



Management's Discussion and Analysis
For the Three Months Ended March 31, 2016

Dated: May 26, 2016

NOTICE TO READER

The following discussion, prepared as of May 26, 2016, 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 months ended March 31, 2016. The following information should be read in conjunction with the annual audited consolidated financial statements of AM Gold for the year ended December 31, 2015, 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 months ended March 31, 2016, 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, 2016. **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. The Company is focused on developing its 100% controlled Red Mountain gold project located in the Yukon Territory, Canada. The Red Mountain gold project consists of a total of 5,640 hectares including the initial 52 ICE and JC claims (1,168 hectares). To date, the Company has not earned any revenues from its mineral property interests and is considered to be an exploration stage company.

On October 26, 2015, the Company sold 100% of its wholly owned subsidiary, Canper Exploraciones S.A.C. ("Canper"), in Peru to Kaizen Discovery Inc. ("Kaizen"). Canper held all of the Company's mineral interests in Peru including the Pinaya Project, La Mamita and Minas Lucho. In exchange, the Company received 15,384,615 common shares of Kaizen and an aggregate of \$762,439 in cash. Also on October 26, 2015, Rokmaster Resources Corp. ("Rokmaster"), the Company and Canper released each other from certain claims and terminated both their present arbitration and the existing option and joint-venture agreement between the Company, Canper and Rokmaster.

MINERAL PROPERTY

Red Mountain Project, Yukon Territory, Canada

The Company currently holds a 100% interest in 286 mineral property claims with a total area of 5,640 hectares located in the Yukon Territory Canada, known as the Red Mountain Property. At the beginning of 2015, the Company held 183 claims and increased the holdings during the year by staking an additional 80 mineral claims in Yukon with a combined area of approximately 1,649 hectares. On April 2, 2016, the Company staked an additional 23 mineral claims in Yukon with a combined area of approximately 393 hectares. These additional claims are contiguous to the Company's existing Red Mountain claim block.

On March 30, 2016, the Company received a five-year Class 3 exploration permit from Yukon Government for its Red Mountain project. The Class 3 permit is effective from March 30, 2016 to March 29, 2021.

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 initial 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 4,000 common shares (issued) within 7 days upon approval by regulatory authorities;
- (iii) \$25,000 (paid) and 3,500 common shares (issued) on or before August 17, 2011;

(iv) \$25,000 (paid) and 3,500 common shares (issued) on or before August 17, 2012;

(v) \$50,000 (paid) and 9,000 common shares or \$450,000, at the Company's discretion, on or before August 17, 2013 (issued – 9,000 common shares).

The initial 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 by acquiring 100% interest in the 131 Frost claims (2,430 hectares). These claims are contiguous to the Company's initial holdings of 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).

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
<i>Dilution below 0.3 within Wire Frame</i>			
	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.

The majority of work to date has been focused on the historic soil sampling grid of the Ice and JC claims. A recent geophysical and geological analysis, incorporating both government surveys and the Company's private data sets, highlights the potential of areas located beyond this historical soil grid (Costantini, 2010).

During July and August 2015, the Company contracted Fox Exploration Ltd., an exploration services contractor based in Whitehorse, Yukon to conduct an exploration program that focused on these under-explored areas over zones modeled to be favourable for additional gold mineralization and followed the recommendations stated in both reports (Costantini 2010 and Cole, 2012). The amount of \$54,866 included in exploration expense for the year ended December 31, 2015 is net of a \$40,000 grant that was applied for by the Company and received from the Government of Yukon under the Yukon Mineral Exploration Program. Geochemical soil sampling, prospecting and geological mapping was conducted in order to outline new areas of potential gold mineralization and provide new geophysical targets and tighter spaced geochemical survey follow-up of gold anomalies. The program also included some prospecting in the vicinity of the old Treadwell adit and sampling of the dump rock. An additional 80 quartz mining claims (the Red Claims) were staked in two separate blocks contiguous to the existing AM Gold Inc. property. A total of 523 soil samples and 20 rock samples were collected. Soil sampling was conducted using augers and mattocks along a defined survey grid. Sample intervals were 50 metres and line spacing was 150 metres. Five prospecting traverses were completed during this time.

This 2015 exploration program was successful in defining a new gold anomaly, centered approximately 1 kilometre west of the current inferred resource that exhibits about the same area footprint of the inferred resource area and ranges in values from 99 ppb gold to 572.6 ppb gold. Another >99 ppb gold anomaly was also defined in the south-eastern portion of the 2015 geochemistry soil survey grid in the vicinity of the Treadwell vein area.

The old Treadwell vein dumps were also sampled and returned select grab samples of 12.1 g/t Au and 9.0 g/t Au from the upper and lower dumps respectively. Historical information on the orientation of the Treadwell vein is limited, as only the adit dumps exist, the adit itself being buried under the talus slope. Mapping and sampling during traversing in this area identified a potential new orientation for the Treadwell vein based on evidence that the vein occupies a fault structure oriented in a more north-easterly direction than previously postulated in earlier reports.

The Company is currently evaluating the results of this 2015 exploration program to determine the next steps.

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

Recent accounting pronouncements are described in Note 3 of the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2016, 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 months ended March 31, 2016 from those as reported in the Company's MD&A for the year ended December 31, 2015.

RESULTS OF OPERATIONS

AM Gold is in the exploration phase and its property is in the early stages of exploration and not 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 property.

Three months ended March 31, 2016 compared to the three months ended March 31, 2015

The net loss for the three months ended March 31, 2016, was \$140,559 or (\$0.05) per share, as compared to \$156,076 or (\$0.05) per share for three months ended March 31, 2015.

Operating expenses for the year ended March 31, 2016 totaled \$106,542 (March 31, 2015 – \$149,997), a decrease of \$43,455. The fluctuation in operating expenses resulted mainly from the following significant operating expenditures:

- Depreciation expense of \$2,665 (March 31, 2015 - \$13,127) decreased by \$10,462 mainly because depreciation was not incurred in the first quarter of 2016 for assets sold in the fourth quarter of 2015.
- Legal fees of \$1,490 (March 31, 2015 - \$32,710). The decrease of \$31,220 was due to legal fees that were incurred in the first quarter of 2015 for the preparation of various loan agreements and legal work relating to the arbitration proceedings with Rokmaster.
- Travel and business development of \$4,802 (March 31, 2015 - \$nil). The increase of \$4,802 was mainly due to travel and business development activities.

The Company incurred interest expense of \$33,777 (March 31, 2015 - \$5,659) for the three months ended March 31, 2015. The higher amount of interest expense this period was mainly because interest was charged this period for unpaid consulting fees owing to the Company's CEO. For the three months ended March 31, 2016, the recorded a \$609,414 unrealized loss on its available for sale investments mainly due to the fair market value adjustment of the Kaizen common shares based on the closing price on the TSX.V on March 31, 2016.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected financial data reported by the Company for the quarter ended March 31, 2016 and the previous seven quarters.

	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014
Total assets	\$1,960,688	\$2,633,669	\$3,780,622	\$5,711,904	\$5,676,465	\$5,677,607	\$5,747,977	\$5,892,666
Property and equipment	\$2,666	\$5,331	\$7,997	\$159,221	\$171,508	\$184,634	\$205,899	\$212,852
Exploration and evaluation assets	\$417,376	\$417,376	\$417,376	\$5,437,926	\$5,437,926	\$5,437,926	\$5,037,926	\$5,437,926
Total liabilities	\$930,100	\$853,108	\$1,571,106	\$1,108,166	\$649,548	\$504,614	\$362,928	\$316,610
Equity	\$1,030,588	\$1,780,561	\$2,209,516	\$4,603,738	\$5,026,917	\$5,172,993	\$5,385,049	\$5,576,056
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income (loss)	\$(140,559)	\$26,556	\$(2,374,222)	\$(425,733)	\$(156,076)	\$(192,056)	\$(160,507)	\$(189,678)
Basic and diluted Income (loss) per share	\$(0.05)	\$0.01	\$(0.79)	\$(0.14)	\$(0.05)	\$(0.06)	\$(0.05)	\$(0.08)

- *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 March 31, 2016, the Company had \$73,932 in cash. The Company does not have any cash flow from operations, because it is an exploration stage company and therefore financings, property option payments and sale of mineral interests have been the source of funds in the past few years.

At March 31, 2016, the Company had a working capital deficit of \$546,493. 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 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 as of December 31, 2015. During the year ended December 31, 2015, the lender advanced a total of \$116,000 and was repaid \$16,000. 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. On March 11, 2016, the lender demanded full repayment of the principal plus accrued interest. Subsequently, the lender has agreed not to enforce his security until May 30, 2016 provided that the Company will pay the lender not less than \$40,000 towards the principal outstanding upon closing of the Company's private placement announced on May 2, 2016. If the Company is unable to repay the lender, the lender may exercise his rights over his security on the Company's Red Mountain, Yukon property. On April 26, 2016, the Company repaid the lender \$26,000.

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 three months ended March 31, 2016, cash used in operations was \$42,463 (March 31, 2015 - \$52,073), cash provided by investing activities was \$nil (March 31, 2015 - \$nil) and cash provided by financing activities was \$nil (March 31, 2015 - \$54,073).

On May 2, 2016, the Company issued through a private placement 478,750 flow-through common shares (the "FT Shares"), of which 310,000 FT Shares were issued to the Company's Chief Executive Officer, at a

price of \$0.08 per FT Share and 854,583 non-flow-through common shares (the “NFT Shares”) at a price of \$0.08 per NFT Share raising aggregate gross proceeds of \$106,667. The Company paid no finder’s fees in connection with the private placement.

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.

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, from optioning its resource properties and sale of mineral interests. 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 condensed consolidated interim 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 \$65,632,500 at March 31, 2016. 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 condensed consolidated interim 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. The Company’s property is 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 property; 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 May 26, 2016, the following common shares, options and share purchase warrants were outstanding:

	No. of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares	4,357,073	N/A	N/A
Stock Options	15,000	\$25.00	July 12, 2016
	15,000	\$4.00	January 25, 2018
	15,000	\$2.50	December 5, 2018
	110,000	\$0.60	July 10, 2019
Fully Diluted	4,512,073		

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, 2015 and 2014, 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 March 31, 2016, 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:

	<u>Nature of Relationship</u>
CEO – John Fiotino	Management
RHL Enterprise Corp. (company controlled by its CFO – Rick Low)	Management
Directors	Directorship

During the three months ended March 31, 2016 and 2015, the Company incurred fees and expenses in the normal course of operations in connection with the above noted related parties as follows:

	<u>Notes</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Management fees	(i)	\$ 54,000	\$ 54,000
Interest expense	(ii)	24,310	-
Exploration expense	(iii)	1,200	-
Total		\$ 79,510	\$ 54,000

(i) During the three months ended March 31, 2016, the Company paid or accrued the following amounts:

- \$48,750 (2015 - \$48,750) to its CEO for consulting services.
- \$5,250 (2015 - \$5,250) to a private company controlled by its CFO for consulting services.

(ii) During the three months ended March 31, 2016, the Company accrued \$24,310 of interest on unpaid consulting fees for the CEO (2015 - \$nil). Consulting fees are due 30 days after the invoice date and interest is accrued on the overdue balance at a rate of 26.82% per annum.

- (iii) During the three months ended March 31, 2016, the Company incurred \$1,200 of rent expense for the storage of cores and samples that was charged by an associate of the CEO (2015 - \$nil).

(b) Compensation of Key Management Personnel

The remuneration of directors and other members of key management personnel (“Key Management”) during the three months ended March 31, 2016 and 2015 were as follows:

	Notes	March 31, 2016	March 31, 2015
Amounts to Key Management	(i)	\$ 56,875	\$ 58,207

- (i) During the three months ended March 31, 2016, the Company paid or accrued directors’ fees for Dennis Goldstein totaling \$2,875 (2015 - \$4,207). Furthermore, amounts paid to Key Management disclosed above includes management fees disclosed in Note 9(a).

Key Management was not paid post-employment benefits, termination benefits or other long-term benefits during the three months ended March 31, 2016 and 2015.

(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 the CEO 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 as at December 31, 2014. 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. On April 21, 2016, the Lender relinquished any claim or potential security granted over the Company’s Red Mountain property. During the year ended December 31, 2015, the Lender advanced an aggregate unsecured loan of \$355,025, \$25,025 of which was used to pay for the arbitration proceedings with Rockmaster and the majority of the balance for annual fees for the mineral properties in Peru. Subsequently in 2015, the Company repaid \$355,025 to the Lender leaving a principal balance of \$100,000 as at March 31, 2016 and December 31, 2015. On May 4, 2016, the Lender was repaid \$24,800 of the principal amount.

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 was expensed in the statement of loss and comprehensive loss for the year ended December 31, 2014. Included in interest expense for the three months ended March 31, 2016, is \$6,768 (2015 - \$4,733) for the Lender. Included in accounts payable and accrued liabilities at March 31, 2016 is \$57,586 (December 31, 2015 - \$50,818) due to the Lender.

- (ii) Included in accounts payable and accrued liabilities at March 31, 2016 are \$505,481 (December 31, 2015 - \$432,418) owing to the Company's CEO, \$2,800, (December 31, 2015 - \$1,600) owing to an associate of the Company's CEO and \$1,838 (December 31, 2015 - \$5,513) owing to a company controlled by the Company's CFO. These amounts are due for unpaid consulting fees, interest and/or expenses incurred on behalf of the Company.

(d) **Principal Subsidiary**

The Company's condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary, Canper Exploraciones S.A.C., until its 100% sale on October 26, 2015.

FINANCIAL INSTRUMENTS

Other than an unrealized loss of \$609,414 on the Company's available for sale investment recorded for the three months ended March 31, 2016, there were no material changes to the Company's financial instruments and risk exposures for the three months ended March 31, 2016 from those as reported in the Company's MD&A for the year ended December 31, 2015.

MANAGEMENT OF CAPITAL

The Company considers its capital to consist of its equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support exploration and development of its mineral property. The Board of Directors has not established quantitative capital structure management criteria, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, to support continued evaluation and maintenance at the Company's existing property, and to acquire, explore, and develop other precious and base metal deposits.
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk and loss of principal.
- To obtain the necessary financing to complete exploration and development of its property, if and when it is required.

The property in which the Company currently holds an interest is in the exploration stage and the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

In order to facilitate the management of capital and development of its mineral property, the Company prepares annual expenditure budgets, which are updated as necessary and are reviewed and approved by the Company's Board of Directors.

In addition, the Company may issue new equity, incur additional debt, option its mineral property for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends.

There were no changes in the Company's approach to capital management during the three months ended March 31, 2016 compared to the year ended December 31, 2015. The Company is not subject to externally imposed capital requirements.

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

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. 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 property.

On May 2, 2016, the Company issued through a private placement 478,750 flow-through common shares (the "FT Shares"), of which 310,000 FT Shares were issued to the Company's Chief Executive Officer, at a price of \$0.08 per FT Share and 854,583 non-flow-through common shares (the "NFT Shares") at a price of \$0.08 per NFT Share raising aggregate gross proceeds of \$106,667. The Company paid no finder's fees in connection with the private placement.

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:

AM Gold Inc.
Attention: John Fiorino, Chief Executive Officer
605 – 369 Terminal Avenue
Vancouver, BC Canada V6A 4C4
Tel: (604) 646-0067
Fax: (604) 692-0117
Website: www.amgold.ca
Email: info@amgold.ca

AM GOLD INC.
/s/ "John Fiorino"
John Fiorino
Chief Executive Officer

AM GOLD INC.
/s/ "Rick Low"
Rick Low, CPA, CA
Chief Financial Officer