NEW CAROLIN GOLD CORP.

Form 51-102F1

Interim Management's Discussion and Analysis (MD&A)
of Financial Condition and Results of Operations

Quarterly Highlights

For the Three Months Ended January 31, 2017

Report date: March 27, 2017

Introduction

The following Management's Discussion and Analysis – Quarterly Highlights ("MD&A") of the results of operations and financial condition of New Carolin Gold Corp. (the "Company") for the three months ended January 31, 2017 and up to the date of this MD&A has been prepared to provide material updates and an analysis of the business operations, financial condition, financial performance, cash flows, liquidity and capital resources of the Company since its last management's discussion and analysis for the fiscal year ended October 31, 2016 (the "Annual MD&A").

This MD&A should be read in conjunction with the Annual MD&A and the audited financial statements for the year ended October 31, 2016, together with the notes thereto, and the accompanying interim financial statements and related notes thereto for the three months ended January 31, 2017 (the "Financial Report").

All financial information in this MD&A is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The financial statements do not include any adjustments or reclassifications of assets and liabilities which might be necessary if the Company is unable to continue as a going concern. All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is March 27, 2017.

Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.newcarolingold.com.

Qualified Person

Mr. R. Bob Singh, B.Sc., P.Geo, is the Company's Qualified Person for the purposes of National Instrument 43-101 and has verified all technical data as disclosed in this MD&A.

Cautionary Note Regarding Forward-Looking Statements

This MD&A may include or incorporate by reference certain statements or disclosures that constitute "forward-looking information" within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements.

Readers and investors are referred to the disclosure of Risks and Uncertainties in the Company's Annual MD&A and are cautioned that this description of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements contained in this MD&A or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

Description of the Business

The Company was incorporated in the Province of British Columbia in August, 1981 as Module Resources Incorporated. On October 18, 2011, the Company changed its name to New Carolin Gold Corp. and trading symbol to 'LAD'. The Company's common shares trade on the TSX Venture Exchange.

The Company is a reporting issuer in British Columbia and Alberta.

The Company has been engaged in the acquisition of interests in, and the exploration of, mineral properties in the Coquihalla Gold Belt in southwestern British Columbia. This necessarily involves a high degree of risk related to exploration and the continual need for a source of funds. The Company may mitigate risk by entering into joint venture agreements with others who have the financial resources and technical expertise to contribute to the effective management of projects. The Company may work with other parties in the assembly of land positions in strategic areas. Significant financial commitments are generally required to participate in any major, favorably-evaluated geological prospect. Participation requires funding and the financial flexibility to complete share placements on a timely basis.

Overview of Significant Events in the Three Months and Review of Activities to Date

The following is an overview of significant events and a review of activities in the three months ended January 31, 2017 and up to the date of this MD&A. The principal activities were:

- Raising equity capital through non-brokered private placements; and
- Preparation of Phase II drilling program (see *Objectives* below)

Summary of Financings and Share Issuances during the Reporting Period and to Date

The following table summarizes share issuances for total cash proceeds of $1,723,627 received during the three months ended January 31, 2017 and up to the date of this MD&A from:

- Flow-through and non-flow-through unit private placements; and
- Exercise of warrants.

Date	Financing	Shares Issued	Warrants Issued	Warrant Exercise Price	Gross Proceeds
Nov 8 2016	F-T Unit PP @ $0.08	6,625,000			$530,000
Nov 28 2016	Unit PP at $0.07	1,389,500	1,389,500	Year 1 - $0.07 / Year 2 - $0.09	$97,625
Dec 23 2016	F-T Unit PP @ $0.065	5,769,231			$375,000
Dec 30 2016	F-T Unit PP @ $0.065	538,415			$34,997
Jan 9 2017	Exercise of Warrants	5,500,000			$275,000
Jan 19 2017	Unit PP at $0.07	5,871,500	5,871,500	Year 1 - $0.07 / Year 2 - $0.09	$411,005
Total		25,693,646	7,261,000		$1,723,627

The following table summarizes other issuances of securities during the three months ended January 31, 2017 and up to the date of this MD&A where the Company received no cash proceeds:

- Shares issued to term loan holders for interest payments in lieu of cash;
- Warrants issued to lender in connection with a third party loan; and
- Warrants issued for finder's fees in flow-through and non-flow-through unit private placements.

Date	Shares Issued	Warrants Issued	Comments	Reduction of Term Loans Principal	Warrant Exercise Price
Nov 8 2016	-	376,250	Finder's Fees		$0.08
Dec 19 2016	9,425		Shares issued for debt settlement		
Dec 23 2016	-	403,846	Finder's Fees		$0.065
Jan 1 2017	-	3,500,000	Bonus warrants – loan		$0.06
Jan 19 2017	-	344,000	Finder's Fees		Year 1 - $0.07 / Year 2 - $0.09
Total	33,795,725	13,114,096		$417,000	

The raising of new equity capital and reduction of term loan principal has improved the Company's financial condition by reducing the working capital deficiency from $1,463,431 at October 31, 2016 to $260,292 at January 31, 2017.

Outlook

The Company has now completed the acquisition of a 100% interest in the Ladner Gold Project (the "Project") and continues to focus on exploration and development programs to evaluate the property to determine future production scenarios. The Company believes that the Carolin Mine has the potential to become a gold producer once again. The Company will continue to evaluate and acquire other properties to expand its exploration portfolio in the prospective and largely unexplored Coquihalla Gold Belt, on which there are numerous historic gold properties and small gold mines dating back to the early 1900s.

The amount of the Company's exploration expenditures is largely determined by the strength of the resource capital and commodity markets and its ability to obtain funding partners and investor support for its projects. The Company will continue to require additional funding to maintain its ongoing exploration programs, property maintenance payments and operations and administration for the next fiscal year.

Description of Exploration Properties

For a detailed description of the Ladner Gold Project, including the Carolin Mine and the Project's other properties, readers and investors are referred to the Company's Annual MD&A.

Objectives

The Company continues to focus on exploration and development programs to evaluate the Ladner Gold Project to determine future production scenarios.

Exploration at the Carolin Mine and other prospective mineralized zones will depend on the availability of funds, and the Company's ability to raise the necessary funds on acceptable terms to carry out these programs. In the three months ended July 31, 2016, the Company raised a total of $939,997 in flow through funding to be spent on exploration on the Project (of which $786,898 has been spent to date and $623,468 remains to be spent by December 31, 2018) on qualified Canadian Exploration Expenditures (CEEs), along with additional non-flow through funds. The Company is carrying out a technical review of the Project to determine the necessary exploration and development work required to advance the current resources on the property.

Phase 1 work program summary:

The Company recently completed is 2016 Phase 1 exploration program, consisting of a 12-hole surface drill program, detailed underground mapping and sampling, and regional geological mapping. The results of the Phase 1 exploration program defined a consistently folded and gold mineralized corridor extending for approximately 6 km. This folded sequence includes the historical Carolin Mine, Idaho, Pipestem and Lorraine Zones. Folding at the Carolin Mine suggests the possibility of repeated or "stacked" mineralized zones.

Initial Phase II Work Program:

The first leg of the Phase II Program now underway is focused on the underground. The Company will complete channel sampling of previously targeted areas, as well as completing detailed geological mapping and surveying underground. The results of the program will assist in targeting stations for underground drilling and updated the 3D geological model. The primary goal of this program is to identify high grade fold hinge domains and assess the possibility of multiple hinge domains or "stacked" gold mineralized zones.

Underground geological mapping and channel sampling is ongoing in newly accessible areas of the underground at the Carolin Mine Zone in preparation for the upcoming Phase Two Underground Drill Program.

A valid mining permit at 1,300 tonnes per day, along with significant infrastructure, including a road and a permitted tailings storage facility, is currently in place at the Project. The Project has excellent access to power and a potential workforce, as it is 7 kilometers from the Coquihalla Highway and 18 kilometers from the district municipality of Hope, BC.

Results of Operations

The Company, a resource industry issuer, is currently an exploration stage company and does not have any operations which generate revenues or profits. This situation is expected to continue for the foreseeable future. Furthermore, there can be no assurance that the Company will either achieve or maintain profitability in the future. As a result there exists a material uncertainty that raises significant doubt about the Company's ability to continue as a going concern.

The following table compares the expenses for three months ended January 31, 2017 ("Q1 2017") and 2016 ("Q1 2016"):

	2017	2016
	$	$
EXPENSES		
Consulting fees (note 8)	59,746	54,493
Filings and investor relations	82,641	21,188
General and administration	27,630	1,607
Insurance	4,963	853
Professional fees (note 8)	46,900	20,413
Term loans interest and accretion (note 5)	(181)	22,380
Loans payable interest and accretion (note 8)	8,089	410
Share-based payments (notes 7 and 8)	262,944	-
Net and comprehensive loss	(492,732)	(120,859)

Financial Position and Liquidity

Operating activities

Cash flows used for operating activities was $426,593 in Q1 2017 compared to cash flows used of $42,073 in Q1 2016. The cash drain from operations before changes in non-cash working capital items was $751,910 in Q1 2017 compared to a cash drain of $171,471 in Q1 2016. In Q1 2017, non-cash working capital used $109,921 compared to 28,462 provided in Q1 2016.

Financing activities

In Q1 2017 cash flows provided by financing activities were $1,633,346 (Q1 2016 - $185,705), which included share subscriptions received of $Nil (Q1 2016 – 15,000), loan repayments of $15,000 (Q1 2016 –Nil), conversion of term loan of $317,146 (Q1 2016 – Nil), issue of units and flow-through units for cash of $1,504,680 (Q1 2016 - $240,000), warrants exercised of $275,000 (Q1 2016 - Nil) and share issue costs of $131,334 (Q1 2016 - $10,000).

Investing activities

In Q1 2017, cash flows used for investing activities were $608,347 (Q1 2016 - $23,996) all being investment in exploration and evaluation assets in both periods.

Change in cash position

In aggregate, cash flows from operating, financing and investing activities resulted in an increase in cash of $598,406 in Q1 2017 compared to an increase of $119,636 in Q1 2016. When added to cash of $228,175 at the beginning of the period (2016 - $42,278) cash at January 31, 2017 totaled $826,581 compared to $161,914 at January 31, 2016.

Cash Resources and Liquidity

Currently, the Company has no profitable operations. It is subject to risks and uncertainties common to comparable companies, including under-capitalization, cash shortages and limitations with respect to availability of experienced personnel, financial and other resources, as well as a lack of revenues and cash flow.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks and uncertainties attached thereto. Historically, the capital requirements of the Company have been met mainly by equity subscriptions as well as convertible debentures. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable.

As at January 31, 2017 the Company had a working capital deficiency of $260,292 compared to a working capital deficiency of $1,146,431 as at year end October 31, 2016. The working capital deficiency decreased by $886,139 during Q1 2017.

Current assets increased by $656,626 from $352,235 at October 31, 2016 to $1,008,861 at January 31, 2017. Cash increased by $598,406 from $228,175 at October 31, 2016 to $826,581 at January 31, 2017 mainly due to unit and share issuances. Amounts receivable increased by $41,559 from $62,313 at October 31, 2016 to $103,872 at January 31, 2017. Prepaid expenses increased by $16,661 from $61,747 at October 31, 2016 to $78,408 at January 31, 2017.

Exploration and evaluation assets increased by $608,347 from $7,226,426 at October 31, 2016 to $7,834,773 at January 31, 2017 as a result of capitalization of this investment in exploration and evaluation assets at the Ladner Gold Project.

Current liabilities decreased by $229,513 from $1,498,666 at October 31, 2016 to $1,269,153 at January 31, 2017. Accounts payable and accrued liabilities decreased by $134,819 from $1,267,043 at October 31, 2016 to $1,132,224 at January 31, 2017. The current portion of term loans was $26,712 at October 31, 2016 compared to $Nil at January 31, 2017.

Summary of quarterly results

The following table contains selected quarterly financial information derived from the Company's financial statements and should be read in conjunction with the quarterly financial statements.

Quarter Ended	Revenue $	Net Loss for the period $	Net loss per share $
January 31, 2017	-	492,732	-
October 31, 2016	-	150,046	-
July 31, 2016	-	416,043	-
April 30, 2016	-	627,160	0.01
January 31, 2015	-	120,859	-
October 31, 2015	-	220,757	-
July 31, 2015	-	185,935	-
April 30, 2015	-	94,468	-

Related Party Transactions

The Company compensates certain of its key management personnel to operate its business in the normal course. Key management includes the Company's executive officers and members of its Board of Directors.

Aggregate compensation paid to key management during the three-month period ended January 31, 2017 includes:

	January 31, 2017	January 31, 2016
Management fees paid or accrued to its CEO and CFO	$ 76,050	$ 58,500
Share-based payments to officers and directors	114,509	-
	$ 190,559	$ 58,500

These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

At January 31, 2017 included in accounts payable and accrued liabilities is $237,912 (2016 – $323,098) owed to current and former officers and directors for salary capitalized to exploration and evaluation assets, consulting fees and reimbursement of expenses. Amounts due to/from related parties are non-interest bearing, unsecured and have no fixed terms of repayment unless otherwise noted. Fair value cannot be readily determined.

Outstanding Share Data as at the Date of this MD&A

The Company's capital structure on March 27, 2017 is shown in the following table:

		Weighted Average Exercise or Conversion Price	Proceeds if In-The-Money and Exercised	Expiry or Maturity Date
Common shares issued and outstanding (basic)	181,328,793			
Warrants	58,686,256	$0.07	$ 4,351,633	Dec 23, 2019
Options	16,950,000	$0.06	981,750	Jan 18, 2022
Fully diluted	255,900,581		$ 5,333,383	

If all outstanding warrants and options are in-the-money and exercised, an aggregate of $5,333,383 would be added to the Company's treasury, which will result in further dilution to the Company's shareholders and pose a dilutive risk to potential investors.

Future Accounting Policies

Certain new accounting standards and interpretations have been published, as described in the Annual MD&A. Management has adopted the standards that became effective on January 1, 2016.

Commitments

The Company has the following commitments, which are described in the Annual MD&A:

- Flow-Through Share Subscription Agreements
- Tailings Storage Facility Pond