NEW CAROLIN GOLD CORP.

Form 51-102F1

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

For the Year Ended October 31, 2019

Report date: February 28, 2020

Introduction

This Management's discussion and analysis ("MD&A") of New Carolin Gold Corp (the "Company") focuses on significant factors that affected the Company's performance and factors that may affect its future performance. In order to better understand the MD&A, it should be read in conjunction with the audited financial statements of the Company and the notes thereto for the year ended October 31, 2019 (the "Financial Report"). The Company's significant accounting policies are set out in Note 3 of the Financial Report. The Company's financial statements and the MD&A are presented in Canadian dollars and are intended to provide a reasonable basis for an investor to evaluate the Company's development and financial situation.

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.

The effective date of this MD&A is February 28, 2020.

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, situated in the prospective and largely underexplored 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. 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 during the year ended October 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;
- Commencement of the Company's planned Phase II drilling program (see *Objectives* below);

On December 18, 2019, the Company held its annual general and special meeting of its shareholders. Shareholders voted in favour of all items put forward by the Board of Directors and management of the Company, including all four directors nominated were elected to board.

On December 2, 2019 the Company announced that it had completed the first two deep holes of its Phase II underground drilling program on the Ladner Gold Project, together with an initial surface mapping and sampling program to generate near surface drill targets.

On October 31, 2019 the Company announced that its 2019 underground drilling program on its 100% owned Ladner Gold Project had commenced, to get a detailed mapping and sampling program to generate near surface drill targets near and beneath the four other historic mines and 24 known gold occurrences within the Ladner Gold Project.

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 (36) months from closing. 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 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.

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 $72,367 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 Year Ended October 31, 2019 and to Date

The following table summarizes share issuances for gross cash proceeds of $1,740,050 received during the year ended October 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		**17,693,888**	**18,143,638**	$0.16	**$1,740,050**

The following table summarizes other issuances of securities during the year ended October 31, 2019 and up to the date of this MD&A where the Company received no cash proceeds:

- Common shares issued at a deemed price of $0.10 per share for the purchase of exploration equipment;

Date	Comments	Shares Issued
September 25, 2019	Exploration Equipment purchase	1,750,000
Total		**1,750,000**

The raising of new equity capital has assisted in advancing its exploration goals. As at October 31, 2019, the Company has a working capital deficiency of $911,758 (October 31, 2018: $1,487,257).

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.

It is the Company's plan to continue drilling within the immediate footprint of the Carolin Mine with an emphasis on expanding the existing resource while generating near term drill targets by conducting surface exploration on other highly prospective areas of the property. 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 $2,831,424 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. During the year ended October 31, 2019, the Company raised an additional $1,740,050 in non flow through funding. In August, 2019 the Company raised gross proceeds of $1,740,050. 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

During 2019, the Company completed the first two deep holes measuring a total of approximately 850 meters of its 2019 underground drilling program on its Ladner Gold Project, together with an initial surface mapping and sampling program to generate near surface drill targets. The Company plans to continue drilling within the immediate footprint of the Carolin Mine with an emphasis on expanding the existing resource while generating near term drill targets by conducting surface exploration on other highly prospective areas of the property. The Company has begun delivery of initial core samples and surface samples to an independent laboratory for analysis. Initial results of the first hole are as follow:

Hole	From	To	Length	Au (g/t)
19NC01	141.75	151.79	10.04	1.43
including	148.42	149.8	1.38	2.87
19NC01	220.27	231.41	11.14	1.51
including	229.68	230.57	0.89	2.69
19NC01	240.65	244.18	3.53	3.14
including	241.74	242.94	1.2	5.71

Hole 19NC01 was a 25 meter step-out from hole 11100-96-1 that encountered 10.54 meters of 3.4 g/t Au including 4.7 meters of 4.4 g/t. The mineralized zones in hole 19NC01 are coincident with hold 11100-96-1 and confirm the presence of the gold bearing zones discussed in the October 19, 2018 news release. Results are pending for the second hole, 19NC02, which is a 50 meter step-out from hole 19NC01, and a 100 meter step-out from 11100-96-1. Hole 19NC02 was drilled to test the extension of mineralization in hole 19NC01 and 11100-96-1. Geological interpretations from core logging support the current vein models. Structural and lithological examination of the core indicates a continuation of mineralization along the NW trending hinge zone as well as the ultramafic contact zone. Based on these current vein models the true widths of the mineralized intervals represent approximately 70% to 90% of the downhole interval lengths.

Continued structural and surface studies will enhance geological knowledge to use as a predictive tool for discovering ore extensions, new mineralized zones and regional continuity. Drilling has stopped pending complete results of the analysis, which will determine the next drill targets.

Additional information from both the Phase I and Phase II programs are available in Company news release dated December 20, 2019 and January 23, 2020 available 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.

Selected Annual Information

The following selected financial information is derived from the Company's audited financial statements for the fiscal years ended October 31, 2019, 2018 and 2017. All figures are prepared in accordance with IFRS.

	Year ended October 31, 2019 ($)	Year ended October 31, 2018 ($)	Year ended October 31, 2017 ($)
General expenses	741,694	2,055,413	1,176,875
Other income (expense)	3,817	18,470	1,938
Loss for the year before tax	737,877	2,036,943	1,174,937
Net loss and comprehensive loss	737,877	2,036,943	1,174,937
Loss per share (basic and diluted)	0.02	0.08	0.07
Working capital deficiency	(911,758)	(1,487,257)	(1,656,300)
Net cash used in operating activities	(592,000)	(1,676,776)	(727,704)
Net cash used in investing activities	(615,426)	(1,241,522)	(1,013,980)
Net cash provided by financing activities	1,667,683	2,825,673	1,626,288
Total assets	12,060,459	10,728,996	8,985,722
Total liabilities	2,152,201	1,925,544	1,836,426

During the year ended October 31, 2019, total assets increased by $1,331,463. Total assets increased by $1,743,274 during the year ended October 31, 2018. These increases are primarily a result of the Company's investments in exploration and evaluation assets.

The working capital deficiency decreased by $575,499 during the year ended October 31, 2019. (October 31, 2018 – an increase of $50,957), primarily as a result of reduced general expenses and a refundable tax credit on qualified exploration expenditures for the year ended October 31, 2018.

Results of Operations

During the year ended October 31, 2019, the Company reported a net loss of $737,877 ($0.02 basic and diluted loss per share) compared to a net loss of $2,036,943 (0.08 basic and diluted loss per share) for the year ended October 31, 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.

The following table compares the expenses for the years ended October 31, 2019 and 2018:

	2019	**2018**
	$	**$**
Advertising and promotion	37,399	-
Consulting fees	311,368	649,288
Filings and investor relations	233,518	515,654
General and administration	52,434	51,734
Insurance	21,078	16,970
Loans payable interest and accretion	-	23,621
Penalties and other interest expense	306	1,858
Professional fees	85,591	139,283
Share-based payments	-	657,005

Due to an administrative reorganization during the year ended October 31, 2019, the Company reduced its consulting fees and investor relations fees.

Financial Position and Liquidity

Operating activities

During the year ended October 31, 2019, cash flows used for operating activities was $592,000 (2018 - $1,676,776) primarily due to the reduction of general expenses.

Investing activities

During the year ended October 31, 2019, cash flows used for investing activities were $615,426 (2018 - $1,241,522) for investment in exploration and evaluation assets.

Financing activities

During the year ended October 31, 2019, cash flows provided by financing activities were $1,667,683 (2018 - $2,825,673), which included proceeds of units for cash of $1,740,050 (2018 - $2,889,874), stock options exercised of $nil (2018 - $191,250), offset by cash flows used by financing activities for share issue costs of $72,367 (2018 - $62,247) and a loan repayment of $nil (2018 - $193,204).

Change in cash position

In aggregate, for the year ended October 31, 2019, cash flows from operating, financing and investing activities resulted in an increase in cash of $460,257 (2018 – a decrease of $92,625). When added to cash of $20,154 at the beginning of the year (2018 - $112,779), cash at October 31, 2019 totaled $480,411 (2018 - $20,154).

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 October 31, 2019 the Company had a working capital deficiency of $911,758 compared to a working capital deficiency of $1,487,257 at October 31, 2018.

Current assets increased by $802,156 from $218,287 at October 31, 2018 to $1,020,443 at October 31, 2019. Cash increased by $460,257 from $20,154 at October 31, 2018 to $480,411 at October 31, 2019. Amounts receivable increased by $164,582 from $165,450 at October 31, 2018 to $330,032 at October 31, 2019 due to the 2018 mining tax credit and GST receivable. Prepaid expenses increased by $177,317 from $32,683 at October 31, 2018 to $210,000 at October 31, 2019 primarily due to prepaid investor relations for the ensuing year.

Exploration and evaluation assets increased by $529,307 from $10,290,709 at October 31, 2018 to $10,820,016 at October 31, 2019 as a result of capitalization of its investment in exploration and evaluation assets at the Ladner Gold Property.

Current liabilities increased by $226,657 from $1,705,544 at October 31, 2018 to $1,932,201 at October 31, 2019 due primarily to increases in exploration expenditures.

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*			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	-	-	-	-	-	-	-	-
Net and comprehensive loss	213,638	174,012	103,660	246,567	290,000	651,897	679,839	415,207
Basic and diluted Loss per share	0.02	0.01	-	0.04	0.01	0.03	0.03	0.02

Net loss and loss per share have been relatively consistent during the four most recent quarterly periods except as noted below. 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 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, 2019.

Related Party Transactions

At October 31, 2019, included in accounts payable and accrued liabilities is $233,056 (2018 – $146,203) owed to current and former officers and directors for 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:

	October 31, 2019	October 31, 2018
Consulting fees, director fees, and professional fees	$ 258,455	$ 504,500
Share-based payments	-	216,664
	$ 258,455	$ 721,164

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.

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

The Company's capital structure on February 27, 2020 is shown in the following table:

		Weighted Average Exercise or Conversion Price	**Proceeds if Exercised**
Common shares issued and outstanding (Basic)	48,761,064		
Warrants	18,143,638	$0.16	2,967,546
Options	2,528,500	$0.48	1,208,000
Common shares issued and outstanding (Fully diluted)	**72,220,222**		**$ 4,175,546**

On September 25, 2019, the Company issued 1,750,000 common shares at a deemed price of $175,000 in connection with the purchase of previously lease operational equipment.

On August 27, 2019, the Company closed a non-brokered private placement and issued 15,233,889 units ("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 (36) months from closing. 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 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 year ended October 31, 2019, 5,360,013 share purchase warrants and 126,340 broker warrants 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 $4,175,546 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 that are not mandatory for the October 31, 2019 reporting period. Management has assessed the impact of the new and amended standards and do not believe that they will have an impact on the Company's financial statements.

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, 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 October 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 $1,932,201 (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 October 31, 2019, the Company's accounts payable and accrued liabilities are due on demand or within 30 days.