



NEWLOX GOLD VENTURES CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Three Months Ended June 30, 2018

As at August 29, 2018

NEWLOX GOLD VENTURES CORP.

Management's Discussion and Analysis of Financial Conditions
For the Three Months Ended June 30, 2018 and 2017.



The following Management's Discussion and Analysis ("MD&A"), prepared as of August 29, 2018, should be read in conjunction with the unaudited condensed interim consolidated financial statements of Newlox Gold Ventures Corp. ("Newlox" or "the Company") for the three months ended June 30, 2018, together with the audited consolidated financial statements of the Company for the year ended March 31, 2018 and the accompanying MD&A for that fiscal year. The referenced financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. All financial amounts are stated in Canadian dollars unless stated otherwise.

Additional information relating to the Company and its operations is available under the Company's profile on SEDAR at www.sedar.com

This MD&A contains "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company, including but not limited to statements with respect to the Company's plans or future financial or operating performance, conclusions of economic assessments of projects, the timing and amount of estimated future production, costs of future production, future capital expenditures, costs and timing of the development of assets, success of activities, permitting time lines, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits, ability to generate sufficient revenue to fund expansion and dividend programs and future outcome of legal and tax matters.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate", "believe", "estimate", "expect", "budget", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

The statements reflect the current beliefs of the management of the Company and are based on the currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to international operations; risks related to general economic conditions and credit availability; uncertainty related to the resolution of legal disputes and lawsuits; actual results of current activities and unanticipated reclamation expenses; fluctuations in prices of gold and other commodities; fluctuations in foreign currency exchange rates; increases in market prices of consumables; possible variations in access to feedstock, grade or recovery rates; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; changes in national and local government regulation of operations, tax rules and regulations, and political and economic developments in countries in which the Company operates; as well as other factors. Additional information relating to the Company and its operations is available on SEDAR at sedar.com and on the Company's website at newloxgold.com

Forward-looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Management believes that the assumptions and expectations reflected in such forward-looking statements are reasonable. Assumptions have been made regarding, among other things: the Company's ability to carry on and expand its artisanal tailings reclamation activities, including construction; the timely receipt of required approvals, including the approvals required for expansion in new jurisdictions; the price of silver, gold and other metals; the Company's ability to operate in a safe, efficient and effective manner; prices for key processing supplies, including labour costs and consumables, remaining consistent with the Company's current expectations; reclamation and metal recovery meeting expectations and being consistent with estimates; plant, equipment and processes operating as anticipated; there being no material variations in the current tax and regulatory environment; the exchange rates among the Canadian dollar, the Costa Rican Colón, the Nicaraguan Córdoba and the United States dollar remaining consistent with current levels; the Company's ability to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions, which may have been used.

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Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except as, and to the extent required by, applicable securities laws.

This MD&A is the responsibility of management and has been reviewed and approved by the Board of Directors of the Company. All financial amounts are expressed in Canadian Dollars unless otherwise indicated.

OVERALL PERFORMANCE

Newlox Gold Ventures Corp. ("Newlox" or the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on April 7, 2011. The Company's office is located at 1875 Robson Street, Suite 1202, Vancouver, British Columbia, V6G 1E5, Canada. Newlox is a precious metal trading and environmental reclamation Technology Company pursuing business opportunities in Latin America with its shares listed on the Canadian Securities Exchange ("the CSE") under the symbol LUX and is quoted in Germany on the Frankfurt stock exchange under the symbol NGO.

The Company closed on its agreement to acquire all shares of Oro Roca S.A., a private Costa Rican company, on April 14th, 2014. The Company is working in collaboration with the Norman B. Keevil Institute of Mining Engineering at the University of British Columbia and, with its operations team in Central America; it has established an environmental reclamation and metals extraction operation and is now in the beginning stages of commercialization. Newlox, through its wholly owned subsidiary, Oro Roca SA, is applying innovative processing technologies to historical artisanal tailings to achieve precious metals extraction and soil remediation.

Newlox has completed the R&D and construction stages at its first tailings reclamation and reprocessing plant and is now undertaking final optimisation and commissioning with the objective of establishing commercial operations during the next fiscal year. Test production was conducted during the past fiscal year as part of the optimisation stage of development and served as a proof-of-concept. This testing resulted in the Company's first sales of internally generated precious metals.

The Company has established agreements with local artisanal mining cooperatives and individuals in the area of its operations to supply tailings originating from artisanal mining, which is the feedstock for Newlox's reclamation and reprocessing operation. These agreements should provide the Company with a steady supply of feedstock while established relationships with local and offshore jewellery manufacturers and refiners should allow the Company to sell precious metals at a discount of 3% or less from the SPOT gold price. Precious metals buyers are abundant in Latin America and around the world, therefore, management does not anticipate facing difficulty in the sale of the Company's products.

The longer-term objective of Newlox Gold Ventures Corp is to establish a dividend paying enterprise, which will allow its shareholders to participate in its equity value growth and potential to share in profits, all the while contributing to an environmental clean-up effort and setting a high standard of social responsibility.

ORO ROCA PROCESSING PLANT

Newlox Gold Ventures Corp's wholly owned subsidiary, Oro Roca S.A., has identified artisanal tailings material for reprocessing and reclamation using a processing technology designed in partnership with the Company's technical advisors at the Norman B. Keevil Institute of Mining Engineering at the University of British Columbia (UBC).

Research and development work began in 2014 when the Company commissioned extensive lab testing on artisanal tailings samples collected in Costa Rica. Initial results identified processing methods particularly suited to the Company's needs and recommended follow-up research to design a process to maximise the recovery of precious metals and deleterious materials present in the tailings originating from the historical processing by artisanal miners.

An optimisation study was instrumental in the design of Newlox's first processing facility. The optimisation study found that changes to the process flow sheet and reagents could deliver meaningful increases in process efficiency, exceeding their goal of 90% recovery in laboratory conditions.

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With positive results seen in research and recommendations for process design in hand, Newlox moved ahead and constructed its first processing facility in Costa Rica. In field testing and optimisation at this facility were undertaken during the financial year.

Newlox plans to begin steady-state commercial operations in the upcoming year. Management notes that satisfactory progress has been made in these efforts and congratulates the operations team on their ingenuity and diligence.

Once the Company's first reclamation project is fully operational and stabilised, Oro Roca, S.A. intends to deploy additional reclamation facilities at a number of identified project sites.

The Company continued developing its Oro Roca Processing Plant during the three months ended June 30, 2018. The Oro Roca Plant is in its final testing stage and it is expected it will reach productive operating status during the current year.

Stewart A. Jackson, Ph.D., P.Geo is the Qualified Person for the Company and reviews all technical disclosures.

RESULTS OF OPERATIONS

For the three months ended June 30, 2018

During the period ended June 30, 2018 the Company recorded a loss of \$225,086 compared to income of \$116,418 for the period ended June 30, 2017. The change in loss is due to the following.

- Consulting and management of \$105,576 (2017 - \$41,836) were related to the Company's president Ryan Jackson who had a more active role in the management of the leading the Company's marketing, investor relations, procurement, and corporate affairs departments and liaises with Newlox's technical advisors and consultants, ensuring the Company has adequate management in place to address the day-to-day affairs of the Company as well as plan and put into effect a cohesive corporate strategy.
- Professional fees of \$63,190 (2017 - \$5,301) increased due to increased legal fees
- Other income – sale of gross royalty of \$194,740 was recorded during the period ended June 30, 2017

SUMMARY OF QUARTERLY RESULTS

	Three Months Ended (\$)			
	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Total Revenues	-	-	-	-
Gross profit	-	-	-	-
Net income (loss)	(225,086)	(509,025)	337,749	(167,371)
Comprehensive income (loss)	(212,900)	(487,412)	330,921	(199,849)
Income (loss) Per Share (basic and diluted) ⁽¹⁾	(0.00)	(0.01)	0.00	(0.00)

	Three Months Ended (\$)			
	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
Total Revenues	-	-	-	-
Gross profit	-	-	-	-
Net loss	119,284	(1,820,366)	(198,157)	(97,974)
Comprehensive loss	116,418	(1,875,917)	(175,501)	(102,954)
Loss Per Share (basic and diluted) ⁽¹⁾	0.00	(0.00)	(0.00)	(0.00)

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During the last eight quarters, the Company's net loss has ranged between \$(1,820,366) and income of \$337,749. The Company losses and expenditures have generally decreased during this period as for the year ended March 31, 2017, the Company recognized an impairment charge on property, plant and equipment and intangible assets.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2018 the Company has financed its operations and met its capital requirements primarily through the issuance of capital stock by way of private placements and from the share revenue agreement. As at June 30, 2018, the Company had cash of \$55,761 representing a decrease of \$144,868 compared with cash of \$200,629 at March 31, 2018. The Company had a working capital deficiency of \$429,561 (2018 - \$165,357) and shareholders' deficit of \$138,638 (2018 - Equity of \$74,261) at June 30, 2018. The Company's working capital is not sufficient to cover expenditures for the next twelve months and therefore there is significant doubt about the Company's ability to continue as a going concern. The continuation of the Company as a going concern is dependent on its ability to complete financings that would raise working capital to levels sufficient enough to maintain operations and continue the development of its processing operations.

The Company continued developing its Oro Roca Processing Plant during the period ended June 30, 2018. The Oro Roca Plant is in its final testing stage and it is expected it will reach productive operating status during the current year.

As at June 30, 2018 other sources of funds potentially available to the Company are through the exercise of outstanding share purchase warrants.

In the future, the Company may have capital requirements in excess of its currently available resources and may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The Company's future capital requirements will depend on many factors, including, among others, the ability to produce commercial quantities of concentrate and sell below cost. Should the Company wish to pursue current and future business opportunities, additional funding will be required.

The Company believes that its current plans and requirements cannot be funded from existing cash on hand and it is necessary to raise additional working capital until such time as internal cash flow is generated from its operations.

To the extent that the Company continues to incur losses and its resources are insufficient to fund the Company until profitability is reached, the Company will need to raise additional funds through debt or equity financing. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may be required to delay expenditures or acquisitions.

FINANCING ACTIVITIES AND CAPITAL EXPENDITURES

The Company did not complete any financings during the period ended June 30, 2018.

On June 16, 2017, the Company issued 1,446,100 units at \$0.05 per unit for total proceeds of \$72,305 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at \$0.15 per share for a term of 3 years. The Company incurred \$5,385 in finder's fee for this private placement.

The Company purchased equipment of \$46,875 during the period ended June 30, 2018 compared to \$25,136 during the period ended June 30, 2017.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilise off-balance sheet arrangements.

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TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiary, which are related parties of the Company, have been eliminated on consolidation and are not disclosed. Details of transactions between the Company and other related parties, in addition to those transactions disclosed elsewhere in the consolidated financial statements are described as follows.

As at June 30, 2018 and March 31, 2018, the Company has the following amounts owing to related parties that are noninterest bearing, unsecured, and have no specified terms of repayment.

	June 30, 2018	March 31, 2018
	\$	\$
Due to a family member of the Company's President	11,826	8,806
Due to a director (also an officer) for management fees (b)	196,111	196,212
Due to a director (also an officer) for management fees and advances to the Company	215,271	209,262
Due to a director for management fees	1,056	1,056
Due to a company controlled by a former director for management fees	9,384	9,384
Due to Related Parties	433,648	424,720

Key management compensation consists of the following:

- a) During the three months ended June 30, 2018 the Company incurred management fees of \$41,376 (2017 - \$29,454), to a director and officer.
- b) During the three months ended June 30, 2018 the Company incurred management fees of \$13,547 (2017 - \$12,053), to a director and officer.

Compensation of Key Management Personnel

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and include the Directors, President and CFO. Compensation in respect of services provided by key management consists of consulting and management fees paid to companies controlled by the Directors, President and CFO, and by the issue of options. During the years ended June 30, 2018 and 2017, key management compensation was as described above.

ACCOUNTING POLICIES

The following accounting standards were adopted during the three months ended June 30, 2018:

IFRS 9, Financial Instruments

This standard replaces IAS 39 Financial Instruments: Recognition and Measurement and became effective for the Company on January 1, 2018. IFRS 9 includes requirements for classification and measurement of financial assets and financial liabilities, impairment methodology for financial instruments, and general hedge accounting. IFRS 9 has specific requirements for whether debt instruments are accounted for at amortized cost, fair value through other comprehensive income or fair value through profit or loss. IFRS 9 requires equity instruments to be measured at fair value through profit or loss unless an irrevocable election is made to measure them at fair value through other comprehensive income, which results in changes in fair value not being recycled to the income statement. The adoption of this standard did not have a material measurement or disclosure impact on the Company's consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers

This standard was issued in May 2014 and establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 became effective for the Company on January 1, 2018. The adoption of this standard did not have a material measurement or disclosure impact on the Company's

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consolidated financial statements.

The following standard has been issued but is not yet effective:

IFRS 16, Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact the new guidance is expected to have on its consolidated financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets and financial liabilities are measured subsequently as described below. The Company does not have any derivative financial instruments.

Foreign Currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates. The Company's exposure to currency risk is currently considered insignificant.

Commodity Price Risk

The Company's revenues, earnings, and cash flows are directly related to the volume and price of precious metals sold and are sensitive to changes in market prices over which it has little or no control. The Company does not utilise financial derivatives or other contracts to manage commodity price risks.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high-quality financial institutions and for trade receivables by performing standard credit checks. The credit risk for cash and accounts receivables is considered negligible since the counterparties are reputable banks with high-quality external credit ratings and customers with no history of default.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. There can be no assurance that the Company will be successful in generating and maintaining profitable operations or will be able to secure future debt or equity financing for its working capital and expansion activities.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interests on the Company's convertible debentures are based on fixed rates, and as such, the Company is not exposed to significant interest rate risk.

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OUTSTANDIGN SHARE DATA

The Company is authorised to issue an unlimited number of common shares without par value.

As at August 29, 2018 the Company had 71,694,014 common shares issued and outstanding.

As at August 29, 2018, the Company has 13,738,908 warrants outstanding and 5,018,580 options outstanding.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the period ended June 30, 2018 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors,

"Ryan Jackson"

Ryan Jackson

President and Chief Executive Officer

August 29, 2018.