ZGOLD EXPLORATION INC.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2011

This interim management's discussion and analysis report ("MD&A") provides an analysis of our financial condition and results of operations to enable a reader to assess material changes for the nine-month period ended September 30, 2011, in comparison with the same period of last year. This interim MD&A was prepared as at November 24, 2011, and is intended to complement the condensed interim financial statements. This interim MD&A and our condensed interim financial statements are intended to provide investors with reasonable basis for assessing our results of operations and financial performance.

Z-Gold Exploration inc. (the "Company") was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on June 15, 2006 and was classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange. On September 16, 2006, the Company changed its name from Powerbeaver Capital Corp. to Nano Capital Corp. On March 11, 2010, the Company changed its articles to change its name from Nano Capital Corp. to Z-Gold Exploration Inc. Z-Gold is a junior mining exploration company, exploring for gold and base metals in the Abitibi Greenstone Belt. The shares of Z-Gold are trading on the TSX Venture under the symbol ZGG.

This MD&A contains "forward-looking statements" not based on historical facts. Forward-looking statements express, as at the date of this report, our estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Factors could cause results or events to differ materially from current expectations expressed or implied by forward-looking statements include, but are not limited to, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to calculation of mineral reserves and requirements of additional financing and the capacity of the Company to obtain financing.

MINING PROPERTIES

ABITIBI GOLD PROPERTY (ONTARIO)

Z-Gold Exploration Inc. has acquired the Abitibi Gold Property by issuing 3,000,000 common shares in favour of 1527805 Ontario Ltd., which company became an insider of the Company, owning more than 10% of the issued shares of the Company.

The Abitibi Gold Property is comprised of five 21 year mining leases containing 85 claims consisting of 91 claim units located in south central part of Munro Township in the Larder Lake Mining Division, Province of Ontario. The Abitibi Gold Property covers approximately 1,459 ha and is located approximately 86 km east northeast of the City of Timmins. Access to the Property is easy with paved highway 101 passing near the south boundary of the Property and gravel secondary roads giving access to the central area of the Property.

On June 29, 2010, the Company entered into an option agreement to acquire a 100% interest in two additional claims (3 units) in the Abitibi Gold. To acquire a 100 % interest in the additional claims of the Abitibi Gold Property, the Company paid $2,000 at signature and issued 150,000 common shares. The vendor has retained a 2% NSR in the Property.

On August 24, 2010, the Company has entered into an option agreement to acquire 24 additional claims (29 units) located in the Munro township, Ontario. To acquire a 100 % interest in the additional claims of the Abitibi Gold Property, the Company paid $50,000 and issued 1,000,000 shares. There is a 2% NSR on the claims in favour of a former owner.

On November 1st, 2010, the Company entered into an option agreement to acquire one (1) additional claim located in the Munro Township. To acquire a 100% interest in this additional claim of the Abitibi Gold Property, the Company paid $5,000 at signature and issued 50,000 common shares. The vendor has retained a 2% NSR in the property.

On May 24, 2011, the Company has entered into an option agreement to acquire three additional mining claims (5 units) in the Munro Township. To acquire a 100% interest in these additional claims of the Abitibi Gold Property, the Company has paid $5,000 at signature and issued 50,000 common shares. The vendor has retained a 2% NSR in the property.

The Property has been explored since 1912 by trenching, shallow shaft sinking to 10 m or less, ground geophysical surveys, geological mapping and diamond drilling of up to 87 holes. In 1994, prospectors discovered visible gold on the zone C which caught the attention of several companies that completed trenching, ground geophysical and geological surveys as well as diamond drilling. The drilling was unable to locate mineralization similar to that discovered on surface but the host alteration zones of carbonatization were intersected.

The Property sits within the Abitibi Greenstone Belt and more specifically near the south boundary of the Kidd-Munro Assemblage just north of the Porcupine Assemblage, the contact of which is marked by the Pipestone Deformation Zone, a regional thrust fault that can be traced from approximately Garrison Township in the east to west of Timmins. The Property is underlain by mafic and ultramafic volcanic rocks that vary from peridotitic komatiite to High Fe tholeiite which have been intruded by felsic and mafic dykes and sills.

Mineralization on the Property appears to be of two types, either associated with strike-slip shear structures that are related to the Munro Fault or cross fault dilatant structures. The higher gold values do not appear to be associated preferentially with either structural style but the presence of higher concentrations of arsenopyrite and to a lesser extent sulphides usually bodes well for higher gold values. There are ten identified gold zones within the area of the Property (zones A to J) with the most spectacular zone, the zone C, where grab samples have returned assays as high as 2,500 g/t Au. Gold mineralization appears to sit within shallow dipping quartz-carbonate vein systems that are hosted in quartz-carbonate-sericite-sulphide zones that may be near vertical.

The Munro-Croesus Mine is three km west southwest of the zone C and produced 421,246 grams gold from 4,838 tons milled for a grade of 87.07 g/t Au from 1915 to 1936. The Munro-Croesus would be the best deposit model to use in exploring the Property.

Many gold showings need to be tested by geophysical surveys and by a diamond drilling program. An airborne survey covered the property and successfully outlined many structural features.

The Company has completed a line cutting program of 81.9 km, as well as a mag/VLF ground survey and a 20 km IP survey. Also, a sampling program was realized to execute geochemical analyses for gold and arsenic. The program has been completed as well as the geochemical analysis. The analysis results were compiled with other geophysical data in order to determine the best drill targets for this property. A drilling program of 10,000 meters started on the property in May 2011. Fifteen drill holes have been completed for a total of about 3,000 meters. Drilling has been put on hold to wait for the results of a geophysicist report in order to determine more precisely the next drill targets.

CASA BERARDI PROPERTY (QUEBEC)

In June 2010, the Company entered into an option agreement to acquire 96 mining claims located in the Casa Berardi Township in the mining division of Rouyn-Noranda, province of Quebec. To acquire a 100% interest in the Property, the Company paid $15,000 at signature and issued 900,000 common shares. The vendor has retained a 2% NSR in the property.

The Casa Berardi property is located in North-western Quebec in the prolific Abitibi Greenstone Belt from where a large amount of Canada's gold has been extracted. Z-Gold acquired the property for its exploration potential. The property is contiguous to the Casa Berardi Mine controlled by Aurizon. The property is characterized by splay faults of the Casa Berardi Break and the same type of alteration. Many geological input anomalies are present and represent the splay faults and need to be investigated by diamond drilling. A compilation report of historical work conducted on the property was realized by a consultant. Following the results of this compilation, other exploration works are necessary. A mandate has been given to a consultant in order to determine the extent of these works. Following his first recommendations, line cutting and geophysics survey will be realized shortly.

VAUQUELIN PROPERTY (QUEBEC)

In October 2010, the Company has entered into a sale agreement to acquire 6 mining claims located in the Vauquelin Township, in the mining camp of Val-d'Or, province of Quebec. To acquire a 100 % interest in the property, Z-Gold has issued 250,000 common shares. The vendor has retained a 1% NSR in the property.

Several metallic deposits discovered in Abitibi since the 1950's have been discovered by way of geophysical and geochemistral techniques as well as by the usual geological prospection. Because of their limitations, these old techniques have only permitted to discover mineral deposits located near the surface. The Megatem system is a more advanced and more performing system that allows to detect anomalies located at depth, that were not detected by the old methods of detection. The Vauquelin property has been acquired in that sense, to cover a strong Megatem anomaly located in a favourable geological context.

The Megatem conductor surrounds a circular magnetic anomaly in contact with the Vauquelin-Pershing batholith and volcanic rocks of the Val-d'Or group. This circular magnetic anomaly could be the reflection of an ultramafic intrusion. A strong lineal regional structure, previously unknown, crosses the whole sequence. This structure is interpreted as being a major fault. The zone of interest is located at the north end of the tectonic zone of Cadillac. Based on the geophysics results obtained, the IP technique was used to test the property for disseminated gold sulphides. A target has been identified and has been drilled in the month of May 2011. The first 300 meters of drilling didn't return any interesting results and the Company has no intention to drill this property in the near future.

Analysis of the Exploration Expenditures

The Company has incurred in the first nine months of the year, exploration expenditures totalizing $1,149,736 ($112,548 in 2010).

Description	**Abitibi Gold** $	**Casa Berardi** $	**Vauquelin** $	**Total** $
Balance as of December 31, 2010	185,835	13,995	244	200,074
Geology	68,115	15,917	10,700	94,732
Drilling	514,969	-	26,261	541,230
Analyses	141,880	-	2,342	144,222
Line cutting	-	-	7,810	7,810
Geophysics	332,125	-	7,985	340,110
General Exploration Expenses	10,578	125	10,929	21,632
Total as at September 30, 2011	**1,253,502**	**30,037**	**66,271**	**1,349,810**

Analysis of Acquisitions, Write-off and Renewal of Mining Claims

These amounts represent the costs pertaining to the payments in cash or in shares of the Company following options agreements for the acquisition of mining properties.

Properties	**Balance as at December 31, 2010** $	**Payments in Cash** $	**Payments in Shares** $	**Write-Off** $	**Total as at September 30, 2011** $
Abitibi Gold	834,750	5,000	24,000	-	863,750
Casa Berardi	109,500	1,440	-	-	110,940
Vauquelin	55,000	90	-	-	55,090
Total	**999,250**	**6,530**	**24,000**	**-**	**1,029,780**

<u>Royalties on the mining properties are as follows:</u>

Abitibi Gold Project	2%	Casa Berardi	2%
Vauquelin	1%		

The Company has no research and development expenses.

The Company doesn't have any deferred expenses others than the mining properties and the deferred exploration expenses.

Person Responsible of the Technical Information
The qualified person pursuant to National Instrument 43-101, responsible of the technical information of the Company is Mr. Christian Dupont, P.Eng.

FINANCIAL INFORMATION

Our condensed interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting* ("IAS 34") and IFRS 1, *First-Time Adoption of International Financial Reporting Standards* ("IFRS"). The condensed interim financial statements should be read in conjunction with our Canadian GAAP annual financial statements for the year ended December 31, 2010. All monetary values contained in this MD&A are expressed in Canadian currency.

Significant Financial Data (Audited)

YEARS ENDED DECEMBER 31	2010	2009	2008
	$	$	$
Total assets	1,844,647	307,089	297,296
Total liabilities	174,669	161,715	10,622
Revenue	-	-	-
Net and comprehensive loss	(1,074,456)	(141,300)	(26,700)
Net loss per share on a diluted basis	(0.10)	(0.03)	(0.01)

As at December 31, 2010, the total assets of the Company has considerably increased because of the acquisition of mining properties as well as deferred exploration expenses. The net loss increased significantly because of the increase in the activities of the Company compared to 2009 and 2008.

QUARTERLY INFORMATION (Not Audited)

	Sept. 30 2011	**June 30, 2011**	**Mar. 31, 2011**	**Dec. 31, 2010**	**Sept. 30, 2010**	**June 30, 2010**	**Mar. 31, 2010**	**Dec., 31, 2009**
Total Assets	2,701,965	2,004,616	1,938,703	1,844,647	1,480,977	1,167,062	1,227,097	307,089
Total Liabilities	962,171	277,998	160,698	174,669	318,037	97,137	345,662	161,715
Revenues	-	-	-	1,330	-	-	-	-
Net loss	(28,840)	(75,267)	(73,995)	(592,101)	(148,133)	(133,740)	(200,482)	(111,750)
Basic and diluted loss per share	(0.00)	(0.00)	(0.04)	(0.04)	(0.01)	(0.02)	(0.03)	(0.03)

STATEMENT OF EARNINGS

Being a mining exploration company, Z-Gold does not generate any regular earnings so in order to survive; the Company has to issue capital stock. The revenues recorded are interests received.

Expenses
During the quarter ended September 30, 2011, the net and comprehensive loss of the Company is $28,840 compared to $140,133 for the same period ending September 30, 2010. In 2010, the loss before taxes is higher because the Company changed its classification, moved its head office and listed on the TSX Venture Exchange.

Details of the administrative expenses for the three-month period ending September 30,	**2011** $	**2010** $
Consultants' fees	28,500	60,513
Professional fees	17,642	6,395
General administrative expenses	11,730	4,694
Registration, listing fees and shareholders' information	6,784	16,651
Interests and bank expenses	147	160
Stock-based compensation	-	61,050
Amortization of fixed assets	682	-
Total	**65,485**	**149,463**

<u>Summary of the administrative expenses for the last fourth quarters</u>

	Sept. 30, 2011	**June 30, 2011**	**Mar. 31, 2011**	**Dec. 31, 2010**
Consultants' fees	28,500	29,500	47,290	47,987
Professional fees	17,642	47,906	11,244	17,595
General administrative expenses	11,730	14,613	18,311	11,474
Registration, listing fees and shareholders' information	6,784	12,461	12,353	16,592
Interests and bank expenses	147	105	115	164
Amortization	682	682	682	964

a) During the quarter ended March 31, 2011, the consultants' fees and the general administrative expenses are higher compared to the other quarters because of the Company participation in the PDAC in Toronto.

b) During the quarter ended June 30, 2011, the professional fees are higher because the Company accounted audit fees as well as professional fees following the transition from the GAAP to the IFRS.

c) The registration, listing fees and shareholders' information are higher in the quarter ending December 31, 2010 because the Company closed private placements and acquired mining claims.

d) The interests and bank expenses as well as the amortization remained about the same.

CASH FLOWS

During the three-month period ended September 30, 2011, the Company recorded $50,000 following a private placement. The Company incurred $250 in issuance expenses following this private placement.

During the three-month period ended September 30, 2011, the Company incurred $731,448 in deferred exploration expenses. These financing activities are directly linked to the sector of activity of Z-Gold and are in accordance with the plans of management.

SOURCE OF FINANCING

Date	Financing		Commercial Goals
January 2011	Flow-through shares	$16,000	Exploration expenditures in Quebec
		$140,400	Exploration expenditures in Ontario
	Common shares	$39,100	Working capital
February 2011	Flow-through shares	$45,000	Exploration expenditures in Quebec
		$135,000	Exploration expenditures in Ontario
	Common shares	$20,000	Working capital
September 2011	Flow-through shares	$40,000	Exploration expenditures in Ontario
	Common shares	$10,000	Working capital

The Company will have to disburse about $580,000 in administrative expenses in the current year. The Company will have to continue its efforts in order to realize others financings to pursue its projects.

OBLIGATION AND CONTRACTUAL COMMITMENTS

The Company finances in part by the issuance of flow-through shares. However, there is no guarantee that the amounts incurred by the Company will be eligible as Canadian Exploration Expenses (CEE), even if the Company has made the commitment to take all necessary measures in this effect. As at September 30, 2011, because of the flow-through financings, the Company will have to incur in exploration expenses an amount of $62,247 at the latest on December 31, 2011 and an amount of $55,810 at the latest on December 31, 2012. Refusal from the tax authorities of certain expenses would have negative tax consequences for the investors.

In April 2010, the Company entered into a management contract with a private company. This service contract provides for the management of the mining exploration projects of the Company. This contract is ending on April 21, 2012. However, both parties reserve the right to terminate the agreement at any time. The private company will incur the majority of the expenses pertaining to the exploration projects and it will invoice to Z-Gold Exploration the costs by using a rate comparable to the one used in the mining industry.

RELATED PARTY TRANSACTIONS AND COMMERCIAL GOALS

Z-Gold Exploration Inc. has concluded the following transactions with related parties:

As at September 30, 2011, the Company incurred consultant fees for an amount of $15,000 ($15,000 as at September 30, 2010) with the president. The Company also incurred general administrative expenses for an amount of $1,288 ($1,886 as at September 30, 2010) with a company to which the president of Z-Gold is also a director.

These transactions are concluded in the normal course of operations of the Company and are measured at the exchange amount which is the amount of consideration established and agreed by the parties.

Transition to IFRS

Z-Gold Exploration Inc.'s financial statements for the year ending December 31, 2011 will be the first annual financial statements that comply with IFRS and these interim financial statements were prepared as described in Note 3, including the application of IFRS 1. IFRS 1 requires an entity to make an explicit and unreserved statement of compliance with IFRS in its first annual financial statements prepared under IFRS. Z-Gold Exploration Inc. will make this statement in its 2011 annual financial statements. IFRS 1 also requires that comparative financial information be provided. As a result, the first date at which Z-Gold Exploration Inc. has applied IFRS was January 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for Z-Gold Exploration Inc. will be December 31, 2011. However, it also provides for certain optional exemptions and certain mandatory exceptions for first-time IFRS adopters. Set forth below are the IFRS 1 elections made by Z-Gold Exploration Inc. to convert the GAAP results to IFRS.

Exemption to full retrospective application elected by the Company under IFRS 1

In the preparation of its first financial statements in IFRS in accordance with IFRS 1, Z-Gold Exploration Inc. has elected to use some exemptions from other IFRSs by taking into account exceptions to the retrospective application of other IFRSs.

- Apply IFRS 2 Share based payment only to equity instruments that were granted after November 7, 2002 and had not fully vested by the transition date.

- Apply the exemption which allows designating, at the date of transition to IFRSs, any financial asset or financial liability as at fair value through profit or loss, subject to meet classification criteria of IAS 39 at that date.

- Apply the exemption which allows a first-time adopter to not separate liability and equity component of compound financial instruments if the liability component is no longer outstanding at the date of transition to IFRSs.

Exception to the Retrospective Application for Estimates (IFRS 1)

The Company expects that the estimates made in accordance with IFRSs at the date of transition to IFRSs will be consistent with estimates made for the same date in accordance with pre-changeover Canadian GAAP (after adjustments made to reflect any difference in accounting policies).

Reconciliation of GAAP to IFRS

The following represents the reconciliations from GAAP to IFRS for the respective periods noted for equity, earnings and comprehensive loss:

Reconciliation of Equity

For the Period Ended September 30, 2010

Total Shareholders' equity under Canadian GAAP	$1,162,940
Adjustment for change in accounting policy related to flow-through shares	($29,500)
Total Equity under IFRS	**$1,133,440**

Reconciliation of Comprehensive Loss

For the periods Ended,	Three-month period ended September 30 2010	Six-month period ended September 30, 2010
	$	$
Comprehensive loss previously reported under Canadian GAAP	(148,133)	(483,355)
Adjustment for change in accounting policy related to flow-through shares	8,000	9,000
Comprehensive loss under IFRS	**(140,133)**	**(474,355)**

The Company has decided to follow the view point published in May 2011 by the Mining Industry Task Force created by the Canadian Institute of Chartered Accountants and the Prospectors and Developers Association of Canada relatively to the accounting treatment for flow-through shares. Therefore, when the Company issued flow-through shares, it measures what had been issued to investor that is an equity interest and a right to a stream of tax deductions.

The Company has retrospectively measured the premium related to the right of tax deductions using relative fair value method. This application resulted in modified values for capital stock and warrants compared to the one previously recorded. The amount determined for the premium was recorded as other liability in the statement of financial position. Other liability represents the Company's obligation to pass on tax deductions to investor by incurring fiscally eligible expenses. The Company transferred other liability amount to the comprehensive loss as a deferred tax expense reduction progressively at the fulfillment of obligation to pass on the right of tax deductions.

As at September 30, 2010, the cumulative impact of this change resulted in a $29,500 increase in other liability, a $105 decrease in capital stock, and a $38,395 decrease in warrants. As at September 30, 2010, the deficit has also been reduced by $9,000, from the recording of a deferred tax expense in profit and loss statement, to recognize the fulfillment of a portion of the obligation to transfer to investors' tax deductions by the Company.

Reconciliation of Opening Statement of Financial Position

The changes in accounting policies resulting from the Company's adoption of IFRS had no impact on the unaudited opening statement of financial position as at January 1st, 2010.

Reconciliation of Cash Flows

Given that the Company's first time adoption of IFRS did not have an impact on the total operating, investing or financing cash flows, no specific reconciliation is presented for cash flows.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities are exposed to financial risks: market risk, credit risk and liquidity risk.

Market Risk

i) Fair Value

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about the financial instruments. Fair value of cash, cash reserved for exploration and accounts payable and accrued liabilities approximate carrying value due to their short-term.

ii) Fair Value Hierarchy

Cash and cash reserved for exploration are measured at fair value and they are categorized in Level 1. This valuation is based on data observed in the market.

iii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The financial assets and liabilities are not exposed to interest rate risk because they don't bear interest.

iv) Currency Risk

The Company is not exposed to currency fluctuations as all transactions occur in Canadian dollars.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes the other party to incur a financial loss. Financial instruments which potentially expose the Company to credit risk mainly consist of cash, taxes receivable and other receivables. The credit risk on cash is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Also, as the majority of its receivables are from the governments of Quebec and Canada in the form of sales taxes receivable, the credit risk is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. At the end of September 2011, management is optimistic to get sufficient funds to meet its financial liabilities and future financial liabilities from its commitments.

RISKS FACTORS

Exploration Risks

Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. Other risks related to exploration and mining activities include unusual or unforeseen formations, fire, power failures, labor disputes, flooding, explosions, cave-ins, landslides and shortages of adequate or appropriate manpower, machinery or equipment. The development of a resource property is subject to many factors, including the cost of mining, variations in the quality of the material mined, fluctuations in the commodity and currency markets, the cost of processing equipment, and others, such as aboriginal claims, government regulations including regulations regarding royalties, authorized production, import and export of natural resources and environmental protection. Depending on the price of the natural resources produced, the Company may decide not to undertake or continue commercial production. There can be no assurance that the expenses incurred by the Company to explore its properties will result in the discovery of a commercial quantity of ore. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

Environmental and Other Regulations

Current and future environmental laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Company's activities. Environmental regulations and standards are subject to constant revision and could be substantially tightened, which could have a serious impact on the Company and its ability to develop its properties economically. Before it commences mining a property, the Company must obtain environmental permits and the approval of the regulatory authorities. There is no assurance that these permits and approvals will be obtained, or that they will be obtained in a timely manner. The cost of complying with government regulations may also impact the viability of an operation or altogether prevent the economic development of a property.

Financing and Development

Development of the Company's properties therefore depends on its ability to raise the additional funds required. There can be no assurance that the Company will succeed in obtaining the funding required. The Company also has limited experience in developing resource properties, and its ability to do so depends on the use of appropriately skilled personnel or signature of agreements with other large resource companies that can provide the required expertise.

Commodity Prices

The factors that influence the market value of gold and any other mineral discovered are outside the Company's control. Resource prices can fluctuate widely, and have done so in recent years. The impact of these factors cannot be accurately predicted.

Risks Not Covered by Insurance

The Company may become subject to claims arising from cave-ins, pollution or other risks against which it cannot insure itself or chooses not to insure itself due to the high cost of premiums or other reasons. Payment of such claims would decrease and could eliminate the funds available for exploration and mining activities.

Tax

No assurance can be given that Canada Revenue Agency or that the Quebec Ministry of Revenue will agree with the Company's characterization of expenditures as Canadian exploration expenses.

Dependence on Key Personnel
The development of the Company is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other mining companies.

Conflict of Interest
Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and mining of natural resources properties. Such associations may give rise to conflicts of interests from time to time. The directors of the Company are required by law to act honestly and in good faith of view of the best interests of the Company and to disclose any interest, which they may have on any project or opportunity of the Company. If a conflict arises at the meeting of the board of directors, any director in conflict will disclose his interest and abstain from voting on such matter.

The general and administrative expenses for the three-month period ended September 30, 2011 are broken down as follows:

Traveling expenses, representation and promotion:	$3,543
Office supplies:	914
Office rent:	2,181
Electricity and telecommunications:	782
Claims management:	4,065
Permits	245
For a total of:	$11,730

Long-Term Debt

The Company has no long-term debt.

INFORMATION ON OUTSTANDING SHARES

As at September 30, 2011 and as the date of this MD&A, the capital stock of the Company is composed of 19,252,068 common shares, issued and outstanding.

Share Purchase Options

The Company has a stock option plan intended for its officers, consultants and directors. As at November 24, 2011, the stock options are as follows:

Number	Exercise price	Expiration
550,000	$0.20	09-14-2012

Warrants

As at November 24, 2011, the Company's outstanding warrants are as follows:

Number	Exercise price	Expiration
847 500	$0.26	03-15-2012
275,000	$0.26	04-14-2012
333,333	$0.26	08-13-2012
1,000,000	$0.26	10-07-2012
1,490,000	$0.26	10-13-2012
527,778	$0.26	12-03-2012
488,750	$0.26	01-12-2013
869,565	$0.29	02-23-2013
166,667	$0.25	09-30-2013
5,998,593		

Options issued to Brokers

As at November 24, 2011, the Company's outstanding options issued to brokers are as follows:

Number	Exercise price	Expiration
100,000(1)	$0.20	03-15-2012
66,666(2)	$0.18	08-13-2012
166,666		

(1) These options entitle their holder to acquire one unit, in consideration of $0.20, composed of one share and one warrant. One warrant and $0.26 are required to acquire one share.
(2) These options entitle their holder to acquire one unit, in consideration of $0.18, composed of one share and one warrant. One warrant and $0.26 are required to acquire one share.

STRATEGY AND PERSPECTIVE

Z-Gold Exploration Inc. is a new junior mining exploration company which is listed on the TSX Venture (ZGG) since March 16, 2010. Z-Gold has acquired the Abitibi Gold Property located approximately 86 kilometers east north-east of the city of Timmins, Province of Ontario. The Abitibi Gold Property consists of five mining leases containing 85 claims (91 units) covering approximately 1459 ha. The Company has recently increased this property by acquiring 30 additional claims. The property covers now 2,087.9 hectares.

The Property sits within the Abitibi Greenstone Belt and more specifically near the south boundary of the Kidd-Munro Assemblage just north of the Porcupine Assemblage, the contact of which is marked by the Pipestone Deformation Zone, a regional thrust fault that can be traced from approximately Garrison Township in the east to west of Timmins. The Property is underlain by mafic and ultramafic volcanic rocks that vary from peridotitic komatiite to High Fe tholeiite which have been intruded by felsic and mafic dykes and sills.

Mineralization on the Property appears to be of two types, either associated with strike-slip shear structures that are related to the Munro Fault or cross fault dilatant structures. The higher gold values do not appear to be associated preferentially with either structural style but the presence of higher concentrations of arsenopyrite and to a lesser extent sulphides usually bodes well for higher gold values. There are ten identified gold zones within the area of the Property (zones A to J) with the most spectacular zone, the zone C, where grab samples have returned assays as high as 2,500 g/t Au. Gold mineralization appears to sit within shallow dipping quartz-carbonate vein systems that are hosted in quartz-carbonate-sericite-sulphide zones that may be near vertical.

Many gold showings have to be investigated by geophysical surveys and by a diamond drill program. An airborne survey covered the property and successfully outlined many structural features. The geophysical surveys have been completed and a 10,000 meters diamond drill program is currently carried out on the property. Eleven holes have been drilled so far and results are pending.

Z-Gold also acquired the Casa Berardi Property for its exploration potential. The property is located in North-western Quebec in the prolific Abitibi Greenstone Belt from where a large amount of Canada's gold has been extracted. The property is contiguous to the Casa Berardi Mine controlled by Aurizon. The property is characterized by splay faults of the Casa Berardi Fault and the same type of alteration. Many geological input anomalies are present and represent the splay faults and need to be investigated by diamond drilling. A compilation of historical work is carried out and will help the Company to determine the future work.

In October 2010, the Company has acquired the Vauquelin property. This property is interesting because of its localisation in the Val-d'Or mining camp. A ground geophysical survey has been completed and a drill target was determine and drilled in May 2011. Lab results were disappointing and the Company does not intend to drill this property again in the near future.

The positive results obtained during the geophysical works completed on the Abitibi Gold property have determined very interesting drill targets. A 10,000 meters drilling program has begun in May 2011 on the Property. Fifteen drill holes for a total of 3,000 meters have been completed so far and the drill program has been put on hold, waiting for the results of a report requested on the drill holes.

The difficult financial situation of the last months has somewhat postponed the Company plans since the scheduled private placement has not taken place. However, management is pursuing its efforts to finance the Company to be able to pursue its exploration projects. The drill program on the Abitibi Gold property has been put on hold for a while. The Company is waiting to receive a report from a geophysicist on the drill program executed so far in order to better plan the next drill campaign.

Management is well aware that it will have to multiply its efforts in order to make the Company better known from the financial community. Z-Gold is also evaluating the acquisition of potential gold and base metals properties to enhance shareholder value.

ADDITIONAL INFORMATION AND ONGOING DISCLOSURE

This MD&A was prepared as at November 24, 2011. The Company regularly discloses additional information by means of press releases and quarterly financial statements on SEDAR's website (www.sedar.com).

CERTIFICATE

This MD&A was approved by the board of directors.

(s) Rodrigue Tremblay
Rodrigue Tremblay
November 24, 2011