ZGOLD EXPLORATION INC.

(Formerly Nano Capital Corp.)

Management's Discussion and Analysis Report

(For the Nine-Month Period Ended September 30, 2010)

This management's discussion and analysis quarterly 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, 2010, in comparison with the same period of last year. This MD&A was prepared as at November 24, 2010, and is intended to complement the financial statements. This MD&A and our financial statements are intended to provide investors with reasonable basis for assessing our results of operations and financial performance.

Z-Gold Exploration inc., (formerly Nano Capital Corp.) (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 13, 2006, the Company changed its name from Powerbeaver Capital Corp. to Nano Capital Corp. On February 26, 2010 at the Shareholder meeting, the shareholders of the Company approved a qualifying transaction to acquire the Abitibi Gold Property from 1527805 Ontario Ltd , a private company, by issuing 3,000,000 common shares at a deemed price of $0.20 per common share. The shareholders also approved the name change from Nano Capital Corp. to Z-Gold Exploration Inc and elected a new board of directors. The Company also elected new officers and moved its head office to Rouyn-Noranda (Quebec). On March 11, 2010, the Company changed its articles to change its name from Nano Capital Corp. to Z-Gold Exploration Inc. Upon completion of the qualifying transaction, the Company is now classified as a Tier 2 company in the category of mining issuer. Z-Gold Exploration Inc. is junior mining exploration company, exploring for gold and base metals in the Abitibi Greenstone Belt.

The new board of directors is composed of Rodrigue Tremblay, President and CEO, Jacques Frigon, CFO, Laurent Hallé and Jean Roy, all directors.

On March 16, 2010, Z-Gold Exploration Inc. started trading on the TSX Venture under the symbol ZGG. The Company is a reporting issuer in British Columbia, Alberta, Saskatchewan and Ontario.

MINING PROPERTIES

ABITIBI GOLD PROPERTY (ONTARIO)

Following the qualifying transaction, 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 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 $25,000 and issued 500,000 shares at signature and will have to pay $25,000 and issue 500,000 shares at the anniversary date of the agreement.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.

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 is currently underway to execute analyses for gold and arsenic.

CODA PROPERTY (QUEBEC)

The Coda Property consists in nine mineral units totalling 497.98 hectares located in the Montseignat township, in the Val-d'Or mining camp, Province of Quebec. To acquire a 100% interest option in this property, the Company payed $40,000 and issued 800,000 common shares at signature. The Property is subject to a 1.5 NSR in favour of a former owner.

In 1969, a EM airborne survey was flown on behalf of Umex Corp. and Canico. This survey showed a weak anomaly over two flight lines, about 300 m apart. The anomaly stands on top of a North-West striking big hill, just north of the Maicassagi River, on the North-East Corner of Monseignat Township.

The ground E.M. reconnaissance survey, using a Scintrex vertical loop unit, defined a weak anomaly over two profiles, about 120 m apart.

Two trenches dug into a light green somewhat silicified andesite with a few pyrite crystals, right on the top of the crossovers did not explain the anomaly.

The airborne Input MK VI flown on behalf of the Quebec government shows that the anomalous zone is much wider than the one defined by the Umex survey. Several 6 channels anomalies, most probably, point to a sulphide environment as there is no graphite known on the site. One of those very strong anomalies stands very close to the one defined by the Umex survey.

The occurrence of massive sulphides containing sphalerite, about 10 m below the surface could be the top of an economic sulphides lens which importance remains to be determined.

The Company has already executed line cutting, and between September and October 2010, ground geophysics surveys consisting of magneto metric and and max/minI surveys have been completed on the Coda Property. Based on the geophysics results obtained, a 1,000 meters diamond drilling program has started on the property.

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 Northwestern 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 is currently underway by a consultant.

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.

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 DATA

Our financial statements were prepared in conformity with generally accepted accounting principles in Canada, and all monetary values contained in this MD&A are expressed in Canadian currency.

Significant Financial Data (Audited)

YEARS ENDED DECEMBER 31	2009 $	2008 $	2007 $
Total assets	307,089	297,296	320,929
Total liabilities	161,715	10,622	7,555
Revenue	-	-	-
Net loss	(141,300)	(26,700)	(34 822)
Net loss per share on a diluted basis	(0.03)	(0.01)	(0.01)

QUARTERLY INFORMATION (Not Audited)

	Sept. 30, 10	June 30, 10	Mar. 31, 10	Dec., 30, 09	Sep. 30, 09	Jun 30, 09	Mar. 31, 09	Dec. 31, 08
Total Assets	1,480,977	1,167,062	1,227,097	307,089	272,875	290,757	296,932	297,296
Total Liabilities	318,037	69,137	323,662	161,715	15,751	31,067	18,342	10,622
Revenues	-	-	-	-	-	-	-	-
Net loss	(148,133)	(134,740)	(200,482)	(111,750)	(2,566)	(18,900)	(8,084)	(10,629)
Basic and diluted loss per share	(0.01)	(0.02)	(0.03)	(0.03)	(0.00)	(0.01)	(0.00)	(0.01)

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.

Expenses

During the three-month period ending September 30, 2010, the loss before taxes of the Company is $148,133 compared to $2,566 for the same period ending September 30, 2009. This increase is due to the change of classification of the Company and also Z-Gold is a lot more active.

During the quarter ended September 30, 2010, the item registration, listing fees and shareholders information increased, going from $637 in 2009 to $16,651 in 2010 as well as the general administrative expenses that went from $18 in 2009 to $4,854 in 2010, and also the professional fees went from $1,911 in 2009 to $6,395 in 2010. The consultants' fees item also increased, going from $0 in 2009 to $60,513 in 2010. The Company also recorded a stock based compensation of $61,050 because Z-Gold granted options to its officers and consultants.

Summary of the administrative expenses for the last fourth quarters

	Sept. 30, 2010	June 30, 2010	Mar. 31, 2009	Dec. 31, 2009
General administrative expenses	4,854	6,519	8,593	601
Professional fees	6,395	67,432	117,853	103,054
Consultants fees	60,513	41,000	51,500	-
Registration, listing fees and shareholders' information	16,651	19,789	22,536	8,095
Stock-based compensation	61,050	-	-	-

a) During the quarter ended March 31, 2010, the general administrative expenses are a lot higher compared to the other quarters and all the items have increased.

b) As at March 31, 2010, the professional fees are higher because the Company amended its articles to change its corporate name from Nano Capital Corp. to Z-Gold Exploration inc., changed its classification and became a Tier 2 company in the category of mining issuer.

c) The consultant fees have increased constantly because the Company is working with the financial community to make its projects known.

d) The registration, listing fees and shareholders' information are higher in the quarter ending March 31, 2010 because the Company changed its classification, closed a private placement and paid fees to the Exchange and to the Securities Commissions to be relisted.

CASH FLOWS

During the quarter ended September 30, 2010, the Company has recorded $132,167 following a private placement and the exercise of stock options. The Company incurred $15,069 in issuance expenses following the acquisition of additional claims in the Abitibi Gold Property and a private placement.

These financing activities are directly linked to the sector of activity of Z-Gold and are in accordance with the plans of management.

BALANCE SHEET

As at September 30, 2010, our total assets amount to $1,480,977 compared to $307,089 as at December 31, 2009. The important differences between these periods are mainly due to the acquisition of mining properties and private placement, by the increase in the deferred exploration expenses. The creditors' level went from $161,715 as at December 31, 2009 to $318,037 as at September 30, 2010. Shareholders equity went from $145,374 as at December 31, 2009 to $1,162,940 as at September 30, 2010. As at September 30, 2010, the working capital is $71,879 compared to $145,374 as at December 31, 2009.

SOURCE OF FINANCING

Date	Financing		Commercial Goals
March and April 2010	Flow-through shares	$372,000	Exploration expenditures in Ontario
	Common shares	$117,000	Working capital
August 2010	Flow-through shares	$120,000	Exploration expenditures in Quebec
October 2010	Flow-through shares	$304,000	Exploration expenditures in Quebec
		$16,000	Exploration expenditures in Ontario
	Common shares	$80,000	Working capital
October 2010	Flow-through shares	$268,200	Exploration expenditures in Ontario
	Common shares	$29,800	Working capital

As at the date of this MD&A, the Company closed four private placements for a total amount of $1,080,200 in flow-through shares and $226,800 as working capital.

The Company will have to disburse about $300,000 in administrative expenses in the coming year. The Company will have to continue its efforts in order to realize others financings to pursue its projects.

OBLIGATION AND CONTRACTUAL COMMITMENTS

Because of the flow-through financings, the Company will have to incur work on its mining properties in Ontario for an amount of $649,238 and $318,414 on its mining properties in Quebec prior to December 31, 2011.

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

Rodrigue Tremblay

During the quarter ended September 30, 2010, the Company incurred consultant fees with its president for an amount of $15,000. For the period of nine-months, the Company has incurred consultant's fees with its president for an amount of $35,000.

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.

FINANCIAL INSTRUMENTS

The fair value of the Company's financial instruments nears the book value unless indicated otherwise in the notes. The cash flow, creditors and accrued liability bear no interest.

FUTURE CHANGES IN ACCOUNTING POLICIES

Business Combinations, Consolidated Financial Statements and Non-controlling Interests

In January 2009, the CICA issued the following Handbook sections: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling

Interests. These new Sections will be applicable to financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is currently evaluating the impact of the adoption of these new Sections.

Section 1582 replaces Section 1581, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standard IFRS 3, "Business Combinations". The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting year beginning on or after January 1st, 2011. Sections 1601 and 1602 together replace Section 1600, "Consolidated Financial Statements". Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to years beginning on or after January 1st, 2011.

Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, "Consolidated and Separate Financial Statements" and applies to interim and annual consolidated financial statements relating to years beginning on or after January 1st, 2011.

International Financial Reporting Standards (IFRS)
The CICA plans the convergence of Canadian generally accepted accounting principles (GAAP) to IFRS on a transition period ending in 2011. The Company will adopt the IFRS for interim financial statement that will end on March 31, 2011. The Company expects this transition to have an effect on its accounting methods, presentation of financial information and information systems. The Company is currently going through the assessment and evaluation phase of its IFRS implementation project to determine the effect on its processes, systems and financial statements upon adoption.

Other New Standards
Other new standards have been published but they should not have a significant impact on the Company's financial statements.

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.

Financial Risks
The Company's activities are exposed to financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

a) Market Risks

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, other receivables and accounts payable and accrued liabilities approximate carrying value due to their short-term.

ii) Fair Value Hierarchy
Cash 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. All current financial assets and liabilities are not exposed to interest rate risk because of their short-term nature and non-interest bearing.

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

b) Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk mainly consist of cash, taxes receivables and credit receivable from government. 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 with the governments of Quebec and Canada in the form of sales taxes receivables and government's incentives, the credit risk is minimal.

c) 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 2010, the Company is optimistic to get sufficient funds to meet its financial liabilities and future financial liabilities from its commitments for the current period.

Forward Looking Statements

Certain statements in this document that are not supported by historical facts are forward-looking, which means that they are subject to risks, uncertainties and other factors that may result in actual results differing from those anticipated or implied by such forward-looking statements. There are many factors that may cause such a disparity, notably unstable metals prices, the impact of fluctuations in foreign exchange markets and interest rates, poor reserves estimates, environmental risks (more stringent regulations), unexpected geological situations, unfavorable mining conditions, political risks arising from mining in developing countries, changing regulations and government policies (laws or policies), failure to obtain required permits and approval from governmental authorities, or any other risk related to mining and development.

ADDITIONAL INFORMATION FOR EMERGING ISSUERS WITHOUT SIGNIFICANT INCOME

The Company discloses the information on deferred exploration expenses in the note 4 of the interim financial statements ended September 30, 2010.

The Company has no research and development expenses.

The general and administrative expenses for the quarter ended September 30, 2010 are broken down as follows:

Mail and courier:	$889
Traveling expenses:	78
Office supplies:	100
Office rent:	2,100
Electricity and telecommunications:	1,527
Bank expenses:	160
For a total of:	$4,854

Long-Term Debt

The Company has no long-term debt.

Royalties on the mining properties are as follows:

Abitibi Gold Project	2%	Casa Berardi	2%
Coda	1.5%	Vauquelin	1%

INFORMATION ON OUTSTANDING SHARES

As at September 30, 2010, the share capital of the Company is composed of 13,826,113 common shares, issued and outstanding. As at the date of this MD&A, the share capital of Z-Gold is composed of 15,866,113 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, 2010, the stock options are as follows:

Number	Exercise price	Expiration
342,222	$0.15	04-26-2012
550,000	$0.20	09-14-2012
892,222		

Warrants

As at November 24, 2010, the Company's outstanding warrants are as follows:

Number	Exercise price	Expiration
947 500	$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
4,045,833		

Options issued to Brokers

As at November 24, 2010, the Company's outstanding options issued to brokers are as follows:

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

(1) Each option is accompanied of one half of a share purchase warrant. One warrant is required to buy one common share at a price of $0.26, valid until August 13, 2012.

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 27 additional claims.

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. Once the geophysical surveys are completed, a diamond drill program will be carried out.

Z-Gold has acquired the Coda property located in the Montseignat Township in the Val-d'Or mining division, Province of Quebec. The property is crossed by a major regional fault.

The Company notes the presence of a diorite intrusive stock in contact with lapilli tuffs and tonalite intrusive dykes. The geological fault is traced by input anomalies. The geological setting is pretty similar to the Joutel-Poirier area. Massive sulphides are present on the property. A diamond drill program is currently underway on the property. Once the results of the analysis are known, the Company will decide which orientations to take with this property.

Z-Gold acquired the Casa Berardi Property for its exploration potential. The property is located in Northwestern 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 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 will permit to locate targets, which will be followed by drilling.

The Company 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, 2010. 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, 2010