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, 2019

Report date: September 30, 2019

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, 2019 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, 2019.

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, 2018 (the "Financial Report"), and the accompanying interim financial statements and related notes thereto for the nine months ended July 31, 2019 (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 30, 2019.

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

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. It is approximately 144 square kilometers in area and is situated in the prospective and largely unexplored Coquihalla Gold Belt. The Project holds 5 historic gold mines dating back to the early 1900s and 24 other known gold occurrences, including the former gold-producing Carolin Mine. There also exists the original permitting for the Carolin Mine, significant underground development, road access and a tailings facility. To date, three mineral resources have been established. A significant 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. For more details regarding the Company's Ladner Gold Project and Mineral Resources, see the Company's National Instrument 43-101 Technical Report for the Ladner Gold Project dated May 29, 2015 (the "Company's Technical Report") and subsequent news releases, all of which are filed on www.SEDAR.com.

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, 2019 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);

On September 6, 2019, the Company entered into an agreement with a third party (the "Vendor") to purchase certain existing operational equipment used by the Company in its exploration activities at its Ladner Gold Project. The agreed purchase price for the equipment was $200,000 to be satisfied by a cash payment of $25,000 and the issue of 1,750,000 common shares of the Company. The common shares are subject to a four month restricted resale period in accordance with the policies of the TSX Venture Exchange.

On August 27, 2019, the Company closed a non-brokered private placement and issued 15,233,889 Units at $0.09 per Unit for gross proceeds of $1,371,050. Each Unit is comprised of one common share and one share purchase warrant ("Warrant"), with each Warrant entitling the holder to purchase one additional common share at a price of $0.15 per share for a period of thirty-six (35) months from closing. Proceeds of the Unit offering will be used to continue drilling the Company's Ladner Gold Project in southwestern British Columbia and general working capital. In connection with the private placement, the Company paid finder's fees in respect of subscribers introduced to the Company, which consisted of cash payments in the aggregate amount of $44,077.50 and the issuance of 449,750 broker warrants ("Broker Warrants") with each Broker Warrant entitling the holder to purchase one additional common share at a price of $0.15 per share. 414,750 Broker Warrants are exercisable until the date that is thirty-six (36) months following the closing date. 15,000 Broker Warrants are exercisable until the date that is twenty-four (24) months following the closing date and 20,000 Broker Warrants are exercisable until the date that is twelve (12) months following the closing date.

On July 24, 2019, the Company announced that Institutional Gold Research initiated coverage on the Company, bridging the growing interest of US investors with the Canadian mining industry. The initiation of coverage report on the Company can be found on the Institutional Gold Research website www.InstitutionalGoldResearchGroup.com/lad.

On April 19, 2019, Judi Dalling was appointed as Chief Financial Officer ("CFO"), following the resignation of the former CFO.

During the year ended October 31, 2018, 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 was part of the overall 28 hole, 3,500 meter underground exploration program planned at the Carolin Mine for 2018.

On December 18, 2018, the Company held its Annual General Meeting ("AGM"). Shareholders voted in favour of all items put forward by the Board of Directors and management of the Company, including all five directors nominated were elected to board. Subsequent to the AGM, Mr. Thast resigned from the board.

On December 19, 2018, the Company issued 2,459,999 units ("Unit") at a price of $0.15 per Unit for gross proceeds of $369,000. Each Unit consists of one common share of the Company and one share purchase warrant ("Warrant"), with each Warrant entitling the holder to purchase one additional common share at a price of $0.25 per share for a period of twenty four months from the date of closing. Finder's fees of $8,100 and finder's warrants totaling 54,000 warrants were paid on portions of the unit offering. Each finder's warrant issued is for a period of twelve months and exercisable at a price of $0.25 per share.

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

The following table summarizes share issuances for gross cash proceeds of $369,000 received during the nine months ended July 31, 2019 and up to the date of this MD&A:

Date	Financing	Shares Issued	Warrants Issued	Warrant Exercise Price	Gross Proceeds
Dec 19, 2018	Unit PP at $0.15	2,459,999	2,459,999	$0.25	$369,000
Aug. 27, 2019	Unit PP at $0.09	15,233,889	15,683,639	$0.15	$1,371,050
Totals		**2,459,999**	**18,143,638**	$0.16	**$1,740,050**

The following table summarizes other issuances of securities during the nine months ended July 31, 2019 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
Dec 19 2018	Finder's Fees	-	54,000	$0.25
Totals		**-**	**54,000**	

The raising of new equity capital has assisted in advancing its exploration goals. The Company's working capital deficiency of $1,707,257 at October 31, 2018 increased to $2,060,882 at July 31, 2019.

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 2019 drilling program is dependent on completing one or more additional share offerings 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 year ended October 31, 2018, the Company raised a total of $2,640,174 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. During the nine months ended July 31, 2019, the Company raised an additional $369,000 in flow through funding. In August, 2019 the Company raised gross proceeds of $1,371,050. 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 was completed and involved approximately 1,400 meters of underground diamond drilling in 13 holes, concurrent underground channel sampling and geological mapping. It was part of an overall 28 hole, 3,500 meter underground exploration program planned at the Carolin Mine for 2018.

2019 Drill Program

Subject to obtaining further funding, in 2019 the Company plans to carry out between 4,000 to 5,000 meters of drilling on targets in the Carolin Mine and certain other surface targets. Additional information from both the Phase 1 and Phase 2 programs are available in Company news releases 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, B.C. Notwithstanding the foregoing, any recommencement of gold production would, among other things, require further mineral resource development, the construction of processing facilities, regulatory approvals and additional financing.

Summary of Quarterly Results

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

	2019			*2018*				*2017*
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-
Net and comprehensive loss	174,012	103,660	246,567	290,000	651,897	679,839	415,207	203,278
Basic and diluted Loss per share	0.01	-	0.04	0.01	0.03	0.03	0.02	-

Net loss and loss per share have been relatively consistent for the eight most recent quarterly periods except as noted below. During Q2 2019, the Company ceased exploration activities while it secures further financing. The relatively higher losses in Q1 2018, Q2 2018 and Q3 2018 are primarily due to share-based payment expense recorded for the issuance of stock options and increased explorations and administrative costs.

The Company's significant accounting policies are set out in Note 3 of the audited annual financial statements for the year ended October 31, 2018.

Results of Operations

During the nine months ended July 31, 2019, the Company reported a net loss of $524,238 ($0.02 basic and diluted loss per share) compared to a net loss of $1,746,943 (0.08 basic and diluted loss per share) for the same period in 2018.

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.

Analysis of Quarterly Results

The following table compares the expenses for the three and nine months ended July 31, 2019 and 2018:

	Three Months Ended July 31		Nine Months Ended July 31	
	2019	2018	2019	2018
	$	$	$	$
Consulting fees	90,046	179,388	268,116	677,421
Filings and investor relations	35,063	215,655	169,249	345,822
General and administration	11,964	7,025	26,788	35,660
Insurance	8,544	4,432	14,501	13,297
Loans payable interest and accretion	-	-	-	23,621
Penalties and other interest expense	-	-	-	1,858
Professional fees	28,395	24,653	45,584	114,500
Share-based payments	-	220,744	-	534,764

Due to an administrative reorganization in the past year, the Company reduced its consulting fees and investor relations fees for the three and nine months ended July 31, 2019.

As at July 31, 2019, total assets increased by $298,376 to $10,589,085 from $10,290,709 at the end of fiscal 2018 primarily as a result of increased cash from private placement subscriptions and its investments in its exploration and evaluation assets.

The working capital deficiency increased by $439,214 from October 31, 2018 to July 31, 2019 primarily as a result of the increase in in accounts payable related to exploration and evaluation expenditures.

Financial Position and Liquidity

Operating activities

Cash flows used for operating activities was $50,039 during the nine months ended July 31, 2019 compared to cash flows used of $1,037,150 during the nine months ended July 31, 2018.

Financing activities

During the nine months ended July 31, 2019, cash flows provided by financing activities were $383,400 (July 31, 2018 - $2,808,877), which included proceeds of units for cash of $369,000 (July 31, 2018 – $3,081,124) and share subscriptions received of $22,500 (July 31, 2018 - $nil), offset by cash flows used by financing activities for share issue costs of $8,100 (July 31, 2018 - $62,247) and a loan repayment of $nil (July 31, 2018 - $210,000)..

Investing activities

During the nine months ended July 31, 2019, cash flows used for investing activities were $306,200 (July 31, 2018 - $1,488,089) for investment in exploration and evaluation assets.

Change in cash position

In aggregate, for the nine months ended July 31, 2019, cash flows from operating, financing and investing activities resulted in an increase in cash of $27,161 compared to an increase of $283,638 during the nine months ended July 31, 2018. When added to cash of $20,154 at the beginning of the year (July 31, 2018 - $112,779), cash at July 31, 2019 totaled $47,315 compared to $396,417 at July 31, 2018.

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, 2019 the Company had a working capital deficiency of $20,060,882 compared to a working capital deficiency of $1,707,257 at October 31, 2018. The working capital deficiency increased by $353,625 during the nine months ended July 31, 2019.

Current assets decreased by $142,509 from $218,287 at October 31, 2018 to $75,778 at July 31, 2019. Cash increased by $27,161 from $20,154 at October 31, 2018 to $47,315 at July 31, 2019. Amounts receivable decreased by $140,170 from $165,450 at October 31, 2018 to $25,280 at July 31, 2019 due to the receipt of the 2017 mining tax credit and GST refunds. Prepaid expenses decreased by $29,500 from $32,683 at October 31, 2018 to $3,183 at July 31, 2019 primarily due to insurance expensed during the period.

Exploration and evaluation assets increased by $211,116 from $10,290,709 at October 31, 2018 to $10,503,496 at July 31, 2019 as a result of capitalization of its investment in exploration and evaluation assets at the Ladner Gold Property.

Current liabilities increased by $211,116 from $1,705,544 at October 31, 2018 to $1,916,660 at July 31, 2019 due primarily to increases in exploration expenditures.

Related Party Transactions

At July 31, 2019, included in accounts payable and accrued liabilities is $612,564 (October 31, 2018 – $457,714) 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:

	July 31, 2019	July 31, 2018
	$	$
Salaries capitalized to evaluation and exploration assets, consulting fees, director fees and professional fees	176,455	465,500
Share-based payments	-	109,703
	176,455	575,203

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. The loan has a term of one year, an interest rate of 13% per annum compounded quarterly, and was 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 was $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, and has been accreted over the term of the loan, which was repaid during the year ended October 31, 2018.

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

The Company's capital structure on September 30, 2019 is shown in the following table:

		Weighted Average Exercise or Conversion Price	Proceeds if Exercised
Common shares issued and outstanding (Basic)	47,011,064		
Warrants	20,845,648	$0.19	$ 3,938,896
Options	2,613,000	$0.48	1,250,500
Common shares issued and outstanding (Fully Diluted)	**70,469,712**		**$ 5,189,396**

On August 27, 2019, the Company closed a non-brokered private placement and issued 15,233,889 Units at $0.09 per Unit for gross proceeds of $1,371,050. Each Unit is comprised of one common share and one share purchase warrant ("Warrant"), with each Warrant entitling the holder to purchase one additional common share at a price of $0.15 per share for a period of thirty-six (35) months from closing. Proceeds of the Unit offering will be used to continue drilling the Company's Ladner Gold Project in southwestern British Columbia and general working capital. In connection with the private placement, the Company paid finder's fees in respect of subscribers introduced to the Company, which consisted of cash payments in the aggregate amount of $44,077.50 and the issuance of 449,750 broker warrants ("Broker Warrants") with each Broker Warrant entitling the holder to purchase one additional common share at a price of $0.15 per share. 414,750 Broker Warrants are exercisable until the date that is thirty-six (36) months following the closing date. 15,000 Broker Warrants are exercisable until the date that is twenty-four (24) months following the closing date and 20,000 Broker Warrants are exercisable until the date that is twelve (12) months following the closing date.

On December 19, 2018, the Company closed a private placement and issued 2,459,999 common shares and share purchase warrants, for gross proceeds of $369,000. During the nine months ended July 31, 2019, 138,950 share purchase warrants priced at $0.90, 11,116 broker warrants priced at $0.90, 587,150 share purchase warrants priced at $0.90, and 34,400 broker warrants priced at $0.90 all expired unexercised. 181,500 stock options priced at $0.50 expired unexercised.

If all outstanding warrants and options are in-the-money and exercised, an aggregate of $5,189,396 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(l) of the audited financial statements for the year ended October 31, 2018. Management has adopted the standards that became effective on January 1, 2018 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, 2019.

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, 2019 or October 31, 2018.

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 $1,916,660 (October 31, 2018 - $1,705,544) 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, 2019, the Company's accounts payable and accrued liabilities are due on demand or within 30 days.