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, 2018

Report date: March 2**5**, 2018

Introduction

The following Management's Discussion and Analysis – Quarterly Highlights ("MD&A") of the results of the operations and financial condition of New Carolin Gold Corp. (the "Company") for the three months ended January 31, 2018 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 MD&A for the fiscal year ended October 31, 2107 (the "Annual "MD&A").

This MD&A should be read in conjunction with the audited financial statements of the Company and the notes thereto for the year ended October 31, 2017 (the "Financial Report"), and the accompanying interim financial statements and related notes thereto for the three months ended January 31, 2018 (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 25, 2018.

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 British Columbia, Canada. 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 appear to 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.

The Company owns a 100% interest in the Ladner Gold Project near Hope, BC, situated 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 Ladner Gold Project includes the former gold-producing Carolin Mine.

Overview of Significant Events in the Last Twelve 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, 2018 and up to the date of this MD&A. The principal activities were:

- Raising equity capital through non-brokered private placements;
- Preparation of Phase II drilling program (see *Objectives* below); and
- Consolidating the Company's common shares on a 10 pre-consolidated shares for 1 post-consolidated share basis.

Effective January 16, 2018, the Company completed a share consolidation on the basis of ten (10) pre-consolidation common shares for one (1) post-consolidation common share. All periods presented have been retrospectively adjusted to reflect this consolidation.

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

The following table summarizes share issuances for total cash proceeds of $1,499,700 received during the three months ended January 31, 2018 and up to the date of this MD&A from:

- Private placements of Flow through ("F-T") common shares;
- Private placements of units; and
- Exercises of common share purchase warrants.

Date	Financing	Shares Issued	Warrants Issued	Warrant Exercise Price	Gross Proceeds
Dec 29 2017	F-T Shares PP @ $0.35	571,429			$200,000
Feb 8 2018	F-T Shares PP @ $0.35	142,000			$49,700
Feb 8 2018	Unit PP at $0.25	5,000,000	2,500,000	$0.35	$1,250,000
Totals		5,713,429	2,500,000		$1,499,700

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

- Warrants issued for finder's fees in flow-through and unit private placements;

Date	Comments	Shares Issued	Warrants Issued	Warrant Exercise Price
Feb 8 2018	Finder's Fees	-	80,000	$0.35
Totals		-	553,526	

The raising of new equity capital has assisted the Company in advancing its exploration goals. The working capital deficiency of $1,656,340 at October 31, 2017 decreased to $738,333 at January 31, 2018, as cash increased from private placement subscriptions received.

Outlook

The Company is primarily focused on its 100%-owned Ladner Gold Project (the "Project") near Hope, BC, and 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 in proximity to the Project to expand its exploration portfolio in the Coquihalla Gold Belt.

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.

Objectives

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

Continued 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 January 31, 2018, the Company raised a total of $249,700 in flow through funding, to be spent on exploration on the Project on qualified Canadian Exploration Expenditures (CEEs) on the Ladner Gold Project. 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.

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.

Additional information from both the Phase 1 and Phase 2 programs are available in Company news releases dated from August 1, 2016 to date at www.sedar.com.

A valid mining permit at 1,300 tonnes per day, along with significant infrastructure, including a road and a permitted tailings storage facility, are currently in place at the Ladner Gold Project. The Project has excellent access to power and a potential workforce, as it is 6 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, 2018 and 2017.

	2018 $	2017 $
EXPENSES		
Consulting fees	129,100	59,746
Filings and investor relations	45,985	82,641
General and administration	7,565	27,630
Insurance	4,432	4,963
Professional fees	47,586	46,900
Term loans interest and accretion	-	(181)
Loans payable interest and accretion	23,621	8,089
Share-based payments	156,918	262,944
Net and comprehensive loss	(415,207)	(492,732)
Net loss per share		
Basic and diluted	$ (0.02)	$ (0.03)
Weighted average number of common shares outstanding – basic and diluted	18,337,848	16,735,964

As at January 31, 2018, total assets increased by $1,165,767 to $10,151,489 from $8,985,722 at the end of fiscal 2017 primarily as a result of increased cash from private placement subscriptions and its investments in its exploration and evaluation assets.

The working capital deficiency decreased by $917,967 from October 31, 2017 to January 31, 2018 primarily as a result of the increase of cash received from private placement subscriptions.

Financial Position and Liquidity

Operating activities

Cash flows used for operating activities was $410,273 in Q1 2018 compared to cash flows used of $426,593 in Q1 2017. The cash drain from operations before changes in non-cash working capital items was $241,493 in Q1 2018 compared to a cash drain of $233,554 in Q1 2017. In Q1 2018, non-cash working capital used was $168,780 (Q1 2017 – used $193,039).

Financing activities

In Q1 2018 cash flows provided by financing activities were $1,391,800 (Q1 2017 - $1,633,346), which included loans payable repayment of $Nil (Q1 2017 - $15,000), proceeds of units and flow-through units for cash of $200,000 (Q1 2017 – $1,504,680), warrants exercised of $Nil (Q1 2017 - $275,000), share issue costs of $8,000 (Q1 2017 - $131,334) and share subscriptions of $1,199,800 (Q1 2017 - $Nil).

Investing activities

In Q1 2018, cash flows used for investing activities were $215,544 (Q1 2017 - $608,347) all being investment in exploration and evaluation assets and reclamation bonds in both periods.

Change in cash position

In aggregate, cash flows from operating, financing and investing activities resulted in an increase in cash of $765,983 in Q1 2018 compared to an increase of $598,406 in Q1 2017. When added to cash of $112,779 at the beginning of the period (Q1 2017 - $228,175), cash at January 31, 2018 totaled $878,762 compared to $826,581 at January 31, 2017.

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, 2018 the Company had a working capital deficiency of $738,333 compared to a working capital deficiency of $1,656,300 as at year end October 31, 2017. The working capital deficiency decreased by $917,967 during Q1 2018.

Current assets decreased by $950,223 from $180,126 at October 31, 2017 to $1,130,349 at January 31, 2018. Cash increased by $765,983 from $112,779 at October 31, 2017 to $878,762 at January 31, 2018. Amounts receivable increased by $15,965 from $44,258 at October 31, 2017 to $60,223 at January 31, 2018. Prepaid expenses increased by $168,275 from $23,089 at October 31, 2017 to $191,364 at January 31, 2018.

Exploration and evaluation assets increased by $215,544 from $8,585,596 at October 31, 2017 to $8,801,140 at January 31, 2018 as a result of capitalization of its investment in exploration and evaluation assets at the Ladner Gold Property.

Current liabilities increased by $337,760 from $1,498,666 at October 31, 2016 to $1,836,426 at October 31, 2017. Accounts payable and accrued liabilities increased by $156,179 from $1,267,043 at October 31, 2016 to $1,423,222 at October 31, 2017.
Loans payable increased by $16,796 from $193,204 at October 31, 2017 to $210,000 at January 31, 2018.

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, 2018	-	415,207	0.02
October 31, 2017	-	203,278	-
July 31, 2017	-	220,629	-
April 30, 2017	-	258,298	-
January 31, 2017	-	492,732	0.03
October 31, 2016	-	173,309	-
July 31, 2016	-	416,043	-
April 30, 2016	-	627,160	0.01

Net loss and loss per share have been relatively consistent for the eight most recent quarterly periods except for the second and third quarter of fiscal 2017. The relatively higher loss in Q2-Q3 2016, Q1 2017 and Q1 2018 is primarily due to stock-based compensation recorded for the issuance of stock options. Management fees have increased recently over the past year due to increased corporate and exploration activities at the Company. General and administrative expenses have been relatively consistent for the historical period as the Company has continued to keep its expenses as low as possible due to working capital constraints.

Related Party Transactions

At January 31, 2018 included in accounts payable and accrued liabilities is $125,804 (2017 – $223,144) 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.

Key management includes the Company's directors and officers. Compensation awarded to key management includes:

For the three months ended	January 31, 2018	January 31, 2017
Salaries capitalized to evaluation and exploration assets, consulting fees, and professional fees	$ 80,150	$ 76,050
Share-based payments	-	114,509
	$ 80,150	$ 190,559

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.

Loans payable

During the year ended October 31, 2015 a former director of the Company loaned the Company $200,000. The loan bears interest at 13% per annum, compounded and payable quarterly. The loan matured on December 31, 2016. The loan is secured by the Company's present and after acquired personal property, including the acquisition agreement with Century's receiver (note 4). In consideration for the loan, warrants were issued to the lender to purchase 400,000 common shares of the Company until December 31, 2016 at a price of $0.50 per share. In addition, the Company incurred $15,000 in financing costs in connection with this loan. During the year ended October 31, 2016, the Company paid accrued interest of $26,000 to the lender.

During the year ended October 31, 2015 a director of the Company loaned the Company $10,000. The loan bears interest at 13% per annum, compounded and payable quarterly. The loan matured on December 31, 2016. As consideration for the loan, warrants were issued to the lender to purchase 20,000 common shares of the Company until December 31, 2016 at a price of $0.50 per share. On February 24, 2016, the Company repaid the principal amount of $10,000 plus accrued interest to the lender.

The fair value of the 420,000 warrants have been valued at $107,448 using the Black-Scholes option pricing model based on the following assumptions: a risk free rate of 0.54%, an expected life of 1 year, an expected annualized volatility of 138.17% and no expectation of dividends payments. Volatility was determined based on historical volatility.

The aggregate financing costs of $122,448 have been recorded against the carrying amount of the loans, which have been accreted over the term of the loan.

During the year ended October 31, 2017, the Company arranged a third party loan for $210,000 to repay the $200,000 loan payable outstanding at December 31, 2016. The loan has a term of one year, will bear interest at a rate of 13% per annum compounded quarterly with the first payment due March 31, 2017, and is secured by a general security agreement over the assets of the Company. The Company issued 350,000 bonus common share purchase warrants exercisable at $0.60 per share for a period of one year to the lender in connection with the loan. The fair value of the warrants is $75,315 which was calculated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on issue date of $0.60, a risk free rate of 0.70%, an expected life of 1 year, an expected annualized volatility of 92.53%, and no expectation of dividend payments. Volatility was determined based on historical volatility. This financing cost has been recorded against the carrying amount of the loan, which will be accreted over the term of the loan.

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

The Company's capital structure on March 25, 2018 is shown in the following table:

		Weighted Average Exercise or Conversion Price	Proceeds if Exercised
Common shares issued and outstanding (Basic)	23,846,306		
Warrants	2,298,626	$1.06	$ 2,436,544
Options	1,920,000	$0.53	1,017,600
Common shares issued and outstanding (Fully Diluted)	32,903,432		$ 3,454,144

If all outstanding warrants and options are in-the-money and exercised, an aggregate of $3,454,144 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 and in Note 3.1 of the audited financial statements for the year ended October 31, 2017. Management has adopted the standards that became effective on January 1, 2017 and is currently reviewing the impact of future policy changes for materiality. Additional disclosures may be necessary in future years.

Commitments

The Company has commitments for Flow-Through Share Subscription Agreements, which are more thoroughly disclosed in the Notes to the audited financial statements for the year ended October 31, 2017:

Financial instruments and risk management

<u>Fair value</u>

The Company categorizes its fair value measurements for financial assets and financial liabilities at fair value according to a three level hierarchy which prioritizes the inputs used in the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input significant to the overall fair value measurement. The three levels of the fair value hierarchy based on the reliability of inputs are as follows:

Level 1: Fair value measurements derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements derived from inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and

Level 3: Fair value measurements derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The Company did not have any financial instruments carried at fair value at January 31, 2018 and October 31, 2017.

<u>Risk management</u>

The Company is exposed, in varying degrees, to a variety of financial risks. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management procedures are established to identify and analyze the risks faced by the Company.

The types of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk: Credit risk refers to the risk that another entity will default on its contractual obligations resulting in financial loss to the Company. The Company's cash is deposited at a high credit-worthy financial institution. All of the Company's amounts receivable is with the federal government of Canada and the reclamation bonds are with the provincial government of British Columbia.

Market risk: Market risk includes currency risk, interest rate risk and price risk. The Company's activities expose it primarily to the financial risks of changes in the price of resources. The Company does not currently hold any financial instruments that mitigate this risk.

Liquidity risk: Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost. The Company expects to satisfy current obligations of $1,868,682 (2017 - $1,836,426) by continuing to finance its activities by raising funds from private equity investments. Even if it has succeeded in financing its activities in the past, management cannot comment on the success of its future fund raising and believes that liquidity risk is high. At January 31, 2018, the Company's accounts payable and accrued liabilities are due on demand or within 30 days.