

MANAGEMENT DISCUSSION AND ANALYSIS

DESCRIPTION OF BUSINESS

The Board of Directors of Newcastle Energy Corp. (the "Company") is pleased to present to its shareholders a summary of the Company's activities for the year ended April 30, 2017 and any other pertinent events subsequent to that date up to and including July 31, 2017. This Management Discussion and Analysis should be read in conjunction with the Company's financial statements for the year ended April 30, 2017.

The financial statements of the Company for the years ended April 30, 2017 and 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB")

All amounts are expressed in Canadian dollars unless otherwise indicated.

The Company is a "reporting issuer" in the provinces of British Columbia and Alberta. Until November 30, 2014, its common shares were listed on the TSX Venture Exchange under the trading symbol "NGY". On December 1, 2014 the Company's Tier classification changed from Tier 2 to NEX, the TSX Filing and Service Office changed from Vancouver to the NEX, and the trading symbol for the Company changed to "NGY.H".

OVERALL PERFORMANCE AND OUTLOOK

The Company is reviewing business opportunities with a view to regaining TSX Venture Tier II status.

LIQUIDITY AND CAPITAL RESOURCES

Newcastle Energy Corp. (the "Company") is currently on the NEX board of the TSX Venture Exchange as it does not have an active business. Its asset in common equity in Maha Energy AB was sold during the year, and the company's asset currently is cash.

The Company's ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Company to raise equity or debt financing and the attainment of profitable operations. However, as noted in the previous paragraph, the company has been successful in obtaining additional sources of finances in the past year.

During the second quarter the company disposed of 2,764,015 Maha shares for proceeds of \$3,503,686. The company recorded an unrealized gain on investment of CDN\$146,877, and \$1,489,505 realized gain on investment.

During the third quarter, the company sold its remaining 196,178 Maha shares for proceeds of \$291,520. As at January 31st 2017, the company had no investment in Maha shares. The company realized an overall realized gain of \$1,216,575 on its disposal of its total investment in Maha in the second and third quarters of 2017. The unrealized portion of the gain was transferred to realized gain.

The company has no debt.

RETURN OF CAPITAL

An annual and special meeting of the Company's shareholders was held on January 12, 2017. In addition to the standard items of business at general meetings, shareholders approved a special resolution to authorize the Board to proceed with a cash distribution to shareholders of \$0.50 per share as a return of capital. The proposal was approved by the requisite majority of shareholders represented at the Meeting in accordance with the Business Corporations Act (British Columbia).

On January 13, 2017, the TSX Venture Exchange issued a Bulletin giving final approval to the \$0.50 per share return of capital distribution announced by the Company on January 12, 2017. The record date for distribution was January 26, 2017. The common shares commenced trading on the Exchange on an ex-distribution basis effective from the open on January 27, 2017. The last trading day to purchase the common shares on the Exchange and be entitled to the distribution was January 26, 2017.

A more detailed discussion of the Distribution and the related tax consequences is contained within the Company's information circular for the Meeting. Generally speaking, a Canadian shareholder who received a pro-rata portion of the Distribution will have the adjusted cost base of their shares of the Company lowered by the amount of the money received from the Distribution. Notwithstanding the foregoing, it is recommended that all shareholders of the Company should seek their own advice concerning the tax consequences of the Distribution. No advance tax ruling has been sought or obtained by the Company from the Canada Revenue Agency concerning the tax consequences of the Distribution.

RESULTS OF OPERATIONS AND SUMMARY OF RESULTS

Newcastle Energy Corp. (the "Company") is currently on the NEX board of the TSX Venture Exchange as it does not have an active business. Its largest asset is cash having disposed of a substantial portion of its common equity in Maha Energy AB. The Company is reviewing business opportunities with a view to regaining TSX Venture Tier II status.

(a) Gross revenues

The Company had no operating revenues.

(b) Amortization

The Company has no depreciable assets.

(c) Quarterly Results

Basis of Preparation	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Quarter ended	4/30/2017	1/31/2017	10/31/2016	7/31/2016	4/30/2016	1/31/2016	10/31/2015	7/31/2015
Gain/(Loss) for the period	(50,539)	(74,895)	758,442	933,235	(2,688,465)	282,923	(37,324)	315,090
Basic and Diluted loss per share	0.26	0.01	0.26	0.15	(0.44)	0.05	(0.01)	0.05

Fourth Quarter 2017

For the quarter ended April 30, 2017, the company had a loss of \$50,539, (2016 \$2,688,465). Administration costs in the current quarter were \$80,476, compared with \$36,174 in the same period in 2016. The additional costs related to the sale of Maha shares, and expenses for the capital distribution, were for transfer agent \$9,054 (2016 \$2,535), legal expenses \$21,164 (2016 \$325), consulting fees \$15,000 (2016 \$Nil).

For the quarter ended April 30, 2016, the \$2,688,465 net loss is due to a write down of \$2,162,338 of the Maha share investment. This compares with the following for the quarter ended April 30, 2015, the \$587,155 comprehensive loss includes a write-off of \$541,223 foreign currency exchange gain of translation of Investment in Maha, an adjustment foreign exchange gain and unrealized gain on investment based on Maha market value.

Previous Quarters

For the quarter ended January 31, 2017 general and administrative expenses for the quarter were \$65,776, compared with \$31,254 in the same quarter of the previous year. The increase was primarily to a jump in legal fees - \$20,859 - relating the return of capital in the current period compared with \$2,662 in the third quarter of 2016. Transfer agent and shareholders information cost rose to \$11,078 compared with \$2,297 in the quarter a year earlier.

The same quarter in 2016 included an unrealized gain of \$314,177 as against a combined realized and unrealized gain and loss respectively of \$74,895 in the current quarter.

For the quarter ended October 31, 2016 administration costs were lower than the same quarter in the previous year by about \$8,000, due to a decrease consulting fees offset partially by an increase in legal costs. The most material change in the current quarter due to an unrealized gain on investment of \$980,259, and a realized loss of \$195,135 on the sale of Maha shares compared with an immaterial amount in the same quarter in previous year.

For the quarter ended July 31, 2016, the \$933,235 (2015 \$315,090) comprehensive gain is largely due to a \$871,726 (2015 342,861) unrealized gain on investment in Maha Energy Inc. due to foreign exchange rate appreciation the balance being applied to general maintenance costs. General and Administrative costs from the dropped slightly from \$27,771 in the same quarter in 2015 to \$21,545 in the current quarter

For the quarter ended April 30, 2016, the \$(2,688,465) net loss is due to a write down of \$2,162,338 of the Maha share investment. This compares with the following for the quarter ended April 30, 2015, the \$587,155 comprehensive loss includes a write-off of \$541,223 foreign currency exchange gain of translation of Investment in Maha, an adjustment foreign exchange gain and unrealized gain on investment based on Maha market value. Administration costs in the quarter for both 2015 and 2016 Previous were about \$30,000, since the company was on care and maintenance during both periods.

For the quarter ended January 31, 2016, the \$282,923 net gain is largely due to \$314,177 unrealized gain on investment in Maha.

For the quarter ended October 31, 2015, the \$37,324 net loss is the cost of regular administration costs, legal, filing fees.

For the quarter ended July 31, 2015, the \$315,090 comprehensive gain is largely due to a \$342,861 unrealized gain on investment in Maha Energy Inc. due to foreign exchange rate appreciation the balance being applied to general maintenance costs.

SELECTED FINANCIAL INFORMATION

Newcastle Energy Corp.
Management's Discussion and Analysis
For the Year Ended April 30, 2017

	April 30, 2017	April 30, 2016	April 30, 2015
Total Interest and Other Income	\$41,509	\$nil	\$nil
Comprehensive Income/ (Loss)	\$1,566,243	\$(2,127,776)	\$(135,815)
Net gain (loss) per share, basic and diluted	0.26	(0.35)	(0.02)

In 2017, the \$1,566,243 net gain for the year comprises a gain of \$1,216,574 on the sale of the Maha shares and a realized foreign exchange gain of \$506,496 on the same investment, and includes \$198,336 in administrative expenses.

In 2016, the \$2,127,776 comprehensive loss includes a net unrealized loss on investment in Maha Energy of \$1,999,007, and includes \$21,447 of accounting, legal and audit fees, \$40,587 wages and salaries, and \$30,000 in consulting and management fees of administrative expenses.

In 2015, the \$135,815 comprehensive loss includes \$40,019 of accounting, legal and audit fee, \$39,692 wages and salaries, \$33,000 consulting and management fees of administrative expenses, a \$70,906 loss on disposal of 250,000 of Maha Energy Inc. ("Maha") shares, and a \$78,909 gain on foreign currency translation.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements at the time of this management discussion and analysis.

FINANCIAL INSTRUMENTS AND RISK

As at April 30, 2017, the Company's financial instruments consist of cash, restricted cash, investment in Maha, and accounts payable.

The fair values of these financial instruments approximate their carrying values because of their current nature.

	April 30, 2017	April 30, 2016
	\$	\$
<i>Financial Assets:</i>		
Fair value through profit or loss	974,493	2,296,510
<i>Financial Liabilities:</i>		
Fair value through profit or loss	246,640	86,515

IFRS 7 Financial Instruments – Disclosures, establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 7 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.

Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e. quoted prices for similar assets or liabilities).

Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable.

Financial assets and liabilities measured at fair value on a recurring basis are presented on the Company's statement of financial position as of April 30, 2017 as follows:

	Balance, April 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	\$	\$	\$	\$
<i>Financial Assets:</i>				
Cash and cash equivalents	974,493	974,493	-	-
Short-term investment	-	-	-	-

The Company believes that the recorded values of accounts payable approximate their current fair values because of their nature and relatively short maturity dates or durations and current market rates for similar instruments.

The Company thoroughly examines the various financial instrument risks to which it is exposed, and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and

monitored by management. There have not been any significant changes from the previous year as to how these risks are reviewed and monitored by management. The types of financial instrument risk exposures and the objectives and policies for managing these risks exposures is described below:

Currency risk

As at April 30, 2017, the Company's expenditures are predominantly in Canadian dollars.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest bearing accounts.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through its management of capital as outlined in note 7 to the consolidated financial statements. Accounts payable and accrued liabilities are due within the current operating period. The Company is in the process of securing a new project. It remains dependent on future equity financings to meet the working capital deficiency and finance operations for the next 12 months, and is currently in the process of seeking capital.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of its cash and cash equivalents.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and commodity prices. The Company is exposed to market risk in trading its investment in Maha shares, and unfavourable market conditions could result in dispositions of investment at less than favourable prices.

Additionally, in accordance with IFRS 9, the Company is required to fair value its investments at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position. Management closely monitors the stock market to determine the appropriate course of action to be taken by the Company.

As at April 30, 2017 the company had no investments which would give exposure to market risk, having disposed of all of its Maha shares.

NEW ACCOUNTING STANDARDS

New accounting standards adopted effective May 1, 2016

The following standards were adopted for year ended April 30, 2017:

Amendments to IAS 1 – Presentation of Financial Statements
Amendments to IAS 16 – Property, Plant and Equipment
IFRS 10 – Consolidated Financial Statements.

The following standard will be adopted by the Company effective May 1, 2017:

IAS 7 'Statement of Cash Flows': In January 2016, the IASB issued an amendment to IAS 7 Statement of Cash Flows. The amendment to IAS 7 requires additional disclosures for changes in liabilities arising from financing activities. This includes changes arising from cash flows, such as drawdowns and repayments of borrowings, and non-cash changes, such as acquisitions, disposals and unrealized exchange differences. The amendment is effective for fiscal years beginning on or after January 1, 2017, and is applied on a prospective basis. The adoption of this standard is not expected to have a material impact on the company's disclosures.

Accounting standards and amendments issued but not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended April 30, 2017 and have not been applied in preparing these consolidated financial statements

The following standards will be adopted by the Company effective May 1, 2018:

IFRS 2 'Share-based payments': In June 2016, the IASB issued the final amendments to IFRS 2 Share-based payments that clarify the classification and measurement of share-based payment transactions. This includes the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are to be applied prospectively and are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Company is currently assessing the impact of this standard.

IFRS 15 'Revenue from Contracts with Customers': In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

IFRS 9 'Financial Instruments': The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments.

IFRS 16 'Leases': IFRS 16 will be effective for accounting periods beginning on or after January 1, 2019. Early adoption will be permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change. Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

(a) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same table entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

(b) Going concern

Determining if the Company can continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will achieve profitable operation.

RELATED PARTY TRANSACTIONS

(a) Key Management Compensation

		2017		2016
Consulting Fees	\$	30,000	\$	-
Management Fees		5,000		30,000
Wages and salaries		24,000		24,000
	\$	59,000	\$	54,000

The Company has identified its directors and senior officers as its key management personnel.

(b) Other Related Party Transactions

The Company pays \$1,000 per month in rent to an arms-length Company that has a director and an officer in common.

(c) Related Party Balances

In the normal course of operations, the Company transacts with its directors or officers. All amounts payable to them are non-interest bearing, unsecured and due on demand. At April 30, 2017, accounts payable and accrued liabilities included \$5,000 (2016 – \$45,000) in amounts owing to directors and officer, and \$1,000 (2016 - \$Nil) owing to a Company with directors in common.

PROPOSED TRANSACTIONS

None

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with international financial reporting standards. Lack of optimal segregation of duties has been observed due to the relatively small size of the Company, but management believes that these weaknesses have been adequately mitigated through management oversight, compensation controls, and a strong control environment.

DISCLAIMER

This Management Discussion and Analysis contains several forward-looking statements. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Management's analysis only as of the date hereof. Readers should be aware the Company is under no obligation to publicly release the results of any revision to these forward-looking statements, which may not reflect circumstances, or occurrences of unanticipated events after the date of this document.

Additional information is available on SEDAR at www.sedar.com and at the Company's web site at www.newcastleenergy.com.

SCHEDULE OF SHARE CAPITAL

	As of the date of this Report
Common Shares outstanding	6,086,577
Warrants outstanding	1,211,363
Fully diluted share capital	7,297,940

The Company's directors and officers as at the date of this report are:

Directors:	Officers:	Title
Allen Wilson	Allen Wilson	Chief Executive Officer
John Lush	Robin Peterson	Chief Financial Officer
Robin Peterson		
Stephen Kenwood		

On February 7th, the Company announced that Mr. Greg Amor resigned from the Board of Directors, and as an officer of the company on the same day. The Company thanked Mr. Amor for his contribution to the company while on the Board and wished him well with his future endeavors. Mr. Allen Wilson, currently a Director of the Company, accepted the position of Chief Executive Officer filling the vacancy created by Mr. Amor's resignation.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com