

ADVENTURE GOLD INC.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED APRIL 30, 2011.

The following Management Discussion and Analysis (“MD&A”) of the operating results, financial condition and future prospects of Adventure Gold Inc. (the “Company” “AGE”), current as of June 29 2011, should be read in conjunction with the Company’s unaudited financial statements and notes for the three-month and nine-month period ended April 30, 2011 as well as the Company’s audited financial statements and notes thereto for the years ended July 31, 2010 and 2009. Said financial statements were prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP). The reporting currency is in Canadian dollars. Unless specified as \$US, references in this MD&A to dollars are to Canadian dollars.

This MD&A contains certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address future exploration drilling activities and events or developments that the Company’s management expects, are forward-looking statements. Such statements are not guarantees of future performance and actual results or developments may differ materially from those expected. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, and continued availability of capital and financing and general economic, market or business conditions.

Nature of Business

Adventure Gold Inc. is a Canadian mineral exploration company focused on discovering high-quality gold deposits, primarily in the Abitibi greenstone belt of north-western Québec and north-eastern Ontario, one of the world’s richest gold mining districts. Adventure Gold holds quality assets in the Val-d’Or, Rouyn-Noranda, Casa Berardi, Detour Lake and Timmins, areas and is led by determined management and technical teams with extensive exploration and mine production experience. The Company uses advanced exploration techniques with the aim of discovering commercially exploitable gold deposits of which can either be placed into production by the Company or disposed of for a profit to companies that wish to place such deposits into commercial production. Adventure Gold is proud to already count on highly regarded gold producer partners such as Agnico-Eagle Mines and Lake Shore Gold to explore two advanced stage gold properties. Common shares of the Company are listed for trading on the TSX-V under the symbol “AGE” since October 3, 2007. The Company’s head office is in Montréal, Québec.

The Company will continue to aggressively seek new opportunities in compliance with the corporate strategy. A strategy based on identification, evaluation, acquisition, exploration and development of significant quality gold assets within proven gold mining environment.

Business development highlights (during the three-month period ended April 30, 2011)

Significant results west of the former Beliveau Mine on Pascalis-Colombière

On Val d’Or East - Pascalis-Colombière property, a first phase of drilling around the former gold mine L.C. Beliveau Mine totalling 2,790 meters for nine (9) holes was completed in February 2, 2011. Positive drilling results (12.9 g/t Au over 8 meters and 34.6 g/t Au over 2.9) meters were announced in March and April 2011 (see also subsequent events in this report). In May, a 5,000 meters of drilling has been announced to continue exploration in the west area and deep extension of the LC Beliveau Mine.

Drilling on Lapaska with Mazorro Resources

On April 18, the Company and its Partner, Mazorro Resources, started a first phase drilling program totalling 3,000 meters in six (6) holes designed to test the extensions of the Lapaska Central Zone (“LC Zone”) laterally and at depth.

First Drilling program on Dubuisson by Agnico-Eagle

Agnico-Eagle has started a 4,000 meters surface diamond drilling program on the Dubuisson property at the end of April. The drilling will test the Quebec Explorers Deposit over 600 meters strike length and up to 350 meters

deep. Thirteen (13) drill holes, totalling approximately 4,000 meters, should be drilled during this program.

Deep Drilling on Meunier-144

On the Timmins West Meunier-144 property, the Company's partners RT Minerals and Lake Shore Gold continued the deep drilling program started on July 19, 2010 and 2,369 meters were completed by April 30, 2011. The deep master hole is still on track to reach the drilling target at a vertical depth of 2,400 meters.

Geophysics on Detour Quebec and Casa-Cameron properties

During the last quarter, on the Casa Cameron Project, the Company completed 119 km of line cutting and magnetic survey on the Casagasic (58 km) and Bell-Vezza (61 km) properties. On the Detour Quebec Project, the Company completed 123 km of line cutting and magnetic survey on the Massicotte (23 km), Casgrain (70 km) and Nantel (30 km) and 67 km of IP survey on Casgrain properties.

Business development highlights (during the first six-month period ended January 31, 2011)

Selling of The Bourniol property

On December 16, the Company announced the sale of a block of 12 claims known as the Adventure Gold Bourniol property, located in the Noranda mining camp, to Société d'exploration minière Vior inc. (VIO: TSX-V ; VL5: FRANKFURT) for a cash payment of \$7,500. Adventure Gold will retain a 2.0% NSR, half of which (1.0%) can be bought back for \$1,000,000 at any time. A final agreement was signed on February 2011.

Nomination of Michael Williams to the Board of Director

On November 5th, 2010, the Company appointed Mr. Michael Williams to the Board. Mr. Williams is currently the President / Director and founder of Full Metal Minerals, a TSX Venture Exchange listed company (TSX: V-FMM). Mr. Williams currently oversees the company's corporate development, strategic and operational planning, marketing and financing. Mr. Williams has significant contacts with both retail and institutional investors and has an extensive investment banking network. He has been directly involved in the mineral exploration business for the past 15 years and was the Chairman and founder of Underworld Resources Ltd. Underworld was recently purchased for \$140 million by Kinross Gold Corporation. Mr. Williams also serves as a Director of several Canadian publically traded mining exploration companies. He was previously Vice President of Atna Resources Ltd., a Toronto Stock Exchange listed company, where he developed and implemented the company's communication and investor relations programs from 1996 through to 2004. Previous to joining Atna Resources, Mr Williams provided public relations counsel to various sectors including: mining, manufacturing, financial services, hospitality, tourism, and government.

Nomination of Robert Boisjoli to the position of CFO

On December 8, 2010, the Company appointed Robert Boisjoli to the position of Chief Financial Officer of the Company. Mr. Boisjoli is a Fellow Chartered Accountant (FCA) and a Chartered Business Valuator (CBV), and holds a Bachelor of Commerce and Diploma in Accounting from Concordia University (Montréal). Mr. Boisjoli is currently a Managing Director at Atwater Financial Group and Chief Financial Officer of Brionor Resources Inc. (BNR: TSX-V). Mr. Boisjoli is also a Director and audit committee chairman of both Aptilon Corporation (APZ: TSX-V), a customer relationship manager for the pharmaceutical industry, and Mitec Telecom Inc. (MTM: TSX), a designer and manufacturer of wireless and satellite components. He previously held the position of Chief Financial Officer of both Topigen Pharmaceuticals and Xanthus Pharmaceuticals Inc., a Boston based biotechnology firm, of which he is a co founder. He was also an investment banker with various Canadian securities' firms and contributed to the creation of a mutual fund in the Quebec market. The appointment follows the departure of Ms. Khadija Abounaim who was the CFO of the Company since November 3, 2008.

Exploration Activities

Projects, New Acquisitions

As of April 30, 2011, the Company held a portfolio of 30 properties totalling 1,132 mining titles covering 55,413 hectares in six distinct areas, in the province of Quebec and in one other area in Ontario. Gold mining exploration properties owned by the Company are located in the Val d'Or, Timmins, Casa Berardi – Cameron, Detour Lake, Rouyn-Noranda and the Appalachian belt (South-eastern of Quebec) regions. During the three-

month period ended April 30, 2011, the Company acquired 100% of the rights on four (4) new mining claims totalling 83 hectares in the Detour Quebec Project from Sementiou Inc in consideration of a cash payment of \$1 600. During the same period, three (3) claims (the Evain property) have been abandoned.

During the last quarter, the Company incurred deferred exploration expenditures of \$1,094,605 of which approximately 43% of the total was spent on Val d'Or East Pascalis-Colombière, 5% on the Lapaska, 23% on Detour Quebec, 10% on Casa Cameron and 11% on Granada properties.

On the Casa Cameron properties, the Company completed 119 km of line cutting and magnetic survey on the Casagasic (58 km) and Bell-Vezza (61 km). On the Detour Quebec properties, the Company completed also 123 km of line cutting and magnetic survey on the Massicotte (23 km), Casgrain (70 km) and Nantel (30 km) and 67 km of IP survey on Casgrain.

Deferred Exploration Expenses

For the nine-month period ended April 30, 2011

	Timmins West / Meunier - 144	Val d'Or East / Pascalis-Colombière	Val d'Or East / Senore	Val d'Or East / Beaufor North	Val d'Or East / Beaufor West	Val d'Or East / Lapaska	Val d'Or East / Others	Dubuisson	Detour Quebec	Casa Cameron	Appalaches	Granada Extension	Abitibi Gold	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, beginning	-	545,533	642,799	177,328	173,003	837,505	38,651	-	132,822	206,432	3,376	-	28,880	2,786,329
Add:														
Drilling	-	322,719	-	-	-	7,665	-	-	-	654	-	36,305	-	367,343
Project consulting	2,443	54,468	1,849	419	874	2,064	13,581	3,218	27,051	17,045	18,494	59,281	4,371	205,158
Geophysical survey	-	-	-	-	-	4,450	1,533	-	204,029	76,416	-	-	27,199	313,627
Geological survey	360	79,603	363	-	-	39,072	1,187	1,456	16,259	7,621	-	12,896	5,008	163,825
Geochemical survey	-	-	-	-	-	79	-	-	-	-	-	-	-	79
Environment	-	19	-	-	-	-	-	-	19	19	-	64	-	121
Renewal of licences	-	955	104	122	18	159	399	227	3,105	2,045	514	43	1,294	8,985
General field expenses	-	14,314	180	-	-	2,585	150	-	5,160	5,347	-	6,225	1,504	35,465
	2,803	472,078	2,496	541	892	56,074	16,850	4,901	255,623	109,147	19,008	114,814	39,376	1,094,603
Balance, end	2,803	1,017,611	645,295	177,869	173,895	893,579	55,501	4,901	388,445	315,579	22,384	114,814	68,256	3,880,932

Deferred Exploration Expenses

For the nine-month period ended April 30, 2010

	Timmins West / Meunier - 144	Val d'Or East / Pascalis-Colombière	Val d'Or East / Senore	Val d'Or East / Beaufor North	Val d'Or East / Beaufor West	Val d'Or East / Lapaska	Val d'Or East / Others	Dubuisson	Detour Quebec	Casa Cameron	Appalaches	Granada Extension	Abitibi Gold	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, beginning	156,571	378,177	636,418	175,360	170,778	779,676	11,389	132,768	7,469	14,586	-	-	3,884	2,467,076
Add:														
Drilling	900	97,454	(45)	-	-	879	-	324	-	-	-	-	-	99,512
Project consulting	11,832	33,596	3,765	1,557	2,820	20,857	22,115	47,488	66,796	79,155	2,358	-	18,113	310,452
Geophysical survey	-	-	-	-	-	-	12,650	-	46,299	1,000	-	-	-	59,949
Geological survey	-	23,148	1,684	-	-	33,948	173	17	3,676	10,086	630	-	663	74,025
Geochemical survey	-	137	-	-	-	-	-	-	-	1,005	-	-	192	1,334
Renewal of licences	1,555	1,225	150	73	21	1,057	590	1,278	2,066	3,528	-	-	1,445	12,988
General field expenses	1,356	10,104	134	337	-	2,312	558	5,758	2,709	8,110	-	-	98	31,476
	15,643	165,664	5,688	1,967	2,841	59,053	36,086	54,865	121,546	102,884	2,988	-	20,511	589,736
Balance, end	172,214	543,841	642,106	177,327	173,619	838,729	47,475	187,633	129,015	117,470	2,988	-	24,395	3,056,812

Val d'Or East - Pascalis-Colombière

The 100%-owned Val d'Or East – Pascalis-Colombiere property consists of 33 mining titles totalling 637 hectares. It is located in the eastern portion of the Val-d'Or-Malartic gold district. The property is also adjacent to the Company's 100 %-owned Beaufor North property, located 1.5 kms east of the producing Beaufor Gold Mine, owned by Richmond Mines (RIC: TSX). The property has been the site of gold production from 1989 to 1993 when Cambior Inc. (currently IAMGold Corporation (IMG: TSX)) mined the New Pascalis gold deposit (former Béliveau Mine). A total of 1.8 Mt of ore was extracted at a grade of 3.2 g Au/t) from the surface down to 300 meters deep (167,000 Au oz produced: Cambior 1996 post-mortem production report).

The geological setting of the property appears very favourable for the identification of new high-grade gold bearing veins and structures or bulk-style ore shoots. Past exploration work did not entirely test the numerous gold occurrences located in the N-S extensions of the former producer Béliveau Mine associated with dyke set or in other parallel dykes, or in the extension of ENE trending shear zones. Due to the anticipated closure of the Mine in January 1993, there was no follow-up on several drill intercepts with economic gold values. No further exploration work was completed on the Property between 1993 and mid-2008 when the Company acquired the Property.

During the last quarter, the Company completed its Phase I of the 2,790-meters nine (9) holes winter 2011 drilling program around the former gold producing L.C. Beliveau Mine. The drill program was aimed at finding new gold zones near existing underground developments. At the end of April, assay results were received from the first four holes. The final results and interpretation has been released at the end of May (see subsequent events). The best drill intersections from the first four (4) holes include:

- Hole PC-10-13 : 9.7 g/t Au over 2.1 meters included in a cut of 4.0 g/t Au over 5.3 meters at 38.4 meters deep; 34.6 g/t Au over 2.9 meters, included in a cut of 5.4 g/t Au over 20 meters at 143.1 meters deep.
- Hole PC-10-14 : 7.0 g/t Au over 4.8 meters included in a cut of 2.0 g/t Au over 24.9 meters at 278.4 meters deep.
- Hole PC-11-16 : 8.3 g/t Au over 3.0 meters included in a cut of 5.5 g/t Au over 5.9 meters at 130 meters deep;
- Hole PC-11-17 : 5.7 g/t Au over 4.3 meters at 6 meters deep, 4.6 g/t Au over 5.7 meters at 29 meters deep, 12.9 g/t Au over 8 meters at 158 meters deep and 5.0 g/t Au over 6.1 meters at 187 meters deep.

Two sets of gold structures have been intersected in the Beliveau West Area (BWA) by the recent drilling. Stacked quartz-tourmaline veins, shallowly dipping to the south, were found inside a diorite dyke similar to the one at the Beliveau Mine. The dyke, ranging from 5 to 8 meters in thickness, is dipping vertically and can be traced over at least 300 meters following an orientation of N345. The mineralization is still open at depth and along strike. Between the two diorite dykes, a set of ENE-trending gold structures, dipping to the south at around 30°, were intersected. This second type of mineralization consists of a quartz-tourmaline veining system developed within a large sericite, carbonates albite alteration halo. Veins and host rocks are mineralized in disseminated sulphides. Locally, up to 15% sulphides are observed. Visible gold was also observed in some sections. At least 7 ENE-trending gold structures have been intersected. These structures are still open to the south and to the west. Extensions to the east and north are limited by the Beliveau diorite dyke and a fault. Most of the veins were cut with a strong angle with the core axis, which means that the core lengths announced may be close to true thicknesses.

The Company believes that there is strong potential to increase the last gold resource calculation made on the Beliveau Mine (23,500 ounces of gold remaining on the main gold zone, Cambior, 1993 - Not compliant with NI 43-101 and not reviewed by the Company). A composite longitudinal vertical section and a 3D model are available on the website www.adventure-gold.com. Those figures show the strong exploration potential remaining around the Pascalis-Colombiere gold system.

A Phase II drilling program of 5,000 meters is already planned and was started on June 2 (see subsequent events). Once this program will be completed, a NI43-101 compliant resource estimate calculation report will be prepared by SGS Geostat, a consulting firm based in Blainville, Quebec and should be available later this year.

Dubuisson

The 49%-owned Dubuisson property is located in the Dubuisson Township, about 7 kilometers west of downtown Val-d'Or. It consists of 39 contiguous claims covering a surface area of about 870 hectares. The Property is bordered to the east by the Goldex Mine property (Proven & probable reserves: 1.6M ounces of gold at 2.1 g/t Au – Agnico-Eagle, website) and encompasses the Quebec Explorer gold deposit (historical resources totalling 261,000 t at 6.6 g/t Au; from MRNF - Sigeom; non-compliant with NI 43-101 and not reviewed by AGE). This property straddles a 5-km segment of the prolific Cadillac-Larder Lake Fault, a major gold-bearing structure in the Abitibi. The gold system locally exceeds 20 m in thickness and can be traced for more than 800 meters along strike. Since 1940, several companies have conducted exploration and development work on the Property, including geological and geophysical surveys, more than 47,940 meters of diamond drilling, an access ramp and development of ore zones. The best reported drill intercepts are as follows: 10.3 g/t Au over 3.4 m, 13.4 g/t Au

over 2.4 m, 24.2 g/t Au over 3.4 m, and 34.3 g/t Au over 4.0 m (historical drill holes - core length intersection – QEX archives on exploration work, 1983-1988).

In July 2010, the Company announced that it had entered into a partnership with Agnico-Eagle Mines Ltd. (AEM: TSX) (“AEM”) by signing a selling and an option agreement for AGE’s 100% owned Dubuisson property. Under the terms of the agreement, AEM acquired 51% of AGE’s right, title and interest in the Property by paying AGE \$100,000 in cash and by issuing to AGE 15,000 shares of AEM where cash and shares totalled approximately \$1M at the then current market price.

Also under the terms of the agreement, AEM may acquire an additional interest of up to 14% of AGE’s right, title and interest in the Property by spending during a period of five (5) years from the effective date of the agreement up to \$4M in exploration expenditures on the Property with a minimum of \$600,000 of the work to be completed or paid in cash to AGE before the end of the second anniversary of the agreement. .

As part of the Agreement and following the exercise of the option, AEM may acquire an additional interest, which brings AEM up to 70% and AGE to 30% interest in the Property by completing a bankable feasibility study. AEM will act as the operator for all exploration carried out on the Property during the option period. Adventure is proud to join its forces with AEM, a major gold producer in Quebec, for the development of the Dubuisson property.

At the end of April, Agnico Eagle informed the Company that they started a 4,000 meters diamond drilling program. The drilling work will test the Quebec Explorers Deposit over 600 meters strike length and up to 350 meters deep. Thirteen (13) drill holes, totaling approximately 4,000 meters, should be drilled during this program. A geological and location map and a surface map including a longitudinal section of the proposed drilling can be found on AGE’s website at www.adventure-gold.com. Eight holes (8) holes totaling approximately 1,850 meters will test the gold system continuity (proposed drill holes A, B, C, D, E, F, G and H). Five (5) other drill holes (M, O, P, Q and R) totaling approximately 2,200 meters will explore the West down plunge of the deposit between 100 to 300 meters deep. The exploration program on the Property will be managed by AEM and results will be released when available.

Val d’Or East - Lapaska

The Lapaska property, 100%-owned by Adventure Gold Inc. was recently optioned to Mazorro Resources in December 2010. The property is favourably located between the past producer Sigma II to the east (150,000 ounces produced at 2.5 g/t Au: 1997 Placer Dome annual report) and the Simkar gold deposit to the west (NI 43-101 inferred resource of 105,000 oz at 5.3 g/t Au: Megastar – MDV: TSX-V, September 2008). The property contains three significant gold-bearing zones: the Lapaska Central, West and Lourmet zones and it is also strategically located along the prolific Cadillac Larder Lake Gold Break, a regionally extensive structure that is spatially related to numerous gold mines.

The Company announced its first NI 43-101 compliant resource estimate for the Lapaska property on February 9, 2010 and filed a NI 43-101 technical report on SEDAR on March 19, 2010. The NI 43-101 report was prepared by independent qualified persons from InnovExplo, a consulting firm based in Val d’Or, Quebec. InnovExplo estimated that the Central Zone deposit has inferred resources of 220,000 metric tonnes grading 3.14 g/t Au for a total of 22,197 ounces at a cut-off grade of 2.0 g/t Au. Mazorro has requested that InnovExplo update this report for the purposes of the proposed transaction. Mazorro filed the updated NI 43-101 report supporting mineral resource estimates on SEDAR on February 23, 2011.

The InnovExplo technical report recommends additional drilling targeted at adding new resources to the existing mineral inventory (see table 1 below) at the property. A 3D isometric view of the block model (see NI 43-101 report on SEDAR or at www.adventure-gold.com) shows the location of the current resources and the potential to extend these resources by exploration. The ore shoots plunging to the south-east are still open at depth. Additional sub parallel ore shoots that could be repeated in the south-western extension at depth and laterally (east and west) near the surface are still not tested by drilling.

InnovExplo also indicates that the gold mineralization intersected in the West Zone (not included in the mineral resource estimates above) shows similarities to the gold mineralization observed generally in feldspar porphyry dykes (“G dykes”) which represent a significant portion of the mineralization at the Sigma Mines (4 million ounces produced). The West Zone is characterized by a series of sub horizontal veins and veinlets bordered by vertical shear zones hosted by a porphyry G dyke type. A drilling program to test the west down plunge of the

system below 200 meters is recommended in the West Zone. A 2 kilometer long underexplored area between the West Zone and the Lapaska Central Zone has also been highlighted in the NI 43-101 report as an area with good exploration potential for gold.

The Property lies at the junction of favourable lithologies and deformation corridors associated to the Cadillac Larder Lake Gold Break. Regional east-west-trending intermediate to felsic dyke swarms favourable to host gold mineralization are found on the property and are often associated with induced polarization (IP) anomalies. The coincidence of favourable lithologies, deformation corridor and IP anomalies represents targets that warrant additional exploration work that will be the subject of Mazorro's initial exploration drilling plans.

Table 1: Inferred Mineral Resource of Lapaska Central Zone, dated February 22, 2010.

Cut-off Grade g/t Au	Tonnes	Avg. Grade g/t Au	Ounces of Gold
0.5	2,144,000	1.2	79,335
1.0	865,000	1.8	50,442
2.0	220,000	3.1	22,239

NB: Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

1) InnovExplo states that the probabilities of adding new resources to the existing mineral inventory are excellent. A 3D isometric view of the block model from the NI 43-101 report, available on our website www.adventure-gold.com, shows the location of the current resources and the potential to extend these ones by exploration. The ore shoots plunging to the south-east are still open at depth. Additional sub parallel ore shoots that could be repeated in the south-western extension at depth and laterally (east and west) near the surface are still not tested by drilling.

2) InnovExplo indicates also that the gold mineralization intersected in the West Zone (not included in this estimates) shows similarities to the gold mineralization observed generally in feldspar porphyry dykes ("G Dykes") which represent a significant portion of the mineralization at the Sigma Mines (4M ounces produced). The West Zone is characterized by a series of sub horizontal veins and veinlets bordered by vertical shear zones hosted by a porphyry G dyke type. A drilling program to test the west down plunge of the system below 200 s is recommended in the West Zone.

3) InnovExplo highlighted also in the NI 43-101 report, a 2-km long underexplored area between the West Zone and the Lapaska Central Zone showing good exploration potential for gold.

4) The Lapaska property lies at the junction of favourable lithologies and deformation corridors associated to the Cadillac Larder lake Gold Break. Regional east-west-trending intermediate to felsic dyke swarms favourable to host gold mineralization are found on the Property and are often associated to induced polarization (IP) anomalies. Their coincidence of favourable lithologies, deformation corridor and IP anomalies represents targets that warrant additional exploration work.

5) InnovExplo recommends a two phase drilling program at a cost of \$1.7M to test the targets on the Property.

On December 15, 2010, Adventure Gold concluded a partnership with Mazorro Resources (MZO: TSX-V) Mazorro in order to explore the Lapaska Gold property located in the Val d'Or East area. Mazorro has acquired an exclusive option to earn up to a 70-per-cent interest in 26 claims covering an area of approximately 352 hectares of the Company's Lapaska Gold property by spending \$7.7M in exploration expenditures, issuing 3,000,000 shares of Mazorro, paying \$250,000 in a cash payment and by paying \$2,000,000 (in cash and shares) over the next 6 years. Adventure Gold will be the operator until Mazorro earns the 70% interest.

Under the terms of the option agreement, in order to acquire an initial 50% undivided interest in the Lapaska property (the "First Option"), Mazorro is required to provide total cash payments of \$250,000, a total of 3,000,000 common shares and has committed to conduct exploration on the property of \$1,700,000 over a period of three years from the completion of a definitive option agreement. Consideration payable and exploration expenditures required under the First Option are summarized as follows:

Date	Cash Payment (\$)	Common Shares (#)	Work Expenditures (\$)
On signing of the Definitive Agreement	25,000	1,000,000	-
1st anniversary of the Definitive Agreement	25,000	500,000	500,000 ⁽¹⁾
2nd anniversary of the Definitive Agreement	50,000	500,000	500,000
3rd anniversary of the Definitive Agreement	150,000	1,000,000	700,000
Total	250,000	3,000,000	1,700,000

(1) Firm commitment from Mazorro.

Following the exercise of the First Option, Mazorro shall have the option to acquire an additional 20% undivided interest in the Lapaska property (the "Second Option"), thereby acquiring a total undivided interest of 70%, by making additional payments of \$2,000,000 and by conducting additional exploration of \$6,000,000 over another three year period. Mazorro shall have the option of paying up to 75% of the required cash payments for the Second Option in common shares at a price equal to the market price of the Company's shares on the TSX Venture Exchange (the "Exchange") on the date such payment is payable less the maximum applicable discount allowed by the policies of the Exchange, subject to the required regulatory and corporate approvals, including disinterested shareholder approval, as applicable. After the Second Option period and Mazorro fulfilling its contractual obligations under the agreement, Mazorro shall be entitled to become the operator of the Lapaska property.

During the last quarter, the Company started a first phase drilling program totalling 3,000 meters in six (6) holes designed to test the extensions of the Lapaska Central Zone ("LC Zone") laterally and at depth. A longitudinal section available on the website www.adventure-gold.com shows the location of the current resources and the potential to extend these resources by exploration. The LC Zone plunging to the south-east is still open laterally and at depth. Additional sub parallel ore shoots and veins that could be repeated in the south-western extension at depth and laterally (east and west) near the surface are still not tested by drilling. Three (3) holes totalling approximately 1,500 m will test the continuity of the gold envelope and three (3) other drill holes will explore the LC Zone at depth. At the end of April, 960 meters in two (2) holes has been completed and see subsequent events for their results. Drilling has been completed in June and final results will be released when available. After reviewing final results, a phase II diamond drilling program will be presented to Mazorro later during the summer.

Timmins West – Meunier-144

The Meunier-144 property consists of 10 patented claims located in the western part of the prolific Timmins gold camp at the western limits of Bristol Township, 19 kilometers west of the town of Timmins. The property primarily covers a sequence of volcanic rocks located on the north-west side of the West Timmins sedimentary basin and along the west extension of the Bristol fault from the Timmins Mine and Thunder Creek properties where Lake Shore Gold Corp (LSG: TSX) ("LSG") is currently developing a potential large scale mining operation, 1 kilometer East of the property (proved and probable reserves of 812,000 ounces at 7.5 g/t Au, LSG - NI 43-101, October 2009). The property is also located 1 kilometer northwest, at surface, from the Rusk Zone where LSG has reported drill intersections up to 11.5 g/t Au over 147.3 meters (hole TC-09-68B, LSG - Press Release dated March 4, 2011).

The Timmins Mine Gold Deposit has a strike length of approximately 250 m long by 150 m wide and defines a pipe-like body of mineralization which straddles a volcanic/sedimentary/ultramafic contact zone, within a folded sequence that plunges about 54 degrees to the west-northwest towards the Meunier-144 property. The ore body has demonstrated vertical persistence as it can be traced down plunge for a distance of approximately 1,500 meters from surface, and remains open at depth and it is apparent that this geometry and structure continues to depth toward and potentially onto the Meunier-144 property. Some of the highest value intercepts at Timmins Mine, including 8.1 g/t over 6.0 meters at a 1,330 meters depth, are hosted within a second fold nose structure and are situated approximately 600 meters east of the Meunier-144 property boundary (LSG - Press Release dated February 18, 2010). The Thunder Creek Deposit is along the same pyroxenite and sedimentary contact which hosts the Timmins Mine Deposit. Recent drilling has traced the mineralization at Thunder Creek to a depth of approximately 1 kilometer below surface and obtained several significant intercepts, most notably 12.8 g/t

over 83.5 meters and 11.5 g/t Au over 147.3 meters (LSG - Press Release dated March 04, 2011). Observations to date indicate Thunder Creek has a steep northward plunge suggesting the potential for this to converge with the Timmins Mine Deposit at depth. Although drill data is limited, current estimates are that this convergence could occur near the northeast corner of the Meunier-144 property at a depth of 2,400 meters from surface.

The claims were originally optioned in January 2008 from 13 individuals in consideration of staged exploration expenditures (totalling \$2,000,000) and scheduled payments (totalling \$100,000 in cash and 1,000,000 common shares) over a period of five years. In May 6, 2011, the Company entered into an option agreement with RT Minerals Corp (RTMFF: OTC) ("RTM") and LSG by which RTM can acquire up to 50% interest in the Meunier-144 property by making a \$300,000 cash payment, issuing 2,750,000 common shares to the Company, participating in a \$400,000 private placement of the Company and incurring \$3,000,000 in exploration expenditures. LSG has the right to acquire from RTM and the Company a 10% interest in the property, once RTM acquires 50% interest in the property, by completing a preliminary resources assessment. The Company fulfilled its obligation related commitments of \$500,000 respectively before the December 31st 2010 deadline, the whole in accordance with Section 2.1.2, Schedule E of the RTM-LSG-AGE Option Agreement dated May 5th, 2010 by incurring over \$700,000 in exploration expenditures on the Meunier Property in 2010 from RT Mineral.

On July 19, 2010 RTM Minerals and LSG has started a deep drilling program on the Meunier-144 property. The drill program will attempt to complete approximately 4,850 meters of drilling in an initial deep master hole and one wedge cut with drilling. The main objective of the initial deep master drill hole is to intersect the down plunge projection and the possible junction of the Timmins Mine and Thunder Creek Zone at up to 2,400 meters vertically below surface. The initial master hole is planned to be 3,300 meters and the first wedge cut is planned to be 700 meters (core length). Additional wedging may be carried out in future programs.

RTM and LSG continued the deep drilling program and 2,369 meters were completed at the end of April 2011. The deep master hole is still on track to reach the 2,400 vertical meter deep drilling target later this year. The rate of drilling was reduced due to the use of directional drilling tools which require the operators to control the deviation of the hole in turn slowing the process.

Granada Extension

The Company owned a 100% interest in the Granada Extension property which covers approximately 200 hectares along the Cadillac Larder Lake Gold Break, in the Rouyn-Noranda mining camp, Quebec. The property consists of 11 very strategic mining titles, three of which were bought from two individuals for a series of staged cash payments totalling \$50,000 over 4 years, 150,000 shares and 150,000 stock options at \$0.25 of the Company. The vendors will retain a 1.5% NSR, of which 0.5% can be bought back for \$500,000.

Located on the Larder Lake Cadillac break, a proven major gold structure environment, the property encompasses several favourable geological features of great interest. In fact, porphyritic dykes, shear zones, and quartz veins were observed South and South West of the former Granada Mine. This geological environment comprises strong similarities with the Malartic mining camp where Osisko Mining Corporation (OSK: TSX) ("Osisko") is currently developing the Canadian Malartic project, a large tonnage and low grade gold deposit totalling approximately 9M ounces of gold in reserves (Osisko's press release of February 10, 2010).

The property includes interpreted lateral and southern extensions of the GBB Long Bars Zone, where an hypothetical preliminary block model outlined a gold-mineralized system that shows a potential of 2.4 million ounces of gold (non-compliant with NI 43-101; GBB press release, April 22, 2010). The Granada Extension property boundary is located less than 15 meters from the southernmost part of the former Granada Mine pit #2, 250 meters East of drill hole GR-10-113 which had returned 0.9 g/t Au over 230 meters and 200 meters East of hole 10-86 with 1.0 g/t Au over 85 meters and less than 450 meters West of pit #1 and drill hole GR-10-21 which had returned 2.2 g/t Au over 20 meters (GBB press release, March 1, 2010, November 19, 2010 and February 15, 2011). Moreover, our interpretation of the information released by GBB and those from the Quebec Sigeom database suggest that the Long Bars Zone extensions had never been drilled onto our property.

A prospecting, mapping and sampling program initiated early in October 2010, lead us to the discovery of 13 new significant gold-bearing zones. Grab samples collected within the mineralized zones returned up to 8.9 g/t gold. The gold-bearing zones are associated with porphyritic intrusions and/or quartz veins with disseminated sulphides in strongly altered and locally well-deformed sediments. The gold bearing zones returned values

generally grading between 0.3 g/t gold and 2 g/t gold, including local zones grading between 2 and 9 g/t gold. The main gold zone discovery on the property is located 600m west of the historical pit of the Granada mine. It extends over at least 300m in length and can reach up to 50m in thickness (see AGE's press release dated November 10, 2010).

In January, 2011, the Company announced the discovery of a new gold-bearing zone at the contact between the Temiscaming and Pontiac type sediments in the eastern part of the property. Grab samples collected within the new gold zone ranged between 0.3 and 1.0 g/t gold. The gold zone is associated with a porphyry dyke and is open laterally towards the GBB Granada property.

The Company considers these new gold discoveries to be exploration targets of first priority. No historical drilling tested the continuity of these new gold discoveries on the eastern and on the western block of claims. A 2,500-meter drilling program aimed to test the lateral extension of the Long Bars Zone on our property is planned for later this year. During the summer 2011, field validation will be done over the drilling targets.

Drilling performed by Gold Bullion on AGE Property

During the course of the prospecting work being performed by the Company's geologists, recent drilling activity footprints were noted on the field near the AGE Property boundary with GBB. The Company then contracted land surveyors to delineate the location of the Property boundary and survey drill holes collars in its vicinity. Based on the surveying results, the Company informed the management of GBB that as part of GBB's extensive drill campaign, a small portion of the drilling had occurred on AGE's side of the boundary. Specifically, hole GB-10-85 was drilled entirely on AGE Property, and holes GB-10-78, GB-10-83 and GB-10-98 were collared north of the Property boundary but finished within it (see figure 1 at www.adventure-gold.com). Drilling performed within the AGE Property by GBB totaled approximately 893 meters. After verification, the management of GBB and its technical team provided AGE with all the drill cores from these holes. AGE in turn will disclose to GBB all the information gathered from the drilling including the assays results when available. At the end of April, all the drill core has been logged and sent for assaying. Some results were still pending and will be released when all received.

Detour Quebec properties

The Detour Quebec project includes six properties, 100%-owned by the Company, totalling 276 claims and covering an area of 14,856 hectares. The properties are strategically located over 35 km along the gold break between the Detour Lake Mine project (proven and probable reserves of 14.9M oz Au, Detour Lake Gold, NI 43-101, March 15, 2011) and the Fenelon gold deposit (measured and indicated resources of 30,200 oz and inferred resources of 11,200 oz – Innovexplo, NI 43-101 report, 2005).

During the last quarter, the Company completed 123 km of line cutting and magnetic survey on the Massicotte (23 km), Casgrain (70 km) and Nantel (30 km) and 70 km of IP survey on Casgrain properties. Latest exploration work has been performed to bring these properties to the drilling stage. The company plans to integrate the new geophysics with historical work to develop drilling targets during the next quarter.

Casa Cameron properties

The Casa Cameron project includes six gold properties, 100%-owned by the Company, totalling 242 claims and covering 11,617 hectares. The properties are mainly located along the major gold break between the Casa Berardi Gold Mine (proven and probable reserves of 1.5 Millions ounces at 5.8 g/t Au, measured and indicated resources of 824,000 ounces at 5.7 g/t Au and inferred resources of 748,000 ounces at 5.8 g/t Au – Press release dated March 10, 2011, Aurizon Mines (ARZ: TSX)) and the Discovery Gold Deposit owned by North American Palladium (indicated and measured resources of 237,075 ounces at 6.3 g/t Au and inferred resources of 294,473 ounces at 5.9 g/t Au – Innovexplo, 43-101 Report, August 2008).

During the last quarter, the Company completed 119 km of line cutting and magnetic survey on the Casagasic (58 km) and Bell-Vezza (61km) properties. These works has been perform to advance these project to a drilling stage. The company plans to do compilation work on KLM and 25 km of line cutting and magnetic survey on the Sinclair-Bruneau property for the next quarter.

Val d'Or East - Megiscane-Tavernier, Realore, Beaufor West & North and Senore properties

No significant work has been performed during the last quarter on these properties. The Company plans to do geophysical survey (mainly magnetic) on the Realore and the Megiscane-Tavernier properties during the next quarter.

Other properties: Montreuil, Stoke and St-Francois

No significant work has been performed during the last quarter on these properties. The Company did not plan exploration work on those properties for the next quarter.

Outlook

During the next quarter, the Company anticipates to complete or start the following exploration work:

- 1) Start Phase II surface diamond drilling on Pascalis-Colombière project with a program of 5,000 meters to test the west area and deep extension of the Beliveau mine, continue the 3D modelling and resource estimate;
- 2) Plan and conduct geophysical surveys on the Casa-Cameron properties and Megiscane-Tavernier totalling over 117 km of magnetic survey;
- 3) Plan a 2,500 meters drilling program on Granada Extension Property and validate in the field drilling targets;
- 4) On the Meunier-144 property, AGE's Partners LSG and RTM should continue the deep drilling; 2,4km vertical deep target should be intersected during the next fall;
- 5) On the Dubuisson property, AGE's Partner AEM should complete a 4,000m drilling program;
- 6) On the Lapaska property, with AGE's Partner Mazorro, the Company should complete a 3,000m drilling program.

The Company still intends to be pro-active in the acquisition of new mineral exploration properties in Québec and in Ontario, primarily in and around gold mining camps. Management is currently reviewing other opportunities and other projects to enhance the portfolio of the Company. The Company intends to develop exploration partnership in order to minimize the risks related to the mining exploration and to accelerate the development of some of its properties.

Qualified person

The above technical information was confirmed and/or reviewed by Marco Gagnon, P.Geo., President and CEO of Adventure Gold Inc., and Jules Riopel, M.Sc., P.Geo, MBA, Vice-president exploration & acquisitions of Adventure Gold Inc., Qualified Persons under NI 43-101.

Subsequent Events

Pascalis-Colombière final results and start of the Phase II drilling

On May 31, 2011 the Company announced positive gold results from five (5) remaining drill holes, which were not released previously, on the phase I winter 2011 program on its Pascalis-Colombiere property. The best gold zones yielded values of:

- Hole PC-11-20: 10.7 g/t Au over 6.3 meters and 8.0 g/t Au over 8.3 meters, included in a section grading 4.8 g/t Au over 33.1 meters at 116 meters depth, within a gold halo of 1.4 g/t / 129.3 m;
- Hole PC-11-18: 8.6 g/t Au over 4.7 meters at 32 meters depth, included in a section grading 3.2 g/t Au over 13.5 meters, within a gold halo of 0.8 g/t / 116.5 m; Hole PC-11-21: 3.0 g/t Au over 8.0 meters at 131 meters depth included in a section grading 1.1 g/t Au over 32.0 meters, within a gold halo of 0.8 g/t / 111.5 m;
- Hole PC-11-19: 4.8 g/t Au over 3.4 meters at 159 meters depth, included in a section grading 1.8 g/t Au over 19.0 meters, within a gold halo of 0.6 g/t / 102.2 m;

- Hole PC-11-15: 8.4 g/t Au over 1.0 meter at 750 meters depth included in a section grading 3.4 g/t Au over 3.2 meters (this hole didn't intersect the entire gold system at depth and will have to be deepened).

The new exploration model at Pascalis-Colombiere works well. All our drill holes in the Beliveau West Area have returned high-grade intervals and lower grade halos over very significant widths. Finding gold near mine infrastructure is our main objective at Adventure Gold, and that is exactly what we have achieved at Pascalis-Colombiere.

On June 2, the Company has announced the start of a Phase II drilling program on its Pascalis-Colombiere property. The new drilling program will consist of at least 12 holes for approximately 5,000 meters, aiming to better define the new gold mineralization system recently identified west of the former L.C. Beliveau mine and the extensions of the mine at depth. At least four holes will be deepened (PC-11-15, 17, 19 and 20) to test the mine at depth but most of the drilling will be performed on the Beliveau West area between the surface and 350 meters depth. The drilling program is expected to be completed during the months of June to July.

Lapaska preliminary drilling results

On June 16, the Company and Mazorro resources reported positive gold results from the first two holes of the drilling program on the Lapaska Gold Property.

The best gold intersections, in core length, yielded values of:

- Hole LP-11-16: 1.0 g/t Au over 103.4 meters, including a section grading 10.3 g/t Au over 3.8 meters at 69.0 meters depth, within a gold halo of 0.3 g/t Au over 564.1 meters; and
- Hole LP-11-17: 1.2 g/t Au over 156.9 meters, including a section grading 5.8 g/t Au over 3.9 meters and 4.7 g/t Au over 7.1 meters at 52.5 and 92.5 meters depth respectively, within a gold halo of 0.8 g/t Au over 245.5 meters.

Option Agreement with Mazorro Resources on Dalquier Base Metals property

On June 23, The Company and Mazorro Resources announced that they have entered into an option agreement relating to the Dalquier property (the "Property"). The Property is located in the south-central segment of the prolific Archean Abitibi Greenstone Belt less than 4 kilometers north of the town of Amos in the township of Dalquier, Quebec. The Property comprises a total of 85 claims covering an area of 3,500 hectares. Mazorro's initial work plan on the Property will include a high definition magnetic airborne survey to commence as soon as possible. Results of this survey will be reported when available this summer.

Under the terms of the agreement, Mazorro may acquire up to 100% of the Company's right, title and interest in the Dalquier Property (the "Option Agreement"). Mazorro is required to provide total cash payments of \$300,000, a total of 2,000,000 common shares and has committed to conduct exploration of \$2,000,000 over a period of five years from the date of the option agreement.

The Dalquier Property

The geology of the Property appears very favorable for the identification of a new polymetallic (Cu-Zn-Au-Ag) deposit. Past exploration work identified Megatem geophysical anomalies along the extensions of the Jay Copper polymetallic (Cu-Zn-Au-Ag) deposit (historical resources, non-compliant with NI 43-101, in the Main West Cu Zone of 1,950,000 short tons at 1.0% Cu and 0.7 g/t Ag and in the Lower Ag-Zn-Cu Zone of 815,000 short tons at 1.3% Cu, 3.2 % Zn, 122.8 g/t Ag; sources: SIGEOM MNR) located south of the Property (see Figure 1 at www.adventure-gold.com). The Property also encompasses the southeastern extension of the Raymor gold-zinc deposit (historical resources, non-compliant with NI 43-101, of 500,000 tonnes at 5.5 g/t Au in Zone A; source: SIGEOM MNR). Historically, very little drilling has been completed along the extensions of those deposits on the Property. Historical drilling intersections on the Property returned 2.7 % Zn over 7.6 meters and 5.2% Zn over 1.2 meters. At the regional scale, Osisko Mining, Aurizon Mines and Bowmore Exploration are active with exploration to the north east of the Property.

Selected Financial Data

The following selected financial data is derived from the unaudited interim financial statements of the Company, which were prepared in accordance with Canadian generally accepted accounting principles.

Adventure Gold Inc. Selected Financial Information

	Three-month period ended		Nine-month period ended	
	2011	2010	2011	2010
	\$	\$	\$	\$
Statement of operations				
Total operating expenses	(128,787)	(58,449)	(733,553)	(310,765)
Interest income	7,949	1,178	18,148	2,223
Loss before income taxes	(120,838)	(57,271)	(715,405)	(308,542)
Net loss and comprehensive loss	(231,638)	(46,478)	(487,055)	(246,643)
Basic and diluted net loss per common share	(0.002)	(0.001)	(0.014)	(0.007)
Basic and diluted weighted average number of common shares outstanding	52,591,905	40,045,136	50,145,600	35,534,980
Statement of Mineral Exploration Expenses and Deferred Exploration Expenses				
Deferred exploration expenses before writedowns and option payments received (cash & shares)	660,842	213,941	1,094,603	589,736
Acquisition of mineral properties	21,438	10,894	118,022	42,678
Statement of Cash Flows				
Cash flows (used in) from operating activities	(209,626)	(58,995)	(438,696)	(85,833)
Cash flows used in investing activities	(547,657)	(174,736)	(1,379,887)	(560,650)
Cash flows from financing activities	719,169	723,940	1,635,006	1,674,417
(Decrease) increase in cash and cash equivalents	(38,114)	490,209	(183,577)	1,027,934
Balance Sheet				
			As at April 30 2011	As at July 31 2010
Cash and cash equivalents			420,641	604,218
Short-term investments			1,470,480	1,000,635
Marketable securities			1,178,800	861,450
Tax credit and mining duties receivable			572,946	192,975
Long-term investment			506,000	345,000
Mineral exploration properties			394,054	349,546
Deferred exploration expenses			3,291,975	2,786,329
Shareholders' equity			6,842,027	5,552,778
Total assets			7,999,275	6,208,443

Since its incorporation, the Company has not paid any cash dividends on its outstanding common shares. Any future dividend payment will depend on the Company's financial needs to fund its exploration programs and its future growth, and any other factor that the Board may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

Results of Operations for the three-month and nine-month period ended April 30, 2011 and 2010

Loss before Income taxes for the three-month and nine-month period ended April 30, 2011 was respectively \$120,838 and \$715,405 as compared to \$57,271 and \$308,542 in 2010. The increase is mostly attributable to

the recognition of \$328,708 stock-based compensation during the period as compared to \$111,865 in 2010 and an increase in salaries and benefits caused by a decrease of salaries and benefits allocated to the mining projects.

Interest income was \$7,949 for the three-month period ended April 30, 2011 compared to \$1,178 for the same period in 2010. Interest income was \$18,148 for the nine-month period ended April 30, 2011 compared to \$2,223 for the same period in 2010 and relates to interest earned on the investment of the private placements proceeds in bankers' acceptances and Treasury bills.

Quarterly information

The following selected financial data are derived from the unaudited interim financial statements of the Company.

Adventure Gold Inc.

Quarterly Results

	2010-2011			2009-2010				2008-2009
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	\$	\$	\$	\$	\$	\$	\$	\$
Other income	7,949	4,439	5,760	827,460	1,178	325	720	1,480
Net earnings (loss)	(120,838)	(413,524)	(181,041)	695,579	(46,478)	(159,737)	(40,428)	51,360
Basic net earnings (loss) per common share	(0.002)	(0.008)	(0.004)	0.019	(0.001)	(0.005)	(0.001)	0.002

During the quarter ended January 31, 2011, net loss was high due mostly to the recognition of stock based compensation further to the grant of options to employees and directors of the Company and an increase in salaries and benefits caused by a decrease of salaries and benefits allocated to the mining projects.

During the quarter ended October 31, 2010, net loss was high due mostly to the recognition of stock based compensation further to the grant of options to employees and directors of the Company and an increase in salaries and benefits caused by a decrease of salaries and benefits allocated to the mining projects.

During the quarter ended July 31, 2010, other income was high due to the recognition of a gain on the optioning of the Dubuisson and Meunier 144 properties for \$824,512.

During the previous quarters, other income consisted of interest income only, earned on investment savings accounts, bankers' acceptances, GICs and bonds.

During the quarters ended July 31, 2010 and 2009, the Company realized net earnings for respectively \$695,579 (mostly attributable to the recognition of a gain on the optioning of the Dubuisson and Meunier 144 properties) and \$51,360 (mostly due to the recognition of a recovery of future income taxes for \$111,051, further to flow-through expenses renunciations filed during the year).

Net loss for the quarter ended January 31, 2010 was high due mostly to the recognition of stock based compensation further to the grant of options to employees and directors of the Company during that period.

Liquidity and capital resources

The Company's working capital stands at \$3,249,667 (including \$420,641 in cash and cash equivalents, \$1,470,480 in short-term investments and \$1,178,800 in marketable securities) as at April 30, 2011 compared to \$2,677,146 (including \$604,218 in cash and cash equivalents, \$1,000,635 in short-term investments and \$861,450 in marketable securities) at July 31, 2010. This significant increase is mostly attributable to proceeds from exercised warrants and options for \$802,230.

The Company's principal requirements for cash for the next twelve months will be administrative expenditures for \$480,000, deferred exploration expenditures for \$1.0 million and an option payment of \$160,000. With a working capital of \$2,869,695, the Company anticipates having sufficient funds to meet its option payment and exploration work commitments, which are minimal given the optioning of the Dubuisson and Meunier properties, carry out an exploration program on its other properties, pursue and evaluate new resource projects and meet its corporate and administrative expenses for the next twelve months.

During the nine-month period ended April 30, 2011, 130,000 stock options, 589,285 agent options and 6,072,428 warrants with an average exercise price of \$0.20 were exercised, for gross proceeds of \$1,368,414.

Off Balance Sheet Arrangements

As of April 30, 2011, the Company has no off balance sheet arrangements.

Related Party Transactions

Under a cost sharing agreement between the Company and Everton Resources Inc. ("Everton"), the Company reimburses the cost of the Company's portion of shared salaries and benefits, rent and office expenses paid by Everton (which shares common management). During the three-month and nine-month period ended April 30, 2011, the cost of shared salaries and benefits was respectively \$7,500 and \$30,000 (2010 - \$22,500 and \$67,500) and rent and office expenses were respectively \$500 and \$2,000 (2010 - \$1,500 and \$4,500). Included in amount due to related party is \$Nil (\$Nil as at July 31, 2010) due to Everton. The agreement between the Company and Everton was terminated effective November 30, 2010.

Under an agreement between the Company and Focus Metals Inc. ("Focus") (which shares common management), Focus was invoiced by the Company, at cost, for exploration expenses incurred on behalf of Focus for a total of \$1,035 and \$1,741 (2010 - \$6,198 and \$44,308) respectively for the three-month and nine-month period ended April 30, 2011 and the Company was charged by Focus, at cost, for exploration expenses incurred on behalf of the Company for a total of \$1,084 and \$10,266 (2010 - \$Nil) respectively for the three-month and nine-month period ended April 30, 2011. Included in amount due from related party is \$Nil (\$729 as at July 31, 2010) due from Focus.

Under an agreement between the Company and Atwater Financial Group ("Atwater"), (which shares common management), Atwater invoiced the Company \$30,000 and \$47,500 (2010 - \$Nil) respectively for the three-month and nine-month period ended April 30, 2011 for bookkeeping, accounting and CFO services provided to the Company. An amount of \$10,253 was due by the Company to Atwater as at April 30, 2011 (\$Nil as at July 31, 2010).

These transactions were measured at the exchange amount, which is the amount established and accepted by the parties and were conducted in the normal course of business.

The amounts due from/to related parties are without interest or specific terms of repayment.

Book Value of Mineral Properties

At the end of each quarter, management reviews the carrying values of its resource properties to determine whether any write-downs are necessary. Following this analysis, no write-down was deemed necessary during the period ended April 30, 2011 (None in 2010).

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, short-term investments, marketable securities, amount due from related party, long term investment and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value. It is management's opinion that the Company is not exposed to significant credit risks arising from these financial instruments. The fair value of cash equivalents, short-term investments, marketable securities and long-term investment are based on unadjusted quoted prices in active markets.

Critical Accounting Policies and Estimates

The preparation of the Company's financial statements in accordance with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. The Company's significant accounting policies and estimates are fully described in note 4 to the audited financial statements for the years ended July 31, 2010 and 2009.

Future Accounting and Reporting Changes

International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board requires all public companies to adopt International Financial Reporting Standards ("IFRS") for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal period. The transition from Canadian GAAP to IFRS will be applicable for the Company's first quarter ended October 31, 2011. Although IFRS employs a conceptual framework that is similar to Canadian GAAP, there are some differences in recognition, measurement, and disclosure. It is anticipated however that the Company's financial results and financial position as disclosed in the Company's current Canadian GAAP financial statements will not be significantly different when presented in accordance with IFRS.

The Company has developed and implemented a project plan to ensure full compliance with this requirement by 2011. The following is a summary of the four primary phases of the plan and the expected timing of activities related to the Company's transition to IFRS.

- *Diagnostic impact assessment phase:* this phase consists in performing an Initial analysis of key areas for which changes to accounting policies may be required. While an analysis will be required for all current accounting policies, the Company has performed a review as to the most significant areas of difference to the Company which include:
 - IFRS 1 First-time adoption of International Financial Reporting Standards
 - IFRS 2 Share-based payment
 - IFRS 6 Exploration and evaluation
 - IAS 1 Presentation of financial statements
 - IAS 12 Accounting for income taxes
 - IAS 16 Property, plant and equipment
 - IAS 21 Effects of changes in foreign exchange rates
 - IAS 32 financial instruments presentation
 - IAS 36 Impairment of assets
- *Design, planning and solution development phase:* this phase involves the development of the detailed plan for convergence and implementation, analyses of policy alternatives allowed under IFRS, the specification of changes required to existing accounting policies, and the development of solutions for information systems and business processes. To date, the Company has identified a number of accounting differences and policy alternatives, including one-time accounting alternatives under IFRS. As part of its analysis of potential changes to significant accounting policies, the Company is assessing what changes may be required to its accounting systems and processes. The Company believes that the changes identified to date are minimal and the current systems and processes will be able to accommodate the necessary changes. The Company's staff which is involved in the preparation of financial statements is being trained on the relevant aspects of IFRS and the anticipated changes to accounting policies.
- *Implementation phase:* This phase includes the completion and formal authorization of recommended changes to accounting policies, including transition elections to apply changes retroactively or prospectively, the execution of changes to information systems and business processes, delivery of training programs across the Company and the preparation of the opening balance sheet and the quarterly and annual financial statements for both 2012 and the comparative 2011 fiscal years. In addition, the impact of IFRS on contractual arrangements will be addressed.

- *Post implementation phase:* This phase involves a compliance review of the conversion project to assess the accuracy and consistency with which IFRS accounting policies are being applied, the adoption of sustainable processes and procedures and the adequacy of information technology solutions, training programs and other business impact solutions.

Certification of interim filings

The President and Chief Executive Officer and the Chief Financial Officer have signed the Basic Certifications of Interim Filings as required by National Instrument 52-109 for venture issuer, thus confirming, the review, the absence of misrepresentations and the fair presentation of the interim filings.

- The President and Chief Executive Officer and the Chief Financial Officer confirm to have reviewed the interim financial statements and the interim MD&A (together, the “interim filings”) of the Company for the three-month period ended April 30, 2011.
- Based on their knowledge, having exercised reasonable diligence, the President and Chief Executive Officer and the Chief Financial Officer confirm that the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.
- Based on their knowledge, having exercised reasonable diligence, the President and Chief Executive Officer and the Chief Financial Officer confirm that the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Outstanding Share Data

Common shares and convertible securities outstanding as at June 29, 2011 consist of:

Adventure Gold Inc.

Disclosure of outstanding share data (as at June 29, 2011)

Common shares outstanding: 53,634,595

Options outstanding: 3,240,000
Average exercise price of: \$ 0.26

<u>Expiry date</u>	<u>Number of shares</u>	<u>Exercise price</u>
		\$
November 2012	800,000	0.27
June 2013	50,000	0.19
October 2013	300,000	0.19
March 2014	220,000	0.14
January 2015	745,000	0.19
September 2015	600,000	0.19
November 2015	75,000	0.39
December 2020	450,000	0.53
	<u>3,240,000</u>	

Warrants outstanding : 8,162,602
Average exercise price of: \$ 0.20

<u>Expiry date</u>	<u>Number of shares</u>	<u>Exercise price</u>
		\$
December 2011	4,336,692	0.16
December 2011	99,330	0.13
April 2012	370,000	0.18
April 2012	1,885,000	0.27
May 2012	200,000	0.20
May 2012	1,000,000	0.27
July 2015	196,580	0.20
October 2015	75,000	0.25
	<u>8,162,602</u>	

Subsequent events

In June 2011, the Company entered into an option agreement with Mazorro, whereby Mazorro acquired an exclusive option to earn up to 100% in 85 claims covering an area of approximately 3,500 hectares of the Company's Dalquier property, located in the south-central segment of the prolific Archean Abitibi Greenstone Belt less than 4 kilometers north of the town of Amos in the township of Dalquier, Quebec. in Val d'Or East area, by spending \$2.0M in exploration expenditures, issuing 2,000,000 shares of Mazorro and paying \$300,000 in cash payment over the next 5 years.

To earn its initial 100% interest, Mazorro must make cash payments, issue common shares and incur exploration expenses in the following timelines:

	<u>Cash Payments</u>	<u>Shares</u>	<u>Exploration Expenses</u>
	\$		\$
On signing of the Agreement	25,000	500,000 ⁽¹⁾	100,000 ⁽²⁾
On or before June 30, 2012	25,000	500,000	250,000
On or before June 30, 2016	250,000	1,000,000	1,650,000
	<u>300,000</u>	<u>2,000,000</u>	<u>2,000,000</u>

(1) Initial shares to be issued within 5 business days from receipt of TSX Venture Exchange acceptance.

(2) To be incurred by July 31, 2011.

Following the exercise of the Option, Mazorro will grant the Company a royalty (the "Royalty") equal to two and one-half percent (2.5%) in aggregate of the net smelter returns on all mineral claims of the Property. Mazorro retains the right, at any time to purchase 1 of the 2.5 percentage points of the Royalty by paying the Company the sum of \$1,500,000. This transaction is subject to the receipt of any required regulatory approvals including acceptance of the TSX Venture Exchange. A director of the Company is also a director of Mazorro.

Risk and uncertainties

Exploration of minerals and development of mineral properties involve significant risks, many of which are outside of the Company's control. In addition to the normal and usual risks of exploration and mining, the Company often works in remote locations that lack the benefit of infrastructure and easy access.

Financial risk

The Company is considered to be in the exploration stage, that it is dependant on obtaining regular financing in order to continue exploration. Despite previous success in acquiring this financing, there is no guarantee of obtaining any future financing, or that it will be available on acceptable terms.

The prices of metals fluctuate widely and are affected by many factors outside of the Company's control. The relative prices of metals and future expectations for such prices have a significant impact on the market sentiment for investment in mining and mining exploration companies.

Risk on the uncertainty of title

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title.

Environmental risk

The Company is subject to various environmental incidents that can occur during exploration work. The Company maintains an environmental management system including operational plans and practices.

Additional information and continuous disclosure

This Management's Discussion and Analysis has been prepared as of April 1, 2011. Additional information on the Company is available through regular filings of press releases and financial statements on SEDAR (www.sedar.com).

(Signed) Marco Gagnon
Chief Executive Officer

(Signed) Robert Boisjoli
Chief Financial Officer