



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Expressed in Canadian Funds)

**For the Three Months Ended March 31, 2022**

**Management's Discussion and Analysis  
For the Three Months Ended March 31, 2022**  
(Expressed in Canadian Dollars)

---

## **Introduction**

Newcore Gold Ltd. ("Newcore" or the "Company") and its subsidiary engage principally in the advancement, and development of its 100% owned Enchi Gold Project ("Enchi" or the "Project") in southwest Ghana. Newcore Gold Ltd., the parent, was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) on January 18, 2010. Newcore is a public company listed on the TSX Venture Exchange (the "Exchange") (TSX-V: NCAU) and also trades on the OTCQX® Best Market in the United States (OTCQX: NCAUF). Its head office is located at 1560 - 200 Burrard Street, Vancouver, British Columbia, V6C 3L6.

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the condensed interim consolidated financial statements of Newcore for the three months ended March 31, 2022. The Company prepares its annual consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). Additional information relating to the Company including the most recent Company filings can be located on SEDAR at [www.sedar.com](http://www.sedar.com).

This MD&A is prepared as of May 24, 2022. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

## **Overall Performance**

- For the three months ended March 31, 2022, the Company recorded a net loss of \$710,125 or \$0.01 loss per share compared to a net loss of \$1,124,985 or \$0.01 loss per share during the prior year period. The decrease in net loss from the prior year is primarily due to the lower share-based compensation expense, management fees and shareholder relations, marketing and conferences expense in 2022 which were offset by a higher foreign exchange loss in the current period.
- For the three months ended March 31, 2022, the Company recorded a comprehensive loss of \$1,169,384 compared to a comprehensive loss of \$1,312,487 during the prior year period.
- As at March 31, 2022, the Company had total assets of \$39,268,405 (December 31, 2021 - \$40,394,057), consisting primarily of short-term investment and exploration and evaluation assets.

## **Results of Operations**

Exploration and evaluation assets as at March 31, 2022 were \$35,376,892 compared to \$34,231,145 as at December 31, 2021. The increase during the period was due to the capitalization of expenditures incurred on the Enchi Gold Project, including drilling and exploration activities.

### *3 months ended March 31, 2022 vs. 3 months ended March 31, 2021*

For the three months ended March 31, 2022, the Company recorded a net loss of \$710,125 or \$0.01 loss per share compared to a net loss of \$1,124,985 or \$0.02 loss per share during the same period in the prior year.

Share-based compensation was \$281,959 during the three months ended March 31, 2022 (2021 – \$468,033). The amount in the comparative 2021 period was higher due to the additional stock-based compensation recognized for stock options that vested from older stock option grants.

Shareholder relations, marketing and conferences expense was \$116,656 for the three months ended March 31, 2022 (2021 - \$234,914). The amount in 2022 was lower as there was a reduction in marketing activities during the current period.

---

## Enchi Gold Project

The Enchi Gold Project is located in southwest Ghana, along the eastern margin of the Sefwi gold belt that hosts multi-million ounce producing mines. Enchi includes seven prospecting licenses comprising a total 216 km<sup>2</sup> land package. The Project hosts a pit constrained Inferred Mineral Resource of 70.4 million tonnes ("Mt") grading 0.62 grams per tonne gold ("g/t Au") containing 1.41 million ounces gold (see Newcore news release dated June 8, 2021). Mineral resource estimation practices are in accordance with CIM Estimation of Mineral Resource and Mineral Reserve Best Practice Guidelines (November 29, 2019) and follow CIM Definition Standards for Mineral Resources and Mineral Reserves (May 10, 2014), that are incorporated by reference into National Instrument 43-101 ("NI 43-101"). The Mineral Resource is detailed in a technical report titled "Preliminary Economic Assessment for the Enchi Gold Project, Enchi, Ghana" with an effective date of June 8, 2021, prepared by BBA E&C Inc. and SEMS Exploration Services Limited and filed on SEDAR at [www.sedar.com](http://www.sedar.com).

A 90,000 metre drill program is underway at the Company's Enchi Gold Project in Ghana which started in August 2020. The drill program is focused on testing extensions of existing deposits, following up on previously drilled zones, and first pass drilling on defined targets. The drilling program includes both Reverse Circulation ("RC") and diamond drilling ("DD") and includes the first deeper drilling planned on the Project. In addition to drilling, work programs also include metallurgical testing and geotechnical assessments in support of future engineering studies. A detailed topographic survey is also being completed to aid in drill targeting. Further exploration including geochemical sampling and trenching will be directed at advancing existing anomalies and targets.

For the total planned 90,000 metre drill program, assay results have now been received and released for 523 holes representing 83,064 metres. Newcore's multi-pronged exploration approach has (i) successfully outlined potential resource growth along strike at all four of our existing deposits (Sewum, Boin, Nyam, Kwakyeokrom); (ii) encountered strong results at previously drilled pre-resource areas (Kojina Hill, Eradi); (iii) encountered high-grade from drilling at depth which has outlined the potential for underground resources; and (iv) identified new discoveries from successful first pass drilling on early stage targets at Enchi (Sewum South, Tokosea).

The results of a Preliminary Economic Assessment ("PEA") were announced on June 8, 2021. The PEA contemplates a technically simple, open pit, heap leach operation processing 6.6 million tonnes per annum utilizing contract mining. Highlights of the PEA include:

- Strong project economics with low capital intensity.
  - At a gold price of US\$1,650/oz: US\$333 million pre-tax net present value discounted at 5% ("NPV<sub>5%</sub>") and a 54% pre-tax internal rate of return ("IRR"), US\$212 million after-tax NPV<sub>5%</sub>, and a 42% after-tax IRR.
  - At a gold price of US\$1,850/oz: US\$471 million pre-tax NPV<sub>5%</sub> and a 69% pre-tax IRR, US\$302 million after-tax NPV<sub>5%</sub>, and a 54% after-tax IRR.
  - Initial capital costs estimated at US\$97 million, with a short after-tax payback of 2.3 years.
- Established the potential for a robust project with significant growth potential.
  - Average annual gold production in years two through five of 104,171 ounces gold; 983,296 ounces gold recovered over an 11-year life of mine ("LOM").
  - LOM strip ratio of 2.1 to 1, mined grade of 0.57 g/t gold and recovery of 79%.
  - LOM operating costs<sup>(1)</sup> estimated at US\$923/oz of gold, cash costs<sup>(2)</sup> estimated at US\$1,043/oz of gold, LOM all-in sustaining costs (AISC)<sup>(3)</sup> estimated at US\$1,066/oz of gold.
- Updated Mineral Resource Estimate, including an initial resource at Kwakyeokrom.
  - Incorporated 20,195 metres of drilling completed at Enchi in 2020 and early 2021.

*Note: NPV calculated as of the commencement of construction and excludes all pre-construction costs. Cash costs and AISC are non-GAAP financial measures.*

*(1) Operating costs consist of mining costs, processing costs, and on-site G&A.*

*(2) Cash costs consist of operating costs plus treatment and refining charges, and royalties.*

*(3) AISC consists of cash costs plus sustaining capital (excluding closure costs and salvage value).*

**Management's Discussion and Analysis  
For the Three Months Ended March 31, 2022**

(Expressed in Canadian Dollars)

---

The PEA is preliminary in nature, includes Inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that PEA results will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

As part of the updated PEA, the Inferred Mineral Resource for the Project was updated to reflect additional drilling completed in 2020 and early 2021. The resource update included 20,195 metres of RC drilling completed as part of the ongoing 90,000 metre drill program. The Mineral Resource Estimate incorporates assay results from 181 diamond drill holes totaling 22,726 metres, 465 RC holes totaling 55,003 metres, 319 RAB holes totaling 12,424 metres and 188 trenches totaling 18,294 metres. The resource includes four deposits Sewum, Boin, Nyam and Kwakyekrom, each of which is open along strike and down dip. A number of additional exploration targets have also been identified outside of the existing resource area that present an opportunity for resource growth.

Notes for Inferred Mineral Resource Estimate:

1. CIM definition standards were followed for the resource estimate.
2. The 2021 resource models used ordinary kriging (OK) grade estimation within a three-dimensional block model with mineralized zones defined by wireframes solids and constrained by pit shells for Sewum, Boin and Nyam. Kwakyekrom used inverse distance squared (ID<sup>2</sup>).
3. A base cut-off grade of 0.2 g/t Au was used with a capping of gold grades varied by deposit and zone.
4. A US\$1,650/ounce gold price, open pit with heap leach operation was used to determine the cut-off grade of 0.2 g/t Au. Mining cost of US\$1.40 for oxide, US\$2.10 for transition, and US\$2.60 for fresh rock per mined tonne, and G&A and milling cost of US\$6.83/milled tonne.
5. Metallurgical recoveries have been applied to four individual deposits and in each case three material types (oxide, transition and fresh rock) with average recoveries of 77% for Sewum, 79% for Boin, 60% for Nyam and 72% for Kwakyekrom.
6. A density of 2.20 g/cm<sup>3</sup> for oxide, 2.45 g/cm<sup>3</sup> for transition and 2.70 g/cm<sup>3</sup> for fresh rock was applied.
7. Numbers may not add due to rounding.
8. Optimization pit slope angles varied based on the rock types.
9. Mineral Resources that are not mineral reserves do not have demonstrated economic viability.
10. These numbers are from the technical report titled "Preliminary Economic Assessment for the Enchi Gold Project, Enchi, Ghana", with an effective date of June 8, 2021, prepared by BBA E&C Inc. and SEMS Exploration Services Limited in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and is available under Newcore's SEDAR profile at [www.sedar.com](http://www.sedar.com).

On March 22, 2021, the Company announced results from drilling at Nyam (24 RC holes, 4,212 m). All holes intersected gold mineralization outside of the current resource, extending the mineralization both at depth and along strike with mineralization remaining open in both directions. These results also include the deepest intersections of mineralization drilled at the time at Nyam, with mineralization then defined to a vertical depth of 200 metres and the strike length of the mineralization extended to 1.8 kilometres. Results included 1.57 g/t Au over 40.0 m from 179 m, including 5.40 g/t Au over 9.0 m from 185 m (hole NBRC045), and 1.94 g/t Au over 25.0 m from 222 m, including 5.78 g/t Au over 7.0 m from 227 m (hole NBRC047).

On April 13, 2021, the Company announced additional results from step-out drilling at Boin (16 RC holes, 2,566 m), extending mineralization by 400 metres to the north of previous drilling. Drilling below the current resource at Boin intersected 0.85 g/t Au over 67.0 m from 137 m, including 2.95 g/t Au over 9.0 m from 137 m (hole KBRC185). Drilling also continued to intersect gold mineralization in the gap within the historic drilling, including 1.14 g/t Au over 36.0 m from 119 m, including 1.72 g/t Au over 18.0 m from 124 m, as well as a second zone with 0.61 g/t Au over 8.0 m from 103 m (hole KBRC190).

On April 28, 2021, on the back of the success achieved to date with drilling at Enchi, the Company increased its drill program to 66,000 metres, with the addition of 8,000 metres of RC drilling. Newcore also announced additional step-out drill results from Nyam (8 RC holes, 1,023 m) as well as from Kojina Hill (5 RC holes, 670 m) which is an advanced drill tested target at Enchi that does not currently have a defined resource. Results from Kojina Hill intersected the longest intercept to date at the target, 0.79 g/t Au over 59.0 m from 61 m, including 3.03 g/t Au over 10.0 m from 80 m (hole KJRC022). Drill results at Nyam continue to intersect shallow gold mineralization within the near surface oxide zone and upper portions of the sulphide mineralization, including 1.32 g/t Au over 9.0 m from 48 m (hole NBRC053).

**Management's Discussion and Analysis  
For the Three Months Ended March 31, 2022**  
(Expressed in Canadian Dollars)

---

On May 18, 2021, the Company announced additional drill results from the KwakyeKrom Gold Target at Enchi (22 RC holes, 4,022 m). Results included 0.61 g/t Au over 50.0 m from 148 m, including 1.36 g/t Au over 9.0 m from 164 m (hole KKRC051), and 1.19 g/t Au over 20.0 m from 112 m, including 2.75 g/t Au over 5.0 m from 113 m (hole KKRC052). These results continue to expand the gold mineralization outside of the previously tested area, extending the drill tested strike extent to 1.3 kilometres. Results also included the deepest intercepts to date on the central portion of the target, with holes KKRC051 and KKRC056 crossing the main structure approximately 150 metres vertically below surface. Newcore also announced positive metallurgical results from bottle roll tests completed on KwakyeKrom, with samples achieving an average gold recovery of 79.8%.

On June 1, 2021, the Company announced additional drill results from Boin (44 RC holes, 5,760 m). These drill results were from a series of exploration holes, expanding the gold mineralization outside of the previously tested area at Boin by 400 metres to the north and one kilometre to the south, extending the drill tested strike extent at Boin to over four kilometres. Results included 0.90 g/t Au over 69.0 m from 55 m, including 2.06 g/t Au over 12.0 m from 61 m (hole KBRC236), and 1.02 g/t Au over 36.0 m from 76 m, including 2.58 g/t Au over 7.0 m from 95 m (hole KBRC241).

On June 8, 2021, the Company announced the results of an updated Preliminary Economic Assessment for the Enchi Gold Project. The PEA was prepared by BBA E&C Inc. in accordance with NI 43-101 and contemplated a technically simple, open pit mine and heap leach operation processing 6.6 million tonnes per annum utilizing contract mining. The PEA also reflected an updated, pit constrained, Inferred Mineral Resource of 70.4 Mt grading 0.62 g/t Au containing 1.41 million ounces gold. Only 20,195 metres of drilling from the ongoing drill program were included in the updated Mineral Resource Estimate. The PEA highlighted strong project economics with low capital intensity, at a gold price of US\$1,650 per ounce, the study had a US\$212 million after-tax NPV<sub>5%</sub> and a 42% after-tax IRR (US\$333 million pre-tax NPV<sub>5%</sub> and 54% pre-tax IRR). The technical report for the PEA was filed on SEDAR on July 13, 2021. *The PEA is preliminary in nature, includes Inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that PEA results will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.*

On July 15, 2021, the Company announced positive results from four column tests completed as part of the ongoing metallurgical program at Enchi. An average gold recovery of 94.7% was achieved from column testwork completed on two composite samples from Sewum and two composite samples from Boin. All samples showed modest cyanide consumption of less than 1 kilogram per tonne ("kg/t"), with a 3 kg/t lime (hydrated) addition to maintain a pH above 10.5. It was also announced that further metallurgical testwork was ongoing.

On July 21, 2021, the Company announced additional results from drilling completed at Boin (26 RC holes, 3,928 m and 8 DD holes, 2,530 m). Drilling intersected the highest-grade interval to date of 95.16 g/t Au over 2.0 m from 109 m (RC hole KBRC250). Drilling also continues to encounter wide zones of mineralization, with results intersecting 1.28 g/t Au over 74.0 m from 121 m (DD hole KBDD064). The highest-grade interval encountered to date at Enchi was drilled in the northern portion of Boin, with RC hole KBRC250 intersecting 95.16 g/t Au over 2.0 m from 109 m, with a second structure of 13.22 g/t Au over 1.0 m from 120 m (sulphide zone). The interval also encountered additional gold mineralization, intersecting 0.93 g/t Au over 5.0 m from 111 m. True widths are unknown but are estimated to be 75 - 85% of the drill length.

On August 18, 2021, on the back of the success achieved to date with drilling at Enchi, the Company increased its drill program to 90,000 metres. Newcore also announced additional results from drilling completed at Boin (10 RC holes, 1,973 m) and Sewum (15 RC holes, 3,597 m). Drilling at Boin intersected 1.00 g/t Au over 103.0 m from 113 m, as well as an additional near surface interval in the same hole of 0.63 g/t Au over 40.0 m from 27 m (hole KBRC276). Drilling at Sewum intersected 0.63 g/t Au over 77.0 m from 4 m, including 0.72 g/t Au over 36.0 m from 4 m in the oxides and 1.22 g/t Au over 14.0 m from 53 m in the sulphides (hole SWRC107).

**Management's Discussion and Analysis  
For the Three Months Ended March 31, 2022**  
(Expressed in Canadian Dollars)

---

On September 21, 2021, the Company announced additional drill results from drilling completed at Sewum (11 DD holes, 3,658.7 m), with drilling continuing to encounter multiple gold mineralised zones, including deeper high-grade structures. Drilling intersected 2.33 g/t Au over 14.0 m from 104 m, including 4.08 g/t Au over 7.0 m from 110 m which included 20.54 g/t Au over 1.0 m from 116 m (sulphide zone) (hole SWDD071B). These drill results at Sewum highlight the potential for deeper high-grade structures outside of the existing pit constrained resource.

On October 26, 2021, the Company announced additional drill results from drilling completed at Nyam (34 RC holes, 5,245 m), with drilling at Nyam continuing to encounter higher-grade gold mineralization from surface. Drilling intersected high-grade, oxide gold mineralization grading 2.04 g/t Au over 35.0 m from surface, including 4.89 g/t Au over 8.0 m from 8 m. Drilling at Nyam encountered wide zones of mineralization in both the oxide and sulphide mineralization. These results also tested the southern extension at Nyam, increasing the drill tested strike extent at Nyam to three kilometres.

On November 23, 2021, the Company announced results from diamond drilling at Nyam (9 DD holes, 3,311 m), with drilling extending gold mineralization at depth and intersecting multiple high-grade structures. Drilling intersected 4.51 g/t Au over 13.0 m from 236 m, including 7.40 g/t Au over 7.7 m from 237.5 m (hole NBDD048), and 3.21 g/t Au over 15.0 m from 321 m, including 5.57 g/t Au over 8.0 m from 322 m (hole NBDD052). Deeper drilling at Nyam defined two northerly plunging high-grade zones with strike lengths of up to 500 m and extending to depths of up to 300 m that remain open for further expansion.

On January 11, 2022, the Company announced additional drill results from drilling completed at Nyam (37 RC holes, 5,447 m) and Kwakyeokrom (19 RC holes, 3,128 m). Drilling at Nyam encountered oxidized gold mineralization near surface, intersecting 1.79 g/t Au over 24.0 m from 38 m, including 4.14 g/t Au over 4.0 m from 51 m (hole NBRC092). Drilling at Kwakyeokrom extended the drill-tested gold mineralization by 500 metres to the north, increasing the drill tested strike length of gold mineralization at Kwakyeokrom to 1.5 km. Drill results intersected 0.99 g/t Au over 29.0 m from 81 m, and a second zone of 1.67 g/t Au over 3.0 m from 40 m (hole KKRC080).

On February 15, 2022, the Company announced drill results from drilling on the southern end of the Sewum Gold Deposit (28 RC holes, 2,701 m) as well as results from drilling at the Eradi Gold Target ("Eradi") (14 DD holes, 2,189.5 m). Drilling on the southern end of Sewum (also referred to as Sewum Extension) intersected near surface oxidized gold mineralization of 1.98 g/t Au over 25.0 m from 3 m, and a second zone of 0.58 g/t Au over 22.0 m from 48 m (hole SWRC164). Additional drilling at Sewum Extension extended the gold mineralization to depth, into the upper portion of the sulphide zone, with results including 2.14 g/t Au over 18.0 m from 123 m (hole SWRC160). A number of holes were also directed at initial testing of a sub-parallel structure located approximately 200 metres east of the main structure at Sewum Extension. This drilling successfully defined a new discovery with strong results encountered including 5.84 g/t Au over 6.0 m from 2 m, including 26.82 g/t Au over 1.0 m from 2 m (hole SWRC152). Drilling at Eradi, a previously drilled target at Enchi located at the northern end of the property, intersected 0.89 g/t Au over 47.8 m from 41.2 m, including 6.44 g/t Au over 2.5 m from 41.2 m and 2.14 g/t Au over 5.8 m from 54.2 m (hole ERDD020).

On March 7, 2022, the Company announced two new greenfield discoveries at its Enchi Gold Project. First pass RC drilling on two grassroots targets, Tokosea (26 RC holes, 2,848 m) and Sewum South (29 RC holes, 3,120 m), intersected shallow oxide gold mineralization demonstrating the strong potential to delineate additional resource areas across the 216 km<sup>2</sup> property. Both Tokosea and Sewum South were previously undrilled gold targets with very large anomalous areas identified, with first pass discovery drilling testing gold mineralization to an average depth of only 75 metres. Drilling at Tokosea (located on the central portion of Enchi) intersected shallow high-grade oxide gold mineralization grading 3.52 g/t Au over 9.0 m from 74 m, including 7.36 g/t Au over 4.0 m from 77 m in the lower zone, and 1.15 g/t Au over 3.0 m from 3 m in the upper zone (hole TORC025). Drilling at Sewum South (located at the southern end of Enchi) intersected 0.95 g/t Au over 15.0 m from 25 m, including 2.31 g/t Au over 5.0 m from 25 m and a second zone of 1.50 g/t Au over 4.0 m from 14 m (hole SWRC130).

**Management's Discussion and Analysis**  
**For the Three Months Ended March 31, 2022**  
(Expressed in Canadian Dollars)

On April 20, 2022, the Company announced additional drill results from drilling at Tokosea (30 RC holes, 3,889 m). Tokosea is a new discovery at Enchi where first pass drilling in 2022 has highlighted the strong potential for Enchi to host additional resources across the 216 km<sup>2</sup> property. Drilling intersected shallow, high-grade, wide zones of mineralization and expanded the gold mineralization along strike and down dip. Hole TORC045 intersected multiple zones of mineralization throughout the drill hole. Near surface, the hole intersected 1.80 g/t Au over 27.0 m from 30 m, including 4.13 g/t Au over 3.0 m from 31 m, 3.41 g/t Au over 3.0 m from 38 m, and 3.76 g/t Au over 3.0 m from 47 m. A zone near the end of the hole intersected 0.93 g/t Au over 15.0 m from 134 m including 3.22 g/t Au over 3.0 m from 140 m.

Newcore is committed to best practice standards for all exploration, sampling and drilling activities. Drilling was completed by an independent drilling firm using industry standard RC and diamond drill equipment. Analytical quality assurance and quality control procedures include the systematic insertion of blanks, standards and duplicates into the sample strings. Samples are placed in sealed bags and shipped directly to Intertek Labs located in Tarkwa, Ghana for 50 gram gold fire assay.

Mr. Gregory Smith, P. Geo, Vice President of Exploration of Newcore, is a Qualified Person as defined by NI 43-101, and has reviewed and approved the technical data and information contained in this MD&A. Mr. Smith has verified the technical and scientific data disclosed herein and has conducted appropriate verification on the underlying data including confirmation of the drillhole data files against the original drillhole logs and assay certificates.

**Summary of Quarterly Results**

The following information is derived from the Company's unaudited quarterly financial statements for the preceding eight quarters.

	Revenue	Net loss	Loss per share
March 31, 2022	\$ Nil	\$ 710,125	\$ 0.01
December 31, 2021 <sup>(1)</sup>	\$ Nil	\$ 1,348,556	\$ 0.01
September 30, 2021	\$ Nil	\$ 751,300	\$ 0.01
June 30, 2021	\$ Nil	\$ 795,884	\$ 0.01
March 31, 2021	\$ Nil	\$ 1,124,985	\$ 0.01
December 31, 2020	\$ Nil	\$ 1,275,118	\$ 0.01
September 30, 2020	\$ Nil	\$ 694,020	\$ 0.01
June 30, 2020	\$ Nil	\$ 195,691	\$ 0.00

<sup>(1)</sup> See discussion under "Results of Operations" above.

The increase in net loss in the quarter ended September 30, 2020 was the result of an increased level of corporate activity resulting in higher management fees, share-based compensation and shareholder relations, marketing and conferences expenses.

The increase in net loss in the quarter ended December 31, 2020 was the result of increased corporate staffing and a higher level of activity resulting in higher management fees, share-based compensation and shareholder relations, marketing and conferences expenses.

The increase in net loss in the quarter ended December 31, 2021 was the result of management bonuses accrued during the quarter along with increased share based compensation as well as increased shareholder relations, marketing and conference expenses.

The decrease in net loss in the quarter ended June 30, 2021 was the result of lower shareholder relations, marketing and conferences expenses during the quarter as compared to the previous quarter.

**Management's Discussion and Analysis**  
**For the Three Months Ended March 31, 2022**  
(Expressed in Canadian Dollars)

**Selected Annual Information**

The following discussion and analysis of financial conditions and results of operations should be read in conjunction with the Company's consolidated financial statements and related costs for the years ended December 31, 2019 to December 31, 2021.

	December 31, 2021	December 31, 2020	December 31, 2019
Total revenues	\$ Nil	\$ Nil	\$ Nil
Net loss	\$ 4,020,725	\$ 2,211,988	\$ 270,655
Comprehensive loss	\$ 3,872,862	\$ 2,632,290	\$ 802,497
Loss per share - basic and diluted	\$ 0.04	\$ 0.03	\$ 0.00
Total assets	\$ 40,394,057	\$ 31,112,920	\$ 14,652,641
Total liabilities	\$ 1,313,799	\$ 1,582,841	\$ 398,701
Total shareholders' equity	\$ 39,080,258	\$ 29,540,079	\$ 14,253,941

**Liquidity**

The Company currently has no operating revenues and relies primarily on equity financing. Based on management's cash flow projections, the Company has sufficient working capital for at least the next 12 months. The Company's cash which is held as cash deposits and short-term investment are available on demand to fund the Company's short-term financial obligations. As at March 31, 2022, the Company had a working capital of \$3,004,792 (December 31, 2021: \$4,681,914). For the three months ended March 31, 2022, cash outflows from operating activities totalled \$744,968 (2021: \$1,929,339).

**Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

**Transactions with Related Parties**

Trading transactions

During the year ended December 31, 2020, Park Road Capital Corp. (the "Borrower"), a corporation controlled by the Company's CEO and President, and the Company executed a loan agreement whereby the Company agreed to lend \$150,000 to the Borrower (the "Loan"). The Loan is part of the total compensation package of the Company's CEO and President. The interest free Loan is to be repaid in full by the Borrower before June 17, 2022. During the period ended March 31, 2022, the Borrower repaid \$nil (2021 - \$18,750) of the Loan.

Compensation of key management personnel

Key management personnel include directors and officers that provide management and consulting services to the Company. Remuneration of key management personnel during the three months ended March 31 was as follows:

	2022	2021
Short-term salaries and benefits	\$ 54,834	\$ 129,652
Share-based compensation	280,284	745,928
Consulting fees paid to key management	127,502	509,055
	\$ 462,620	\$ 1,384,635

---

**Proposed Transactions**

None.

**Critical Accounting Estimates and Change in Accounting Policies including Initial Adoption**

The significant accounting policies applied in the preparation of the financial statements are consistent with those applied and disclosed in the Note 2 of the Company's December 31, 2021 audited consolidated financial statements. Significant judgments, estimates and assumptions remain the same as disclosed in the 2021 audited annual consolidated financial statements.

**Financial Instruments and Other Instruments**

The Company's financial instruments consist of cash, receivables, short-term investment, loan receivable, and trade and other payables. The Company determines the classification of financial assets at initial recognition. Financial liabilities are measured at amortized cost unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL. All of the Company's financial instruments are held at amortized cost. Financial instruments held at amortized cost are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition such financial instruments are measured at amortized cost using the effective interest method.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date the credit risk associated with the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve-month expected credit losses. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss. The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss and comprehensive loss.

The Company does not use derivative instruments or hedges to manage various risks because the Company's exposure to credit risk, liquidity risk, and market risks is relatively low. Cash and short-term investment are held through a large Canadian financial institution. Note 7 of the Company's consolidated financial statements for the three months ended March 31, 2022 contain additional disclosures on the Company's financial instruments.

---

**Outstanding Share Capital**

The following describes the outstanding share data of the Company as at May 24, 2022.

	<b>Number Outstanding</b>
Common shares	121,443,465
Options to purchase common shares	7,740,000
Restricted share units	1,370,001
Performance share units	650,000

**Internal Controls and Disclosure Controls over Financial Reporting**

On November 23, 2007, the British Columbia Securities Commission in which the Company is registered exempted Venture Issuers from certifying disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. Since the Company is a Venture Issuer, it is required to file basic certificates, which it has done for the three months ended March 31, 2022. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109 as at March 31, 2022.

**Outlook**

The Company commenced its current drill program at the Enchi Gold Project in August 2020, with 90,000 metres to be completed into 2022. The drill program is focused on resource growth through testing extensions of the current deposits, following-up on previously drilled zones, and first pass drilling on defined targets.

**Cautionary Note Regarding Forward-Looking Statements**

The Company's condensed interim consolidated financial statements and this accompanying MD&A includes statements that contain "forward-looking information" within the meaning of the applicable Canadian securities legislation ("forward-looking statements"). All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this MD&A. Any statement that involves discussion with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often, but not always using phrases such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this MD&A, forward-looking statements relate, among other things, to: the development, operational and economic results of the PEA, including cash flows, capital expenditures, development costs, extraction rates, recovery rates, mining cost estimates; estimation of mineral resources; statements about the estimate of mineral resources; magnitude or quality of mineral deposits; anticipated advancement of the Enchi Gold Project mine plan; future operations; the completion and timing of future development studies; anticipated advancement of mineral properties or programs; results of our ongoing drill campaign; future exploration prospects; magnitude or quality of mineral deposits; and the future growth potential of Enchi.

These forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business. The assumptions underlying the forward-looking statements are based on information currently available to Newcore. Although the forward-looking statements contained in this MD&A are based upon what management of Newcore believes, or believed at the time, to be reasonable assumptions, Newcore cannot assure its shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Forward-looking information also involves known and unknown risks, uncertainties and other factors which

**Management's Discussion and Analysis**  
**For the Three Months Ended March 31, 2022**  
(Expressed in Canadian Dollars)

---

may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. The forward looking statements are qualified in their entirety by reference to the important factors discussed under the heading "RISK FACTORS" in this MD&A and also be the following risk factors, among others: risks related to interpretation of metallurgical characteristics of the mineralization, changes in project parameters as plans continue to be refined, future metal prices, availability of capital and financing on acceptable terms, uninsured risks, regulatory changes, delays or inability to receive required approvals, taxes, mining title, the speculative nature of the Company's business; the Company's formative stage of development; the Company's financial position; possible variations in mineralization, grade or recovery rates; actual results of current exploration activities; fluctuations in general macroeconomic conditions; fluctuations in securities markets; fluctuations in spot and forward prices of gold and other commodities; fluctuations in currency markets (such as the Canadian dollar to United States dollar exchange rate); change in national and local government, legislation, taxation, controls, regulations and political or economic developments; risks and hazards associated with the business of mineral exploration, development and mining (including environmental hazards, unusual or unexpected geological formations); the presence of laws and regulations that may impose restrictions on mining; employee relations; relationships with and claims by local communities; the speculative nature of mineral exploration and development (including the risks of obtaining necessary licenses, permits and approvals from government authorities); and title to properties.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

#### **Non-IFRS Measures**

This MD&A includes certain terms or performance measures commonly used in the mining industry that are not defined under International Financial Reporting Standards ("IFRS"), including cash costs and AISC per ounce of gold. Non-GAAP measures do not have any standardized meaning prescribed under IFRS and, therefore, they may not be comparable to similar measures employed by other companies. We believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate our performance. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

#### *Total Cash Costs per Ounce of Gold Sold ("Total Cash Costs")*

Total Cash Costs include mine site operating costs such as mining, processing, environment and infrastructure, on-site G&A, treatment and refining charges, and royalties.

#### *All-In Sustaining Costs per Ounce of Gold Sold ("AISC")*

AISC is a performance measure that reflects the expenditures that are required to produce an ounce of gold from operations. The Company believes that this measure is useful to external users in assessing operating performance and the ability to generate free cash flow from operations. The Company defines AISC as the sum of Total Cash Costs plus sustaining capital (capital required to maintain operations at existing production levels). AISC excludes closure costs and salvage value. Total AISC is divided by gold ounces sold to arrive at a per ounce figure.