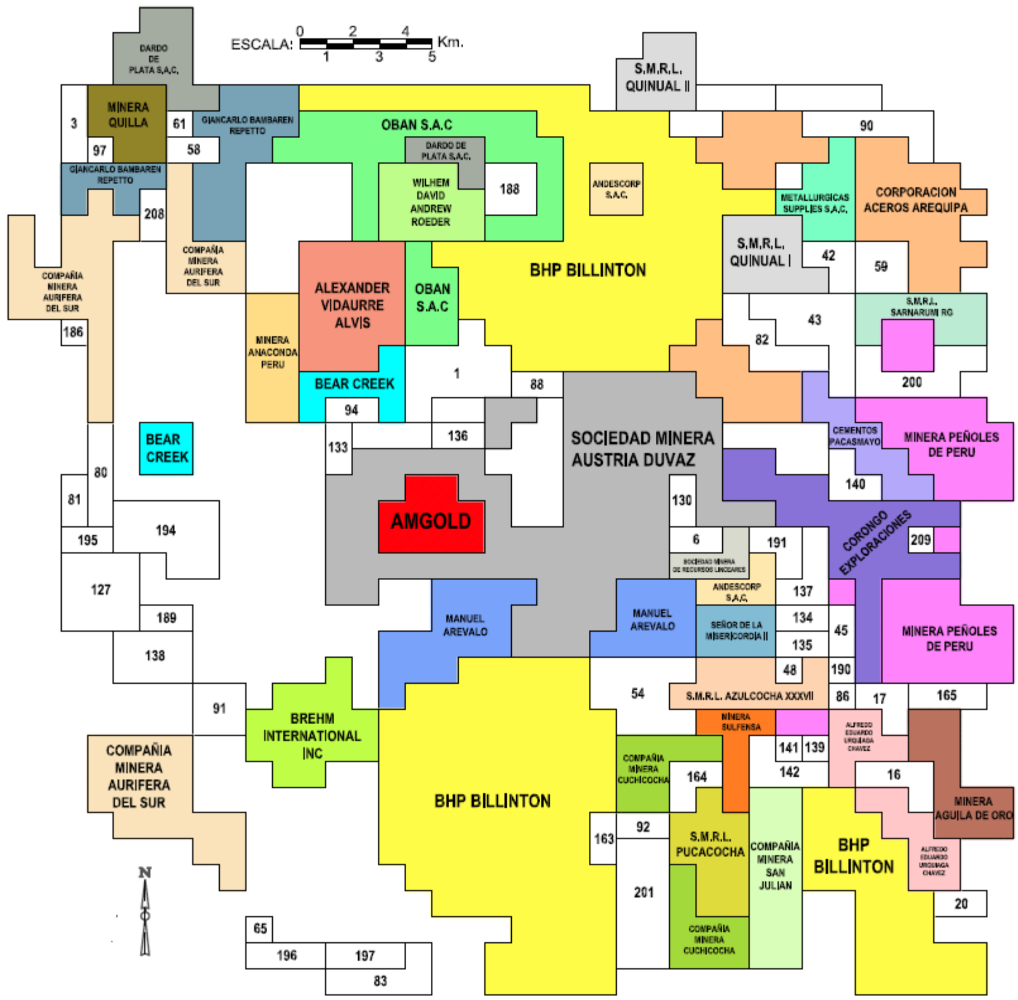
The completed VTEM survey enhances the exploration potential of Red Mountain and the volumes of rock stated in the January 23, 2012 press release are shown to be prospective. This data outlines future exploration targets to potentially substantially increase the known mineralization, and the Company believes that the whole mountain is prospective geologically, geochemically and geophysically.

Deeper drilling is warranted on the Red Mountain deposit as illustrated by Figure 10-3 from the National Instrument 43-101 Resource Estimate Report dated February 14, 2012 (Cole, 2012). Some higher grade intercepts from drilling lie at hole depths of up to 500 meters(approx. elevation 800m above sea level) , versus an elevation cutoff of the inferred resource at 300 meters depth from surface. As exploration progresses on the property, both lateral expansion, testing of potentially higher grade areas as well as additional drilling at depth should represent the focus for major drilling exploration targets.

La Mamita Property, Peru

La Mamita is located in northern Peru in the Ancash mining camp near the Alto Chicama gold mine of Barrick Gold, which contains proven and probable reserves of 6.2 million ounces of gold (Barrick Gold website). AM Gold has a 100% interest in the project which consists of a single concession and covers an area of about 1,000 hectares. Results from a previous surface sampling program showed highly anomalous gold values ranging from 0.23 to 6.37 g/t gold, and averaging 1.43 g/t gold. La Mamita is a grassroots to early exploration stage project with evaluation continuing. The Company paid U.S. $25,000 cash and issued 2,500 shares to acquire the project.

La Mamita Land Holdings



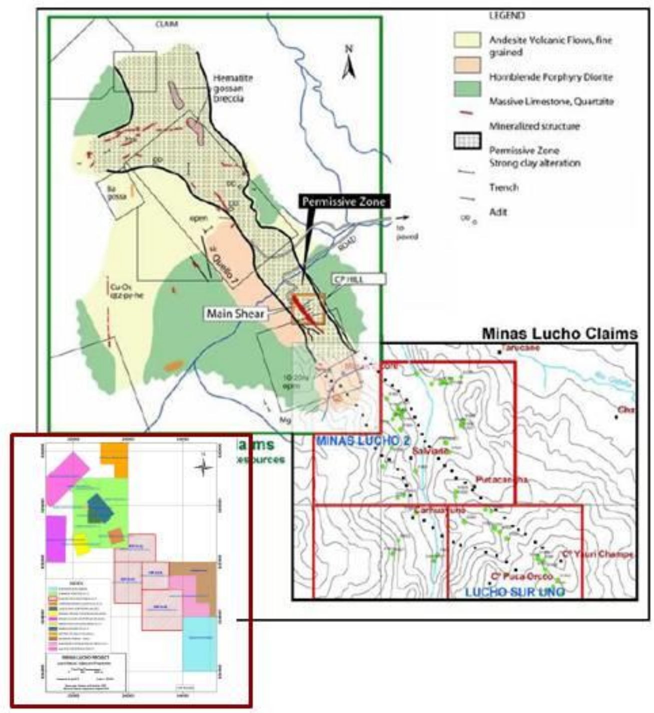
Minas Lucho Property, Peru

AM Gold has a 100% interest in the Minas Lucho Project, which consists of four mineral concessions which cover an area of about 2,400 hectares. The project is located southeast of the Pinaya Project on the Andahuaylas-Yauri metallogenic belt. The claim covers an extensive zone of alteration, which lies along a trend of structurally controlled zones of gold mineralization. Minas Lucho is a grassroots project being evaluated for further exploration. The Company paid U.S. $11,000 cash and issued 10,000 shares to acquire the project.

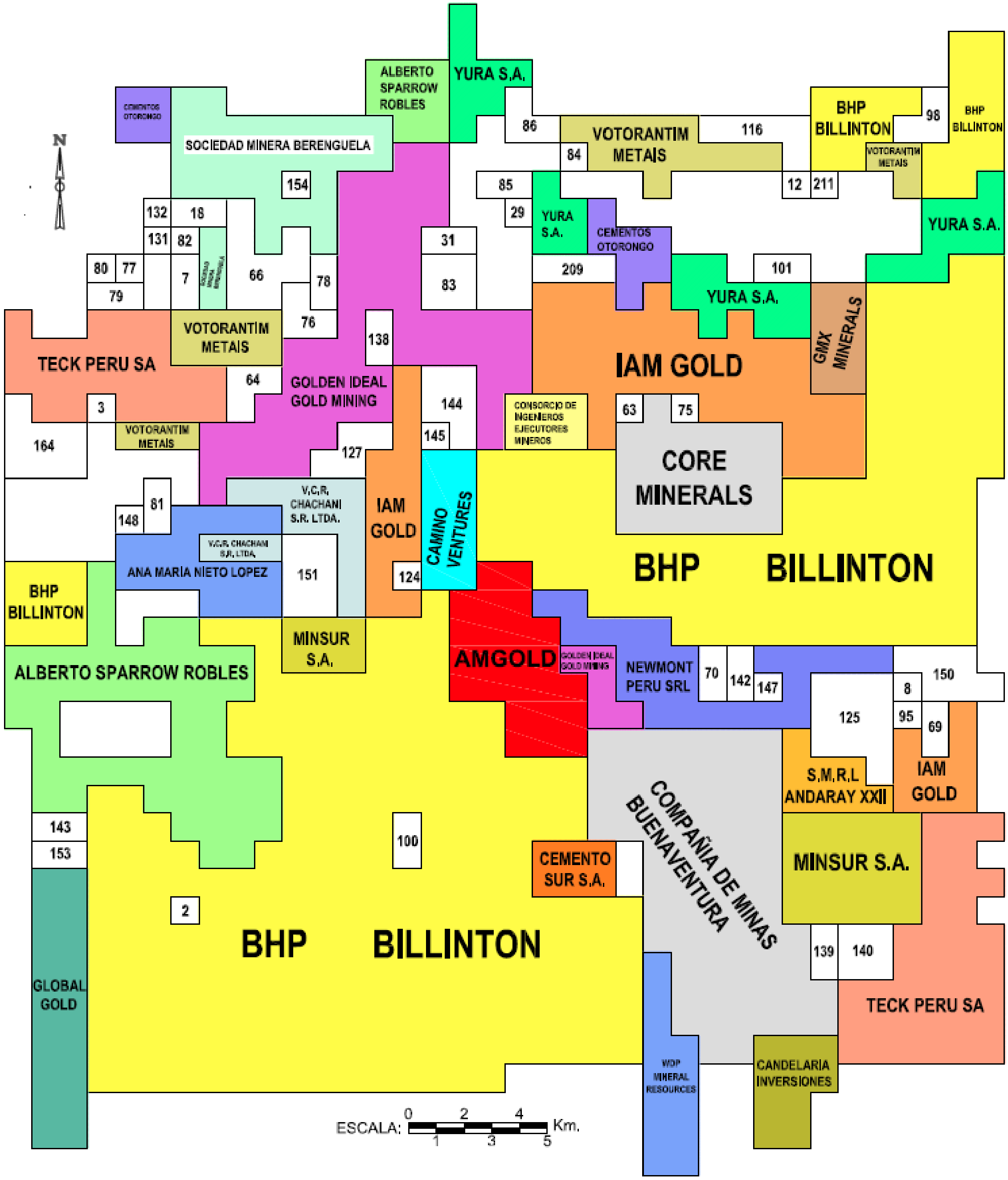
Minas Lucho

Minas Lucho Property

- On major regional fault system
- Right geology with haematite alteration (porphyry, volcs, lst, seds)
- ZTEM Geophysics data in place
- Two primary areas of interest
  - Grabs up to 3.7 g/t Au
  - Grabs up to 3.0% Cu
- BHP Billiton, Newmont, I AM Gold & Goldfields/Buneventura concessions are adjacent to Minas Lucho.
- The recent Chucapaca Project discovery contains an inferred resource of 5.6 million oz Au @ 1.9g/t Au eq(Goldfields Website). The Chucapaca discovery by Goldfields/Buenaventura is on trend to the South East of Minas Lucho.



Minas Lucho Land Holdings



On March 24, 2011, the Company conducted a combined VTEM and Cesium-magnetometer survey of its Minas Lucho property. The survey of the entire 2,400 hectare Minas Lucho property was designed to follow-up on earlier geological, geochemical and remote sensing studies that have identified several prospective areas for Au/Cu mineralization similar to occurrences at Pinaya. The airborne VTEM survey at Minas Lucho was subsequently completed in June 2011, the data from which will be utilized to develop future exploration strategies, plans and schedules.

PROPOSED TRANSACTION

On July 3, 2015, the Company entered into a definitive acquisition agreement with Kaizen Discovery Inc. (“Kaizen”). The following are the major terms of the definitive acquisition agreement (the “Transaction”):

(i) Kaizen will acquire 100% Canper Exploraciones S.A.C. (“Canper”), a Peruvian subsidiary of the Company.

(ii) As part of the agreement, the Company will receive 15,384,615 common shares of Kaizen - representing 9.7% of Kaizen's current issued and outstanding common shares on an undiluted basis - and a cash payment of $500,000.

(iii) The Transaction is expected to close in early September 2015, subject to the receipt of required approvals.

(iv) Kaizen also has entered into a concurrent agreement with Rokmaster, under which (a) Kaizen will purchase certain of Rokmaster's equipment located in Peru and (b) Rokmaster will, among other things, terminate the arbitration proceedings with the Company and Canper. The consideration payable by Kaizen to Rokmaster is two million common shares of Kaizen and $300,000. The Company and Rokmaster have been engaged in commercial arbitration since November 2014, seeking to resolve differences regarding payments under a 2012 option and joint-venture agreement that would have entitled Rokmaster to earn up to a 75% interest in the Pinaya Project.

(v) Upon closing of the Transaction, Rokmaster and the Company, and their respective Peruvian subsidiaries will release each other from certain claims and terminate both their present arbitration and the existing option and joint-venture agreement between the Company, Canper and Rokmaster. The Company and Canper will not make any payment to Rokmaster pursuant to the terms of the settlement agreement.

(vi) Reimbursement of certain property-maintenance payments that the Company will incur between April 1, 2015, and the closing of the Transaction.

(vii) The directors and executive officers of the Company who own AM Gold common shares, along with certain principal shareholders, will be required to enter into voting and support agreements to vote in favour of the transaction at AM Gold's shareholder meeting.

(viii) The Kaizen common shares to be issued to the Company are subject to escrow trickle-out provisions under which 10% of the Kaizen common shares will be released from escrow to the Company on and following the first anniversary date of the closing of the Transaction. A cumulative and further 10% will be released on each three-month anniversary thereafter, ensuring that all Kaizen common shares issued to the Company will be released from escrow 39 months after the Transaction's closing date.

(ix) The Kaizen common shares to be issued to Rokmaster as part of the arbitration settlement agreement also are subject to escrow trickle-out provisions under which 25% of the Kaizen common shares will be released to Rokmaster on and following the first trading day after the expiry of the four-month hold period under applicable securities laws. A cumulative and further 25% will be released on each subsequent three-month anniversary. The Kaizen common shares to be issued to Rokmaster also are subject to a placement right, permitting Kaizen to arrange the sale of the escrowed Kaizen shares, provided the sale price is at least equal to the 30-day volume-weighted average price prior to such release date.

(x) The Company will hold a shareholders' meeting to consider and approve the Transaction no later than September 3, 2015.

(xi) The closing of the Transaction is subject to a number of conditions, including: (a) shareholder approval in respect of both the Company and Canper; (b) the entering into of the voting and support agreements; (c) approval of the TSX Venture Exchange in respect of both Kaizen and the Company; (d) delivery of a title opinion for the Pinaya Copper-Gold Project acceptable to Kaizen; (e) the entering into of an agreement among the Company, Rokmaster, and their respective subsidiaries with respect to the termination of the arbitration and the option and joint venture agreement; and (f) no material adverse effect upon closing for Kaizen, the Company or Canper.

QUALIFIED PERSON

Dr. Stewart A. Jackson P.Geo., is a director of the Company and a member of the Association of Professional Geoscientists of the Province of Ontario. Dr. Jackson is a Qualified Person as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, and is responsible for the preparation of, and has verified, the technical information in this MD&A.

RECENT ACCOUNTING PRONOUNCEMENTS

The Company's adoption of recent accounting pronouncements are described in Note 3 of the Company's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2015, which is filed on SEDAR at www.sedar.com.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

There were no material changes to the Company's critical accounting estimates and judgments for the three and six months ended June 30, 2015 from those as reported in the Company's MD&A for the year ended December 31, 2014.

RESULTS OF OPERATIONS

As AM Gold is in the exploration phase and its properties are in the early stages of exploration, none of the Company's properties are in production. Therefore, exploration and evaluation expenses are expensed when incurred except for significant acquisition costs with respect to a given property. Administrative expenses relating to the operation of the Company's business are also expensed. Consequently, the Company's net loss is not a meaningful indicator of its performance or potential.

The key performance driver for the Company is the acquisition and development of prospective mineral properties. By acquiring and exploring projects of superior technical merit, the Company increases its chances of finding and developing an economic deposit. At this time, the Company is not anticipating profit from operations. Until the Company is able to realize profits from the production and marketing of commodities from its mineral interests, it will report an annual deficit and will rely on its ability to obtain equity or debt financing to fund ongoing operations. Additional financing is required for both current and new exploration and promotional initiatives. Due to the inherent nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt to support its corporate and exploration activities, as well as its share of obligations relating to its mineral properties.

Six months ended June 30, 2015 compared to the three months ended June 30, 2014

The net loss for the six months ended June 30, 2015, was $425,733 or ($0.03) per share, as compared to $189,678 or ($0.02) per share for the three months ended June 30, 2014.

Operating expenses for the six months ended June 30, 2015 totaled $419,654 (June 30, 2014 – $137,286), an increase of $282,368. The fluctuation in operating expenses resulted mainly from the following significant operating expenditures:

- Legal fees of $119,301 (June 30, 2014 - $19,065). The increase of $100,236 in legal fees is due to the legal work relating to the arbitration proceedings with Rokmaster and preparation of various loan agreements in the current period compared to minimal legal work in the prior period.
- Exploration and evaluation of $241,046 (June 30, 2014 - $40,187). The increase of $200,859 is mainly due to property-maintenance payments for the Peruvian projects that were previously covered by Rokmaster. Pursuant to the proposed Transaction, these costs are reimbursable if the Transaction is completed.
- Office and administration of $17,545 (June 30, 2014 – $9,273). The increase of $8,272 in office and administration in comparison to the prior period is because there was a credit adjustment for insurance premiums in the 2014 period.

- Stock exchange and filing fees of $7,379 (June 30, 2014 - $13,861). The decrease of $6,482 was mainly due to the Company's lower market capitalization on which the stock exchange fees were based for this period.
- Transfer agent fees of $9,286 (June 30, 2014 - $18,681). The decrease of $9,395 was mainly due to the administrative requirements for the 10-to-1 consolidation of the Company's common shares undertaken in the 2014 period.
- Wages and consulting fees of $132,578 (June 30, 2014 - $116,103). The increase of $16,475 was mainly due to vacation pay being accrued on a quarterly basis this period compared to annually in the prior period.

The Company incurred interest expense of $18,218 (June 30, 2014 - $38,207) for the six months ended June 30, 2015. The lower amount of interest expense this period was because the outstanding balance of the loans was lower this period compared to the prior period. For the six months ended June 30, 2015, the Company recorded a $20,000 unrealized gain on its available for sale investment when it adjusted the fair market value of the investment based on the closing price on the TSX.V on June 30, 2015.

Three months ended June 30, 2015 compared to the three months ended June 30, 2014

The net loss for the three months ended June 30, 2015, was $425,733 or ($0.03) per share, as compared to $189,678 or ($0.02) per share for the three months ended June 30, 2014.

Operating expenses for the three months ended June 30, 2015 totaled $419,654 (June 30, 2014 – $137,286), an increase of $282,368. The fluctuation in operating expenses resulted mainly from the following significant operating expenditures:

- Legal fees of $86,591 (June 30, 2014 - $14,174). The increase of $72,417 in legal fees is due to the legal work relating to the arbitration proceedings with Rokmaster and preparation of various loan agreements in the current period compared to minimal legal work in the prior period.
- Exploration and evaluation of $234,708 (June 30, 2014 - $35,126). The increase of $199,583 is mainly due to property-maintenance payments for the Peruvian projects that were previously covered by Rokmaster. Pursuant to the proposed Transaction, these costs are reimbursable if the Transaction is completed.
- Office and administration of $8,220 (June 30, 2014 – $(1,214)). The increase of $9,434 in office and administration in comparison to the prior period is because there was a credit adjustment for insurance premiums in the 2014 period.

The Company incurred interest expense of $5,659 (June 30, 2014 - $12,033) for the three months ended June 30, 2015. The lower amount of interest expense this period was because the outstanding balance of the loans was lower this period compared to the prior period. For the three months ended June 30, 2015, the Company recorded a $10,000 unrealized gain on its available for sale investment when it adjusted the fair market value of the investment based on the closing price on the TSX.V on June 30, 2015.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected financial data reported by the Company for the quarter ended June 30, 2015 and the previous seven quarters.

	June 30, 2015	**March 31, 2015**	**December 31, 2014**	**September 30, 2014**	**June 30, 2014**	**March 31, 2014**	**December 31, 2013**	**September 30, 2013**
Total assets	$5,711,904	$5,676,465	$5,677,607	$5,747,977	$5,892,666	$5,945,922	$6,064,705	$6,207,428
Property and equipment	$159,221	$171,508	$184,634	$205,899	$212,852	$226,148	$239,089	$253,923
Exploration and evaluation assets	$5,437,926	$5,437,926	$5,437,926	$5,037,926	$5,437,926	$5,562,926	$5,687,926	$5,772,926
Total liabilities	$1,108,166	$649,548	$504,614	$362,928	$316,610	$597,708	$597,781	$554,819
Equity	$4,603,738	$5,026,917	$5,172,993	$5,385,049	$5,576,056	$5,348,214	$5,466,924	$5,652,609
Revenues	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Net loss	$(425,733)	$(156,076)	$(192,056)	$(160,507)	$(189,678)	$(148,710)	$(196,927)	$(133,628)
Basic and diluted loss per share	$(0.03)	$(0.01)	$(0.01)	$(0.01)	$(0.02)	$(0.02)	$(0.03)	$(0.02)

- *Basic and diluted loss per share above is the same, as the effect of potential shares issuances under stock options or warrant agreements would be anti-dilutive.*

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2015, the Company had $39,580 in cash. The Company does not have any cash flow from operations, because it is an exploration stage company and therefore financings and property option payments have been the sole source of funds in the past few years.

At June 30, 2015, the Company had working capital deficiency of $993,409. As a result, the Company does not have sufficient funds to support the Company's general and administrative expenses with respect to the Company's day-to-day operations or any planned or potential fieldwork programs on its respective exploration projects. On April 29, 2014, the Company received from Rokmaster the scheduled payment of $125,000, which was due on or before May 1, 2014. On September 11, 2014, the Company expected to receive a further $400,000 that was due from Rokmaster per the terms of the Option and JV Agreement. However, Rokmaster did not make this payment and declared force majeure and subsequently filed for arbitration as discussed under "Mineral Properties" in this MD&A. The Company raised $367,500 from a private placement on May 12, 2014.

On January 19, 2015, the Company entered into a secured short-term loan agreement with an arm's length party to borrow up to $100,000 (the "Short-Term Loan") of which $100,000 has been drawn down to-date. The Short-Term Loan is secured against the Company's Red Mountain, Yukon property and bears an interest rate of 10% per annum, calculated monthly and was due and payable on April 15, 2015. The maturity date of the Short-Term Loan has not been renegotiated and the lender has not demanded repayment.

On May 16, 2015, the Company was advanced $25,025 from an existing lender who is an associate of an insider of the Company and on July 13, 2015, the same lender advanced a further $50,000 (see Related Party Transactions below).

On May 16, 2015 and June 16, 2015, the Company borrowed an aggregate of $270,000 from an arm's length party. This loan bears an interest rate of 18% per annum, is unsecured with no repayment terms.

The Company will require further financing to fund ongoing general and administrative expenses and it will need to access the equity or debt markets for financing.

Given the volatility in equity markets, the global uncertainty in economic conditions, cost pressures and results of exploration activities, management constantly reviews its expenditures and exploration programs and the equity markets to ensure that the Company has sufficient liquidity to support its growth strategy.

During the six months ended June 30, 2015, cash used in operations was $345,029 (June 30, 2014 - $231,548), cash provided by investing activities was $nil (June 30, 2014 – $250,000) and cash provided by financing activities was $377,025 (June 30, 2014 - $29,293).

On May 12, 2014, the Company issued through a private placement 2,190,000 flow-through common shares (the "FT Shares"), of which 1,440,000 FT Shares were issued to the Company's Chief Executive Officer, at a price of $0.0525 per FT Share and 4,810,000 non-flow-through common shares (the "NFT Shares") at a price of $0.0525 per NFT Share raising aggregate gross proceeds of $367,500. The Company paid no finder's fees in connection with the private placement.

On May 16, 2014, the Company repaid $300,000 of its related party loan.

LIQUIDITY OUTLOOK

The Company's cash position is highly dependent on its ability to raise cash through debt or equity financings and the expenditures on its exploration programs. Capital expenditures are not expected to have any material impact on liquidity.

Management recognizes that the Company will need additional external financing for the following year regardless of its results of exploration programs or whether other opportunities become available to the Company and is currently working to complete the Transaction with Kaizen to achieve this.

This outlook is based on the Company's current financial position and is subject to change if opportunities become available, based on current exploration program results and/or external opportunities.

At present, the Company's operations do not generate cash inflows, and its financial success depends on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors beyond the Company's control.

To finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales, from borrowings, from the exercise of convertible securities, and from optioning its resource properties. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it is able to raise equity capital as required in the long term, but recognizes that there will be risks involved that may be beyond its control.

Going Concern

While the consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future, there are events and conditions that cast significant doubt on the validity of that assumption. The Company has incurred losses since inception and has an accumulated deficit of $63,151,721 at June 30, 2015. The Company will need to raise sufficient funds in order to finance ongoing exploration and administrative expenses. The Company has no assurance that such financing will be available or be available on favourable terms. Factors that could affect the availability of financing include the Company's performance, the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets. If successful, the Company would obtain additional financing through, but not limited to, the issuance of additional equity or debt. The consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and such adjustments could be material.

EXPLORATION STAGE COMPANY

The Company is engaged in the business of acquiring, exploring and developing mineral properties with the expectation of locating economic deposits of minerals. All of the properties are without proven ore deposits, and there is no assurance that the Company's exploration programs will result in such; nor can there be any assurance that economic deposits can be commercially mined. Consequently, the risks and uncertainties and forward-looking information are subject to the following known and unknown risks and uncertainties but are not limited thereto:

- The Company's ability to continue exploration, development, and acquisition efforts will be largely reliant on its continued attractiveness to equity investors. Should the Company require additional capital, failure to raise such capital could result in delay or indefinite postponement of exploration and development activities.
- Exploration and development of mining properties is highly speculative in nature and involves a high degree of risk.
- There are many competitors in the business, some of which have greater financial, technical and other resources.
- Mining involves many hazards and risks in the field, such as unexpected rock formations, seismic activity, cave-ins, adverse weather, unstable political conditions and many other factors.
- Timing delays in exploration and development and delays in funding may result in delays and postponement of projects.
- There is no assurance that the Company will be able to obtain all the necessary permits and approvals to conduct its affairs, and no assurance that future tax, environmental or other legislation will not cause additional expenses, delays or postponements.
- The operations are subject to environmental regulation, any breach of which may result in imposition of enforcement actions; environmental hazards presently unknown to the Company may exist on its current properties; and regulations and laws may change over time.
- World prices for metals can be unstable and unpredictable due to changes in economic conditions, and may materially affect the Company's operations.
- The securities markets worldwide have experienced high price and volume volatility.
- The Company depends upon the services of several key individuals whose loss could significantly affect operations.
- Officers and directors of the Company may have potential conflicts of interest with other entities.
- Uncertainties exist as to future development and implementation of new technologies.
- Changes in accounting policies and methods may affect how the Company's financial condition is reported.
- Uncertainties, such as potential breaches of contract (i.e., property agreements), could result in significant loss.

OUTSTANDING SHARE DATA

AM Gold's authorized capital is unlimited common shares without par value. As at August 18, 2015, the following common shares, options and share purchase warrants were outstanding:

	No. of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares	15,119,784	N/A	N/A
Stock Options	15,000	$3.50	August 31, 2015
	25,000	$4.70	September 21, 2015
	75,000	$5.00	July 12, 2016
	75,000	$0.80	January 25, 2018
	75,000	$0.50	December 5, 2018
	550,000	$0.12	July 10, 2019
Fully Diluted	15,934,784		

DIVIDENDS

AM Gold has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future, as it intends to use available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of AM Gold, and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors deems relevant.

NATURE OF THE SECURITIES

The purchase of the Company's securities involves a high degree of risk and should be only undertaken by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning AM Gold's general and administrative expenses and exploration and evaluation assets and expenditures is provided in the Company's annual audited financial statements for the years ended December 31, 2014 and 2013, and unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2015 available on its website at www.amgold.ca or on SEDAR at www.sedar.com.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off–balance sheet arrangements as at June 30, 2015, or as at the date hereof.

RELATED PARTY TRANSACTIONS

Details of the transactions between the Company and related parties are disclosed below:

(a) Related Parties

The Company's related parties consist of its directors, its Chief Executive Officer ("CEO"), and a company controlled by its Chief Financial Officer ("CFO").

The nature of the Company's relationships with its related parties is as follows:

	Nature of Relationship
CEO	Management
RHL Enterprise Corp. (company controlled by its CFO)	Management
0869007 B.C. Ltd. (company controlled by its former CFO)	Management
Directors	Directorship

During the six months ended June 30, 2015, the Company incurred fees and expenses in the normal course of operations in connection with the above noted related parties as follows:

	Note	June 30, 2015	June 30, 2014
Management fees	(i)	$ 108,000	$ 100,500
Total		**$ 108,000**	$ 100,500

(i) During the six months ended June 30, 2015, the Company paid or accrued the following amounts:

- $97,5000 (2014 - $90,000) to its CEO for consulting services;

- $10,500 (2014 - $3,500) to a private company controlled by its CFO for consulting services.
- $nil (2014 - $7,000) to a private company controlled by its former CFO for consulting services.

(b) Compensation of Key Management Personnel

The remuneration of directors and other members of key management personnel ("Key Management") during the six months ended June 30, 2015 and 2014 were as follows:

	Note	June 30, 2015	June 30, 2014
Amounts to Key Management	(i)	$ 115,162	$ 105,500
Total Compensation		**$ 115,162**	**$** 105,500

(i) During the six months ended June 30, 2015, the Company paid or accrued directors' fees totaling $7,162 (2014 - $5,000). Furthermore, amounts paid to Key Management disclosed above includes management fees disclosed in Note 10(a).

Key Management was not paid post-employment benefits, termination benefits or other long-term benefits during the six months ended June 30, 2015 and 2014.

(c) Due to Related Parties

(i) During the year ended December 31, 2013, the Company entered into an unsecured loan agreement with an associate of an insider of the Company (the "Lender") to borrow $500,000 (the "Loan"), the proceeds of which was used for working capital purposes. The Company repaid $100,000 of the Loan in September 2013. The Loan bore an interest rate of 18% per annum, was calculated monthly and was due and payable on November 21, 2013 (the "Maturity Date").

On February 28, 2014, the Company amended the terms of the Loan and entered into an amended loan agreement (the "Amended Loan") with the Lender. The Maturity Date of the Amended Loan was extended to May 21, 2014 (the "Amended Maturity Date") for the outstanding principal of $400,000 (the "Principal Amount"). The Amended Loan bears interest at 18% per annum, compounded monthly. If the Principal Amount and accrued interest are not repaid in full by the Amended Maturity Date, the Amended Loan will be replaced with a new promissory note with a 90 day term (the "90 Day Promissory Note"). If the Lender and the Company enter into the 90 Day Promissory Note, the Company will be required to seek disinterested shareholder approval, along with regulatory approval, to secure the 90 Day Promissory Note with certain of the Company's assets. On May 16, 2014, the Company repaid $300,000 of the Principal Amount, leaving a balance of $100,000. On May 16, 2015, the Lender advanced $25,025 and the balance as at June 30, 2015 amounted to $125,025. During the fourth quarter of 2014, the Company obtained shareholder approval to provide security for the Loan. To date, the 90 Day Promissory Note has not been entered into, such security has not yet been provided and the Lender has not demanded repayment.

Pursuant to the terms of the Amended Loan and with acceptance received from the TSX.V on April 3, 2014, the Company issued to the Lender, 667,000 of its common shares as bonus shares (the "Bonus Shares"). The Bonus Shares were subject to a hold period of four months and a day from the date of issuance. Based on the April 3, 2014 closing price of the Company's common shares on the TSX.V, the 667,000 common shares had a fair market value of $40,020, which has been expensed in the statement of loss and comprehensive loss for the year ended December 31, 2014.

On July 13, 2015, the Lender advanced a further $50,000 resulting in a Loan amount of $175,025 as at July, 13, 2015.

Included in interest expense for the six months ended June 30, 2015, is $10,171 (2014 - $11,589) paid to the Lender.

Included in accounts payable and accrued liabilities at June 30, 2015 is $15,241 (December 31, 2014 - $26,174) due to the Lender.

(ii) Included in accounts payable and accrued liabilities at June 30, 2015 are $254,410 (December 31, 2014 - $152,035) owing to the Company's CEO, $5,512 (December 31, 2014 - $3,675) owing to a company controlled by the Company's CFO and $14,988 owing to a director (December 31, 2014 - $11,601). These amounts are due for unpaid compensation and/or expenses incurred on behalf of the Company.

(d) Principal Subsidiary

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary, Canper Exploraciones S.A.C., which holds title to various mineral concessions in Peru, most significantly its Pinaya Property in Southern Peru.

FINANCIAL INSTRUMENTS

Other than an unrealized gain of $20,000 on the Company's available for sale investment recorded for the six months ended June 30, 2015, there were no material changes to the Company's financial instruments and risk exposures for the six months ended June 30, 2015 from those as reported in the Company's MD&A for the year ended December 31, 2014.

CONTINGENCY

On October 4, 2012 the Company filed a notice of civil claim in the Supreme Court of British Columbia against ALS Minerals ("ALS Minerals") and ALS Canada Ltd. ("ALS Canada" and together with ALS Minerals, "ALS"). The Company filed the claim in connection with services provided by ALS to the Company with respect to the Company's 2011 drill program at its Red Mountain property. Specifically, the Company is seeking:

- **(i)** damages for alleged misrepresentations;
- **(ii)** damages for alleged breach of contract;
- **(iii)** return of funds paid to ALS under the agreement between the parties; and
- **(iv)** interest, costs and such other relief as the Court may consider.

The Company filed the claim after failing to reach a satisfactory resolution with ALS in connection with what the Company believes were egregiously long time periods between delivering drill core to ALS for assay testing and receiving the respective assay results back from ALS. The Company intends to vigorously pursue the claim. ALS responded to the notice of civil claim on November 9, 2012 and filed a counterclaim in which ALS seeks payment of allegedly overdue invoices (totaling $127,607) stemming from the underlying assay work.

RECENT DEVELOPMENTS AND OUTLOOK

The Company expects to obtain financing in the future, primarily through further equity or debt financing, as well as through joint venturing and/or optioning out its properties to qualified mineral exploration companies. See also the discussion under "Proposed Transaction" above. Management recognizes that the Company will need additional external financing for the following year regardless of its results of exploration programs or whether other opportunities become available to the Company and is currently working to complete the Transaction with Kaizen to achieve this. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations, and eventually to forfeit or sell its interest in its resource properties.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may be deemed "forward-looking statements". All statements in this document, other than statements of historical fact, that address events or developments that the

Company expects to occur, are forward looking statements. 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", "interprets" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding future exploration programs and joint venture partner participation, liquidity and effects of accounting policy changes. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance 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, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance 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. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change except as required by law.

These statements are based on a number of assumptions, including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of AM Gold and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for AM Gold's proposed transactions and exploration and development programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.

APPROVAL

The Board of Directors of AM Gold Inc. has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Additional information

Additional information relating to AM Gold Inc. can be obtained on the SEDAR website at www.sedar.com or by contacting:

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