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 Nine Months Ended July 31, 2018

Report date: September 28, 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 nine months ended July 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 six months ended April 30, 2018.

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 nine months ended July 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 September 28, 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. Kristopher L. Raffle, P. Geo (BC), 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. A large portion of the property is subject to a 2% net smelter return and a lesser portion of the property is subject to a 5% net profits interest.

Overview of Significant Events and Review of Activities Year to Date

The following is an overview of significant events and a review of activities in the nine months ended July 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);
- Consolidating the Company's common shares on a 10 pre-consolidated shares for 1 post-consolidated share basis;
- Sale and Lease Back of certain equipment
- Commencement of Phase I of the Company's planned 2018 drilling program;

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.

On May 1, 2018 the Company sold certain of its equipment for $210,000 and took a lease back of the equipment. The proceeds are being used to fund the operations of the Company.

During the quarter, the Company mobilized a drill and crew and commenced Phase I of its planned 2018 diamond drilling program on its Ladner Creek Project. This initial phase of the program was completed with approximately 1,400 meters of underground diamond drilling in 13 holes. Concurrent with the drilling, the Company carried out further underground channel sampling, which is part of the overall 28 hole, 3,500 meter underground exploration program planned at the Carolin Mine for 2018.

During the nine months ended July 31, 2018, Robert Thast resigned as President and Chief Executive of the Company and was replaced by Kenneth Holmes, a director of the Company.

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

The following table summarizes share issuances for gross cash proceeds of $3,081,124 received during the nine months ended July 31, 2018 and up to the date of this MD&A from:

- Flow through ("F-T") common share and unit private placements;
- Non-flow through unit private placements; and
- Exercise 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	571,427			$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
May 14 2018	Stock options exercised	375,000			$95,625
May 31 2018	Stock options exercised	375,000			$95,625
Jul 17, 2018	Unit PP at $0.30	4,633,913	4,633,913	$0.45	$1,390,174
Totals		**11,097,340**	**7,133,913**		**$3,081,124**

The following table summarizes other issuances of securities during the nine months ended July 31, 2018 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 non-flow-through unit private placements;

Date	Comments	Shares Issued	Warrants Issued	Warrant Exercise Price
Feb 8 2018	Finder's Fees	-	80,000	$0.35
Jul 17 2018	Finder's Fees	-	80,824	$0.45
Totals		**-**	**160,824**	

The raising of new equity capital has assisted in advancing its exploration goals. The Company's working capital deficiency of $1,656,300 at October 31, 2017 decreased to $1,337,691 at July 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. In particular, the Company's ability to complete its planned 2018 drilling program is dependent on completing the recently announced offering or securing some other source of funding. 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 nine months ended July 31, 2018, the Company raised a total of $2,831,424 in non-flow through funding and 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.

2018 Drill Program:

Phase I of the Company's planned 2018 diamond drilling program on its Ladner Creek Project is completed and will involved approximately 1,400 meters of underground diamond drilling in 13 holes and ongoing concurrent underground channel sampling, which are part of an overall 28 hole, 3,500 meter underground exploration program planned at the Carolin Mine for 2018.

The Company also completed channel sampling of previously targeted areas, as well as detailed geological mapping.

Additional information from both the Phase 1 and Phase 2 programs are available in Company news release dated from May 5, 2018 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 the three and nine months ended July 31, 2018:

	Three months ended July 31, 2018 $	Three months ended July 31, 2017 $	**Nine months ended July 31, 2018 $**	Nine months ended July 31, 2017 $
EXPENSES				
Consulting fees (note 8)	**149,388**	70,950	**647,421**	201,350
Directors fees	**30,000**	-	**30,000**	-
Filings and investor relations	**215,655**	31,462	**345,822**	178,539
General and administration	**7,025**	12,547	**35,660**	57,071
Professional fees (note 8)	**24,653**	43,806	**114,500**	136,549
Insurance	**4,432**	4,657	**13,297**	14,583
Property investigations	**-**	9,809	**-**	9,809
Term loans interest and accretion (note 5)	**--**	--	**-**	(181)
Loans payable interest and accretion (note 8)	**-**	25,865	**23,621**	58,975
Penalties and other interest expense	**--**	--	**1,858**	--
Share-based payments	**220,744**	21,533	**534,764**	314,964
Net before other items	**(651,897)**	(220,629)	**(1,746,943)**	(971,659)
Net and comprehensive loss	**(651,897)**	(220,629)	**(1,746,943)**	(971,659)
Net loss per share				
Basic and diluted	**(0.03)**	(0.01)	**(0.08)**	(0.06)
Weighted average number of common shares outstanding	**25,132,019**	17,662,124	**21,225,621**	17,662,124

As at July 31, 2018, total assets increased by $1,949,014 to $10,934,736 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 $318,609 from October 31, 2017 to July 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 $1,037,150 during the nine months ended July 31, 2018 compared to cash flows used of $689,330 during the nine months ended July 31, 2017. The cash drain from operations before changes in non-cash working capital items was $1,188,558 during the nine months ended July 31, 2018 compared to a cash drain of $609,575 during the nine months ended July 31, 2017. During the nine months ended July 31, 2018, non-cash working capital provided was $151,408 (July 31, 2017 – $79,755 used).

Financing activities

During the nine months ended July 31, 2018, cash flows provided by financing activities were $2,808,877 (July 31, 2017 - $1,633,346), which included proceeds of units and flow-through units for cash of $2,889,874 (July 31, 2017 – $1,504,680) and stock options exercised of $191,250 (July 31, 2017 - $Nil), offset by cash flows used by financing activities of a loans payable repayment of $210,000 (July 31, 2017 - $15,000) and share issue costs of $62,247 (July 31, 2017 - $131,334).

Investing activities

During the nine months ended July 31, 2018, cash flows used for investing activities were $1,488,089 (July 31, 2017 - $1,040,785), with $1,488,089 (July 31, 2017 - $1,025,785) used for investment in exploration and evaluation assets and $nil (July 31, 2017 - $15,000) used for reclamation bonds.

Change in cash position

In aggregate, cash flows from operating, financing and investing activities resulted in an increase in cash of $283,638 compared to a decrease of $96,769 during the nine months ended July 31, 2017. When added to cash of $112,779 at the beginning of the period (July 31, 2017 - $228,175), cash at July 310, 2018 totaled $396,417 compared to $131,406 at July 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 July 31, 2018 the Company had a working capital deficiency of $1,337,691 compared to a working capital deficiency of $1,656,300 at October 31, 2017. The working capital deficiency decreased by $318,609 during the nine months ended July 31, 2018.

Current assets increased by $460,925 from $180,126 at October 31, 2017 to $641,051 at July 31, 2018. Cash increased by $283,638 from $112,779 at October 31, 2017 to $396,417 at July 31, 2018. Amounts receivable increased by $35,705 from $44,258 at October 31, 2017 to $79,963 at July 31, 2018. Prepaid expenses increased by $141,582 from $23,089 at October 31, 2017 to $164,671 at July 31, 2018.

Exploration and evaluation assets increased by $1,488,089 from $8,585,596 at October 31, 2017 to $10,073,685 at July 31, 2018 as a result of capitalization of its investment in exploration and evaluation assets at the Ladner Gold Property.

Current liabilities increased by $142,316 from $1,836,426 at October 31, 2017 to $1,978,742 at July 31, 2018. Accounts payable and accrued liabilities increased by $355,520 from $1,423,222 at October 31, 2017 to $1,758,742 at July 31, 2018. Loans payable decreased by $193,204 from $193,204 at October 31, 2017 to $nil at July 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 $
July 31, 2018	-	651,897	0.03
April 30, 2018	-	679,839	0.03
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	-

Net loss and loss per share have been relatively consistent for the eight most recent quarterly periods except as noted below. The relatively higher loss in Q1 2017, Q1 2018, Q2 2018, and Q3 2018 is primarily due to share-based compensation recorded for the issuance of stock options. Consulting fees and investor relations expenses have increased recently during the period due to increased corporate and exploration activities at the Company. General and administrative expenses have been relatively consistent for the historical period.

Related Party Transactions

At July 31, 2018, included in accounts payable and accrued liabilities is $483,203 (October 31, 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 nine months ended	**July 31, 2018**	July 31, 2017
Salaries capitalized to evaluation and exploration assets, consulting fees, director fees, and professional fees	$ 465,500	$ 211,350
Share-based payments	109,703	114,509
	$ 575,203	$ 325,859

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, 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.

During the nine months ended July 31, 2018, the loan was repaid in full.

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

The Company's capital structure on September 28, 2018 is shown in the following table:

		Weighted Average Exercise or Conversion Price	**Proceeds if Exercised**
Common shares issued and outstanding (Basic)	29,317,175		
Warrants	8,144,363	$0.46	$ 3,775,436
Options	2,795,000	$0.50	1,341,250
Common shares issued and outstanding (Fully Diluted)	**40,256,538**		**$ 5,116,686**

Subsequent to July 31, 2018, 400,000 stock options were granted at an exercise price of $0.35 per share for a period of five years and 86,956 shares were issued to satisfy equipment rental payments of $30,000.

If all outstanding warrants and options are in-the-money and exercised, an aggregate of $5,116,686 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 condensed interim financial statements for the nine months ended July 31, 2018:

Financial instruments and risk management

Fair value

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 July 31, 2018 and October 31, 2017.

Risk management

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 $1,758,742 (2017 - $1,616,426) 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 July 31, 2018, the Company's accounts payable and accrued liabilities are due on demand or within 30 days.